March 16, 2007

ENGROSSED
SENATE BILL No. 526

DIGEST OF SB 526 (Updated March 14, 2007 11:07 am - DI 109)

Citations Affected: Numerous provisions throughout the Indiana Code.

Synopsis: Recodifies the law governing higher education. Changes references in provisions that cross reference to the law being recodified. Makes related changes. Repeals obsolete provisions. (The introduced version of this bill was prepared by the code revision commission.)

Effective: July 1, 2007.

Landske

(HOUSE SPONSORS — VAN HAAFTEN, FOLEY, KUZMAN, BEHNING)

January 23, 2007, read first time and referred to Committee on Education and Career Development.
February 15, 2007, amended, reported favorably — Do Pass.
February 19, 2007, read second time, ordered engrossed. Engrossed.
February 22, 2007, read third time, passed. Yeas 49, nays 0.

HOUSE ACTION

February 27, 2007, read first time and referred to Committee on Education.
March 15, 2007, amended, reported — Do Pass.

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March 16, 2007

First Regular Session 115th General Assembly (2007)

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 2006 Regular Session of the General Assembly.

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ENGROSSED
SENATE BILL No. 526

A BILL FOR AN ACT to amend the Indiana Code concerning education.

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

SECTION 1. IC 1-1-3.5-5, AS AMENDED BY P.L.141-2006, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. (a) The governor shall forward a copy of the executive order issued under section 3 of this chapter to:

(1) the director of the Indiana state library;

(2) the election division; and

(3) the Indiana Register.

(b) The director of the Indiana state library, or an employee of the Indiana state library designated by the director to supervise a state data center established under IC 4-23-7.1, shall notify each state agency using population counts as a basis for the distribution of funds or services of the effective date of the tabulation of population or corrected population count.

(c) The agencies that the director of the Indiana state library must notify under subsection (b) include the following:

(1) The auditor of state, for distribution of money from the following:

(A) The cigarette tax fund in accordance with IC 6-7-1-30.1.
(B) Excise tax revenue allocated under IC 7.1-4-7-8.
(C) The local road and street account in accordance with IC 8-14-2-4.
(D) The repayment of loans from the Indiana University permanent endowment funds under ~~IC 21-7-4.~~ **IC 21-7-14.**

(2) The board of trustees of Ivy Tech Community College ~~of Indiana,~~ for the board's division of Indiana into service regions under ~~IC 20-12-61-9.~~ **IC 21-22-6-1.**

(3) The lieutenant governor, for the distribution of money from the rural development fund under IC 4-4-9.

(4) The division of disability and rehabilitative services, for establishing priorities for community residential facilities under IC 12-11-1.1 and IC 12-28-4-12.

(5) The department of state revenue, for distribution of money from the motor vehicle highway account fund under IC 8-14-1-3.

(6) The Indiana economic development corporation, for the evaluation of enterprise zone applications under IC 5-28-15.

(7) The alcohol and tobacco commission, for the issuance of permits under IC 7.1.

(8) The Indiana library and historical board, for distribution of money to eligible public library districts under IC 4-23-7.1-29.

(9) The state board of accounts, for calculating the state share of salaries paid under IC 33-38-5, IC 33-39-6, and IC 33-41-2.

SECTION 2. IC 1-1-4-7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 7. A reference in the Indiana Code to a state educational institution refers to a state educational institution (as defined in IC 21-7-13-32).**

SECTION 3. IC 1-2-12-4, AS ADDED BY P.L.164-2005, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. (a) The selection committee consists of the following eight (8) members:

(1) Seven (7) members selected by the commission who represent state ~~supported~~ **educational institutions** and private ~~institutions of higher education.~~ **postsecondary educational institutions.**

(2) The executive director of the commission.

(b) The president of each of the institutions selected under subsection (a)(1) shall name a faculty member to serve on the selection committee. The faculty member must:

(1) be a member of the fine arts or English department of the institution; and

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(2) teach writing.

(c) The executive director of the commission:

(1) is the chair of; and

(2) shall establish the meeting times and dates for;

the selection committee.

SECTION 4. IC 2-2.1-3-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. As used in this chapter, and unless the context clearly denotes otherwise:

(a) "Close relative" means a person related to the person filing the statement or to his spouse as a son, daughter, grandson, granddaughter, great-grandson, great-granddaughter, father, mother, grandfather, grandmother, great-grandfather, great-grandmother, brother, sister, nephew, niece, uncle, or aunt. Relatives by adoption, half-blood, marriage, or remarriage shall be treated as relatives of whole kinship.

(b) "Committee" means the house legislative ethics committee, or the senate legislative ethics committee, or both of them.

(c) "Compensation" means any money, thing of value, or economic benefit conferred on, or received by, any person in return for services rendered, or for services to be rendered, whether by that person or another.

(d) "Contribution" means any advance, conveyance, deposit, distribution, transfer of funds, loan, payment, gift, pledge, or subscription of money or anything of value, and any contract, agreement, promise, or other obligation, whether or not legally enforceable, to make a contribution in support of any candidate for the house of representatives or senate. The term "contribution" does not include services by speakers, writers, publishers, or others for which no compensation is asked or given.

(e) "Employer" means any person or entity from whom the member of or candidate for the general assembly or his spouse received more than thirty-three percent (33%) of his nonlegislative income.

(f) "Family business" means a corporation in which the member of or candidate for the general assembly and his spouse own at least eighty percent (80%) of the voting stock, regardless of whether all or a portion is owned jointly or severally.

(g) "House" means the Indiana house of representatives.

(h) "Information of a confidential nature" means information obtained by reason of the position or office held and which information has not been, or will not be, communicated to the general public.

(i) "Legislative matter" means any bill, resolution, or other issue or proposal presented in, or considered by, the house or senate or any committee or subcommittee thereof.

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(j) "Lobbyist" means any person, firm, corporation, limited liability company, or association registered under IC 2-7-2.

(k) "Person or entity" means any individual, proprietorship, limited liability company, partnership, unincorporated association, trust, business trust, group, or corporation, whether or not operated for profit, or a governmental agency or political subdivision.

(l) "Senate" means the Indiana senate.

(m) "State agency" means any department, commission, council, board, bureau, division, service, office, officer, administration, or other establishment in the executive or administrative branch of state government. The term "state agency" does not include state ~~supported colleges or universities~~ **educational institutions** or the agencies of any municipality or political subdivision of the state.

(n) The masculine gender includes the masculine and feminine.

(o) The singular form of any noun includes the plural wherever appropriate.

SECTION 5. IC 2-7-1-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 13. "Public employee" means an employee of the state or federal government or a political subdivision of either of those governments and does include an official or employee of ~~any university, college or other educational institution, presently existing or hereafter established in Indiana, for the purpose of providing programs of collegiate or university education or other post-high school education and which is supported in whole or in part by appropriations made by the general assembly.~~ **a state educational institution.**

SECTION 6. IC 2-7-1-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 14. "Public official" means an individual who holds office in the executive, judicial, or legislative branch of the state or federal government or a political subdivision of either of those governments and includes an official or employee of ~~any university, college or other educational institution, presently existing or hereafter established in Indiana, for the purpose of providing programs of collegiate or university education or other post-high school education and which is supported in whole or in part by appropriations made by the general assembly.~~ **a state educational institution.**

SECTION 7. IC 3-6-3.7-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. In addition to performing the duties related to elections specified in this title, the secretary of state, with the consent of the co-directors of the election division shall do the following:

(1) Work with the federal Election Assistance Commission to

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encourage students enrolled at ~~institutions of higher education~~ **postsecondary educational institutions** (including community colleges) to assist state and local governments in the administration of elections by serving as nonpartisan poll workers or assistants.

(2) Consult with the federal Election Assistance Commission in the development of materials, seminars, and advertising targeted at students to implement the Help America Vote College Program conducted by the Election Assistance Commission under 42 U.S.C. 15521.

(3) Consult with the Help America Vote Foundation established under 36 U.S.C. 1526 in developing programs to encourage secondary school students (including students educated in the home) to participate in the election process in a nonpartisan manner as poll workers or assistants to local election officials in precinct polling places.

(4) Consult and coordinate with (and provide administrative support to) the co-directors of the election division in the development and implementation of the state plan under HAVA (42 U.S.C. 15401 through 15406).

(5) Perform all duties required to be performed by the state or the chief state election official under HAVA.

SECTION 8. IC 3-6-3.7-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. The secretary of state may develop programs to encourage Indiana secondary school students and students in **postsecondary educational** institutions ~~of higher education~~ in Indiana to assist state and local governments in the administration of elections.

SECTION 9. IC 3-6-5-23 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 23. (a) A county election board may appoint and at its pleasure remove clerks, custodians, and other employees that are necessary in the execution of its powers. The county election board may determine the duties, rank, and salaries of its appointees.

(b) The county election board may employ students enrolled at ~~institutions of higher education~~ **postsecondary educational institutions** (including community colleges) to assist in the administration of elections by serving as nonpartisan assistants, in accordance with the requirements of the Help America Vote College Program conducted by the Election Assistance Commission under 42 U.S.C. 15521.

SECTION 10. IC 3-6-6-13 IS AMENDED TO READ AS

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FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 13. (a) A county election board shall fill a vacancy in a precinct election office before the hour set for the opening of the polls, upon the nomination of the appropriate county chairman.

(b) This subsection applies to a precinct election office when, at noon, fourteen (14) days before election day, the appropriate county chairman has made no nomination for the office. The county election board, by majority vote of the board, may fill the office by appointing an individual who would be eligible to serve in the office if nominated by the county chairman.

(c) If a vacancy is filled by the county election board under subsection (b), the board may, by unanimous vote of the entire membership of the board, fill the office by appointing a student:

(1) enrolled at ~~an institution of higher education~~ **a postsecondary educational institution** (including a community college); and

(2) who is a registered voter of the county;

to serve as a nonpartisan precinct election officer.

SECTION 11. IC 3-7-24-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. Each state educational institution ~~(as defined in IC 20-12-0.5-1)~~ is a distribution site for registration by mail forms.

SECTION 12. IC 3-11.5-5-26 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 26. A county election board may contract with a state educational institution ~~(as defined in IC 20-12-0.5-1)~~ to dispose of the ballots. The contract must provide that:

(1) the ballots will be used by the state educational institution to conduct election research; and

(2) the state educational institution may not receive any ballots under this subsection until the period for retention under IC 3-10-1-31 or IC 3-10-1-31.1 has expired.

SECTION 13. IC 3-11.5-6-29 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 29. A county election board may contract with a state educational institution (as defined in IC 20-12-0.5-1) to dispose of the ballots. The contract must provide that:

(1) the ballots will be used by the state educational institution to conduct election research; and

(2) the state educational institution may not receive any ballots under this subsection until the period for retention under IC 3-10-1-31 or IC 3-10-1-31.1 has expired.

SECTION 14. IC 3-11.7-5-27 IS AMENDED TO READ AS

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FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 27. A county election board may contract with a state educational institution ~~(as defined in IC 20-12-0.5-1)~~ to dispose of the ballots. The contract must provide that:

(1) the ballots will be used by the state educational institution to conduct election research; and

(2) the state educational institution may not receive any ballots under this section until the period for retention under IC 3-10-1-31 or IC 3-10-1-31.1 has expired.

SECTION 15. IC 3-12-2-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 12. (a) The circuit court clerk shall preserve the receptacle containing the envelope or bag in the clerk's office for the period required under IC 3-10-1-31 or IC 3-10-1-31.1. However, if the election is contested, then the clerk shall preserve the receptacle containing the envelope or bag as long as the contest is undetermined. During those periods the clerk shall keep the receptacle securely locked, subject only to an order of the court trying a contest.

(b) When permitted under IC 3-10-1-31 or IC 3-10-1-31.1, the clerk and county election board member of the opposite political party shall remove the envelope or bag from the receptacle and destroy the envelope or bag.

(c) A county election board may contract with a state educational institution ~~(as defined in IC 20-12-0.5-1)~~ to dispose of ballots. The contract must provide that:

(1) the ballots will be used by the state educational institution to conduct election research; and

(2) the state educational institution may not receive any ballots under this subsection until the period for retention under IC 3-10-1-31 or IC 3-10-1-31.1 has expired.

SECTION 16. IC 3-12-4-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. (a) Each county election board may employ clerical assistants if necessary for the proper canvassing and tabulating of the vote. However, except as provided in subsection (d), not more than one-half (1/2) of the assistants employed by the board may be members of the same political party.

(b) The county election board shall appoint the number of two (2) member write-in teams that are necessary to examine and count write-in votes cast on ballot card voting systems on election night. The county chairmen of the two (2) major political parties of a county shall each designate one (1) member of each write-in team. The write-in

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teams are considered employees of the county canvassing board and must meet the qualifications of canvassing board employees.

(c) Except as provided in subsection (d), a county election board may not employ a person to assist with canvassing unless the person would be eligible to serve as a precinct election officer under IC 3-6-6-7.

(d) The county election board may, by unanimous vote of the entire membership of the board, employ a student to assist the board under this section if the student is:

(1) enrolled at ~~an institution of higher education~~ **a postsecondary educational institution** (including a community college); and

(2) a registered voter of the county.

A student appointed under this subsection must serve the board in a nonpartisan manner.

SECTION 17. IC 4-1-6-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. As used in this chapter, the term:

(a) "Personal information system" means any recordkeeping process, whether automated or manual, containing personal information and the name, personal number, or other identifying particulars of a data subject.

(b) "Personal information" means any information that describes, locates, or indexes anything about an individual or that affords a basis for inferring personal characteristics about an individual including, but not limited to, his education, financial transactions, medical history, criminal or employment records, finger and voice prints, photographs, or his presence, registration, or membership in an organization or activity or admission to an institution.

(c) "Data subject" means an individual about whom personal information is indexed or may be located under his name, personal number, or other identifiable particulars, in a personal information system.

(d) "State agency" means every agency, board, commission, department, bureau, or other entity of the administrative branch of Indiana state government, except those which are the responsibility of the auditor of state, treasurer of state, secretary of state, attorney general, superintendent of public instruction, and excepting the department of state police and ~~the state-supported~~ **state educational** institutions. ~~of higher education.~~

(e) "Confidential" means information which has been so designated by statute or by promulgated rule or regulation based on statutory authority.

SECTION 18. IC 4-1-10-2, AS ADDED BY P.L.91-2005,

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SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. As used in this chapter, "state agency" means an authority, a board, a branch, a commission, a committee, a department, a division, or another instrumentality of the executive, including the administrative, department of state government. Except as provided in subdivision (4), the term does not include the judicial or legislative department of state government. The term includes the following:

(1) A state elected official's office.

(2) A state educational institution. ~~(as defined in IC 20-12-0.5-1).~~

(3) A body corporate and politic of the state created by state statute.

(4) The Indiana lobby registration commission established by IC 2-7-1.6-1.

SECTION 19. IC 4-2-6-1, AS AMENDED BY P.L.89-2006, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. (a) As used in this chapter, and unless the context clearly denotes otherwise:

(1) "Advisory body" means an authority, a board, a commission, a committee, a task force, or other body designated by any name of the executive department that is authorized only to make nonbinding recommendations.

(2) "Agency" means an authority, a board, a branch, a bureau, a commission, a committee, a council, a department, a division, an office, a service, or other instrumentality of the executive, including the administrative, department of state government. The term includes a body corporate and politic set up as an instrumentality of the state and a private, nonprofit, government related corporation. The term does not include any of the following:

(A) The judicial department of state government.

(B) The legislative department of state government.

(C) A state educational institution. ~~(as defined in IC 20-12-0.5-1).~~

(D) A political subdivision.

(3) "Appointing authority" means the chief administrative officer of an agency. The term does not include a state officer.

(4) "Assist" means to:

(A) help;

(B) aid;

(C) advise; or

(D) furnish information to;

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a person. The term includes an offer to do any of the actions in clauses (A) through (D).

(5) "Business relationship" includes the following:

(A) Dealings of a person with an agency seeking, obtaining, establishing, maintaining, or implementing:

(i) a pecuniary interest in a contract or purchase with the agency; or

(ii) a license or permit requiring the exercise of judgment or discretion by the agency.

(B) The relationship a lobbyist has with an agency.

(C) The relationship an unregistered lobbyist has with an agency.

(6) "Commission" refers to the state ethics commission created under section 2 of this chapter.

(7) "Compensation" means any money, thing of value, or financial benefit conferred on, or received by, any person in return for services rendered, or for services to be rendered, whether by that person or another.

(8) "Employee" means an individual, other than a state officer, who is employed by an agency on a full-time, a part-time, a temporary, an intermittent, or an hourly basis. The term includes an individual who contracts with an agency for personal services.

(9) "Employer" means any person from whom a state officer or employee or the officer's or employee's spouse received compensation. For purposes of this chapter, a customer or client of a self-employed individual in a sole proprietorship or a professional practice is not considered to be an employer.

(10) "Financial interest" means an interest:

(A) in a purchase, sale, lease, contract, option, or other transaction between an agency and any person; or

(B) involving property or services.

The term includes an interest arising from employment or prospective employment for which negotiations have begun. The term does not include an interest of a state officer or employee in the common stock of a corporation unless the combined holdings in the corporation of the state officer or the employee, that individual's spouse, and that individual's unemancipated children are more than one percent (1%) of the outstanding shares of the common stock of the corporation. The term does not include an interest that is not greater than the interest of the general public or any state officer or any state employee.

(11) "Information of a confidential nature" means information:

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(A) obtained by reason of the position or office held; and
(B) which:
(i) a public agency is prohibited from disclosing under IC 5-14-3-4(a);
(ii) a public agency has the discretion not to disclose under IC 5-14-3-4(b) and that the agency has not disclosed; or
(iii) is not in a public record, but if it were, would be confidential.

(12) "Person" means any individual, proprietorship, partnership, unincorporated association, trust, business trust, group, limited liability company, or corporation, whether or not operated for profit, or a governmental agency or political subdivision.

(13) "Political subdivision" means a county, city, town, township, school district, municipal corporation, special taxing district, or other local instrumentality. The term includes an officer of a political subdivision.

(14) "Property" has the meaning set forth in IC 35-41-1-23.

(15) "Represent" means to do any of the following on behalf of a person:
(A) Attend an agency proceeding.
(B) Write a letter.
(C) Communicate with an employee of an agency.

(16) "Special state appointee" means a person who is:
(A) not a state officer or employee; and
(B) elected or appointed to an authority, a board, a commission, a committee, a council, a task force, or other body designated by any name that:
(i) is authorized by statute or executive order; and
(ii) functions in a policy or an advisory role in the executive (including the administrative) department of state government, including a separate body corporate and politic.

(17) "State officer" means any of the following:
(A) The governor.
(B) The lieutenant governor.
(C) The secretary of state.
(D) The auditor of state.
(E) The treasurer of state.
(F) The attorney general.
(G) The superintendent of public instruction.

(18) The masculine gender includes the masculine and feminine.

(19) The singular form of any noun includes the plural wherever appropriate.

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(b) The definitions in IC 4-2-7 apply throughout this chapter.

SECTION 20. IC 4-4-10.9-6.2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6.2. (a) "Educational facility project" includes:

(1) the acquisition of land, site improvements, infrastructure improvements, buildings, or structures, the rehabilitation, renovation, and enlargement of buildings and structures, machinery, equipment, furnishings, or facilities (or any combination of these):

(A) comprising or being functionally related and subordinate to any aquaria, botanical societies, historical societies, libraries, museums, performing arts associations or societies, scientific societies, zoological societies, and independent elementary, secondary, or postsecondary ~~schools~~ **educational institution** (or any combination of these) that engages in the cultural, intellectual, scientific, educational, or artistic enrichment of the people of the state the development or expansion of which serves the purposes set forth in IC 4-4-11-2;

(B) is not used or to be used primarily for sectarian instruction or study or as a place for devotional activities; and

(C) is not used or to be used primarily in connection with any part of the program of a school or department of divinity for any religious denomination; or

(2) funding (including reimbursement or refinancing) by a nonprofit organization described in subsection (b) of:

(A) real property and improvements;

(B) personal property; or

(C) noncapital costs to fund a judgment, a settlement, or other cost or liability, other than an ordinary and recurring operating cost or expenditure.

(b) For purposes of subsection (a)(2), a nonprofit organization must be:

(1) qualified as tax exempt under Section 501(c)(3) of the Internal Revenue Code; and

(2) have headquarters or a primary educational or exhibit facility located on property owned by or titled in the name of the state of Indiana or an agency, a commission, or an instrumentality of the state of Indiana that serves the purposes set forth in IC 4-4-11-2.

SECTION 21. IC 4-4-11-14.5, AS ADDED BY P.L.235-2005, SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 14.5. ~~(a) As used in this section, "state educational~~

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~~institution" has the meaning set forth in IC 20-12-0.5-1.~~

~~(b)~~ The authority, after consulting with the treasurer of state, the Indiana bond bank, the budget agency, and the ~~Indiana~~ commission for higher education, shall establish and periodically update a state debt management plan. The plan must include at least the following provisions with respect to debt issued or to be issued by the authority, other bodies corporate and politic of the state, and state educational institutions:

(1) An inventory of existing debt.

(2) Projections of future debt obligations.

(3) Recommended criteria for the appropriate use of debt as a means to finance capital projects.

(4) Recommended strategies to minimize costs associated with debt issuance.

(5) An analysis of the impact of debt issued by all bodies corporate and politic and state educational institutions on the state budget.

(6) Recommended guidelines for the prudent issuance of debt that creates a moral obligation of the state to pay all or part of the debt.

(7) Recommended policies for the investment of:

(A) proceeds of bonds, notes, or other obligations issued by bodies corporate and politic and state educational institutions; and

(B) other money, funds, and accounts owned or held by a body corporate and politic.

(8) Recommended policies for the establishment of a system of record keeping and reporting to meet the arbitrage rebate compliance requirements of the Internal Revenue Code.

(9) Recommended policies for the preparation of financial disclosure documents, including official statements accompanying debt issues, comprehensive annual financial reports, and continuing disclosure statements. The recommended policies must include a provision for approval by the budget director of any statements or reports that include a discussion of the state's economic and fiscal condition.

(10) Potential opportunities to more effectively and efficiently authorize and manage debt.

(11) Recommendations to the budget director, the governor, and the general assembly with respect to financing of capital projects.

The recommendations to the general assembly under subdivision (11) must be in an electronic format under IC 5-14-6.

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SECTION 22. IC 4-4-11.5-7.2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 7.2. As used in this chapter, "ISMEL" refers to the Indiana secondary market for education loans, incorporated, designated by the governor under IC 20-12-21.2-2 **(before its repeal) or IC 21-16-5-1.**

SECTION 23. IC 4-4-28-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. As used in this chapter, "individual development account" means an account in a financial institution administered by a community development corporation that allows a qualifying individual to deposit money:

(1) to be matched by the state, financial institutions, corporations, and other entities; and

(2) that will be used by the qualifying individual for one (1) or more of the following:

(A) To pay for costs (including tuition, laboratory costs, books, computer costs, and other costs associated with attendance) at an accredited ~~institution of higher education,~~ **postsecondary educational institution** or a vocational school **that is not a postsecondary educational institution,** for the individual or for a dependent of the individual.

(B) To pay for the costs (including tuition, laboratory costs, books, computer costs, and other costs) associated with an accredited or a licensed training program that may lead to employment for the individual or for a dependent of the individual.

(C) To purchase a primary residence for the individual or for a dependent of the individual or to reduce the principal amount owed on a primary residence that was purchased by the individual or a dependent of the individual with money from an individual development account.

(D) To begin or to purchase part or all of a business or to expand an existing small business.

SECTION 24. IC 4-4-28-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 16. (a) Money withdrawn from an individual's account is not subject to taxation under IC 6-3-1 through IC 6-3-7 if the money is used for at least one (1) of the following:

(1) To pay for costs (including tuition, laboratory costs, books, computer costs, and other costs) at an accredited ~~institution of higher education,~~ **postsecondary educational institution** or a vocational school **that is not a postsecondary educational institution** for the individual or for a dependent of the individual.

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(2) To pay for the costs (including tuition, laboratory costs, books, computer costs, and other costs) associated with an accredited or a licensed training program that may lead to employment for the individual or for a dependent of the individual.

(3) To purchase a primary residence for the individual or for a dependent of the individual or to reduce the principal amount owed on a primary residence that was purchased by the individual or a dependent of the individual with money from an individual development account.

(4) To begin or to purchase part or all of a business or to expand an existing small business.

(b) At the time of requesting authorization under section 15 of this chapter to withdraw money from an individual's account under subsection (a)(4), the individual must provide the community development corporation with a business plan that:

(1) is approved by:

(A) a financial institution; or

(B) a nonprofit loan fund that has demonstrated fiduciary stability;

(2) includes a description of services or goods to be sold, a marketing plan, and projected financial statements; and

(3) may require the individual to obtain the assistance of an experienced business advisor.

SECTION 25. IC 4-4-32-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. The fund board may establish and administer a grant office to assist state agencies, units of local government, ~~public and private colleges and universities,~~ **postsecondary educational institutions,** private sector for-profit and nonprofit entities, and other entities in Indiana in researching, developing, and receiving grants and funding from:

(1) the federal government;

(2) private foundations; or

(3) any other source of funding.

SECTION 26. IC 4-4-32-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. The office may establish and maintain a list of all:

(1) Indiana state and local governmental entities;

(2) ~~public and private colleges and universities,~~ **postsecondary educational institutions;** and

(3) private sector for-profit and nonprofit entities;

that are actively seeking research and development money and may benefit from assistance in acquiring research and development funding

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from a source described in section 3 of this chapter.

SECTION 27. IC 4-12-1-13, AS AMENDED BY P.L.1-2005, SECTION 58, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 13. (a) During the interval between sessions of the general assembly, the budget agency shall make regular or, at the request of the governor, special inspections of the respective institutions of the state supported by public funds. The budget agency shall report regularly to the governor relative to the physical condition of such institutions, and any contemplated action of the institution on a new or important matter, and on any other subject which such agency may deem pertinent or on which the governor may require information. The budget agency shall likewise familiarize itself with the best and approved practices in each of such institutions and supply such information to other institutions to make their operation more efficient and economical.

(b) Except as to officers and employees of ~~universities and colleges supported in whole or in part by state funds,~~ **state educational institutions,** the executive secretary of the governor, the administrative assistants to the governor, the elected officials, and persons whose salaries or compensation are fixed by the governor pursuant to law, the annual compensation of all persons employed by agencies of the state shall be subject to the approval of the budget agency. Except as otherwise provided by IC 4-15-1.8 and IC 4-15-2, the budget agency shall establish classifications and schedules for fixing compensation, salaries and wages of all classes and types of employees of any state agency or state agencies, and any and all other such classifications affecting compensation as the budget agency shall deem necessary or desirable. The classifications and schedules thus established shall be filed in the office of the budget agency. Requests by an appointing authority for salary and wage adjustments or personal service payments coming within such classifications and schedules shall become effective when approved by, and upon the terms of approval fixed by, the budget agency. All personnel requests pertaining to the staffing of programs or agencies supported in whole or in part by federal funds are subject to review and approval by the state personnel department under IC 4-15-1.8 and IC 4-15-2.

(c) The budget agency shall review and approve, for the sufficiency of funds, all payments for personal services which are submitted to the auditor of state for payment.

(d) The budget agency shall review all contracts for personal services or other services and no contract for personal services or other services may be entered into by any agency of the state before the

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written approval of the budget agency is given. Each demand for payment submitted by an agency to the auditor of state under these contracts must be accompanied by a copy of the budget agency approval. No payment may be made by the auditor of state without such approval. However, this subsection does not apply to a contract entered into by:

(1) a ~~college or university supported in whole or in part by state funds,~~ **state educational institution;** or

(2) an agency of the state if the contract is not required to be approved by the budget agency under IC 4-13-2-14.1.

(e) The budget agency shall review and approve the policy and procedures governing travel prepared by the department of administration under IC 4-13-1, before the travel policies and procedures are distributed.

(f) The budget agency is responsible for reviewing and advising the governor, as chief executive of the state, or the governor's designee, as to whether any agreement reached pursuant to public employee collective bargaining as provided by statute, other than IC 20-29, is within the money legally available to the state as an employer.

(g) The budget director, or the director's designee, may serve as a member of the negotiating team selected to represent the state as an employer in the public employee collective bargaining procedure pursuant to statute, other than IC 20-29.

(h) The budget agency may adopt such policies and procedures not inconsistent with law as it may deem advisable to facilitate and carry out the powers and duties of the agency, including the execution and administration of all appropriations made by law. IC 4-22-2 does not apply to these policies and procedures.

SECTION 28. IC 4-12-1-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 15. (a) In the absence of other directions, purposes or standards specifically imposed therein, or otherwise fixed by law, an emergency or contingency appropriation to the budget agency which is general and unrelated to any specific agency of the state shall be for the general use, respectively, of any agency of the state, shall be for its emergency or contingency purposes or needs, as the budget agency, in each situation, shall determine and shall fix the amount to transfer, and shall order transfer thereof from such appropriation to the agency of state relieved thereby. From such emergency or contingency appropriations, the budget agency is hereby empowered to make and order allocations and transfers to, and to authorize expenditures by, the various agencies of the state to achieve the purposes, or meet the needs, circumstances and standards

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following, namely:

(1) Necessary expenditures for the preservation of public health, and for the protection of persons and property which were not foreseen when the appropriations were made by the previous general assembly.

(2) Repair of damage to, or replacement of, any building or equipment owned by the state or by any agency of the state which has been so damaged as to materially affect the public safety or utility thereof, or which has been destroyed, if such is necessary to discharge the functions of the state or of any agency of the state, and if such damage or loss was caused by sabotage, fire, flood, wind, war, catastrophe or disaster.

(3) Repair of damage to, or replacement of, any building or equipment owned by the state or by an agency of the state which has so depreciated or deteriorated or suffered obsolescence as to become unusable, but is required in the discharge of necessary functions of the state or of an agency of the state, and if such depreciation, deterioration or obsolescence was not foreseen at the time appropriations were made by the previous general assembly.

(4) Emergencies resulting from increase of costs or any other factor or event unforeseen at the time appropriations were made which render insufficient the appropriated funds for food, clothing, maintenance or medical care necessary for the operation of any state institution.

(5) Emergencies resulting from increase in costs or any other factor or event unforeseen at the time appropriations were made which render insufficient the appropriated funds for the cost of instruction or other costs of operation of any of the ~~universities and colleges supported in whole or in part by~~ state ~~funds.~~ **educational institutions.**

(6) In addition to and without limitation by the foregoing, supplementation of an exhausted fund or account of any state agency, whatever the cause of such exhaustion, if such is found necessary to accomplish the orderly administration of such state agency, or the accomplishment of an existing specific state project: ~~Provided,~~ However, ~~That~~ it shall be an express condition of any such supplementation, that ~~such~~ **the** funds shall not serve to authorize a purpose or purposes which were included in the budget bill, or budget bills, to the previous general assembly but were wholly omitted or excluded from appropriations made by the general assembly.

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The provisions of this section shall not change, impair or destroy any fund previously created, nor be deemed to affect the administration of any contingency or emergency appropriations ~~heretofore or hereafter~~ made for specific purposes.

(b) If in the administration of any contingency or emergency appropriation made to the budget agency, it should appear that the allocation by the budget agency of funds to any designated other agency of the state for expenditure is illegal then such appropriation or fund may, consistent with the provisions of such contingency or emergency appropriations and with the approval of the governor, be expended for and on behalf of any other agency of the state by the budget agency pursuant to the standards ~~above~~ set forth **in this section.** No provisions in this section are intended to conflict or interfere with the powers and duties of the state board of finance.

SECTION 29. IC 4-12-10-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. (a) The Indiana economic development partnership fund is established to provide grants for economic development initiatives that support the following:

(1) The establishment of regional technology and entrepreneurship centers for the creation of high technology companies to support access to technology for existing businesses and for the support of workforce development.

(2) The providing of leadership and technical support necessary for the centers' start-up operations and long term success.

(3) The expansion of the Purdue Technical Assistance Program to other ~~higher education~~ **postsecondary educational** institutions in ten (10) geographic regions of Indiana.

(4) The creation of a rural/community economic development regional outreach program by Purdue University.

(5) The expansion of workforce development for high technology business development through the centers.

(b) The fund shall be administered by the budget agency. The fund consists of appropriations from the general assembly and gifts and grants to the fund, including money received from the state technology advancement and retention account established by IC 4-12-12-1.

(c) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested.

(d) The money in the fund at the end of a state fiscal year does not revert to the state general fund but remains in the fund to be used exclusively for the purposes of this chapter.

SECTION 30. IC 4-12-10-4, AS AMENDED BY P.L.4-2005,

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SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. (a) The budget agency, after review by the budget committee, shall enter into an agreement with the Indiana economic development corporation to do the following:

(1) Review, prioritize, and approve or disapprove proposals for centers.

(2) Create detailed application procedures and selection criteria for center proposals. These criteria may include the following:

(A) Geographical proximity to and partnership agreement with an Indiana public or private ~~university.~~ **postsecondary educational institution.**

(B) Proposed local contributions to the center.

(C) Minimum standards and features for the physical facilities of a center, including telecommunications infrastructure.

(D) The minimum support services, both technical and financial, that must be provided by the centers.

(E) Guidelines for selecting entities that may participate in the center.

(3) Develop performance measures and reporting requirements for the centers.

(4) Monitor the effectiveness of each center and report its findings to the governor, the budget agency, and the budget committee before October 1 of each even-numbered year.

(5) Approve a regional technology center only if the center agrees to do all of the following:

(A) Nurture the development and expansion of high technology ventures that have the potential to become high growth businesses.

(B) Increase high technology employment in Indiana.

(C) Stimulate the flow of new venture capital necessary to support the growth of high technology businesses in Indiana.

(D) Expand workforce education and training for highly skilled high technology jobs.

(E) Affiliate with an Indiana public or private ~~university~~ **postsecondary educational institution** and be located in close proximity to a ~~university~~ campus **of a postsecondary educational institution.**

(F) Be a party to a written agreement among:

(i) the affiliated university;

(ii) the city or town in which the proposed center is located, or the county in which the proposed center is located if the center is not located in a city or town;

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(iii) Purdue University, for technical and personnel training support; and

(iv) any other affiliated entities;

that outlines the responsibilities of each party.

(G) Establish a debt free physical structure designed to accommodate research and technology ventures.

(H) Provide support services, including business planning, management recruitment, legal services, securing of seed capital marketing, and mentor identification.

(I) Establish a commitment of local resources that is at least equal to the money provided from the fund for the physical facilities of the center.

(b) The Indiana economic development corporation may not approve more than five (5) regional technology centers in any biennium.

(c) The budget agency shall contract with Purdue University:

(1) for any support staff necessary for the budget agency to provide grants under section 3(a)(3) and 3(a)(4) of this chapter; and

(2) to provide services under section 7 of this chapter.

SECTION 31. IC 4-13-1-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. (a) This chapter shall be known and may be cited as the "Administration Act of 1961".

(b) As used in this chapter, "state agency" means an authority, board, branch, commission, committee, department, division, or other instrumentality of the executive, including the administrative, department of state government. The term "state agency" does not include the judicial or legislative departments of state government, nor does that term include a state educational institution. ~~as defined in IC 20-12-0.5-1.~~

(c) Notwithstanding subsection (b), the following entities may, with the consent of the commissioner of the department of administration, use the services of the department:

(1) The judicial department of state government.

(2) The legislative department of state government.

(3) A state educational institution. ~~as defined in IC 20-12-0.5-1.~~

(4) A political subdivision (as defined in IC 36-1-2-13).

(5) A body corporate and politic created by statute.

SECTION 32. IC 4-13-1.4-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. As used in this chapter, "state agency" means any of the following:

(1) A state agency (as defined in IC 4-13-1-1).

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(2) Any other authority, board, branch, commission, committee, department, division, or other instrumentality of the executive branch of state government, including the following:

(A) A state educational institution. ~~(as defined in IC 20-12-0.5-1).~~

(B) A license branch operated or administered under IC 9-16.

(C) The state police department created by IC 10-11-2-4.

SECTION 33. IC 4-13-2-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. (a) This chapter may be known and cited as the "Financial Reorganization Act of 1947".

(b) ~~The provisions of~~ This chapter ~~shall apply~~ **applies** to all agencies of the state. As used in this chapter, ~~the term "agencies of the state",~~ "agency" ~~or "agencies" shall mean and include~~ **refers to** every officer, board, commission, department, division, bureau, committee, employee, and other instrumentality of the state, including: ~~without limiting the effect of the foregoing~~ state hospitals, state penal institutions, and other state institution enterprises and activities wherever located, ~~but excepting,~~ **except,** unless specifically included, **the following:**

(1) Military officers and military and armory boards of the state.

(2) The state fair commission.

(3) The supreme court and the court of appeals.

(4) the legislative department of state government including: ~~but not limited to~~

(A) the senate;

(B) the house of representatives;

(C) the legislative council; and

(D) the legislative services agency. ~~and~~

(5) State ~~colleges and universities supported in whole or in part by state funds,~~ **educational institutions.** ~~and~~

(6) Persons and institutions under ~~their~~ **the** control **of an entity described in subdivision (1), (2), (3), (4), or (5).** ~~and excepting~~

(7) All counties, cities, towns, townships, school towns, townships, ~~and cities,~~ and other municipal corporations or political subdivisions of the state.

(c) ~~The term~~ **As used in this chapter,** "supplies", "materials", "equipment", and "services" ~~as used in this chapter shall mean and include~~ **means** any and all articles and things, and all services other than personal, used by, or furnished to, any ~~department or~~ agency, ~~of state government,~~ including printing, binding, publication of books and records, repairs and improvements, utility services, and any and all other services required for the maintenance, operation, or upkeep of

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buildings and offices.

(d) The enumeration of the things specified in this section are not exclusive.

SECTION 34. IC 4-13-2-20, AS AMENDED BY P.L.160-2006, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 20. (a) Except as otherwise provided in this section, IC 12-17-19-19, or IC 12-8-10-7, payment for any services, supplies, materials, or equipment shall not be paid from any fund or state money in advance of receipt of such services, supplies, materials, or equipment by the state.

(b) With the prior approval of the budget agency, payment may be made in advance for any of the following:

(1) War surplus property.

(2) Property purchased or leased from the United States government or its agencies.

(3) Dues and subscriptions.

(4) License fees.

(5) Insurance premiums.

(6) Utility connection charges.

(7) Federal grant programs where advance funding is not prohibited and, except as provided in subsection (i), the contracting party posts sufficient security to cover the amount advanced.

(8) Grants of state funds authorized by statute.

(9) Employee expense vouchers.

(10) Beneficiary payments to the administrator of a program of self-insurance.

(11) Services, supplies, materials, or equipment to be received from an agency or from a body corporate and politic.

(12) Expenses for the operation of offices that represent the state under contracts with the Indiana economic development corporation and that are located outside Indiana.

(13) Services, supplies, materials, or equipment to be used for more than one (1) year under a discounted contractual arrangement funded through a designated leasing entity.

(14) Maintenance of equipment and maintenance of software if there are appropriate contractual safeguards for refunds as determined by the budget agency.

(15) Exhibits, artifacts, specimens, or other unique items of cultural or historical value or interest purchased by the state museum.

(c) Any ~~state~~ agency and any state ~~college or university supported~~

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~~in whole or in part by state funds~~ **educational institution** may make advance payments to its employees for duly accountable expenses exceeding ten dollars ($10) incurred through travel approved by:

(1) the employee's respective agency director, in the case of ~~a state~~ **an** agency; and ~~by~~

(2) a duly authorized person, in the case of any ~~such~~ state ~~college or university.~~ **educational institution.**

(d) The auditor of state may, with the approval of the budget agency and of the commissioner of the Indiana department of administration:

(1) appoint a special disbursing officer for any ~~state~~ agency or group of agencies ~~where~~ **whenever** it is necessary or expedient that a special record be kept of a particular class of disbursements or ~~where~~ **when** disbursements are made from a special fund; and

(2) approve advances to the special disbursing officer or officers from any available appropriation for the purpose.

(e) The auditor of state shall issue the auditor's warrant to the special disbursing officer to be disbursed by the disbursing officer as provided in this section. Special disbursing officers shall in no event make disbursements or payments for supplies or current operating expenses of any agency or for contractual services or equipment not purchased or contracted for in accordance with this chapter and IC 5-22. No special disbursing officer shall be appointed and no money shall be advanced until procedures covering the operations of special disbursing officers have been adopted by the Indiana department of administration and approved by the budget agency. These procedures must include the following provisions:

(1) Provisions establishing the authorized levels of special disbursing officer accounts and establishing the maximum amount which may be expended on a single purchase from special disbursing officer funds without prior approval.

(2) Provisions requiring that each time a special disbursing officer makes an accounting to the auditor of state of the expenditure of the advanced funds, the auditor of state shall request that the Indiana department of administration review the accounting for compliance with IC 5-22.

(3) A provision that, unless otherwise approved by the commissioner of the Indiana department of administration, the special disbursing officer must be the same individual as the procurements agent under IC 4-13-1.3-5.

(4) A provision that each disbursing officer be trained by the Indiana department of administration in the proper handling of money advanced to the officer under this section.

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(f) The commissioner of the Indiana department of administration shall cite in a letter to the special disbursing officer the exact purpose or purposes for which the money advanced may be expended.

(g) A special disbursing officer may issue a check to a person without requiring a certification under IC 5-11-10-1 if the officer:

(1) is authorized to make the disbursement; and

(2) complies with procedures adopted by the state board of accounts to govern the issuance of checks under this subsection.

(h) A special disbursing officer is not personally liable for a check issued under subsection (g) if:

(1) the officer complies with the procedures described in subsection (g); and

(2) funds are appropriated and available to pay the warrant.

(i) For contracts entered into between the department of workforce development or the Indiana commission on vocational and technical education and:

(1) a school corporation (as defined in IC 20-18-2-16); or

(2) a state educational institution; ~~(as defined in IC 20-12-0.5-1),~~ the contracting parties are not required to post security to cover the amount advanced.

SECTION 35. IC 4-13-16.5-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. ~~As used in~~ **The following definitions apply throughout** this chapter:

(1) "Commission" refers to the governor's commission on minority and women's business enterprises established under section 2 of this chapter.

(2) "Commissioner" refers to the deputy commissioner for minority and women's business enterprises of the department.

(3) "Contract" means any contract awarded by a state agency for construction projects or the procurement of goods or services, including professional services.

(4) "Department" refers to the Indiana department of administration established by IC 4-13-1-2.

(5) "Minority business enterprise" or "minority business" means an individual, partnership, corporation, limited liability company, or joint venture of any kind that is owned and controlled by one (1) or more persons who are:

~~(1)~~ **(A)** United States citizens; and

~~(2)~~ **(B)** members of a minority group.

(6) "Owned and controlled" means having:

~~(1)~~ **(A)** ownership of at least fifty-one percent (51%) of the enterprise, including corporate stock of a corporation;

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~~(2)~~ **(B)** control over the management and active in the day-to-day operations of the business; and

~~(3)~~ **(C)** an interest in the capital, assets, and profits and losses of the business proportionate to the percentage of ownership.

(7) "Minority group" means:

~~(1)~~ **(A)** Blacks;

~~(2)~~ **(B)** American Indians;

~~(3)~~ **(C)** Hispanics;

~~(4)~~ **(D)** Asian Americans; and

~~(5)~~ **(E)** other similar minority groups, as defined by 13 CFR 124.103.

(8) "Separate body corporate and politic" refers to an entity established by the general assembly as a body corporate and politic.

(9) "State agency" refers to any authority, board, branch, commission, committee, department, division, or other instrumentality of the executive, including the administrative, department of state government.

~~"State educational institution" has the meaning set forth in IC 20-12-0.5-1.~~

SECTION 36. IC 4-13.1-1-4, AS ADDED BY P.L.177-2005, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. (a) "State agency" means an authority, a board, a branch, a commission, a committee, a department, a division, or another instrumentality of the executive, including the administrative, department of state government.

(b) The term does not include:

(1) the judicial or legislative departments of state government;

(2) a state educational institution; ~~(as defined in IC 20-12-0.5-1);~~ or

(3) the Indiana higher education telecommunications system. ~~(IC 20-12-12).~~

SECTION 37. IC 4-13.1-2-2, AS ADDED BY P.L.177-2005, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. (a) The office shall do the following:

(1) Develop and maintain overall strategy and architecture for the use of information technology in state government.

(2) Review state agency budget requests and proposed contracts relating to information technology at the request of the budget agency.

(3) Coordinate state information technology master planning.

(4) Maintain an inventory of significant information technology

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resources and expenditures.

(5) Manage a computer gateway to carry out or facilitate public, educational, and governmental functions.

(6) Provide technical staff support services for state agencies.

(7) Provide services that may be requested by the following:

(A) The judicial department of state government.

(B) The legislative department of state government.

(C) A state educational institution. ~~(as defined in IC 20-12-0.5-1).~~

(D) A political subdivision (as defined in IC 36-1-2-13).

(E) A body corporate and politic created by statute.

(F) An entity created by the state.

(8) Monitor trends and advances in information technology.

(9) Review projects, architecture, security, staffing, and expenditures.

(10) Develop and maintain policies, procedures, and guidelines for the effective and secure use of information technology in state government.

(11) Advise the state personnel department on guidelines for information technology staff for state agencies.

(12) Conduct periodic management reviews of information technology activities within state agencies upon request.

(13) Seek funding for technology services from the following:

(A) Grants.

(B) Federal sources.

(C) Gifts, donations, and bequests.

(D) Partnerships with other governmental entities or the private sector.

(E) Appropriations.

(F) Any other source of funds.

(14) Perform other information technology related functions and duties as directed by the governor.

(b) The office may adopt rules under IC 4-22-2 that are necessary or appropriate in carrying out its powers and duties.

SECTION 38. IC 4-13.5-1-1, AS AMENDED BY P.L.235-2005, SECTION 55, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. ~~As used in~~ **The following definitions apply throughout** this article:

(1) "Commission" means the Indiana finance authority established by IC 4-4-11-4.

(2) "Communications system infrastructure" has the meaning set forth in IC 5-26-5-1.

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(3) "Construction" means the erection, renovation, refurbishing, or alteration of all or any part of buildings, improvements, or other structures, including installation of fixtures or equipment, landscaping of grounds, site work, and providing for other ancillary facilities pertinent to the buildings or structures.

(4) "Correctional facility" means a building, a structure, or an improvement for the custody, care, confinement, or treatment of committed persons under IC 11.

(5) "Department" refers to:

~~(1)~~ **(A)** the integrated public safety commission, for purposes of a facility consisting of communications system infrastructure; and

~~(2)~~ **(B)** the Indiana department of administration, for purposes of all other facilities.

(6) "Mental health facility" means a building, a structure, or an improvement for the care, maintenance, or treatment of persons with mental or addictive disorders.

(7) "Facility" means all or any part of one (1) or more buildings, structures, or improvements (whether new or existing), or parking areas (whether surface or an above or below ground parking garage or garages), owned or leased by the commission under this article or the state for the purpose of:

~~(1)~~ **(A)** housing the personnel or activities of state agencies or branches of state government;

~~(2)~~ **(B)** providing transportation or parking for state employees or persons having business with state government;

~~(3)~~ **(C)** providing a correctional facility;

~~(4)~~ **(D)** providing a mental health facility;

~~(5)~~ **(E)** providing a regional health facility; or

~~(6)~~ **(F)** providing communications system infrastructure.

(8) "Person" means an individual, a partnership, a corporation, a limited liability company, an unincorporated association, or a governmental entity.

(9) "Regional health facility" means a building, a structure, or an improvement for the care, maintenance, or treatment of adults or children with mental illness, developmental disabilities, addictions, or other medical or rehabilitative needs.

(10) "State agency" means an authority, a board, a commission, a committee, a department, a division, or other instrumentality of state government, but does not include a state educational institution. ~~(as defined in IC 20-12-0.5-1).~~

SECTION 39. IC 4-13.6-2-3 IS AMENDED TO READ AS

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FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. (a) This article applies to every expenditure of public funds, regardless of their source, including federal assistance money, by any governmental body for any public works project.

(b) This article does not apply to the following:

(1) The Indiana commission for higher education.

(2) State educational institutions. ~~(as defined by IC 20-12-0.5-1).~~

(3) Military officers and military and armory boards of the state.

(4) The state fair commission.

(5) Any entity established by the general assembly as a body corporate and politic having authority and power to issue bonds to be secured and repaid solely by revenues pledged for that purpose. However, such an entity shall comply with this article if the law creating the entity requires it to do so.

(6) The Indiana department of transportation, except to the extent that the Indiana department of transportation uses the services provided by the department under this article.

SECTION 40. IC 4-15-1.8-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. ~~Definitions. As used in~~ **The following definitions apply throughout** this chapter: ~~the term:~~

(1) "Department" refers to the state personnel department established in section 2 of this chapter.

(2) "Director" refers to the state personnel director.

(3) "State agency" means an authority, board, branch, commission, committee, department, division, or other instrumentality of state government, but does not include:

~~(1)~~ **(A)** a state educational institution; ~~as defined in IC 20-12-0.5-1;~~

~~(2)~~ **(B)** a state elected official's office;

~~(3)~~ **(C)** the legislative and judicial branches of state government; or

~~(4)~~ **(D)** the state police department.

SECTION 41. IC 4-15-3-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. (a) "Department, commission, bureau, board, or division", as used in this chapter, ~~shall mean~~ **means** any department, commission, bureau, board, or division of the state of Indiana in which one (1) or more engineers are employed, excepting the penal, charitable, correctional, and benevolent institutions of the state, and officers, teachers, and employees of the state **educational** institutions. ~~of higher learning.~~

(b) "Engineering service", as used in this chapter, ~~shall mean~~ **means** the engineering service of a department, commission, bureau, board, or

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division of the state of Indiana. ~~and shall include~~ **The term includes** all professional engineers.

SECTION 42. IC 4-15-7-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. (a) No person being related to any member of any state board or commission, or to the head of any state office or department or institution, as father, mother, brother, sister, uncle, aunt, a husband or wife, son or daughter, son-in-law or daughter-in-law, niece or nephew, shall be eligible to any position in any such state board, commission, office, or department or institution, as the case may be, nor shall any such relative be entitled to receive any compensation for his or her services out of any appropriation provided by law.

(b) This section shall not apply if such person has been employed in the same position in such office or department or institution for at least twelve (12) consecutive months immediately preceding the appointment of his relative as a board member or head of such office, department, or institution.

(c) This section does not apply to the authority of the board of trustees of a state educational institution ~~(as defined in IC 20-12-0.5-1)~~ to employ any person the board considers necessary under IC 20-12-1-4.

(d) No persons related as father, mother, brother, sister, uncle, aunt, husband, wife, son, daughter, son-in-law, daughter-in-law, niece, or nephew may be placed in a direct supervisory-subordinate relationship.

SECTION 43. IC 4-15-9-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. As used in this chapter:

"State employee" means an employee of a state agency except a ~~public institution of higher education.~~ **state educational institution.**

"Governmental reorganization" means merger, growth, transfer, discontinuance, or phasing out of governmental functions.

SECTION 44. IC 4-15-11-1, AS AMENDED BY P.L.1-2005, SECTION 63, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. As used in this chapter, "officer or employee of the state" means the following:

(1) An elected official or employee of a state administration, agency, authority, board, bureau, commission, committee, council, department, division, institution, office, service, or other similar body of state government created or established by law.

(2) A teacher (as defined in IC 20-18-2-22).

The term does not include an employee of a state educational institution. ~~(as defined in IC 20-12-0.5-1).~~

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SECTION 45. IC 4-15-12-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. As used in this chapter:

"Affected class" means:

(1) minorities;

(2) women;

(3) persons with disabilities; and

(4) persons forty (40) years of age and older.

"Affirmative action policy" means the state's affirmative action policy established in section 2 of this chapter.

"Persons with disabilities" means all persons who by reason of physical or mental defect are unable to achieve full vocational participation.

"Minorities" means persons identified as Blacks, Native Americans, Asian Americans, and Hispanics.

"Office" means the Indiana affirmative action office created by this chapter.

"State agency" means any department, agency, commission, division, authority, board, bureau, or office of the state under the executive authority of the governor, except any state **educational** institution. ~~of postsecondary education.~~

"Underutilization" means having fewer members of an affected class in a particular job category and classification than would be reasonably expected by their availability in the labor market for that job category and classification.

SECTION 46. IC 4-15-16-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. As used in this chapter, "state agency" means an authority, a board, a branch, a commission, a committee, a department, a division, or another instrumentality of state government. The term does not include the following:

(1) A state educational institution. ~~(as defined in IC 20-12-0.5-1).~~

(2) A state elected official's office.

(3) The legislative and judicial branches of state government.

(4) The state police department.

SECTION 47. IC 4-20.5-1-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. (a) "Agency", except as provided in subsections (b) and (c), refers to any of the following:

(1) An agency, a board, a bureau, a commission, a committee, a department, a division, an instrumentality, an office, or an officer of the state.

(2) An entity that holds title to or possesses property in the name

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of, or on behalf of, the state.

(b) For purposes of the following statutes, "agency" has the meaning set forth in IC 4-13-1-1:

(1) IC 4-20.5-5.

(2) IC 4-20.5-6.

(c) "Agency" does not include a state educational institution. ~~(as defined in IC 20-12-0.5-1).~~

SECTION 48. IC 4-20.5-2-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. (a) This section does not apply to the following:

(1) An instrument or a document of either of the following:

(A) The department of transportation.

(B) A state educational institution. ~~(as defined in IC 20-12-0.5-1).~~

(2) A lease of property for a term of four (4) years or less.

(b) The land office shall serve as the repository for any instrument relating to past or current ownership or possession of property by the state.

SECTION 49. IC 4-21.5-2-4, AS AMENDED BY P.L.91-2006, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. (a) This article does not apply to any of the following agencies:

(1) The governor.

(2) The state board of accounts.

(3) The state educational institutions. ~~(as defined by IC 20-12-0.5-1).~~

(4) The department of workforce development.

(5) The unemployment insurance review board of the department of workforce development.

(6) The worker's compensation board of Indiana.

(7) The military officers or boards.

(8) The Indiana utility regulatory commission.

(9) The department of state revenue (excluding an agency action related to the licensure of private employment agencies).

(10) The department of local government finance.

(b) This article does not apply to action related to railroad rate and tariff regulation by the Indiana department of transportation.

SECTION 50. IC 4-22-2-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 13. (a) Subject to subsections (b), (c), and (d), this chapter applies to the addition, amendment, or repeal of a rule in every rulemaking action.

(b) This chapter does not apply to the following agencies:

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(1) Any military officer or board.

(2) Any state educational institution. ~~(as defined in IC 20-12-0.5-1).~~

(c) This chapter does not apply to a rulemaking action that results in any of the following rules:

(1) A resolution or directive of any agency that relates solely to internal policy, internal agency organization, or internal procedure and does not have the effect of law.

(2) A restriction or traffic control determination of a purely local nature that:

(A) is ordered by the commissioner of the Indiana department of transportation;

(B) is adopted under IC 9-20-1-3(d), IC 9-21-4-7, or IC 9-20-7; and

(C) applies only to one (1) or more particularly described intersections, highway portions, bridge causeways, or viaduct areas.

(3) A rule adopted by the secretary of state under IC 26-1-9.1-526.

(4) An executive order or proclamation issued by the governor.

(d) Except as specifically set forth in IC 13-14-9, sections 24, 26, 27, and 29 of this chapter do not apply to rulemaking actions under IC 13-14-9.

SECTION 51. IC 4-22-6-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. (a) This section does not apply to a state educational institution. ~~as defined in IC 20-12-0.5-1.~~

(b) The price of a state agency publication may not exceed the cost of materials, reproduction, postage, and handling, and may reflect all or a part of the cost of preparation.

SECTION 52. IC 4-23-6-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. (a) The powers of the commission shall be as follows:

(1) To establish and maintain a scientific laboratory for research and experimentation. The commission shall not duplicate adequate facilities for experimentation, research, or information which are available to the citizens of the state.

(2) To appoint an administrative director who shall be a physician and should be a pathologist certified by the American Board of Pathology and to select and appoint or accept the loan of such other personnel as it deems necessary to carry out its purposes.

(3) To establish and maintain a system of records and to collect data pertinent to the objectives of the commission.

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(4) To correlate information concerning forensic science facilities and make this information available to coroners, law enforcement officers, attorneys, and others.

(5) To contract from time to time for the services or opinion of experts in connection with a particular problem or a program of research.

(6) To engage in research and experimentation consistent with the objectives of the commission.

(7) To establish and maintain a forensic sciences library either alone or in cooperation with any other agency of the state, the use of which shall be available to any interested persons.

(8) To engage in and foster programs of information in forensic sciences for interested groups.

(9) To establish from time to time and to promulgate a schedule of reasonable fees and to collect the same for the services of the commission. The considerations in formulating such a schedule shall be:

(A) uniformity;

(B) recovery of at least a portion of the cost of furnishing the major services of the commission; and

(C) availability of the services without burdensome expense to officers, agencies, and others in need of the services.

All money received by the commission pursuant to this subdivision shall be paid to the commission, which shall give a proper receipt for the same, and shall at the end of each month report to the auditor of state the total amount received by it under the provisions of this subsection, from all sources, and shall at the same time, deposit the entire amount of such receipts with the treasurer of state, who shall place them to the credit of a special fund to be created and known as the forensic sciences commission laboratory expense fund. The commission shall, by its chairman from time to time, certify to the auditor of state any necessary laboratory expenses incurred by the commission, and the auditor shall issue his warrant for the same, which shall be paid out of any funds so collected and hereby appropriated to the commission. However, payments made by the auditor of state from the forensic sciences commission laboratory expense fund created herein shall be limited so as not to exceed the amounts allotted from this fund by the budget committee.

(10) To accept gifts and grants of money, services, or property and to use the same for any given purpose consistent with the objectives of the commission.

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(11) To use the services and facilities of the state department of health, **state educational institutions,** and hospitals ~~colleges, and universities~~ and other agencies supported in whole or in part by public funds.

(12) To establish and maintain such branch offices as it deems necessary.

(13) To cooperate with any state or local agency or with any hospital ~~college,~~ or ~~university~~ **postsecondary educational institution** in any scientific program consistent with the objectives of the commission.

SECTION 53. IC 4-23-7-30 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 30. (a) The Indiana library and historical board shall establish the council on library automation to:

(1) conduct ongoing planning activities for library automation in Indiana; and

(2) advance the automation goals of Indiana's libraries through the cooperation of the appropriate library agencies and organizations.

(b) The council on library automation consists of thirteen (13) members as follows:

(1) One (1) member from the Indiana library and historical board.

(2) Two (2) members from area library services authorities.

(3) Two (2) members from the Indiana cooperative library services authority.

(4) Two (2) members from the department of education.

(5) Two (2) members from the state ~~university~~ **educational institution** library automation committee.

(6) Two (2) members from the Indiana state library.

(7) Two (2) members from public libraries.

(c) With regard to the members described in subsection (b)(1) through (b)(6), each respective entity or agency described in subsection (b)(1) through (b)(6) shall forward its nominees for appointment on the council to the Indiana library and historical board for confirmation.

(d) The Indiana library and historical board shall establish a process to select the members appointed under subsection (b)(7).

(e) Except as provided in subsection (f), the terms of office for council members is three (3) years.

(f) The Indiana library and historical board shall establish the procedures for the council, including staggering the terms for initial members of the council.

(g) The council may do the following:

(1) Encourage planning by individual libraries and groups of

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libraries with regard to library automation.

(2) Annually update and distribute the statewide library automation and resource sharing plan.

(3) Submit to the state library board its recommendations concerning the adoption of library automation standards under IC 4-23-7.1-11(b).

(4) Encourage library automation, resource sharing, and document delivery programs that are consistent with state technology strategies, educational programs, and economic interests.

(5) Consult with appropriate agencies and organizations with an interest in library automation and resource sharing in Indiana.

(h) The council shall provide an annual report to the Indiana library and historical board on the council's activities and progress made towards meeting the goals in the statewide library automation and resource sharing plan. The council shall recommend to the Indiana library and historical board funding strategies that support the goals and initiatives contained in the statewide plan.

SECTION 54. IC 4-23-25-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. As used in this chapter, "agency" refers to any agency of the executive, legislative, or judicial branch of state government. The term includes a state educational institution. ~~(as defined in IC 20-12-0.5-1).~~

SECTION 55. IC 4-24-2-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. Any ~~state educational institution and any~~ state charitable or benevolent institution or the state of Indiana ~~itself~~ may:

(1) receive gifts, bequests, and devises of real or personal property, or both, for:

(A) the aid or maintenance of any ~~such~~ institution; or ~~may receive gifts for~~

(B) state parks or other state purposes; and ~~may~~

(2) agree to return to the donor or to any **living** person named by ~~him therein, in being,~~ **the donor and living at the time of the gift,** an annuity under the provisions and safeguards ~~hereinafter~~ provided **in this chapter.**

SECTION 56. IC 4-24-2-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. ~~No~~ **An** institution ~~shall~~ **may not** be the recipient of a gift, whether on the payment of an annuity or otherwise, that ~~shall pledge such~~ **pledges the** institution to ~~engage in any course of instruction, or~~ perform any acts ~~of work~~ other than ~~such~~ **acts that the** institution ~~may have been~~ **is** authorized ~~theretofore~~ by law to ~~engage in or~~ perform.

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SECTION 57. IC 4-24-2-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 7. All gifts of money, and all money realized from real and personal property, made under ~~the provisions of~~ this chapter, to ~~endow~~ permanently **endow** any ~~of said institutions mentioned~~ **institution described** in section 1 of this chapter ~~or to endow permanently any chair of learning or department in any such institution,~~ shall be taken in charge by the state, ~~of Indiana,~~ as a trust, and managed in all respects the same as the common school fund of the state is managed. ~~and~~ The proceeds arising ~~therefrom~~ **from a permanent endowment made under this chapter** shall be paid to the institution ~~thus~~ **being** endowed for the purposes provided by the terms of ~~such~~ **the** gift.

SECTION 58. IC 4-24-3-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. This chapter shall be deemed supplementary to any other statutes of the state of Indiana for the acceptance of gifts, trusts, devises, and bequests and ~~shall~~ **does** not apply to state ~~supported~~ **educational** institutions. ~~of higher learning.~~

SECTION 59. IC 4-30-9-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. The commission may not contract with a person as a retailer that:

(1) is less than eighteen (18) years of age;

(2) is engaged exclusively in the business of selling lottery tickets, although this does not preclude the commission from selling lottery tickets;

(3) is on the most recent tax warrant list provided to the commission by the department of state revenue;

(4) has been convicted of, or entered a plea of guilty or nolo contendere to, a felony committed in the preceding ten (10) years, regardless of adjudication, unless the commission determines that:

(A) the person has been pardoned or the person's civil rights have been restored;

(B) subsequent to the conviction or entry of the plea the person has engaged in the kind of law abiding commerce and good citizenship that would reflect well upon the integrity of the lottery; or

(C) if the person is a firm, an association, a partnership, a trust, a corporation, a limited liability company, or other entity, the person has terminated its relationship with the individual whose actions directly contributed to the person's conviction or entry of the plea; or

(5) is:

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(A) a department, an agency, a commission, a division, an authority, a board, a bureau, a hospital, or an office of the state, including a state **educational** institution. ~~of postsecondary education;~~

(B) an entity that performs an essential governmental function;

(C) part of the judicial department of government;

(D) part of the legislative department of government; or

(E) a political subdivision of the state, including an agency, an authority, a board, a bureau, a commission, a committee, a council, a department, a division, an institution, an office, an officer, or other similar body of a political subdivision.

SECTION 60. IC 4-30-17-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. As used in this chapter, "eligible recipient" means the following:

(1) Any political subdivision (as defined in IC 36-1-2-13).

(2) A volunteer fire department (as defined in IC 36-8-12-2) or another group recognized by a political subdivision (as defined in IC 36-1-2-13) as a group providing firefighting or other emergency services to the area served by the political subdivision, the majority of members of which receive no compensation or nominal compensation for their services.

(3) A corporation, community chest, community fund, or community foundation that is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code.

(4) The state.

(5) A state educational institution. ~~(as defined in IC 20-12-0.5-1).~~

(6) Any body corporate and politic that serves as an instrumentality of the state.

SECTION 61. IC 5-1-1-1, AS AMENDED BY P.L.184-2006, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. (a) The following definitions apply throughout this section:

(1) "Agreement" means any agreement that includes terms, representations, or provisions relating to:

(A) credit enhancement of, or rate covenants supporting, any bonds, notes, evidences of indebtedness, leases, swap agreements, or other written obligations described in subsection (b);

(B) any indenture or provision regarding any indenture relating to any bonds, notes, evidences of indebtedness, leases, swap agreements, or other written obligations described in subsection (b);

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(C) payment of any bonds, notes, evidences of indebtedness, leases, swap agreements, or other written obligations described in subsection (b) in the event of a termination of the agreement; or

(D) public works, capital improvements, or economic development projects.

(2) "Leasing body" means a not-for-profit corporation, limited purpose corporation, or authority that has leased land and a building or buildings to an entity named in subsection (b) other than another leasing body.

(3) "Swap agreement" has the meaning set forth in IC 8-9.5-9-4.

(b) All bonds, notes, evidences of indebtedness, swap agreements, agreements, leases, or other written obligations issued or executed by or in the name of any:

(1) state agency, county, township, city, incorporated town, school corporation, state educational institution, state ~~supported~~ **educational** institution, ~~of higher learning,~~ political subdivision, joint agency created under IC 8-1-2.2, leasing body, separate body corporate and politic, or any other political, municipal, public or quasi-public corporation;

(2) special assessment or taxing district; or

(3) board, commission, authority, or authorized body of any such entity; and

any pledge, dedication or designation of revenues, conveyance, or mortgage securing these bonds, notes, evidences of indebtedness, leases, swap agreements, agreements, or other written obligations are hereby legalized and declared valid if these bonds, notes, evidences of indebtedness, leases, swap agreements, agreements, or other written obligations have been executed before March 15, 2006. All governance, organizational, or other proceedings had and actions taken under which the bonds, notes, evidences of indebtedness, leases, swap agreements, agreements, or other written obligations were issued or executed or the pledge, dedication or designation of revenues, conveyance, or mortgage was granted, are hereby fully legalized and declared valid.

(c) All contracts for the purchase of electric power and energy or utility capacity or service:

(1) entered into by a joint agency created under IC 8-1-2.2; and

(2) used by the members of the joint agency for the purpose of securing payment of principal and interest on bonds, notes, evidences of indebtedness, leases, or other written obligations issued by or in the name of such joint agency;

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are hereby legalized and declared valid if entered into before March 15, 2006. All proceedings held and actions taken under which contracts for the purchase of electric power and energy or utility capacity or service were executed or entered into are hereby fully legalized and declared valid.

(d) All interlocal cooperation agreements entered into by political subdivisions or governmental entities under IC 36-1-7 are hereby legalized and declared valid if entered into before March 15, 2006. All proceedings held and actions taken under which interlocal cooperation agreements were executed or entered into are hereby fully legalized and validated.

SECTION 62. IC 5-1-2-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. Appropriations of money from the capital projects fund and proceeds of bonds, notes, and other written obligations issued by or in the name of any:

(1) county, township, city, incorporated town;

(2) school corporation **or** state educational institution; ~~or state supported institution of higher learning;~~ or

(3) other political, municipal, public or quasi-public corporation, special assessment or taxing district, or any authorized body of that corporation or district;

for a specific project shall not lapse at the end of the year in which the appropriation was made, but shall remain in full force and effect without reappropriation until the purpose for which the appropriation was made has been accomplished or abandoned.

SECTION 63. IC 5-1-4-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 13. (a) Each authority is hereby authorized to provide by resolution, at one time or from time to time, for the issuance of bonds for the purpose of paying all or any part of the cost of a project.

(b) The principal of and the interest on such bond shall be payable solely out of the revenues of such authority derived from the project to which they relate.

(c) The bonds of each issue shall be dated, shall bear interest at such rate or rates, shall mature at such time or times not exceeding fifty (50) years from the date thereof, all as may be determined by the authority, and may be made redeemable before maturity, at the option of the authority, at such price or prices and under such terms and conditions as may be fixed by the authority in the authorizing resolution.

(d) The authority shall determine the form of the bonds, including any interest coupons to be attached thereto, and shall fix the denomination or denominations of the bonds and the place or places of

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payment of principal and interest which may be at any bank or trust company within or without the state.

(e) The bonds shall be signed in the name of the authority, by the president or vice president, or by the facsimile signature of such president or vice president, and the official seal of the authority, or facsimile thereof, shall be affixed thereto and attested by the secretary of the authority; and any coupons attached thereto shall bear the facsimile signature of the treasurer of the authority.

(f) In case any officer whose signature or a facsimile of whose signature shall appear on any bonds or coupons shall cease to be such officer before the delivery of such bonds, such signature or such facsimile shall, nevertheless, be valid and sufficient for all purposes the same as if he had remained in office until such delivery.

(g) All bonds issued under the provisions of this chapter shall have and are hereby declared to have all the qualities and incidents of negotiable instruments under the law of the state of Indiana.

(h) The bonds may be issued in coupon or in registered form, or both, as the authority may determine; and provision may be made for the registration of any coupon bonds as to principal alone and also as to both principal and interest, and for the reconversion into coupon bonds of any bonds registered as to both principal and interest.

(i) The bonds may be sold in such manner, either at public or private sale as the authority may determine; and neither the provisions of ~~IC 4-1-5 nor~~ IC 5-1-11 **nor IC 21-32-3** shall be applicable to such sale.

(j) The proceeds of the bonds of each issue shall be used solely for the payment of the cost of the project for which such bonds shall have been issued, and shall be disbursed in such manner and under such restrictions, if any, as the authority may provide in the resolution authorizing the issuance of such bonds or in the trust agreement ~~hereinafter~~ mentioned **in this chapter** securing the same.

(k) If the proceeds of the bonds of any issue, by error of estimates or otherwise, shall be less than such cost, additional bonds may in like manner be issued to provide the amount of such deficit, and, unless otherwise provided in the resolution authorizing the issuance of such bonds or in the trust agreement securing the same, shall be deemed to be of the same issue and shall be entitled to payment from the same fund without preference or priority of the bonds first issued.

(l) If the proceeds of the bonds of any issue shall exceed the cost of the project for which the same shall have been issued, the surplus shall be deposited to the credit of the sinking fund for such bonds.

(m) Prior to the preparation of definitive bonds, an authority may, under like restrictions, issue interim receipts or temporary bonds, with

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or without coupons, exchangeable for definitive bonds when such bonds shall have been executed and are available for delivery.

(n) An authority may also provide for the replacement of any bonds which shall become mutilated or shall be destroyed or lost.

(o) Bonds may be issued under the provisions of this chapter without obtaining the consent of any officer, department, division, commission, board, bureau or agency of the state, and without any other proceedings or the happening of any other conditions or things than those proceedings, conditions or things which are specifically required by this chapter.

(p) An authority shall have power out of any funds available therefor to purchase its bonds.

(q) An authority may hold, pledge, cancel or resell such bonds, subject to and in accordance with agreements, if any, with bondholders.

(r) Neither the members of an authority nor any person executing the bonds or notes shall be liable personally on the bonds or notes or be subject to any personal liability or accountability by reason of the issuance thereof.

SECTION 64. IC 5-1-5-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 13. Refunding bonds issued under the provisions of this chapter may be sold in such manner and upon such terms and conditions as the issuer of such refunding bonds shall deem to be in the best interests of the issuing body, notwithstanding the provisions of ~~IC 4-1-5,~~ **IC 21-32-3,** nor the provisions of IC 5-1-11, nor the provisions of any other law to the contrary. However, if such refunding bonds are sold to any person, limited liability company, firm, or corporation that has been rendering financial advisory services to the issuing body in connection with the proceedings and necessary fiscal arrangements related to such refunding bonds, then and in that event the issuing body shall not pay to such purchaser of the refunding bonds any fee or compensation for services rendered or as reimbursement for expenses incurred in connection therewith.

SECTION 65. IC 5-1-16-2, AS AMENDED BY P.L.235-2005, SECTION 64, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. (a) There is created, with such duties and powers as are set forth in this chapter, a public body politic and corporate, not a state agency, but an independent public instrumentality exercising essential public functions, to be known as the Indiana health and educational facility financing authority.

(b) The authority shall be governed by the following seven (7) members:

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(1) The governor or the governor's designee, who shall serve as chairman of the authority.

(2) The public finance director appointed under IC 4-4-11-9, or the public finance director's designee.

(3) The state health commissioner, or the state health commissioner's designee.

(4) Four (4) members appointed by the governor, two (2) of whom must be knowledgeable in health care or public finance and investment matters related to health care, and two (2) of whom must be knowledgeable in ~~higher~~ **postsecondary** education or public finance and investment matters related to ~~higher~~ **postsecondary** education.

(c) All members must be Indiana residents. Not more than three (3) of the members of the authority appointed under subsection (b)(4) may be members of the same political party.

SECTION 66. IC 5-1-16.5 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]:

Chapter 16.5. Indiana Health and Educational Facilities Financing Authority; Additional Provisions; Financing Projects for Private Colleges and Universities; Participation in Risk Retention Group

Sec. 1. It is declared:

(1) that for the benefit of the people of the state, the conduct and increase of their commerce, the protection and enhancement of their welfare, the development of continued prosperity and the improvement of their health and living conditions, it is essential that this and future generations of youth be given the fullest opportunity to learn and to develop their intellectual and mental capacities and skills;

(2) that to achieve the ends in subdivision (1), it is of the utmost importance that nonprofit colleges or universities within Indiana be provided with appropriate additional means to assist youth in achieving the required levels of learning and development of their intellectual and mental capacities and skills; and

(3) that it is the purpose of this chapter to provide a measure of assistance and an alternative method to enable nonprofit colleges or universities in Indiana to refund or refinance outstanding indebtedness incurred by nonprofit colleges or universities in Indiana for the renovation, construction, acquisition, or equipping of educational facilities, to establish

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liability or other loss insurance reserves or to contribute those insurance reserves or other capital to a risk retention group to provide insurance coverage against liability claims or other losses, and to provide the needed additional educational facilities for the public benefit and good, and in execution of the public policy set forth in this section.

Sec. 2. The exercise of the powers granted by this chapter must be in all respects for the benefit of the people of Indiana, for the increase of their commerce, welfare, and prosperity, and for the improvement of their health and living conditions.

Sec. 3. This chapter, being necessary for the welfare of the state and its inhabitants, shall be liberally construed to effect the purposes of this chapter.

Sec. 4. This chapter provides a complete, an additional, and an alternative method for doing the things authorized under this chapter and is supplemental and additional to powers conferred by other laws. The adoption of rules and the issuance of bonds under this chapter need not comply with the requirements of any other law that would otherwise be applicable to the rules or issuance of bonds. Except as otherwise expressly provided in this chapter, none of the powers granted to the authority under this chapter are subject to the supervision or regulation or require the approval or consent of:

(1) any municipality or political subdivision;

(2) any department, division, commission, board, body, bureau, official, or agency of any municipality or political subdivision; or

(3) the state.

Sec. 5. This chapter:

(1) applies to the authority only when acting for the purposes set forth in this chapter; and

(2) does not apply to the authority when acting under any other statute for any other purpose.

Sec. 6. Bonds issued and other actions taken under IC 20-12-63 before its repeal shall be treated as an action taken under this chapter.

Sec. 7. As used in this chapter, "authority" refers to the Indiana health and educational facility finance authority established by IC 5-1-16-2.

Sec. 8. As used in this chapter, "bonds" means revenue bonds, notes, bond anticipation notes, or other obligations of the authority issued under this chapter, including refunding bonds, notes, bond

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anticipation notes, or other obligations.

Sec. 9. As used in this chapter, "bond resolution" means the resolution or resolutions and the trust agreement, if any, authorizing or providing for the terms and conditions applicable to bonds issued under this chapter.

Sec. 10. As used in this chapter, "cost" means all costs necessary or incident to the acquisition, construction, or funding of a project, including the costs of refunding or refinancing outstanding indebtedness incurred for the financing of the project, reserves for principal and interest, engineering, legal, architectural, and all other necessary and incidental expenses, together with interest on bonds issued to finance the project to a date six (6) months after the estimated date of completion.

Sec. 11. As used in this chapter, "educational facility" means any property located within Indiana that:

(1) is suitable for:

(A) the instruction, feeding, recreation, or housing of students;

(B) the conduct of research or other work of a nonprofit college or university; or

(C) use by a nonprofit college or university in connection with any educational, research, or related or incidental activity conducted by the nonprofit college or university;

(2) is suitable for use as or in connection with:

(A) an academic facility;

(B) an administrative facility;

(C) an agricultural facility;

(D) an assembly hall;

(E) an athletic facility;

(F) an auditorium;

(G) a boating facility;

(H) a campus;

(I) a communication facility;

(J) a computer facility;

(K) a continuing education facility;

(L) a classroom;

(M) a dining hall;

(N) a dormitory;

(O) an exhibition hall;

(P) a firefighting facility;

(Q) a fire prevention facility;

(R) a food service and preparation facility;

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(S) a gymnasium;
(T) a greenhouse;
(U) a health care facility;
(V) a hospital;
(W) housing;
(X) an instructional facility;
(Y) a laboratory;
(Z) a library;
(AA) a maintenance facility;
(BB) a medical facility;
(CC) a museum;
(DD) offices;
(EE) a parking area;
(FF) a physical education facility;
(GG) a recreational facility;
(HH) a research facility;
(II) a stadium;
(JJ) a storage facility;
(KK) a student union;
(LL) a study facility;
(MM) a theater; or
(NN) a utility;

(3) is not used or to be used for sectarian instruction or study or as a place for devotional activities or workshop; and

(4) is not used or to be used primarily in connection with any part of the program of a school or department of divinity for any religious denomination.

Sec. 12. As used in this chapter, "eligible member" means a state educational institution or any nonprofit college or university.

Sec. 13. As used in this chapter, "liability" means legal liability for damages (including costs of defense, legal costs and fees, and other claims for expenses) because of injuries to other persons or entities, damage to the property or business of other persons or entities, or other damage or loss to such other persons or entities resulting from or arising out of any activity of an eligible member.

Sec. 14. As used in this chapter, "liability or loss insurance reserves" means a fund or funds set aside as a reserve to cover risk retained by an eligible member in connection with liability claims or other losses.

Sec. 15. As used in this chapter, "nonprofit college or university" has the meaning set forth in IC 21-7-13-23(a).

Sec. 16. As used in this chapter, "project" means:

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(1) the acquisition, construction, enlarging, remodeling, renovation, improvement, furnishing, or equipping of an educational facility by the authority for a nonprofit college or university; or

(2) the funding of any liability, other loss, or insurance reserves or the funding and contribution of such insurance reserves or other capital to a risk retention group to provide insurance coverage against liability claims or other losses.

Sec. 17. As used in this chapter, "property" means any real, personal, or mixed property, or any interest in real property or mixed property, including:

(1) any real estate, appurtenances, buildings, easements, equipment, furnishings, furniture, improvements, machinery, or rights-of-way and structures; or

(2) any interest in real estate, appurtenances, buildings, easements, equipment, furnishings, furniture, improvements, machinery, or rights-of-way and structures.

Sec. 18. As used in this chapter, "revenues" means with respect to any project the rents, fees, charges, and other income or profit derived from the project.

Sec. 19. As used in this chapter, "risk retention group" means a trust, pool, corporation, limited liability company, partnership, or joint venture funded by and owned and operated for the benefit of more than one (1) eligible member.

Sec. 20. As used in this chapter, "state educational institution" has the meaning set forth in IC 21-7-13-32.

Sec. 21. (a) The authority may determine the location and character of any project to be financed under this chapter.

(b) The authority may construct, reconstruct, remodel, maintain, manage, enlarge, alter, add to, repair, operate, lease as lessee or lessor, regulate any project, or enter into contracts for any purpose stated in this section.

(c) The authority may designate a nonprofit college or university as the authority's agent to carry out the authority of this section.

Sec. 22. The authority may issue bonds or fund and refund bonds as provided in this chapter.

Sec. 23. The authority:

(1) may require that the rates, rents, fees, or charges established by a nonprofit college or university are sufficient to discharge the institution's obligations to the authority; but

(2) has no other jurisdiction over the rates, rents, fees, or

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charges.

Sec. 24. The authority may:

(1) establish rules for the use of a project or any part of a project; and

(2) designate a nonprofit college or university as the authority's agent to establish rules for the use of a project undertaken for that nonprofit college or university.

Sec. 25. The authority may employ consulting engineers, architects, attorneys, accountants, trustees, construction and financial experts, superintendents, managers, and other employees and agents the authority believes are necessary, and fix their compensation.

Sec. 26. The authority may:

(1) receive and accept from any source loans, contributions, or grants for or in aid of the construction or funding of a project or any part of a project in either money, property, labor, or other things of value; and

(2) when required, use the funds, property, or labor only for the purposes for which the money, property, or labor was loaned, contributed, or granted.

Sec. 27. (a) The authority may make loans to any nonprofit college or university for the cost of a project, including the establishment of liability or other loss insurance reserves or the contribution of those reserves to a risk retention group for the purpose of providing insurance coverage against liability claims or other losses in accordance with an agreement between the authority and the nonprofit college or university.

(b) A loan authorized under this section may not exceed the total cost of the project as determined by the nonprofit college or university and approved by the authority.

Sec. 28. (a) The authority may make loans to a nonprofit college or university to refund outstanding obligations or advances issued, made, or given by the nonprofit college or university for the cost of a project, including the establishment of liability or other loss insurance reserves or the contribution of those reserves to a risk retention group to provide insurance coverage against liability claims or other losses.

(b) The authority may issue bonds and make loans to a nonprofit college or university to refinance indebtedness incurred or to reimburse advances made for projects undertaken before the date of the bond issue whenever the authority finds that the financing is in the public interest and either:

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(1) alleviates a financial hardship upon the nonprofit college or university;

(2) results in a lesser cost of education; or

(3) enables the nonprofit college or university to offer greater security for a loan or loans to finance a new project or projects or to effect savings in interest costs or more favorable amortization terms.

Sec. 29. The authority may charge to and apportion among nonprofit colleges or universities the authority's administrative costs and expenses incurred in the exercise of the powers and duties conferred by this chapter.

Sec. 30. (a) The authority may, for financing purposes, combine a project or projects and some or all future projects of any nonprofit college or university or nonprofit colleges or universities provided that:

(1) the authority obtains the consent of all of the nonprofit colleges or universities that are involved, or when financing loans for the funding of liability or other loss insurance reserves or for the providing of those reserves or other capital to be contributed to a risk retention group, the authority obtains the consent of all of the eligible members that are involved; and

(2) the money set aside in any fund or funds pledged for any series of bonds or issue of bonds is held for the sole benefit of a series or issue separate and apart from the money pledged for any other series or issue of bonds of the authority.

(b) To facilitate the combining of projects, bonds may be issued in series under one (1) or more resolutions or trust agreements and be:

(1) fully open end, thus providing for unlimited issuance of additional series; or

(2) partially open end, limited as to additional series;

all in the discretion of the authority.

(c) Notwithstanding any provision of this chapter, the authority may permit a nonprofit college or university to substitute one (1) or more educational facilities of similar value (as determined by an independent appraiser satisfactory to the authority) as security for any educational facility financed under this chapter on the terms and conditions that the authority may prescribe.

Sec. 31. The authority may mortgage all or any part of:

(1) any project and any other educational facilities conveyed to the authority for an educational purpose; and

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(2) the site or sites of the facilities, whether presently owned or subsequently acquired;

for the benefit of the holders of the bonds of the authority issued to finance a project or any portion of a project or issued to refund or refinance outstanding indebtedness of a nonprofit college or university as permitted by this chapter.

Sec. 32. The authority may join in a risk retention group with state educational institutions or any nonprofit college or university.

Sec. 33. The authority may do all things necessary to carry out the purposes of this chapter.

Sec. 34. All expenses incurred in carrying out this chapter are payable solely from funds provided under the authority of this chapter. No liability may be incurred by the authority beyond the extent to which money has been provided under this chapter.

Sec. 35. The authority may acquire:

(1) directly;

(2) by and through a nonprofit college or university as the private institution's agent;

(3) by purchase solely from funds provided under this chapter; or

(4) by gift or devise;

lands, structures, real or personal property, rights, rights-of-way, franchises, easements, and other interests in lands, including lands lying under water and riparian rights that are located in Indiana, as the authority finds necessary or convenient, for the construction or operation of a project, upon the terms and at the prices as are agreed upon between the authority and the owner of a property interest. The authority may take title to property in the authority's own name or in the name of a nonprofit college or university as the authority's agent.

Sec. 36. The authority shall promptly take any action and execute any deeds and conveyances necessary and required to convey the title to a project or projects to the appropriate nonprofit college or university whenever:

(1) the principal of and interest on bonds of the authority issued to finance the cost of a project or projects for a nonprofit college or university, including any refunding bonds issued to refund and refinance the bonds, have been fully paid and retired; or

(2) adequate provision has been made to fully pay and retire bonds of the authority issued to finance the cost of a project or projects for a nonprofit college or university, all other

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conditions of the bond resolution have been satisfied, and the lien created by the bond resolution has been released in accord with the provisions of the bond resolution.

Sec. 37. The authority may periodically issue bonds for any corporate purpose. All bonds or other obligations of the authority issued under this chapter are negotiable for all purposes notwithstanding their payment from a limited source and without regard to any other.

Sec. 38. The bonds of every issue are payable solely out of revenues of the authority, including accumulated reserves or sinking funds. Any income received from the investment of reserves or sinking funds must be applied in reduction of the rentals or other amounts paid by the nonprofit college or university or nonprofit colleges or universities for whose project or projects the reserves or sinking funds were created. Funds held as reserves or sinking funds when invested must be allocated to a specific project or projects of the institution for which the fund was created, and the income from the investment must be used to reduce the bonded indebtedness attributable to the project or projects.

Sec. 39. (a) The bonds issued by the authority may be issued as serial bonds or term bonds, or both. The bonds:

(1) must be authorized by a bond resolution of the authority; and

(2) must:

(A) bear the date or dates;

(B) mature at the time or times not exceeding forty (40) years from their respective dates of issue;

(C) bear interest at the rate or rates, without regard to any limit contained in any other statute or law of Indiana;

(D) be payable at the time or times;

(E) be in the denominations;

(F) be in the form, either coupon or fully registered;

(G) carry the registration and conversion privileges;

(H) be payable in lawful money of the United States of America at the places; and

(I) be subject to the terms of redemption;

as are in current or customary usage in municipal bond markets and as the bond resolution may provide.

(b) The bond resolution for bonds of the authority may set the maximum interest rate or rates that the bonds may bear and delegate to an officer or agent of the authority power to set an

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interest rate or rates that the bonds may bear at the time of sale of the bonds. However, the rate or rates may not exceed the maximum rate established by the authority in the bond resolution.

(c) The bonds of the authority must be executed by the manual or facsimile signatures of the officers or agents of the authority designated by the authority. In the case of bonds having a maturity of one (1) year or less, the bond resolution that authorizes the bonds may concurrently provide for the issuance, delivery, and sale of refunding bonds subject to the terms and conditions prescribed in the bond resolution and this chapter. The bonds must be sold in the manner that the authority determines. Pending preparation of the definitive bonds, the authority may issue interim receipts or certificates, which must be exchanged for the definitive bonds.

Sec. 40. Any bond resolution of the authority may contain provisions that become part of the contract with the holders of the bonds to be authorized, as to:

(1) pledging or assigning the revenues of the project or projects with respect to which the bonds are to be issued;

(2) the rentals, fees, and other amounts to be charged, and the sums to be raised in each year, and the use, investment, and disposition of the sums;

(3) the setting aside of reserves or sinking funds, and the regulation, investment, and disposition of reserves or sinking funds;

(4) limitations on the use of the project;

(5) limitations on the purpose to which or the investments in which the proceeds of sale of any issue of bonds may be applied;

(6) limitations on the issuance of additional bonds, the terms upon which additional bonds may be issued and secured, the terms upon which additional bonds may rank on a parity with, or be subordinate or superior to, other bonds;

(7) the refunding of outstanding bonds;

(8) the procedure, if any, by which the terms of any contract with bond holders may be amended or abrogated, the amount of bonds the holders of which must give consent and the manner in which the consent may be given;

(9) defining the acts or omissions to act that constitute a default in the duties of the authority to holders of the authority's obligations and providing the rights and remedies of the holders in the event of a default;

(10) mortgaging the project or projects with respect to which

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any bonds are to be issued and other educational facilities conveyed to the authority for a purpose for the benefit of the holders of the bonds;

(11) the establishment of liability or other loss insurance reserves or the contribution of those reserves or other capital to a risk retention group to provide insurance coverage against liability claims or other losses; and

(12) any other matters relating to the bonds which the authority considers desirable.

Sec. 41. Neither the members of the authority nor any person executing the bonds of the authority may be held liable personally on the bonds or be subject to any personal liability or accountability by reason of the issuance of the bonds.

Sec. 42. The authority may purchase bonds issued by the authority using any funds available for the purpose. The authority may hold, pledge, cancel, or resell bonds issued by the authority subject to and in accordance with agreements with bond holders.

Sec. 43. (a) The authority may secure any bonds issued under this chapter by a trust agreement by and between the authority and a corporate trustee or trustees, which may be any trust company or bank in Indiana having the powers of a trust company.

(b) The bond resolution providing for the issuance of bonds secured by a trust agreement:

(1) must pledge the revenues to be received by the authority from the project or projects;

(2) may contain provisions for protecting and enforcing the rights and remedies of the bondholders as are reasonable and proper and not in violation of law, including provisions specifically authorized to be included in any bond resolution of the authority; and

(3) may restrict the individual right of action by bondholders.

(c) Any bond resolution may contain any other provisions that the authority determines reasonable and proper for the security of the bondholders.

(d) All expenses incurred in carrying out the provisions of the bond resolution may be treated as a part of the cost of the operation of a project.

Sec. 44. (a) Bonds issued under this chapter do not, and must state upon the face of each bond that the bonds do not:

(1) represent or constitute:

(A) a debt of the authority or of the state within the meaning of the provisions of the Constitution or statutes of

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the state of Indiana; or

(B) a pledge of the faith and credit of the authority or the state; or

(2) grant to the owners or holders of the bonds any right to have the authority or the general assembly levy any taxes or appropriate any funds for the payment of the principal of or interest due on the bonds.

(b) Bonds issued under this chapter are payable and must state that the bonds are payable solely from the funds pledged for payment of the bonds in accordance with the bond resolution.

(c) This chapter may not be construed to authorize the authority or any department, board, commission or other agency to create an obligation of the state of Indiana within the meaning of the Constitution of the State of Indiana or the statutes of Indiana.

Sec. 45. (a) In connection with any lease entered into between the authority and any nonprofit college or university, the authority shall fix, revise, charge, and collect rents for the use of each project and contract with any person, partnership, association, limited liability company, or corporation, or other body, public or private, in respect thereof.

(b) Each lease entered into by the authority with a nonprofit college or university must provide that the rents or other money payable by the nonprofit college or university is sufficient at all times:

(1) to pay the private institution's share of the administrative costs and expenses of the authority;

(2) to pay the principal of the premium, if any, and the interest on outstanding bonds of the authority issued in respect of the project as the bonds become due and payable; and

(3) to create and maintain reserves that may be required or provided for in the bond resolution relating to the bonds of the authority.

(c) The authority shall pledge the revenues derived and to be derived from a project for the purposes specified in subsection (b).

(d) Additional bonds may be issued that rank on a parity with other bonds relating to the project to the extent and on the terms and conditions provided in the bond resolution.

(e) A pledge is valid and binding from the time the pledge is made. The revenues pledged by the authority are immediately subject to the lien of a pledge without any physical delivery of the pledge document or further act. The lien of a pledge is valid and

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binding against all parties having claims of any kind in tort or contract or otherwise against the authority, irrespective of whether the parties have notice of the lien.

(f) Neither the bond resolution nor any financing statement, continuation statement, or other instrument by which a pledge is created or by which the authority's interest in revenues is assigned need be filed or recorded in public records to perfect the lien created by a pledge of revenues by the authority as against third parties, except that a copy of the pledge document must be filed in the records of the authority and with the treasurer of state.

Sec. 46. All money received under this chapter, whether as proceeds from the sale of bonds or as revenues, are trust funds to be held and applied solely as provided in this chapter. Any officer with whom, or any bank or trust company with which, money received under this chapter is deposited shall act as trustee of the moneys and shall hold and apply the money for the purposes described in this chapter, subject to any provisions set forth in this chapter and the bond resolution authorizing the bonds of any issue.

Sec. 47. Any holder of bonds issued under this chapter or a trustee under a trust agreement entered into under this chapter, except to the extent that the rights of a holder or a trustee are restricted by any bond resolution, may, by any suitable form of legal proceedings, protect and enforce any rights under the laws of Indiana or granted by the bond resolution. These rights include the right:

(1) to compel the performance of all duties of the authority required by this chapter or the bond resolution;

(2) to enjoin unlawful activities; and

(3) in the event of default with respect to the payment of any principal of, premium, if any, and interest on any bond or in the performance of any covenant or agreement on the part of the authority in the bond resolution, to apply to the circuit court to appoint a receiver:

(A) to administer and operate the project or projects, the revenues of which are pledged to the payment of principal of, premium, if any, and interest on the bonds;

(B) with full power to pay, and to provide for payment of, principal of premium, if any, and interest on the bonds; and

(C) with the powers, subject to the direction of the court, as are permitted by law and are accorded receivers, excluding any power to pledge additional revenues of the

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authority to the payment of the principal, premium and interest.

Sec. 48. The authority may provide for the issuance of bonds of the authority:

(1) to refund any bonds of the authority then outstanding, including the payment of any redemption premium on the bonds and any interest accrued or to accrue to the earlier or any subsequent date of redemption, purchase, or maturity of the bonds; and

(2) if determined advisable by the authority, for the additional purpose of paying all or any part of the cost of constructing and acquiring additions, improvements, extensions, or enlargements of a project or any part of an addition, improvement, extension, or enlargement or a project.

However, no refunding bonds may be issued unless the authority provides for the payment of rentals adequate to satisfy the requirements of section 34 of this chapter.

Sec. 49. The proceeds of any bonds issued for the purpose of refunding outstanding bonds may, in the discretion of the authority:

(1) be applied to the purchase or retirement at maturity or redemption of the outstanding bonds either on their earliest or any subsequent redemption date or upon the purchase or at the maturity of the outstanding bonds; and

(2) pending the application of the proceeds, be placed in escrow to be applied to the purchase or retirement at maturity or redemption of the outstanding bonds on a date determined by the authority.

Sec. 50. Any escrowed proceeds, pending use for the refunding of outstanding bonds, may be invested and reinvested in:

(1) direct obligations of the United States of America; or

(2) obligations having the timely payment of principal and interest unconditionally guaranteed by the United States of America;

maturing at a time or times that are appropriate to assure the prompt payment of the principal and interest and redemption premium, if any, on the outstanding bonds to be refunded. Any interest, income, and profits earned or realized on any investment may also be applied to the payment of the outstanding bonds to be refunded. Only after the terms of the escrow have been fully satisfied and carried out, any balance of the proceeds and any interest, income and profits earned or realized on the investments

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described in this section must be returned to the nonprofit college or university for use by the nonprofit college or university in any lawful manner.

Sec. 51. All bonds issued to refund outstanding bonds of the authority are subject to this chapter in the same manner and to the same extent as other bonds issued under this chapter.

Sec. 52. Except as otherwise provided in section 50 of this chapter or in any trust indenture providing for the issuance of bonds, the authority may invest:

(1) the authority's money, funds, and accounts;

(2) any money, funds, and accounts in the authority's custody; and

(3) proceeds of bonds or notes;

in the manner provided by an investment policy established by resolution of the authority.

Sec. 53. All:

(1) banks, bankers, trust companies, savings banks and institutions, building and loan associations, savings and loan associations, investment companies, and insurance companies and associations; and

(2) executors, administrators, guardians, trustees, and other fiduciaries;

may legally invest any sinking funds, moneys or other funds belonging to them or within their control in any bonds issued by the authority under this chapter.

Sec. 54. (a) The authority shall keep an accurate account of all the authority's activities, receipts, and expenditures.

(b) The authority shall annually in the month of January make a report of the authority's activities, receipts, and expenditures to the authority's members and the governor.

(c) The members may:

(1) investigate the affairs of the authority;

(2) severally examine the properties and records of the authority; and

(3) prescribe methods of accounting and the rendering of periodical reports in relation to projects undertaken by the authority.

Sec. 55. Except as provided in IC 21-36-2, a project is not subject to any statutory requirement of competitive bidding or other restriction imposed on the procedure for award of contracts or the lease, sale, or other disposition of property with regard to any action taken under authority of this chapter. If, however, the

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prospective lessee so requests in writing, the authority shall call for the construction bids in the manner determined by the authority with the approval of the lessee.

Sec. 56. Notwithstanding any other provision of this chapter, the authority may:

(1) finance the cost of an educational facility or refund outstanding indebtedness of a nonprofit college or university, as authorized under section 28 of this chapter; or

(2) finance the establishment of liability or other loss insurance reserves or the contribution of reserves or other capital to a risk retention group to provide insurance coverage against liability claims or other losses;

by issuing the authority's bonds for the purpose of loaning the proceeds to a nonprofit college or university for the cost of a project or to refund or refinance outstanding indebtedness or reimburse advances made in connection with a project in accordance with an agreement between the authority and the institution and in exchange for the institution's promissory note or notes.

Sec. 57. (a) Any promissory notes received under section 56 of this chapter:

(1) must have the same principal amounts, maturities, and interest rates as the bonds being issued;

(2) may be secured by a first mortgage lien on the educational facility being financed or by a first mortgage lien or security interest in other real or personal property or funds acceptable to the authority subject to any exceptions that the authority may approve and created by a mortgage instrument or security agreement satisfactory to the authority; and

(3) may be insured or guaranteed by others.

(b) Any bonds described in section 56 of this chapter must be payable solely out of the payments to be made on the promissory notes and under the corresponding agreement. Any bonds described in section 56 of this chapter may not exceed in principal amount the cost of the educational facility, as determined by the nonprofit college or university, or the necessary amount of these liability or other loss insurance reserves, and approved by the authority. In other respects:

(1) the bonds are subject to the provisions of section 39 of this chapter; and

(2) the trust agreement or indenture creating the bonds may contain any of the provisions set forth in section 40 of this

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chapter that the authority determines appropriate.

Sec. 58. If an educational facility is financed and mortgaged under sections 56 and 57 of this chapter:

(1) the title to the facility must remain in the nonprofit college or university owning the facility, subject to the lien of the mortgage securing the promissory notes then being purchased; and

(2) there may not be a lease of the facility between the authority and the institution.

Sec. 59. Section 36 of this chapter does not apply to any educational facility or any liability or other loss insurance reserves financed under sections 56 through 58 of this chapter and this section. However, the authority shall return the promissory notes purchased through the issuance of bonds under this chapter to the nonprofit college or university issuing the promissory notes when:

(1) the bonds have been fully paid and retired or adequate provision has been made to pay and retire the bonds fully;

(2) all other conditions of the trust agreement or indenture creating the bonds have been satisfied; and

(3) the lien has been released in accordance with the provisions of the instrument creating the lien.

Sec. 60. Because the operation and maintenance of a project by the authority or the authority's agent constitutes the performance of an essential public function, neither the authority nor the authority's agent are required to pay any taxes or assessments, including mortgage recording taxes, upon or in respect of:

(1) a project or any property acquired or used by the authority or the authority's agent under this chapter or upon the income from the project or property;

(2) the bonds issued under this chapter or the interest on those bonds; and

(3) the proceeds received from bonds issued under this chapter:

(A) by a holder from the sale of such bonds, to the extent of the holder's cost of acquisition;

(B) upon redemption before maturity; or

(C) at maturity.

Sec. 61. All bonds and the interest on bonds issued under this chapter are exempt from taxation in Indiana for all purposes except the financial institutions tax imposed under IC 6-5.5 or a state inheritance tax imposed under IC 6-4.1.

SECTION 67. IC 5-1.5-1-8 IS AMENDED TO READ AS

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FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 8. "Qualified entity" means:

(1) a political subdivision (as defined in IC 36-1-2-13);

(2) a state educational institution; ~~(as defined in IC 20-12-0.5-1(b)),~~

(3) a leasing body (as defined in IC 5-1-1-1(a));

(4) a not-for-profit utility (as defined in IC 8-1-2-125);

(5) any rural electric membership corporation organized under IC 8-1-13;

(6) any corporation that was organized in 1963 under Acts 1935, c. 157 and that engages in the generation and transmission of electric energy;

(7) any telephone cooperative corporation formed under IC 8-1-17;

(8) any commission, authority, or authorized body of any qualified entity;

(9) any organization, association, or trust with members, participants, or beneficiaries that are all individually qualified entities;

(10) any commission, authority, or instrumentality of the state;

(11) any other participant (as defined in IC 13-11-2-151.1);

(12) a charter school established under IC 20-5.5 that is not a qualified entity under IC 5-1.4-1-10; or

(13) a volunteer fire department (as defined in IC 36-8-12-2).

SECTION 68. IC 5-2-1-2, AS AMENDED BY P.L.91-2006, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. For the purposes of this chapter, and unless the context clearly denotes otherwise, the following definitions apply throughout this chapter:

(1) "Law enforcement officer" means an appointed officer or employee hired by and on the payroll of the state, any of the state's political subdivisions, or a public or private ~~college or university~~ **postsecondary educational institution** whose board of trustees has established a police department under ~~IC 20-12-3.5-1,~~ **IC 21-17-5-2 or IC 21-39-4-2** who is granted lawful authority to enforce all or some of the penal laws of the state of Indiana and who possesses, with respect to those laws, the power to effect arrests for offenses committed in the officer's or employee's presence. However, the following are expressly excluded from the term "law enforcement officer" for the purposes of this chapter:

(A) A constable.

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(B) A special officer whose powers and duties are described in IC 36-8-3-7 or a special deputy whose powers and duties are described in IC 36-8-10-10.6.

(C) A county police reserve officer who receives compensation for lake patrol duties under IC 36-8-3-20(f)(4).

(D) A conservation reserve officer who receives compensation for lake patrol duties under IC 14-9-8-27.

(E) An employee of the gaming commission whose powers and duties are described in IC 4-32.2-9.

(2) "Board" means the law enforcement training board created by this chapter.

(3) "Advisory council" means the law enforcement advisory council created by this chapter.

(4) "Executive training program" means the police chief executive training program developed by the board under section 9 of this chapter.

(5) "Law enforcement training council" means one (1) of the confederations of law enforcement agencies recognized by the board and organized for the sole purpose of sharing training, instructors, and related resources.

(6) "Training regarding the lawful use of force" includes classroom and skills training in the proper application of hand to hand defensive tactics, use of firearms, and other methods of:

(A) overcoming unlawful resistance; or

(B) countering other action that threatens the safety of the public or a law enforcement officer.

(7) "Hiring or appointing authority" means:

(A) the chief executive officer, board, or other entity of a police department or agency with authority to appoint and hire law enforcement officers; or

(B) the governor, mayor, board, or other entity with the authority to appoint a chief executive officer of a police department or agency.

SECTION 69. IC 5-2-1-9, AS AMENDED BY P.L.173-2006, SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 9. (a) The board shall adopt in accordance with IC 4-22-2 all necessary rules to carry out the provisions of this chapter. The rules, which shall be adopted only after necessary and proper investigation and inquiry by the board, shall include the establishment of the following:

(1) Minimum standards of physical, educational, mental, and moral fitness which shall govern the acceptance of any person for

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training by any law enforcement training school or academy meeting or exceeding the minimum standards established pursuant to this chapter.

(2) Minimum standards for law enforcement training schools administered by towns, cities, counties, law enforcement training centers, agencies, or departments of the state.

(3) Minimum standards for courses of study, attendance requirements, equipment, and facilities for approved town, city, county, and state law enforcement officer, police reserve officer, and conservation reserve officer training schools.

(4) Minimum standards for a course of study on cultural diversity awareness that must be required for each person accepted for training at a law enforcement training school or academy.

(5) Minimum qualifications for instructors at approved law enforcement training schools.

(6) Minimum basic training requirements which law enforcement officers appointed to probationary terms shall complete before being eligible for continued or permanent employment.

(7) Minimum basic training requirements which law enforcement officers appointed on other than a permanent basis shall complete in order to be eligible for continued employment or permanent appointment.

(8) Minimum basic training requirements which law enforcement officers appointed on a permanent basis shall complete in order to be eligible for continued employment.

(9) Minimum basic training requirements for each person accepted for training at a law enforcement training school or academy that include six (6) hours of training in interacting with persons with mental illness, addictive disorders, mental retardation, and developmental disabilities, to be provided by persons approved by the secretary of family and social services and the board.

(10) Minimum standards for a course of study on human and sexual trafficking that must be required for each person accepted for training at a law enforcement training school or academy and for inservice training programs for law enforcement officers. The course must cover the following topics:

(A) Examination of the human and sexual trafficking laws (IC 35-42-3.5).

(B) Identification of human and sexual trafficking.

(C) Communicating with traumatized persons.

(D) Therapeutically appropriate investigative techniques.

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(E) Collaboration with federal law enforcement officials.
(F) Rights of and protections afforded to victims.
(G) Providing documentation that satisfies the Declaration of Law Enforcement Officer for Victim of Trafficking in Persons (Form I-914, Supplement B) requirements established under federal law.
(H) The availability of community resources to assist human and sexual trafficking victims.

(b) Except as provided in subsection (l), a law enforcement officer appointed after July 5, 1972, and before July 1, 1993, may not enforce the laws or ordinances of the state or any political subdivision unless the officer has, within one (1) year from the date of appointment, successfully completed the minimum basic training requirements established under this chapter by the board. If a person fails to successfully complete the basic training requirements within one (1) year from the date of employment, the officer may not perform any of the duties of a law enforcement officer involving control or direction of members of the public or exercising the power of arrest until the officer has successfully completed the training requirements. This subsection does not apply to any law enforcement officer appointed before July 6, 1972, or after June 30, 1993.

(c) Military leave or other authorized leave of absence from law enforcement duty during the first year of employment after July 6, 1972, shall toll the running of the first year, which shall be calculated by the aggregate of the time before and after the leave, for the purposes of this chapter.

(d) Except as provided in subsections (e), (l), and (q), a law enforcement officer appointed to a law enforcement department or agency after June 30, 1993, may not:

(1) make an arrest;
(2) conduct a search or a seizure of a person or property; or
(3) carry a firearm;

unless the law enforcement officer successfully completes, at a board certified law enforcement academy or at a law enforcement training center under section 10.5 or 15.2 of this chapter, the basic training requirements established by the board under this chapter.

(e) This subsection does not apply to a gaming agent employed as a law enforcement officer by the Indiana gaming commission. Before a law enforcement officer appointed after June 30, 1993, completes the basic training requirements, the law enforcement officer may exercise the police powers described in subsection (d) if the officer successfully completes the pre-basic course established in subsection (f). Successful

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completion of the pre-basic course authorizes a law enforcement officer to exercise the police powers described in subsection (d) for one (1) year after the date the law enforcement officer is appointed.

(f) The board shall adopt rules under IC 4-22-2 to establish a pre-basic course for the purpose of training:

(1) law enforcement officers;

(2) police reserve officers (as described in IC 36-8-3-20); and

(3) conservation reserve officers (as described in IC 14-9-8-27);

regarding the subjects of arrest, search and seizure, the lawful use of force, and the operation of an emergency vehicle. The pre-basic course must be offered on a periodic basis throughout the year at regional sites statewide. The pre-basic course must consist of at least forty (40) hours of course work. The board may prepare the classroom part of the pre-basic course using available technology in conjunction with live instruction. The board shall provide the course material, the instructors, and the facilities at the regional sites throughout the state that are used for the pre-basic course. In addition, the board may certify pre-basic courses that may be conducted by other public or private training entities, including ~~colleges and universities.~~ **postsecondary educational institutions.**

(g) The board shall adopt rules under IC 4-22-2 to establish a mandatory inservice training program for police officers. After June 30, 1993, a law enforcement officer who has satisfactorily completed basic training and has been appointed to a law enforcement department or agency on either a full-time or part-time basis is not eligible for continued employment unless the officer satisfactorily completes the mandatory inservice training requirements established by rules adopted by the board. Inservice training must include training in interacting with persons with mental illness, addictive disorders, mental retardation, and developmental disabilities, to be provided by persons approved by the secretary of family and social services and the board, and training concerning human and sexual trafficking. The board may approve courses offered by other public or private training entities, including ~~colleges and universities,~~ **postsecondary educational institutions,** as necessary in order to ensure the availability of an adequate number of inservice training programs. The board may waive an officer's inservice training requirements if the board determines that the officer's reason for lacking the required amount of inservice training hours is due to either of the following:

(1) An emergency situation.

(2) The unavailability of courses.

(h) The board shall also adopt rules establishing a town marshal

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basic training program, subject to the following:

(1) The program must require fewer hours of instruction and class attendance and fewer courses of study than are required for the mandated basic training program.

(2) Certain parts of the course materials may be studied by a candidate at the candidate's home in order to fulfill requirements of the program.

(3) Law enforcement officers successfully completing the requirements of the program are eligible for appointment only in towns employing the town marshal system (IC 36-5-7) and having not more than one (1) marshal and two (2) deputies.

(4) The limitation imposed by subdivision (3) does not apply to an officer who has successfully completed the mandated basic training program.

(5) The time limitations imposed by subsections (b) and (c) for completing the training are also applicable to the town marshal basic training program.

(i) The board shall adopt rules under IC 4-22-2 to establish an executive training program. The executive training program must include training in the following areas:

(1) Liability.

(2) Media relations.

(3) Accounting and administration.

(4) Discipline.

(5) Department policy making.

(6) Lawful use of force.

(7) Department programs.

(8) Emergency vehicle operation.

(9) Cultural diversity.

(j) A police chief shall apply for admission to the executive training program within two (2) months of the date the police chief initially takes office. A police chief must successfully complete the executive training program within six (6) months of the date the police chief initially takes office. However, if space in the executive training program is not available at a time that will allow completion of the executive training program within six (6) months of the date the police chief initially takes office, the police chief must successfully complete the next available executive training program that is offered after the police chief initially takes office.

(k) A police chief who fails to comply with subsection (j) may not continue to serve as the police chief until completion of the executive training program. For the purposes of this subsection and subsection

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(j), "police chief" refers to:

(1) the police chief of any city;

(2) the police chief of any town having a metropolitan police department; and

(3) the chief of a consolidated law enforcement department established under IC 36-3-1-5.1.

A town marshal is not considered to be a police chief for these purposes, but a town marshal may enroll in the executive training program.

(l) A fire investigator in the division of fire and building safety appointed after December 31, 1993, is required to comply with the basic training standards established under this chapter.

(m) The board shall adopt rules under IC 4-22-2 to establish a program to certify handgun safety courses, including courses offered in the private sector, that meet standards approved by the board for training probation officers in handgun safety as required by IC 11-13-1-3.5(3).

(n) The board shall adopt rules under IC 4-22-2 to establish a refresher course for an officer who:

(1) is hired by an Indiana law enforcement department or agency as a law enforcement officer;

(2) worked as a full-time law enforcement officer for at least one (1) year before the officer is hired under subdivision (1);

(3) has not been employed as a law enforcement officer for at least two (2) years and less than six (6) years before the officer is hired under subdivision (1) due to the officer's resignation or retirement; and

(4) completed a basic training course certified by the board before the officer is hired under subdivision (1).

(o) An officer to whom subsection (n) applies must successfully complete the refresher course described in subsection (n) not later than six (6) months after the officer's date of hire, or the officer loses the officer's powers of:

(1) arrest;

(2) search; and

(3) seizure.

(p) A law enforcement officer who:

(1) has completed a basic training course certified by the board; and

(2) has not been employed as a law enforcement officer in the six (6) years before the officer is hired as a law enforcement officer;

is not eligible to attend the refresher course described in subsection (n)

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and must repeat the full basic training course to regain law enforcement powers.

(q) This subsection applies only to a gaming agent employed as a law enforcement officer by the Indiana gaming commission. A gaming agent appointed after June 30, 2005, may exercise the police powers described in subsection (d) if:

(1) the agent successfully completes the pre-basic course established in subsection (f); and

(2) the agent successfully completes any other training courses established by the Indiana gaming commission in conjunction with the board.

SECTION 70. IC 5-2-1-11, AS AMENDED BY P.L.52-2005, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 11. (a) The board is further authorized and empowered, in accordance with the rule making power granted in section 9 of this chapter, to adopt all necessary rules to:

(1) establish inservice and advanced training programs, and minimum courses of study and attendance requirements for such programs, to ensure that all appointed and elected law enforcement officers may be offered training in current enforcement and related subjects;

(2) establish training programs for railroad police, prison and industrial guards, ~~college and university~~ **postsecondary educational institution** safety and security personnel, whether public or private, and such other enforcement related groups as the board may deem necessary, on a voluntary enrollment basis;

(3) establish policies and procedures governing the use of state owned law enforcement training facilities constructed or established pursuant to this chapter; and

(4) give public notice of any other policies, procedures, functions, or requirements which the board may deem necessary and appropriate to carry out the provisions of this chapter.

(b) The board is further authorized and empowered to:

(1) recommend or conduct studies, make surveys, and require such reports to be made by the chief administrative officer of any law enforcement agency or department of the state or any of its political subdivisions as may be necessary to carry out the objectives and purposes of this chapter;

(2) originate, compile, and disseminate lecture outlines and other training material, and design and furnish forms and certificates necessary to carry out and certify compliance with the training program authorized or required by this chapter; and

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(3) perform such other acts as may be necessary and appropriate to carry out the duties, responsibilities, and functions of the board as set forth in this chapter.

SECTION 71. IC 5-2-1-15, AS AMENDED BY P.L.52-2005, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 15. (a) The facilities of the law enforcement academy shall be available to any law enforcement agency of the state, or any of its political subdivisions, subject to the rules of the board.

(b) Any law enforcement agency of the state, any of its political subdivisions, or any board certified training center may conduct training:

(1) for the law enforcement agency of any political subdivision in Indiana; and

(2) in facilities other than those of the law enforcement academy; if the minimum standards established by the board are met or exceeded.

(c) A law enforcement agency or a board certified training center conducting approved local training under subsection (b) shall be entitled to a per capita allowance from the law enforcement training fund to defray such portions of the cost of basic training as shall be approved by the board. Such per capita allowance shall be earmarked and expended only for law enforcement training.

(d) The facilities of the law enforcement academy shall be available for the training of railroad police, prison and industrial plant guards, ~~college and university~~ **postsecondary educational institution** safety and security personnel, whether public or private, and such other enforcement related groups as shall be approved by the board, upon terms and conditions established by the board. Railroad police and nongovernmental enforcement related groups qualifying to use the facilities of the academy under the rules of the board shall be required to reimburse the law enforcement training fund for the cost of such training.

(e) The facilities of the law enforcement academy may be used for the training of firefighting personnel where the subject matter of the training relates to duties which involve law enforcement related conduct. Such training shall be conducted upon terms and conditions established by the board. However, no volunteer firefighter is required to attend training at the academy.

(f) The cost of the mandatory basic training conducted by the board at the facilities of the law enforcement academy shall be paid out of the law enforcement training fund, if the trainees have been previously appointed and are on the payroll of a law enforcement department or agency. All other training programs authorized by this chapter and

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conducted at the law enforcement training academy, including the mandatory basic training course when attended by trainees who have been investigated and approved but not yet hired by a law enforcement agency, are subject to fee schedules and charges for tuition, lodging, meals, instructors, training materials, and any other items or services established by the board.

SECTION 72. IC 5-2-2-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 14. (a) For the purpose of providing funds to carry out the provisions of this chapter with respect to the construction and equipment of a building or buildings for use as a law enforcement academy and acquiring or providing a site therefor, the commission is authorized pursuant to resolution or resolutions to issue and sell interest bearing law enforcement academy revenue debentures in any amount not to exceed three million two hundred thousand dollars ($3,200,000) and bearing such date or dates, and maturing at such time or times not exceeding forty (40) years from their respective dates, bearing interest at such rate or rates payable semiannually, in such form, carrying such registration privileges payable at such place or places, and may be made subject to redemption prior to maturity in such manner, at such time, and upon such terms with or without premium, all as may be provided by the pertinent resolution and expressed on the face of the respective debentures. Such debentures shall be signed by the chairman of the commission, attested by the secretary, and with the seal of said commission affixed, provided, that the signature of the chairman may be a facsimile thereof imprinted thereon. Interest on said debentures when issued shall be evidenced by attached interest coupons bearing the facsimile of the signatures of said chairman and secretary. Such debentures and the interest coupons thereto attached when issued shall have all the qualities of negotiable instruments under the law merchant and shall be incontestable in the hands of a bona fide purchaser or holder thereof for value, and such debentures and interest thereon shall be exempt from all taxation except the financial institutions tax and estate, inheritance, or gift taxes ~~now or hereafter~~ imposed by law. Such debentures shall be sold at public sale in accordance with the provisions of ~~IC 4-1-5.~~ **IC 21-32-1.** In determining the amount of such debentures to be issued and sold there may be included the cost of construction, the cost of all land and clearings thereof and improvements thereto, including walks, drives, and other appurtenances, material and labor which are deemed necessary, cost of equipment, financing charges, interest accruing on the debentures prior to and during the construction period, and all other expenses, including

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legal fees, engineers' and architects' fees, and all other expenses necessary or incident to the construction and equipment of the building or buildings and the acquisition and providing a site therefor. The proceeds of such debentures are hereby appropriated for the purpose for which the debentures may be issued under this chapter and such proceeds shall be deposited and disbursed in accordance with such provisions and restrictions as the commission may provide in the resolution authorizing the issuance thereof. Any debentures issued under the provisions of this chapter may be thereafter refinanced through the issuance of refunding debentures subject to such restrictions or conditions as may be provided in the resolution authorizing the issuance of such debentures in the first instance and in the issuance of such refunding debentures, the maturities and other details thereof, the rights of the holders thereof, and the rights, duties, and obligations of the commission in all respects thereto shall be governed by the provisions of this chapter insofar as the same may be applicable.

