



Reprinted  
January 27, 2010

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## SENATE BILL No. 298

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DIGEST OF SB 298 (Updated January 26, 2010 6:21 pm - DI 73)

**Citations Affected:** IC 2-3.5; IC 4-12; IC 5-10; IC 5-10.2; IC 5-10.3; IC 5-10.4; IC 5-10.5; IC 12-24; IC 33-38; IC 33-39; IC 36-8; noncode.

**Synopsis:** State administration. Establishes the Indiana public retirement system (system) to administer and manage: (1) the public employees' retirement fund (PERF); (2) the teachers' retirement fund (TRF); (3) the judges' retirement fund; (4) the prosecuting attorneys retirement fund; (5) the state excise police, gaming agent, gaming control officer, and conservation enforcement officers' retirement fund; (6) the 1977 police officers' and firefighters' pension and disability fund; (7) the legislators' retirement system; (8) the pension relief fund; (9) the special death benefit fund; and (10) the state employees' death benefit fund. Creates an 11 member board of trustees for the system (board) consisting of ten members appointed by the governor and the director of the budget agency (or designee) serving as an ex officio voting member. Requires a trustee to complete annually at least 12 hours of trustee education. Provides that the board's powers and duties are the combined powers and duties of the PERF and TRF boards. Provides that each retirement fund continues as a separate fund managed by the board. Provides for a director of the system who is appointed by and serves at the pleasure of the board. Requires the director to employ managers for PERF and TRF. Allows the director to employ managers for one or more of the other public retirement funds of the system. Repeals provisions that establish the PERF and TRF boards. Abolishes the Indiana tobacco use prevention and cessation (Continued next page)

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**Effective:** May 1, 2010; July 1, 2010.

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### Kenley, Hershman

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January 11, 2010, read first time and referred to Committee on Appropriations.  
January 19, 2010, amended, reported favorably — Do Pass.  
January 26, 2010, read second time, amended, ordered engrossed.

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SB 298—LS 6958/DI 73+



Digest Continued

executive board (executive board) on July 1, 2010, and transfers all assets, obligations, powers, duties, and appropriations of the executive board to the state department of health. Repeals statutes governing the executive board. Removes the provision prohibiting the Evansville State Psychiatric Treatment Center for Children from being independent of the Evansville State Hospital and the southwestern Indiana community mental health center. Removes the provision prohibiting the Evansville State Psychiatric Treatment Center and the Evansville State Hospital from reducing staffing levels below those in effect on January 1, 2002. Repeals corresponding definitions and cross-references.

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Reprinted  
January 27, 2010

Second Regular Session 116th General Assembly (2010)

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 2009 Regular and Special Sessions of the General Assembly.

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## SENATE BILL No. 298

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

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

- 1 SECTION 1. IC 2-3.5-2-2.7 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE MAY  
3 1, 2010]: **Sec. 2.7. (a) "Board" refers to the board of trustees of the**  
4 **Indiana public retirement system established by IC 5-10.5-3-1.**  
5 **(b) References in this article to the PERF board or TRF board**  
6 **shall be considered after April 30, 2010, to be references to the**  
7 **board of trustees of the Indiana public retirement system**  
8 **established by IC 5-10.5-3-1.**  
9 SECTION 2. IC 4-12-4-9 IS AMENDED TO READ AS FOLLOWS  
10 [EFFECTIVE JULY 1, 2010]: **Sec. 9. (a) The Indiana tobacco use**  
11 **prevention and cessation executive board is abolished July 1, 2010.**  
12 **On July 1, 2010:**  
13 **(1) all assets, obligations, powers, and duties of the executive**  
14 **board are transferred to the state department of health; and**  
15 **(2) all appropriations made to the Indiana tobacco use**

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1            **prevention and cessation executive board are transferred to**  
2            **the state department of health and are considered**  
3            **appropriations made to the state department of health.**

4            (b) In addition to any other power granted by this chapter, the  
5            ~~executive board~~ **state department of health** may:

6            ~~(1)~~ adopt an official seat and alter the seat at its pleasure;

7            ~~(2)~~ (1) adopt rules under IC 4-22-2 for the regulation of its affairs  
8            and the conduct of its business and prescribe policies in  
9            connection with the performance of its functions and duties; **to**  
10           **carry out this chapter;**

11           ~~(3)~~ (2) accept gifts, devises, bequests, grants, loans,  
12           appropriations, revenue sharing, other financing and assistance,  
13           and any other aid from any source and agree to and comply with  
14           conditions attached to that aid;

15           ~~(4)~~ (3) make, execute, and effectuate any and all contracts,  
16           agreements, or other documents with any governmental agency or  
17           any person, corporation, limited liability company, association,  
18           partnership, or other organization or entity necessary or  
19           convenient to accomplish the purposes of this chapter, including  
20           contracts for the provision of all or any portion of the services the  
21           ~~executive board~~ **state department** considers necessary; **for the**  
22           **management and operations of the executive board;**

23           ~~(5)~~ (4) recommend legislation to the governor and general  
24           assembly; and

25           ~~(6)~~ (5) do any and all acts and things necessary, proper, or  
26           convenient to carry out this ~~article:~~ **chapter.**

27           SECTION 3. IC 4-12-4-10 IS AMENDED TO READ AS  
28           FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 10. (a) The Indiana  
29           tobacco use prevention and cessation trust fund is established. The  
30           ~~executive board~~ **state department of health** may expend money from  
31           the fund and make grants from the fund to implement the long range  
32           state plan established under this chapter. ~~General operating and~~  
33           ~~Administrative expenses of the executive board~~ **necessary to carry out**  
34           **this chapter** are also payable from the fund.

35           (b) The fund consists of:

36           (1) amounts, if any, that another statute requires to be distributed  
37           to the fund from the Indiana tobacco master settlement agreement  
38           fund;

39           (2) appropriations to the fund from other sources;

40           (3) grants, gifts, and donations intended for deposit in the fund;  
41           and

42           (4) interest that accrues from money in the fund.

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1 (c) The fund shall be administered by the ~~executive board~~ **state**  
 2 **department of health**. Notwithstanding IC 5-13, the treasurer of state  
 3 shall invest the money in the fund not currently needed to meet the  
 4 obligations of the fund in the same manner as money is invested by the  
 5 public employees retirement fund under IC 5-10.3-5. The treasurer of  
 6 state may contract with investment management professionals,  
 7 investment advisors, and legal counsel to assist in the investment of the  
 8 fund and may pay the expenses incurred under those contracts from the  
 9 fund. Money in the fund at the end of a state fiscal year does not revert  
 10 to the state general fund.

11 (d) All income and assets of the executive board deposited in the  
 12 fund are for the use of the ~~executive board~~ **without state department**  
 13 **of health after** appropriation.

14 SECTION 4. IC 4-12-4-11, AS AMENDED BY P.L.99-2007,  
 15 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 16 JULY 1, 2010]: Sec. 11. (a) The ~~executive board~~ **state department of**  
 17 **health** shall develop:

- 18 (1) a mission statement concerning prevention and reduction of  
 19 the usage of tobacco and tobacco products in Indiana, including:  
 20 (A) emphasis on prevention and reduction of tobacco use by  
 21 minorities, pregnant women, children, and youth, including  
 22 youth with serious and emotional disturbances;  
 23 (B) encouragement of smoking cessation;  
 24 (C) production and distribution of information concerning the  
 25 dangers of tobacco use and tobacco related diseases;  
 26 (D) providing research on issues related to reduction of  
 27 tobacco use;  
 28 (E) enforcement of laws concerning sales of tobacco to youth  
 29 and use of tobacco by youth; and  
 30 (F) other activities that the ~~executive board~~ **state department**  
 31 considers necessary and appropriate for inclusion in the  
 32 mission statement; and  
 33 (2) a long range state plan, based on Best Practices for Tobacco  
 34 Control Programs as published by the Centers for Disease Control  
 35 and Prevention, for:  
 36 (A) the provision of services by the executive board, public or  
 37 private entities, and individuals to implement the ~~executive~~  
 38 ~~board's~~ **state department's** mission statement; and  
 39 (B) the coordination of state efforts to reduce usage of tobacco  
 40 and tobacco products.

41 The ~~executive board~~ **state department of health** shall update the  
 42 mission statement and long range state plan as necessary to carry out

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the purposes of this chapter.

(b) The long range state plan described in subsection (a) must:

- (1) cover a period of at least five (5) years;
- (2) include base line data concerning tobacco usage;
- (3) set forth specific goals for prevention and reduction of tobacco usage in Indiana; and
- (4) be made available to the governor, the general assembly, and any other appropriate state or federal agency.

SECTION 5. IC 4-12-4-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 12. A public or private entity or an individual may submit an application to the ~~executive board~~ **state department of health** for a grant from the fund. Each application must be in writing and contain the following information:

- (1) A clear objective to be achieved with the grant.
- (2) A plan for implementation of the specific program.
- (3) A statement of the manner in which the proposed program will further the goals of the ~~executive board's~~ **state department's** mission statement and long range state plan.
- (4) The amount of the grant requested.
- (5) An evaluation and assessment component to determine the program's performance.
- (6) Any other information required by the ~~executive board;~~ **state department.**

The ~~executive board~~ **state department of health** may adopt written guidelines to establish procedures, forms, additional evaluation criteria, and application deadlines.

SECTION 6. IC 4-12-4-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 13. The expenditure of state funds (other than a grant awarded under this chapter) for a program concerning prevention or reduction of tobacco usage that is operated by a state agency or a public or private entity is subject to the approval of the ~~executive board~~ **state department of health**. The state agency or public or private entity shall submit a description of the proposed expenditure to the ~~executive board~~ **state department of health** for the ~~executive board's~~ **state department's** review and approval. The description submitted under this section must include the following:

- (1) The objective to be achieved through the expenditure.
- (2) The plan for implementation of the expenditure.
- (3) The extent to which the expenditure will supplement or duplicate existing expenditures of other state agencies, public or private entities, or the ~~executive board;~~ **state department.**

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1 SECTION 7. IC 4-12-4-14 IS AMENDED TO READ AS  
 2 FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 14. The ~~executive~~  
 3 ~~board state department of health~~ shall prepare an annual financial  
 4 report and an annual report concerning the ~~executive board's state~~  
 5 ~~department's~~ activities under this chapter and promptly transmit the  
 6 annual reports to the governor and, in an electronic format under  
 7 IC 5-14-6, to the legislative council. The ~~executive board state~~  
 8 ~~department of health~~ shall make the annual reports available to the  
 9 public upon request.

