CONFERENCE COMMITTEE REPORT
DIGEST FOR EHB 1376

Citations Affected: Numerous citations throughout the Indiana Code.

Synopsis: State and local administration. Provides that for purposes of the automatic taxpayer refund statutes, the amount of the refund for qualifying taxpayers is determined on a per capita basis by dividing the total amount of excess state reserves available to provide automatic taxpayer refunds by the total number of qualifying taxpayers. Provides that a taxpayer qualifies for the refund if the taxpayer filed a resident tax return in the preceding year. Effective January 1, 2013, makes the threshold for use of excess reserves 12.5% (rather than 10%, under current law) of general revenue appropriations for the state fiscal year. Specifies that: (1) if the amount of the excess reserves, including any carryover amounts, are less than $50,000,000, the excess reserves shall be carried over to the next year; and (2) if the excess reserves are $50,000,000 or more, 50% of the excess reserves shall be transferred to certain pension funds and 50% of the excess reserves shall be used for the purposes of providing an automatic taxpayer refund. Provides that beginning in 2013, the office of management and budget shall calculate, after the end of each odd-numbered state fiscal year, the total amount of state reserves. Reestablishes the office of the secretary of family and social services and other divisions and offices within FSSA. Specifies that the authority of the secretary of family and social services or the office of Medicaid policy and planning to adopt an emergency rule concerning federal Medicaid waiver program provisions or federal programs administered by the office of the secretary expires on December 31, 2012. Provides for the expiration of rules adopted before January 1, 2013. Defines "parcel" for purposes of the statute allowing Little Calumet River basin development commission (commission) to levy a special assessment on parcels of land within the Little Calumet River and Burns Waterway watershed in Lake County. Specifies areas in which the commission may operate. Specifies the total amount of the loan repayment by the commission to the Northwest Indiana RDA. Provides that none of the four members from a unit that borders the Little Calumet River may be from the same municipality. Provides that the attorney general shall attempt to resolve before January 1, 2013, all claims and suits brought against the state or its employees for a death or injury occurring as the result of an accident at the 2011 state fair for an amount that, in the aggregate, does not exceed $11,000,000. Specifies the amount of relief that victims of the accident at the state fair may receive. Authorizes the attorney general to establish a process for determining the amount of compensation for persons who suffered physical injuries involving permanent paralysis or permanent physical trauma or requiring major and ongoing long-term care. Establishes the supplemental state fair relief fund for the purpose of providing additional

relief to the victims of the accident. Appropriates $6,000,000 from the state general fund to the supplemental state fair relief fund. Caps attorney's fees for representation of an eligible person regarding compensation from the supplemental fund at 10% of the total compensation paid to the eligible person from the supplemental fund. Provides that an eligible person may assign to the attorney general the eligible person's right to pursue a cause of action for the tortious breach of an insurer's duty to deal with an insured person in good faith. Provides that if the insurance commissioner determines after a hearing that a person has committed an act that is listed as an unfair claim settlement practice and is related to a death or injury resulting from the accident at the 2011 state fair, the insurance commissioner may order certain remedies. Specifies that the insurance commissioner may take such action without having to demonstrate that the act or practice occurs with such frequency as to indicate a general practice by the person. Provides that neither a hospital nor an ambulance may place a lien on a distribution made from the supplemental state fair relief fund to a victim of the state fair accident. Prohibits an insurer from claiming subrogation or reimbursement rights with respect to a distribution made from the supplemental state fair relief fund. Requires a person who intends to challenge the constitutionality of the prohibition against asserting subrogation or other reimbursement rights to file written notice of the person's intent to challenge this prohibition not later than 40 days after a distribution is made from the supplemental state fair relief fund. Provides that distributions to the estates of persons whose death was caused by the accident at the state fair are exempt from inheritance tax. Permits augmentation of the appropriation for full-day kindergarten. Changes the amount distributed per child. Establishes the select commission on education to study: (1) the process of adoption and content of rules adopted by the Indiana state board of education concerning categories or designations of school improvement including the matrices used for the A-F designations; and (2) proposed rules, adopted rules, and policies of the department of education and the Indiana state board of education to implement the provisions of P.L.90-2011, concerning teacher evaluations and licensing. Makes changes to the process in which a school corporation may modify the department's model staff performance evaluation plan. Makes changes to the definition of a turnaround academy. Provides that if the state board assigns a special management team to a school, the state board shall enter into a contract with a special management team that includes: (1) a requirement that the special management team and the governing body conduct a public meeting two times each year to provide a report concerning student achievement of affected students; and the condition of the school property and to address issues related to the school property; and (2) a requirement that the student instruction must be provided by teachers licensed under IC 20-28-5. Provides that individual employed by the special management team are entitled to participate in either PERF or TRF. Provides that a employees are not required to collectively bargain. Returns IC 20-26-11-8, as amended by SEA 283-2012, to law existing before the enactment of SEA 283-2012. **(This conference committee report retains all of the Senate passed version of EHB 1376 with the following changes: (1) Changes the percentage of excess reserves that triggers an automatic tax refund, makes the refund a refundable credit, indicates that a taxpayer qualifies if the taxpayer filed a resident tax return in the preceding year and has tax liability in the current year, and provides for a distribution in 2012 of 50% of the excess reserves to the pension plans for the state police, conservation officers, judges, and prosecuting attorneys. (2) Replaces language that specified that FSSA emergency rules that are effective for more than one year must be adopted under the regular rulemaking procedures with language that specifies when the emergency rules expire. (3) Makes changes in the formula for distributing money to victims of the accident at the state fair and provides that money distributed to the estates of persons whose death resulted from the accident is exempt from inheritance tax. (4) Fixes a conflict with SEA 330-2012. (5) Adds language concerning education matters.)**

Effective: Upon passage; July 1, 2012; January 1, 2013.

CONFERENCE COMMITTEE REPORT

MADAM PRESIDENT:

Your Conference Committee appointed to confer with a like committee from the House upon Engrossed Senate Amendments to Engrossed House Bill No. 1376 respectfully reports that said two committees have conferred and agreed as follows to wit:

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

Delete everything after the enacting clause and insert the following:

SECTION 1. IC 2-5-26-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. As used in this chapter, "office" refers to the office of Medicaid policy and planning established by ~~IC 12-8-6-1.~~ **IC 12-8-6.5-1.**

SECTION 2. IC 4-10-22-1, AS ADDED BY P.L.229-2011, SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 1. After the end of each **odd-numbered** state fiscal year, the office of management and budget shall calculate in the customary manner the total amount of state reserves as of the end of the state fiscal year. The office of management and budget shall make the calculation not later than July 31 of each **odd-numbered** year.

SECTION 3. IC 4-10-22-2, AS ADDED BY P.L.229-2011, SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 2. If:

(1) the total amount of state reserves calculated by the office of management and budget exceeds ~~ten percent (10%)~~ **twelve and five-tenths percent (12.5%)** of the general revenue appropriations for the current state fiscal year; and ~~if~~

(2) the accounts payable by the state at the end of the preceding state fiscal year are not unusually large as a percentage of the total

amount of state reserves (as compared to recent history);

the governor shall make a presentation to the state budget committee regarding the disposition of excess state reserves under section 3 of this chapter. The presentation must be made not later than September 30 of ~~the~~ **each odd-numbered** year.

SECTION 4. IC 4-10-22-3, AS ADDED BY P.L.229-2011, SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. After completing the presentation to the state budget committee described in section 2 of this chapter, the governor shall **do the following:**

(1) If the amount of excess reserves on June 30 of any year is less than fifty million dollars ($50,000,000), the governor shall carry over the excess reserves to each subsequent year until the total excess reserves, including any carryover amount, equal at least fifty million dollars ($50,000,000). In the year that the total excess reserves equal at least fifty million dollars ($50,000,000), the excess reserves shall be used as provided in subdivision (2).

(2) If in any year the amount of the excess reserves is fifty million dollars ($50,000,000) or more, the governor shall do the following:

~~(1)~~ **(A) If the year is calendar year 2012, transfer fifty percent (50%) of the excess reserves as follows:**

(i) To the pension plans for the state police, conservation officers, judges, and prosecuting attorneys to increase the funded amount of each of these plans to eighty percent (80%). The funded amount for each plan described in this item is to be determined as of June 30 of the immediately preceding year, and, if the amount of money available for transfer is less than the amount needed to increase all these plans' funded amount to eighty percent (80%), the transfers shall be made in the priority of each plan's unfunded liability so that the funded amount of the plan with the least unfunded liability is raised to eighty percent (80%) first.

(ii) To the pension stabilization fund established by IC 5-10.4-2-5 for the purposes of the pension stabilization fund, if money remains after satisfying item (i).

If the year begins after December 31, 2012, transfer fifty percent (50%) of any excess reserves to the pension stabilization fund established by IC 5-10.4-2-5 for the purposes of the pension stabilization fund. ~~and~~

~~(2)~~ **(B)** Use fifty percent (50%) of any excess reserves for the purposes of providing an automatic taxpayer refund under section 4 of this chapter.

SECTION 5. IC 4-10-22-4, AS ADDED BY P.L.229-2011, SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. The following apply if sufficient excess state reserves are available to provide an automatic taxpayer refund to each taxpayer eligible for a refund:

(1) To qualify for a refund, a taxpayer:

(A) must have filed an Indiana resident individual adjusted gross income tax return for the **taxpayer's taxable year ending in the calendar year immediately** preceding ~~two (2) taxable years;~~ **the calendar year in which a determination is made under section 1 of this chapter that the state has excess reserves;** and

(B) must have ~~paid individual~~ adjusted gross income tax ~~to the state~~ **liability** for the ~~preceding~~ **taxpayer's** taxable year **ending in the calendar year in which a determination is made under section 1 of this chapter that the state has excess reserves.**

~~Individuals who file a tax return but do not pay any individual adjusted gross income tax to the state are not entitled to a refund.~~

(2) The amount of the refund is determined for each qualifying taxpayer ~~on a pro rata basis, based on the qualifying taxpayer's portion of the total individual adjusted gross income tax liability paid by all qualifying taxpayers in the preceding taxable year.~~ **as follows:**

STEP ONE: Determine the total amount of excess state reserves that under section 3 of this chapter are available to provide automatic taxpayer refunds.

STEP TWO: Determine the total number of taxpayers that qualify for a refund under subdivision (1).

STEP THREE: Determine the result of:

(A) the STEP ONE result; divided by

(B) the STEP TWO result;

as rounded to the nearest dollar.

(3) The refund **is a refundable credit that** shall **first** be applied as a credit against adjusted gross income tax liability in the taxpayer's taxable year in which a refund is provided. **Any remaining unused credit shall be refunded to the taxpayer.** The credit may not be carried forward.

(4) If an individual and the individual's spouse are both qualifying taxpayers for purposes of this section for a taxable year and file a joint Indiana resident individual adjusted gross income tax return for the taxable year:

(A) the individual and the individual's spouse are considered two (2) taxpayers for purposes of determining the amount of the refund under subdivision (2) for a qualifying taxpayer; and

(B) the amount of the refund that the individual and the individual's spouse are entitled to claim is equal to the amount of any refund determined under subdivision (2) for a qualifying taxpayer, multiplied by two (2).

SECTION 6. IC 4-22-2-37.1, AS AMENDED BY SEA 330-2012, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 37.1. (a) This section applies to a rulemaking action resulting in any of the following rules:

(1) An order adopted by the commissioner of the Indiana department of transportation under IC 9-20-1-3(d) or

IC 9-21-4-7(a) and designated by the commissioner as an emergency rule.

(2) An action taken by the director of the department of natural resources under IC 14-22-2-6(d) or IC 14-22-6-13.

(3) An emergency temporary standard adopted by the occupational safety standards commission under IC 22-8-1.1-16.1.

(4) An emergency rule adopted by the solid waste management board under IC 13-22-2-3 and classifying a waste as hazardous.

(5) A rule, other than a rule described in subdivision (6), adopted by the department of financial institutions under IC 24-4.5-6-107 and declared necessary to meet an emergency.

(6) A rule required under IC 24-4.5-1-106 that is adopted by the department of financial institutions and declared necessary to meet an emergency under IC 24-4.5-6-107.

(7) A rule adopted by the Indiana utility regulatory commission to address an emergency under IC 8-1-2-113.

(8) An emergency rule adopted by the state lottery commission under IC 4-30-3-9.

(9) A rule adopted under IC 16-19-3-5 or IC 16-41-2-1 that the executive board of the state department of health declares is necessary to meet an emergency.