(b) The debentures issued under the provisions of this chapter shall constitute only the corporate obligations of said commission payable solely and only from and secured exclusively by pledge of the income and revenue of such building or buildings remaining after payment or provisions for payment of the expenses of operation, maintenance, and repair of said building or buildings to the extent such expenses of operation, maintenance, and repair are not otherwise provided, and it shall be plainly stated on the face of each such debenture that same does not constitute an indebtedness of the state of Indiana within the meaning or application of any constitutional provision or limitation but that it is payable solely and only as to both principal and interest from the net revenues of such building or buildings. The provisions of this chapter and the covenants and undertakings of the commission as expressed in any proceedings preliminary to or in connection with the issuance of the debentures may be enforced by any debenture holder by suit for injunction or mandamus against the commission or any officer, agent, or employee thereof, but in no event can any suit for monetary judgement be brought against the state of Indiana for any violations under the provisions of this chapter.

SECTION 73. IC 5-2-6-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. (a) The institute is composed of:

(1) the trustees; and

(2) a research and information consortium.

(b) The trustees shall:

(1) evaluate and disseminate to the public information concerning

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the cost and effectiveness of the criminal and juvenile justice systems;

(2) promote coordination and cooperation for the effective administration of the criminal and juvenile justice systems;

(3) establish plans for the criminal and juvenile justice systems and make recommendations concerning the implementation of these plans;

(4) encourage and assist in the organization of an academic consortium for the purpose of engaging in research;

(5) receive, expend, and account for state funds made available for the purposes of this chapter;

(6) apply for and accept gifts and grants (which must be administered as public funds) made for the purposes of this chapter;

(7) enter into lawful agreements as required as a condition for receiving gifts, grants, or other funds for the purposes of this chapter;

(8) employ a director (or directors of divisions) and any necessary staff;

(9) adopt rules, under IC 4-22-2, necessary to carry out the purposes of this chapter;

(10) promulgate guidelines concerning participation in the research and information consortium.

(c) The research and information consortium is composed of state **educational** institutions ~~of higher education~~ that are engaged in criminal or juvenile justice research under the direction of the trustees. A state or local governmental entity may participate in the consortium. The consortium shall act as an advisory body to the institute and perform other related functions as requested by the trustees.

(d) The trustees shall meet quarterly and at such times as called by the chairman. A majority of the trustees constitutes a quorum for doing business. A majority vote of the trustees is required for passage of any matter put to a vote. The trustees shall establish procedures and requirements with respect to the place and conduct of their meetings.

(e) A trustee is not entitled to the minimum salary per diem as provided in IC 4-10-11-2.1(b) while performing his duties. A trustee is entitled to reimbursement for traveling expenses and other expenses actually incurred in connection with his duties, as provided in the state travel policies and procedures established by the department of administration and approved by the state budget agency.

SECTION 74. IC 5-2-8-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. (a) As used in this section:

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(1) "Abuse" means:

(A) conduct that causes bodily injury (as defined in IC 35-41-1-4) or damage to property; or

(B) a threat of conduct that would cause bodily injury (as defined in IC 35-41-1-4) or damage to property.

(2) "County law enforcement agency" includes ~~university~~ **postsecondary educational institution** police officers appointed under ~~IC 20-12-3.5.~~ **IC 21-17-5 or IC 21-39-4.**

(b) There is established in each county a county law enforcement continuing education program. The program is funded by amounts appropriated under IC 33-37-8-6.

(c) A county law enforcement agency receiving amounts based upon claims for law enforcement continuing education funds under IC 33-37-8-4 or IC 33-37-8-6 shall deposit each fee collected into the county law enforcement continuing education fund.

(d) Distribution of money in the county law enforcement continuing education fund shall be made to a county law enforcement agency without the necessity of first obtaining an appropriation from the county fiscal body.

(e) Money in excess of one hundred dollars ($100) that is unencumbered and remains in a county law enforcement continuing education fund for at least one (1) entire calendar year from the date of its deposit shall, at the end of a county's fiscal year, be deposited by the county auditor in the law enforcement training fund established under IC 5-2-1-13(b).

(f) To make a claim under IC 33-37-8-6 a law enforcement agency shall submit to the fiscal body a verified statement of cause numbers for fees collected that are attributable to the law enforcement efforts of that agency.

(g) A law enforcement agency shall submit a claim for fees under this section in the same county fiscal year in which the fees are collected under IC 33-37-4.

(h) A county law enforcement agency program shall provide to each law enforcement officer employed by the county and may provide to each law enforcement officer employed by a city or town law enforcement agency within the county continuing education concerning the following:

(1) Duties of a law enforcement officer in enforcing restraining orders, protective orders, temporary injunctions, and permanent injunctions involving abuse.

(2) Guidelines for making felony and misdemeanor arrests in cases involving abuse.

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(3) Techniques for handling incidents of abuse that:
(A) minimize the likelihood of injury to the law enforcement officer; and
(B) promote the safety of a victim.
(4) Information about the nature and extent of abuse.
(5) Information about the legal rights of and remedies available to victims of abuse.
(6) How to document and collect evidence in an abuse case.
(7) The legal consequences of abuse.
(8) The impact on children of law enforcement intervention in abuse cases.
(9) Services and facilities available to victims of abuse and abusers.
(10) Verification of restraining orders, protective orders, temporary injunctions, and permanent injunctions.
(11) Policies concerning arrest or release of suspects in abuse cases.
(12) Emergency assistance to victims of abuse and criminal justice options for victims of abuse.
(13) Landlord-tenant concerns in abuse cases.
(14) The taking of an abused child into protective custody.
(15) Assessment of a situation in which a child may be seriously endangered if the child is left in the child's home.
(16) Assessment of a situation involving an endangered adult (as defined in IC 12-10-3-2).
(17) Response to a sudden, unexpected infant death.

(i) A county law enforcement agency may enter into an agreement with other law enforcement agencies to provide the continuing education required by this section and section 2(f) of this chapter.

SECTION 75. IC 5-2-8-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. (a) As used in this section:

"Abuse" has the meaning set forth in section 1(a) of this chapter.

"City or town law enforcement agency" includes ~~university~~ **postsecondary educational institution** police officers appointed under ~~IC 20-12-3.5.~~ **IC 21-17-5 or IC 21-39-4.**

(b) There is established in each city and in each town with a city or town court a local law enforcement continuing education program. The program is funded by amounts appropriated under IC 33-37-8-4 and fees collected under IC 9-29-4-2, IC 9-29-11-1, and IC 35-47-2-3.

(c) A city or town law enforcement agency receiving amounts based upon claims for law enforcement continuing education funds under IC 33-37-8-4 or IC 33-37-8-6 shall deposit each fee collected into the

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local law enforcement continuing education fund.

(d) Distribution of money in a local law enforcement continuing education fund shall be made to a city or town law enforcement agency without the necessity of first obtaining an appropriation from the fiscal body of the city or town.

(e) To make a claim under IC 33-37-8-4 a law enforcement agency shall submit to the fiscal body a verified statement of cause numbers for fees collected that are attributable to the law enforcement efforts of that agency.

(f) A city or town law enforcement agency shall provide to each law enforcement officer employed by the city or town law enforcement agency continuing education concerning the following:

(1) Duties of a law enforcement officer in enforcing restraining orders, protective orders, temporary injunctions, and permanent injunctions involving abuse.

(2) Guidelines for making felony and misdemeanor arrests in cases involving abuse.

(3) Techniques for handling incidents of abuse that:

(A) minimize the likelihood of injury to the law enforcement officer; and

(B) promote the safety of a victim.

(4) Information about the nature and extent of abuse.

(5) Information about the legal rights of and remedies available to victims of abuse.

(6) How to document and collect evidence in an abuse case.

(7) The legal consequences of abuse.

(8) The impact on children of law enforcement intervention in abuse cases.

(9) Services and facilities available to victims of abuse and abusers.

(10) Verification of restraining orders, protective orders, temporary injunctions, and permanent injunctions.

(11) Policies concerning arrest or release of suspects in abuse cases.

(12) Emergency assistance to victims of abuse and criminal justice options for victims of abuse.

(13) Landlord-tenant concerns in abuse cases.

(14) The taking of an abused child into protective custody.

(15) Assessment of a situation in which the child may be seriously endangered if the child is left in the child's home.

(16) Assessment of a situation involving an endangered adult (as defined in IC 12-10-3-2).

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(17) Response to a sudden, unexpected infant death.

(g) A city or town law enforcement agency may enter into an agreement with other county, city, or town law enforcement agencies to provide the continuing education required by this section and section 1(h) of this chapter.

SECTION 76. IC 5-3-4-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. As used in this chapter, "governmental body" means any of the following:

(1) A state agency (as defined in IC 4-13-1-1).

(2) The legislative department of state government.

(3) The judicial department of state government.

(4) A political subdivision (as defined in IC 36-1-2-13).

(5) A state educational institution. ~~(as defined in IC 20-12-0.5-1).~~

(6) An instrumentality of the state that performs essential governmental functions.

(7) The state lottery commission created by IC 4-30-3-1.

SECTION 77. IC 5-10-1.1-7.5, AS AMENDED BY P.L.220-2005, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 7.5. (a) As used in this section, "state agency" means the following:

(1) An authority, a board, a branch, a commission, a committee, a department, a division, or other instrumentality of state government.

(2) A separate corporate body politic that adopts the plan described in subsection (b).

(3) State elected officials and their office staff.

(4) The legislative services agency.

(5) Legislative staff eligible to participate in the state employees' deferred compensation plan established by section 1 of this chapter.

However, the term does not include a state educational institution ~~(as defined in IC 20-12-0.5-1)~~ or a political subdivision.

(b) The deferred compensation committee shall adopt provisions in a defined contribution plan, under Sections 401(a) and 414(d) of the Internal Revenue Code, for the purpose of converting unused excess accrued leave to a monetary contribution for employees of a state agency. These provisions may be part of the plan and trust established under section 1.5(a) of this chapter.

(c) The deferred compensation committee is the trustee of the plan described in subsection (b). The plan must be a qualified plan, as determined by the Internal Revenue Service.

(d) The state personnel department shall adopt rules under IC 4-22-2

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that it considers appropriate or necessary to implement this section. The rules adopted by the state personnel department under this section must:

(1) be consistent with the plan described in subsection (b);

(2) include provisions concerning:

(A) the type and amount of leave that may be converted to a monetary contribution;

(B) the conversion formula for valuing any leave that is converted;

(C) the manner of employee selection of leave conversion; and

(D) the vesting schedule for any leave that is converted; and

(3) apply to all state agencies.

(e) The rules adopted by the state personnel department under subsection (d) specifying the conversion formula must provide for a conversion rate under which the amount contributed on behalf of a participating employee for a day of leave that is converted under this section is equal to at least sixty percent (60%) of the employee's daily pay as of the date the leave is converted.

(f) The deferred compensation committee may adopt the following:

(1) Plan provisions governing:

(A) the investment of accounts in the plan; and

(B) the accounting for converted leave.

(2) Any other plan provisions that are necessary or appropriate for operation of the plan.

(g) The plan described in subsection (b) may be implemented only if the deferred compensation committee has received from the Internal Revenue Service any rulings or determination letters that the committee considers necessary or appropriate.

(h) To the extent allowed by:

(1) the Internal Revenue Code; and

(2) rules adopted by:

(A) the state personnel department under this section; and

(B) the board of trustees of the public employees' retirement fund under IC 5-10.3-8-14;

an employee of a state agency may convert unused excess accrued leave to a monetary contribution under this section and under IC 5-10.3-8-14.

SECTION 78. IC 5-10-8-1, AS AMENDED BY P.L.2-2006, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. The following definitions apply in this chapter:

(1) "Employee" means:

(A) an elected or appointed officer or official, or a full-time

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employee;

(B) if the individual is employed by a school corporation, a full-time or part-time employee;

(C) for a local unit public employer, a full-time or part-time employee or a person who provides personal services to the unit under contract during the contract period; or

(D) a senior judge appointed under IC 33-24-3-7;

whose services have continued without interruption at least thirty (30) days.

(2) "Group insurance" means any of the kinds of insurance fulfilling the definitions and requirements of group insurance contained in IC 27-1.

(3) "Insurance" means insurance upon or in relation to human life in all its forms, including life insurance, health insurance, disability insurance, accident insurance, hospitalization insurance, surgery insurance, medical insurance, and supplemental medical insurance.

(4) "Local unit" includes a city, town, county, township, public library, or school corporation.

(5) "New traditional plan" means a self-insurance program established under section 7(b) of this chapter to provide health care coverage.

(6) "Public employer" means the state or a local unit, including any board, commission, department, division, authority, institution, establishment, facility, or governmental unit under the supervision of either, having a payroll in relation to persons it immediately employs, even if it is not a separate taxing unit. With respect to the legislative branch of government, "public employer" or "employer" refers to the following:

(A) The president pro tempore of the senate, with respect to former members or employees of the senate.

(B) The speaker of the house, with respect to former members or employees of the house of representatives.

(C) The legislative council, with respect to former employees of the legislative services agency.

(7) "Public employer" does not include a state educational institution. ~~(as defined under IC 20-12-0.5-1).~~

(8) "Retired employee" means:

(A) in the case of a public employer that participates in the public employees' retirement fund, a former employee who qualifies for a benefit under IC 5-10.3-8 or IC 5-10.2-4;

(B) in the case of a public employer that participates in the

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teachers' retirement fund under IC 5-10.4, a former employee who qualifies for a benefit under IC 5-10.4-5; and

(C) in the case of any other public employer, a former employee who meets the requirements established by the public employer for participation in a group insurance plan for retired employees.

(9) "Retirement date" means the date that the employee has chosen to receive retirement benefits from the employees' retirement fund.

SECTION 79. IC 5-10-8-7, AS AMENDED BY P.L.158-2006, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 7. (a) The state, excluding state educational institutions, ~~(as defined by IC 20-12-0.5-1),~~ may not purchase or maintain a policy of group insurance, except:

(1) life insurance for the state's employees;

(2) long term care insurance under a long term care insurance policy (as defined in IC 27-8-12-5), for the state's employees;

(3) an accident and sickness insurance policy (as defined in IC 27-8-5.6-1) that covers individuals to whom coverage is provided by a local unit under section 6.6 of this chapter; or

(4) an insurance policy that provides coverage that supplements coverage provided under a United States military health care plan.

(b) With the consent of the governor, the state personnel department may establish self-insurance programs to provide group insurance other than life or long term care insurance for state employees and retired state employees. The state personnel department may contract with a private agency, business firm, limited liability company, or corporation for administrative services. A commission may not be paid for the placement of the contract. The department may require, as part of a contract for administrative services, that the provider of the administrative services offer to an employee terminating state employment the option to purchase, without evidence of insurability, an individual policy of insurance.

(c) Notwithstanding subsection (a), with the consent of the governor, the state personnel department may contract for health services for state employees and individuals to whom coverage is provided by a local unit under section 6.6 of this chapter through one (1) or more prepaid health care delivery plans.

(d) The state personnel department shall adopt rules under IC 4-22-2 to establish long term and short term disability plans for state employees (except employees who hold elected offices (as defined by IC 3-5-2-17)). The plans adopted under this subsection may include

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any provisions the department considers necessary and proper and must:

(1) require participation in the plan by employees with six (6) months of continuous, full-time service;

(2) require an employee to make a contribution to the plan in the form of a payroll deduction;

(3) require that an employee's benefits under the short term disability plan be subject to a thirty (30) day elimination period and that benefits under the long term plan be subject to a six (6) month elimination period;

(4) prohibit the termination of an employee who is eligible for benefits under the plan;

(5) provide, after a seven (7) day elimination period, eighty percent (80%) of base biweekly wages for an employee disabled by injuries resulting from tortious acts, as distinguished from passive negligence, that occur within the employee's scope of state employment;

(6) provide that an employee's benefits under the plan may be reduced, dollar for dollar, if the employee derives income from:

(A) Social Security;

(B) the public employees' retirement fund;

(C) the Indiana state teachers' retirement fund;

(D) pension disability;

(E) worker's compensation;

(F) benefits provided from another employer's group plan; or

(G) remuneration for employment entered into after the disability was incurred.

(The department of state revenue and the department of workforce development shall cooperate with the state personnel department to confirm that an employee has disclosed complete and accurate information necessary to administer subdivision (6).)

(7) provide that an employee will not receive benefits under the plan for a disability resulting from causes specified in the rules; and

(8) provide that, if an employee refuses to:

(A) accept work assignments appropriate to the employee's medical condition;

(B) submit information necessary for claim administration; or

(C) submit to examinations by designated physicians;

the employee forfeits benefits under the plan.

(e) This section does not affect insurance for retirees under IC 5-10.3 or IC 5-10.4.

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(f) The state may pay part of the cost of self-insurance or prepaid health care delivery plans for its employees.

(g) A state agency may not provide any insurance benefits to its employees that are not generally available to other state employees, unless specifically authorized by law.

(h) The state may pay a part of the cost of group medical and life coverage for its employees.

SECTION 80. IC 5-10-8-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 13. (a) As used in this section, "covered individual" means an individual who is entitled to coverage under an employee health benefit plan.

(b) As used in this section, "employee health benefit plan" means a group plan of self-insurance, policy, or contract that:

(1) provides coverage for prescription drugs; and

(2) is established, purchased, or entered into by an employer for the benefit of the employer's employees.

(c) As used in this section, "employer" means the following:

(1) A public employer.

(2) A state educational institution. ~~(as defined in IC 20-12-0.5-1).~~

(d) As used in this section, "mail order or Internet based pharmacy" has the meaning set forth in IC 25-26-18-1.

(e) An employee health benefit plan that provides coverage for prescription drugs may designate a mail order or an Internet based pharmacy to provide prescription drugs to a covered individual.

(f) An employee health benefit plan may not require a covered individual to obtain a prescription drug from a pharmacy designated under subsection (e) as a condition of coverage.

SECTION 81. IC 5-10-10-4, AS AMENDED BY P.L.43-2006, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. As used in this chapter, "public safety officer" means any of the following:

(1) A state police officer.

(2) A county sheriff.

(3) A county police officer.

(4) A correctional officer.

(5) An excise police officer.

(6) A county police reserve officer.

(7) A city police reserve officer.

(8) A conservation enforcement officer.

(9) A town marshal.

(10) A deputy town marshal.

(11) A probation officer.

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(12) A state ~~university, college, or junior college~~ **educational institution** police officer appointed under ~~IC 20-12-3.5.~~ **IC 21-39-4.**

(13) A police officer whose employer purchases coverage under section 4.5 of this chapter.

(14) An emergency medical services provider (as defined in IC 16-41-10-1) who is:

(A) employed by a political subdivision (as defined in IC 36-1-2-13); and

(B) not eligible for a special death benefit under IC 36-8-6-20, IC 36-8-7-26, IC 36-8-7.5-22, or IC 36-8-8-20.

(15) A firefighter who is employed by the fire department of a state university.

(16) A firefighter whose employer purchases coverage under section 4.5 of this chapter.

(17) A member of a consolidated law enforcement department established under IC 36-3-1-5.1.

(18) A gaming agent of the Indiana gaming commission.

(19) A person who is:

(A) employed by a political subdivision (as defined in IC 36-1-2-13); and

(B) appointed as a special deputy under IC 36-8-10-10.6.

SECTION 82. IC 5-10-10-4.5, AS AMENDED BY P.L.43-2006, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4.5. (a) As used in this section, "eligible officer" means a police officer or firefighter whose employer purchases coverage under this section.

(b) As used in this section, "employer" means:

(1) with respect to a police officer:

(A) a ~~university, college, or junior college,~~ **postsecondary educational institution,** other than a state ~~university, state college, or state junior college,~~ **educational institution,** that appoints a police officer under ~~IC 20-12-3.5,~~ **IC 21-17-5;** or

(B) an operator that employs the police officer under IC 8-22-3-34(b); or

(2) with respect to a firefighter:

(A) a ~~university,~~ **postsecondary educational institution,** other than a state ~~university,~~ **educational institution,** located in Indiana that:

(i) maintains a fire department;

(ii) employs firefighters for the fire department; and

(iii) is accredited by the North Central Association; or

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(B) an operator that enters into an operating agreement under IC 5-23 for the operation of a public use airport that:

(i) maintains a fire department; and

(ii) employs firefighters for the fire department.

(c) If an employer purchases coverage for an eligible officer, the eligible officer is eligible for a special death benefit from the fund in the same manner that any other public safety officer is eligible for a special death benefit from the fund. The cost of the coverage shall be one hundred dollars ($100) for each eligible officer annually. The cost of the coverage shall be paid to the board for deposit in the fund.

(d) If an employer elects to provide coverage under this section, the employer must purchase coverage for all eligible officers of the employer. The board shall allow an employer to purchase coverage by making quarterly payments on dates prescribed by the board.

SECTION 83. IC 5-10-11-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. As used in this chapter, "state employee" means an employee of a state agency, except a state educational institution. ~~(as defined under IC 20-12-0.5-1).~~ "State employee" does not include a public safety officer who receives benefits under IC 5-10-10.

SECTION 84. IC 5-10-12-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. As used in this chapter, "state agency" means an authority, board, branch, commission, committee, department, division, or other instrumentality of state government, but does not include:

(1) a state educational institution; ~~(as defined in IC 20-12-0.5-1),~~

(2) a state elected official's office; and

(3) the legislative and judicial branches of state government.

SECTION 85. IC 5-10.1-4-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. Referenda. The governor may conduct separate referenda for each of the following retirement systems to determine whether the positions covered by the systems will be included in the agreement:

(1) the Indiana state teachers' retirement fund;

(2) the public employees' retirement fund;

(3) each retirement system established by a state ~~institution of higher education,~~ **educational institution;** and

(4) each other retirement system which is financially supported by a political subdivision if the board or governing body administering the retirement system requests a referendum.

SECTION 86. IC 5-10.1-4-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. ~~Procedure for~~

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~~Referenda.~~ (a) Each referendum shall be conducted in compliance with section 218(d) of the Social Security Act.

(b) The governor may designate the board or governing body administering the affairs of each retirement system, or the board of trustees in the case of state **educational** institutions, ~~of higher education,~~ as the agency to conduct the referendum for the system.

(c) Each board or governing body shall pay the expenses of the referendum for the system it administers, except that:

(1) the expenses of the referendum for a political subdivision participating in the public employees' retirement fund shall be paid by the political subdivision; and

(2) the expenses of the referendum for ~~an~~ **a state educational** institution ~~of higher learning~~ shall be paid by the institution.

SECTION 87. IC 5-10.1-4-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. ~~Effective Date of Modification.~~ (a) The effective date of a modification of the agreement must be determined by resolution of the board of each of the following retirement systems:

(1) the public employees' retirement fund;

(2) the Indiana state teachers' retirement fund; and

(3) any retirement system established by a state **educational** institution. ~~of higher education.~~

For political subdivisions the governing body shall determine the effective date by resolution. The effective date may be made retroactive to the extent permitted by federal law.

(b) The effective date of a modification for employees of political subdivisions with retirement systems which are not covered by subsection (a) of this section may be January 1, 1955, or any subsequent January 1.

SECTION 88. IC 5-10.1-6-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. State **educational** institutions, ~~of higher education,~~ school corporations, and political subdivisions shall pay the employer contribution.

SECTION 89. IC 5-10.2-1-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 10. As used in this article, "member's contribution" includes contributions paid by:

(1) the employer for members of the public employees' retirement fund; or

(2) a school corporation, the state, or a state educational institution ~~(as defined in IC 20-12-0.5-1)~~ for members of the teachers' retirement fund.

SECTION 90. IC 5-10.2-4-3, AS AMENDED BY P.L.2-2006,

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SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. (a) Except as provided in subsection (f), in computing the retirement benefit for a nonteacher member, "average of the annual compensation" means the average annual compensation calculated using the twenty (20) calendar quarters of service in a position covered by the retirement fund before retirement in which the member's annual compensation was the highest. However, in order for a quarter to be included in the twenty (20) calendar quarters, the nonteacher member must have performed service throughout the calendar quarter. All twenty (20) calendar quarters do not have to be continuous but they must be in groups of four (4) consecutive calendar quarters. The same calendar quarter may not be included in two (2) different groups.

(b) This subsection does not apply to a teacher member described in subsection (c). In computing the retirement benefit for a teacher member, "average of the annual compensation" means the average annual compensation for the five (5) years of service before retirement in which the member's annual compensation was highest. In order for a year to be included in the five (5) years, the teacher member must have received for the year credit under IC 5-10.4-4-2 for at least one-half (1/2) year of service. The five (5) years do not have to be continuous.

(c) This subsection applies to a member of the Indiana state teachers' retirement fund who serves in an elected position for which the member takes an unpaid leave of absence. In computing the retirement benefit for a teacher member described in this subsection for years of service to which IC 5-10.4-5-7 does not apply, "average of the annual compensation" means the annual compensation for the one (1) year of service before retirement in which the member's annual compensation was highest. In order for a year to be used, the teacher member must have received for the year credit under IC 5-10.4-4-2 for at least one-half (1/2) year of service.

(d) Subject to IC 5-10.2-2-1.5, "annual compensation" means:

(1) the basic salary earned by and paid to the member plus the amount that would have been part of that salary but for:

(A) the state's, a school corporation's, a participating political subdivision's, or a state educational institution's ~~(as defined in IC 20-12-0.5-1)~~ paying the member's contribution to the fund for the member; or

(B) the member's salary reduction agreement established under Section 125, 403(b), or 457 of the Internal Revenue Code; and

(2) in the case of a member described in subsection (c) and for

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years of service to which IC 5-10.4-5-7 does not apply, the basic salary that was not paid during the year but would have been paid to the member during the year under the member's employment contracts, if the member had not taken any unpaid leave of absence to serve in an elected position.

The portion of a back pay award or a similar award that the board determines is compensation under an agreement or under a judicial or an administrative proceeding shall be allocated by the board among the years the member earned or should have earned the compensation. Only that portion of the award allocated to the year the award is made is considered to have been earned during the year the award was made. Interest on an award is not considered annual compensation for any year.

(e) Compensation of not more than two thousand dollars ($2,000) received from the employer in contemplation of the member's retirement, including severance pay, termination pay, retirement bonus, or commutation of unused sick leave or personal leave, may be included in the total annual compensation from which the average of the annual compensation is determined, if it is received:

(1) before the member ceases service; or

(2) within twelve (12) months after the member ceases service.

(f) This subsection applies to a member of the general assembly:

(1) who is a participant in the legislators' retirement system established under IC 2-3.5;

(2) who is also a member of the public employees' retirement fund or the Indiana state teachers' retirement fund; and

(3) whose years of service in the general assembly may not be considered in determining the average of the annual compensation under this section, as provided in IC 2-3.5-1-2(b)(2) or IC 2-3.5-3-1(c).

The board shall use the board's actuarial salary increase assumption to project the salary for any previous year needed to determine the average of the annual compensation.

SECTION 91. IC 5-10.2-5-20 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 20. (a) Notwithstanding the repeal of IC 5-10.2-2-5, a member who:

(1) is an employee of ~~an~~ **a state educational** institution; ~~of higher learning, financed in whole or in part by the state,~~ and

(2) began making contributions by payroll deduction under IC 5-10.2-2-5 before January 1, 1989;

may continue to make contributions after June 30, 1989, as if IC 5-10.2-2-5 had not been repealed. Such an institution may continue

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to make additional contributions for members on whose behalf additional contributions were being made before January 1, 1989.

(b) The employer may use contributions made under this section and IC 5-10.2-2-5 to purchase an annuity from a retirement fund for a member described in subsection (a) at any time before the member retires.

(c) Interest shall be credited on contributions made under this section and IC 5-10.2-2-5 as specified in IC 5-10.2-2-4.

(d) Nothing in this section or in the repeal of IC 5-10.2-2-5 may be construed to affect in any way the ability of ~~an~~ **a state educational** institution ~~of higher learning~~ to make contributions on behalf of its employees to a tax deferred annuity under Section 403(b) of the Internal Revenue Code.

(e) A member who:

(1) has at least five (5) years of credited service;

(2) is an employee of ~~an~~ **a state educational** institution; ~~of higher learning, financed in whole or in part by the state;~~ and

(3) is transferred from a position covered by the Indiana state teachers' retirement fund or the Indiana public employees' retirement fund to a position not covered by either of the funds;

shall continue to receive credit, for the determination of eligibility for benefits only, for up to five (5) additional years of service with the institution, subject to all the provisions of the retirement fund law. The additional service credit and the salary in the non-covered position shall not be included in the computation of benefits from the retirement fund.

SECTION 92. IC 5-10.4-4-1, AS ADDED BY P.L.2-2006, SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. (a) The members of the fund include:

(1) legally qualified and regularly employed teachers in the public schools;

(2) persons employed by a governing body, who were qualified before their election or appointment;

(3) legally qualified and regularly employed teachers at Ball State University, Indiana State University, University of Southern Indiana, and Vincennes University;

(4) legally qualified and regularly employed teachers in a state educational institution

~~(A) that is supported wholly by public money; and~~

~~(B)~~ whose teachers devote their entire time to teaching;

(5) legally qualified and regularly employed teachers in state benevolent, charitable, or correctional institutions;

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(6) legally qualified and regularly employed teachers in an experimental school in a state university who teach elementary or high school students;

(7) as determined by the board, certain instructors serving in a ~~university~~ **state educational institution** extension division not covered by a state retirement law;

(8) employees and officers of the department of education and of the fund who were qualified before their election or appointment;

(9) a person who:

(A) is employed as a nurse appointed under IC 20-34-3-6 by a school corporation located in a city having a population of more than ninety thousand (90,000) but less than one hundred five thousand (105,000); and

(B) participated in the fund before December 31, 1991, in the position described in clause (A); and

(10) persons who are employed by the fund.

(b) Teachers in any state institution who accept the benefits of a state supported retirement benefit system comparable to the fund's benefits may not come under the fund unless permitted by law or the rules of the board.

(c) The members of the fund do not include substitute teachers who have not obtained an associate degree or a baccalaureate degree.

SECTION 93. IC 5-10.4-4-7, AS ADDED BY P.L.2-2006, SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 7. (a) Except as provided in section 8 of this chapter, a member may be given credit for leaves of absence for study, professional improvement, and temporary disability if the leave credit does not exceed one-seventh (1/7) of the total years of service claimed for retirement (referred to as the one-seventh rule). A member granted a leave in these instances for exchange teaching and for other educational employment approved individually by the board is considered a teacher and is entitled to the benefits of the fund if for or during the leave the member pays into the fund the member's contributions. A leave for other educational employment is not subject to the one-seventh rule.

(b) In each case of a teacher requesting a leave of absence to work in a federally supported educational project, the board must determine that the project is educational in nature and serves state citizens who might otherwise be served by the public schools or ~~public~~ **state educational** institutions. ~~of higher education.~~ The board shall make this determination for a one (1) year period, which is later subject to review and reapproval.

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(c) Subject to this chapter, leaves of absence specified in IC 20-28-10-1, IC 20-28-10-2, IC 20-28-10-3, or IC 20-28-10-4 and adoption leave of not more than one (1) year must be credited to retirement.

(d) Notwithstanding any law, this section must be administered in a manner consistent with the federal Family and Medical Leave Act of 1993 (29 U.S.C. 2601 et seq.). A member on a leave of absence that qualifies for the benefits and protections afforded by the Family and Medical Leave Act is entitled to receive credit for vesting and eligibility purposes to the extent required by the Family and Medical Leave Act but is not entitled to receive credit for service for benefit purposes unless the leave is described in subsection (a), (b), or (c).

SECTION 94. IC 5-10.4-4-8, AS AMENDED BY P.L.119-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 8. (a) This subsection applies to a member who retires before July 1, 1980. A member who had completed four (4) years of approved college teacher 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 before 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 set forth in section 7 of this chapter.

(b) This subsection applies to a member who retires after June 30, 1980. A member who completed four (4) years of approved college teacher 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 the following conditions are met:

(1) The member has an honorable discharge.

(2) Except as provided in subsection (e), the member returns to active teaching service not later than eighteen (18) months after the completion of active military service.

(3) The member has at least ten (10) years of in-state service credit.

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

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one-seventh rule set forth in section 7 of this chapter. However, not more than six (6) years of military service credit may be granted under this subsection.

(c) This subsection applies to a member who retires after May 1, 1989. A member who had begun but had not completed four (4) years of approved college teacher 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 (e), the member returns to a four (4) year approved college teacher training program not later than 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.

The time served by a member in active military service for the length of active service in the hostilities and the necessary demobilization is not subject to the one-seventh rule set forth in section 7 of this chapter. However, not more than six (6) years of military service credit may be granted under this subsection.

(d) This subsection applies to a member who retires after May 1, 1991, and who is employed at a state **educational** institution. ~~of higher education.~~ A member who had begun but had not completed baccalaureate or post-baccalaureate 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 (e), the member returns to baccalaureate or post-baccalaureate education not later than eighteen (18) months after completion of active military service and subsequently completes that education.

(3) The member has at least ten (10) years of in-state service credit.

The time served by a member in active military service for the length of active service in the hostilities and the necessary demobilization is not subject to the one-seventh rule set forth in section 7 of this chapter. However, not more than six (6) years of military service credit may be granted under this subsection.

(e) The board shall extend the eighteen (18) month deadline

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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 education program not later than 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.

(f) 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 (e), 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.

(g) 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 federal Uniformed Services Employment and Reemployment Rights Act (38 U.S.C. 4301 et seq.), including all later amendments.

(h) Subject to 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:

(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; and

(iii) the number of years of service credit the member

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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.

(i) The following apply to the purchase of service credit under subsection (h):

(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.

(j) This subsection applies to a member who retires after June 30, 2006. A member may not receive credit under this section for service for which the member receives service credit under the terms of a military or another governmental retirement plan.

SECTION 95. IC 5-11-10-1, AS AMENDED BY P.L.169-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. (a) This section applies to the state and its political subdivisions. However, this section does not apply to the following:

(1) ~~The~~ **A** state ~~universities.~~

~~(2)~~ **educational institution, including** Ivy Tech Community College. ~~of Indiana.~~

~~(3)~~ **(2)** A municipality (as defined in IC 36-1-2-11).

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~~(4)~~ **(3)** A county.
~~(5)~~ **(4)** An airport authority operating in a consolidated city.
~~(6)~~ **(5)** A capital improvements board of managers operating in a consolidated city.
~~(7)~~ **(6)** A board of directors of a public transportation corporation operating in a consolidated city.
~~(8)~~ **(7)** A municipal corporation organized under IC 16-22-8-6.
~~(9)~~ **(8)** A public library.
~~(10)~~ **(9)** A library services authority.
~~(11)~~ **(10)** A hospital organized under IC 16-22 or a hospital organized under IC 16-23.
~~(12)~~ **(11)** A school corporation (as defined in IC 36-1-2-17).
~~(13)~~ **(12)** A regional water or sewer district organized under IC 13-26 or under IC 13-3-2 (before its repeal).
~~(14)~~ **(13)** A municipally owned utility (as defined in IC 8-1-2-1).
~~(15)~~ **(14)** A board of an airport authority under IC 8-22-3.
~~(16)~~ **(15)** A conservancy district.
~~(17)~~ **(16)** A board of aviation commissioners under IC 8-22-2.
~~(18)~~ **(17)** A public transportation corporation under IC 36-9-4.
~~(19)~~ **(18)** A commuter transportation district under IC 8-5-15.
~~(20)~~ **(19)** A solid waste management district established under IC 13-21 or IC 13-9.5 (before its repeal).
~~(21)~~ **(20)** A county building authority under IC 36-9-13.
~~(22)~~ **(21)** A soil and water conservation district established under IC 14-32.
~~(23)~~ **(22)** The northwestern Indiana regional planning commission established by IC 36-7-7.6-3.

(b) No warrant or check shall be drawn by a disbursing officer in payment of any claim unless the same has been fully itemized and its correctness properly certified to by the claimant or some authorized person in the claimant's behalf, and filed and allowed as provided by law.

(c) The certificate provided for in subsection (b) is not required for:
(1) claims rendered by a public utility for electric, gas, steam, water, or telephone services, the charges for which are regulated by a governmental body;
(2) a warrant issued by the auditor of state under IC 4-13-2-7(b);
(3) a check issued by a special disbursing officer under IC 4-13-2-20(g); or
(4) a payment of fees under IC 36-7-11.2-49(b) or IC 36-7-11.3-43(b).

(d) The disbursing officer shall issue checks or warrants for all

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claims which meet all of the requirements of this section. The disbursing officer does not incur personal liability for disbursements:

(1) processed in accordance with this section; and

(2) for which funds are appropriated and available.

(e) The certificate provided for in subsection (b) must be in the following form:

I hereby certify that the foregoing account is just and correct, that the amount claimed is legally due, after allowing all just credits, and that no part of the same has been paid.

SECTION 96. IC 5-14-1.5-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. (a) A governing body of a public agency utilizing an agenda shall post a copy of the agenda at the entrance to the location of the meeting prior to the meeting. A rule, regulation, ordinance, or other final action adopted by reference to agenda number or item alone is void.

(b) As the meeting progresses, the following memoranda shall be kept:

(1) The date, time, and place of the meeting.

(2) The members of the governing body recorded as either present or absent.

(3) The general substance of all matters proposed, discussed, or decided.

(4) A record of all votes taken, by individual members if there is a roll call.

(5) Any additional information required under IC 5-1.5-2-2.5. ~~or IC 20-12-63-7.~~

(c) The memoranda are to be available within a reasonable period of time after the meeting for the purpose of informing the public of the governing body's proceedings. The minutes, if any, are to be open for public inspection and copying.

SECTION 97. IC 5-14-3-3, AS AMENDED BY P.L.22-2006, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. (a) Any person may inspect and copy the public records of any public agency during the regular business hours of the agency, except as provided in section 4 of this chapter. A request for inspection or copying must:

(1) identify with reasonable particularity the record being requested; and

(2) be, at the discretion of the agency, in writing on or in a form provided by the agency.

No request may be denied because the person making the request refuses to state the purpose of the request, unless such condition is

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required by other applicable statute.

(b) A public agency may not deny or interfere with the exercise of the right stated in subsection (a). The public agency shall either:

(1) provide the requested copies to the person making the request; or

(2) allow the person to make copies:

(A) on the agency's equipment; or

(B) on the person's own equipment.

(c) Notwithstanding subsections (a) and (b), a public agency may or may not do the following:

(1) In accordance with a contract described in section 3.5 of this chapter, permit a person to inspect and copy through the use of enhanced access public records containing information owned by or entrusted to the public agency.

(2) Permit a governmental entity to use an electronic device to inspect and copy public records containing information owned by or entrusted to the public agency.

(d) Except as provided in subsection (e), a public agency that maintains or contracts for the maintenance of public records in an electronic data storage system shall make reasonable efforts to provide to a person making a request a copy of all disclosable data contained in the records on paper, disk, tape, drum, or any other method of electronic retrieval if the medium requested is compatible with the agency's data storage system. This subsection does not apply to an electronic map.

(e) A state agency may adopt a rule under IC 4-22-2, and a political subdivision may enact an ordinance, prescribing the conditions under which a person who receives information on disk or tape under subsection (d) may or may not use the information for commercial purposes, including to sell, advertise, or solicit the purchase of merchandise, goods, or services, or sell, loan, give away, or otherwise deliver the information obtained by the request to any other person for these purposes. Use of information received under subsection (d) in connection with the preparation or publication of news, for nonprofit activities, or for academic research is not prohibited. A person who uses information in a manner contrary to a rule or ordinance adopted under this subsection may be prohibited by the state agency or political subdivision from obtaining a copy or any further data under subsection (d).

(f) Notwithstanding the other provisions of this section, a public agency is not required to create or provide copies of lists of names and addresses (including electronic mail account addresses) unless the

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public agency is required to publish such lists and disseminate them to the public under a statute. However, if a public agency has created a list of names and addresses (excluding electronic mail account addresses) it must permit a person to inspect and make memoranda abstracts from the list unless access to the list is prohibited by law. The lists of names and addresses (including electronic mail account addresses) described in subdivisions (1) through (3) may not be disclosed by public agencies to any individual or entity for political purposes and may not be used by any individual or entity for political purposes. In addition, the lists of names and addresses (including electronic mail account addresses) described in subdivisions (1) through (3) may not ~~by~~ **be** disclosed by public agencies to commercial entities for commercial purposes and may not be used by commercial entities for commercial purposes. The prohibition in this subsection against the disclosure of lists for political or commercial purposes applies to the following lists of names and addresses (including electronic mail account addresses):

(1) A list of employees of a public agency.

(2) A list of persons attending conferences or meetings at a state **educational** institution ~~of higher education~~ or of persons involved in programs or activities conducted or supervised by the state **educational** institution. ~~of higher education.~~

(3) A list of students who are enrolled in a public school corporation if the governing body of the public school corporation adopts a policy:

(A) with respect to disclosure related to a commercial purpose, prohibiting the disclosure of the list to commercial entities for commercial purposes;

(B) with respect to disclosure related to a commercial purpose, specifying the classes or categories of commercial entities to which the list may not be disclosed or by which the list may not be used for commercial purposes; or

(C) with respect to disclosure related to a political purpose, prohibiting the disclosure of the list to individuals and entities for political purposes.

A policy adopted under subdivision (3)(A) or (3)(B) must be uniform and may not discriminate among similarly situated commercial entities. For purposes of this subsection, "political purposes" means influencing the election of a candidate for federal, state, legislative, local, or school board office or the outcome of a public question or attempting to solicit a contribution to influence the election of a candidate for federal, state, legislative, local, or school board office or the outcome of a public

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question.

(g) A public agency may not enter into or renew a contract or an obligation:

(1) for the storage or copying of public records; or

(2) that requires the public to obtain a license or pay copyright royalties for obtaining the right to inspect and copy the records unless otherwise provided by applicable statute;

if the contract, obligation, license, or copyright unreasonably impairs the right of the public to inspect and copy the agency's public records.

(h) If this section conflicts with IC 3-7, the provisions of IC 3-7 apply.

SECTION 98. IC 5-14-3-4, AS AMENDED BY P.L.101-2006, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. (a) The following public records are excepted from section 3 of this chapter and may not be disclosed by a public agency, unless access to the records is specifically required by a state or federal statute or is ordered by a court under the rules of discovery:

(1) Those declared confidential by state statute.

(2) Those declared confidential by rule adopted by a public agency under specific authority to classify public records as confidential granted to the public agency by statute.

(3) Those required to be kept confidential by federal law.

(4) Records containing trade secrets.

(5) Confidential financial information obtained, upon request, from a person. However, this does not include information that is filed with or received by a public agency pursuant to state statute.

(6) Information concerning research, including actual research documents, conducted under the auspices of ~~an~~ **a state educational** institution, ~~of higher education,~~ including information:

(A) concerning any negotiations made with respect to the research; and

(B) received from another party involved in the research.

(7) Grade transcripts and license examination scores obtained as part of a licensure process.

(8) Those declared confidential by or under rules adopted by the supreme court of Indiana.

(9) Patient medical records and charts created by a provider, unless the patient gives written consent under IC 16-39.

(10) Application information declared confidential by the board of the Indiana economic development corporation under IC 5-28-16.

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(11) A photograph, a video recording, or an audio recording of an autopsy, except as provided in IC 36-2-14-10.

(12) A Social Security number contained in the records of a public agency.

(b) Except as otherwise provided by subsection (a), the following public records shall be excepted from section 3 of this chapter at the discretion of a public agency:

(1) Investigatory records of law enforcement agencies. However, certain law enforcement records must be made available for inspection and copying as provided in section 5 of this chapter.

(2) The work product of an attorney representing, pursuant to state employment or an appointment by a public agency:

(A) a public agency;

(B) the state; or

(C) an individual.

(3) Test questions, scoring keys, and other examination data used in administering a licensing examination, examination for employment, or academic examination before the examination is given or if it is to be given again.

(4) Scores of tests if the person is identified by name and has not consented to the release of the person's scores.

(5) The following:

(A) Records relating to negotiations between the Indiana economic development corporation, the Indiana finance authority, or economic development commissions with industrial, research, or commercial prospects, if the records are created while negotiations are in progress.

(B) Notwithstanding clause (A), the terms of the final offer of public financial resources communicated by the Indiana economic development corporation, the Indiana finance authority, or economic development commissions to an industrial, a research, or a commercial prospect shall be available for inspection and copying under section 3 of this chapter after negotiations with that prospect have terminated.

(C) When disclosing a final offer under clause (B), the Indiana economic development corporation shall certify that the information being disclosed accurately and completely represents the terms of the final offer.

(6) Records that are intra-agency or interagency advisory or deliberative material, including material developed by a private contractor under a contract with a public agency, that are expressions of opinion or are of a speculative nature, and that are

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communicated for the purpose of decision making.

(7) Diaries, journals, or other personal notes serving as the functional equivalent of a diary or journal.

(8) Personnel files of public employees and files of applicants for public employment, except for:

(A) the name, compensation, job title, business address, business telephone number, job description, education and training background, previous work experience, or dates of first and last employment of present or former officers or employees of the agency;

(B) information relating to the status of any formal charges against the employee; and

(C) the factual basis for a disciplinary action in which final action has been taken and that resulted in the employee being suspended, demoted, or discharged.

However, all personnel file information shall be made available to the affected employee or the employee's representative. This subdivision does not apply to disclosure of personnel information generally on all employees or for groups of employees without the request being particularized by employee name.

(9) Minutes or records of hospital medical staff meetings.

(10) Administrative or technical information that would jeopardize a record keeping or security system.

(11) Computer programs, computer codes, computer filing systems, and other software that are owned by the public agency or entrusted to it and portions of electronic maps entrusted to a public agency by a utility.

(12) Records specifically prepared for discussion or developed during discussion in an executive session under IC 5-14-1.5-6.1. However, this subdivision does not apply to that information required to be available for inspection and copying under subdivision (8).

(13) The work product of the legislative services agency under personnel rules approved by the legislative council.

(14) The work product of individual members and the partisan staffs of the general assembly.

(15) The identity of a donor of a gift made to a public agency if:

(A) the donor requires nondisclosure of the donor's identity as a condition of making the gift; or

(B) after the gift is made, the donor or a member of the donor's family requests nondisclosure.

(16) Library or archival records:

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(A) which can be used to identify any library patron; or
(B) deposited with or acquired by a library upon a condition that the records be disclosed only:
(i) to qualified researchers;
(ii) after the passing of a period of years that is specified in the documents under which the deposit or acquisition is made; or
(iii) after the death of persons specified at the time of the acquisition or deposit.

However, nothing in this subdivision shall limit or affect contracts entered into by the Indiana state library pursuant to IC 4-1-6-8.

(17) The identity of any person who contacts the bureau of motor vehicles concerning the ability of a driver to operate a motor vehicle safely and the medical records and evaluations made by the bureau of motor vehicles staff or members of the driver licensing medical advisory board regarding the ability of a driver to operate a motor vehicle safely. However, upon written request to the commissioner of the bureau of motor vehicles, the driver must be given copies of the driver's medical records and evaluations.

(18) School safety and security measures, plans, and systems, including emergency preparedness plans developed under 511 IAC 6.1-2-2.5.

(19) A record or a part of a record, the public disclosure of which would have a reasonable likelihood of threatening public safety by exposing a vulnerability to terrorist attack. A record described under this subdivision includes:
(A) a record assembled, prepared, or maintained to prevent, mitigate, or respond to an act of terrorism under IC 35-47-12-1 or an act of agricultural terrorism under IC 35-47-12-2;
(B) vulnerability assessments;
(C) risk planning documents;
(D) needs assessments;
(E) threat assessments;
(F) intelligence assessments;
(G) domestic preparedness strategies;
(H) the location of community drinking water wells and surface water intakes;
(I) the emergency contact information of emergency responders and volunteers;
(J) infrastructure records that disclose the configuration of critical systems such as communication, electrical, ventilation,

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water, and wastewater systems; and

(K) detailed drawings or specifications of structural elements, floor plans, and operating, utility, or security systems, whether in paper or electronic form, of any building or facility located on an airport (as defined in IC 8-21-1-1) that is owned, occupied, leased, or maintained by a public agency. A record described in this clause may not be released for public inspection by any public agency without the prior approval of the public agency that owns, occupies, leases, or maintains the airport. The public agency that owns, occupies, leases, or maintains the airport:

(i) is responsible for determining whether the public disclosure of a record or a part of a record has a reasonable likelihood of threatening public safety by exposing a vulnerability to terrorist attack; and

(ii) must identify a record described under item (i) and clearly mark the record as "confidential and not subject to public disclosure under IC 5-14-3-4(b)(19)(J) without approval of (insert name of submitting public agency)".

This subdivision does not apply to a record or portion of a record pertaining to a location or structure owned or protected by a public agency in the event that an act of terrorism under IC 35-47-12-1 or an act of agricultural terrorism under IC 35-47-12-2 has occurred at that location or structure, unless release of the record or portion of the record would have a reasonable likelihood of threatening public safety by exposing a vulnerability of other locations or structures to terrorist attack.

(20) The following personal information concerning a customer of a municipally owned utility (as defined in IC 8-1-2-1):

(A) Telephone number.

(B) Address.

(C) Social Security number.

(21) The following personal information about a complainant contained in records of a law enforcement agency:

(A) Telephone number.

(B) The complainant's address. However, if the complainant's address is the location of the suspected crime, infraction, accident, or complaint reported, the address shall be made available for public inspection and copying.

(c) Nothing contained in subsection (b) shall limit or affect the right of a person to inspect and copy a public record required or directed to be made by any statute or by any rule of a public agency.

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(d) Notwithstanding any other law, a public record that is classified as confidential, other than a record concerning an adoption, shall be made available for inspection and copying seventy-five (75) years after the creation of that record.

(e) Notwithstanding subsection (d) and section 7 of this chapter:

(1) public records subject to IC 5-15 may be destroyed only in accordance with record retention schedules under IC 5-15; or

(2) public records not subject to IC 5-15 may be destroyed in the ordinary course of business.

SECTION 99. IC 5-14-6-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. As used in this chapter, "public agency" includes the following:

(1) The judicial branch of state government.

(2) A state agency (as defined in IC 4-13-1-1).

(3) A body corporate and politic created by statute.

(4) A state educational institution. ~~(as defined in IC 20-12-0.5-1).~~

SECTION 100. IC 5-16-1-1.9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1.9. Notwithstanding this article, a state educational institution ~~(as defined in IC 20-12-0.5-1)~~ may award a contract for any construction or repair work to any building, structure, or improvement of the institution without advertising for bids and meeting other contract awarding requirements of this article whenever the estimated cost of the project is less than fifty thousand dollars ($50,000). However, in awarding any contract under this section the state educational institution must do the following:

(1) Invite bids from at least three (3) persons, firms, limited liability companies, or corporations known to deal in the work required to be done.

(2) Give notice of the project if the estimated cost of the project is more than twenty-five thousand dollars ($25,000). If required, notice must include a description of the work to be done and be given in at least one (1) newspaper of general circulation printed and published in the county in which the work is to be done.

(3) Award the contract to the lowest and best bidder.

SECTION 101. IC 5-16-9-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. (a) The definitions in this section apply throughout this chapter.

(b) "Accessible parking space" refers to a parking space that conforms with the standards of section 4 of this chapter.

(c) "Motor vehicle" has the meaning set forth in IC 9-13-2-105.

(d) "Parking facility" means any facility or combination of facilities

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for motor vehicle parking which contains parking spaces for the public.

(e) "Person with a physical disability" means a person who has been issued a placard under IC 9-14-5 or a person with a disability registration plate for a motor vehicle by the bureau of motor vehicles under IC 9-18-22.

(f) "Public agency" means:

(1) the state of Indiana, its departments, agencies, boards, commissions, and institutions, including state educational institutions; ~~(as defined under IC 20-12-0.5-1);~~ and

(2) a county, city, town, township, school or conservancy district, other governmental unit or district, or any department, board, or other subdivision of the unit of government.

SECTION 102. IC 5-17-1-8.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 8.1. (a) This chapter is supplemental to all laws concerning the purchase of material, equipment, goods, and supplies and the lease of equipment by the state. However, this chapter does not preclude the extension beyond the contractual time period of contracts let pursuant to the provision of this chapter as an alternative to advertising for new bids.

(b) This chapter does not apply to:

(1) purchases or leases made by the Indiana department of transportation;

(2) purchases made under IC 5-22;

(3) state ~~supported~~ **educational** institutions; ~~of higher education;~~

(4) the legislative department of state government; or

(5) the judicial department of state government;

except that copies of purchase orders or leases shall be kept on file and be open to public inspection.

SECTION 103. IC 5-17-1-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 11. IC 5-22-16-4(b) applies to a lease or purchase of personal property made after June 30, 2003, by an agency (as defined in IC 4-13-2-1) or a state educational institution ~~(as defined in IC 20-12-0.5-1)~~ to the same extent as if the lease or purchase were subject to IC 5-22.

SECTION 104. IC 5-24-1-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. Unless the supervising body of the branch, institution, or office elects to have this article apply and records the election with the state board of accounts, this article does not apply to the following:

(1) The judicial branch.

(2) The legislative branch.

(3) A state educational institution. ~~(as defined in IC 20-12-0.5-1).~~

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(4) The offices of the secretary of state, auditor, treasurer, attorney general, superintendent of public instruction, and the clerk of the supreme court.

SECTION 105. IC 5-28-16-2, AS AMENDED BY P.L.1-2006, SECTION 128, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. (a) The Indiana twenty-first century research and technology fund is established within the state treasury to provide grants or loans to support proposals for economic development in one (1) or more of the following areas:

(1) To increase the capacity of Indiana **postsecondary educational** institutions, ~~of higher education,~~ Indiana businesses, and Indiana nonprofit corporations and organizations to compete successfully for federal or private research and development funding.

(2) To stimulate the transfer of research and technology into marketable products.

(3) To assist with diversifying Indiana's economy by focusing investment in biomedical research and biotechnology, information technology, and other high technology industry clusters requiring high skill, high wage employees.

(4) To encourage an environment of innovation and cooperation among universities and businesses to promote research activity.

(b) The fund consists of:

(1) appropriations from the general assembly;

(2) proceeds of bonds issued by the Indiana finance authority under IC 4-4-11.4 for deposit in the fund; and

(3) loan repayments.

(c) The corporation shall administer the fund. The following may be paid from money in the fund:

(1) Expenses of administering the fund.

(2) Nonrecurring administrative expenses incurred to carry out the purposes of this chapter.

(d) Earnings from loans made under this chapter shall be deposited in the fund.

(e) The budget agency shall review each recommendation. The budget agency, after review by the budget committee, may approve, deny, or modify grants and loans recommended by the board. Money in the fund may not be used to provide a recurring source of revenue for the normal operating expenditures of any project.

(f) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested. Interest that accrues

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from these investments shall be deposited in the state general fund.

(g) The money in the fund at the end of a state fiscal year does not revert to the state general fund but remains in the fund to be used exclusively for the purposes of this chapter.

SECTION 106. IC 5-28-16-4, AS AMENDED BY P.L.1-2006, SECTION 129, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. (a) The board has the following powers:

(1) To accept, analyze, and approve applications under this chapter.

(2) To contract with experts for advice and counsel.

(3) To employ staff to assist in carrying out this chapter, including providing assistance to applicants who wish to apply for a grant or loan from the fund, analyzing proposals, working with experts engaged by the board, and preparing reports and recommendations for the board.

(4) To approve and recommend applications for grants or loans from the fund to the budget committee and budget agency.

(b) The board shall give priority to applications for grants or loans from the fund that:

(1) have the greatest economic development potential; and

(2) require the lowest ratio of money from the fund compared with the combined financial commitments of the applicant and those cooperating on the project.

(c) The board shall make final funding determinations for applications for grants or loans from the fund that will be submitted to the budget agency for review and approval. In making a determination on a proposal intended to obtain federal or private research funding, the board shall be advised by a peer review panel and shall consider the following factors in evaluating the proposal:

(1) The scientific merit of the proposal.

(2) The predicted future success of federal or private funding for the proposal.

(3) The ability of the researcher to attract merit based scientific funding of research.

(4) The extent to which the proposal evidences interdisciplinary or interinstitutional collaboration among two (2) or more Indiana **postsecondary educational** institutions ~~of higher education~~ or private sector partners, as well as cost sharing and partnership support from the business community.

The purposes for which grants and loans may be made include erecting, constructing, reconstructing, extending, remodeling, improving,

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completing, equipping, and furnishing research and technology transfer facilities.

(d) The peer review panel shall be chosen by and report to the board. In determining the composition and duties of a peer review panel, the board shall consider the National Institutes of Health and the National Science Foundation peer review processes as models. The members of the panel must have extensive experience in federal research funding. A panel member may not have a relationship with any private entity or ~~academic~~ **postsecondary educational** institution in Indiana that would constitute a conflict of interest for the panel member.

(e) In making a determination on any other application for a grant or loan from the fund involving a proposal to transfer research results and technologies into marketable products or commercial ventures, the board shall consult with experts as necessary to analyze the likelihood of success of the proposal and the relative merit of the proposal.

(f) A grant or loan from the fund may not be approved or recommended to the budget agency by the board unless the grant or loan has received a positive recommendation from a peer review panel described in this section.

SECTION 107. IC 5-28-23-1, AS ADDED BY P.L.4-2005, SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. (a) The corporation shall do the following:

(1) Contribute to the strengthening of the economy of Indiana through the development of science and technology and to promote the modernization of Indiana businesses by supporting the transfer of science, technology, and quality improvement methods to the workplace.

(2) Submit an annual report to the governor and to the general assembly (in an electronic format under IC 5-14-6) that is due on the first day of November for each year and must include detailed information on the corporation's efforts to carry out this chapter. The corporation shall conduct an annual public hearing to receive comments from interested parties regarding the report, and notice of the hearing shall be given at least fourteen (14) days before the hearing in accordance with IC 5-14-1.5-5(b).

(b) The corporation may do the following:

(1) Receive money from any source, borrow money, enter into contracts, and expend money for activities appropriate to its purpose under this chapter.

(2) Do things necessary or incidental to carrying out the functions listed in this chapter.

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(3) Establish a statewide business modernization network to assist Indiana businesses in identifying ways to increase productivity and market competitiveness.

(4) Identify scientific and technological problems and opportunities related to the economy of Indiana and formulate proposals to overcome those problems or realize those opportunities.

(5) Identify specific areas in which scientific research and technological investigation will contribute to the improvement of productivity of Indiana manufacturers and farmers.

(6) Determine specific areas in which financial investment in scientific and technological research and development from private businesses located in Indiana could be improved or increased if state resources were made available to assist in financing activities.

(7) Assist in establishing cooperative associations of ~~universities~~ **postsecondary educational institutions** in Indiana and of private enterprises to coordinate research and development programs that will, consistent with the primary educational function of the ~~universities,~~ **postsecondary educational institutions,** aid in the creation of new jobs in Indiana.

(8) Assist in financing the establishment and continued development of technology intensive businesses in Indiana.

(9) Advise ~~universities~~ **postsecondary educational institutions** of the research needs of Indiana businesses and improve the exchange of scientific and technological information for the mutual benefit of ~~universities~~ **postsecondary educational institutions** and private businesses.

(10) Coordinate programs established by ~~universities~~ **postsecondary educational institutions** to provide Indiana businesses with scientific and technological information.

(11) Establish programs in scientific education that will support the accelerated development of technology intensive businesses in Indiana.

(12) Provide financial assistance through contracts, grants, and loans to programs of scientific and technological research and development.

(13) Determine how ~~public~~ ~~universities~~ **state educational institutions** can increase income derived from the sale or licensure of products or processes having commercial value that are developed as a result of ~~university~~ **state educational institution** sponsored research programs.

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SECTION 108. IC 5-28-27-3, AS ADDED BY P.L.202-2005, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. (a) The skills 2016 training fund is established to do the following:

(1) Administer the costs of the skills 2016 training program established under IC 22-4-10.5.

(2) Undertake any program or activity that furthers the purposes of IC 22-4-10.5.

(3) Refund skills 2016 training assessments erroneously collected and deposited in the fund.

(b) The money in the fund shall be allocated as follows:

(1) An amount to be determined annually shall be set aside for the payment of refunds from the fund.

(2) The remainder of the money in the fund shall be allocated to employers or consortiums for incumbent worker training grants that enable workers to obtain recognizable credentials or certifications and transferable employment skills that improve employer competitiveness.

(c) Special consideration shall be given to ~~the state educational institution established under IC 20-12-61~~ **Ivy Tech Community College** to be the provider of the training funded under this chapter whenever the state educational institution:

(1) meets the identified training needs of an employer or a consortium with an existing credentialing or certification program; and

(2) is the most cost effective provider.

(d) For the incumbent worker training grants described in subsection (b), the department of workforce development shall do the following:

(1) Provide grant applications to interested employers and consortiums.

(2) Accept completed applications for the grants.

(3) Obtain all information necessary or appropriate to determine whether an applicant qualifies for a grant, including information concerning:

(A) the applicant;

(B) the training to be offered;

(C) the training provider; and

(D) the workers to be trained.

(4) Prepare summaries or other reports to assist the secretary of commerce in reviewing the grant applications.

(e) The department of workforce development shall forward the

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grant applications and other information collected or received by the department under subsection (d) to the secretary of commerce who shall allocate the money in the fund in accordance with subsections (b) and (c), after considering the information provided by the department of workforce development.

(f) The corporation shall enter into an agreement with the department of workforce development for the department of workforce development to administer the fund using money appropriated from the fund.

(g) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public money may be invested.

(h) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

(i) The fund consists of the following:

(1) Assessments deposited in the fund.

(2) Earnings acquired through the use of money belonging to the fund.

(3) Money deposited in the fund from any other source.

(4) Interest and penalties collected.

(j) Any balance in the fund does not lapse but is available continuously to the corporation for expenditures for the program established under IC 22-4-10.5 consistent with this chapter, after considering any information concerning an expenditure provided by the department of workforce development.

SECTION 109. IC 5-30-1-11, AS ADDED BY P.L.246-2005, SECTION 58, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: 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);

(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 110. IC 6-1.1-10-38, AS AMENDED BY P.L.2-2006, SECTION 36, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 38. This chapter does not contain all of the property tax exemption provisions. The property taxation exemption provisions include, but are not limited to, the following sections:

IC 4-20.5-14-3	IC 20-14-7-3
IC 4-20.5-19	IC 20-14-9-15

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IC 5-1-4-26	IC 20-14-10-14
IC 6-1.1-10-5	IC 20-47-2-21
IC 8-10-1-27	IC 20-47-3-15
IC 8-23-7-31	IC 23-7-7-3
IC 8-15-2-12	IC 23-14-70-23
IC 8-21-9-31	IC 36-1-10-18
IC 10-18-2-22	IC 36-7-14-37
IC 10-18-1-36	IC 36-7-15.1-25
IC 10-18-3-12	IC 36-7-18-25
IC 10-18-4-21	IC 36-9-4-52
IC 10-18-7-9	IC 36-9-11-10
IC 14-33-20-27	IC 36-9-11.1-11
IC 15-1.5-6-4	IC 36-9-13-36
IC 16-22-6-34	IC 36-9-13-37
~~IC 20-12-6-11~~	IC 36-9-30-31
~~IC 20-12-7-5~~	IC 36-10-8-18
~~IC 20-12-8-5~~	IC 36-10-9-18
IC 21-34-8-3	
IC 21-35-2-19	
IC 21-35-3-20	

SECTION 111. IC 6-1.1-22-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 14. (a) On or before June 1 and December 1 of each year (or more frequently if the county legislative body adopts an ordinance requiring additional certifications), the disbursing officer of each political subdivision and the township executive shall certify the name and address of each person who has money due the person from the political subdivision to the treasurer of each county in which the political subdivision is located.

(b) On or before June 1 and December 1 of each year (or more frequently if the county legislative body adopts an ordinance requiring additional certifications), the disbursing officer for the state, each state educational institution, ~~(as defined in IC 20-12-0.5-1),~~ and every other governmental entity in Indiana that does not provide the information under subsection (a), shall certify the name and address of each person who is employed by the governmental entity to the county treasurer for the county where the employee works. A governmental entity that has an employee who works in more than one (1) county shall certify the information for the employee to the county where the employee has the employee's principal office.

(c) Upon the receipt of the information under subsection (a) or (b), the county treasurer shall search the treasurer's records to ascertain if

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any person so certified to the treasurer is delinquent in the payment of property taxes.

SECTION 112. IC 6-2.5-4-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 14. The department of administration and each purchasing agent for a state educational institution ~~(as defined in IC 20-12-0.5-1)~~ shall provide the department with a list of every person who desires to enter into a contract to sell property or services to an agency (as defined in IC 4-13-2-1) or a state educational institution. The department shall notify the department of administration or the purchasing agent of the state educational institution if a person on the list does not have a registered retail merchant certificate or is delinquent in remitting or paying amounts due to the department under this article.

SECTION 113. IC 6-2.5-5-21 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 21. (a) For purposes of this section, "private benefit or gain" does not include reasonable compensation paid to an employee for work or services actually performed.

(b) Sales of food and food ingredients are exempt from the state gross retail tax if:

(1) the seller meets the filing requirements under subsection (d) and is any of the following:

(A) A fraternity, a sorority, or a student cooperative housing organization that is connected with and under the supervision of a ~~college, a university, or any other~~ **postsecondary** educational institution if no part of its income is used for the private benefit or gain of any member, trustee, shareholder, employee, or associate.

(B) Any:

(i) institution;

(ii) trust;

(iii) group;

(iv) united fund;

(v) affiliated agency of a united fund;

(vi) nonprofit corporation;

(vii) cemetery association; or

(viii) organization;

that is organized and operated exclusively for religious, charitable, scientific, literary, educational, or civic purposes if no part of its income is used for the private benefit or gain of any member, trustee, shareholder, employee, or associate.

(C) A group, an organization, or a nonprofit corporation that

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is organized and operated for fraternal or social purposes, or as a business league or association, and not for the private benefit or gain of any member, trustee, shareholder, employee, or associate.

(D) A:

(i) hospital licensed by the state department of health;

(ii) shared hospital services organization exempt from federal income taxation by Section 501(c)(3) or 501(e) of the Internal Revenue Code;

(iii) labor union;

(iv) church;

(v) monastery;

(vi) convent;

(vii) school that is a part of the Indiana public school system;

(viii) parochial school regularly maintained by a recognized religious denomination; or

(ix) trust created for the purpose of paying pensions to members of a particular profession or business who created the trust for the purpose of paying pensions to each other;

if the taxpayer is not organized or operated for private profit or gain;

(2) the purchaser is a person confined to his home because of age, sickness, or infirmity;

(3) the seller delivers the food and food ingredients to the purchaser; and

(4) the delivery is prescribed as medically necessary by a physician licensed to practice medicine in Indiana.

(c) Sales of food and food ingredients are exempt from the state gross retail tax if the seller is an organization described in subsection (b)(1), and the purchaser is a patient in a hospital operated by the seller.

(d) To obtain the exemption provided by this section, a taxpayer must file an application for exemption with the department:

(1) before January 1, 2003, under IC 6-2.1-3-19 (repealed); or

(2) not later than one hundred twenty (120) days after the taxpayer's formation.

In addition, the taxpayer must file an annual report with the department on or before the fifteenth day of the fifth month following the close of each taxable year. If a taxpayer fails to file the report, the department shall notify the taxpayer of the failure. If within sixty (60) days after receiving such notice the taxpayer does not provide the report, the

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taxpayer's exemption shall be canceled. However, the department may reinstate the taxpayer's exemption if the taxpayer shows by petition that the failure was due to excusable neglect.

SECTION 114. IC 6-2.5-8-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 10. (a) A person that:

(1) makes retail transactions from outside Indiana to a destination in Indiana;

(2) does not maintain a place of business in Indiana; and

(3) either:

(A) engages in the regular or systematic soliciting of retail transactions from potential customers in Indiana;

(B) enters into a contract to provide property or services to an agency (as defined in IC 4-13-2-1) or a state educational institution; ~~(as defined in IC 20-12-0.5-1);~~

(C) agrees to sell property or services to an agency (as defined in IC 4-13-2-1) or a state educational institution; ~~(as defined in IC 20-12-0.5-1);~~ or

(D) is closely related to another person that maintains a place of business in Indiana or is described in clause (A), (B), or (C);

shall file an application for a retail merchant's certificate under this chapter and collect and remit tax as provided in this article. Conduct described in subdivision (3)(B) and (3)(C) occurring after June 30, 2003, constitutes consent to be treated under this article as if the person has a place of business in Indiana or is engaging in conduct described in subdivision (3)(A), including the provisions of this article that require a person to collect and remit tax under this article.

(b) A person is rebuttably presumed to be engaging in the regular or systematic soliciting of retail transactions from potential customers in Indiana if the person does any of the following:

(1) Distributes catalogs, periodicals, advertising flyers, or other written solicitations of business to potential customers in Indiana, regardless of whether the distribution is by mail or otherwise and without regard to the place from which the distribution originated or in which the materials were prepared.

(2) Displays advertisements on billboards or displays other outdoor advertisements in Indiana.

(3) Advertises in newspapers published in Indiana.

(4) Advertises in trade journals or other periodicals that circulate primarily in Indiana.

(5) Advertises in Indiana editions of a national or regional publication or a limited regional edition in which Indiana is

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included as part of a broader regional or national publication if the advertisements are not placed in other geographically defined editions of the same issue of the same publication.

(6) Advertises in editions of regional or national publications that are not by the contents of the editions geographically targeted to Indiana but that are sold over the counter in Indiana or by subscription to Indiana residents.

(7) Broadcasts on a radio or television station located in Indiana.

(8) Makes any other solicitation by telegraphy, telephone, computer data base, cable, optic, microwave, or other communication system.

(c) A person not maintaining a place of business in Indiana is considered to be engaged in the regular or systematic soliciting of retail transactions from potential customers in Indiana if the person engages in any of the activities described in subsection (b) and:

(1) makes at least one hundred (100) retail transactions from outside Indiana to destinations in Indiana during a period of twelve (12) consecutive months; or

(2) makes at least ten (10) retail transactions totaling more than one hundred thousand dollars ($100,000) from outside Indiana to destinations in Indiana during a period of twelve (12) consecutive months.

(d) Subject to subsection (e), the location in or outside Indiana of vendors that:

(1) are independent of a person that is soliciting customers in Indiana; and

(2) provide products or services to the person in connection with the person's solicitation of customers in Indiana:

(A) including products and services such as creation of copy, printing, distribution, and recording; but

(B) excluding:

(i) delivery of goods;

(ii) billing or invoicing for the sale of goods;

(iii) providing repairs of goods;

(iv) assembling or setting up goods for use by the purchaser; or

(v) accepting returns of unwanted or damaged goods;

is not to be taken into account in the determination of whether the person is required to collect use tax under this section.

(e) Subsection (d) does not apply if the person soliciting orders is closely related to the vendor.

(f) For purposes of subsections (a) and (e), a person is closely

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related to another person if:

(1) the two (2) persons:

(A) use an identical or a substantially similar name, trademark, or good will to develop, promote, or maintain sales;

(B) pay for each other's services in whole or in part contingent on the volume or value of sales; or

(C) share a common business plan or substantially coordinate their business plans; and

(2) either:

(A) one (1) or both of the persons are corporations and:

(i) one (1) person; and

(ii) any other person related to the person in a manner that would require an attribution of stock from the corporation to the person or from the person to the corporation under the attribution rules of Section 318 of the Internal Revenue Code;

own directly, indirectly, beneficially, or constructively at least fifty percent (50%) of the value of the corporation's outstanding stock;

(B) both entities are corporations and an individual stockholder and the members of the stockholder's family (as defined in Section 318 of the Internal Revenue Code) own directly, indirectly, beneficially, or constructively a total of at least fifty percent (50%) of the value of both entities' outstanding stock; or

(C) one (1) or both persons are limited liability companies, partnerships, limited liability partnerships, estates, or trusts, and their members, partners, or beneficiaries own directly, indirectly, beneficially, or constructively a total of at least fifty percent (50%) of the profits, capital, stock, or value of one (1) or both persons.

SECTION 115. IC 6-3-3-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. (a) At the election of the taxpayer, there shall be allowed, as a credit against the adjusted gross income tax imposed by IC 6-3-1 through IC 6-3-7 for the taxable year, an amount (subject to the applicable limitations provided by this section) equal to fifty percent (50%) of the aggregate amount of charitable contributions made by such taxpayer during such year to **postsecondary educational** institutions ~~of higher education~~ located within Indiana **(including any of its associated colleges in Indiana) or** to any corporation or foundation organized and operated solely for the benefit of any ~~such~~ **postsecondary educational** institution. ~~of~~

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~~higher education or to the associated colleges of Indiana.~~

(b) In the case of a taxpayer other than a corporation, the amount allowable as a credit under this section for any taxable year shall not exceed one hundred dollars ($100) in the case of a single return or two hundred dollars ($200) in the case of a joint return.

(c) In the case of a corporation, the amount allowable as a credit under this section for any taxable year shall not exceed:

(1) ten percent (10%) of such corporation's total adjusted gross income tax under IC 6-3-1 through IC 6-3-7 for such year (as determined without regard to any credits against that tax); or

(2) one thousand dollars ($1,000);

whichever is less.

(d) ~~For purposes of this section, the term~~ **A charitable contribution** "~~institution of higher education" means any educational institution located within~~ **in** Indiana **qualifies for a credit under this section only if the charitable contribution is made to a postsecondary educational institution or a corporation or foundation organized for the benefit of a postsecondary educational institution that:**

(1) ~~which~~ normally maintains a regular faculty and curriculum and normally has a regularly organized body of students in attendance at the place where its educational activities are carried on;

(2) ~~which~~ regularly offers education at a level above the twelfth grade;

(3) ~~which~~ regularly awards either associate, bachelors, masters, or doctoral degrees, or any combination thereof; and

(4) ~~which~~ is duly accredited by the North Central Association of Colleges and Schools, the Indiana state board of education, or the American Association of Theological Schools.

(e) The credit allowed by this section shall not exceed the amount of the adjusted gross income tax imposed by IC 6-3-1 through IC 6-3-7 for the taxable year, reduced by the sum of all credits (as determined without regard to this section) allowed by IC 6-3-1 through IC 6-3-7.

SECTION 116. IC 6-3-3-5.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5.1. (a) At the election of the taxpayer, a credit against the adjusted gross income tax imposed by IC 6-3-1 through IC 6-3-7 for the taxable year, is permitted in an amount (subject to the applicable limitations provided by this section) equal to fifty percent (50%) of the aggregate amount of contributions made by the taxpayer during the taxable year to the twenty-first century scholars program support fund established under ~~IC 20-12-70.1-5.~~ **IC 21-12-7-1.**

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(b) In the case of a taxpayer other than a corporation, the amount allowable as a credit under this section for any taxable year may not exceed:

(1) one hundred dollars ($100) in the case of a single return; or

(2) two hundred dollars ($200) in the case of a joint return.

(c) In the case of a taxpayer that is a corporation, the amount allowable as a credit under this section for any taxable year may not exceed the lesser of the following amounts:

(1) Ten percent (10%) of the corporation's total adjusted gross income tax under IC 6-3-1 through IC 6-3-7 for the taxable year (as determined without regard to any credits against that tax).

(2) One thousand dollars ($1,000).

(d) The credit permitted under this section may not exceed the amount of the adjusted gross income tax imposed by IC 6-3-1 through IC 6-3-7 for the taxable year, reduced by the sum of all credits (as determined without regard to this section) allowed by IC 6-3-1 through IC 6-3-7.

SECTION 117. IC 6-6-5-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. (a) As used in this chapter, "vehicle" means a vehicle subject to annual registration as a condition of its operation on the public highways pursuant to the motor vehicle registration laws of the state.

(b) As used in this chapter, "mobile home" means a nonself-propelled vehicle designed for occupancy as a dwelling or sleeping place.

(c) As used in this chapter, "bureau" means the bureau of motor vehicles.

(d) As used in this chapter, "license branch" means a branch office of the bureau authorized to register motor vehicles pursuant to the laws of the state.

(e) As used in this chapter, "owner" means the person in whose name the vehicle or trailer is registered (as defined in IC 9-13-2).

(f) As used in this chapter, "motor home" means a self-propelled vehicle having been designed and built as an integral part thereof having living and sleeping quarters, including that which is commonly referred to as a recreational vehicle.

(g) As used in this chapter, "last preceding annual excise tax liability" means either:

(1) the amount of excise tax liability to which the vehicle was subject on the owner's last preceding regular annual registration date; or

(2) the amount of excise tax liability to which a vehicle that was

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registered after the owner's last preceding annual registration date would have been subject if it had been registered on that date.

(h) As used in this chapter, "trailer" means a device having a gross vehicle weight equal to or less than three thousand (3,000) pounds that is pulled behind a vehicle and that is subject to annual registration as a condition of its operation on the public highways pursuant to the motor vehicle registration laws of the state. The term includes any utility, boat, or other two (2) wheeled trailer.

(i) This chapter does not apply to the following:

(1) Vehicles owned, or leased and operated, by the United States, the state, or political subdivisions of the state.

(2) Mobile homes and motor homes.

(3) Vehicles assessed under IC 6-1.1-8.

(4) Vehicles subject to registration as trucks under the motor vehicle registration laws of the state, except trucks having a declared gross weight not exceeding eleven thousand (11,000) pounds, trailers, semitrailers, tractors, and buses.

(5) Vehicles owned, or leased and operated, by ~~an~~ **a postsecondary educational** institution ~~of higher education (as defined in~~ **described in** IC 6-3-3-5(d).

(6) Vehicles owned, or leased and operated, by a volunteer fire department (as defined in IC 36-8-12-2).

(7) Vehicles owned, or leased and operated, by a volunteer emergency ambulance service that:

(A) meets the requirements of IC 16-31; and

(B) has only members that serve for no compensation or a nominal annual compensation of not more than three thousand five hundred dollars ($3,500).

(8) Vehicles that are exempt from the payment of registration fees under IC 9-18-3-1.

(9) Farm wagons.

SECTION 118. IC 6-6-5.5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. (a) Except as provided in subsection (b), this chapter applies to all commercial vehicles.

(b) This chapter does not apply to the following:

(1) Vehicles owned or leased and operated by the United States, the state, or political subdivisions of the state.

(2) Mobile homes and motor homes.

(3) Vehicles assessed under IC 6-1.1-8.

(4) Buses subject to apportioned registration under the International Registration Plan.

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(5) Vehicles subject to taxation under IC 6-6-5.

(6) Vehicles owned or leased and operated by ~~an~~ **a postsecondary educational** institution ~~of higher education (as defined in~~ **described in** IC 6-3-3-5(d).

(7) Vehicles owned or leased and operated by a volunteer fire department (as defined in IC 36-8-12-2).

(8) Vehicles owned or leased and operated by a volunteer emergency ambulance service that:

(A) meets the requirements of IC 16-31; and

(B) has only members that serve for no compensation or a nominal annual compensation of not more than three thousand five hundred dollars ($3,500).

(9) Vehicles that are exempt from the payment of registration fees under IC 9-18-3-1.

(10) Farm wagons.

(11) A vehicle in the inventory of vehicles held for sale by a manufacturer, distributor, or dealer in the course of business.

SECTION 119. IC 6-8-5-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. (a) All bonds issued after March 11, 1959, or notes, warrants, or other evidences of indebtedness issued in the state of Indiana by or in the name of any county, township, city, incorporated town, school corporation, state educational institution, ~~or state supported institution of higher learning,~~ or any other political, municipal, public or quasi-public corporation or body, or in the name of any special assessment or taxing district or in the name of any authorized body of any such corporation or district, the interest thereon, the proceeds received by a holder from the sale of such obligations to the extent of the holder's cost of acquisition, or proceeds received upon redemption prior to maturity, or proceeds received at maturity, and the receipt of such interest and proceeds, shall be exempt from taxation in the state of Indiana for all purposes except a state inheritance tax imposed under IC 6-4.1.

(b) All bonds issued after March 11, 1933, and before March 12, 1959, by any municipality in this state under the provisions of any statute whereby the terms thereof provide for the payment of such bonds out of the funds derived from the revenues of any municipally owned utility or which are to be paid by pledging the physical property of any such municipally owned utility, or any bonds issued pledging both the physical property and the revenues of such utility, or any bonds issued for additions to or improvements to be made to such municipally owned utility, or any bonds issued by any municipality to be paid out of taxes levied by such municipality for the acquiring,

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purchase, construction, or the reconstruction of a utility, or any part thereof, shall be exempt from taxation for all purposes except a state inheritance tax imposed under IC 6-4.1.

(c) This section does not apply to measuring the franchise tax imposed on the privilege of transacting the business of a financial institution in Indiana under IC 6-5.5.

(d) No other statute exempting interest paid on debt obligations of:

(1) a state or local public entity, including an agency, a government corporation, or an authority; or

(2) a corporation or other entity leasing real or personal property to an entity described in subdivision (1);

applies to measuring of the franchise tax imposed on financial institutions under IC 6-5.5.

SECTION 120. IC 6-8.1-7-1, AS AMENDED BY P.L.111-2006, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. (a) This subsection does not apply to the disclosure of information concerning a conviction on a tax evasion charge. Unless in accordance with a judicial order or as otherwise provided in this chapter, the department, its employees, former employees, counsel, agents, or any other person may not divulge the amount of tax paid by any taxpayer, terms of a settlement agreement executed between a taxpayer and the department, investigation records, investigation reports, or any other information disclosed by the reports filed under the provisions of the law relating to any of the listed taxes, including required information derived from a federal return, except to:

(1) members and employees of the department;

(2) the governor;

(3) the attorney general or any other legal representative of the state in any action in respect to the amount of tax due under the provisions of the law relating to any of the listed taxes; or

(4) any authorized officers of the United States;

when it is agreed that the information is to be confidential and to be used solely for official purposes.

(b) The information described in subsection (a) may be revealed upon the receipt of a certified request of any designated officer of the state tax department of any other state, district, territory, or possession of the United States when:

(1) the state, district, territory, or possession permits the exchange of like information with the taxing officials of the state; and

(2) it is agreed that the information is to be confidential and to be used solely for tax collection purposes.

(c) The information described in subsection (a) relating to a person

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on public welfare or a person who has made application for public welfare may be revealed to the director of the division of family resources, and to any director of a county office of family and children located in Indiana, upon receipt of a written request from either director for the information. The information shall be treated as confidential by the directors. In addition, the information described in subsection (a) relating to a person who has been designated as an absent parent by the state Title IV-D agency shall be made available to the state Title IV-D agency upon request. The information shall be subject to the information safeguarding provisions of the state and federal Title IV-D programs.

(d) The name, address, Social Security number, and place of employment relating to any individual who is delinquent in paying educational loans owed to ~~an~~ **a postsecondary educational** institution ~~of higher education~~ may be revealed to that institution if it provides proof to the department that the individual is delinquent in paying for educational loans. This information shall be provided free of charge to approved ~~institutions of higher learning~~ **postsecondary educational institutions** (as defined by ~~IC 20-12-21-3(2)).~~ **IC 21-7-13-6).** The department shall establish fees that all other institutions must pay to the department to obtain information under this subsection. However, these fees may not exceed the department's administrative costs in providing the information to the institution.

(e) The information described in subsection (a) relating to reports submitted under IC 6-6-1.1-502 concerning the number of gallons of gasoline sold by a distributor, and IC 6-6-2.5 concerning the number of gallons of special fuel sold by a supplier and the number of gallons of special fuel exported by a licensed exporter or imported by a licensed transporter may be released by the commissioner upon receipt of a written request for the information.

(f) The information described in subsection (a) may be revealed upon the receipt of a written request from the administrative head of a state agency of Indiana when:

(1) the state agency shows an official need for the information; and

(2) the administrative head of the state agency agrees that any information released will be kept confidential and will be used solely for official purposes.

(g) The name and address of retail merchants, including township, as specified in IC 6-2.5-8-1(j) may be released solely for tax collection purposes to township assessors.

(h) The department shall notify the appropriate innkeepers' tax

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board, bureau, or commission that a taxpayer is delinquent in remitting innkeepers' taxes under IC 6-9.

(i) All information relating to the delinquency or evasion of the motor vehicle excise tax may be disclosed to the bureau of motor vehicles in Indiana and may be disclosed to another state, if the information is disclosed for the purpose of the enforcement and collection of the taxes imposed by IC 6-6-5.

(j) All information relating to the delinquency or evasion of commercial vehicle excise taxes payable to the bureau of motor vehicles in Indiana may be disclosed to the bureau and may be disclosed to another state, if the information is disclosed for the purpose of the enforcement and collection of the taxes imposed by IC 6-6-5.5.

(k) All information relating to the delinquency or evasion of commercial vehicle excise taxes payable under the International Registration Plan may be disclosed to another state, if the information is disclosed for the purpose of the enforcement and collection of the taxes imposed by IC 6-6-5.5.

(l) This section does not apply to:

(1) the beer excise tax (IC 7.1-4-2);
(2) the liquor excise tax (IC 7.1-4-3);
(3) the wine excise tax (IC 7.1-4-4);
(4) the hard cider excise tax (IC 7.1-4-4.5);
(5) the malt excise tax (IC 7.1-4-5);
(6) the motor vehicle excise tax (IC 6-6-5);
(7) the commercial vehicle excise tax (IC 6-6-5.5); and
(8) the fees under IC 13-23.

(m) The name and business address of retail merchants within each county that sell tobacco products may be released to the division of mental health and addiction and the alcohol and tobacco commission solely for the purpose of the list prepared under IC 6-2.5-6-14.2.

SECTION 121. IC 6-9-2-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. (a) A county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000) that establishes a medical center development agency pursuant to ~~IC 20-12-30.3~~ **IC 16-23.5-2** may levy each year a tax on every person engaged in the business of renting or furnishing, for periods of less than thirty (30) days, any room or rooms, lodgings, or accommodations, in any hotel, motel, inn, tourist camp, tourist cabin or any other place in which rooms, lodgings, or accommodations are regularly furnished for a consideration.

(b) Such tax shall be at a rate of five percent (5%) on the gross retail

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income derived therefrom and shall be in addition to the state gross retail tax imposed on such persons by law.

(c) The county fiscal body may adopt an ordinance to require that the tax be reported on forms approved by the county treasurer and that the tax shall be paid monthly to the county treasurer. If such an ordinance is adopted, the tax shall be paid to the county treasurer not more than twenty (20) days after the end of the month the tax is collected. If such an ordinance is not adopted, the tax shall be imposed, paid, and collected in exactly the same manner as the state gross retail tax is imposed, paid, and collected.

(d) All of the provisions of the state gross retail tax (IC 6-2.5) relating to rights, duties, liabilities, procedures, penalties, definitions, exemptions, and administration shall be applicable to the imposition and administration of the tax imposed by this section except to the extent such provisions are in conflict or inconsistent with the specific provisions of this chapter or the requirements of the county treasurer. Specifically and not in limitation of the foregoing sentence, the terms "person" and "gross retail income" shall have the same meaning in this section as they have in the state gross retail tax (IC 6-2.5). If the tax is paid to the department of state revenue, the returns to be filed for the payment of the tax under this section may be either a separate return or may be combined with the return filed for the payment of the state gross retail tax as the department of state revenue may, by rule, determine.

(e) If the tax is paid to the department of state revenue, the amounts received from the tax shall be paid by the end of the next succeeding month by the treasurer of state to the county treasurer upon warrants issued by the auditor of state. The county treasurer shall deposit the revenue received under this chapter as provided in section 2 of this chapter.

SECTION 122. IC 7.1-3-20-16.1, AS AMENDED BY P.L.1-2006, SECTION 149, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 16.1. (a) This section applies to a municipal riverfront development project authorized under section 16(d) of this chapter.

(b) In order to qualify for a permit, an applicant must demonstrate that the municipal riverfront development project area where the permit is to be located meets the following criteria:

(1) The project boundaries must border on at least one (1) side of a river.

(2) The proposed permit premises may not be located more than:

(A) one thousand five hundred (1,500) feet; or

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(B) three (3) city blocks;

from the river, whichever is greater. However, if the area adjacent to the river is incapable of being developed because the area is in a floodplain, or for any other reason that prevents the area from being developed, the distances described in clauses (A) and (B) are measured from the city blocks located nearest to the river that are capable of being developed.

(3) The permit premises are located within:

(A) an economic development area, a redevelopment project area, an urban renewal area, or a redevelopment area established under IC 36-7-14, IC 36-7-14.5, or IC 36-7-15.1;

(B) an economic development project district under IC 36-7-15.2 or IC 36-7-26; or

(C) a community revitalization enhancement district designated under IC 36-7-13-12.1.

(4) The project must be funded in part with state and city money.

(5) The boundaries of the municipal riverfront development project must be designated by ordinance or resolution by the legislative body (as defined in IC 36-1-2-9(3) or IC 36-1-2-9(4)) of the city in which the project is located.

(c) Proof of compliance with subsection (b) must consist of the following documentation, which is required at the time the permit application is filed with the commission:

(1) A detailed map showing:

(A) definite boundaries of the entire municipal riverfront development project; and

(B) the location of the proposed permit within the project.

(2) A copy of the local ordinance or resolution of the local governing body authorizing the municipal riverfront development project.

(3) Detailed information concerning the expenditures of state and city funds on the municipal riverfront development project.

(d) Notwithstanding subsection (b), the commission may issue a permit for premises, the location of which does not meet the criteria of subsection (b)(2), if all the following requirements are met:

(1) All other requirements of this section and section 16(d) of this chapter are satisfied.

(2) The proposed premises is located not more than:

(A) three thousand (3,000) feet; or

(B) six (6) blocks;

from the river, whichever is greater. However, if the area adjacent to the river is incapable of being developed because the area is in

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a floodplain, or for any other reason that prevents the area from being developed, the distances described in clauses (A) and (B) are measured from the city blocks located nearest to the river that are capable of being developed.

(3) The permit applicant satisfies the criteria established by the commission by rule adopted under IC 4-22-2. The criteria established by the commission may require that the proposed premises be located in an area or district set forth in subsection (b)(3).

(4) The permit premises may not be located less than two hundred (200) feet from facilities owned by a state educational institution. ~~(as defined in IC 20-12-0.5-1).~~

(e) A permit may not be issued if the proposed permit premises is the location of an existing three-way permit subject to IC 7.1-3-22-3.

SECTION 123. IC 7.1-5-7-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 8. (a) It is a Class C misdemeanor for a person to recklessly sell, barter, exchange, provide, or furnish an alcoholic beverage to a minor.

(b) This section shall not be construed to impose civil liability upon any **postsecondary** educational institution, ~~of higher learning,~~ including ~~but not limited to~~ public and private universities and colleges, business schools, vocational schools, and schools for continuing education, or its agents for injury to any person or property sustained in consequence of a violation of this section unless such institution or its agent sells, barters, exchanges, provides, or furnishes an alcoholic beverage to a minor.

SECTION 124. IC 7.1-5-7-11, AS AMENDED BY P.L.224-2005, SECTION 33, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 11. (a) The provisions of sections 9 and 10 of this chapter shall not apply if the public place involved is one (1) of the following:

(1) Civic center.
(2) Convention center.
(3) Sports arena.
(4) Bowling center.
(5) Bona fide club.
(6) Drug store.
(7) Grocery store.
(8) Boat.
(9) Dining car.
(10) Pullman car.
(11) Club car.

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(12) Passenger airplane.
(13) Horse racetrack facility holding a recognized meeting permit under IC 4-31-5.
(14) Satellite facility (as defined in IC 4-31-2-20.5).
(15) Catering hall under IC 7.1-3-20-24 that is not open to the public.
(16) That part of a hotel or restaurant which is separate from a room in which is located a bar over which alcoholic beverages are sold or dispensed by the drink.
(17) Entertainment complex.
(18) Indoor golf facility.
(19) A recreational facility such as a golf course, bowling center, or similar facility that has the recreational activity and not the sale of food and beverages as the principal purpose or function of the person's business.
(20) A licensed premises owned or operated by ~~an educational institution of higher learning (as defined~~ **a nonprofit college or university described** in ~~IC 20-12-15-1).~~ **IC 21-17-16-1.**
(21) An automobile racetrack.

(b) For the purpose of this subsection, "food" means meals prepared on the licensed premises. It is lawful for a minor to be on licensed premises in a room in which is located a bar over which alcoholic beverages are sold or dispensed by the drink if all the following conditions are met:
(1) The minor is eighteen (18) years of age or older.
(2) The minor is in the company of a parent, guardian, or family member who is twenty-one (21) years of age or older.
(3) The purpose for being on the licensed premises is the consumption of food and not the consumption of alcoholic beverages.

SECTION 125. IC 8-3-21-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. The council shall do the following:
(1) Meet within thirty (30) days after ratification of this agreement by at least two (2) participating states.
(2) Establish rules for the conduct of the council's business, including the payment of the reasonable and necessary travel expenses of council members.
(3) Coordinate all aspects of the rail passenger financial and economic impact study under section 3 of this chapter.
(4) Contract with persons, including **postsecondary educational** institutions, ~~of higher education,~~ for performance of any part of

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the study under section 3 of this chapter.

(5) Upon approval of the study, determine the proportionate share that each state will contribute toward the implementation and management of the proposed restoration of the interstate rail passenger system along the western route.

(6) Make recommendations to each participating state legislature concerning the results of the study required by this chapter.

SECTION 126. IC 8-10-1-13, AS AMENDED BY P.L.235-2005, SECTION 110, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 13. (a) Subject to the approval of the governor, the commission is hereby authorized to provide by resolution, at one (1) time or from time to time, for the issuance of revenue bonds of the state for the purpose of paying all or any part of the cost of a port or project under this chapter or IC 8-10-4. The principal of and the interest on such bonds shall be payable solely from the revenues specifically pledged to the payment thereof. The bonds of each issue shall be dated, shall bear interest at any rate, shall mature at such time or times not exceeding thirty-five (35) years from the date thereof, as may be determined by the commission, and may be made redeemable before maturity, at the option of the commission, at such price or prices and under such terms and conditions as may be fixed by the commission in the authorizing resolution.

(b) The commission shall determine the form of the bonds, including any interest coupons to be attached thereto, and shall fix the denomination or denominations of the bonds and the place or places of payment of principal and interest which may be at any bank or trust company within or without the state.

(c) The bonds shall be signed in the name of the commission, by its chairman or vice chairman or by the facsimile signature of such chairman or vice chairman, and the official seal of the commission, or facsimile thereof, shall be affixed thereto and attested by the secretary-treasurer of the commission, and any coupons attached thereto shall bear the facsimile signature of the chairman of the commission. In case any officer whose signature or a facsimile of whose signature shall appear on any bonds or coupons shall cease to be such officer before the delivery of such bonds, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes the same as if the officer had remained in office until such delivery.

(d) All bonds issued under this article shall have and are hereby declared to have all the qualities and incidents of negotiable instruments under the negotiable instruments law of the state of Indiana.

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(e) The bonds may be issued in coupon or in registered form, or both, as the commission may determine, and provision may be made for the registration of any coupon bonds as to principal alone and also as to both principal and interest, and for the reconversion into coupon bonds of any bonds registered as to both principal and interest.

(f) The bonds shall be sold at public sale in accordance with ~~IC 4-1-5,~~ **IC 21-32-3,** except as provided in IC 8-10-4.

(g) No action to contest the validity of any bonds issued by the commission under this article shall be commenced more than thirty (30) days following the adoption of the resolution approving the bonds as provided in this article.

(h) The commission shall cooperate with and use the assistance of the Indiana finance authority established under IC 4-4-11 in the issuance of the bonds under this chapter or IC 8-10-4.

SECTION 127. IC 8-10-4-2, AS AMENDED BY P.L.1-2006, SECTION 154, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. (a) In addition to the powers conferred upon the Indiana port commission by other provisions of this article, and subject to subsection (b), the commission, in connection with any self-liquidating or nonrecourse project, shall have the following powers notwithstanding any other provision of this article to the contrary:

(1) The revenue bonds issued by the commission to finance the cost of such self-liquidating or nonrecourse project may be issued without regard to any maximum interest rate limitation in this article or any other law.

(2) The revenue bonds issued by the commission to finance the cost of such self-liquidating or nonrecourse project may be sold in such manner, either at public or private sale, as the commission may determine, and the provisions of ~~IC 4-1-5~~ **IC 21-32-3** shall not be applicable to such sale.

(3) IC 4-13.6, IC 5-16-1, IC 5-16-2, IC 5-16-3, IC 5-16-5, IC 5-16-5.5, IC 5-16-6, IC 5-16-6.5, IC 5-16-8, IC 5-16-9, IC 5-16-10, IC 5-16-11, IC 5-16-11.1, IC 8-10-1-7(12), IC 8-10-1-29, and IC 36-1-12 do not apply to a self-liquidating or nonrecourse project.

(b) The issuance of revenue bonds by the commission under this chapter is subject to the approval of the governor.

SECTION 128. IC 8-21-9-23 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 23. (a) The department may, subject to IC 8-9.5-5-8(6), provide for the issuance of airport revenue bonds of the state for the purpose of paying all or any part of

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the cost of an airport facility or airport facilities. The principal of and the interest on the bonds shall be payable solely from the revenues specifically pledged to the payment as authorized by section 27 of this chapter.

(b) The bonds of each issue shall be dated, shall bear interest at such rate or rates, and shall mature at such time or times not exceeding fifty (50) years from the date thereof, all as may be determined by the department, and may be made redeemable before maturity, at the option of the department, at a price or prices and under terms and conditions as may be fixed by the commissioner in an executive order providing for the issue.

(c) The department shall determine the form of the bonds, including attached interest coupons, and shall fix the denomination or denominations of the bonds and the place or places of payment of principal and interest which may be at any bank or trust company within or without the state. The bonds shall be signed in the name of the department by the commissioner and the official seal of the department shall be affixed thereto. Any coupons attached thereto shall bear the facsimile signature of the commissioner of the department. If the commissioner whose signature or facsimile of whose signature shall appear on any bonds or coupons shall cease to be the commissioner before the delivery of such bonds, such signature or such facsimile shall, nevertheless, be valid and sufficient for all purposes as if the commissioner had remained in office until delivery.

(d) All bonds issued under this chapter have all the qualities and incidents of negotiable instruments under the law of Indiana.

(e) The bonds may be issued in coupon or in registered form, or both, as the department may determine. Provision may be made for the registration of any coupon bonds as to principal alone and also as to both principal and interest and for the reconversion into coupon bonds of any bonds registered as to both principal and interest.

(f) The bonds shall be sold at public sale in accordance with the provisions of ~~IC 4-1-5.~~ **IC 21-32-3.**

(g) The department may issue bonds in connection with a self-liquidating airport facility or airport facilities without regard to maximum interest rate limitation in this chapter or any other law and sell the bonds either at public or private sale as the department may determine. The provisions of ~~IC 4-1-5~~ **IC 21-32-3** shall not be applicable to such sale.

(h) "Self-liquidating airport facility or airport facilities" means an airport facility or airport facilities for which a lease or leases have been executed providing for payment of rental in an amount at least

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sufficient to pay the interest and principal of the bonds to be issued to finance the cost of the airport facility or airport facilities and providing for the payment of the lessee or lessees of all costs of maintenance, repair and insurance of the airport facility or airport facilities.

SECTION 129. IC 8-21-11-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. The following may apply to the department for a grant or a loan for an airport development project:

(1) An eligible entity that has established a board of aviation commissioners under IC 8-22-2.

(2) An airport authority established under IC 8-22-3.

(3) A public airport established under ~~IC 20-12-50.~~ **IC 20-23-7.**

(4) Any airport that is eligible for an exemption under IC 6-1.1-10-15.

SECTION 130. IC 9-13-2-78, AS AMENDED BY P.L.188-2006, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 78. "Indiana resident" refers to a person who is one (1) of the following:

(1) A person who has been living in Indiana for at least one hundred eighty-three (183) days during a calendar year and who has a legal residence in another state. However, the term does not include a person who has been living in Indiana for any of the following purposes:

(A) Attending ~~an~~ **a postsecondary educational** institution. ~~of higher education.~~

(B) Serving on active duty in the armed forces of the United States.

(2) A person who is living in Indiana if the person has no other legal residence.

(3) A person who is registered to vote in Indiana.

(4) A person who has a child enrolled in an elementary or a secondary school located in Indiana.

(5) A person who has more than one-half (1/2) of the person's gross income (as defined in Section 61 of the Internal Revenue Code) derived from sources in Indiana using the provisions applicable to determining the source of adjusted gross income that are set forth in IC 6-3-2-2. However, a person who is considered a resident under this subdivision is not a resident if the person proves by a preponderance of the evidence that the person is not a resident under subdivisions (1) through (4).

(6) A person who:

(A) is enrolled as a student of a truck driver training school;

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(B) has legal residence in another state but is living in Indiana temporarily for the express purpose of taking a course of study from the truck driver training school; and

(C) intends to return to the person's state of residence upon completion of the course of study of the truck driver training school.

SECTION 131. IC 9-13-2-133 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 133. (a) "Private bus" means a motor vehicle designed and constructed for the accommodation of passengers and that is used for transportation of passengers by any of the following:

(1) A religious, fraternal, charitable, or benevolent organization.

(2) A youth association.

(3) A public or private **postsecondary educational** institution. ~~of higher education.~~

(b) The term includes either the chassis or the body of the vehicle or both the body and the chassis of the vehicle.

(c) The term does not include the following:

(1) A vehicle with a seating capacity of not more than fifteen (15) persons.

(2) A school bus or a bus used to carry passengers for hire.

SECTION 132. IC 9-13-2-173 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 173. (a) "State" means, except as otherwise provided by this section and unless by the context some other state or territory or federal district of the United States is meant or intended, the state of Indiana.

(b) "State", for purposes of IC 9-27-1, means the state of Indiana, the governor of Indiana, an agency of the state of Indiana designated by the governor to receive federal aid, and any officer, board, bureau, commission, division, or department, any public body corporate and politic created by the state of Indiana for public purposes, or any ~~university or college supported in part by state funds.~~ **state educational institution.**

(c) "State", for purposes of IC 9-25, means any state in the United States, the District of Columbia, or any Province of the Dominion of Canada.

(d) "State", for purposes of section 120.5 of this chapter, means any state in the United States or the District of Columbia.

SECTION 133. IC 9-13-2-188.5, AS ADDED BY P.L.188-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 188.5. "Truck driver training school" means a postsecondary proprietary educational institution (as defined in

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~~IC 20-12-76-9)~~ **IC 21-7-13-26)** located in Indiana and accredited by the Indiana commission on proprietary education or a state educational institution ~~(as defined in IC 20-12-0.5-1)~~ that:

(1) educates or trains a person; or

(2) prepares a person for an examination or a validation given by the bureau;

to operate a truck as a vocation.

SECTION 134. IC 9-24-6-5.3, AS ADDED BY P.L.188-2006, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5.3. (a) The owner of a truck driver training school or a state educational institution ~~(as defined in IC 20-12-0.5-1)~~ that operates a truck driver training school as a course of study must notify the bureau:

(1) of a student's completion of a course of the truck driver training school immediately after the student completes the course; or

(2) of the termination of a student's instruction in the truck driver training school immediately after the student's instruction terminates.

(b) In addition to satisfying the requirements of IC 20-12-76-24(a), the owner of a truck driver training school must retain records relating to each student of the truck driver training school for not less than six (6) years.

SECTION 135. IC 9-24-6-5.5, AS ADDED BY P.L.188-2006, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5.5. (a) A truck driver training school accredited by the Indiana commission on proprietary education is subject to rules adopted by the Indiana commission on proprietary education. ~~under IC 20-12-76-13(c).~~

(b) A:

(1) student of a truck driver training school; and

(2) truck driver training school;

are subject to applicable rules adopted by the department of state revenue.

SECTION 136. IC 9-27-4-4, AS AMENDED BY P.L.5-2006, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. (a) To establish or operate a commercial driver training school, the school must obtain a license from the bureau in the manner and form prescribed by the bureau.

(b) Subject to subsection (c), the bureau shall adopt rules under IC 4-22-2 that state the requirements for obtaining a school license, including the following:

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(1) Location of the school.
(2) Equipment required.
(3) Courses of instruction.
(4) Instructors.
(5) Previous records of the school and instructors.
(6) Financial statements.
(7) Schedule of fees and charges.
(8) Character and reputation of the operators and instructors.
(9) Insurance in the amount and with the provisions the bureau considers necessary to adequately protect the interests of the public.
(10) Other matters the bureau prescribes for the protection of the public.

(c) The rules adopted under subsection (b) must permit a licensed school to provide classroom training during which an instructor is present in a county outside the county where the school is located to the students of:

(1) a school corporation (as defined in IC 36-1-2-17);
(2) a nonpublic secondary school that voluntarily becomes accredited under IC 20-19-2-8;
(3) a nonpublic secondary school recognized under IC 20-19-2-10;
(4) a state educational institution; ~~(as defined in IC 20-12-0.5-1);~~ or
(5) a nonaccredited nonpublic school.

However, the rules must provide that a licensed school may provide classroom training in an entity listed in subdivisions (1) through (3) only if the governing body of the entity approves the delivery of the training to its students.

SECTION 137. IC 9-27-4-5.5, AS AMENDED BY P.L.1-2006, SECTION 166, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5.5. (a) To be eligible for an instructor's license under subsection (d), an individual must complete at least sixty (60) semester hours at a college. The individual must:

(1) complete at least nine (9) semester hours in driver education courses; and
(2) be at least twenty-one (21) years of age upon completion of the driver education courses required by subdivision (1).

(b) The number of semester hours of driver education courses required under subsection (a)(1) must include a combination of theoretical and behind-the-wheel instruction that is consistent with nationally accepted standards in traffic safety.

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(c) The driver education semester hours completed under subsection (a)(1) 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) completed the number of semester hours of driver education courses that were then required under subsection (a)(1) 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 department of education established 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 138. IC 10-13-3-36, AS AMENDED BY P.L.142-2006, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 36. (a) The department may not charge a fee for responding to a request for the release of a limited criminal history record if the request is made by a nonprofit organization:

(1) that has been in existence for at least ten (10) years; and

(2) that:

(A) has a primary purpose of providing an individual relationship for a child with an adult volunteer if the request

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is made as part of a background investigation of a prospective adult volunteer for the organization;

(B) is a home health agency licensed under IC 16-27-1;

(C) is a community mental retardation and other developmental disabilities center (as defined in IC 12-7-2-39);

(D) is a supervised group living facility licensed under IC 12-28-5;

(E) is an area agency on aging designated under IC 12-10-1;

(F) is a community action agency (as defined in IC 12-14-23-2);

(G) is the owner or operator of a hospice program licensed under IC 16-25-3; or

(H) is a community mental health center (as defined in IC 12-7-2-38).

(b) Except as provided in subsection (d), the department may not charge a fee for responding to a request for the release of a limited criminal history record made by the department of child services or the division of family resources if the request is made as part of a background investigation of an applicant for a license under IC 12-17.2 or IC 31-27.

(c) The department may not charge a fee for responding to a request for the release of a limited criminal history if the request is made by a school corporation, special education cooperative, or nonpublic school (as defined in IC 20-18-2-12) as part of a background investigation of a prospective or current employee or a prospective or current adult volunteer for the school corporation, special education cooperative, or nonpublic school.

(d) As used in this subsection, "state agency" means an authority, a board, a branch, a commission, a committee, a department, a division, or another instrumentality of state government, including the executive and judicial branches of state government, the principal secretary of the senate, the principal clerk of the house of representatives, the executive director of the legislative services agency, a state elected official's office, or a body corporate and politic, but does not include a state educational institution. ~~(as defined in IC 20-12-0.5-1).~~ The department may not charge a fee for responding to a request for the release of a limited criminal history if the request is made:

(1) by a state agency; and

(2) through the computer gateway that is administered by the office of technology established by IC 4-13.1-2-1.

(e) The department may not charge a fee for responding to a request for the release of a limited criminal history record made by the Indiana

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professional licensing agency established by IC 25-1-5-3 if the request is:

(1) made through the computer gateway that is administered by the office of technology; and

(2) part of a background investigation of a practitioner or an individual who has applied for a license issued by a board (as defined in IC 25-1-9-1).

(f) The department may not charge a church or religious society a fee for responding to a request for the release of a limited criminal history record if:

(1) the church or religious society is a religious organization exempt from federal income taxation under Section 501 of the Internal Revenue Code;

(2) the request is made as part of a background investigation of a prospective or current employee or a prospective or current adult volunteer; and

(3) the employee or volunteer works in a nonprofit program or ministry of the church or religious society, including a child care ministry registered under IC 12-17.2-6.

SECTION 139. IC 10-14-2-5, AS AMENDED BY P.L.1-2006, SECTION 174, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. (a) For purposes of this section, "member of the military or public safety officer" means an individual who is any of the following:

(1) A member of a fire department (as defined in IC 36-8-1-8).

(2) An emergency medical service provider (as defined in IC 16-41-10-1).

(3) A member of a police department (as defined in IC 36-8-1-9).

(4) A correctional officer (as defined in IC 5-10-10-1.5).

(5) A state police officer.

(6) A county police officer.

(7) A police reserve officer.

(8) A county sheriff.

(9) A deputy sheriff.

(10) An excise police officer.

(11) A conservation enforcement officer.

(12) A town marshal.

(13) A deputy town marshal.

(14) A ~~university~~ **postsecondary educational institution** police officer appointed under ~~IC 20-12-3.5.~~ **IC 21-17-5 or IC 21-39-4.**

(15) A probation officer.

(16) A paramedic.

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(17) A volunteer firefighter (as defined in IC 36-8-12-2).
(18) An emergency medical technician or a paramedic working in a volunteer capacity.
(19) A member of the armed forces of the United States.
(20) A member of the Indiana Air National Guard.
(21) A member of the Indiana Army National Guard.
(22) A member of a state or local emergency management agency.
(23) A member of a consolidated law enforcement department established under IC 36-3-1-5.1.

(b) For purposes of this section, "dies in the line of duty" refers to a death that occurs as a direct result of personal injury or illness resulting from any action that a member of the military or public safety officer, in the member of the military's or public safety officer's official capacity, is obligated or authorized by rule, regulation, condition of employment or services, or law to perform in the course of performing the member of the military's or public safety officer's duty.

(c) If a member of the military or public safety officer dies in the line of duty, a state flag shall be presented to:
(1) the surviving spouse;
(2) the surviving children if there is no surviving spouse; or
(3) the surviving parent or parents if there is no surviving spouse and there are no surviving children.

(d) The agency shall administer this section.

(e) The director may adopt rules under IC 4-22-2 to implement this section.

SECTION 140. IC 10-17-7-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. (a) A dependent of a prisoner of war or person missing in action, upon the person's acceptance for enrollment in ~~an Indiana~~ **a** state ~~supported~~ **educational** institution ~~of higher education or state supported vocational school~~, may obtain a bachelor's degree or certificate of completion without tuition or charge as long as the dependent is eligible.

(b) A dependent is entitled to the benefits of this chapter notwithstanding any circumstance, including the return of the father or the reported death of the father.

SECTION 141. IC 11-8-2-12, AS ADDED BY P.L.8-2006, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 12. Each child and surviving spouse of a hazardous duty employee of the department who:
(1) works within a prison or juvenile facility; or
(2) performs parole or emergency response operations and functions;

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and dies in the line of duty is eligible to attend any ~~Indiana~~ state ~~supported college, university, or technical school~~ **educational institution** under ~~IC 20-12-19.5-1~~ **IC 21-14-6** without paying tuition or mandatory fees.

SECTION 142. IC 11-8-8-7, AS ADDED BY P.L.173-2006, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 7. (a) Subject to section 19 of this chapter, the following persons must register under this chapter:

(1) A sex offender who resides in Indiana. A sex offender resides in Indiana if either of the following applies:

(A) The sex offender spends or intends to spend at least seven (7) days (including part of a day) in Indiana during a one hundred eighty (180) day period.

(B) The sex offender owns real property in Indiana and returns to Indiana at any time.

(2) A sex offender who works or carries on a vocation or intends to work or carry on a vocation full-time or part-time for a period:

(A) exceeding fourteen (14) consecutive days; or

(B) for a total period exceeding thirty (30) days;

during any calendar year in Indiana, whether the sex offender is financially compensated, volunteered, or is acting for the purpose of government or educational benefit.

(3) A sex offender who is enrolled or intends to be enrolled on a full-time or part-time basis in any public or private educational institution, including any secondary school, trade, or professional institution, or **postsecondary educational** institution. ~~of higher education in Indiana.~~

(b) Except as provided in subsection (e), a sex offender who resides in Indiana shall register with the local law enforcement authority in the county where the sex offender resides. If a sex offender resides in more than one (1) county, the sex offender shall register with the local law enforcement authority in each county in which the sex offender resides. If the sex offender is also required to register under subsection (a)(2) or (a)(3), the sex offender shall also register with the local law enforcement authority in the county in which the offender is required to register under subsection (c) or (d).

(c) A sex offender described in subsection (a)(2) shall register with the local law enforcement authority in the county where the sex offender is or intends to be employed or carry on a vocation. If a sex offender is or intends to be employed or carry on a vocation in more than one (1) county, the sex offender shall register with the local law enforcement authority in each county. If the sex offender is also

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required to register under subsection (a)(1) or (a)(3), the sex offender shall also register with the local law enforcement authority in the county in which the offender is required to register under subsection (b) or (d).

(d) A sex offender described in subsection (a)(3) shall register with the local law enforcement authority in the county where the sex offender is enrolled or intends to be enrolled as a student. If the sex offender is also required to register under subsection (a)(1) or (a)(2), the sex offender shall also register with the local law enforcement authority in the county in which the offender is required to register under subsection (b) or (c).

(e) A sex offender described in subsection (a)(1)(B) shall register with the local law enforcement authority in the county in which the real property is located. If the sex offender is also required to register under subsection (a)(1)(A), (a)(2), or (a)(3), the sex offender shall also register with the local law enforcement authority in the county in which the offender is required to register under subsection (b), (c), or (d).

(f) A sex offender committed to the department shall register with the department before the sex offender is released from incarceration. The department shall forward the sex offender's registration information to the local law enforcement authority of every county in which the sex offender is required to register.

(g) This subsection does not apply to a sex offender who is a sexually violent predator. A sex offender not committed to the department shall register not more than seven (7) days after the sex offender:

(1) is released from a penal facility (as defined in IC 35-41-1-21);

(2) is released from a secure private facility (as defined in IC 31-9-2-115);

(3) is released from a juvenile detention facility;

(4) is transferred to a community transition program;

(5) is placed on parole;

(6) is placed on probation;

(7) is placed on home detention; or

(8) arrives at the place where the sex offender is required to register under subsection (b), (c), or (d);

whichever occurs first. A sex offender required to register in more than one (1) county under subsection (b), (c), (d), or (e) shall register in each appropriate county not more than seventy-two (72) hours after the sex offender's arrival in that county or acquisition of real estate in that county.

(h) This subsection applies to a sex offender who is a sexually

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violent predator. A sex offender who is a sexually violent predator shall register not more than seventy-two (72) hours after the sex offender:

(1) is released from a penal facility (as defined in IC 35-41-1-21);

(2) is released from a secure private facility (as defined in IC 31-9-2-115);

(3) is released from a juvenile detention facility;

(4) is transferred to a community transition program;

(5) is placed on parole;

(6) is placed on probation;

(7) is placed on home detention; or

(8) arrives at the place where the sexually violent predator is required to register under subsection (b), (c), or (d);

whichever occurs first. A sex offender who is a sexually violent predator required to register in more than one (1) county under subsection (b), (c), (d), or (e) shall register in each appropriate county not more than seventy-two (72) hours after the offender's arrival in that county or acquisition of real estate in that county.

(i) The local law enforcement authority with whom a sex offender registers under this section shall make and publish a photograph of the sex offender on the Indiana sex offender registry web site established under IC 36-2-13-5.5. The local law enforcement authority shall make a photograph of the sex offender that complies with the requirements of IC 36-2-13-5.5 at least once per year. The sheriff of a county containing a consolidated city shall provide the police chief of the consolidated city with all photographic and computer equipment necessary to enable the police chief of the consolidated city to transmit sex offender photographs (and other identifying information required by IC 36-2-13-5.5) to the Indiana sex offender registry web site established under IC 36-2-13-5.5. In addition, the sheriff of a county containing a consolidated city shall provide all funding for the county's financial obligation for the establishment and maintenance of the Indiana sex offender registry web site established under IC 36-2-13-5.5.

(j) When a sex offender registers, the local law enforcement authority shall:

(1) immediately update the Indiana sex offender registry web site established under IC 36-2-13-5.5; and

(2) notify every law enforcement agency having jurisdiction in the county where the sex offender resides.

The local law enforcement authority shall provide the department and a law enforcement agency described in subdivision (2) with the information provided by the sex offender during registration.

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SECTION 143. IC 11-11-3-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. (a) A confined person may acquire and possess printed matter on any subject, from any source. However, unless a confined person or the sender receives prior approval from the superintendent for the confined person to receive a book, magazine, newspaper, or other periodical from another source, a confined person may receive a book, magazine, newspaper, or other periodical only if it is mailed to the confined person directly from the publisher, the distributor, or an accredited ~~institution of higher learning.~~ **postsecondary educational institution.** The department may inspect all printed matter and exclude any material that is contraband or prohibited property. However, in the case of a confined adult, the department may not exclude printed matter on the grounds it is obscene or pornographic unless it is obscene under Indiana law. A periodical may be excluded only on an issue by issue basis. Printed matter obtained at cost to the confined person must be prepaid.

(b) If the department withholds printed matter, it must promptly notify the confined person. The notice must be in writing and include the title of the matter, the date the matter was received at the facility or program, the name of the person who made the decision, whether the matter is objectionable in whole or in part, the reason for the decision, and the fact that the department's action may be challenged through the grievance procedure.

