

COMMITTEE REPORT

MADAM PRESIDENT:

The Senate Committee on Appropriations, to which was referred House Bill No. 1001, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Delete everything after the enacting clause and insert the following:

- 1 **SECTION 1. [EFFECTIVE JULY 1, 2013]**
2
3 **(a) The following definitions apply throughout this act:**
4 **(1) "Augmentation allowed" means the governor and the budget agency are**
5 **authorized to add to an appropriation in this act from revenues accruing to the**
6 **fund from which the appropriation was made.**
7 **(2) "Biennium" means the period beginning July 1, 2013, and ending June 30, 2015.**
8 **Appropriations appearing in the biennial column for construction or other permanent**
9 **improvements do not revert under IC 4-13-2-19 and may be allotted.**
10 **(3) "Deficiency appropriation" or "special claim" means an appropriation available**
11 **during the 2012-2013 fiscal year.**
12 **(4) "Equipment" includes machinery, implements, tools, furniture,**
13 **furnishings, vehicles, and other articles that have a calculable period of service**
14 **that exceeds twelve (12) calendar months.**
15 **(5) "Fee replacement" includes payments to universities to be used to pay indebtedness**
16 **resulting from financing the cost of planning, purchasing, rehabilitation, construction,**
17 **repair, leasing, lease-purchasing, or otherwise acquiring land, buildings, facilities,**
18 **and equipment to be used for academic and instructional purposes.**
19 **(6) "Federally qualified health center" means a community health center that is**
20 **designated by the Health Resources Services Administration, Bureau of Primary Health**
21 **Care, as a Federally Qualified Health Center Look Alike under the FED 330 Consolidated**

1 Health Center Program authorization, including Community Health Center (330e), Migrant
2 Health Center (330g), Health Care for the Homeless (330h), Public Housing Primary
3 Care (330i), and School Based Health Centers (330).

4 (7) "Other operating expense" includes payments for "services other than personal",
5 "services by contract", "supplies, materials, and parts", "grants, subsidies, refunds,
6 and awards", "in-state travel", "out-of-state travel", and "equipment".

7 (8) "Pension fund contributions" means the state of Indiana's contributions to a
8 specific retirement fund.

9 (9) "Personal services" includes payments for salaries and wages to officers and
10 employees of the state (either regular or temporary), payments for compensation
11 awards, and the employer's share of Social Security, health insurance, life insurance,
12 dental insurance, vision insurance, deferred compensation - state match, leave
13 conversion, disability, and retirement fund contributions.

14 (10) "SSBG" means the Social Services Block Grant. This was formerly referred to
15 as "Title XX".

16 (11) "State agency" means:

17 (A) each office, officer, board, commission, department, division, bureau, committee,
18 fund, agency, authority, council, or other instrumentality of the state;

19 (B) each hospital, penal institution, and other institutional enterprise of the
20 state;

21 (C) the judicial department of the state; and

22 (D) the legislative department of the state.

23 However, this term does not include cities, towns, townships, school cities, school
24 townships, school districts, other municipal corporations or political subdivisions
25 of the state, or universities and colleges supported in whole or in part by state
26 funds.

27 (12) "State funded community health center" means a public or private not for profit
28 (501(c)(3)) organization that provides comprehensive primary health care services to
29 all age groups.

30 (13) "Total operating expense" includes payments for both "personal services" and
31 "other operating expense".

32 (b) The state board of finance may authorize advances to boards or persons having
33 control of the funds of any institution or department of the state of a sum of
34 money out of any appropriation available at such time for the purpose of establishing
35 working capital to provide for payment of expenses in the case of emergency when
36 immediate payment is necessary or expedient. Advance payments shall be made by
37 warrant by the auditor of state, and properly itemized and receipted bills or invoices
38 shall be filed by the board or persons receiving the advance payments.

39 (c) All money appropriated by this act shall be considered either a direct appropriation
40 or an appropriation from a rotary or revolving fund.

41 (1) Direct appropriations are subject to withdrawal from the state treasury and for
42 expenditure for such purposes, at such time, and in such manner as may be prescribed
43 by law. Direct appropriations are not subject to return and rewithdrawal from the
44 state treasury, except for the correction of an error which may have occurred in
45 any transaction or for reimbursement of expenditures which have occurred in the
46 same fiscal year.