(10) An emergency rule adopted by the Indiana finance authority under IC 8-21-12.

(11) An emergency rule adopted by the insurance commissioner under IC 27-1-23-7 or IC 27-1-12.1.

(12) An emergency rule adopted by the Indiana horse racing commission under IC 4-31-3-9.

(13) An emergency rule adopted by the air pollution control board, the solid waste management board, or the water pollution control board under IC 13-15-4-10(4) or to comply with a deadline required by or other date provided by federal law, provided:

(A) the variance procedures are included in the rules; and

(B) permits or licenses granted during the period the emergency rule is in effect are reviewed after the emergency rule expires.

(14) An emergency rule adopted by the Indiana election commission under IC 3-6-4.1-14.

(15) An emergency rule adopted by the department of natural resources under IC 14-10-2-5.

(16) An emergency rule adopted by the Indiana gaming commission under IC 4-32.2-3-3(b), IC 4-33-4-2, IC 4-33-4-3, IC 4-33-4-14, IC 4-33-22-12, or IC 4-35-4-2.

(17) An emergency rule adopted by the alcohol and tobacco commission under IC 7.1-3-17.5, IC 7.1-3-17.7, or IC 7.1-3-20-24.4.

(18) An emergency rule adopted by the department of financial institutions under IC 28-15-11.

(19) An emergency rule adopted by the office of the secretary of

family and social services under ~~IC 12-8-1-12.~~ **IC 12-8-1.5-11.**
(20) An emergency rule adopted by the office of the children's health insurance program under IC 12-17.6-2-11.
(21) An emergency rule adopted by the office of Medicaid policy and planning under IC 12-15-41-15.
(22) An emergency rule adopted by the Indiana state board of animal health under IC 15-17-10-9.
(23) An emergency rule adopted by the board of directors of the Indiana education savings authority under IC 21-9-4-7.
(24) An emergency rule adopted by the Indiana board of tax review under IC 6-1.1-4-34 (repealed).
(25) An emergency rule adopted by the department of local government finance under IC 6-1.1-4-33 (repealed).
(26) An emergency rule adopted by the boiler and pressure vessel rules board under IC 22-13-2-8(c).
(27) An emergency rule adopted by the Indiana board of tax review under IC 6-1.1-4-37(l) (repealed) or an emergency rule adopted by the department of local government finance under IC 6-1.1-4-36(j) (repealed) or IC 6-1.1-22.5-20.
(28) An emergency rule adopted by the board of the Indiana economic development corporation under IC 5-28-5-8.
(29) A rule adopted by the department of financial institutions under IC 34-55-10-2.5.
(30) A rule adopted by the Indiana finance authority:
(A) under IC 8-15.5-7 approving user fees (as defined in IC 8-15.5-2-10) provided for in a public-private agreement under IC 8-15.5;
(B) under IC 8-15-2-17.2(a)(10):
(i) establishing enforcement procedures; and
(ii) making assessments for failure to pay required tolls;
(C) under IC 8-15-2-14(a)(3) authorizing the use of and establishing procedures for the implementation of the collection of user fees by electronic or other nonmanual means; or
(D) to make other changes to existing rules related to a toll road project to accommodate the provisions of a public-private agreement under IC 8-15.5.
(31) An emergency rule adopted by the board of the Indiana health informatics corporation under IC 5-31-5-8.
(32) An emergency rule adopted by the department of child services under IC 31-25-2-21, IC 31-27-2-4, IC 31-27-4-2, or IC 31-27-4-3.
(33) An emergency rule adopted by the Indiana real estate commission under IC 25-34.1-2-5(15).
(34) A rule adopted by the department of financial institutions under IC 24-4.4-1-101 and determined necessary to meet an emergency.
(35) An emergency rule adopted by the state board of pharmacy regarding returning unused medication under IC 25-26-23.
(36) An emergency rule adopted by the department of local

government finance under IC 6-1.1-12.6 or IC 6-1.1-12.8.

(37) An emergency rule adopted by the office of the secretary of family and social services or the office of Medicaid policy and planning concerning the following:

(A) Federal Medicaid waiver program provisions.

(B) Federal programs administered by the office of the secretary.

The authority of the office of the secretary of family and social services and the office of Medicaid policy and planning to adopt a rule described in this subdivision expires December 31, 2012.

(38) An emergency rule adopted by the Indiana board of accountancy or the executive director of the Indiana professional licensing agency under IC 25-2.1-2-16.

(b) The following do not apply to rules described in subsection (a):

(1) Sections 24 through 36 of this chapter.

(2) IC 13-14-9.

(c) After a rule described in subsection (a) has been adopted by the agency, the agency shall submit the rule to the publisher for the assignment of a document control number. The agency shall submit the rule in the form required by section 20 of this chapter and with the documents required by section 21 of this chapter. The publisher shall determine the format of the rule and other documents to be submitted under this subsection.

(d) After the document control number has been assigned, the agency shall submit the rule to the publisher for filing. The agency shall submit the rule in the form required by section 20 of this chapter and with the documents required by section 21 of this chapter. The publisher shall determine the format of the rule and other documents to be submitted under this subsection.

(e) Subject to section 39 of this chapter, the publisher shall:

(1) accept the rule for filing; and

(2) electronically record the date and time that the rule is accepted.

(f) A rule described in subsection (a) takes effect on the latest of the following dates:

(1) The effective date of the statute delegating authority to the agency to adopt the rule.

(2) The date and time that the rule is accepted for filing under subsection (e).

(3) The effective date stated by the adopting agency in the rule.

(4) The date of compliance with every requirement established by law as a prerequisite to the adoption or effectiveness of the rule.

(g) Subject to subsection (h), **(n),** IC 14-10-2-5, IC 14-22-2-6, IC 22-8-1.1-16.1, ~~and~~ IC 22-13-2-8(c), **and IC 25-2.1-2-16(c) (as added by SEA 330-2012),** and except as provided in subsections (j), (k), and (l), a rule adopted under this section expires not later than ninety (90) days after the rule is accepted for filing under subsection (e). Except for a rule adopted under subsection (a)(13), (a)(24), (a)(25), or (a)(27), the rule may be extended by adopting another rule under this

section, but only for one (1) extension period. The extension period for a rule adopted under subsection (a)(28) may not exceed the period for which the original rule was in effect. A rule adopted under subsection (a)(13) may be extended for two (2) extension periods. Subject to subsection (j), a rule adopted under subsection (a)(24), (a)(25), or (a)(27) may be extended for an unlimited number of extension periods. Except for a rule adopted under subsection (a)(13), for a rule adopted under this section to be effective after one (1) extension period, the rule must be adopted under:

(1) sections 24 through 36 of this chapter; or

(2) IC 13-14-9;

as applicable.

(h) A rule described in subsection (a)(8), (a)(12), ~~(a)(19), (a)(20), (a)(21),~~ (a)(29), ~~(a)(37),~~ or (a)(38) expires on the earlier of the following dates:

(1) The expiration date stated by the adopting agency in the rule.

(2) The date that the rule is amended or repealed by a later rule adopted under sections 24 through 36 of this chapter or this section.

(i) This section may not be used to readopt a rule under IC 4-22-2.5.

(j) A rule described in subsection (a)(24) or (a)(25) expires not later than January 1, 2006.

(k) A rule described in subsection (a)(28) expires on the expiration date stated by the board of the Indiana economic development corporation in the rule.

(l) A rule described in subsection (a)(30) expires on the expiration date stated by the Indiana finance authority in the rule.

(m) A rule described in subsection (a)(5) or (a)(6) expires on the date the department is next required to issue a rule under the statute authorizing or requiring the rule.

(n) This subsection applies to a rule described in subsection (a)(37). A rule adopted before January 1, 2013, expires on the earliest of the following:

(1) The expiration date stated by the adopting agency in the rule.

(2) The date that the rule is amended or repealed by a later rule adopted under sections 24 through 36 of this chapter or this section.

(3) June 30, 2013, at 11:59 p.m.

SECTION 7. IC 12-7-1-5, AS ADDED BY P.L.220-2011, SECTION 252, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 5. Actions taken under IC 12-8-1 **(expired),** IC 12-8-2 **(expired),** IC 12-8-6 **(expired),** and IC 12-8-8 **(expired)** after June 30, 1999, and before December 1, 1999, are legalized and validated to the extent that those actions would have been legal and valid if P.L.7-2000 had been enacted before July 1, 1999.

SECTION 8. IC 12-7-2-23 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 23. "Body", for purposes of ~~IC 12-8-2,~~ **IC 12-8-2.5,** has the meaning set forth in ~~IC 12-8-2-1.~~ **IC 12-8-2.5-1.**

SECTION 9. IC 12-7-2-99, AS AMENDED BY P.L.141-2006,

SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 99. "A person with a disability" means, for purposes of the following statutes, an individual who has a physical or mental disability and meets the program eligibility requirements of the division of disability and rehabilitative services:

(1) ~~IC 12-8-1-11.~~ **IC 12-8-1.5-10.**

(2) IC 12-12-1.

(3) IC 12-12-6.

SECTION 10. IC 12-7-2-129 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 129. "Member", for purposes of ~~IC 12-8-2,~~ **IC 12-8-2.5,** has the meaning set forth in ~~IC 12-8-2-2.~~ **IC 12-8-2.5-2.**

SECTION 11. IC 12-7-2-134, AS AMENDED BY P.L.117-2008, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 134. "Office" means the following:

(1) Except as provided in subdivisions (2) through (4), the office of Medicaid policy and planning established by ~~IC 12-8-6-1.~~ **IC 12-8-6.5-1.**

(2) For purposes of IC 12-10-13, the meaning set forth in IC 12-10-13-4.

(3) For purposes of IC 12-15-13, the meaning set forth in IC 12-15-13-0.4.

(4) For purposes of IC 12-17.6, the meaning set forth in IC 12-17.6-1-4.

SECTION 12. IC 12-7-2-135 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 135. "Office of the secretary" refers to the office of the secretary of family and social services established by ~~IC 12-8-1-1.~~ **IC 12-8-1.5-1.**

SECTION 13. IC 12-7-2-160 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 160. (a) "Rehabilitation", for purposes of the statutes listed in subsection (b), means a process of providing services to meet the current and future needs of persons with disabilities so that the individuals may prepare for and engage in gainful employment to the extent of their capabilities, as provided in 29 U.S.C. 720.

(b) This section applies to the following statutes:

(1) ~~IC 12-8-1-11.~~ **IC 12-8-1.5-10.**

(2) IC 12-12-1.

(3) IC 12-12-3.

(4) IC 12-12-6.

SECTION 14. IC 12-7-2-172 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 172. (a) Except as provided in subsection (b), "secretary" refers to the secretary of family and social services appointed under ~~IC 12-8-1-2.~~ **IC 12-8-1.5-2.**

(b) "Secretary", for purposes of IC 12-13-14, has the meaning set forth in IC 12-13-14-1.

SECTION 15. IC 12-7-2-186 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 186. "State plan", for purposes of ~~IC 12-8-6,~~ **IC 12-8-6.5,** refers to the state Medicaid plan for the Medicaid program.

SECTION 16. IC 12-8-1.5 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 1.5. Office of Secretary of Family and Social Services

Sec. 0.3. (a) Actions taken under IC 12-8-1 (expired), after December 31, 2007, and before March 24, 2008, are legalized and validated to the extent that those actions would have been legal and valid if P.L.113-2008 had been enacted before January 1, 2008.

(b) Actions taken under IC 12-8-1 (expired) after June 30, 2011, are legalized and validated to the extent that those actions would have been legal and valid if IC 12-8-1 had not expired on June 30, 2011.

Sec. 1. (a) The office of the secretary of family and social services is established.

(b) The office of the secretary includes the following:

(1) The secretary.

(2) Each office.

Sec. 2. The governor shall appoint the secretary of family and social services to coordinate family and social service programs among the divisions.

Sec. 3. (a) The secretary has administrative responsibility for the office of the secretary.

(b) Subject to this article, the secretary may organize an office to perform the duties of the office.

Sec. 4. The secretary may hire personnel necessary to perform the duties of each office.

Sec. 5. (a) The secretary, through the offices, is responsible for coordinating the provision of technical assistance to each division for the following:

(1) Compiling program budgets for each division.

(2) Fiscal performance of each division.

(3) Management and administrative performance of each division.

(4) Program performance of each division.

(b) The secretary, through the offices, is accountable for the following:

(1) Resolution of administrative, jurisdictional, or policy conflicts among the divisions.

(2) The coordination of the activities of each division with other entities, including the general assembly and other state agencies.