SECTION 144. IC 12-7-2-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 16. "Approved **postsecondary educational** institution" ~~of higher learning"~~ has the meaning set forth in ~~IC 20-12-21-3.~~ **IC 21-7-13-6.**

SECTION 145. IC 12-10-6-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 13. If an individual receives a state or federal higher education award that is paid directly to an approved **postsecondary educational** institution ~~of higher learning (as defined in IC 20-12-21-3)~~ for that individual's benefit:

(1) that individual is not required to report that award as income or as a resource of that individual when applying for assistance provided under this chapter; and

(2) the award may not be considered as income or a resource of the individual in determining initial or continuing eligibility for assistance under this chapter.

SECTION 146. IC 12-12-1-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 10. If an individual receives a state or federal higher education award that is paid directly to an approved **postsecondary educational** institution ~~of higher~~

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~~learning (as defined in IC 20-12-21-3)~~ for the individual's benefit:

(1) the individual is not required to report the award as income or as a resource of the individual when applying for services, facilities, programs, or other assistance from the bureau; and

(2) the award may not be considered as income or a resource of the individual in determining initial or continuing eligibility for services, facilities, programs, or other assistance from the bureau.

SECTION 147. IC 12-13-6-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. The youth development bureau shall plan, fund, and coordinate programs and services for children and youth that promote optimal functioning. Specific responsibilities include the following:

(1) Coordinating services, activities, and programs with other agencies or divisions that provide services to children with emotional disturbances.

(2) Serving as a link with local schools to participate in the planning for services funded by the department of education's educational opportunities for at-risk students program.

(3) Providing collaboration and assistance to school health programs, comprehensive health curricula, and school health clinics in promoting maximization of a youth's physical, social, mental, vocational, and emotional potential.

(4) Planning and administering community based programs and services in conjunction with child advocacy, community education, and information and referral sources for the prevention of juvenile delinquency.

(5) Facilitating the planned and efficient movement of students with disabilities from a secondary school to **a** postsecondary ~~school~~ **educational institution** or employment.

SECTION 148. IC 12-13-7-19 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 19. Except as provided by federal law, if an individual receives a state or federal higher education award that is paid directly to an approved **postsecondary educational** institution ~~of higher learning (as defined in IC 20-12-21-3)~~ for that individual's benefit:

(1) the individual is not required to report the award as income or as a resource of the individual when applying for assistance administered under this chapter; and

(2) the award may not be considered as income or a resource of the individual in determining initial or continuing eligibility for assistance administered under this article.

SECTION 149. IC 12-13-10-7 IS AMENDED TO READ AS

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FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 7. Except as provided by federal law, if an individual receives a state or federal higher education award that is paid directly to an approved **postsecondary educational** institution ~~of higher learning (as defined in IC 20-12-21-3)~~ for the individual's benefit:

(1) the individual is not required to report the award as income or as a resource of the individual when applying for services provided under this chapter; and

(2) the award may not be considered as income or a resource of the individual in determining initial or continuing eligibility for services provided under this chapter.

SECTION 150. IC 12-14-5-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 7. Except as provided by federal law, if an individual receives a state or federal higher education award that is paid directly to an approved **postsecondary educational** institution ~~of higher learning (as defined in IC 20-12-21-3)~~ for the individual's benefit:

(1) the individual is not required to report the award as income or as a resource of the individual when applying for assistance for a dependent child under this chapter; and

(2) the award may not be considered as income or a resource of the individual in determining initial or continuing eligibility for assistance for a dependent child under this chapter.

SECTION 151. IC 12-15-2-18 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 18. Except as provided by federal law, if an individual receives a state or federal higher education award that is paid directly to an approved **postsecondary educational** institution ~~of higher learning (as defined in IC 20-12-21-3)~~ for the individual's benefit:

(1) the individual is not required to report that award as income or as a resource of the individual when applying for Medicaid; and

(2) the award may not be considered as income or a resource of the individual in determining initial or continuing eligibility for Medicaid.

SECTION 152. IC 12-20-11-3, AS AMENDED BY P.L.1-2006, SECTION 196, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. (a) If a township assistance recipient, after referral by the township trustee, is accepted and attends adult education courses under IC 20-30-6-1 or courses at Ivy Tech Community College, ~~of Indiana established by IC 20-12-61,~~ the township assistance recipient is exempt from performing work or

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searching for work for not more than one hundred eighty (180) days.

(b) The township trustee may reimburse a township assistance recipient for tuition expenses incurred in attending the courses described in subsection (a) if the recipient:

(1) has a proven aptitude for the courses being studied;

(2) was referred by the trustee;

(3) does not qualify for other tax supported educational programs;

(4) maintains a passing grade in each course; and

(5) maintains the minimum attendance requirements specified by the educational institution.

SECTION 153. IC 12-20-19-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. ~~(a) As used in this section, "approved institution of higher learning" has the meaning set forth in IC 20-12-21-3.~~

~~(b)~~ If an individual receives a state or federal higher education award that is paid directly to an approved **postsecondary educational** institution ~~of higher learning~~ for the individual's benefit:

(1) the individual is not required to report the award as income or as a resource of the individual when applying for assistance through federal surplus food programs; and

(2) the award may not be considered as income or a resource of the individual in determining eligibility for assistance through federal surplus food programs.

SECTION 154. IC 12-21-2-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. (a) In addition to the general authority granted to the director under IC 12-8-8, the director shall do the following:

(1) Organize the division, create the appropriate personnel positions, and employ personnel necessary to discharge the statutory duties and powers of the division or a bureau of the division.

(2) Subject to the approval of the state personnel department, establish personnel qualifications for all deputy directors, assistant directors, bureau heads, and superintendents.

(3) Subject to the approval of the budget director and the governor, establish the compensation of all deputy directors, assistant directors, bureau heads, and superintendents.

(4) Study the entire problem of mental health, mental illness, and addictions existing in Indiana.

(5) Adopt rules under IC 4-22-2 for the following:

(A) Standards for the operation of private institutions that are licensed under IC 12-25 for the diagnosis, treatment, and care

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of individuals with psychiatric disorders, addictions, or other abnormal mental conditions.

(B) Licensing supervised group living facilities described in IC 12-22-2-3 for individuals who are mentally ill.

(C) Certifying community residential programs described in IC 12-22-2-3 for individuals who are mentally ill.

(D) Certifying community mental health centers to operate in Indiana.

(E) Establish exclusive geographic primary service areas for community mental health centers. The rules must include the following:

(i) Criteria and procedures to justify the change to the boundaries of a community mental health center's primary service area.

(ii) Criteria and procedures to justify the change of an assignment of a community mental health center to a primary service area.

(iii) A provision specifying that the criteria and procedures determined in items (i) and (ii) must include an option for the county and the community mental health center to initiate a request for a change in primary service area or provider assignment.

(iv) A provision specifying the criteria and procedures determined in items (i) and (ii) may not limit an eligible consumer's right to choose or access the services of any provider who is certified by the division of mental health and addiction to provide public supported mental health services.

(6) Institute programs, in conjunction with an accredited college or university and with the approval, if required by law, of the commission for higher education, ~~under IC 20-12-0.5,~~ for the instruction of students of mental health and other related occupations. The programs may be designed to meet requirements for undergraduate and postgraduate degrees and to provide continuing education and research.

(7) Develop programs to educate the public in regard to the prevention, diagnosis, treatment, and care of all abnormal mental conditions.

(8) Make the facilities of the Larue D. Carter Memorial Hospital available for the instruction of medical students, student nurses, interns, and resident physicians under the supervision of the faculty of the Indiana University School of Medicine for use by

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the school in connection with research and instruction in psychiatric disorders.

(9) Institute a stipend program designed to improve the quality and quantity of staff that state institutions employ.

(10) Establish, supervise, and conduct community programs, either directly or by contract, for the diagnosis, treatment, and prevention of psychiatric disorders.

(11) Adopt rules under IC 4-22-2 concerning the records and data to be kept concerning individuals admitted to state institutions, community mental health centers, or managed care providers.

(12) Establish, maintain, and reallocate before July 1, 1996, one-third (1/3), and before January 1, 1998, the remaining two-thirds (2/3) of the following:

(A) long term care service settings; and

(B) state operated long term care inpatient beds;

designed to provide services for patients with long term psychiatric disorders as determined by the quadrennial actuarial study under IC 12-21-5-1.5(9). A proportional number of long term care service settings and inpatient beds must be located in an area that includes a consolidated city and its adjacent counties.

(13) Compile information and statistics concerning the ethnicity and gender of a program or service recipient.

(14) Establish standards for each element of the continuum of care for community mental health centers and managed care providers.

(b) As used in this section, "long term care service setting" means the following:

(1) The anticipated duration of the patient's mental health setting is more than twelve (12) months.

(2) Twenty-four (24) hour supervision of the patient is available.

(3) A patient in the long term care service setting receives:

(A) active treatment if appropriate for a patient with a chronic and persistent mental disorder or chronic addictive disorder;

(B) case management services from a state approved provider; and

(C) maintenance of care under the direction of a physician.

(4) Crisis care is available.

(c) Funding for services under subsection (a)(12) shall be provided by the division through the reallocation of existing appropriations. The need of the patients is a priority for services. The division shall adopt rules to implement subsection (a)(12) before July 1, 1995.

SECTION 155. IC 12-23-1-6 IS AMENDED TO READ AS

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FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. The division has the following powers:

(1) Promoting unified programs for education and research, prevention and control, diagnosis, and treatment of substance and gambling abuse based on comprehensive plans developed by the division.

(2) Assuring compliance with state rules and federal regulations for substance abuse services programs and revoking authorization of the programs upon a determination that the programs do not comply with the rules and regulations.

(3) Making agreements and contracts with:

(A) another department, authority, or agency of the state;

(B) another state;

(C) the federal government;

(D) a state or private ~~university,~~ **postsecondary educational institution;** or

(E) a public or private agency;

to effectuate the purposes of this article.

(4) Directly or by contract, approving and certifying facilities and services for the treatment, care, or rehabilitation of alcoholics, drug abusers, and compulsive gamblers in accordance with requirements established by the division and assigning or transferring individuals placed under the division's care or supervision to the facilities.

(5) Requiring, as a condition of operation, that each public and private treatment facility, except facilities and services created and funded under IC 12-23-14 that do not provide treatment and rehabilitation services, be certified according to standards established by the division.

(6) Maintaining a toll free telephone line that the public may use to obtain counseling and information about programs that help individuals with drug, alcohol, and gambling problems.

(7) Adopting rules under IC 4-22-2 to implement this article.

SECTION 156. IC 12-23-14-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 13. (a) As used in this section, "board" refers to the board of directors of the judicial conference of Indiana established by IC 33-38-9-3.

(b) As used in this section, "effective date" means the date established by the board after which minimum employment standards are required for persons employed in court drug and alcohol programs.

(c) A program established under this chapter is subject to the regulatory powers of the Indiana judicial center established by

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IC 33-38-9-4.

(d) With regard to alcohol and drug services programs established under this chapter, the Indiana judicial center may do the following:

(1) Ensure that programs comply with rules adopted under this section and applicable federal regulations.

(2) Revoke the authorization of a program upon a determination that the program does not comply with rules adopted under this section and applicable federal regulations.

(3) Make agreements and contracts with:

(A) another department, authority, or agency of the state;

(B) another state;

(C) the federal government;

(D) a state ~~supported~~ **educational institution** or **a** private ~~university,~~ **postsecondary educational institution;** or

(E) a public or private agency;

to effectuate the purposes of this chapter.

(4) Directly, or by contract, approve and certify programs established under this chapter.

(5) Require, as a condition of operation, that each program created or funded under this chapter be certified according to rules established by the Indiana judicial center.

(6) Adopt rules to implement this chapter.

(e) The board shall adopt rules concerning standards, requirements, and procedures for initial certification, recertification, and decertification of alcohol and drug services programs.

(f) The board may adopt rules concerning educational and occupational qualifications needed to be employed by or to provide services to a court alcohol and drug services program. If the board adopts qualifications under this subsection:

(1) the board shall establish an effective date after which any person employed by a court alcohol and drug services program must meet the minimum qualifications adopted under this subsection; and

(2) the minimum employment qualifications adopted under this subsection do not apply to a person who is employed:

(A) by a certified court alcohol and drug program before the effective date; or

(B) as administrative personnel.

(g) The board may delegate any of the functions described in subsections (e) and (f) to the court alcohol and drug program advisory committee or the Indiana judicial center.

SECTION 157. IC 12-23-14.5-9, AS AMENDED BY P.L.60-2006,

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SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 9. (a) As used in this section, "board" refers to the board of directors of the judicial conference of Indiana under IC 33-38-9-3.

(b) As used in this section, "effective date" means the date established by the board after which minimum employment standards will be required for a person employed by a drug court.

(c) A drug court established under this chapter is subject to the regulatory powers of the Indiana judicial center under IC 33-38-9-9.

(d) With regard to drug courts established under this chapter, the Indiana judicial center may do the following:

(1) Ensure that drug courts comply with rules adopted under this section and applicable federal regulations.

(2) Certify drug courts established under this chapter.

(3) Revoke the certification of a drug court upon a determination that the drug court does not comply with rules adopted under this section and applicable federal regulations.

(4) Make agreements and contracts with:

(A) another department, authority, or agency of the state;

(B) another state;

(C) the federal government;

(D) a state ~~supported~~ **educational institution** or **a** private ~~university,~~ **postsecondary educational institution;** or

(E) a public or private agency;

to implement this chapter.

(5) Require as a condition of operation that each drug court created or funded under this chapter be certified according to rules established by the Indiana judicial center.

(6) Adopt rules to implement this chapter.

(e) The board shall adopt rules concerning standards, requirements, and procedures for initial certification, recertification, and decertification of drug courts.

(f) The board may adopt rules concerning educational and occupational qualifications needed to be employed by a drug court; however, any contract service provider must be licensed by the state or approved by the judicial center. If the board adopts qualifications under this subsection:

(1) the board shall establish an effective date after which a person employed by a drug court must meet the minimum qualifications adopted under this subsection; and

(2) the minimum employment qualifications adopted under this subsection do not apply to a person who is employed:

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(A) by a certified drug court before the effective date; or
(B) as administrative personnel.

(g) The board may delegate any of the functions described in subsections (e) and (f) to a committee of the judicial conference of Indiana.

SECTION 158. IC 13-18-10-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. (a) The board may adopt rules under IC 4-22-2 and IC 13-14-9 and the department may adopt policies or statements under IC 13-14-1-11.5 that are necessary for the proper administration of this chapter. The rules, policies, or statements may concern construction and operation of confined feeding operations and may include uniform standards for:

(1) construction and manure containment that are appropriate for a specific site; and
(2) manure application and handling that are consistent with best management practices:
(A) designed to reduce the potential for manure to be conveyed off a site by runoff or soil erosion; and
(B) that are appropriate for a specific site.

(b) Standards adopted in a rule, policy, or statement under subsection (a) must:

(1) consider confined feeding standards that are consistent with standards found in publications from:
(A) the United States Department of Agriculture;
(B) the Natural Resources Conservation Service of the United States Department of Agriculture;
(C) the Midwest Plan Service; and
(D) ~~university~~ **postsecondary educational institution** extension bulletins; and
(2) be developed through technical review by the department, ~~university~~ **postsecondary educational institution** specialists, and other animal industry specialists.

SECTION 159. IC 14-14-1-26 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 26. The bonds may be sold at public sale in accordance with ~~IC 4-1-5~~ **IC 21-32-3** or by negotiated sale as the commission determines.

SECTION 160. IC 14-21-1-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 13. The division may do the following:

(1) Recommend the purchase, lease, or gift of historic property of archeological importance and make recommendations to the director, council, and commission regarding policies affecting the

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operation and administration of these sites and structures by the section of historic sites of the division of state museums and historic sites.

(2) Prepare and review planning and research studies relating to archeology.

(3) Conduct a program of education in archeology, either within the division or in conjunction with ~~an~~ **a postsecondary educational** institution. ~~of higher education.~~

(4) Inspect and supervise an archeological field investigation authorized by this chapter.

SECTION 161. IC 14-21-1-13.5, AS AMENDED BY P.L.1-2005, SECTION 143, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 13.5. (a) The division may conduct a program to survey and register in a registry of Indiana cemeteries and burial grounds that the division establishes and maintains all cemeteries and burial grounds in each county in Indiana. The division may conduct the program alone or by entering into an agreement with one (1) or more of the following entities:

(1) The Indiana Historical Society established under IC 23-6-3.

(2) A historical society (as defined in IC 36-10-13-3).

(3) The Historic Landmarks Foundation of Indiana.

(4) A professional archeologist or historian associated with a ~~college or university.~~ **postsecondary educational institution.**

(5) A township trustee.

(6) Any other entity that the division selects.

(b) In conducting a program under subsection (a), the division may receive gifts and grants under terms, obligations, and liabilities that the director considers appropriate. The director shall use a gift or grant received under this subsection:

(1) to carry out subsection (a); and

(2) according to the terms of the gift or grant.

(c) At the request of the director, the auditor of state shall establish a trust fund for purposes of holding money received under subsection (b).

(d) The director shall administer a trust fund established by subsection (c). The expenses of administering the trust fund shall be paid from money in the trust fund.

(e) The treasurer of state shall invest the money in the trust fund established by subsection (c) that is not currently needed to meet the obligations of the trust fund in the same manner as other public trust funds may be invested. The treasurer of state shall deposit in the trust fund the interest that accrues from the investment of the trust fund.

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(f) Money in the trust fund at the end of a state fiscal year does not revert to the state general fund.

(g) Nothing in this section may be construed to authorize violation of the confidentiality of information requirements of 16 U.S.C. 470(w) and 16 U.S.C. 470(h)(h).

(h) The division may record in each county recorder's office the location of each cemetery and burial ground located in that county.

SECTION 162. IC 14-21-1-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 14. (a) This section does not apply to real property that is owned by a state educational institution. ~~(as defined in IC 20-12-0.5-1).~~

(b) The Indiana department of administration shall notify the division of a proposed transfer of real property owned by the state at the earliest planning stage and no later than ninety (90) days before the date of the proposed transfer.

(c) The division shall inspect the property and notify the Indiana department of administration of the location of each historic site or historic structure on the property.

(d) Real property owned by the state may not be sold or transferred until the division has stated in writing that the property does not, to the best of the division's knowledge, contain a historic site or historic structure.

(e) If the Indiana department of administration receives notice of a historic site or historic structure on the property, the Indiana department of administration shall reserve control of the appropriate historic property by means of a covenant or an easement contained in the transferring instrument.

(f) The division of state museums and historic sites shall administer property reserved under subsection (e).

SECTION 163. IC 14-21-1-18 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 18. (a) A:

(1) historic site or historic structure owned by the state; or

(2) historic site or historic structure listed on the state or national register;

may not be altered, demolished, or removed by a project funded, in whole or in part, by the state unless the review board has granted a certificate of approval.

(b) An application for a certificate of approval:

(1) must be filed with the division; and

(2) shall be granted or rejected by the review board after a public hearing.

(c) Subsections (a) and (b) do not apply to real property that is

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owned by a state educational institution. ~~(as defined in IC 20-12-0.5-1).~~

(d) The commission for higher education and each state educational institution, in cooperation with the division of historic preservation and archeology, shall develop and continually maintain a survey of historic sites and historic structures owned by the state educational institution. Historic sites and historic structures include buildings, structures, outdoor sculpture, designed landscapes, gardens, archeological sites, cemeteries, campus plans, and historic districts. A survey developed under this subsection must conform with the Indiana Historic Sites and Structures Survey Manual.

(e) The state historic preservation officer no later than one (1) year after receipt of a ten (10) year capital plan under IC 14-21-1-18.5 shall:

(1) review a proposed state ~~college or university~~ **educational institution** project that involves a historic site or historic structure owned by a state educational institution; and

(2) submit an advisory report to the commission for higher education, the state educational institution, and the general assembly. An advisory report submitted under this subdivision to the general assembly must be in an electronic format under IC 5-14-6.

(f) Not more than thirty (30) days after a state ~~college or university,~~ **educational institution,** under section 18.6 of this chapter, submits to the division a description of a proposed project that involves the substantial alteration, demolition, or removal of a historic site or historic structure, the state historic preservation officer shall:

(1) review the description of the proposed project; and

(2) submit to the state ~~college or university~~ **educational institution** an advisory report concerning the proposed project.

The state ~~college or university~~ **educational institution** shall review and consider the advisory report before proceeding with the substantial alteration, demolition, or removal of a historic site or historic structure.

SECTION 164. IC 14-21-1-18.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 18.5. When submitting its biennial budget request, a ~~college or university~~ **state educational institution** must:

(1) submit to the division of historic preservation and archeology of the department of natural resources a copy of any ten (10) year capital plan of the ~~college or university~~ **state educational institution** that is required by the budget agency or the commission for higher education; and

(2) identify the projects included in the capital plan that may involve the alteration or demolition of historic sites or structures.

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SECTION 165. IC 14-21-1-18.6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 18.6. (a) As used in this section, "substantial alteration" means a conspicuous, exterior material change in a historic site or historic structure which, in the good faith judgment of a state college or university, affects the historic character of the historic site or historic structure.

(b) If a proposed project of a state ~~college or university:~~ **educational institution:**

(1) involves the substantial alteration, demolition, or removal of a historic site or historic structure; and

(2) is not identified in a capital plan submitted to the division under section 18.5 of this chapter;

the state ~~college or university~~ **educational institution** shall submit a description of the proposed project to the division and publish a notice describing the project one (1) time in a newspaper of general circulation in the county in which the proposed project is located. The submission of the description and the publication of the notice must be at least thirty (30) days before the commencement of the proposed project.

SECTION 166. IC 15-1.5-9-2, AS AMENDED BY P.L.235-2005, SECTION 191, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. (a) Subject to the approval of the governor, the commission may, by resolution, authorize and issue revenue bonds to:

(1) pay all or part of the cost of a project; or

(2) refund outstanding revenue bonds.

(b) The principal of and the interest on bonds must be payable solely from the revenues specifically pledged to the payment of the principal and the interest on the bonds.

(c) The bonds of each issue shall be dated and must mature at a time not exceeding thirty (30) years from the date of the bonds.

(d) The bonds may be made redeemable before maturity, at the option of the commission, at a price and under terms and conditions fixed by the commission.

(e) The commission shall determine the form of the bonds and shall fix the denomination of the bonds and the place of payment of principal and interest, which may be at any bank or trust company in the United States.

(f) The bonds shall be signed in the name of the commission by the commission chairman or by the facsimile signature of the commission chairman.

(g) The official seal of the commission, or a facsimile of the seal,

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must be affixed to the bonds and attested by the executive director of the commission.

(h) If an officer whose signature or a facsimile of whose signature appears on a bond ceases to be an officer before the delivery of the bonds, the signature or facsimile is nevertheless valid and sufficient for all purposes the same as if the officer had remained in office until the delivery.

(i) Bonds issued under this chapter have all the qualities and incidents of negotiable instruments under the laws of Indiana.

(j) Bonds may be issued in registered form.

(k) Bonds shall be sold in accordance with the requirements of ~~IC 4-1-5.~~ **IC 21-32-3.**

(l) The commission shall cooperate with and use the assistance of the Indiana finance authority established under IC 4-4-11 in the issuance of the bonds.

SECTION 167. IC 16-18-2-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 10. **(a) "Agency", for purposes of IC 16-23.5, has the meaning set forth in IC 16-23.5-1-2.**

(b) "Agency", for purposes of IC 16-41-37, has the meaning set forth in IC 16-41-37-1.

SECTION 168. IC 16-18-2-22 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 22. "Approved **postsecondary educational** institution" ~~of higher learning"~~ has the meaning set forth in ~~IC 20-12-21-3.~~ **IC 21-13-7-6.**

SECTION 169. IC 16-18-2-37.7 IS ADDED THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 37.7. "Board of commissioners", for purposes of IC 16-23.5, has the meaning set forth in IC 16-23.5-1-3.**

SECTION 170. IC 16-18-2-37.8 IS ADDED THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 37.8. "Board of trustees", for purposes of IC 16-23.5, has the meaning set forth in IC 16-23.5-1-4.**

SECTION 171. IC 16-18-2-67.5 IS ADDED THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 67.5. "Comprehensive plan", for purposes of IC 16-23.5, has the meaning set forth in IC 16-23.5-1-5.**

SECTION 172. IC 16-18-2-86.5 IS ADDED THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 86.5. "County council", for purposes of IC 16-23.5, has the meaning set forth in IC 16-23.5-1-6.**

SECTION 173. IC 16-18-2-120 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 120. **(a)** "Executive

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board", **except as provided in subsection (b),** refers to the executive board of the state department of health.

(b) "Executive board", for purposes of IC 16-23.5, has the meaning set forth in IC 16-23.5-1-7.

SECTION 174. IC 16-18-2-148.5 IS ADDED THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 148.5. "Gift", for purposes of IC 16-23.5, has the meaning set forth in IC 16-23.5-1-8.**

SECTION 175. IC 16-18-2-179 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 179. (a) "Hospital", except as provided in subsections (b) through ~~(f),~~ **(g),** means a hospital that is licensed under IC 16-21-2.

(b) "Hospital", for purposes of IC 16-21, means an institution, a place, a building, or an agency that holds out to the general public that it is operated for hospital purposes and that it provides care, accommodations, facilities, and equipment, in connection with the services of a physician, to individuals who may need medical or surgical services. The term does not include the following:

(1) Freestanding health facilities.

(2) Hospitals or institutions specifically intended to diagnose, care, and treat the following:

(A) Mentally ill individuals (as defined in IC 12-7-2-131).

(B) Individuals with developmental disabilities (as defined in IC 12-7-2-61).

(3) Offices of physicians where patients are not regularly kept as bed patients.

(4) Convalescent homes, boarding homes, or homes for the aged.

(c) "Hospital", for purposes of IC 16-22-8, has the meaning set forth in IC 16-22-8-5.

(d) "Hospital", for purposes of IC 16-23.5, has the meaning set forth in IC 16-23.5-1-9.

~~(d)~~ **(e)** "Hospital" or "tuberculosis hospital", for purposes of IC 16-24, means an institution or a facility for the treatment of individuals with tuberculosis.

~~(e)~~ **(f)** "Hospital", for purposes of IC 16-34, means a hospital (as defined in subsection (b)) that:

(1) is required to be licensed under IC 16-21-2; or

(2) is operated by an agency of the United States.

~~(f)~~ **(g)** "Hospital", for purposes of IC 16-41-12, has the meaning set forth in IC 16-41-12-6.

SECTION 176. IC 16-18-2-188.1 IS ADDED THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS

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[EFFECTIVE JULY 1, 2007]: **Sec. 188.1. "Indiana University hospitals", for purposes of IC 16-23.5, has the meaning set forth in IC 16-23.5-1-10.**

SECTION 177. IC 16-18-2-223.4 IS ADDED THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 223.4. "Medical center", for purposes of IC 16-23.5, has the meaning set forth in IC 16-23.5-1-11.**

SECTION 178. IC 16-21-6-0.2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 0.2. As used in this chapter, "education related costs" means the unreimbursed cost to a hospital of providing, funding, or otherwise financially supporting educational benefits, services, and programs, including:

(1) education of physicians, nurses, technicians, and other medical professionals and health care providers;

(2) provision of scholarships and funding to medical schools ~~colleges,~~ and ~~universities~~ **other postsecondary educational institutions** for health professions education;

(3) education of patients concerning diseases and home care in response to community needs; and

(4) community health education through informational programs, publications, and outreach activities in response to community needs.

SECTION 179. IC 16-21-6-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. (a) Each hospital shall file with the state department a report for the preceding fiscal year within one hundred twenty (120) days after the end of the hospital's fiscal year. The state department shall grant an extension of the time to file the report if the hospital shows good cause for the extension. The report must contain the following:

(1) A copy of the hospital's balance sheet, including a statement describing the hospital's total assets and total liabilities.

(2) A copy of the hospital's income statement.

(3) A statement of changes in financial position.

(4) A statement of changes in fund balance.

(5) Accountant notes pertaining to the report.

(6) A copy of the hospital's report required to be filed annually under 42 U.S.C. 1395g, and other appropriate utilization and financial reports required to be filed under federal statutory law.

(7) Net patient revenue.

(8) A statement including:

(A) Medicare gross revenue;

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(B) Medicaid gross revenue;
(C) other revenue from state programs;
(D) revenue from local government programs;
(E) local tax support;
(F) charitable contributions;
(G) other third party payments;
(H) gross inpatient revenue;
(I) gross outpatient revenue;
(J) contractual allowance;
(K) any other deductions from revenue;
(L) charity care provided;
(M) itemization of bad debt expense; and
(N) an estimation of the unreimbursed cost of subsidized health services.

(9) A statement itemizing donations.

(10) A statement describing the total cost of reimbursed and unreimbursed research.

(11) A statement describing the total cost of reimbursed and unreimbursed education separated into the following categories:

(A) Education of physicians, nurses, technicians, and other medical professionals and health care providers.

(B) Scholarships and funding to medical schools, ~~colleges,~~ and ~~universities~~ **other postsecondary educational institutions** for health professions education.

(C) Education of patients concerning diseases and home care in response to community needs.

(D) Community health education through informational programs, publications, and outreach activities in response to community needs.

(E) Other educational services resulting in education related costs.

(b) The information in the report filed under subsection (a) must be provided from reports or audits certified by an independent certified public accountant or by the state board of accounts.

SECTION 180. IC 16-23.5 IS ADDED TO THE INDIANA CODE AS A **NEW** ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]:

ARTICLE 23.5. MEDICAL CENTERS; INDIANA UNIVERSITY HOSPITALS

Chapter 1. General Provisions; Definitions

Sec. 1. The definitions in this chapter apply throughout this article.

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Sec. 2. "Agency" means a medical center development agency.

Sec. 3. "Board of commissioners" includes, in the case of a county having a consolidated city, the city-county council.

Sec. 4. "Board of trustees", for the purposes of IC 16-23.5-4 and IC 16-23.5-5, refers to the board of trustees of Indiana University.

Sec. 5. "Comprehensive plan" refers to a comprehensive plan that is developed by an executive board for the development of a medical center.

Sec. 6. "County council" includes, in the case of a county having a consolidated city, the city-county council.

Sec. 7. "Executive board" refers to the executive board of an agency.

Sec. 8. "Gift", for purposes of IC 16-23.5-5, refers to the gift of William H. Coleman described in IC 16-23.5-5-1.

Sec. 9. "Hospital":

(1) for purposes of IC 16-23.5-4, refers to the James Whitcomb Riley Hospital for Children; and

(2) for purposes of IC 16-23.5-5, refers to the William H. Coleman Hospital for Women.

Sec. 10."Indiana University hospitals" refers to the hospitals described in IC 16-23.5-3-1.

Sec. 11. "Medical center" includes a hospital building or complex of buildings in which medical education, internship programs, medical research, paramedical training, and any related or equivalent activities are systematically carried on in addition to the usual functions of hospitals.

Chapter 2. Medical Center Development Agencies

Sec. 1. The board of commissioners of a county may create a medical center development agency as a public agency and instrumentality of the county to be known as the _____ County Medical Center Development Agency.

Sec. 2. (a) The board of commissioners of the county may appoint in writing five (5) residents of the county as members of the executive board of the agency. Original appointments to the executive board must be made in the following manner:

(1) One (1) member for a term of two (2) years.

(2) Two (2) members for a term of three (3) years.

(3) Two (2) members for a term of four (4) years.

(b) The county council may appoint in writing two (2) residents of the county as members of the executive board. Original appointments to the executive board must be made in the following manner:

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(1) One (1) member for a term of two (2) years.

(2) One (1) member for a term of four (4) years.

(c) All persons subsequently appointed serve a term of four (4) years. A person may be reappointed for a subsequent term or terms. If a member of the executive board who was appointed by the board of commissioners dies, resigns, is removed, or ceases to be a resident of the county, the board of commissioners shall appoint another qualified person to fill the remainder of the unexpired term. If a member of the executive board who was appointed by the county council dies, resigns, is removed, or ceases to be a resident of the county, the county council shall appoint another qualified person to fill the remainder of the unexpired term.

(d) Persons appointed to the executive board must be knowledgeable and interested in the community health and medical care needs of the county and other areas of concern related to the development of a county medical center. However, only two (2) of the five (5) board members who are appointed under subsection (a) may be medical practitioners, administrators of a medical or health facility in the county, or on the faculty of a medical institution in the county.

(e) A member of the executive board may be removed from office for neglect of duty, incompetence, inability to perform the member's duties, or any other good cause by an order of the circuit court in the county in which the agency is located, subject to the following procedure:

(1) A complaint may be filed by any person against the member setting forth the charges preferred.

(2) The cause shall be placed on the advanced calendar and tried as other civil causes are tried by the court without a jury.

(3) If the charges are sustained, the court shall declare the office and term vacant.

(4) A change of venue from the judge may be granted upon motion, but a change of venue from the county may not be taken.

Sec. 3. (a) Executive board members originally appointed shall meet to organize within thirty (30) days after their appointment at a time and place designated by the board of commissioners. The executive board may elect from among their number the officers that are considered necessary for the conduct of business, but including at a minimum a president and vice president. The terms

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of office must be established by rules, regulations, or bylaws.

(b) Executive board members may adopt the bylaws, rules, and regulations that they consider necessary to carry out the powers and duties imposed upon the agency by this chapter. The rules, regulations, and bylaws are public records, and a copy of them must be available at all reasonable times in the circuit court clerk's office for inspection by the public.

(c) In addition to the organizational meeting, other regular and special meetings must be held at the times and with notice that the executive board fixes. A majority of the members constitutes a quorum, and the concurrence of a majority of the full membership is necessary to authorize any action. Board members serve without pay but are entitled to reimbursement for necessary expenses in amounts that are approved by the board of commissioners and the county council.

Sec. 4. The county treasurer shall act as the fiscal officer for the agency without additional compensation. The treasurer shall receive all funds provided for the agency and deposit the funds in a separate account. The funds shall be paid out on an order of the executive board by the treasurer after any necessary approvals stipulated in this chapter.

Sec. 5. An executive board member may not have a pecuniary interest in any contract, employment, purchase, or sale made under this chapter. A transaction made in which a member has such an interest is void, and the member is subject to removal as provided in this chapter.

Sec. 6. The executive board must act in accordance with any statewide plan for medical education directed by the general assembly.

Sec. 7. The executive board has the following powers and duties:

(1) To devise a comprehensive plan for the development of a medical center within the county. The comprehensive plan must be recommended to and approved by the board of commissioners and the county council, if applicable, but only after the plan has been reviewed at one (1) or more public hearings within the county. The plan shall be developed through:

(A) consultation with the respective local plan commissions;

(B) surveys of existing public and private medical facilities;

(C) studies of land use plans for the county;

(D) identification of countywide medical or health services

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that are deficient and that could be provided by a medical center;

(E) identification of sources of medical, paramedical, and other personnel to staff or augment the staff of a medical center; and

(F) study and identification of any other pertinent factors, problems, and needs to be resolved within the plan.

(2) To hire or contract with qualified persons to assist the board in carrying out the executive board's powers and responsibilities. The executive board may hire a director who may hire qualified persons or contract with them with the approval of the executive board. The number of persons hired, their compensation, and the terms of contracts are subject to review in advance by the county council, who may alter the contracts and fix the number of the persons and their compensation.

(3) To apply for, receive, and expend federal, state, private, local, or other funds that may be made available for the purposes of the agency and to meet any conditions that may be attached to the expenditure of funds, all with the prior approval of the county council, and subject to all state statutes and regulations governing them. The county council may appropriate to the agency the proceeds of a tax levied to fund a medical center cumulative building fund or equivalent fund established under statute.

(4) To inform the board of commissioners, county council, and other interested parties at least once every three (3) months of the progress of plans for development, construction, or improvement of medical center facilities.

(5) To make and enter into all contracts and agreements necessary or incidental to the performance of the duties and execution of powers provided in this chapter on behalf of the county, with the approval of the county council.

Sec. 8. After approval of and in compliance with the comprehensive plan for development of a medical center, the executive board of the agency has the following powers and duties:

(1) To condemn, appropriate, purchase, and hold any real estate needed or useful in connection with a building or buildings constructed or to be constructed for the purposes of this chapter, on behalf of the county, all with the prior approval of the board of commissioners and the county council.

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(2) To design, order, contract for, and have constructed, or to make all necessary and desirable improvements in, facilities for use as a medical center, all with the approval of the county council.

(3) To provide for the equipment of the medical center and any appurtenant facilities, with the approval of the county council.

(4) To do all things with respect to its assigned responsibilities and jurisdiction that may additionally be required by the county council, both before and after adoption of the comprehensive plan.

(5) To develop annual budgets to be submitted to the county council for inclusion in the county budget.

Sec. 9. (a) The comprehensive plan must be proposed to the board of commissioners. The board of commissioners may, upon receipt of the plan, reject the plan or direct its amendment by ordinance or resolution.

(b) The comprehensive plan may be officially adopted only by ordinance or resolution of the board of commissioners and approval by the county council. After official adoption, the agency shall implement the plan under the general guidance and approval of the board of commissioners and county council.

(c) Rejection of all or any part of a comprehensive plan by the board of commissioners is not a final rejection, but the agency may propose additional comprehensive plans to the board of commissioners for further action under this chapter.

Sec. 10. This chapter does not give the agency the power to levy taxes or issue bonds or confer upon the agency the status of a municipal corporation. The agency may act only on behalf of the county, as approved by the board of commissioners or county council under this chapter, and is considered to be an administrative instrumentality of the county.

Chapter 3. Indiana University Hospitals

Sec. 1. This chapter applies to the following:

(1) Robert W. Long Hospital.

(2) James Whitcomb Riley Hospital for Children.

(3) William H. Coleman Hospital for Women.

(4) Any other hospitals that are under the control and management of Indiana University.

Sec. 2. The hospitals described in section 1 of this chapter shall collectively be known as Indiana University hospitals.

Sec. 3. Each of the Indiana University hospitals is a unit.

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Chapter 4. James Whitcomb Riley Hospital for Children

Sec. 1. The board of trustees shall establish, in Indianapolis, a hospital, to be known as the James Whitcomb Riley Hospital for Children, for the treatment of children afflicted with any disease, defect, or physical deformity that may be relieved or improved by proper medical and surgical attention.

Sec. 2. The board of trustees may construct and equip the necessary buildings for the hospital with:

(1) accommodations for not less than two hundred (200) patients; and

(2) offices, quarters for officers, nurses, and employees, and other necessary appurtenances.

The buildings must be specially designed and equipped for the application of the most approved methods in the diagnosis and medical and surgical treatment of afflicted children.

Sec. 3. The hospital is:

(1) a department of Indiana University; and

(2) under the direction and control of the board of trustees of Indiana University.

Sec. 4. The board of trustees may:

(1) adopt and apply rules and regulations for proper management of the hospital;

(2) employ, discharge for sufficient cause, and fix the compensation of a superintendent of the hospital, who is responsible to the board of trustees for the proper administration of the hospital and the care and treatment of the afflicted children committed to the hospital;

(3) fix the number and compensation of the assistant medical and executive officers, nurses, and employees of the hospital; and

(4) provide the food, heat, light, and medical and surgical equipment, appliances, and supplies necessary for the proper and best treatment of the afflicted children committed to the hospital.

Sec. 5. Any child:

(1) less than sixteen (16) years of age;

(2) having a legal settlement in any county of Indiana; and

(3) either:

(A) afflicted with a defect, disease or deformity, presumably curable or improvable by skilled medical and surgical treatment; or

(B) needing special study for diagnosis;

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may be admitted to, treated at, and discharged from the hospital under the rules and regulations adopted by the management of the hospital and approved by the board of trustees.

Sec. 6. The board of trustees may receive, accept, hold, and apply any donations or bequests of funds or property from individual citizens, societies, and organizations that may be tendered in good faith to assist in the construction, extension, equipment, and maintenance of the hospital to the end that the benefits of the hospital may be extended to the largest possible number of afflicted children of Indiana.

Sec. 7. The hospital is under the direction of the board of trustees. In the construction, equipment, and direction of the hospital, the board of trustees shall receive and consider the suggestions and advice that is tendered by the James Whitcomb Riley Memorial Association.

Sec. 8. The board of trustees may establish and maintain, in connection with the hospital:

(1) a training school for child nursing; and

(2) an outpatient and social service department;

to conserve the health of the children of Indiana.

Sec. 9. An Indiana public interest nonprofit corporation to which the board of trustees, with the approval of the governor, delegates authority to manage and operate the hospital is not subject to an audit by the state board of accounts, notwithstanding IC 5-11-1-9. However, Indiana University is subject to an audit by the state board of accounts.

Chapter 5. William H. Coleman Hospital

Sec. 1. The gift of William H. Coleman:

(1) for the establishment and maintenance of a hospital in Marion County; and

(2) for the provision of clinical facilities for students in connection with the Indiana University School of Medicine;

contained in the proposal set forth in Acts 1927, c.213, s.1 is accepted by the state for the uses and purposes named in Acts 1927, c.213, s.1.

Sec. 2. The board of trustees:

(1) may accept the control and management of the gift; and

(2) shall administer the affairs of the hospital in accordance with the terms and conditions imposed by the donor of the gift.

Sec. 3. (a) In consideration of the gift and on the condition that the gift be made effectual, the hospital must forever bear the name

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of "William H. Coleman Hospital for Women, of Indiana University".

(b) The state pledges that the name is the permanent designation of the hospital, without addition or modification. The state pledges to carry out the objects for which the gift is made, as contained in the proposal of the donor.

(c) The general assembly covenants that this chapter will not be repealed or amended to change the terms and conditions under which the gift is made.

Sec. 4. The board of trustees may erect and maintain the hospital upon the ground belonging to the state for the use of Indiana University in Indianapolis, near the Robert W. Long Hospital.

SECTION 181. IC 16-34.5-1-2, AS ADDED BY P.L.126-2005, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. The state, a state educational institution, ~~(as defined in IC 20-12-0.5-1),~~ or a political subdivision of the state may not use public funds, facilities, or employees to knowingly participate in cloning or attempted cloning.

SECTION 182. IC 16-35-2-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 8. If an individual receives a state or federal higher education award that is paid directly to an approved **postsecondary educational** institution ~~of higher learning (as defined in IC 20-12-21-3)~~ for the individual's benefit:

(1) the individual is not required to report that award as income or as a resource of the individual when applying for assistance for a destitute child under this chapter; and

(2) the award shall not be considered as income or a resource of the individual in determining initial or continuing eligibility for assistance under this chapter.

SECTION 183. IC 16-41-37-2, AS AMENDED BY P.L.1-2005, SECTION 148, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. As used in this chapter, "public building" means an enclosed structure or the part of an enclosed structure that is one (1) of the following:

(1) Occupied by an agency of state or local government.

(2) Used as a classroom building or a dining area at a state educational institution. ~~(as defined in IC 20-12-0.5-1).~~

(3) Used as a public school (as defined in IC 20-18-2-15).

(4) Licensed as a health facility under IC 16-21 or IC 16-28.

(5) Used as a station for paid firefighters.

(6) Used as a station for paid police officers.

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(7) Licensed as a child care center or child care home or registered as a child care ministry under IC 12-17.2.

(8) Licensed as a hospital under IC 16-21 or a county hospital subject to IC 16-22.

(9) Used as a provider's office.

SECTION 184. IC 16-42-20-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 9. The addiction services bureau of the division of mental health and addiction shall encourage research on misuse and abuse of controlled substances. In connection with the research and in furtherance of the enforcement of laws relating to controlled substances, the bureau may do the following:

(1) Establish methods to assess accurately the effects of controlled substances and identify and characterize those with potential for abuse.

(2) Make studies and undertake programs of research to do the following:

(A) Develop new or improved approaches, techniques, systems, equipment, and devices to strengthen the enforcement of laws relating to controlled substances.

(B) Determine patterns of misuse and abuse of controlled substances and the social effects of such behavior.

(C) Improve methods for preventing, predicting, understanding, and dealing with the misuse and abuse of controlled substances.

(3) Enter into contracts with public agencies, **postsecondary educational** institutions, ~~of higher education,~~ and private organizations or individuals for the purpose of conducting research, demonstrations, or special projects that bear directly on misuse and abuse of controlled substances.

SECTION 185. IC 16-46-11.1-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. (a) The commission consists of the following fifteen (15) members:

(1) One (1) member representing the state department.

(2) One (1) member representing local health departments.

(3) One (1) member representing the medical profession.

(4) One (1) member representing **postsecondary educational** institutions ~~of higher education~~ in Indiana.

(5) Two (2) members representing patient advocacy groups.

(6) One (1) member representing community organizations.

(7) One (1) member representing interpreter professional associations.

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(8) One (1) member representing translator professional associations.
(9) One (1) member representing hospitals.
(10) One (1) member representing the interagency state council on black and minority health.
(11) One (1) member representing the department of correction who is nominated by the commissioner of the department of correction.
(12) One (1) member representing the department of education who is nominated by the state superintendent of public instruction.
(13) One (1) member representing the office of Medicaid policy and planning who is nominated by the director of the office of Medicaid policy and planning.
(14) The executive director of the health professions bureau or the executive director's designee.

The state health commissioner shall appoint the members of the commission designated by subdivisions (1) through (13). The appointments made under this subsection must be made in a manner to maintain cultural and language diversity.

(b) The state health commissioner shall designate:
(1) one (1) member as chairperson of the commission; and
(2) one (1) member as vice chairperson of the commission.

(c) Except for the member of the commission designated by subsection (a)(14), a member is appointed to a term of two (2) years or until a successor is appointed. A member may be reappointed to an unlimited number of terms.

(d) Except for the member of the commission designated by subsection (a)(14), if a member:
(1) resigns;
(2) dies; or
(3) is removed from the commission;

before the expiration of the member's term, the state health commissioner shall appoint a new member to serve for the remainder of the term.

(e) The expenses of the commission shall be paid from funds appropriated to the state department.

(f) Each member of the commission who is a state employee is entitled to reimbursement for traveling expenses as provided under IC 4-13-1-4 and other expenses actually incurred in connection with the member's duties as provided in the state policies and procedures established by the Indiana department of administration and approved

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by the budget agency.

(g) The affirmative votes of a majority of the members appointed to the commission are required for the commission to take action on any measure.

(h) The commission shall meet quarterly or on the call of the chairperson.

SECTION 186. IC 16-47-1-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. As used in this chapter, "health benefit plan" refers to the following:

(1) An accident and sickness insurance policy purchased or maintained under IC 5-10-8-7(a)(3).

(2) A self-insurance program established under IC 5-10-8-7(b) to provide group health coverage.

(3) A contract with a prepaid health care delivery plan that is entered into or renewed under IC 5-10-8-7(c).

(4) A plan through which a state educational institution ~~(as defined in IC 20-12-0.5-1)~~ arranges for coverage of the cost of health care services (as defined in IC 27-13-1-18) provided to employees of the state educational institution.

SECTION 187. IC 20-18-2-15, AS ADDED BY P.L.1-2005, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 15. "Public school":

(1) for purposes of this title (other than IC 20-33-1), means a school maintained by a school corporation; **and**

(2) for purposes of IC 20-33-1, means:

(A) a school maintained by a school corporation; or

(B) a preschool, an elementary school, or a high school maintained by a state educational institution under IC 20-24.5 or another law.

SECTION 188. IC 20-19-2-20, AS ADDED BY P.L.185-2006, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 20. The state board shall design a high school diploma to be granted to individuals who successfully complete a high school fast track to college program under ~~IC 20-12-13-6, 20-12-75-14,~~ **IC 21-43-6, IC 21-43-7,** or ~~IC 23-13-18-28.~~ **IC 21-43-8.**

SECTION 189. IC 20-20-2-5, AS ADDED BY P.L.1-2005, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. (a) There is established an advisory board for the academy to advise and assist the director appointed under section 4 of this chapter.

(b) The advisory board consists of nine (9) members appointed by the state superintendent. Each of the following groups must be

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represented by at least one (1) member of the advisory board:

(1) Practicing public school principals.

(2) Members of the general assembly.

(3) Experts in administration, supervision, curriculum development, or evaluation who are members of the faculty of a state supported university.

(4) Practicing school superintendents.

(5) Practicing public school teachers.

(6) Members of the business or industry community.

(7) Parents of public school age children.

(c) The advisory board shall:

(1) annually elect a chairperson;

(2) advise the director about the curriculum of the academy;

(3) review the plan developed by the director under section 6 of this chapter;

(4) approve an evaluation plan for the academy;

(5) review the director's plan for continuing education;

(6) review the academy budget and make recommendations to the director;

(7) set criteria for the selection of academy participants;

(8) review the operation of the academy and make recommendations to the director;

(9) assist the director in compiling an annual report for submission to the state superintendent;

(10) consider coordinating the programs and curriculum offered at the academy with the programs and curriculum required in principal certification programs offered at **postsecondary educational** institutions ~~of higher education~~ in Indiana; and

(11) complete other tasks requested of the advisory board by the state superintendent.

(d) Each member of the advisory board serves a four (4) year term beginning on May 1 in the year the member is appointed.

(e) The state superintendent shall fill a vacancy on the advisory board:

(1) for the unexpired part of the term; and

(2) in a manner that preserves the composition of the advisory board under subsection (b).

(f) Each member of the advisory board who is not a member of the general assembly 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

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state travel policies and procedures established by the Indiana department of administration and approved by the budget agency.

(g) Each member of the advisory board who is a member of the general assembly is entitled to receive the same per diem, mileage, and travel allowances paid to members of the general assembly serving on interim study committees established by the legislative council.

SECTION 190. IC 20-20-4-7, AS ADDED BY P.L.1-2005, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 7. An ambassador may elect to serve the one (1) year professional leave at:

(1) an Indiana **postsecondary educational** institution; ~~of higher education,~~ or

(2) the department.

SECTION 191. IC 20-20-4-9, AS ADDED BY P.L.1-2005, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 9. If an ambassador elects to serve a one (1) year professional leave with an Indiana **postsecondary educational** institution, ~~of higher education,~~ the following apply:

(1) The dean of the institution's school of education or the equivalent officer shall establish the ambassador's duties.

(2) The ambassador is entitled to receive from the institution the amount of compensation that the institution offers the ambassador.

(3) The ambassador is entitled to receive from the department compensation in an amount that when added to the amount provided under subdivision (2) equals the salary that the ambassador, if not serving as ambassador, would receive during the school year of the ambassador's term from the school where the ambassador is regularly employed.

SECTION 192. IC 20-20-8-6, AS ADDED BY P.L.169-2005, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. A report must contain the following:

(1) The information listed in section 8 of this chapter for each of the preceding three (3) years.

(2) Additional components determined under section 7(4) of this chapter.

(3) Additional information or explanation that the governing body wishes to include, including the following:

(A) Results of nationally recognized assessments of students under programs other than the ISTEP program that a school corporation, including a charter school, uses to determine if students are meeting or exceeding academic standards in

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grades that are tested under the ISTEP program.

(B) Results of assessments of students under programs other than the ISTEP program that a school corporation uses to determine if students are meeting or exceeding academic standards in grades that are not tested under the ISTEP program.

(C) The number and types of staff professional development programs.

(D) The number and types of partnerships with the community, business, or ~~higher~~ **postsecondary** education.

(E) Levels of parental participation.

SECTION 193. IC 20-20-10-3, AS ADDED BY P.L.1-2005, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. (a) The curriculum models developed by the task force must:

(1) be performance based;

(2) provide a student with:

(A) the skills necessary to gain employment upon graduation from high school; and

(B) the subject or skills areas required by a state educational institution ~~(as defined in IC 20-12-0.5-1)~~ to gain admittance into the respective state educational institution;

upon the satisfactory fulfillment of the curriculum;

(3) relate to a broad scope of occupational opportunities;

(4) include math, science, and English/language arts courses taught through practical application and designed to meet graduation requirements for those subjects;

(5) be designed to include secondary and postsecondary sequence models; and

(6) allow for dual credit, advanced study, and cooperative agreements.

(b) The task force shall identify certain occupations for secondary and postsecondary articulation curriculum agreements in cooperation with the department of workforce development.

SECTION 194. IC 20-20-13-6, AS AMENDED BY P.L.2-2006, SECTION 81, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. (a) The educational technology program and fund is established to provide and extend educational technologies to elementary and secondary schools for:

(1) the 4R's technology grant program to assist school corporations (on behalf of public schools) in purchasing technology equipment:

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(A) for kindergarten and grade 1 students, to learn reading, writing, and arithmetic using technology;

(B) for students in all grades, to understand that technology is a tool for learning; and

(C) for students in kindergarten through grade 3 who have been identified as needing remediation, to offer daily remediation opportunities using technology to prevent those students from failing to make appropriate progress at the particular grade level;

(2) providing educational technologies, including computers in the homes of students;

(3) conducting educational technology training for teachers; and

(4) other innovative educational technology programs.

(b) The department may also use money in the fund under contracts entered into with the office of technology established by IC 4-13.1-2-1 to study the feasibility of establishing an information telecommunications gateway that provides access to information on employment opportunities, career development, and instructional services from data bases operated by the state among the following:

(1) Elementary and secondary schools.

(2) **Postsecondary educational** institutions. ~~of higher learning.~~

(3) Vocational educational institutions **that are not postsecondary educational institutions.**

(4) Libraries.

(5) Any other agencies offering education and training programs.

(c) The fund consists of:

(1) state appropriations;

(2) private donations to the fund;

(3) money directed to the fund from the corporation for educational technology under IC 20-20-15; or

(4) any combination of the amounts described in subdivisions (1) through (3).

(d) The program and fund shall be administered by the department.

(e) Unexpended money appropriated to or otherwise available in the fund for the department's use in implementing the program under this chapter at the end of a state fiscal year does not revert to the state general fund but remains available to the department for use under this chapter.

(f) Subject to section 7 of this chapter, a school corporation may use money from the school corporation's capital projects fund as permitted under IC 20-40-8 for educational technology equipment.

SECTION 195. IC 20-20-14-3, AS ADDED BY P.L.231-2005,

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SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. (a) The council shall advise the state superintendent and the governor on education related technology initiatives.

(b) The appointed membership of the council shall reflect its purposes and be experienced in technology generally. An appointed member of the council serves at the pleasure of the appointing authority. The council consists of the following sixteen (16) voting members:

(1) The state superintendent.

(2) The special assistant to the state superintendent of public instruction responsible for technology who is appointed under section 5 of this chapter.

(3) Four (4) individuals who represent private business appointed jointly by the state superintendent and the governor. Each member appointed under this subdivision must be experienced in development and use of information technology. A member appointed under this subdivision may not represent possible providers of technology or related services.

(4) Three (3) individuals who:

(A) manage educational environments, including ~~higher~~ **postsecondary** education; and

(B) are experienced in their educational work with information technology;

are appointed jointly by the state superintendent and the governor.

(5) Three (3) individuals who are public school educators familiar with and experienced in the use of technology in educational settings appointed jointly by the state superintendent and the governor, with one (1) representing an urban school corporation, one (1) representing a suburban school corporation, and one (1) representing a rural school corporation.

(6) Four (4) members who are members of the general assembly and who are appointed as follows:

(A) Two (2) members of the house of representatives, appointed by the speaker of the house of representatives with not more than one (1) from a particular political party.

(B) Two (2) members of the senate, appointed by the president pro tempore of the senate with not more than one (1) from a particular political party.

(c) The state superintendent shall designate the chair of the council from the membership of the council.

(d) Nine (9) members of the council constitute a quorum to conduct

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business. Action of the council is not valid unless approved by at least nine (9) voting members of the council.

(e) Each member of the council who is not a state employee is not entitled to the minimum salary per diem as provided by IC 4-10-11-2.1(b). The member is, however, entitled to reimbursement for traveling expenses as provided under IC 4-13-1-4 and other expenses actually incurred in connection with the member's duties as provided in the state policies and procedures established by the Indiana department of administration and approved by the budget agency.

(f) Each member of the council who is a state employee but who is not a member of the general assembly is entitled to reimbursement for traveling expenses as provided under IC 4-13-1-4 and other expenses actually incurred in connection with the member's duties as provided in the state policies and procedures established by the Indiana department of administration and approved by the budget agency.

(g) Each member of the council who is a member of the general assembly is entitled to receive the same per diem, mileage, and travel allowances paid to members of the general assembly serving on interim study committees established by the legislative council.

SECTION 196. IC 20-20-21-5, AS ADDED BY P.L.1-2005, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. (a) Before September 30 of each year, the state superintendent shall recommend to the governor individuals for appointment to the coalition.

(b) The governor shall:

(1) appoint the members of the coalition; and

(2) designate the date the terms of the members of the coalition begin so that terms are staggered.

(c) The membership of the coalition must include representatives from the following:

(1) The general assembly.

(2) Adult basic education programs.

(3) Local libraries.

(4) Community based organizations.

(5) Local literacy coalitions.

(6) Business and industry.

(7) Labor.

(8) Associations involved with promoting adult literacy in Indiana.

(9) The Indiana Literacy Foundation.

(10) ~~Higher~~ **Postsecondary** education.

(11) Persons who have benefited from adult literacy programs.

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SECTION 197. IC 20-24-1-9, AS ADDED BY P.L.1-2005, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 9. "Sponsor" means, for a charter school, one (1) of the following:

(1) A governing body.

(2) A state educational institution ~~(as defined in IC 20-12-0.5-1)~~ that offers a four (4) year baccalaureate degree.

(3) The executive (as defined in IC 36-1-2-5) of a consolidated city.

SECTION 198. IC 20-24.5 IS ADDED TO THE INDIANA CODE AS A **NEW** ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]:

ARTICLE 24.5. UNIVERSITY ADMINISTERED SCHOOLS

Chapter 1. Operation of Preschools, Elementary Schools, and Secondary Schools by Certain Universities

Sec. 1. This chapter applies only to the following state educational institutions:

(1) Ball State University.

(2) Indiana State University.

(3) Indiana University.

(4) Purdue University.

Sec. 2. This chapter applies only to the following school corporations:

(1) School townships.

(2) School cities.

(3) School towns.

(4) Community school corporations.

(5) Metropolitan school districts.

(6) County school corporations.

Sec. 3. As used in this chapter, "board of trustees" has the meaning set forth in IC 21-7-13-9.

Sec. 4. As used in this chapter, "contract" refers to a contract made under this chapter between a state educational institution and a school corporation to educate part or all of the students of one (1) or more school corporations in a university administered school.

Sec. 5. As used in this chapter, "university administered school" refers to a preschool, an elementary school, or a high school established by a state educational institution in a county in Indiana where the state educational institution is located to instruct children in the county in the subjects and branches of learning taught in the public schools.

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Sec. 6. The board of trustees of a state educational institution may establish a university administered school in any county in Indiana in which the state educational institution is situated to instruct children in the subjects and branches of learning taught in the public schools.

Sec. 7. The governing body of a school corporation may enter into a contract with the board of trustees of a state educational institution to educate part or all of the students of the school corporation in a university administered school. The contract may fix:

(1) the compensation to be paid; and

(2) the date and time when payment will be made;

to the state educational institution for conducting a university administered school.

Sec. 8. The charge for educating students in any university administered school may not exceed the annual average per pupil cost of the included grades for the length of the annual term of school of the school corporation where the school is located.

Sec. 9. Payments under a contract must be made during a school year in the amount fixed by the terms of the contract.

Sec. 10. The board of trustees of the state educational institution conducting a university administered school may, in the contract with a school corporation, determine the maximum number of students to be accepted in the university administered school from the school corporation.

Sec. 11. A contract continues from year to year until terminated by:

(1) mutual consent of the parties; or

(2) two (2) years written notice by any party to the contract to all other parties to the contract, that expresses the party's intent to terminate the contract at the end of a school year.

Sec. 12. The governing body of a school corporation entering into a contract may designate territorial limits within the area served by the school corporation from which part of the students may be required to attend a university administered school in the same manner as though the school were established by the school corporation.

Sec. 13. A governing body of a school corporation may also transfer a student from a district in the school corporation to a university administered school whenever, in the opinion of the governing body, the student can be better accommodated and taught in a university administered school.

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Sec. 14. Whenever the governing body of a school corporation determines necessary, the governing body may cause the students required to attend a university administered school to be transported to the university administered school or from the university administered school, or both, and pay the related transportation charges.

Chapter 2. Laboratory Schools

Sec. 1. This chapter applies only to the following state educational institutions:

(1) Indiana University.

(2) Purdue University.

(3) Indiana State University.

(4) Ball State University.

Sec. 2. As used in this chapter, "board of trustees" has the meaning set forth in IC 21-7-13-9.

Sec. 3. As used in this chapter, "laboratory school" refers to a preschool, an elementary school, or a high school described in section 4 of this chapter.

Sec. 4. The board of trustees of a state educational institution may, as the board of trustees finds a need exists, establish and conduct at the main campus of the state educational institution within the appropriate school or college of the state educational institution, laboratory schools for:

(1) developing, testing, and evaluating new methods of instruction and materials;

(2) comparing new methods with conventional methods in use; and

(3) training teachers in new methods of instruction and materials, as is found acceptable.

Sec. 5. The board of trustees of a state educational institution may:

(1) acquire sites for;

(2) construct or acquire;

(3) equip; and

(4) furnish;

suitable buildings and appurtenances for a laboratory school.

Sec. 6. (a) To obtain funds required to carry out section 5 of this chapter, a state educational institution may issue and sell their negotiable, general obligation bonds payable out of any available funds of the state educational institution, including fees, charges, rentals, interest on permanent endowment funds, and legislative appropriations made for new construction, repair, and

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rehabilitation of buildings.

(b) Bonds issued under subsection (a) must:

(1) be authorized by resolution of the board of trustees of the issuing state educational institution;

(2) bear interest at any rate provided for in the authorizing resolution; and

(3) be payable at the times and in the amounts within thirty (30) years from the date of issuance provided for in the authorizing resolution.

Bonds issued under subsection (a) may be callable before maturity as provided in the authorizing resolution.

(c) Bonds issued under subsection (a) shall be sold to the highest bidder at a public sale as provided by IC 5-1-11. Bonds issued under subsection (a) and interest on bonds issued under subsection (a) are exempt from taxation.

Sec. 7. Each special education program conducted by a laboratory school is subject to IC 20-35-4-1.

Sec. 8. Instruction in laboratory schools may be provided for:

(1) preschool students;

(2) kindergarten students;

(3) special education students; and

(4) all or part of the twelve (12) common school grades.

Sec. 9. Agreements may be entered into with school corporations and educational organizations for:

(1) the assignment of students to a laboratory school;

(2) the payment of transfer fees; and

(3) contributions to the cost of establishing and maintaining a laboratory school.

Sec. 10. A laboratory school that:

(1) is operated without an agreement; and

(2) has an ADM of not more than seven hundred fifty (750);

must be treated as a charter school for purposes of local funding under IC 20-45-3 and state funding under IC 20-20-33 and IC 20-43.

Sec. 11. A student who attends a laboratory school full time may not be counted in ADM or ADA by any school corporation when the student's attendance is not regulated under an agreement.

Sec. 12. (a) A school corporation assigning students to a laboratory school shall, at least once each year, prepare a report or reports, as required by law, governing the operation of the school corporation, showing:

(1) the number of students attending;

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(2) the grades taught;
(3) the methods of instruction used; and
(4) the operational costs, as defined by law, per student.

(b) Each state educational institution operating a laboratory school shall prepare a report or reports, regardless of whether or not the state educational institution has an agreement with a school corporation. The report or reports must be prepared once each year and must contain:

(1) a comparison of the results obtained by the new methods of instruction with the conventional methods of instruction; and
(2) the new methods of instruction recommended for general use in public schools.

(c) A copy of each report must be filed with the department. The copies must be furnished to any legislative committee having an interest in the matters.

Chapter 3. Indiana Academy for Science, Mathematics, and Humanities; Ball State University

Sec. 1. This chapter applies to Ball State University.

Sec. 2. As used in this chapter, "academy" refers to the Indiana academy for science, mathematics, and humanities established under this chapter.

Sec. 3. Ball State University may establish the Indiana academy for science, mathematics, and humanities as a laboratory school under IC 20-24.5-2.

Sec. 4. The academy shall operate:

(1) a public, residential school for high school students in Indiana; and
(2) a program for public school educators.

Sec. 5. (a) A student who applies for admission to the academy must:

(1) be eligible to attend a public school in Indiana;
(2) demonstrate exceptional intellectual ability; and
(3) demonstrate a commitment to scholarship.

(b) A student shall be admitted without regard to sex, race, religion, creed, national origin, or household income.

Sec. 6. The academy shall:

(1) establish an advisory committee that represents the education and business communities in Indiana;
(2) determine the standards for admissions and the curricula and courses of study to be offered;
(3) develop curriculum material for distribution and use

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throughout the public school system;

(4) develop programs to encourage interaction with public school educators;

(5) make curriculum material available to students in public schools throughout Indiana by the use of telecommunications technology; and

(6) establish cooperative arrangements with private and public entities in order to effectively operate the academy.

Chapter 4. Indiana School for the Arts; Indiana University

Sec. 1. This chapter applies to Indiana University.

Sec. 2. As used in this chapter, "school for the arts" refers to the Indiana school for the arts established under this chapter.

Sec. 3. Indiana University may establish the Indiana school for the arts as a laboratory school under IC 20-24.5-2.

Sec. 4. The school for the arts shall operate:

(1) a public, residential school for high school students in Indiana; and

(2) a program for public and nonpublic school educators.

Sec. 5. A student who applies for admission to the school for the arts must:

(1) be eligible to attend a public school in Indiana;

(2) demonstrate exceptional ability;

(3) demonstrate a commitment to scholarship; and

(4) demonstrate a commitment to the arts.

Sec. 6. The school for the arts shall:

(1) establish an advisory committee that represents the education and the arts communities in Indiana;

(2) determine the standards for admissions and the curricula and courses of study to be offered;

(3) develop curriculum material for distribution and use throughout the public school system;

(4) develop programs to encourage interaction with public and nonpublic school educators;

(5) make curriculum material available to students in public schools throughout Indiana by the use of telecommunications technology; and

(6) establish cooperative arrangements with private and public entities in order to effectively operate the school for the arts.

Chapter 5. Grammar School; Vincennes University

Sec. 1. This chapter applies to Vincennes University.

Sec. 2. As used in this chapter, "board of trustees" refers to the

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board of trustees for the Vincennes University.

Sec. 3. As used in this chapter, "grammar school" refers to the grammar school established by Vincennes University under this chapter.

Sec. 4. The board of trustees may establish a grammar school, connected with and dependent upon Vincennes University to teach the rudiments of the languages.

Sec. 5. The board of trustees may employ:

(1) a master and ushers specially for the purposes of this chapter; or

(2) the professor of languages of Vincennes University to superintend the grammar school;

as the board of trustees determines most convenient and economical.

SECTION 199. IC 20-26-5-23, AS ADDED BY P.L.1-2005, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 23. Public school corporations may enter into agreements with **postsecondary educational** institutions ~~of higher education~~ to provide teaching experience for students of the institutions preparing for the educational profession and for the services of persons working jointly for the school corporation and an institution.

SECTION 200. IC 20-26-5-24, AS ADDED BY P.L.1-2005, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 24. (a) An agreement under section 23 of this chapter must set out the responsibilities and rights of the public school corporations, the institutions, and the students or persons who supervise the students and who are working jointly for a school corporation and an institution.

(b) An agreement must contain:

(1) a provision for the payment of an honorarium for consulting services by the **postsecondary educational** institution ~~of higher education~~ directly to the supervisor; and

(2) a provision that, if the sum paid by the institution to the supervisor should ever be lawfully determined to be a wage rather than an honorarium by an instrumentality of the United States, then the **postsecondary educational** institution ~~of higher education~~ shall be considered under the agreement to be the supervisor's part-time employer.

(c) The provisions required by subsection (b) must be included in an agreement entered into or renewed under this chapter after June 30, 1981. Public school corporations and **postsecondary educational** institutions ~~of higher education~~ shall revise agreements in effect on

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July 1, 1981, to include the provisions required by subsection (b).

SECTION 201. IC 20-26-11-10, AS ADDED BY P.L.1-2005, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 10. (a) A student who is the child of a state employee who resides on state owned property, resides on state owned property, or is the child of a full-time employee of a state ~~supported postsecondary~~ **educational** institution, who resides on property owned or operated by the state ~~supported postsecondary~~ **educational** institution and used for educational, research, or public service programs is considered a transferred student if:

(1) the student attends a public school in the school corporation located nearest to the student's residence within the county in which all or a part of either the state owned property, or the property owned or operated by the state supported postsecondary institution, is located; or

(2) the state owned property is the Soldiers' and Sailors' Children's Home and the student attends a public school in the county in which the home is located or in an adjacent county.

Transfer tuition for a student transferred under this subsection shall be paid by the state. However, this subsection does not apply to children of state employees residing in student housing on property owned by any state ~~supported postsecondary school~~ **educational** institution.

(b) A foreign student visiting in Indiana under any student exchange program approved by the state board is considered a resident student with legal settlement in the school corporation where the foreign exchange student resides. The student may attend a school in the school corporation in which the family with whom the student is living resides. A school corporation that receives a foreign student may not be paid any transfer tuition. The school corporation shall include the foreign student in computations to determine the amount of state aid that it is entitled to receive.

SECTION 202. IC 20-28-2-2, AS ADDED BY P.L.246-2005, SECTION 138, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: 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:

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(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 education units within Indiana public and private **postsecondary educational** 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 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.

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(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 203. IC 20-28-2-6, AS ADDED BY P.L.246-2005, SECTION 142, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: 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 may adopt rules under IC 4-22-2 to do the following:

(1) Set standards for teacher licensing and 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~~ **postsecondary** education and experience equivalency.

(8) Perform any other action that:

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(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 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 204. IC 20-28-4-4, AS ADDED BY P.L.246-2005, SECTION 151, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. Each accredited teacher education school and department in Indiana shall establish a course of study that constitutes the ~~higher~~ **postsecondary** education component of the program. The ~~higher~~ **postsecondary** 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

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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 205. IC 20-28-4-5, AS ADDED BY P.L.1-2005, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. An individual who wishes to participate in the program must have one (1) of the following qualifications:

(1) For a program participant who seeks to obtain a license to teach in grades 6 through 12, one (1) of the following:

(A) A bachelor's degree or the equivalent with a grade point average of at least three (3.0) on a four (4.0) point scale from an accredited **postsecondary educational** institution ~~of higher education~~ in the subject area that the individual intends to teach.

(B) A graduate degree from an accredited **postsecondary educational** institution ~~of higher education~~ in the subject area that the individual intends to teach.

(C) Both:

(i) a bachelor's degree from an accredited **postsecondary educational** institution ~~of higher education~~ with a grade point average of at least two and five-tenths (2.5) on a four (4.0) point scale; and

(ii) five (5) years professional experience;

in the subject area that the individual intends to teach.

(2) For a program participant who seeks to obtain a license to teach in kindergarten through grade 5, one (1) of the following:

(A) A bachelor's degree or the equivalent with a grade point average of at least three (3.0) on a four (4.0) point scale from an accredited institution of higher education.

(B) Both:

(i) a bachelor's degree from an accredited **postsecondary educational** institution ~~of higher education~~ with a grade point average of at least two and five-tenths (2.5) on a four (4.0) point scale; and

(ii) five (5) years professional experience in an education related field.

SECTION 206. IC 20-28-4-6, AS ADDED BY P.L.246-2005, SECTION 152, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. The department shall grant an initial standard license to a program participant who does the following:

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(1) Successfully completes the ~~higher~~ **postsecondary** 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~~ **postsecondary** 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, continues participating in the beginning teacher internship program.

SECTION 207. IC 20-28-6-9, AS ADDED BY P.L.1-2005, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 9. (a) A teacher serving under a regular contract at a laboratory school operated under ~~IC 20-12-14~~ **IC 20-24.5-2** who is offered and accepts a position in the local school corporation that is a party to the agreement with the university operating the laboratory school is entitled to:

(1) transfer to the local school corporation any years served as a regular teacher at the laboratory school; and

(2) receive credit for the years in meeting the five (5) year requirement for an indefinite contract contained in section 8 of this chapter.

(b) If the teacher accepting a position with the local school corporation has served as a regular teacher at the laboratory school for at least five (5) successive years, the teacher's contract with the local school corporation is an indefinite contract under section 8 of this chapter.

SECTION 208. IC 20-28-12-3, AS ADDED BY P.L.246-2005, SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: 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 department.

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(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 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 **postsecondary educational** 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 department.
(4) Furnish satisfactory evidence to the 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 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 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;

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with at least ten (10) hours of direct personal supervision.

(7) Furnish satisfactory evidence to the 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 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 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 department.

SECTION 209. IC 20-30-4-2, AS ADDED BY P.L.1-2005, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. In consultation with the student's guidance counselor, after seeking consultation with each student's parents, and not later than the date on which the student completes grade 9, each student shall develop a career plan in which the student does the following:

(1) Indicates the subject and skill areas of interest to the student.

(2) Designs a program of study under the college/technology preparation curriculum adopted by the state board under IC 20-30-10-2 for grades 10, 11, and 12 that meets the interests and aptitude of the student.

(3) Ensures that upon satisfactory fulfillment of the plan the student:

(A) is entitled to graduate; and

(B) will have taken at least the minimum variety and number of courses necessary to gain admittance to a state educational institution. ~~(as defined in IC 20-12-0.5-1).~~

SECTION 210. IC 20-30-7-7, AS ADDED BY P.L.1-2005,

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SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 7. The parties to an agreement under section 5 of this chapter may provide educational programs:

(1) that are not regularly provided as part of the established curriculum during the school year; and

(2) for which a student who successfully completes a program may receive high school and college credit under an articulation agreement or dual credit provision under IC 20-32-3-9, ~~IC 20-12-1-9,~~ **IC 21-43-2,** or ~~IC 20-12-17.1.~~ **IC 21-43-3.**

SECTION 211. IC 20-30-11.5-1, AS ADDED BY P.L.185-2006, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. As used in this chapter, "postsecondary credit" means credit toward an associate degree, a baccalaureate degree, or a vocational certification granted by a state educational institution ~~(as defined under IC 20-12-0.5-1)~~ upon the successful completion of a course taken under the program.

SECTION 212. IC 20-30-11.5-4, AS ADDED BY P.L.185-2006, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. (a) The double up for college program is established for secondary school students in grades 11 and 12. School corporations and state educational institutions may collaborate to offer early college, dual credit, or dual enrollment programs that meet the educational objectives of the school corporation and are offered by the state educational institutions.

(b) A student may enroll in courses offered by a state educational institution under the program on a full-time or part-time basis during grade 11 or grade 12, or both.

(c) A state educational institution that participates in an early college, a dual credit, or a dual enrollment program may, by agreement with a school corporation:

(1) ensure that the content and rigor of each course offered is adequate to warrant providing credit to a student as if the student took the course as a student at the state educational institution;

(2) set the criteria for the faculty member, instructor, or other individual responsible for teaching each course with the:

(A) state educational institution responsible for hiring the personnel to instruct dual credit courses taught by the state educational institution; and

(B) school corporation responsible for hiring personnel to instruct dual credit courses taught by the high school; and

(3) determine with the school corporation the terms and conditions under which:

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(A) students may be admitted to the program while attending high school;

(B) the state educational institution will award credit, if any, for specified courses successfully completed by students through the school corporation; and

(C) the school corporation will award credit, if any, for specified courses successfully completed through the state educational institution.

(d) A student is entitled to credit toward graduation requirements for each course the student successfully completes at the eligible institution.

(e) Courses offered under the program that are listed in the:

(1) statewide core transfer library courses that are transferable on all campuses of the state educational institutions in accordance with the principles in ~~IC 20-12-0.5-13,~~ **IC 21-42-5;** or

(2) articulation agreements that apply to any campus in the Ivy Tech Community College of Indiana system and to Vincennes University and draw from liberal arts and the technical, professional, and occupational fields;

are among those eligible for the program. If a student passes a course through the program that is part of an articulation agreement between the state educational institution offering the course and other state educational institutions, the course shall transfer under the terms and standards of the articulation agreement between the state educational institutions.

(f) Based on the demand for enrollment in the identified courses and the resources available to the state educational institutions, the identified courses may be offered through:

(1) onsite instruction;

(2) telecommunication; or

(3) a combination of methods described in subdivisions (1) and (2);

at on-campus or off-campus sites.

SECTION 213. IC 20-30-11.5-5, AS ADDED BY P.L.185-2006, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. A school corporation may, by agreement with ~~an~~ **a postsecondary educational** institution, ~~of higher education,~~ offer counseling concerning early college, dual credit, or dual enrollment courses that the school corporation considers appropriate, including:

(1) notice of the courses and schedule;

(2) available post-secondary credit;

(3) responsibilities of the student;

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(4) any tuition and other costs;

(5) the consequences of the failure to complete a course; and

(6) other matters concerning the program and opportunities presented by the program.

SECTION 214. IC 20-31-3-7, AS ADDED BY P.L.1-2005, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 7. The department shall do the following:

(1) Distribute the academic standards established under this chapter to each school corporation for distribution by the school corporation to the parent of each student in the school corporation.

(2) Survey parents of students, members of the business community, representatives of ~~higher~~ **postsecondary** education, and educators on the importance and applicability of academic standards.

SECTION 215. IC 20-32-3-8, AS ADDED BY P.L.1-2005, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 8. Any secondary level or postsecondary level (under ~~IC 20-12-1-10)~~ **IC 21-43-3)** certificates of achievement that a student earns shall be recorded in the student's official high school transcript.

SECTION 216. IC 20-32-3-9, AS ADDED BY P.L.1-2005, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 9. A student who:

(1) receives a secondary level certificate of achievement in a particular subject or skill area; and

(2) satisfies the standards for receipt of academic credit as determined by a state educational institution; ~~(as defined in IC 20-12-0.5-1);~~

may receive postsecondary level academic credit at the state educational institution for the secondary level certificate of achievement as set forth in ~~IC 20-12-1-9.~~ **IC 21-43-2.**

SECTION 217. IC 20-33-1-1, AS ADDED BY P.L.1-2005, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. The following is the public policy of the state:

(1) To provide:

(A) equal;

(B) nonsegregated; **and**

(C) nondiscriminatory;

educational opportunities and facilities for all, regardless of race, creed, national origin, color, or sex.

(2) To provide and furnish public schools ~~and common schools~~

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~~equally~~ open **equally** to all, and prohibited and denied to none because of race, creed, color, or national origin.

(3) To reaffirm the principles of:

(A) the Bill of Rights;

(B) civil rights; and

(C) the Constitution of the State of Indiana.

(4) To provide ~~for the state and the citizens of Indiana~~ a uniform democratic system of public ~~and common~~ school education **to the state and the citizens of Indiana.**

(5) To:

(A) abolish;

(B) eliminate; and

(C) prohibit;

segregated and separate schools or school districts on the basis of race, creed, or color.

(6) To eliminate and prohibit:

(A) segregation;

(B) separation; and

(C) discrimination;

on the basis of race, ~~color, or~~ creed, **or color** in ~~the public kindergartens, common schools,~~ public schools. ~~vocational schools, colleges, and universities of Indiana.~~

SECTION 218. IC 20-33-1-3, AS ADDED BY P.L.1-2005, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. (a) The governing body of a school corporation and the board of trustees of a ~~college or university~~ **state educational institution** may not build or erect, establish, maintain, continue, or permit any segregated or separate

~~(1) public kindergartens,~~

~~(2)~~ public schools, ~~or districts,~~

~~(3)~~ **including any** public school departments or divisions ~~or~~

~~(4) colleges or universities,~~

on the basis of race, color, creed, or national origin of pupils or students.

(b) The officials described in subsection (a) may take any affirmative actions that are reasonable, feasible, and practical to effect greater integration and to reduce or prevent segregation or separation of races in public schools for whatever cause, including:

(1) site selection; or

(2) revision of:

(A) school districts;

(B) curricula; or

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(C) enrollment policies;

to implement equalization of educational opportunity for all.

(c) A school corporation shall review the school corporation's programs to determine if the school corporation's practices of:

(1) separating students by ability;

(2) placing students into educational tracks; or

(3) using test results to screen students;

have the effect of systematically separating students by race, color, creed, national origin, or socioeconomic class.

SECTION 219. IC 20-33-1-4, AS ADDED BY P.L.1-2005, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. (a) A student is entitled to be admitted and enrolled in ~~the~~ **a** public ~~or common~~ school in the school corporation in which the student resides without regard to race, creed, color, socioeconomic class, or national origin.

(b) A student may not be prohibited, segregated, or denied attendance or enrollment ~~to~~ **in**

~~(1)~~ a

~~(A)~~ public school

~~(B) common school;~~

~~(C) junior high school; or~~

~~(D) high school;~~

in the student's school corporation ~~or~~

~~(2) a college or university in Indiana;~~

because of the student's race, creed, color, or national origin.

(c) Every student is free to attend

~~(1)~~ a

~~(A)~~ public school, ~~or~~ **including a**

~~(B)~~ department or division of a public school ~~or~~

~~(2) college or university in Indiana;~~

within the laws applicable alike to noncitizen and nonresident students.

SECTION 220. IC 20-33-1-5, AS ADDED BY P.L.1-2005, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. (a) A

~~(1)~~ public school

~~(2) state college; or~~

~~(3) state university;~~

may not segregate, separate, or discriminate against any of its students on the basis of race, creed, or color.

(b) Admission to a public school may not be approved or denied on the basis of race, creed, or color.

SECTION 221. IC 20-33-1-6, AS ADDED BY P.L.1-2005,

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SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. A

~~(1)~~ public school

~~(2) state college; or~~

~~(3) state university;~~

may not discriminate in any way in the hiring, upgrading, tenure, or placement of ~~any~~ **a** teacher on the basis of race, creed, color, or national origin.

SECTION 222. IC 20-33-1-7, AS ADDED BY P.L.1-2005, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 7. This chapter is supplemental to:

(1) all common law, statutory law, and civil rights applicable to the public schools; ~~common schools, colleges, and universities;~~ and

(2) the rights and remedies arising from these laws of ~~the state~~ **Indiana** and to ~~the state's~~ **Indiana's** citizens.

SECTION 223. IC 20-34-4-1, AS ADDED BY P.L.1-2005, SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. (a) Each school shall keep an immunization record of the school's students. The records must be kept uniformly throughout Indiana according to procedures prescribed by the state department of health.

(b) Whenever a student transfers to another school, the school from which the student is transferring may furnish, not later than twenty (20) days after the transfer, a copy of the student's immunization record to the school to which the student is transferring.

(c) Whenever a student enrolls in a ~~postsecondary~~ **state educational** institution, ~~(as defined in IC 20-12-71-8),~~ the school from which the student graduated may furnish a copy of the student's immunization record to the ~~postsecondary~~ **state educational** institution. If the student is enrolled in a ~~postsecondary~~ **state educational** institution while still attending a secondary level school, the secondary level school that the student is attending may furnish a copy of the student's immunization record to the ~~postsecondary~~ **state educational** institution.

SECTION 224. IC 20-35-3-1, AS AMENDED BY P.L.141-2006, SECTION 97, AND AS AMENDED BY P.L.145-2006, SECTION 152, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. (a) The state superintendent shall appoint a state advisory council on the education of children with disabilities. The state advisory council's duties consist of providing policy guidance concerning special education and related services for children with disabilities. The state superintendent shall appoint at least

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seventeen (17) members who serve for a term of four (4) years. Vacancies shall be filled in the same manner for the unexpired balance of the term.

(b) The members of the state advisory council must be:

(1) citizens of Indiana;

(2) representative of the state's population; and

(3) selected on the basis of their involvement in or concern with the education of children with disabilities.

(c) A majority of the members of the state advisory council must be individuals with disabilities or the parents of children with disabilities. Members must include the following:

(1) Parents of children with disabilities.

(2) Individuals with disabilities.

(3) Teachers.

(4) Representatives of ~~higher education~~ **postsecondary educational** institutions that prepare special education and related services personnel.

(5) State and local education officials.

(6) Administrators of programs for children with disabilities.

(7) Representatives of state agencies involved in the financing or delivery of related services to children with disabilities, including the following:

(A) The commissioner of the state department of health or the commissioner's designee.

(B) The director of the division of disability ~~*aging,*~~ and rehabilitative services or the director's designee.

(C) The director of the division of mental health and addiction or the director's designee.

(D) The director of the ~~*division of family and children*~~ *department of child services* or the director's designee.

(8) Representatives of nonpublic schools and freeway schools.

(9) One (1) or more representatives of vocational, community, or business organizations concerned with the provision of transitional services to children with disabilities.

(10) Representatives of the department of correction.

(11) A representative from each of the following:

(A) The Indiana School for the Blind and Visually Impaired board.

(B) The Indiana School for the Deaf board.

(d) The responsibilities of the state advisory council are as follows:

(1) To advise the state superintendent and the state board regarding all rules pertaining to children with disabilities.

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(2) To recommend approval or rejection of completed comprehensive plans submitted by school corporations acting individually or on a joint school services program basis with other corporations.

(3) To advise the department of unmet needs within Indiana in the education of children with disabilities.

(4) To provide public comment on rules proposed by the state board regarding the education of children with disabilities.

(5) To advise the department in developing evaluations and reporting data to the United States Secretary of Education under 20 U.S.C. 1418.

(6) To advise the department in developing corrective action plans to address findings identified in federal monitoring reports under 20 U.S.C. 1400 et seq.

(7) To advise the department in developing and implementing policies related to the coordination of services for children with disabilities.

(e) The state advisory council shall do the following:

(1) Organize with a chairperson selected by the state superintendent.

(2) Meet as often as necessary to conduct the council's business at the call of the chairperson, upon ten (10) days written notice, but not less than four (4) times a year.

(f) Members of the state advisory council are entitled to reasonable amounts for expenses necessarily incurred in the performance of their duties.

(g) The state superintendent shall do the following:

(1) Designate the director to act as executive secretary of the state advisory council.

(2) Furnish all professional and clerical assistance necessary for the performance of the state advisory council's powers and duties.

(h) The affirmative votes of a majority of the members appointed to the state advisory council are required for the state advisory council to take action.

SECTION 225. IC 20-35-7-3, AS ADDED BY P.L.1-2005, SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. (a) As used in this chapter, "transition services" means a coordinated set of activities for a student with a disability that:

(1) is designed within an outcome oriented process; and

(2) promotes movement from the public agency to postsecondary school activities, including the following:

(A) Postsecondary education.

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(B) Vocational training **that is not postsecondary education.**
(C) Integrated employment (including supported employment).
(D) Continuing and adult education.
(E) Adult services.
(F) Independent living.
(G) Community participation.

(b) The coordinated set of activities described in subsection (a) must:

(1) be based on the individual student's needs, taking into account the student's preferences and interests; and
(2) include the following:
(A) Instruction.
(B) Related services.
(C) Community experiences.
(D) The development of employment and other postsecondary ~~school~~ **educational institution** adult living objectives.
(E) Where appropriate, acquisition of daily living skills and a functional vocational evaluation.

SECTION 226. IC 20-36-3-5, AS ADDED BY P.L.1-2005, SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. (a) Each school year:

(1) each school corporation may provide the College Board's science and math advanced placement courses; and
(2) each school corporation may provide additional College Board advanced placement courses;

in secondary schools for students who qualify to take the advanced placement courses.

(b) Each school corporation shall provide the College Board's science and math advanced placement courses in secondary schools for students who qualify to take the advanced placement courses.

(c) In addition to the College Board's math and science advanced placement tests, the state board may approve advanced placement courses offered by a state educational institution ~~(as defined in IC 20-12-0.5-1)~~ in collaboration with a school corporation if the state educational institution and the collaborating school corporation demonstrate to the state board that the particular advanced placement course satisfies the objectives of this chapter.

SECTION 227. IC 20-36-3-11, AS ADDED BY P.L.1-2005, SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 11. Each state educational institution ~~(as defined in IC 20-12-0.5-1)~~ shall work with the department in the development of a policy of granting academic credit and advanced placement to

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students who:

(1) attend the state educational institution; and

(2) receive a satisfactory score as determined by the state educational institution on the advanced placement examination.

SECTION 228. IC 20-36-4-4, AS ADDED BY P.L.1-2005, SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. (a) The department shall operate the academy under guidelines that are established by the advisory board and in consideration of the recommendations that are made by the advisory board under section 6 of this chapter.

(b) The department shall:

(1) employ personnel necessary to operate the academy;

(2) select the students who will attend the academy;

(3) hire the faculty for the academy;

(4) enter into contracts with **postsecondary educational** institutions ~~of higher education~~ or other similar entities for establishing the location or locations of the academy;

(5) determine the courses that are to be offered at each academy site; and

(6) take any other action necessary to operate the academy under this chapter.

SECTION 229. IC 20-36-4-5, AS ADDED BY P.L.1-2005, SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. (a) An advisory board for the academy is established.

(b) Fifteen (15) members shall be appointed to the advisory board as follows:

(1) The state superintendent as an ex officio member.

(2) The chairman of the curriculum committee of the state board as an ex officio member.

(3) The commissioner of the commission ~~on~~ **for** higher education as an ex officio member.

(4) Seven (7) members appointed by the state superintendent as follows:

(A) Two (2) members who are classroom teachers.

(B) Two (2) members who are public school administrators.

(C) One (1) member who represents the parents of public school students.

(D) Two (2) members who are former students of the academy.

(5) Five (5) members appointed by the governor as follows:

(A) Two (2) representatives from ~~public~~ **state educational** institutions. ~~of higher education in Indiana.~~

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(B) One (1) representative from a private **postsecondary educational** institution ~~of higher education~~ in Indiana.

(C) Two (2) individuals representing business and industry.

(c) At the expiration of the terms of the initial appointees, their successors shall be appointed to four (4) year terms beginning on July 1 in the year of their appointments. A member may be reappointed to the advisory board.

(d) A vacancy in any appointive term under this section shall be filled for the unexpired part of the term by appointment of the officer who appointed the person creating the vacancy.

(e) On July 1 of each year, the state superintendent shall designate a member to serve as chairperson. The advisory board shall elect other officers annually to serve terms from July 1 through June 30.

(f) An advisory board member is not entitled to the minimum salary per diem as provided in IC 4-10-11-2.1(b) while performing the member's duties. A member 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.

(g) The chairperson shall call the meetings of the advisory board.

(h) A majority of the advisory board constitutes a quorum for the purpose of doing business.

SECTION 230. IC 20-36-5-1, AS ADDED BY P.L.64-2006, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. A student shall receive credits toward graduation or an academic honors diploma by demonstrating the student's proficiency in a course or subject area required for graduation or the academic honors diploma, whether or not the student has completed course work in the subject area, by any one (1) or more of the following methods:

(1) Receiving a score that demonstrates proficiency on a standardized assessment of academic or subject area competence that is accepted by accredited postsecondary **educational** institutions.

(2) Receiving a high proficiency level score on an end of course assessment for a course without taking the course.

(3) Successfully completing a similar course at an eligible institution under the postsecondary enrollment program under IC 20-30-11.

(4) Receiving a score of three (3), four (4), or five (5) on an advanced placement examination for a course or subject area.

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(5) Other methods approved by the state board.

SECTION 231. IC 20-42-3-10, AS ADDED BY P.L.2-2006, SECTION 165, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 10. The trustee, with the advice and consent of the township board, shall use the account for the following educational purposes:

(1) Each year the trustee shall pay to the parent or legal guardian of any child whose residence is within the township, the initial cost for the rental of textbooks used in any elementary or secondary school that has been accredited by the state. The reimbursement for the rental of textbooks shall be for the initial yearly rental charge only. Textbooks subsequently lost or destroyed may not be paid for from this account.

(2) Students who are residents of the township for the last two (2) years of their secondary education and who still reside within the township are entitled to receive financial assistance in an amount not to exceed an amount determined by the trustee and the township board during an annual review of ~~higher~~ **postsecondary** education fees and tuition costs of ~~post-high school~~ education at any accredited ~~college, university, junior college, or vocational or trade school.~~ **postsecondary educational institution.** Amounts to be paid to each eligible student shall be set annually after this review. The amount paid each year must be:

(A) equitable for every eligible student without regard to race, religion, creed, sex, disability, or national origin; and

(B) based on the number of students and the amount of funds available each year.

(3) A person who has been a permanent resident of the township continuously for at least two (2) years and who needs educational assistance for job training or retraining may apply to the trustee of the township for financial assistance. The trustee and the township board shall review each application and make assistance available according to the need of each applicant and the availability of funds.

(4) If all the available funds are not used in any one (1) year, the unused funds shall be retained in the account by the trustee for use in succeeding years.

SECTION 232. IC 20-42.5 IS ADDED TO THE INDIANA CODE AS A **NEW** ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]:

ARTICLE 42.5. ALLOCATION OF EXPENDITURES TO STUDENT INSTRUCTION

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Chapter 1. Purposes and General Provisions

Sec. 1. This article has the following purposes:

(1) To maximize the allocation and use of taxpayer provided resources by school corporations and schools for student instruction and learning.

(2) To confirm the authority of school corporations to use a variety of methods to reduce the costs of acquisition of products and services.

(3) To instruct the state board to oversee the consideration of statewide means to acquire products and services.

(4) To provide a means for school corporations to access technical assistance and other support in the consideration of means to increase the allocation of resources to student instruction and learning.

(5) To recognize school corporations that achieve effective allocation of resources to student instruction and learning.

Sec. 2. This article is supplemental to and does not abrogate the powers given to school corporations under the home rule provisions of IC 20-26-3, and those powers remain in full effect.

Chapter 2. Authority to Allocate Expenditures to Student Instruction and Learning

Sec. 1. A school corporation individually, in collaboration with other school corporations, and through the educational services centers may undertake action to reduce noninstructional expenditures and allocate the resulting savings to student instruction and learning. Actions taken under this section include the following:

(1) Pooling of resources with other school corporations for liability insurance, property and casualty insurance, worker's compensation insurance, employee health insurance, vision insurance, dental insurance, or other insurance, whether by pooling risks for coverage or for the purchase of coverage, or by the creation of or participation in insurance trusts, subject to the following:

(A) School corporations that elect to pool assets for coverage must create a trust under Indiana law for the assets. The trust is subject to regulation by the department of insurance as follows:

(i) The trust must be registered with the department of insurance.

(ii) The trust shall obtain stop loss insurance issued by an insurer authorized to do business in Indiana with an

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aggregate retention of not more than one hundred twenty-five percent (125%) of the amount of expected claims for the following year.

(iii) Contributions by the school corporations must be set at one hundred percent (100%) of the aggregate retention plus all other costs of the trust.

(iv) The trust shall maintain a fidelity bond in an amount approved by the department of insurance. The fidelity bond must cover each person responsible for the trust for acts of fraud or dishonesty in servicing the trust.

(v) The trust is subject to IC 27-4-1-4.5 regarding claims settlement practices.

(vi) The trust shall file an annual financial statement in the form required by IC 27-1-3-13 not later than March 1 of each year.

(vii) The trust is not covered by the Indiana insurance guaranty association created under IC 27-6-8. The liability of each school corporation is joint and several.

(viii) The trust is subject to examination by the department of insurance. All costs associated with an examination shall be borne by the trust.

(ix) The department of insurance may deny, suspend, or revoke the registration of a trust if the commissioner finds that the trust is in a hazardous financial condition, the trust refuses to be examined or produce records for examination, or the trust has failed to pay a final judgment rendered against the trust by a court within thirty (30) days.

(B) The department of insurance may adopt rules under IC 4-22-2 to implement this subdivision.

(2) Electing, as an individual school corporation or as more than one (1) school corporation acting jointly, to aggregate purchases of natural gas commodity supply from any available natural gas commodity seller for all schools included in the aggregated purchases. A rate schedule that is:

(A) filed by a natural gas utility; and

(B) approved by the Indiana utility regulatory commission;

must include provisions that allow a school corporation or school corporations acting jointly to elect to make aggregated purchases of natural gas commodity supplies. Upon request from a school corporation, a natural gas utility shall summarize the rates and charges for providing services to

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each school in the school corporation on one (1) summary bill for remitting payment to the utility.

(3) Consolidating purchases with other school corporations or units of government of the following:

(A) School buses and other vehicles and vehicle fleets.

(B) Fuel, maintenance, or other services for vehicles or vehicle fleets.

(C) Food services.

(D) Facilities management services.

(E) Transportation management services.

(F) Textbooks, technology, and other school materials and supplies.

(G) Any other purchases a school corporation may require.

Purchases may be made by contiguous school corporations, as part of regional consolidated purchasing arrangements, or from consolidated sources under multistate cooperative bidding arrangements.

Sec. 2. A school corporation may use shared services arrangements with other school corporations and units of government, including:

(1) the use of shared administrative services overseeing transportation, food service, facilities, or other operations;

(2) the use of shared administrative services to manage finance, payroll, human resources, information technology, purchasing, or other administrative services; and

(3) the use of shared resources to provide instruction, supplemental services, extracurricular activities, or other student services.

School corporations are not required to merge schools, consolidate, or otherwise relinquish control of curriculum, instruction, or student activities to use shared services arrangements.

Sec. 3. A school corporation may collaborate with contiguous school corporations to explore the use of cooperatives among school corporations, commonly managed school corporations, or the consolidation of school corporations to provide effective and efficient management of the school corporations or functions of the school corporations.

Sec. 4. (a) Educational service centers established under IC 20-20-1 shall support and facilitate actions by school corporations under this article, including by the use of an educational service center's existing cooperative agreements.

(b) School corporations and educational service centers may use

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the division of finance of the department and the office of management and budget to provide technical assistance under this article.

(c) Not later than August 31 of each year, the educational service centers shall report to the state board the results of the efforts of the educational service centers under this article during the preceding school year.

Chapter 3. State Board Action

Sec. 1. The state board shall explore methods, including statewide purchases, to reduce the expense to school corporations for the purchase of the following:

(1) Textbooks.

(2) Technology.

(3) School buses and other vehicles.

(4) Other areas of expenses as determined by the state board.

Sec. 2. The state board, assisted by the educational service centers, the division of finance of the department, and the office of management and budget, shall survey annually the school corporations to determine actions taken by the school corporations to allocate resources to student instruction and learning. The state board shall issue an annual report of actions taken to:

(1) each school corporation;

(2) the public; and

(3) the general assembly.

The report to the general assembly must be submitted to the executive director of the legislative services agency in an electronic format under IC 5-14-6.

Sec. 3. Not later than November 1 of each year, the state board, assisted by the office of management and budget and school corporation officials, shall submit a report to the state superintendent, the governor, and the general assembly concerning the following:

(1) Consolidated purchasing arrangements used by multiple school corporations, through educational service centers, and throughout Indiana.

(2) Shared services arrangements used by multiple school corporations, through educational service centers, and in Indiana as a whole.

(3) The efforts of school corporations to explore cooperatives, common management, or consolidations.

The report to the general assembly must be submitted to the executive director of the legislative services agency in an electronic

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format under IC 5-14-6.

Sec. 4. (a) The state board, assisted by the office of management and budget, the division of finance of the department, and school corporation officials, shall analyze each school corporation's expenses for the 2004-2005 and 2005-2006 school years to determine how much each school corporation spent, from whatever source, directly or indirectly, on the following categories of expenditures:

(1) Student academic achievement expenditures.

(2) Student instructional support expenditures.

(3) Overhead and operational expenditures.

(4) Nonoperational expenditures.

The state board shall determine the types of expenses that are included in each category set forth in subdivisions (1) through (4). The sum of all expenditures under subdivisions (1) through (4) by a school corporation must equal the total amount of expenditures by the school corporation for the year being analyzed.

(b) The state board's analysis under subsection (a) may include relevant trend line data for school years before the 2004-2005 school year.

(c) Not later than June 30, 2007, the state board shall report the results of the analysis under subsection (a) to the state superintendent, the governor, and the general assembly. The report to the general assembly must be submitted to the executive director of the legislative services agency in an electronic format under IC 5-14-6.

Sec. 5. (a) For each school year using the 2005-2006 school year as a baseline:

(1) the office of management and budget shall analyze and report to the state board, the governor, and the general assembly concerning the progress or lack of progress of each school corporation, of all school corporations in each educational service center's area, and in Indiana as a whole in improving the ratio of student instructional expenditures to all other expenditures for the previous school year;

(2) the state board shall recognize publicly each school corporation and educational service center that has an improved ratio of student instructional expenditures to all other expenditures during the previous school year;

(3) the office of management and budget and the division of finance of the department shall be available to consult with and provide technical assistance to each school corporation

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that did not have an improved ratio of student instructional expenditures to all other expenditures during the previous school year; and

(4) each school corporation shall report to the public in the school corporation's annual performance report and to the members of the general assembly whose districts include the school corporation:

(A) the percentage of resources spent by the school corporation during the previous school year on each category of expenditures set forth in section 4 of this chapter and whether the school corporation met the goals established for the previous school year under section 6 of this chapter;

(B) the trend line for each category of expenditures set forth in section 4 of this chapter for the school corporation during the previous school year;

(C) whether the school corporation did or did not make progress in improving the ratio of student instructional expenditures to all other expenditures during the previous school year; and

(D) the goals established under section 6 of this chapter for the current school year.

(b) The reports to the general assembly under subsection (a)(1) and to individual members of the general assembly under subsection (a)(4) must be submitted to the executive director of the legislative services agency in an electronic format under IC 5-14-6.

Sec. 6. (a) Beginning with the 2007-2008 school year, each governing body shall establish goals for each category of expenditures set forth in section 4 of this chapter that will increase the school corporation's allocation of taxpayer resources directly to student instruction and learning, in light of the unique circumstances present in the school corporation.

(b) The state board shall recognize and reward the school corporations that meet the goals described in subsection (a).

SECTION 233. IC 20-43-4-8 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 8. A student who participates in:**

(1) a postsecondary enrollment program under IC 21-43-4 is considered a student enrolled in the school corporation where the student has legal settlement for the purposes of computing ADM;

(2) a high school fast track to college program under

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IC 21-43-6 shall be counted in the ADM of the school corporation where the student has legal settlement if the student would be counted in the ADM of the school corporation had the student enrolled in the school corporation; or

(3) a high school fast track to college program under IC 21-43-7 shall be counted in the ADM of the school corporation where the student has legal settlement if the student would be counted in the ADM of the school corporation had the student enrolled in the school corporation.

SECTION 234. IC 21-7-12 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]:

Chapter 12. Effect of Recodification by the Act of the 2007 Regular Session of the General Assembly

Sec. 1. As used in this chapter, "prior law" refers to the statutes concerning higher education that are repealed or amended in the recodification act of the 2007 regular session of the general assembly as the statutes existed before the effective date of the applicable or corresponding provision of the recodification act of the 2007 regular session of the general assembly. The term includes statutes that are recodified outside this title by the recodification act of the 2007 regular session of the general assembly, such as law related to the Indiana health and educational facility finance authority, Indiana University hospitals, medical center development agencies, university administered preschools, elementary schools, and high schools, administration of school corporation expenditures, donations to a state educational institution by a political subdivision, and the Knox County property tax levy for Vincennes University.

Sec. 2. The purpose of the recodification act of the 2007 regular session of the general assembly is to recodify prior law in a style that is clear, concise, and easy to interpret and apply. Except to the extent that:

(1) the recodification act of the 2007 regular session of the general assembly is amended to reflect the changes made in a provision of another bill that adds to, amends, or repeals a provision in the recodification act of the 2007 regular session of the general assembly; or

(2) the minutes of meetings of the code revision commission during 2006 expressly indicate a different purpose;

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the substantive operation and effect of the prior law continue uninterrupted as if the recodification act of the 2007 regular session of the general assembly had not been enacted.

Sec. 3. Subject to section 2 of this chapter, sections 4 through 9 of this chapter shall be applied to the statutory construction of the recodification act of the 2007 regular session of the general assembly.

Sec. 4. (a) The recodification act of the 2007 regular session of the general assembly does not affect:

(1) any rights or liabilities accrued;
(2) any penalties incurred;
(3) any violations committed;
(4) any proceedings begun;
(5) any bonds, notes, loans, or other forms of indebtedness issued, incurred, or made;
(6) any tax levies made or authorized;
(7) any funds established;
(8) any patents issued;
(9) the validity, continuation, or termination of any contracts, easements, or leases executed;
(10) the validity, continuation, scope, termination, suspension, or revocation of:
(A) permits;
(B) licenses;
(C) certificates of registration;
(D) grants of authority; or
(E) limitations of authority; or
(11) the validity of court decisions entered regarding the constitutionality of any provision of the prior law;

before the effective date of the recodification act of the 2007 regular session of the general assembly (July 1, 2007). Those rights, liabilities, penalties, violations, proceedings, bonds, notes, loans, other forms of indebtedness, tax levies, funds, patents, contracts, easements, leases, permits, licenses, certificates of registration, grants of authority, and limitations of authority continue and shall be imposed and enforced under prior law as if the recodification act of the 2007 regular session of the general assembly had not been enacted.

(b) The recodification act of the 2007 regular session of the general assembly does not:

(1) extend or cause to expire a permit, license, certificate of registration, or other grant or limitation of authority; or

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(2) in any way affect the validity, scope, or status of a license, permit, certificate of registration, or other grant or limitation of authority;

issued under the prior law.

(c) The recodification act of the 2007 regular session of the general assembly does not affect the revocation, limitation, or suspension of a permit, license, certificate of registration, or other grant or limitation of authority based in whole or in part on violations of the prior law or the rules adopted under the prior law.

Sec. 5. The recodification act of the 2007 regular session of the general assembly shall be construed as a recodification of prior law. Except as provided in section 2(1) and 2(2) of this chapter, if the literal meaning of the recodification act of the 2007 regular session of the general assembly (including a literal application of an erroneous change to an internal reference) would result in a substantive change in the prior law, the difference shall be construed as a typographical, spelling, or other clerical error that must be corrected by:

(1) inserting, deleting, or substituting words, punctuation, or other matters of style in the recodification act of the 2007 regular session of the general assembly; or

(2) using any other rule of statutory construction;

as necessary or appropriate to apply the recodification act of the 2007 regular session of the general assembly in a manner that does not result in a substantive change in the law. The principle of statutory construction, which states that a court must apply the literal meaning of an act if the literal meaning of the act is unambiguous, does not apply to the recodification act of the 2007 regular session of the general assembly to the extent that the recodification act of the 2007 regular session of the general assembly is not substantively identical to the prior law.

Sec. 6. Subject to section 9 of this chapter, a reference in a statute or rule to a statute that is repealed and replaced in the same or a different form in the recodification act of the 2007 regular session of the general assembly shall be treated after the effective date of the new provision as a reference to the new provision.

Sec. 7. A citation reference in the recodification act of the 2007 regular session of the general assembly to another provision of the recodification act of the 2007 regular session of the general assembly shall be treated as including a reference to the provision of prior law that is substantively equivalent to the provision of the recodification act of the 2007 regular session of the general

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assembly that is referred to by the citation reference.

Sec. 8. (a) As used in the recodification act of the 2007 regular session of the general assembly, a reference to rules adopted under any provision of this title or under any other provision of the recodification act of the 2007 regular session of the general assembly refers to either:

(1) rules adopted under the recodification act of the 2007 regular session of the general assembly; or

(2) rules adopted under the prior law until those rules have been amended, repealed, or superseded.

(b) Rules adopted under the prior law continue in effect after June 30, 2007, until the rules are amended, repealed, or suspended.

Sec. 9. (a) A reference in the recodification act of the 2007 regular session of the general assembly to a citation in the prior law before its repeal is added in certain sections of the recodification act of the 2007 regular session of the general assembly only as an aid to the reader.

(b) The inclusion or omission in the recodification act of the 2007 regular session of the general assembly of a reference to a citation in the prior law before its repeal does not affect:

(1) any rights or liabilities accrued;

(2) any penalties incurred;

(3) any violations committed;

(4) any proceedings begun;

(5) any bonds, notes, loans, or other forms of indebtedness issued, incurred, or made;

(6) any tax levies made or authorized;

(7) any funds established;

(8) any patents issued;

(9) the validity, continuation, or termination of contracts, easements, or leases executed;

(10) the validity, continuation, scope, termination, suspension, or revocation of:

(A) permits;

(B) licenses;

(C) certificates of registration;

(D) grants of authority;

(E) limitations of authority; or

(F) degrees; or

(11) the validity of court decisions entered regarding the constitutionality of any provision of the prior law;

before the effective date of the recodification act of the 2007

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regular session of the general assembly (July 1, 2007). Those rights, liabilities, penalties, violations, proceedings, bonds, notes, loans, other forms of indebtedness, tax levies, funds, patents, contracts, easements, leases, permits, licenses, certificates of registration, grants of authority, limitations of authority, and degrees, continue and shall be imposed and enforced under prior law as if the recodification act of the 2007 regular session of the general assembly had not been enacted.

(c) The inclusion or omission in the recodification act of the 2007 regular session of the general assembly of a citation to a provision in the prior law does not affect the use of a prior conviction, violation, or noncompliance under the prior law as the basis for revocation of a license, permit, certificate of registration, or other grant of authority under the recodification act of the 2007 regular session of the general assembly, as necessary or appropriate to apply the recodification act of the 2007 regular session of the general assembly in a manner that does not result in a substantive change in the law.

SECTION 235. IC 21-7-13 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]:

Chapter 13. Definitions

Sec. 1. The definitions in this chapter apply throughout this title.

Sec. 2. "Academic term":

(1) for purposes of this title (other than IC 21-40), has the meaning set forth in IC 21-12-1-2; and

(2) for purposes of IC 21-40, has the meaning set forth in IC 21-40-1-2.

Sec. 3. "Academic year" has the meaning set forth in IC 21-12-1-3.

Sec. 4. "Accredited nonpublic school" means a nonpublic school that has voluntarily become accredited under IC 20-19-2-8.

Sec. 5. "ADM" has the meaning set forth in IC 20-43-1-6.

Sec. 6. (a) "Approved postsecondary educational institution", for purposes of this title (except section 15 of this chapter, IC 21-12-6, IC 21-12-7, and IC 21-13-1-4) means the following:

(1) A postsecondary educational institution that operates in Indiana and:

(A) provides an organized two (2) year or longer program of collegiate grade directly creditable toward a baccalaureate degree;

(B) is either operated by the state or operated nonprofit;

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and

(C) is accredited by a recognized regional accrediting agency or by the commission on proprietary education.

(2) Ivy Tech Community College.

(3) A hospital that operates a nursing diploma program that is accredited by the Indiana state board of nursing.

(4) A postsecondary proprietary educational institution that meets the following requirements:

(A) Is incorporated in Indiana, or is registered as a foreign corporation doing business in Indiana.

(B) Is fully accredited by and is in good standing with the commission on proprietary education.

(C) Is accredited by and is in good standing with a regional or national accrediting agency.

(D) Offers a course of study that is at least eighteen (18) consecutive months in duration (or an equivalent to be determined by the commission on proprietary education) and that leads to an associate or a baccalaureate degree recognized by the commission on proprietary education.

(E) Is certified to the state student assistance commission by the commission on proprietary education as meeting the requirements of this subdivision.

(b) "Approved postsecondary educational institution" for purposes of section 15 of this chapter, IC 21-12-6, IC 21-12-7, and IC 21-13-1-4, means the following:

(1) A state educational institution.

(2) A nonprofit college or university.

(3) A postsecondary proprietary educational institution that is accredited by an accrediting agency recognized by the United States Department of Education.

Sec. 7. "Approved secondary school" has the meaning set forth in IC 21-12-1-6.

Sec. 8. "Ball State University" refers to the state educational institution established under IC 21-19-2.

Sec. 9. "Board of trustees":

(1) in a law applicable to Ball State University, refers to the Ball State University board of trustees;

(2) in a law applicable to Indiana University, refers to the Indiana University board of trustees;

(3) in a law applicable to Indiana State University, refers to the Indiana State University board of trustees;

(4) in a law applicable to Ivy Tech Community College, refers

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to the Ivy Tech Community College of Indiana board of trustees (or if the name of the state educational institution is changed under IC 21-22-2-2, the trustees of the state educational institution with the name designated under IC 21-22-2-2);

(5) in a law applicable to Purdue University, refers to the Purdue University board of trustees;

(6) in a law applicable to the University of Southern Indiana, refers to the University of Southern Indiana board of trustees; and

(7) in a law applicable to Vincennes University, refers to the Vincennes University board of trustees.

Sec. 10. "College or university" means a postsecondary educational institution that meets the following requirements:

(1) Is authorized by law to provide a program of education beyond the high school level.

(2) Admits as regular students only individuals having a certificate of graduation from a high school or the recognized equivalent of such a certificate.

(3) Provides an educational program:

(A) for which the higher education institution awards a baccalaureate or an associate degree;

(B) in which admission is contingent upon the prior attainment of a baccalaureate degree or the equivalent, for which the higher education institution:

(i) awards a postgraduate degree; or

(ii) provides not less than a two (2) year program that is acceptable for full credit toward a postgraduate degree; or

(C) of a two (2) year duration in engineering, mathematics, or the physical or biological sciences, that is designed to prepare the student to work as a technician and at a semiprofessional level in an engineering, a scientific, or other technological field that requires the understanding and application of basic engineering, scientific, or mathematical principles or knowledge.

(4) Is accredited by a regional accrediting agency or association or by an organization recognized by the United States Department of Education, or, if not so accredited is an institution whose credits are accepted on transfer by not less than three (3) institutions that are accredited by a regional accrediting agency or association or by an organization

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recognized by the United States Department of Education, with the credits accepted on the same basis as if the credits were transferred from an accredited institution.

Sec. 11. "Commission for higher education" refers to the commission for higher education of the state of Indiana established under IC 21-18-2.

Sec. 12. "Commission on proprietary education" refers to the Indiana commission on proprietary education established by IC 21-17-2-1.

Sec. 13. "Community college system" refers to a community college system established under IC 21-41-5.

Sec. 14. "Educational costs" means tuition and regularly assessed fees.

Sec. 15. "Educational support costs" refers to costs incurred by scholarship recipients in purchasing:

(1) required textbooks, supplies, or equipment;

(2) any other material required by the approved postsecondary educational institution in order for a scholarship recipient to participate in a particular class, seminar, laboratory, or other type of instruction; or

(3) other items or services approved by the state student assistance commission under rules adopted by the state student assistance commission;

that are not included in educational costs.

Sec. 16. "Elementary school" has the meaning set forth in IC 20-18-2-4.

Sec. 17. "Eligible institution", for purposes of:

(1) IC 21-12, has the meaning set forth in IC 21-12-1-8;

(2) IC 21-13, has the meaning set forth in IC 21-13-1-3;

(3) IC 21-16, has the meaning set forth in IC 21-16-1-7;

(4) IC 21-43, has the meaning set forth in IC 21-43-1-3; and

(5) IC 21-44, has the meaning set forth in IC 21-44-1-10.

Sec. 18. "Faculty", for purposes of a law related to:

(1) Indiana University, refers to the president, professors, and instructors of Indiana University; and

(2) Vincennes University, refers to the president and professors of Vincennes University, or a majority of them.

Sec. 19. "High school" has the meaning set forth in IC 20-18-2-7.

Sec. 20. "Indiana University" refers to the state educational institution established under IC 21-20-2.

Sec. 21. "Indiana State University" refers to the state

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educational institution established under IC 21-21-2.

Sec. 22. "Ivy Tech Community College" refers to the state educational institution established under IC 21-22-2.

Sec. 23. (a) "Nonprofit college or university", for purposes of this title (except IC 21-17-5 and IC 21-17-6) means a nonprofit college or university:

(1) with a principal office in Indiana that is not owned or controlled by the state of Indiana or any political subdivision, agency, instrumentality, district, or municipality of the state of Indiana; and

(2) that does not discriminate in the admission of students on the basis of race, color, or creed.

(b) "Nonprofit college or university" for purposes of:

(1) IC 21-17-5, has the meaning set forth in IC 21-17-1-10(1); and

(2) IC 21-17-6, has the meaning set forth in IC 21-17-1-10(2).

Sec. 24. "Nonpublic school" has the meaning set forth in IC 20-18-2-12.

Sec. 25. "Occupational and technical education" has the meaning set forth in IC 21-22-1-2.

Sec. 26. "Postsecondary proprietary educational institution" has the meaning set forth in IC 21-17-1-13.

Sec. 27. "Private technical, vocational, correspondence, and trade school" has the meaning set forth in IC 21-17-1-15.

Sec. 28. "Purdue University" refers to the state educational institution established under IC 21-23-2.

Sec. 29. "Regional institute" has the meaning set forth in IC 21-22-1-5.

Sec. 30. "School corporation" has the meaning set forth in IC 20-18-2-16(a).

Sec. 31. "Secondary school" has the meaning set forth in IC 20-18-2-18.

Sec. 32. (a) "State educational institution" means any university, college, or other educational institution:

(1) existing on or after March 29, 1971;

(2) in Indiana;

(3) that provides programs of:

(A) collegiate or university education: or

(B) other postsecondary education; and

(4) that is supported in whole or in part by appropriations made by the general assembly.

(b) The term refers to the following:

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(1) Ball State University.
(2) Indiana State University.
(3) Indiana University.
(4) Ivy Tech Community College.
(5) Purdue University.
(6) University of Southern Indiana.
(7) Vincennes University.

Sec. 33. "State student assistance commission" refers to the commission established by IC 21-11-2-1.

Sec. 34. "State superintendent" has the meaning set forth in IC 20-18-2-20.

Sec. 35. "University of Southern Indiana" refers to the state educational institution established under IC 21-24-2.

Sec. 36. "Vincennes University" refers to the state educational institution established under IC 21-25-2.

Sec. 37. "Vocational education" has the meaning set forth in IC 21-18-1-7.

SECTION 236. IC 21-7-14 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]:

Chapter 14. Indiana University Permanent Endowment Fund

Sec. 1. This chapter applies to money in the fund.

Sec. 2. As used in this chapter, "fund" refers to the Indiana University permanent endowment fund in the custody of the treasurer of state.