47 (2) A rotary or revolving fund is any designated part of a fund that is set apart as
48 working capital in a manner prescribed by law and devoted to a specific purpose
49 or purposes. The fund consists of earnings and income only from certain sources

1 or combination of sources. The money in the fund shall be used for the purpose
 2 designated by law as working capital. The fund at any time consists of the
 3 original appropriation to the fund, if any, all receipts accrued to the fund, and all
 4 money withdrawn from the fund and invested or to be invested. The fund shall be
 5 kept intact by separate entries in the auditor of state's office, and no part of the fund
 6 shall be used for any purpose other than the lawful purpose of the fund or revert
 7 to any other fund at any time. However, any unencumbered excess above any prescribed
 8 amount shall be transferred to the state general fund at the close of each fiscal year
 9 unless otherwise specified in the Indiana Code.

10
 11 **SECTION 2. [EFFECTIVE JULY 1, 2013]**
 12

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

18
 19 In this act, whenever there is no specific fund or account designated, the appropriation
 20 is from the general fund.

21
 22 **SECTION 3. [EFFECTIVE JULY 1, 2013]**
 23

24 **GENERAL GOVERNMENT**

25
 26 **A. LEGISLATIVE**

27
 28 **FOR THE GENERAL ASSEMBLY**

29	LEGISLATORS' SALARIES - HOUSE		
30	Total Operating Expense	6,179,501	6,405,001
31	HOUSE EXPENSES		
32	Total Operating Expense	11,594,570	11,844,570
33	LEGISLATORS' SALARIES - SENATE		
34	Total Operating Expense	2,055,318	2,055,318
35	SENATE EXPENSES		
36	Total Operating Expense	10,293,711	11,692,593

37
 38 Included in the above appropriations for house and senate expenses are funds for
 39 a legislative business per diem allowance, meals, and other usual and customary
 40 expenses associated with legislative affairs. Except as provided below, this allowance
 41 is to be paid to each member of the general assembly for every day, including Sundays,
 42 during which the general assembly is convened in regular or special session, commencing
 43 with the day the session is officially convened and concluding with the day the session
 44 is adjourned sine die. However, after five (5) consecutive days of recess, the legislative
 45 business per diem allowance is to be made on an individual voucher basis until the
 46 recess concludes.

47
 48 Each member of the general assembly is entitled, when authorized by the speaker of the
 49 house or the president pro tempore of the senate, to the legislative business per diem

1 allowance for every day the member is engaged in official business.

2

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

8

9 In addition to the legislative business per diem allowance, each member of the general
10 assembly shall receive the mileage allowance in an amount equal to the standard mileage
11 rates for personally owned transportation equipment established by the federal Internal
12 Revenue Service for each mile necessarily traveled from the member's usual place
13 of residence to the state capitol. However, if the member traveled by a means other
14 than by motor vehicle, and the member's usual place of residence is more than one
15 hundred (100) miles from the state capitol, the member is entitled to reimbursement
16 in an amount equal to the lowest air travel cost incurred in traveling from the usual
17 place of residence to the state capitol. During the period the general assembly is
18 convened in regular or special session, the mileage allowance shall be limited to
19 one (1) round trip each week per member.

20

21 Any member of the general assembly who is appointed by the governor, speaker of
22 the house, president or president pro tempore of the senate, house or senate minority
23 floor leader, or Indiana legislative council to serve on any research, study, or survey
24 committee or commission, or who attends any meetings authorized or convened under
25 the auspices of the Indiana legislative council, including pre-session conferences and
26 federal-state relations conferences, is entitled, when authorized by the legislative
27 council, to receive the legislative business per diem allowance for each day the
28 member is in actual attendance and is also entitled to a mileage allowance, at the
29 rate specified above, for each mile necessarily traveled from the member's usual
30 place of residence to the state capitol, or other in-state site of the committee,
31 commission, or conference. The per diem allowance and the mileage allowance
32 permitted under this paragraph shall be paid from the legislative council appropriation
33 for legislator and lay member travel unless the member is attending an out-of-state
34 meeting, as authorized by the speaker of the house of representatives or the president
35 pro tempore of the senate, in which case the member is entitled to receive:

36 (1) the legislative business per diem allowance for each day the member is engaged
37 in approved out-of-state travel; and

38 (2) reimbursement for traveling expenses actually incurred in connection with the
39 member's duties, as provided in the state travel policies and procedures established
40 by the legislative council.