(3) Coordination of communication with the federal government and the governments of other states.

(4) Development and ongoing monitoring of a centralized management information system and a centralized training system for orientation and cross-training.

(5) The overall policy development and management of the state Medicaid plan under IC 12-15.

(6) Liaison activities with other governmental entities and private sector agencies.

Sec. 6. (a) The secretary and the commissioner of the state

department of health shall cooperate to coordinate family and social services programs with related programs administered by the state department of health.

(b) The secretary, in cooperation with the commissioner of the state department of health, is accountable for the following:

(1) Resolving administrative, jurisdictional, or policy conflicts between a division and the state department of health.

(2) Formulating overall policy for family, health, and social services in Indiana.

(3) Coordinating activities between the programs of the division of family resources and the maternal and child health programs of the state department of health.

(4) Coordinating activities concerning long term care between the division of disability and rehabilitative services and the state department of health.

(5) Developing and implementing a statewide family, health, and social services plan that includes a set of goals and priorities.

Sec. 7. The secretary, through the offices, may do the following:

(1) Employ experts and consultants to carry out the duties of the secretary and the offices.

(2) Utilize, with the consent of the other state agencies, the services and facilities of other state agencies without reimbursement.

(3) Accept in the name of the state, for use in carrying out the purposes of this article, any money or other property received as a gift, by bequest, or otherwise.

(4) Accept voluntary and uncompensated services.

(5) Expend money made available according to policies enforced by the budget agency.

(6) Establish and implement the policies and procedures necessary to implement this article.

(7) Advise the governor concerning rules adopted by a division.

(8) Create advisory bodies to advise the secretary about any matter relating to the implementation of this article.

(9) Perform other acts necessary to implement this article.

Sec. 8. (a) The secretary shall cooperate with the federal Social Security Administration and with any other agency of the federal government in any reasonable manner that may be necessary to qualify for federal aid for assistance to persons who are entitled to assistance under the provisions of the federal Social Security Act.

(b) The secretary shall do the following:

(1) Make reports in the form and containing the information required by the federal Social Security Administration Board or any other agency of the federal government.

(2) Comply with the requirements that the federal Social Security Administration Board or other agency of the federal government finds necessary to assure the correctness and verification of reports.

(c) The secretary shall act as the agent to the federal

government in the following:

(1) Welfare matters of mutual concern.

(2) The administration of federal money granted to Indiana to aid the welfare functions of the state.

Sec. 9. (a) Consistent with the powers and duties of the secretary under this article, the secretary may adopt rules under IC 4-22-2 relating to the exercise of those powers and duties.

(b) The secretary may adopt emergency rules under IC 4-22-2-37.1(a)(37) for the following:

(1) Federal Medicaid waiver program provisions.

(2) Federal programs administered by the office of the secretary.

This subsection expires December 31, 2012.

Sec. 10. The office of the secretary is designated as the sole state agency responsible for administering programs concerning the vocational rehabilitation of individuals with a disability under 29 U.S.C. 701 et seq.

Sec. 11. (a) If:

(1) the sums appropriated by the general assembly in the biennial budget to the family and social services administration for the Medicaid assistance, Medicaid administration, public assistance (TANF), and the IMPACT (JOBS) work program are insufficient to enable the office of the secretary to meet its obligations; and

(2) the failure to appropriate additional funds would:

(A) violate a provision of federal law; or

(B) jeopardize the state's share of federal financial participation applicable to the state appropriations contained in the biennial budget for Medicaid assistance, Medicaid administration, public assistance (TANF), or the IMPACT (JOBS) work program;

then there are appropriated further sums as may be necessary to remedy a situation described in this subsection, subject to the approval of the budget director and the unanimous recommendation of the members of the budget committee. However, before approving a further appropriation under this subsection, the budget director shall explain to the budget committee the factors indicating that a condition described in subdivision (2) would be met.

(b) If:

(1) the sums appropriated by the general assembly in the biennial budget to the family and social services administration for Medicaid assistance, Medicaid administration, public assistance (TANF), and the IMPACT (JOBS) work program are insufficient to enable the family and social services administration to meet its obligations; and

(2) neither of the conditions in subsection (a)(2) would result from a failure to appropriate additional funds;

then there are appropriated further sums as may be necessary to remedy a situation described in this subsection, subject to the approval of the budget director and the unanimous

recommendation of the members of the budget committee. However, before approving a further appropriation under this subsection, the budget director shall explain to the budget committee the factors indicating that a condition described in subdivision (2) would be met.

(c) Notwithstanding IC 12-14 and IC 12-15 (except for a clinical advisory panel established under IC 12-15), and except as provided in subsection (d), the office of the secretary may by rule adjust programs, eligibility standards, and benefit levels to limit expenditures from Medicaid assistance, Medicaid administration, public assistance (TANF), and the IMPACT (JOBS) work program. The office of the secretary may adopt emergency rules under IC 4-22-2-37.1 to make an adjustment authorized by this subsection. However, adjustments under this subsection may not:

(1) violate a provision of federal law; or

(2) jeopardize the state's share of federal financial participation applicable to the state appropriations contained in the biennial budget for Medicaid assistance, Medicaid administration, public assistance (TANF), and the IMPACT (JOBS) work program.

(d) Subject to IC 12-15-21-3, any adjustments made under subsection (c) must:

(1) allow for a licensed provider under IC 12-15 to deliver services within the scope of the provider's license if the benefit is covered under IC 12-15; and

(2) provide access to services under IC 12-15 from a provider under IC 12-15-12.

Sec. 12. (a) Subject to the appropriation limits established by the state's biennial budget for the office of the secretary and its divisions, and after assistance, including assistance under TANF (IC 12-14), medical assistance (IC 12-15), and food stamps (7 U.S.C. 2016(i)), is distributed to persons eligible to receive assistance, the secretary may adopt rules under IC 4-22-2 to offer programs on a pilot or statewide basis to encourage recipients of assistance under IC 12-14 to become self-sufficient and discontinue dependence on public assistance programs. Programs offered under this subsection may do the following:

(1) Develop welfare-to-work programs.

(2) Develop home child care training programs that will enable recipients to work by providing child care for other recipients.

(3) Provide case management and supportive services.

(4) Develop a system to provide for public service opportunities for recipients.

(5) Provide plans to implement the personal responsibility agreement under IC 12-14-2-21.

(6) Develop programs to implement the school attendance requirement under IC 12-14-2-17.

(7) Provide funds for county planning council activities under IC 12-14-22-13 (repealed).

(8) Provide that a recipient may earn up to the federal income

poverty level (as defined in IC 12-15-2-1) before assistance under this title is reduced or eliminated.

(9) Provide for child care assistance, with the recipient paying fifty percent (50%) of the local market rate as established under 45 CFR 256 for child care.

(10) Provide for medical care assistance under IC 12-15, if the recipient's employer does not offer the recipient health care coverage.

(b) If the secretary offers a program described in subsection (a), the secretary shall annually report the results and other relevant data regarding the program to the legislative council in an electronic format under IC 5-14-6.

Sec. 13. The office of the secretary shall implement methods to facilitate the payment of providers under IC 12-15.

Sec. 14. The office of the secretary shall improve its system through the use of technology and training of staff to do the following:

(1) Simplify, streamline, and destigmatize the eligibility and enrollment processes in all health programs serving children.

(2) Ensure an efficient provider payment system.

(3) Improve service to families.

(4) Improve data quality for program assessment and evaluation.

Sec. 15. (a) The office of the secretary shall:

(1) cooperate with; and

(2) assist;

a nonprofit organization with the purpose to implement and administer a program to provide health care to uninsured Indiana residents.

(b) The office of the secretary shall assist a nonprofit organization that has the purpose described in subsection (a) with the following:

(1) Determining eligibility of potential participants who have an income of not more than one hundred percent (100%) of the federal poverty level for a program described in this section.

(2) Issuing a plan card that is valid for one (1) year to an individual if:

(A) the office of the secretary has determined the individual is eligible for the program; and

(B) the individual has paid the office of the secretary a registration fee determined by the office.

(3) Operating a toll free telephone number that provides provider referral services for participants in the program.

(4) Implementing the program described in this section to combine the resources of the office of the secretary and the nonprofit organization in a manner that would not result in the additional expenditure of state funds.

SECTION 17. IC 12-8-2.5 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 2.5. Family and Social Services Bodies

Sec. 0.3. (a) Actions taken under IC 12-8-2 (expired), after December 31, 2007, and before March 24, 2008, are legalized and validated to the extent that those actions would have been legal and valid if P.L.113-2008 had been enacted before January 1, 2008.

(b) Actions taken under IC 12-8-2 (expired) after June 30, 2011, are legalized and validated to the extent that those actions would have been legal and valid if IC 12-8-2 had not expired on June 30, 2011.

Sec. 1. As used in this chapter, "body" refers to an entity described in section 3 of this chapter.

Sec. 2. As used in this chapter, "member" refers to a member of a body.

Sec. 3. Unless otherwise provided by a statute, this chapter applies to the following:

(1) The following advisory councils:

(A) The division of disability and rehabilitative services advisory council.

(B) The division of family resources advisory council.

(C) The division of mental health and addiction advisory council.

(2) A body:

(A) established by statute for a division; and

(B) whose enabling statute makes this chapter applicable to the body.

Sec. 3.5. Up to five (5) individuals appointed by the secretary to serve on an entity not described in section 3(1) of this chapter may be appointed to serve concurrently on an advisory council described in section 3(1) of this chapter. However, an individual may not serve concurrently on more than one (1) advisory council described in section 3(1) of this chapter.

Sec. 4. (a) This section applies only to a member who by statute is appointed to a fixed term.

(b) The term of an individual serving as a member begins on the latter of the following:

(1) The day the term of the member whom the individual is appointed to succeed expires. If the individual does not succeed a member, the member's term begins as provided in subdivision (2).

(2) The day the individual is appointed.

(c) The term of a member expires on July 1 of the second year after the expiration of the term of the member's immediate predecessor. If the member has no immediate predecessor, the term of the member expires on July 1 of the second year after the member's term began.

(d) A member may be reappointed for a new term. A reappointed member is the member's own:

(1) successor for purposes of subsection (b); and

(2) immediate predecessor for purposes of subsection (c).

Sec. 5. (a) This section applies only to an individual who serves as a member because of an office the individual holds.

(b) The individual serves as a member until the individual no longer holds the office.

Sec. 6. The appointing authority of a member shall appoint an individual to fill a vacancy in the office of the member.

Sec. 7. Except as provided in another statute, the governor shall appoint a voting member of the body to be the presiding officer of the body.

Sec. 8. Unless otherwise provided by a statute, a member is a voting member.

Sec. 9. A majority of the voting members of the body constitutes a quorum.

Sec. 10. The affirmative vote of a majority of the voting members of the body is required for the body to take any action.

Sec. 11. (a) A member who is not a state employee is entitled to both of the following:

(1) The minimum salary per diem provided by IC 4-10-11-2.1(b).

(2) Reimbursement for travel expenses and other expenses actually incurred in connection with the member's duties, as provided in the state travel policies and procedures established by the Indiana department of administration and approved by the budget agency.

(b) A member who is a state employee is entitled to reimbursement for travel expenses and other expenses actually incurred in connection with the member's duties, as provided in the state travel policies and procedures established by the Indiana department of administration and approved by the budget agency.

(c) A member who is a member of the general assembly is entitled to receive the same per diem, mileage, and travel allowances paid to members of the general assembly serving on interim study committees established by the legislative council.

Sec. 11.5. In addition to the requirements of IC 5-14-1.5, the office of the secretary or a division will make a good faith effort to ensure that members of any body subject to this chapter receive a copy of an agenda at least forty-eight (48) hours before any meeting of the body.

SECTION 18. IC 12-8-6.5 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 6.5. Office of Medicaid Policy and Planning

Sec. 0.3. (a) Actions taken under IC 12-8-6 (expired), after December 31, 2007, and before March 24, 2008, are legalized and validated to the extent that those actions would have been legal and valid if P.L.113-2008 had been enacted before January 1, 2008.

(b) Actions taken under IC 12-8-6 (expired) after June 30, 2011, are legalized and validated to the extent that those actions would have been legal and valid if IC 12-8-6 had not expired on June 30, 2011.

Sec. 1. The office of Medicaid policy and planning is established.

Sec. 2. The secretary shall appoint an administrator responsible for management of the office.

Sec. 3. The office is designated as the single state agency for administration of the state Medicaid program under IC 12-15.

Sec. 4. The office shall develop and coordinate Medicaid policy for the state.