Sec. 3. (a) The treasurer of state is the exclusive custodian of the fund.

(b) The state board of finance has full and complete management and control of the fund. The state board of finance shall invest the fund as provided in IC 20.

Sec. 4. Except as provided in this chapter, the fund shall be invested in:

(1) bonds, notes, certificates, and other valid obligations of the United States;

(2) bonds, notes, debentures, and other securities issued by any federal instrumentality and fully guaranteed by the United States;

(3) bonds, notes, certificates, and other valid obligations of any state of the United States or any county, township, city, town, or other political subdivision in Indiana that are issued under law, the issuers of which, for five (5) years before the date of the investment, have promptly paid the principal and

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interest on their bonds and other legal obligations in lawful money of the United States; or

(4) bonds, notes, or other securities issued by the Indiana bond bank and described in IC 5-13-10.5-11(3).

Sec. 5. (a) The state board of finance shall direct all disbursement from the fund. The auditor of state shall draw the auditor of state's warrant on the treasurer of state, on a properly itemized voucher officially approved by:

(1) the president of the state board of finance; or

(2) any member of the state board of finance if the president is absent.

(b) Except as otherwise provided by this chapter, all securities purchased for the fund shall be deposited with and remain in the custody of the state board of finance. The state board of finance shall collect all interest or other income accruing on the securities, when due, together with the principal of the securities when the principal matures and is due. Except as provided by subsection (c), all money collected under this subsection shall be credited to the proper fund account on the records of the auditor of state, and the collection shall be deposited with the treasurer of state and reported to the state board of finance.

(c) All money collected under an agreement that is sold, transferred, or liquidated under IC 20-49-4-23 shall be immediately transferred to the purchaser, transferee, or assignee of the agreement.

Sec. 6. (a) The state board of finance may:

(1) make all rules;

(2) employ all help;

(3) purchase all supplies and equipment; and

(4) incur all expense;

necessary to properly carry out this chapter.

(b) The expense incident to the administration of this chapter shall be paid from any money in the state treasury not otherwise appropriated upon the warrant of the auditor of state and issued on a properly itemized voucher approved by the president of the state board of finance.

Sec. 7. The state board of accounts shall annually examine the status of the fund by a field examiner or field examiners assigned by the state examiner. Upon the completion of the examination, the examiners performing the duty shall prepare a report of the examination. The report must show:

(1) all necessary, pertinent information;

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(2) the balance of the fund's principal at the close of the previous examination;

(3) the amount of interest and principal paid by each county to the state board of finance since the close of the previous examination;

(4) the balance of principal due at the date of closing of the report;

(5) a statement of receipts and disbursements by the state board of finance;

(6) a list of the securities found to be possessed by the state board of finance;

(7) the amount of each security; and

(8) the total amount of all the securities held in custody.

The appropriate officer of the state board of finance shall sign the list described in subdivision (6) in duplicate. The original signed list shall be deposited with the state board of accounts, and the duplicate of the signed list shall be kept in the files of the treasurer of state.

Sec. 8. Notwithstanding any other law, the treasurer of state:

(1) on the terms that the treasurer of state prescribes; and

(2) without the approval of the state board of finance;

may make loans from the principal of the fund to the fund's board of trustees.

Sec. 9. The auditor of state shall loan as much of the fund as is not at any time absorbed by the nonnegotiable bonds of the state issued under this chapter at six percent (6%) interest, payable annually in advance in real estate security. Except as otherwise provided in this chapter, in making loans and disbursing the interest collected, the treasurer of state and the auditor of state are governed by the law in force regulating the manner of making loans of the university funds and paying out interest collected.

Sec. 10. (a) The auditor of state shall make a complete record of every mortgage and note executed on account of any loan from the fund, in a book to be kept in the auditor of state's office for that purpose.

(b) On payment of any loan to the fund, the auditor of state shall:

(1) enter a record of satisfaction in full on the margin of the record of the mortgage and sign the record; and

(2) enter satisfaction in full on the face of the mortgage.

(c) The mortgage, when presented by the mortgagor or any person holding title under the mortgagor, to the recorder of the

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county in which the land mortgaged is located, authorizes the recorder of the county to copy the entry on the record in the recorder's office.

Sec. 11. (a) If the state requires the loan of any part or all of the fund, the state is a preferred borrower of as much of the fund as is not loaned at the time.

(b) The treasurer of state shall cause to be executed, as evidence of a loan under this section, a nonnegotiable bond of the state for the amount borrowed, in the following manner:

(1) The bond must be signed by the governor and treasurer of state and attested by the secretary of state and the seal of the state.

(2) The bond must be made payable in fifty (50) years after the date of execution, at the option of the state.

(3) The bond shall bear five percent (5%) interest from the date of execution until paid.

(4) The interest on the bond must be:

(A) paid semiannually on May 1 and November 1 of each year;

(B) applied to the current and extraordinary expenses of Indiana University; and

(C) paid to the board of trustees under the same rules and regulations as is required by law in the payment of the revenues of Indiana University.

The nonnegotiable bond provided for in this section, when executed, must remain in the custody of the treasurer of state.

(c) If Indiana University is consolidated with any other educational institution or institutions of the state, or is removed from the location of the university as of June 5, 1883, for any cause, the funds raised under this chapter shall be held and used for the benefit of the institution, as consolidated or changed, notwithstanding the change or consolidation.

Sec. 12. Whenever:

(1) the auditor of state has made loans from the fund that were secured by a mortgage upon real property;

(2) the mortgaged premises are forfeited to the state for nonpayment of the amount due or are purchased for the state by the auditor of state for the benefit of the fund; and

(3) the mortgaged premises when sold fail to sell for a sum sufficient to satisfy the principal and interest of the loan and damages;

the auditor of state shall bring suit on the note executed by the

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mortgagor for the deficiency, for which the maker is liable. If judgment is rendered on the suit, an appraisement of property is not allowed on the execution issued on the judgment.

SECTION 237. IC 21-7-15 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]:

Chapter 15. Purdue University: Endowment Fund

Sec. 1. As used in this chapter, "fund" refers to the endowment fund for Purdue University described in section 2 of this chapter.

Sec. 2. The treasurer of state shall take in charge, hold, manage, and invest, for the use and benefit of the board of trustees of Purdue University, its endowment fund, derived from acceptance, by the state of Indiana, of the benefits and provisions of the acts of Congress, approved July 2, 1862, and April 14, 1864.

Sec. 3. The fund shall be held, managed, controlled, and invested in accordance with:

(1) 7 U.S.C. 301 et seq.;

(2) the acts of Congress that are amendatory or supplemental to 7 U.S.C. 301 et seq.; and

(3) this chapter.

Sec. 4. The fund or any part of the fund may be invested in securities bearing the rate of interest that is obtainable as follows:

(1) In bonds, notes, or certificates that are the obligations of, or guaranteed by, the United States.

(2) In:

(A) bonds of any territory or insular possession of the United States;

(B) bonds, notes, warrants, certificates, or orders of the state of Indiana; or

(C) any political subdivision, instrumentality, or agency of the state of Indiana;

issued under authority of law.

Sec. 5. Notwithstanding any other law to the contrary, the treasurer of state:

(1) on the terms that the treasurer of state prescribes; and

(2) without the approval of the state board of finance;

may make loans from the principal of the fund to the board of trustees of Purdue University.

SECTION 238. IC 21-9-1-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. The following are the purposes of this article:

(1) To encourage education and the means of education.

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(2) To encourage attendance at ~~higher education institutions.~~ **a college or university.**

(3) To provide families additional means of striving for ~~higher~~ **postsecondary** education through an education savings program that may be established under this article.

(4) To help provide the benefits of ~~higher~~ **postsecondary** education to the people of Indiana.

(5) To promote the economic development of the state by creating opportunities for a more highly educated workforce.

(6) To increase employment opportunities in Indiana.

(7) To encourage a working partnership among the people of Indiana, including Indiana families, and elementary and secondary schools, ~~higher education institutions,~~ **colleges or universities,** financial institutions, and state government in furthering a greater rate of savings and greater participation in higher education.

SECTION 239. IC 21-9-4-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. (a) The board of directors of the authority is established. The board consists of the following:

(1) The following four (4) ex officio members or directors:

(A) The treasurer of state.

(B) The state superintendent of public instruction.

(C) The Indiana commissioner ~~of~~ **for** higher education.

(D) The budget director.

(2) Five (5) appointed members or directors who:

(A) are appointed by the governor; and

(B) have knowledge, skill, and experience in academic, business, financial, or education fields.

(b) During a member's term of service on the board, an appointed member of the board may not be an official or employee of the state.

(c) Not more than three (3) of the appointed members of the board may belong to the same political party.

(d) An appointed member serves a four (4) year term. An appointed member shall hold over after the expiration of the member's term until the member's successor is appointed and qualified.

(e) The governor may reappoint an appointed member of the board.

(f) A vacancy shall be filled for the balance of an unexpired term in the same manner as the original appointment.

(g) The treasurer of state shall serve as chairman of the board. The board shall annually elect one (1) of its ex officio members as vice chairman, and may elect any other officer that the board desires.

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(h) The governor may remove an appointed member for misfeasance, malfeasance, willful neglect of duty, or other cause after notice and a public hearing, unless the member expressly waives the notice and hearing in writing.

SECTION 240. IC 21-9-4-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 7. In addition to any power granted by this article, the board has all powers necessary or convenient to carry out and effectuate the purposes and objectives of this article, the purposes and objectives of the education savings programs, and the powers delegated by law or executive order, including the following powers:

(1) To develop and implement the education savings programs and, notwithstanding any provision in this article to the contrary, other services consistent with the purposes and objectives of this article, through:

(A) rules or emergency rules adopted under IC 4-22-2; or

(B) rules, guidelines, procedures, or policies established by the board and approved by the **commission for** higher education. ~~commission.~~

(2) To conform the education savings programs and, notwithstanding any provision in this article to the contrary, services consistent with the purposes and objectives of this article, to the requirements of a qualified state tuition program set forth in Section 529 of the Internal Revenue Code and all applicable federal regulations, through:

(A) rules or emergency rules adopted under IC 4-22-2; or

(B) guidelines, procedures, or policies established by the board.

(3) To retain professional services, including the following:

(A) Financial advisers and managers.

(B) Custodians and other fiduciaries.

(C) Investment advisers and managers.

(D) Accountants and auditors.

(E) Consultants or other experts.

(F) Actuarial services providers.

(G) Attorneys.

(4) To establish minimum account deposit amounts (both initial and periodic).

(5) To employ persons, if the board chooses, and as may be necessary, and to fix the terms of their employment.

(6) To recommend legislation to the governor and general assembly.

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(7) To apply for designation as a tax exempt entity under the Internal Revenue Code.

(8) To adopt such rules, bylaws, procedures, guidelines, and policies as are necessary to carry out the education savings programs and services and the authority's management and operations.

(9) To sue and be sued.

(10) To provide or facilitate provision of benefits and incentives for the benefit of qualified beneficiaries, account owners, contributors, or account beneficiaries as the board's resources allow or as are directed or provided for by the general assembly.

(11) To conform the education savings programs to federal tax advantages or incentives, as in existence periodically, to the extent consistent with the purposes and objectives of this article.

(12) To interpret, in rules, policies, guidelines, and procedures, the provisions of this article broadly in light of the purposes and objectives of this article.

(13) To charge, impose, and collect administrative fees and service charges in connection with any agreement, contract, or transaction under an education savings program or services.

(14) To have perpetual succession.

SECTION 241. IC 21-9-4-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 9. (a) The authority may accept gifts, bequests, donations, and devises of personal and real property:

(1) as trustees for the maintenance, use, or benefit of the authority, the education savings programs, or the endowment fund; or

(2) to be administered for other public or charitable purposes for the benefit or use of account owners or account beneficiaries.

(b) The authority may receive, accept, hold, administer, and use any property transferred to the authority by gift, bequest, donation, or devise in accordance with the terms, conditions, obligations, liabilities, and burdens imposed on the gift, bequest, donation, or devise if, in the judgment of the board, the action is in the best interest of the authority, the education savings programs, the endowment fund, account owners, contributors, or account beneficiaries, as applicable.

(c) The authority may accept a gift, devise, donation, or bequest made for the purpose of providing an annuity on conditions consistent with the conditions set forth in ~~IC 20-12-4-2~~ **IC 21-30-3-3 and IC 21-30-3-4** (relating to boards of trustees of state educational institutions).

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(d) The authority may, if not inconsistent with the terms and conditions of a gift of real property:

(1) sell, convey, or otherwise dispose of the real property; and

(2) invest, reinvest, or use the proceeds as, in the judgment of the board, is of the greatest benefit to the authority, the education savings programs, the endowment fund, account beneficiaries, and account owners.

(e) When acting under the powers granted by this article and also with respect to the money in the endowment fund and the program account as provided in IC 21-9-5 and IC 21-9-7, the members serve as trustees of private trusts, subject to the terms and conditions of the trust program or the gift, bequest, donation, or devise and law applicable to private trusts.

SECTION 242. IC 21-9-7-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. The amount of money available in an account and the proposed use of money in an account on behalf of an account beneficiary may not be considered by the state student assistance commission under ~~IC 20-12-21~~ **IC 21-12-3, IC 21-12-4, IC 21-12-5,** or ~~IC 20-12-21.7~~ **IC 21-13-2** when determining award amounts under a program administered by the state student assistance commission.

SECTION 243. IC 21-9-10-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. This article may not be construed as an obligation of the state or a ~~higher education institution~~ **college or university** to assume any responsibility for fulfilling any obligation of the authority or any education savings program.

SECTION 244. IC 21-11 IS ADDED TO THE INDIANA CODE AS A **NEW** ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]:

ARTICLE 11. STATE STUDENT SCHOLARSHIP COMMISSION

Chapter 1. General Provisions; Definitions

Sec. 1. The purposes of this article are:

(1) to increase the opportunity to receive a higher education for every person who resides in Indiana and who, though being highly qualified and desiring to receive a higher education, is deterred by financial considerations; and

(2) to accomplish the goal described in subdivision (1) by establishing a system of state higher education awards that will assist the student in selecting and attending a qualified public or private postsecondary institution.

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Sec. 2. The definitions in this chapter apply throughout this article.

Sec. 3. "Caretaker relative" means a relative by blood or law who lives with a minor and exercises parental responsibility, care, and control over the minor in the absence of the minor's parent.

Sec. 4. "Commission" means the state student assistance commission.

Sec. 5. "Enrollment" means the establishment and maintenance of an individual's status as an undergraduate student in a postsecondary educational institution.

Sec. 6. "Higher education award" means a monetary award.

Chapter 2. State Student Assistance Commission

Sec. 1. A state student assistance commission is established. The commission:

(1) is a separate body corporate and politic;

(2) is not a state agency; and

(3) performs essential governmental functions.

Sec. 2. The members of the commission must be citizens of Indiana and appointed by the governor.

Sec. 3. Each congressional district must be represented by one (1) member who is a resident of the district.

Sec. 4. The governor shall appoint an at-large student member of the commission who is a student at an approved postsecondary educational institution. The governor shall select the student member from a list of at least three (3) and not more than five (5) names submitted by a nominating committee consisting of students of approved postsecondary educational institutions.

Sec. 5. The chairperson of the commission shall appoint the members of the student nominating committee.

Sec. 6. A member, while serving a term, may not be:

(1) an employee of or serve on the governing board of any:

(A) state educational institution; or

(B) private college, university, postsecondary proprietary educational institution, school corporation, or other educational institution in Indiana; or

(2) in any other capacity as an employee or official of the state of Indiana.

However, the governor may appoint up to two (2) members affiliated with private educational institutions and up to two (2) members affiliated with public educational institutions.

Sec. 7. At the first meeting of the commission held after August 1 of each year, the members of the commission shall select a

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chairperson, vice chairperson, and secretary from among their number.

Sec. 8. A member of the commission is not entitled to compensation, but is entitled to a per diem for attending meetings of the commission and for expenses necessarily incurred in performing the member's duties.

Sec. 9. The term of office of each member, except the student member, is three (3) years, beginning August 1 of the year of appointment and continuing until the member's successor is appointed and qualified. The term of office of the student member is two (2) years, beginning August 1 of the year of appointment and continuing until the member is no longer a student at an approved post secondary educational institution or until the member's successor is appointed and qualified. Vacancies shall be filled by the governor.

Chapter 3. Powers of the Commission

Sec. 1. The commission shall do the following:

(1) Prepare and supervise the issuance of public information concerning this article and IC 21-12-2, IC 21-12-3, IC 21-12-4, and IC 21-12-5.

(2) Prescribe the form and regulate the submission of applications for higher education awards.

(3) Conduct conferences and interviews with applicants as may be appropriate.

(4) Determine the eligibility of applicants.

(5) Select qualified applicants.

(6) Determine the respective amounts of, and award, the appropriate higher education awards.

(7) Determine eligibility for, and award, annual renewals of higher education awards.

(8) Act as the designated state agency for participation in any federal program for reinsurance of student loans.

Sec. 2. The commission shall do the following:

(1) Prepare and supervise the issuance of public information concerning all of the commission's programs.

(2) Prescribe the form and regulate the submission of applications for all of the commission's programs.

(3) Determine the amounts of grants and scholarships.

(4) Determine eligibility for grants and scholarships.

(5) Receive federal funds made available to the commission for awards, grants, and scholarships, and disburse these funds in the manner prescribed by federal law.

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Sec. 3. The commission may do the following:

(1) Accept gifts, grants, devises, or bequests to provide grants, awards, scholarships, loans, or other forms of financial aid to students attending approved postsecondary educational institutions.

(2) Enter into contracts, subject to IC 4-13-2, that the commission determines are necessary to carry out the commission's functions.

(3) Provide administrative or technical assistance to other governmental or nongovernmental entities if the provision of this assistance will increase the number and value of grants, awards, scholarships, or loans available to students attending approved postsecondary educational institutions.

(4) Sue and be sued in the name of the commission.

Sec. 4. Whenever the commission receives an offer of a gift, grant, devise, or bequest, the commission may accept a stipulation on the use of the donated funds. In this case, IC 21-12-3-11 (higher education award) and IC 21-12-4-4 (freedom of choice grant) do not apply. Before accepting a gift, grant, devise, or bequest, the commission shall determine that the purposes for which a donor proposes to provide funds are:

(1) lawful;

(2) in the state's best interests; and

(3) generally consistent with the commission's programs and purposes.

Whenever the commission agrees to a stipulation on the use of donated funds, the commission and the donor, subject to approval by the budget agency and the governor or the governor's designee, shall execute an agreement.

Sec. 5. (a) This section applies whenever the commission agrees to provide administrative or technical assistance to other governmental or nongovernmental entities to increase the number and value of grants, awards, scholarships, or loans available to students attending approved postsecondary educational institutions.

(b) The commission and the party to whom the assistance is to be provided shall execute an agreement specifying:

(1) the assistance that is to be provided; and

(2) the charges, if any, that are to be assessed by the commission for providing this assistance.

The commission may waive charges for administrative or technical assistance under this section if the commission determines that a

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waiver is in the best interest of the state. An agreement to provide assistance must be approved by the budget agency and the governor or the governor's designee.

Chapter 4. Personnel; Administration

Sec. 1. The executive director may engage personnel and procure supplies and facilities necessary to carry out the commission's functions under this article, IC 21-12-2, IC 21-12-3, IC 21-12-4, IC 21-12-5, and IC 21-16-4. The executive director shall, with commission approval, appoint:

(1) a program director to administer this article, IC 21-12-2, IC 21-12-3, IC 21-12-4, and IC 21-12-5; and

(2) a program director to administer IC 21-16-4.

Sec. 2. The executive director of the commission may:

(1) employ; or

(2) contract for;

clerical and professional staff and administrative support as necessary to implement IC 21-16-2.

Chapter 5. Fiscal Administration

Sec. 1. The commission for higher education shall review the budget request of the commission and make recommendations to the governor and the general assembly concerning appropriations to the commission. In making the review, the commission for higher education may request and shall receive complete information concerning all receipts and all expenditures from the commission.

Chapter 6. Administration of Awards

Sec. 1. The commission shall exercise its functions without regard to an applicant's race, creed, sex, color, national origin, or ancestry.

Chapter 7. Determination of Residency

Sec. 1. This chapter applies to a person:

(1) who is a dependent student;

(2) who is a graduate of a high school located in Indiana or a recipient of the state of Indiana general educational development (GED) diploma under IC 20-20-6 or IC 20-10.1-12.1 (before its repeal);

(3) who, on the date that eligibility is determined by the commission, has resided in Indiana with a caretaker relative who has been a resident of Indiana for at least four (4) years; and

(4) whose legal parent:

(A) is currently; or

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(B) has been;

a resident of Indiana for at least three (3) consecutive years.

Sec. 2. In determining the eligibility of a person to receive financial aid administered by the commission under any law, the commission shall use the residence or domicile of the person's caretaker relative to determine the person's residence or domicile.

Chapter 8. Training Programs; Inspections and Audits

Sec. 1. The commission and the commission on proprietary education shall cooperate in developing training programs concerning grant program requirements.

Sec. 2. The commission and the commission on proprietary education may, subject to written advance notice, inspect and audit the records of a postsecondary proprietary educational institution concerning a student grant awarded under IC 21-12-3, IC 21-12-4, or IC 21-12-5.

Chapter 9. Rules; Advisory Boards

Sec. 1. The commission may:

(1) make rules necessary to carry out its functions; and

(2) appoint advisory boards it considers necessary.

Sec. 2. The commission shall adopt rules under IC 4-22-2 to develop standards that govern the denial of assistance to higher education award applicants and recipients under IC 21-12-3-13.

Sec. 3. (a) The commission shall:

(1) adopt:

(A) rules under IC 4-22-2; or

(B) a policy;

establishing a code of ethics for its employees; or

(2) decide it wishes to be under the jurisdiction and rules adopted by the state ethics commission.

(b) A code of ethics adopted by rule or policy under this section must be consistent with state law and approved by the governor.

Sec. 4. The commission shall adopt rules under IC 4-22-2 to implement IC 21-12-6, including:

(1) rules regarding the establishment of appeals procedures for individuals who become disqualified from the program under IC 21-12-6-9; and

(2) notwithstanding IC 21-12-6-5, rules that may include students who are in grades other than grade 8 as eligible students.

Sec. 5. The commission shall adopt rules under IC 4-22-2 to implement IC 21-12-7.

Sec. 6. The commission shall adopt rules under IC 4-22-2 to

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implement IC 21-13-2, including rules governing the enforcement of the agreements under IC 21-13-2-5.

Sec. 7. The commission shall adopt rules under IC 4-22-2 that are necessary to carry out IC 21-13-3, including rules governing the enforcement of the agreements made under IC 21-13-3-5.

Sec. 8. The commission may adopt rules under IC 4-22-2 to implement IC 21-15-5.

Sec. 9. The commission shall adopt rules under IC 4-22-2 to implement IC 21-16-2.

Sec. 10. The commission may adopt rules and internal policy to effectuate the purposes of IC 21-16-4.

SECTION 245. IC 21-12 IS ADDED TO THE INDIANA CODE AS A **NEW** ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]:

ARTICLE 12. GENERAL SCHOLARSHIPS AND GRANTS

Chapter 1. General Provisions; Definitions

Sec. 1. The definitions in this chapter apply throughout this article.

Sec. 2. "Academic term" means a semester or a quarter, whichever applies.

Sec. 3. "Academic year" means the period from September 1 of a year through August 31 of the next year.

Sec. 4. "Active duty" means full-time service in:

(1) the National Guard (as defined in IC 10-16-1-13); or

(2) any reserve component of the:

(A) Indiana National Guard; or

(B) armed forces;

that exceeds thirty (30) consecutive days in a calendar year.

Sec. 5. "Approved secondary school" means:

(1) a public high school located in Indiana; and

(2) any school, located in or outside Indiana, that in the judgment of the state superintendent provides a course of instruction at the secondary level and maintains standards of instruction substantially equivalent to those of public high schools located in Indiana.

Sec. 6. "Commission" refers to the state student assistance commission.

Sec. 7. "Contributor" means an individual or a for profit corporation, partnership, or other for profit entity.

Sec. 8. "Eligible institution", for the purposes of:

(1) IC 20-12-6, refers to a postsecondary educational institution that qualifies as an eligible institution under

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IC 20-12-6-4; and

(2) IC 20-12-8, refers to a postsecondary educational institution that:

(A) operates in Indiana;

(B) is either operated by the state or operated nonprofit;

(C) operates an organized program of postsecondary education leading to a technical certificate, nursing diploma, or associate or baccalaureate degree; and

(D) is accredited by:

(i) a recognized regional accrediting agency;

(ii) the Indiana commission on proprietary education; or

(iii) the Indiana state board of nursing.

Sec. 9. "Eligible student" refers to an individual who qualifies to participate in the twenty-first century scholars program under IC 21-12-6-5.

Sec. 10. "Frank O'Bannon grant" refers to grants designated as the following:

(1) The higher education award.

(2) The freedom of choice award.

Sec. 11. "Fund":

(1) for purposes of IC 21-12-6, refers to the twenty-first century scholars fund established by IC 21-12-6-2;

(2) for purposes of IC 21-12-7, refers to the twenty-first century scholars program support fund established by IC 21-12-7-1; and

(3) for purposes of IC 21-12-8, refers to the part-time student grant fund established by IC 21-12-8-1.

Sec. 12. "Part-time student grant" refers to a monetary award under IC 21-12-8 from the part-time student grant fund.

Sec. 13. "Program" refers to the twenty-first century scholars program established by IC 21-12-6-1.

Sec. 14. "Scholarship", for the purposes of IC 21-12-6, refers to a twenty-first century scholarship awarded under IC 21-12-6.

Sec. 15. "Scholarship applicant" refers to an individual who qualifies for a twenty-first century scholarship under IC 21-12-6-6.

Sec. 16. "Scholarship recipient" refers to an individual who is awarded a twenty-first century scholarship under IC 21-12-6.

Chapter 2. Exclusion of Military Compensation From Financial Resources; Frank O'Bannon Grants

Sec. 1. (a) This section applies to a person called to active duty after September 11, 2001.

(b) When determining financial eligibility for a Frank O'Bannon

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grant, the commission may exclude any salary for service on active duty.

Chapter 3. Higher Education Awards

Sec. 1. An applicant is eligible for a first year higher education award under this chapter if the student meets the following requirements:

(1) The applicant is a resident of Indiana, as defined by the commission.

(2) The applicant:

(A) has successfully completed the program of instruction at an approved secondary school;

(B) has been granted a:

(i) high school equivalency certificate before July 1, 1995; or

(ii) state of Indiana general educational development (GED) diploma under IC 20-20-6 or IC 20-10.1-12.1 (before its repeal); or

(C) is a student in good standing at an approved secondary school and is engaged in a program that in due course will be completed by the end of the current academic year.

(3) The financial resources reasonably available to the applicant, as defined by the commission, are such that, in the absence of a higher education award under this chapter, the applicant would be deterred from completing the applicant's education at the approved postsecondary educational institution that the applicant has selected and that has accepted the applicant. In determining the financial resources reasonably available to an applicant to whom IC 21-11-7 applies, the commission must consider the financial resources of the applicant's legal parent.

(4) The applicant will use the award initially at that approved postsecondary educational institution.

(5) If the student is already enrolled in an approved postsecondary educational institution, the applicant must be a full-time student and be making satisfactory progress, as determined by the commission, toward a first baccalaureate degree.

(6) The student declares, in writing, a specific educational objective or course of study and enrolls in:

(A) courses that apply toward the requirements for completion of that objective or course of study; or

(B) courses designed to help the student develop the basic

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skills that the student needs to successfully achieve that objective or continue in that course of study.

Sec. 2. A higher education award recipient is not eligible for assistance after the recipient has received an award for a total of eight (8) semesters or twelve (12) quarters of postsecondary education.

Sec. 3. To maintain eligibility a student is not required to:

(1) attend an approved postsecondary educational institution; or

(2) receive an award;

in consecutive semesters or quarters. However, a recipient's eligibility for an award does not extend more than ten (10) years after the date the initial award is granted.

Sec. 4. A student who:

(1) participates in:

(A) a nursing diploma program that is accredited by the Indiana state board of nursing and operated by a hospital;

(B) a technical certificate or associate degree program at Ivy Tech Community College; or

(C) an associate degree program at a postsecondary proprietary educational institution that qualifies as an approved postsecondary educational institution; and

(2) meets the requirements in sections 1, 2, and 3 of this chapter for a first year higher education award except the requirement of satisfactory progress toward a first baccalaureate degree;

is eligible to receive a state higher education award under this chapter. However, the student must make satisfactory progress toward obtaining the diploma, technical certificate, or associate degree to remain eligible for the award.

Sec. 5. (a) This section applies to the maximum grant that may be offered to an eligible student for an associate degree program at a postsecondary proprietary educational institution that qualifies as an approved postsecondary educational institution.

(b) The maximum amount of a grant that may be offered to an eligible student in a program at a postsecondary proprietary educational institution is equal to the maximum amount of an award the student could receive under this chapter if the student were enrolled at Ivy Tech Community College.

Sec. 6. In determining the financial resources available to a student for a higher education award, the commission may not consider principal or interest, including an original issue discount

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that qualifies as interest excludable from gross income for federal income tax purposes, on a bond that is:

(1) issued by a:

(A) public body corporate and politic of the state; or

(B) state educational institution;

designated by the governor as a college savings bond and purchased after December 31, 1989; or

(2) a United States savings bond purchased after December 31, 1989, if the interest is claimed as exempt from federal taxation under Section 135 of the Internal Revenue Code.

Sec. 7. The commission shall publish and make available to every applicant all its rules governing the awarding and denial of higher education awards. The rules must state specifically the conditions under which an award once issued may be withdrawn or reduced.

Sec. 8. For each academic year, first year higher education awards shall be issued to as many qualified persons as the current biennial appropriation allows. Applicants who are least able to provide funds for the cost of education shall be given priority in the awarding of higher education award funds.

Sec. 9. A higher education award for a student in a program leading to a baccalaureate degree may be renewed for a total of three (3) academic years following the academic year of the first award or until an earlier time as the student receives a degree normally obtained in four (4) academic years. A higher education award for a student in a program leading to a technical certificate or an associate degree may be renewed for the number of academic years normally required to obtain a certificate or degree in the student's program. The commission may grant a renewal only upon application and only upon its finding that:

(1) the applicant has successfully completed the work of a preceding year;

(2) the applicant remains domiciled in Indiana;

(3) the recipient's financial situation continues to warrant an award, based on the financial requirements set forth in section 1(3) of this chapter; and

(4) the applicant is eligible under sections 2 and 3 of this chapter.

Sec. 10. Out of funds available after commitments have been met under sections 8 and 9 of this chapter, awards shall be issued to persons who have successfully completed at least one (1) but not more than three (3) academic years in approved postsecondary

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educational institutions, if they meet the eligibility requirements of:

(1) sections 1, 2, and 3 of this chapter; or

(2) sections 4 and 5 of this chapter.

The awards shall be handled on the same basis as renewals under section 9 of this chapter.

Sec. 11. A higher education award issued under this section and sections 8, 9, and 10 of this chapter extends to all educational costs for the academic year for which the award is made, but only to the extent of:

(1) current financial need (as measured under section 1(3) of this chapter); or

(2) the maximum fees regularly assessed to resident undergraduates at any state educational institution, as determined annually by the commission;

whichever is smaller.

Sec. 12. In determining which applicants are least able to provide funds for the cost of education under section 8 of this chapter, the commission may not consider principal or interest, including an original issue discount that qualifies as interest excludable from gross income for federal income tax purposes, on a bond that is:

(1) issued by a:

(A) public body corporate and politic of the state; or

(B) state educational institution;

designated by the governor as a college savings bond and purchased after December 31, 1989; or

(2) a United States savings bond purchased after December 31, 1989, if the interest is claimed as exempt from federal taxation under Section 135 of the Internal Revenue Code.

Sec. 13. The commission may deny assistance under this chapter to a higher education award applicant or recipient who is:

(1) convicted of a felony;

(2) sentenced to a term of imprisonment for that felony; and

(3) confined for that felony at a penal facility (as defined in IC 35-41-1-21).

Sec. 14. The commission shall certify to the auditor of state the name and address of every applicant to whom an award has been issued. An award is effective during the academic year immediately following its award, and records and accounts relating to it shall be kept accordingly.

Sec. 15. An applicant to whom the commission has issued an award may apply for enrollment as a student in any approved

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postsecondary educational institution. However, the institution is not required to accept the applicant for enrollment, and the institution may require compliance with its own admissions requirements. If the institution accepts the applicant, it shall give written notice to the commission. The institution is entitled to the payments of tuition and other necessary fees and charges provided by the award that are incurred by the applicant. It shall provide facilities and instruction to the applicant on the same terms as to other students.

Sec. 16. If during an academic period a student enrolled in an institution under an award under this chapter ceases for any reason to be a student in good standing, the institution shall promptly give written notice to the commission as to the change of status and the reason for it. If under its current standards a fee or charge that has been paid as part of an award under this chapter would otherwise be refunded by the institution to the student, it shall be remitted to the auditor of state.

Sec. 17. A student to whom a renewal award has been issued may either re-enroll in the approved postsecondary educational institution that the student attended during the preceding year or enroll in another approved postsecondary educational institution. In either event, the approved postsecondary educational institution accepting the student shall notify the commission. The approved postsecondary educational institution is entitled to payment and is contractually obligated as provided for first year awards.

Sec. 18. The commission shall administer the higher education award account and related records of each student who is attending an approved postsecondary educational institution under an award issued under this chapter. At each appropriate time, it shall certify to the auditor of state, in the manner prescribed by law, the current payment to be made to the institution under the award. This shall be done in accordance with an appropriate certificate of the approved postsecondary educational institution presented by the time the payment is due under the rules of the approved postsecondary educational institution applicable to students generally, after the tuition and necessary fees have become fixed.

Sec. 19. The auditor of state shall create a separate and segregated higher education award fund distinct from the freedom of choice grant fund. Money may be exchanged or transferred between these funds as provided by section 21 of this chapter. All money disbursed from the higher education award fund shall be in

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accordance with this chapter. Money remaining in the higher education award fund at the end of any fiscal year does not revert to the state general fund but remains available to be used for making higher education awards under this chapter.

Sec. 20. If at the end of a fiscal year part of the money appropriated for that year for the purposes of this chapter remains unspent, it may be spent for those purposes during the next fiscal year.

Sec. 21. After the commitments for the higher education award fund have been fully met for any academic year under this chapter, the commission may order the auditor of state to transfer to the freedom of choice grant fund any money remaining in the higher education award fund. The auditor of state shall make the transfer ordered by the commission with the approval of the budget director and the governor.

Chapter 4. Freedom of Choice Grant

Sec. 1. The freedom of choice grant program is established. The commission shall administer the freedom of choice grant program.

Sec. 2. A person is eligible for a freedom of choice grant if:

(1) the person is qualified for a higher education award under the terms of IC 21-12-3-1, IC 21-12-3-2, and IC 21-12-3-3 or IC 21-12-3-4 and IC 21-12-3-5, even if lack of funds prevents the award or grant;

(2) the person has a financial need that exceeds the award, as determined in accordance with:

(A) this chapter, IC 21-11, IC 21-12-2, and IC 21-12-3; and

(B) the rules of the commission; and

(3) the person will attend an approved postsecondary educational institution that:

(A) either:

(i) operates in Indiana, provides an organized two (2) year or longer program of collegiate grade directly creditable toward a baccalaureate degree, is operated by a nonprofit entity, and is accredited by a recognized regional accrediting agency or the commission on proprietary education; or

(ii) is a hospital that operates a nursing diploma program that is accredited by the Indiana state board of nursing; and

(B) is operated privately and not administered or controlled by any state agency or entity.

Sec. 3. Freedom of choice grant renewals are governed by the

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same conditions as are set forth in IC 21-12-3-9.

Sec. 4. The amount of a freedom of choice grant may not exceed the difference between:

(1) the amount of the total financial need of the student, as determined under the commission's rules; and

(2) the:

(A) higher education award made under IC 21-12-3-1, IC 21-12-3-2, and IC 21-12-3-3 or IC 21-12-3-4 and IC 21-12-3-5; or

(B) sum necessary to pay educational costs at the institution;

whichever is smaller.

Sec. 5. The auditor of the state shall create a separate and segregated freedom of choice grant fund distinct from the higher education award fund.

Sec. 6. Except as provided in IC 21-12-3-21, money shall not be exchanged or transferred among these funds.

Sec. 7. All money disbursed from the freedom of choice grant fund shall be in accordance with the provisions of this chapter.

Sec. 8. Money remaining in the freedom of choice grant fund at the end of any fiscal year does not revert to the state general fund, but remains available to be used for making freedom of choice grants under this chapter.

Chapter 5. Hoosier Scholar Award Program

Sec. 1. There is established the Hoosier scholar award program, to be administered by the commission.

Sec. 2. The commission shall make a Hoosier scholar award each year to the top ranking students, as certified by the school corporation, of each high school graduating class in Indiana who will be attending an eligible institution. The number of awards given shall be determined by the size of the graduating class as follows:

(1) 1-50 graduating students, one (1) award;

(2) 51-300 graduating students, two (2) awards; and

(3) Over 300 graduating students, three (3) awards.

Sec. 3. A Hoosier scholar award may be renewed under terms established by the commission.

Sec. 4. The amount of the Hoosier scholar award shall be determined by the commission.

Sec. 5. The amount of an award for which a student is eligible under a Frank O'Bannon grant may not be reduced because of the receipt by the student of a Hoosier scholar award under this

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section. A Hoosier scholar award may not be reduced because of the receipt of a Frank O'Bannon grant.

Sec. 6. The auditor of state shall create a separate and segregated Hoosier scholar award fund distinct from the higher education award fund and the freedom of choice grant fund.

Sec. 7. Money may not be exchanged or transferred between the Hoosier scholar award fund and the other funds.

Sec. 8. All money disbursed from the Hoosier scholar award fund shall be in accordance with this chapter and IC 21-11.

Sec. 9. Money remaining in the Hoosier scholar award fund at the end of any fiscal year does not revert to the state general fund, but remains available to be used for making Hoosier scholar awards under this chapter.

Chapter 6. Twenty-First Century Scholars Program; Tuition Grants

Sec. 1. The twenty-first century scholars program is established to do the following:

(1) Reduce the number of students who withdraw from high school before graduation.

(2) Increase the number of students who are prepared to enter the workforce upon graduation.

(3) Increase the number of students entering postsecondary educational institutions in Indiana.

(4) Encourage eligible students to attend postsecondary educational institutions in Indiana by reducing the financial burden on the eligible students and their families.

(5) Decrease drug and alcohol abuse by encouraging higher educational pursuits.

(6) Increase individual economic vitality.

(7) Improve the overall quality of life for many Indiana residents.

Sec. 2. (a) The twenty-first century scholars fund is established to provide the financial resources necessary to award the scholarships authorized under the program.

(b) The commission shall administer the fund.

(c) The expenses of administering the fund shall be paid from money in the fund.

(d) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested.

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

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Sec. 3. Money in the fund must be used to provide annual tuition scholarships to qualified scholarship applicants who enroll as full-time students at a postsecondary educational institution that qualifies for participation in the program under section 4 of this chapter.

Sec. 4. A scholarship recipient may apply a scholarship under this chapter to the educational costs of a postsecondary educational institution only if the postsecondary educational institution qualifies under this section. For a postsecondary educational institution to qualify under this section, the postsecondary educational institution must satisfy the following requirements:

(1) Be an approved postsecondary educational institution.

(2) Be accredited by an agency that is recognized by the Secretary of the United States Department of Education.

(3) Operate an organized program of postsecondary education leading to an associate or a baccalaureate degree on a campus located in Indiana.

(4) Be approved by the commission:

(A) under rules adopted under IC 4-22-2; and

(B) in consultation with the commission on proprietary education, if appropriate.

Sec. 5. To qualify to participate in the program, a student must meet the following requirements:

(1) Be a resident of Indiana.

(2) Be:

(A) enrolled in grade 8 at a public or an accredited nonpublic school; or

(B) otherwise qualified under the rules of the commission that are adopted under IC 21-11-9-4 to include students who are in grades other than grade 8 as eligible students.

(3) Be eligible for free or reduced priced lunches under the national school lunch program.

(4) Agree, in writing, together with the student's custodial parents or guardian, that the student will:

(A) graduate from a secondary school located in Indiana that meets the admission criteria of an eligible institution;

(B) not illegally use controlled substances (as defined in IC 35-48-1-9);

(C) not commit a crime or an infraction described in IC 9-30-5;

(D) not commit any other crime or delinquent act (as described in IC 31-37-1-2 or IC 31-37-2-2 through

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IC 31-37-2-5 (or IC 31-6-4-1(a)(1) through IC 31-6-4-1(a)(5) before their repeal));

(E) timely apply, when the eligible student is a senior in high school:

(i) for admission to an eligible institution; and

(ii) for any federal and state student financial assistance available to the eligible student to attend an eligible institution; and

(F) achieve a cumulative grade point average upon graduation of at least 2.0 on a 4.0 grading scale (or its equivalent if another grading scale is used) for courses taken during grades 9, 10, 11, and 12.

Sec. 6. A student may apply to the commission for a scholarship. To qualify for a scholarship, the student must meet the following requirements:

(1) Be an eligible student who qualified to participate in the program under section 5 of this chapter.

(2) Be a resident of Indiana.

(3) Be a graduate from a secondary school located in Indiana that meets the admission criteria of an eligible institution.

(4) Have applied to attend and be accepted to attend as a full-time student an eligible institution.

(5) Certify in writing that the student has:

(A) not illegally used controlled substances (as defined in IC 35-48-1-9);

(B) not illegally consumed alcoholic beverages;

(C) not committed any other crime or a delinquent act (as described in IC 31-37-1-2 or IC 31-37-2-2 through IC 31-37-2-5 (or IC 31-6-4-1(a)(1) through IC 31-6-4-1(a)(5) before their repeal)); and

(D) timely filed an application for other types of financial assistance available to the student from the state or federal government.

(6) Submit to the commission all the information and evidence required by the commission to determine eligibility as a scholarship applicant.

(7) Meet any other minimum criteria established by the commission.

Sec. 7. A scholarship may be renewed. To qualify for a scholarship renewal, a scholarship recipient must do the following:

(1) Submit to the commission a renewal application that contains all the information and evidence required by the

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commission to determine eligibility for the scholarship renewal.

(2) Continue to be enrolled as a full-time student in good standing at an eligible institution.

(3) Continue to meet any other minimum criteria established by the commission.

Sec. 8. A scholarship may be renewed under this chapter for a total scholarship award that does not exceed the equivalent of eight (8) semesters.

Sec. 9. If an eligible student, a scholarship applicant, or a scholarship recipient violates an agreement entered into under this chapter, the eligible student, scholarship applicant, or scholarship recipient is disqualified from further consideration as a scholarship recipient under this chapter.

Sec. 10. The amount of a scholarship is equal to the lowest of the following amounts:

(1) If the scholarship applicant attends an eligible institution that is a state educational institution and:

(A) receives no other financial assistance specifically designated for educational costs, a full tuition scholarship to the state educational institution; or

(B) receives other financial assistance specifically designated for educational costs, the balance required to attend the state educational institution, not to exceed the amount described in clause (A).

(2) If the scholarship applicant attends an eligible institution that is private and:

(A) receives no other financial assistance specifically designated for educational costs, an average of the full tuition scholarship amounts of all state educational institutions not including Ivy Tech Community College; or

(B) receives other financial assistance specifically designated for educational costs, the balance required to attend the college or university not to exceed the amount described in clause (A).

(3) If the scholarship applicant attends an eligible institution that is a postsecondary proprietary educational institution and:

(A) receives no other financial assistance specifically designated for educational costs, the lesser of:

(i) the full tuition scholarship amounts of Ivy Tech Community College; or

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(ii) the actual tuition and regularly assessed fees of the eligible institution; or

(B) receives other financial assistance specifically designated for educational costs, the balance required to attend the eligible institution, not to exceed the amount described in clause (A).

Sec. 11. (a) The Indiana college placement and assessment center shall maintain the following:

(1) The agreements under section 5 of this chapter.

(2) The certifications under section 6 of this chapter.

(3) A comprehensive list of all eligible students.

(b) The commission shall have access to the information maintained under this section.

(c) The commission, the Indiana college placement and assessment center, the commission for higher education, the department of education, and each approved secondary school shall work together in implementing the program.

Sec. 12. Each eligible institution shall develop specific mentoring programs for scholarship recipients to assist the scholarship recipients through particularized academic and social counseling.

Sec. 13. The commission shall do the following:

(1) Prepare a statistical report on a fiscal year basis that describes awards to students attending institutions under this chapter.

(2) Deliver the report described in subdivision (1) to the legislative council before August 15 of the year following the fiscal year covered in the report. The report must be in an electronic format under IC 5-14-6.

Chapter 7. Twenty-First Century Scholars Program Support Fund; Grants for Textbooks, Equipment, and Other Material

Sec. 1. (a) The twenty-first century scholars program support fund is established to provide reimbursements to scholarship recipients to offset educational support costs incurred by scholarship recipients.

(b) The commission shall administer the fund.

(c) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested.

(d) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

Sec. 2. The fund consists of money donated to the fund by contributors. Financial assistance awarded under this chapter is

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subject to the availability of money in the fund.

Sec. 3. (a) A scholarship recipient may apply to the commission, on forms provided by the commission, for financial assistance from the fund.

(b) The scholarship recipient shall certify to the commission that the scholarship recipient has incurred educational support costs that were not included in the scholarship award received by the scholarship recipient under IC 21-12-6.

(c) Upon verification by the commission of the information provided by the scholarship recipient and subject to the availability of money in the fund, the commission shall reimburse to the scholarship recipient the amount of money requested by the scholarship recipient.

(d) The commission shall provide the reimbursements under this section in the order in which the applications are received.

Sec. 4. A contributor to the fund is entitled to an income tax credit under IC 6-3-3-5.1.

Chapter 8. Part-Time Student Grant Program and Fund

Sec. 1. (a) The part-time student grant fund is established to make awards authorized under this chapter to eligible applicants.

(b) The fund consists of the following:

(1) Appropriations made by the general assembly.

(2) Gifts, grants, devises, or bequests made to the state to achieve the purposes of the fund.

(c) The fund shall be administered by the commission.

(d) The fund must be separate and distinct from other funds administered by the commission and money in the fund may not be exchanged with or transferred to other funds.

(e) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds are invested.

(f) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

Sec. 2. The commission shall do the following:

(1) Adopt rules under IC 4-22-2 governing the operation of the fund, including rules specifying the procedures that applicants must follow to appeal determinations made under subdivisions (3) and (4).

(2) Prescribe the form and manner in which applications for part-time student grants may be submitted.

(3) Determine the eligibility of applicants.

(4) Determine the amount of a part-time student grant

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awarded to a recipient.

Sec. 3. An applicant is eligible to receive a part-time student grant if the following conditions are met:

(1) The applicant is domiciled in Indiana, as defined by the commission.

(2) The applicant:

(A) has received a diploma of graduation from an approved secondary school;

(B) has been granted a:

(i) high school equivalency certificate before July 1, 1995; or

(ii) state of Indiana general educational development (GED) diploma under IC 20-10.1-12.1 (before its repeal) or IC 20-20-6; or

(C) is a student in good standing who is completing a final year of study at an approved secondary school and will be eligible upon graduation to attend an approved institution of higher learning.

(3) The applicant declares, in writing, a specific educational objective or course of study and enrolls in:

(A) a course that applies toward the requirements for completion of that objective or course of study; or

(B) a course designed to help the applicant develop the basic skills the applicant needs to successfully achieve that objective or continue in that course of study.

(4) The applicant enrolls in at least two (2) but fewer than twelve (12) credit hours in any academic term.

(5) The commission or an approved postsecondary educational institution acting as the commission's agent determines that the financial resources available to the applicant are such that in the absence of a grant under this chapter the applicant would be deterred from beginning or completing the applicant's declared educational objective or course of study.

Sec. 4. The commission may establish accumulated credit requirements as a condition of eligibility for an award made under this chapter.

Sec. 5. Subject to this chapter, a student's part-time student grant may be renewed if the student does the following:

(1) Makes satisfactory progress toward a certificate, nursing diploma, associate degree, or baccalaureate degree.

(2) Demonstrates continuing financial need.

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Sec. 6. The commission shall determine the maximum number of part-time student grants available to applicants. However, with respect to a particular student, the total of the academic terms for which:

(1) part-time student grants under this chapter; and

(2) Frank O'Bannon grants;

are made may not exceed the equivalent of eight (8) semesters of full-time study. The commission shall treat each academic term for which a Frank O'Bannon grant is made as one (1) academic term.

Sec. 7. A student's eligibility expires ten (10) years after first being offered a Frank O'Bannon grant, Hoosier scholar award, or a grant under this chapter.

Sec. 8. The commission may permit an approved postsecondary educational institution to act as its agent in accepting applications from, determining eligibility for, and making awards to eligible applicants of the approved postsecondary educational institution. The approved postsecondary educational institution shall provide to the commission on a timely basis any information, reports, and accounting the commission requires.

SECTION 246. IC 21-13 IS ADDED TO THE INDIANA CODE AS A **NEW** ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]:

ARTICLE 13. OCCUPATIONAL SCHOLARSHIPS AND GRANTS

Chapter 1. General Provisions; Definitions

Sec. 1. Unless otherwise provided, the definitions in this chapter apply throughout this article.

Sec. 2. "Commission" refers to the state student assistance commission.

Sec. 3. "Eligible institution" means a public or private college or university that offers a student the opportunity to acquire at least a baccalaureate degree in the field of education.

Sec. 4. "Eligible student", for purposes of section 8 of this chapter, means a person who:

(1) is a member of the Indiana National Guard:

(A) in active drilling status; and

(B) who has not been absent without leave within the twelve (12) months immediately preceding the date the person applies for a tuition scholarship under this chapter;

(2) does not possess a bachelor's degree from an approved postsecondary educational institution;

(3) possesses the requisite academic qualifications;

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(4) meets the requirements of the state educational institution in which the person is enrolled or will enroll; and

(5) meets all other eligibility requirements as determined by the commission.

Sec. 5. "Fund":

(1) for purposes of IC 21-13-2, refers to the minority teacher or special education services scholarship fund established by IC 21-13-2-1;

(2) for purposes of IC 21-13-3, refers to the nursing scholarship fund established by IC 21-13-3-1; and

(3) for purposes of IC 21-13-4, refers to the National Guard tuition supplement program fund established by IC 21-13-4-1.

Sec. 6. "Minority" means an individual identified as black or Hispanic.

Sec. 7. "Scholarship", for purposes of IC 21-13-4, means financial assistance provided to a student to offset the educational costs incurred by the student in attending a state educational institution as determined by the commission.

Sec. 8. "Scholarship applicant", for purposes of IC 21-13-4, means a person who:

(1) is an eligible student;

(2) is a resident of Indiana;

(3) has been accepted to attend a state educational institution as a full-time or part-time student;

(4) has been certified to have met all National Guard requirements; and

(5) according to commission requirements, has timely filed an application for any federal and state financial assistance available to the person to attend a state educational institution.

Chapter 2. Minority Teacher Scholarships; Special Education, Occupational Therapy, and Physical Therapy Scholarships

Sec. 1. The minority teacher or special education services scholarship fund is established:

(1) to encourage and promote qualified minority individuals to pursue a career in teaching in accredited schools in Indiana;

(2) to enhance the number of individuals who may serve as role models for the minority students in Indiana; and

(3) to rectify the shortage of minority teachers teaching in accredited schools in Indiana;

(4) to encourage and promote qualified individuals to pursue

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a career in:

(A) teaching special education in accredited schools in Indiana; or

(B) practicing occupational or physical therapy in accredited schools in Indiana, in vocational rehabilitation centers under IC 12-12-1-4.1(a)(1), or in community mental retardation or other developmental disabilities centers under IC 12-29 (except IC 12-29-3-6) as part of the special education program; and

(5) to rectify the shortage of individuals who:

(A) teach special education; or

(B) provide certain other special education services in accredited schools in Indiana.

Sec. 2. (a) The commission shall administer the fund.

(b) The expenses of administering the fund shall be paid from money in the fund.

(c) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested.

Sec. 3. Money in the fund shall be used to provide annual scholarships to individuals who qualify for a scholarship under:

(1) section 4 of this chapter; or

(2) section 5 of this chapter.

Sec. 4. An individual qualifies for an initial scholarship from the fund if the individual:

(1) is a minority student;

(2) is admitted to an eligible institution as a full-time student or already attends an eligible institution as a full-time student;

(3) either:

(A) intends to pursue; or

(B) in the case of a student who is already attending an eligible institution, pursues;

a course of study that would enable the student, upon graduation, to teach in an accredited school in Indiana;

(4) agrees, in writing, to teach in an accredited school in Indiana for at least three (3) years of the first five (5) years following that student's certification as a teacher; and

(5) meets any other minimum criteria established by the commission.

Sec. 5. An individual qualifies for an initial scholarship from the fund if the individual:

(1) is admitted to an eligible institution as a full-time student

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or is attending an eligible institution as a full-time student;
(2) either intends to pursue or, in the case of a student who is attending an eligible institution, pursues a course of study that would enable the student, upon graduation, to be:
(A) licensed to teach special education in an accredited school under rules adopted by the Indiana state board of education;
(B) certified to practice occupational therapy:
(i) in an accredited school;
(ii) in a vocational rehabilitation center under IC 12-12-1-4.1(a)(1); or
(iii) in a community mental retardation or other developmental disabilities center under IC 12-29 except IC 12-29-3-6; or
(C) licensed to practice physical therapy:
(i) in an accredited school;
(ii) in a vocational rehabilitation center under IC 12-12-1-4.1(a)(1); or
(iii) in a community mental retardation or other developmental disabilities center under IC 12-29 except IC 12-29-3-6;
(3) agrees in writing to:
(A) teach in an accredited school; or
(B) practice occupational therapy or physical therapy, whichever applies:
(i) in an accredited school in Indiana;
(ii) in a vocational rehabilitation center under IC 12-12-1-4.1(a)(1); or
(iii) in a community mental retardation or other developmental disabilities center under IC 12-29 except IC 12-29-3-6;
for at least three (3) of the first five (5) years following the student's licensure as a teacher, certification as an occupational therapist, or licensure as a physical therapist; and
(4) meets any other minimum criteria established by the commission.

Sec. 6. Subject to section 12 of this chapter, a scholarship may be renewed under this chapter for a total scholarship award that does not exceed eight (8) semesters (or its equivalent). However, an eligible institution may not grant a scholarship renewal to a student for an academic year that ends later than six (6) years after

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the date the student received the initial scholarship under this chapter.

Sec. 7. (a) To qualify for a scholarship renewal from the fund, a minority student that qualified for the initial scholarship under section 4 of this chapter must:

(1) comply with the criteria in section 4 of this chapter; and

(2) maintain at least the cumulative grade point average:

(A) that is required by an eligible institution for admission to the eligible institution's school of education; or

(B) of 2.0 on a 4.0 grading scale or its equivalent as established by the eligible institution if the eligible institution's school of education does not require a certain minimum cumulative grade point average.

(b) To qualify for a scholarship renewal from the fund, an individual that qualified for the initial scholarship under section 5 of this chapter must:

(1) comply with the criteria set forth in section 5 of this chapter; and

(2) maintain at least the cumulative grade point average:

(A) that is required by an eligible institution for admission to the eligible institution's school of education; or

(B) of 2.0 on a 4.0 grading scale or its equivalent as established by the eligible institution if the eligible institution's school of education does not require a certain minimum cumulative grade point average.

Sec. 8. Except as provided in this chapter, a scholarship is equal to the lesser of the following amounts:

(1) The balance of the student's total cost in attending the eligible institution for the academic year.

(2) One thousand dollars ($1,000).

Sec. 9. (a) This section applies if a minority student:

(1) initially qualifies for a scholarship under section 4 of this chapter; and

(2) demonstrates to the commission financial need in an amount greater than described in section 8 of this chapter.

(b) The annual scholarship that the minority student may receive is equal to the lesser of the following amounts:

(1) The balance of the student's total cost in attending the eligible institution for the academic year.

(2) Four thousand dollars ($4,000).

Sec. 10. The commission for higher education shall provide the commission with the most recent information concerning:

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(1) the number of minority students enrolled at each eligible institution; and

(2) the number of individuals who are:

(A) enrolled at each eligible institution; and

(B) pursuing a course of study that would enable the student, upon graduation, to be:

(i) licensed to teach special education in an accredited school; or

(ii) certified to practice occupational therapy or licensed to practice physical therapy in an accredited school, in a vocational rehabilitation center under IC 12-12-1-4.1(a)(1), or in a community mental retardation or other developmental disabilities center under IC 12-29 as part of the special education program.

Sec. 11. The commission shall allocate the available money from the fund to each eligible institution in proportion to the number of minority students enrolled at each eligible institution based upon the information received from the commission for higher education.

Sec. 12. Each eligible institution shall determine the scholarship recipients under this chapter:

(1) based upon:

(A) the criteria set forth in section 4 or 5 of this chapter; and

(B) the rules adopted by the commission; and

(2) with a priority on granting scholarships in the following order:

(A) Minority students seeking a renewal scholarship.

(B) Newly enrolling minority students.

(C) Special education services students seeking a renewal scholarship.

(D) Newly enrolling special education services students.

Sec. 13. Any funds that:

(1) are allocated to an eligible institution; and

(2) are not used for scholarships under this chapter;

shall be returned to the commission for reallocation by the commission to any other eligible institution in need of additional funds.

Sec. 14. (a) The amount of a scholarship awarded under this chapter may not be reduced because the student receives other scholarships or forms of financial aid.

(b) Except as otherwise permitted by law, the amount of any

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other state financial aid received by a student may not be reduced because the student receives a scholarship under this chapter.

Sec. 15. (a) The commission shall maintain complete and accurate records in implementing the program, including the following:

(1) The number of scholarships awarded under this chapter.

(2) The number of individuals who fulfilled the agreement described under section 5 of this chapter.

(3) The number of individuals who did not fulfill the agreement described under section 5 of this chapter.

(b) Each eligible institution shall provide the commission with information concerning the following:

(1) The awarding of scholarships under this chapter.

(2) The academic progress made by each recipient of a scholarship under this chapter.

(3) Other pertinent information requested by the commission.

Chapter 3. Nursing Scholarship Fund

Sec. 1. (a) The nursing scholarship fund is established:

(1) to encourage and promote qualified individuals to pursue a career in nursing in Indiana; and

(2) to rectify the shortage of nurses in Indiana.

(b) The fund consists of the following:

(1) Appropriations by the general assembly.

(2) Gifts to the fund.

Sec. 2. (a) The commission shall administer the fund.

(b) The expenses of administering the fund shall be paid from money in the fund.

(c) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds. Interest that accrues from those investments must be deposited in the fund.

(d) Money in the fund at the end of a fiscal year does not revert to the state general fund.

Sec. 3. The money in the fund must be used to provide annual scholarships to nursing students who qualify by demonstrating a financial need and meeting the requirements in this chapter. An annual scholarship awarded under this subsection is equal to the lesser of the following amounts:

(1) The balance of the student's total cost of tuition or fees in attending the eligible institution for the academic year.

(2) Five thousand dollars ($5,000).

Sec. 4. A scholarship awarded under this chapter may be used

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only for the payment of educational costs that are:

(1) approved by the approved postsecondary educational institution that awards the scholarship; and

(2) not otherwise payable under any other scholarship or form of financial assistance specifically designated for educational costs.

Sec. 5. To initially qualify for a scholarship from the fund, a nursing student must:

(1) be admitted to an approved postsecondary educational institution as a full-time or part-time nursing student;

(2) agree, in writing, to work as a nurse in any type of health care setting in Indiana for at least two (2) years following graduation;

(3) meet any other minimum criteria established by the commission; and

(4) demonstrate a financial need for the scholarship.

Sec. 6. To qualify for a scholarship renewal from the fund, a nursing student must:

(1) comply with the criteria set forth in section 5 of this chapter;

(2) maintain at least the cumulative grade point average:

(A) that is required by an approved postsecondary educational institution for admission to the approved postsecondary educational institution; or

(B) equivalent to 2.0 on a 4.0 grading scale, as established by the approved postsecondary educational institution, if the institution's nursing program does not require a certain minimum cumulative grade point average; and

(3) demonstrate a continuing financial need for the scholarship.

Sec. 7. Subject to section 11 of this chapter, a scholarship awarded may be renewed under section 6 of this chapter for a total number of terms that does not exceed:

(1) eight (8) full-time (or part-time equivalent) semesters; or

(2) twelve (12) full-time (or part-time equivalent) quarters.

Sec. 8. The approved postsecondary educational institution may not grant a scholarship renewal to a student for an academic year that ends later than six (6) years after the date the student received the initial scholarship under this chapter.

Sec. 9. The commission for higher education shall provide the commission with the most recent information concerning the number of nursing students enrolled at each approved

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postsecondary educational institution.

Sec. 10. The commission shall allocate the available money from the fund to each approved postsecondary educational institution that has a nursing program in proportion to the number of nursing students enrolled at each approved postsecondary educational institution based upon the information received from the commission for higher education.

Sec. 11. Each approved postsecondary educational institution shall determine the scholarship recipients under this chapter based upon the criteria set forth in this chapter and the rules adopted by the commission. In addition, the approved postsecondary educational institution shall consider the need of the applicant when awarding scholarships under this chapter.

Sec. 12. Any funds that:

(1) are allocated to an approved postsecondary educational institution; and

(2) are not used for scholarships under this chapter;

shall be returned to the commission for reallocation by the commission to any other eligible institution in need of additional funds.

Sec. 13. The commission shall maintain complete and accurate records in implementing the program, including the following:

(1) The number of scholarships awarded under this chapter.

(2) The number of individuals who fulfilled the agreement described under section 5 of this chapter.

(3) The number of individuals who did not fulfill the agreement described under section 5 of this chapter.

Sec. 14. Each eligible institution shall provide the commission with information concerning the following:

(1) The awarding of scholarships under this chapter.

(2) The academic progress made by each recipient of a scholarship under this chapter.

(3) Other pertinent information requested by the commission.

Chapter 4. National Guard Tuition Supplement Program

Sec. 1. (a) The National Guard tuition supplement program fund is established to provide the financial resources necessary to award the tuition scholarships authorized under the program.

(b) The commission shall administer the fund.

(c) The expenses of administering the fund shall be paid from money in the fund.

Sec. 2. Money in the National Guard tuition supplement program fund shall be used to provide annual scholarships to

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scholarship applicants in an amount that is equal to one (1) of the following amounts:

(1) If the scholarship applicant does not receive other financial assistance specifically designated for educational costs, the amount equal to a full tuition scholarship to attend the state educational institution.

(2) If the scholarship applicant receives other financial assistance specifically designated for educational costs, the amount:

(A) equal to the balance required to attend the state educational institution; and

(B) not to exceed the amount described in subdivision (1).

Sec. 3. Each scholarship awarded under this chapter:

(1) may be renewed under this chapter for a total scholarship award that does not exceed the equivalent of eight (8) semesters; and

(2) is subject to other eligibility criteria as established by the commission.

SECTION 247. IC 21-14 IS ADDED TO THE INDIANA CODE AS A **NEW** ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]:

ARTICLE 14. STATE EDUCATIONAL INSTITUTIONS: TUITION AND FEES; OTHER CHARGES; ESTABLISHMENT, EXEMPTIONS, AND REDUCTIONS

Chapter 1. General Provisions; Definitions

Sec. 1. This article applies to all state educational institutions.

Sec. 2. The definitions in this chapter apply throughout this article.

Sec. 3. "Commission" refers to the state student assistance commission.

Sec. 4. "Eligible applicant":

(1) for purposes of IC 21-14-4, refers to a person who is eligible for an educational costs exemption for children of veterans under IC 21-14-4;

(2) for purposes of IC 21-14-6, refers to a person who is eligible for an educational costs exemption for the children or surviving spouse of a public safety officer under IC 21-14-6; and

(3) for purposes of IC 21-14-7, refers to a person who is eligible for an educational costs exemption for children and spouses of National Guard members under IC 21-14-7.

Sec. 5. "Fund" for the purposes of IC 21-14-5, refers to the

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senior citizens tuition fund established by IC 21-14-5-1.

Sec. 6. "Public safety officer" means any of the following:

(1) A regular, paid law enforcement officer.

(2) A regular, paid firefighter.

(3) A volunteer firefighter (as defined in IC 36-8-12-2).

(4) A county police reserve officer.

(5) A city police reserve officer.

(6) A paramedic (as defined in IC 16-18-2-266).

(7) An emergency medical technician (as defined in IC 16-18-2-112).

(8) An advanced emergency medical technician (as defined in IC 16-18-2-6) (repealed); or

(9) A hazardous duty employee of the department of correction who:

(A) works within a prison or juvenile facility; or

(B) performs parole or emergency response operations and functions.

Sec. 7. "Senior citizen" means an Indiana resident who:

(1) is at least sixty (60) years of age;

(2) has graduated from high school or has received a:

(A) general equivalency degree; or

(B) state of Indiana general educational development (GED) diploma under IC 20-10.1-12.1 (before its repeal) or IC 20-20-6;

(3) is retired; and

(4) is not employed on a full-time basis.

Chapter 2. Tuition, Fees, and Charges

Sec. 1. (a) This section applies to the board of trustees of the following state educational institutions:

(1) Ball State University.

(2) Indiana University.

(3) Indiana State University.

(4) Purdue University.

(5) University of Southern Indiana.

(b) The board of trustees of a state educational institution may:

(1) set the fees, tuition, and charges necessary or convenient to further the purposes of the state educational institution; and

(2) collect the fees, tuition, and charges set by the board of trustees for the state educational institution.

Sec. 2. The board of trustees of Ball State University may fix laboratory, contingent, and other fees and charges.

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Sec. 3. The board of trustees of Indiana University may prescribe the price of tuition at Indiana University.

Sec. 4. The board of trustees of Ivy Tech Community College may establish a schedule of fees or charges for students.

Sec. 5. The University of Southern Indiana may fix laboratory, contingent, and other fees and charges.

Sec. 6. A state educational institution shall set tuition and fee rates for a two (2) year period.

Sec. 7. The rates must be set according to the procedure set forth in section 8 of this chapter; 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.

Sec. 8. A state educational institution shall hold a public hearing before adopting a proposed tuition and fee rate increase. The state educational institution shall give public notice of the hearing at least ten (10) days before the hearing. The public notice must include the specific proposal for the tuition and fee rate increase and the expected uses of the revenue to be raised by the proposed increase. The hearing must 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.

Sec. 9. After a state educational institution's tuition and fee rates are set under sections 7 and 8 of this chapter, 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.

Sec. 10. If a state educational institution adjusts its tuition and fee rates under section 9 of this chapter, 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.

Sec. 11. Notwithstanding any other law, a state educational institution, in collecting amounts owed it, may, in the event of default and referral to an attorney or collection agency, add to the amount collected the following:

(1) The amount of attorney's fees incurred in the collection of the debt.

(2) The amount of collection agency fees incurred in the

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collection of the debt.

(3) The amount of court costs incurred in the collection of the debt.

Chapter 3. Tuition and Fee Exemptions and Reductions Outside This Article

Sec. 1. This article is not intended to be an exhaustive compilation of all sources of educational costs exemptions and reductions in the Indiana Code.

Sec. 2. Provisions outside this article that provide for educational costs exemptions and reductions include the following:

(1) IC 10-12-2-6 (free tuition for children of an employee of the state police department who is killed in the line of duty).

(2) IC 10-12-2-11 (child or spouse of an employee of the state police department who sustains catastrophic personal injury in the line of duty).

Chapter 4. Tuition and Fee Exemption for Children of Veterans

Sec. 1. This chapter applies to the following persons:

(1) A person who:

(A) is a pupil at the Soldiers' and Sailors' Children's Home;

(B) was admitted to the Soldiers' and Sailors' Children's Home because the person was related to a member of the armed forces of the United States;

(C) is eligible to pay the resident tuition rate at the state educational institution the person will attend as determined by the institution; and

(D) possesses the requisite academic qualifications.

(2) A person:

(A) whose mother or father:

(i) served in the armed forces of the United States;

(ii) received the Purple Heart decoration or was wounded as a result of enemy action; and

(iii) received a discharge or separation from the armed forces other than a dishonorable discharge;

(B) who is eligible to pay the resident tuition rate at the state educational institution the person will attend as determined by the institution; and

(C) who possesses the requisite academic qualifications.

(3) A person:

(A) whose mother or father:

(i) served in the armed forces of the United States during a war or performed duty equally hazardous that was

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recognized by the award of a service or campaign medal of the United States;

(ii) suffered a service connected death or disability as determined by the United States Department of Veterans Affairs; and

(iii) received any discharge or separation from the armed forces other than a dishonorable discharge;

(B) who is eligible to pay the resident tuition rate at the state educational institution the person will attend, as determined by the institution; and

(C) who possesses the requisite academic qualifications.

Sec. 2. An eligible applicant is entitled to enter, remain, and receive instruction in a state educational institution upon the same conditions, qualifications, and regulations prescribed for other applicants for admission to or scholars in the state educational institutions, without the payment of any educational costs for one hundred twenty-four (124) semester credit hours in the state educational institution.

Sec. 3. For purposes of this chapter, the commission for higher education shall define mandatory fees that qualify as educational costs in consultation with the commission.

Sec. 4. If an eligible applicant:

(1) is permitted to matriculate in the state educational institution;

(2) qualifies under this chapter; and

(3) has earned or has been awarded a cash scholarship that is paid or payable to a state educational institution, from any source;

the amount paid shall be applied to the credit of the eligible applicant in the payment of incidental expenses of the eligible applicant's attendance at the state educational institution. The balance, if the terms of the scholarship permit, must be returned to the eligible applicant.

Sec. 5. Determination of eligibility for higher education benefits authorized under this chapter is vested exclusively in the Indiana department of veterans' affairs. Any applicant for benefits under this chapter may make a written request for a determination of eligibility by the Indiana department of veterans' affairs. The director or deputy director of the Indiana department of veterans' affairs shall make a written determination of eligibility in response to each request. In determining the amount of an applicant's benefit, the commission shall consider other higher education

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financial assistance in conformity with this chapter.

Sec. 6. An appeal from an adverse determination under section 5 of this chapter must be made in writing to the veterans' affairs commission not more than fifteen (15) working days following the applicant's receipt of the determination. A final order must be made by a simple majority of the veterans' affairs commission not more than fifteen (15) days following receipt of the written appeal.

Sec. 7. A person who knowingly or intentionally submits a false or misleading application or other document under this chapter commits a Class A misdemeanor.

Sec. 8. The amount of the benefits under this chapter is equal to one (1) of the following amounts:

(1) If the applicant does not receive financial assistance specifically designated for educational costs, the amount determined under section 2 of this chapter.

(2) If the applicant receives financial assistance specifically designated for educational costs:

(A) the amount determined under section 2 of this chapter; minus

(B) the financial assistance specifically designated for educational costs.

Chapter 5. Tuition Exemption for Senior Citizens

Sec. 1. (a) The senior citizens tuition fund is established to provide full or partial reimbursements to state educational institutions for the amount of tuition waived under this chapter.

(b) The fund shall be administered by the commission.

(c) The expenses of administering the fund shall be paid from money in the fund.

(d) The treasurer of state shall invest the money not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested.

Sec. 2. Except as provided in section 4 of this chapter, a state educational institution shall:

(1) admit a senior citizen to a scheduled course where there is space available; and

(2) grant a waiver of the tuition assessed for the course as provided in section 3 of this chapter.

Sec. 3. The amount of the tuition waived under section 2 of this chapter must equal fifty percent (50%) of the in-state tuition assessed for the course by the state educational institution.

Sec. 4. A state educational institution is not required to do the following:

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(1) Allow a senior citizen to enroll in a degree granting program, unless the senior citizen meets the admission standards of the institution.

(2) Permit the full-time equivalent enrollment of senior citizens for whom tuition has been waived to exceed two percent (2%) of the institution's undergraduate full-time equivalent enrollment.

(3) Waive a senior citizen's tuition for more than the equivalent of nine (9) semester hours per semester.

(4) Waive fees for self-supporting programs, applications, registration, or laboratory work.

Sec. 5. (a) A state educational institution may receive a reimbursement from the fund for an amount equal to:

(1) the amount of total tuition waived under this chapter; or

(2) if the amount in the fund is insufficient to cover the tuition waivers for all of the institutions, a pro rata reduction of the amount of total tuition waivers based upon the number of senior citizens for which the institution provides tuition waivers compared to the total number of senior citizens who participate under this chapter statewide.

(b) To receive a reimbursement under subsection (a), the state educational institution must apply to the commission, on forms provided by the commission, for the reimbursement.

Sec. 6. (a) In addition, not later than thirty (30) days after the end of each semester (or its equivalent if the state educational institution does not conduct its academic year on a semester basis), each state educational institution shall provide the commission and the commission for higher education with a comprehensive report detailing the extent to which the institution participated in the senior citizen tuition exemption under this chapter.

(b) The report must include the following information:

(1) The number of senior citizens who qualified for a tuition exemption.

(2) The courses in which the senior citizens enrolled.

(3) The number of semester hours (or its equivalent) taken by senior citizens under this chapter.

(4) Any other pertinent information required by the commission.

Sec. 7. This chapter does not prohibit a state educational institution from offering other educational opportunities that are not covered by this chapter to senior citizens at no charge or at a reduced charge.

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Chapter 6. Tuition and Fee Exemption for Children and Surviving Spouse of Public Safety Officers Killed in the Line of Duty

Sec. 1. This chapter applies to the children and surviving spouse of a public safety officer if the public safety officer was a resident of Indiana when killed in the line of duty.

Sec. 2. The children of a public safety officer who has been killed in the line of duty are not required to pay educational costs at a state educational institution or state supported technical school, so long as the children are less than twenty-three (23) years of age and are full-time students pursuing a prescribed course of study.

Sec. 3. The surviving spouse of a public safety officer who has been killed in the line of duty is not required to pay educational costs at a state educational institution or state supported technical school, as long as the surviving spouse is pursuing a prescribed course of study at the institution towards an undergraduate degree.

Sec. 4. The amount of the benefits under this chapter is equal to one (1) of the following amounts:

(1) If an eligible applicant does not receive financial assistance specifically designated for educational costs, the amount determined under section 2 or 3 of this chapter that is applicable to the eligible applicant.

(2) If an eligible applicant receives financial assistance specifically designated for educational costs:

(A) the amount determined under section 2 or 3 of this chapter that is applicable to the eligible applicant; minus

(B) the financial assistance specifically designated for educational costs.

Chapter 7. Tuition and Fee Exemption for Children and Spouses of National Guard Members

Sec. 1. This chapter applies to an individual:

(1) whose father, mother, or spouse:

(A) was a member of the Indiana National Guard; and

(B) suffered a service connected death while serving on state active duty (as described in IC 10-16-7-7);

(2) who is eligible to pay the resident tuition rate (as determined by the state educational institution) at the state educational institution in which the individual is enrolled or will enroll; and

(3) who possesses the requisite academic qualifications.

Sec. 2. An eligible applicant is exempt from the payment of educational costs for instruction at the state educational institution

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in which the eligible applicant is enrolled or will enroll.

Sec. 3. An eligible applicant may receive the tuition exemption under this chapter for all semester credit hours in which the eligible applicant enrolls up to a maximum of one hundred twenty-four (124) semester credit hours.

Sec. 4. An eligible applicant qualifying for or receiving the tuition exemption under this chapter is entitled to enter, remain, and receive instruction at a state educational institution under the same conditions, qualifications, and regulations that apply to:

(1) applicants for admission to; or

(2) students enrolled in;

the state educational institution who do not qualify for or receive the educational costs exemption.

Sec. 5. The commission for higher education shall define the mandatory fees that are exempt educational costs in consultation with the commission.

Sec. 6. If an eligible applicant:

(1) qualifies for or is receiving the educational costs exemption under this chapter; and

(2) receives other financial assistance specifically designated for educational costs at the state educational institution in which the individual is enrolled or will enroll;

the state educational institution shall deduct the amount of the financial assistance specifically designated for educational costs from the amount of the educational costs exemption under this chapter.

Sec. 7. If an eligible applicant:

(1) qualifies for or is receiving the educational costs exemption under this chapter; and

(2) earns or is awarded a cash scholarship from any source that is paid or payable to the state educational institution in which the eligible applicant is enrolled or will enroll;

the state educational institution shall credit the amount of the cash scholarship to the eligible applicant for the payment of incidental expenses incurred by the eligible applicant in attending the state educational institution, with the balance, if any, of the award, if the terms of the scholarship permit, paid to the eligible applicant.

Sec. 8. The determination as to whether an individual is eligible for the educational costs exemption authorized by this chapter is vested exclusively with the military department established by IC 10-16-2-1.

Sec. 9. An eligible applicant for the educational costs exemption

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must make a written request to the adjutant general for a determination of the individual's eligibility.

Sec. 10. In response to each request under this chapter for an educational costs exemption, the adjutant general shall make a written determination of the applicant's eligibility.

Sec. 11. (a) An applicant for an educational costs exemption under this chapter may appeal an adverse determination in writing to the military department not more than fifteen (15) business days after the date the applicant receives the determination under this chapter.

(b) The military department shall issue a final order not more than fifteen (15) business days after the department receives a written appeal under subsection (a).

Sec. 12. A person who knowingly or intentionally:

(1) submits a false or misleading application or another document; or

(2) makes a false or misleading statement;

to obtain a benefit under this chapter commits a Class A misdemeanor.

Chapter 8. Tuition Exemption for Double Up Students

Sec. 1. A state educational institution shall waive tuition for a student who is:

(1) eligible for free or reduced lunch in high school;

(2) accepted into the double up for college program under IC 21-43-5; and

(3) accepted for admission to the state educational institution.

SECTION 248. IC 21-15 IS ADDED TO THE INDIANA CODE AS A **NEW** ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]:

ARTICLE 15. STATE EDUCATIONAL INSTITUTIONS: SCHOLARSHIPS AND GRANTS

Chapter 1. Applicability

Sec. 1. This article applies only to state educational institutions.

Chapter 2. Power to Award Financial Aid

Sec. 1. (a) This section applies to the board of trustees of the following state educational institutions:

(1) Ball State University.

(2) Indiana University.

(3) Indiana State University.

(4) Purdue University.

(5) University of Southern Indiana.

(b) The board of trustees of a state educational institution may

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award financial aid to students and groups of students out of the available resources of the state educational institution through:

(1) scholarships;

(2) fellowships;

(3) loans; and

(4) remissions of fees, tuition, charges, or other funds;

on the basis of financial need, excellence of academic achievement or potential achievement, or any other basis that the board of trustees finds to be reasonably related to the educational purposes and objectives of the institution.

Sec. 2. (a) This section applies to the board of trustees of the following state educational institutions:

(1) Ball State University.

(2) Indiana University.

(3) Indiana State University.

(4) Purdue University.

(5) University of Southern Indiana.

(b) The board of trustees of a state educational institution shall award financial aid in the best interests of the institution and the state.

Sec. 3. The board of trustees of Ivy Tech Community College may provide scholarships and remission of fees in proper cases.

Sec. 4. (a) Each state educational institution shall submit a report annually to the legislative council and the commission for higher education that includes the amount of need based financial aid and merit based financial aid available to students from all sources.

(b) A report submitted to the legislative council under this section must be in an electronic format under IC 5-14-6.

Chapter 3. Assistance to Individuals Who Are Blind

Sec. 1. If a blind person:

(1) matriculates in a department of:

(A) Indiana University;

(B) Purdue University;

(C) Ball State University; or

(D) Indiana State University; and

(2) requests the administration to provide an assistant to read to the person;

the board of trustees of the state educational institution and the executive officers of the state educational institution shall supply, free of charge, an assistant for at least three (3) hours per day to read to the student under the direction of the faculty of the state

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educational institution.

Chapter 4. County Scholars; Ball State University

Sec. 1. The board of trustees and faculty of Ball State University may appoint annually to Ball State University at least two (2) individuals from each county in Indiana.

Sec. 2. The appointments under this chapter shall be made on the basis of scholarship and superior mental ability.

Sec. 3. (a) Except as provided in subsection (b), individuals appointed under this chapter are entitled to enter, remain, and receive instruction in Ball State University for the next school year after their appointment, upon the same conditions, qualifications, and regulations prescribed for other applicants for admission to, or students in, Ball State University.

(b) Any student attending Ball State University under this chapter shall not be chargeable for the payment of any contingent fees.

Sec. 4. An appointment under this chapter may be made from students eligible to enter Ball State University or students in attendance at Ball State University.

Chapter 5. County Scholars; Indiana State University

Sec. 1. The board of trustees and faculty of Indiana State University may appoint annually to Indiana State University at least two (2) individuals from each county in Indiana.

Sec. 2. The appointments under this chapter shall be made on the basis of scholarship and superior mental ability.

Sec. 3. (a) Except as provided in subsection (b), individuals appointed under this chapter are entitled to enter, remain, and receive instruction in Indiana State University for the next school year after their appointment, upon the same conditions, qualifications, and regulations prescribed for other applicants for admission to, or students in, Indiana State University.

(b) Any student attending Indiana State University under this chapter shall not be chargeable for the payment of any contingent fees.

Sec. 4. An appointment under this chapter may be made from students eligible to enter Indiana State University or students in attendance at Indiana State University.

Chapter 6. County Scholars; Indiana University

Sec. 1. The board of trustees and faculty of Indiana University shall appoint annually to Indiana University at least two (2) students or scholars from each county in Indiana.

Sec. 2. Appointments of individuals under this chapter must be

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made on the basis of scholarship and superior mental ability.

Sec. 3. (a) Except as provided in subsection (b), an individual appointed under this chapter is entitled to enter, remain, and receive instruction in Indiana University for the next school year after the individual's appointment under the same conditions, qualifications, and regulations prescribed for other applicants for admission to, or students in, Indiana University.

(b) A student attending Indiana University after appointment under this chapter may not be charged any contingent fees.

Sec. 4. An appointment under this chapter may be made from students:

(1) eligible to enter; or

(2) in attendance at;

Indiana University.

Sec. 5. The secretary of the board of trustees of Indiana University shall notify the county auditor of a county whenever there are fewer students attending the university than the county is entitled to send free of tuition. Upon receiving the notice, the county auditor shall inform the board of commissioners of the county at the board of commissioners' next meeting.

Chapter 7. County Scholars; Ivy Tech Community College

Sec. 1. The state board and faculty of Ivy Tech Community College may appoint annually to Ivy Tech Community College at least two (2) students from each county in Indiana.

Sec. 2. The appointments of individuals under this chapter must be made on the basis of scholarship and superior ability.

Sec. 3. (a) Except as provided in subsection (b), students appointed under this chapter are entitled to enter, remain, and receive instruction in Ivy Tech Community College for the next school year after their appointment, under the same conditions, qualifications, and regulations prescribed for other applicants for admission to, or students in, Ivy Tech Community College.

(b) A student attending Ivy Tech Community College under this chapter is not chargeable for the payment of any contingent fees.

Sec. 4. An appointment under this chapter may be made from students eligible to enter Ivy Tech Community College or students in attendance at Ivy Tech Community College.

Chapter 8. County Scholars; Purdue University

Sec. 1. The board of trustees of Purdue University, upon the recommendation of the Purdue University faculty, may appoint annually at least two (2) students or scholars from each county in Indiana.

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Sec. 2. The recommendations for appointments under this chapter must be based upon the tests, examinations, and records that are prescribed by the Purdue University faculty.

Sec. 3. (a) Except as provided in subsection (b), an individual appointed under this chapter is entitled to enter, remain, and receive instruction under the same conditions, qualifications, and regulations prescribed for other students in Purdue University.

(b) A student admitted to Purdue University under this chapter may not be charged for the payment of any tuition or incidental fees.

Chapter 9. County Scholars; University of Southern Indiana

Sec. 1. The board of trustees and faculty of the University of Southern Indiana may appoint annually to the University of Southern Indiana at least two (2) individuals from each county in Indiana.

Sec. 2. The appointments under this chapter shall be made on the basis of scholarship and superior mental ability.

Sec. 3. (a) Except as provided in subsection (b), individuals appointed under this chapter are entitled to enter, remain, and receive instruction in the University of Southern Indiana for the next school year after their appointment, upon the same conditions, qualifications, and regulations prescribed for other applicants for admission to, or students in, the University of Southern Indiana.

(b) Any student attending the University of Southern Indiana under this chapter shall not be chargeable for the payment of any contingent fees.

Sec. 4. An appointment under this chapter may be made from students eligible to enter the University of Southern Indiana or students in attendance at the University of Southern Indiana.

Chapter 10. County Scholars; Vincennes University

Sec. 1. The board of trustees and faculty of Vincennes University may appoint annually to Vincennes University at least two (2) individuals from each county in Indiana.

Sec. 2. The appointments under this chapter shall be made on the basis of scholarship and superior mental ability.

Sec. 3. (a) Except as provided in subsection (b), individuals appointed under this chapter are entitled to enter, remain, and receive instruction in Vincennes University for the next school year after their appointment, upon the same conditions, qualifications, and regulations prescribed for other applicants for admission to, or students in, Vincennes University.

(b) Any student attending Vincennes University under this

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chapter shall not be chargeable for the payment of any contingent fees.

Sec. 4. An appointment under this chapter may be made from students eligible to enter Vincennes University or students in attendance at Vincennes University.

SECTION 249. IC 21-16 IS ADDED TO THE INDIANA CODE AS A **NEW** ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]:

ARTICLE 16. WORK STUDY PROGRAMS; STUDENT LOANS; LEGAL CAPACITY TO CONTRACT FOR STUDENT LOANS

Chapter 1. General Provisions; Definitions

Sec. 1. The definitions in this chapter apply throughout this article.

Sec. 2. "Approved lender", for the purposes of IC 21-16-4, means:

(1) an eligible institution; or

(2) a bank, trust company, savings association, credit union, or other entity as described in 20 U.S.C. 1085(d) whose primary consumer credit function is not the making of guaranteed student loans and which is examined and supervised by the appropriate state or federal regulatory agency.

Sec. 3. "Commission" refers to the state student assistance commission.

Sec. 4. "Corporation" refers to the corporation designated by the governor under IC 21-16-5-1.

Sec. 5. "Education loan" means a loan insured or guaranteed under a federal or state program or a program of private insurance that is made to assist a student in obtaining postsecondary education and that is:

(1) made to any Indiana student, or to either one (1) or both parents or the legal guardian of the student, for the purpose of attending an Indiana or non-Indiana postsecondary educational institution;

(2) made to any non-Indiana student, or to one (1) or both parents or the legal guardian of the student, for the purpose of attending an Indiana postsecondary education institution; or

(3) made or owned by any lending institution:

(A) with an office located in Indiana; or

(B) whose affiliate has an office located in Indiana or

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located in a state in which an Indiana bank or an Indiana bank holding company is entitled under Indiana law to acquire a bank or bank holding company.

Sec. 6. "Eligible employer" means:

(1) for purposes of the summer work study program:

(A) an approved postsecondary educational institution;

(B) a state or local governmental unit; or

(C) a private nonprofit organization located in Indiana performing work in the public interest; and

(2) for purposes of the in school work study program, an approved postsecondary educational institution.

Sec. 7. "Eligible institution", for the purposes of IC 20-16-4 and sections 2, 12, and 14 of this chapter, refers to a postsecondary educational institution described in IC 20-16-4-1.

Sec. 8. "Eligible student" means:

(1) for purposes of the summer work study program, a student who:

(A) has completed at least one (1) academic year as a full-time student at an approved institution of higher education in Indiana; and

(B) has received a financial aid award from the commission for the immediately preceding academic year; and

(2) for purposes of the in school work study program, a student who:

(A) is enrolled as a full-time student at an approved institution of higher education in Indiana; and

(B) has received a financial aid award from the commission for the current academic year.

Sec. 9. "Federal program", for the purposes of IC 21-16-5, means a program operated by the United States Secretary of Education under which the United States Secretary of Education provides guarantees or reinsurances of loans made to students or to either one (1) or both parents or the legal guardians of the students to assist students in obtaining postsecondary education.

Sec. 10. "Fund":

(1) for purposes of IC 21-16-2, refers to the college work study fund established by IC 21-16-2-2;

(2) for purposes of IC 21-16-4, refers to the student loan program fund established by IC 21-16-4-11; and

(3) for purposes of IC 21-16-5, refers to the secondary market sale fund established by IC 21-16-5-17.

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Sec. 11. "Guaranteed student loans", for purposes of IC 21-16-4, means loans issued by approved lenders to students or either one (1) or both parents of students under state and federal law.

Sec. 12. "Half-time students" means certificate, diploma, associate, baccalaureate, graduate, or professional students enrolled in courses sufficient for them to be considered half time by an eligible institution.

Sec. 13. "Lending institution", for the purposes of IC 21-16-5, means an institution that makes or holds education loans.

Sec. 14. "Resident" means a United States citizen or alien who is admitted into the United States for lawful, permanent residence and who:

(1) attends an eligible institution in Indiana;

(2) lives in Indiana and attends an eligible institution outside Indiana;

(3) lives outside Indiana and attends an eligible institution outside Indiana, but who:

(A) previously was a resident described in subdivision (1) or (2); and

(B) as a resident had a loan guaranteed by the commission under IC 21-16-4;

(4) resides in a county contiguous to the boundary of Indiana; or

(5) resides in a county that the commission approves as being within the servicing area of a participating lender, and the lender is located in Indiana or in a county contiguous to the boundary of Indiana.

Chapter 2. College Work Study Program

Sec. 1. There is established a college work study program to be administered by the commission.

Sec. 2. (a) The college work study fund is established to provide reimbursement to eligible employers who enter into agreements with the commission under this chapter.

(b) The fund consists of appropriations from the state general fund and contributions from private sources.

(c) The expenses of administering the fund shall be paid from money in the fund.

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

(e) Money in the fund at the end of a particular fiscal year does

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not revert to the state general fund.

Sec. 3. In order to implement the provisions of this chapter, the commission shall enter into agreements with eligible employers for the operation of work study programs as provided in this chapter.

Sec. 4. An agreement entered into under this chapter must:

(1) provide for the part-time employment by the eligible employer of eligible students:

(A) a maximum average of nineteen (19) hours per week for the in school program; and

(B) a maximum of forty (40) hours per week for the summer program;

(2) provide for the reimbursement, to the extent possible under the then current biennial appropriation, by the state to the employer of at least fifty percent (50%) of the federal minimum hourly wage for each hour worked by the student for the employer;

(3) provide that any work performed by a student under this chapter must not result in the displacement of employed workers or impair existing contracts for services;

(4) provide that any work performed by a student under this chapter shall not involve any partisan or nonpartisan political or sectarian activities;

(5) provide that wage rates must be established by the eligible institution, but must not be less than the current federal minimum wage rate; and

(6) contain any other provisions necessary to carry out this chapter.

Sec. 5. An eligible employer that is an approved postsecondary educational institution that wishes to participate in the work study program under this chapter must:

(1) submit a statement to the commission no later than August 1 of each year setting out the amount of money the approved postsecondary educational institution plans to use for work study employment in the next academic year;

(2) submit a statement to the commission at the close of the academic year specifying the amount of money actually expended by the approved postsecondary educational institution for work study employment that qualifies for reimbursement under this chapter;

(3) sign an agreement to administer the program according to the published rules and program guidelines as outlined by the commission;

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(4) place students in an on campus or off campus work situation; and

(5) participate in the Job Location and Development Program of the federal Work-Study Program (42 U.S.C. 2756(a)) and maintain at least one (1) employee half time to carry out the provisions of that program, or maintain a job placement and development program that is acceptable to the commission.

Sec. 6. An approved postsecondary educational institution may use up to ten percent (10%) of its state allotment as part of its match against the federal Work-Study Program.

Sec. 7. An eligible employer, other than an approved postsecondary educational institution governed by section 6 of this chapter, that wishes to participate in the work-study program under this chapter must:

(1) submit a statement to the commission no later than June 1 of each year setting out the amount of money the employer plans to use for work study employment in the next year;

(2) submit a statement to the commission at the close of the year specifying the amount of money actually expended by the employer for work study employment that qualifies for reimbursement under this chapter; and

(3) sign an agreement to administer the program according to the published rules and program guidelines as outlined by the commission.

Sec. 8. Funds received by students under this chapter for work during summer periods must not be considered as financial aid and must not be used in determining awards under the provisions of IC 21-12-3, IC 21-12-4, and IC 21-12-5.

Chapter 3. Minors; Legal Capacity to Contract for Guaranteed Student Loans

Sec. 1. A student who enters into a contract for a loan to finance a college education or who borrows money to defray the expense of attending any postsecondary educational institution:

(1) has full legal capacity to act in the student's own behalf in this transaction; and

(2) is subject to any obligation that arises from the contract.

Chapter 4. Guaranteed Student Loan Program

Sec. 1. The commission may approve, as eligible institutions, any postsecondary educational institution that meets the standards established by the commission. However, an eligible institution does not include a postsecondary educational institution offering exclusively correspondence or home study courses.

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Sec. 2. The commission may establish reasonable eligibility criteria for the initial and continuing participation of approved lenders in the student loan program.

Sec. 3. The commission may guarantee loans made by approved lenders upon conditions prescribed by the commission to residents who attend or plan to attend eligible institutions in Indiana or elsewhere, to assist the residents in meeting education expenses. The commission shall guarantee at least one hundred percent (100%) of the principal and interest on the loans. However, the rate of interest on guaranteed loans may not exceed the annual rate of simple interest prescribed for state student loan programs under federal law.

Sec. 4. The commission may guarantee loans to a student, or to either one (1) or both parents of a student, who attends or plans to attend an eligible institution, who is at least a half-time student, and who is accepted by the eligible institution.

Sec. 5. The commission may enter into contracts and guaranty agreements with approved lenders, state governmental agencies, other corporations, and federal governmental agencies, including agreements for federal insurance of losses resulting from death, default, bankruptcy, or total and permanent disability of borrowers.

Sec. 6. The commission may require that any loan guaranteed under this chapter be disbursed and repaid in the manner and time that the commission prescribes.

Sec. 7. The commission may remove an eligible institution's qualified status upon finding, after reasonable notice and hearing, that the eligible institution fails to meet the standards established by the commission. The commission may direct the Indiana commission on proprietary education to review a school under its jurisdiction, or a comparable school outside Indiana that is an eligible institution under this chapter. The commission may use the results of the review to determine whether to remove an eligible institution's qualified status.

Sec. 8. The commission may collect an insurance premium of not more than one percent (1%) per annum of the principal amount of the loan. The premium must be calculated in accordance with federal regulations.

Sec. 9. The commission may take, hold, and administer, on behalf of the loan program and for purposes of this chapter, property, money, and the interest and income derived from them either absolutely or in trust. The commission may accept gifts,

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grants, bequests, devises, and loans for the purposes of this chapter. An obligation of the loan program for losses on student loans resulting from death, default, bankruptcy, or total or permanent disability of borrowers is not a debt of the state, but is payable solely from the fund.

Sec. 10. (a) Whenever the commission or its designee has reason to believe that a lender or an eligible institution fails to meet the eligibility criteria for approved lenders, the commission or its designee shall call the matter to the attention of the lender or eligible institution. The lender or eligible institution is entitled to a reasonable opportunity to respond to the allegation and, if the alleged violation occurred, to show that it is corrected or to submit an acceptable plan detailing measures that will be taken to correct the violation and prevent its recurrence.

(b) Upon finding, after reasonable notice and hearing, that a lender or eligible institution fails to meet the eligibility criteria for approved lenders, the commission may:

(1) limit the number or total amount of loans which the lender or eligible institution may make under this chapter;

(2) limit the percentage of an eligible institution's total receipts for tuition and fees which may be derived from loans under this chapter for a stated period;

(3) require an eligible institution to obtain a bond, in an appropriate amount, to provide assurance that it will be able to meet its financial obligations to students enrolled in eligible institutions who received loans under this chapter; and

(4) impose other conditions or requirements on lenders or eligible institutions, or both, that:

(i) are reasonable and appropriate as a direct means of correcting a violation;

(ii) have a high probability for successfully correcting the violation; and

(iii) will promote the purposes of this chapter.

Sec. 11. Funds received under the loan program shall be deposited with the treasurer of state in a separate account known as the "student loan program fund". The money remaining in the student loan program fund at the end of a state fiscal year does not revert to the state general fund. After consultation with the program director of the loan program, the treasurer of state shall invest the funds. The income earned on the invested amount is part of the fund.

Sec. 12. The property, income, obligations, and activities of the

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program are exempt from all state and local taxation.

Sec. 13. Sections 14 through 16 of this chapter do not preclude any forbearance for the benefit of the borrower agreed upon by the parties to the guaranteed loan and the commission.

Sec. 14. Upon default by a borrower on a loan guaranteed under this chapter, and before the commencement of a suit or other enforcement proceedings upon security for the loan, the holder of the guaranteed loan obligation shall promptly notify the commission and the commission shall pay the holder of that loan as soon as the amount is determined. The commission shall determine the amount of loss in accordance with its rules; however, the amount of loss may not exceed the unpaid balance of the principal amount and the unpaid accrued interest.

Sec. 15. Upon payment by the commission of the guaranteed part of the loss upon a default by a borrower, the commission shall be subrogated to the rights of the holder of the obligation upon the insured loan and is entitled to an assignment of the note or other evidence of the guaranteed loan by the holder.

Sec. 16. A holder of a guaranteed loan shall exercise reasonable care and diligence in the making and collection of loans under this chapter. If the commission finds that reasonable care and diligence are not being exercised by a holder of a guaranteed loan, the commission may:

(1) withdraw its guarantee on an individual borrower basis, allowing the approved lender to continue participation in the program, after reasonable notice to the lender; or

(2) disqualify the approved lender from the guarantee of further loans upon finding, after reasonable notice and hearing, that the lender has substantially failed to exercise reasonable care and diligence in the making and collection of loans under this chapter.

These disqualifications shall continue until the commission is satisfied that the lender will exercise reasonable care and diligence in the future.

Sec. 17. The loan program established by this chapter may not be dissolved until all guaranteed loans have been repaid by the borrower or, if in default, by the commission. Upon dissolution of the loan program, all the property and money of the program not owed to the federal government vests in the state general fund.

Sec. 18. The attorney general shall act as legal counsel to the commission. When the collection of loans on which the commission has met its guarantee obligation requires legal action outside the

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state of Indiana, the commission, upon the recommendation of the attorney general, may employ private, out of state counsel and expend its own funds to pay for this service.

Chapter 5. Secondary Market for Guaranteed Student Loans

Sec. 1. The governor may request, on behalf of the state, the establishment of a private nonprofit corporation, with a bipartisan board of directors, to serve as a secondary market for education loans. If a private nonprofit corporation is established, the governor may designate the corporation to:

(1) serve as the secondary market for education loans; and

(2) act as an eligible lender under a federal program.

The corporation must satisfy the conditions imposed by sections 3 through 10 of this chapter, and its articles of incorporation must provide that upon the corporation's liquidation, any surplus funds must be paid to the state.

Sec. 2. Before designation by the governor under section 1 of this chapter, the corporation shall conduct a public hearing to give all interested parties an opportunity to review and comment upon the bylaws and method of operation of the corporation. Notice of this hearing must be given at least fourteen (14) days before the hearing in the manner set out in IC 5-14-1.5-5(b).

Sec. 3. (a) The corporation must, under its articles of incorporation, limit its powers to those described in subsection (b).

(b) The corporation may:

(1) borrow money;

(2) purchase, sell, and retire education loans, if the loans are not in default status;

(3) provide incentive services and payments, including the payment of premiums for the purchase of education loans and the payment of an origination fee, to assist lending institutions that provide education loans;

(4) loan funds to lending institutions if:

(A) the lending institution agrees to use the funds to originate education loans of an amount equal to the loan made by the corporation over a period agreeable to the corporation and to grant the corporation the right of first refusal to purchase those education loans;

(B) the lending institution agrees to use education loans or government securities as collateral for the loan; and

(C) the corporation has, in response to its written request, received written authorization from the governor to exercise the power described in this subdivision;

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(5) establish after consultation with the associations representing the private lenders of Indiana and, at the direction of the governor, a direct lending program under which the corporation may make education loans:

(A) to eligible borrowers under a federal program; and

(B) if the corporation determines that the borrowers cannot reasonably obtain an education loan from a lending institution in Indiana;

(6) make direct loans to or for the benefit of an education loan borrower to consolidate all or a part of the borrower's outstanding education loans into one (1) loan;

(7) operate a secondary market for postsecondary education finance instruments, including tuition certificates and education savings certificates sold by or offered through lending institutions or postsecondary educational institutions; and

(8) do all other things that are necessary or incidental to performing the functions listed in subdivisions (1) through (7).

Sec. 4. The corporation shall submit an annual report to the governor, which must include detailed information on the structure, operation, and financial status of the corporation. The corporation shall conduct an annual public hearing to receive comment from interested parties regarding the report. Notice of the hearing must be given at least fourteen (14) days before the hearing in accordance with IC 5-14-1.5-5(b).

Sec. 5. The corporation shall provide in its articles of incorporation that changes in the composition of its directors or in its bylaws are subject to the approval of the governor.

Sec. 6. The corporation is subject to an annual audit by the state board of accounts. The corporation shall bear the full costs of this audit.

Sec. 7. The board of directors of the corporation may meet in executive session to discuss negotiating strategies with respect to financing arrangements or proposals, in addition to those items listed in IC 5-14-1.5-6.1.

Sec. 8. Any or all members of the board of directors may participate in a meeting of the board by means of a conference telephone or similar communications equipment by which a member can communicate with each of the other board members if at least three (3) board members are present at the meeting. Participation by these means does not violate IC 5-14-1.5.

Sec. 9. The corporation and its transferees and pledgees, so long

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as they are eligible lenders under a federal program, are entitled to the benefits of any guaranty given by the commission under IC 21-16-4 or any successor to the commission with respect to education loans owned or held by the corporation, its transferees, or its pledgees, as long as the corporation, its transferees, or its pledgees are eligible lenders or holders of education loans under the rules adopted under IC 4-22-2 by the commission or a successor to the commission.

Sec. 10. Notwithstanding any other law, the commission may not make grants for any purpose without approval by the budget agency and the governor after review by the budget committee.

Sec. 11. Debts incurred by the corporation under authority of this chapter do not represent or constitute a debt of the state of Indiana within the meaning of the provisions of the statutes of Indiana or the Constitution of the State of Indiana.

Sec. 12. The principal of and the interest on bonds and notes issued by the corporation under this chapter are exempt from taxation of every kind by the state and by the municipalities and other political subdivisions of the state, except taxes imposed under IC 6-4.1.

Sec. 13. All:

(1) banks;
(2) bankers;
(3) trust companies;
(4) savings banks and institutions;
(5) building and loan associations;
(6) saving and loan associations;
(7) investment companies;
(8) insurance companies and associations; and
(9) executors, administrators, guardians, trustees, and other fiduciaries;

may legally invest any sinking funds, money, or other funds that belong to them or are within their control in any bonds or notes issued under this chapter.

Sec. 14. The designation by the governor under section 1 of this chapter remains in effect until the general assembly provides by law for termination of the designation.

Sec. 15. Except for an act of fraud or intentional misconduct, an officer or director of the corporation is not individually liable for an act or omission regarding the exercise or performance of that person's duty to the corporation.

Sec. 16. Notwithstanding IC 26-1-9.1-310(a), a security interest

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in education loans is perfected by:

(1) possession under IC 26-1-9.1-313; or

(2) filing a financing statement in the office of the secretary of state under IC 26-1-9.1-501.

Sec. 17. (a) The secondary market sale fund is established to provide money for school assessment testing and remediation, including reading recovery programs. The fund shall be administered by the budget agency.

(b) The expenses of administering the fund shall be paid from money in the fund. The fund consists of proceeds from the sale of assets of the Indiana Secondary Market for Education Loans, Incorporated.

(c) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested. Interest earned from these investments shall be credited to the fund.

(d) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

SECTION 250. IC 21-17 IS ADDED TO THE INDIANA CODE AS A **NEW** ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]:

ARTICLE 17. POSTSECONDARY PROPRIETARY EDUCATIONAL INSTITUTIONS AND OTHER PRIVATE EDUCATIONAL INSTITUTIONS

Chapter 1. General Provisions; Definitions

Sec. 1. The definitions in this chapter apply throughout this article.

Sec. 2. "Accreditation" means certification of a status of approval or authorization by the commission to conduct business as a postsecondary proprietary educational institution.

Sec. 3. "Agent" means a person who:

(1) enrolls or seeks to enroll a resident of Indiana through:

(A) personal contact;

(B) telephone;

(C) advertisement;

(D) letter; or

(E) publications;

in a course offered by a postsecondary proprietary educational institution; or

(2) otherwise holds the person out to the residents of Indiana as representing a postsecondary proprietary educational institution.

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Sec. 4. "Agent's permit" means a nontransferable written authorization issued to a person by the commission to solicit a resident of Indiana to enroll in a course offered or maintained by a postsecondary proprietary educational institution.

Sec. 5. "Application" means a written request for accreditation or an agent's permit on forms supplied by the commission.

Sec. 6. "Commission" means the Indiana commission on proprietary education.

Sec. 7. "Course" means a plan or program of instruction or training, whether conducted in person, by mail, or by any other method.

Sec. 8. "Fund" refers to the career college student assurance fund established by IC 21-17-3-8.

Sec. 9. "Municipality" means a city or town that, under the authority in IC 36-7 and through its redevelopment commission, may undertake and carry out redevelopment or urban renewal projects.

Sec. 10. "Nonprofit college or university", for purposes of:

(1) IC 21-17-5, refers to a postsecondary educational institution described in IC 21-17-6-5.

(2) IC 21-17-6, refers to a postsecondary educational institution described in IC 21-17-6-1.

Sec. 11. "Person" means an individual, a partnership, a limited liability company, an association, a corporation, a joint venture, a trust, a receiver, or a trustee in bankruptcy.

Sec. 12. "Police officer" refers to a police officer who:

(1) is appointed under IC 21-17-5; and

(2) is not employed by a state educational institution.

Sec. 13. "Postsecondary proprietary educational institution" means a person doing business in Indiana by offering to the public for a tuition, fee, or charge, instructional or educational services or training in a technical, professional, mechanical, business, or industrial occupation, either in the recipient's home, at a designated location, or by mail. The term does not include the following:

(1) A state educational institution or another educational institution established by law and financed in whole or part by public funds.

(2) A postsecondary proprietary educational institution approved or regulated by any other state regulatory board, agency, or commission other than the Indiana commission on proprietary education.

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(3) An elementary or secondary school attended by students in kindergarten or grades 1 through 12, supported in whole or in part by private tuition payments.

(4) Any educational institution or educational training that:

(A) is maintained or given by an employer or a group of employers, without charge, for employees or for individuals the employer anticipates employing;

(B) is maintained or given by a labor organization, without charge, for its members or apprentices;

(C) offers exclusively instruction that is clearly self-improvement, motivational, or avocational in intent (including instruction in dance, music, self-defense, and private tutoring); or

(D) is a Montessori or nursery school.

(5) A privately endowed two (2) or four (4) year degree granting institution, regionally accredited, whose principal campus is located in Indiana.

Sec. 14. "Private redevelopment corporation" means:

(1) a corporation that is wholly owned or controlled by one (1) or more nonprofit colleges or universities; or

(2) a corporation that operates on behalf of a nonprofit college or university on a nonprofit basis.

Sec. 15. "Private technical, vocational, correspondence, and trade school" means an institution or agency offering course or courses of instruction for a fee or fees and that is not primarily supported by public tax funds. The term does not include the following:

(1) A college or university offering a course of study leading to a bachelor's degree.

(2) A nonpublic preschool, elementary, or secondary school that is approved by the department of education.

Sec. 16. "Project area" means:

(1) a slum area; or

(2) an area needing redevelopment (as defined in IC 36-7-1-3).

Sec. 17. "Qualified entity" means either of the following:

(1) A nonprofit college or university.

(2) A private redevelopment corporation.

Sec. 18. "Redevelopment plan" means a plan proposed by a qualified entity for the redevelopment and renewal of a project area for educational uses.

Chapter 2. Indiana Commission on Proprietary Education

Sec. 1. The Indiana commission on proprietary education is

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established.

Sec. 2. (a) The commission consists of the following seven (7) members:

(1) The state superintendent or the superintendent's designee.

(2) The executive officer of the commission for higher education or the executive officer's designee.

(3) Five (5) members appointed by the governor.

(b) The members appointed by the governor under subsection (a) serve for a term of four (4) years.

(c) Not more than three (3) of the members appointed by the governor may be members of one (1) political party.

(d) Of the five (5) members appointed by the governor:

(1) one (1) must have been engaged for a period of at least five (5) years immediately preceding appointment in an executive or a managerial position in a postsecondary proprietary educational institution subject to IC 21-17-3;

(2) one (1) must have been engaged in administering or managing an industrial employee training program for a period of at least five (5) years immediately preceding appointment; and

(3) three (3) must be representatives of the public at large who are not representatives of the types of postsecondary proprietary educational institutions to be accredited.

For purposes of subdivision (3), an elected or appointed state or local official or a member of a private or public school may not be appointed as a representative of the public at large.

(e) An appointment to fill a vacancy occurring on the commission is for the unexpired term.

Sec. 3. (a) A member of the commission who is not a state employee is entitled to the minimum salary per diem provided by IC 4-10-11-2.1(b). The member is also entitled to reimbursement for traveling expenses as provided under IC 4-13-1-4 and other expenses actually incurred in connection with the member's duties as provided in the state policies and procedures established by the Indiana department of administration and approved by the budget agency.

(b) Each member of the commission who is a state employee is entitled to reimbursement for traveling expenses as provided under IC 4-13-1-4 and other expenses actually incurred in connection with the member's duties as provided in the state policies and procedures established by the Indiana department of administration and approved by the budget agency.

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Sec. 4. (a) The commission may select officers from the commission's membership as the commission considers necessary.

(b) The commission may employ and fix compensation for necessary administrative staff.

(c) The commission may adopt reasonable rules under IC 4-22-2 to implement this chapter and IC 21-17-3.

(d) The commission:

(1) may meet as often as is necessary upon call of the chairperson; and

(2) shall meet at least four (4) times a year.

(e) The commission may adopt and use a seal, the description of which shall be filed with the office of the secretary of state, and which may be used for the authentication of the acts of the commission.

Chapter 3. Postsecondary Proprietary Educational Institution Accreditation

Sec. 1. The general assembly recognizes that the private school is an essential part of the educational system. It is the purpose of this chapter to protect students, educational institutions, the general public, and honest and ethical operators of private schools from dishonest and unethical practices.

Sec. 2. A person may not do business as a postsecondary proprietary educational institution in Indiana without having obtained accreditation.

Sec. 3. Applications for accreditation must be filed with the commission and accompanied by an application fee of at least one hundred dollars ($100) for processing the application and evaluating the postsecondary proprietary educational institution.

Sec. 4. The application must include at least the following information:

(1) The name and address of the postsecondary proprietary educational institution and the institution's officers.

(2) The places where the courses are to be provided.

(3) The types of courses to be offered, the form of instruction to be followed with the class, shop, or laboratory, and the hours required for each curriculum.

(4) The form of certificate, diploma, or degree to be awarded.

(5) A statement of the postsecondary proprietary educational institution's finances.

(6) A description of the postsecondary proprietary educational institution's physical facilities, including classrooms, laboratories, library, machinery and equipment,

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toilets, showers, and lavatories.

(7) An explicit statement of policy with reference to:

(A) solicitation of students;

(B) payment and amount of student fees; and

(C) conditions under which students are entitled to a refund in part or in full of fees paid, including a statement concerning the existence of the fund.

(8) Provisions for liability insurance of students.

(9) Maximum student-teacher ratio to be maintained.

(10) Minimum requirements for instructional staff.

Sec. 5. (a) This section is subject to section 6 of this chapter.

(b) An application must include a surety bond in a penal sum determined under section 6 of this chapter. The bond must be executed by the applicant as principal and by a surety company qualified and authorized to do business in Indiana as surety or cash bond.

(c) The surety bond must be conditioned to provide indemnification to any student or enrollee who suffers a loss or damage as a result of:

(1) the failure or neglect of the postsecondary proprietary educational institution to faithfully perform all agreements, express or otherwise, with the student, enrollee, one (1) or both of the parents of the student or enrollee, or a guardian of the student or enrollee as represented by the application for the institution's accreditation and the materials submitted in support of that application;

(2) the failure or neglect of the postsecondary proprietary educational institution to maintain and operate a course or courses of instruction or study in compliance with the standards of this chapter; or

(3) an agent's misrepresentation in procuring the student's enrollment.

(d) A surety on a bond may be released after the surety has made a written notice of the release directed to the commission at least thirty (30) days before the release. However, a surety may not be released from the bond unless all sureties on the bond are released.

(e) A surety bond covers the period of the accreditation.

(f) An accreditation shall be suspended if a postsecondary proprietary educational institution is no longer covered by a surety bond or if the postsecondary proprietary educational institution fails to comply with section 6 of this chapter. The commission shall

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notify the postsecondary proprietary educational institution in writing at least ten (10) days before the release of the surety or sureties that the accreditation is suspended until another surety bond is filed in the manner and amount required under this chapter.

Sec. 6. (a) Subject to subsections (b), (d), and (e), the commission shall determine the penal sum of each surety bond based upon the following guidelines:

(1) A postsecondary proprietary educational institution that has no annual gross tuition charges assessed for the previous year shall secure a surety bond in the amount of twenty-five thousand dollars ($25,000).

(2) If at any time the postsecondary proprietary educational institution's projected annual gross tuition charges are more than two hundred fifty thousand dollars ($250,000), the institution shall secure a surety bond in the amount of fifty thousand dollars ($50,000).

(b) After June 30, 2006, and except as provided in:

(1) section 9 of this chapter; and

(2) subsection (e);

and upon the fund achieving at least an initial one million dollar ($1,000,000) balance, a postsecondary proprietary educational institution that contributes to the fund when the initial quarterly contribution is required under this chapter after the fund's establishment is not required to make contributions to the fund or submit a surety bond.

(c) The commission shall determine the number of quarterly contributions required for the fund to initially accumulate one million dollars ($1,000,000).

(d) Except as provided in section 9 of this chapter and subsection (e), a postsecondary proprietary educational institution that begins making contributions to the fund after the initial quarterly contribution as required under this chapter is required to make contributions to the fund for the same number of quarters as determined by the commission under subsection (c).

(e) If, after a fund acquires one million dollars ($1,000,000) the balance in the fund becomes less than five hundred thousand dollars ($500,000), all postsecondary proprietary educational institutions not required to make contributions to the fund as described in subsection (b) or (d) shall make contributions to the fund for the number of quarters necessary for the fund to accumulate one million dollars ($1,000,000).

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Sec. 7. The commission shall require each postsecondary proprietary educational institution to include in each curriculum catalog and promotional brochure the following:

(1) A statement indicating that the postsecondary proprietary educational institution is regulated by the commission under this chapter.

(2) The commission's mailing address and telephone number.

Sec. 8. (a) The career college student assurance fund is established to provide indemnification to a student or an enrollee of a postsecondary proprietary educational institution who suffers loss or damage as a result of an occurrence described in section 5(c) of this chapter if the occurrence transpired after June 30, 1992, and as provided in section 25 of this chapter.

(b) The commission shall administer the fund.

(c) The expenses of administering the fund shall be paid from money in the fund.

(d) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested.

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

(f) Upon the fund acquiring fifty thousand dollars ($50,000), the balance in the fund must not become less than fifty thousand dollars ($50,000). If:

(1) a claim against the fund is filed that would, if paid in full, require the balance of the fund to become less than fifty thousand dollars ($50,000); and

(2) the commission determines that the student is eligible for a reimbursement under the fund;

the commission shall prorate the amount of the reimbursement to ensure that the balance of the fund does not become less than fifty thousand dollars ($50,000), and the student is entitled to receive that balance of the student's claim from the fund as money becomes available in the fund from contributions to the fund required under this chapter.

(g) The commission shall ensure that all outstanding claim amounts described in subsection (f) are paid as money in the fund becomes available in the chronological order of the outstanding claims.

(h) A claim against the fund may not be construed to be a debt of the state.

Sec. 9. (a) Subject to section 6 of this chapter, each

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postsecondary proprietary educational institution shall make quarterly contributions to the fund. The quarters begin January 1, April 1, July 1, and October 1.

(b) For each quarter, each postsecondary proprietary educational institution shall make a contribution equal to the STEP THREE amount derived under the following formula:

STEP ONE: Determine the total amount of tuition and fees earned during the quarter.

STEP TWO: Multiply the STEP ONE amount by one-tenth of one percent (0.1%).

STEP THREE: Add the STEP TWO amount and sixty dollars ($60).

(c) Notwithstanding section 6 of this chapter, for a postsecondary proprietary educational institution beginning operation after September 30, 2004, the commission, in addition to requiring contributions to the fund, shall require the postsecondary proprietary educational institution to submit a surety bond in an amount determined by the commission for a period that represents the number of quarters required for the fund to initially accumulate one million dollars ($1,000,000) as determined under section 6(d) of this chapter.

Sec. 10. (a) Upon receipt of an application, the commission shall make an investigation to determine the accuracy of the statements in the application to determine if the postsecondary proprietary educational institution meets the minimum standards for accreditation.

(b) During the investigation under subsection (a), the commission may grant a temporary status of accreditation. The temporary status of accreditation is sufficient to meet the requirements of this chapter until a determination on accreditation is made.

Sec. 11. The cost of performing a team onsite investigation shall be paid by the applicant postsecondary proprietary educational institution. However, the total cost of an inspection, including room, board, and mileage that does not require travel outside Indiana, may not exceed one thousand dollars ($1,000) for any one (1) postsecondary proprietary educational institution.