10 SECTION 8. IC 4-12-4-15 IS AMENDED TO READ AS  
 11 FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 15. The funds,  
 12 accounts, management, and operations of the ~~executive board state~~  
 13 ~~department of health under this chapter~~ are subject to annual audit  
 14 by the state board of accounts.

15 SECTION 9. IC 4-12-4-16 IS AMENDED TO READ AS  
 16 FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 16. (a) The Indiana  
 17 tobacco use prevention and cessation advisory board is established. The  
 18 board consists of:

19 (1) the ~~executive director employed under section 6 of this~~  
 20 ~~chapter; commissioner of the state department of health, or the~~  
 21 ~~commissioner's designee~~, who shall serve as the chairperson of  
 22 the advisory board; and

23 (2) other members appointed by the governor who have  
 24 knowledge, skill, and experience in smoking reduction and  
 25 cessation programs, health care services, or preventive health care  
 26 measures.

27 (b) The advisory committee shall meet at least quarterly and at the  
 28 call of the chairperson.

29 (c) The advisory committee shall, as considered necessary by the  
 30 advisory committee or as requested by the ~~executive board state~~  
 31 ~~department of health~~, make recommendations to the ~~executive~~  
 32 ~~committee state department~~ concerning:

33 (1) the development and implementation of the mission statement  
 34 and long range state plan under section 11 of this chapter;

35 (2) the criteria to be used for the evaluation of grant applications  
 36 under this chapter;

37 (3) the coordination of public and private efforts concerning  
 38 reduction and prevention of tobacco usage; and

39 (4) any other matters for which the ~~executive board state~~  
 40 ~~department~~ requests recommendations from the advisory  
 41 committee.

42 (d) Members of the advisory committee are not entitled to a salary

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1 per diem or reimbursement of expenses for service on the advisory  
2 committee.

3 (e) The advisory committee may establish subcommittees as  
4 necessary to carry out its duties under this section.

5 SECTION 10. IC 4-12-5-6 IS AMENDED TO READ AS  
6 FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 6. A public or private  
7 entity or an individual may submit an application to the ~~board~~ **state**  
8 **department of health** for a grant from the account. Each application  
9 must be in writing and contain the following information:

- 10 (1) A clear objective to be achieved with the grant.
- 11 (2) A plan for implementation of the specific program.
- 12 (3) A statement of the manner in which the proposed program will
- 13 further the goals of the ~~Indiana tobacco use prevention and~~
- 14 ~~cessation board's~~ **state department's** mission statement and long
- 15 range state plan under IC 4-12-4.
- 16 (4) The amount of the grant requested.
- 17 (5) An evaluation and assessment component to determine the
- 18 program's performance.
- 19 (6) Any other information required by the advisory board.

20 The advisory board may adopt written guidelines to establish  
21 procedures, forms, additional evaluation criteria, and application  
22 deadlines.

23 SECTION 11. IC 4-12-7-7 IS AMENDED TO READ AS  
24 FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 7. In using money  
25 distributed under this chapter, a local board of health shall give priority  
26 to:

- 27 (1) programs that share common goals with the mission statement
- 28 and long range state plan established by the ~~Indiana tobacco use~~
- 29 ~~prevention and cessation board;~~ **state department of health;**
- 30 (2) preventive health measures; and
- 31 (3) support for community health centers that treat low income
- 32 persons and senior citizens.

33 SECTION 12. IC 5-10-5.5-1, AS AMENDED BY P.L.227-2007,  
34 SECTION 51, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
35 MAY 1, 2010]: Sec. 1. As used in this chapter and unless the context  
36 clearly denotes otherwise:

- 37 (1) **"Board" refers to the board of trustees of the Indiana**
- 38 **public retirement system established by IC 5-10.5-3-1.**
- 39 (a) (2) "Department" means the Indiana department of natural
- 40 resources.
- 41 (b) (3) "Commission" means the alcohol and tobacco commission.
- 42 (c) (4) "Officer" means any Indiana state excise police officer, any

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- 1 Indiana state conservation enforcement officer, any gaming agent,
- 2 or any gaming control officer.
- 3 ~~(d)~~ (5) "Participant" means any officer who has elected to
- 4 participate in the retirement plan created by this chapter.
- 5 ~~(e)~~ (6) "Salary" means the total compensation, exclusive of
- 6 expense allowances, paid to any officer by the department or the
- 7 commission, determined without regard to any salary reduction
- 8 agreement established under Section 125 of the Internal Revenue
- 9 Code.
- 10 ~~(f)~~ (7) "Average annual salary" means the average annual salary
- 11 of an officer during the five (5) years of highest annual salary in
- 12 the ten (10) years immediately preceding an officer's retirement
- 13 date, determined without regard to any salary reduction agreement
- 14 established under Section 125 of the Internal Revenue Code.
- 15 ~~(g)~~ (8) "Public employees' retirement act" means IC 5-10.3.
- 16 ~~(h)~~ (9) "Public employees' retirement fund" means the public
- 17 employees' retirement fund created by IC 5-10.3-2.
- 18 ~~(i)~~ (10) "Interest" means the same rate of interest as is specified
- 19 under the public employees' retirement law.
- 20 ~~(j)~~ (11) "Americans with Disabilities Act" refers to the Americans
- 21 with Disabilities Act (42 U.S.C. 12101 et seq.) and any
- 22 amendments and regulations related to the Act.
- 23 ~~(k)~~ (12) Other words and phrases when used in this chapter shall,
- 24 for the purposes of this chapter, have the meanings respectively
- 25 ascribed to them as set forth in IC 5-10.3-1.

26 SECTION 13. IC 5-10-5.5-3 IS AMENDED TO READ AS  
 27 FOLLOWS [EFFECTIVE MAY 1, 2010]: Sec. 3. (a) The management  
 28 administration of the retirement plan created by this chapter is hereby  
 29 vested in the board. ~~of trustees of the public employees' retirement~~  
 30 ~~fund.~~

31 (b) Records of individual participants in the retirement plan created  
 32 by this chapter and participants' information are confidential, except for  
 33 the name and years of service of a retirement plan participant.

34 SECTION 14. IC 5-10-5.5-7.5, AS ADDED BY P.L.180-2007,  
 35 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 36 MAY 1, 2010]: Sec. 7.5. (a) As used in this section, "board" refers to  
 37 the board of trustees of the ~~public employees' retirement fund~~  
 38 ~~established by IC 5-10.3-3-1.~~ **Indiana public retirement system**  
 39 **established by IC 5-10.5-3-1.**

40 (b) As used in this section, "public retirement fund" refers  
 41 collectively to:

- 42 (1) the public employees' retirement fund (IC 5-10.3);

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1 (2) the Indiana state teachers' retirement fund (IC 5-10.4);  
 2 (3) the state police pension trust (IC 10-12); and  
 3 (4) the 1977 police officers' and firefighters' pension and  
 4 disability fund (IC 36-8-8).  
 5 (c) Subject to this section, a participant may purchase service credit  
 6 for the participant's prior service in a position covered by a public  
 7 retirement fund.  
 8 (d) To purchase the service credit described in subsection (c), a  
 9 participant must meet the following requirements:  
 10 (1) The participant has at least one (1) year of creditable service  
 11 in the retirement plan created by this chapter.  
 12 (2) The participant has not attained vested status in and is not an  
 13 active participant in the public retirement fund from which the  
 14 participant is purchasing the service credit.  
 15 (3) Before the participant retires, the participant makes  
 16 contributions to the retirement plan created by this chapter as  
 17 follows:  
 18 (A) Contributions that are equal to the product of the  
 19 following:  
 20 (i) The participant's salary at the time the participant actually  
 21 makes a contribution for the service credit.  
 22 (ii) A rate, determined by the actuary for the retirement plan  
 23 created by this chapter, based on the age of the participant  
 24 at the time the participant actually makes a contribution for  
 25 service credit and computed to result in a contribution  
 26 amount that approximates the actuarial present value of the  
 27 benefit attributable to the service credit purchased.  
 28 (iii) The number of years of service credit the participant  
 29 intends to purchase.  
 30 (B) Contributions for any accrued interest, at a rate determined  
 31 by the actuary for the retirement plan created by this chapter,  
 32 for the period from the participant's initial participation in the  
 33 retirement plan created by this chapter to the date payment is  
 34 made by the participant.  
 35 (e) At the request of the participant purchasing service credit under  
 36 this section, the amount a participant is required to contribute under  
 37 subsection (d)(3) may be reduced by a trustee to trustee transfer from  
 38 a public retirement fund in which the participant has an account that  
 39 contains amounts attributable to member contributions (plus any  
 40 credited earnings) to the retirement plan created by this chapter. The  
 41 participant may direct the transfer of an amount only to the extent  
 42 necessary to fund the service purchase under subsection (d)(3). The

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1 participant shall complete any forms required by the public retirement  
 2 fund from which the participant is requesting a transfer or the  
 3 retirement plan created by this chapter before the transfer is made.

4 (f) At least ten (10) years of service in the retirement plan created  
 5 by this chapter is required before a participant may receive a benefit  
 6 based on service credit purchased under this section.

7 (g) A participant who:

8 (1) terminates employment before satisfying the eligibility  
 9 requirements necessary to receive an annual retirement  
 10 allowance; or

11 (2) receives an annual retirement allowance for the same service  
 12 from another tax supported governmental retirement plan other  
 13 than under the federal Social Security Act;

14 may withdraw the purchase amount plus accumulated interest after  
 15 submitting a properly completed application for a refund to the  
 16 retirement plan created by this chapter.