Sec. 5. The secretary may adopt rules under IC 4-22-2 to implement this chapter and the state Medicaid program.

Sec. 6. (a) For purposes of IC 4-21.5, the secretary is the ultimate authority for the state Medicaid program.

(b) The secretary shall adopt rules under IC 4-22-2 to specify any additional necessary procedures for administrative review of an agency action under IC 4-21.5 and the state Medicaid program.

Sec. 7. The office and the division of mental health and addiction shall develop a written memorandum of understanding that provides the following:

(1) Program responsibilities for the provision of care and treatment for individuals with a mental illness.

(2) Responsibilities to educate and inform vendors of the proper billing procedures.

(3) Responsibilities in administering the state plan.

(4) Responsibilities for Medicaid fiscal and quality accountability and audits for mental health services.

(5) That the division shall recommend options and services to be reimbursed under the state plan.

(6) That the office and the division agree that, within the limits of 42 U.S.C. 1396 et seq., individuals with a mental illness cannot be excluded from services on the basis of diagnosis unless these services are otherwise provided and reimbursed under the state plan.

(7) That the office shall seek review and comment from the division before the adoption of rules or standards that may affect the service, programs, or providers of medical assistance services for individuals with a mental illness.

(8) That the division shall develop rate setting policies for medical assistance services for individuals with a mental illness.

(9) Policies to facilitate communication between the office and the division.

(10) Any additional provisions that enhance communication between the office and the division or facilitate more efficient or effective delivery of mental health services.

Sec. 8. The office and the division of disability and rehabilitative services shall develop a written memorandum of understanding that provides the following:

(1) Program responsibilities for the provision of care and treatment for individuals with a developmental disability and long term care recipients.

(2) Responsibilities to educate and inform vendors of the proper billing procedures.

(3) Responsibilities in administering the state plan.

(4) Responsibilities for Medicaid fiscal and quality accountability and audits for developmental disability and

long term care services.

(5) That the division shall recommend options and services to be reimbursed under the state plan.

(6) That the office and the division agree that, within the limits of 42 U.S.C. 1396 et seq., individuals with a developmental disability and long term care recipients cannot be excluded from services on the basis of diagnosis unless these services are otherwise provided and reimbursed under the state plan.

(7) That the office shall seek review and comment from the division before the adoption of rules or standards that may affect the service, programs, or providers of medical assistance services for individuals with a developmental disability and long term care recipients.

(8) That the division shall develop rate setting policies for medical assistance services for individuals with a developmental disability and long term care recipients.

(9) That the office, with the assistance of the division, shall apply for waivers from the United States Department of Health and Human Services to fund community and home based long term care services as alternatives to institutionalization.

(10) Policies to facilitate communication between the office and the division.

(11) Any additional provisions that enhance communication between the office and the division or facilitate more efficient or effective delivery of developmental disability or long term care services.

Sec. 9. The office, the division of family resources, and the department of child services shall develop a written memorandum of understanding that provides the following:

(1) Program responsibilities for the provision of care and treatment for recipients served by the division.

(2) Responsibilities to educate and inform vendors of the proper billing procedures.

(3) Responsibilities in administering the state plan.

(4) Responsibilities for Medicaid fiscal and quality accountability and audits for services administered by the division.

(5) That the division shall recommend options and services to be reimbursed under the Medicaid state plan.

(6) That the office and the division agree that, within the limits of 42 U.S.C. 1396 et seq., recipients served by the division cannot be excluded from services on the basis of diagnosis unless these services are otherwise provided and reimbursed under the state plan.

(7) That the office shall seek review and comment from the division before the adoption of rules or standards that may affect the service, programs, or providers of medical assistance services for recipients served by the division.

(8) That the division shall develop rate setting policies for

medical assistance services administered by the division.

(9) Policies to facilitate communication between the office and the division.

(10) Any additional provisions that enhance communication between the office and the division or facilitate more efficient or effective delivery of services.

Sec. 10. (a) The office shall reduce reimbursement rates for over-the-counter drugs by ten percent (10%) not later than July 1, 2001.

(b) The office shall implement a Maximum Allowable Cost schedule for off-patent drugs not later than November 1, 2001.

(c) Not later than January 1, 2002, the office shall implement an information strategy directed to high volume prescribers.

(d) Beginning July 1, 2002, the office shall phase in case management for aged, blind, and disabled Medicaid recipients.

Sec. 11. The office shall adopt emergency rules under IC 4-22-2-37.1 to achieve the reductions needed to avoid expenditures exceeding the Medicaid appropriation made by P.L.224-2003 in the line item appropriation to the FAMILY AND SOCIAL SERVICES ADMINISTRATION, MEDICAID - CURRENT OBLIGATIONS. To the extent that reductions are made to optional Medicaid services as set forth in 42 U.S.C. 1396 et seq., the reductions may be accomplished on a pro rata basis with each optional service being reduced by a proportionate amount. However, the reductions may not be made in a manner that results in the elimination of any optional Medicaid service.

SECTION 19. IC 12-8-8.5 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 8.5. Divisions and Directors

Sec. 0.3. (a) Actions taken under IC 12-8-8 (expired), after December 31, 2007, and before March 24, 2008, are legalized and validated to the extent that those actions would have been legal and valid if P.L.113-2008 had been enacted before January 1, 2008.

(b) Actions taken under IC 12-8-8 (expired) after June 30, 2011, are legalized and validated to the extent that those actions would have been legal and valid if IC 12-8-8 had not expired on June 30, 2011.

Sec. 1. Subject to the approval of the governor, the secretary:

(1) shall appoint each director; and

(2) may terminate the employment of a director.

Sec. 2. (a) A director is the chief administrator of the director's division.

(b) A director is responsible to the secretary for the operation and performance of the director's division.

Sec. 3. A director is the appointing authority for the director's division.

Sec. 4. (a) A director may adopt rules under IC 4-22-2 relating to the operation of the director's division and to implement the programs of the director's division.

(b) Whenever a division is required to adopt rules under

IC 4-22-2, the director of the division is the statutory authority that adopts the rules.

Sec. 5. (a) A director is the ultimate authority under IC 4-21.5 for purposes of the operation of the director's division and the programs of the director's division.

(b) The director shall consult with the secretary on issues of family, social services, or health policy arising in a proceeding under IC 4-21.5.

Sec. 6. A director is responsible for development and presentation of the budget of the director's division.

SECTION 20. IC 12-9-1-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. ~~IC 12-8-8~~ **IC 12-8-8.5** applies to the division.

SECTION 21. IC 12-9-2-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. The division shall be administered by a director appointed under ~~IC 12-8-8-1.~~ **IC 12-8-8.5-1.**

SECTION 22. IC 12-9-2-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. ~~IC 12-8-8~~ **IC 12-8-8.5** applies to the director.

SECTION 23. IC 12-9-4-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. Each member of the council appointed under section 3(2) of this chapter has a fixed term as provided in ~~IC 12-8-2-4.~~ **IC 12-8-2.5-4.**

SECTION 24. IC 12-9-4-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. ~~IC 12-8-2~~ **IC 12-8-2.5** applies to the council.

SECTION 25. IC 12-9.1-1-2, AS ADDED BY P.L.141-2006, SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. ~~IC 12-8-8~~ **IC 12-8-8.5** applies to the division.

SECTION 26. IC 12-9.1-2-1, AS ADDED BY P.L.141-2006, SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. The division shall be administered by a director appointed under ~~IC 12-8-8-1.~~ **IC 12-8-8.5-1.**

SECTION 27. IC 12-9.1-2-2, AS ADDED BY P.L.141-2006, SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. ~~IC 12-8-8~~ **IC 12-8-8.5** applies to the director.

SECTION 28. IC 12-10-12-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. As used in this chapter, "office" refers to the office of Medicaid policy and planning established by ~~IC 12-8-6-1.~~ **IC 12-8-6.5-1.**

SECTION 29. IC 12-12-1-4.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4.1. (a) The bureau may do the following:

(1) Establish vocational rehabilitation centers separately or in conjunction with community rehabilitation centers.

(2) Contract with governmental units and other public or private organizations to provide any of the vocational rehabilitation services permitted or required by this article, ~~IC 12-8-1-11,~~

IC 12-8-1.5-10, IC 12-9-6, and IC 12-11-6.

(3) Provide or contract for the provision of other services that are consistent with the purposes of this article, ~~IC 12-8-1-11,~~ **IC 12-8-1.5-10,** IC 12-9-6, and IC 12-11-6.

(b) When entering into contracts for job development, placement, or retention services, the bureau shall contract with governmental units and other public or private organizations or individuals that are accredited by one (1) of the following organizations:

(1) The Commission on Accreditation of Rehabilitation Facilities (CARF), or its successor.

(2) The Council on Quality and Leadership in Supports for People with Disabilities, or its successor.

(3) The Joint Commission on Accreditation of Healthcare Organizations (JCAHO), or its successor.

(4) The National Commission on Quality Assurance, or its successor.

(5) An independent national accreditation organization approved by the secretary.

(c) To the extent that the accreditation requirements of an accrediting organization listed in subsection (b) do not cover a specific requirement determined by the bureau to be necessary for a contracted service under subsection (a), the bureau shall include these specific requirements as part of the bureau's contract for job development, placement, or retention services.

SECTION 30. IC 12-12.7-2-8, AS ADDED BY P.L.93-2006, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) The council consists of at least fifteen (15) but not more than twenty-five (25) members appointed by the governor as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

(A) located in Indiana; and

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

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

(10) At least one (1) member must represent the office of Medicaid policy and ~~planing~~ **planning** established by ~~IC 12-8-6-1.~~ **IC 12-8-6.5-1.**

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

(12) At least one (1) member must be a state foster care representative from the department of child services established by ~~IC 31-33-1.5-2.~~ **IC 31-25-1-1.**

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

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

SECTION 31. IC 12-13-1-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. ~~IC 12-8-8~~ **IC 12-8-8.5** applies to the division.

SECTION 32. IC 12-13-2-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. The division shall be administered by a director appointed under ~~IC 12-8-8-2.~~ **IC 12-8-8.5-1.**

SECTION 33. IC 12-13-4-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. Each member of the council appointed under section 3(2) of this chapter has a fixed term as provided in ~~IC 12-8-2-4.~~ **IC 12-8-2.5-4.**

SECTION 34. IC 12-13-4-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. ~~IC 12-8-2~~ **IC 12-8-2.5** applies to the council.

SECTION 35. IC 12-13-15.2-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. The division shall collaborate with the office of Medicaid policy and planning established by ~~IC 12-8-6-1~~ **IC 12-8-6.5-1** and the state department of health established by IC 16-19-1-1 to establish programs that facilitate children's access to oral health services.

SECTION 36. IC 12-14-2-21, AS AMENDED BY P.L.161-2007, SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 21. (a) A TANF recipient or the parent or essential person of a TANF recipient, if the TANF recipient is less than eighteen (18) years of age, must sign a personal responsibility agreement to do the following:

(1) Develop an individual self-sufficiency plan with other family members and a caseworker.

(2) Accept any reasonable employment as soon as it becomes available.

(3) Agree to a loss of assistance, including TANF assistance under this article, if convicted of a felony under IC 35-43-5-7 or IC 35-43-5-7.1 for ten (10) years after the conviction.

(4) Subject to section 5.3 of this chapter, understand that additional TANF assistance under this article will not be available for a child born more than ten (10) months after the person qualifies for assistance.

(5) Accept responsibility for ensuring that each child of the person receives all appropriate vaccinations against disease at an appropriate age.

(6) If the person is less than eighteen (18) years of age and is a parent, live with the person's parents, legal guardian, or an adult relative other than a parent or legal guardian in order to receive public assistance.

(7) Subject to ~~IC 12-8-1-12~~ **IC 12-8-1.5-11** and section 5.1 of this chapter, agree to accept assistance for not more than twenty-four (24) months under the TANF program (IC 12-14).

(8) Be available for and actively seek and maintain employment.

(9) Participate in any training program required by the division.

(10) Accept responsibility for ensuring that the person and each child of the person attend school until the person and each child of the person graduate from high school or attain a high school equivalency certificate (as defined in IC 12-14-5-2).

(11) Raise the person's children in a safe, secure home.

(12) Agree not to abuse illegal drugs or other substances that would interfere with the person's ability to attain self-sufficiency.

(b) Except as provided in subsection (c), assistance under the TANF program shall be withheld or denied to a person who does not fulfill the requirements of the personal responsibility agreement under subsection (a).