Sec. 12. (a) A postsecondary proprietary educational institution shall maintain at least the following records for each student:

(1) The program in which the student enrolls.

(2) The length of the program.

(3) The date of the student's initial enrollment in the program.

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(4) The student's period of attendance.

(5) The amount of the student's tuition and fees.

(6) A copy of the enrollment agreement.

(b) Upon the request of the commission, a postsecondary proprietary educational institution shall submit the records described in subsection (a) to the commission.

(c) If the postsecondary proprietary educational institution ceases operation, the postsecondary proprietary educational institution shall submit the records described in subsection (a) to the commission not later than thirty (30) days after the institution ceases to operate.

Sec. 13. Full accreditation may not be issued unless and until the commission finds that the postsecondary proprietary educational institution meets minimum standards that are appropriate to that type or class of postsecondary proprietary educational institution, including the following minimum standards:

(1) The postsecondary proprietary educational institution has a sound financial structure with sufficient resources for continued support.

(2) The postsecondary proprietary educational institution has satisfactory training or educational facilities with sufficient tools, supplies, or equipment and the necessary number of work stations or classrooms to adequately train, instruct, or educate the number of students enrolled or proposed to be enrolled.

(3) The postsecondary proprietary educational institution has an adequate number of qualified instructors or teachers, sufficiently trained by experience or education, to give the instruction, education, or training contemplated.

(4) The advertising and representations made on behalf of the postsecondary proprietary educational institution to prospective students are truthful and free from misrepresentation or fraud.

(5) The charge made for the training, instruction, or education is clearly stated and based upon the services rendered.

(6) The premises and conditions under which the students work and study are sanitary, healthful, and safe according to modern standards.

(7) The postsecondary proprietary educational institution has and follows a refund policy approved by the commission.

(8) The owner or chief administrator of the postsecondary

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proprietary educational institution has not been convicted of a felony.

(9) The owner or chief administrator of the postsecondary proprietary educational institution has not been the owner or chief administrator of a postsecondary proprietary institution that has had its accreditation revoked or has been closed involuntarily in the five (5) year period preceding the application for accreditation. However, if the owner or chief administrator of the postsecondary proprietary educational institution has been the owner or chief administrator of a postsecondary proprietary educational institution that has had its accreditation revoked or has been closed involuntarily more than five (5) years before the application for accreditation, the commission may issue full accreditation at the commission's discretion.

Sec. 14. (a) After investigation and a finding that the information in the application is true and the postsecondary proprietary educational institution meets the minimum standards, the commission shall issue an accreditation to the postsecondary proprietary educational institution upon payment of an additional fee of at least twenty-five dollars ($25).

(b) The commission may waive inspection of a postsecondary proprietary educational institution that has been accredited by an accrediting unit whose standards are approved by the commission as meeting or exceeding the requirements of this chapter.

(c) A valid license, approval to operate, or other form of accreditation issued to a postsecondary proprietary educational institution by another state may be accepted, instead of inspection, if:

(1) the requirements of that state meet or exceed the requirements of this chapter; and

(2) the other state will, in turn, extend reciprocity to postsecondary proprietary educational institutions accredited by the commission.

(d) An accreditation issued under this section expires one (1) year following the accreditation's issuance.

(e) An accredited postsecondary proprietary educational institution may renew the institution's accreditation annually upon:

(1) the payment of a fee of at least twenty-five dollars ($25); and

(2) continued compliance with this chapter.

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Sec. 15. Accreditation may be revoked by the commission:

(1) for cause upon notice and an opportunity for a commission hearing; and

(2) for the accredited postsecondary proprietary educational institution failing to make the appropriate quarterly contributions to the fund not later than forty-five (45) days after the end of a quarter.

Sec. 16. (a) A postsecondary proprietary educational institution, after notification that the institution's accreditation has been refused, revoked, or suspended, may apply for a hearing before the commission concerning the institution's qualifications. The application for a hearing must be filed in writing with the commission not more than thirty (30) days after receipt of notice of the denial, revocation, or suspension.

(b) The commission shall give a hearing promptly and with not less than ten (10) days notice of the date, time, and place. The postsecondary proprietary educational institution is entitled to be represented by counsel and to offer oral and documentary evidence relevant to the issue.

(c) Not more than fifteen (15) days after a hearing, the commission shall make written findings of fact, a written decision, and a written order based solely on the evidence submitted at the hearing, either granting or denying accreditation to the postsecondary proprietary educational institution.

Sec. 17. A postsecondary proprietary educational institution's accreditation shall be suspended at any time if the accredited postsecondary proprietary educational institution denies enrollment to a student or makes a distinction or classification of students on the basis of race, color, or creed.

Sec. 18. A person may not do the following:

(1) Make, or cause to be made, a statement or representation, oral, written, or visual, in connection with the offering or publicizing of a course, if the person knows or should reasonably know the statement or representation is false, deceptive, substantially inaccurate, or misleading.

(2) Promise or guarantee employment to a student or prospective student using information, training, or skill purported to be provided or otherwise enhanced by a course, unless the person offers the student or prospective student a bona fide contract of employment agreeing to employ the student or prospective student for a period of at least ninety (90) days in a business or other enterprise regularly

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conducted by the person in which that information, training, or skill is a normal condition of employment.

(3) Do an act that constitutes part of the conduct of administration of a course if the person knows, or should reasonably know, that the course is being carried on by the use of fraud, deception, or other misrepresentation.

Sec. 19. (a) A person representing a postsecondary proprietary educational institution doing business in Indiana by offering courses may not sell a course or solicit students for the institution unless the person first secures an agent's permit from the commission. If the agent represents more than one (1) postsecondary proprietary educational institution, a separate agent's permit must be obtained for each institution that the agent represents.

(b) Upon approval of an agent's permit, the commission shall issue a pocket card to the person that includes:

(1) the person's name and address;

(2) the name and address of the postsecondary proprietary educational institution that the person represents; and

(3) a statement certifying that the person whose name appears on the card is an authorized agent of the postsecondary proprietary educational institution.

(c) The application must be accompanied by a fee of at least ten dollars ($10).

(d) An agent's permit is valid for one (1) year from the date of its issue. An application for renewal must be accompanied by a fee of at least ten dollars ($10).

(e) A postsecondary proprietary educational institution is liable for the actions of the institution's agents.

Sec. 20. (a) An application for an agent's permit must be granted or denied by the commission not more than fifteen (15) working days after the receipt of the application. If the commission has not completed a determination with respect to the issuance of a permit under this section within the fifteen (15) working day period, the commission shall issue a temporary permit to the applicant. The temporary permit is sufficient to meet the requirements of this chapter until a determination is made on the application.

(b) A permit issued under this chapter may upon ten (10) days notice and after a hearing be revoked by the commission:

(1) if the holder of the permit solicits or enrolls students through fraud, deception, or misrepresentation; or

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(2) upon a finding that the permit holder is not of good moral character.

Sec. 21. The fact that a bond is in force or that the fund exists does not limit or impair a right of recovery and the amount of damages or other relief to which a plaintiff may be entitled.

Sec. 22. An obligation, negotiable or nonnegotiable, providing for payment for a course or courses of instruction is void if the postsecondary proprietary educational institution is not accredited to operate in Indiana.

Sec. 23. The issuance of an agent's permit or any accreditation may not be considered to constitute approval of a course, a person, or an institution. A representation to the contrary is a misrepresentation.

Sec. 24. (a) This section applies to claims against the surety bond of a postsecondary proprietary educational institution.

(b) A student who believes that the student is suffering loss or damage resulting from any of the occurrences described in section 5(c) of this chapter may request the commission to file a claim against the surety of the postsecondary proprietary educational institution or agent.

(c) The request must state the grounds for the claim and must include material substantiating the claim.

(d) The commission shall investigate all claims submitted to the commission and attempt to resolve the claims informally. If the commission determines that a claim is valid, and an informal resolution cannot be made, the commission shall submit a formal claim to the surety.

(e) A claim against the surety bond may not be filed by the commission unless the student's request under subsection (b) is commenced not more than five (5) years after the date on which the loss or damage occurred.

(f) If the amount of the surety bond is insufficient to cover all or part of the claim, a claim or the balance of the claim against the surety bond in the amount that is insufficient must be construed to be a claim against the balance of the fund under section 25 of this chapter.

Sec. 25. (a) This section applies:

(1) to claims against the balance of the fund; and

(2) in cases where a student or an enrollee of a postsecondary proprietary educational institution is protected by both a surety bond and the balance of the fund, only after a claim against the surety bond exceeds the amount of the surety

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bond.

(b) A student or an enrollee of a postsecondary proprietary educational institution who believes that the student or enrollee has suffered loss or damage resulting from any of the occurrences described in section 5(c) of this chapter may request the commission to file a claim with the commission against the balance of the fund. If there is a surety bond in an amount sufficient to cover a claim or part of a claim under this section, a claim against the balance of the fund must be construed to be a claim against the surety bond first to the extent that the amount of the surety bond exists and the balance of the claim may be filed against the balance of the fund.

(c) A claim under this section is limited to a refund of the claimant's applicable tuition and fees.

(d) All claims must be filed not later than five (5) years after the occurrence resulting in the loss or damage to the claimant occurs.

(e) Upon the filing of a claim under this section, the commission shall review the records submitted by the appropriate postsecondary proprietary educational institution described under section 12 of this chapter and shall investigate the claim and attempt to resolve the claim as described in section 24(d) of this chapter.

(f) Upon a determination by the commission that a claimant shall be reimbursed under the fund, the commission shall prioritize the reimbursements under the following guidelines:

(1) A student's educational loan balances.

(2) Federal grant repayment obligations of the student.

(3) Other expenses paid directly by the student.

Sec. 26. The prosecuting attorney of the county in which the offense occurred shall, at the request of the commission or on the prosecuting attorney's own motion, bring any appropriate action, including a mandatory and prohibitive injunction.

Sec. 27. An action of the commission concerning the issuance, denial, or revocation of a permit or accreditation under this chapter is subject to review under IC 4-21.5.

Sec. 28. (a) Except as provided in subsection (b), a person who knowingly, intentionally, or recklessly violates this chapter commits a Class B misdemeanor.

(b) A person who, with intent to defraud, represents the person to be an agent of a postsecondary proprietary educational institution commits a Class C felony.

Sec. 29. All fees collected by the commission shall be deposited

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in the state general fund.

Chapter 4. Private Technical and Trade School Registration

Sec. 1. It is the purpose of this chapter to promote and encourage pupil personnel and guidance services by centralizing information about private technical, vocational, correspondence, and trade schools in the department of education.

Sec. 2. Not later than thirty (30) days before conducting business in Indiana and before February 1 of each subsequent year, a private technical, vocational, correspondence, and trade school conducting business in Indiana shall register with the department of education.

Sec. 3. A private technical, vocational, correspondence, and trade school shall provide the following information to the department of education when the private technical, vocational, correspondence, and trade school registers under this chapter:

(1) Name and address of agency or institution and each of its centers of operation.

(2) Its curriculum for the preceding year, including a brief description of each course offered.

(3) Tuition charges for each course or credit hour.

(4) A description of each degree or certificate offered and the requirements for obtaining the described degrees and certificates.

(5) Sample copy of any contract with a student used by the private technical, vocational, correspondence, and trade school.

Sec. 4. A private technical, vocational, correspondence, and trade school that is registered under this chapter is entitled to use its registration under this chapter for publicity purposes in any manner.

Sec. 5. The department of education shall:

(1) maintain a file of each private technical, vocational, correspondence, and trade school registered with the department of education; and

(2) preserve in the file any grievances, complaints, or other comments about the private technical, vocational, correspondence, and trade school that has been received.

Sec. 6. The files must be accessible to the public upon request.

Chapter 5. Powers to Appoint Police Officers; Retirement; Traffic Regulations; Assistance From Law Enforcement Officers

Sec. 1. This chapter applies to a college, university, or junior college that:

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(1) is accredited by the North Central Association; and

(2) is not a state educational institution.

Sec. 2. The governing board of an educational institution may do the following:

(1) Appoint police officers for the educational institution for which it is responsible.

(2) Prescribe the duties of police officers of the educational institution and direct their conduct.

(3) Prescribe distinctive uniforms for the police officers of the educational institution or campus.

(4) Designate and operate emergency vehicles.

Sec. 3. Police officers appointed under this chapter shall take an appropriate oath of office in the form and manner prescribed by the appointing governing board. The police officers serve at the pleasure of the appointing governing board.

Sec. 4. (a) Police officers appointed under this chapter have the following powers:

(1) General police powers, including the power to arrest, without process, all persons who commit any offense within the view of the officer.

(2) The same common law and statutory powers, privileges, and immunities as sheriffs and constables. However, the police officers are empowered to serve civil process only to the extent authorized by the employing governing board.

(3) The duty to enforce and to assist the officials of the educational institutions in the enforcement of the rules and regulations of the educational institution.

(4) The duty to assist and cooperate with other law enforcement agencies and law enforcement officers.

(b)The governing board of an educational institution employing a police officer may expressly forbid the officer from exercising any powers otherwise granted to the police officer by law.

Sec. 5. (a) Except as provided in subsection (b), a police officer appointed under this chapter may exercise the powers granted under this chapter only upon any real property owned or occupied by the educational institution employing the police officer, including the streets passing through and adjacent to the educational institution.

(b) Additional jurisdiction may be established by agreement with the chief of police of the municipality or sheriff of the county or the appropriate law enforcement agency where the educational institution's property is located, depending upon the jurisdiction

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involved.

Sec. 6. Whenever a police officer retires after at least twenty (20) years of service, the police officer may retain the officer's service weapon. The officer is entitled to receive, in recognition of the service to the educational institution and the public, a badge that indicates that the officer is retired. Upon retirement, the state police department shall issue to the police officer an identification card that:

(1) states the police officer's name and rank at retirement;

(2) states the officer's retired status; and

(3) notes the officer's authority to retain the service weapon.

A retired police officer described in this section is entitled to a lifetime license to carry a handgun under IC 35-47-2-3(e).

Sec. 7. (a) This section does not limit or restrict the powers of any other governmental authority having jurisdiction over public streets, roads, alleys, or ways.

(b) The governing board of the educational institution may regulate the traffic of:

(1) motor vehicles;

(2) bicycles;

(3) other vehicles; and

(4) pedestrians;

on all streets, roads, paths, and grounds of real property owned, used, occupied, or controlled by the educational institution.

(c) Regulations adopted by the governing board applicable to traffic may include the following provisions:

(1) Provisions governing the:

(A) registration;

(B) speed;

(C) operation;

(D) parking; and

(E) times, places, and manner of use;

of motor vehicles, bicycles, and other vehicles.

(2) Provisions prescribing penalties for the violation of regulations. Penalties may include the:

(A) imposition of reasonable charges;

(B) removal and impounding (at the expense of the violator) of vehicles that are operated or parked in violation of regulations; and

(C) denial of permission to operate vehicles on the property of the educational institution.

(3) Provisions establishing reasonable charges and fees for the

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registration of vehicles and for the use of parking spaces or facilities owned or occupied by the institution.

Sec. 8. The governing board of the educational institution may empower one (1) or more officials of the educational institution to request the assistance of law enforcement officers of the:

(1) state;

(2) counties;

(3) cities; and

(4) towns;

when necessary. When any law enforcement officer is on the property of the educational institution by virtue of a request under this section, the law enforcement officer possesses all powers conferred by this chapter upon police officers appointed by the respective governing board, in addition to the powers otherwise conferred upon the law enforcement officers by the laws of the state.

Chapter 6. Participation in Urban Renewal

Sec. 1. This chapter applies to a postsecondary educational institution (no part of the net earnings inure to the benefit of any private shareholder or individual) that:

(1) provides:

(A) an educational program for which it awards a baccalaureate or more advanced degree; or

(B) at least a two (2) year program that is acceptable for full credit towards a baccalaureate or more advanced degree; and

(2) is accredited by a national accrediting agency or association or, if not so accredited, a postsecondary educational institution whose credits are accepted, on transfer, by at least three (3) accredited postsecondary educational institutions for credit on the same basis as if transferred from a postsecondary educational institution that is accredited.

Sec. 2. (a) This chapter shall be liberally construed to effectuate the purposes of this chapter.

(b) This chapter may not be construed as requiring:

(1) municipalities;

(2) redevelopment commissions; or

(3) redevelopment districts;

to participate in any federal cooperation or grants.

Sec. 3. Any qualified entity may prepare and submit to the redevelopment commission of a municipality a redevelopment plan

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for a project area adjacent to or in the immediate vicinity of:

(1) the location of:

(A) the principal buildings of a nonprofit college or university; or

(B) a major branch of a nonprofit college or university where teaching or research is done or where students or faculty live; and

(2) the area of a redevelopment or urban renewal project that has been or is being undertaken by the redevelopment commission having jurisdiction over the territory in which the project area is located.

Sec. 4. A redevelopment plan must conform to the:

(1) general plan of the locality as a whole; and

(2) requirements of IC 36-7 with respect to the content of redevelopment or urban renewal plans.

Sec. 5. A redevelopment commission receiving a redevelopment plan may approve the redevelopment plan and contract with the submitting qualified entity to carry out the redevelopment plan. The redevelopment commission may assist the qualified entity to obtain credit as a local grant-in-aid for the total amount of expenditures made by the qualified entity that is eligible for reimbursement under Title 1 of the Housing Act of 1949, as amended.

Sec. 6. If a redevelopment plan is approved by the redevelopment commission, the redevelopment commission shall proceed as provided by IC 36-7. If a redevelopment plan is approved by the plan commission of a municipality, the redevelopment commission shall give notice and hold a public hearing as provided in IC 36-7. If, after the public hearing, the redevelopment commission determines that the redevelopment of the project area as proposed will be of public utility and benefit, the redevelopment commission shall authorize the qualified entity to proceed with the acquisition and redevelopment of the property within the project area in accordance with the approved redevelopment plan.

Sec. 7. To implement an approved redevelopment plan, qualified entities may:

(1) acquire by purchase, gift, grant, condemnation, or lease any real estate, interests in real estate, or personal property within the project area or needed for the redevelopment of the project area;

(2) clear or contract for the clearance of all real estate

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acquired for redevelopment purposes;

(3) repair and maintain existing structures to be included in the redevelopment plan;

(4) erect new structures or make major structural improvements on existing buildings; and

(5) sell, lease, or grant parts of the land acquired for redevelopment purposes to the municipality or other governmental agency for street, boulevard, levee, sewerage, park, playground, school, and other public purposes:

(A) on terms and conditions; and

(B) with or without compensation;

as agreed upon.

Sec. 8. (a) For purposes of administering an approved redevelopment plan, a qualified entity is designated as a redevelopment agency to apply for and receive:

(1) grants under Title 1 of the Housing Act of 1949 (42 U.S.C. 1452b et seq.), as amended; and

(2) all available federal grants that are available for the project area.

(b) If a qualified entity:

(1) acquired before March 4, 1961, from a redevelopment commission all or part of lands included within a redevelopment project that was undertaken before March 4, 1961, by a redevelopment commission under IC 36-7; and

(2) has redeveloped the lands described in subdivision (1) for educational purposes;

the qualified entity is designated the redevelopment agency to receive grants under Title 1 of the Housing Act of 1949 (42 U.S.C. 1452b et seq.), as amended, for the project area. The qualified entity is also eligible to receive all other federal grants that are available for the project area.

(c) To obtain federal cooperation and any available federal grants, qualified entities may enter into agreements with the federal government or the appropriate agency of the federal government.

Sec. 9. A municipality or a redevelopment commission of a municipality may cooperate with a qualified entity to carry out an approved redevelopment plan to the extent that a qualified entity may agree. A qualified entity is not required to expend any funds or take any action in respect to the approved redevelopment plan except as provided in this chapter.

SECTION 251. IC 21-18 IS ADDED TO THE INDIANA CODE AS

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A **NEW** ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]:

ARTICLE 18. COMMISSION FOR HIGHER EDUCATION

Chapter 1. General Provisions; Definitions

Sec. 1. The definitions in this chapter apply throughout this article.

Sec. 2. "Advisory committee" refers to any advisory committee established by the commission.

Sec. 3. "Commission" refers to the commission for higher education.

Sec. 4. "Long range plan" refers to the long range plan for postsecondary education developed by the commission.

Sec. 5. "Nominating committee" refers to the nominating committee established under IC 21-18-3-4.

Sec. 6. "Statewide committee" refers to the committee on statewide transfer and articulation established by the commission under the transfer and articulation initiative, March 1, 2000.

Sec. 7. "Vocational education" means any postsecondary vocational, agricultural, occupational, manpower, employment, or technical training or retraining of less than a baccalaureate level that:

(1) is offered by a state educational institution; and

(2) enhances an individual's career potential.

Sec. 8. "Vocational education plan" refers to the plan for implementing postsecondary vocational education programming developed by the commission.

Chapter 2. Creation

Sec. 1. A commission is established as an instrumentality and an agency of the state.

Sec. 2. The commission shall be known as the "Commission for Higher Education of the State of Indiana".

Sec. 3. The commission may sue and be sued in the name of the commission.

Chapter 3. Membership

Sec. 1. The commission consists of fourteen (14) members appointed by the governor as follows:

(1) Each member must be a citizen of Indiana.

(2) Each congressional district must be represented by at least one (1) member who resides in the congressional district.

(3) One (1) member must be a student.

(4) One (1) member must be a full-time faculty member of a state educational institution.

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Sec. 2. Except for the one (1) full-time faculty member and the one (1) student member, a member may not be an employee of or serve on the governing board of any state public or private college or university in Indiana.

Sec. 3. The governor shall appoint the student member and the full-time faculty member of the commission from a list that:

(1) contains at least three (3) names but not more than five (5) names for each appointment; and

(2) is submitted by a nominating committee.

Sec. 4. The chairman of the commission shall appoint a ten (10) member nominating committee as follows:

(1) Five (5) students from state educational institutions, with not more than one (1) student from any one (1) state educational institution.

(2) Five (5) full-time faculty members from state educational institutions, with not more than one (1) full-time faculty member from any one (1) educational institution.

Sec. 5. (a) Membership on the commission does not constitute holding a public office.

(b) A commission member is not required to take and file an oath of office before serving as a commission member.

(c) Except as provided in this chapter, a commission member:

(1) is not disqualified from holding a public office or position by reason of appointment to or membership on the commission; and

(2) does not forfeit an office, a position, or an employment by reason of an appointment to the commission.

Sec. 6. (a) Appointments to the commission are for a term of four (4) years except:

(1) the student member; and

(2) the full-time faculty member;

who are appointed to a term of two (2) years.

(b) The governor shall promptly make appointments to fill vacancies for the duration of unexpired terms in the same manner as the original appointments.

(c) The term of a member begins on July 1 of the year of appointment and continues until a successor has been appointed.

Sec. 7. Members of the commission shall:

(1) receive per diem, lodging, and mileage for attendance at regular or special meetings; and

(2) be reimbursed for necessary expenses incurred on other official duties.

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Chapter 4. Officers

Sec. 1. The commission shall elect from its membership:

(1) a chairman;

(2) a vice chairman; and

(3) other necessary officers.

Chapter 5. Administration

Sec. 1. The commission is a public institution for purposes of IC 5-11-1 and subject to the jurisdiction of the state board of accounts as provided in IC 5-11-1.

Sec. 2. IC 4-13-1, IC 4-13-2, IC 4-13.6, and IC 5-22 apply to the commission to the same extent these provisions apply to state educational institutions.

Sec. 3. (a) This section applies whenever a contract for the procurement of property for the commission is awarded by acceptance of bids, proposals, or quotations.

(b) A bid, proposal, or quotation submitted by a trust (as defined in IC 30-4-1-1(a)) must identify each:

(1) beneficiary of the trust; and

(2) settlor empowered to revoke or modify the trust.

Sec. 4. The commission may:

(1) designate and employ an executive officer and necessary employees;

(2) designate the titles of the executive officer and necessary employees; and

(3) fix the compensation in terms of the employment.

Chapter 6. Purposes; General Powers; Limitations

Sec. 1. The general purposes of the commission are the following:

(1) Plan for and coordinate Indiana's state supported system of postsecondary education.

(2) Review appropriation requests of state educational institutions.

(3) Make recommendations to the governor, budget agency, or the general assembly concerning postsecondary education.

(4) Perform other functions assigned by the governor or the general assembly, except those functions specifically assigned by law to the commission on vocational and technical education.

Sec. 2. (a) If designated by the governor or the general assembly, the commission may serve as the agency to receive or administer funds available for postsecondary education:

(1) programs;

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(2) projects; and

(3) facilities;

for any of the acts of the United States Congress if the acts of Congress require the state to designate an agency or commission.

(b) This section does not provide for the designation of the commission by the governor as the recipient of funds provided by acts of the United States Congress if the general assembly designates another agency, board, or commission to receive the funds.

Sec. 3. The commission may employ all powers properly incident to or connected with any of the purposes, powers, or duties under this article, including the power to adopt rules.

Sec. 4. The commission has no powers or authority relating to the management, operation, or financing of a state educational institution except as expressly set forth by law. All management, operations, and financing of state educational institutions remain exclusively vested in the board of trustees or other governing boards or bodies of the state educational institutions.

Sec. 5. The commission does not have the authority to obligate any tax funds or other funds of the state except for appropriations made to the commission by the general assembly.

Chapter 7. Advisory Committees; Committee on Statewide Transfer and Articulation

Sec. 1. The commission may create advisory committees to assist the commission in performing the duties of the commission.

Sec. 2. An advisory committee must be composed of:

(1) representatives of state educational institutions;

(2) representatives of private colleges and universities;

(3) students;

(4) faculty; and

(5) other qualified persons.

Sec. 3. The commission may direct the activities of the statewide committee, including the activities set forth in IC 21-42-6.

Chapter 8. Long Range Planning

Sec. 1. The commission may develop, update, and implement a long range plan for postsecondary education.

Sec. 2. In developing the long range plan, the commission shall take into account:

(1) the plans and interests of the state private postsecondary educational institutions;

(2) anticipated enrollments in state public and private postsecondary educational institutions;

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(3) financial needs of students; and

(4) other factors pertinent to the quality of educational opportunity available to the citizens of Indiana.

Sec. 3. The long range plan must define the educational missions and the projected enrollments of the various state educational institutions.

Sec. 4. The commission may:

(1) make recommendations to the general assembly and the governor concerning the long range plan; and

(2) prepare and offer proposed legislation needed to implement the long range plan.

Chapter 9. Educational Program Review

Sec. 1. The commission may:

(1) review the legislative request budgets of all state educational institutions preceding each session of the general assembly; and

(2) make recommendations concerning appropriations and bonding authorizations to state educational institutions, including public funds for financial aid to students by any state agency.

Sec. 2. The commission may:

(1) review all programs of any state educational institution, regardless of the source of funding; and

(2) make recommendations to the board of trustees of the state educational institution, the governor, and the general assembly concerning the funding and the disposition of the programs.

Sec. 3. In making a review under section 1 or 2 of this chapter, the commission may request and shall receive, in the form reasonably required by the commission, from all state educational institutions, complete information concerning all receipts and all expenditures.

Sec. 4. The commission may:

(1) make, or cause to be made, studies of the needs for various types of postsecondary education; and

(2) make recommendations to the general assembly and the governor concerning the organization of these programs.

Sec. 5. The commission may approve or disapprove the:

(1) establishment of any new branches, regional or other campuses, or extension centers;

(2) establishment of any new college or school; or

(3) offering on any campus of any:

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(A) additional associate, baccalaureate, or graduate degree; or

(B) additional program of two (2) semesters or their equivalent in duration leading to a certificate or other indication of accomplishment.

Chapter 10. Vocational Education; Additional Powers

Sec. 1. The commission may consult with and make recommendations to the commission on vocational and technical education on all postsecondary vocational education programs.

Sec. 2. The commission shall biennially prepare a plan for implementing postsecondary vocational education programming after considering the long range state plan developed under IC 22-4.1-13-9. The commission shall submit the vocational education plan to the commission on vocational and technical education for its review and recommendations. The commission shall specifically report on how the vocational education plan addresses preparation for employment.

Sec. 3. The commission may also make recommendations to the general assembly concerning the vocational education plan.

Sec. 4. The commission may submit to the commission on vocational and technical education for its review under IC 22-4.1-13-15 the legislative budget requests prepared by state educational institutions for state and federal funds for vocational education. These budget requests must:

(1) be prepared upon request of the budget director;

(2) cover the period determined by the budget director; and

(3) be made available to the commission on vocational and technical education before review by the budget committee.

Sec. 5. The commission may:

(1) make or cause to be made studies of the needs for various types of postsecondary vocational education; and

(2) submit to the commission on vocational and technical education the commission's findings in this regard.

Sec. 6. (a) The commission may develop a definition for and report biennially to the:

(1) general assembly;

(2) governor; and

(3) commission on vocational and technical education within the department of workforce development;

on attrition and persistence rates by students enrolled in state vocational education.

(b) A report under this section to the general assembly must be

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in an electronic format under IC 5-14-6.

Chapter 11. Transfer of Courses and Programs; Report

Sec. 1. The commission may 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, including any initiative under IC 21-42.

Sec. 2. The commission report under section 1 of this chapter must include any changes made during the immediately preceding academic year.

SECTION 252. IC 21-19 IS ADDED TO THE INDIANA CODE AS A **NEW** ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]:

ARTICLE 19. BALL STATE UNIVERSITY

Chapter 1. General Provisions; Definitions

Sec. 1. The definitions in this chapter apply throughout this article.

Sec. 2. "Board of trustees" refers to the board of trustees of Ball State University.

Sec. 3. "Trustee" refers to a trustee on the board of trustees.

Chapter 2. Creation

Sec. 1. The state educational institution located and established at Muncie, Indiana, is perpetuated under the name of "Ball State University".

Sec. 2. The board of trustees of Ball State University is designated the "Ball State University Board of Trustees".

Sec. 3. The board of trustees constitutes a perpetual body corporate.

Chapter 3. Board of Trustees

Sec. 1. The board of trustees is subject to this chapter and all other laws governing the affairs of their predecessors.

Sec. 2. The board of trustees is composed of nine (9) members, appointed by the governor as follows:

(1) Six (6) members who must be at large.

(2) Two (2) members who must be alumni of Ball State University.

(3) One (1) member who must be a Ball State University student.

Sec. 3. Not more than six (6) of the nonstudent members of the board of trustees may be of the same sex. At least one (1) member of the board of trustees must be a resident of and reside in Delaware County.

Sec. 4. All members of the board of trustees must be:

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(1) residents of Indiana; and

(2) citizens of the United States.

Sec. 5. (a) To aid the governor in the selection of the student member, a search and screen committee is created. The search and screen committee consists of the following:

(1) One (1) representative of the governor.

(2) At least four (4) students chosen by the elected student government representatives of the student body.

(b) The search and screen committee shall establish the mode and criteria to be used in the selection of student nominees to serve on the board of trustees. The search and screen committee shall submit a list of at least ten (10) names to the governor for the governor's consideration.

(c) The governor shall select one (1) of these names for appointment as a member of the board of trustees in accordance with this chapter.

Sec. 6. (a) The Ball State University alumni council shall designate the term and nominate a person for each of the two (2) alumni memberships on the board of trustees.

(b) The Ball State University alumni council, through the president of Ball State University, shall submit the names of the nominees to the governor for the governor's immediate appointment to the board of trustees.

Sec. 7. At least thirty (30) days before the expiration of the term of an alumni member, the Ball State University Alumni Council, or its successor, must submit, through the president of Ball State University, the name of the nominee to succeed the retiring alumni member. The governor shall appoint the nominee as an alumni member of the board of trustees.

Sec. 8. (a) With the exception of the student member of the board of trustees, all appointments to the Ball State University board of trustees are for four (4) year terms. Each term of a nonstudent board member begins on January 1 of the appropriate year.

(b) The term of a member continues until the member's successor is appointed and qualified.

(c) The student member of the board of trustees is appointed for a two (2) year term. The student member's term begins on July 1 of the year in which the student member is appointed. The student member must be a full-time student at Ball State University throughout the student member's term.

Sec. 9. A vacancy occurring on the board of trustees from death,

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incapacitation, or resignation shall be filled by appointment of the governor for the unexpired term. Vacancies in offices held by alumni members shall be filled from nominees submitted by the Ball State University alumni council.

Chapter 4. Officers; Treasurer

Sec. 1. The board of trustees shall meet at Ball State University in January of even-numbered years and organize by:

(1) electing from their membership:

(A) a president;

(B) a vice president;

(C) a secretary; and

(D) an assistant secretary; and

(2) appointing a qualified person who is not a member of the board of trustees to serve as treasurer.

Sec. 2. The person appointed as treasurer of Ball State University is responsible for the:

(1) receipt;

(2) custody;

(3) accounting; and

(4) proper protection;

of all funds due and accruing to Ball State University and the board of trustees from any and all sources and for whatever purposes the funds and receipts are designated.

Sec. 3. Before commencing duties as treasurer, the person appointed as treasurer of Ball State University shall give bond in an amount prescribed by the board of trustees.

SECTION 253. IC 21-20 IS ADDED TO THE INDIANA CODE AS A **NEW** ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]:

ARTICLE 20. INDIANA UNIVERSITY

Chapter 1. General Provisions; Definitions

Sec. 1. The definitions in this chapter apply throughout this article.

Sec. 2. "Board of trustees" refers to the board of trustees of Indiana University.

Sec. 3. "Trustee" refers to a member of the board of trustees of Indiana University.

Chapter 2. Creation

Sec. 1. Indiana University is recognized as the university of the state.

Sec. 2. The board of trustees is a body politic.

Chapter 3. Board of Trustees

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Sec. 1. The name of the board of trustees of Indiana University is "the trustees of Indiana University".

Sec. 2. The board of trustees has nine (9) members.

Sec. 3. This section does not apply to the student trustee appointed to the board of trustees. Not more than:

(1) one (1) of the trustees elected to the board of trustees; and

(2) two (2) of the trustees appointed to the board of trustees;

may reside in the same county.

Sec. 4. (a) Three (3) members of the board of trustees shall be elected by the alumni of Indiana University under this chapter. In the year in which the term of any member of the board of trustees elected by the alumni expires, a successor to the trustee shall be elected by the alumni of Indiana University, to serve for a term of three (3) years beginning July 1 next succeeding the election.

(b) When a vacancy occurs in the membership of the board of trustees who are elected by the alumni, because of death, resignation, or any other reason, the vacancy shall be filled by election by the alumni, for the unexpired term.

Sec. 5. The members of the board of trustees who are elected by the alumni of Indiana University must be alumni of Indiana University.

Sec. 6. A registry of the names and addresses of the alumni of Indiana University shall be kept, and corrected from time to time, by the president of Indiana University or the president's designated representative. The alumni of Indiana University consist of those persons who have been awarded a degree by the board of trustees of Indiana University as recommended by the faculty.

Sec. 7. (a) Any one hundred (100) or more alumni of Indiana University may file with the librarian of Indiana University on or before April 1 in each year a written nomination for a trustee to be elected by the alumni at the next election.

(b) After April 1, but not later than June 1, a list of all candidates nominated under this section shall be mailed by the librarian to each alumnus at the alumnus's address.

Sec. 8. The election of members of the board of trustees shall be held at Indiana University on the secular day immediately preceding July 1, at 9 a.m. At that time trustees shall be elected to:

(1) serve for a term of three (3) years from July 1 next succeeding the trustee's election; and

(2) complete any unexpired term or terms.

Sec. 9. (a) Each alumnus may send to the librarian, over the alumnus's signature, at any time before the election of a trustee or

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trustees, the vote for the trustee or trustees that the alumnus would be entitled to cast if personally present at the election. The ballots and the containers in which the ballots are submitted must be:

(1) prepared and furnished by the librarian; and

(2) designed as to enable the librarian to ascertain the name of the voter, and to determine whether the voter is entitled to participate in the election, without knowing for whom the voter casts a ballot.

(b) The librarian shall deliver all votes cast in the election, to be opened and counted at the election, together with the votes cast by those alumni who are personally present and entitled to vote at the election.

(c) An alumnus may not cast more than one (1) vote.

Sec. 10. The person receiving the greatest number of votes cast shall be declared the elected trustee. If two (2) or more persons receive an equal and the greatest number of votes cast, the librarian shall cast lots to determine which of the persons shall be declared the elected trustee.

Sec. 11. The term of an elected trustee expires July 1 of the year in which the terms are to end.

Sec. 12. (a) The governor shall appoint five (5) members of the board of trustees for terms of three (3) years.

(b) Whenever a vacancy occurs in the membership of the board of trustees who are appointed by the governor because of death, resignation, removal from the state, or for any other reason, the vacancy shall be filled by an appointment of the governor for the unexpired term.

Sec. 13. The governor shall appoint to the board of trustees a member who must be a full-time student of Indiana University during the two (2) year tenure of the appointment.

Sec. 14. (a) To aid the governor in the selection of the student member, a search and screen committee is created consisting of:

(1) one (1) representative of the governor; and

(2) at least four (4) students chosen by the elected student government representatives of the student body, including at least one (1) student from each campus of the university, main and regional.

(b) The search and screen committee shall establish the mode and criteria to be used in the selection of student nominees to serve on the board of trustees.

(c) The search and screen committee shall submit a list of at least ten (10) names to the governor for consideration.

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(d) The governor shall select one (1) of these names for appointment as a trustee of the university in accordance with this chapter.

Sec. 15. The board of trustees shall declare vacant the seat of any trustee who is:

(1) absent from two (2) successive meetings of the board of trustees; or

(2) guilty of any gross immorality or breach of the bylaws of Indiana University.

Sec. 16. (a) This section applies if an emergency is declared by the faculty after a session of the board of trustees has been called that the board of trustee members who do not reside in Monroe County failed to attend.

(b) Three (3) trustees who reside in Monroe County may fill vacancies in the faculty of Indiana University and the board of trustees. If there are not three (3) trustees in attendance after an emergency is declared, the:

(1) trustees who attend; and

(2) members of the faculty who attend;

shall fill the vacancies.

(c) Appointments made under this section expire at the next meeting of the board of trustees.

Chapter 4. Officers

Sec. 1. The board of trustees shall elect:

(1) one (1) member as president;

(2) one (1) member as treasurer;

(3) one (1) member as secretary; and

(4) any other officers the trustees consider necessary.

The board of trustees shall prescribe the duties and fix the compensation of the officers elected under this section.

Sec. 2. The treasurer of Indiana University shall give bond in an amount and with surety approved by the board of trustees that is conditioned upon the faithful discharge of the treasurer's duties. The bond shall be:

(1) payable to the state; and

(2) filed with the auditor of state.

Sec. 3. The treasurer of Indiana University shall do the following:

(1) Keep true accounts of all money received into the treasury of Indiana University, and of the money's expenditure.

(2) Pay out Indiana University's funds on the order of the board of trustees, certified by the board of trustee's secretary.

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(3) Collect the tuition fees due Indiana University.

(4) Make semiannual settlements with the board of trustees.

(5) Submit a full statement of the finances of Indiana University and the treasurer's receipts and payments at each meeting of the board of trustees.

(6) Submit the treasurer's books and papers to the inspection of the board of trustees and visitors.

Sec. 4. The report of the treasurer of Indiana University must contain what is included in the annual catalogue, with other matters considered useful to the cause of education connected with Indiana University.

Sec. 5. The secretary of the board of trustees shall:

(1) keep a true record of the proceedings of the board of trustees;

(2) certify copies of the board of trustee's proceedings; and

(3) maintain:

(A) an account of the students in Indiana University by the students' classes, including the students' respective ages and places of residence; and

(B) a list of all graduates.

Chapter 5. Meetings

Sec. 1. The board of trustees shall annually meet in Bloomington, at least three (3) days before the annual commencement of Indiana University.

Sec. 2. Five (5) members of the board of trustees constitute a quorum.

SECTION 254. IC 21-21 IS ADDED TO THE INDIANA CODE AS A **NEW** ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]:

ARTICLE 21. INDIANA STATE UNIVERSITY

Chapter 1. General Provisions; Definitions

Sec. 1. The definitions in this chapter apply throughout this article.

Sec. 2. "Board of trustees" refers to the Indiana State University board of trustees.

Sec. 3. "Trustee" refers to a trustee of the board.

Chapter 2. Creation

Sec. 1. A bipartisan board of trustees shall be known as the Indiana State University board of trustees.

Sec. 2. The board of trustees constitutes a perpetual body corporate.

Chapter 3. Board of Trustees

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Sec. 1. A bipartisan board of trustees is established for Indiana State University.

Sec. 2. The board of trustees is composed of nine (9) trustees appointed by the governor as follows:

(1) Seven (7) competent individuals, one (1) of whom must be a student.

(2) Two (2) competent individuals who are alumni of Indiana State University nominated by the alumni council of Indiana State University.

Sec. 3. (a) Subject to subsection (b), the term of a trustee is four (4) years.

(b) The term of a student trustee is two (2) years.

Sec. 4. (a) To aid the governor in the selection of the student member, a search and screen committee is created consisting of one (1) representative of the governor and at least four (4) students chosen by the elected student government representatives of the student body.

(b) The search and screen committee shall establish the mode and criteria to be used in the selection of student nominees to serve on the board of trustees.

(c) The search and screen committee shall submit a list of at least ten (10) names to the governor for consideration.

(d) The governor shall select one (1) of these names for appointment as a trustee of Indiana State University.

Sec. 5. An individual appointed to the board of trustees must be a resident of Indiana and a citizen of the United States.

Sec. 6. An alumni member appointed to the board of trustees must have completed a prescribed course of study by Indiana State University or one (1) of the following predecessors of Indiana State University:

(1) Indiana State Normal School.

(2) Indiana State Teachers College.

(3) Indiana State College.

Sec. 7. The student trustee appointed to the board of trustees must be a full-time student of Indiana State University during the student trustee's term.

Sec. 8. At least one (1) woman must be on the board of trustees.

Sec. 9. (a) The governor shall fill a vacancy occurring in the board of trustees from death, resignation, or removal from the state for the unexpired term of the retiring trustee.

(b) The alumni council of Indiana State University shall nominate the appointee to fill a vacancy caused by the loss of an

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alumni member.

Chapter 4. Elected Officers; Treasurer

Sec. 1. (a) The board of trustees, when assembled, shall organize by electing the following from among the membership of the board of trustees:

(1) A president.

(2) A vice president.

(3) A secretary.

(4) An assistant secretary.

(b) The term of an office elected under this section is one (1) year.

Sec. 2. The board shall appoint a qualified individual who is not a member of the board to serve as permanent treasurer.

Sec. 3. The treasurer is responsible for the:

(1) receipt;

(2) custody;

(3) accounting; and

(4) proper protection;

of all funds due and accruing to the university and the board from any sources and for whatever purposes the funds and receipts may be designated.

Sec. 4. The treasurer shall give a bond in the amount determined by the board before commencing the treasurer's duties.

Chapter 5. Meetings

Sec. 1. The board of trustees shall meet in July of each year, or as soon after July as practicable, at Indiana State University in Terre Haute.

SECTION 255. IC 21-22 IS ADDED TO THE INDIANA CODE AS A **NEW** ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]:

ARTICLE 22. IVY TECH COMMUNITY COLLEGE OF INDIANA

Chapter 1. General Provisions; Definitions

Sec. 1. The definitions in this chapter apply throughout this article.

Sec. 2. "Occupational and technical education" means education that is:

(1) job employment oriented; and

(2) intended to deliver occupational specific skills that are necessary for employment.

Sec. 3. "Region" refers to a region established under IC 21-22-6-1.

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Sec. 4. "Regional board" refers to a regional board of trustees established under IC 21-22-6-2.

Sec. 5. "Regional institute" means a regional institute established under IC 21-22-6-1.

Sec. 6. "State board of trustees" refers to the board of trustees of Ivy Tech Community College.

Chapter 2. Creation

Sec. 1. There is established a two (2) year state college.

Sec. 2. (a) Subject to this section, the two (2) year state educational institution established by section 1 of this chapter shall be called "Ivy Tech Community College of Indiana".

(b) The board of trustees may change the name of the state educational institution with the approval of the governor.

Sec. 3. The state board of trustees is a body corporate and politic.

Chapter 3. State Board of Trustees

Sec. 1. Ivy Tech Community College shall be governed by a state board of trustees appointed by the governor.

Sec. 2. The state board of trustees shall be known by the name of "The Trustees of Ivy Tech Community College of Indiana", except when the name is altered, as provided in IC 21-22-2-2. In the corporate name and capacity, the state board of trustees may sue, be sued, plead, and be impleaded, in any court of record, and by that name has perpetual succession.

Sec. 3. (a) The number of members of the state board of trustees must equal the number of regions established by the state board of trustees. Each member of the state board of trustees must have knowledge or experience in one (1) or more of the following areas:

(1) Manufacturing.
(2) Commerce.
(3) Labor.
(4) Agriculture.
(5) State and regional economic development needs.
(6) Indiana's educational delivery system.

One (1) member of the state board of trustees must reside in each region established by the state board of trustees. Appointments shall be for three (3) year terms, on a staggered basis.

(b) An individual who holds an elective or appointed office of the state is not eligible to serve as a member of the state board of trustees. A member of a regional board may be appointed to the state board of trustees but must then resign from the regional board.

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Sec. 4. (a) The governor shall fill all vacancies on the state board of trustees. Each trustee appointed to fill a vacancy shall represent the same region as the trustee's predecessor.

(b) If a vacancy occurs on the state board of trustees, the regional board for the region in which the former member resided may recommend to the governor one (1) or more qualified persons to fill the vacancy.

Chapter 4. Officers

Sec. 1. The members of the state board of trustees shall elect from their own number a chairman and a vice chairman.

Sec. 2. The state board of trustees may select from their number:

(1) a secretary; and

(2) a treasurer;

of Ivy Tech Community College but are not prohibited from appointing employees to serve as secretary and treasurer.

Sec. 3. The state board of trustees may appoint employees as assistant secretary and assistant treasurer.

Sec. 4. The duties of the treasurer of Ivy Tech Community College include the following:

(1) Keeping true accounts of all money received into the treasury of Ivy Tech Community College and of the expenditure of that money.

(2) Paying out the same on order of the state board of trustees.

(3) Collecting the tuition and fees due to Ivy Tech Community College as well as gifts, grants, bequests, and devises.

(4) Submitting a full statement of the finances of Ivy Tech Community College and the treasurer's receipts and payments, at each annual meeting of the state board of trustees.

(5) Investing and reinvesting such funds as shall come into the treasurer's possession to the benefit of Ivy Tech Community College.

Sec. 5. The treasurer of Ivy Tech Community College shall give a bond in a penalty and with surety to be approved by the state board of trustees, payable to the state, conditioned upon the faithful discharge of the treasurer's duties.

Sec. 6. The secretary of Ivy Tech Community College shall keep, or cause to be kept, a true and complete record of the proceedings of the state board of trustees. The secretary shall keep the record in the headquarters of Ivy Tech Community College. The secretary shall perform such other duties as the state board of trustees

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determines.

Chapter 5. Headquarters; State Board of Trustee Meetings

Sec. 1. Ivy Tech Community College and the state board of trustees shall have headquarters in Marion County.

Sec. 2. The state board of trustees shall meet regularly four (4) times a year and at other times upon call by its chairman.

Chapter 6. Regional Institutes; Regional Board of Trustees

Sec. 1. The state board of trustees may do the following:

(1) Divide Indiana into appropriate regions, taking into consideration, but not limited to, factors such as population, potential enrollment, tax bases, and driving distances, and develop an overall state plan that provides for the orderly development of regional technical institutes encompassing, ultimately, all parts of Indiana into a coordinated system providing a comprehensive program of post-high school general, liberal arts, occupational, and technical education.

(2) Whenever a regional institute is established, issue a certificate of incorporation and a charter, in a form that the state board of trustees provides, to the regional institute, assist and supervise the development of a regional plan, and coordinate regional programs to avoid unnecessary and wasteful duplication.

(3) Make biennial studies of the budget requirements of the regional institutes and of its own programs and prepare a budget, including anticipated revenues and providing for the construction or rental of facilities requisite to carrying out the needs of Ivy Tech Community College.

(4) Perform or contract for the performance of an audit of the financial records of each regional institute on at least a biennial basis.

Sec. 2. Whenever the state board of trustees establishes a regional institute within a region, it shall appoint a regional board of trustees.

Sec. 3. The regional board of a regional institute consists of seven (7) members, including at least five (5) members who are representative of the manufacturing, commercial, agricultural, labor, and educational groups of the region, all appointed by the state board of trustees. All members of the regional board must be residents of the region. Appointments are for three (3) year terms, on a staggered basis, and all trustees must be citizens of Indiana. Members may serve for an unlimited number of terms.

Sec. 4. A vacancy on the regional board shall be filled by

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appointment by the state board of trustees. The regional board shall nominate three (3) candidates to fill the vacancy within forty (40) days after the vacancy occurs. The state board of trustees may appoint one (1) of the persons nominated by the regional board or may reject all of the regional board's nominees. If the state board of trustees rejects all of the nominees from a regional board, the state board of trustees shall notify the regional board, and the regional board shall make three (3) additional nominations within forty (40) days after receipt of the notice. The state board of trustees shall then fill the vacancy from either the original group of nominations or from the additional nominations.

Sec. 5. The members of the regional board shall annually elect a chairman, a vice chairman, and a secretary.

Sec. 6. Meetings of the regional board shall be called in such a manner and at such times, and shall operate under such rules, as the regional board may prescribe. The regional board shall meet at least four (4) times annually.

Sec. 7. A majority of the regional board constitutes a quorum.

Sec. 8. A regional board shall do the following:

(1) Make a careful analysis of the educational needs and opportunities of the region.

(2) Develop and recommend to the state board of trustees, a plan for providing postsecondary:

(A) general education;

(B) liberal arts education; and

(C) occupational and technical education;

for the residents of that region.

(3) Develop and recommend a budget for regional programs and operations.

(4) Identify and recommend alternative methods of acquiring or securing facilities and equipment necessary for the delivery of effective regional programs.

(5) Facilitate and develop regional cooperation with employers, community leaders, economic development efforts, area vocational centers, and other public and private education and training entities in order to provide postsecondary general, liberal arts, and occupational and technical education and training in an efficient and cost effective manner and to avoid duplication of services.

(6) Determine through evaluation, studies, or assessments the degree to which the established training needs of the region are being met.

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(7) Make recommendations to the state board of trustees concerning policies that appear to substantially affect the regional board's capacity to deliver effective and efficient programming.

Sec. 9. A regional board may do the following:

(1) Adopt, amend, or repeal bylaws for the regional institute, subject to the approval of the state board of trustees.

(2) Make recommendations to the state board of trustees concerning amendments to the charter of the regional institute.

Sec. 10. Before taking any action under IC 21-27-6-3, IC 21-27-6-4, IC 21-31-2-5, IC 21-38-3-7(2), or IC 21-41-5-8 that would substantially affect a regional institute, the state board of trustees shall request recommendations concerning the proposed action from the regional board for that region.

Sec. 11. Upon request of a regional board that has submitted recommendations under section 8(7) or 10 of this chapter, the state board of trustees shall conduct public hearings concerning the recommendations at a regular or special meeting of the state board of trustees.

SECTION 256. IC 21-23 IS ADDED TO THE INDIANA CODE AS A **NEW** ARTICLE TO READ AS FOLLOW [EFFECTIVE JULY 1, 2007]:

ARTICLE 23. PURDUE UNIVERSITY

Chapter 1. General Provisions; Definitions

Sec. 1. The definitions in this chapter apply throughout this article.

Sec. 2. "Airport" refers to the Purdue University Airport.

Sec. 3. "Board of trustees" refers to the board of trustees of Purdue University.

Sec. 4. "Secretary" refers to the secretary of the board of trustees.

Sec. 5. "Treasurer" refers to the treasurer of the board of trustees.

Chapter 2. Creation

Sec. 1. The college contemplated and provided by the Act of Congress, approved July 2, 1862, entitled "An act donating public lands to the several states and territories which may provide colleges for the benefit of agriculture and the mechanic arts," is created a body corporate, under the name of "The Trustees of the Indiana Agricultural College" and located in Tippecanoe County, at the point determined before the first day of January, 1870, by a

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majority vote of the trustees of the Indiana Agricultural College. The faith of the state is pledged that the location so made shall be permanent.

Sec. 2. In consideration of the:

(1) donation by John Purdue, amounting to one hundred and fifty thousand dollars ($150,000); and

(2) the further donation of one hundred (100) acres of land appurtenant to the state educational institution; and

on condition that the donation be made effectual, the state educational institution after the date of its location as determined under section 1 of this chapter shall have the name and style of "Purdue University". The faith of the state is pledged that the name and style shall be the permanent designation of the state educational institution, without addition or modification.

Sec. 3. After the date of the location of Purdue University, the corporate name of the trustees of the Indiana Agricultural College shall be "The Trustees of Purdue University".

Chapter 3. Board of Trustees

Sec. 1. The board of trustees consists of ten (10) members, to be appointed for the term of service and in the manner provided by this chapter. The terms of all trustees terminate on July 1 of the year in which their terms of office expire.

Sec. 2. The governor shall appoint ten (10) trustees for Purdue University for the term beginning on July 1 in conformity with this chapter.

Sec. 3. (a) Three (3) members of the board of trustees shall be selected by the members of the Purdue alumni association. One (1) of the members must be a graduate of the school of agriculture. All members of the board of trustees selected under this section must be members of the alumni association and graduates of Purdue University.

(b) At the annual meeting of the Purdue alumni association for the year in which the term of office of any one (1) of the trustees selected under this section expires, a successor shall be selected by the members of the Purdue alumni association, in the manner that the Purdue alumni association prescribes. The president of the Purdue alumni association shall certify all selections made by the Purdue alumni association.

(c) If, at any time, a vacancy occurs on the board of trustees, occasioned by the death, resignation, expiration of term, or otherwise of any of the members of the board of trustees selected by the members of the Purdue alumni association, the vacancy

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shall be filled by selection by the president of the Purdue alumni association. The member selected to fill a vacancy serves until the next annual meeting of the Purdue alumni association when a successor to fill out the unexpired term shall be selected in the manner provided in subsection (b). The member selected by the Purdue alumni association shall be appointed by the governor to fill out the unexpired term.

Sec. 4. Seven (7) of the trustees shall be appointed by the governor.

Sec. 5. Two (2) members of the board of trustees appointed by the governor must be involved in agricultural pursuits. One (1) of the members of the board of trustees appointed by the governor must be a full-time student of Purdue University.

Sec. 6. (a) To aid the governor in the selection of the student member, a search and screen committee is created consisting of:

(1) one (1) representative of the governor; and

(2) at least four (4) students chosen by the elected student government representatives of the student body, including at least one (1) student from each campus of Purdue University, main and regional.

(b) The search and screening committee shall establish the mode and criteria to be used in the selection of student nominees to serve on the board of trustees. The search and screening committee shall submit a list of the names of at least ten (10) individuals to the governor for the governor's consideration. The governor shall select one (1) of these individuals for appointment as a student member of the board of trustees.

Sec. 7. All members of the board of trustees serve for three (3) years, except for the student member who serves for two (2) years.

Sec. 8. In case any vacancy occurs on the board of trustees by reason of the resignation, removal from the state, expiration of the term of office, or otherwise of any of the trustees appointed by the governor, the vacancy shall be filled by the governor from the respective classes as provided in this section to serve only for the unexpired term.

Sec. 9. The acceptance of an appointment by the governor signifies that the appointee will give the appointee's best efforts to the interests of Purdue University and that the appointee will regularly attend the meetings of the board of trustees. The secretary of the board of trustees shall report the attendance of each meeting of the board of trustees to the governor. If a member is absent for two (2) consecutive meetings without sufficient excuse,

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it shall be considered sufficient cause for the governor to ask for the resignation of the member.

Chapter 4. Officers; Treasurer

Sec. 1. The board of trustees shall:

(1) at their first meeting after their appointment; and

(2) every two (2) years thereafter;

choose a president of the board of trustees.

Sec. 2. The board of trustees shall:

(1) at their first meeting after appointment;

(2) every two (2) years thereafter; and

(3) whenever a vacancy occurs;

elect by ballot a secretary and treasurer.

Sec. 3. The secretary and the treasurer may not be members of the board of trustees.

Sec. 4. The board of trustees shall set the compensation of the secretary and the treasurer.

Sec. 5. The treasurer shall give a bond to the state of Indiana in any sum not less than fifty thousand dollars ($50,000) for the faithful execution of the treasurer's trust, with sufficient sureties, as the board of trustees requires.

Sec. 6. The treasurer shall:

(1) receive;

(2) take charge of; and

(3) manage, under the direction of the board of trustees;

all stocks and funds belonging to Purdue University.

Chapter 5. Meetings

Sec. 1. The board of trustees shall hold its meetings at the dates, times, and places as the board of trustees may agree on.

Sec. 2. A majority of the number of the board of trustees constitutes a quorum.

SECTION 257. IC 21-24 IS ADDED TO THE INDIANA CODE AS A **NEW** ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]:

ARTICLE 24. UNIVERSITY OF SOUTHERN INDIANA

Chapter 1. Definitions

Sec. 1. The definitions in this chapter apply throughout this article.

Sec. 2. "Board of trustees" refers to the University of Southern Indiana board of trustees.

Sec. 3. "Regional campus" means Indiana State University - Regional Campus Evansville, a regional campus managed by the Indiana State University board of trustees before July 1, 1985.

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Chapter 2. Creation

Sec. 1. There is established a body corporate and politic with the name University of Southern Indiana.

Chapter 3. Board of Trustees

Sec. 1. The authority to manage the university is vested in the board of trustees.

Sec. 2. The board of trustees consists of nine (9) members who shall serve terms of four (4) years. However, the term of a student member of the board of trustees is two (2) years.

Sec. 3. Each member of the board of trustees must be a citizen of the United States and a resident of Indiana.

Sec. 4. The board of trustees must include at least the following:

(1) One (1) member who is an alumnus of the University of Southern Indiana or an alumnus of the regional campus.

(2) One (1) member who is a full-time student in good standing enrolled in the University of Southern Indiana.

(3) One (1) member who is a resident of Vanderburgh County.

Sec. 5. (a) The governor shall appoint the members of the board of trustees.

(b) If a vacancy occurs during the term of any member, the governor shall appoint an individual to serve the unexpired term of the vacating member.

Sec. 6. (a) There is established a screening committee of the University of Southern Indiana to nominate the alumnus member of the board of trustees.

(b) The screening committee consists of five (5) members appointed by the executive body of the university alumni association designated by the board of trustees.

(c) Within seventy-five (75) days after the date that a vacancy occurs on the board of trustees for the alumnus member, the screening committee shall submit a list of at least three (3) names of eligible individuals to a person designated by the board of trustees.

(d) When the names are received by the person designated by the board of trustees, the designated person shall submit the names to the governor.

(e) The governor shall appoint the alumnus member of the board of trustees from the list of names submitted under subsection (d). However, if the governor does not receive the names of at least three (3) eligible individuals under subsection (d) within ninety (90) days after the alumnus member vacancy on the board occurs, the

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governor may appoint any individual who is otherwise eligible under this chapter to serve as the alumnus member of the board of trustees.

Sec. 7. (a) There is established a screening committee of the University of Southern Indiana for the purpose of nominating the student member of the board of trustees.

(b) The screening committee consists of:

(1) four (4) students enrolled in the university who are appointed by the student governing body designated by the board of trustees; and

(2) one (1) individual appointed by the governor.

(c) Within seventy-five (75) days after the date that a vacancy occurs on the board of trustees for the student member, the screening committee shall submit a list of at least ten (10) names of eligible individuals to a person designated by the board of trustees.

(d) When the names are received by the person designated by the board of trustees, the designated person shall submit the names to the governor.

(e) The governor shall appoint the student member of the board of trustees from the list of names submitted under subsection (d). However, if the governor does not receive the names of at least ten (10) eligible individuals under subsection (d) within ninety (90) days after the date that the student member vacancy on the board of trustees occurs, the governor may appoint an individual who is otherwise eligible under this chapter to serve as the student member of the board of trustees.

Chapter 4. Officers; Meetings

Sec. 1. The board shall adopt bylaws governing:

(1) the election of its officers;

(2) the conduct of its meetings and its other internal affairs; and

(3) the appointment and duties of a president, a treasurer, and other executive officers of the University of Southern Indiana.

SECTION 258. IC 21-25 IS ADDED TO THE INDIANA CODE AS A **NEW** ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]:

ARTICLE 25. VINCENNES UNIVERSITY

Chapter 1. General Provisions; Definitions

Sec. 1. The definitions in this chapter apply throughout this article.

Sec. 2. "Board of trustees" refers to the board of trustees of Vincennes University.

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Sec. 3. "Trustee" refers to a member of the board of trustees.

Chapter 2. Creation

Sec. 1. There is instituted and incorporated Vincennes University.

Sec. 2. There is created a body corporate and politic, by the name of "the board of trustees for the Vincennes University" that is ordained, constituted, and declared to be forever a body politic and corporate, in fact and in name.

Chapter 3. Board of Trustees

Sec. 1. The board of trustees consists of ten (10) trustees.

Sec. 2. Nine (9) members of the board of trustees shall be appointed by the governor, one (1) of whom must be a resident of Knox County and one (1) must be an alumnus of Vincennes University. In addition, the governor shall appoint one (1) trustee who is a full-time student of Vincennes University during the student's term.

Sec. 3. (a) To aid the governor in the selection of the student member of the board of trustees, a search and screen committee is created. The search and screen committee consists of:

(1) one (1) representative of the governor; and

(2) at least four (4) students chosen by the elected student government representatives of the student body.

(b) The search and screen committee shall establish the mode and criteria to be used in the selection of student nominees to serve on the board of trustees.

(c) The search and screen committee shall submit a list of the names of at least five (5) individuals to the governor for consideration.

(d) The governor shall select one (1) of these individuals for appointment as a trustee in accordance with this chapter.

Sec. 4. The term of each appointed trustee is three (3) years. However, the term of the student appointee is one (1) year.

Sec. 5. If a vacancy occurs in the membership of the board of trustees, the vacancy shall be filled by the board of trustees for the unexpired term.

Sec. 6. The appropriate number of appointive trustees shall be appointed before the first Monday of October of each year. The first Monday is the first day of their terms.

Sec. 7. There shall be the following four (4) ex officio members of the board of trustees:

(1) The president of the university.

(2) The superintendent of the Vincennes Community School

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Corporation.

(3) The superintendent of the South Knox School Corporation.

(4) The superintendent of the North Knox School Corporation.

Chapter 4. Officers; Audit

Sec. 1. The board of trustees at their first stated meeting shall elect a president out of their own body.

Sec. 2. If the president is absent from any stated or extraordinary meeting, the board of trustees shall elect a president pro tempore.

Sec. 3. The accounts and financial affairs of Vincennes University are subject to inspection and examination by the state examiner.

Chapter 5. Meetings; Quorum

Sec. 1. The annual meeting of the board of trustees shall be held on the first Monday of October of each year.

Sec. 2. Special meetings may be called by the president of the board of trustees or by any four (4) trustees.

Sec. 3. Six (6) trustees constitute a quorum at any regular or special meeting of the board of trustees.

SECTION 259. IC 21-26 IS ADDED TO THE INDIANA CODE AS A **NEW** ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]:

ARTICLE 26. REGIONAL CAMPUSES

Chapter 1. General Provisions; Definitions

Sec. 1. The definitions in this chapter apply throughout this article.

Sec. 2. "Advisory board" refers to the Indiana University-Purdue University Calumet region campus advisory board established by IC 21-26-2-1.

Sec. 3. "Calumet regional campuses" means the regional campuses of Indiana University and Purdue University located in the cities of Hammond, Gary, and East Chicago.

Chapter 2. Calumet Region Campus Advisory Board

Sec. 1. There is established an advisory board for the Calumet regional campuses of Indiana University and Purdue University.

Sec. 2. The advisory board shall be known as the Indiana University-Purdue University Calumet region campus advisory board.

Sec. 3. The advisory board consists of the following five (5) members appointed by the governor:

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(1) One (1) member who is a resident of Porter County.

(2) One (1) member who is a resident of Newton County.

(3) Three (3) members who are residents of Lake County.

Sec. 4. Each member of the advisory board shall serve for a term equal to the greater of the following:

(1) Four (4) years.

(2) The date when the member's successor is appointed and qualified.

Sec. 5. The advisory board shall serve in an advisory capacity to the board of trustees of Indiana University and the board of trustees of Purdue University in the operation of the Calumet regional campuses.

Sec. 6. After the appointment of the members of the advisory board and upon call of the governor, the advisory board shall meet and elect a president, vice president, and secretary.

Sec. 7. The secretary of the advisory board shall do the following:

(1) Keep an accurate record of the advisory board's proceedings in a suitable book procured by the advisory board for that purpose.

(2) Make copies and transcripts of the orders and proceedings of the advisory board and transmit copies of the records to the board of trustees of Indiana University and the board of trustees of Purdue University.

Sec. 8. The advisory board shall meet at least four (4) times each year and submit its recommendations in writing to the board of trustees of Indiana University and the board of trustees of Purdue University.

Sec. 9. The president of the advisory board shall call all required meetings and may call additional meetings. The vice president of the advisory board shall act as the president if the president is unable to attend.

Sec. 10. Three (3) members of the advisory board constitute a quorum for the transaction of business.

Sec. 11. Biennially, the advisory board shall submit to the board of trustees of Indiana University and the board of trustees of Purdue University its recommendations for a budget covering the operating and other expenses of the Calumet regional campuses. The board of trustees of Indiana University shall submit the recommendations to the fiscal officers for Indiana University for their consideration. The board of trustees of Purdue University shall submit the recommendations to the fiscal officers for Purdue

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University for their consideration.

Sec. 12. This chapter does not prohibit either Indiana University or Purdue University from submitting proposed budgets to the budget agency for the operation of the Calumet regional campuses. However, the recommendations made to the budget agency for the operation of the Calumet regional campuses must have affixed the recommendations of the advisory board.

Chapter 3. Degree Programs; Calumet Regional Campuses

Sec. 1. The board of trustees of Indiana University and the board of trustees of Purdue University or the board of trustees' agents, singly or together, shall grant and confer degrees in the liberal arts and sciences that are usually granted and conferred in other colleges and universities in the United States, to the students of the Calumet regional campuses who are entitled to a degree by their proficiency in learning or other meritorious distinction. The diplomas and certificates must:

(1) contain the common seal of the state educational institution from which the student completed the student's course of study, and

(2) be signed by the faculty to authenticate and perpetuate the memory of the graduation.

Sec. 2. Attendance at a campus or campuses other than a Calumet regional campus is not required as a condition of the awarding of a diploma or certificate under this chapter.

Sec. 3. The board of trustees of Indiana University and the board of trustees of Purdue University or the board of trustees' agents, singly or together, shall provide a suitable time and place to confer upon the graduate the certificate or diploma provided for in this chapter. The location chosen for the conferring of the diploma or certificate must be adjacent to a city or the cities at which the Calumet regional campuses are located that offered the complete courses of study towards the earning of the diploma or certificate. The members of the advisory board shall be invited and entitled to attend the conferring of diploma or certificate performance.

Chapter 4. Fort Wayne School of Fine Arts

Sec. 1. The board of trustees of Indiana University may acquire from the Fort Wayne Art Institute:

(1) any tangible or intangible personal property; and

(2) any real property;

of the Fort Wayne School of Fine Arts that the board determines to be necessary for the operation of the school.

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Sec. 2. The board of trustees of Indiana University may do any of the following for the Fort Wayne School of Fine Arts:

(1) Operate the Fort Wayne School of Fine Arts as a part of Indiana University.

(2) Charge tuition.

(3) Grant degrees.

(4) Lease property.

SECTION 260. IC 21-27 IS ADDED TO THE INDIANA CODE AS A **NEW** ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]:

ARTICLE 27. STATE EDUCATIONAL INSTITUTIONS: GENERAL POWERS

Chapter 1. General Provisions; Definitions

Sec. 1. It is the purpose of the covered statutes to recognize and define certain powers, duties, and responsibilities of the boards of trustees of the state educational institutions. The powers, duties, and responsibilities referred to by the covered statutes are not intended to include all powers, duties, and responsibilities of the boards of trustees. The covered statutes may not be construed to diminish or abrogate any other power, duty, or responsibility of a board of trustees conferred by or properly implied from any other statute.

Sec. 2. The covered statutes may not be construed to discourage or disparage the status of students, faculty, and other persons or the valid concerns of the public in matters of policy and of management of state educational institutions.

Sec. 3. The definitions in this chapter apply throughout this article.

Sec. 4. "Board of trustees":

(1) for purposes of IC 21-27-3, refers to the board of trustees of Ball State University;

(2) for purposes of IC 21-27-4, refers to the board of trustees of Indiana University;

(3) for purposes of IC 21-27-5, refers to the board of trustees of Indiana State University;

(4) for purposes of IC 21-27-6, refers to the board of trustees of Ivy Tech Community College;

(5) for purposes of IC 21-27-7, refers to the board of trustees of Purdue University;

(6) for purposes of IC 21-27-8, refers to the board of trustees of the University of Southern Indiana; and

(7) for purposes of IC 21-27-9, refers to the board of trustees

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of Vincennes University.

Sec. 5. "Covered statutes" refers to the following:

(1) IC 21-14-2-1.
(2) IC 21-15-2-1.
(3) IC 21-15-2-2.
(4) IC 21-27-2-1.
(5) IC 21-28-2-1.
(6) IC 21-29-2-1.
(7) IC 21-31-2-1.
(8) IC 21-31-4-1.
(9) IC 21-31-4-2.
(10) IC 21-31-4-3.
(11) IC 21-31-9-2.
(12) IC 21-38-3-1.
(13) IC 21-38-3-2.
(14) IC 21-38-4-1.
(15) IC 21-39-2-1.
(16) IC 21-39-2-2.
(17) IC 21-39-2-3.
(18) IC 21-39-2-4.
(19) IC 21-39-2-5.
(20) IC 21-40-3-1.
(21) IC 21-41-2-1.

Chapter 2. Board of Trustees; General Responsibilities

Sec. 1. The board of trustees of a state educational institution is responsible to fulfill the powers and duties conferred upon the board of trustees by law.

Chapter 3. Ball State University

Sec. 1. This chapter applies only to Ball State University.

Sec. 2. The board of trustees may manage, control, and operate Ball State University.

Sec. 3. The board of trustees may promulgate rules and regulations.

Sec. 4. The board of trustees possesses all power not otherwise specified by law in order to efficiently operate the affairs of Ball State University.

Chapter 4. Indiana University

Sec. 1. This chapter applies only to Indiana University.

Sec. 2. The board of trustees may in the name of "The Trustees of Indiana University" sue and be sued.

Sec. 3. The board of trustees may make all bylaws necessary to carry into effect the powers conferred on the board of trustees.

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Chapter 5. Indiana State University

Sec. 1. This chapter applies only to Indiana State University.

Sec. 2. The board of trustees may sue and be sued.

Sec. 3. All powers, rights, privileges, duties, and obligations, statutory, contractual, or of whatever kind conferred by law upon the State Teachers College board or Indiana State College board:

(1) for the operation, maintenance, and financing of Indiana State University and its properties and facilities; or

(2) otherwise pertaining to the operation, maintenance, and financing of Indiana State University;

apply after June 30, 1961, to the board of trustees.

Chapter 6. Ivy Tech Community College

Sec. 1. This chapter applies only to Ivy Tech Community College.

Sec. 2. The board of trustees of Ivy Tech Community College has responsibility for the management and policies of Ivy Tech Community College and its regional institutes within the framework of laws enacted by the general assembly.

Sec. 3. The board of trustees of Ivy Tech Community College may prescribe rules for the effective operation of a statewide program.

Sec. 4. The board of trustees of Ivy Tech Community College may exercise powers not otherwise specified by law that are necessary for the efficient management of a statewide program.

Sec. 5. The expenses of the board of trustees of Ivy Tech Community College and of the statewide programs operated by it for:

(1) construction of facilities;

(2) procurement of equipment; and

(3) operating expenses;

shall be financed by appropriations from the general assembly and federal funds, together with the fees and charges, contractual income, gifts, grants, and bequests as may become available.

Sec. 6. The board of trustees of Ivy Tech Community College may authorize, approve, enter into, ratify, or confirm any agreement relating to a statewide program or a regional institute with:

(1) the United States government, acting through any agency of the government designated or created to aid in the financing of the projects; or

(2) any person, organization, or agency offering contracts or grants-in-aid financing the educational facilities or the

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operation of the facilities and programs.

Chapter 7. Purdue University

Sec. 1. This chapter applies only to Purdue University.

Sec. 2. The board of trustees of Purdue University may organize Purdue University in conformity with the purposes set forth in Act of Congress, approved July 2, 1862, entitled "An act donating public lands to the several states and territories which may provide colleges for the benefit of agriculture and the mechanic arts".

Sec. 3. The board of trustees of Purdue University shall provide a seal.

Sec. 4. The board of trustees of Purdue University may do all acts necessary and expedient to put and keep Purdue University in operation.

Sec. 5. The board of trustees of Purdue University may make all bylaws, rules, and regulations required or proper to conduct and manage Purdue University.

Chapter 8. University of Southern Indiana

Sec. 1. This chapter applies only to the University of Southern Indiana.

Sec. 2. The University of Southern Indiana may engage in research or public service that furthers an educational purpose.

Sec. 3. The University of Southern Indiana may exercise all powers, rights, privileges, and duties conferred upon the University of Southern Indiana or the board of trustees by any statute enacted by the general assembly.

Sec. 4. The University of Southern Indiana may adopt rules to carry out its powers and duties.

Sec. 5. The University of Southern Indiana may exercise all powers necessary to conduct efficiently the affairs of the University of Southern Indiana.

Sec. 6. The University of Southern Indiana may sue and be sued.

Chapter 9. Vincennes University

Sec. 1. This chapter applies only to Vincennes University.

Sec. 2. The board of trustees must be persons in law capable of:

(1) suing and being sued;

(2) pleading and being impleaded;

(3) answering and being answered unto; and

(4) defending and being defended, in all courts and places, in all manner of actions, suits, complaints, matters, and causes.

Sec. 3. The board of trustees may have a common seal and make and alter the seal at their pleasure.

Sec. 4. The board of trustees may make the bylaws and

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regulations in writing, not inconsistent with the laws of Indiana or of the United States, that the board of trustees determines necessary for the good government of Vincennes University, and the students of Vincennes University. The board of trustees may:

(1) put the bylaws and regulations in execution;

(2) revoke and alter the bylaws and regulations; and

(3) make new bylaws and regulations;

that the board of trustees determines necessary.

Sec. 5. The board of trustees may generally do all lawful matters and things whatsoever, necessary for maintaining and supporting Vincennes University and for the more extensive communication of useful knowledge.

SECTION 261. IC 21-28 IS ADDED TO THE INDIANA CODE AS A **NEW** ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]:

ARTICLE 28. STATE EDUCATIONAL INSTITUTIONS: COOPERATIVE ARRANGEMENTS, INTERSTATE COMPACTS; EDUCATIONAL SUPPORT ENTITIES

Chapter 1. General Provisions; Definitions

Sec. 1. The definitions in this chapter apply throughout this article.

Sec. 2. "Agreement", for purposes of IC 21-28-4, refers to an agreement entered into under IC 21-28-4 by the board of trustees of a state educational institution.

Sec. 3. "Chief information officer" means the chief information officer of the office of technology appointed under IC 4-13.1-2-3.

Sec. 4. "Commission" refers to the Midwestern Higher Education Commission.

Sec. 5. "Compact" refers to the Midwestern Higher Education Compact established by IC 21-28-3.

Sec. 6. "Coordinating unit" refers to the committee or body established under IC 21-28-5-8 to coordinate use of the transmission system or the designated electronic format, or both.

Sec. 7. "Designated electronic format" refers to the electronic format established under IC 21-28-5-3.

Sec. 8. "Electronic format" means a format using the most appropriate technological medium.

Sec. 9. "Enabling statute" means the following:

(1) In the case of the Ball State University board of trustees, one (1) or more of the following:

IC 21-33.

IC 21-34.

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IC 21-35-2.
IC 21-35-3.
IC 21-35-5.
IC 20-24.5-2.

(2) In the case of the trustees of Indiana University, one (1) or more of the following:
IC 21-33.
IC 21-34.
IC 21-35-2.
IC 21-35-3.
IC 21-35-5.
IC 20-24.5-2.

(3) In the case of the Indiana State University board of trustees, one (1) or more of the following:
IC 21-33.
IC 21-34.
IC 21-35-2.
IC 21-35-3.
IC 21-35-5.
IC 20-24.5-2.

(4) In the case of the trustees of Ivy Tech Community College, one (1) or more of the following:
IC 21-33.
IC 21-34.

(5) In the case of the trustees of Purdue University, one (1) or more of the following:
IC 21-33.
IC 21-34.
IC 21-35-2.
IC 21-35-3.
IC 21-35-5.
IC 20-24.5-2.

(6) In the case of the board of trustees for Vincennes University, one (1) or more of the following:
IC 21-33.
IC 21-34.
IC 21-35-6.

(7) In the case of the University of Southern Indiana board of trustees, one (1) or more of the following:
IC 21-33.
IC 21-34.
IC 21-35-2.

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IC 21-35-5.

Sec. 10. "Fund" refers to the higher education statewide telecommunications fund established by IC 21-28-5-13.

Sec. 11. "Office of technology" refers to the office of technology established by IC 4-13.1-2-1.

Sec. 12. "Participating educational institution" refers to a state educational institution or private postsecondary educational institution that participates in a joint arrangement under IC 21-28-5.

Sec. 13. "Separate legal entity" refers to a separate legal entity established under an agreement under IC 21-28-4 to carry out the purposes of an agreement.

Sec. 14. "Transmission system" refers to services and a telecommunication system provided under an arrangement entered into under IC 21-28-5-2.

Chapter 2. Cooperative Arrangements

Sec. 1. (a) This section applies to the board of trustees of the following state educational institutions:

(1) Ball State University.

(2) Indiana University.

(3) Indiana State University.

(4) Purdue University.

(5) University of Southern Indiana.

(b) The board of trustees of a state educational institution may cooperate with other educational institutions to assure the availability and use of the state educational institution's total resources and opportunities to provide excellent educational opportunity for all persons.

Sec. 2. The University of Southern Indiana may enter into cooperative agreements with other educational institutions, including agreements leading to the use of the University of Southern Indiana as a host site for an educational program administered by another college or university.

Chapter 3. Midwestern Higher Education Compact

Sec. 1. The Midwestern Higher Education Compact is enacted into law and entered into by the state of Indiana with all other jurisdictions legally joining the compact in the form substantially as provided in sections 2 through 9 of this chapter.

Sec. 2. ARTICLE I. PURPOSE. The purpose of the Midwestern Higher Education Compact is to provide greater higher education opportunities and services in the midwestern region, with the aim of furthering regional access to, research in, and choice of higher

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education for the citizens residing in the several states which are parties to this Compact.

Sec. 3. ARTICLE II. THE COMMISSION. (a) The compacting states hereby create the Midwestern Higher Education Commission, hereinafter called the Commission. The Commission shall be a body corporate of each compacting state. The Commission shall have all the responsibilities, powers, and duties set forth herein, including the power to sue and be sued, and such additional powers as may be conferred upon it by subsequent action of the respective legislatures of the compacting states in accordance with the terms of this Compact.

(b) The Commission shall consist of five (5) resident members of each state as follows: the governor or the governor's designee who shall serve during the tenure of office of the governor; two (2) legislators, one (1) from each house (except Nebraska, which may appoint two (2) legislators from its Unicameral Legislature), who shall serve two (2) year terms and be appointed by the appropriate appointing authority in each house of the legislature; and two (2) other at-large members, at least one (1) of whom shall be selected from the field of higher education. The at-large members shall be appointed in a manner provided by the laws of the appointing state. One (1) of the two (2) at-large members initially appointed in each state shall serve a two (2) year term. The other member, and any regularly appointed successor to either at-large member, shall serve a four (4) year term. All vacancies shall be filled in accordance with the laws of the appointing states. Any commissioner appointed to fill a vacancy shall serve until the end of the incomplete term.

(c) The Commission shall select annually, from among its members, a chairperson, a vice chairperson, and a treasurer.

(d) The Commission shall appoint an executive director who shall serve at the Commission's pleasure and who shall act as secretary to the Commission. The treasurer, the executive director, and such other personnel as the Commission may determine shall be bonded in such amounts as the Commission may require.

(e) The Commission shall meet at least once each calendar year. The chairperson may call additional meetings and upon the request of a majority of the Commission members of three (3) or more compacting states, shall call additional meetings. Public notice shall be given of all meetings, and meetings shall be open to the public.

(f) Each compacting state represented at any meeting of the Commission is entitled to one (1) vote. A majority of the

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compacting states shall constitute a quorum for the transaction of business, unless a larger quorum is required by the bylaws of the Commission.

Sec. 4. ARTICLE III. POWERS AND DUTIES OF THE COMMISSION. (a) The Commission shall adopt a seal and suitable bylaws governing its management and operations.

(b) Irrespective of the civil service, personnel, or other merit system laws of any of the compacting states, the Commission in its bylaws shall provide for the personnel policies and programs of the Compact.

(c) The Commission shall submit a budget to the governor and legislature of each compacting state at such time and for such period as may be required. The budget shall contain specific recommendations of the amount or amounts to be appropriated by each of the compacting states.

(d) The Commission shall report annually to the legislatures and governors of the compacting states, to the Midwestern Governors' Conference, and to the Midwestern Legislative Conference of the Council of State Governments concerning the activities of the Commission during the preceding year. Such reports shall also embody any recommendations that may have been adopted by the Commission.

(e) The Commission may borrow, accept, or contract for the services of personnel from any state or the United States or any subdivision or agency thereof, from any interstate agency, or from any institution, foundation, person, firm, or corporation.

(f) The Commission may accept for any of its purposes and functions under the Compact any and all donations and grants of money, equipment, supplies, materials, and services (conditional or otherwise) from any state or the United States or any subdivision or agency thereof, or interstate agency, or from any institution, foundation, person, firm, or corporation, and may receive, utilize, and dispose of the same.

(g) The Commission may enter into agreements with any other interstate education organizations or agencies and with higher education institutions located in nonmember states and with any of the various states of these United States to provide adequate programs and services in higher education for the citizens of the respective compacting states. The Commission shall, after negotiations with interested institutions and interstate organizations or agencies, determine the cost of providing the programs and services in higher education for use of these

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agreements.

(h) The Commission may establish and maintain offices, which shall be located within one (1) or more of the compacting states.

(i) The Commission may establish committees and hire staff as it considers necessary for the carrying out of its functions.

(j) The Commission may provide for actual and necessary expenses for attendance of its members at official meetings of the Commission or its designated committees.

Sec. 5. ARTICLE IV. ACTIVITIES OF THE COMMISSION. (a) The Commission shall collect data on the long-range effects of the Compact on higher education. By the end of the fourth year from the effective date of the Compact and every two (2) years thereafter, the Commission shall review its accomplishments and make recommendations to the governors and legislatures of the compacting states on the continuance of the Compact.

(b) The Commission shall study issues in higher education of particular concern to the Midwestern region. The Commission shall also study the needs for higher education programs and services in compacting states and the resources for meeting such needs. The Commission shall from time to time prepare reports on such research for presentation to the governors and legislatures of the compacting states and other interested parties. In conducting such studies, the Commission may confer with any national or regional planning body. The Commission may draft and recommend to the governors and legislatures of the various compacting states suggested legislation dealing with problems of higher education.

(c) The Commission shall study the need for provision of adequate programs and services in higher education, such as undergraduate, graduate, or professional student exchanges in the region. If a need for exchange in a field is apparent, the Commission may enter into such agreements with any higher education institution and with any of the compacting states to provide programs and services in higher education for the citizens of the respective compacting states. The Commission shall, after negotiations with interested institutions and the compacting states, determine the costs of providing the programs and services in higher education for use in its agreements. The contracting states shall contribute the funds not otherwise provided, as determined by the Commission, for carrying out the agreements. The Commission may also serve as the administrative and fiscal agent in carrying out agreements for higher education programs and

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services.

(d) The Commission shall serve as a clearinghouse on information regarding higher education activities among institutions and agencies.

(e) In addition to the activities of the Commission previously noted, the Commission may provide services and research in other areas of regional concern.

Sec. 6. ARTICLE V. FINANCE. (a) The money necessary to finance the general operations of the Commission not otherwise provided for in carrying forth its duties, responsibilities, and powers as stated in this chapter shall be appropriated to the Commission by the compacting states, when authorized by the respective legislatures by equal apportionment among the compacting states.

(b) The Commission shall not incur any obligations of any kind prior to the making of appropriations adequate to meet the same; nor shall the Commission pledge the credit of any of the compacting states, except by and with the authority of the compacting state.

(c) The Commission shall keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the Commission shall be subject to the audit and accounting procedures established under its bylaws. However, all receipts and disbursements of funds handled by the Commission shall be audited yearly by a certified or licensed public accountant, and the report of the audit shall be included in and become part of the annual report of the Commission.

(d) The accounts of the Commission shall be open at any reasonable time for inspection by duly authorized representatives of the compacting states and persons authorized by the Commission.

Sec. 7. ARTICLE VI. ELIGIBLE PARTIES AND ENTRY INTO FORCE. (a) The states of Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin are eligible to become party to this Compact. Additional states are eligible if approved by a majority of the compacting states.

(b) As to any eligible party state, this Compact is effective when its legislature enacts the same into law; however, it is not initially effective until enacted into law by five (5) states prior to December 31, 1995.

(c) Amendments to the Compact shall become effective upon

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their enactment by the legislatures of all compacting states.

Sec. 8. ARTICLE VII. WITHDRAWAL, DEFAULT, AND TERMINATION. (a) Any compacting state may withdraw from this Compact by enacting a statute repealing the Compact, but such withdrawal shall not become effective until two (2) years after the enactment of such statute. A withdrawing state shall be liable for any obligations which it may have incurred on account of its party status up to the effective date of withdrawal, except that if the withdrawing state has specifically undertaken or committed itself to any performance of an obligation extending beyond the effective date of withdrawal, it shall remain liable to the extent of such obligation.

(b) If any compacting state shall at any time default in the performance of any of its obligations, assumed or imposed, in accordance with the provisions of this Compact, all rights, privileges, and benefits conferred by this Compact or agreements hereunder shall be suspended from the effective date of such default as fixed by the Commission, and the Commission shall stipulate the conditions and maximum time for compliance under which the defaulting state may resume its regular status. Unless such default is remedied under the stipulations and within the time period set forth by the Commission, this Compact may be terminated with respect to such defaulting state by affirmative vote of a majority of the other member states. Any such defaulting state may be reinstated by performing all acts and obligations as stipulated by the Commission.

Sec. 9. ARTICLE VIII. SEVERABILITY AND CONSTRUCTION. The provisions of this Compact entered into hereunder shall be severable and if any phrase, clause, sentence, or provision of this Compact is declared to be contrary to the constitution of any compacting state or of the United States or the applicability thereof to any government, agency, person, or circumstance is held invalid, the validity of the remainder of this Compact and the applicability thereof to any government, agency, person, or circumstance shall not be affected thereby. If this Compact entered into hereunder shall be held contrary to the constitution of any compacting state, the Compact shall remain in full force and effect as to the remaining states and in full force and effect as to the state affected as to all severable matters. The provisions of this Compact entered into pursuant hereto shall be liberally construed to effectuate the purposes thereof.

Sec. 10. (a) The five (5) residents of Indiana who shall serve as

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members of the commission representing the state of Indiana are as follows:

(1) The governor or the governor's designee. The term of the governor or the governor's designee is the same as the governor's term of office.

(2) One (1) member of the house of representatives appointed by the speaker of the house of representatives for a two (2) year term. A vacancy occurs if an appointee under this subdivision ceases to be a member of the house of representatives.

(3) One (1) member of the senate appointed by the president pro tempore of the senate for a two (2) year term. A vacancy occurs if an appointee under this subdivision ceases to be a member of the senate.

(4) Two (2) persons from the field of higher education appointed by the governor as at-large members for a term of four (4) years. A vacancy occurs if an appointee under this subdivision leaves the field of higher education.

(b) A member serves at the pleasure of the appointing authority and may be removed for any reason.

(c) A member serves until the expiration of the member's term or the appointing authority appoints a successor, whichever is later. However, this subsection does not apply if the vacancy occurs because a member ceases to be the governor or a member of the general assembly.

(d) The appointing authority shall fill a vacancy for the remainder of the term of the vacating member.

Chapter 4. Joint Building and Financing Agreements; Joint Laboratory School Agreements

Sec. 1. This chapter applies to all state educational institutions.

Sec. 2. This chapter does not authorize the board of trustees of a state educational institution to exercise a power under an agreement that the board of trustees could not otherwise separately exercise under an enabling statute.

Sec. 3. If:

(1) the board of trustees of a state educational institution wants to exercise a power or powers conferred to it under one (1) or more of the state educational institution's enabling statutes; and

(2) the board of trustees of one (1) or more other state educational institutions want to exercise a power or powers conferred to it or them under one (1) or more enabling

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statutes;

both or all of those boards of trustees may exercise the powers jointly as provided in this chapter.

Sec. 4. A board of trustees that wants to exercise powers granted in an enabling act must enter into a written agreement by resolution.

Sec. 5. An agreement:

(1) must provide for the following:

(A) Its duration.

(B) Its purpose.

(C) The manner of:

(i) financing, staffing, and supplying the joint undertaking; and

(ii) establishing and maintaining a budget for the joint undertaking.

(D) The methods that may be employed to:

(i) accomplish the partial or complete termination of the agreement; and

(ii) dispose of property upon partial or complete termination.

(E) Administration through a separate legal entity.

(F) With respect to a separate legal entity:

(i) the nature;

(ii) the organization;

(iii) the composition; and

(iv) the powers;

of the separate legal entity; and

(2) may provide for any other appropriate matters.

Sec. 6. A separate legal entity established by an agreement has only the powers delegated to it by the agreement.

Sec. 7. Before an agreement takes effect, a copy of the agreement must be filed with the board of trustees of each state educational institution that is a party to the agreement.

Sec. 8. Not later than sixty (60) days after an agreement takes effect, a copy of the agreement must be filed with:

(1) the state board of accounts for audit purposes; and

(2) the budget agency.

Chapter 5. Indiana Higher Education Telecommunications System

Sec. 1. This chapter applies to the following:

(1) A state educational institution.

(2) A private postsecondary educational institution.

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Sec. 2. The board of trustees of any combination of state educational institutions and the board of directors of any combination of private postsecondary educational institutions may, if they find the need exists for a broad dissemination of a wide variety of educational communications for the improvements and the advancement of higher educational opportunity, jointly arrange, for a period not exceeding ten (10) years, for:

(1) services provided by the office of technology; and

(2) the use of a multipurpose, multimedia, closed circuit, statewide telecommunications system furnished by communications common carriers subject to the jurisdiction of the Indiana utility regulatory commission;

to interconnect the main campuses and the regional campuses of the participating educational institutions and centers of medical education and service.

Sec. 3. In addition to the closed circuit statewide telecommunications system, the participating educational institutions shall establish, in accordance with federal copyright law, programs in an electronic format to provide for the advancement of higher education opportunity and individualized access to higher education programs. The program may make available a wide variety of higher education courses in electronic format. The participating educational institutions shall make information in an electronic format available to the public by any means of public or private distribution that they determine to be appropriate, including sale or lease. The participating educational institutions may determine policy and establish procedures to administer this program. The participating educational institutions shall maintain and keep current, in an electronic format, a listing of all information.

Sec. 4. A transmission system must be for the exclusive use of the participating educational institutions. However, the participating educational institutions may permit the use of the transmission system, or any part of the transmission system, by others under section 10 of this chapter.

Sec. 5. A transmission system must be designed to permit the installation of additional capacity and coverage as accumulating communication needs of higher education may require. The system must:

(1) be capable of transmitting high fidelity television signals, high fidelity sound signals, data signals for computer communications, and voice traffic; and

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(2) include control circuits.

Sec. 6. The arrangements for the use of the transmission system may be upon terms and conditions as the participating educational institutions determine are necessary, proper, or desirable.

Sec. 7. Plans or arrangements for the use of the transmission system may not be adopted or entered into under this chapter without the specific approval of the coordinating unit.

Sec. 8. The participating educational institutions shall establish a coordinating committee or other body composed of persons that the participating educational institutions select. The chief information officer or the chief information officer's designee shall be a member of any coordinating unit. The coordinating unit may administer and supervise the use of the transmission system and the information in designated electronic format as may be delegated to it by the participating educational institutions. The participating educational institutions shall have equal representation on the coordinating unit.

Sec. 9. The participating educational institutions must establish an advisory council of representatives of users of the transmission system.

Sec. 10. (a) Any arrangements for the use of the transmission system or information in the designated electronic format must provide that the participating educational institutions (or any committee or other body established under this chapter, if power is delegated to them) may permit any of the following entities to use the transmission system or the information in the designated electronic format for educational purposes:

(1) Postsecondary educational institutions.

(2) Governmental or public corporations or bodies.

(3) Other corporations.

(4) Partnerships.

(5) Associations.

(6) Trusts.

(7) Limited liability companies.

(8) Other persons.

(b) Any use permitted under this section is subject to the rules, regulations, fees, and charges as the participating educational institutions or coordinating unit may prescribe.

(c) Each entity that uses the transmission system is responsible for the origination of the program to be transmitted by that entity and for the reception and use of the program at the destination.

(d) The payment of all costs that exceed the cost of the use of the

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transmission system facilities and the information in electronic format shall be borne by the parties using the system as agreed upon.

Sec. 11. In connection with the use of the telecommunications system, the information in the designated electronic format, or any other related matter, the participating educational institutions may accept gifts or contributions from individuals, corporations, limited liability companies, partnerships, associations, trusts, or foundations and may accept funds from any federal agency under terms and conditions that the participating educational institutions determine are necessary or desirable.

Sec. 12. The participating educational institutions may enter into and carry out contracts and agreements in connection with this chapter. All contracts and agreements entered into must be approved by the coordinating unit.

Sec. 13. (a) The higher education statewide telecommunications fund is established as a special and distinct fund. Expenditures from the fund may be made only for the following:

(1) Payments by the participating educational institutions for the use of a transmission system or the lease, purchase, rental, or production of information in a designated electronic format.

(2) Studies regarding the possibilities of extending the use of the transmission system:

(A) to state educational institutions or private postsecondary educational institutions in Indiana that are not participating educational institutions; and

(B) for post-high school and other educational uses.

(3) The expenses of coordinating, planning, and supervising the use of the transmission system and the information in the designated electronic format.

(4) Equipment for the originating and receiving of instructional communication and educational information by means of the transmission system and the information in the designated electronic format.

(b) The state auditor shall pay, as needed, from the fund amounts to the board of trustees of Indiana University as agent for the participating educational institutions.

(c) The board of trustees of Indiana University, as agent, shall apply the funds to the payment of items as payment becomes due from the fund.

SECTION 262. IC 21-29 IS ADDED TO THE INDIANA CODE AS

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A **NEW** ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]:

ARTICLE 29. STATE EDUCATIONAL INSTITUTIONS: INVESTMENTS

Chapter 1. General Provisions; Definitions

Sec. 1. The definitions in this chapter apply throughout this article.

Sec. 2. "Obligations" means bonds, notes, bond anticipation notes, commercial paper, leases, lease-purchases, installment purchases, certificates of participation in agreements or programs, other evidences of indebtedness, or other agreements or purchasing programs.

Sec. 3. "Swap agreement" refers to:

(1) an agreement (including terms and conditions incorporated by reference in the agreement) that is a rate swap agreement, basis swap, forward rate agreement, interest rate option, rate cap agreement, rate floor agreement, rate collar agreement, or any other similar agreement (including any option to enter into any of the agreements described in this subdivision);

(2) any combination of the agreements described in subdivision (1); or

(3) a master agreement for an agreement or a combination of agreements described in subdivisions (1) and (2), together with all supplements to the agreement.

Chapter 2. General Powers; Board of Trustees

Sec. 1. (a) This section applies to the board of trustees of the following state educational institutions:

(1) Ball State University.

(2) Indiana University.

(3) Indiana State University.

(4) Purdue University.

(5) University of Southern Indiana.

(b) The board of trustees of a state educational institution may establish and carry out written policies for the investment of the funds of the state educational institution in the manner provided by IC 30-4-3-3.

Sec. 2. The board of trustees of Ivy Tech Community College may establish written policies for the investment of the funds of Ivy Tech Community College in the manner provided by IC 30-4-3-3.

Chapter 3. Swap Agreements

Sec. 1. This chapter applies notwithstanding any other law. This

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chapter shall be liberally construed.

Sec. 2. This chapter shall not be construed as limiting or restricting the investment powers otherwise provided state educational institutions, including the power to adopt and implement investment policies under IC 21-29-1-1.

Sec. 3. (a) Subject to subsections (b) through (d), any state educational institution may enter into and modify, amend, or terminate one (1) or more swap agreements that the state educational institution determines to be necessary or desirable in connection with or incidental to the issuance, carrying, or securing of obligations. Swap agreements entered into by a state educational institution must:

(1) contain the provisions (including payment, term, security, default, and remedy provisions); and

(2) be with the parties;

that the state educational institution determines are necessary or desirable after due consideration is given to the creditworthiness of the parties.

(b) A state educational institution may not:

(1) enter into any swap agreement under this section other than for the purpose of managing an interest rate or similar risk that arises in connection with or incidental to the issuance, carrying, or securing of obligations by the state educational institution; or

(2) carry on a business of acting as a dealer in swap agreements.

(c) A swap agreement is considered as being entered into in connection with or incidental to the issuance, carrying, or securing of obligations if:

(1) the swap agreement is entered into not more than one hundred eighty (180) days after the issuance of the obligations and specifically indicates the agreement's relationship to the obligations;

(2) the board of trustees of the state educational institution specifically designates the swap agreement as having a relationship to the particular obligations;

(3) the swap agreement amends, modifies, or reverses a swap agreement described in subdivision (1) or (2); or

(4) the terms of the swap agreement bear a reasonable relationship to the terms of the obligations.

(d) Payments to be made by a state educational institution to any other party under a swap agreement are payable only from the

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same source or sources of funds from which the related obligations are payable.

Sec. 4. With regard to entering into any swap agreement, the state educational institution may enter into credit enhancement or liquidity agreements with payment, security, default, remedy, and other terms and conditions as determined by the state educational institution.

Sec. 5. (a) This section does not apply in cases of bad faith or actual knowledge to the contrary by a party.

(b) A party that enters into any swap agreement with a state educational institution may rely on a representation by that state educational institution that the state educational institution is authorized or empowered to enter into the swap agreement, and notwithstanding the failure by the state educational institution to comply with the provisions of this chapter, that party may enforce the swap agreement against the state educational institution, subject to the terms of the swap agreement and subject to prior claims on sources from which the swap agreement may be payable.

SECTION 263. IC 21-30 IS ADDED TO THE INDIANA CODE AS A **NEW** ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]:

ARTICLE 30. STATE EDUCATIONAL INSTITUTIONS: DONATIONS; GIFTS, BEQUESTS, AND DEVISES

Chapter 1. General Provisions; Definitions

Sec. 1. The definitions in this chapter apply throughout this article.

Sec. 2. "Board of trustees":

(1) for purposes of IC 21-30-5, refers to the board of trustees of Vincennes University; and

(2) for purposes of IC 21-30-6, refers to the board of trustees of a state educational institution.

Chapter 2. Gift Annuities; Prohibited Restrictions on Gifts; Gifts for a Permanent Endowment

Sec. 1. Any state educational institution or the state of Indiana may:

(1) receive gifts, bequests, and devises of real or personal property, or both, for the aid or maintenance of any state educational institution; and

(2) agree to return to the donor or to any living person named by the donor and living at the time of the gift, an annuity under the provisions and safeguards provided in this chapter.

Sec. 2. If the gift is for the purpose of providing an annuity, the

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gift may be accepted by any state educational institution or by the state upon condition that the state educational institution or the state shall pay to:

(1) the donor, for the life of the donor or for a term of years not beyond the lifetime of the donor, as may be agreed; or

(2) any person or persons named by the donor and living at the time of the gift, for the life of the person or persons or for a term of years not beyond the lifetime of the person or persons, as may be agreed;

an annuity on the value of the property at the time the gift is made. The annuity must not exceed the actual income from the property donated.

Sec. 3. The value of the property comprised in the gift shall be determined by three (3) disinterested appraisers appointed by the governor, and a gift may not be accepted by any institution named in section 1 of this chapter or by the state itself unless it is approved by the governor.

Sec. 4. To secure the payment of annuities, the property comprised in the gift may be pledged, by way of mortgage or otherwise, to the annuitant or annuitants for the full period of the life of the annuity or annuities. The property pledged is the sole guarantee and the state shall not be obligated by the mortgage or other obligation.

Sec. 5. All annuities provided in connection with a gift are free of all taxation within Indiana.

Sec. 6. A state educational institution may not receive a gift, whether on the payment of an annuity or otherwise, that pledges the state educational institution to engage in a course of instruction, or perform an act other than a course of instruction or act that the state educational institution is permitted by law to engage in or perform.

Sec. 7. All gifts of money, and all money realized from real and personal property made under this chapter to permanently endow:

(1) a state educational institution; or

(2) a chair of learning or department in a state educational institution;

shall be taken in charge by the state of Indiana, as a trust, and managed in all respects the same as the common school fund of the state is managed, and the proceeds arising therefrom shall be paid to the state educational institution being endowed for the purposes provided by the terms of the gift.

Chapter 3. Gifts, Bequests, and Devises; Annuity Gifts; State

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Educational Institutions Other Than Ivy Tech Community College and Vincennes University

Sec. 1. This chapter applies to the boards of trustees of the following state educational institutions:

(1) Indiana University.

(2) Purdue University.

(3) Indiana State University.

(4) University of Southern Indiana.

(5) Ball State University.

Sec. 2. The board of trustees of a state educational institution may accept gifts, bequests, and devises of personal and real property:

(1) for the maintenance, use, or benefit of the state educational institution; or

(2) to be administered for other public, charitable purposes for the benefit or use of students of any state educational institution.

Sec. 3. The board of trustees of a state educational institution may receive, accept, hold, administer, and use any property transferred to the board of trustees by gift, bequest, or devise, with the terms, conditions, obligations, liabilities, and burdens imposed on the gift, bequest, or devise, if, in the judgment of the board of trustees, it is for the best interest of the educational institution receiving the gift, bequest, or devise.

Sec. 4. (a) Subject to subsection (b), if a gift, devise, or bequest is made for the purpose of providing an annuity, the gift, devise, or bequest may be accepted by the board of trustees on condition that the state educational institution:

(1) pay to the donor, for the life of the donor or for a term of years not beyond the lifetime of the donor, as may be agreed upon;

(2) pay to any person or persons named by the donor or testator and alive at the time of the making of the gift, devise, or bequest, for the life or lives of the named person or persons, as may be agreed upon; or

(3) pay to the donor or to any person or persons named by the donor or testator and alive at the time of the making of the gift, devise, or bequest, for the life of the donor and the life or lives of the named person or persons, either in succession in a designated order of survivorship or in shares, concurrently, as may be agreed upon;

an annuity on the value of the property at the time the gift, devise,

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or bequest is made.

(b) The annuity must not exceed the actual income of the property donated, devised, or bequeathed, unless:

(1) a written agreement to pay a greater sum than the annuity is:

(A) executed by the board of trustees of the state educational institution; and

(B) approved by the governor; and

(2) no part of the annuity is paid out of the funds or income:

(A) granted:

(i) to the board of trustees of the state educational institution for any of the state educational institutions; and

(ii) by the general assembly; and

(B) derived from taxation.

Sec. 5. (a) To secure the payment of annuities, granted under this chapter, the property comprised in the gift, devise, or bequest may be pledged by way of mortgage or otherwise to the annuitant or annuitants for the full period of the life of the annuity or annuities.

(b) Property pledged under subsection (a) is the sole guarantee, and the donee shall not be obligated in any other manner unless by written agreement of the donee approved by the governor as provided in section 4 of this chapter.

Chapter 4. Gifts, Bequests, and Devises; Ivy Tech Community College

Sec. 1. This chapter applies to Ivy Tech Community College.

Sec. 2. The board of trustees of Ivy Tech Community College may accept gifts, grants, bequests, and devises absolutely and in trust for support of Ivy Tech Community College or its programs.

Chapter 5. Gifts, Bequests, and Devises; Vincennes University

Sec. 1. This chapter applies to the board of trustees of Vincennes University.

Sec. 2. The board of trustees may accept gifts, bequests, and devises of personal and real property:

(1) for the maintenance, use, or benefit of Vincennes University; or

(2) to be administered for other public charitable purposes, for the benefit or use of students of Vincennes University.

Sec. 3. The board of trustees may receive, accept, hold, administer, and use any property transferred to them by gift, bequest, or devise, with the terms and conditions, and with the

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obligations, liabilities, and burdens that are imposed on the gift, bequest, or devise, when, in the judgment of the board of trustees, it is for the best interest of Vincennes University.

Sec. 4. When any gift, devise, or bequest is made for the purpose of providing an annuity, the gift, devise, or bequest may be accepted by the board of trustees on condition that Vincennes University pay to:

(1) the donor, for the life of the donor, or for a term of years not beyond the lifetime of the donor, as may be agreed upon;

(2) any person or persons named by the donor or testator, in being at the time of the making of the gift, devise, or bequest, for the life or lives of the named person or persons, as may be agreed upon; or

(3) the donor or to any person or persons named by the donor or testator and alive at the time of the gift, devise or bequest, or both, for the life of the donor and the life or lives of the named person or persons, either in succession in a designated order of survivorship or in shares, concurrently, as may be agreed upon;

an annuity on the value of the property at the time the gift, devise or bequest is made. The annuity must not exceed the actual income of the property donated, devised, or bequeathed, unless a written agreement to pay a greater sum than the annuity is executed by the board of trustees of Vincennes University.

Sec. 5. To secure the payment of annuities granted under section 4 of this chapter, the property comprised in the gift, devise, or bequest may be pledged by way of mortgage or otherwise to the annuitant or annuitants for the full period of the life of the annuity or annuities. The property pledged is the sole guarantee, and the donee may not be obligated in any other manner unless by written agreement of the donee.

Sec. 6. The board of trustees may, if not inconsistent with the terms and conditions of the gift, bequest, or devise:

(1) sell, convey, or otherwise dispose of real property received as a gift, bequest, or devise; and

(2) invest, reinvest, or use the proceeds derived from the sale, conveyance, or disposition of the real property;

if the board of trustees determines that the action will be of the greatest benefit to Vincennes University.

Sec. 7. All:

(1) money; or

(2) other proceeds;

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derived from the sale, conveyance, or other disposition of the gift, bequest, or devise of real property must be kept in a separate and distinct fund. The money or proceeds must be devoted exclusively to the uses that are designated and prescribed in the gift, bequest, or devise under the terms of which the property was originally received and acquired. If the uses to which property is to be devoted are not specifically designated or prescribed in a gift, bequest, or devise, the board of trustees may prescribe the uses to which the proceeds derived from the sale, conveyance, or other disposition of real property must be devoted.

Sec. 8. If real property that is received as a gift, bequest, or devise is sold or is to be conveyed or otherwise disposed of, the purchaser shall pay the purchase money for the real property, as agreed, to the treasurer of Vincennes University, and the purchaser shall take the receipt of the treasurer. Upon presentation of the receipt of the treasurer to the board of trustees, the board of trustees shall cause to be executed a deed of conveyance to the purchases. The deed shall be signed by the board of trustees.

Chapter 6. Disposition of Gifts, Bequests, and Devises of Real Property

Sec. 1. The board of trustees of a state educational institution that receives a gift, bequest, or devise of real property may, if not inconsistent with the terms and conditions of the gift, bequest, or devise:

(1) sell, convey, or otherwise dispose of the real property; and

(2) invest, reinvest, or use the proceeds derived from the sale, conveyance, or disposition of the real property;

if the board of trustees determines that the action will be of the greatest benefit to the state educational institution.

Sec. 2. (a) A state educational institution shall keep all money or other proceeds derived from the sale, conveyance, or other disposition of real property received as a gift, bequest, or devise in a separate and distinct fund that is devoted exclusively to the uses designated in the gift, bequest, or devise.

(b) If the uses to which real property may be devoted are not specifically designated or prescribed a gift, bequest, or devise, the board of trustees of the state educational institution may determine how to use the proceeds derived from the sale, conveyance, or disposition of the real property.

Sec. 3. (a) If the board of trustees of a state educational institution decides to sell, convey, or dispose of real property received as a gift, bequest, or devise, the board of trustees shall

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adopt a resolution to that effect.

(b) If the value of the real property, as determined by an independent appraisal procured by the board of trustees, is less than five hundred thousand dollars ($500,000), no further authorization is required before the board of trustees may dispose of the real property.

(c) If the board of trustees determines by appraisal or otherwise that the value of the real property is five hundred thousand dollars ($500,000) or more, the following apply:

(1) The value of the real property comprised in and constituting the gift, bequest, or devise shall be determined by three (3) disinterested appraisers appointed by the governor.

(2) The real property may not be sold, conveyed, or otherwise disposed of for less than the appraised value of the real property.

(3) The sale, conveyance, or disposition must be approved by the governor.

Sec. 4. Subject to section 3 of this chapter, the board of trustees of a state educational institution may delegate to an officer of the state educational institution the authority to do the following:

(1) Execute a contract for sale of real property upon terms and conditions approved by the board of trustees.

(2) Execute and deliver a deed of conveyance for the real property.

(3) Collect the purchase price for the real property.

SECTION 264. IC 21-31 IS ADDED TO THE INDIANA CODE AS A **NEW** ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]:

ARTICLE 31. STATE EDUCATIONAL INSTITUTIONS: ACQUISITION AND USE OF PROPERTY; LEASES

Chapter 1. General Provisions; Definitions

Sec. 1. The definitions in this chapter apply throughout this article.

Sec. 2. "State library automation standards" refers to the library automation standards established by the state library board under IC 4-23-7.1-11(b).

Chapter 2. General Powers

Sec. 1. (a) This section applies to the board of trustees of the following state educational institutions:

(1) Ball State University.

(2) Indiana University.

(3) Indiana State University.

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(4) Purdue University.

(5) University of Southern Indiana.

(b) The board of trustees of a state educational institution may govern the:

(1) disposition; and

(2) method and purpose of use;

of property owned, used, or occupied by the state educational institution, including travel over and assembly upon the property.

Sec. 2. The board of trustees of Ball State University may receive, administer, and dispose of all donations, bequests, grants, funds, and other property that is given to the state educational institution or is otherwise acquired by Ball State University.

Sec. 3. The board of trustees of Indiana State University may hold in trust all funds and property that is provided for Indiana State University.

Sec. 4. The board of trustees of Indiana University may:

(1) possess all the real and personal property of Indiana University for its benefit;

(2) take and hold, in their corporate name, any real or personal property for the benefit of Indiana University; and

(3) expend the income of Indiana University for its benefit.

Sec. 5. The board of trustees of Ivy Tech Community College may hold, encumber, control, acquire by donation or purchase, construct, own, lease, use, and sell real and personal property as is necessary for the conduct of its program of operation, on whatever terms and for whatever consideration may be appropriate.

Sec. 6. The board of trustees of Purdue University shall take in charge, have, hold, possess, and manage all:

(1) property and money comprehended in the donations;

(2) funds derived from the sale of the land scrip donated under the act of Congress and the increase of those funds; and

(3) money or other property that is at any time donated to and for the use of Purdue University.

Sec. 7. The University of Southern Indiana may receive, administer, and dispose of all donations, bequests, grants, funds, and other property that is given to the state educational institution or otherwise acquired by the University of Southern Indiana.

Sec. 8. The board of trustees of Vincennes University, in the name of the board of trustees purchasing, holding, leasing, and conveying, may purchase, hold, lease, and convey any estate, real or personal, for the use of Vincennes University.

Sec. 9. The board of trustees of Vincennes University may erect,

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purchase, or hire, as the board of trustees determines most expedient, suitable buildings to carry out the purposes of Vincennes University.

Sec. 10. (a) The board of trustees of Vincennes University may, when the board of trustees finds a necessity:

(1) erect, construct, and complete buildings and structures and otherwise improve property owned by the university;

(2) equip, furnish, operate, control, and manage the properties for the purposes of or for the benefit of the university;

(3) acquire by purchase, lease, gift, or otherwise property, both real or personal, that the board of trustees finds necessary for the purposes of Vincennes University; and

(4) use real or personal property acquired by the board of trustees for the purposes of Vincennes University.

(b) Title to all property acquired by the board of trustees of Vincennes University, including improvements on real property, shall be taken and held by and in the name of the board of trustees in their corporate capacities for the purposes of Vincennes University.

Sec. 11. The board of trustees of Vincennes University may lease or sell property of Vincennes University that, in the judgment of the board of trustees of Vincennes University, is not required for educational purposes, together with any improvements constructed on the property or to be constructed on the property. The lease or sale must be made upon the terms and conditions that the board of trustees determines proper.

Sec. 12. The acquisition of so much land as may from time to time be needed as a campus by Vincennes University is declared to be for public use. Title to land that is needed as a campus by Vincennes University may be taken under the power of eminent domain.

Sec. 13. The board of trustees of Vincennes University shall:

(1) establish a library, in and for the use of the students, professors and other members of Vincennes University, to consist of the books and experimental apparatus that the board of trustees determines is proper for Vincennes University.

(2) provide books and experimental apparatus in the manner and by means that the board of trustees by ordinance direct; and

(3) regulate the terms upon which books and apparatus may be taken out of and returned to the library.

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Chapter 3. Inspections

Sec. 1. The board of trustees of Indiana University shall annually appoint a committee from the members of the board of trustees to examine Indiana University buildings and grounds. The committee shall report the kind and cost of repairs, if any are needed. A member of the faculty shall be appointed to take care of the buildings and grounds.

Sec. 2. The board of trustees of Vincennes University shall visit and inspect Vincennes University.

Chapter 4. Leases

Sec. 1. (a) This section applies to the board of trustees of the following state educational institutions:

(1) Ball State University.
(2) Indiana University.
(3) Indiana State University.
(4) Purdue University.
(5) University of Southern Indiana.

(b) The board of trustees of a state educational institution may lease to any corporation, limited liability company, partnership, association, or individual real estate, title to which is in the name of:

(1) the state educational institution; or
(2) the state for the use and benefit of the state educational institution.

Sec. 2. (a) This section applies to the board of trustees of the following state educational institutions:

(1) Ball State University.
(2) Indiana University.
(3) Indiana State University.
(4) Purdue University.
(5) University of Southern Indiana.

(b) The board of trustees of a state educational institution may enter into a lease if the board of trustees determines that the lease is in the best interest of the state educational institution. A lease may not be executed under this chapter for a term exceeding four (4) years unless the execution is approved by the:

(1) governor; and
(2) budget agency.

Sec. 3. (a) This section applies to the board of trustees of the following state educational institutions:

(1) Ball State University.
(2) Indiana University.

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(3) Indiana State University.
(4) Purdue University.
(5) University of Southern Indiana.

(b) This chapter does not deny any tax exemption that a lessee would have under other laws if the lessee were the owner in fee simple of the real estate.

(c) A state educational institution is exempt from all property taxes on any real estate leased under this chapter. The lessee of real estate leased under this chapter is liable for property taxes on the leased real estate as if the real estate were owned by the lessee in fee simple, unless the lessee is a student living in facilities owned by the state educational institution.

Chapter 5. Lease of Property for Military Training

Sec. 1. This chapter applies to the following state educational institutions:

(1) Ball State University.
(2) Indiana State University.
(3) Indiana University.
(4) Purdue University.

Sec. 2. The board of trustees of a state educational institution may lease land to the United States for the establishment of military, naval, or scientific training schools or institutions.

Sec. 3. A lease described in this chapter:

(1) must be for consideration;
(2) must be for a period not in excess of thirty (30) years; and
(3) may contain other terms determined by the board of trustees of the state educational institution.

Sec. 4. Land leased under this chapter may be land acquired from any source, including from a trust.

Chapter 6. Purdue University; Dedication of Public Streets

Sec. 1. The board of trustees of Purdue University may dedicate as public streets any land extending through or along the grounds owned by Purdue University that the board of trustees determines is in the best interest of Purdue University.

Chapter 7. Purdue University; Airport

Sec. 1. (a) The board of trustees of Purdue University may:

(1) declare all or any part of the Purdue University Airport and its facilities a public airport; and
(2) authorize by contract, license, lease, or otherwise, public use of the airport and its facilities.

(b) The board of trustees may determine the term and application of an agreement entered into under this section. This

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section does not apply to facilities required solely for educational or research activities at Purdue University.

Sec. 2. Notwithstanding any other law, the leasehold estate of any lessee or the lessee's assigns described in this chapter, including any permanent structure erected on the property by the lessee, or the lessee's assigns, is exempt from property taxation.

Sec. 3. The control of the Purdue University Airport is under the board of trustees of Purdue University. The board of trustees may do the following:

(1) Establish standards and promulgate reasonable rules and regulations, consistent with state and federal rules regarding matters governing the use of Purdue University Airport as a public airport.

(2) Establish, collect, and receive reasonable fees for the use of Purdue University Airport and its facilities.

(3) Accept, receive, and receipt for federal money, and other money, either public or private:

(A) for the acquisition, construction, enlargement, improvement, maintenance, equipment, or operation of:

(i) Purdue University Airport;

(ii) other air navigation facilities incident to Purdue University Airport; and

(iii) sites for Purdue University Airport; and

(B) to comply with the laws of the United States, the state, and any related rules and regulations for the expenditure of the money upon the Purdue University Airport and other air navigation facilities incident to Purdue University Airport.

(4) Effectuate the purpose and intent of this chapter.

Chapter 8. Heat or Power Plant; Indiana State University; Ball State University; Vincennes University

Sec. 1. (a) This section applies to the following state educational institutions:

(1) Ball State University.