17 (h) The following may apply to the purchase of service credit under  
 18 this section:

19 (1) The board may allow a participant to make periodic payments  
 20 of the contributions required for the purchase of the service credit.  
 21 The board shall determine the length of the period during which  
 22 the payments must be made.

23 (2) The board may deny an application for the purchase of service  
 24 credit if the purchase would exceed the limitations under Section  
 25 415 of the Internal Revenue Code.

26 (3) A participant may not claim the service credit for purposes of  
 27 determining eligibility for a benefit or computing benefits unless  
 28 the participant has made all payments required for the purchase  
 29 of the service credit.

30 (i) To the extent permitted by the Internal Revenue Code and  
 31 applicable regulations, the retirement plan created by this chapter may  
 32 accept, on behalf of a participant who is purchasing permissive service  
 33 credit under this chapter, a rollover of a distribution from any of the  
 34 following:

35 (1) A qualified plan described in Section 401(a) or Section 403(a)  
 36 of the Internal Revenue Code.

37 (2) An annuity contract or account described in Section 403(b) of  
 38 the Internal Revenue Code.

39 (3) An eligible plan that is maintained by a state, a political  
 40 subdivision of a state, or an agency or instrumentality of a state or  
 41 political subdivision of a state under Section 457(b) of the  
 42 Internal Revenue Code.

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1 (4) An individual retirement account or annuity described in  
2 Section 408(a) or Section 408(b) of the Internal Revenue Code.

3 (j) To the extent permitted by the Internal Revenue Code and  
4 applicable regulations, the retirement plan created by this chapter may  
5 accept, on behalf of a participant who is purchasing permissive service  
6 credit under this chapter, a trustee to trustee transfer from any of the  
7 following:

8 (1) An annuity contract or account described in Section 403(b) of  
9 the Internal Revenue Code.

10 (2) An eligible deferred compensation plan under Section 457(b)  
11 of the Internal Revenue Code.

12 SECTION 15. IC 5-10.2-1-1 IS AMENDED TO READ AS  
13 FOLLOWS [EFFECTIVE MAY 1, 2010]: Sec. 1. ~~Board:~~ "Board" as  
14 used in this article means the board of trustees of the ~~Indiana state~~  
15 ~~teachers' retirement fund and the board of trustees of the public~~  
16 ~~employees' retirement fund.~~ **Indiana public retirement system**  
17 **established by IC 5-10.5-3-1.**

18 SECTION 16. IC 5-10.2-2-1 IS AMENDED TO READ AS  
19 FOLLOWS [EFFECTIVE MAY 1, 2010]: Sec. 1. ~~Scope; Purpose:~~ (a)  
20 This article applies to the Indiana state teachers' retirement fund and  
21 the public employees' retirement fund. Each retirement fund covered  
22 by this article is a separate retirement fund managed by ~~its the~~ board  
23 under ~~its the fund's~~ retirement fund law. ~~Each~~ **The** board shall make  
24 and publish regulations which are appropriate to the efficient  
25 administration of this article. The obligations of the state and political  
26 subdivisions for benefit payments are specified in each retirement fund  
27 law.

28 (b) ~~Each fund~~ **The Indiana public retirement system** is an  
29 independent body corporate and politic. ~~A fund~~ **The Indiana public**  
30 **retirement system** is not a department or agency of the state but is an  
31 independent instrumentality exercising essential government functions.

32 (c) ~~For purposes of IC 34-13-2, IC 34-13-3, and IC 34-13-4, each~~  
33 ~~board; each fund; and all employees of each board or fund are public~~  
34 ~~employees (as defined in IC 34-6-2-38). All employees of each board~~  
35 ~~or fund employed within a classification covered by a labor agreement~~  
36 ~~to which the state is a party shall continue to remain subject to the~~  
37 ~~terms and conditions of that agreement and any successor labor~~  
38 ~~agreements entered into by the state.~~

39 (d) (c) The benefits specified in this article and the benefits from the  
40 Social Security Act provide the retirement, disability, and survivor  
41 benefits for public employees and teachers. However, this article does  
42 not prohibit a political subdivision from establishing and providing

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1 before January 1, 1995, and continuing to provide after January 1,  
2 1995, retirement, disability, and survivor benefits for the public  
3 employees of the political subdivision independent of this article if the  
4 political subdivision took action before January 1, 1995, and was not  
5 a participant in the public employees' retirement fund on January 1,  
6 1995, under this article or IC 5-10.3.

7 SECTION 17. IC 5-10.2-2-2 IS AMENDED TO READ AS  
8 FOLLOWS [EFFECTIVE MAY 1, 2010]: Sec. 2. (a) The board ~~of the~~  
9 ~~public employees' retirement fund~~ shall maintain the following separate  
10 accounts **in the public employees' retirement fund:**

- 11 (1) The annuity savings account.
- 12 (2) The retirement allowance account.

13 (b) The board ~~of the Indiana state teachers' retirement fund~~ shall  
14 maintain the following two (2) separate accounts **in the Indiana state**  
15 **teachers' retirement fund:**

- 16 (1) The pre-1996 account.
- 17 (2) The 1996 account.

18 (c) Within each account specified in subsection (b), the board ~~of the~~  
19 ~~Indiana state teachers' retirement fund~~ shall maintain the following  
20 separate subaccounts:

- 21 (1) The annuity savings account.
- 22 (2) The retirement allowance account.

23 SECTION 18. IC 5-10.2-9-2, AS ADDED BY P.L.149-2007,  
24 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
25 MAY 1, 2010]: Sec. 2. As used in this chapter, "board" refers to the  
26 following:

- 27 ~~(1) The board of trustees of the Indiana state teachers' retirement~~  
28 ~~fund:~~
- 29 ~~(2) The board of trustees of the public employees' retirement fund:~~  
30 **board of trustees of the Indiana public retirement system**  
31 **established by IC 5-10.5-3-1.**

32 SECTION 19. IC 5-10.2-10-3, AS ADDED BY P.L.67-2009,  
33 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
34 MAY 1, 2010]: Sec. 3. As used in this chapter, "board" refers to the  
35 following:

- 36 ~~(1) The board of trustees of the Indiana state teachers' retirement~~  
37 ~~fund:~~
- 38 ~~(2) the board of trustees of the public employees' retirement fund:~~  
39 **board of trustees of the Indiana public retirement system**  
40 **established by IC 5-10.5-3-1.**

41 SECTION 20. IC 5-10.3-1-1 IS AMENDED TO READ AS  
42 FOLLOWS [EFFECTIVE MAY 1, 2010]: Sec. 1. ~~Board:~~ "Board" as

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1 used in this article means the board of trustees of the ~~public employees'~~  
2 ~~retirement fund~~; **Indiana public retirement system established by**  
3 **IC 5-10.5-3-1.**

4 SECTION 21. IC 5-10.3-1-2.5 IS AMENDED TO READ AS  
5 FOLLOWS [EFFECTIVE MAY 1, 2010]: Sec. 2.5. As used in this  
6 article, "director" refers to the director of the ~~fund~~; **Indiana public**  
7 **retirement system established by IC 5-10.5-2-1.**

8 SECTION 22. IC 5-10.3-2-1 IS AMENDED TO READ AS  
9 FOLLOWS [EFFECTIVE MAY 1, 2010]: Sec. 1. ~~Establishment of~~  
10 ~~Fund and Board~~. (a) The public employees' retirement fund of Indiana,  
11 referred to as the fund, is established to pay benefits to officers and  
12 employees of the state and its political subdivisions after specified  
13 years of service and under other specified circumstances. The purpose  
14 of the fund is to promote economy and efficiency in the administration  
15 of state and local government by providing an orderly way for members  
16 to be retired without prejudice and without inflicting hardship on the  
17 retired member.

18 (b) The fund is a trust. The board of trustees of the ~~public~~  
19 ~~employees' retirement fund~~, referred to as the ~~board~~; **Indiana public**  
20 **retirement system** shall administer the fund and implement this  
21 article, without the supervision of the department of insurance.

22 SECTION 23. IC 5-10.3-3-7 IS AMENDED TO READ AS  
23 FOLLOWS [EFFECTIVE MAY 1, 2010]: Sec. 7. The board shall do  
24 all of the following:

- 25 (1) ~~Appoint and fix the salary of a director. subject to the~~  
26 ~~approval of the governor.~~
- 27 (2) Appoint an actuary and employ or contract with employees,  
28 auditors, technical experts, legal counsel, and other service  
29 providers as it considers necessary to transact the business of the  
30 fund, without the approval of any state officer.
- 31 (3) Fix the compensation of persons:
  - 32 (A) appointed or employed by the board; or
  - 33 (B) who contract with the board.
- 34 (4) Establish a general office in Indianapolis for board meetings  
35 and for administrative personnel.
- 36 (5) Provide for the installation in the general office of a complete  
37 system of books, accounts including reserve accounts, and records  
38 in order to give effect to all the requirements of this article and to  
39 assure the proper operation of the fund.
- 40 (6) Provide for a report at least annually, before June 1, to each  
41 member of the amount credited to ~~him~~ **the member** in the annuity  
42 savings account in each investment program under IC 5-10.2-2.

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(7) With the advice of the actuary, adopt actuarial tables and compile data needed for actuarial studies which are necessary for the fund's operation.

(8) Act on applications for benefits and claims of error filed by members.

(9) Have the accounts of the fund audited annually by the state board of accounts, **and if the board determines that it is advisable, have the operation of a public pension or retirement fund of the system audited by a certified public accounting firm.**

(10) Publish for the members a synopsis of the fund's condition.

(11) Adopt a budget on a calendar year or fiscal year basis that is sufficient, as determined by the board, to perform the board's duties and, as appropriate and reasonable, draw upon fund assets to fund the budget.

(12) Expend money, including income from the fund's investments, for effectuating the fund's purposes.

(13) Establish personnel programs and policies for its employees.

(14) Submit a report of its activities each year **before November 1** to the governor, the pension management oversight commission, and the budget committee. ~~before November 1 of each year. The report to the pension management oversight commission must be submitted in an electronic format under IC 5-14-6.~~ The report under this subdivision must set forth a complete operating and financial statement covering its operations during the most recent **available audited** fiscal year, including information on the following:

- (A) Investment performance.
- (B) Investment and administrative costs as a percentage of assets under management.
- (C) Investment asset allocation strategy.
- (D) Member services.
- (E) Member communications.