(c) A person who is granted an exemption under section 23 of this chapter may be excused from specific provisions of the personal responsibility agreement as determined by the director.

SECTION 37. IC 12-15-2-0.5, AS AMENDED BY P.L.1-2010, SECTION 58, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 0.5. (a) This section applies to a person who qualifies for assistance:

(1) under sections 13 through 16 of this chapter;

(2) under section 6 of this chapter when the person becomes ineligible for medical assistance under IC 12-14-2-5.1 or

IC 12-14-2-5.3; or

(3) as an individual with a disability if the person is less than eighteen (18) years of age and otherwise qualifies for assistance.

(b) Notwithstanding any other law, the following may not be construed to limit health care assistance to a person described in subsection (a):

(1) ~~IC 12-8-1-13.~~ **IC 12-8-1.5-12.**

(2) IC 12-14-1-1.

(3) IC 12-14-1-1.5.

(4) IC 12-14-2-5.1.

(5) IC 12-14-2-5.2.

(6) IC 12-14-2-5.3.

(7) IC 12-14-2-17.

(8) IC 12-14-2-18.

(9) IC 12-14-2-20.

(10) IC 12-14-2-21.

(11) IC 12-14-2-24.

(12) IC 12-14-2-25.

(13) IC 12-14-2-26.

(14) IC 12-14-2.5.

(15) IC 12-14-5.5.

(16) Section 21 of this chapter.

SECTION 38. IC 12-21-1-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. ~~IC 12-8-8~~ **IC 12-8-8.5** applies to the division.

SECTION 39. IC 12-21-2-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. The division shall be administered by a director appointed under ~~IC 12-8-8-1.~~ **IC 12-8-8.5-1.**

SECTION 40. IC 12-21-2-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. ~~IC 12-8-8~~ **IC 12-8-8.5** applies to the director.

SECTION 41. IC 12-21-2-3, AS AMENDED BY P.L.143-2011, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. In addition to the general authority granted to the director under ~~IC 12-8-8,~~ **IC 12-8-8.5,** the director shall do the following:

(1) Organize the division, create the appropriate personnel positions, and employ personnel necessary to discharge the statutory duties and powers of the division or a bureau of the division.

(2) Subject to the approval of the state personnel department, establish personnel qualifications for all deputy directors, assistant directors, bureau heads, and superintendents.

(3) Subject to the approval of the budget director and the governor, establish the compensation of all deputy directors, assistant directors, bureau heads, and superintendents.

(4) Study the entire problem of mental health, mental illness, and addictions existing in Indiana.

(5) Adopt rules under IC 4-22-2 for the following:

(A) Standards for the operation of private institutions that are licensed under IC 12-25 for the diagnosis, treatment, and care of individuals with psychiatric disorders, addictions, or other abnormal mental conditions.

(B) Licensing or certifying community residential programs described in IC 12-22-2-3.5 for individuals with serious mental illness (SMI), serious emotional disturbance (SED), or chronic addiction (CA) with the exception of psychiatric residential treatment facilities.

(C) Certifying community mental health centers to operate in Indiana.

(D) Establish exclusive geographic primary service areas for community mental health centers. The rules must include the following:

(i) Criteria and procedures to justify the change to the boundaries of a community mental health center's primary service area.

(ii) Criteria and procedures to justify the change of an assignment of a community mental health center to a primary service area.

(iii) A provision specifying that the criteria and procedures determined in items (i) and (ii) must include an option for the county and the community mental health center to initiate a request for a change in primary service area or provider assignment.

(iv) A provision specifying the criteria and procedures determined in items (i) and (ii) may not limit an eligible consumer's right to choose or access the services of any provider who is certified by the division of mental health and addiction to provide public supported mental health services.

(6) Institute programs, in conjunction with an accredited college or university and with the approval, if required by law, of the commission for higher education, for the instruction of students of mental health and other related occupations. The programs may be designed to meet requirements for undergraduate and postgraduate degrees and to provide continuing education and research.

(7) Develop programs to educate the public in regard to the prevention, diagnosis, treatment, and care of all abnormal mental conditions.

(8) Make the facilities of the Larue D. Carter Memorial Hospital available for the instruction of medical students, student nurses, interns, and resident physicians under the supervision of the faculty of the Indiana University School of Medicine for use by the school in connection with research and instruction in psychiatric disorders.

(9) Institute a stipend program designed to improve the quality and quantity of staff that state institutions employ.

(10) Establish, supervise, and conduct community programs,

either directly or by contract, for the diagnosis, treatment, and prevention of psychiatric disorders.

(11) Adopt rules under IC 4-22-2 concerning the records and data to be kept concerning individuals admitted to state institutions, community mental health centers, or other providers.

(12) Compile information and statistics concerning the ethnicity and gender of a program or service recipient.

(13) Establish standards for services described in IC 12-7-2-40.6 for community mental health centers and other providers.

SECTION 42. IC 14-13-2-3.3 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: **Sec. 3.3. As used in this chapter, "parcel" has the meaning set forth in 50 IAC 26-2-31.**

SECTION 43. IC 14-13-2-6, AS AMENDED BY HEA 1264-2012, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 6. (a) Except as provided in subsection (b) and ~~section~~ **sections** 18.5 **and 18.6** of this chapter, the commission may operate in the manner provided in this chapter only in the geographic area within and extending one (1) mile from the bank of the west arm of the Little Calumet River and Burns Waterway in Lake County and Porter County. **However, to address flooding issues within this geographic area, the commission may operate in the manner provided in this chapter in areas that include tributaries to the Little Calumet River and Burns Waterway, including the Deep River watershed, within Lake County.**

(b) The commission does not have the power of eminent domain for the construction of marina facilities north of U.S. Highway 12 or south of that point where the west arm of the Little Calumet River meets Burns Waterway. The commission's activities north of U.S. Highway 12 and within and adjacent to Burns Waterway are restricted to those activities that the commission determines to be necessary for the following:

(1) Channeling and maintenance.

(2) Construction of breakwaters.

SECTION 44. IC 14-13-2-7, AS AMENDED BY HEA 1264-2012, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 7. (a) The commission has:

(1) before July 1, 2012, five (5) members appointed by the governor; and

(2) after June 30, 2012, nine (9) members appointed by the governor.

(b) The following requirements apply to the governor's appointments under subsection (a)(1):

(1) One (1) member must be a representative of the department of natural resources. The member may not be an employee or elected official of a city, town, or county governmental unit.

(2) The remaining four (4) members must meet the following requirements:

(A) Four (4) members must reside in a:

(i) city;

(ii) town; or
(iii) township (if the member resides in an unincorporated area of the county);
that borders the Little Calumet River.
(B) At least three (3) of the members must have a background in:
(i) construction;
(ii) project management; or
(iii) flood control;
or a similar professional background.
(C) A member may not be an employee or elected official of a city, town, or county governmental unit.

(c) The following apply to the membership of the commission after June 30, 2012:

(1) Before August 1, 2012, the governor shall appoint four (4) additional members to the commission for four (4) year terms as follows:
(A) One (1) member nominated by the mayor of a city having a population of more than eighty thousand five hundred (80,500) but less than one hundred thousand (100,000).
(B) One (1) member nominated by the mayor of a city having a population of more than eighty thousand (80,000) but less than eighty thousand four hundred (80,400).
(C) Two (2) members nominated by the board of county commissioners of Lake County.

(2) Notwithstanding section 8 of this chapter, the term of the member described in subsection (b)(1) expires January 7, 2013. The governor shall appoint one (1) member nominated by the department of natural resources for a four (4) year term beginning January 7, 2013.

(3) Notwithstanding section 8 of this chapter, the terms of the members described in subsection (b)(2) expire January 1, 2014. The governor shall appoint for four (4) year terms beginning January 1, 2014, four (4) members, each of whom must have been nominated by the executive of a municipality located in the watershed other than a city described in subdivision (1).

(4) A member appointed to succeed a member appointed under subdivision (1) or (2) must be nominated by the nominating authority that nominated the member's predecessor, and a member appointed to succeed a member appointed under subdivision (3) must be nominated by the executive of a municipality located in the watershed other than a city described in subdivision (1).

(d) The following apply to a member appointed under subsection (c) and to any member appointed to succeed a member appointed under subsection (c):

(1) After July 31, 2012, not more than five (5) members of the commission may belong to the same political party.

(2) Each member must have a background in:
(A) construction;
(B) project management;

(C) flood control; or

(D) a similar professional background.

(3) A member may not be an employee or elected official of a city, town, or county governmental unit.

~~(4) Neither the two (2) members appointed under subsection (c)(3) nor any two (2) members appointed to succeed them may be from the same municipality.~~

(4) The members:

(A) appointed under subsection (c)(3); or

(B) appointed to succeed members appointed under subsection (c)(3);

must be from different municipalities.

(5) Neither the two (2) members appointed under subsection (c)(1)(C) nor any two (2) members appointed to succeed them may be from the same district created under IC 36-2-2-4(b).

SECTION 45. IC 14-13-2-18.6, AS ADDED BY HEA 1264-2012, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 18.6. (a) Each year, the county treasurer shall add to the property tax statements of a person owning the taxable parcel affected by a special assessment imposed under section 18.5 of this chapter, designating the special assessment in a manner distinct from general taxes, and indicating that the full annual assessment is due in the year the statement is sent.

(b) An assessment imposed under section 18.5 of this chapter shall be collected in the same manner as other special assessments are collected under IC 6-1.1, except for the following:

(1) An assessment is not the personal obligation of the owner of the taxable parcel affected by the assessment, and only the taxable parcel actually affected by an assessment shall be sold for delinquency.

(2) An annual assessment shall be paid in full on or before the date the first installment of property taxes is due.

(c) At the time of each annual tax settlement, the county treasurer shall certify to the county auditor the amount of the special assessments collected.

(d) The county auditor shall pay special assessments collected by the county treasurer under this section to the commission.

(e) Special assessments collected under this section shall be deposited into a segregated account within the fund. Special assessments deposited into the account may not be transferred into other accounts within the fund. Money in the account may be used only for the following purposes:

(1) To pay expenses directly related to the acquisition, construction, or improvement of real property, a facility, a betterment, or an improvement constituting part of a project of the commission, including acquisition of the site for a project.

(2) To pay expenses directly related to the operation, repair, and maintenance of flood protection systems within the watershed.

(3) To repay bonds issued for the purposes described in subdivision (1).

(4) To make the transfers required by subsection (f).

(f) Subject to subsection (g), the commission shall transfer money from the segregated account referred to in subsection (e) to the northwest Indiana regional development authority established by IC 36-7.5-2-1 as follows:

(1) Two million four hundred thirty thousand dollars ($2,430,000) on July 1, 2013.

(2) One million four hundred sixty thousand dollars ($1,460,000) on July 1, 2014.

(3) Nine hundred twenty thousand dollars ($920,000) on July 1, 2015.

(4) Six hundred ninety thousand dollars ($690,000) on July 1, 2016.

(5) Five hundred thousand dollars ($500,000) on July 1, 2017.

(g) The commission may postpone or reduce the amount of a transfer required by subsection (f) by adopting a resolution, with at least two-thirds (2/3) of the members voting in the affirmative, declaring that an emergency exists. For purposes of this subsection, an emergency may include the following:

(1) A determination that the amount of assessments paid before July 1, 2013, is insufficient to make the transfer required under subsection (f)(1) on July 1, 2013.

(2) A demand from the Army Corps of Engineers for payment in an amount that would prevent the commission from complying with the transfer schedule set forth in subsection (f).

(h) The total amount to be transferred to the northwest Indiana regional development authority under the schedule set forth in subsection (f), as amended for the reasons specified in subsection (g), is six million dollars ($6,000,000).

SECTION 46. IC 16-28-15-5, AS ADDED BY P.L.229-2011, SECTION 162, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. As used in this chapter, "office" refers to the office of Medicaid policy and planning established by ~~IC 12-8-6-1.~~ **IC 12-8-6.5-1.**

SECTION 47. IC 20-24-8-5, AS AMENDED BY P.L.90-2011, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 5. The following statutes and rules and guidelines adopted under the following statutes apply to a charter school:

(1) IC 5-11-1-9 (required audits by the state board of accounts).

(2) IC 20-39-1-1 (unified accounting system).

(3) IC 20-35 (special education).

(4) IC 20-26-5-10 (criminal history).

(5) IC 20-26-5-6 (subject to laws requiring regulation by state agencies).

(6) IC 20-28-10-12 (nondiscrimination for teacher marital status).

(7) IC 20-28-10-14 (teacher freedom of association).