(2) Indiana State University.

(b) If a heat or power plant belonging to a state educational institution or operated by the board of trustees of a state educational institution has sufficient capacity to furnish and generate heat or power, or both, in excess of that needed by the state educational institution, the board of trustees of the state educational institution may sell and dispose of, upon terms and conditions that the board of trustees determines, any or all of the

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excess heat or power, or both, to a hospital, charitable or public institution, or developer that:

(1) has entered into a financing agreement with the board of trustees under IC 21-33; and

(2) agrees to do all piping and make all connections necessary to receive the heat or power, or both.

Sec. 2. The board of trustees of Vincennes University may furnish heat, light, power, and other like facilities or service to any or all structures to be constructed by Vincennes University from the plant or facilities of Vincennes University, with or without charge therefor.

Chapter 9. Other Uses of Property

Sec. 1. The board of trustees of each state educational institution shall comply with the state library automation standards.

Sec. 2. (a) This section applies to the board of trustees of the following state educational institutions:

(1) Ball State University.

(2) Indiana University.

(3) Indiana State University.

(4) Purdue University.

(5) University of Southern Indiana.

(b) The board of trustees of a state educational institution may adopt policies and standards for making property owned by the state educational institution reasonably available to be used free of charge for the production of motion pictures.

SECTION 265. IC 21-32 IS ADDED TO THE INDIANA CODE AS A **NEW** ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]:

ARTICLE 32. STATE EDUCATIONAL INSTITUTIONS: BONDS AND BORROWING

Chapter 1. General Provisions; Definitions

Sec. 1. The definitions in this chapter apply throughout this article.

Sec. 2. "Bonds" includes:

(1) bonds;

(2) debentures; and

(3) other evidences of indebtedness.

Sec. 3. "Obligations" means any of the following issued by a state educational institution:

(1) Bonds.

(2) Notes.

(3) Other evidences of indebtedness.

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(4) Other obligations.

Sec. 4. "Person" includes:

(1) a corporation;

(2) a limited liability company;

(3) a partnership;

(4) a firm;

(5) an association;

(6) a joint venture;

(7) an individual; and

(8) any combination of the entities listed in this section.

Chapter 2. Temporary Borrowings; Loans; Lines of Credit; Credit Facilities

Sec. 1. The powers of a state educational institution under this chapter are in addition to all other powers of the state educational institution to issue obligations.

Sec. 2. A state educational institution may do any of the following:

(1) Borrow funds on a temporary basis in anticipation of the issuance of long term obligations.

(2) Use the proceeds of a temporary borrowing for any purpose for which the institution could issue obligations under IC 21-34, IC 21-35-2, IC 21-35-3, or IC 21-35-5.

(3) Issue a temporary borrowing:

(A) in the form of a bond, note, commercial paper, or any other form;

(B) upon the terms and conditions and with the provisions (including redemption provisions);

(C) at the rate or rates of interest (fixed or variable); and

(D) subject to subdivision (5), in the denominations;

as the state educational institution determines under subdivision (6).

(4) Negotiate the terms of any temporary borrowing.

(5) Make the denominations determined under subdivision (3)(D) convertible into different denominations.

(6) Make the determinations under subdivision (3) by any of the following:

(A) The adoption of a resolution.

(B) The approval of a form of indenture between the state educational institution and a designated corporate trustee.

Sec. 3. (a) A state educational institution may:

(1) negotiate:

(A) a loan;

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(B) a line of credit; or
(C) any other credit facility; and
(2) issue a note for a credit facility;
with any institution or entity on the terms and conditions that the state educational institution determines.
(b) A state educational institution may make the determinations under this section by:
(1) the adoption of a resolution; or
(2) the approval of an agreement between the state educational institution and the institution or entity.
Sec. 4. A state educational institution may pledge and assign for the benefit of holders of:
(1) temporary obligations; or
(2) a credit facility;
under this chapter any security that the state educational institution may pledge and assign for the payment of bonds or notes under IC 21-34, IC 21-35-2, IC 21-35-3, or IC 21-35-5.
Chapter 3. Sale of Bonds
Sec. 1. A state educational institution with power to issue bonds may sell bonds at public or negotiated sale:
(1) for the price or prices;
(2) in the manner; and
(3) at the time or times;
determined by the state educational institution.
Sec. 2. A state educational institution may not sell bonds:
(1) for less than ninety percent (90%); or
(2) with an underwriter's discount that exceeds three percent (3%);
of the par value of the bonds.
Sec. 3. (a) A state educational institution that determines to sell bonds at public sale shall give notice under subsection (b) or (c).
(b) A state educational institution that gives notice under this subsection shall:
(1) publish the notice once each week for two (2) weeks in:
(A) an English language newspaper of general circulation published in the county in which the principal office of the state university or college is located; and
(B) an English language newspaper of general circulation published in the state capital;
(2) publish the last of the publications under subdivision (1) at least seven (7) days before the date of sale; and
(3) include in the notice the following with respect to the

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bonds:

(A) The amount to be offered.

(B) The denominations.

(C) The dates of maturity.

(D) The maximum rate or rates of interest or the maximum net interest cost.

(E) The date, time, and place of sale.

(F) The minimum price to be paid for the bonds.

(c) A state educational institution that gives notice under this section shall:

(1) publish the notice once each week for two (2) weeks in:

(A) an English language newspaper of general circulation published in the county in which the principal office of the state university or college is located; and

(B) an English language newspaper of general circulation published in the state capital; and

(2) include in the notice:

(A) a statement that any person interested in submitting a bid for the bonds may furnish in writing to the treasurer of the state educational institution at the address set forth in the notice the person's:

(i) name, address, and telephone number; and

(ii) telex number, if any; and

(B) the following with respect to the bonds:

(i) The amount to be offered.

(ii) The denominations.

(iii) The dates of maturity.

(iv) The maximum rate or rates of interest or the maximum net interest cost.

(v) The place of sale.

(vi) The time within which the information referred to in clause (A) must be furnished. The time within which the information referred to in clause (A) must be furnished must be at least seven (7) days after the last publication of the notice of intent to sell.

(vii) The minimum price to be paid.

Sec. 4. (a) This section applies when notice is given under section 3 of this chapter for a public sale.

(b) The treasurer of the state educational institution:

(1) shall cause each person registered under section 3(c) of this chapter to be notified of the date and time bids will be received at least twenty-four (24) hours before the date and

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time;

(2) shall give the notification under subdivision (1):

(A) by telephone at the number furnished by the person; and

(B) by telex if the person furnishes a telex number; and

(3) may not receive bids for more than ninety (90) days after the first publication of the notice of intent to sell bonds.

Sec. 5. A state educational institution shall award bonds sold at public sale to the bidder offering the lowest interest cost to be determined by:

(1) computing the total interest on the bonds from the date of the sale to the date of maturity; and

(2) either:

(A) deducting from the total interest the amount of any premium bid; or

(B) adding to the total interest the amount of any discount.

Sec. 6. If no acceptable bid is received at the time fixed for sale of the bonds at a public sale, the state educational institution:

(1) may continue the sale from day to day for a period not to exceed thirty (30) days without readvertising; and

(2) may not accept a bid during the continuation of the sale that offers a higher interest cost than the best bid received at the time fixed for the sale under section 3 of this chapter.

The acceptability of a bid is within the sole discretion of the state educational institution issuing the bonds. A state educational institution may not negotiate a sale for an issue of bonds without public bidding under section 1 of this chapter until the thirty (30) day period required by this section has passed for that issue if the state educational institution has conducted a public sale for that issue under sections 3 and 4 of this chapter.

Sec. 7. (a) A state educational institution may not:

(1) accept a bid for the bonds, other than a bid submitted by the federal government or any agency of the federal government; or

(2) execute and deliver a contract of sale for the bonds;

unless the bid or contract is accompanied by a certified check or cashier's check in an amount equal to one percent (1%) of the principal amount of the bonds sold.

(b) The check required by subsection (a) must be:

(1) payable to the state educational institution issuing the bonds; and

(2) drawn on a bank or trust company, in or out of state, that

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is insured by the Deposit Insurance Fund of the Federal Deposit Insurance Corporation.

(c) The state educational institution shall:

(1) hold the check required by subsection (a) as a guaranty of the performance of:

(A) the bid, if the bid is accepted; or

(B) the contract, if the contract is signed; and

(2) return the check required under subsection (a) to a bidder if that bidder's bid is not accepted.

(d) If a bid is accepted and the bidder fails to perform the bid, the check required under subsection (a) and the proceeds of the check are:

(1) the property of the state educational institution; and

(2) considered liquidated damages to the state educational institution arising from the default.

(e) A contract for the purchase of bonds at negotiated sale must provide that if the purchaser fails to perform the purchaser's obligation to pay for the bonds, the check required under subsection (a) and the proceeds from the check are:

(1) the property of the state university or college; and

(2) considered liquidated damages to the state educational institution arising from the default.

Sec. 8. Before the delivery of the bonds to a successful bidder at a public sale, other than the federal government or any agency of the federal government, the bidder shall cause to be filed with the secretary of state before the published date of sale a sworn affidavit that:

(1) is acceptable to the secretary of state; and

(2) states that no collusion or binding agreement existed between:

(A) the successful bidder; and

(B) an official of the issuing state university or college;

Sec. 9. This chapter is not applicable to bonds advertised for sale or sold or contracted to be sold before March 13, 1959.

SECTION 266. IC 21-33 IS ADDED TO THE INDIANA CODE AS A **NEW** ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]:

ARTICLE 33. STATE EDUCATIONAL INSTITUTIONS: APPROVAL OF PROJECTS; FUNDING

Chapter 1. General Provisions; Definitions

Sec. 1. The definitions in this chapter apply throughout this article.

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Sec. 2. "Cost", for purposes of IC 21-33-3, refers to costs described in IC 21-33-3-8.

Sec. 3. "Energy cost savings contract" means a contract between a state educational institution and a qualified provider for the implementation of at least one (1) qualified energy savings project and related measures.

Sec. 4. "Fund", for purposes of IC 21-33-2, refers to a facilities planning fund established under IC 21-33-2-2.

Sec. 5. "Project", for purposes of IC 21-33-3, refers to a project that is authorized under IC 21-33-3.

Sec. 6. "Qualified energy savings project" means a facility alteration designed to reduce energy consumption costs or other operating costs, including the following:

(1) Providing insulation of the facility and systems within the facility.

(2) Installing or providing for window and door systems, including:

(A) storm windows and storm doors;

(B) caulking or weatherstripping;

(C) multiglazed windows and doors;

(D) heat absorbing or heat reflective glazed and coated windows and doors;

(E) additional glazing;

(F) reduction in glass area; and

(G) other modifications that reduce energy consumption.

(3) Installing automatic energy control systems.

(4) Modifying or replacing heating, ventilating, or air conditioning systems.

(5) Unless an increase in illumination is necessary to conform to Indiana laws or rules or local ordinances, modifying or replacing lighting fixtures to increase the energy efficiency of the lighting system without increasing the overall illumination of a facility.

(6) Providing for other energy conservation measures that reduce energy consumption or reduce operating costs.

Sec. 7. "Qualified provider" means a person or business experienced in the design, implementation, and installation of energy and operational cost savings systems.

Sec. 8. "Regional campus" means Indiana State University – Regional Campus Evansville, a regional campus managed by the Indiana State University board of trustees before July 1, 1985.

Sec. 9. "Repair and rehabilitation project" means a project to

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do any of the following:

(1) Repair, rehabilitate, remodel, renovate, reconstruct, or finish existing facilities or buildings, or both, or take any combination of those actions.

(2) Improve, replace, or add utilities, fixed equipment, or both, or take any combination of those actions.

(3) Perform site improvement work without substantially changing the exterior dimensions of existing facilities, buildings, or any combination of facilities and buildings.

Chapter 2. Facilities Planning Fund

Sec. 1. This chapter applies to all state educational institutions.

Sec. 2. The facilities planning fund is established at each state educational institution.

Sec. 3. The assets of the fund may be used only to pay for the preliminary planning of academic facilities.

Sec. 4. An academic facility construction budget must include sufficient funds to reimburse the fund for all funds allocated under section 3 of this chapter for the preliminary planning of an academic facility.

Chapter 3. Projects for Land, Buildings, and Facilities; Repair and Rehabilitation Projects

Sec. 1. This chapter applies to all state educational institutions.

Sec. 2. This chapter applies to the following property:

(1) Land.

(2) Buildings.

(3) Facilities.

(4) Equipment.

Sec. 3. (a) Except as provided in subsection (b), a project that has been approved or authorized by the general assembly is not subject to review by the commission for higher education.

(b) The commission for higher education shall review a project approved or authorized by the general assembly if the review is requested by the budget agency or the budget committee.

Sec. 4. (a) The budget agency may refer to the budget committee budgetary and fiscal matters under this chapter for which it would like an advisory recommendation.

(b) If a matter is referred to the budget committee, the budget committee:

(1) shall hold hearings;

(2) may exercise any powers under IC 4-12-1-11; and

(3) shall make an advisory recommendation to the budget agency.

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The advisory recommendation may recommend that the matter as referred be approved, disapproved, referred to the general assembly, or resolved in another way.

Sec. 5. (a) Subject to this section, in addition to projects authorized by the general assembly, the board of trustees of a state educational institution may engage in a project to:

(1) construct buildings or facilities of a cost greater than five hundred thousand dollars ($500,000); or

(2) purchase or lease-purchase land, buildings, or facilities the principal value of which exceeds two hundred fifty thousand dollars ($250,000);

only if there are funds available for the project, the project meets any of the applicable conditions, and the project is reviewed by the commission for higher education and approved by the governor upon recommendation of the budget agency.

(b) If:

(1) any part of the cost of a project described in subsection (a) is paid by state appropriated funds or by mandatory student fees assessed all students; and

(2) the project is to:

(A) construct buildings or facilities of a cost greater than five hundred thousand dollars ($500,000); or

(B) 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.

(c) This section does not limit the board of trustees in supplementing a project approved by the general assembly from gifts or other available funds so long as approval for the expansion of the project is given by the governor on review by the commission for higher education and recommendation of the budget agency.

(d) The review and approval requirements of this section do not apply to a project to:

(1) construct buildings or facilities; or

(2) 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.

Sec. 6. (a) Subject to subsection (b), in addition to projects authorized by the general assembly, the board of trustees of a state educational institution may engage in a repair and rehabilitation project for which:

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(1) the cost of the project exceeds seven hundred fifty thousand dollars ($750,000); and

(2) any part of the cost of the project is paid by state appropriated funds or by mandatory student fees assessed all students;

only if the project is reviewed by the commission for higher education and approved by the governor, on recommendation of the budget agency.

(b) If no part of the cost of a 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 section apply only if the project exceeds one million dollars ($1,000,000).

Sec. 7. In addition to projects authorized by the general assembly, the board of trustees of a state educational institution may engage in a project:

(1) to lease, other than a project to lease-purchase, a building or facility; and

(2) for which the annual cost of the project exceeds one hundred fifty thousand dollars ($150,000);

only if the project is reviewed by the commission for higher education and approved by the governor, on recommendation of the budget agency.

Sec. 8. The cost of any project authorized under this chapter includes the following:

(1) The estimated cost of architectural, engineering, and consulting services.

(2) The estimated cost of the construction and any repair and rehabilitation project.

(3) The purchase price of any land to be purchased for the project.

(4) For lease-purchase projects, the total rent to be paid over the terms of the lease and over any additional period for which the state educational institution has an option for extension or renewal.

(5) The cost of equipment.

(6) The interest costs during construction.

(7) Other costs approved by the budget agency.

Sec. 9. To pay the cost of a project authorized under this chapter, the following funds may be used:

(1) Funds appropriated in any state fiscal year for the project by the general assembly, subject to allocation of the funds by

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the budget agency, with approval of the governor.

(2) Funds derived from the issuance and sale of bonds by the board of trustees of any of the state educational institutions, so long as the issuance of the bonds that are to be supported by mandatory student fees assessed all students has been approved by the general assembly for each applicable project.

(3) Funds derived from earnings, farm and miscellaneous sales, or other receipts, so long as a project to:

(A) construct buildings or facilities with a cost greater than ninety thousand dollars ($90,000); or

(B) purchase or lease-purchase land, buildings, or facilities the principal value of which exceeds fifty thousand dollars ($50,000);

is reviewed by the commission for higher education and approved by the governor, on recommendation of the budget agency.

(4) Federal funds granted and allowed a state educational institution for a project to construct buildings or facilities, so long as each project:

(A) with a cost greater than ninety thousand dollars ($90,000); or

(B) to purchase or lease-purchase land, buildings, or facilities the principal value of which exceeds fifty thousand dollars ($50,000);

is reviewed by the commission for higher education and approved by the governor, on recommendation of the budget agency.

(5) Available funds derived from gifts, bequests, devises, or other source not listed in subdivisions (1) through (4), so long as each project to:

(A) construct buildings or facilities with a cost greater than ninety thousand dollars ($90,000); or

(B) purchase or lease-purchase land, buildings, or facilities the principal value of which exceeds fifty thousand dollars ($50,000);

is reviewed by the commission for higher education and approved by the governor, on recommendation of the budget agency.

Sec. 10. The general assembly may appropriate fee replacement money for the replacement of student fees dedicated to pay:

(1) the principal and interest costs of bonds as approved by the general assembly; and

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(2) lease-purchase costs.

Chapter 4. Qualified Energy Savings Projects

Sec. 1. A state educational institution may undertake a qualified energy savings project as provided in this chapter. If the part of the qualified energy savings project related to real property improvements is greater than five hundred thousand dollars ($500,000), the project must be reviewed by the commission for higher education and approved by the governor and the budget director on the recommendation of the budget committee. A qualified energy savings project does not require the prior approval of the general assembly, notwithstanding the source of payment for the project or bonds issued to fund the project.

Sec. 2. A state educational institution may submit a request for proposals to qualified providers for an energy cost savings contract and may enter into an energy cost savings contract with a qualified provider under this chapter. The contract must provide that all payments, except obligations on termination of the contract before its expiration, are to be made over time. The contract may provide that energy cost savings are guaranteed by the qualified provider to the extent necessary to make payments for the qualified energy savings project. A qualified provider shall provide a sufficient bond to the state educational institution for the installation and the faithful performance of all the measures included in the contract. The contract may also include contracts for building operation programs and maintenance and management or similar agreements with the qualified provider to reduce energy or operational costs.

Sec. 3. A request for proposals must include the following:

(1) The name and address of the state educational institution.

(2) The name, address, title, and phone number of a contact person.

(3) The date, time, and place where proposals must be received.

(4) Evaluation criteria for assessing the proposals.

(5) A reasonably functional description of the facilities to be covered by the request for proposals or the maximum dollar cost of the qualified energy savings project subject to the request for proposals, or both.

(6) Any other stipulations and clarifications the state educational institution may require.

Sec. 4. The state educational institution shall select the qualified provider and enter into an energy cost savings contract or

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contracts for a qualified energy savings project that best meets the needs of the state educational institution. The state educational institution shall provide public notice of the meeting at which it proposes to award an energy cost savings contract by publication one (1) time, at least ten (10) days in advance, in newspapers described in IC 21-32-3-3. The public notice must disclose the names of parties to the proposed energy cost savings contract and contain a reasonably functional description of the qualified energy savings project and the measures covered by the contract and project.

Sec. 5. After reviewing proposals submitted under this chapter, a state educational institution may enter into energy cost savings contracts with a qualified provider if the state educational institution reasonably expects that the cost of a qualified energy savings project recommended in the proposal would not exceed the amount to be saved in either energy or operational costs, or both, within the ten (10) year period following the date installation is complete if the recommendations in the proposal are followed. An energy cost savings contract may also include a guaranty from the qualified provider to the state educational institution that either the energy or operational cost savings, or both, will meet or exceed the cost of the energy cost savings projects not later than ten (10) years after the date installation is complete.

Sec. 6. Energy cost and operational savings realized from a qualified energy savings project and an energy cost savings contract do not reduce the amount of state appropriations otherwise available to the state educational institution.

Chapter 5. Ball State University

Sec. 1. The board of trustees of Ball State University may borrow money and issue bonds as authorized by the general assembly.

Chapter 6. University of Southern Indiana

Sec. 1. In addition to authority to issue bonds as may be periodically provided, the board of trustees of the University of Southern Indiana may issue refunding bonds or advance refunding bonds under IC 20-12-7, IC 21-34, IC 21-35-2, and IC 21-35-4 for bonds of the Indiana State University board of trustees issued to finance facilities on the regional campus comprising part of the University of Southern Indiana after July 1, 1985.

SECTION 267. IC 21-34 IS ADDED TO THE INDIANA CODE AS A **NEW** ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]:

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ARTICLE 34. STATE EDUCATIONAL INSTITUTIONS: ACQUISITION AND IMPROVEMENT OF BUILDING FACILITIES AND EQUIPMENT; BONDS

Chapter 1. General Provisions; Definitions

Sec. 1. This article applies to all state educational institutions.

Sec. 2. This article does not apply to the acquisition, construction, financing, or refinancing of any revenue producing facility that a state educational institution is authorized to acquire, construct, or finance under IC 21-35-2 or IC 21-35-3.

Sec. 3. This article does not repeal, modify, or amend any Indiana law in effect on March 10, 1965, but is supplemental to the laws of this state in effect on March 10, 1965.

Sec. 4. This article does not affect the validity of any contracts executed before March 10, 1965.

Sec. 5. The definitions in this chapter apply throughout this article.

Sec. 6. "Bond" means

(1) bonds (including refunding bonds);

(2) notes;

(3) temporary, interim, or permanent certificates of indebtedness;

(4) debentures; or

(5) other obligations;

evidencing indebtedness for borrowed money under this article. The term does not include installment contracts or similar instruments under IC 21-34-3-4.

Sec. 7. "Building facility" means the following:

(1) Any buildings, structures, improvements, or facilities.

(2) Any utilities, other services, and appurtenances related to an item described in subdivision (1) (including facilities for the production and transmission of heat, light, water and power, sewage disposal facilities, streets and walks, and parking facilities).

(3) The land required for items described in subdivision (1) or (2).

The term includes equipment.

Sec. 8. "Building facilities fee" refers to a building facilities fee imposed under IC 21-34-5-1.

Sec. 9. "Building facilities fund" refers to a building facilities fund established under IC 21-34-5-3.

Sec. 10. "Cost" means:

(1) all or any part of the cost of construction and acquisition

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of all lands, structures, real or personal property, rights, rights-of-way, franchises, easements, and interests acquired or used under this article.

(2) the cost of demolishing or removing any buildings or structures on land so acquired, including the cost of acquiring any lands to which the buildings or structures may be moved;

(3) the cost of all machinery and equipment, financing charges, and interest before, during, and for a period not exceeding one (1) year after the estimated date of completion of construction or acquisition;

(4) the reserves for debt service and for extensions, enlargements, additions, replacements, renovations, and improvements to building facilities;

(5) the cost of architectural, engineering, trustee, financial, legal, and related services;

(6) the act of underwriters;

(7) the cost of plans, specifications, studies, surveys, and estimates of cost and of revenues;

(8) the administrative expenses, expenses necessary or incident to determining the feasibility or practicability of any undertaking under this article; and

(9) other expenses as may be necessary or incident to the construction, acquisition, and the financing of any undertaking under this article.

Sec. 11. "Eligible members" includes all:

(1) state educational institutions; and

(2) private postsecondary educational institutions.

Sec. 12. "Fee replacement" means payments to a state educational institution to be used to pay indebtedness resulting from financing the cost of:

(1) planning;

(2) purchasing;

(3) rehabilitation;

(4) construction;

(5) repair;

(6) leasing;

(7) lease-purchasing; or

(8) otherwise acquiring;

land, buildings, facilities, and equipment to be used for academic and instructional purposes.

Sec. 13. "Grant" means money received from:

(1) the United States government or its agencies;

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(2) the state or any of its agencies; or

(3) a private corporation, trust, or foundation;

to be used for the acquisition, improvement, renovation, or construction of building facilities that a state educational institution may lawfully undertake.

Sec. 14. "Grant anticipation loan" refers to a loan entered into under IC 21-34-7-1.

Sec. 15. "Indenture" refers to an indenture issued under this article for the issuance of bonds.

Sec. 16. "Joint use agreements" means agreements between two (2) or more state educational institutions providing for the joint use of building facilities.

Sec. 17. "Liability" means legal liability for damages (including costs of defense, legal costs and fees, and other claims expenses) because of injuries to other persons or entities, damage to their property or business, or other damage or loss to those persons or entities resulting from or arising out of activity of an eligible member.

Sec. 18. "Liability or other loss insurance reserves" means a fund set aside as a reserve to cover risk retained by the corporation in connection with a liability claim or other loss.

Sec. 19. "Resolution" in a provision of this article concerning the issuance of bonds refers to a resolution adopted by the board of trustees of a state educational institution related to the issuance of bonds.

Sec. 20. "Risk retention group" means a trust, pool, corporation, partnership, or joint venture funded by and owned and operated for the benefit of more than one (1) eligible member.

Chapter 2. Liability or Other Loss Insurance Reserves; Risk Retention Groups

Sec. 1. The board of trustees of a state educational institution may establish liability or other loss insurance reserves or contribute those reserves or other capital to a risk retention group to provide insurance coverage against liability claims.

Chapter 3. Building Facilities, Equipment, Land

Sec. 1. The board of trustees of a state educational institution may, as the board of trustees finds necessary, acquire, erect, construct, reconstruct, improve, rehabilitate, remodel, repair, complete, extend, enlarge, equip, furnish, and operate building facilities for:

(1) carrying on the educational research, the public service programs, or the statutory responsibilities of the state

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educational institution and the various divisions of the state educational institution under the jurisdiction of the board of trustees; or

(2) managing, operating, or servicing the state educational institution.

Sec. 2. A building facility may be located at any place within Indiana at which the board of trustees of a state educational institution determines the need exists for the building facilities.

Sec. 3. The board of trustees of a state educational institution may acquire, erect, construct, reconstruct, improve, rehabilitate, remodel, repair, complete, extend, enlarge, furnish, and operate any equipment that the board of trustees of a state educational institution considers necessary for:

(1) carrying on the educational research or public service programs or discharging the statutory responsibilities of the state educational institution and the various divisions of the state educational institution; or

(2) managing, operating, or servicing the state educational institution.

Sec. 4. (a) The board of trustees of a state educational institution may:

(1) acquire, under this article or any other applicable law, by:

(A) purchase (for cash or on contract);

(B) lease or sublease for a period not exceeding forty (40) years that the board of trustees approves;

(C) condemnation;

(D) trade or exchange;

(E) gift, devise, or bequest; or

(F) other means; and

(2) improve;

real property (improved or unimproved) and personal property that the board of trustees determines necessary for the purposes set forth in subsection (b) on the terms and conditions and subject to the liens and encumbrances that the board of trustees approves.

(b) Any action may be taken under subsection (a) that the board of trustees of the state educational institution considers necessary for:

(1) carrying on the educational research, the public service programs, or the statutory responsibilities of the state educational institution and the various divisions of the state educational institution under the jurisdiction of the board of trustees; or

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(2) managing, operating, or servicing the state educational institution.

Sec. 5. Except as otherwise provided in IC 21-34-4, title to all property acquired, including improvements on acquired property, must be taken and held by and in the name of the board of trustees in its corporate capacity for the purposes of this article. The board of trustees of a state educational institution may use for these purposes real or personal property:

(1) acquired before or after March 10, 1965; or

(2) available on or after March 10, 1965, to the state educational institution, including real estate (improved or unimproved), the title to which on or after March 10, 1965, may be in the name of the state of Indiana for the use and benefit of the board of trustees of the state educational institution or the state educational institution under its control.

Sec. 6. (a) A lessor leasing fifty percent (50%) or more of a building facility or building facilities:

(1) to a state educational institution or to more than one (1) state educational institution jointly pursuant to sections 4 and 5 of this chapter for a term of five (5) years or more; and

(2) that are to be acquired or constructed and erected by the lessor;

shall, before commencing the acquisition or construction and erection, obtain approval of the plans and specifications for the building facility or building facilities by the lessee or lessees and also by any other public agencies that are required to approve plans and specifications for similar building facilities acquired or constructed and erected by the lessee or lessees.

(b) The lessor shall take bids and enter into a contract or contracts for the construction and erection of the building facility or building facilities in accordance with the same procedures required by law to be followed by the lessee or lessees in the acquisition or construction and erection of similar building facilities.

Sec. 7. (a) If the board of trustees of a state educational institution determines to locate a building facility upon real estate, the title to which is in the name of the state of Indiana for the use and benefit of:

(1) the board of trustees of the state educational institution; or

(2) the state educational institution under its control;

the parcel of real estate reasonably required for the building

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facility may, upon request in writing by the board of trustees of the state educational institution to the governor and with the approval of the governor, be conveyed by deed from the state of Indiana to the board of trustees of the state educational institution.

(b) The governor may execute and deliver a deed:

(1) in the name of the state of Indiana;

(2) signed on behalf of the state by the governor;

(3) attested by the auditor of state; and

(4) with the seal of the state affixed to the deed.

Chapter 4. Joint Use Agreements

Sec. 1. (a) It is the policy of the state to encourage the joint use of building facilities by any two (2) or more state educational institutions under the jurisdiction of the board of trustees of each state educational institution whenever the boards of trustees of the respective state educational institutions find that the joint use would:

(1) benefit their respective state educational institutions; and

(2) be to the advantage of the state.

(b) When the findings described in subsection (a) are made by the boards of trustees of the respective state educational institutions, the board of trustees of each state educational institution that makes the findings may enter into and perform a joint use agreement providing for the joint use of building facilities.

(c) A joint use agreement may contain the provisions, terms, and conditions pertaining to the acquisition, construction, financing, and use of building facilities, not inconsistent with this article, as may be approved by the boards of trustees of each state educational institution that is a party to the joint use agreement.

Sec. 2. A joint use agreement may provide, among other things, that any board of trustees of a state educational institution that is a party to the joint use agreement may lease or sublease for any term not exceeding forty (40) years any building facility acquired by the board of trustees of the state educational institution or the use of which is or may be available to the board of trustees of the state educational institution or any part of the building facilities to one (1) or more other boards of trustees of a state educational institution that are parties to the joint use agreement.

Sec. 3. A joint use agreement may provide, among other things, that the board of trustees of each state educational institution that is a party to the joint use agreement may for the purpose of performing the joint use agreement, exercise jointly any and all of the powers that are severally conferred on the board of trustees of

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each state educational institution that is a party to the joint use agreement by this article, including the power to acquire property by condemnation.

Sec. 4. A joint use agreement may provide, among other things, that:

(1) title to the real and personal property acquired or to be acquired for the joint use of the board of trustees of each state educational institution that is a party to the joint use agreement may be taken and held in the name of the board of trustees of any one (1) of the state educational institutions, subject to the provisions of the joint use agreement respecting the joint use of the property; or

(2) title to some or all of the real or personal property acquired or to be acquired for the joint use of the board of trustees of each state educational institution that is a party to the joint use agreement may be taken and held jointly in the names of all the boards of trustees of the state educational institutions that are parties to the joint use agreement, as tenants in common, with the divisions of ownership interests that are provided in the joint use agreement and in the documents evidencing the title to the property.

Chapter 5. Building Facilities Fees; Building Facilities Fund

Sec. 1. In order to:

(1) provide funds with which to pay part or all of the cost of any building facility, work, act, or undertaking authorized by IC 21-34-2, IC 21-34-3-1, or IC 21-34-3-3;

(2) pay part or all of the cost of acquiring real or personal property by purchase, lease, sublease, condemnation, trade or exchange, or otherwise as provided in section IC 21-34-3-4;

(3) pay part or all of the cost of improving any of the property;

(4) pay the principal of and interest on bonds issued under this article; or

(5) perform the obligations of any joint-use agreements made under IC 21-34-4;

the board of trustees of a state educational institution may, as necessary, fix, charge, and collect a building facilities fee or fees.

Sec. 2. A building facilities fee may be collected from:

(1) the students attending the state educational institution and the various divisions of the state educational institution; and

(2) other persons enjoying the use of the facilities of the state educational institution and the divisions of the state

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educational institution.

Sec. 3. The board of trustees of each state educational institution shall deposit to the credit of a special fund to be established and designated as the building facilities fund of the board of trustees of the state educational institution or the state educational institution under its control:

(1) all building facilities fees collected by the state educational institution; and

(2) to the extent provided or required by any resolution or trust indenture that is adopted or approved by the board of trustees of the issuing state educational institution, all other fees, income, or funds pledged to secure the payment of bonds, and the interest on the bonds issued under this article.

Sec. 4. Each building facilities fund may be used only:

(1) for the purposes stated in section 1 of this chapter; and

(2) in connection with the issuance of bonds under this article.

The uses may be further limited by the provisions stated in a resolution or a trust indenture that is adopted or approved by the board of trustees of the issuing state educational institution.

Sec. 5. (a) The board of trustees of a state educational institution may:

(1) deposit to the credit of the building facilities funds of the state educational institution; or

(2) use for any of the purposes of this article without making a deposit in the building facilities funds;

any other funds from any source that may be available for any of the purposes of the building facilities funds from whatever source derived.

(b) The funds subject to subsection (a) include the following:

(1) Student tuition and other fees, earnings, charges, rentals, interest on permanent endowment funds or other interest, or other income.

(2) Gifts or grants from the federal government or any federal agency or instrumentality or any public or private corporation, association, or person.

(3) State appropriations made specifically for any of the purposes of this article.

Sec. 6. The building facilities fees and any other funds that are deposited to the credit of the respective building facilities funds are appropriated to the state educational institution for the uses provided in this article without the necessity for any future appropriations.

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Sec. 7. The money in the building facilities funds may be accumulated and held by a state educational institution for purposes of this article and invested by a state educational institution pending the use of the money. Interest, dividends, or gains resulting from investments must be credited to the building facilities funds.

Sec. 8. If bonds are issued in anticipation of the collection of building facilities fees, the issuing board of trustees of a state educational institution shall fix, charge, and collect the building facilities fees in amounts sufficient, together with other available funds, to pay the interest on and the principal of the bonds, in accordance with the terms of the bonds, so long as any of the bonds are outstanding.

Sec. 9. The board of trustees of each state educational institution that is a party to a joint use agreement shall:

(1) fix, charge, and collect its own building facilities fees; and

(2) establish, hold, invest, and use its own building facilities fund.

The board of trustees may use the building facilities fees and the money in the building facilities fund and any other available funds to pay its portion of the cost of the joint building facility as provided in the joint use agreement. The board of trustees of a state educational institution may not have any authority or responsibility with respect to the building facilities fees or fund of any other state educational institution.

Chapter 6. Issuance of Bonds

Sec. 1. The board of trustees of a state educational institution may borrow money and evidence the loans by the issuance and sale of bonds of the board of trustees of the state educational institution to provide funds with which to:

(1) pay part or all of the cost of any building facility, work, act, or undertaking authorized by IC 21-34-2, IC 21-34-3-1, or IC 21-34-3-3;

(2) pay part or all of the cost of acquiring (by purchase, lease, sublease, condemnation, trade, or otherwise) or improving real or personal property under IC 21-34-3-4; or

(3) perform the obligations of any joint-use agreements under IC 21-34-4.

Sec. 2. Bonds and the interest on bonds may be secured by the following:

(1) A pledge or mortgage of:

(A) any property, real or personal, used, acquired, or to be

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acquired and used for the purposes of this article; and

(B) the improvements made or to be made on the property. However, no real estate, the title to which is on or after March 10, 1965, in the name of the state for the use and benefit of the board of trustees of a state educational institution or the state educational institution under its control, may not be pledged or mortgaged until the title to the real estate has been conveyed to the board of trustees of the state educational institution under this article.

(2) A pledge of the building facilities fees to be collected and deposited in the building facilities fund.

(3) Subject to outstanding liens and encumbrances, and any covenants, agreements, or encumbrances on the funds existing at the time of a pledge, a pledge of general student tuition fees or any other available funds from whatever source derived that under IC 21-34-5-5 may be used for any of the purposes of this article.

(4) A pledge of any other money deposited in a building facilities fund.

(5) A pledge of the proceeds of bonds issued under this article.

(6) Any one (1) or more of the ways described in this section that the board of trustees of the issuing state educational institution determines.

Sec. 3. The lien of the pledges or mortgages, to the extent of the lien, unless otherwise determined by the board of trustees of the state educational institution, is a first and primary lien for the payment of the bonds secured and the interest on the bonds.

Sec. 4. In authorizing the issuance of bonds for any building facility or facilities, the board of the issuing state educational institution may:

(1) limit the amount of bonds that may be issued as a first lien and charge against the property, fees, income, and funds; and

(2) provide, after the original issuance of bonds, for the issuance of additional bonds secured by the same lien to provide funds to:

(A) pay the cost of acquiring, erecting, constructing, reconstructing, improving, rehabilitating, remodeling, repairing, completing, extending, enlarging, equipping, or furnishing the building facility or facilities for which the original bonds were issued;

(B) provide funds to pay the cost of additional building facilities under this article; or

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(C) perform actions under both clauses (A) and (B).

Sec. 5. Additional bonds:

(1) shall be issued on the terms and conditions that the board of trustees of the issuing state educational institution determines; and

(2) may be:

(A) secured equally and ratably, without preference, priority, or distinction, with the original issue of bonds; or

(B) made junior to the original issue of bonds.

Sec. 6. The board of trustees of a state educational institution may issue bonds for the purpose of:

(1) reimbursing the state educational institution for funds expended or advanced for interim financing of the cost of any building facility or facilities before the issuance of bonds for the facility or facilities; or

(2) subject to existing covenants and agreements with the holders of the outstanding obligations:

(A) funding outstanding obligations incurred or refunding outstanding bonds issued either under:

(i) this article; or

(ii) other applicable law;

for building facilities approved by the governor and the budget agency or its predecessor; or

(B) in part for funding or refunding purposes and in part for any other purpose authorized by this article; and

may secure the payment of the bonds as provided in this article.

Sec. 7. Refunding bonds may be exchanged for the bonds being funded or refunded or may be sold and the proceeds applied to the funding or refunding.

Sec. 8. Subject to any approval required under IC 21-34-10, bonds may be issued in an amount or amounts that do not exceed the maximum amount determined by the board of trustees of the issuing state educational institution.

Sec. 9. Bonds may be issued in the form and upon the terms and conditions, at the rate or rates of interest, and in the denominations that may be made convertible into different denominations as the governing board of the board of trustees of the state educational institution determines by:

(1) the adoption of a resolution;

(2) approval of a form of trust indenture between the board of trustees of the state educational institution and a designated corporate trustee; or

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(3) both subdivisions (1) and (2).

Sec. 10. A resolution or indenture for bonds may include provisions for:

(1) protecting and enforcing the rights and remedies of the holders of the bonds being issued;

(2) covenants setting forth the duties of the state educational institution and its officers in relation to:

(A) the acquisition, construction, operation, maintenance, use, and abandonment of the building facility; and

(B) insurance of the building facility;

(3) the custody, safeguarding, application, and investment of all money;

(4) the rights and remedies of the trustee and the holders of the bonds being issued;

(5) the issuance of additional bonds as provided in the resolution or indenture; and

(6) other terms, conditions, and covenants as the board of trustees of the state educational institution determine are proper, including provision for the establishment of a debt service reserve by:

(A) the use of bond proceeds or other sources;

(B) the furnishing of an insurance policy, surety bond, or letter of credit; or

(C) any combination of clause (A) or (B).

Sec. 11. Bonds must be sold at public or negotiated sale as provided by IC 21-32-3.

Sec. 12. All bonds and the interest coupons appertaining to bonds issued under this article must be negotiable instruments within the meaning and for all purposes under Indiana laws, subject only to the provisions of the bonds for registration as to principal or as to principal and interest. Any bonds registered as to principal and interest may be made convertible to bearer bonds with coupons.

Sec. 13. (a) An action to contest the validity of any bonds issued under this article may not be brought after the fifteenth day following:

(1) the first publication of notice of the sale or intent to sell the bonds under IC 21-32-3 if the bonds are sold at public sale; or

(2) the publication one (1) time in newspapers described in IC 21-32-3-3 of notice of execution and delivery of the contract of sale for the bonds if the bonds are sold at negotiated sale.

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(b) The board of trustees of a state educational institution shall publish notice under subsection (a)(2) if it sells bonds at negotiated sale within thirty (30) days of execution of the contract of sale for the bonds.

Sec. 14. The rate or rates of interest of bonds may be fixed or variable. Variable rates shall be determined in the manner and in accordance with the procedures set forth in the resolution or indenture authorizing the issuance of the bonds. Bonds bearing a variable rate of interest may be converted to bonds bearing a fixed rate or rates of interest to the extent and in the manner set forth in the resolution or indenture under which the bonds are issued.

Sec. 15. Interest may be:

(1) payable semiannually, annually, or at any other interval or intervals as may be provided in the resolution or indenture; or

(2) compounded and paid at maturity or at any other times as specified in the resolution or indenture.

Sec. 16. Bonds may be made subject, at the option of the holders, to mandatory redemption by the board of trustees of the state educational institution at the times and under the circumstances set forth in the authorizing resolution or indenture.

Sec. 17. A resolution or indenture may contain provisions regarding:

(1) the investment of money, sale, exchange, or disposal of property; and

(2) the manner of authorizing and making payments, notwithstanding IC 5-13 or any general statute relating to these matters.

Sec. 18. (a) Bonds and coupons appertaining to bonds shall be executed in the name of the issuing state educational institution by the manual or facsimile signatures of the officer or officers of the state educational institution that the board of trustees of the state educational institution designates.

(b) One (1) signature on the obligation must be manual and may be either the signature of one (1) of the officers or of any trustee, fiscal agent, or other fiduciary charged with authenticating the bonds.

(c) The seal or a facsimile of the seal of the state educational institution shall be affixed, imprinted, engraved, or otherwise reproduced on each bond.

(d) If any officer whose manual or facsimile signature appears on any bond or coupon ceases to be an officer before the delivery

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of the bonds, the officer's signature is valid and sufficient for all purposes as if the officer had remained in office until delivery.

(e) The resolution or indenture under which the bonds are issued may provide for the authentication of the bonds by the trustee, fiscal agent, or other fiduciary designated in the resolution or indenture.

Chapter 7. Grant Anticipation Loans

Sec. 1. (a) The board of trustees of a state educational institution that has entered into a written contract for a grant, pending the receipt of the grant, but within the limitations set forth in section 2 of this chapter, may:

(1) borrow from any person; and

(2) evidence the debt by a note or a series of notes of equal or unequal amounts containing the terms and conditions that the board of trustees the state educational institution prescribes.

(b) Any note may pledge, for the payment of the principal and interest of the note:

(1) the proceeds of the grant; and

(2) any revenue that may be derived from the building facility being constructed, acquired, renovated, or improved by the proceeds of the note or notes.

Sec. 2. A grant anticipation loan may not exceed eighty percent (80%) of the estimated amount of the grant in anticipation of which the loan is made. The board of trustees of the state educational institution shall make prepayments of the outstanding balance of its note or retire one (1) or more of its series of outstanding notes promptly upon partial receipt of grant funds so that the outstanding amount of any loan does not exceed the balance of the grant funds yet to be received.

Sec. 3. The notes for a grant anticipation loan must be:

(1) executed in the same manner as provided for bonds in IC 21-34-6-18; and

(2) sold in the same manner as provided for bonds in IC 21-34-6-8 through IC 21-34-6-17.

Sec. 4. The board of trustees of a state educational institution shall apply the proceeds of any grant anticipation notes to those items of cost for which the grant has been allocated by the granting agencies. The purchaser of any notes:

(1) is not liable for any improper use of the proceeds; and

(2) does not have to insure that the amount of the loan stays within the maximum limits specified in section 2 of this chapter as grant funds are received by the state educational

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institution.

Chapter 8. Bonds: Liability for Debt; Tax Exempt Status; Eligibility as Investments

Sec. 1. IC 21-34-4 or another provision of this article may not be construed to make any board of trustees of a state educational institution liable for any indebtedness, bonds, or obligations incurred, created, or issued under the authority of this article by any other state educational institution.

Sec. 2. All indebtedness, bonds, or obligations incurred, created, or issued under the authority of this article:

(1) are payable solely out of the building facilities fund and the property, fees, income, and funds pledged or mortgaged as authorized; and

(2) may not be or become an indebtedness of or liability against the state of Indiana or a state educational institution, except to the extent of the property, fees, income, and funds pledged or mortgaged as authorized.

Sec. 3. All:

(1) the:

(A) property acquired under authority of this article or used for the purposes provided for in this article; and

(B) income from property described in clause (A);

are exempt from all taxation in Indiana; and

(2) bonds issued under the authority of this article, the interest on the bonds, and the proceeds of the bonds are exempt from taxation to the extent provided in IC 6-8-5.

Sec. 4. Any bonds issued under the provisions of this article are:

(1) eligible investments for the funds of any kind or character of every financial institution, insurance company, or private trust; and

(2) eligible for deposit by any financial institution, insurance company, or trustee under any Indiana law providing for the deposit of securities or funds.

Chapter 9. Contracts; Approval by the Budget Agency

Sec. 1. Except as provided by this chapter, contracts to:

(1) acquire land for or to construct, purchase, lease, sublease, or otherwise acquire; or

(2) engage architectural or engineering services in connection with;

any building facilities to be financed in whole or in part by the issuance of bonds under this article or by student building facilities fees charged and collected under this article, may not be made by

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a state educational institution without the specific approval of the budget agency and the governor.

Sec. 2. This chapter does not apply to any contract:

(1) relating to a building facility the cost of which does not exceed fifty thousand dollars ($50,000); or

(2) for architectural or engineering services relating to the planning of a building facility.

Chapter 10. Bonds; Review and Approval

Sec. 1. (a) Bonds may not be issued by the board of trustees of a state educational institution under this article without the specific approval of the:

(1) budget committee;

(2) budget agency; and

(3) governor.

(b) The budget agency may request and consider the recommendation of the staff of the Indiana finance authority with respect to the approval of a bond issue under this section.

Sec. 2. (a) Except:

(1) for grant anticipation notes; and

(2) as provided in this chapter;

no bonds shall be issued for a project by the board of trustees of a state educational institution under this article unless the general assembly has taken the actions described in subsection (b).

(b) As a condition of issuing bonds, the general assembly must have:

(1) specifically approved the project to be financed through the issuance and sale of these bonds; and

(2) provided the amount of bonds that may be issued to fund the costs of acquiring, constructing, remodeling, renovating, furnishing, or equipping the specific project approved.

Sec. 3. In addition to and in connection with the amount of bonds that may be issued by a state educational institution for a specific project as provided in section 2(b)(2) of this chapter, the board of trustees of a state educational institution may also issue bonds in amounts necessary to provide funds for:

(1) debt service reserves;

(2) bond or reserve insurance; and

(3) other costs;

without additional approval by the general assembly, if these costs are incidental to the issuance of bonds for the project.

Sec. 4. Bonds, regardless of when the amount of bonds are approved by the general assembly, may be issued in an amount not

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exceeding the sum of the following:

(1) The amount of bonds approved by the general assembly.

(2) The amounts described in section 3 of this chapter.

(3) The amount of the discount below par value, if bonds are sold at a price below par value under IC 21-32-3-2.

Sec. 5. A power granted under this chapter to issue bonds without the specific approval of the general assembly shall not be construed to permit the issuance of the bonds without the specific approvals required under section 1 of this chapter. Bonds issued without the specific approval of the general assembly are not eligible for fee replacement.

Sec. 6. Bonds may be issued by the board of trustees of a state educational institution without the approval of the general assembly if, after the issuance, the total amount of outstanding bonds issued by the board of trustees of a state educational institution without approval will not exceed two million dollars ($2,000,000). However, the bonds must be approved as provided in section 1 of this chapter.

Sec. 7. Bonds may be issued by the board of trustees of a state educational institution without the approval of the general assembly to finance a qualified energy savings project if annual operating savings to the state educational institution arising from the implementation of a qualified energy savings project are reasonably expected to be at least equal to annual debt service requirements on bonds issued for this purpose in each fiscal year. However, the amount of bonds outstanding for the state educational institution at any time for qualified energy savings projects, other than refunding bonds and exclusive of costs described in sections 3 and 4 of this chapter, may not exceed ten million dollars ($10,000,000).

Sec. 8. Bonds may be issued by the board of trustees of Purdue University without the approval of the general assembly for deferred expenditures, as determined under accounting principles approved by the state board of accounts, to:

(1) repair, rehabilitate, remodel, renovate, or reconstruct existing facilities or buildings;

(2) improve or replace utilities or fixed equipment; or

(3) perform related site improvement work.

However, the total amount of bonds issued for Purdue University under this section without the approval of the general assembly, other than refunding bonds and exclusive of costs described in sections 3 and 4 of this chapter, may not exceed sixty million

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dollars ($60,000,000).

SECTION 268. IC 21-35 IS ADDED TO THE INDIANA CODE AS A **NEW** ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]:

ARTICLE 35. STATE EDUCATIONAL INSTITUTIONS: REVENUE BONDS AND OTHER FINANCING ARRANGEMENTS

Chapter 1. General Provisions; Definitions

Sec. 1. The definitions in this chapter apply throughout this article.

Sec. 2. "Bond" means the following:

(1) For purposes of IC 21-35-2, any bond evidencing indebtedness for borrowed money under IC 21-35-2.

(2) For purposes of IC 21-35-3, any bond evidencing indebtedness for borrowed money under IC 21-35-3.

(3) For purposes of IC 21-35-4, any bond evidencing indebtedness for borrowed money under IC 21-35-4.

(4) For purposes of IC 21-35-5, any bond evidencing indebtedness for borrowed money under IC 21-35-5.

(5) For purposes of IC 21-35-6, any:

(A) bonds (including refunding bonds);

(B) notes;

(C) temporary, interim, or permanent certificates of indebtedness;

(D) debentures; or

(E) other obligations;

evidencing indebtedness for borrowed money under IC 21-35-6.

Sec. 3. "Developer", for purposes of IC 21-35-7, means a for profit or nonprofit:

(1) person;

(2) firm;

(3) partnership;

(4) limited liability company;

(5) trust;

(6) association; or

(7) corporation;

that enters or proposes to enter into a financing agreement with a state educational institution for construction of facilities or management of facilities, or both.

Sec. 4. "Facilities", for purposes of IC 21-35-7, means buildings and equipment located on or immediately adjacent to a university

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campus, the primary purpose of which is to make available or provide:

(1) offstreet parking;

(2) alternative transportation systems;

(3) office space;

(4) convenience, retail, and service establishments;

(5) bookstores;

(6) research;

(7) outpatient and extended care;

(8) food service;

(9) temporary lodging quarters or similar structures used by:

(A) students;

(B) faculty;

(C) staff;

(D) patients; or

(E) visitors;

(10) housing used by students in connection with:

(A) hospitals; or

(B) health care units; or

(11) any combination of the buildings and services listed in this section.

The term does not include undergraduate dormitories.

Sec. 5. "Financing", for purposes of IC 21-35-7, means the activities listed in IC 21-35-7-4.

Sec. 6. "Financing agreement", for purposes of IC 21-35-7, means any agreement between a state educational institution and a developer or user concerning:

(1) the:

(A) acquisition;

(B) construction; or

(C) management;

of facilities;

(2) the:

(A) financing;

(B) leasing; or

(C) possession;

of facilities; or

(3) any combination of the items listed in subdivisions (1) and (2); and

(4) payments to or from the university in respect of the items listed in subdivisions (1) and (2).

Sec. 7. "Income":

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(1) for purposes of IC 21-35-2, with respect to any property, includes the sum of all mandatory student service fees:

(A) collected for the use of the property; and

(B) assessed against the students of the institution;

to provide security for bonds issued under IC 21-35-2; and

(2) For purposes of IC 21-35-3, with respect to a campus facility, includes the sum of all mandatory student service fees:

(A) collected for the use of the facility; and

(B) assessed against the students of the institution;

to provide security for bonds issued under IC 21-35-3.

Sec. 8. "Net income" for purposes of IC 21-35-2 and IC 21-35-3, with respect to any property, means income minus the costs of operating, maintaining, and repairing the property except when these costs are otherwise paid.

Sec. 9. "Property":

(1) for purposes of IC 21-35-2, means any property that the board of trustees of a state educational institution is authorized to finance under IC 21-35-2 and under IC 21-35-5 by the issuance of bonds, refunding bonds, or advance refunding bonds;

(2) for purposes of IC 21-35-3, means any property that the board of trustees of a state educational institution is authorized to finance under IC 21-35-3 and under IC 21-35-5 by the issuance of bonds, refunding bonds, or advance refunding bonds; and

(3) for purposes of IC 21-35-5, means any property that the board of trustees of a state educational institution is authorized to finance by the issuance of revenue obligations issued under IC 21-35-5.

Sec. 10. "Research facility", for purposes of IC 21-35-3, refers to property described in IC 21-33-3-2(2).

Sec. 11. "Revenue obligations", for purposes of IC 21-35-5, means any obligations, including:

(1) bonds;

(2) notes;

(3) temporary, interim, or permanent certificates of indebtedness;

(4) debentures; or

(5) other obligations;

payable out of revenues derived from properties described in IC 21-35-5.

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Sec. 12. "Support facility", for purposes of IC 21-35-3, refers to property described in IC 21-35-3-2(1).

Sec. 13. "User", for purposes of IC 21-35-7, means any of the following that has entered into a financing agreement with a state educational institution or developer in contemplation of the user's use of the facilities referred to in the agreement:

(1) A person.
(2) A firm.
(3) A partnership.
(4) A limited liability company.
(5) A trust.
(6) An association.
(7) A corporation.

Chapter 2. Construction and Operation of Fieldhouses, Gymnasiums, Student Unions, and Halls of Music; Revenue Bonds

Sec. 1. This chapter applies to the following state educational institutions:

(1) Ball State University.
(2) Indiana University.
(3) Indiana State University.
(4) Purdue University.
(5) University of Southern Indiana.

Sec. 2. This chapter applies to the following property:

(1) Athletic field houses.
(2) Gymnasiums.
(3) Student unions.
(4) Halls of music.

Sec. 3. This chapter may not be construed to repeal, modify, or amend any Indiana law in effect on March 8, 1929, but shall be construed to be supplemental to any Indiana law in effect on March 8, 1929.

Sec. 4. (a) Sections 20 through 23 of this chapter may not be construed to affect the validity of:

(1) any contracts executed before March 9, 1965; or
(2) any bonds contracted to be sold before March 9, 1965.

(b) Sections 20 through 23 of this chapter do not apply to:

(1) any facilities:
(A) approved by:
(i) the budget agency or any predecessor to the budget agency; and
(ii) the governor,
before March 9, 1965; or

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(B) for which temporary or interim financing commitments were made before March 9, 1965; or

(2) the issuance of bonds for any facilities described in subdivision (1).

Sec. 5. (a) Acts 1977, P.L.250 does not affect the issuance of bonds for projects approved by the budget committee and the governor before July 1, 1977.

(b) The termination of bonding authority under Acts 1977, P.L.250 does not prevent, limit, or affect the issuance of bonds under IC 5-1-5.

Sec. 6. The board of trustees of a state educational institution may, as the board of trustees finds necessary, erect, construct, complete, equip, furnish, operate, control, and manage property with another state educational institution for the purposes of the state educational institution.

Sec. 7. The board of trustees of a state educational institution may acquire under this chapter or any other law, by:

(1) purchase;

(2) lease;

(3) condemnation;

(4) gift; or

(5) other means;

any property, real or personal, that in the judgment of the board of trustees is necessary for the state educational institution's purposes.

Sec. 8. The board of trustees may use for the state educational institution's purposes any real or personal property acquired by the state educational institution.

Sec. 9. Title to all property acquired by the state educational institution, including the improvements on the property, shall be taken and held in the name of the board of trustees in their corporate capacity for purposes of this chapter.

Sec. 10. (a) If:

(1) a state educational institution receives by gift, benefaction, or other means any structures or equipment:

(A) located on real estate, title to which is in the name of the state, for the use and benefit of:

(i) the state educational institution; or

(ii) the board of trustees of the state educational institution; and

(B) that:

(i) is incomplete; or

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(ii) in the judgment of its board of trustees, is insufficient for the needs of the state educational institution; or

(2) the board of trustees of a state educational institution decides to locate and construct any structures or equipment on real estate, title to which is in the name of the state for the use and benefit of:

(A) the state educational institution; or

(B) the board of trustees of the state educational institution;

the parcel of real estate on which the structures or equipment is located or on which it is proposed to locate the structures and equipment and reasonably required by the state educational institution for any of the purposes enumerated in this chapter may, upon request in writing of the board of trustees of the state educational institution to the governor and the approval of the governor, be conveyed by deed from the state to the board of trustees of the state educational institution in their corporate capacity for the purposes, or any of the purposes, of this chapter.

(b) The governor may execute and deliver the deed:

(1) in the name of the state of Indiana;

(2) signed on behalf of the state by the governor;

(3) attested by the auditor of state; and

(4) with the seal of the state affixed to the deed.

Sec. 11. To raise funds for the acquisition of property and the erection, construction, remodeling, renovation, furnishing, and equipping of property, the board of trustees of a state educational institution may issue and sell bonds of the state educational institution.

Sec. 12. Bonds, and the interest on the bonds, may be secured by pledge or mortgage of:

(1) any property, real or personal, used or acquired or to be acquired and used for the purposes described under this chapter and the improvements made or to be made on the property;

(2) the net income from the property;

(3) the property and the net income from the property; or

(4) any unobligated net income of any property financed under this chapter;

as the board of trustees determines.

Sec. 13. The lien of the pledge or mortgage, to the extent of the lien, as:

(1) determined and provided by the board of trustees; and

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(2) authorized under this chapter;

is a first and primary lien for the payment of the bonds secured and the interest on the bonds.

Sec. 14. Bonds may be issued for the amount or amounts as the board of trustees determines. However, these amounts may not exceed:

(1) the total estimated cost of acquiring, erecting, constructing, remodeling, renovating, completing, equipping, and furnishing any property as the respective trustees determine the cost to be; plus

(2) incidental expenses, financing costs, underwriter's discount, funded or capitalized interest, municipal bond insurance premiums, or funding debt service reserve funds from bond proceeds.

Sec. 15. (a) Bonds may be issued in the denominations and with the maturities as the respective trustees determine, and, in the discretion of the respective trustees, the bonds may be sold either at public or negotiated sale as provided by IC 21-32-3.

(b) The rate or rates of interest on the bonds may be fixed or variable. Variable rates shall be determined in the manner and in accordance with the procedures set forth in the resolution or indenture authorizing the issuance of the bonds. Bonds bearing a variable rate of interest may be converted to bonds bearing a fixed rate or rates of interest to the extent and in the manner set forth in the resolution or indenture under which the bonds are issued.

(c) The interest may be:

(1) payable semiannually, annually, or at any other interval or intervals provided in the resolution; or

(2) compounded and paid at maturity or at any other time as specified in the resolution or indenture.

(d) The bonds may be made subject to redemption by the state educational institution at the times and under the circumstances set forth in the authorizing resolution or indenture.

Sec. 16. Bonds and the pledge or mortgage securing the bonds, shall be issued, and made in the name, and on behalf of the state educational institution by the officer or officers that the board of trustees designates.

Sec. 17. Indebtedness, a bond, or an obligation incurred or created under the authority of this chapter may not be or become:

(1) an indebtedness of or liability against the state of Indiana or a state educational institution; or

(2) a lien or charge against the property or funds of a state

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educational institution;

except to the extent of the property or income pledged or mortgaged as authorized.

Sec. 18. The board of trustees may furnish heat, light, power, and other like facilities or service to any or all of the buildings, structures, or improvements contemplated by this chapter from the plant or plants or facilities of the state educational institution with or without charge.

Sec. 19. All:

(1) property acquired under authority of this chapter or used for the purposes provided in this chapter; and

(2) bonds issued under the authority of this chapter, together with the interest on the bonds;

are exempt from taxation.

Sec. 20. (a) Except as provided in this section, contracts to acquire land for or to construct, purchase, lease, sublease, or otherwise acquire, or to engage architectural or engineering services in connection with any buildings, structures, equipment, and improvements to be financed in whole or in part by the issuance of bonds under this chapter may not be made by the board of trustees of a state educational institution without the specific approval of the budget agency and the governor.

(b) This section does not apply to any contract relating to a facility, the cost of which does not exceed fifty thousand dollars ($50,000).

Sec. 21. (a) Bonds may not be issued by the board of trustees of a state educational institution under this chapter without the specific approval of:

(1) the budget agency if:

(A) the bonds are issued for the refunding or advance refunding of any outstanding bonds approved as required by this chapter; and

(B) the board of trustees of the state educational institution makes the findings described in subsection (b); and

(2) the budget committee, budget agency, and the governor, if subdivision (1) does not apply.

The budget agency may request and consider the recommendation of the staff of the Indiana finance authority with respect to the approval of a bond issue under this section.

(b) The board of trustees of a state educational institution may provide for refunding or advance refunding of any outstanding bonds under subsection (a)(1) whenever the board of trustees of the

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state educational institution finds that the refunding or advance refunding will benefit the state educational institution because:

(1) a net savings to the state educational institution will result; or

(2) the net present value of principal and interest payments on the bonds is less than the net present value of the principal and interest payments on the outstanding bonds to be refunded.

Sec. 22. Bonds may not be issued by any of the institutions under this chapter unless the general assembly has provided for the bonds by establishing in the appropriation act the amount of bonds that the institutions may issue for the purposes described in section 14(1) of this chapter. However, the bonds, regardless of when the appropriation law was enacted, may be issued in an amount not exceeding:

(1) the amount of bonds approved in the appropriation law together with the amounts described in section 14(2) of this chapter; plus

(2) the amount of the discount below par value, if the bonds are sold at a price below par value under IC 21-32-3-2.

Sec. 23. An action to contest the validity of any bonds issued under this chapter may not be brought after the fifteenth day following:

(1) the first publication of notice of the sale or intent to sell the bonds under IC 21-32-3 if the bonds are sold at public sale; or

(2) the publication one (1) time in newspapers described in IC 21-32-3-3 of notice of the execution and delivery of the contract of sale for the bonds if the bonds are sold at negotiated sale.

The state educational institution shall publish notice under subdivision (2) if it sells bonds at negotiated sale no later than thirty (30) days after the execution of the contract of sale for the bonds.

Chapter 3. Acquisition of Certain Support Facilities and Research Facilities; Revenue Bonds

Sec. 1. This chapter applies to the following state educational institutions:

(1) Ball State University.

(2) Indiana University.

(3) Indiana State University.

(4) Purdue University.

(5) University of Southern Indiana.

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Sec. 2. This chapter applies to the following property:

(1) With respect to any state educational institution to which this chapter applies, the following support facilities:

(A) Dormitories and other housing facilities for single and married students and school personnel.

(B) Food service facilities.

(C) Student infirmaries and other health service facilities, including revenue producing hospital facilities serving the general public, together with parking facilities and other appurtenances in connection with student infirmaries and other health service facilities.

(D) Parking facilities in connection with academic facilities.

(2) With respect to Indiana University and Purdue University only, the following research facilities:

(A) Facilities used for clinical, medical, scientific, or engineering research.

(B) Facilities used for other similar qualitative, quantitative, or experimental research.

Sec. 3. This chapter does not repeal, modify, or amend any Indiana law in force on March 9, 1927, but shall be considered as supplemental to that law.

Sec. 4. This chapter may not be construed to affect the validity of any contracts executed before March 10, 1965, or the validity of any bonds contracted to be sold before March 10, 1965. This chapter does not apply to any facilities approved by the budget agency or any predecessor of the budget agency and the governor before March 10, 1965, or to any facilities for which temporary or interim financing commitments were made before March 10, 1965, or to the issuance of bonds for any such facilities.

Sec. 5. (a) Acts 1977, P.L.250 does not affect the issuance of bonds for projects approved by the budget committee and the governor before July 1, 1977.

(b) The termination of bonding authority under Acts 1977, P.L.250 does not prevent, limit, or affect the issuance of bonds under IC 5-1-5.

Sec. 6. The board of trustees of a state educational institution may, if the board of trustees finds that a necessity exists, erect, construct, reconstruct, extend, remodel, improve, complete, equip, furnish, operate, control, and manage support facilities at or in connection with the state educational institution or another state educational institution for purposes of the respective state

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educational institutions.

Sec. 7. (a) This section and any other provisions of this chapter related to implementing this section apply only to the following state educational institutions:

(1) Indiana University.

(2) Purdue University.

(b) The board of trustees of Indiana University and the board of trustees of Purdue University may, if the boards of trustees of the state educational institutions find that a necessity exists, erect, construct, reconstruct, extend, remodel, improve, complete, equip, furnish, operate, control, and manage research facilities, if revenue from state, federal, local, or private gifts, grants, contractual payments, or reimbursements is available in an amount that is reasonably expected to at least equal the annual debt service requirements of the bonds and the costs to operate the research facility for each fiscal year that the bonds are outstanding at or in connection with any of the following campuses of Indiana University or Purdue University:

(1) Purdue University-West Lafayette Campus.

(2) Indiana University-Purdue University at Indianapolis (IUPUI).

(3) Indiana University-Bloomington Campus.

(c) Student fees and money appropriated by the general assembly may not be used to pay the debt service requirements or the maintenance expenses of a research facility.

Sec. 8. A state educational institution may acquire by:

(1) purchase;

(2) lease;

(3) condemnation;

(4) gift; or

(5) other means;

any property, real or personal, that in the judgment of the state educational institution is necessary for a support facility or a research facility.

Sec. 9. A state educational institution may improve and use any property acquired for a support facility or a research facility.

Sec. 10. Title to all property acquired by a state educational institution, including the improvements located on the property, shall be taken and held by and in the name of the state educational institution.

Sec. 11. (a) If the board of trustees of any state educational institution determines that real estate, the title to which is in the

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name of the state, for the use and benefit of the board of trustees or the state educational institution under the board's control, is reasonably required for use as a support facility or a research facility, the real estate may, upon:

(1) request in writing of the board of trustees of the state educational institution to the governor; and

(2) the approval of the governor;

be conveyed by deed from the state to the board of trustees of the state educational institution.

(b) The governor may execute and deliver the deed:

(1) in the name of the state of Indiana;

(2) signed on behalf of the state by the governor;

(3) attested by the auditor of state; and

(4) with the seal of the state affixed to the deed.

Sec. 12. To raise funds for the acquisition of property and the erection, construction, reconstruction, extension, remodeling, improvement, completion, equipping, and furnishing of property, the board of trustees of a state educational institution may issue and sell bonds of the state educational institution.

Sec. 13. The bonds and the interest on the bonds may be secured by pledge or mortgage of:

(1) any property, real or personal, used or acquired or to be acquired and used for the property and the improvements made or to be made on the property;

(2) the net income from the property;

(3) the property and the net income from the property; or

(4) any unobligated net income of any property financed under this chapter;

as the board of trustees may determine.

Sec. 14. The lien of the pledge or mortgage, to the extent of the lien:

(1) as determined and provided by the board of trustees; and

(2) as authorized under this chapter;

is a first and primary lien for the payment of the bonds and the interest on the bonds.

Sec. 15. The bonds may be issued for an amount or amounts as the board of trustees determines. However, these amounts may not exceed:

(1) the total estimated cost of acquiring property for and erecting, constructing, reconstructing, extending, remodeling, improving, completing, equipping, furnishing, and financing the proposed property as the board of trustees determines the

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cost to be; plus

(2) incidental expenses, financing costs, underwriter's discount, funded or capitalized interest, municipal bond insurance premiums, or funding debt service reserve funds from bond proceeds.

Sec. 16. (a) The bonds may be:

(1) issued in the denominations and with the maturities as the board of trustees determines; and

(2) in the discretion of the board of trustees, sold either at public or negotiated sale, as provided by IC 21-32-3-1.

(b) The rate or rates of interest on the bonds may be fixed or variable. Variable rates must be determined in the manner and in accordance with the procedures set forth in the resolution or indenture authorizing the issuance of the bonds. Bonds bearing a variable rate of interest may be converted to bonds bearing a fixed rate or rates of interest to the extent and in the manner set forth in the resolution or indenture under which the bonds are issued.

(c) Interest on bonds may be:

(1) payable semiannually, annually, or at any other interval or intervals provided in the resolution; or

(2) compounded and paid at maturity or at any other time as specified in the resolution or indenture.

(d) The bonds may be made subject to redemption by the state educational institution at the times and under the circumstances set forth in the authorizing resolution or indenture.

Sec. 17. Bonds and the pledge or mortgage securing bonds, shall be issued and made in the name and on behalf of the state educational institution by the officer or officers that the board of trustees designates.

Sec. 18. Indebtedness, a bond, or an obligation incurred or created under the authority of this chapter may not be or become a lien, charge, or liability against:

(1) the state of Indiana;

(2) the state educational institution issuing the bonds; or

(3) the property or funds of the state or the state educational institution issuing the bonds, except to the extent of the property or income authorized to be pledged or mortgaged.

Sec. 19. The board of trustees of a state educational institution may furnish heat, light, power, and other like services to any or all property with or without charge.

Sec. 20. All:

(1) property:

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(A) acquired under authority of this chapter; or

(B) used as a support facility or a research facility; and

(2) bonds issued under the authority of this chapter, together with the interest on the bonds;

are exempt from taxation.

Sec. 21. (a) Subject to this section, contracts to:

(1) acquire land for;

(2) construct, purchase, lease, sublease, or otherwise acquire; or

(3) engage architectural or engineering services in connection with;

any property to be financed in whole or in part by the issuance of bonds under this chapter may not be made by any state educational institution without the specific approval of the budget agency and the governor.

(b) This section does not apply to any contract relating to property, the cost of which does not exceed fifty thousand dollars ($50,000).

Sec. 22. (a) Bonds may not be issued by a state educational institution under this chapter without the specific approval of:

(1) the budget agency, if:

(A) the bonds are issued for the refunding or advance refunding of any outstanding bonds approved under this chapter; and

(B) the board of trustees of the issuing state educational institution makes the findings described in subsection (b); or

(2) the budget committee, the budget agency, and the governor, if subdivision (1) does not apply.

The budget agency may request and consider the recommendation of the staff of the Indiana finance authority with respect to the approval of a bond issue under this section.

(b) The board of trustees of a state educational institution may provide for refunding or advance refunding of any outstanding bonds under subsection (a)(1) whenever the board of trustees of the state educational institution finds that the refunding or advance refunding will benefit the state educational institution because:

(1) a net savings to the state educational institution will be effected; or

(2) the net present value of principal and interest payments on the bonds is less than the net present value of the principal and interest payments on the outstanding bonds to be

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refunded.

Sec. 23. The general assembly may establish each biennium in the appropriation act the maximum aggregate principal amount of bonds that any one (1) or more state educational institution may issue during the ensuing biennium under this chapter.

Sec. 24. An action to contest the validity of any bonds issued under this chapter may not be brought after the fifteenth day following:

(1) the first publication of notice of the sale or intent to sell the bonds under IC 21-32-3 if the bonds are sold at public sale; or

(2) the publication one (1) time in newspapers described in IC 21-32-3-3 of notice of the execution and delivery of the contract of sale for the bonds if the bonds are sold at negotiated sale.

The state educational institution shall publish notice under subdivision (2) if the state educational institution sells bonds at negotiated sales no later than thirty (30) days after the execution of the contract of sale for the bonds.

Chapter 4. Indiana State University; Dormitories

Sec. 1. This chapter applies to Indiana State University.

Sec. 2. This chapter applies to a project for a dormitory for the housing of students.

Sec. 3. Whenever the board of trustees of Indiana State University finds that:

(1) a necessity exists for the building of a dormitory for the housing of students; and

(2) sufficient funds for the erection and construction of the dormitory for the housing of students will not be available out of the revenues and funds of Indiana State University in the year in which the necessity exists;

the board of trustees may issue and sell the bonds of the board of trustees.

Sec. 4. Bonds for a project:

(1) may be in any amount that the board of trustees finds is not available out of the revenues and funds of Indiana State University for the year; and

(2) may not exceed the total estimated cost of the erection and construction of the dormitory.

Sec. 5. The board of trustees shall first estimate and make a finding specifying the costs of erecting and constructing the project before issuing bonds.

Sec. 6. Bonds for a project:

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(1) may be issued by the board of trustees in the denomination and with the maturities; and

(2) must bear the rate of interest, payable semiannually;

as the board of trustees may fix and determine. However, the bonds may not be sold for less than par.

Sec. 7. Bonds for a project may be sold either privately, or at public letting, as the board of trustees may determine.

Sec. 8. The principal and interest of the bonds for a project, when sold, are a primary, fixed charge against the net income of the project being is constructed and erected. The net income must be applied by the board of trustees in payment of the principal and interest of the bonds as the principal and interest become due until full and final payment of all of the bonds and interest is made.

Sec. 9. If the net income of a project in any year is not sufficient to meet the total amount of the principal and interest on the bonds that fall due in the year, the board of trustees may pay the balance of the principal and interest falling due in the year out of any other revenues and funds of Indiana State University that are available to pay the principal and interest.

Sec. 10. Bonds for a project shall be:

(1) executed by the name;

(2) signed by the president and treasurer; and

(3) attested by the secretary;

of the board of trustees.

Sec. 11. The proceeds of sale of any bonds for a project shall be applied solely to:

(1) the building of the project; and

(2) the payment of principal and interest of the bonds if a surplus should exist after completion and full payment for the erection and construction of the project.

Chapter 5. Revenue Producing Property; Supplemental Procedures for Financing Revenue Producing Properties With Revenue Obligations

Sec. 1. This chapter applies to the following state educational institutions:

(1) Ball State University.

(2) Indiana University.

(3) Indiana State University.

(4) Purdue University.

(5) University of Southern Indiana.

Sec. 2. This chapter applies to the following property:

(1) Property described in IC 21-35-2.

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(2) Property described in IC 21-35-3.

Sec. 3. This chapter may not be construed to repeal, modify, or amend any law of Indiana in force on March 9, 1959.

Sec. 4. This chapter may be construed as supplemental to IC 21-35-2 and IC 21-35-3.

Sec. 5. The board of trustees of a state educational institution may issue revenue obligations under IC 21-35-2 or IC 21-35-3 for any one (1) or more of the following:

(1) For any purpose or purposes which IC 21-35-2 or IC 21-35-3 authorizes the borrowing of money.

(2) To reimburse the state educational institution for funds expended or advanced for interim financing of the cost of any revenue producing property before the issuance of revenue obligations on account of revenue producing property.

(3) Subject to applicable covenants and agreements with the holders of outstanding obligations, to fund or refund revenue obligations.

If the board of trustees determines that it would be advantageous to the state educational institution to exchange funding or refunding obligations for the revenue obligations being funded or refunded, the exchange may be made, if the actual interest cost is not increased.

Sec. 6. Revenue obligations:

(1) must be secured in the manner provided in IC 21-35-2 and IC 21-35-3; and

(2) in addition, may be secured by the pledge or mortgage of the unobligated net revenues of any one (1) or more other revenue producing properties of the issuing state educational institution and by any other available income or funds.

Sec. 7. In authorizing the issuance of revenue obligations for any particular property or properties, the board of trustees may:

(1) limit the amount of the obligations that may be issued as a first lien and charge against the property or properties and the net income from the property or properties; or

(2) authorize the issuance periodically thereafter of additional obligations secured by the same lien to provide funds:

(A) for the completion of the property or properties on account of which the original obligations were issued;

(B) to pay the cost of additional revenue producing properties under IC 21-35-2 or IC 21-35-3; or

(C) for the purposes described in clauses (A) and (B).

The additional obligations shall be issued on the terms and

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conditions as the board may determine, and may be secured equally and ratably, without preference, priority, or distinction, with the original issue of obligations or may be made junior to the original issue of bonds.

Sec. 8. Revenue obligations must be authorized by resolution adopted by the board of trustees. The terms, conditions, and form of the revenue obligations must be set out in the resolution or in a form of trust indenture between the state educational institution and a designated corporate trustee, or both.

Sec. 9. The resolution or the indenture for revenue obligations may include:

(1) provisions for protecting and enforcing the rights and remedies of the holders of the revenue obligations being issued;

(2) covenants setting forth the duties of the state educational institution and its officers in relation to:

(A) the:

(i) acquisition, construction, operation, and maintenance of; and

(ii) insurance to be carried on;

the property or properties on account of which the revenue obligations are being issued; and

(B) the maintenance of fees and charges to be collected on account of the properties;

(3) provisions for:

(A) the custody, safeguarding, and application of all money;

(B) the rights and remedies of the trustee and the holders of the obligations being issued; and

(C) the issuance of additional parity obligations or junior lien obligations secured by pledge or mortgage of the revenues and property described in the resolution or indenture; and

(4) the other terms, conditions, limitations, and covenants that the board of trustees determines proper.

Sec. 10. Revenue obligations and any interest coupons appertaining to revenue obligations are negotiable instruments within the meaning and for all purposes under the laws of Indiana, subject only to the provisions of the obligations for registration.

Sec. 11. In connection with the issuance of revenue obligations, a board of trustees of a state educational institution may covenant to and furnish or supply heat, light, power, and other like services

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to any building, structure, or improvement with or without charge so long as any of the revenue obligations are outstanding.

Sec. 12. Any revenue obligations issued under IC 21-35-2 or IC 21-33-3 are eligible investments for the funds of any kind or character of every financial institution, insurance company, or private trust. The revenue obligations are eligible for deposit by any financial institution, insurance company, or trustee under any law of Indiana providing for the deposit of securities or funds.

Chapter 6. Revenue Bonds; Vincennes University

Sec. 1. This chapter applies to Vincennes University.

Sec. 2. This chapter applies to all property acquired or improved for Vincennes University.

Sec. 3. For the purpose of:

(1) raising funds for improving property;

(2) acquiring property;

(3) the interim financing of the cost of any such improvement or acquisition;

(4) the reimbursing of the trustees for funds expended or advanced for interim financing of the cost of any such improvement or acquisition, or, subject to existing covenants and agreements with the holders of outstanding bonds, for funding or refunding bonds issued under this chapter; or

(5) for any one (1) or more of the activities described in subdivisions (1) through (4);

the board of trustees may issue and sell revenue bonds.

Sec. 4. The revenue bonds and the interest on revenue bonds of Vincennes University may be secured in any one (1) or more of the following ways, as the board of trustees may determine:

(1) By pledge or mortgage of any property, real or personal, used or acquired or to be acquired and used for the purposes of Vincennes University and the improvements made or to be made on the property.

(2) By pledge or mortgage of the net income from the property.

(3) By the pledge or mortgage of the unobligated net revenues of any one (1) or more other properties of the board of trustees.

(4) In the case of revenue bonds issued under this chapter for interim financing of any property, by pledge of the funds derived from the sale of the bonds issued and sold under this chapter for the permanent financing of property.

Sec. 5. (a) The lien of a pledge or mortgage under section 4 of

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this chapter, as determined and provided by the board of trustees and as authorized by this chapter, shall be a first and primary lien for the payment of the bonds and the interest on the bonds. In authorizing the issuance of the revenue bonds for any particular property or properties, the board of trustees may:

(1) limit the amount of bonds that may be issued as a first lien and charge against the property or properties and the net income from the properties; or

(2) subsequently authorize the issuance periodically of additional obligations secured by the same lien:

(A) to provide funds for the completion of the property or properties on account of which the original bonds were issued;

(B) for any other purpose for which Vincennes has authority to issue bonds; or

(C) for purposes of both clauses (A) and (B).

(b) Additional bonds:

(1) shall be issued on the terms and conditions that the board of trustees determines; and

(2) may be secured equally and ratably, without preference, priority, or distinction, with the original issue of bonds or may be made junior to the original bonds.

Sec. 6. If the board of trustees determines that it would be advantageous to Vincennes University to exchange funding or refunding bonds for bonds being refunded, the exchange may be made, if the actual interest cost is not increased.

Sec. 7. Bonds authorized under this chapter may be issued in an amount or amounts as the board of trustees determines. However, the bonds may not exceed:

(1) the total estimated cost of any proposed building, facility, work, act, or undertaking authorized, including interest during construction, incidental expenses, debt service reserves, and financing costs; or

(2) the amount required to effect any proposed funding or refunding operation.

Sec. 8. The bonds authorized under this chapter may be issued in the form, upon the terms and conditions, at the rates of interest, and in the denominations (which may be made convertible into different denominations) determined by:

(1) the adoption of a resolution;

(2) approval of a form of trust indenture between Vincennes University and a designated corporate trustee; or

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(3) both subdivisions (1) and (2).

Sec. 9. The resolution or the indenture for bonds authorized under this chapter may include:

(1) provisions for protecting and enforcing the rights and remedies of the holders of the bonds being issued;

(2) covenants setting forth the duties of Vincennes University and its officers in relation to the acquisition, construction, operation, maintenance, use, abandonment, insurance to be carried on its property, and the maintenance of fees and charges to be collected on account of its property;

(3) provisions for the custody, safeguarding, application of all money, and the rights and remedies of the trustee and the holders of the bonds being issued;

(4) provisions for the issuance of additional bonds as provided in the resolution or indenture; and

(5) other terms, conditions, limitations, and covenants as the board of trustees of Vincennes University considers proper.

Sec. 10. The bonds authorized under this chapter shall be sold at public sale or negotiated sale to the highest bidder as provided by IC 21-32-3. All bonds and the interest coupons appertaining to the bonds issued under this chapter are negotiable instruments within the meaning and for all purposes under the laws of Indiana, subject only to the provisions of the bonds for registration as to principal, or as to principal and interest. Any bonds registered as to principal and interest may be made convertible to bearer bonds with coupons.

Sec. 11. An action to contest the validity of any bonds issued under this chapter may not be brought after the fifteenth day following:

(1) the first publication of notice of the sale or intent to sell the bonds under IC 21-32-3 if the bonds are sold at public sale; or

(2) the publication one (1) time in newspapers described in IC 21-32-3-3 of notice of execution and delivery of the contract of sale for the bonds if the bonds are sold at negotiated sale.

Sec. 12. Vincennes University shall publish notice under section 11(2) of this chapter if it sells bonds at negotiated sale not later than thirty (30) days after the execution of the contract of sale for the bonds.

Sec. 13. The rate or rates of interest of the bonds may be fixed or variable. Variable rates are determined under the procedures set forth in the resolution or indenture authorizing the issuance of

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the bonds. Bonds bearing a variable rate of interest may be converted to bonds bearing a fixed rate or rates of interest as set forth in the resolution or indenture. The interest may be payable semiannually, annually, or at other intervals provided in the resolution or indenture, or the interest may be compounded and paid at maturity or at any other time specified in the resolution or indenture.

Sec. 14. The bonds and coupons pertaining to the bonds shall be executed in the corporate name by the manual or facsimile signatures of the officer or officers of Vincennes University that the board of trustees designates. The signature of at least one (1) designated officer on each bond must be a manual signature. The seal or a facsimile of Vincennes University must be affixed, imprinted, engraved, or otherwise reproduced on each bond. In case any officer whose manual or facsimile signature appears on any bond or coupon ceases to be a designated officer before the delivery of the bonds, the signature is valid and sufficient for all purposes as if the officer had remained in office until delivery. The resolution or trust agreement under which the bonds are issued may provide for the authentication of the bonds by the trustee designated in the resolution of trust agreement.

Sec. 15. Any bonds issued under this chapter are eligible investments for the funds of any kind or character of every financial institution, insurance company, or private trust. The bonds are eligible for deposit by any financial institution, insurance company, or trustee under any law of Indiana providing for the deposit of securities or funds.

Sec. 16. Indebtedness, a bond, or an obligation incurred or created under the authority of this chapter may not be or become a lien, charge, or liability against Vincennes University or against the property or funds of Vincennes University except to the extent authorized by this chapter.

Sec. 17. All bonds issued under the authority of this chapter together with the interest on the bonds are exempt from taxation as provided by IC 6-8-5.

Chapter 7. Revenue Producing Property; Financing Agreements With a Developer or User

Sec. 1. It is found and declared that:

(1) there is a need for the development of various facilities to properly service the various campuses of state educational institutions;

(2) an additional and alternative method for developing and

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financing facilities should be provided; and

(3) facilities would provide additional employment opportunities and would otherwise fulfill the public purposes set forth in IC 36-7-12.

This chapter applies to any state educational institution.

Sec. 2. This chapter applies to buildings and equipment located on or immediately adjacent to a campus of a state educational institution, the primary purpose of which is to make available or provide:

(1) offstreet parking;

(2) alternative transportation systems;

(3) office space;

(4) convenience, retail, and service establishments;

(5) bookstores;

(6) research;

(7) outpatient and extended care;

(8) food service;

(9) temporary lodging quarters or similar structures used by students, faculty, staff, patients, or visitors; or

(10) housing used by students in connection with hospitals or health care units.

The term does not include undergraduate dormitories.

Sec. 3. This chapter is supplemental to other laws pertaining to state educational institutions and does not repeal any other laws or impair any other powers or responsibilities granted to state educational institutions.

Sec. 4. In addition to any other powers that a state educational institution has, the board of trustees of a state educational institution may:

(1) enter into agreements concerning and to acquire by:

(A) gift;

(B) purchase; or

(C) lease;

land or interests in land and personal property needed for the purposes of this chapter;

(2) purchase, lease as lessee or lessor, construct, remodel, rebuild, enlarge, or substantially improve property;

(3) enter into financing agreements, including leasing land or property to users or developers, subject to this chapter; and

(4) enter into agreements with users or developers to allow users or developers to wholly or partially construct and manage property.

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Sec. 5. If the board of trustees of a state educational institution determines that it is desirable to develop property under this chapter, the board of trustees shall adopt a resolution finding that:

(1) the property is needed to adequately furnish services to the students, faculty, staff, patients in hospitals or health care units operated by the state educational institution, or visitors to hospitals or health care units operated by the state educational institution; and

(2) the services are not now being adequately furnished by others in the immediate area of the campus.

Sec. 6. The resolution under section 5 of this chapter must provide that the plans and specifications for the property and for the development and management of the property shall be approved by the board of trustees.

Sec. 7. If the management and operation of the property is to be by a developer or user, the specifications for the property must require that the property will be generally available to the students, faculty, staff, patients in hospitals or health care units, and visitors to hospitals or health care units, without discrimination and at reasonable charges. These charges shall be reviewed and revised periodically by the board of trustees of the state educational institution to assure that the charges are at all times nondiscriminatory and reasonable.

Sec. 8. The board of trustees of a state educational institution shall take action to invite proposals for the development, use, and management, if applicable, of property to provide open and competitive proposals.

Sec. 9. In making an award for the development, use, and management, if applicable, of property, the board of trustees of a state educational institution may consider:

(1) the experience and financial ability of a developer or user;

(2) the plans and specifications for the property;

(3) the size and cost of the property;

(4) payments to be made to or from the state educational institution;

(5) the method of financing and the terms and conditions of any proposed financing agreement; and

(6) any other factors of benefit to the state educational institution.

Sec. 10. An award for the development, use, and management, if applicable, of property is not final until:

(1) approved by the governor and the budget agency, with the

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recommendation of the budget committee; and

(2) the notice is provided as specified in section 11 of this chapter.

Sec. 11. (a) A notice of the determination to make an award for the development, use, and management, if applicable, of property that briefly describes:

(1) the property;

(2) the purpose of the property; and

(3) the principal terms of any financing agreement;

shall be published under this section.

(b) The notice under subsection (a) shall be published in:

(1) two (2) newspapers of general circulation in Indianapolis;

(2) one (1) newspaper of general circulation in the city where the property is to be located; and

(3) one (1) newspaper of general circulation in the city where the principal campus of the state educational institution is located.

(c) The notice under subsection (a) must be published once each week for two (2) successive weeks.

(d) An action to contest the validity of any financing agreement may not be commenced more than thirty (30) days following the last publication under this section of notice of the determination to make an award.

Sec. 12. All payments received by a state educational institution under a financing agreement authorized by this chapter are exempt from all taxation.

SECTION 269. IC 21-36 IS ADDED TO THE INDIANA CODE AS A **NEW** ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]:

ARTICLE 36. STATE EDUCATIONAL INSTITUTIONS: DISPOSITION OF PROPERTY

Chapter 1. General Provisions; Definitions

Sec. 1. The definitions in this chapter apply throughout this article.

Sec. 2. "Political subdivision" has the meaning set forth in IC 36-1-2-13.

Sec. 3. "State agency" has the meaning set forth in IC 2-2.1-3-1.

Sec. 4. "Trust" has the meaning set forth in IC 30-4-1-1(a).

Chapter 2. Disposition of Property to a Trust

Sec. 1. This chapter applies to the disposal of surplus real or personal property by a state educational institution.

Sec. 2. Whenever surplus real property or personal property is

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disposed of by acceptance of bids, a bid submitted by a trust must identify each:

(1) beneficiary of the trust; and

(2) settlor empowered to revoke or modify the trust.

Chapter 3. Sale of Real Estate

Sec. 1. This chapter applies to the following state educational institutions:

(1) Indiana University.

(2) Purdue University.

(3) Indiana State University.

(4) Ball State University.

Sec. 2. This chapter shall at all times be construed as supplemental to all other statutes providing for the sale of real estate by a state educational institution.

Sec. 3. The board of trustees of a state educational institution may sell and convey any real estate title that is in the name of the:

(1) board of trustees of the state educational institution; or

(2) state of Indiana for the use and benefit of the state educational institution;

as provided in this chapter.

Sec. 4. The board of trustees of a state educational institution may determine that any real estate:

(1) that was not acquired by gift or devise; and

(2) for which the title of the real estate is in the name of the:

(A) state educational institution; or

(B) state of Indiana for the use and benefit of the state educational institution;

is not needed for any of the purposes of the state educational institution and that it would be advantageous for the state educational institution to give or sell the real estate.

Sec. 5. If a determination is made under section 4 of this chapter to dispose of real estate, the board of trustees of the state educational institution shall adopt a resolution and send a copy of the resolution, duly certified, to the governor.

Sec. 6. Except as provided in section 7 of this chapter, the value of the real estate to be sold and conveyed under this chapter shall be determined by three (3) disinterested appraisers appointed by the governor. Real estate may not be sold or conveyed for less than the appraised value.

Sec. 7. The board of trustees of a state educational institution may give or sell real estate in the manner provided by this chapter to:

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(1) the state;
(2) a state agency; or
(3) a political subdivision;

for any or no consideration, as determined by the board of trustees of the state educational institution and the governmental entity to which the real estate is transferred.

Sec. 8. The price that is agreed on by the purchaser and the board of trustees under this chapter shall be certified by the board of trustees of the state educational institution to the treasurer of the state educational institution.

Sec. 9. The purchaser or purchasers of real estate that:
(1) has been sold; or
(2) is to be conveyed;

under this chapter shall pay the purchase money to the treasurer of the state educational institution selling the real estate for the use and benefit of the state educational institution.

Sec. 10. The treasurer of the state educational institution shall issue a receipt to the purchaser of real estate being sold or conveyed under this chapter.

Sec. 11. A purchaser of real property under this chapter shall submit to the auditor of the state:
(1) the receipt issued from the treasurer of the state educational institution selling real estate under this chapter; and
(2) a request to convey title to real estate in the form of a certified copy of the resolution of the board of trustees of the state educational institution setting forth the terms and conditions of the sale and conveyance of the real estate.

Sec. 12. Upon presentation of the documents required under section 11 of this chapter:
(1) the auditor of state shall execute a deed of conveyance to the purchaser;
(2) the governor shall sign the deed; and
(3) the auditor of state shall officially attest the deed with the seal of the state of Indiana.

Sec. 13. The proceeds derived from the sale and conveyance of real estate under this chapter must be received and kept by the state educational institution selling the real estate in a separate and distinct fund.

Sec. 14. The board of trustees of a state educational institution, with the approval of the governor, may reinvest and use the proceeds from the sale of real estate under this chapter, as the

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board of trustees of the state educational institution finds will provide the greatest benefit to the state educational institution, for the purchase or improvement, or both, of other real estate acquired or to be acquired in the name of the:

(1) state educational institution; or

(2) state of Indiana for the use and benefit of the state educational institution.

SECTION 270. IC 21-37 IS ADDED TO THE INDIANA CODE AS A **NEW** ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]:

ARTICLE 37. STATE EDUCATIONAL INSTITUTIONS: CONTRACTS; PROCUREMENT

Chapter 1. General Provisions; Definitions

Sec. 1. The definitions in this chapter apply throughout this article.

Sec. 2. "Biodegradation" has the meaning set forth in IC 5-22-5-6.

Sec. 3. "Chemical degradation" has the meaning set forth in IC 5-22-5-6.

Sec. 4. "Photodegradation" has the meaning set forth in IC 5-22-5-6.

Sec. 5. "Refuse bag" has the meaning set forth in IC 5-22-5-6.

Sec. 6. "Supplies" has the meaning set forth in IC 5-22-2-38.

Sec. 7. "Trust" has the meaning set forth in IC 30-4-1-1(a).

Chapter 2. Contracts

Sec. 1. The board of trustees of Ball State University may let contracts.

Sec. 2. The University of Southern Indiana may let contracts.

Chapter 3. Supplemental Procurement Procedures; Professional and Expert Services; Construction, Alternation, and Repair of Facilities

Sec. 1. The authority conferred by this chapter is an independent authority not limited by, but supplemental to, any other statute concerning the same subject matter.

Sec. 2. A state educational institution may contract for professional or expert services and may contract with agents for the construction, alteration, or repair of any of the state educational institution's buildings or facilities.

Sec. 3. (a) Before securing services described in section 2 of this chapter, the state educational institution must invite bids from at least three (3) bidders. The state educational institution must mail a notice to each bidder not less than ten (10) days before the time

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fixed for receiving bids. Each bidder shall submit under oath as a part of the bid a statement of:

(1) the bidder's professional experience;

(2) the bidder's proposed plan for performing the work;

(3) the equipment and personnel available for the performance of the work;

(4) the bidder's current financial status;

(5) the bidder's best estimate of the cost of each item of work to be performed including a breakdown of all labor and materials required to complete the work; and

(6) if a trust, the name of each beneficiary of the trust and settlor empowered to revoke or modify the trust.

(b) After the bids have been submitted to the institution, the state educational institution may only contract with the lowest and best bidder using terms and conditions that will accomplish the work at the lowest possible cost to the state.

Chapter 4. Purchasing Preferences

Sec. 1. A state educational institution shall comply with IC 5-22-15 when purchasing supplies.

Chapter 5. Recycled Paper Products

Sec. 1. A state educational institution shall, when economically feasible, make reasonable efforts to collect the recyclable paper that the state educational institution uses.

Sec. 2. A state educational institution shall procure recycled paper products if:

(1) the recycled paper products are available; and

(2) it is economically feasible for the state educational institution to use the recycled paper products.

Chapter 6. Degradable Plastic Products

Sec. 1. When procuring disposable plastic products, including refuse bags, a state educational institution shall procure disposable plastic products that are degradable if:

(1) degradable products are available at the time of the procurement;

(2) it is economically feasible to procure degradable products;

(3) the procurement of degradable products is not inappropriate because of:

(A) federal regulations or policy in matters involving the federal government; or

(B) the special requirements of scientific uses;

(4) the degradable product to be procured is economically and functionally the equivalent of disposable plastic products that:

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(A) meet applicable specifications; and

(B) are not degradable; and

(5) the degradable product to be procured is, in the determination of the state educational institution, a type of product for which the use of degradable materials is appropriate based upon:

(A) the functional use of the product; and

(B) whether the product will probably be recycled or disposed of in a final disposal facility.

SECTION 271. IC 21-38 IS ADDED TO THE INDIANA CODE AS A **NEW** ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]:

ARTICLE 38. STATE EDUCATIONAL INSTITUTION: PERSONNEL; COMPENSATION; BENEFITS

Chapter 1. General Provisions; Definitions

Sec. 1. The definitions in this chapter apply throughout this article.

Sec. 2. "Compensation" means the sum of the following:

(1) The fiscal year salary received by an employee.

(2) An amount not to exceed two thousand dollars ($2,000) received from the state educational institution in contemplation of the employee's retirement, including severance pay, termination pay, retirement bonus, or commutation of sick leave or personal leave.

Sec. 3. "Council" refers to the Indiana excellence in teaching council.

Sec. 4. "Covered individual" means an individual entitled to coverage under an employee health plan.

Sec. 5. "Distinguished teacher" means an individual who:

(1) has demonstrated excellence in teaching as judged by the individual's students and peers; and

(2) is or will be employed in a full-time faculty position at a state educational institution.

Sec. 6. "Early intervention services" means services provided to a first steps child under IC 12-12.7-2 and 20 U.S.C. 1432(4).

Sec. 7. "Employee" refers to an employee of a state educational institution.

Sec. 8. "Employee health plan" means:

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

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(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

(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.

Sec. 9. "Endowment" refers to an endowment described in IC 21-38-8-2.

Sec. 10. "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.

Sec. 11. "First steps program" means the program established under 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) families of children who are eligible for early intervention services.

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

Sec. 12. "Foundation" refers to a tax exempt foundation related to a state educational institution.

Sec. 13. "Fund":

(1) for purposes of IC 21-38-7, refers to the Indiana state teachers' retirement fund established by IC 5-10.4-2-1; and

(2) for purposes of IC 21-38-8, refers to the Indiana excellence in teaching endowment established under IC 21-38-8-2.

Sec. 14. "Fund member", for purposes of IC 21-38-7, means an individual who qualifies for membership in the fund under IC 5-10.4-4-1.

Sec. 15. "Retirement benefit system" means a retirement benefit system established under IC 21-38-7 by a state educational institution after June 30, 1980.

Chapter 2. Compensation of Members of a Board of Trustees

Sec. 1. (a) This section applies to the boards of trustees of the following state educational institutions:

(1) Indiana University.

(2) Purdue University.

(3) Indiana State University.

(4) Ball State University.

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(b) Each member of the board of trustees of a state educational institution is entitled to the minimum salary per diem provided by IC 4-10-11-2.1(b). The member is also entitled to reimbursement for traveling expenses as provided under IC 4-13-1-4 and other expenses actually incurred in connection with the member's duties as provided in the state policies and procedures established by the Indiana department of administration and approved by the budget agency.

Sec. 2. The board of trustees of Indiana University may:

(1) elect one (1) member from the board to serve as president of the board of trustees;

(2) elect a treasurer, secretary, and other officers they determine necessary; and

(3) prescribe the duties and fix the compensation of:

(A) the president, treasurer, and secretary of the board of trustees; and

(B) the other officers of the board of trustees determined by the board to be necessary.

Sec. 3. (a) A member of the board of trustees of Ivy Tech Community College is entitled to the minimum salary per diem provided by IC 4-10-11-2.1(b), unless the member holds another position that is considered a lucrative office within the meaning of Article 2, Section 9 of the Constitution of the State of Indiana.

(b) A member of the board of trustees of Ivy Tech Community College is entitled to reimbursement for travel expenses and other expenses actually incurred in connection with the member's duties as provided in the state policies and procedures by the Indiana department of administration and approved by the budget agency.

Sec. 4. Members of a regional board of Ivy Tech Community College shall serve without pay but shall receive reimbursement for necessary expenses incurred in the conduct of business of the regional board.

Sec. 5. Each member of the board of trustees of the University of Southern Indiana is entitled to the minimum salary per diem provided by IC 4-10-11-2.1(b). Each 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 department of administration and approved by the budget agency.

Sec. 6. The members of the board of trustees of Vincennes University shall serve without compensation, except that each member is entitled to the salary per diem as provided by

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IC 4-10-11-2.1 and to reimbursement for travel, lodging, meals, and other expenses as provided in the state travel policies and procedures established by the Indiana department of administration and approved by the budget agency.

Chapter 3. Employment of Personnel

Sec. 1. (a) This section applies to the board of trustees of the following state educational institutions:

(1) Ball State University.
(2) Indiana University.
(3) Indiana State University.
(4) Purdue University.
(5) University of Southern Indiana.

(b) The board of trustees of a state educational institution may employ:

(1) officers;
(2) faculty;
(3) employees;
(4) consultants; and
(5) counsel;

necessary or convenient to aid in the formulation and implementation of the state educational institution's policies and to execute the will of the board of trustees within its particular institution.

Sec. 2. (a) This section applies to the board of trustees of the following state educational institutions:

(1) Ball State University.
(2) Indiana University.
(3) Indiana State University.
(4) Purdue University.
(5) University of Southern Indiana.

(b) To carry out the purposes described in section 1 of this chapter, the board of trustees of a state educational institution may delegate to:

(1) persons employed by the board of trustees; and
(2) others;

the authority that the board of trustees possesses. No manner of delegation is irrevocable.

Sec. 3. The board of trustees of Ball State University may define the duties and provide compensation for faculty and staff of the university including authority to establish fringe benefit programs, including retirement benefits, that may be supplemental to, or instead of, state retirement programs for teachers or other public

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employees as authorized by law.

Sec. 4. The board of trustees of Indiana University may:

(1) elect a president, the professors, and other officers for Indiana University as necessary and prescribe the duties and salaries of those positions;

(2) employ other persons as necessary; and

(3) establish programs of fringe benefits and retirement benefits for Indiana University's officers, faculty, and other employees that may be supplemental to, or instead of, state retirement programs established by statute for public employees;

Sec. 5. The board of trustees of Indiana State University may prescribe the duties and provide the compensation, including retirement and other benefits, of the faculty, administration, and employees of Indiana State University.

Sec. 6. The board of trustees of Ivy Tech Community College shall select and employ a president of the state educational institution, with qualifications set out, and other staff and professional employees as are required.

Sec. 7. The board of trustees of Ivy Tech Community College may do the following:

(1) Develop a statewide salary structure and classification system, including provisions for employee group insurance, employee benefits, and personnel policies.

(2) Employ the chief administrator of a regional institute.

(3) Authorize the chief administrator of a regional institute to employ the necessary personnel for the regional institute, determine qualifications for positions, and fix compensation for positions in accordance with statewide policies established under subdivision (1).

Sec. 8. The board of trustees of Purdue University may elect all professors and teachers, removable at the board's pleasure; fix and regulate compensations, including programs of fringe benefits and retirement benefits that may be supplemental to or in lieu of state retirement programs established by statute for public employees.

Sec. 9. The University of Southern Indiana may employ a faculty and staff for the university, define the duties of the faculty and staff, and provide compensation for the faculty and staff, including a program of fringe benefits and a program of retirement benefits that may supplement or supersede the state retirement programs established by statute for teachers or other public employees.

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Sec. 10. The board of trustees of Vincennes University may:

(1) appoint subordinate officers the board believes convenient for:

(A) the police of Vincennes University; and

(B) carrying the statutory powers and duties of Vincennes University into effect; and

(2) by ordinance:

(A) require such sureties from the subordinate officers;

(B) annex the fees to the subordinate officers of Vincennes University; and

(C) impose such fines for a neglect of duty or misconduct in office;

as the board of trustees of Vincennes University determines proper.

Sec. 11. The board of trustees of Vincennes University may elect and appoint persons of suitable learning and talents to be president and professors of Vincennes University and agree with them for their salaries and emoluments. The board of trustees shall appoint a president to preside over and govern Vincennes University.

Sec. 12. The president and professors of Vincennes University hold offices at the pleasure of the board of trustees of Vincennes University.

Chapter 4. Litigation Expenses

Sec. 1. (a) This section applies to the board of trustees of the following state educational institutions:

(1) Ball State University.

(2) Indiana University.

(3) Indiana State University.

(4) Purdue University.

(5) University of Southern Indiana.

(b) The board of trustees of a state educational institution may provide:

(1) for the defense of persons described in IC 21-38-3-1 or IC 21-38-3-2(2) and members of the board of trustees in any suit arising out of the performance of the person's duties for, or employment with, the state educational institution, whenever the board of trustees, by resolution, determines that the action was taken in good faith; and

(2) for protecting any person described in IC 21-38-3-1 or IC 21-38-3-2(2) or a member of the board of trustees harmless from any liability, cost, or damage in connection with the performance of the person's duties for, or employment with,

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the state educational institution, including the payment of any legal fees, except when the liability, cost, or damage is:

(A) predicated on, or arises out of, the bad faith of the person; or

(B) based on the person's malfeasance in office or employment.

Chapter 5. University Faculty Oath

Sec. 1. Except as provided in section 2 of this chapter, before beginning employment, each professor or other individual serving in a teaching capacity in a state educational institution shall subscribe, before an officer authorized by law to administer oaths, to the following oath or affirmation:

"I solemnly swear (or affirm) that I will support the constitution of the United States of America, the constitution of Indiana and the laws of the United States and of Indiana, and will, by precept and example, promote respect for the flag and the institutions of the United States and of Indiana, reverence for law and order and undivided allegiance to the government of the United States."

Two (2) copies of this oath or affirmation shall be executed. One (1) copy shall be filed with the president of the state educational institution. The individual subscribing to the oath or affirmation shall retain the other copy.

Sec. 2. Before beginning employment, each person who is:

(1) a citizen or subject of any country other than the United States; and

(2) to serve as a professor or in another teaching capacity in a state educational institution;

shall subscribe to an oath to support the United States' institutions and policies during the individual's stay in Indiana.

Chapter 6. Health Plans; First Steps Program Coverage

Sec. 1. An employee health 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 employee health plan.

Sec. 2. The reimbursement required under section 1 of this chapter may not be applied to any annual or aggregate lifetime limit on the first steps child's coverage under the employee health plan.

Sec. 3. The first steps program may pay required deductibles, copayments, or other out-of-pocket expenses for a first steps child directly to a provider. An employee health plan shall apply any

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payments made by the first steps program to the employee health plan's deductibles, copayments, or other out-of-pocket expenses according to the terms and conditions of the employee health plan.

Chapter 7. Transfer of Membership From Indiana State Teachers' Retirement Fund; State Appropriation

Sec. 1. This chapter applies to a state educational institution that had at least one (1) employee who was a fund member on July 1, 1980.

Sec. 2. This chapter does not limit the authority given to a state educational institution under any other law.

Sec. 3. A state educational institution may establish a retirement benefit system for the employees of the state educational institution.

Sec. 4. An employee may not be both an active:

(1) fund member; and

(2) retirement benefit system participant;

at the same time.

Sec. 5. If a state educational institution establishes a retirement benefit system that includes as participants employees who otherwise qualify as fund members, the state educational institution must allow an employee who otherwise qualifies as a fund member to elect whether to participate in the retirement benefit system.

Sec. 6. An employee's election under section 5 of this chapter must be in writing and is not effective until filed with the state educational institution.

Sec. 7. If an employee is not a contributing fund member at the time the employee is initially hired by a state educational institution that has established a retirement benefit system, the employee may file an election under section 5 of this chapter to participate in the employer's retirement benefit system not later than sixty (60) calendar days after the employee's initial employment date. The election is effective as if it had been made on the employee's initial employment date.

Sec. 8. If an employee is a contributing fund member at the time the employee elects under section 5 of this chapter to participate in a retirement benefit system:

(1) the employee's rights in the fund on the date the employee's election is effective are the same as if the employee had terminated employment on that date; and

(2) the employee's election and suspension of membership in the fund are effective on July 1 immediately following the date

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the employee files the election with the state educational institution.

Sec. 9. After an employee's election under section 5 of this chapter becomes effective, the employee is not entitled to rejoin the fund while the employee remains employed by the state educational institution.

Sec. 10. The service of an employee who is participating in a retirement benefit system may not be used to earn service credit, years of service, or for any other purpose by the fund.

Sec. 11. The state educational institution shall inform the board of trustees of the fund of:

(1) the employee's election to participate in the retirement benefit system established by the state educational institution; and

(2) the effective date of the employee's election.

Sec. 12. (a) If a state educational institution establishes a retirement benefit system applicable to employees of the institution who otherwise qualify as members of the fund under IC 5-10.4-4-1, the general assembly shall appropriate to a state educational institution that establishes a retirement benefit system to fund the retirement benefit system an amount estimated to be equal to seven and four-tenths percent (7.4%) of the compensation of an employee who:

(1) makes the election described in section 5 of this chapter; and

(2) becomes a participant in the retirement benefit system of the state educational institution for all or a part of the period of the appropriation.

(b) The state educational institution shall:

(1) estimate the sum described in subsection (a); and

(2) submit the estimate to the budget agency and to the commission for higher education for inclusion in the operating appropriation of the state educational institution.

(c) The estimate described in subsection (b) must be submitted at the same time but separately from the request of the state educational institution for an operating appropriation.

Chapter 8. Indiana Excellence in Teaching Endowment

Sec. 1. The Indiana excellence in teaching council is established. The council consists of nine (9) members as follows:

(1) One (1) representative of the commission for higher education.

(2) One (1) representative of the budget agency.

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(3) One (1) representative from each state educational institution.

Sec. 2. (a) The Indiana excellence in teaching endowment is established to provide state educational institutions with grants to match interest income generated by an endowment to attract and retain distinguished teachers. The fund shall be administered by the council.

(b) The expenses of administering the fund shall be paid from money in the fund.

(c) The treasurer of state shall invest the money in the fund not currently needed to meet obligations of the fund in the same manner as other public funds may be invested.

(d) Money in the fund at the end of the state fiscal year does not revert to the state general fund.

Sec. 3. To qualify for a matching grant from the fund, a state educational institution or a foundation must establish an endowment subject to the following criteria:

(1) The endowment must be created after July 1, 1990.

(2) Funds in the endowment must be solely dedicated for use in matching money granted from the fund.

(3) A donor to the endowment must restrict the gift for the sole purpose of generating income to attract and retain distinguished scholars.

(4) An institution or a foundation may not designate an unrestricted donation, endowment, or any other contribution made before July 1, 1990, to qualify for a matching grant.

Sec. 4. A state educational institution must apply for a matching grant in the manner prescribed by the council.

Sec. 5. When determining a distinguished teacher's prominence, the council shall consider the following criteria when distributing endowment funds:

(1) Evidence of excellent teaching ability.

(2) Distinguished accomplishments.

(3) Either:

(A) productive scholarship; or

(B) artistic achievement and superior talent.

The council may consider any other criteria for distributing endowment funds that the council determines appropriate.

Sec. 6. (a) The council shall approve or disapprove a matching grant application within sixty (60) days after the application is received by the council.

(b) The council may approve a grant application with an

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amount that is the same or less than the amount requested by the state educational institution.

Sec. 7. (a) Each matching grant from the fund is intended to be used to supplement, and may not be used instead of, a distinguished teacher's regular annual salary.

(b) The council may not approve a matching grant from the fund that exceeds income generated from the endowment of the institution.

Sec. 8. Staff for the council shall be provided by the commission for higher education.

Sec. 9. An appropriation to the fund or a grant from the fund to a state educational institution does not constitute a commitment to match endowment income in excess of the current appropriation in any subsequent biennium.

Sec. 10. The council may:

(1) develop guidelines; and

(2) adopt rules under IC 4-22-2;

to administer the fund and this chapter.

Chapter 9. Vincennes University; Faculty and Student Exemption From Militia Duty

Sec. 1. The professors of Vincennes University during their professorship, and the students, while at Vincennes University, are exempt from militia duty.

SECTION 272. IC 21-39 IS ADDED TO THE INDIANA CODE AS A **NEW** ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]:

ARTICLE 39. STATE EDUCATIONAL INSTITUTIONS: REGULATION OF CONDUCT

Chapter 1. General Provisions; Definitions

Sec. 1. The definitions in this chapter apply throughout this article

Sec. 2. "Police officer" refers to a police officer employed by a state educational institution under IC 21-39-4.

Sec. 3. "Political subdivision" has the meaning set forth in IC 36-1-2-13.

Sec. 4. "Violation" refers to the existence of:

(1) a violation of a federal law or regulation;

(2) a violation of a state law or rule;

(3) a violation of an ordinance of a political subdivision; or

(4) the misuse of public resources.

Chapter 2. Regulations; Discipline

Sec. 1. Sections 2 through 5 of this chapter may not be construed

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to discourage or disparage the status of students, faculty, and other persons or the valid concerns of the public in matters of policy and of management of a state educational institution.

Sec. 2. (a) This section applies to the board of trustees of the following state educational institutions:

(1) Ball State University.
(2) Indiana University.
(3) Indiana State University.
(4) Purdue University.
(5) University of Southern Indiana.

(b) The board of trustees of a state educational institution may govern, by regulation and other means, the conduct of students, faculty, employees, and others while upon the property owned, used, or occupied by the state educational institution.

Sec. 3. (a) This section applies to the board of trustees of the following state educational institutions:

(1) Ball State University.
(2) Indiana University.
(3) Indiana State University.
(4) Purdue University.
(5) University of Southern Indiana.

(b) The board of trustees of a state educational institution may govern, by lawful means, the conduct of the state educational institution's students, faculty, and employees, wherever the conduct might occur, to prevent unlawful or objectionable acts that:

(1) seriously threaten the ability of the state educational institution to maintain the state educational institution's facilities; or
(2) violate the reasonable rules and standards of the state educational institution designed to protect the academic community from unlawful conduct or conduct presenting a serious threat to person or property of the academic community.

Sec. 4. (a) This section applies to the board of trustees of the following state educational institutions:

(1) Ball State University.
(2) Indiana University.
(3) Indiana State University.
(4) Purdue University.
(5) University of Southern Indiana.

(b) The board of trustees of a state educational institution may

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dismiss, suspend, or otherwise punish any student, faculty member, or employee of the state educational institution who violates the institution's rules or standards of conduct, after determination of guilt by lawful proceedings.

Sec. 5. (a) This section applies to the board of trustees of the following state educational institutions:

(1) Ball State University.

(2) Indiana University.

(3) Indiana State University.

(4) Purdue University.

(5) University of Southern Indiana.

(b) Conduct that constitutes a violation of the rules of the state educational institution may be punished, after determination of guilt by lawful procedures, without regard to whether the conduct also constitutes an offense under the criminal laws of any state or of the United States or whether it might result in civil liability of the violator to other persons.

Sec. 6. The board of trustees of Ball State University may set fines and penalties.

Sec. 7. The faculty of Indiana University may do the following:

(1) Enforce the regulations adopted by the board of trustees of Indiana University for the government of the students.

(2) To carry out subdivision (1):

(A) reward and censure students; and

(B) suspend students who continue to violate the regulations adopted under subdivision (1) until a determination of the board of trustees concerning the students can be made.

Sec. 8. The University of Southern Indiana may set fines and other sanctions for noncompliance with a University of Southern Indiana contract or rule.

Sec. 9. The board of trustees of Vincennes University shall:

(1) make ordinances for the government and discipline of Vincennes University;

(2) examine the state of education and discipline at Vincennes University; and

(3) make a yearly report of the items described in subdivisions (1) and (2) to the general assembly in an electronic format under IC 5-14-6.

Sec. 10. The faculty of Vincennes University may enforce the rules and regulations adopted by the board of trustees for the government and discipline of Vincennes University.

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Chapter 3. Report of Violation

Sec. 1. An employee of a state educational institution may report in writing the existence of a violation first to a supervisor or appointing authority, unless the supervisor or appointing authority is the person whom the employee believes is committing the violation.

Sec. 2. If a supervisor or appointing authority is the person an employee of a state educational institution believes is committing a violation, the employee may report the violation in writing to:

(1) the supervisor;

(2) the appointing authority; or

(3) any official or agency entitled to receive a report from the state ethics commission under IC 4-2-6-4(b)(2)(J) or IC 4-2-6-4(b)(2)(K).

Sec. 3. If a good faith effort is not made to correct a violation within a reasonable time, the employee of a state educational institution may submit a written report of the incident to any person, agency, or organization.

Sec. 4. (a) An employee must make a reasonable attempt to ascertain the correctness of any information that the employee reports.

(b) An employee may be subject to disciplinary actions, including suspension or dismissal, for knowingly furnishing false information as determined by the employee's appointing authority or the appointing authority's designee.

(c) An employee disciplined under this section is entitled to process an appeal of the disciplinary action under the procedure set forth in any personnel policy or collective bargaining agreement adopted by the state educational institution.

Sec. 5. Subject to section 4 of this chapter, if an employee makes a report of a violation in conformity with this chapter, the employee may not:

(1) be dismissed from employment;

(2) have salary increases or employment related benefits withheld;

(3) be transferred or reassigned;

(4) be denied a promotion that the employee otherwise would have received; or

(5) be demoted.

Sec. 6. An employer who violates this chapter commits a Class A infraction.

Chapter 4. Powers to Appoint Police Officers

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Sec. 1. This chapter is supplemental to all other statutes relating to the power of a state educational institution to appoint police officers.

Sec. 2. The board of trustees of a state educational institution may:

(1) appoint police officers for the state educational institution for which the board is responsible;

(2) prescribe duties and direct the conduct of the appointed police officers;

(3) prescribe distinctive uniforms for the police of the state educational institution or campus; and

(4) designate and operate emergency vehicles.

Sec. 3. Police officers appointed under this chapter shall take an appropriate oath of office in the form and manner prescribed by the appointing board of trustees.

Sec. 4. A police officer serves at the pleasure of the appointing board of trustees.

Sec. 5. (a) Police officers have the following powers, privileges, immunities, and duties:

(1) General police powers including the power to arrest, without process, all persons who commit an offense within the view of the officer.

(2) The same common law and statutory powers, privileges, and immunities as sheriffs and constables, except that the officers are empowered to serve civil process only to the extent authorized by the employing board of trustees.

(3) The duty to enforce and to assist the officials of the state educational institutions at which the officers are employed in the enforcement of the rules and regulations of the state educational institution.

(4) The duty to assist and cooperate with other law enforcement agencies and officers.

(b) The board of trustees employing a police officer may expressly prohibit a police officer from exercising any of the powers otherwise granted by law.

Sec. 6. A police officer may exercise the powers granted under this chapter only upon real property owned or occupied by the state educational institution employing the police officer, including the streets passing through and adjacent to the state educational institution. Additional jurisdiction may be established by agreement with the chief of police of the municipality or sheriff of the county or the appropriate law enforcement agency where the

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property is located, depending upon the jurisdiction involved.