(15) Establish a code of ethics or decide to be under the jurisdiction and rules adopted by the state ethics commission.

**(16) Submit to the auditor of state or the treasurer of state vouchers or reports necessary to claim amounts due from the state to the system.**

SECTION 24. IC 5-10.3-3-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MAY 1, 2010]: Sec. 8. (a) The board may do any of the following:

- (1) Establish and amend rules and regulations:

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1 (A) for the administration and regulation of the fund and the  
 2 board's affairs; and  
 3 (B) to effectuate the powers and purposes of the board;  
 4 without adopting a rule under IC 4-22-2.  
 5 (2) Make contracts and sue and be sued as the board of trustees of  
 6 the ~~public employees' retirement fund of Indiana~~. **Indiana public**  
 7 **retirement system**.  
 8 (3) Delegate duties to its employees.  
 9 (4) Enter into agreements with one (1) or more insurance  
 10 companies to provide life, hospitalization, surgical, medical,  
 11 dental, vision, long term care, or supplemental Medicare  
 12 insurance, utilizing individual or group insurance policies for  
 13 retired members of the fund, and, upon authorization of the  
 14 respective member, deduct premium payments for such policies  
 15 from the members' retirement benefits and remit the payments to  
 16 the insurance companies.  
 17 (5) Enter into agreements with one (1) or more insurance  
 18 companies to provide annuities for retired members of the fund,  
 19 and, upon a member's authorization, transfer the amount credited  
 20 to the member in the annuity savings account to the insurance  
 21 companies.  
 22 (6) For the 1977 police officers' and firefighters' pension and  
 23 disability fund, deduct from benefits paid and remit to the  
 24 appropriate entities amounts authorized by IC 36-8-8-17.2.  
 25 (7) Whenever the fund's membership is sufficiently large for  
 26 actuarial valuation, establish an employer's contribution rate for  
 27 all employers, including employers with special benefit provisions  
 28 for certain employees.  
 29 (8) Amortize prior service liability over a period of forty (40)  
 30 years or less.  
 31 (9) Recover payments made under false or fraudulent  
 32 representation.  
 33 (10) Exercise all powers necessary, convenient, or appropriate to  
 34 carry out and effectuate its public and corporate purposes and to  
 35 conduct its business.  
 36 (b) An agreement under subsection (a)(4) may be for a duration of  
 37 three (3) years.  
 38 (c) This subsection does not apply to investments of the board. A  
 39 contract under subsection (a)(2) may be for a term of not more than  
 40 five (5) years, with an ability to renew thereafter.  
 41 (d) The board's powers and the fund's powers specified in this  
 42 chapter shall be interpreted broadly to effectuate the purposes of this

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1 chapter and may not be construed as a limitation of powers.  
2 SECTION 25. IC 5-10.3-3-10 IS AMENDED TO READ AS  
3 FOLLOWS [EFFECTIVE MAY 1, 2010]: Sec. 10. ~~The Actuary. The~~  
4 ~~actuary is the technical advisor on the operation of the fund.~~ The  
5 actuary shall perform the duties specified in this article and in  
6 IC 5-10.2 and all other duties assigned by the board.  
7 SECTION 26. IC 5-10.3-11-1 IS AMENDED TO READ AS  
8 FOLLOWS [EFFECTIVE MAY 1, 2010]: Sec. 1. There is created  
9 within the public employees' retirement fund a separate account known  
10 as the pension relief fund. This fund is administered by the board of  
11 trustees of the ~~public employees' retirement fund; Indiana public~~  
12 ~~retirement system,~~ referred to as the "state board" in this chapter. The  
13 pension relief fund consists of revenues received under  
14 IC 6-7-1-28.1(4), IC 7.1-4-12-1, any appropriations to the fund, and  
15 earnings on these revenues.  
16 SECTION 27. IC 5-10.4-1-5, AS ADDED BY P.L.2-2006,  
17 SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
18 MAY 1, 2010]: Sec. 5. "Board" refers to the board of trustees of the  
19 ~~Indiana state teachers' retirement fund; Indiana public retirement~~  
20 ~~system established by IC 5-10.5-3-1.~~  
21 SECTION 28. IC 5-10.4-3-6, AS ADDED BY P.L.2-2006,  
22 SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
23 MAY 1, 2010]: Sec. 6. (a) A trustee shall give bond as specified  
24 periodically by the state board of finance.  
25 (b) The board shall do all the following:  
26 (1) Act on an application for benefits.  
27 (2) Provide the necessary forms for administering the fund.  
28 (3) Establish records and accounts, which:  
29 (A) provide the necessary information for an actuary's  
30 examination; and  
31 (B) are sanctioned by the state board of accounts.  
32 (4) Maintain individual records for each member containing the  
33 member's:  
34 (A) name;  
35 (B) date of birth;  
36 (C) age at beginning service;  
37 (D) service record;  
38 (E) address;  
39 (F) contributions to the fund;  
40 (G) amounts withdrawn; and  
41 (H) benefits paid;  
42 and other items considered necessary.

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- 1 (5) Employ or contract with employees, auditors, technical
- 2 experts, legal counsel, and other service providers as the board
- 3 considers necessary to transact the business of the fund without
- 4 the approval of any state officer, and fix the compensation of
- 5 those persons.
- 6 (6) Make rules as required to administer the fund.
- 7 (7) Publish a summary of the fund's condition.
- 8 (8) Provide for a report for each member, at least annually before
- 9 June 1, of the value of the amount credited to the member in the
- 10 annuity savings account in each investment program under
- 11 IC 5-10.2-2.
- 12 (9) Provide for the installation in the general office of a complete
- 13 system of:
- 14 (A) books;
- 15 (B) accounts, including reserve accounts; and
- 16 (C) records;
- 17 to give effect to all the requirements of this article and to ensure
- 18 the proper operation of the fund.
- 19 (10) Appoint an actuary.
- 20 (11) With the advice of the actuary, adopt actuarial tables and
- 21 compile data needed for actuarial studies necessary for the fund's
- 22 operation.
- 23 (12) Adopt a budget on a calendar year or fiscal year basis that is
- 24 sufficient, as determined by the board, to perform the board's
- 25 duties and, as appropriate and reasonable, draw upon fund assets
- 26 to fund the budget.
- 27 (13) Expend money, including income from the fund's
- 28 investments, for effectuating the fund's purposes.
- 29 (14) Establish personnel programs and policies for the employees
- 30 of the board.
- 31 (15) Submit a report of the board's activities to the governor, the
- 32 pension management oversight commission, and the budget
- 33 committee before November 1 of each year. **The report to the**
- 34 **pension management oversight commission must be submitted**
- 35 **in an electronic format under IC 5-14-6.** The report under this
- 36 subdivision shall set forth a complete operating and financial
- 37 statement covering the board's operations during the most recent
- 38 **available audited** fiscal year, including information on the
- 39 following:
- 40 (A) Investment performance.
- 41 (B) Investment and administrative costs as a percentage of
- 42 assets under management.

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- 1 (C) Investment asset allocation strategy.
- 2 (D) Member services.
- 3 (E) Member communications.
- 4 (16) Establish a code of ethics or decide to be under the
- 5 jurisdiction and rules adopted by the state ethics commission.
- 6 SECTION 29. IC 5-10.4-3-8, AS ADDED BY P.L.2-2006,
- 7 SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 8 MAY 1, 2010]: Sec. 8. (a) The board may do the following:
- 9 (1) **Without adopting a rule under IC 4-22-2**, adopt and enforce
- 10 rules regarding the fund's administration and the control and
- 11 investment of the fund.
- 12 (2) Give bond for an employee for the fund's protection.
- 13 (3) Receive the state's share of the cost of the pension
- 14 contribution from the federal government for a member on leave
- 15 of absence in order to work in a federally supported educational
- 16 project.
- 17 (4) Sue and be sued as the board of trustees of the Indiana ~~state~~
- 18 ~~teachers' retirement fund.~~ **public retirement system.**
- 19 (5) Summon and examine witnesses when adjusting claims.
- 20 (6) When adjusting disability claims, require medical
- 21 examinations by doctors approved or appointed by the board. Not
- 22 more than two (2) examinations may be conducted in one (1)
- 23 year.
- 24 (7) Conduct investigations to help determine the merit of a claim.
- 25 (8) Meet an emergency that may arise in the administration of the
- 26 board's trust.
- 27 (9) Determine other matters regarding the board's trust that are
- 28 not specified.
- 29 (10) Enter into agreements with an insurance company to provide
- 30 life, hospitalization, surgical, medical, dental, vision, long term
- 31 care, or supplemental Medicare insurance, using individual or
- 32 group insurance policies for retired teachers, and deduct premium
- 33 payments for the policies from the teachers' retirement benefits
- 34 and remit the payments to the insurance companies when
- 35 deduction is authorized by the respective retired teacher.
- 36 (11) Enter into agreements with one (1) or more insurance
- 37 companies to provide annuities for retired teachers and upon a
- 38 member's authorization transfer the amount credited to the
- 39 member in the annuity savings account to the insurance
- 40 companies.
- 41 (12) Exercise all powers necessary, convenient, or appropriate to
- 42 carry out and effectuate the board's public and corporate purposes

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- 1 and to conduct the board's business.
- 2 (13) Establish and amend rules:
- 3 (A) for the administration and regulation of the fund and the
- 4 board's affairs; and
- 5 (B) to effectuate the powers and purposes of the board;
- 6 without adopting a rule under IC 4-22-2.
- 7 (b) An agreement under subsection (a)(10) may be for a duration of
- 8 three (3) years.
- 9 (c) This subsection does not apply to:
- 10 (1) an agreement under subsection (a)(10); or
- 11 (2) investments of the board.

12 A contract that the board enters into under section 10(b) of this chapter  
 13 or any other provision may be for a term of not more than five (5)  
 14 years, with the ability to renew.