(8) IC 20-28-10-17 (school counselor immunity).

(9) For conversion charter schools only, IC 20-28-6, IC 20-28-7.5, IC 20-28-8, IC 20-28-9, and IC 20-28-10.

(10) IC 20-33-2 (compulsory school attendance).

(11) IC 20-33-3 (limitations on employment of children).

(12) IC 20-33-8-19, IC 20-33-8-21, and IC 20-33-8-22 (student

due process and judicial review).

(13) IC 20-33-8-16 (firearms and deadly weapons).

(14) IC 20-34-3 (health and safety measures).

(15) IC 20-33-9 (reporting of student violations of law).

(16) IC 20-30-3-2 and IC 20-30-3-4 (patriotic commemorative observances).

(17) IC 20-31-3, IC 20-32-4, IC 20-32-5, ~~IC 20-32-6,~~ IC 20-32-8, **and IC 20-32-8.5, as provided in IC 20-32-8.5-2(b)** ~~or any other statute, rule, or guideline related to standardized testing (assessment programs, including remediation under the assessment programs).~~ **(academic standards, accreditation, assessment, and remediation).**

(18) IC 20-33-7 (parental access to education records).

(19) IC 20-31 (accountability for school performance and improvement).

(20) IC 20-30-5-19 (personal financial responsibility instruction).

SECTION 48. IC 20-26-11-8, AS AMENDED BY SEA 283-2012, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 8. ~~(a) As used in this section, "attend school" means to:~~

~~(1) physically attend a school in a building owned and operated by a school corporation; or~~

~~(2) be educated onsite at a facility.~~

~~(b) If a student resides in a facility and cannot leave the facility based on a medical decision that the student is a risk to the student or a risk to others, the school corporation in which the facility is located shall provide the student educational services onsite at the facility.~~

~~(c) A student educated onsite at a facility is entitled to the following:~~

~~(1) An educational opportunity comparable to that of a student attending a school operated by the school corporation.~~

~~(2) To receive the same level of educational services from the school corporation in which the facility is located as received by a student who physically attends school in a school operated by the school corporation. Unless provided otherwise in a student's individualized education program, educational services must include at least the following:~~

~~(A) An instructional day that meets the requirements of IC 20-30-2-2.~~

~~(B) A school year with a minimum of one hundred eighty (180) student instructional days under IC 20-30-2-3.~~

~~(C) Educationally appropriate textbooks and other materials offered to the student at the same cost assessed to a student attending a school operated by the school corporation.~~

~~(D) Licensed teachers who are qualified to teach the grade level of the student and the subject matter of the student's curriculum.~~

~~(d)~~ **(a)** A student who is placed in a state licensed private or public health care facility or child care facility:

(1) by or with the consent of the department of child services;

(2) by a court order; or

(3) by a child placing agency licensed by the department of child services;

may attend school in the school corporation in which the facility is located. If the school corporation in which the facility is located is not the school corporation in which the student has legal settlement, the school corporation in which the student has legal settlement shall pay the transfer tuition of the student.

~~(e)~~ **(b)** A student who is placed in a state licensed private or public health care or child care facility by a parent may attend school in the school corporation in which the facility is located if:

(1) the placement is necessary for the student's physical or emotional health and well-being and, if the placement is in a health care facility, is recommended by a physician; and

(2) the placement is projected to be for not less than fourteen (14) consecutive calendar days or a total of twenty (20) calendar days.

The school corporation in which the student has legal settlement shall pay the transfer tuition of the student. The parent of the student shall notify the school corporation in which the facility is located and the school corporation of the student's legal settlement, if identifiable, of the placement. Not later than thirty (30) days after this notice, the school corporation of legal settlement shall either pay the transfer tuition of the transferred student or appeal the payment by notice to the department. The acceptance or notice of appeal by the school corporation must be given by certified mail to the parent or guardian of the student and any affected school corporation. In the case of a student who is not identified as having a disability under IC 20-35, the state board shall make a determination on transfer tuition according to the procedures in section 15 of this chapter. In the case of a student who has been identified as having a disability under IC 20-35, the determination on transfer tuition shall be made under this subsection and the procedures adopted by the state board under IC 20-35-2-1(b)(5).

~~(f)~~ **(c)** A student who is placed in:

(1) an institution operated by the division of disability and rehabilitative services or the division of mental health and addiction; or

(2) an institution, a public or private facility, a home, a group home, or an alternative family setting by the division of disability and rehabilitative services or the division of mental health and addiction;

may attend school in the school corporation in which the institution is located. The state shall pay the transfer tuition of the student, unless another entity is required to pay the transfer tuition as a result of a placement described in subsection ~~(d)~~ **(a)** or ~~(e)~~ **(b)** or another state is obligated to pay the transfer tuition.

~~(g)~~ **(d)** This subsection applies to a student who is placed:

(1) by or with the consent of the department of child services;

(2) by a court order; or

(3) by a child placing agency licensed by the department of child services;

in a foster family home or the home of a relative or other unlicensed caretaker that is not located in the school corporation in which the student has legal settlement. The student may attend school in either the school corporation in which the foster family home or other home is located or the school corporation in which the student has legal settlement. The department of child services and the student's foster parents or caretaker shall make the determination concerning where the student attends school unless that determination is made by a court that has jurisdiction over the student. If a licensed child placing agency is responsible for oversight of the foster family home in which the student is placed or for providing services to the student, the department of child services must consult with the licensed child placing agency concerning the determination of, or the recommendations made to the court concerning, where the student attends school. Except as provided in subsection ~~(h),~~ **(e),** transfer tuition is not required for the student.

~~(h)~~ **(e)** If a student to whom subsection ~~(g)~~ **(d)** applies is attending school in a school corporation that is not the school corporation in which the student has legal settlement, the school corporation in which the student has legal settlement shall pay transfer tuition to the school corporation in which the student is enrolled in school if all of the following conditions apply:

(1) The student was previously placed in a child caring institution licensed under IC 31-27-3.

(2) While placed in the child caring institution, the student was enrolled in a school that is:

(A) administered by the school corporation in which the child caring institution is located; and

(B) located at the child caring institution.

(3) The student was moved from the child caring institution to a licensed foster family home supervised by the child caring institution either:

(A) with the approval of the department of child services and the court having jurisdiction over the student in a case under IC 31-34; or

(B) by a court order in a case under IC 31-37.

(4) After moving from the child caring institution to the foster family home, the student continues to attend the school located at the child caring institution.

(5) The legal settlement of the student was determined by a juvenile court under IC 31-34-20-5, IC 31-34-21-10, IC 31-37-19-26, or IC 31-37-20-6.

~~(i)~~ **(f)** A student:

(1) who is placed in a facility, home, or institution described in subsection ~~(d), (e), or (f),~~ **(a), (b), or (c);**

(2) to whom neither subsection ~~(g)~~ **(d)** nor ~~(h)~~ **(e)** applies; and

(3) for whom there is no other entity or person required to pay transfer tuition;

may attend school in the school corporation in which the facility, home, or institution is located. The department shall conduct an investigation and determine whether any other entity or person is required to pay

transfer tuition. If the department determines that no other entity or person is required to pay transfer tuition, the state shall pay the transfer tuition for the student out of the funds appropriated for tuition support.

SECTION 49. IC 20-27-11-1, AS ADDED BY P.L.1-2005, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 1. (a) If a student who attends a nonpublic school in a school corporation resides on or along the highway constituting the regular route of a public school bus, the governing body of the school corporation shall provide transportation for the nonpublic school student on the school bus.

(b) The transportation provided under this section must be from the home of the nonpublic school student or from a point on the regular route nearest or most easily accessible to the home of the nonpublic school student to and from the nonpublic school or to and from the point on the regular route that is nearest or most easily accessible to the nonpublic school **from which the student can walk to and from the nonpublic school.**

SECTION 50. IC 20-28-11.5-8, AS ADDED BY P.L.90-2011, SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 8. (a) To implement this chapter, the state board shall do the following:

(1) Before January 31, 2012, adopt rules under IC 4-22-2 that establish:

(A) the criteria that define each of the four categories of teacher ratings under section ~~4(b)(3)~~ **4(c)(4)** of this chapter;

(B) the measures to be used to determine student academic achievement and growth under section ~~4(b)(2)~~ **4(c)(2)** of this chapter;

(C) standards that define actions that constitute a negative impact on student achievement; and

(D) an acceptable standard for training evaluators.

(2) Before January 31, 2012, work with the department to develop a model plan and release it to school corporations. Subsequent versions of the model plan that contain substantive changes must be provided to school corporations.

(3) Work with the department to ensure the availability of ongoing training on the use of the performance evaluation to ensure that all evaluators and certificated employees have access to information on the plan, the plan's implementation, and this chapter.

(b) A school corporation may adopt the **department's** model plan, **or any other model plan approved by the department,** without the state board's approval.

(c) A school corporation may **substantially** modify the model plan or develop the school corporation's own plan, if the **substantially** modified or developed plan meets the criteria established under this chapter. If a school corporation **substantially** modifies the model plan or develops its own plan, the department may request that the school corporation submit the plan to the department to ensure the plan meets the criteria developed under this chapter. **If the department makes**

such a request, before submitting a substantially modified or new staff performance evaluation plan to the department, the governing body shall submit the staff performance evaluation plan to the teachers employed by the school corporation for a vote. If at least seventy-five percent (75%) of the voting teachers vote in favor of adopting the staff performance evaluation plan, the governing body may submit the staff performance evaluation plan to the department.

(d) Each school corporation shall submit its staff performance evaluation plan to the department. The department shall publish the staff performance evaluation plans on the department's Internet web site. A school corporation must submit its staff performance evaluation plan to the department for approval in order to qualify for any grant funding related to this chapter.

~~(c) This subsection applies to a school corporation that has not adopted a staff performance evaluation plan that complies with this chapter before July 1, 2011. Before submitting a staff performance evaluation plan to the department under subsection (b), the governing body shall submit the staff performance evaluation plan to the teachers employed by the school corporation for a vote. If at least seventy-five percent (75%) of the teachers voting vote in favor of adopting the staff performance evaluation plan, the governing body may submit the staff performance evaluation plan to the department under subsection (b).~~

SECTION 51. IC 20-31-2-10, AS ADDED BY P.L.229-2011, SECTION 187, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. "Turnaround academy" means a school that is subject to IC 20-31-9.5 **and for the purpose of federal funding only, is considered a local educational agency.**

SECTION 52. IC 20-31-9.5-7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 7. (a) If the state board assigns a special management team to a school, the state board shall enter into a contract with a special management team that includes the following provisions:**

(1) A requirement that the special management team and the governing body conduct a public meeting two (2) times each year to provide a report concerning:

(A) student achievement of affected students; and

(B) the condition of the school property and to address issues related to the school property.

(2) A requirement that the student instruction must be provided by teachers licensed under IC 20-28-5.

(b) Individuals employed by the special management team are entitled to participate in either:

(1) the state teachers' retirement fund created by IC 5-10.4; or

(2) the public employees' retirement fund created by IC 5-10.3.

(c) Employees of a special management team are not required to organize and collectively bargain under IC 20-29-6.

SECTION 53. IC 20-32-8.5-2, AS ADDED BY P.L.109-2010,

SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 2. **(a) Except as provided in subsection (b) or (c),** the plan required by this chapter must include the following:

(1) Reading skill standards for grade 1 through grade 3.

(2) An emphasis on a method for making determinant evaluations by grade 3 that might require remedial action for the student, including retention as a last resort, after other methods of remediation have been evaluated or used, or both, if reading skills are below the standard. Appropriate consultation with parents or guardians must be part of the plan.

(3) The fiscal impact of each component of the plan, if any. In determining whether a component has a fiscal impact, consideration shall be given to whether the component will increase costs to the state or a school corporation or require the state or school corporation to reallocate resources.

(b) For a charter school, as defined in IC 20-24-1-4, a plan may include only the following:

(1) A method for making determinant evaluations of reading skills by grade 3.

(2) Retention as a last resort for students reading below grade level as measured by the evaluation or assessment.

(c) This subsection applies to a public school that is not a charter school. A school corporation may receive a waiver of the requirements provided in 511 IAC 6.2-3.1-4(a)(2) if the state board approves an alternative reading plan provided by the school corporation.