Sec. 7. Whenever a police officer retires after at least twenty (20) years of service, the police officer may retain the officer's service weapon. The officer is entitled to receive, in recognition of the service to the state educational institution and the public, a badge that indicates that the officer is retired. Upon retirement, the state police department shall issue to the police officer an identification card that:

(1) states the police officer's name and rank at retirement;

(2) states the officer's retired status; and

(3) notes the officer's authority to retain the service weapon.

A police officer described in this section is entitled to a lifetime license to carry a handgun under IC 35-47-2-3(e).

Chapter 5. Traffic Regulation

Sec. 1. This chapter does not limit or restrict the powers of any other governmental authority having jurisdiction over public streets, roads, alleys, or ways.

Sec. 2. The board of trustees of a state educational institution may regulate the traffic of:

(1) motor vehicles;

(2) bicycles;

(3) other vehicles; and

(4) pedestrians;

on all streets, roads, paths, and grounds of real property owned, used, occupied, or controlled by the state educational institution.

Sec. 3. Regulations adopted by the board of trustees of a state educational institution that are applicable to traffic and parking may include the following provisions:

(1) Provisions governing the registration, speed, operation, and parking and the times, places, and manner of use of motor vehicles, bicycles, and other vehicles.

(2) Provisions prescribing penalties for the violation of regulations. Penalties may include the following:

(A) Imposition of reasonable charges.

(B) Removing and impounding (at the expense of the violator) vehicles that are operated or parked in violation of regulations.

(C) Denial of permission to operate vehicles on the property of the state educational institution.

(3) Provisions establishing reasonable charges and fees for the registration of vehicles and for the use of parking spaces or facilities owned or occupied by the state educational

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institution.

Chapter 6. Request for Assistance From Law Enforcement Officers

Sec. 1. The board of trustees of a state educational institution may empower one (1) or more officials of the state educational institution to request the assistance of law enforcement officers of the:

(1) state;
(2) counties;
(3) cities; and
(4) towns;

when necessary.

Sec. 2. When any law enforcement officer is on the property of the state educational institution by virtue of a request under this chapter, the law enforcement officer possesses all powers conferred by this article upon police officers appointed by the board of trustees of the state educational institution, in addition to the powers otherwise conferred upon the law enforcement officers by law.

SECTION 273. IC 21-40 IS ADDED TO THE INDIANA CODE AS A **NEW** ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]:

ARTICLE 40. STATE EDUCATIONAL INSTITUTIONS: ADMISSION STANDARDS

Chapter 1. General Provisions; Definitions

Sec. 1. The definitions in this chapter apply throughout this article.

Sec. 2. "Academic term" means the regularly scheduled period of on-campus instruction offered by a state educational institution that is substantially comparable to a traditional semester.

Sec. 3. "Certificate of immunity" means a form that meets the following requirements:

(1) Is acceptable to a state educational institution.
(2) Establishes the immunity of the certificate holder.
(3) Consists of:
(A) a physician's certificate, if available;
(B) immunization records forwarded from another school or state educational institution;
(C) a record maintained by the student or a parent of the student showing the month and year during which each dose of vaccine was administered;
(D) a form developed by the department that may be used

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by state educational institutions to meet the requirements of IC 21-40-5; or

(E) evidence of having met alternative criteria defined by rules adopted under IC 4-22-2 by the department.

(4) Includes a line to be signed by the student or the student's parent or guardian that indicates compliance with IC 21-40-5-5.

Sec. 4. "Department" refers to the state department of health.

Sec. 5. "Designated record keeping office" refers to the office designated by a state educational institution as being responsible for maintaining student immunization records under IC 21-40-5.

Sec. 6. "Documentation of exemption" means a form that:

(1) is acceptable to a state educational institution; and

(2) indicates the circumstances as described in sections IC 21-40-5-4 and IC 21-40-5-6 entitling the student to an exemption from the requirements in sections IC 21-40-5-2 and IC 21-40-5-3.

Sec. 7. "Enroll" means the process:

(1) enabling a student to become a bona fide member of the student body of the state educational institution; and

(2) entitling the student to officially audit or receive academic credit for on-campus instruction in Indiana.

Sec. 8. "Health care provider" means a:

(1) local health authority;

(2) licensed physician;

(3) licensed physician assistant;

(4) licensed pharmacist; or

(5) registered nurse.

Sec. 9. "Student", for purposes of IC 21-40-5, means an individual who, for the first time:

(1) physically attends classes at a residential campus of a state educational institution; and

(2) is enrolled in a state educational institution as a full-time student (as defined in 585 IAC 1-9-1(27)).

Chapter 2. Equal Education Opportunity

Sec. 1. The following is the public policy of the state:

(1) To provide:

(A) equal;

(B) nonsegregated; and

(C) nondiscriminatory;

educational opportunities and facilities for all, regardless of race, creed, national origin, color, or sex.

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(2) To provide and furnish state educational institutions open equally to all, and prohibited and denied to none because of race, creed, color, or national origin.

(3) To reaffirm the principles of:

(A) the Bill of Rights;

(B) civil rights; and

(C) the Constitution of the State of Indiana.

(4) To provide a uniform democratic system of public education to the state and the citizens of Indiana.

(5) To:

(A) abolish;

(B) eliminate; and

(C) prohibit;

segregated and separate departments or divisions of a state educational institution on the basis of race, creed, or color.

(6) To eliminate and prohibit:

(A) segregation;

(B) separation; and

(C) discrimination;

on the basis of race, color, or creed in state educational institutions.

Sec. 2. This chapter is supplemental to:

(1) all common law, statutory law, and civil rights applicable to state educational institutions; and

(2) the rights and remedies arising from these laws of the state and to the citizens of Indiana.

Sec. 3. State educational institutions are open to all children until the children complete their courses of study, subject to the authority vested in the state educational institutions by law.

Sec. 4. (a) The board of trustees of a state educational institution may not build or erect, establish, maintain, continue, or permit any segregated or separate state educational institutions on the basis of race, color, creed, or national origin of students.

(b) The officials described in subsection (a) may take any affirmative actions that are reasonable, feasible, and practical to effect greater integration and to reduce or prevent segregation or separation of races in state educational institutions for whatever cause, including:

(1) site selection; or

(2) revision of:

(A) districts;

(B) curricula; or

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(C) enrollment policies;

to implement equalization of educational opportunity for all.

Sec. 5. (a) A student may not be prohibited, segregated, or denied attendance or enrollment to a state educational institution because of the student's race, creed, color, or national origin.

(b) Every student is free to attend a state educational institution within the laws applicable alike to noncitizen and nonresident students.

Sec. 6. (a) A state educational institution may not segregate, separate, or discriminate against any of its students on the basis of race, creed, or color.

(b) Admission to a state educational institution may not be approved or denied on the basis of race, creed, or color.

Sec. 7. A state educational institution may not discriminate in any way in the hiring, upgrading, tenure, or placement of any teacher on the basis of race, creed, color, or national origin.

Chapter 3. General Powers

Sec. 1. (a) This section applies to the board of trustees of the following state educational institutions:

(1) Ball State University.

(2) Indiana University.

(3) Indiana State University.

(4) Purdue University.

(5) University of Southern Indiana.

(b) The board of trustees of a state educational institution may set the conditions and standards of admission of students upon criteria that are in the best interests of the state and the state educational institution.

Sec. 2. The board of trustees of Ball State University may prescribe conditions for admission.

Sec. 3. The University of Southern Indiana may prescribe conditions for admission.

Sec. 4. The board of trustees of Vincennes University shall regulate the admission of students and pupils into Vincennes University.

Chapter 4. Admission Standards; Completion of Core 40 Curriculum

Sec. 1. This chapter applies beginning with the class of students who enter a state educational institution as freshmen during the 2011-2012 academic year.

Sec. 2. (a) This section does not apply to:

(1) Ivy Tech Community College; and

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(2) Vincennes University with respect to two (2) year degree programs.

(b) Except as provided in sections 5 and 6 of this chapter, each state educational institution must require a student who is an Indiana resident to have completed either:

(1) the Core 40 curriculum established under IC 20-30-10; or

(2) a curriculum that is equivalent to the Core 40 curriculum;

as a general requirement for regular admission as a freshman to the state educational institution.

(c) Each state educational institution must establish the institution's:

(1) requirements for regular admission; and

(2) exceptions to the institution's requirements for regular admission.

Sec. 3. (a) This section applies to:

(1) Ivy Tech Community College; and

(2) Vincennes University with respect to two (2) year degree programs.

(b) A student who enters a state educational institution to which this section applies to obtain a two (2) year degree is not required to have completed either:

(1) the Core 40 curriculum established under IC 20-30-10; or

(2) a curriculum that is equivalent to the Core 40 curriculum;

to be admitted to the state educational institution.

Sec. 4. The commission for higher education shall encourage accredited private postsecondary educational institutions to adopt general regular admissions requirements and exceptions to the regular admissions requirements that are similar to the requirements set forth in section 2 of this chapter.

Sec. 5. (a) This section applies to a student who has not completed:

(1) the Core 40 curriculum established under IC 20-30-10; or

(2) a curriculum that is equivalent to the Core 40 curriculum.

(b) A student to whom this section applies may apply for acceptance as a transfer student at a state educational institution to which section 2 of this chapter applies if the student has successfully completed at least twelve (12) credit hours of college level courses with at least a "C" average or the equivalent in each course.

Sec. 6. The requirement set forth in section 2(b) of this chapter that a student must have completed the Core 40 curriculum or a curriculum equivalent to the Core 40 curriculum for regular

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admission does not apply to a student who will be at least twenty-one (21) years of age during the semester for which the student seeks admission.

Chapter 5. Immunization Requirements at State Educational Institutions

Sec. 1. The department shall develop a form that can be used by state educational institutions to meet the requirements of this chapter concerning the use of a certificate of immunity.

Sec. 2. (a) Except as provided in section 7 of this chapter, a state educational institution may not permit a student to matriculate in a residential campus of a state educational institution unless the student provides the documentation required by section 3 of this chapter for the following diseases:

(1) Diphtheria.

(2) Tetanus.

(3) Measles.

(4) Mumps.

(5) Rubella.

(b) A state educational institution shall notify a student before the student's matriculation of the following requirements:

(1) That the student must be immunized and that the immunization is required for matriculation at the state educational institution unless the student provides the documentation required by section 3 of this chapter.

(2) That the:

(A) student; or

(B) student's parent or guardian;

must comply with section 5 of this chapter.

Sec. 3. (a) Before matriculating in a residential campus of a state educational institution, a student shall provide the state educational institution with one (1) of the following documents:

(1) A certificate of immunity.

(2) Documentation of exemption as described in sections 4 and 6 of this chapter.

(b) Before matriculating in a residential campus of a state educational institution, a student who is not a citizen or resident of the United States shall provide the state educational institution with:

(1) medical documentation that the student has been tested for tuberculosis in the United States;

(2) the date on which the tuberculosis test was taken; and

(3) the results of the tuberculosis test.

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(c) If a student fails to comply with subsection (a) or (b) by the beginning of the student's second academic term, the state educational institution shall prohibit the student from matriculating in the residential campus of the state educational institution until the requirements are met.

Sec. 4. An exemption relieving a student from the requirements of section 3 of this chapter may be accepted by the state educational institution as part of the documentation of exemption for the following reasons:

(1) If a health care provider makes a written statement indicating the nature and probable duration of a medical condition or circumstances that contraindicate an immunization, identifying the specific vaccine that could be detrimental to the student's health.

(2) If pregnancy or suspected pregnancy is certified in a written statement from a health care provider.

(3) If a health care provider provides written documentation that the student is in the course of completing an approved schedule of all necessary doses of the vaccines required for the diseases listed in section 2 of this chapter.

If the student's medical condition or circumstances subsequently permit immunization, the exemptions granted by this section terminate and the student shall obtain the immunizations from which the student has been exempted.

Sec. 5. (a) A state educational institution in which an individual intends to enroll shall provide detailed information on the risks associated with meningococcal disease and the availability and effectiveness of vaccination to:

(1) the individual, if the individual is at least eighteen (18) years of age; or

(2) the individual's parent or guardian, if the individual is less than eighteen (18) years of age.

(b) A state educational institution described in subsection (a) must receive a certificate of immunity:

(1) that is signed by:

(A) the individual, if the individual is at least eighteen (18) years of age; or

(B) the individual's parent or guardian, if the individual is less than eighteen (18) years of age; and

(2) that states that the information provided under subsection (a) has been reviewed by:

(A) the individual, if the individual is at least eighteen (18)

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years of age; or

(B) the individual's parent or guardian, if the individual is less than eighteen (18) years of age.

Sec. 6. (a) Except as otherwise provided, a student may not be required to undergo testing, examination, immunization, or treatment required under this chapter when the student objects on religious grounds.

(b) A religious objection does not exempt a student from testing, examination, immunization, or treatment required under this chapter unless the request for an exemption is:

(1) made in writing;

(2) signed by the student; and

(3) delivered to the individual who might order a test, an examination, an immunization, or a treatment absent the religious objection.

Sec. 7. (a) Upon the commencement of a student's first academic term at a state educational institution and not later than the commencement of the student's second academic term, the state educational institution shall require the student to comply with the requirements of section 3 of this chapter. If the student fails to comply with the requirements of section 3 of this chapter by the commencement of the student's first academic term, the state educational institution shall do the following:

(1) Notify the student of the requirement that the student must be immunized and that the immunizations may be administered by a health care provider.

(2) Notify the student that the immunization is required for the student's continued:

(A) enrollment in;

(B) attendance at; or

(C) residence on;

the campus of the state educational institution unless the student provides the documentation required by section 3 of this chapter.

(b) If a student fails to comply with section 3 of this chapter by the beginning of the student's second academic term, the postsecondary institution shall prohibit the student from matriculating in the postsecondary institution's residential campus until the requirements are met.

Sec. 8. The department may commence an action against a state educational institution under IC 4-21.5-3-6 or IC 4-21.5-4 for the issuance of an order of compliance for failure to enforce this

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chapter.

Sec. 9. (a) The designated record keeping office shall maintain records obtained under section 7 of this chapter containing the required elements of the immunization status of an enrolled student. The information required on the certificate of immunity and the documentation of exemption, whichever applies, constitutes the required elements of an enrolled student's immunization status. The information on the certificate of immunity and the documentation of exemption, whichever applies:

(1) is sufficient for accurate compliance with section 11 of this chapter; and

(2) must be accepted by each state educational institution for purposes of this chapter.

(b) The department and the local health department shall, for good cause shown that there exists a substantial threat to the:

(1) health and safety of a student; or

(2) community of an educational institution;

be able to validate immunization reports by onsite reviews or examinations of nonidentifying immunization record data. This section does not independently authorize the department, a local department of health, or an agent of the state or local department of health to have access to identifying medical or academic record data of individual students attending nonaccredited private postsecondary educational institutions.

(c) The records referred to in subsection (a) are sufficient to enable the state educational institution to generate a listing of the students who have filed documentation of exemption forms. The state educational institution shall develop sufficient plans for excluding these students from the state educational institution for the protection of these students if an outbreak of a vaccine preventable disease listed in section 2 of this chapter occurs at or near the campus of the state educational institution.

Sec. 10. A state educational institution may furnish, not later than twenty (20) days after a student transfer, a copy of a student's immunization record to the state educational institution to which the student transfers and enrolls. The state educational institution to which the student transfers and enrolls may request a copy of the student's immunization record from any state educational institution that the student attended.

Sec. 11. A state educational institution shall submit a summary report to the department and the local health department having jurisdiction by March 15 of each year. The annual summary

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report:

(1) must be signed by an official of the designated record keeping office certifying that the information included in the summary report is accurate; and

(2) must include the following:

(A) A statement of the number of students with certificates of immunity, categorized by disease.

(B) A statement of the number of students with appropriate documentation of exemption, categorized by disease.

Sec. 12. This chapter does not prohibit a postsecondary educational institution that:

(1) provides education, degrees, or certificates above the high school level; and

(2) is not a state educational institution;

from voluntarily complying with this chapter.

Sec. 13. The department shall adopt rules under IC 4-22-2 necessary to implement this chapter. However, the department may not adopt rules to expand or modify the list of communicable diseases in section 2 of this chapter.

SECTION 274. IC 21-41 IS ADDED TO THE INDIANA CODE AS A **NEW** ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]:

ARTICLE 41. STATE EDUCATIONAL INSTITUTIONS: CURRICULA; COURSES OF STUDY; PROGRAMS

Chapter 1. General Provisions; Definitions

Sec 1. The definitions in this chapter apply throughout this article.

Sec. 2. "Board of trustees":

(1) for purposes of IC 21-41-3, refers to the board of trustees of Ball State University; and

(2) for purposes of IC 21-41-4, refers to the board of trustees of Indiana University.

Sec. 3. "Regional campus" means Indiana State University – Regional Campus Evansville, a regional campus managed by the board of trustees of Indiana State University before July 1, 1985.

Chapter 2. General Powers

Sec. 1. (a) This section applies to the board of trustees of the following state educational institutions:

(1) Ball State University.

(2) Indiana University.

(3) Indiana State University.

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(4) Purdue University.
(5) University of Southern Indiana.

(b) The board of trustees of a state educational institution may prescribe the curricula and courses of study offered by the state educational institution and define the standards of proficiency and satisfaction within the curricula and courses established by the state educational institution.

Sec. 2. After March 29, 1971, a state educational institution may not:

(1) establish any new branch, regional campus, or extension center;
(2) establish any new or additional academic college or school; or
(3) offer any:
(A) new associate, baccalaureate, or graduate degree; or
(B) additional program of two (2) semesters or an equivalent duration leading to a certificate or other indication of accomplishment;

without the approval of the commission for higher education or without specific authorization by the general assembly.

Sec. 3. 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 for higher education.

Chapter 3. Ball State University; College of Architecture

Sec. 1. This chapter applies only to Ball State University.

Sec. 2. The board of trustees of Ball State University may grant degrees and issue diplomas or certificates.

Sec. 3. The board of trustees may:

(1) erect;
(2) construct;
(3) equip;
(4) furnish;
(5) operate; and
(6) control;

as a division of Ball State University, a college of architecture and planning to be known as the Ball State college of architecture and planning.

Sec. 4. The board of trustees may acquire by:

(1) purchase;
(2) lease;

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(3) condemnation;
(4) gift; or
(5) other means;

property, real and personal, that, in the judgment of the board of trustees, is necessary to establish the Ball State University college of architecture and planning. The board of trustees may use any property that Ball State University acquired before July 1, 1965, for the Ball State University college of architecture and planning. Title to all property acquired by the university for the Ball State University college of architecture and planning, including improvements to property, shall be taken and held by and in the name of the board of trustees in its corporate capacity for the purposes of this chapter.

Sec. 5. The construction, alteration, or repair of any facility for the Ball State University college of architecture and planning shall be contracted for in accordance with IC 21-37-3.

Chapter 4. Indiana University; Curricula; Dental College

Sec. 1. This chapter applies only to Indiana University.

Sec. 2. The board of trustees of Indiana University shall prescribe the course of study and discipline.

Sec. 3. The faculty of Indiana University may confer, with the consent of the board of trustees, the literary degrees that are usually conferred in other universities, and, in testimony to the degrees, give suitable diplomas, under the seal of Indiana University and signature of the faculty.

Sec. 4. A student, trustee, president, professor, or officer of Indiana University is not required to hold any religious qualification as a condition for admission to any privilege in Indiana University.

Sec. 5. A professor at Indiana University may not teach sectarian tenets.

Sec. 6. The board of trustees shall operate and maintain a dental college as a department of Indiana University.

Sec. 7. The dental college shall be known as the Indiana University School of Dentistry.

Chapter 5. Ivy Tech Community College; Educational Programs

Sec. 1. This chapter applies to Ivy Tech Community College.

Sec. 2. Ivy Tech Community College shall be devoted primarily to providing the following:

(1) The educational opportunities for the citizens of Indiana described in this chapter.

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(2) The assessment and training services described in this chapter.

Sec. 3. It is the primary purpose of Ivy Tech Community College to provide educational opportunities and appropriate workforce development, assessment, and training services to:

(1) employees of employers whose productivity and competitiveness will be enhanced by targeted employee education and training courses and programs delivered in the employer's workplace;

(2) students who require additional education before enrolling in college level courses at either a two (2) year or a four (4) year institution;

(3) individuals who have graduated from high school and are more interested in continuing their education in a general, liberal arts, occupational, or technical program at a two (2) year, nonresidential college;

(4) individuals who have graduated from high school and want to earn credits that will transfer to a four (4) year college;

(5) students who do not complete work at a four (4) year college or who are referred by a four (4) year college to Ivy Tech Community College;

(6) students who complete their work at a four (4) year college but would like to supplement that education to improve existing skills or acquire new skills; and

(7) adult workers who need and desire retraining or additional training of an occupational or technical nature for the workplace.

Sec. 4. Ivy Tech Community College shall help promote education and economic development by providing assessment and training services for the citizens of Indiana that include the following:

(1) Determining the skills needed for specific jobs.

(2) Determining whether particular individuals have the skills needed to:

(A) do specific jobs; or

(B) qualify for specific skill certifications.

(3) Developing and delivering training programs designed to help individuals:

(A) acquire the skills needed to do specific jobs;

(B) obtain specific skill certifications; or

(C) improve the quality of the individual's work product.

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Sec. 5. Ivy Tech Community College shall meet the needs of state and local officials, employers, and labor organizations by designing and delivering educational and training courses and programs. The primary objective of this effort is to provide economic and workforce development support to the state's employers and communities by meeting their needs for better educated and trained, more productive, and more competitive employees and citizens.

Sec. 6. A statewide community college system is established. The community college system consists of:

(1) the campuses and other instructional sites of Ivy Tech Community College; and

(2) the various courses, programs, and services provided by Ivy Tech Community College throughout Indiana.

Sec. 7. As Indiana's community college system, Ivy Tech Community College shall:

(1) offer a community college curriculum and training services as described in IC 21-22 and this chapter at all of the college's major instructional sites; and

(2) provide an opportunity for students to earn associate degrees that are accepted by four (4) year colleges and universities.

Sec. 8. Subject to IC 21-22-6-10, the board of trustees of Ivy Tech Community College may develop and adopt the appropriate programs to be offered.

Sec. 9. The board of trustees of Ivy Tech Community College may grant appropriate certificates of achievement and associate degrees, including associate of applied science, associate of science, and associate of arts degrees, to students who complete prescribed and authorized courses or series of courses.

Sec. 10. The board of trustees of Ivy Tech Community College may do the following:

(1) Initiate, promote, inaugurate, and develop occupational and technical education programs in a manner consistent with sections 2 through 4 of this chapter.

(2) Operate either through committee or through subordinate corporate entities, statewide general, liberal arts, occupational, and technical education programs, that in the board's opinion should be established due to:

(A) the specialized nature of the programs;

(B) the limited number of students involved; or

(C) other unique features requiring special attention.

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(3) Contract with appropriate education institutions, including local public schools or other agencies, to carry out specific programs that can best and most economically be provided through this approach.

Sec. 11. Ivy Tech Community College may enter into the contracts that are necessary to provide equipment for a data processing school on or off the premises of:

(1) Ivy Tech Community College; or

(2) any of the college's regional institutes.

Chapter 6. University of Southern Indiana

Sec. 1. This chapter applies to the University of Southern Indiana.

Sec. 2. The University of Southern Indiana may grant degrees and issue diplomas or certificates signifying that a course of postsecondary study has been completed or a degree has been conferred.

Sec. 3. Any:

(1) branch, campus, extension center, college, or school;

(2) associate, baccalaureate, or graduate degree; or

(3) program of two (2) semesters, or the equivalent, leading to a certificate or other indication of accomplishment;

that the University of Southern Indiana intends to establish or offer must be approved in compliance with IC 21-41-2-2. For purposes of IC 21-41-2-2, the University of Southern Indiana is approved to accept and administer the campus, extension centers, colleges, and schools established for the regional campus before July 1, 1985, and to offer the degrees and programs offered through the regional campus before July 1, 1985.

Chapter 7. Vincennes University

Sec. 1. This chapter applies to Vincennes University.

Sec. 2. The board of trustees of Vincennes University shall establish plans of education. The plans of education shall embrace each of the languages, sciences, and branches of learning directed to be taught in Vincennes University.

Sec. 3. The president and professors of Vincennes University shall instruct and give lectures to the students of Vincennes University, according to the plan of education that the board of trustees of Vincennes University may approve and direct.

Sec. 4. The faculty of Vincennes University may:

(1) with the consent of the board of trustees, grant to students of Vincennes University the degrees in the liberal arts and sciences that:

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(A) the professors of Vincennes University believe, by the students' proficiency in learning, that the students are entitled;

(B) are usually granted and conferred in other universities in the United States; and

(2) grant diplomas, under the common seal of Vincennes University, to authenticate, and perpetuate the memory of the graduations.

Sec. 5. (a) The board of trustees of Vincennes University shall from time to time:

(1) elect and appoint a professor of divinity, of law, and of physic, whenever:

(A) the board of trustees considers it necessary for the good of Vincennes University; or

(B) the progressed state of education in Vincennes University may require.

(2) agree with them for their salaries; and

(3) point out the duties of the professors.

(b) The professors elected and appointed under this section shall be considered to be members of the faculty of Vincennes University. Professors hold their appointments at the pleasure of the board of trustees of Vincennes University.

Sec. 6. No particular tenets of religion shall be taught in Vincennes University, by the president or by the professors of divinity, law, or physic.

Chapter 8. American Sign Language

Sec. 1. A state educational institution may offer classes in American Sign Language as:

(1) a foreign language; or

(2) part of another discipline.

Sec. 2. If a state educational institution offers classes in American Sign Language under this chapter, the state educational institution may award credit for the courses to satisfy a requirement for the study of a foreign language or another discipline.

SECTION 275. IC 21-42 IS ADDED TO THE INDIANA CODE AS A **NEW** ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]:

ARTICLE 42. STATE EDUCATIONAL INSTITUTIONS: TRANSFER OF ACADEMIC CREDITS

Chapter 1. General Provisions; Definitions

Sec. 1. The definitions in this chapter apply throughout this

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article.

Sec. 2. "Articulation degree programs", for purposes of IC 21-42-5, refers to the articulation degree programs established under IC 21-42-5-2.

Sec. 3. "Core transfer library" refers to the core transfer library established under IC 21-42-5-1.

Sec. 4. "School for biblical and religious instruction" means a school that teaches biblical and religious education conducted and maintained by:

(1) an association;
(2) a college;
(3) a seminary;
(4) a foundation; or
(5) a school organized for religious instruction;

and incorporated under the laws of Indiana.

Sec. 5. "Statewide transfer of credit agreements" refers to an agreement developed under IC 21-42-6 for courses that are most frequently taken by undergraduates.

Chapter 2. Elimination of Home Campus Requirement; Advanced Standing for Vocational Courses

Sec. 1. A state educational institution having a regional campus may not have a rule, regulation, or policy stating that a student who is pursuing education at a regional campus of the state educational institution must obtain any hours of credit in residence on the home campus of the state educational institution in order to obtain a degree, if courses to obtain the degree are available on the regional campus.

Sec. 2. A state educational institution may award advanced standing to a student who has successfully completed vocational education courses at another postsecondary institution or at a secondary school. However, the state educational institution may require the student to successfully complete:

(1) equivalency testing;
(2) testing of competency; or
(3) an additional course;

in the subject area before awarding credit for those vocational education courses.

Sec. 3. A state educational institution and:

(1) a school corporation; or
(2) another postsecondary institution;

may enter into a contract providing the terms and conditions under which the state educational institution will award advanced

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standing to a student who has successfully completed vocational education courses offered by the school corporation or other postsecondary institution.

Chapter 3. Transfer of Credits Among State Educational Institutions

Sec. 1. A state educational institution shall:

(1) accept the transfer credit of an appropriate course successfully completed by a student at another state educational institution having the same level of accreditation; or

(2) allow the student to receive equal credit by successfully completing equivalency testing in the subject area.

Sec. 2. The state educational institutions jointly shall identify at least thirty (30) semester credit hours of comparable general education courses that are eligible to be earned by a student to fulfill graduation requirements at each state educational institution.

Sec. 3. Credits earned in a course identified under section 2 of this chapter must be transferable among all state educational institutions.

Sec. 4. Based upon the demand for enrollment in a course identified under section 2 of this chapter and the resources available to the state educational institutions, an identified course shall be offered through:

(1) onsite instruction;

(2) telecommunication; or

(3) a combination of methods described in subdivisions (1) and (2);

at on-campus or off-campus sites.

Chapter 4. Credits From School for Biblical or Religious Instruction

Sec. 1. A state educational institution may permit a student enrolled in the state educational institution to elect part of the work required for graduation from the state educational institution in a school for biblical and religious instruction.

Sec. 2. A school for biblical and religious instruction may not:

(1) be supported by state funds; and

(2) conduct classes in any building or on any property owned by the state.

Sec. 3. A teacher at a school for biblical and religious instruction must have the ability and educational preparation for teaching the subjects offered equal to the ability and education requirements of

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the teachers in the state educational institution in which credit is to be given.

Sec. 4. The hours of recitation, content of instruction, requirements of attendance, and standards of work by the students electing courses in a school of biblical and religious instruction must be the same as in the state educational institution in which credit is granted.

Chapter 5. Statewide Core Transfer Library; Degree Program Articulation Agreement

Sec. 1. The commission for higher education may establish, with the assistance of the committee on statewide transfer and articulation, 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 4 of this chapter.

Sec. 2. The commission for higher education may establish, with the assistance of the committee on statewide transfer and articulation, articulation agreements for at least twelve (12) degree programs:

(1) for which articulation agreements apply to any campus in the Ivy Tech Community College system and to Vincennes University; and

(2) that draw from liberal arts and the technical, professional, and occupational fields.

Sec. 3. The commission for higher education shall exercise its powers and duties under this chapter to facilitate the use of:

(1) the core transfer library at state educational institutions; and

(2) articulation degree programs at Ivy Tech Community College and Vincennes University.

Sec. 4. The core transfer library 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

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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 is 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.

Sec. 5. The commission for higher education shall adopt rules under IC 4-22-2 and prescribe procedures to facilitate the use of the core transfer library, 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.

Sec. 6. The commission for higher education shall adopt rules under IC 4-22-2 and prescribe procedures to facilitate the use of the articulation degree programs at Ivy Tech Community College and Vincennes University.

Chapter 6. Transfer of Credit Agreements; Articulation Agreements

Sec. 1. The commission for higher education may develop through the committee on statewide transfer and articulation statewide transfer of credit agreements for courses that are most frequently taken by undergraduates.

Sec. 2. The commission for higher education may develop through the committee on statewide transfer and articulation statewide transfer of credit agreements under which associate of arts and associate of science programs articulate fully with related baccalaureate degree programs.

Sec. 3. The commission for higher education may publicize by all appropriate means, including an Internet web site, a master list of statewide transfer of credit agreements and program articulation agreements.

SECTION 276. IC 21-43 IS ADDED TO THE INDIANA CODE AS A **NEW** ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]:

ARTICLE 43. DUAL ENROLLMENT; COLLEGE CREDIT

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EARNED BY HIGH SCHOOL STUDENTS; TECHNICAL CERTIFICATES OF ACHIEVEMENT

Chapter 1. General Provisions; Definitions

Sec. 1. The definitions in this chapter apply throughout this article.

Sec. 2. "Core transfer library" has the meaning set forth in IC 21-42-1-3.

Sec. 3. "Eligible institution", for purposes of IC 21-43-4, means an accredited public or private:

(1) college; or

(2) university;

located in Indiana that grants a baccalaureate or an associate degree.

Sec. 4. As used in this chapter, "high school diploma":

(1) for purposes of IC 21-43-6, refers to a high school diploma earned under IC 20-20-6;

(2) for purposes of IC 21-43-7, refers to a high school diploma earned under IC 21-43-7; and

(3) for purposes of IC 21-3-8, refers to a high school diploma earned under IC 21-43-8.

Sec. 5. "Postsecondary credit":

(1) for purposes of IC 21-43-2, means credit toward:

(A) an associate degree;

(B) a baccalaureate degree; or

(C) a vocational certification;

granted by a state educational institution upon the successful completion of a course taken under a program established under IC 21-43-2; and

(2) for purposes of IC 21-43-5, means credit toward:

(A) an associate degree;

(B) a baccalaureate degree; or

(C) a vocational certification;

granted by a state educational institution upon the successful completion of a course taken under a program established under IC 21-43-5.

Sec. 6. "Program":

(1) for purposes of IC 21-43-3, refers to a postsecondary level technical education program:

(A) offered by a state educational institution;

(B) approved by the commission for higher education; and

(C) of less than a baccalaureate degree;

(2) for purposes of IC 21-43-4, refers to the postsecondary

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enrollment program established under IC 21-43-4;

(3) for purposes of IC 21-43-5, refers to the double up for college program established under IC 21-43-5;

(4) for purposes of IC 21-43-6, refers to the high school fast track to college program offered to qualified individuals under IC 21-43-6;

(5) for purposes of IC 21-43-7, refers to the high school fast track to college program offered to qualified individuals under IC 21-43-7; and

(6) for purposes of IC 21-43-8, refers to the high school fast track to college program offered to qualified individuals under IC 21-43-8.

Sec. 7. "Requisite technical field proficiency" means the satisfaction by a student of the standards approved by the workforce proficiency panel within the department of workforce development under IC 21-43-3-2 to receive a postsecondary level certificate of achievement in a technical field.

Sec. 8. "Technical education student" refers to a student who is enrolled in a state educational institution in a technical education program.

Sec. 9. "Secondary credit":

(1) for purposes of IC 21-43-4, means credit toward graduation requirements granted by a student's school corporation upon the successful completion of a course taken under a program established under IC 21-43-4; and

(2) for purposes of IC 21-43-5, means credit toward high school graduation requirements granted by a student's school corporation upon the successful completion of a course taken under a program established under IC 21-43-5.

Sec. 10. "Workforce proficiency panel" refers to the workforce proficiency panel established by IC 22-4.1-16-2.

Chapter 2. Postsecondary Credit for Secondary School Certificate of Achievement

Sec. 1. A state educational institution may permit a student who:

(1) receives a secondary school level certificate of achievement in a particular subject or skill area; and

(2) satisfies the standards for receipt of academic credit as determined by the state educational institution;

to receive postsecondary credit at the state educational institution for the secondary school level certificate of achievement.

Sec. 2. Each state educational institution shall prepare and make available to students and high school guidance counselors a report

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indicating the:

(1) extent to which; and

(2) conditions under which;

postsecondary credit may be granted under this chapter.

Chapter 3. Postsecondary Level Certificate of Achievement; Technical Education Programs

Sec. 1. This chapter may not be construed to require a state educational institution to offer opportunities for postsecondary level certificates of achievement for technical education programs that the state educational institution does not offer.

Sec. 2. The workforce proficiency panel shall adopt for:

(1) statewide implementation; and

(2) each technical education program;

the standards for each certificate of achievement and the instrument or assessment by which a student is given the opportunity to demonstrate requisite technical field proficiency.

Sec. 3. The:

(1) workforce proficiency panel;

(2) state educational institutions;

(3) Indiana state board of education; and

(4) commission for higher education;

shall cooperate with each other to implement this chapter.

Sec. 4. The postsecondary level certificate of achievement assessment instruments must provide each student with the opportunity to demonstrate the requisite technical field proficiency in the subject or skill area in an applied manner.

Sec. 5. The Indiana commission on vocational and technical education shall do the following:

(1) Provide opportunities for adult learners to achieve a postsecondary level certificate of achievement.

(2) Adopt rules under IC 4-22-2 to implement this chapter in accordance with the recommendations of the workforce proficiency panel concerning standards for the certificates of achievement.

Chapter 4. Postsecondary Enrollment Program

Sec. 1. This chapter applies to a program at:

(1) a state educational institution; or

(2) any other eligible institution.

Sec. 2. This chapter does not prohibit:

(1) a student from enrolling in or attending an education program when the student is not required to be in attendance at the student's school corporation;

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(2) a school corporation from:

(A) providing a supplemental postsecondary education program to students; and

(B) permitting a student to attend an education program during the regular school day or regular school year; or

(3) an eligible institution from permitting a student of a school corporation to enroll in or attend a course offered or sponsored by the eligible institution.

Sec. 3. The postsecondary enrollment program is established for secondary school students in grades 11 and 12.

Sec. 4. A student may enroll in courses offered by an eligible institution under the program on a full-time or part-time basis during grade 11 or grade 12, or both.

Sec. 5. If a school corporation has approved a course offered by an eligible institution for secondary credit, a student is entitled to credit toward graduation requirements for each course the student successfully completes at the eligible institution.

Sec. 6. Before February 1 each year, each school corporation shall provide each student in grades 10 and 11 with information concerning the program.

Sec. 7. A student who intends to enroll in an eligible institution under the program shall notify the principal of the school in which the student is enrolled.

Sec. 8. A representative of the school corporation shall meet with each student who intends to participate in the program and discuss the following:

(1) The courses in which the student may enroll.

(2) The postsecondary credit the student earns upon successful completion of a course.

(3) The consequences of the student's failure to successfully complete a course.

(4) The student's schedule.

(5) The financial obligations of the student and the school under the program.

(6) The responsibilities of the student, the student's parent, and the school under the program.

(7) Other matters concerning the program.

Sec. 9. The governing body of each school corporation shall:

(1) adopt policies to implement the program, based on guidelines established by the department of education; and

(2) work with eligible institutions to grant secondary credits to a student who attends a postsecondary institution while the

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student also is attending secondary school.

Sec. 10. A student may apply for enrollment to an eligible institution. The eligible institution shall accept or reject the student based on the standards ordinarily used to decide student enrollments. However, a student in the program may not be refused admission solely because the student has not graduated from a secondary school.

Sec. 11. The eligible institution shall promptly inform the:

(1) student;

(2) student's principal; and

(3) department of education;

of the decision under section 10 of this chapter.

Sec. 12. Upon demonstration of financial need, an eligible institution may grant financial assistance to a student accepted for admission to the eligible institution.

Sec. 13. If a student enrolls in a course offered by an eligible institution under the program, the eligible institution and the student's school corporation shall enter into a contract for dual credit. The contract must establish the terms and conditions under which:

(1) the eligible institution will award credit for specified classes successfully completed by students in the school corporation; and

(2) the school corporation will award credit for specified classes successfully completed by students at the eligible institution.

Sec. 14. A school corporation shall grant secondary credit for a course successfully completed by a student at an eligible institution if the school corporation approved the course for secondary credit. The student's school records must reflect that the secondary credits were earned at an eligible institution.

Sec. 15. If a student enrolls in an eligible institution after graduation from secondary school, the eligible institution shall award postsecondary credit for a course successfully completed by the student at the eligible institution. If the student enrolls in another eligible institution, that eligible institution may grant credit for courses successfully completed by the student.

Sec. 16. At the end of each school year, each school corporation shall submit to the department of education the following:

(1) A list of the students in the school corporation who are enrolled in the program.

(2) A list of the courses successfully completed by each student

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who is enrolled in the program.

Sec. 17. (a) A school corporation shall make and maintain, for each student enrolled in the program, records of the following:

(1) The courses and credit hours in which the student enrolls.

(2) The courses that the student successfully completes and fails to complete.

(3) The secondary credit granted to the student.

(4) Other information requested by the department of education.

(b) The department of education is entitled to have access to the records made and maintained under subsection (a).

Sec. 18. (a) An eligible institution shall make and maintain, for each student enrolled in the program, records of the following:

(1) The courses in which the student enrolls and the credit hours awarded for those courses.

(2) The courses that the student successfully completes and the courses that the student fails to complete.

(3) The postsecondary credit granted to the student.

(4) Other information requested by the commission for higher education.

(b) The commission for higher education is entitled to have access to the records made and maintained under subsection (a).

Sec. 19. (a) The department of education, in consultation with the commission for higher education, shall:

(1) establish guidelines to carry out this chapter; and

(2) evaluate the program annually and report to the Indiana state board of education concerning the program.

(b) The guidelines established under this section must encourage participation by students:

(1) at all achievement levels; and

(2) in a variety of academic and vocational subjects.

Sec. 20. The:

(1) Indiana state board of education; and

(2) commission for higher education;

shall adopt rules under IC 4-22-2 to carry out this chapter.

Chapter 5. Double Up Program

Sec. 1. This chapter applies only to a program at a state educational institution.

Sec. 2. The double up for college program is established for secondary school students in grades 11 and 12. School corporations and state educational institutions may collaborate to offer:

(1) early college;

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(2) dual credit; or

(3) dual enrollment;

programs that meet the educational objectives of the school corporation and are offered by the state educational institutions.

Sec. 3. A student may enroll in a course offered by a state educational institution under the program on a full-time or part-time basis during grade 11 or grade 12, or both.

Sec. 4. (a) A state educational institution that participates in:

(1) an early college program;

(2) a dual credit program; or

(3) a dual enrollment program;

may, by agreement with a school corporation, take any action described in subsection (b).

(b) The state educational institution may:

(1) ensure that the content and rigor of a course offered is adequate to warrant providing credit to a student as if the student took the course as a student at the state educational institution;

(2) set the criteria for a faculty member, an instructor, or other individual responsible for teaching a course with the:

(A) state educational institution responsible for hiring the personnel to instruct dual credit courses taught by the state educational institution; and

(B) school corporation responsible for hiring personnel to instruct dual credit courses taught by the high school; and

(3) determine, with the school corporation, the terms and conditions under which:

(A) a student may be admitted to the program while attending high school;

(B) the state educational institution will award credit, if any, for a specified course successfully completed by a student through the school corporation; and

(C) the school corporation will award credit, if any, for a specific course successfully completed through the state educational institution.

Sec. 5. A student is entitled to credit toward graduation requirements for a course the student successfully completes at the eligible institution.

Sec. 6. (a) The program may include a course that is listed in the:

(1) statewide core transfer library courses that are transferable on all campuses of the state educational

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institutions in accordance with the principles in IC 21-42-5-4; or

(2) articulation agreements that apply to any campus in the Ivy Tech Community College of Indiana system and to Vincennes University and draw from liberal arts and the technical, professional, and occupational fields.

(b) If a student passes a course through the program that is part of an articulation agreement between the state educational institution offering the course and other state educational institutions, the course shall transfer under the terms and standards of the articulation agreement between the state educational institutions.

Sec. 7. Based on the demand for enrollment in the identified courses and the resources available to the state educational institutions, the identified courses may be offered through:

(1) onsite instruction;

(2) telecommunication; or

(3) a combination of methods described in subdivisions (1) and (2);

at on-campus or off-campus sites.

Sec. 8. A school corporation may, by agreement with a state educational institution, offer counseling concerning an early college, a dual credit, or a dual enrollment course that the school corporation considers appropriate, including:

(1) notice of the course and schedule;

(2) available postsecondary credit;

(3) responsibilities of the student;

(4) tuition and other costs;

(5) consequences of the failure to complete a course; and

(6) other matters concerning the program and opportunities presented by the program.

Sec. 9. A student may apply for enrollment to a state educational institution. The state educational institution shall accept or reject the student based on the standards ordinarily used to decide student enrollments. However, a student in the program may not be refused admission solely because the student has not graduated from a secondary school.

Sec. 10. A state educational institution may grant financial assistance to a student for courses taken under this program based on:

(1) the student's financial need;

(2) the student's academic achievement; or

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(3) any other criteria.

Sec. 11. A state educational institution shall waive tuition for a student as provided in IC 21-14-8.

Sec. 12. A student is entitled to receive postsecondary credit toward meeting the degree requirements at the state educational institution at which the student successfully completed a dual credit course. If the student enrolls in a state educational institution other than the state educational institution at which a dual credit course was completed, the other state educational institution:

(1) shall grant credit for courses that are:

(A) in the core transfer library; or

(B) subject to an articulation agreement; and

(2) may grant credit for other courses.

Sec. 13. After June 30, 2008, a state educational institution or campus of a state educational institution that offers dual credit courses in liberal arts, professional, or career and technical disciplines must be accredited by the National Alliance of Concurrent Enrollment Partnerships.

Chapter 6. High School Fast Track; Ivy Tech Community College

Sec. 1. Ivy Tech Community College may establish a high school fast track to college program that offers qualified individuals an opportunity to earn a high school diploma while earning credits for a certificate program or an associate's degree.

Sec. 2. To be eligible to earn a high school diploma, an individual must be either:

(1) at least nineteen (19) years of age and not enrolled in a high school; or

(2) at least seventeen (17) years of age and have consent from the high school the individual attended most recently. The school corporation in which an individual described in this subdivision has legal settlement shall pay the individual's tuition for high school level courses taken at Ivy Tech Community College during each year the individual is included in the school corporation's ADM.

Sec. 3. To complete the requirements for a high school diploma, the individual must:

(1) pass:

(A) the graduation examination given under IC 20-32-4;

(B) an examination for a general education development diploma;

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(C) an examination equivalent to the graduation examination:

(i) administered by Ivy Tech Community College; and

(ii) approved by the department of education; or

(D) an examination that demonstrates the student is ready for college level work:

(i) administered by Ivy Tech Community College; and

(ii) approved by the department of education; and

(2) complete the course work necessary to meet:

(A) the minimum high school course requirements established by the Indiana state board of education; and

(B) the requirements of Ivy Tech Community College.

Sec. 4. In addition to meeting the requirements set forth in sections 2 and 3 of this chapter, an individual must have the credits toward graduation that the individual successfully completed in high school transferred to Ivy Tech Community College.

Sec. 5. Ivy Tech Community College shall notify the Indiana state board of education that an individual has successfully completed the requirements of the program. Upon receiving the notification, the Indiana state board of education shall:

(1) grant to the individual a high school diploma that states the individual earned the high school diploma at Ivy Tech Community College; and

(2) provide the diploma to Ivy Tech Community College to award to the individual.

Sec. 6. If Ivy Tech Community College establishes a program, Ivy Tech Community College shall report annually to the education roundtable established under IC 20-19-4 the number of program participants and diplomas granted while earning credits for a certificate program or an associate's degree.

Chapter 7. High School Fast Track to College Program; Vincennes University

Sec. 1. The board of trustees of Vincennes University may establish a high school fast track to college program that offers qualified individuals an opportunity to earn a high school diploma while earning credits for a certificate program or an associate's degree.

Sec. 2. To be eligible to earn a high school diploma, an individual must be either:

(1) at least nineteen (19) years of age and not enrolled in a high school; or

(2) at least seventeen (17) years of age and have consent from

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the high school the individual attended most recently. The school corporation in which an individual described in this subdivision has legal settlement shall pay the individual's tuition for high school level courses taken at Vincennes University during each year the individual is included in the school corporation's ADM.

Sec. 3. To complete the requirements for a high school diploma, the individual must:

(1) pass:

(A) the graduation examination given under IC 20-32-4;

(B) an examination for a general educational development diploma;

(C) an examination equivalent to the graduation examination:

(i) administered by Vincennes University; and

(ii) approved by the department of education established by IC 20-19-3-1; or

(D) an examination that demonstrates the student is ready for college level work:

(i) administered by Vincennes University; and

(ii) approved by the department of education; and

(2) complete the course work necessary to meet:

(A) the minimum high school course requirements established by the Indiana state board of education; and

(B) the requirements of Vincennes University.

Sec. 4. In addition to meeting the requirements set forth in sections 2 and 3 of this chapter, an individual must have the credits toward graduation that the individual successfully completed in high school transferred to Vincennes University.

Sec. 5. Vincennes University shall notify the Indiana state board of education that an individual has successfully completed the requirements of the program. Upon receiving the notification, the Indiana state board of education shall:

(1) grant to the individual a high school diploma that states the individual earned the high school diploma at Vincennes University; and

(2) provide the diploma to Vincennes University to award to the individual.

Sec. 6. If Vincennes University establishes a program, Vincennes University shall report annually to the education roundtable established under IC 20-19-4 the number of program participants and diplomas granted.

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Chapter 8. State Educational Institutions: High School Fast Track Program

Sec. 1. Any state educational institution may establish a high school fast track to college program that offers qualified individuals an opportunity to earn a high school diploma while earning credits for a degree.

Sec. 2. To be eligible to earn a high school diploma, an individual must be either:

(1) at least nineteen (19) years of age and not enrolled in a school corporation; or

(2) at least seventeen (17) years of age and have consent from the high school the individual attended most recently. The school corporation in which an individual to whom this subdivision applies resides shall pay the individual's tuition for high school level courses taken at the state educational institution during each year the individual is included in the school corporation's ADM.

Sec. 3. To complete the requirements for a high school diploma the individual must have:

(1) passed:

(A) the graduation examination given under IC 20-32-4;

(B) an examination for a general educational development diploma;

(C) an examination equivalent to the graduation examination:

(i) administered by the state educational institution; and

(ii) approved by the department of education; or

(D) an examination that demonstrates the student is ready for college level work:

(i) administered by the state educational institution; and

(ii) approved by the department of education; and

(2) completed the course work necessary to meet:

(A) the minimum high school course requirements established by the Indiana state board of education; and

(B) the requirements of the state educational institution.

Sec. 4. In addition to meeting the requirements set forth in sections 2 and 3 of this chapter, an individual must have the credits toward graduation that the individual successfully completed in high school transferred to the state educational institution.

Sec. 5. The state educational institution shall notify the Indiana state board of education that an individual has successfully completed the requirements of a program. Upon receiving the

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notification, the Indiana state board of education shall:

(1) grant to the individual a high school diploma that states the name of the state educational institution at which the individual earned the high school diploma; and

(2) provide the diploma to the state educational institution to award to the individual.

Sec. 6. A state educational institution that establishes a program under this section shall report annually to the education roundtable established under IC 20-19-4 the number of program participants and diplomas granted.

SECTION 277. IC 21-44 IS ADDED TO THE INDIANA CODE AS A **NEW** ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]:

ARTICLE 44. MEDICAL EDUCATION SYSTEM

Chapter 1. General Provisions; Definitions

Sec. 1. The definitions in this chapter apply throughout this article.

Sec. 2. "Anatomical education program" means a program that provides for the:

(1) acquisition of cadavers for educational purposes for use in health education programs at postsecondary educational institutions;

(2) distribution of the cadavers to eligible institutions;

(3) use of the cadavers for educational purposes by eligible institutions; and

(4) final disposition of the cadavers.

Sec. 3. "Board" refers to the medical education board established by IC 21-44-5-1.

Sec. 4. "Cadaver" means a whole human postmortem body that:

(1) has been donated under IC 29-2-16;

(2) is unclaimed by a relative or other legal representative and that would otherwise be required to be buried at public expense; or

(3) is otherwise legally procured by the Indiana University School of Medicine.

Sec. 5. "Center", for purposes of IC 21-44-4, refers to a center for comprehensive medical education established under IC 21-44-4.

Sec. 6. "Clinical teaching and training program", for purposes of IC 21-44-5, refers to a clinical teaching and training program established under the plan under IC 21-44-5.

Sec. 7. "Family practice" means that medical specialty that:

(1) is called family practice; and

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(2) provides personal physicians who:
(A) serve as first medical contacts for patients;
(B) provide a means of entering the health care system; and
(C) accept responsibility for a patient's total health care.

Sec. 8. "Fund" refers to the family practice residency fund established by IC 21-44-5-18.

Sec. 9. "Director", for purposes of IC 21-44-4, refers to the director appointed under IC 21-44-4 for a center.

Sec. 10. "Eligible institution", for purposes of:
(1) sections 2 and 11 of this chapter and IC 21-44-2, means a university, college, or other educational institution that:
(A) operates in Indiana; and
(B) offers a health education program leading to a baccalaureate, graduate, or postgraduate degree in a health related field including:
(i) medicine;
(ii) dentistry;
(iii) optometry;
(iv) nursing;
(v) physical therapy;
(vi) occupational therapy; or
(vii) other allied health fields; and
(2) IC 21-43-3, refers to a postsecondary educational institution that qualifies as an eligible institution under IC 21-43-3-1(4).

Sec. 11. "Health education program" refers to an accredited program of study offered by an eligible institution in which the curriculum requires the observation, examination, or dissection of a cadaver by a student enrolled in the program.

Sec. 12. "Intern, residency, and graduate program", for purposes of IC 21-44-5, refers to an intern, residency, and graduate program for which the board establishes policies under IC 21-44-5.

Sec. 13. "Plan", for purposes of IC 21-44-5, refers to the plan for a statewide medical education established by the Indiana University School of Medicine under IC 21-44-5-7.

Chapter 2. Anatomical Education Program

Sec. 1. (a) The dean of the Indiana University School of Medicine or the dean's designee shall administer the anatomical education program in accordance with policies adopted by the dean or the dean's designee under section 2(1) of this chapter.

(b) In administering the anatomical education program, the

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dean or the dean's designee shall:

(1) administer body bequests made to eligible institutions under IC 29-2-16; and

(2) maintain written records of all transactions undertaken under the anatomical education program.

(c) In administering the anatomical education program, the dean or the dean's designee may through the trustees of Indiana University:

(1) enter into contracts; and

(2) employ qualified staff either on a full-time or part-time basis, including a licensed funeral director to assist in the operation and coordination of the anatomical education program.

Sec. 2. The dean of the Indiana University School of Medicine or the dean's designee shall do the following:

(1) Adopt policies necessary to administer the anatomical education program, including the formulation of standards governing the following:

(A) Acceptance of cadavers under the anatomical education program.

(B) Anatomical health education programs.

(C) Embalming procedures.

(D) Facilities in which cadavers may be stored and examined.

(E) Security.

(F) Use of the cadavers.

(G) Transportation of cadavers.

(H) Maintenance of written records.

(I) Final disposition of cadavers.

(2) Approve for involvement in the anatomical education program of eligible institutions that satisfactorily comply with all standards and policies adopted by the dean or the dean's designee.

(3) Annually review the operation and administration of the anatomical education program, including review of the following aspects of the anatomical education program:

(A) Budget appropriation.

(B) Revenue received.

(C) Costs incurred.

(D) Written records maintained by the program.

(4) Determine the fees eligible institutions must pay for the use of cadavers under the anatomical education program.

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(5) Address current issues that directly or indirectly affect the operation of the anatomical education program.

Chapter 3. School of Medicine; Indianapolis

Sec. 1. The trustees of Indiana University may conduct a medical school in Marion County and may receive gifts of real estate and other property on behalf of the state of Indiana for the maintenance of medical education in Marion County if the following conditions are satisfied:

(1) The board of trustees of Indiana University must provide for the conduct of a full four (4) year course in medicine as an integral part of the Indiana University School of Medicine in Marion County.

(2) The board of trustees of Indiana University may not discriminate for or against any school or system of medicine in Indiana University. Each of the schools or systems of medicine recognized by the state on April 5, 1909, must have adequate opportunity to teach the practice of medicine in Indiana university according to the principles advocated by each of the schools or systems of medicine respectively.

(3) The board of trustees of Indiana University must:

(A) provide instruction in the practice of medicine in as thorough a manner as the means at their disposal will permit; and

(B) as nearly as possible provide the same quality of instruction whenever a reasonable demand is made for the same.

(4) Premedical or other collegiate work done in any college or university of Indiana that is recognized by the Indiana state board of education as an eligible institution, must be received and credited in the Indiana University School of Medicine upon the same conditions as work of the same kind, grade, and amount done in the department of liberal arts of Indiana University.

Chapter 4. Statewide Medical Education System

Sec. 1. There is established the Indiana statewide medical education system.

Sec. 2. The Indiana statewide medical education system must include centers for comprehensive medical education established in cooperation with existing medical and educational institutions in the following:

(1) Gary.

(2) Fort Wayne.

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(3) Lafayette.
(4) Evansville.
(5) South Bend.
(6) Terre Haute.
(7) Muncie.

Sec. 3. The centers are the following:

(1) The Gary center on the campus of Indiana University-Northwest shall be known as Indiana University School of Medicine-Northwest.

(2) The Fort Wayne center on the campus of Indiana University-Purdue University Fort Wayne shall be known as Indiana University School of Medicine-Fort Wayne.

(3) The Lafayette center on the campus of Purdue University shall be known as Indiana University School of Medicine-Lafayette.

(4) The Evansville center on the campus of the University of Southern Indiana shall be known as University School of Medicine-Evansville.

(5) The South Bend center on the campus of the University of Notre Dame shall be known as Indiana University School of Medicine-South Bend.

(6) Indiana University School of Medicine-Terre Haute (on the campus of Indiana State University).

(7) The Muncie center on the campus of Ball State University shall be known as Indiana University School of Medicine-Muncie.

Sec. 4. A director shall be jointly appointed for each center in the Indiana statewide medical education system by the office of dean of the Indiana University School of Medicine and the local cooperating state educational institutions. The director holds a joint appointment with the local cooperating state educational institutions.

Sec. 5. An advisory council shall be appointed by each local center to provide as effectively as possible for a high degree of support and advice from the lay and professional communities.

Sec. 6. The administration of the Indiana University School of Medicine shall plan and implement the orderly development and expansion of a medical education program in each center in cooperation with the director and staff of the cooperating state educational institutions.

Sec. 7. The dean of the Indiana University School of Medicine is responsible for the fiscal administration of the medical education

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programs established in each center. The director of each center shall submit budgets for review and approval by the dean of the Indiana University School of Medicine.

Sec. 8. Joint faculty appointments shall be made by the Indiana University School of Medicine and the participating state educational institutions.

Sec. 9. The Indiana University School of Medicine is responsible for:

(1) selection, admission, and assignment of students;

(2) curricular development and evaluation; and

(3) accreditation.

Sec. 10. To insure continuing educational excellence, the Indiana University School of Medicine shall provide for periodic, systematic evaluation of the Indiana statewide medical education system in cooperation with the governor's commission on medical education or its successor body.

Chapter 5. Medical Education Board; Resident and Internship Training; Postgraduate Programs

Sec. 1. There is established a medical education board, consisting of seven (7) persons.

Sec. 2. (a) The board consists of the following members:

(1) The dean of the Indiana University School of Medicine, who serves as an ex officio member of the board. The dean of the Indiana University School of Medicine shall serve as the chairman of the board.

(2) The commissioner of the state department of health, who serves as an ex officio member of the board.

(3) Five (5) members appointed by the governor as follows:

(A) One (1) member appointed by the governor who is a director of medical education of an Indiana hospital not owned or operated by Indiana University.

(B) One (1) member who:

(i) is a hospital administrator in a hospital not owned or operated by Indiana University; and

(ii) is not the hospital administrator for the hospital that employs the member appointed under clause (A).

(C) One (1) member who:

(i) is a citizen of Indiana; and

(ii) is not a physician and not a hospital administrator.

(D) Two (2) members who are physicians holding unlimited licenses to practice medicine in Indiana. The two (2) physicians appointed under this subdivision may not be

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directors of medical education. One (1) of the members appointed under this subdivision must practice in the specialty of family practice.

(b) The terms of the five (5) members appointed to the board by the governor are for three (3) years beginning January 1 of the year of appointment and continuing until the member's successor is appointed and qualified. If a membership on the board becomes vacant before the expiration of the term, the governor shall appoint a replacement with the same representative status to fill the unexpired term.

Sec. 3. The board shall meet initially at the call of the governor. After the initial meeting, the board shall meet at least twice each year.

Sec. 4. The board members may not receive a salary. The board members must be allowed a per diem for each day actually spent upon the business of the board and may be reimbursed for any travel expenses incurred in the performance of their responsibilities under this chapter.

Sec. 5. (a) The budget agency shall provide for necessary office space and secretarial personnel that is:

(1) requested by the board; and

(2) required for the conduct of the board's business.

(b) Board expenses may include necessary rent, salaries, and other necessary administrative expenses.

Sec 6. This chapter does not in any way compromise the accreditation of the participating hospital by the American Hospital Association, the American Medical Association, the American Osteopathic Hospital Association, the American Osteopathic Association or the Association of American Medical Colleges.

Sec. 7. To retain and attract more physicians by the state, the Indiana University School of Medicine shall establish a plan for statewide medical education.

Sec. 8. The general assembly recommends that the plan do the following:

(1) Provide supplemental income for interns and residents based on the policies recommended by the board.

(2) Include a statewide communications network for television, audio, and computer library service.

(3) Provide for the Indiana University School of Medicine to establish working relationships or community clinical teaching and training programs with the cooperation of the

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medical profession, hospitals, and clinics.

Sec. 9. The board shall choose the sites for its community clinical teaching and training programs. The board shall consider site candidates in:

(1) Indianapolis;
(2) Lafayette;
(3) cities of Lake County;
(4) Michigan City;
(5) South Bend;
(6) Fort Wayne;
(7) Bluffton;
(8) Marion;
(9) Muncie;
(10) Kokomo;
(11) Richmond;
(12) Terre Haute;
(13) Vincennes;
(14) Evansville;
(15) Jeffersonville; and
(16) other areas;

when adequate preparation and funds allow a program.

Sec. 10. The general assembly recommends that the plan do the following:

(1) Include formal teaching opportunities for intern and resident training and advanced medical education throughout Indiana.

(2) Establish the positions and partially or wholly fund additional off-campus Indiana University medical faculty and directors of medical education located throughout Indiana with appointment mainly in local communities.

(3) Expand continuing medical education programs for interns and residents on a statewide basis.

Sec. 11. Medical institutions throughout Indiana may apply for grants-in-aid to the board or the Indiana University School of Medicine for financial support of personnel or programs. The grants may permit funding of programs not affiliated with Indiana University School of Medicine.

Sec. 12. The board shall establish policies for the use and expenditure of money appropriated for intern, residency, and graduate programs. The board shall set standards for qualification for participation under this chapter.

Sec. 13. (a) The medical education advisory board shall establish

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policies for the use and expenditure of money appropriated for intern, residency, and graduate programs.

(b) The medical education advisory board shall not establish or recommend policies for the clinical teaching and training programs or any related educational programs.

Sec. 14. The policies established by the board for intern, residency, and graduate programs must include the following:

(1) A hospital must present an educational plan and a training schedule to the board for each program for which the hospital desires assistance under this chapter at the time the hospital submits its application to the board.

(2) The board must be reasonably certain that the educational program of the hospital will provide a high degree of academic excellence.

(3) A physician, who is not the hospital administrator, must be charged with the primary responsibility of supervising the educational program of the hospital.

(4) One (1) individual must be charged with directing each resident training program in a medical specialty in the hospital in order for the residency to receive funds provided under this chapter. The designated individual must attend one (1):

(A) professional state or national meeting; or

(B) postgraduate course, other than a course provided in the local hospital with which the designated individual is affiliated;

in the individual's specialty each year. The individual should show evidence of progressive competence in the field of medical education.

(5) Each hospital participating in this program must provide a postgraduate education program that must be made available to physicians in private practice in the local area. For each residency training program, there must be at least one (1) postgraduate course in the specialty covered by the residency training program each year.

(6) The board shall periodically review the educational program provided by a participating hospital to assure that the:

(A) program provides a reasonable amount of both formal and practical training; and

(B) formal sessions are presented insofar as practicable as often as scheduled in the educational plan of the hospital.

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The review must include at least one (1) visit to each participating hospital by the board or the board's delegated representative each year.

Sec. 15. The intent of this chapter is to establish intern, residency, and graduate programs to assist in annually preparing, educating, and retaining more than one hundred (100) physicians for family practice in Indiana. Family practice programs are necessary to teach the latest scientific care of common diseases to provide health care for the maximum number of citizens in Indiana.

Sec. 16. In addition to the intern, residency, and graduate programs established under this chapter, the board shall provide financial support for the development, enlargement, and continuation of graduate training programs in family practice for physicians that prepare the physicians for the specialty of family practice.

Sec. 17. Funding for family practice residency programs must be used to provide supplemental support to eligible hospitals on behalf of the education of family medicine residents in accordance with the policies recommended by the board.

Sec. 18. Appropriations to the board from the general fund for the board's use in developing, enlarging, and continuing graduate training programs in family practice must be placed in a separate fund to be called the "family practice residency fund". Amounts in this fund do not revert to the general fund at the close of any fiscal year.

SECTION 278. IC 21-45 IS ADDED TO THE INDIANA CODE AS A **NEW** ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]:

ARTICLE 45. LIFE SCIENCES RESEARCH AND EDUCATION CENTERS

Chapter 1. General Provisions; Definitions

Sec. 1. The definitions in this chapter apply throughout this article.

Sec. 2. "Center":

(1) for purposes of IC 21-45-4, refers to an adult stem cell research center established under IC 21-45-4-1 to carry out the duties specified by IC 21-45-4; and

(2) for purposes of IC 21-45-5, refers to a spinal cord and head injury research center established under IC 21-45-5.

Sec. 3. "Data bank" refers to the data bank for DNA population statistics established by IC 21-45-6-1.

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Sec. 4. "Department", for purposes of IC 21-45, refers to the department of medical genetics of the Indiana University School of Medicine.

Sec. 5. "DNA" refers to deoxyribonucleic acid.

Chapter 2. Public Health Department

Sec. 1. The board of trustees of Indiana University may establish in the Indiana University School of Medicine a department of public health and provide adequate equipment and competent personnel to carry out the purpose of this chapter.

Sec. 2. (a) The Indiana University department of public health shall provide instruction of students in public health problems, personnel, and equipment. The Indiana University department of public health may provide short courses in:

(1) public health practice for physicians;

(2) dental health practice for dentists; and

(3) public health for nurses and all other persons desiring to develop a technical understanding in public health matters.

The courses provided under this section may also be provided for lay groups in phases of public health and sanitary measures appropriate to the occupation or profession of the groups.

(b) The courses provided under this section may be held at any convenient place in Indiana.

(c) The courses provided under this section for nurses must be planned in cooperation with the director of nursing education for Indiana University.

Sec. 3. The Indiana University School of Medicine may charge and collect a tuition fee for courses provided under section 2 of this chapter. The amount of the tuition fee for a course may not exceed the actual cost of providing the course. However, if, in the discretion of the board of trustees acting in conjunction with the state department of health, a tuition fee at cost would discourage attendance in any course provided under section 2 of this chapter, the tuition fee may be decreased or waived entirely for all persons taking the course.

Chapter 3. State Toxicology Department

Sec. 1. The board of trustees of Indiana University may establish in the Indiana University School of Medicine a state department of toxicology and provide adequate equipment and competent personnel to carry out the purposes of this chapter.

Sec. 2. (a) The state department of toxicology shall do the following:

(1) Conduct analyses for poisons, drugs, and alcohols upon

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human tissues and fluids submitted by:

(A) Indiana coroners, prosecuting attorneys, and sheriffs;

(B) authorized officials of the Indiana state police and Indiana city police departments; and

(C) officials of the Indiana University Medical Center hospitals;

in cases of suspected poisoning or intoxication of human beings.

(2) Report the analytical findings of the state department of toxicology to the official requesting the analyses.

(3) Consult with Indiana coroners and coroner's physicians regarding the interpretation of the analytical findings.

(b) The personnel of the state department of toxicology shall furnish expert testimony regarding the department's analytical findings in all legal hearings including criminal prosecutions related to the findings.

Sec. 3. (a) The state department of toxicology shall do the following:

(1) Give instruction in toxicology to medical students and physicians being trained at the Indiana University School of Medicine.

(2) Train qualified students desiring to become toxicologists.

(b) The state department of toxicology shall also train police technicians and other persons selected by the dean of the Indiana University School of Medicine, or the dean's representative, to conduct some of the simpler chemical tests for intoxication.

Sec. 4. The state department of toxicology shall conduct research on the following:

(1) The detection of toxic compounds that may be components of drugs or medicines or may be present in pesticides used for agricultural or other purposes.

(2) The treatment of poisoning from these toxic substances.

Sec. 5. (a) State department of toxicology examiners shall make periodic visits to various state, county, city, and hospital laboratories in Indiana:

(1) that are performing analyses for alcohol upon materials from the human body; and

(2) whose analytical results may be used in criminal prosecutions.

(b) An examiner shall conduct a visit under this section to:

(1) examine the person conducting the tests concerning the person's competence to reliably perform the analyses; and

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(2) inspect the apparatus and chemicals employed in making the analyses.

(c) The state department of toxicology shall keep a record of the examiners' findings under this section.

Chapter 4. Adult Stem Cell Research Center

Sec. 1. The board of trustees of Indiana University may establish an adult stem cell research center.

Sec. 2. The center must be under the administration of the Indiana University School of Medicine.

Sec. 3. The dean of the Indiana University School of Medicine shall appoint the director of the center.

Sec. 4. The board of trustees of Indiana University may receive, accept, hold, and apply donations, bequests of funds, property, gifts, and other income in support of the center's purposes.

Sec. 5. The center shall:

(1) conduct a thorough and comprehensive needs assessment of the state of science of adult stem cell research; and

(2) develop strategies to move Indiana University into the forefront of the nation in its capacity to attract and retain adult stem cell researchers.

Chapter 5. Spinal Cord and Head Injury Research Centers

Sec. 1. The board of trustees of Indiana University and the board of trustees of Purdue University may establish, in total, two (2) spinal cord and head injury research centers to advance the methods of treatment of spinal cord and head injuries.

Sec. 2. One (1) center established under section 1 of this chapter must be located in Indianapolis, with faculty and staff from Indiana University. This center must focus on basic research with an emphasis on clinical research into medical treatments for injuries to the central nervous system.

Sec. 3. One (1) center established under section 1 of this chapter must be located in West Lafayette, with faculty and staff from Purdue University. This center must focus on basic research with an emphasis on applied research for the pre-clinical testing of injuries to the central nervous system that have occurred in animals.

Sec. 4. A center established under section 1 of this chapter may participate in research projects:

(1) with another center; or

(2) with hospitals and medical centers.

Chapter 6. Data Bank for DNA Population Statistics

Sec. 1. The data bank for DNA population statistics is

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established. The department shall administer the data bank. The data bank consists of information obtained under section 2 of this chapter.

Sec. 2. All nonidentifying data concerning allele frequencies and demographics that are generated by a laboratory conducting DNA analysis for use in Indiana shall be submitted by the laboratory to the department for inclusion in the data bank.

Sec. 3. The department shall provide DNA population statistics derived from information in the data bank to a person who requests the statistics and has paid the fee required by the department under section 4 of this chapter.

Sec. 4. The department may impose a reasonable fee for distribution by the department of DNA population statistics under section 3 of this chapter.

SECTION 279. IC 21-46 IS ADDED TO THE INDIANA CODE AS A **NEW** ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]:

ARTICLE 46. AGRICULTURAL RESEARCH AND EDUCATION CENTERS

Chapter 1. General Provisions; Definitions

Sec. 1. The definitions in this chapter apply throughout this article.

Sec. 2. "Fund", for purposes of IC 21-46-2, refers to the value added research fund established by IC 21-46-2-4.

Sec. 3. "Laboratory", for purposes of IC 21-46-3, refers to an animal disease diagnostic laboratory or branch established under IC 21-46-3-1.

Chapter 2. Center for Value Added Research

Sec. 1. The director of the department of agriculture shall establish a center for value added research to perform the following duties:

(1) Develop a strategic assessment of Indiana agricultural industries and establish targeted priorities for industry expansion.

(2) Develop recommendations for legislative and administrative programs that will enhance economic development in the targeted agricultural industries.

(3) Identify and prioritize research development and educational needs for expanding value added opportunities in Indiana.

(4) Establish cooperative industry research and development initiatives that lead to new agricultural industry opportunities

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in Indiana.

(5) Serve as a resource for industry in the planning, promotion, and development of value added agricultural products and agricultural industry opportunities in Indiana, including product feasibility, market feasibility, economic feasibility, product development, product testing, and test marketing.

(6) Serve as a resource for industry and the state in attracting value added agricultural industry to Indiana.

(7) Develop private sector research funding and technology transfer programs commensurate with the state's targeted agricultural industry economic development objectives.

(8) Provide a forum for continuing dialogue between industry, government, and researchers in addressing the needs and opportunities for expanding the value added agricultural industry.

Sec. 2. In carrying out its duties under this chapter, the center for value added research shall cooperate with and may use the resources of:

(1) Purdue University and other colleges and universities located in Indiana;

(2) any other state or federal department or agency;

(3) political subdivisions located in Indiana; and

(4) interest groups representing agriculture, business, and industry in Indiana.

Sec. 3. To carry out the duties described in section 1 of this chapter, the director of the department of agriculture, acting for and on behalf of the center for value added research, may do the following:

(1) Organize the center in the manner necessary to implement this chapter.

(2) Execute contractual agreements, including contracts for:

(A) the operation of the center;

(B) the performance of any of the duties described in section 1 of this chapter;

(C) the services of an executive director to serve as the chief operating officer of the center; and

(D) any other services necessary to carry out the duties described in section 1 of this chapter.

(3) Receive money from any source.

(4) Expend money for an activity appropriate to the purposes of this chapter.

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(5) Execute agreements and cooperate with:
(A) any other state or federal department or agency;
(B) political subdivisions located in Indiana;
(C) any private person or corporation; or
(D) colleges and universities located in Indiana.
(6) Employ personnel as necessary for the efficient administration of this chapter, subject to the approval of the budget agency.

Sec. 4. (a) The value added research fund is established to provide money for:
(1) the center for value added research; and
(2) the director of the department of agriculture to carry out the duties specified under this chapter.

(b) The fund shall be administered by the director of the department of agriculture.

(c) The fund consists of money appropriated by the general assembly.

(d) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested.

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

Chapter 3. Animal Disease Diagnostic Laboratory

Sec. 1. The animal disease diagnostic laboratory is established at Purdue University in West Lafayette, Indiana, with a branch laboratory in Dubois County.

Sec. 2. The purpose of the animal disease diagnostic laboratory is to:
(1) aid Indiana residents in the diagnosis of diseases of domestic animals by developing and applying accepted laboratory techniques and methods of diagnosis with a primary emphasis on cases submitted after a field diagnosis of a clinically apparent disease; and
(2) add to the wealth of Indiana by aiding the Indiana state board of animal health in the prevention, control, and eradication of diseases of domestic animals.

Sec. 3. (a) The board of trustees of Purdue University shall:
(1) administer, manage, and control the laboratory; and
(2) appoint the director of the laboratory.

(b) Subject to the approval of the board of trustees of Purdue University, the director of the laboratory shall make all appointments of personnel required to operate the laboratory

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efficiently.

Sec. 4. The services of the laboratory must be furnished to any Indiana resident without charge for the services required by the rules of the Indiana state board of animal health.

Sec. 5. (a) Requests for any increases in funds for the expansion or other alteration of the facilities of the laboratory including:

(1) all changes in policies, including approval of a charge for any services furnished by the laboratory or the level of the charges; or

(2) the establishment of branch laboratories;

must originate from the Indiana state board of animal health, subject to the written approval of the board of trustees of Purdue University.

(b) The proceeds from the fees under this chapter must be used for equipment and supplies for the laboratory. All fees collected must be deposited into a separate fund within the treasury of Purdue University.

Sec. 6. (a) The expense of operating and maintaining the laboratory must be paid from funds appropriated for the administration of the Indiana state board of animal health.

(b) All funds used for the operating and maintaining of the laboratory shall be used by the board of trustees of Purdue University out of funds appropriated to the Indiana state board of animal health, subject to the approval of the Indiana state board of animal health.

(c) Money collected from fees charged under this chapter shall be used by the board of trustees of Purdue University to carry out the purpose of this chapter.

Chapter 4. Purdue University: Agricultural Statistics

Sec. 1. The Indiana agricultural statistics service is established at Purdue University.

Sec. 2. The Indiana agricultural statistics service shall collect, compile, systematize, tabulate, and publish statistical information relating to agriculture, livestock, and crop production.

Chapter 5. Purdue University: Cooperative Extension Service

Sec. 1. (a) The office of the cooperative extension service is established in each county.

(b) Each county council shall annually appropriate the amount of money that the county council considers necessary to pay secretarial and clerical employees, travel expenses of the county cooperative extension service educators, rent, office supplies, equipment, and incidental expenses. Each county council may

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appropriate additional money for the salaries and other personnel costs of the county cooperative extension service educators.

Sec. 2. (a) Each county cooperative extension service must have one (1) administrator and may have other staff members in agriculture, home economics, youth, and other subject matter specialties.

(b) The director of the state cooperative extension service of Purdue University, with the approval of the president and board of trustees of Purdue University, shall appoint all county cooperative extension service personnel. These appointees are members of the Purdue University staff. When the county cooperative extension service personnel appointments are made, the state shall pay Purdue University for the state cooperative extension service the sums appropriated in the biennial budget to maintain staff in each county. The state cooperative extension service shall pay to the county cooperative extension service educators, as a part of their salaries, at least the sum paid by the state to Purdue University for cooperative extension service educator salaries.

Sec. 3. Each county cooperative extension service educator under the supervision of the state cooperative extension service of Purdue University shall do the following:

(1) Provide and carry on educational programs in agricultural production, home economics, family living, management, public affairs, community development, and recreation.

(2) Assist other university programs of education, research, and assistance established for the welfare of Indiana residents.

(3) Conduct 4-H club and other work with youth.

(4) Give information and advice to producers, distributors, and consumers regarding production, processing, marketing, and use of agricultural products.

(5) Give advice and technical assistance concerning soil fertility and other natural resources.

(6) Cooperate with farmers, farmers' organizations, home economics organizations, and other rural and urban organizations.

Sec. 4. (a) All claims covering the salaries and travel expenses of county cooperative extension service educators that are payable from county funds must be submitted monthly to the state cooperative extension service of Purdue University for approval for matching federal funds. The county cooperative extension service educators may file any approved claims with the county auditor.

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The county auditor shall draw a warrant on the county treasury for the payment of approved claims.

(b) All claims covering other expenses of the county cooperative extension service office must be filed directly with the county auditor. The county auditor shall draw a warrant on the county treasury for payment.

(c) The county auditor shall provide an annual summary of the county's expenditures for the county cooperative extension service office to the state cooperative extension service of Purdue University.

Chapter 6. Agricultural Experiment Station

Sec. 1. The board of trustees of Purdue University may maintain and operate at Purdue University an agricultural experiment station.

Sec. 2. The agricultural experiment station shall be known as the office of agricultural research programs.

Sec. 3. The office of agricultural research programs may, as the agency of the state, receive cooperative funds from the United States Department of Agriculture that are provided to agricultural experiment stations.

SECTION 280. IC 21-47 IS ADDED TO THE INDIANA CODE AS A **NEW** ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]:

ARTICLE 47. GEOLOGICAL SURVEY; ENERGY RESEARCH AND EDUCATION CENTERS

Chapter 1. General Provisions; Definitions

Sec. 1. The definitions in this chapter apply throughout this article.

Sec. 2. "Center", for purposes of IC 21-47-4, refers to the center for coal technology research established by IC 21-47-4-1.

Sec. 3. "Fund", for purposes of IC 21-47-4, refers to the coal technology research fund established by IC 21-47-4-5.

Sec. 4. "Indiana coal" means coal from a mine whose coal deposits are located in the ground wholly or partially in Indiana regardless of the location of the mine's tipple.

Sec. 5. "State agency" has the meaning set forth in IC 4-13-1-1.

Sec. 6. "Survey", as used in IC 21-47-2, refers to the Indiana geological survey established as a part of Indiana University by IC 21-47-2.

Sec. 7. "Unit" has the meaning set forth in IC 36-1-2-23.

Chapter 2. State Geologist; Geological Survey

Sec. 1. (a) The state geologist, while holding the office of state

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geologist, shall be regarded as a member of the faculty of Indiana University. The state geologist may be appointed to a full-time or part-time position on the faculty of Indiana University.

(b) The state geologist shall be chosen by Indiana University. The state geologist shall serve for an indefinite period at the pleasure of Indiana University.

(c) The state geologist shall direct the collection and archiving of rock, mineral, soil, and other geologic samples. These samples shall be retained, as considered proper by the state geologist, at Indiana University.

Sec. 2. (a) The Indiana geological survey is established as a part of Indiana University.

(b) The head of the survey is the state geologist.

(c) The survey is under the direction and control of the board of trustees of Indiana University to:

(1) continue the geological and scientific survey of Indiana;

(2) continue the work of discovering, developing, and preserving the mineral, energy, and ground water resources of Indiana; and

(3) have charge of the state geological sample collection.

Sec. 3. (a) The survey shall do the following:

(1) Provide geologic information about the energy, mineral, and ground water resources and geologic related hazards of Indiana.

(2) Provide services that include:

(A) the archiving of rock cores, well cuttings, other subsurface geologic information, and other physical and chemical data on geologic materials; and

(B) the collection and storage of data.

(3) Provide public service, information, and educational programs.

(4) Engage in research.

(5) Participate in cooperative studies and contractual projects with the department of natural resources and other agencies of state and federal government.

(6) Participate in cooperative studies and contractual projects with state educational institutions and private educational institutions.

(7) Disseminate published maps and reports.

(b) The survey may also do the following through contractual agreements:

(1) Provide the department of natural resources with

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information on the geologic occurrence of ground water and the vulnerability of this resource to contamination.

(2) Provide to the department of natural resources and other state agencies geologic information needed for the effective regulation of the mineral, water, and energy resources of Indiana.

(3) At the request of the department of natural resources, perform geotechnical investigations for a variety of mine reclamation programs.

(4) Provide general geotechnical consultation and assistance as may be needed from time to time.

Sec. 4. (a) The president of Indiana University may appoint a geological survey advisory council.

(b) The council, if appointed, consists of nine (9) or more members who shall be selected with regard to their experience and knowledge concerning the public needs or enterprises served by the geological survey.

(c) The president of Indiana University shall specify the length of the term for which members of the council are appointed.

(d) Each member of the council who is not a state employee is entitled to the minimum salary per diem provided by IC 4-10-11-2.1(b). A member is also entitled to reimbursement for traveling expenses actually incurred in connection with the member's duties as provided in the state policies and procedures established by the Indiana department of administration and approved by the budget agency.

(e) The council shall meet with the state geologist from time to time, at the call of the state geologist, to make recommendations concerning:

(1) the functions and performance of the survey; and

(2) appropriations and funding for the survey.

(f) The council may make recommendations concerning the effectiveness and efficiency of the survey and other matters.

(g) Recommendations and reports of the council shall be directed to the following:

(1) The governor.

(2) The budget agency.

(3) The president of Indiana University.

(4) The director of the department of natural resources.

Sec. 5. The state geologist and Indiana University shall confer periodically with the director of the department of natural resources concerning the enforcement of laws that address

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conservation issues and the development of natural resources.

Sec. 6. (a) Appropriations to support the operations of the survey shall be made to Indiana University by separate line item.

(b) Indiana University is not responsible for the expenses and cost of operating and maintaining the survey except to the extent that the appropriations and the income generated by contracts and other operations of the survey are sufficient. If at any time the board of trustees of Indiana University determines that it is no longer feasible for the survey to be a part of Indiana University, the director of the department of natural resources and the governor shall be advised as promptly as possible so that the state may make other arrangements to fulfill the mission of the survey.

(c) The state, and not Indiana University or the department of natural resources, shall defend against and be liable to satisfy claims against the survey arising from the performance by the survey of the powers and duties set forth in section 3 of this chapter.

Chapter 3. Geodetic Adviser

Sec. 1. (a) Purdue University shall establish the office of geodetic adviser for the state.

(b) The geodetic adviser is appointed by and serves at the discretion of Purdue University. Purdue University shall determine the amount of compensation for the geodetic adviser.

Sec. 2. (a) The geodetic adviser is responsible for implementing a new system of geodetic control monuments in the form of a high accuracy geodetic reference network that is part of the National Spatial Reference System and that meets the needs of geodetic and geographic information users.

(b) The geodetic adviser shall coordinate and assist in the following:

(1) The design of the geodetic reference network.

(2) The establishment of any geodetic reference monument.

(3) The maintenance of data base control stations, to the extent that funding is available.

(4) The establishment and implementation of quality control and quality assurance programs for the geodetic reference network.

(5) The assistance and training of users of the geodetic reference network.

Sec. 3. (a) The state, a state agency, or a unit may provide funding from available funds for the activities described in this chapter.

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(b) A unit may pay the cost of any geodetic reference monument that is established within the boundaries of that unit.

(c) Money in the county surveyor's corner perpetuation fund collected under IC 36-2-7-10 or IC 36-2-19 may be used for purposes of this chapter.

Sec. 4. (a) A county legislative body may adopt an ordinance:

(1) prohibiting a person from moving, changing, or otherwise altering a monument that is part of the National Spatial Reference System; and

(2) prescribing a monetary penalty for violation of the ordinance.

(b) Any money collected for a violation of the ordinance shall be deposited in the county surveyor's corner perpetuation fund.

Chapter 4. Center for Coal Technology Research

Sec. 1. The center for coal technology research is established to perform the following duties:

(1) Develop technologies that can use Indiana coal in an environmentally and economically sound manner.

(2) Investigate the reuse of clean coal technology byproducts including fly ash and coal bed methane.

(3) Generate innovative research in the field of coal use.

(4) Develop new, efficient, and economical sorbents for effective control of emissions.

(5) Investigate ways to increase coal combustion efficiency.

(6) Develop materials that withstand higher combustion temperatures.

(7) Carry out any other duty concerning coal technology research, including public education, as determined by the center.

(8) Administer the Indiana coal research grant fund under IC 4-23-5.5-16.

(9) Investigate the use of coal bed methane in the production of renewable or alternative fuels and renewable energy sources.

(10) Determine whether a building is a qualified building for purposes of a property tax deduction under IC 6-1.1-12-34.5.

Sec. 2. The office of the lieutenant governor may adopt rules under IC 4-22-2 to carry out the duties, purposes, and functions of the center.

Sec. 3. The center must be located at Purdue University at West Lafayette. In carrying out its duties under this chapter, the center must cooperate with and may use the resources of the following:

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(1) Indiana geological survey and other state educational institutions.

(2) A state or federal department or agency.

(3) A political subdivision.

(4) Interest groups representing business, environment, industry, science, and technology.

Sec. 4. To carry out the center's duties described in section 1 of this chapter, the lieutenant governor or the lieutenant governor's designee, acting on behalf of the center, may do the following:

(1) Organize the center in the manner necessary to implement this chapter.

(2) Execute contractual agreements, including contracts for:

(A) the operation of the center;

(B) the performance of any of the duties described in section 1 of this chapter; and

(C) any other services necessary to carry out this chapter.

(3) Receive money from any source for purposes of this chapter.

(4) Expend money for an activity appropriate to the purposes of this chapter.

(5) Execute agreements and cooperate with the following:

(A) Purdue University and other state educational institutions.

(B) A state or federal department or agency.

(C) A political subdivision.

(D) Interest groups representing business, the environment, industry, science, and technology.

(6) Employ personnel as necessary for the efficient administration of this chapter subject to the approval of the budget agency.

Sec. 5. (a) The coal technology research fund is established to provide money for the center and for the office of the lieutenant governor to carry out the duties specified under this chapter. The budget agency shall administer the fund.

(b) The fund consists of the following:

(1) Money appropriated or otherwise designated or dedicated by the general assembly.

(2) Gifts, grants, and bequests.

(c) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as the treasurer may invest other public funds.

(d) Money in the fund at the end of a state fiscal year does not

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revert to the state general fund.

SECTION 281. IC 22-4-2-31 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 31. **(a) "Eligible postsecondary educational** institution" ~~of higher education,"~~ for the purposes of this article, means an educational institution ~~which:~~ **that:**

~~(a)~~ **(1)** admits as regular students only individuals having a certificate of graduation from a high school, or the recognized equivalent of such a certificate;

~~(b)~~ **(2)** is legally authorized in this state to provide a program of education beyond high school;

~~(c)~~ **(3)** provides an educational program for which it awards a bachelor's or higher degree, or provides a program which is acceptable for full credit toward such a degree, a program of post-graduate or post-doctoral studies, or a program of training to prepare students for gainful employment in a recognized occupation; and

~~(d)~~ **(4)** is a public or other nonprofit institution.

(b) Notwithstanding ~~any of the foregoing provisions of this~~ subsection **(a), the term includes** all colleges and universities in ~~this state are institutions of higher education for purposes of this section.~~ **Indiana.**

SECTION 282. IC 22-4-4-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. With respect to weeks of unemployment beginning on or after January 1, 1978, wages for insured work includes wages paid for previously uncovered services. For the purposes of this section, the term "previously uncovered services" means services:

(1) which are not employment as defined in IC 22-4-8-1 and are not services covered pursuant to IC 22-4-9-5 at any time during the one (1) year period ending December 31, 1975; and

(2)(A) which are agricultural labor as defined in IC 22-4-8-2(l) or domestic service as defined in IC 22-4-8-2(m); or

(B) which are services performed by an employee of this state or a political subdivision of this state, as provided in IC 22-4-8-2(i), or by an employee of a not-for-profit educational institution which is not an **eligible postsecondary educational** institution, ~~of higher education,~~ as provided in IC 22-4-8-2(j), except to the extent that assistance under Title II of the Emergency Jobs and Unemployment Assistance Act of 1974 was paid on the basis of the services.

SECTION 283. IC 22-4-8-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. The term

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"employment" shall include:

(a) An individual's entire service performed within or both within and without ~~this state~~ **Indiana** if the service is localized in ~~this state.~~ **Indiana.**

(b) An individual's entire service performed within or both within and without ~~this state~~ **Indiana** if the service is not localized in any state, but some of the service is performed in ~~this state~~ **Indiana** and:

~~(A)~~ **(1)** the base of operations, or, if there is no base of operations, then the place from which such service is directed or controlled is in ~~this state,~~ **Indiana;** or

~~(B)~~ **(2)** the base of operations or place from which such service is directed or controlled is not in any state in which some part of the service is performed but the individual's residence is in ~~this state,~~ **Indiana;** or

~~(C)~~ **(3)** such service is not covered under the unemployment compensation law of any other state or Canada, and the place from which the service is directed or controlled is in ~~this state.~~ **Indiana.**

(c) Services not covered under subsections (a) and (b) and performed entirely without ~~this state,~~ **Indiana,** with respect to no part of which contributions are required and paid under an unemployment compensation law of any other state or of the United States, shall be deemed to be employment subject to this article if the department approves the election of the individual performing such services and the employing unit for which such services are performed, that the entire services of such individual shall be deemed to be employment subject to this article.

(d) Services covered by an election duly approved by the department, in accordance with an agreement pursuant to IC 22-4-22-1 through IC 22-4-22-5, shall be deemed to be employment during the effective period of such election.

(e) Service shall be deemed to be localized within a state if:

~~(A)~~ **(1)** the service is performed entirely within such state; or

~~(B)~~ **(2)** the service is performed both within and without such state, but the service performed without such state is incidental to the individual's service within the state, such as is temporary or transitory in nature or consists of isolated transactions.

(f) Periods of vacation with pay or leave with pay, other than military leave granted or given to an individual by an employer.

(g) Notwithstanding any other provisions of this article, the term employment shall also include all services performed by an officer or member of the crew of an American vessel or American aircraft, on or

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in connection with such vessel or such aircraft, provided that the operating office, from which the operations of such vessel operating on navigable waters within or the operations of such aircraft within, or the operation of such vessel or aircraft within and without the United States are ordinarily and regularly supervised, managed, directed, and controlled, is within this state.

(h) Services performed for an employer which is subject to contribution solely by reason of liability for any federal tax against which credit may be taken for contributions paid into a state unemployment compensation fund.

(i) Service performed after December 31, 1971, by an individual in the employ of this state or any of its instrumentalities (or in the employ of this state and one (1) or more other states or their instrumentalities) for a hospital or **eligible postsecondary educational** institution ~~of higher education~~ located in ~~this state,~~ **Indiana;** and

(1) service performed after December 31, 1977, by an individual in the employ of this state or a political subdivision of the state or any instrumentality of the state or a political subdivision, or any instrumentality which is wholly owned by the state and one (1) or more other states or political subdivisions, if the service is excluded from "employment" as defined in Section 3306(c)(7) of the Federal Unemployment Tax Act (26 U.S.C. 3306(c)(7)). However, service performed after December 31, 1977, as the following is excluded:

(A) An elected official.

(B) A member of a legislative body or of the judiciary of a state or political subdivision.

(C) A member of the state national guard or air national guard.

(D) An employee serving on a temporary basis in the case of fire, snow, storm, earthquake, flood, or similar emergency.

(E) An individual in a position which, under the laws of the state, is designated as:

(i) a major nontenured policymaking or advisory position; or

(ii) a policymaking or advisory position the performance of the duties of which ordinarily does not require more than eight (8) hours per week.

Service performed after March 31, 1981, by an individual whose service is part of an unemployment work relief or work training program assisted or financed in whole by any federal agency or an agency of this state or a political subdivision of this state, by an individual receiving such work relief or work training is excluded.

(j) Service performed after December 31, 1971, by an individual in

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the employ of a religious, charitable, educational, or other organization, but only if the following conditions are met:

(1) The service is excluded from "employment" as defined in the Federal Unemployment Tax Act solely by reason of Section 3306(c)(8) of that act (26 U.S.C. 3306(c)(8)); and

(2) The organization had four (4) or more individuals in employment for some portion of a day in each of twenty (20) different weeks, whether or not such weeks were consecutive, within either the current or preceding calendar year, regardless of whether they were employed at the same moment of time.

(3) For the purposes of subdivisions (1) and (2), the term "employment" does not apply to service performed as follows:

(A) In the employ of:

(i) a church or convention or association of churches; or

(ii) an organization which is operated primarily for religious purposes and which is operated, supervised, controlled, or principally supported by a church or convention or association of churches.

(B) By a duly ordained, commissioned, or licensed minister of a church in the exercise of his ministry or by a member of a religious order in the exercise of duties required by such order.

(C) Before January 1, 1978, in the employ of a school which is not an **eligible postsecondary educational** institution. ~~of higher education.~~

(D) In a facility conducted for the purpose of carrying out a program of rehabilitation for individuals whose earning capacity is impaired by age or physical or mental deficiency or injury or providing remunerative work for individuals who because of their impaired physical or mental capacity cannot be readily absorbed in the competitive labor market by an individual receiving such rehabilitation or remunerative work.

(E) As part of an unemployment work relief or work training program assisted or financed in whole or in part by any federal agency or an agency of a state or political subdivision thereof, by an individual receiving such work relief or work training.

(k) The service of an individual who is a citizen of the United States, performed outside the United States (except in Canada), after December 31, 1971, in the employ of an American employer (other than service which is deemed "employment" under the provisions of subsection (a), (b), or (e) or the parallel provisions of another state's law), if:

(1) The employer's principal place of business in the United States

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is located in this state; or

(2) The employer has no place of business in the United States; but

(A) The employer is an individual who is a resident of this state; or

(B) The employer is a corporation which is organized under the laws of this state; or

(C) The employer is a partnership or a trust and the number of the partners or trustees who are residents of this state is greater than the number who are residents of any one (1) other state; or

(3) None of the criteria of subdivisions (1) and (2) is met but the employer has elected coverage in this state or, the employer having failed to elect coverage in any state, the individual has filed a claim for benefits, based on such service, under the law of this state.

(4) An "American employer," for purposes of this subsection, means:

(A) An individual who is a resident of the United States; or

(B) A partnership if two-thirds (2/3) or more of the partners are residents of the United States; or

(C) A trust, if all of the trustees are residents of the United States; or

(D) A corporation organized under the laws of the United States or of any state.

(l)(1) Service performed after December 31, 1977, by an individual in agricultural labor (as defined in section 3(c) of this chapter) when the service is performed for an employing unit which:

(A) during any calendar quarter in either the current or preceding calendar year paid cash remuneration of twenty thousand dollars ($20,000) or more to individuals employed in agricultural labor; or

(B) for some portion of a day in each of twenty (20) different calendar weeks, whether or not the weeks were consecutive, in either the current or the preceding calendar year, employed in agricultural labor ten (10) or more individuals, regardless of whether they were employed at the same time.

(2) For the purposes of this subsection, any individual who is a member of a crew furnished by a crew leader to perform service in agricultural labor for any other person shall be treated as an employee of the crew leader:

(A) if the crew leader holds a valid certificate of registration

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under the Farm Labor Contractor Registration Act of 1963, or substantially all the members of the crew operate or maintain tractors, mechanized harvesting or crop dusting equipment, or any other mechanized equipment, which is provided by the crew leader; and

(B) if the individual is not an employee of another person within the meaning of section 1 of this chapter.

(3) For the purposes of subdivision (1), in the case of an individual who is furnished by a crew leader to perform service in agricultural labor for any other person and who is not treated as an employee of the crew leader under subdivision (2):

(A) the other person and not the crew leader shall be treated as the employer of the individual; and

(B) the other person shall be treated as having paid cash remuneration to the individual in an amount equal to the amount of cash remuneration paid to the individual by the crew leader (either on the individual's own behalf or on behalf of the other person) for the service in agricultural labor performed for the other person.

(4) For the purposes of this subsection, the term "crew leader" means an individual who:

(A) furnishes individuals to perform service in agricultural labor for any other person;

(B) pays (either on the individual's own behalf or on behalf of the other person) the agricultural laborers furnished by the individual for the service in agricultural labor performed by them; and

(C) has not entered into a written agreement with the other person under which the individual is designated as an employee of the other person.

(m) The term "employment" includes domestic service after December 31, 1977, in a private home, local college club, or local chapter of a college fraternity or sorority performed for a person who paid cash remuneration of one thousand dollars ($1,000) or more after December 31, 1977, in the current calendar year or the preceding calendar year to individuals employed in the domestic service in any calendar quarter.

SECTION 284. IC 22-4-8-3, AS AMENDED BY P.L.108-2006, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. "Employment" shall not include the following:

(1) Except as provided in section 2(i) of this chapter, service performed prior to January 1, 1978, in the employ of this state,

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any other state, any town or city, or political subdivision, or any instrumentality of any of them, other than service performed in the employ of a municipally owned public utility as defined in this article; or service performed in the employ of the United States of America, or an instrumentality of the United States immune under the Constitution of the United States from the contributions imposed by this article, except that to the extent that the Congress of the United States shall permit states to require any instrumentalities of the United States to make payments into an unemployment fund under a state unemployment compensation statute, all of the provisions of this article shall be applicable to such instrumentalities, in the same manner, to the same extent, and on the same terms as to all other employers, employing units, individuals, and services. However, if this state shall not be certified for any year by the Secretary of Labor under Section 3304 of the Internal Revenue Code the payments required of such instrumentalities with respect to such year shall be refunded by the commissioner from the fund in the same manner and within the same period as is provided in IC 22-4-32-19 with respect to contribution erroneously paid or wrongfully assessed.

(2) Service with respect to which unemployment compensation is payable under an unemployment compensation system established by an Act of Congress; however, the department is authorized to enter into agreements with the proper agencies under such Act of Congress which agreements shall become effective ten (10) days after publication thereof, in accordance with rules adopted by the department under IC 4-22-2, to provide reciprocal treatment to individuals who have, after acquiring potential rights to benefits under this article, acquired rights to unemployment compensation under such Act of Congress, or who have, after having acquired potential rights to unemployment compensation under such Act of Congress, acquired rights to benefits under this article.

(3) "Agricultural labor" as provided in section 2(l)(1) of this chapter shall include only services performed:

(A) on a farm, in the employ of any person, in connection with cultivating the soil or in connection with raising or harvesting any agricultural or horticultural commodity, including the raising, shearing, feeding, caring for, training, and management of livestock, bees, poultry, and furbearing animals and wildlife;

(B) in the employ of the owner or tenant or other operator of a farm, in connection with the operation, management,

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conservation, improvement, or maintenance of such farm and its tools and equipment, or in salvaging timber or clearing land of brush and other debris left by a hurricane, if the major part of such service is performed on a farm;

(C) in connection with the production or harvesting of any commodity defined as an agricultural commodity in Section 15(g) of the Agricultural Marketing Act (12 U.S.C. 1141j(g)) as amended, or in connection with the operation or maintenance of ditches, canals, reservoirs, or waterways, not owned or operated for profit, used exclusively for supplying and storing water for farming purposes;

(D) in the employ of:

(i) the operator of a farm in handling, planting, drying, packing, packaging, processing, freezing, grading, storing, or delivering to storage or to market or to a carrier for transportation to market, in its unmanufactured state, any agricultural or horticultural commodity; but only if such operator produced more than one-half (1/2) of the commodity with respect to which such service is performed; or

(ii) a group of operators of farms (or a cooperative organization of which such operators are members) in the performance of service described in item (i), but only if such operators produce more than one-half (1/2) of the commodity with respect to which such service is performed;

except the provisions of items (i) and (ii) shall not be deemed to be applicable with respect to service performed in connection with commercial canning or commercial freezing or in connection with any agricultural or horticultural commodity after its delivery to a terminal market for distribution for consumption; or

(E) on a farm operated for profit if such service is not in the course of the employer's trade or business or is domestic service in a private home of the employer.

(4) As used in subdivision (3), "farm" includes stock, dairy, poultry, fruit, furbearing animals, and truck farms, nurseries, orchards, greenhouses, or other similar structures used primarily for the raising of agricultural or horticultural commodities.

(5) Domestic service in a private home, local college club, or local chapter of a college fraternity or sorority, except as provided in section 2(m) of this chapter.

(6) Service performed on or in connection with a vessel or aircraft

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not an American vessel or American aircraft, if the employee is employed on and in connection with such vessel or aircraft when outside the United States.

(7) Service performed by an individual in the employ of child or spouse, and service performed by a child under the age of twenty-one (21) in the employ of a parent.

(8) Service not in the course of the employing unit's trade or business performed in any calendar quarter by an individual, unless the cash remuneration paid for such service is fifty dollars ($50) or more and such service is performed by an individual who is regularly employed by such employing unit to perform such service. For the purposes of this subdivision, an individual shall be deemed to be regularly employed to perform service not in the course of an employing unit's trade or business during a calendar quarter only if:

(A) on each of some of twenty-four (24) days during such quarter such individual performs such service for some portion of the day; or

(B) such individual was regularly employed (as determined under clause (A)) by such employing unit in the performance of such service during the preceding calendar quarter.

(9) Service performed by an individual in any calendar quarter in the employ of any organization exempt from income tax under Section 501 of the Internal Revenue Code (except those services included in sections 2(i) and 2(j) of this chapter if the remuneration for such service is less than fifty dollars ($50)).

(10) Service performed in the employ of a hospital, if such service is performed by a patient of such hospital.

(11) Service performed in the employ of a school ~~college,~~ or ~~university~~ **eligible postsecondary educational institution** if ~~such~~ **the** service is performed:

(A) by a student who is enrolled and is regularly attending classes at ~~such~~ **the** school ~~college,~~ or ~~university,~~ **eligible postsecondary educational institution;** or

(B) by the spouse of such a student, if such spouse is advised, at the time such spouse commences to perform such service, that:

(i) the employment of such spouse to perform such service is provided under a program to provide financial assistance to such student by ~~such~~ **the** school ~~college,~~ or ~~university,~~ **eligible postsecondary educational institution;** and

(ii) such employment will not be covered by any program of

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unemployment insurance.

(12) Service performed by an individual who is enrolled at a nonprofit or public educational institution which normally maintains a regular faculty and curriculum and normally has a regularly organized body of students in attendance at the place where its educational activities are carried on as a student in a full-time program, taken for credit at such institution, which combines academic instruction with work experience, if such service is an integral part of such program, and such institution has so certified to the employer, except that this subdivision shall not apply to service performed in a program established for or on behalf of an employer or group of employers.

(13) Service performed in the employ of a government foreign to the United States of America, including service as a consular or other officer or employee or a nondiplomatic representative.

(14) Service performed in the employ of an instrumentality wholly owned by a government foreign to that of the United States of America, if the service is of a character similar to that performed in foreign countries by employees of the United States of America or of an instrumentality thereof, and if the board finds that the Secretary of State of the United States has certified to the Secretary of the Treasury of the United States that the government, foreign to the United States, with respect to whose instrumentality exemption is claimed, grants an equivalent exemption with respect to similar service performed in such country by employees of the United States and of instrumentalities thereof.

(15) Service performed as a student nurse in the employ of a hospital or nurses' training school by an individual who is enrolled and is regularly attending classes in a nurses' training school chartered or approved pursuant to state law; and service performed as an intern in the employ of a hospital by an individual who has completed a four (4) year course in a medical school chartered or approved pursuant to state law.

(16) Service performed by an individual as an insurance producer or as an insurance solicitor, if all such service performed by such individual is performed for remuneration solely by way of commission.

(17) Service performed by an individual:

(A) under the age of eighteen (18) in the delivery or distribution of newspapers or shopping news, not including delivery or distribution to any point for subsequent delivery or

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distribution; or

(B) in, and at the time of, the sale of newspapers or magazines to ultimate consumers, under an arrangement under which the newspapers or magazines are to be sold by the individual at a fixed price, the individual's compensation being based on the retention of the excess of such price over the amount at which the newspapers or magazines are charged to the individual, whether or not the individual is guaranteed a minimum amount of compensation for such service, or is entitled to be credited with the unsold newspapers or magazines turned back.

(18) Service performed in the employ of an international organization.

(19) Except as provided in IC 22-4-7-1, services covered by an election duly approved by the agency charged with the administration of any other state or federal unemployment compensation law in accordance with an arrangement pursuant to IC 22-4-22-1 through IC 22-4-22-5, during the effective period of such election.

(20) If the service performed during one-half (1/2) or more of any pay period by an individual for an employing unit constitutes employment, all the services of such individual for such period shall be deemed to be employment; but if the services performed during more than one-half (1/2) of any pay period by such an individual do not constitute employment, then none of the services of such individual for such period shall be deemed to be employment. As used in this subsection, "pay period" means a period of not more than thirty-one (31) consecutive days for which a payment of remuneration is ordinarily made to the individual by the employing unit. This subsection shall not be applicable with respect to services performed in a pay period by any such individual where any such service is excepted by subdivision (2).

(21) Service performed by an inmate of a custodial or penal institution.

(22) Service performed as a precinct election officer (as defined in IC 3-5-2-40.1).

SECTION 285. IC 22-4-25-1, AS AMENDED BY P.L.47-2006, SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. (a) There is created in the state treasury a special fund to be known as the special employment and training services fund. All interest on delinquent contributions and penalties collected under this article, together with any voluntary contributions

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tendered as a contribution to this fund, shall be paid into this fund. The money shall not be expended or available for expenditure in any manner which would permit their substitution for (or a corresponding reduction in) federal funds which would in the absence of said money be available to finance expenditures for the administration of this article, but nothing in this section shall prevent said money from being used as a revolving fund to cover expenditures necessary and proper under the law for which federal funds have been duly requested but not yet received, subject to the charging of such expenditures against such funds when received. The money in this fund shall be used by the board for the payment of refunds of interest on delinquent contributions and penalties so collected, for the payment of costs of administration which are found not to have been properly and validly chargeable against federal grants or other funds received for or in the employment and training services administration fund, on and after July 1, 1945. Such money shall be available either to satisfy the obligations incurred by the board directly, or by transfer by the board of the required amount from the special employment and training services fund to the employment and training services administration fund. No expenditure of this fund shall be made unless and until the board finds that no other funds are available or can properly be used to finance such expenditures, except that expenditures from said fund may be made for the purpose of acquiring lands and buildings or for the erection of buildings on lands so acquired which are deemed necessary by the board for the proper administration of this article. The board shall order the transfer of such funds or the payment of any such obligation or expenditure and such funds shall be paid by the treasurer of state on requisition drawn by the board directing the auditor of state to issue the auditor's warrant therefor. Any such warrant shall be drawn by the state auditor based upon vouchers certified by the board or the commissioner. The money in this fund is hereby specifically made available to replace within a reasonable time any money received by this state pursuant to 42 U.S.C. 502, as amended, which, because of any action or contingency, has been lost or has been expended for purposes other than or in amounts in excess of those approved by the bureau of employment security. The money in this fund shall be continuously available to the board for expenditures in accordance with the provisions of this section and shall not lapse at any time or be transferred to any other fund, except as provided in this article. Nothing in this section shall be construed to limit, alter, or amend the liability of the state assumed and created by IC 22-4-28, or to change the procedure prescribed in IC 22-4-28 for the satisfaction of such liability, except to the extent that such liability may

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be satisfied by and out of the funds of such special employment and training services fund created by this section.

(b) The board, subject to the approval of the budget agency and governor, is authorized and empowered to use all or any part of the funds in the special employment and training services fund for the purpose of acquiring suitable office space for the department by way of purchase, lease, contract, or in any part thereof to purchase land and erect thereon such buildings as the board determines necessary or to assist in financing the construction of any building erected by the state or any of its agencies wherein available space will be provided for the department under lease or contract between the department and the state or such other agency. The commissioner may transfer from the employment and training services administration fund to the special employment and training services fund amounts not exceeding funds specifically available to the commissioner for that purpose equivalent to the fair, reasonable rental value of any land and buildings acquired for its use until such time as the full amount of the purchase price of such land and buildings and such cost of repair and maintenance thereof as was expended from the special employment and training services fund has been returned to such fund.

(c) The board may also transfer from the employment and training services administration fund to the special employment and training services fund amounts not exceeding funds specifically available to the commissioner for that purpose equivalent to the fair, reasonable rental value of space used by the department in any building erected by the state or any of its agencies until such time as the department's proportionate amount of the purchase price of such building and the department's proportionate amount of such cost of repair and maintenance thereof as was expended from the special employment and training services fund has been returned to such fund.

(d) Whenever the balance in the special employment and training services fund is deemed excessive by the board, the board shall order payment into the unemployment insurance benefit fund of the amount of the special employment and training services fund deemed to be excessive.

(e) Subject to the approval of the board, the commissioner may use not more than five million dollars ($5,000,000) during a program year for training provided by ~~the state educational institution established under IC 20-12-61~~ **Ivy Tech Community College** to participants in joint labor and management apprenticeship programs approved by the United States Department of Labor's Bureau of Apprenticeship Training. Of the money allocated for training programs under this

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subsection, fifty percent (50%) is designated for industrial programs, and the remaining fifty (50%) percent is designated for building trade programs.

SECTION 286. IC 22-4.1-5-4, AS AMENDED BY P.L.161-2006, SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. This chapter does not apply to grants awarded to:

(1) workforce investment boards (as defined in IC 22-4.5-2-13.5);

(2) public schools and school corporations (as defined in IC 20-18-2); or

(3) state educational institutions ~~(as defined in IC 20-12-0.5-1).~~

SECTION 287. IC 22-4.1-7-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. As used in this chapter, **"approved postsecondary educational** institution" ~~of higher learning"~~ has the meaning set forth ~~under IC 20-12-70-4.~~ **in IC 21-12-1-6(b).**

SECTION 288. IC 22-4.1-7-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. As used in this chapter, "student" means an individual who is enrolled at an **approved postsecondary educational** institution ~~of higher learning~~ on at least a part-time basis.

SECTION 289. IC 22-4.1-7-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. (a) An **approved postsecondary educational** institution ~~of higher learning~~ that seeks certification for an internship program under this chapter shall submit an application for certification to the department on a form prescribed by the department.

(b) The department, in consultation with the department of education, shall certify an internship program under this chapter if the program:

(1) is operated or administered by an **approved postsecondary educational** institution ~~of higher learning~~ or a department, school, or program within an **approved postsecondary educational** institution; ~~of higher learning;~~

(2) integrates a particular curriculum or course of study offered at the **approved postsecondary educational** institution ~~of higher learning~~ with career internships provided by employers;

(3) places students in career internships provided by employers;

(4) requires participating students to meet certain academic standards established by rule by the department in consultation with the department of education;

(5) requires employers to provide to participating students the:

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(A) supervision; and
(B) payroll and personnel services;
that the employers provide to their regular part-time employees;
(6) is designed to provide an internship experience that enriches and enhances the classroom experience of participating students;
(7) requires employers to comply with all state and federal laws pertaining to the workplace; and
(8) complies with any other requirement adopted by rule by the department after consultation with the department of education.

SECTION 290. IC 22-4.1-7-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. A certified internship program may allow a student to participate in an internship at any time during the year, including the summer, as long as the student remains enrolled at the **approved postsecondary educational** institution ~~of higher learning~~ that operates or administers the certified internship program.

SECTION 291. IC 22-4.1-8-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. As used in this chapter, **"approved postsecondary educational** institution" ~~of higher learning"~~ has the meaning set forth ~~under IC 20-12-70-4.~~ **in IC 21-12-1-6(b).**

SECTION 292. IC 22-4.1-8-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. As used in this chapter, "participant" means an individual who:
(1) is at least sixteen (16) years of age and less than twenty-four (24) years of age;
(2) is enrolled in a public or private secondary **school** or postsecondary ~~school,~~ **educational institution;** and
(3) participates in a certified program as part of the individual's secondary **school** or postsecondary ~~school~~ **educational institution** education.

SECTION 293. IC 22-4.1-8-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 9. (a) If a participant's desired career pathway requires postsecondary education, an agreement required under section 8 of this chapter may be modified to include the following:
(1) The employer's agreement to provide paid employment for the participant at a base wage that may not be less than the minimum wage prescribed by the federal Fair Labor Standards Act during the participant's postsecondary education.
(2) An agreement that, in addition to the base wage paid to the participant, the employer shall pay an additional sum to be held

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in trust to be applied toward the participant's postsecondary education.

(3) The participant's agreement to work for the employer for at least two (2) years following the completion of the participant's postsecondary education.

(b) The additional amount described in subsection (a)(2) must not be less than an amount determined by the department to be sufficient to provide payment of tuition expenses toward completion of not more than two (2) academic years at an **approved postsecondary educational** institution. ~~of higher learning.~~ The amount shall be held in trust for the benefit of the participant under rules adopted by the department. Payment into a fund approved under the federal Employee Retirement Income Security Act of 1974 for the benefit of the participant satisfies this requirement. The approved fund must be specified in the agreement.

SECTION 294. IC 22-4.1-8-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 10. (a) If a participant enters a certified program following the completion of the participant's secondary education, an agreement required under section 8 of this chapter must be modified to include the following:

(1) The employer's agreement to provide paid employment for the participant at a base wage that may not be less than the minimum wage prescribed by the federal Fair Labor Standards Act during the participant's postsecondary education.

(2) An agreement that, in addition to the base wage paid to the participant, the employer shall pay an additional sum to be applied toward the participant's postsecondary education. This amount may be paid directly to the participant's **approved postsecondary educational** institution ~~of higher learning~~ on behalf of the participant.

(3) The participant's agreement to work for the employer for at least two (2) years following the completion of the participant's postsecondary education.

(b) The additional amount described in subsection (a)(2) must not be less than an amount determined by the department to be sufficient to provide payment of tuition expenses toward completion of not more than two (2) academic years at an **approved postsecondary educational** institution. ~~of higher learning.~~

SECTION 295. IC 22-4.1-14-1, AS ADDED BY P.L.1-2005, SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. As used in this chapter, "institution" means:

(1) a campus of a state educational institution. ~~(as defined in~~

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~~IC 20-12-0.5-1);~~

(2) a school corporation; or

(3) an area vocational school;

as described in section 2 or 3 of this chapter.

SECTION 296. IC 22-4.1-14-6, AS ADDED BY P.L.1-2005, SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. Each workforce partnership plan must do the following:

(1) Address the need to maximize:

(A) the use of vocational and technical education programs and services; and

(B) the articulation of vocational and technical education programs;

between the secondary level and postsecondary level.

(2) Identify vocational and technical education program groupings to coordinate vocational and technical education programs within a geographic area.

(3) Identify particular certificates of achievement under IC 20-32-3 and ~~IC 20-12-1-10~~ **IC 21-43-3** and indicate the circumstances under which a state educational institution may elect to grant academic credit to a student who does the following:

(A) Acquires the particular certificate of achievement.

(B) Satisfies the standards for receipt of academic credit as determined by the state educational institution.

(4) Provide for the use of joint secondary level and postsecondary level faculty committees to organize vocational and technical education program articulation.

(5) Comply with 20 U.S.C. 2301 et seq.

SECTION 297. IC 22-4.1-16-2, AS ADDED BY P.L.1-2005, SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. The workforce proficiency panel is established within the department to oversee the development of technical proficiencies and the technical field certificates of achievement at the secondary level under IC 20-32-3 and the postsecondary level under ~~IC 20-12-1-10.~~ **IC 21-43-3.** The panel consists of nine (9) members who:

(1) are appointed by the governor; and

(2) represent employers, employees, and educators.

SECTION 298. IC 22-4.1-16-9, AS ADDED BY P.L.1-2005, SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 9. The duties of the panel include the following:

(1) To determine the essential and technical skills required to be

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effective in the various technical trades and professions.

(2) To determine the statewide technical proficiencies of major occupational areas considered to be necessary in the workforce.

(3) To review existing vocational and technical education programs at the secondary and postsecondary level to determine:

(A) whether these programs meet the essential skill and statewide technical proficiency standards determined by the panel; and

(B) whether there exists duplication in programs or deficiencies in program alternatives at any level.

(4) To improve technical proficiency based curricula for existing vocational programs.

(5) To make available to the pilot workplace learning programs developed by the panel required essential skills and technical proficiencies in the major occupational areas.

(6) To adopt the secondary level and postsecondary level technical certificate of achievement assessment instruments and standards under IC 20-32-3 and ~~IC 20-12-1-10,~~ **IC 21-43-3,** respectively.

SECTION 299. IC 22-9-1-12.1, AS AMENDED BY P.L.1-2005, SECTION 188, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 12.1. (a) As used in this section, the term "state agency" means:

(1) every office, officer, board, commission, department, division, bureau, committee, fund, agency; and

(2) without limitation by reason of any enumeration in this section:

(A) every other instrumentality of the state, every hospital, every penal institution, and every other institutional enterprise and activity of the state, wherever located;

(B) the ~~universities supported in whole or in part by state funds,~~ **state educational institutions;** and

(C) the judicial department of the state.

"State agency" does not mean counties, county offices of family and children, cities, towns, townships, school corporations (as defined in IC 20-18-2-16), or other municipal corporations, political subdivisions, or units of local government.