15 (d) The board's powers and the fund's powers specified in this  
 16 chapter shall be interpreted broadly to effectuate the purposes of this  
 17 chapter and may not be construed as a limitation of powers.

18 SECTION 30. IC 5-10.5 IS ADDED TO THE INDIANA CODE AS  
 19 A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE MAY 1,  
 20 2010]:

21 **ARTICLE 10.5. INDIANA PUBLIC PENSION**  
 22 **MODERNIZATION ACT**

23 **Chapter 1. Definitions**

24 **Sec. 1. The definitions in this chapter apply throughout this**  
 25 **article.**

26 **Sec. 2. "Board" refers to the board of trustees of the system**  
 27 **established by IC 5-10.5-3-1.**

28 **Sec. 3. "Director" refers to the director of the system.**

29 **Sec. 4. "Public employees' retirement fund" means the public**  
 30 **employees' retirement fund established under IC 5-10.2 and**  
 31 **IC 5-10.3.**

32 **Sec. 5. "Public pension and retirement funds of the system"**  
 33 **means the public pension and retirement funds listed in**  
 34 **IC 5-10.5-2-2.**

35 **Sec. 6. "System" refers to the Indiana public retirement system**  
 36 **established by IC 5-10.5-2-1.**

37 **Sec. 7. "Teachers' retirement fund" means the Indiana state**  
 38 **teachers' retirement fund established under IC 5-10.2 and**  
 39 **IC 5-10.4.**

40 **Chapter 2. Indiana Public Retirement System**

41 **Sec. 1. On May 1, 2010, the Indiana public retirement system is**  
 42 **established.**

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**Sec. 2. The system consists of the following public pension or retirement funds:**

- (1) The public employees' retirement fund established under IC 5-10.2 and IC 5-10.3.**
- (2) The Indiana state teachers' retirement fund established under IC 5-10.2 and IC 5-10.4.**
- (3) The Indiana judges' retirement fund established under IC 33-38-6.**
- (4) The prosecuting attorneys retirement fund established under IC 33-39-7.**
- (5) The state excise police, gaming agent, gaming control officer, and conservation enforcement officers' retirement fund established under IC 5-10-5.5.**
- (6) The 1977 police officers' and firefighters' pension and disability fund established under IC 36-8-8.**
- (7) The legislators' retirement system established under IC 2-3.5.**
- (8) The pension relief fund established under IC 5-10.3-11.**
- (9) The special death benefit fund established under IC 5-10-10.**
- (10) The state employees' death benefit fund established under IC 5-10-11.**

**Sec. 3. The system is an independent body corporate and politic. The system is not a department or agency of the state but is an independent instrumentality exercising essential government functions.**

**Sec. 4. For purposes of IC 34-13-2, IC 34-13-3, and IC 34-13-4, the board, the system, and all employees of the board or the system are public employees (as defined in IC 34-6-2-38). All employees of the board or a fund administered by the board who are employed within a classification covered by a labor agreement to which the state is a party shall continue to remain subject to the terms and conditions of that agreement and any successor labor agreements entered into by the state.**

**Sec. 5. The system shall be managed and administered by a board of trustees established under IC 5-10.5-3.**

**Sec. 6. Each public pension or retirement fund listed in section 2 of this chapter is a separate fund managed by the board under this article and the retirement law applicable to the public pension or retirement fund. The obligations of the state and political subdivisions for benefit payments are specified in the retirement law applicable to each public pension or retirement fund.**

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1 **Chapter 3. Board of Trustees**

2 **Sec. 1. (a) The board of trustees of the Indiana public retirement**  
3 **system is established.**

4 **(b) The board shall manage and administer each public pension**  
5 **or retirement fund that comprises the system in accordance with:**

6 **(1) this article; and**

7 **(2) the retirement law applicable to the public pension or**  
8 **retirement fund.**

9 **Sec. 2. (a) The board is composed of eleven (11) trustees.**

10 **(b) Ten (10) of the trustees shall be appointed by the governor**  
11 **as follows:**

12 **(1) One (1) must be a member of the public employees'**  
13 **retirement fund with at least ten (10) years of creditable**  
14 **service.**

15 **(2) At least two (2) of the trustees appointed by the governor**  
16 **must be members of the teachers' retirement fund.**

17 **(3) One (1) must be:**

18 **(A) a:**

19 **(i) member of the public employees' retirement fund or**  
20 **retired member of the public employees' retirement**  
21 **fund; or**

22 **(ii) member of a collective bargaining unit of state**  
23 **employees represented by a labor organization; or**

24 **(B) an individual who is:**

25 **(i) an officer or a member of a local, a national, or an**  
26 **international labor union that represents state or**  
27 **university employees; and**

28 **(ii) an Indiana resident.**

29 **(c) The director of the budget agency or the director's designee**  
30 **is an ex officio voting member of the board. An individual**  
31 **appointed under this subsection to serve as the director's designee:**

32 **(1) is subject to section 3 of this chapter; and**

33 **(2) serves as a permanent designee until replaced by the**  
34 **director.**

35 **(d) In making the appointments under subsection (b)(1), the**  
36 **governor may consider whether at least one (1) trustee is a retired**  
37 **member of the public employees' retirement fund under subsection**  
38 **(b)(3)(A)(i).**

39 **(e) The governor shall fill a vacancy on the board by**  
40 **appointment not later than forty-five (45) days after the date the**  
41 **vacancy occurs.**

42 **(f) During the first year after an individual's initial appointment**

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1 as a trustee and each year thereafter during which the individual  
 2 serves as a trustee, the individual shall complete at least twelve (12)  
 3 hours of trustee education, at least two (2) hours in each of the  
 4 following areas:

- 5 (1) Fiduciary duties and responsibilities of a trustee.
- 6 (2) Ethics.
- 7 (3) Governance process and procedures.
- 8 (4) Retirement plan design and administration.
- 9 (5) Investments.
- 10 (6) Actuarial principles and methods.

11 (g) Subject to the director's approval, each trustee is entitled to  
 12 reimbursement for reasonable expenses actually incurred in  
 13 fulfilling the educational requirements under subsection (f). The  
 14 director shall give a preference for reimbursement for in-state  
 15 training that meets the requirements under subsection (f), if  
 16 in-state training is available.

17 Sec. 3. (a) A trustee shall serve a term of four (4) years,  
 18 beginning on May 1 following the trustee's appointment.

19 (b) Whenever a trustee is appointed to fill a vacancy caused by  
 20 death or resignation, the trustee shall serve the unexpired term of  
 21 the trustee's predecessor.

22 (c) A trustee shall serve until the trustee's successor is appointed  
 23 and qualified.

24 Sec. 4. (a) The governor shall appoint to initial terms of office  
 25 under section 3 of this chapter all those individuals who, on April  
 26 30, 2010, are serving as trustees of the public employees'  
 27 retirement fund and the teachers' retirement fund. These trustees  
 28 shall serve until their term would have expired under IC 5-10.3-3-2  
 29 (repealed) and IC 5-10.4-3-2 (repealed).

30 (b) The initial terms of office for the individuals appointed  
 31 under subsection (a) begin May 1, 2010.

32 (c) This section expires January 1, 2015.

33 Sec. 5. (a) Each trustee shall take an oath of office. The oath  
 34 must be:

- 35 (1) subscribed to by the trustee making the oath;
- 36 (2) certified by the officer before whom the trustee takes the  
 37 oath; and
- 38 (3) filed with the secretary of state.

39 (b) A trustee is qualified for membership on the board when the  
 40 trustee's oath is filed with the secretary of state.

41 Sec. 6. (a) Each trustee is entitled to reimbursement for  
 42 necessary expenses actually incurred through service on the board.

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1 (b) Trustee expenses shall be paid from fund assets.  
2 Sec. 7. (a) Not later than June 30 each year, the board shall elect  
3 a chair and vice chair from its members to serve as the officers of  
4 the board.  
5 (b) An officer shall serve for one (1) year or until the officer's  
6 successor is elected and qualified.  
7 Sec. 8. (a) The board shall hold:  
8 (1) an annual meeting in September each year; and  
9 (2) regular meetings at least quarterly.  
10 (b) The board may hold special meetings:  
11 (1) at the call of the chair; or  
12 (2) with a written request signed by at least four (4) trustees.  
13 (c) The board may hold its meetings at the system's general  
14 offices or at any other place in Indiana that the board designates.  
15 (d) All meetings must be open to the public in accordance with  
16 IC 5-14-1.5.  
17 (e) The board shall keep a record of its proceedings.  
18 Sec. 9. (a) This section applies to any meeting of the board.  
19 (b) A member of the board may participate in a meeting of the  
20 board using any means of communication that permits:  
21 (1) all other board members participating in the meeting; and  
22 (2) all members of the public physically present at the place  
23 where the meeting is conducted;  
24 to simultaneously communicate with each other during the  
25 meeting.  
26 (c) A member of the board who participates in a meeting under  
27 subsection (b) is considered to be present at the meeting.  
28 (d) The memorandum of the meeting prepared under  
29 IC 5-14-1.5-4 must also state the name of each member who:  
30 (1) was physically present at the place where the meeting was  
31 conducted;  
32 (2) participated in the meeting using a means of  
33 communication described in subsection (b); or  
34 (3) was absent.  
35 Sec. 10. (a) Six (6) trustees constitute a quorum for the  
36 transaction of business.  
37 (b) Each trustee is entitled to one (1) vote.  
38 (c) A majority vote of the trustees is required for the board to  
39 adopt a resolution or take other action at a regular or special  
40 meeting.  
41 Chapter 4. Board Powers and Duties  
42 Sec. 1. The board has the powers and duties set forth in

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1 IC 5-10.3-3-7 and IC 5-10.4-3-6.

2 Sec. 2. The board may exercise any of the powers or perform  
3 any of the duties set forth in IC 5-10.3-3-8 and IC 5-10.4-3-8.

4 Sec. 3. The board's powers as specified in this article or the  
5 retirement law applicable to a public pension or retirement fund  
6 of the system:

7 (1) shall be interpreted broadly to accomplish the purposes of  
8 this article or the applicable retirement law; and

9 (2) may not be construed as a limitation of powers.