41

42 Notwithstanding the provisions of this or any other statute, the legislative council
43 may adopt, by resolution, travel policies and procedures that apply only to members
44 of the general assembly or to the staffs of the house of representatives, senate, and
45 legislative services agency, or both members and staffs. The legislative council may
46 apply these travel policies and procedures to lay members serving on research, study,
47 or survey committees or commissions that are under the jurisdiction of the legislative
48 council. Notwithstanding any other law, rule, or policy, the state travel policies and
49 procedures established by the Indiana department of administration and approved

1 by the budget agency do not apply to members of the general assembly, to the staffs
 2 of the house of representatives, senate, or legislative services agency, or to lay members
 3 serving on research, study, or survey committees or commissions under the jurisdiction
 4 of the legislative council (if the legislative council applies its travel policies and
 5 procedures to lay members under the authority of this SECTION), except that, until
 6 the legislative council adopts travel policies and procedures, the state travel policies
 7 and procedures established by the Indiana department of administration and approved
 8 by the budget agency apply to members of the general assembly, to the staffs of the house
 9 of representatives, senate, and legislative services agency, and to lay members serving
 10 on research, study, or survey committees or commissions under the jurisdiction of the
 11 legislative council. The executive director of the legislative services agency is responsible
 12 for the administration of travel policies and procedures adopted by the legislative
 13 council. The auditor of state shall approve and process claims for reimbursement of travel
 14 related expenses under this paragraph based upon the written affirmation of the speaker
 15 of the house of representatives, the president pro tempore of the senate, or the executive
 16 director of the legislative services agency that those claims comply with the travel
 17 policies and procedures adopted by the legislative council. If the funds appropriated
 18 for the house and senate expenses and legislative salaries are insufficient to pay all
 19 the necessary expenses incurred, including the cost of printing the journals of the
 20 house and senate, there is appropriated such further sums as may be necessary to pay
 21 such expenses.

22

23	LEGISLATORS' SUBSISTENCE	
24	LEGISLATORS' EXPENSES - HOUSE	
25	Total Operating Expense	2,524,980 2,620,929
26	LEGISLATORS' EXPENSES - SENATE	
27	Total Operating Expense	1,195,888 1,015,872

28

29 Each member of the general assembly is entitled to a subsistence allowance of forty
 30 percent (40%) of the maximum daily amount allowable to employees of the executive
 31 branch of the federal government for subsistence expenses while away from home in
 32 travel status in the Indianapolis area for:

- 33 (1) each day that the general assembly is not convened in regular or special session;
 34 and
 35 (2) each day after the first session day held in November and before the first session
 36 day held in January.

37

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

42

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

44

45 The officers of the senate are entitled to the following amounts annually in addition
 46 to the subsistence allowance: president pro tempore, \$7,000; assistant president
 47 pro tempore, \$3,000; majority floor leader, \$5,500; assistant majority floor leader(s),
 48 \$3,500; majority floor leader emeritus, \$1,500; majority caucus chair, \$5,500;
 49 assistant majority caucus chair(s), \$1,500; appropriations committee chair, \$5,500;

1 tax and fiscal policy committee chair, \$5,500; appropriations committee ranking
2 majority member, \$2,000; tax and fiscal policy committee ranking majority member,
3 \$2,000; majority whip, \$4,000; assistant majority whip, \$2,000; minority floor leader,
4 \$6,000; minority leader emeritus, \$1,500; minority caucus chair, \$5,000; minority
5 assistant floor leader, \$5,000; appropriations committee ranking minority member,
6 \$2,000; tax and fiscal policy committee ranking minority member, \$2,000; minority
7 whip(s), \$2,000; assistant minority caucus chair(s), \$1,000; agriculture and natural
8 resources committee chair, \$1,000; public policy committee chair, \$1,000; corrections
9 and criminal law committee chair, \$1,000; civil law committee chair, \$1,000; education
10 and career development chair, \$1,000; elections committee chair, \$1,000; environmental
11 affairs committee chair, \$1,000; pensions and labor committee chair, \$1,000; health
12 and provider services committee chair, \$1,000; homeland security, transportation,
13 and veterans affairs committee chair, \$1,000; insurance committee chair, \$1,000;
14 financial institutions committee chair, \$1,000; judiciary committee chair, \$1,000;
15 local government committee chair, \$1,000; utilities committee chair, \$1,000; commerce,
16 economic development, and technology committee chair, \$1,000; appointments and claims
17 committee chair, \$1,000; and ethics committee chair, \$1,000. If an officer fills more
18 than one (1) leadership position, the officer shall be paid for the higher paid
19 position.