SECTION 54. IC 20-49-5-3, AS AMENDED BY SEA 283-2012, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 3. To assist a school corporation in providing the school corporation's educational program to a student placed in a facility or home as described in ~~IC 20-26-11-8(d)~~ **IC 20-26-11-8(a)** or ~~IC 20-26-11-8(e)~~ **IC 20-26-11-8(b)** and not later than October 1 of each school year, the state board may advance money to a school corporation in anticipation of the school corporation's receipt of transfer tuition for students described in ~~IC 20-26-11-8(d)~~ **IC 20-26-11-8(a)** or ~~IC 20-26-11-8(e).~~ **IC 20-26-11-8(b).** The amount of the advance may not exceed the amount determined under STEP TWO of the following formula:

STEP ONE: Estimate for the current school year the number of students described in ~~IC 20-26-11-8(d)~~ **IC 20-26-11-8(a)** or ~~IC 20-26-11-8(e)~~ **IC 20-26-11-8(b)** that are transferred to the school corporation.

STEP TWO: Multiply the STEP ONE amount by the school corporation's prior year per student transfer tuition amount.

SECTION 55. IC 20-49-5-5, AS AMENDED BY SEA 283-2012, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 5. A school corporation receiving an advance shall notify the school corporation or auditor of state from which the school corporation receives transfer tuition under IC 20-26-11 for students described in ~~IC 20-26-11-8(d)~~ **IC 20-26-11-8(a)** or ~~IC 20-26-11-8(e)~~

IC 20-26-11-8(b) of the amount of interest withheld under section 4 of this chapter. The school corporation or auditor of state shall reimburse the school corporation for the interest expense at the same time the transfer tuition is paid.

SECTION 56. IC 22-4.1-17-6, AS ADDED BY P.L.110-2010, SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. As used in this chapter, "secretary" refers to the secretary of family and social services appointed under ~~IC 12-8-1-2.~~ **IC 12-8-1.5-2.**

SECTION 57. IC 31-34-20-5, AS AMENDED BY SEA 283-2012, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 5. (a) This section applies if the department or a juvenile court:

(1) places a child;
(2) changes the placement of a child; or
(3) reviews the implementation of a decree under IC 31-34-21 of a child placed;

in a state licensed private or public health care facility, child care facility, foster family home, or the home of a relative or other unlicensed caretaker.

(b) The juvenile court shall do the following:

(1) Make findings of fact concerning the legal settlement of the child.
(2) Apply IC 20-26-11-2(1) through IC 20-26-11-2(8) to determine where the child has legal settlement.
(3) Include the findings of fact required by this section in:
(A) the dispositional order;
(B) the modification order; or
(C) the other decree;

making or changing the placement of the child.

(c) The juvenile court may determine that the legal settlement of the child is in the school corporation in which the child will attend school under ~~IC 20-26-11-8(g).~~ **IC 20-26-11-8(d).**

(d) The juvenile court shall comply with the reporting requirements under IC 20-26-11-9 concerning the legal settlement of the child.

(e) The department or a juvenile court may place a child in a public school, regardless of whether the public school has a waiting list for admissions, if the department or juvenile court determines that the school's program meets the child's educational needs and the school agrees to the placement. A placement under this subsection does not affect the legal settlement of the child.

SECTION 58. IC 31-37-19-26, AS AMENDED BY SEA 283-2012, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 26. (a) This section applies if a juvenile court:

(1) places a child;
(2) changes the placement of a child; or
(3) reviews the implementation of a decree under IC 31-37-20 (or IC 31-6-4-19 before its repeal) of a child placed;

in a state licensed private or public health care facility, child care facility, foster family home, or the home of a relative or other

unlicensed caretaker.

(b) The juvenile court shall do the following:

(1) Make findings of fact concerning the legal settlement of the child.

(2) Apply IC 20-26-11-2(1) through IC 20-26-11-2(8) to determine where the child has legal settlement.

(3) Include the findings of fact required by this section in the:

(A) dispositional order;

(B) modification order; or

(C) other decree;

making or changing the placement of the child.

(c) The juvenile court may determine that the legal settlement of the child is in the school corporation in which the child will attend school under ~~IC 20-26-11-8(g).~~ **IC 20-26-11-8(d).**

(d) The juvenile court shall comply with the reporting requirements under IC 20-26-11-9 concerning the legal settlement of the child.

(e) The juvenile court may place a child in a public school, regardless of whether the public school has a waiting list for admissions, if the court determines that the school's program meets the child's educational needs and the school agrees to the placement. A placement under this subsection does not affect the legal settlement of the child.

SECTION 59. IC 32-33-4-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. A person, a firm, a partnership, an association, a limited liability company, or a corporation maintaining a hospital in Indiana or a hospital owned, maintained, or operated by the state or a political subdivision of the state is entitled to hold a lien for the reasonable value of its services or expenses on any judgment for personal injuries rendered in favor of any person, except: ~~a person covered by:~~

(1) **a person covered by** the provisions of IC 22-3-2 through IC 22-3-6;

(2) **a person covered by** the federal worker's compensation laws; ~~or~~

(3) **a person covered by** the federal liability act; **or**

(4) an eligible person (as defined in IC 34-13-8-1) with respect to a distribution paid from the supplemental state fair relief fund for an occurrence (as defined in IC 34-13-8-2);

who is admitted to the hospital and receives treatment, care, and maintenance on account of personal injuries received as a result of the negligence of any person or corporation. In order to claim the lien, the hospital must at the time or after the judgment is rendered, enter, in writing, upon the judgment docket where the judgment is recorded, the hospital's intention to hold a lien upon the judgment, together with the amount claimed.

SECTION 60. IC 32-33-4-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) A person, a firm, a partnership, an association, a limited liability company, or a corporation maintaining a hospital in Indiana or a hospital owned, maintained, or operated by the state or a political subdivision has a lien

for all reasonable and necessary charges for hospital care, treatment, and maintenance of a patient (including emergency ambulance services provided by the hospital) upon any cause of action, suit, or claim accruing to the patient, or in the case of the patient's death, the patient's legal representative, because of the illness or injuries that:

(1) gave rise to the cause of action, suit, or claim; and

(2) necessitated the hospital care, treatment, and maintenance.

(b) The lien provided for in subsection (a):

(1) except as provided in subsection (c), applies to any amount obtained or recovered by the patient by settlement or compromise rendered or entered into by the patient or by the patient's legal representative;

(2) is subject and subordinate to any attorney's lien upon the claim or cause of action;

(3) is not applicable to accidents or injuries within the purview of:

(A) IC 22-3;

(B) 5 U.S.C. 8101 et seq.; ~~or~~

(C) 45 U.S.C. 51 et seq.; **or**

(D) IC 34-13-8 concerning a distribution paid from the supplemental state fair relief fund to an eligible person (as defined in IC 34-13-8-1) for an occurrence (as defined in IC 34-13-8-2);

(4) is not assignable; and

(5) must first be reduced by the amount of any medical insurance proceeds paid to the hospital on behalf of the patient after the hospital has made all reasonable efforts to pursue the insurance claims in cooperation with the patient.

(c) If a settlement or compromise that is subject to subsection (b)(1) is for an amount that would permit the patient to receive less than twenty percent (20%) of the full amount of the settlement or compromise if all the liens created under this chapter were paid in full, the liens must be reduced on a pro rata basis to the extent that will permit the patient to receive twenty percent (20%) of the full amount.

SECTION 61. IC 32-33-5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) A provider has a lien for all reasonable and necessary charges for the provision of emergency ambulance services to a patient upon any cause of action, suit, or claim accruing to the patient, or in the case of the patient's death, the patient's legal representative, because of the illness or injuries that:

(1) gave rise to the cause of action, suit, or claim; and

(2) necessitated the provision of emergency ambulance services.

(b) The lien:

(1) applies to any amount obtained or recovered by the patient by settlement or compromise rendered or entered into by the patient or by the patient's legal representative;

(2) is subject and subordinate to any attorney's lien upon the claim or cause of action; and

(3) is not applicable to accidents or injuries within the purview of:

(A) IC 22-3;

(B) 5 U.S.C. 8101 et seq.; ~~or~~

(C) 45 U.S.C. 51 et seq.; **or**

(D) IC 34-13-8 concerning a distribution paid from the supplemental state fair relief fund to an eligible person (as defined in IC 34-13-8-1) for an occurrence (as defined in IC 34-13-8-2).

SECTION 62. IC 34-13-8 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 8. Special Supplemental Relief

Sec. 1. As used in this chapter, "eligible person" refers to a person or the estate of a person that properly filed a claim with the state, in the form prescribed by the attorney general, before December 31, 2011, for physical injury or death resulting from an occurrence.

Sec. 2. As used in this chapter, "occurrence" refers to one (1) or more acts or omissions by the state or employees of the state in connection with a single event occurring after July 31, 2011, and before September 1, 2011, that resulted in the death of seven (7) or more persons.

Sec. 3. As used in this chapter, "supplemental fund" refers to the supplemental state fair relief fund established by section 9 of this chapter.

Sec. 4. (a) Recognizing the special conditions created by an occurrence, it is the intent of the general assembly to provide supplemental relief for victims of the occurrence. It is not the intent of the general assembly to revise the tort claims act in order to address the special situation of the occurrence.

(b) The attorney general may compromise or settle a claim or suit brought against the state or its employees as provided in this chapter.

(c) Only eligible persons are eligible to receive compensation under this chapter.

Sec. 5. (a) The attorney general shall attempt to resolve before January 1, 2013, all claims and suits brought against the state or its employees for an occurrence for an amount that, in the aggregate, does not exceed eleven million dollars ($11,000,000), consisting of:

(1) five million dollars ($5,000,000) paid from the state tort claim fund established to pay claims and expenses under IC 34-13-3-24; and

(2) six million dollars ($6,000,000) to be paid from the supplemental fund.

(b) The attorney general shall attempt to resolve before January 1, 2013, claims or suits for an occurrence as follows:

(1) The estate of an eligible person whose death resulted from an occurrence shall receive seven hundred thousand dollars ($700,000). This amount includes any compensation under this chapter for the eligible person's attorney's fees. The amount distributed to the estate of the eligible person whose death resulted from an occurrence is exempt from inheritance taxes under IC 6-4.1 and shall not be included in the calculation of the amount transferred to a Class A transferee,

Class B transferee, or Class C transferee for the purposes of applying the exemptions in IC 6-4.1-3-10, IC 6-4.1-3-11, and IC 6-4.1-3-12.

(2) Except as provided in subdivision (3), each other eligible person who was physically injured as a result of an occurrence shall be compensated (including any compensation under this chapter for the eligible person's attorney's fees) for the physical injury in an amount that does not exceed the least of the following:

(A) The amount of the eligible person's medical expenses incurred as a result of the physical injury.

(B) The amount claimed before the deadline established by the attorney general by the eligible person for medical expenses incurred as a result of the physical injury in relation to the claim filed before December 31, 2011.

(C) Seven hundred thousand dollars ($700,000).

(3) Eligible persons who suffered physical injuries involving permanent paralysis or permanent physical trauma or requiring major and ongoing long-term care shall be compensated for the physical injury in an amount equal to:

(A) the amount of compensation paid under subdivision (2); plus

(B) additional compensation determined under the process established by the attorney general under subdivision (4).

(4) The attorney general shall establish a process for determining the equitable amount of compensation for eligible persons under subdivision (3). The attorney general shall before January 1, 2013, determine the amount of compensation that each eligible person described in subdivision (3) is entitled to receive under subdivision (3). The attorney general may employ arbitrators, mediators, consultants, and other experts to assist in the process established by the attorney general for determining the compensation for eligible persons under subdivision (3).

Sec. 6. (a) To receive a distribution under this chapter for an occurrence, an eligible person must have already released all governmental entities and public employees from any liability for loss resulting from the occurrence. The release must be in a form that is satisfactory to the attorney general.

(b) A distribution may not be paid under this chapter from the supplemental fund to an eligible person unless the eligible person has entered into an agreement with the state providing that the person will not bring any action against the state based on an indemnification clause.

Sec. 7. The amount payable after December 31, 2011, as provided in section 5(b) of this chapter to an eligible person shall be reduced by any amount that was paid under IC 34-13-3 from the state tort claim fund before January 1, 2012, for the death or physical injury.

Sec. 8. If an eligible person is represented by an attorney regarding compensation from the supplemental fund, the

attorney's fees paid to the attorney or attorneys for the representation of the eligible person regarding compensation from the supplemental fund may not exceed, in aggregate, ten percent (10%) of the total compensation paid to the eligible person from the supplemental fund.

Sec. 9. (a) The supplemental state fair relief fund is established for the purpose of providing supplemental relief to the victims of the occurrence.