10 Chapter 5. Investments

11 Sec. 1. The board has the powers, duties, restrictions,  
12 limitations, and penalties in connection with the board's investment  
13 and management of the assets of the public pension and retirement  
14 funds of the system under the following provisions:

15 (1) IC 5-10.2-2-2.5.

16 (2) IC 5-10.2-2-13.

17 (3) IC 5-10.2-2-18.

18 (4) IC 5-10.3-3-7.1.

19 (5) IC 5-10.3-5-3.

20 (6) IC 5-10.3-5-3.1.

21 (7) IC 5-10.3-5-4.

22 (8) IC 5-10.3-5-5.

23 (9) IC 5-10.3-5-6.

24 (10) IC 5-10.4-3-7.

25 (11) IC 5-10.4-3-9.

26 (12) IC 5-10.4-3-10.

27 (13) IC 5-10.4-3-11.

28 (14) IC 5-10.4-3-12.

29 (15) IC 5-10.4-3-13.

30 (16) IC 5-10.4-3-14.

31 (17) IC 5-10.4-3-15.

32 (18) IC 5-10.4-3-16.

33 Sec. 2. The board's transactions under this chapter are subject  
34 to IC 2-3.5-3-3, IC 5-10-5.5-2.5, IC 5-10.2-2-1.5, IC 33-38-6-13,  
35 IC 33-39-7-22, and IC 36-8-8-2.5.

36 Chapter 6. Director; Reports and Administration

37 Sec. 1. (a) The director is the executive officer of the system and  
38 is responsible for the administration of the system.

39 (b) The director is appointed by and serves at the pleasure of the  
40 board.

41 Sec. 2. The director shall do the following:

42 (1) Maintain a record of the board's proceedings.

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- 1           **(2) Keep the books and records of the system.**
- 2           **(3) Deposit payments made to the system with the custodian**
- 3           **for the system's accounts.**
- 4           **(4) Sign vouchers for the payment of money from the system**
- 5           **as authorized by the board.**
- 6           **(5) Execute a corporate surety bond in an amount specified by**
- 7           **the board. The premium for the bond is an administrative**
- 8           **expense of the system.**
- 9           **(6) Employ:**
  - 10           **(A) a manager for the teachers' retirement fund; and**
  - 11           **(B) a manager for the public employees' retirement fund.**
- 12           **The director may employ managers for one (1) or more of the**
- 13           **other public pension and retirement funds of the system to**
- 14           **assist in the operation and administration of the applicable**
- 15           **public pension or retirement fund.**
- 16           **(7) Perform other duties as assigned by the board.**
- 17           **Sec. 3. (a) The board shall maintain individual records for each**
- 18           **member of a public pension or retirement fund of the system**
- 19           **administered by the board.**
- 20           **(b) A member's record must include at least the following**
- 21           **information:**
  - 22           **(1) The member's name.**
  - 23           **(2) Date of birth.**
  - 24           **(3) Age at beginning service.**
  - 25           **(4) Service record.**
  - 26           **(5) Address.**
  - 27           **(6) Contributions.**
  - 28           **(7) Amounts withdrawn.**
  - 29           **(8) Benefits paid.**
- 30           **Sec. 4. (a) Records of:**
  - 31           **(1) individual members of; and**
  - 32           **(2) membership information concerning;**
- 33           **a public pension or retirement fund administered by the board are**
- 34           **confidential, except for the name and years of service of a member.**
- 35           **(b) This section does not prohibit the board from providing fund**
- 36           **records to an association or organization described in**
- 37           **IC 2-3.5-4-12, IC 2-3.5-5-10, IC 5-10.3-8-10, IC 5-10.4-5-14, or**
- 38           **IC 36-8-8-17.2.**
- 39           **Sec. 5. (a) Each public pension and retirement fund of the**
- 40           **system shall pay the expenses of administration attributable to that**
- 41           **public pension or retirement fund.**
- 42           **(b) The board shall:**

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- 1 (1) prorate the expenses of administration of the system that
- 2 cannot be attributed to a particular public pension or
- 3 retirement fund and the bond of the director among; and
- 4 (2) pay the prorated expenses from;
- 5 the public pension and retirement funds of the system.

6 Chapter 7. Short Title and Saving Provisions

7 Sec. 1. This article shall be known as and may be cited as the  
8 Indiana public pension modernization act.

9 Sec. 2. (a) All powers, duties, liabilities, property, equipment,  
10 records, rights, and contracts of the:

- 11 (1) board of trustees of the public employees' retirement fund;
- 12 and
- 13 (2) board of trustees of the teachers' retirement fund;
- 14 are transferred to or assumed by the board on May 1, 2010.

15 (b) The board shall provide indemnification of:

- 16 (1) the board of trustees of the public employees' retirement
- 17 fund; and
- 18 (2) the board of trustees of the teachers' retirement fund;
- 19 as necessary or appropriate in regard to any liabilities of the public
- 20 employees' retirement fund or the teachers' retirement fund
- 21 assumed by the board.

22 Sec. 3. Any amounts transferred under this subsection to the  
23 system that represent balances in any fund or account of the public  
24 employees' retirement fund or the teachers' retirement fund for the  
25 administration of the public pension and retirement funds  
26 administered by the public employees' retirement fund or the  
27 teachers' retirement fund before May 1, 2010, including any  
28 related services, shall be:

- 29 (1) deposited in a fund or account designed by the board; and
- 30 (2) used by the system for the administration of the public
- 31 pension and retirement funds of the system and related
- 32 services.

33 Sec. 4. The employees of the:

- 34 (1) public employees' retirement fund; and
- 35 (2) teachers' retirement fund;
- 36 become employees of the system on May 1, 2010, without change
- 37 in compensation, seniority, or benefits. An employee of the public
- 38 employees' retirement fund who is a member of the public
- 39 employees' retirement fund before May 1, 2010, and becomes an
- 40 employee of the system after April 30, 2010, remains a member of
- 41 the public employees' retirement fund after April 30, 2010. An
- 42 employee of the teachers' retirement fund who is a member of the

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1 teachers' retirement fund before May 1, 2010, and becomes an  
2 employee of the system after April 30, 2010, remains a member of  
3 the teachers' retirement fund after April 30, 2010.

4 **Sec. 5. Rules and regulations of:**

- 5 (1) the public employees' retirement fund; and
- 6 (2) the teachers' retirement fund;

7 in effect before May 1, 2010, are considered, after April 30, 2010,  
8 rules and regulations of the system.

9 **Sec. 6. (a) Any reference or cross-reference to:**

- 10 (1) the board of trustees of the public employees' retirement  
11 fund; or
- 12 (2) the board of trustees of the teachers' retirement fund;

13 in the Indiana Code shall be treated after April 30, 2010, as a  
14 reference or cross-reference to the board.

15 **(b) Any reference or cross-reference to:**

- 16 (1) the director of the public employees' retirement fund; or
- 17 (2) the director of the teachers' retirement fund;

18 in the Indiana Code shall be treated after April 30, 2010, as a  
19 reference or cross-reference to the director.

20 **Sec. 7. If any provision in this article conflicts with a provision**  
21 **in IC 5-10.2, IC 5-10.3, or IC 5-10.4, the provisions shall be read**  
22 **together to the extent possible with any conflict resolved in favor**  
23 **of the provision in this article.**

24 SECTION 31. IC 12-24-1-3, AS AMENDED BY P.L.141-2006,  
25 SECTION 62, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
26 JULY 1, 2010]: Sec. 3. (a) The director of the division of mental health  
27 and addiction has administrative control of and responsibility for the  
28 following state institutions:

- 29 (1) Evansville State Hospital.
- 30 (2) Evansville State Psychiatric Treatment Center for Children.
- 31 (3) Larue D. Carter Memorial Hospital.
- 32 (4) Logansport State Hospital.
- 33 (5) Madison State Hospital.
- 34 (6) Richmond State Hospital.
- 35 (7) Any other state owned or operated mental health institution.

36 (b) Subject to the approval of the director of the budget agency and  
37 the governor, the director of the division of mental health and addiction  
38 may contract for the management and clinical operation of Larue D.  
39 Carter Memorial Hospital.

40 (c) The following applies only to the institutions described in  
41 subsection (a)(1) and (a)(2):

- 42 (1) Notwithstanding any other statute or policy, the division of

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1 mental health and addiction may not do the following after  
 2 December 31, 2001, unless specifically authorized by a statute  
 3 enacted by the general assembly:

4 (A) Terminate, in whole or in part, normal patient care or other  
 5 operations at the facility.

6 ~~(B) Reduce the staffing levels and classifications below those  
 7 in effect at the facility on January 1, 2002.~~

8 ~~(C)~~ (B) Terminate the employment of an employee of the  
 9 facility except in accordance with IC 4-15-2.

10 ~~(2) The division of mental health and addiction shall fill a  
 11 vacancy created by a termination described in subdivision (1)(C)  
 12 so that the staffing levels at the facility are not reduced below the  
 13 staffing levels in effect on January 1, 2002.~~

14 ~~(3)~~ (2) Notwithstanding any other statute or policy, the division of  
 15 mental health and addiction may not remove, transfer, or  
 16 discharge any patient at the facility unless the removal, transfer,  
 17 or discharge is in the patient's best interest and is approved by:

18 (A) the patient or the patient's parent or guardian;

19 (B) the individual's gatekeeper; and

20 (C) the patient's attending physician.