20
21 Officers of the house of representatives are entitled to the following amounts annually
22 in addition to the subsistence allowance: speaker of the house, \$7,000; speaker pro
23 tempore, \$5,000; deputy speaker pro tempore, \$2,000; majority floor leader, 5,500;
24 majority caucus chair, \$5,500; majority whip, \$4,000; assistant majority floor leader,
25 \$3,500; assistant majority caucus chair, \$2,000; assistant majority whip, \$2,000;
26 ways and means committee chair, \$5,500; ways and means k-12 subcommittee chair,
27 \$1,500; ways and means higher education subcommittee chair, \$1,500; ways and means
28 budget subcommittee chair, \$3,000; minority leader, \$5,500; minority floor leader,
29 \$4,500; minority caucus chair, \$4,500; minority whip, \$3,000; assistant minority
30 leader, \$1,500; assistant minority floor leader, \$1,500; assistant minority caucus
31 chair, \$1,500; assistant minority caucus whip, \$1,500; ways and means committee
32 ranking minority member, \$3,500; agriculture and rural development committee chair,
33 \$1,000; commerce, small business, and economic development committee chair, \$1,000;
34 courts and criminal code committee chair, \$1,000; education committee chair, \$1,000;
35 elections and apportionment committee chair, \$1,000; employment, labor, and pensions
36 committee chair, \$1,000; environmental affairs committee chair, \$1,000; statutory
37 committee on ethics committee chair, \$1,000; family, children, and human affairs
38 committee chair, \$1,000; financial institutions committee chair, \$1,000; government
39 and regulatory reform committee chair, \$1,000; insurance committee chair, \$1,000;
40 statutory committee on interstate and international cooperation committee chair,
41 \$1,000; judiciary committee chair, \$1,000; local government committee chair, \$1,000;
42 natural resources committee chair, \$1,000; public health committee chair, \$1,000;
43 public policy committee chair, \$1,000; roads and transportation committee chair,
44 \$1,000; rules and legislative procedures committee chair, \$1,000; select committee
45 on government reduction committee chair, \$1,000; utilities and energy committee
46 chair, \$1,000; and veterans affairs and public safety committee chair, \$1,000. If
47 an officer fills more than one (1) leadership position, the officer shall be paid
48 for the higher paid position.

49

1 **If the senate or house of representatives eliminates a committee or officer referenced**
2 **in this SECTION and replaces the committee or officer with a new committee or position,**
3 **the foregoing appropriations for subsistence shall be used to pay for the new committee**
4 **or officer. However, this does not permit any additional amounts to be paid under this**
5 **SECTION for a replacement committee or officer than would have been spent for the**
6 **eliminated committee or officer. If the senate or house of representatives creates a**
7 **new, additional committee or officer, or assigns additional duties to an existing officer,**
8 **the foregoing appropriations for subsistence shall be used to pay for the new committee**
9 **or officer, or to adjust the annual payments made to the existing officer, in amounts**
10 **determined by the legislative council.**

11
12 **If the funds appropriated for legislators' subsistence are insufficient to pay all the**
13 **subsistence incurred, there are hereby appropriated such further sums as may be**
14 **necessary to pay such subsistence.**

15
16 **FOR THE LEGISLATIVE COUNCIL AND THE LEGISLATIVE SERVICES AGENCY**

Total Operating Expense	15,344,725	14,876,325
LEGISLATOR AND LAY MEMBER TRAVEL		
Total Operating Expense	775,000	775,000

17
18
19
20
21 **Included in the above appropriations for the legislative council and legislative services**
22 **agency expenses are funds for usual and customary expenses associated with legislative**
23 **services.**

24
25 **If the funds above appropriated for the legislative council and the legislative services**
26 **agency and for legislator and lay member travel are insufficient to pay all the necessary**
27 **expenses incurred, there are hereby appropriated such further sums as may be necessary**
28 **to pay those expenses.**