(b) The supplemental fund consists of grants, donations, and appropriations made by the general assembly. The supplemental fund shall be administered by the attorney general. The treasurer of state shall invest the money in the supplemental fund not currently needed to meet the obligations of the supplemental fund in the same manner as other public money may be invested. Interest that accrues from these investments shall be deposited in the state general fund. The expenses of administering the supplemental fund shall be paid from the state tort claim fund established to pay claims and expenses under IC 34-13-3-24.

(c) The supplemental fund is considered a trust fund for purposes of IC 4-9.1-1-7. Money may not be transferred, assigned, or otherwise removed from the supplemental fund by the state board of finance, the budget agency, or any other state agency except as provided in this chapter.

(d) Money in the supplemental fund at the end of a state fiscal year does not revert to the state general fund. Money in the supplemental fund is continually appropriated to the attorney general to carry out the purposes of the supplemental fund.

Sec. 10. (a) The attorney general may use the money in the supplemental fund to pay compensation to eligible persons as provided in this chapter.

(b) After the estate of each eligible person whose death resulted from an occurrence has received seven hundred thousand dollars ($700,000), and each other eligible person who was physically injured as a result of an occurrence has been compensated in the amount determined under section 5(b)(2) of this chapter, the remaining balance in the supplemental fund shall be used to pay compensation for ongoing expenses to eligible persons described in section 5(b)(3) of this chapter according to the process established by the attorney general under section 5(b)(4) of this chapter. Compensation paid from the supplemental fund may not be used for the following:

(1) Expenses covered by insurance.

(2) Expenses covered by another party.

Sec. 11. The expenses incurred by the attorney general in carrying out this chapter (including any expenses for arbitrators, mediators, consultants, or any other experts) shall be paid from the state tort claim fund established to pay claims and expenses under IC 34-13-3-24.

Sec. 12. (a) An eligible person may assign to the attorney general the eligible person's right to pursue a cause of action for the tortious breach of an insurer's duty to deal with an insured person

in good faith.

(b) If the insurance commissioner believes that a person has engaged in any of the acts or practices listed in IC 27-4-1-4.5 in relation to an occurrence, the insurance commissioner may issue and cause to be served upon the person a statement of the charges and a notice in writing of a hearing as provided in IC 27-4-1-5. If after a hearing under IC 4-21.5-3, the insurance commissioner determines that the person has engaged in any of the acts or practices listed in IC 27-4-1-4.5 in relation to an occurrence, the insurance commissioner may at the insurance commissioner's discretion order one (1) or more of the remedies provided in IC 27-4-1-6. Notwithstanding IC 27-4-1, the insurance commissioner may take an action under this subsection regarding the commission by a person of a single act or practice listed in IC 27-4-1-4.5 in relation to an occurrence, without having to demonstrate that the act or practice occurs with such frequency as to indicate a general practice by the person.

SECTION 63. IC 34-53-1-4 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 4. An insurer may not claim subrogation or reimbursement rights to the proceeds of a distribution paid from the supplemental state fair relief fund under IC 34-13-8 to an eligible person (as defined in IC 34-13-8-1) for an occurrence (as defined in IC 34-13-8-2).**

SECTION 64. IC 34-53-1-5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 5. (a) Notwithstanding any statutory right, common law right, or agreement to the contrary, a person who pays benefits or compensation to or on behalf of an eligible person (as defined in IC 34-13-8-1) for an occurrence (as defined in IC 34-13-8-2) does not have a subrogation or other right, including any rights otherwise provided under this chapter, to recover those benefits or compensation paid from the supplemental state fair relief fund by making a claim against the state, or by making a claim, or recovering from payments made to an eligible person (as defined in IC 34-13-8-1) for an occurrence (as defined in IC 34-13-8-2) under IC 34-13-8.**

(b) Not later than forty (40) days after a distribution under IC 34-13-8 is paid, a person who believes that the state cannot constitutionally prohibit assertion of a subrogation or other claim described in subsection (a), and who claims the subrogation or other interest against the state, or against a distribution paid from the supplemental state fair relief fund to an eligible person (as defined in IC 34-13-8-1) for an occurrence (as defined in IC 34-13-8-2) under IC 34-13-8 must provide written notice to the attorney general and the eligible person of the person's intent to assert that interest. Failure to provide timely written notice to the attorney general under this section constitutes a waiver of the claims described in this section.

SECTION 65. IC 34-55-10-2, AS AMENDED BY P.L.42-2011, SECTION 73, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

UPON PASSAGE]: Sec. 2. (a) This section does not apply to judgments obtained before October 1, 1977.

(b) The amount of each exemption under subsection (c) applies until a rule is adopted by the department of financial institutions under section 2.5 of this chapter.

(c) The following property of a debtor domiciled in Indiana is exempt:

(1) Real estate or personal property constituting the personal or family residence of the debtor or a dependent of the debtor, or estates or rights in that real estate or personal property, of not more than fifteen thousand dollars ($15,000). The exemption under this subdivision is individually available to joint debtors concerning property held by them as tenants by the entireties.

(2) Other real estate or tangible personal property of eight thousand dollars ($8,000).

(3) Intangible personal property, including choses in action, deposit accounts, and cash (but excluding debts owing and income owing), of three hundred dollars ($300).

(4) Professionally prescribed health aids for the debtor or a dependent of the debtor.

(5) Any interest that the debtor has in real estate held as a tenant by the entireties. The exemption under this subdivision does not apply to a debt for which the debtor and the debtor's spouse are jointly liable.

(6) An interest, whether vested or not, that the debtor has in a retirement plan or fund to the extent of:

(A) contributions, or portions of contributions, that were made to the retirement plan or fund by or on behalf of the debtor or the debtor's spouse:

(i) which were not subject to federal income taxation to the debtor at the time of the contribution; or

(ii) which are made to an individual retirement account in the manner prescribed by Section 408A of the Internal Revenue Code of 1986;

(B) earnings on contributions made under clause (A) that are not subject to federal income taxation at the time of the levy; and

(C) roll-overs of contributions made under clause (A) that are not subject to federal income taxation at the time of the levy.

(7) Money that is in a medical care savings account established under IC 6-8-11.

(8) Money that is in a health savings account established under Section 223 of the Internal Revenue Code of 1986.

(9) Any interest the debtor has in a qualified tuition program, as defined in Section 529(b) of the Internal Revenue Code of 1986, but only to the extent funds in the program are not attributable to:

(A) excess contributions, as described in Section 529(b)(6) of the Internal Revenue Code of 1986, and earnings on the excess contributions;

(B) contributions made by the debtor within one (1) year

before the date of the levy or the date a bankruptcy petition is filed by or against the debtor, and earnings on the contributions; or

(C) the excess over five thousand dollars ($5,000) of aggregate contributions made by the debtor for all programs under this subdivision and education savings accounts under subdivision (10) having the same designated beneficiary:

(i) not later than one (1) year before; and

(ii) not earlier than two (2) years before;

the date of the levy or the date a bankruptcy petition is filed by or against the debtor, and earnings on the aggregate contributions.

(10) Any interest the debtor has in an education savings account, as defined in Section 530(b) of the Internal Revenue Code of 1986, but only to the extent funds in the account are not attributable to:

(A) excess contributions, as described in Section 4973(e) of the Internal Revenue Code of 1986, and earnings on the excess contributions;

(B) contributions made by the debtor within one (1) year before the date of the levy or the date a bankruptcy petition is filed by or against the debtor, and earnings on the contributions; or

(C) the excess over five thousand dollars ($5,000) of aggregate contributions made by the debtor for all accounts under this subdivision and qualified tuition programs under subdivision (9) having the same designated beneficiary:

(i) not later than one (1) year before; and

(ii) not earlier than two (2) years before;

the date of the levy or the date a bankruptcy petition is filed by or against the debtor, and earnings on the excess contributions.

(11) The debtor's interest in a refund or a credit received or to be received under the following:

(A) Section 32 of the Internal Revenue Code of 1986 (the federal earned income tax credit).

(B) IC 6-3.1-21-6 (the Indiana earned income tax credit).

(12) A disability benefit awarded to a veteran for a service connected disability under 38 U.S.C. 1101 et seq. This subdivision does not apply to a service connected disability benefit that is subject to child and spousal support enforcement under 42 U.S.C. 659(h)(1)(A)(ii)(V).

(13) Compensation distributed from the supplemental state fair relief fund under IC 34-13-8 to an eligible person (as defined in IC 34-13-8-1) for an occurrence (as defined in IC 34-13-8-2). This subdivision applies even if a debtor is not domiciled in Indiana.

(d) A bankruptcy proceeding that results in the ownership by the bankruptcy estate of a debtor's interest in property held in a tenancy by the entireties does not result in a severance of the tenancy by the entireties.

(e) Real estate or personal property upon which a debtor has

voluntarily granted a lien is not, to the extent of the balance due on the debt secured by the lien:

(1) subject to this chapter; or

(2) exempt from levy or sale on execution or any other final process from a court.

SECTION 66. [EFFECTIVE UPON PASSAGE] **(a) The definitions in P.L.229-2011, SECTION 1 apply throughout this SECTION.**

(b) The following definitions apply throughout this SECTION:

(1) "2012-2013 school year" means the school year (as defined in IC 20-18-2-17) beginning July 1, 2012, and ending June 30, 2013.

(2) "Charter school" has the meaning set forth in IC 20-24-1-4.

(3) "Current ADM" has the meaning set forth in IC 20-43-1-10.

(4) "Eligible pupil" has the meaning set forth in IC 20-43-1-11.

(5) "School corporation" has the meaning set forth in IC 20-18-2-16.

(c) Augmentation is allowed for the appropriation in P.L.229-2011, SECTION 9 to the department of education for full-day kindergarten, beginning July 1, 2012, and ending June 30, 2013.

(d) Notwithstanding P.L.229-2011, SECTION 9, each school corporation and charter school that applies to the department of education for a grant for full-day kindergarten is entitled to receive a distribution in the 2012-2013 school year from the amount appropriated in P.L.229-2011, SECTION 9 for full-day kindergarten for the state fiscal year beginning July 1, 2012, and ending June 30, 2013, as augmented under this SECTION. The total amount to be distributed to a school corporation or charter school for the 2012-2013 school year equals the result of:

(1) two thousand four hundred dollars ($2,400); multiplied by

(2) the number of eligible pupils who are:

(A) counted in the current ADM of the school corporation in the initial count of ADM in the 2012-2013 school year; and

(B) enrolled in and attending full-day kindergarten on the count date on which the current ADM is determined.

(e) A school corporation or charter school that applies for a grant for full-day kindergarten may not charge a fee for enrolling in or attending full-day kindergarten in the school year beginning July 1, 2012, and ending June 30, 2013.

(f) This SECTION expires July 1, 2013.

SECTION 67. [EFFECTIVE UPON PASSAGE] **(a) There is appropriated to the supplemental state fair relief fund (IC 34-13-8-9) six million dollars ($6,000,000) from the state general fund for its use in carrying out the purposes of the fund.**

(b) Notwithstanding any other law, not later than April 1, 2012, the budget agency shall transfer six million dollars ($6,000,000) from the state general fund to the supplemental state fair relief

fund.

(c) This SECTION expires June 30, 2013.

SECTION 68. [EFFECTIVE UPON PASSAGE] **(a) As used in this SECTION, "commission" refers to the select commission on education established under subsection (b).**

(b) The select commission on education is established with the following members:

(1) The members of the senate education and career development committee.

(2) The members of the house education committee.

The chairpersons of the senate education and career development committee and the house education committee shall serve as co-chairpersons of the committee.

(c) The committee shall study and evaluate the following issues:

(1) The process of adoption and content of rules adopted by the Indiana state board of education concerning categories or designations of school improvement under IC 20-31-8, including the matrices used for the A-F designations.

(2) Proposed rules, adopted rules, and policies of the department of education and the Indiana state board of education to implement the provisions of P.L.90-2011, concerning teacher evaluations and licensing.

(3) Any other issue that the legislative council or commission considers necessary.

(d) Beginning on or after April 1, 2012, the committee shall meet at least five (5) times before November 30, 2012. The committee shall operate under the legislative council's rules and guidelines for interim study committees.

(e) The committee shall submit the committee's report not later than December 1, 2012.

(f) This SECTION expires December 31, 2012.

SECTION 69. **An emergency is declared for this act.**

(Reference is to EHB 1376 as reprinted February 28, 2012.)

Conference Committee Report
on
Engrossed House Bill 1376

Signed by:

Representative Espich Chairperson	Senator Kenley
Representative Crawford	Senator Tallian
House Conferees	**Senate Conferees**