21 ~~(d) The Evansville State Psychiatric Treatment Center for Children  
 22 shall remain independent of Evansville State Hospital and the  
 23 southwestern Indiana community mental health center, and the  
 24 Evansville State Psychiatric Treatment Center for Children shall  
 25 continue to function autonomously unless a change in administration  
 26 is specifically authorized by an enactment of the general assembly.~~

27 SECTION 32. IC 33-38-6-2 IS AMENDED TO READ AS  
 28 FOLLOWS [EFFECTIVE MAY 1, 2010]: Sec. 2. As used in this  
 29 chapter, "board" refers to the board of trustees of the public employees'  
 30 retirement fund: **Indiana public retirement system established by  
 31 IC 5-10.5-3-1.**

32 SECTION 33. IC 33-38-7-3 IS AMENDED TO READ AS  
 33 FOLLOWS [EFFECTIVE MAY 1, 2010]: Sec. 3. As used in this  
 34 chapter, "board" refers to the board of trustees of the public employees'  
 35 retirement fund: **Indiana public retirement system established by  
 36 IC 5-10.5-3-1.**

37 SECTION 34. IC 33-38-8-3 IS AMENDED TO READ AS  
 38 FOLLOWS [EFFECTIVE MAY 1, 2010]: Sec. 3. As used in this  
 39 chapter, "board" refers to the board of trustees of the public employees'  
 40 retirement fund: **Indiana public retirement system established by  
 41 IC 5-10.5-3-1.**

42 SECTION 35. IC 33-39-7-3 IS AMENDED TO READ AS

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1 FOLLOWS [EFFECTIVE MAY 1, 2010]: Sec. 3. As used in this  
 2 chapter, "board" refers to the board of trustees of the ~~public employees'~~  
 3 ~~retirement fund~~. **Indiana public retirement system established by**  
 4 **IC 5-10.5-3-1.**

5 SECTION 36. IC 36-8-8-4 IS AMENDED TO READ AS  
 6 FOLLOWS [EFFECTIVE MAY 1, 2010]: Sec. 4. (a) There is  
 7 established a police officers' and firefighters' pension and disability  
 8 fund to be known as the 1977 fund. The 1977 fund consists of fund  
 9 member and employer contributions, plus the earnings on them, to be  
 10 used to make benefit payments to fund members and their survivors in  
 11 the amounts and under the conditions specified in this chapter.

12 (b) The board of trustees of the ~~public employees' retirement fund~~  
 13 (~~referred to in this chapter as the "PERF board"~~) **Indiana public**  
 14 **retirement system (referred to in this chapter as the "system**  
 15 **board"**) shall administer the 1977 fund, which may be commingled  
 16 with the public employees' retirement fund for investment purposes.  
 17 All actuarial data shall be computed on the total membership of the  
 18 fund, and the cost of participation is the same for all employers in the  
 19 fund. The fund member and employer contributions shall be recorded  
 20 separately for each employer.

21 (c) The 1977 fund advisory committee, referred to as the committee,  
 22 is established. The ~~PERF system~~ board shall consult with the  
 23 committee on matters pertaining to the administration of this chapter  
 24 and IC 5-10.3-11. The committee shall consist of the following  
 25 members appointed by the governor every two (2) years for a term of  
 26 two (2) years:

27 (1) Two (2) firefighters:

28 (A) each of whom must be an active or retired member of the  
 29 1937 fund or the 1977 fund; and

30 (B) neither of whom may be in an upper level policymaking  
 31 position.

32 (2) Two (2) police officers:

33 (A) each of whom must be an active or retired member of the  
 34 1925 fund, the 1953 fund, or the 1977 fund; and

35 (B) neither of whom may be in an upper level policymaking  
 36 position.

37 (3) Two (2) members, each of whom must be an executive of an  
 38 employer.

39 (4) Two (2) members, each of whom must be a member of the  
 40 legislative body of an employer.

41 The term of each member begins on July 1 following appointment and  
 42 continues until ~~his~~ **the member's** successor is qualified. A member of

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1 the committee who no longer holds the position that qualified ~~him~~ **the**  
 2 **member** for appointment under subdivision (1), (2), (3), or (4) forfeits  
 3 **his the member's** membership on the committee. The governor shall  
 4 appoint a person to fill a vacancy on the committee for the remainder  
 5 of the unexpired term.

6 (d) Each member of the committee who is not a state employee is  
 7 entitled to reimbursement for expenses actually incurred in connection  
 8 with the member's duties. Such a member is also entitled to  
 9 reimbursement for traveling expenses and other expenses actually  
 10 incurred in connection with the member's duties, as approved by the  
 11 **PERF system** board.

12 SECTION 37. THE FOLLOWING ARE REPEALED [EFFECTIVE  
 13 MAY 1, 2010]: IC 2-3.5-2-9; IC 2-3.5-2-13; IC 5-10.2-2-16;  
 14 IC 5-10.2-2-17; IC 5-10.3-3-1; IC 5-10.3-3-2; IC 5-10.3-3-3;  
 15 IC 5-10.3-3-4; IC 5-10.3-3-5; IC 5-10.3-3-6; IC 5-10.3-3-9;  
 16 IC 5-10.4-3-1; IC 5-10.4-3-2; IC 5-10.4-3-3; IC 5-10.4-3-4;  
 17 IC 5-10.4-3-5.

18 SECTION 38. THE FOLLOWING ARE REPEALED [EFFECTIVE  
 19 JULY 1, 2010]: IC 4-12-4-1; IC 4-12-4-4; IC 4-12-4-5; IC 4-12-4-6;  
 20 IC 4-12-4-7; IC 4-12-4-8.

21 SECTION 39. [EFFECTIVE JULY 1, 2010] **(a) The legislative**  
 22 **services agency shall prepare legislation for introduction in the**  
 23 **2011 regular session of the general assembly to organize and**  
 24 **correct statutes affected by this act.**

25 **(b) This SECTION expires June 30, 2011.**

26 SECTION 40. **An emergency is declared for this act.**

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## COMMITTEE REPORT

Madam President: The Senate Committee on Appropriations, to which was referred Senate Bill No. 298, 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 6, between lines 32 and 33, begin a new paragraph and insert:

"SECTION 11. IC 4-13-2-11.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 11.1. (a) Notwithstanding the other provisions of this chapter or IC 5-16-1 concerning the awarding of contracts, if a project is for the rehabilitation, extension, maintenance, construction or repair of any structure, improvement, or facility under the control of the department of correction, the department may purchase materials for that project in the manner provided by law and use, without awarding a contract, its inmates to perform the labor and use its own employees for supervisory purposes if:

- (1) they use equipment owned or leased by that department; and
- (2) the cost of the project using employee or inmate labor is estimated by the department of administration to be less than ~~one~~ **five** hundred thousand dollars (~~\$100,000~~): **(\$500,000)**.

(b) All projects covered by this section must comply with the remaining provisions of this chapter, and all plans and specifications must be approved by a licensed architect or engineer as required by law.

SECTION 12. IC 4-13-2-14.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 14.1. (a) A contract to which a state agency is a party must be approved by the following persons:

- (1) The commissioner of the Indiana department of administration.
- (2) The director of the budget agency. The director of the budget agency is not required to approve a contract:
  - (A) for supplies under IC 5-22, unless the budget agency is required to approve the contract under rules or written policies adopted under IC 5-22; or
  - (B) for public works under IC 4-13.6, if the estimated cost of the contract is less than one hundred thousand dollars (\$100,000).

(3) The attorney general, as required by section 14.3 of this chapter.

(b) Each of the persons listed in subsection (a) may delegate to another person the responsibility to approve contracts under this

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section. The delegation must be in writing and must be filed with the Indiana department of administration.

(c) The Indiana department of administration may adopt rules under IC 4-22-2 to provide for electronic approval of contracts. **Electronic approval may include obtaining the equivalent of a signature from all contracting parties using an electronic method that does not comply with IC 5-24 (the electronic digital signature act), so long as the method allows the party to read the terms of the contract and to manifest the party's agreement to the contract by clicking on an "ok", an "agree", or a similarly labeled button or allows the party to not agree to the contract by clicking on a "cancel", "don't agree", "close window", or similarly labeled button.** Rules adopted under this subsection must provide for the following:

- (1) Security to prevent unauthorized access to the approval process.
- (2) The ability to convert electronic approvals into a medium allowing persons inspecting or copying contract records to know when approval has been given.

The rules adopted under this subsection may include any other provisions the department considers necessary.

(d) The Indiana department of administration shall maintain a file of information concerning contracts and leases to which a state agency is a party.

SECTION 13. IC 4-20.5-7-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 9. (a) This section applies only to ~~the following~~:

- ~~(1) the transfer of property to a political subdivision under section 10 of this chapter.~~
- ~~(2) The sale of property under sections 11 through 16 of this chapter.~~

- (b) This section does not apply under the following circumstances:
  - (1) The lease of property for a term of four (4) years or less.
  - (2) If the commissioner determines that the value of the property is likely to be less than either of the following:
    - (A) Five thousand dollars (\$5,000).
    - (B) An amount established by the department in rules adopted under IC 4-22-2.

(c) The property shall be appraised by an appraiser who has the qualifications determined by the commissioner.

(d) The transferring agency shall pay for the cost of the appraisal.

SECTION 14. IC 4-31-6-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 8. (a) Applicants for a

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license issued by the commission shall submit their fingerprints to the commission once. ~~every five (5) years.~~ Except as provided in subsection (d), the fingerprints shall be submitted as follows:

(1) The commission shall have fingerprints taken of an applicant for a license before approving the applicant for admission to the racing premises.

(2) Persons not appearing at the racing premises shall submit their fingerprints in the manner prescribed by the commission.

(b) Except as provided in subsection (d), fingerprints required by this section must be submitted on forms prescribed by the commission.

(c) The commission may forward to the Federal Bureau of Investigation or any other agency for processing all fingerprints submitted by license applicants. The commission shall maintain a file of fingerprints.

(d) The commission may accept the results of fingerprints taken within the preceding five (5) years and accepted by a racing body in another racing jurisdiction. The commission may require that acceptance of fingerprints under this subsection be dependent on the existence of a reciprocal agreement through which the state providing the fingerprints agrees to accept fingerprints from Indiana.

**(e) The commission shall coordinate with the state police department for the storage of fingerprints submitted under this section."**

Page 26, between lines 23 and 24, begin a new paragraph and insert:  
"SECTION 35. IC 12-7-2-103 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 103. "Health facility", means the following:

~~(1) For purposes of IC 12-10-5.5, the meaning set forth in IC 12-10-5.5-2.~~

~~(2) for purposes of IC 12-10-12, has the meaning set forth in IC 12-10-12-3.~~

SECTION 36. IC 12-7-2-168 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 168. "Respite care" means the following:

(1) For purposes of ~~IC 12-10-4 and~~ IC 12-10-5, temporary care or supervision of an individual with Alzheimer's disease or a related senile dementia that is provided because the individual's family or caretaker is temporarily unable or unavailable to provide needed care.