(b) Any city, town, or county is hereby authorized to adopt an ordinance or ordinances, which may include establishment or designation of an appropriate local commission, office, or agency to effectuate within its territorial jurisdiction the public policy of the state as declared in section 2 of this chapter without conflict with any of the

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provisions of this chapter. Any city or town may adopt such an ordinance or ordinances jointly with any other city or town located in the same county or jointly with that county. A city ordinance that establishes a local commission may provide that the members of the commission are to be appointed solely by the city executive or solely by the city legislative body or may provide for a combination of appointments by the city executive and the city legislative body. The board of commissioners of each county is also authorized to adopt ordinances in accordance with this section. An agency established or designated under this section has no jurisdiction over the state or any of its agencies.

(c) An ordinance adopted under this section may grant to the local agency the power to:

(1) investigate, conciliate, and hear complaints;

(2) subpoena and compel the attendance of witnesses or production of pertinent documents and records;

(3) administer oaths;

(4) examine witnesses;

(5) appoint hearing examiners or panels;

(6) make findings and recommendations;

(7) issue cease and desist orders or orders requiring remedial action;

(8) order payment of actual damages, except that damages to be paid as a result of discriminatory practices relating to employment shall be limited to lost wages, salaries, commissions, or fringe benefits;

(9) institute actions for appropriate legal or equitable relief in a circuit or superior court;

(10) employ an executive director and other staff personnel;

(11) adopt rules and regulations;

(12) initiate complaints, except that no person who initiates a complaint may participate as a member of the agency in the hearing or disposition of the complaint; and

(13) conduct programs and activities to carry out the public policy of the state, as provided in section 2 of this chapter, within the territorial boundaries of a local agency.

(d) Any person who files a complaint with any local agency may not also file a complaint with the civil rights commission concerning any of the matters alleged in such complaint, and any person who files a complaint with the civil rights commission may not also file a complaint with any local agency concerning any of the matters alleged in such complaint. Any complaint filed with the commission may be

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transferred by the commission to any local agency having jurisdiction. The local agency shall proceed to act on the complaint as if it had been originally filed with the local agency as of the date that the complaint was filed with the commission. Any complaint filed with a local agency may be transferred by the local agency to the commission if the commission has jurisdiction. The commission shall proceed to act on the complaint as if it had been originally filed with the commission as of the date that the complaint was filed with the local agency. Nothing in this subsection shall affect such person's right to pursue any and all other rights and remedies available in any other state or federal forum.

(e) A decision of the local agency may be appealed under the terms of IC 4-21.5 the same as if it was a decision of a state agency.

SECTION 300. IC 22-14-2-7, AS AMENDED BY P.L.101-2006, SECTION 35, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 7. (a) This section does not limit the powers, rights, duties, and other responsibilities of municipal or county governments or impose requirements affecting pension laws or any other laws.

(b) This section does not require a member of a fire department to be certified.

(c) The education board may:

(1) certify firefighting training and education programs that meet the standards set by the education board;

(2) certify fire department instructors who meet the qualifications set by the education board;

(3) direct research in the field of firefighting and fire prevention and accept gifts and grants to direct this research;

(4) recommend curricula for advanced training courses and seminars in fire science or fire engineering training to public and private **postsecondary educational** institutions; ~~of higher education;~~

(5) certify fire service personnel and nonfire service personnel who meet the qualifications set by the education board;

(6) require fire service personnel certified at any level to fulfill continuing education requirements in order to maintain certification;

(7) contract or cooperate with any person and adopt rules under IC 4-22-2 to carry out its responsibilities under this section; or

(8) grant a variance to a rule the education board has adopted.

(d) The education board may impose a reasonable fee for the issuance of a certification described in subsection (c). The board shall deposit the fee in the fire and building services fund established by

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IC 22-12-6-1.

SECTION 301. IC 22-15-5-6, AS AMENDED BY P.L.1-2006, SECTION 395, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. (a) The following definitions apply to sections 7 through 16 of this chapter:

(1) "Competency examination" means an examination that thoroughly tests the scope of the knowledge and skill of the applicant for the license.

~~(2) "Educational institution" has the meaning set forth in IC 20-12-0.5-1.~~

~~(3)~~ **(2)** "Elevator apprentice" means an individual who works under the direct supervision of a licensed elevator mechanic. The term includes an individual commonly known as an elevator helper while working under the direct supervision of a licensed elevator mechanic.

~~(4)~~ **(3)** "Elevator contractor" means a person who alone or with other persons, constructs, repairs, alters, remodels, adds to, subtracts from, or improves a regulated lifting device and who is responsible for substantially all the regulated lifting devices within the entire project, or who fabricates elevator lifting devices substantially completed and ready for installation.

~~(5)~~ **(4)** "Elevator inspector" means an individual who conducts the acceptance inspection of a regulated lifting device required by section 4(c)(1)(A) of this chapter.

~~(6)~~ **(5)** "Elevator mechanic" means an individual who engages in the construction, reconstruction, alteration, maintenance, mechanical, or electrical work or adjustments of a regulated lifting device.

~~(7)~~ **(6)** "License" means a certificate issued by the department that confers upon the holder the privilege to act as an elevator contractor, elevator inspector, or elevator mechanic.

~~(8)~~ **(7)** "Licensing program" means the program for licensing elevator contractors, elevator inspectors, and elevator mechanics established under this section and sections 7 through 16 of this chapter.

~~(9)~~ **(8)** "Municipality" has the meaning set forth in IC 36-1-2-11.

~~(10)~~ **(9)** "Person" means:

(A) a natural person;

(B) the partners or members of a partnership or a limited partnership;

(C) ~~an~~ **a state** educational institution; or

(D) a corporation or the officers, directors, and employees of

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the corporation.

~~(11)~~ **(10)** "Practitioner" means a person that holds:

(A) an unlimited license;

(B) a limited or probationary license;

(C) a temporary license;

(D) an emergency license; or

(E) an inactive license.

(b) The commission and the department shall establish a program to license elevator contractors, elevator mechanics, and elevator inspectors.

(c) The department shall issue a license as an elevator contractor, an elevator mechanic, or an elevator inspector to a person who qualifies and complies with the provisions of the licensing program. A person who receives a license under this chapter is subject to the supervision and control of the department.

(d) The department may contract with public and private institutions, agencies, businesses, and organizations to implement all or part of its duties established under this chapter.

(e) The commission may adopt rules under IC 4-22-2 to implement the licensing program.

SECTION 302. IC 22-15-5-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 7. (a) After May 1, 2003, an individual may not act as an elevator contractor unless the individual:

(1) holds an elevator contractor license issued under this chapter; or

(2) is an employee of a partnership, a limited partnership, a corporation, or ~~an~~ **a state** educational institution that holds an elevator contractor license issued under this chapter.

(b) After May 1, 2003, a partnership, a limited partnership, a corporation, or ~~an~~ **a state** educational institution may not act as an elevator contractor unless it holds an elevator contractor license issued under this chapter.

(c) An individual who is an applicant for an elevator contractor license shall:

(1) hold a valid elevator contractor license issued by another state that has a licensing program that, as determined by the department or the commission, is equivalent to the elevator contractor licensing program established under this chapter; or

(2) except as otherwise provided, satisfy both of the following requirements:

(A) Have at least five (5) years of documented work

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experience in the elevator industry in construction, maintenance, and service or repair in Indiana.

(B) Successfully complete a written competency examination approved by the commission.

An applicant for an elevator contractor license is entitled to a license without examination if the applicant applies for the license on or before May 1, 2003.

(d) A corporation or ~~an~~ **a state** educational institution that is an applicant for an elevator contractor license must have at least one (1) officer or employee of the corporation or ~~an~~ **a state** educational institution that holds a valid elevator contractor license issued under this chapter. A license granted to a corporation or ~~an~~ **a state** educational institution to act as an elevator contractor under this chapter becomes invalid when an officer or employee of the corporation or **state** educational institution no longer holds a valid elevator contractor license issued under this chapter.

(e) A partnership or limited partnership that is an applicant for an elevator contractor license must have at least one (1) partner or general partner that holds a valid elevator contractor license issued under this chapter. A license granted to a partnership or limited partnership to act as an elevator contractor under this chapter becomes invalid when the partner of a partnership or general partner of a limited partnership named in the application no longer holds a valid elevator contractor license as provided by this chapter.

SECTION 303. IC 22-15-5-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 9. (a) An application for an elevator contractor license must contain the following information:

(1) If the applicant is an individual, the name, business address, telephone number, and electronic mail address of the applicant.

(2) If the applicant is a corporation or ~~an~~ **a state** educational institution, the following:

(A) The name and address of the corporation.

(B) The name, business address, phone number, and electronic mail address of every officer or employee in the corporation who holds a valid elevator contractor license as provided by this chapter.

(C) The name and address of the resident agent of the corporation.

(3) If the applicant is a partnership or limited partnership, the following:

(A) The name and address of the partnership or limited

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partnership.

(B) The name, business address, phone number, and electronic mail address of every partner, for a partnership, or every general partner, for a limited partnership, who holds a valid elevator contractor license as provided by this chapter.

(4) Any other information the department requires.

(b) An initial elevator contractor license issued under this chapter expires on December 31 of the second year after it was issued.

(c) A renewal of an elevator contractor license is valid for two (2) years.

SECTION 304. IC 22-15-5-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 10. An individual engaged in the business of an elevator contractor shall carry:

(1) the individual's license; or

(2) a facsimile of the license of the partnership, corporation, or **state** educational institution by which the individual is employed;

and present the license for inspection by a representative of the department upon request.

SECTION 305. IC 22-15-5-14, AS AMENDED BY P.L.1-2006, SECTION 396, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 14. (a) This section does not apply to the following:

(1) An individual employed by the following:

(A) The state.

(B) A county.

(C) A municipality.

(D) ~~An~~ **A state** educational institution.

(2) ~~An~~ **A state** educational institution.

(b) The department may not issue an elevator inspector or elevator contractor license until the applicant has filed with the department a certificate of insurance indicating that the applicant has liability insurance:

(1) in effect with an insurer that is authorized to write insurance in Indiana; and

(2) that provides general liability coverage to a limit of at least:

(A) one million dollars ($1,000,000) for the injury or death of any number of persons in any one (1) occurrence; and

(B) five hundred thousand dollars ($500,000) for property damage in any one (1) occurrence.

(c) An insurance policy required under this section may include a deductible clause if the clause provides that any settlement made by the insurance company with an injured person or a personal representative

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must be paid as though the deductible clause did not apply.

(d) An insurance policy required under this section must provide by the policy's original terms or an endorsement that the insurer may not cancel the policy without:

(1) thirty (30) days written notice; and

(2) a complete report of the reasons for the cancellation to the division.

(e) An insurance policy required under this section must provide by the policy's original terms or an endorsement that the insurer shall report to the department within twenty-four (24) hours after the insurer pays a claim or reserves any amount to pay an anticipated claim that reduces the liability coverage below the amounts established in this section.

(f) If an insurance policy required under this section:

(1) is canceled during the policy's term;

(2) lapses for any reason; or

(3) has the policy's coverage fall below the required amount;

the license holder shall replace the policy with another policy that complies with this section.

(g) If a license holder fails to file a certificate of insurance for new or replacement insurance, the license holder:

(1) must cease all operations under the license immediately; and

(2) may not conduct further operations until the license holder receives the approval of the department to resume operations after the license holder complies with the requirements of this section.

SECTION 306. IC 23-2-1-2, AS AMENDED BY P.L.48-2006, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. (a) The following securities are exempted from the registration requirements of section 3 of this chapter:

(1) A security (including a revenue obligation) issued or guaranteed by the United States, a state, a political subdivision of a state, or an agency or corporate or other instrumentality of one (1) or more of the foregoing or a certificate of deposit for any of the foregoing.

(2) A security issued or guaranteed by Canada, a Canadian province, a political subdivision of a Canadian province, an agency, or corporate or other instrumentality of one (1) or more of the foregoing, or any other foreign government with which the United States currently maintains diplomatic relations, if the security is recognized as a valid obligation by the issuer or guarantor.

(3) A security issued by and representing an interest in or a debt

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of, or guaranteed by a bank organized under the laws of the United States, a bank, savings institution, or trust company organized and supervised under the laws of a state, a federal savings association, a savings association organized under the laws of a state and authorized to do business in Indiana, a federal credit union or a credit union, industrial loan association, or similar association organized and supervised under the laws of this state, or a corporation or organization whose issuance of securities is required by any other law to be passed upon and authorized by the department of financial institutions or by a federal agency or authority.

(4) A security issued or guaranteed by a railroad or other common or contract carrier, a public utility, or a common or contract carrier or public utility holding company. However, an issuer or guarantor must be subject to regulation or supervision as to the issuance of its own securities by a public commission, board, or officer of the government of the United States, of a state, territory, or insular possession of the United States, of a municipality located in a state, territory, or insular possession, of the District of Columbia, or of the Dominion of Canada or a province of Canada.

(5) A security listed or approved for listing upon notice of issuance on the New York Stock Exchange, the American Stock Exchange, the Chicago Stock Exchange, or on any other exchange approved and designated by the commissioner, any other security of the same issuer that is of senior rank or substantially equal rank, a security called for by subscription rights or warrants so listed or approved, or a warrant or right to purchase or subscribe to any of the foregoing.

(6) A promissory note, draft, bill of exchange, or banker's acceptance that is evidence of:

(A) an obligation;

(B) a guarantee of an obligation;

(C) a renewal of an obligation; or

(D) a guarantee of a renewal of an obligation;

to pay cash within nine (9) months after the date of issuance, excluding grace days, that is issued in denominations of at least fifty thousand dollars ($50,000) and receives a rating in one (1) of the three (3) highest rating categories from a nationally recognized statistical rating organization.

(7) A security issued in connection with an employee stock purchase, savings, pension, profit-sharing, or similar benefit plan.

(8) A security issued by an association incorporated under

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IC 15-7-1.

(9) A security that is an industrial development bond (as defined in Section 103(b)(2) of the Internal Revenue Code of 1954) the interest of which is excludable from gross income under Section 103(a)(1) of the Internal Revenue Code of 1954 if, by reason of the application of paragraph (4) or (6) of Section 103(b) of the Internal Revenue Code of 1954 (determined as if paragraphs (4)(A), (5), and (7) were not included in Section 103(b)), paragraph (1) of Section 103(b) does not apply to the security.

(10) A security issued by a nonprofit corporation that meets the requirements of Section 103(e) of the Internal Revenue Code of 1954 and is designated by the governor as the secondary market for guaranteed student loans under ~~IC 20-12-21.2.~~ **IC 21-16-5.**

(11) A security designated or approved for designation upon notice of issuance on the National Association of Securities Dealers Automatic Quotation National Market System or any other national market system approved and designated by the commissioner, any other security of the same issuer that is of senior rank or substantially equal rank, a security called for by subscription rights or warrants so listed or approved, or a warrant or right to purchase or subscribe to any of the foregoing.

(12) A security that is a "qualified bond" (as defined in Section 141(e) of the Internal Revenue Code, as amended).

(b) The following transactions are exempted from the registration requirements of section 3 of this chapter:

(1) An isolated nonissuer offer or sale, whether effected through a broker-dealer or not.

(2) A nonissuer sale effected by or through a registered broker-dealer pursuant to an unsolicited order or offer to buy.

(3) A nonissuer offer or sale by a registered broker-dealer, acting either as principal or agent, of issued and outstanding securities if the following conditions are satisfied:

(A) The securities are sold at prices reasonably related to the current market price at the time of sale, and if the registered broker-dealer is acting as agent, the commission collected by the registered broker-dealer on account of the sale is not in excess of usual and customary commissions collected with respect to securities and transactions having comparable characteristics.

(B) The securities do not constitute an unsold allotment to or subscription by the broker-dealer as a participant in the distribution of the securities by the issuer or by or through an

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underwriter.

(C) Either:

(i) information consisting of the names of the issuer's officers and directors, a balance sheet of the issuer as of a date not more than eighteen (18) months prior to the date of the sale, and a profit and loss statement for either the fiscal year preceding that date or the most recent year of operations is published in a securities manual approved by the commissioner;

(ii) the issuer is required to file reports with the Securities and Exchange Commission pursuant to sections 13 and 15 of the Securities Exchange Act of 1934 (15 U.S.C. 78m and 78o) and is not delinquent in the filing of the reports on the date of the sale; or

(iii) information consisting of the names of the issuer's officers and directors, a balance sheet of the issuer as of a date not more than sixteen (16) months prior to the date of the sale, and a profit and loss statement for either the fiscal year preceding that date or the most recent year of operations is on file with the commissioner. The information required by this item to be on file with the commissioner must be on a form and made in a manner as the commissioner prescribes. The fee for the initial filing of the form shall be twenty-five dollars ($25). The fee for the annual renewal filing shall be fifteen dollars ($15). When a filing is withdrawn or is not completed by the issuer, the commissioner must retain the filing fee.

(D) There has been compliance with section 6(l) of this chapter.

(E) Unless the issuer is registered under the Investment Company Act of 1940, all the following must be true at the time of the transaction:

(i) The security belongs to a class that has been in the hands of the public for at least ninety (90) days.

(ii) The issuer of the security is a going concern, is actually engaged in business, and is not in bankruptcy or receivership.

(iii) Except as permitted by order of the commissioner, the issuer and any predecessors have been in continuous operation for at least five (5) years. An issuer or predecessor is in continuous operation only if the issuer or predecessor has gross operating revenue in each of the five (5) years

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immediately preceding the issuer's or predecessor's claim of exemption and has had total gross operating revenue of at least two million five hundred thousand dollars ($2,500,000) for those five (5) years or has had gross operating revenue of at least five hundred thousand dollars ($500,000) in not less than three (3) of those five (5) years.

The commissioner may revoke the exemption afforded by this subdivision with respect to any securities by issuing an order:

(i) if the commissioner finds that the further sale of the securities in this state would work or tend to work a fraud on purchasers of the securities;

(ii) if the commissioner finds that the financial condition of the issuer is such that it is in the public interest and is necessary for the protection of investors to revoke or restrict the exemption afforded by this subsection; or

(iii) if the commissioner finds that, due to the limited number of shares in the hands of the public or due to the limited number of broker-dealers making a market in the securities, there is not a sufficient market for the securities so that there is not a current market price for the securities.

(4) A transaction between the issuer or other person on whose behalf the offering is made by an underwriter, or among underwriters.

(5) A transaction in a bond or other evidence of indebtedness secured by a real or chattel mortgage or deed of trust, or by agreement for the sale of real estate or chattels, if the entire mortgage, deed of trust, or agreement, together with all the bonds or other evidences of indebtedness, is offered and sold as a unit.

(6) A transaction by an executor, administrator, personal representative, sheriff, marshal, receiver, trustee in bankruptcy, guardian, conservator, or a person acting in a trust or fiduciary capacity where the transaction is effected pursuant to the authority of or subject to approval by a court of competent jurisdiction.

(7) A transaction executed by a bona fide pledgee without any purpose of evading this chapter.

(8) An offer or sale to a bank, a savings institution, a trust company, an insurance company, an investment company (as defined in the Investment Company Act of 1940 (15 U.S.C. 80a-1 through 80a-52)), a pension or profit-sharing trust, or other financial institution or institutional buyer, or to a broker-dealer, whether the purchaser is acting for itself or in a fiduciary capacity.

(9) The offer or sale of securities of an issuer:

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(i) to a person who is:

(A) a director, an executive officer, a general partner, an administrator, or a person who performs similar functions for or who is similarly situated with respect to the issuer;

(B) a director, an executive officer, or a general partner of a general partner of the issuer; or

(C) any other natural person employed on a full-time basis by the issuer as an attorney or accountant if the person has been acting in this capacity for at least one (1) year immediately prior to the offer or sale;

(ii) to an entity affiliated with the issuer;

(iii) if the issuer is a corporation, to a person who is the owner of shares of the corporation or of an affiliated corporation representing and possessing ten percent (10%) or more of the total combined voting power of all classes of stock (of the corporation or affiliated corporation) issued and outstanding and who is entitled to vote; or

(iv) if the issuer is a limited liability company, to a person who is the owner of an interest in the limited liability company representing and possessing at least ten percent (10%) of the total combined voting power of all classes of such interests (of the limited liability company or affiliated limited liability company) issued and outstanding.

(10) The offer or sale of a security by the issuer of the security if all of the following conditions are satisfied:

(A) The issuer reasonably believes that either:

(i) there are no more than thirty-five (35) purchasers of the securities from the issuer in an offering pursuant to this subsection, including purchasers outside Indiana; or

(ii) there are no more than twenty (20) purchasers in Indiana.

In either case, there shall be excluded in determining the number of purchasers a purchaser whom the issuer reasonably believes to be an accredited investor or who purchases the securities after they are registered under this chapter.

(B) The issuer does not offer or sell the securities by means of a form of general advertisement or general solicitation.

(C) The issuer reasonably believes that each purchaser of the securities is acquiring the securities for the purchaser's own investment and is aware of any restrictions imposed on transferability and resale of the securities. The basis for reasonable belief may include:

(i) obtaining a written representation signed by the purchaser

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that the purchaser is acquiring the securities for the purchaser's own investment and is aware of any restrictions imposed on the transferability and resale of the securities; and

(ii) placement of a legend on the certificate or other document that evidences the securities stating that the securities have not been registered under section 3 of this chapter, and setting forth or referring to the restrictions on transferability and sale of the securities.

(D) The issuer:

(i) files with the commissioner and provides to each purchaser in this state an offering statement that sets forth all material facts with respect to the securities; and

(ii) reasonably believes immediately before making a sale that each purchaser who is not an accredited investor either alone or with a purchaser representative has knowledge and experience in financial and business matters to the extent that the purchaser is capable of evaluating the merits and risks of the prospective investment.

(E) If the aggregate offering price of the securities in an offering pursuant to this subdivision (including securities sold outside of Indiana) does not exceed five hundred thousand dollars ($500,000), the issuer is not required to comply with clause (D) if the issuer files with the commissioner and provides to each purchaser in Indiana the following information and materials:

(i) copies of all written materials, if any, concerning the securities that have been provided by the issuer to any purchaser; and

(ii) unless clearly presented in all written materials, a written notification setting forth the name, address, and form of organization of the issuer and any affiliate, the nature of the principal businesses of the issuer and any affiliate, and the information required in section 5(b)(1)(B), 5(b)(1)(C), 5(b)(1)(D), 5(b)(1)(E), 5(b)(1)(H), and 5(b)(1)(I) of this chapter.

(F) The commissioner does not disallow the exemption provided by this subdivision within ten (10) full business days after receipt of the filing required by clause (D) or (E). The issuer may make offers (but not sales) before and during the ten (10) day period, if:

(i) each prospective purchaser is advised in writing that the

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offer is preliminary and subject to material change; and

(ii) no enforceable offer to purchase the securities may be made by a prospective purchaser, and no consideration in any form may be accepted or received (directly or indirectly) from a prospective purchaser, before the expiration of the ten (10) day period and the vacation of an order disallowing the exemption.

(G) The issuer need not comply with clause (D), (E), or (F) if:

(i) each purchaser has access to all the material facts with respect to the securities by reason of the purchaser's active involvement in the organization or management of the issuer or the purchaser's family relationship with a person actively involved in the organization or management of the issuer;

(ii) there are not more than fifteen (15) purchasers in Indiana and each Indiana purchaser is an accredited investor or is a purchaser described in item (i); or

(iii) the aggregate offering price of the securities, including securities sold outside Indiana, does not exceed five hundred thousand dollars ($500,000), the total number of purchasers, including purchasers outside of Indiana, does not exceed twenty-five (25) and each purchaser either receives all of the material facts with respect to the security or is an accredited investor or a purchaser described in item (i).

(H) If the issuer makes or is required to make a filing with the commissioner under clause (D) or (E), the issuer must also file with the commissioner at the time of the filing the consent to service of process required by section 16 of this chapter. The issuer shall also file with the commissioner, at the times and in the forms as the commissioner may prescribe, notices of sales made in reliance upon this subdivision.

(I) The commissioner may by rule deny exemption provided in this subdivision to a particular class of issuers, or may make the exemption available to the issuers upon compliance with additional conditions and requirements, if appropriate in furtherance of the intent of this chapter.

(11) An offer or sale of securities to existing security holders of the issuer, including persons who at the time of the transaction are holders of convertible securities, nontransferable warrants, or transferable warrants exercisable within not more than ninety (90) days of their issuance if no commission or other remuneration (other than a standby commission) is paid or given for soliciting a security holder in this state.

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(12) An offer (but not a sale) of a security for which registration statements or applications have been filed under this chapter and the Securities Act of 1933 (15 U.S.C. 77a-77aa), if no stop order or refusal order is in effect and no public proceeding or examination looking toward an order is pending under either law.

(13) The deposit of shares under a voting-trust agreement and the issue of voting-trust certificates for the deposit.

(14) The offer or sale of a commodity futures contract.

(15) The offer or sale of securities to or for the benefit of security holders incident to a vote by the security holders pursuant to the articles of incorporation or applicable instrument, on a statutorily approved merger or share exchange, reclassification of securities, exchange of securities under IC 28-1-7.5, or sale of assets of the issuer in consideration of the issuance of securities of the same or another issuer.

(16) A limited offering transactional exemption, which may be created by rule adopted by the commissioner. The exemption must further the objectives of compatibility with federal exemptions and uniformity among the states.

(c) The commissioner may consider and determine if a proposed sale, transaction, issue, or security is entitled to an exemption accorded by this section. The commissioner may decline to exercise the commissioner's authority as to a proposed sale, transaction, issue, or security. An interested party desiring the commissioner to exercise the commissioner's authority must submit to the commissioner a verified statement of all material facts relating to the proposed sale, transaction, issue, or security, which must be accompanied by a request for a ruling as to the particular exemption claimed, together with a filing fee of one hundred dollars ($100). After notice to the interested parties as the commissioner determines is proper and after a hearing, if any, the commissioner may enter an order finding the proposed sale, transaction, issue, or security entitled or not entitled to the exemption claimed. An order entered, unless an appeal is taken from it in the manner prescribed in section 20 of this chapter, is binding upon the commissioner and upon all interested parties, provided that the proposed sale, transaction, issue, or security when consummated or issued conforms in every relevant and material particular with the facts as set forth in the verified statement submitted.

(d) The commissioner may by order deny or revoke an exemption specified in subsection (a)(6), (a)(7), or (b) with respect to a specific security or transaction, if the commissioner finds that the securities to which the exemption applies would not qualify for registration under

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sections 4 and 5 of this chapter. No order may be entered without appropriate prior notice to all interested parties, opportunity for hearing, and written findings of fact and conclusions of law, except that the commissioner may by order summarily deny or revoke any of the specific exemptions pending final determination of a proceeding under this subsection. Upon the entry of a summary order, the commissioner shall promptly notify all interested parties that it has been entered, of the reasons for the order, and that within fifteen (15) days of the receipt of a written request the matter will be set down for hearing. If no hearing is requested and none is ordered by the commissioner, the order will remain in effect until it is modified or vacated by the commissioner. If a hearing is requested or ordered, the commissioner, after notice of and opportunity for hearing to all interested persons, may modify or vacate the order or extend it until final determination. No order under this subsection may operate retroactively. No person may be considered to have violated section 3 of this chapter by reason of an offer or sale effected after the entry of an order under this subsection if the person sustains the burden of proof that the person did not know, and in the exercise of reasonable care could not have known, of the order.

(e) If, with respect to an offering of securities, any notices or written statements are required to be filed with the commissioner under subsection (b)(10), the first filing made with respect to the offering must be accompanied by a filing fee of one hundred dollars ($100).

(f) A condition, stipulation, or provision requiring a person acquiring a security to waive compliance with this chapter or a rule or order under this chapter is void.

SECTION 307. IC 23-13-5-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. Any ~~university, college, or other~~ **postsecondary educational** institution ~~of learning~~ which may be organized before, on, or after March 3, 1909, under or which may otherwise become subject to the provisions of this chapter shall be deemed to have a perpetual existence by operation of law. Any two (2) or more ~~universities, colleges, or~~ **postsecondary educational** institutions ~~of higher learning~~ incorporated under the provisions of this chapter may be merged into one (1) corporation by the action of the boards of trustees of the respective corporations.

SECTION 308. IC 23-13-5-8, AS AMENDED BY P.L.246-2005, SECTION 208, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: 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

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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~~ **postsecondary educational** institution ~~of learning~~ as a ~~university, college, or~~ **postsecondary educational** 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~~ **postsecondary educational** 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~~ **postsecondary educational** 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 state general fund. If the ~~university, college, or~~ **postsecondary educational** 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

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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~~ **postsecondary educational** institution, ~~of learning,~~ this shall have the same effect as such a finding.

SECTION 309. IC 24-5-22-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. (a) As used in this chapter, "interactive computer service" means an information service, a system, or an access software provider that provides or enables

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computer access to a computer server by multiple users.

(b) The term includes the following:

(1) A service or system that provides access to the Internet.

(2) A system operated or services offered by a library, a school, a state educational institution, ~~(as defined in IC 20-12-0.5-1),~~ or a private ~~college or university.~~ **postsecondary educational institution.**

SECTION 310. IC 25-5.1-3-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. (a) To qualify for a license under this article, an individual must satisfy the following requirements:

(1) Satisfactorily complete an application for licensure in accordance with the rules adopted by the board.

(2) Pay the application fees, examination fees, and licensure fees established by the board.

(3) Not have been convicted of a crime that has a direct bearing on the applicant's ability to practice competently as determined by the board.

(4) Not have had disciplinary action taken against the applicant or the applicant's license by the board or by the licensing agency of another state or jurisdiction by reason of the applicant's inability to safely practice athletic training with those reasons for discipline still being valid as determined by the board.

(5) Show to the satisfaction of the board that the applicant has received at least a baccalaureate degree from ~~an institution of higher education~~ **a postsecondary educational institution** that meets the academic standards for athletic trainers established by NATA and described in subsection (b).

(6) Except to the extent that section 6 of this chapter applies, successfully pass the qualifying examination adopted by the board as described in IC 25-5.1-2-6(8).

(b) The minimum academic standards for athletic trainers licensed under this article as required under subsection (a)(5) include the satisfactory completion of an academic program that includes at least the following accredited courses:

(1) Human anatomy.

(2) Human physiology.

(3) Physiology of exercise.

(4) Kinesiology.

(5) Personal health.

(6) Basic athletic training.

(7) Advanced athletic training.

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(8) Clinical experience as prescribed by the board.
(9) Therapeutic modalities.
(10) Rehabilitation.

SECTION 311. IC 25-5.1-3-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 7. This article does not prohibit the following:

(1) The practice of an occupation or profession for which an individual is licensed, certified, or registered in Indiana by a state agency.
(2) The practice of a health care occupation or profession by an individual who is practicing within the individual's education and experience.
(3) The performance of a first aid procedure incidental to an individual's employment or volunteer duties.
(4) The performance of an emergency first aid procedure by an individual.
(5) A student, an intern, or a trainee from pursuing a course of study in athletic training from an accredited **postsecondary educational** institution ~~of higher education~~ if:
(A) the activities are performed under qualified supervision and constitute a part of the individual's supervised course of study; and
(B) the individual uses a title that contains the word "intern", "student", or "trainee".
(6) The use of the title "student athletic trainer" by a student enrolled in a high school or ~~an~~ **a postsecondary educational** institution ~~of higher education~~ while assisting an athletic trainer during athletic activities of the high school or **postsecondary educational** institution. ~~of higher education.~~

SECTION 312. IC 25-15-2-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 7. "Disposition" means:

(1) interment of human remains in the earth in an established cemetery;
(2) interment of human remains in a mausoleum or columbarium;
(3) disposal of cremated human remains on the property of a consenting owner, on uninhabited public land, or on a waterway;
(4) burial of human remains at sea;
(5) delivery of human remains within the jurisdiction of the anatomical education program ~~(IC 20-12-29.5)~~ **(IC 21-44-2)** to a school, college, or physician entitled by law to receive the human remains for the promotion of science and art of medicine or dentistry; or

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(6) other final disposal of human remains.

SECTION 313. IC 25-15-4-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. (a) To qualify for a funeral director intern license, an applicant must:

(1) be an individual who is at least eighteen (18) years of age;

(2) submit proof that the applicant has not been convicted of:

(A) an act that would constitute a ground for disciplinary sanction under IC 25-1-11; and

(B) a crime that has a direct bearing on the applicant's ability to practice competently;

(3) have a diploma from an accredited high school;

(4) have successfully completed either:

(A) a course of education consisting of:

(i) thirty (30) semester hours or forty-five (45) quarter hours of college level work in a regionally accredited **postsecondary educational** institution ~~of higher education~~ that includes course work in the subjects of English, the humanities, science, business, and other electives that apply toward a baccalaureate degree from the **postsecondary educational** institution; and

(ii) four (4) academic quarters, or its equivalent, in an accredited college, school, or department of mortuary science approved by the board; or

(B) a twenty-one (21) month program in an accredited college, school, or department of mortuary science that has been approved by the board; and

(5) pay the fee set by the board for a funeral director intern license.

(b) The board may require an applicant for a funeral director intern license to pass an examination before issuing a license to the applicant.

SECTION 314. IC 25-15-4-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. (a) An applicant must qualify under subsection (b) to be licensed as a funeral director. However, subject to IC 25-15-8-10, an individual qualified under subsection (c) or (d) shall be treated as a qualified individual.

(b) To qualify for a funeral director license, an applicant must:

(1) be an individual who is at least eighteen (18) years of age;

(2) submit proof that the applicant has not been convicted of:

(A) an act that would constitute a ground for disciplinary sanction under IC 25-1-11; or

(B) a crime that has a direct bearing on the applicant's ability to practice competently;

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(3) have a diploma from an accredited high school;
(4) have successfully completed either:
(A) a course of education consisting of:
(i) thirty (30) semester hours or forty-five (45) quarter hours of college level work in a regionally accredited **postsecondary educational** institution ~~of higher education~~ that includes course work in the subjects of English, humanities, science, business, and other electives that apply toward a baccalaureate degree from the **postsecondary educational** institution; and
(ii) four (4) academic quarters or the equivalent in an accredited college, school, or department of mortuary science approved by the board; or
(B) a twenty-one (21) month program in an accredited college, school, or department of mortuary science approved by the board;
(5) pass the examination required by the board for a funeral director license;
(6) under the direct supervision of a funeral director licensee, have at least one (1) year of continuous experience in the practice of funeral service; and
(7) pay the licensing fee set by the board for a funeral director licensee.

(c) An individual may be licensed as a funeral director if, on June 30, 1985, the individual had a funeral director license and an embalmer license issued by the state board of embalmers and funeral directors.

(d) An individual may be a funeral director if, on June 30, 1985, the individual had a funeral director license issued by the state board of embalmers and funeral directors.

SECTION 315. IC 25-17.6-1-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 8. "State geologist" means the person in charge of the Indiana geological survey established by ~~IC 20-12-28.~~ **IC 21-47-2.**

SECTION 316. IC 25-17.6-1-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 9. "Survey" refers to the Indiana geological survey established by ~~IC 20-12-28.~~ **IC 21-47-2.**

SECTION 317. IC 25-20.5-1-7, AS AMENDED BY P.L.1-2005, SECTION 193, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 7. (a) There is created a six (6) member Indiana hypnotist committee to assist the board in carrying out this chapter regarding the qualifications and examinations of hypnotists. The committee is comprised of:

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(1) three (3) hypnotists;
(2) one (1) physician licensed under IC 25-22.5;
(3) one (1) licensed psychologist who has received a health service provider endorsement under IC 25-33-1-5.1; and
(4) one (1) individual who is a resident of Indiana and who is not associated with hypnotism in any way, other than as a consumer.

(b) The governor shall make each appointment for a term of three (3) years. Each hypnotist appointed must:

(1) be a certified hypnotist for at least one (1) year under this chapter;
(2) have at least five hundred (500) supervised classroom hours of hypnotism education from a school that is approved by the Indiana commission on proprietary education under ~~IC 20-12-76~~ **IC 21-17-3** or by any other state that has requirements as stringent as required in Indiana;
(3) have at least one (1) year of experience in the actual practice of hypnotism immediately preceding appointment; and
(4) be a resident of Indiana and actively engaged in the practice of hypnotism while a member of the committee.

(c) Not more than three (3) members of the committee may be from the same political party. A member of the committee is not required to be a member of a professional hypnosis association. However, no two (2) hypnotist members appointed to the committee may belong to the same professional hypnosis association.

(d) A member of the committee may be removed for cause by the governor.

(e) The board shall appoint a chairman from among the members of the committee.

SECTION 318. IC 25-20.5-1-11, AS AMENDED BY P.L.1-2005, SECTION 194, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 11. (a) An individual who applies for a certificate as a hypnotist must do the following:

(1) Present satisfactory evidence to the committee that the individual:
(A) does not have a conviction for a crime that has a direct bearing on the individual's ability to practice competently;
(B) has not been the subject of a disciplinary action by a licensing or certification agency of another state or jurisdiction on the grounds that the individual was not able to practice as a hypnotist without endangering the public; and
(C) has at least five hundred (500) classroom hours of hypnotism education from an Indiana school or program of

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hypnotism that is approved by the Indiana commission on proprietary education (referred to as "the commission" in this clause) under ~~IC 20-12-76~~ **IC 21-17-3** or from any other state approved school or program that is found by the commission to have requirements as stringent as necessary for the commission's approval of an Indiana school or program of hypnotism. A classroom hour may not be less than a fifty (50) minute period of instruction with both the instructor and student in attendance. Classroom instruction does not include video tape correspondence courses or other forms of electronic presentation.

(2) Pay the fee established by the board.

(b) An individual may not enroll in a school or program of hypnotism to satisfy the requirement under subsection (a)(1)(C) unless the individual:

(1) is at least eighteen (18) years of age; and

(2) has graduated from high school or received a:

(A) high school equivalency certificate; or

(B) state of Indiana general education development (GED) diploma under IC 20-20-6.

SECTION 319. IC 25-22.5-1-1.2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1.2. As used in this article:

"Nursing school" includes a hospital nursing school, a nursing program, and a nursing department of ~~an~~ **a postsecondary educational** institution. ~~of higher education.~~ This shall include two (2), three (3), and four (4) year programs of nursing education.

"Shortage area" is an area in which there is a less than adequate supply of physicians or nurses relative to the need for nursing or physician services.

SECTION 320. IC 25-23.6-1-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. **"Eligible postsecondary educational** institution" ~~of higher education"~~ means a ~~university or college~~ **postsecondary educational institution** that:

(1) awards a bachelor's or higher degree;

(2) is located in:

(A) the United States; **or**

(B) Canada or another country, if permitted under IC 25-23.6-8-2.1, IC 25-23.6-8.5-2, or another provision of this article; and

(3) is accredited by a regional accrediting body.

SECTION 321. IC 25-23.6-2-2 IS AMENDED TO READ AS

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FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. (a) The board consists of nine (9) members appointed by the governor for terms of three (3) years. The board must include the following:

(1) Two (2) marriage and family therapists who:

(A) have at least a master's degree in marriage and family therapy or a related field from an **eligible postsecondary educational** institution; ~~of higher learning;~~

(B) are licensed under this chapter; and

(C) have five (5) years of experience in marriage and family therapy.

(2) One (1) social worker who:

(A) has at least a master's degree in social work from an **eligible postsecondary educational** institution ~~of higher education~~ accredited by the Council on Social Work Education;

(B) is licensed under this article; and

(C) has at least five (5) years of experience as a social worker.

(3) One (1) social services director of a hospital with a social work degree who has at least three (3) years of experience in a hospital setting.

(4) Two (2) mental health counselors who:

(A) have at least a master's degree in mental health counseling;

(B) are licensed under this article; and

(C) have at least five (5) years experience as a mental health counselor.

(5) Two (2) consumers who have never been credentialed under this article.

(6) One (1) physician licensed under IC 25-22.5 who has training in psychiatric medicine.

(b) Not more than five (5) members of the board may be from the same political party.

SECTION 322. IC 25-23.6-3-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. (a) This article may not be construed to limit the marriage and family therapy services performed by a person who does not use a title specified in this article and who is one (1) of the following:

(1) A licensed or certified health care professional acting within the scope of the person's license or certificate.

(2) A student, an intern, or a trainee pursuing a course of study in medicine or psychology or a course of study to gain licensure under this article in an accredited **eligible postsecondary educational** institution ~~of higher education~~ or training institution,

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or is a graduate accumulating experience required for licensure if:

(A) the activities are performed under qualified supervision and constitute a part of the person's supervised course of study or other level of supervision; and

(B) the student or graduate uses a title that contains the term "intern" or "trainee";

(3) Not a resident of Indiana if the person performed services in Indiana for not more than five (5) days in any one (1) month and not more than fifteen (15) days in any one (1) calendar year and the person is authorized to perform such services under the laws of the state or country in which the person resides.

(4) A rabbi, priest, Christian Science practitioner, minister, or other member of the clergy.

(5) An employee of or a volunteer for a nonprofit corporation or an organization performing charitable, religious, or educational functions, providing pastoral counseling or other assistance.

(6) A person who provides school counseling or a person who is certified by a state or national organization that is recognized by the Indiana division of mental health and addiction and who provides counseling in the areas of alcohol or drug abuse addictions.

(b) Nothing in this section prohibits a person referred to in subsection (a) from qualifying for licensure under this article.

SECTION 323. IC 25-23.6-4-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. (a) This article may not be construed to limit the social work or clinical social work services performed by a person who does not use a title specified in this article and who is one (1) of the following:

(1) A licensed or certified health care professional acting within the scope of the person's license or certificate.

(2) A student, an intern, or a trainee pursuing a course of study in medicine, psychology, or a course of study to gain licensure under this article in an accredited **eligible postsecondary educational** institution ~~of higher education~~ or training institution accredited by the Council on Social Work Education, or a graduate accumulating experience required for licensure if:

(A) the services are performed under qualified supervision and constitute a part of the person's supervised course of study or other level of supervision; and

(B) the student or graduate uses a title that contains the term "intern", "student", or "trainee".

(3) Not a resident of Indiana if the person performed social work

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in Indiana for not more than five (5) days in any one (1) month or more than fifteen (15) days in any one (1) calendar year and the person is authorized to perform such services under the laws of the state or country in which the person resides.

(4) A rabbi, priest, Christian Science practitioner, minister, or other member of the clergy.

(5) An employee or a volunteer for an organization performing charitable, religious, or educational functions, providing pastoral counseling, or other assistance.

(6) A person who provides school counseling or a person who is certified by a state or national organization that is recognized by the Indiana division of mental health and addiction and who provides counseling in the areas of alcohol or drug abuse addictions.

(7) A governmental employee who remains in the same job classification or job family of that job classification.

(b) Nothing in this section prohibits a person referred to in subsection (a) from qualifying for licensure under this article.

SECTION 324. IC 25-23.6-4.5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. (a) This article may not be construed to limit the mental health counseling services performed by a person who does not use a title specified in this article and who is one (1) of the following:

(1) A licensed or certified health care professional acting within the scope of the person's license or certificate.

(2) A student, an intern, or a trainee pursuing a course of study in medicine, psychology, or a course of study to gain licensure under this article in an accredited **eligible postsecondary educational** institution ~~of higher education~~ or training institution, or is a graduate accumulating experience required for licensure if:

(A) the services are performed under qualified supervision and constitute a part of the person's supervised course of study or other level of supervision; and

(B) the student or graduate uses a title that contains the term "intern" or "trainee".

(3) Not a resident of Indiana if the person performed the services in Indiana for not more than five (5) days in any one (1) month or fifteen (15) days within any one (1) calendar year and the person is authorized to perform such services under the laws of the state or country in which the person resides.

(4) A rabbi, priest, Christian Science practitioner, minister, or other member of the clergy.

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(5) An employee or a volunteer for an organization performing charitable, religious, or educational functions, providing pastoral counseling, or providing other assistance.

(6) A person who provides school counseling or a person who is certified by a state or national organization that is recognized by the Indiana division of mental health and addiction and who provides counseling in the areas of alcohol or drug abuse addictions.

(7) A governmental employee who remains in the same job classification or job family of that job classification.

(b) Nothing in this section prohibits a person referred to in subsection (a) from qualifying for licensure under this article.

SECTION 325. IC 25-23.6-5-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. An individual who applies for a license as a social worker must meet the following requirements:

(1) Furnish satisfactory evidence to the board that the individual:

(A) has received at least a bachelor's degree in social work from:

(i) an **eligible postsecondary educational** institution ~~of higher education~~ that is accredited or approved for candidacy by the Council on Social Work Education or approved by the board; or

(ii) a foreign school that has a program of study that is approved by the Foreign Equivalency Determination Service of the Council on Social Work Education; and

has completed two (2) years of experience in the practice of social work under the supervision of a licensed social worker, a licensed clinical social worker, or an equivalent supervisor, as determined by the board, after receiving the bachelor's degree; or

(B) has a master's degree in social work from:

(i) an **eligible postsecondary educational** institution ~~of higher education~~ approved by the board; or

(ii) a foreign school that has a program of study that is approved by the Foreign Equivalency Determination Service of the Council on Social Work Education.

(2) Furnish satisfactory evidence to the board that the individual does not have a conviction for a crime that has a direct bearing on the individual's ability to practice competently.

(3) Furnish satisfactory evidence to the board that the individual has not been the subject of a disciplinary action by a licensing or

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certification agency of another state or jurisdiction on the grounds that the individual was not able to practice as a social worker without endangering the public.

(4) Pass an examination provided by the board.

(5) Pay the fee established by the board.

SECTION 326. IC 25-23.6-5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. An individual who applies for a license as a clinical social worker must meet the following requirements:

(1) Furnish satisfactory evidence to the board that the individual has received:

(A) a doctoral degree in social work from an **eligible postsecondary educational** institution ~~of higher education~~ that at the time of graduation was accredited by an accrediting agency recognized by the United States Department of Education; or

(B) at least a master's degree in social work from:

(i) an **eligible postsecondary educational** institution ~~of higher education~~ accredited or approved for candidacy by the Council on Social Work Education; or

(ii) a foreign school that has a program of study accredited by the Canadian Association of Schools of Social Work or a program equivalent to a program approved by the Council on Social Work Education by the Foreign Equivalency Determination Service of the Council on Social Work Education.

The graduate program under this subdivision must have emphasized direct clinical or client health services as provided under section 3.1 of this chapter.

(2) Meet the clinical social work experience requirements under section 3.5 of this chapter.

(3) Furnish satisfactory evidence to the board that the individual does not have a conviction for a crime that has a direct bearing on the individual's ability to practice competently.

(4) Furnish satisfactory evidence to the board that the individual has not been the subject of a disciplinary action by a licensing or certification agency of another state or jurisdiction on the grounds that the individual was not able to practice as a social worker or clinical social worker without endangering the public.

(5) Pass an examination provided by the board.

(6) Pay a fee established by the board.

SECTION 327. IC 25-23.6-7-2 IS AMENDED TO READ AS

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FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. This chapter does not apply to school counselors who provide counseling services at the following:

(1) An elementary or secondary school accredited by the state board of education.

(2) A state educational institution. ~~(as defined in IC 20-12-0.5-1).~~

SECTION 328. IC 25-23.6-7-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. Before providing counseling services, a counselor shall disclose to the person to whom counseling services are provided the counselor's educational background in the field of counseling, including the following:

(1) Whether the counselor has a degree in counseling or a related field.

(2) The type of degree issued and the **eligible postsecondary educational** institution ~~of higher education~~ that issued the degree.

SECTION 329. IC 25-23.6-8-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. An individual who applies for a license as a marriage and family therapist must meet the following requirements:

(1) Furnish satisfactory evidence to the board that the individual has:

(A) received a master's or doctor's degree in marriage and family therapy, or in a related area as determined by the board from an **eligible postsecondary educational** institution ~~of higher education~~ that meets the requirements under section 2.1(a)(1) of this chapter or from a foreign school that has a program of study that meets the requirements under section 2.1(a)(2) or (2.1)(a)(3) of this chapter; and

(B) completed the educational requirements under section 2.5 of this chapter.

(2) Furnish satisfactory evidence to the board that the individual does not have a conviction for a crime that has a direct bearing on the individual's ability to practice competently.

(3) Furnish satisfactory evidence to the board that the individual has not been the subject of a disciplinary action by a licensing or certification agency of another state or jurisdiction on the grounds that the individual was not able to practice as a marriage and family therapist without endangering the public.

(4) Pass an examination provided by the board.

(5) Pay the fee established by the board.

SECTION 330. IC 25-23.6-8-2.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2.1. (a) An applicant

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under section 1 of this chapter must have received a master's or doctor's degree in marriage and family therapy, or in a related area as determined by the board, from an **eligible postsecondary educational** institution ~~of higher education~~ that meets the following requirements:

(1) If the institution was located in the United States or a territory of the United States, at the time of the applicant's graduation the institution was accredited by a regional accrediting body recognized by the Commission on Recognition of Postsecondary Accreditation.

(2) If the institution was located in Canada, at the time of the applicant's graduation the institution was a member in good standing with the Association of Universities and Colleges of Canada.

(3) If the institution was located in a foreign country other than Canada, at the time of the applicant's graduation the institution:

(A) was recognized by the government of the country where the school was located as a program to train in the practice of marriage and family therapy or psychotherapy; and

(B) maintained a standard of training substantially equivalent to the standards of institutions accredited by a regional accrediting body recognized by the Commission on Recognition of Postsecondary Accreditation.

(b) An applicant under section 1 of this chapter who has a master's or doctoral degree from a program that did not emphasize marriage and family therapy may complete the course work requirement from an institution that is:

(1) accredited by the Commission on Accreditation for Marriage and Family Therapy Education; and

(2) recognized by the United States Department of Education.

SECTION 331. IC 25-23.6-8-2.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2.5. (a) An applicant under section 1 of this chapter must complete the following educational requirements:

(1) Except as provided in subsection (b), complete twenty-seven (27) semester hours or forty-one (41) quarter hours of graduate course work that must include graduate level course credits with material in at least the following content areas:

(A) Theoretical foundations of marriage and family therapy.

(B) Major models of marriage and family therapy.

(C) Individual development.

(D) Family development and family relationships.

(E) Clinical problems.

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(F) Collaboration with other disciplines.
(G) Sexuality.
(H) Gender and sexual orientation.
(I) Issues of ethnicity, race, socioeconomic status, and culture.
(J) Therapy techniques.
(K) Behavioral research that focuses on the interpretation and application of research data as it applies to clinical practice.

The content areas may be combined into any one (1) graduate level course, if the applicant can prove that the course work was devoted to each content area.

(2) Not less than one (1) graduate level course of two (2) semester hours or three (3) quarter hours in the following areas:

(A) Legal, ethical, and professional standards issues in the practice of marriage and family therapy or an equivalent course approved by the board.
(B) Appraisal and assessment for individual or interpersonal disorder or dysfunction.

(3) At least one (1) supervised clinical practicum, internship, or field experience in a marriage and family counseling setting that meets the following requirements:

(A) The applicant provided five hundred (500) face to face client contact hours of marriage and family therapy services under the supervision of a licensed marriage and family therapist who has at least five (5) years of experience or a qualified supervisor approved by the board.
(B) The applicant received one hundred (100) hours of supervision from a licensed marriage and family therapist who has at least five (5) years experience as a qualified supervisor.

The requirements under subdivisions (A) and (B) may be met by a supervised practice experience that took place away from an institution of higher education but that is certified by an official of the **eligible postsecondary educational** institution ~~of higher education~~ as being equivalent to a graduate level practicum or internship program at an institution accredited by an accrediting agency approved by the United States Department of Education Commission on Recognition of Postsecondary Education, the Association of Universities and Colleges of Canada, or the Commission on Accreditation for Marriage and Family Therapy Education.

(b) The following graduate work may not be used to satisfy the content area requirements under subsection (a):

(1) Thesis or dissertation work.

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(2) Practicums, internships, or fieldwork.

SECTION 332. IC 25-23.6-8.5-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. An individual who applies for a license as a mental health counselor must meet the following requirements:

(1) Furnish satisfactory evidence to the board that the individual has:

(A) received a master's or doctor's degree in an area related to mental health counseling from:

(i) an **eligible postsecondary educational** institution ~~of higher education~~ that meets the requirements under section 2 of this chapter; or

(ii) a foreign school that has a program of study that meets the requirements under section 2 of this chapter;

(B) completed the educational requirements under section 3 of this chapter; and

(C) completed the experience requirements under section 4 of this chapter.

(2) Furnish satisfactory evidence to the board that the individual does not have a conviction for a crime that has a direct bearing on the individual's ability to practice competently.

(3) Furnish satisfactory evidence to the board that the individual has not been the subject of a disciplinary action by a licensing or certification agency of another state or jurisdiction on the grounds that the individual was not able to practice as a mental health counselor without endangering the public.

(4) Pass an examination provided by the board.

(5) Pay the fee established by the board.

SECTION 333. IC 25-23.6-8.5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. An applicant under section 1 of this chapter must have received a master's or doctor's degree in an area related to mental health counseling from an **eligible postsecondary educational** institution ~~of higher education~~ that meets the following requirements:

(1) If the institution was located in the United States or a territory of the United States, at the time of the applicant's graduation the institution was accredited by a regional accrediting body recognized by the Commission on Recognition of Postsecondary Accreditation.

(2) If the institution was located in Canada, at the time of the applicant's graduation the institution was a member in good standing with the Association of Universities and Colleges of

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Canada.

(3) If the institution was located in a foreign country other than Canada, at the time of the applicant's graduation the institution:

(A) was recognized by the government of the country where the school was located as a program to train in the practice of mental health counseling or psychotherapy counseling; and

(B) maintained a standard of training substantially equivalent to the standards of institutions accredited by a regional accrediting body recognized by the Commission on Recognition of Postsecondary Accreditation.

SECTION 334. IC 25-23.6-8.5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. An applicant under section 1 of this chapter must complete the following educational requirements:

(1) Complete sixty (60) semester hours of graduate course work in counseling that must include either a master's degree that required not less than forty-eight (48) semester hours or a doctor's degree in counseling. The graduate course work must include the following content areas:

(A) Human growth and development.

(B) Social and cultural foundations of counseling.

(C) Helping relationship, including counseling theory and practice.

(D) Group dynamics, processes, counseling, and consultation.

(E) Lifestyle and career development.

(F) Assessment and appraisal of individuals.

(G) Research and program evaluation.

(H) Professional orientation and ethics.

(I) Foundations of mental health counseling.

(J) Contextual dimensions of mental health counseling.

(K) Knowledge and skills for the practice of mental health counseling and psychotherapy.

(L) Clinical instruction.

(2) Not less than one (1) supervised clinical practicum, internship, or field experience in a counseling setting, which must include a minimum of one thousand (1,000) clock hours consisting of one (1) practicum of one hundred (100) hours, one (1) internship of six hundred (600) hours, and one (1) advanced internship of three hundred (300) hours with at least one hundred (100) hours of face to face supervision. This requirement may be met by a supervised practice experience that took place away from an **eligible postsecondary educational** institution ~~of higher education~~ but

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that is certified by an official of the **eligible postsecondary educational** institution ~~of higher education~~ as being equivalent to a clinical mental health graduate level practicum or internship program at an institution accredited by an accrediting agency approved by the United States Department of Education or the Association of Universities and Colleges of Canada.

SECTION 335. IC 25-33-1-1.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1.1. (a) Except as provided in sections 3(g) and 14(e) of this chapter, this article exempts a person who does not profess to be a psychologist and who is:

(1) a certified marriage and family therapist;

(2) a certified social worker or a certified clinical social worker;

(3) a minister, priest, rabbi, or other member of the clergy providing pastoral counseling or other assistance;

(4) a licensed or certified health care professional;

(5) a licensed attorney;

(6) a student, an intern, or a trainee pursuing a course of study in psychology in an accredited **postsecondary educational** institution ~~of higher education~~ or training institution if the psychology activities are performed under qualified supervision and constitute a part of the person's supervised course of study or other level of supervision as determined by the board;

(7) an employee of or a volunteer for a nonprofit corporation or an organization performing charitable, religious, or educational functions, providing pastoral counseling or other assistance; or

(8) any other certified or licensed profession.

(b) To be exempt under this article, a person described under subsection (a)(1), (a)(2), (a)(4), (a)(5), (a)(6), or (a)(8) must provide services:

(1) within the person's scope of practice and training; and

(2) according to any applicable ethical standards of the person's profession.

SECTION 336. IC 25-33-1-2, AS AMENDED BY P.L.1-2006, SECTION 477, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. (a) As used in this article:

"Appraisal instrument" means:

(1) a career and occupational instrument;

(2) an adaptive behavioral and symptom screening checklist; or

(3) an inventory of interests and preferences;

that is administered for the purpose of counseling individuals to cope with or adapt to changing life situations or to situations that are due to problems in living. The term includes marital, relational,

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communicational, parent and child, family system assessment instruments, and employment counseling.

"Board" means the state psychology board.

"Person" means an individual, firm, partnership, association, or corporation.

"Practice of psychology" includes the following:

(1) Construction, administration, and interpretation of tests of intellectual and cognitive abilities, aptitudes, skills, interests, attitudes, personality characteristics, perception, emotion, motivation, and opinion.

(2) Diagnosis and treatment of mental and behavioral disorders by a health service provider in psychology.

(3) Educational and vocational planning and guidance.

(4) Personnel selection and management.

(5) Arrangement of effective work and learning situations.

(6) Resolution of interpersonal and social conflicts.

(7) Techniques used in interviewing, counseling, psychotherapy, and behavior modification of individuals or groups.

(8) Supervision of psychological services.

(9) Teaching of any of the practices listed in this subsection.

(10) The planning and conduct of research on human behavior.

"Psychological services" means acts or behaviors coming within the purview of the practice of psychology (as defined in this article).

"Recognized **postsecondary educational** institution" ~~of higher learning"~~ means any college, university, school, or similar educational establishment approved by the board for the purposes of this article.

"Agency" means the Indiana professional licensing agency under IC 25-1-5.

"Approved organization" means any organization or individual approved by the board.

"Continuing education course" means an orderly process of instruction that is designed to directly enhance the practicing psychologist's knowledge and skill in providing relevant psychological services, and that is approved by an approved organization.

(b) Nothing in this article shall be construed as permitting individuals licensed as psychologists to engage in any manner in the practice of medicine or optometry (as defined in the laws of this state).

(c) Nothing in this article shall be construed as permitting a psychologist to prescribe medication, unless a psychologist is participating in a federal government sponsored training or treatment program. An individual licensed as a psychologist may not prescribe medication unless the individual is a practitioner (as defined under

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IC 16-42-19-5).

SECTION 337. IC 25-33-1-5.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5.1. (a) Except as provided in section 5.3 of this chapter, the board shall issue a license to an individual who meets the following requirements:

(1) Applies to the board in the form and manner prescribed by the board under section 3 of this chapter.

(2) Is at least eighteen (18) years of age.

(3) Has not been convicted of a crime that has a direct bearing upon the applicant's ability to practice competently.

(4) Possesses a doctoral degree in psychology:

(A) granted from ~~an~~ **a recognized postsecondary educational** institution; ~~of higher learning recognized by the board;~~ and

(B) from a degree program approved by the board as a psychology program at the time the degree was conferred.

(5) Is not in violation of this chapter or rules adopted by the board under section 3 of this chapter.

(6) Has paid the fee set by the board under section 3 of this chapter.

(7) Has passed the examination required and administered by the board.

(b) If an applicant has been disciplined by a licensing agency in another state or jurisdiction on the ground that the applicant was unable to competently practice psychology, the applicant must submit proof, satisfactory to the board, that the reasons for disciplinary sanction by the other licensing agency are no longer valid.

(c) The board shall endorse as a health service provider in psychology an individual who:

(1) has a doctoral degree in clinical psychology, counseling psychology, school psychology, or another applied health service area of psychology;

(2) is licensed under this section, section 5.3, or section 9 of this chapter;

(3) has at least two (2) years of experience in a supervised health service setting in which one (1) year of experience was obtained in an organized health service training program and in which at least one (1) year of experience was obtained after the individual received the individual's doctoral degree in psychology; and

(4) complies with the continuing education requirements under IC 25-33-2.

(d) An individual who received a doctoral degree in clinical psychology, counseling psychology, school psychology, or other

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applied health service area in psychology before September 1, 1983, may satisfy one (1) year of the two (2) year supervised health setting experience requirement under subsection (c) by successfully completing a preceptorship program. The individual must apply in writing to the board and the board must approve the program. The preceptorship program must:

(1) consist of at least one thousand eight hundred (1,800) hours of clinical, counseling, or school psychology work experience;

(2) consist of at least one hundred (100) hours of direct supervision of the individual by a psychologist, at least fifty (50) hours of which must involve the diagnosis of mental and behavioral disorders and at least fifty (50) hours of which must involve the treatment of mental and behavioral disorders;

(3) be completed in a health service setting that provides services in the diagnosis and treatment of mental and behavioral disorders;

(4) be under the supervision of a psychologist who meets the requirements for endorsement under this section; and

(5) be completed within two (2) years after the date the program is started.

(e) If an individual applies to the board under subsection (d), the board shall apply each hour of work experience the individual completes after applying to the board and before the board approves the preceptorship program to the one thousand eight hundred (1,800) hour work experience requirement under subsection (d)(1).

SECTION 338. IC 25-33-1-9, AS AMENDED BY P.L.212-2005, SECTION 62, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 9. (a) The board shall issue a license to practice psychology to an individual who:

(1) applies in the manner required by the board;

(2) pays a fee;

(3) is at least eighteen (18) years of age;

(4) has not been convicted of a crime that has a direct bearing on the individual's ability to practice competently;

(5) holds, at the time of application, a valid license or certificate as a psychologist from another state;

(6) possesses a doctoral degree from a recognized **postsecondary educational** institution; ~~of higher learning;~~

(7) has successfully completed:

(A) a degree program that would have been approved by the board at the time the individual was licensed or certified in the other state; or

(B) if the individual was licensed or certified in the other state

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before July 1, 1969, a degree program that satisfied the educational requirements of the board in effect January 4, 1971;

(8) has practiced psychology continuously since being licensed or certified;

(9) if the individual was licensed or certified by the other state:

(A) after September 30, 1972, has taken the Examination for the Professional Practice of Psychology and achieved the passing score required by the board at the time the examination was administered; or

(B) before January 1, 1990, and the other state required an examination other than the Examination for the Professional Practice of Psychology, and the individual achieved a passing score in the other state at the time of licensure or certification;

(10) has passed an examination administered by the board that covers Indiana law related to the practice of psychology; and

(11) is not in violation of this chapter or rules adopted under this chapter.

(b) The board may adopt rules under IC 4-22-2 concerning the issuance of a license under this section.

SECTION 339. IC 25-33-1-14, AS AMENDED BY P.L.246-2005, SECTION 212, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: 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 **postsecondary educational** 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 department of education (established by 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

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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 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 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 340. IC 25-35.6-1-4, AS AMENDED BY P.L.212-2005, SECTION 64, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. Nothing in this article shall be construed as preventing or restricting the following:

(1) A physician or surgeon from engaging in the practice of

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medicine in this state, or a person under the supervision and control of a physician or surgeon from conducting hearing testing, provided such a person is not called an audiologist.

(2) Any hearing aid dealer from:

(A) engaging in the testing of hearing and other practices and procedures necessary for the business for which the dealer is registered in this state under IC 25-20-1; and

(B) using the title hearing aid specialist or any similar title or description of service.

(3) Any person licensed or registered in this state by any other law from engaging in the profession or occupation for which the person is licensed or registered.

(4) A person employed as a speech-language pathologist or audiologist by the government of the United States, if such person performs speech-language pathology or audiology services solely within the confines or under the jurisdiction of the governmental organization by which the person is employed. However, such person may, without obtaining a license under this article, consult with or disseminate the person's research findings and other scientific information to speech-language pathologists and audiologists outside the jurisdiction of the organization by which the person is employed. Such person may also offer instruction and lectures to the public without being licensed under this article. Such person may additionally elect to be subject to this article.

(5) The activities and services of persons pursuing a course of study leading to a degree in speech-language pathology or audiology at a ~~college or university,~~ **postsecondary educational institution,** if:

(A) such activities and services constitute a part of a supervised course of study;

(B) such person is designated speech-language pathology or audiology intern, speech-language pathology or audiology trainee, or by other such titles clearly indicating the training status appropriate to the person's level of training; and

(C) the person works only under the supervision of a speech-language pathologist or audiologist licensed under this article.

(6) The activities and services of persons fulfilling the clinical experience requirement of section 5(2)(B)(ii) or 6(3)(B) of this chapter, if such activities and services constitute a part of the experience required for that section's fulfillment.

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(7) The performance of pure tone air conduction testing by an industrial audiometric technician, as defined by federal law, who is working in an industrial hearing conservation program directed by a physician or an audiologist.

(8) The performance of speech-language pathology or audiology services in this state by any person not a resident of this state who is not licensed under this article, if such services are performed for no more than five (5) days in any calendar year and in cooperation with a speech-language pathologist or audiologist licensed under this article, and if such person meets the qualifications and requirements for application for licensure described in sections 5(1) and 5(2) or 6(1) and 6(2) of this chapter. However, a person not a resident of this state who is not licensed under this article, but who is licensed under the law of another state which has established licensure requirements at least equivalent to those established by section 5 or 6 of this chapter or who is the holder of a certificate of clinical competence in speech-language pathology or audiology or its equivalent issued by a nationally recognized association for speech-language or hearing, may offer speech-language pathology or audiology services in this state for no more than thirty (30) days in any calendar year, if such services are performed in cooperation with a speech-language pathologist or audiologist licensed under this article.

SECTION 341. IC 25-37.5-1-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. (a) When used in this chapter, "valuable metal" means any product made of copper, copper alloy, brass, aluminum, or aluminum alloy that is readily used or useable by a public utility, railroad, county, city or state highway department, public or private school, or ~~an~~ **a postsecondary educational** institution. ~~of higher education.~~

(b) As used in this chapter, "valuable metal dealer" means any individual, firm, corporation, limited liability company, or partnership engaged in the business of purchasing and reselling valuable metal either at a permanently established place of business or in connection with a business of an itinerant nature, including junk shops, junk yards, junk stores, auto wreckers, scrap metal dealers or processors, salvage yards, collectors of or dealers in junk, and junk carts or trucks.

(c) As used in this chapter, "purchase" means acquiring a valuable metal product or products by a valuable metal dealer in a single transaction of one hundred dollars ($100) or more for a consideration, but does not include purchases between scrap metal processing

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facilities (as defined in IC 8-12-1-3(d)).

SECTION 342. IC 25-37.5-1-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. (a) Except as provided in section 5 of this chapter, every valuable metal dealer in this state shall enter on forms provided by the state police department for each purchase of valuable metal the following information:

(1) The name and address of the dealer.

(2) The date and place of each purchase.

(3) The name, address, age, driver's license number or Social Security number of the person or persons from whom the valuable metal was purchased.

(4) The motor vehicle license number of the vehicle or conveyance on which the valuable metal was delivered to the dealer.

(5) The price paid for the metal.

(6) A description and weight of the valuable metal purchased.

(b) The completed form shall be kept in a separate book or register by the dealer and shall be retained for a period of two (2) years. Such book or register shall be made available for inspection by any law enforcement official at any time. Within twenty-four (24) hours from the date of purchase of a valuable metal the valuable metal dealer shall notify the local law enforcement agency in writing or orally of the description of the purchase and the name of the individual who sold the product to the dealer. Notification is not required for such purchases if a bill of sale or other evidence of ownership is presented at the time of the sale of the product to the dealer from a public utility, railroad, county, city or state highway department, public or private school, or ~~an~~ **a postsecondary educational** institution. ~~of higher education.~~

SECTION 343. IC 25-37.5-1-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. The superintendent of the state police department may adopt rules under IC 4-22-2 as may be necessary to administer and enforce the provisions and intent of this chapter. The superintendent shall also prepare and distribute a list to each valuable metal dealer describing valuable metal products of interest to public utilities, railroads, county, city or state highway departments, public or private schools, or ~~an~~ **a postsecondary educational** institution. ~~of higher education.~~

SECTION 344. IC 27-1-39-4, AS ADDED BY P.L.38-2006, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. As used in this chapter, "independent **postsecondary** educational institution" refers to an independent, degree granting college or university that is:

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(1) accredited by the Higher Learning Commission of the North Central Association of Colleges and Schools;
(2) chartered in Indiana; and
(3) operated as a nonprofit entity under Section 501(c)(3) of the Internal Revenue Code.

SECTION 345. IC 27-1-39-5, AS ADDED BY P.L.38-2006, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. As used in this chapter, "member" means an independent **postsecondary** educational institution that enters into an agreement under section 7 of this chapter to form a consortium.

SECTION 346. IC 27-1-39-7, AS ADDED BY P.L.38-2006, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 7. (a) Notwithstanding any other law, two (2) or more independent **postsecondary** educational institutions may establish a trust under Indiana law to establish and maintain a self-insurance consortium through which the independent educational institutions jointly maintain a self-insurance fund to cover certain retained risks and jointly purchase stop-loss insurance coverage. The coverage for retained risks or stop-loss insurance coverage provided for through the trust may include any of the following types of coverage:
(1) Property and casualty coverage.
(2) Worker's compensation coverage.
(3) Employee health coverage.
(4) Employee vision coverage.
(5) Employee dental coverage.
(6) Other coverage.

(b) If the coverage described in subsection (a)(3), (a)(4), or (a)(5) is provided through the self-insurance fund, the coverage must be provided through a multiple employer welfare arrangement regulated under IC 27-1-34.

SECTION 347. IC 28-5-1-6, AS AMENDED BY P.L.235-2005, SECTION 204, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. (a) Every company may exercise all the powers conferred upon domestic corporations by IC 23-1 but only to the extent that those powers may be necessary, convenient, or expedient to accomplish the purposes for which it is organized. Subject to the restrictions and limitations contained in this chapter, every company may exercise the following powers:
(1) To issue, negotiate, and sell its secured or unsecured certificates of investment or indebtedness, subject to subdivision (17), upon terms and conditions, in any form, and payable at times that are not inconsistent with this chapter and, subject to

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subsection (c), bearing a rate of interest approved by the department.

(2) To make, purchase, discount, or otherwise acquire extensions of credit under IC 24-4.5.

(3) To lend money without security or upon the security of comakers, personal endorsement, or the mortgage of real or personal property or the mortgage or pledge of bailment leases or rentals due and to become due thereunder and other choses in action, and to contract for interest, discount, fees, charges, or other consideration fixed or permitted by any laws of Indiana concerning interest, discount, or usury.

(4) To discount, purchase, or otherwise acquire notes, bills of exchange, acceptances, bailment leases, and the property covered thereby or the rentals due or to become due thereunder or other choses in action and, subject to such restrictions the department imposes, to become owner or lessor of personal or real property acquired upon the request and for the use of a customer, and to incur additional obligations incident to becoming an owner or lessor of the property. The liability of a lessee under the lease does not constitute an obligation (as defined in section 8 of this chapter).

(5) To purchase or construct buildings and hold legal title to them, to be leased for public purposes to municipal corporations or other public authorities having resources sufficient to make payment of all rentals as they become due. Each lease agreement shall provide that upon expiration, the lessee shall become owner of the building.

(6) To invest in bonds, notes, or certificates which are:

(A) the direct or indirect obligations of the United States or of the state;

(B) obligations of mutual funds or financial institutions if the obligations represent a participation in a fund invested in, or are secured by, direct or indirect obligations of the United States owned by the mutual fund or financial institution;

(C) the direct obligations of a civil or school county, township, city, town, other taxing district, municipality of Indiana;

(D) a special taxing district in Indiana;

(E) issued by or in the name of:

(i) the trustees of Indiana University;

(ii) the trustees of Purdue University;

(iii) the trustees of Ball State University;

(iv) the trustees of Indiana State University; or

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(v) the Indiana health and educational facility finance authority under ~~IC 20-12-63;~~ **IC 5-1-16.5;**

(F) issued by or in the name of any municipality of Indiana and payable from the revenues to be derived from the operation of facilities for the production or distribution of water, electricity, gas, or from the operation of sewage works; or

(G) the obligations of any Indiana toll road commission, public library, or schoolhouse holding corporation first mortgage bonds;

which district, municipality, taxing unit, or corporation is not then in default in the payment of either principal or interest on any of its funded obligations and has not so defaulted for a period of more than six (6) months within the five (5) year period immediately preceding the purchase of the securities.

(7) To invest in bonds, notes, or debentures rated in one (1) of the first four (4) classifications established by one (1) or more standard rating services specified by the department that satisfy requirements of marketability prescribed periodically by the department that are the obligations of a person, a firm, a limited liability company, a corporation, a state, a territory, an insular possession of the United States, or a county, township, town, city, taxing district, or municipality thereof which is not then in default in the payment of either principal or interest on any of its funded obligations and has not so defaulted within the five (5) year period immediately preceding the purchase of the securities and other investment securities prescribed by the department by rule. As used in this section, the term "investment securities" means marketable obligations evidencing indebtedness of a person, firm, limited liability company, or corporation in the form of bonds, notes, or debentures commonly known as "investment securities" and the definition of the term "investment securities" prescribed by the department by rule. Except as is otherwise provided in this chapter or otherwise permitted by law, nothing contained in this subdivision authorizes the purchase by an industrial loan and investment company of shares of stock or other securities, unless the purchase is necessary to prevent loss under a debt previously contracted in good faith and stocks or other securities so purchased or acquired shall, within six (6) months from the time of its purchase, be sold or disposed of at public or private sale, unless otherwise ordered by the department.

(8) To invest in bonds or debentures issued under and by the authority of the Federal Home Loan Bank Act (12 U.S.C. 1421

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through 1429), or of the Home Owners' Loan Act (12 U.S.C. 1461 through 1468), or obligations issued by or for farm credit banks, and banks for cooperatives under the Farm Credit Act of 1971 (12 U.S.C. 2001 through 2279aa-14).

(9) To invest in insured shares of an insured savings association organized under the laws of Indiana, and in insured shares of an insured federal savings association whose principal place of business is located in Indiana; and in certificates of indebtedness or investment of an industrial loan and investment company organized under the laws of Indiana. However, not more than twenty percent (20%) of the resources of the company may be invested in the insured shares of any such association nor more than ten percent (10%) of sound capital in such certificates of industrial loan and investment companies.

(10) To make loans and advances of credit and purchases of obligations representing loans and advances of credit as are eligible for insurance by the federal housing administrator, and to obtain insurance from the administrator.

(11) To make loans secured by mortgage on real property or leasehold, insured by the federal housing administrator, or makes a commitment to insure and to obtain insurance from the administrator.

(12) To purchase, invest in, and dispose of notes or bonds secured by mortgage or trust deed insured by the federal housing administrator or debentures issued by the federal housing administrator, or bonds or other securities insured by national mortgage associations.

(13) To discount, purchase, or otherwise acquire charge accounts, and drafts and bills of exchange evidencing charge accounts and to impose and collect monthly service charges and maintenance charges on charge accounts, drafts, or bills of exchange which are owned or acquired in amounts agreed upon between the company and the obligor, or obligors, on charge accounts, drafts, and bills of exchange.

(14) To purchase or otherwise acquire property, real or personal, tangible or intangible, in which the company has a security interest to secure a debt owing to the company contracted in good faith or the purchase or acquisition of which property is considered expedient to prevent loss from a debt owing to the company contracted in good faith, and for such purpose to engage in any lawful business considered necessary or expedient by the company to preserve, protect, or make saleable the property.

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Property thus purchased or acquired shall be sold and disposed of within two (2) years, or a longer period permitted by the department, after the purchase or acquisition.

(15) To act as trustee of a trust created in the United States and forming part of a stock bonus, pension, or profit sharing plan that is qualified for tax treatment under Section 401(d) of the Internal Revenue Code, and to act as trustee or custodian of an individual retirement account within the meaning of Section 408 of the Internal Revenue Code, if the funds of that trust or account are only invested in certificates of investment or indebtedness of the company or in obligations or securities issued by that company. All funds held under this subdivision in a fiduciary capacity may be commingled by the company for appropriate investment purposes. However, individual records shall be kept by the fiduciary for each participant and shall show in proper detail all transactions engaged in under the authority of this subdivision.

(16) To do anything necessary and appropriate to obtain or maintain federal deposit insurance under the Federal Deposit Insurance Corporation Act (12 U.S.C. 1811 through 1833e) or insurance under any other federal or Indiana law providing insurance for certificates of investment or indebtedness issued by a company. A company that obtains and maintains federal deposit insurance is not required to obtain approval from the department concerning the rate of interest payable on, or the form, the terms, or the conditions of the certificates of investment or indebtedness, and the company may exercise all of the powers that are conferred upon institutions maintaining federal deposit insurance that are not in conflict with Indiana law.

(17) To become a member of a federal home loan bank and acquire, own, pledge, sell, assign, or otherwise dispose of shares of the capital stock of a federal home loan bank.

(18) To borrow money and procure advances from a federal home loan bank and to transfer, assign to, and pledge with the federal home loan bank any of the bonds, notes, contracts, mortgages, securities, or other property of the company held or acquired as security for the payment of the loans and advances.

(19) To possess and exercise all rights, powers, and privileges conferred upon and do and perform all acts and things required of members or shareholders of a federal home loan bank, or by the provisions of 12 U.S.C. 1421 through 1449.

(20) Subject to section 6.3 of this chapter, to exercise the rights and privileges (as defined in section 6.3(a) of this chapter) that

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are or may be granted to national banks domiciled in Indiana.

(b) No law of this state prescribing the nature, amount, or form of security or requiring security upon which loans or advances of credit may be made, or prescribing or limiting interest rates upon loans or advances of credit, or prescribing or limiting the period for which loans or advances of credit may be made, applies to loans, advances of credit, or purchases made pursuant to subsection (a)(10), (a)(11), or (a)(12).

(c) If any national or state chartered bank or savings association is not limited by law with regard to the rate of interest payable on any type or category of checking account, savings account, or deposit, certificate of deposit, membership share, or other account, then industrial loan and investment companies are similarly not limited with regard to the interest payable on certificates of investment or indebtedness.

SECTION 348. IC 30-2-12-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. As used in this chapter, "institution" means any of the following:

(1) An approved **postsecondary educational** institution ~~of higher learning~~ (as defined in ~~IC 20-12-21-3)~~ **IC 21-7-13-6(a))** and its related foundations.

(2) An organization that:

(A) is an exempt organization under Section 501(c)(3) of the Internal Revenue Code;

(B) has an endowment fund with a fair market value of at least ten million dollars ($10,000,000); and

(C) is not a religious organization.

(3) A community foundation or trust.

SECTION 349. IC 31-14-1.5-4, AS AMENDED BY P.L.68-2005, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. Upon forfeiture, the proceeds of the security, a bond, or other guarantee ordered to secure the obligation of child support, enforcement of a custody order, or enforcement of a parenting time order under this article that are not applied to the expenses described in section 3 of this chapter must be applied toward:

(1) the child's ~~higher~~ **postsecondary** education; or

(2) the support and maintenance of the child.

SECTION 350. IC 31-14-11-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. If the court orders support for a child's educational expenses at ~~an~~ **a postsecondary educational** institution ~~of higher learning~~ under section 3 of this chapter, the court shall reduce other child support for the child that:

(1) is duplicated by the educational support order; and

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(2) would otherwise be paid to the custodial parent.

SECTION 351. IC 31-15-7-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. If the court finds there is little or no marital property, the court may award either spouse a money judgment not limited to the property existing at the time of final separation. However, this award may be made only for the financial contribution of one (1) spouse toward tuition, books, and laboratory fees for the ~~higher~~ **postsecondary** education of the other spouse.

SECTION 352. IC 31-16-3.5-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. The proceeds of the security, bond, or other guarantee ordered to secure the obligation of child support ordered under this article that are not applied to the expenses described in section 3 of this chapter must be applied toward:

(1) the child's ~~higher~~ **postsecondary** education; or

(2) the support and maintenance of the child.

SECTION 353. IC 31-16-6-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. (a) The child support order or an educational support order may also include, where appropriate:

(1) amounts for the child's education in elementary and secondary schools and at **postsecondary educational** institutions, ~~of higher learning,~~ taking into account:

(A) the child's aptitude and ability;

(B) the child's reasonable ability to contribute to educational expenses through:

(i) work;

(ii) obtaining loans; and

(iii) obtaining other sources of financial aid reasonably available to the child and each parent; and

(C) the ability of each parent to meet these expenses;

(2) special medical, hospital, or dental expenses necessary to serve the best interests of the child; and

(3) fees mandated under Title IV-D of the federal Social Security Act (42 U.S.C. 651 through 669).

(b) If the court orders support for a child's educational expenses at ~~an~~ **a postsecondary educational** institution ~~of higher learning~~ under subsection (a), the court shall reduce other child support for that child that:

(1) is duplicated by the educational support order; and

(2) would otherwise be paid to the custodial parent.

SECTION 354. IC 31-16-6-6 IS AMENDED TO READ AS

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FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. (a) The duty to support a child under this chapter ceases when the child becomes twenty-one (21) years of age unless any of the following conditions occurs:

(1) The child is emancipated before becoming twenty-one (21) years of age. In this case the child support, except for the educational needs outlined in section 2(a)(1) of this chapter, terminates at the time of emancipation, although an order for educational needs may continue in effect until further order of the court.

(2) The child is incapacitated. In this case the child support continues during the incapacity or until further order of the court.

(3) The child:

(A) is at least eighteen (18) years of age;

(B) has not attended a secondary **school** or postsecondary ~~school~~ **educational institution** for the prior four (4) months and is not enrolled in a secondary **school** or postsecondary ~~school,~~ **educational institution;** and

(C) is or is capable of supporting himself or herself through employment.

In this case the child support terminates upon the court's finding that the conditions prescribed in this subdivision exist. However, if the court finds that the conditions set forth in clauses (A) through (C) are met but that the child is only partially supporting or is capable of only partially supporting himself or herself, the court may order that support be modified instead of terminated.

(b) For purposes of determining if a child is emancipated under subsection (a)(1), if the court finds that the child:

(1) has joined the United States armed services;

(2) has married; or

(3) is not under the care or control of:

(A) either parent; or

(B) an individual or agency approved by the court;

the court shall find the child emancipated and terminate the child support.

SECTION 355. IC 31-17-3.5-4, AS AMENDED BY P.L.68-2005, SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. Upon forfeiture, the proceeds of the security, a bond, or other guarantee ordered to secure enforcement of a custody order or parenting time order under this article that are not applied to the expenses described in section 3 of this chapter must be applied toward:

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(1) the child's ~~higher~~ **postsecondary** education; or
(2) the support and maintenance of the child.

SECTION 356. IC 31-26-2-8, AS ADDED BY P.L.145-2006, SECTION 272, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 8. Except as provided by federal law, if an individual receives a state or federal higher education award that is paid directly to an approved **postsecondary educational** institution ~~of higher learning~~ (as defined in ~~IC 20-12-21-3)~~ **IC 21-7-13-6(a))** for the individual's benefit:

(1) the individual is not required to report the award as income or as a resource of that individual when applying for assistance for a destitute child under this chapter; and
(2) the award must not be considered income or a resource of the individual in determining eligibility for assistance to a destitute child under this chapter.

SECTION 357. IC 32-24-4.5-5, AS ADDED BY P.L.163-2006, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. (a) As used in this chapter, "public agency" means:

(1) a state agency (as defined in IC 4-13-1-1);
(2) a unit (as defined in IC 36-1-2-23);
(3) a body corporate and politic created by state statute;
(4) a school corporation (as defined in IC 20-26-2-4); or
(5) another governmental unit or district with eminent domain powers.

(b) The term does not include a state educational institution. ~~(as defined in IC 20-12-0.5-1).~~

SECTION 358. IC 32-34-1-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 16. (a) As used in section 47 of this chapter, "political subdivision" includes any Indiana municipality, county, civil township, civil incorporated city or town, public school corporation, ~~university or college supported in part by state funds,~~ **state educational institution,** or any other territorial subdivision of the state recognized or designated in any law, including the following:

(1) Judicial circuits.
(2) A public utility entity not privately owned.
(3) A special taxing district or entity.
(4) A public improvement district authority or entity authorized to levy taxes or assessments.

(b) The term does not include any retirement system supported entirely or in part by the state.

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SECTION 359. IC 33-23-14-9, AS ADDED BY P.L.60-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 9. (a) As used in this section, "board" refers to the board of directors of the judicial conference of Indiana under IC 33-38-9-4.

(b) As used in this section, "effective date" means the date established by the board after which minimum employment standards are required for a person employed by a reentry court.

(c) A reentry court established under this chapter is subject to the regulatory powers of the Indiana judicial center under IC 33-38-9-9.

(d) With regard to reentry courts established under this chapter, the Indiana judicial center may do the following:

(1) Ensure that reentry courts comply with rules adopted under this section.

(2) Certify reentry courts established under this chapter.

(3) Revoke the certification of a reentry court upon a determination that the reentry court does not comply with rules adopted under this section.

(4) Make agreements and contracts with:

(A) another department, authority, or agency of the state;

(B) another state;

(C) the federal government;

(D) a state ~~supported~~ **educational institution** or **a** private ~~university,~~ **postsecondary educational institution;** or

(E) a public or private agency;

to implement this chapter.

(5) Require as a condition of operation that each reentry court created or funded under this chapter be certified according to rules established by the Indiana judicial center.

(6) Adopt rules to implement this chapter.

(e) The board shall adopt rules concerning standards, requirements, and procedures for initial certification, recertification, and decertification of reentry courts.

(f) The board may adopt rules concerning educational and occupational qualifications needed to be employed by a reentry court. However, a contract service provider must be licensed by the state or approved by the Indiana judicial center. If the board adopts qualifications under this subsection:

(1) the board shall establish an effective date after which a person employed by a reentry court must meet the qualifications adopted under this subsection; and

(2) the qualifications adopted under this subsection do not apply

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to a person who is employed:

(A) by a certified reentry court before the effective date; or

(B) as administrative personnel.

(g) The board may delegate any of the functions described in subsections (e) and (f) to a committee of the judicial conference of Indiana.

SECTION 360. IC 33-33-45-28 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 28. (a) The judicial nominating commission (referred to in this chapter as the commission) consists of nine (9) members, the majority of whom form a quorum. The chief justice of the supreme court (or a justice of the supreme court or judge of the court of appeals designated by the chief justice) shall be a member and shall act as chairman.

(b) Under sections 30 and 31 of this chapter, those admitted to the practice of law and residing in Lake County shall elect four (4) of their members to serve on the commission, subject to the following:

(1) At least one (1) attorney member must be a minority individual (as defined in IC 20-12-21.7-4).

(2) Two (2) attorney members must be women.

(3) Two (2) attorney members must be men.

(c) The Lake County board of commissioners shall appoint four (4) nonattorney citizens to the commission, subject to the following:

(1) Each of the three (3) county commissioners shall appoint one (1) nonattorney member who is a resident of the appointing commissioner's district.

(2) After each county commissioner has had the opportunity to make the county commissioner's appointment, the fourth nonattorney member must be appointed by a majority vote of the Lake County board of commissioners.

(3) At least one (1) nonattorney member must be a minority individual (as defined in ~~IC 20-12-21.7-4).~~ **IC 21-13-1-6).**

(4) Two (2) nonattorney members must be women.

(5) Two (2) nonattorney members must be men.

(6) Not more than two (2) of such appointees may be from the same political party.

The appointees must reflect the composition of the community. If the Lake County board of commissioners fails to appoint any of the nonattorney commission members within the time required to do so in section 29 of this chapter, the appointment shall be made by the chief justice of the supreme court.

(d) A member of the commission, other than a judge or justice, may not hold any other elected public office. A member may not hold an

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office in a political party or organization. A nonattorney member of the commission may not hold an elected or salaried public office. A nonattorney member may not be an employee of the state or of a political subdivision of the state.

(e) A member of the commission is not eligible for appointment to a judicial office in Lake County if the member is a member of the commission and for three (3) years thereafter.

(f) If any member of the commission, other than a judge or justice, terminates the member's residence in Lake County, the member is considered to have resigned from the commission.

SECTION 361. IC 34-6-2-48 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 48. "Food source", for purposes of IC 34-30-5, means any of the following:

(1) A restaurant.
(2) A cafeteria.
(3) A hospital.
(4) A hotel.
(5) A caterer.
(6) A public or **a** private school, ~~college,~~ or ~~university.~~ **postsecondary educational institution.**
(7) A fraternal organization or veterans organization.
(8) Any other person that prepares and serves food to individuals in the ordinary course of that person's business.

SECTION 362. IC 34-6-2-80 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 80. "Mental health service provider", for purposes of IC 34-30-16, means any of the following:

(1) A physician licensed under IC 25-22.5.
(2) A hospital licensed under IC 16-21.
(3) A private institution licensed under IC 12-25.
(4) A psychologist licensed under IC 25-33.
(5) A school psychologist licensed by the Indiana state board of education.
(6) A ~~university or college~~ **postsecondary educational institution** counseling center under the direction of a licensed psychologist, physician, or mental health professional.
(7) A registered nurse or licensed practical nurse licensed under IC 25-23.
(8) A clinical social worker licensed under IC 25-23.6-5-2.
(9) A partnership, a limited liability company, a corporation, or a professional corporation (as defined in IC 23-1.5-1-10) whose partners, members, or shareholders are mental health service

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providers described in subdivisions (1) through (6).

(10) A community mental health center (as defined in IC 12-7-2-38).

(11) A program for the treatment, care, or rehabilitation of alcohol abusers or drug abusers that is:

(A) certified under IC 12-23-1-6; or

(B) created and funded under IC 12-23-14 or IC 12-23-14.5.

(12) A state institution (as defined in IC 12-7-2-184).

(13) A managed care provider (as defined in IC 12-7-2-127(b)).

SECTION 363. IC 34-6-2-110 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 110. "Political subdivision", for purposes of IC 34-13-3, means a:

(1) county;

(2) township;

(3) city;

(4) town;

(5) separate municipal corporation;

(6) special taxing district;

(7) state ~~college or university;~~ **educational institution;**

(8) city or county hospital;

(9) school corporation;

(10) board or commission of one (1) of the entities listed in subdivisions (1) through (9);

(11) drug enforcement task force operated jointly by political subdivisions;

(12) community correctional service program organized under IC 12-12-1; or

(13) solid waste management district established under IC 13-21 or IC 13-9.5-2 (before its repeal).

SECTION 364. IC 34-6-2-127 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 127. "Qualified director", for purposes of IC 34-30-4, means any of the following individuals:

(1) An individual who serves without compensation for personal services as a member of a board or commission of the state or a political subdivision for the purpose of setting policy, controlling, or otherwise overseeing the activities or functional responsibilities of that board or commission.

(2) An individual who serves without compensation for personal services as a director or an officer for the purpose of setting policy, controlling, or otherwise overseeing the activities or functional responsibilities of a nonprofit corporation operating

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under IC 12-29, except IC 12-29-3-6 or an agency providing services under IC 12-12-3, or a nonprofit corporation that has one (1) of the following purposes:

(A) Religion.

(B) Charity.

(C) Benevolence.

(D) Providing goods or services at no charge to the general public.

(E) Education.

(F) Scientific activity.

(G) Developing or providing hospital services.

(H) Medical research.

(I) Developing or providing ambulance services or emergency medical treatment services.

(3) An individual who serves without compensation for personal services as a director for the purpose of setting policy, controlling, or otherwise overseeing the activities or functional responsibilities of an organization that acts as an advocate for its members and that has as its members individuals or organizations that are:

(A) members of a particular trade or industry; or

(B) members of the business community of a particular municipality or area of the state.

(4) An individual who serves without compensation for personal services as a director of a national, regional, or local fraternity or sorority that is connected with, and under the supervision of, a ~~college, university, or other~~ **postsecondary** educational institution located within Indiana.

(5) An individual who serves the purpose of setting policy, controlling, or otherwise overseeing the activities or functional responsibilities of a homeowners association (as defined in section 58 of this chapter).

(6) An individual who serves without compensation for personal services as a director for the purpose of setting policy, controlling, or otherwise overseeing the activities or functional responsibilities of the Special Olympics or the Pan American Games.

"Compensation", for purposes of this section, has the meaning set forth in section 28(a) of this chapter.

SECTION 365. IC 34-23-2-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. (a) As used in this section, "child" means an unmarried individual without dependents

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who is:

(1) less than twenty (20) years of age; or

(2) less than twenty-three (23) years of age and is enrolled in ~~an~~ **a postsecondary educational** institution, ~~of higher education~~ or ~~in~~ a vocational school or program **that is not a postsecondary educational program.**

(b) An action may be maintained under this section against the person whose wrongful act or omission caused the injury or death of a child. The action may be maintained by:

(1) the father and mother jointly, or either of them by naming the other parent as a codefendant to answer as to his or her interest;

(2) in case of divorce or dissolution of marriage, the person to whom custody of the child was awarded; and

(3) a guardian, for the injury or death of a protected person.

(c) In case of death of the person to whom custody of a child was awarded, a personal representative shall be appointed to maintain the action for the injury or death of the child.

(d) In an action brought by a guardian for an injury to a protected person, the damages inure to the benefit of the protected person.

(e) In an action to recover for the death of a child, the plaintiff may recover damages:

(1) for the loss of the child's services;

(2) for the loss of the child's love and companionship; and

(3) to pay the expenses of:

(A) health care and hospitalization necessitated by the wrongful act or omission that caused the child's death;

(B) the child's funeral and burial;

(C) the reasonable expense of psychiatric and psychological counseling incurred by a surviving parent or minor sibling of the child that is required because of the death of the child;

(D) uninsured debts of the child, including debts for which a parent is obligated on behalf of the child; and

(E) the administration of the child's estate, including reasonable attorney's fees.

(f) Damages may be awarded under this section only with respect to the period of time from the death of the child until:

(1) the date that the child would have reached:

(A) twenty (20) years of age; or

(B) twenty-three (23) years of age, if the child was enrolled in ~~an~~ **a postsecondary educational** institution ~~of higher education~~ or in a vocational school or program **that is not a postsecondary educational program;** or

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(2) the date of the child's last surviving parent's death;

whichever first occurs.

(g) Damages may be awarded under subsection (e)(2) only with respect to the period of time from the death of the child until the date of the child's last surviving parent's death.

(h) Damages awarded under subsection (e)(1), (e)(2), (e)(3)(C), and (e)(3)(D) inure to the benefit of:

(1) the father and mother jointly if both parents had custody of the child;

(2) the custodial parent, or custodial grandparent, and the noncustodial parent of the deceased child as apportioned by the court according to their respective losses; or

(3) a custodial grandparent of the child if the child was not survived by a parent entitled to benefit under this section.

However, a parent or grandparent who abandoned a deceased child while the child was alive is not entitled to any recovery under this chapter.

SECTION 366. IC 34-30-2-21 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 21. IC 7.1-5-7-8 (Concerning **postsecondary** educational institutions ~~of higher learning~~ for alcohol related injuries).

SECTION 367. IC 34-30-2-86 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 86. ~~IC 20-12-21.2-8~~ **IC 21-16-5-15** (Concerning officers and directors of a corporation designated by the governor to serve as a secondary market for education loans).

SECTION 368. IC 34-30-2-87, AS AMENDED BY P.L.235-2005, SECTION 209, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 87. ~~IC 20-12-63-15~~ **IC 5-1-16.5-41** (Concerning members of, and persons executing bonds for, the Indiana health and educational facility finance authority under ~~IC 20-12-63).~~ **IC 5-1-16.5).**

SECTION 369. IC 35-45-5-1, AS AMENDED BY P.L.70-2005, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. As used in this chapter:

"Gain" means the direct realization of winnings.

"Gambling" means risking money or other property for gain, contingent in whole or in part upon lot, chance, or the operation of a gambling device; but it does not include participating in:

(1) bona fide contests of skill, speed, strength, or endurance in which awards are made only to entrants or the owners of entries; or

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(2) bona fide business transactions that are valid under the law of contracts.

"Gambling device" means:

(1) a mechanism by the operation of which a right to money or other property may be credited, in return for consideration, as the result of the operation of an element of chance;

(2) a mechanism that, when operated for a consideration, does not return the same value or property for the same consideration upon each operation;

(3) a mechanism, furniture, fixture, construction, or installation designed primarily for use in connection with professional gambling;

(4) a policy ticket or wheel; or

(5) a subassembly or essential part designed or intended for use in connection with such a device, mechanism, furniture, fixture, construction, or installation.

In the application of this definition, an immediate and unrecorded right to replay mechanically conferred on players of pinball machines and similar amusement devices is presumed to be without value.

"Gambling information" means:

(1) a communication with respect to a wager made in the course of professional gambling; or

(2) information intended to be used for professional gambling.

"Interactive computer service" means an Internet service, an information service, a system, or an access software provider that provides or enables computer access to a computer served by multiple users. The term includes the following:

(1) A service or system that provides access or is an intermediary to the Internet.

(2) A system operated or services offered by a library, school, state educational institution, ~~(as defined in IC 20-12-0.5-1),~~ or private ~~college or university.~~ **postsecondary educational institution.**

"Operator" means a person who owns, maintains, or operates an Internet site that is used for interactive gambling.

"Profit" means a realized or unrealized benefit (other than a gain) and includes benefits from proprietorship or management and unequal advantage in a series of transactions.

SECTION 370. IC 35-47-4.5-3, AS AMENDED BY P.L.1-2006, SECTION 536, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. As used in this chapter, "public safety officer" means:

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(1) a state police officer;
(2) a county sheriff;
(3) a county police officer;
(4) a correctional officer;
(5) an excise police officer;
(6) a county police reserve officer;
(7) a city police officer;
(8) a city police reserve officer;
(9) a conservation enforcement officer;
(10) a gaming agent;
(11) a town marshal;
(12) a deputy town marshal;
(13) a state ~~university~~ **educational institution** police officer appointed under ~~IC 20-12-3.5;~~ **IC 21-39-4;**
(14) a probation officer;
(15) a firefighter (as defined in IC 9-18-34-1);
(16) an emergency medical technician; ~~or~~
(17) a paramedic; or
(18) a member of a consolidated law enforcement department established under IC 36-3-1-5.1.

SECTION 371. IC 35-50-6-3.3, AS AMENDED BY P.L.1-2005, SECTION 229, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3.3. (a) In addition to any credit time a person earns under subsection (b) or section 3 of this chapter, a person earns credit time if the person:

(1) is in credit Class I;
(2) has demonstrated a pattern consistent with rehabilitation; and
(3) successfully completes requirements to obtain one (1) of the following:
(A) A general educational development (GED) diploma under IC 20-20-6, if the person has not previously obtained a high school diploma.
(B) A high school diploma.
(C) An associate's degree from an approved **postsecondary educational** institution ~~of higher learning~~ (as defined under ~~IC 20-12-21-3).~~ **IC 21-7-13-6(a)).**
(D) A bachelor's degree from an approved **postsecondary educational** institution ~~of higher learning~~ (as defined under ~~IC 20-12-21-3).~~ **IC 21-7-13-6(a)).**

(b) In addition to any credit time that a person earns under subsection (a) or section 3 of this chapter, a person may earn credit time if, while confined by the department of correction, the person:

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(1) is in credit Class I;
(2) demonstrates a pattern consistent with rehabilitation; and
(3) successfully completes requirements to obtain at least one (1) of the following:
(A) A certificate of completion of a vocational education program approved by the department of correction.
(B) A certificate of completion of a substance abuse program approved by the department of correction.
(C) A certificate of completion of a literacy and basic life skills program approved by the department of correction.

(c) The department of correction shall establish admissions criteria and other requirements for programs available for earning credit time under subsection (b). A person may not earn credit time under both subsections (a) and (b) for the same program of study.

(d) The amount of credit time a person may earn under this section is the following:
(1) Six (6) months for completion of a state of Indiana general educational development (GED) diploma under IC 20-20-6.
(2) One (1) year for graduation from high school.
(3) One (1) year for completion of an associate's degree.
(4) Two (2) years for completion of a bachelor's degree.
(5) Not more than a total of six (6) months of credit, as determined by the department of correction, for the completion of one (1) or more vocational education programs approved by the department of correction.
(6) Not more than a total of six (6) months of credit, as determined by the department of correction, for the completion of one (1) or more substance abuse programs approved by the department of correction.
(7) Not more than a total of six (6) months credit, as determined by the department of correction, for the completion of one (1) or more literacy and basic life skills programs approved by the department of correction.

However, a person who does not have a substance abuse problem that qualifies the person to earn credit in a substance abuse program may earn not more than a total of twelve (12) months of credit, as determined by the department of correction, for the completion of one (1) or more vocational education programs approved by the department of correction. If a person earns more than six (6) months of credit for the completion of one (1) or more vocational education programs, the person is ineligible to earn credit for the completion of one (1) or more substance abuse programs.

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(e) Credit time earned by a person under this section is subtracted from the release date that would otherwise apply to the person after subtracting all other credit time earned by the person.

(f) A person does not earn credit time under subsection (a) unless the person completes at least a portion of the degree requirements after June 30, 1993.

(g) A person does not earn credit time under subsection (b) unless the person completes at least a portion of the program requirements after June 30, 1999.

(h) Credit time earned by a person under subsection (a) for a diploma or degree completed before July 1, 1999, shall be subtracted from:

(1) the release date that would otherwise apply to the person after subtracting all other credit time earned by the person, if the person has not been convicted of an offense described in subdivision (2); or

(2) the period of imprisonment imposed on the person by the sentencing court, if the person has been convicted of one (1) of the following crimes:

(A) Rape (IC 35-42-4-1).

(B) Criminal deviate conduct (IC 35-42-4-2).

(C) Child molesting (IC 35-42-4-3).

(D) Child exploitation (IC 35-42-4-4(b)).

(E) Vicarious sexual gratification (IC 35-42-4-5).

(F) Child solicitation (IC 35-42-4-6).

(G) Child seduction (IC 35-42-4-7).

(H) Sexual misconduct with a minor as a Class A felony, Class B felony, or Class C felony (IC 35-42-4-9).

(I) Incest (IC 35-46-1-3).

(J) Sexual battery (IC 35-42-4-8).

(K) Kidnapping (IC 35-42-3-2), if the victim is less than eighteen (18) years of age.

(L) Criminal confinement (IC 35-42-3-3), if the victim is less than eighteen (18) years of age.

(M) An attempt or a conspiracy to commit a crime listed in clauses (A) through (L).

(i) The maximum amount of credit time a person may earn under this section is the lesser of:

(1) four (4) years; or

(2) one-third (1/3) of the person's total applicable credit time.

(j) The amount of credit time earned under this section is reduced to the extent that application of the credit time would otherwise result

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in:

(1) postconviction release (as defined in IC 35-40-4-6); or

(2) assignment of the person to a community transition program;

in less than forty-five (45) days after the person earns the credit time.

(k) A person may earn credit time for multiple degrees at the same education level under subsection (d) only in accordance with guidelines approved by the department of correction. The department of correction may approve guidelines for proper sequence of education degrees under subsection (d).

SECTION 372. IC 36-1-18 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]:

Chapter 18. Donations to a State University From a Political Subdivision

Sec. 1. This chapter applies to a county, city, town, or township in which a state educational institution is located whenever:

(1) at least:

(A) fifty (50) freeholders and taxpayers of the political subdivision, if the political subdivision is a county; or

(B) twenty-five (25) freeholders of the political subdivision, if the political subdivision is a city, town, or township;

petition the legislative body of the political subdivision to make a donation to a state educational institution that is located in the political subdivision;

(2) the donation proposed in the petition does not exceed:

(A) twenty-five thousand dollars ($25,000), if the petition is made to a county or city; or

(B) ten thousand dollars ($10,000), if the petition is made to a township or town; and

(3) neither the political subdivision nor any other political subdivision in the same county has made another donation to the state educational institution under this chapter, IC 21-7-1 (before its repeal), or Acts 1897, c.39, s.2 (before its repeal).

Sec. 2. The legislative body of a political subdivision may adopt:

(1) an ordinance, if the political subdivision is a county, city, or town; or

(2) a resolution, if the political subdivision is a township;

to make a donation to a state educational institution located in the political subdivision. The amount of the donation may not exceed the amount named in the petition submitted to the political subdivision under this chapter.

Sec. 3. An ordinance or resolution under this chapter is

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sufficient justification for the proper officer to draw a warrant and pay the donation authorized by the political subdivision's legislative body.

Sec. 4. The legislative body making a donation under this chapter may make all proper agreements with a state educational institution with reference to the purpose for which the donation must be used. The terms and conditions under which the money is donated, when made and accepted, are binding on the state educational institution accepting the donation.

SECTION 373. IC 36-1-19 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]:

Chapter 19. Knox County Tax Levy for Vincennes University

Sec. 1. The county council of Knox County may fix and establish annually the rate of a special tax levy to be imposed on the taxable property of Knox County, for the support of Vincennes University. This levy may not exceed in any year, three cents ($0.03) on each one hundred dollars ($100) of the taxable property in Knox County. All revenue accruing from any tax levy imposed under this section shall be paid:

(1) into the county treasury as a separate and distinct fund; and

(2) to the proper fiduciary officer of Vincennes University on warrant of the county auditor.

Sec. 2. At the time the county auditor of Knox County makes the county auditor's regular semiannual settlement with the proper fiduciary officer of Vincennes University for the proceeds of the special tax levy that may be then due Vincennes University under this chapter, the county auditor shall also forward to the auditor of state a certificate showing:

(1) the total valuation of the taxable property of Knox County;

(2) the special tax rate established by the county council for the support of Vincennes University for the current year; and

(3) the total amount paid on behalf of Knox County as public aid to Vincennes University at the semiannual settlement.

Semiannually upon receipt of the certificate, the auditor of state shall promptly draw and forward to Vincennes University a warrant on the treasurer of state in double the amount shown by the certificate of the Knox County auditor to have been paid as public aid to Vincennes University at the semiannual settlement. The warrant must be charged to and paid out of the state general

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fund.

SECTION 374. IC 36-2-14-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 16. (a) This section applies to each county having a population of more than four hundred thousand (400,000).

(b) For purposes of this section, a body is unclaimed if:

(1) a person cannot be located to take custody of the body; or

(2) there is a person to take custody of the body, but that person cannot or will not assume financial responsibility for disposition of the body.

(c) Except as provided in IC 20-12-29.5, the coroner may order the burial or cremation of any unclaimed body left in the coroner's custody.

(d) If the deceased died without leaving money or other means necessary to defray the funeral expenses, the coroner may contract with a funeral director licensed under IC 25-15 to dispose of the body. The necessary and reasonable expenses for disposing of the body shall be paid by the county auditor upon the order of the coroner.

SECTION 375. IC 36-7-4-503, AS AMENDED BY P.L.185-2005, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 503. A comprehensive plan may, in addition to the elements required by section 502 of this chapter, include the following:

(1) Surveys and studies of current conditions and probable future growth within the jurisdiction and adjoining jurisdictions.

(2) Maps, plats, charts, and descriptive material presenting basic information, locations, extent, and character of any of the following:

(A) History, population, and physical site conditions.

(B) Land use, including the height, area, bulk, location, and use of private and public structures and premises.

(C) Population densities.

(D) Community centers and neighborhood units.

(E) Areas needing redevelopment and conservation.

(F) Public ways, including bridges, viaducts, subways, parkways, and other public places.

(G) Sewers, sanitation, and drainage, including handling, treatment, and disposal of excess drainage waters, sewage, garbage, refuse, and other wastes.

(H) Air, land, and water pollution.

(I) Flood control and irrigation.

(J) Public and private utilities, such as water, light, heat, communication, and other services.

(K) Transportation, including rail, bus, truck, air and water

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transport, and their terminal facilities.

(L) Local mass transit, including taxicabs, buses, and street, elevated, or underground railways.

(M) Parks and recreation, including parks, playgrounds, reservations, forests, wildlife refuges, and other public places of a recreational nature.

(N) Public buildings and institutions, including governmental administration and service buildings, hospitals, infirmaries, clinics, penal and correctional institutions, and other civic and social service buildings.

(O) Education, including location and extent of schools ~~colleges,~~ and ~~universities.~~ **postsecondary educational institutions.**

(P) Land utilization, including agriculture, forests, and other uses.

(Q) Conservation of energy, water, soil, and agricultural and mineral resources.

(R) Any other factors that are a part of the physical, economic, or social situation within the jurisdiction.

(3) Reports, maps, charts, and recommendations setting forth plans and policies for the development, redevelopment, improvement, extension, and revision of the subjects and physical situations (set out in subdivision (2) of this section) of the jurisdiction so as to substantially accomplish the purposes of this chapter.

(4) A short and long range development program of public works projects for the purpose of stabilizing industry and employment and for the purpose of eliminating unplanned, unsightly, untimely, and extravagant projects.

(5) A short and long range capital improvements program of governmental expenditures so that the development policies established in the comprehensive plan can be carried out and kept up-to-date for all separate taxing districts within the jurisdiction to assure efficient and economic use of public funds.

(6) A short and long range plan for the location, general design, and assignment of priority for construction of thoroughfares in the jurisdiction for the purpose of providing a system of major public ways that allows effective vehicular movement, encourages effective use of land, and makes economic use of public funds.

SECTION 376. IC 36-7-7.6-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 16. (a) The commission must appoint advisory committees to assist in the achievement of its

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objectives. The membership of advisory committees shall not be limited to the members of the commission.

(b) At least one (1) advisory committee must be appointed with a membership that is representative of the private sector of the communities served by the commission and must include members representative of:

(1) ~~higher education~~ **postsecondary educational** institutions;

(2) minority business enterprises;

(3) labor and workforce organizations; and

(4) manufacturing entities;

active in at least one (1) of the communities served by the commission.

(c) Members of advisory committees are not entitled to compensation for their services but may be reimbursed by the commission for expenses incurred in the performance of their duties.

SECTION 377. IC 36-7-32-11, AS AMENDED BY P.L.4-2005, SECTION 144, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 11. (a) After receipt of an application under section 10 of this chapter, and subject to subsection (b), the Indiana economic development corporation may designate a certified technology park if the corporation determines that the application demonstrates a firm commitment from at least one (1) business engaged in a high technology activity creating a significant number of jobs and satisfies one (1) or more of the following additional criteria:

(1) A demonstration of significant support from an institution of higher education, a private research based institute, or a military research and development or testing facility on an active United States government military base or other military installation located within, or in the vicinity of, the proposed certified technology park, as evidenced by the following criteria:

(A) Grants of preferences for access to and commercialization of intellectual property.

(B) Access to laboratory and other facilities owned by or under the control of the **postsecondary educational** institution ~~of higher education~~ or private research based institute.

(C) Donations of services.

(D) Access to telecommunications facilities and other infrastructure.

(E) Financial commitments.

(F) Access to faculty, staff, and students.

(G) Opportunities for adjunct faculty and other types of staff arrangements or affiliations.

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(H) Other criteria considered appropriate by the Indiana economic development corporation.

(2) A demonstration of a significant commitment by the **postsecondary educational** institution, ~~of higher education,~~ private research based institute, or military research and development or testing facility on an active United States government military base or other military installation to the commercialization of research produced at the certified technology park, as evidenced by the intellectual property and, if applicable, tenure policies that reward faculty and staff for commercialization and collaboration with private businesses.

(3) A demonstration that the proposed certified technology park will be developed to take advantage of the unique characteristics and specialties offered by the public and private resources available in the area in which the proposed certified technology park will be located.

(4) The existence of or proposed development of a business incubator within the proposed certified technology park that exhibits the following types of resources and organization:

(A) Significant financial and other types of support from the public or private resources in the area in which the proposed certified technology park will be located.

(B) A business plan exhibiting the economic utilization and availability of resources and a likelihood of successful development of technologies and research into viable business enterprises.

(C) A commitment to the employment of a qualified full-time manager to supervise the development and operation of the business incubator.

(5) The existence of a business plan for the proposed certified technology park that identifies its objectives in a clearly focused and measurable fashion and that addresses the following matters:

(A) A commitment to new business formation.

(B) The clustering of businesses, technology, and research.

(C) The opportunity for and costs of development of properties under common ownership or control.

(D) The availability of and method proposed for development of infrastructure and other improvements, including telecommunications technology, necessary for the development of the proposed certified technology park.

(E) Assumptions of costs and revenues related to the development of the proposed certified technology park.

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(6) A demonstrable and satisfactory assurance that the proposed certified technology park can be developed to principally contain property that is primarily used for, or will be primarily used for, a high technology activity or a business incubator.

(b) The Indiana economic development corporation may not approve an application that would result in a substantial reduction or cessation of operations in another location in Indiana in order to relocate them within the certified technology park.

SECTION 378. IC 36-7-32-12, AS AMENDED BY P.L.4-2005, SECTION 145, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 12. A redevelopment commission and the legislative body of the unit that established the redevelopment commission may enter into an agreement with the Indiana economic development corporation establishing the terms and conditions governing a certified technology park designated under section 11 of this chapter. Upon designation of the certified technology park under the terms of the agreement, the subsequent failure of any party to comply with the terms of the agreement does not result in the termination or rescission of the designation of the area as a certified technology park. The agreement must include the following provisions:

(1) A description of the area to be included within the certified technology park.

(2) Covenants and restrictions, if any, upon all or a part of the properties contained within the certified technology park and terms of enforcement of any covenants or restrictions.

(3) The financial commitments of any party to the agreement and of any owner or developer of property within the certified technology park.

(4) The terms of any commitment required from ~~an~~ **a postsecondary educational** institution ~~of higher education~~ or private research based institute for support of the operations and activities within the certified technology park.

(5) The terms of enforcement of the agreement, which may include the definition of events of default, cure periods, legal and equitable remedies and rights, and penalties and damages, actual or liquidated, upon the occurrence of an event of default.

(6) The public facilities to be developed for the certified technology park and the costs of those public facilities, as approved by the Indiana economic development corporation.

SECTION 379. THE FOLLOWING ARE REPEALED [EFFECTIVE JULY 1, 2007]: IC 4-1-5; IC 4-4-3.4; IC 4-4-30; IC 4-13-6; IC 4-20.5-1-11.9; IC 5-22-2-37; IC 9-18-46.2-1;

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IC 15-2.1-5; IC 20-12; IC 21-6.1; IC 21-7-1; IC 21-7-2; IC 21-7-3; IC 21-7-4; IC 21-7-4.5; IC 21-7-5; IC 21-7-6; IC 21-7-11; IC 21-9-2-16; IC 21-10; IC 22-4.1-13-4; IC 23-13-7; IC 23-13-17; IC 23-13-18; IC 32-19-4.

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COMMITTEE REPORT

Madam President: The Senate Committee on Education and Career Development, to which was referred Senate Bill No. 526, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 317, delete lines 5 through 7.

Page 317, line 13, after "IC 21-22-2-2." insert "**In the corporate name and capacity, the state board of trustees may sue, be sued, plead, and be impleaded, in any court of record, and by that name has perpetual succession.**".

Page 319, line 1, delete "developing" and insert "**develop**".

Page 319, line 9, delete "assisting and supervising" and insert "**assist and supervise**".

Page 319, line 10, delete "coordinating" and insert "**coordinate**".

Page 319, line 13, delete "preparing" and insert "**prepare**".

Page 320, line 42, delete "section 3 or 4 of this" and insert "**IC 21-27-6-3, IC 21-27-6-4,**".

Page 321, line 1, delete "chapter,".

Page 321, line 1, delete IC 211-41-5-8" and insert "**IC 21-41-5-8**".

Page 333, delete lines 33 through 37.

Page 580, line 37, delete "IC 4-24-2-2; IC 4-24-2-3; IC 4-24-2-1;".

Page 580, line 38, delete "IC 4-24-2-4; IC 4-24-2-5;".

Page 580, line 41, delete "IC 23-13-8" and insert "IC 23-13-18;".

and when so amended that said bill do pass.

(Reference is to SB 526 as introduced.)

LUBBERS, Chairperson

Committee Vote: Yeas 8, Nays 0.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Education, to which was referred Senate Bill 526, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 36, line 37, delete "2006]:" and insert "2007]:".

Page 95, line 12, strike "by" and insert "**be**".

Page 168, line 22, delete "(a)".

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Page 175, line 40, delete "otherwise situated for the" and insert "**located**".

Page 175, line 41, delete "purpose of".

Page 175, line 41, delete "therein" and insert "**in the county**".

Page 195, line 38, delete "[EFFECTIVE UPON PASSAGE]:" and insert "[EFFECTIVE JULY 1, 2007]:".

Page 227, between lines 6 and 7, begin a new paragraph and insert:

"**Sec. 9. The term of office of each member, except the student member, is three (3) years, beginning August 1 of the year of appointment and continuing until the member's successor is appointed and qualified. The term of office of the student member is two (2) years, beginning August 1 of the year of appointment and continuing until the member is no longer a student at an approved post secondary educational institution or until the member's successor is appointed and qualified. Vacancies shall be filled by the governor.**".

Page 231, line 6, beginning with "ARTICLE" begin a new paragraph.

Page 232, line 16, after ";" insert "**and**".

Page 237, line 14, delete "It" and insert "**The approved postsecondary educational institution**".

Page 277, line 13, delete "is" and insert "**are**".

Page 302, between lines 22 and 23, begin a new paragraph and insert:

"**Sec. 3. The commission may sue and be sued in the name of the commission.**".

Page 311, line 23, delete "alumnus'" and insert "**alumnus's**".

Page 318, line 16, delete "Submiting" and insert "**Submitting**".

Page 335, line 16, delete "A".

Page 359, line 40, delete "chapter s" and insert "**chapter**".

Page 365, line 22, after "clause" insert "**(A)**".

Page 367, line 32, delete "the".

Page 367, line 35, delete "higher education" and insert "**state educational**".

Page 384, line 32, after "(C)" insert "**perform actions under**".

Page 411, line 2, delete "**or**".

Page 411, line 5, after "(C)" insert "**for purposes of**".

Page 414, line 28, delete "to p" and insert "**to**".

Page 416, line 27, delete "IC 30-4-1-1(a))." and insert "**IC 30-4-1-1(a).**".

Page 432, line 24, delete "4.(a)" and insert "**4. (a)**".

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Page 470, line 12, delete "fields." and insert "**fields; and**".

and when so amended that said bill do pass.

(Reference is to SB 526 as printed February 16, 2007.)

PORTER, Chair

Committee Vote: yeas 12, nays 0.

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