(2) For purposes of IC 12-22-1, the meaning set forth in IC 12-22-1-1.

SECTION 37. IC 12-10-1-4 IS AMENDED TO READ AS

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FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 4. The bureau shall perform the following duties:

- (1) Provide a comprehensive and coordinated service system for Indiana's aging population, giving high priority to those individuals in greatest need.
- (2) Conduct studies and research into the needs and problems of the aging.
- (3) Ensure participation by the aging in the planning and operation of all phases of the system.
- (4) Provide a focal point for advocacy, coordination, monitoring, and evaluation of programs for the aging and the aged.
- (5) Provide for the performance of any other functions required by regulations established under the Older Americans Act (42 U.S.C. 3001 et seq.).
- (6) Function as the sole state agency to develop a comprehensive plan to meet the needs of the aged.
- (7) Evaluate programs, services, and facilities for the aged and determine the extent to which those programs, services, and facilities meet the needs of the aged.
- (8) Coordinate programs, services, and facilities furnished for the aged by state agencies and make recommendations regarding those programs, services, and facilities to the governor and the general assembly.
- (9) Receive and disburse federal money made available for providing services to the aged or related purposes.
- (10) Administer any state plan for the aging required by federal law.
- (11) Provide consultation and assistance to communities and groups developing local services for the aged.
- (12) Promote community education regarding the problems of the aged through institutes, publications, radio, television, and the press.
- (13) Cooperate with agencies of the federal government in studies and conferences designed to examine the needs of the aged and prepare programs and facilities to meet those needs.
- (14) Establish and maintain information and referral sources throughout Indiana when not provided by other agencies.
- (15) Act, in accordance with regulations established under the Older Americans Act (42 U.S.C. 3001 et seq.), as the agent for providing state money to the area agencies on aging designated in each planning and service region in Indiana.
- (16) Initiate, evaluate, and provide assistance for improving

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programs in cooperation with all other state agencies having concerns or responsibility for the aged.

~~(17)~~ **(17)** Conduct an annual conference on the problems of the aging and the aged:

~~(18)~~ **(17)** Designate area agencies on aging in each planning and service region in Indiana.

~~(19)~~ **(18)** Examine the needs of the aged and prepare programs and facilities to meet those needs.

SECTION 38. IC 12-10-5-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 10. ~~(a)~~ The task force shall assist the division in carrying out the division's duties under ~~IC 12-10-4 and IC 12-10-5.5~~, including the formulation of rules adopted under ~~IC 12-10-4~~.

~~(b)~~ The task force shall do the following:

- (1) Identify areas of concern to be addressed by the division.
- (2) Compile available research in the area of Alzheimer's disease or related senile dementia.
- (3) Recommend services to the division to meet the needs of individuals with Alzheimer's disease or related senile dementia, including the needs of the individual's families.
- (4) Recommend the development of training materials by the division for persons who care for or provide services to individuals with Alzheimer's disease or related senile dementia.

SECTION 39. IC 12-12.7-2-17, AS ADDED BY P.L.93-2006, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 17. (a) A family shall participate in the cost of programs and services provided under this chapter to the extent allowed by federal law according to the following cost participation schedule:

Percentage of Federal Income Poverty Level		Copayment Per Treatment	Maximum Monthly Cost Share
At Least	But Not More Than		
0%	250%	\$ 0	\$ 0
251%	350%	\$ 3	\$ 24
351%	450%	\$ 6	\$ 48
451%	550%	\$ 15	\$ 120
551%	650%	\$ 25	\$ 200
651%	750%	\$ 50	\$ 400
751%	850%	\$ 75	\$ 600
851%	1000%	\$ 100	\$ 800



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~~\$ 960~~

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

(1) must:

(A) be based on income and ability to pay;

(B) provide for a review of a family's cost participation amount:

(i) annually; and

(ii) within thirty (30) days after the family reports a reduction in income; and

(C) allow the division to waive a required copayment if other medical expenses or personal care needs expenses for any member of the family reduce the level of income the family has available to pay copayments under this section;

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

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

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

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

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

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

Page 27, delete lines 27 through 42, begin a new paragraph and insert:

"SECTION 40. IC 14-22-4-6, AS AMENDED BY P.L.132-2006, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 6. (a) On July 1 of each year:

(1) all of the accumulated earnings in the fund; plus

(2) two and one-half percent (2 1/2%) of the money in the fund, less the accumulated earnings;

shall be transferred to the fish and wildlife fund to maintain the automated point of sale licensing system implemented under IC 14-22-12-7.5. Any unused part of the transfer under this subsection

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may be used for the other purposes specified in IC 14-22-3-5(a).

(b) The director:

- (1) with the approval of the commission;
- (2) with the approval of the budget agency; and
- (3) after review by the budget committee;

may use money in the fund to acquire real property that will be used and managed for hunting and fishing. ~~The money used under this subsection to acquire real property may not exceed fifty percent (50%) of the appraised value of the real property.~~

(c) The money in the fund may be used only for the purposes authorized in this section.

SECTION 42. IC 15-17-5-12, AS ADDED BY P.L.2-2008, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) ~~Except as provided~~ **Subject to the requirements** in subsection (b), ~~the board is not required to~~ **may** furnish meat or poultry inspection under this chapter:

- (1) for more than eight (8) hours in one (1) day;
- (2) for more than forty (40) hours in one (1) calendar week; or
- (3) on Saturdays, Sundays, or the following legal holidays:
  - (A) New Year's Day.
  - (B) Washington's Birthday.
  - (C) Memorial Day.
  - (D) Martin Luther King, Jr. Day.
  - (E) Columbus Day.
  - (F) Independence Day.
  - (G) Labor Day.
  - (H) Veterans Day.
  - (I) Thanksgiving Day.
  - (J) Christmas.

(b) **Subject to the requirements of section 18 of this chapter**, if the operator of an establishment under inspection pays to the board an hourly fee for each hour of state meat or poultry inspection furnished:

- (1) more than eight (8) hours in one (1) day;
- (2) more than forty (40) hours in one (1) calendar week; or
- (3) on Saturdays, Sundays, and legal holidays;

the board ~~shall~~ **may** furnish the inspection service.

(c) Subject to the approval of the budget agency, the board shall establish an hourly rate for overtime at an amount sufficient to defray the cost of the inspection service. The establishment shall reimburse the board not later than thirty (30) days after assessment for overtime or legal overtime fees collected under this chapter. The fees must be deposited with the treasurer of state. All overtime fees deposited with

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the treasurer of state under this subsection are appropriated to the budget agency for allotment to the board for the administration and enforcement of this chapter.

(d) The board may assign inspection personnel to more than one (1) establishment in order to efficiently use board personnel and resources.

SECTION 43. IC 15-17-5-18, AS ADDED BY P.L.2-2008, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 18. ~~If an establishment conducts operations that require an inspection for less than eight (8) hours a day, fewer than five (5) days a week, or for a period that is different from a normal Monday through Friday, eight (8) hours per day, five (5) days per week work week, the state veterinarian~~ **(a) The board shall arrange a schedule of slaughter for each establishment so that proper and efficient antemortem inspection and postmortem inspection of livestock or poultry is provided in each establishment while that efficiently using uses inspection resources among the establishments. The schedule board must be arranged in conference consult with the recognized establishments involved and communicate a final schedule to each establishment. The board may assign inspection personnel to more than one (1) establishment in a day to efficiently use board personnel and resources. The board may refuse to provide inspection service for activities that are exempt under section 11 of this chapter.**

**(b) Notwithstanding any other provision in this chapter, the board may assign and change schedules and limit, terminate, or refuse to provide any service under this chapter as needed to accommodate shortages or changes in personnel, other resources, or funding for meat and poultry inspection services.**

SECTION 44. IC 20-21-4-3, AS ADDED BY P.L.1-2005, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 3. (a) The board shall prescribe, subject to the approval of the state personnel department and the budget agency, a salary schedule for the school. ~~using a daily rate of pay for each teacher that must be equal to that of the largest school corporation in the county in which the school is located.~~

(b) The board shall prescribe the terms of the annual contract awarded to licensed teachers qualifying for payment under the salary schedule as described in subsection (a).

(c) The hours of work for all teachers shall be set in accordance with IC 4-15-2.

SECTION 45. IC 20-22-4-3, AS ADDED BY P.L.1-2005, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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JULY 1, 2010]: Sec. 3. (a) The board shall prescribe, subject to the approval of the state personnel department and the budget agency, a salary schedule for the school. ~~using a daily rate of pay for each teacher, that must be equal to that of the largest school corporation in the county in which the school is located.~~

(b) The board shall prescribe the terms of the annual contract awarded to licensed teachers qualifying for payment under the salary schedule as described in subsection (a).

(c) The hours of work for all teachers shall be set in accordance with IC 4-15-2."

Page 28, delete lines 1 through 6.

Page 29, line 42, delete "." and insert "; IC 12-7-2-14.3; IC 12-10-4; IC 12-10-5.5; IC 12-10-11-4."

Re-number all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 298 as introduced.)

KENLEY, Chairperson

Committee Vote: Yeas 8, Nays 3.

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SENATE MOTION

Madam President: I move that Senate Bill 298 be amended to read as follows:

Page 6, delete lines 33 through 42.

Delete pages 7 through 8.

Page 9, delete lines 1 through 7.

Page 28, delete lines 41 through 42.

Delete pages 29 through 31.

Page 32, delete lines 1 through 5.

Page 33, delete lines 9 through 42.

Delete page 34.

Page 35, delete lines 1 through 27.

Page 37, line 21, delete "; IC 12-7-2-14.3; IC 12-10-4; IC 12-10-5.5;" and insert ".".

Page 37, delete line 22.

Re-number all SECTIONS consecutively.

(Reference is to SB 298 as printed January 20, 2010.)

KENLEY

SB 298—LS 6958/DI 73+



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