29
30 **Any person other than a member of the general assembly who is appointed by the governor,**
31 **speaker of the house, president or president pro tempore of the senate, house or senate**
32 **minority floor leader, or legislative council to serve on any research, study, or survey**
33 **committee or commission is entitled, when authorized by the legislative council, to a**
34 **per diem instead of subsistence of \$75 per day during the 2013-2015 biennium. In**
35 **addition to the per diem, such a person is entitled to mileage reimbursement, at the**
36 **rate specified for members of the general assembly, for each mile necessarily traveled**
37 **from the person's usual place of residence to the state capitol or other in-state site**
38 **of the committee, commission, or conference. However, reimbursement for any out-of-state**
39 **travel expenses claimed by lay members serving on research, study, or survey committees**
40 **or commissions under the jurisdiction of the legislative council shall be based**
41 **on SECTION 14 of this act, until the legislative council applies those travel policies**
42 **and procedures that govern legislators and their staffs to such lay members as authorized**
43 **elsewhere in this SECTION. The allowance and reimbursement permitted in this paragraph**
44 **shall be paid from the legislative council appropriations for legislative and lay member**
45 **travel unless otherwise provided for by a specific appropriation.**

46
47 **Included in the above appropriations for the legislative council and legislative**
48 **services agency are funds for the printing and distribution of documents**
49 **published by the legislative council. These documents include journals, bills,**

1 resolutions, enrolled documents, the acts of the first and second regular sessions
 2 of the 118th general assembly, the supplements to the Indiana Code for fiscal years
 3 2013-2014 and 2014-2015, and the publication of the Indiana Administrative Code
 4 and the Indiana Register. Upon completion of the distribution of the Acts and the
 5 supplements to the Indiana Code, as provided in IC 2-6-1.5, remaining copies may
 6 be sold at a price or prices periodically determined by the legislative council. If
 7 the above appropriations for the printing and distribution of documents published
 8 by the legislative council are insufficient to pay all of the necessary expenses
 9 incurred, there are hereby appropriated such sums as may be necessary to pay such
 10 expenses.

11 LEGISLATIVE COUNCIL CONTINGENCY FUND	
12 Total Operating Expense	226,125

14
 15 Disbursements from the fund may be made only for purposes approved by
 16 the chairman and vice chairman of the legislative council.

17
 18 The legislative services agency shall charge the following fees, unless the
 19 legislative council sets these or other fees at different rates:

20
 21 Annual subscription to the session document service for sessions ending in
 22 odd-numbered years: \$900

23
 24 Annual subscription to the session document service for sessions ending in
 25 even-numbered years: \$500

26
 27 Per page charge for copies of legislative documents: \$0.15

28
 29 Annual charge for interim calendar: \$10

30
 31 Daily charge for the journal of either house: \$2

32
 33 **COUNCIL OF STATE GOVERNMENTS ANNUAL DUES**

Other Operating Expense	167,863	174,578
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34
 35 **NATIONAL CONFERENCE OF STATE LEGISLATURES ANNUAL DUES**

Other Operating Expense	209,737	209,737
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36
 37 **NATIONAL CONFERENCE OF INSURANCE LEGISLATORS ANNUAL DUES**

Other Operating Expense	10,000	10,000
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38
 39
 40 **FOR THE INDIANA LOBBY REGISTRATION COMMISSION**

Total Operating Expense	285,300	296,000
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41
 42
 43 **FOR THE INDIANA PUBLIC RETIREMENT SYSTEM**

44 **LEGISLATORS' RETIREMENT FUND**

Other Operating Expense	138,300	130,900
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45
 46
 47 **B. JUDICIAL**

48
 49 **FOR THE SUPREME COURT**

		<i>FY 2013-2014</i>	<i>FY 2014-2015</i>	<i>Biennial</i>
		<i>Appropriation</i>	<i>Appropriation</i>	<i>Appropriation</i>
1	Personal Services	8,725,240	8,899,933	
2	Other Operating Expense	2,077,014	2,077,014	

3
4 The above appropriation for the supreme court personal services includes the subsistence
5 allowance as provided by IC 33-38-5-8. The supreme court, through its technology
6 committee, shall review the requests of the court of appeals and the public defender
7 commission for a case management system.

8
9 **LOCAL JUDGES' SALARIES**

10	Personal Services	61,192,108	62,994,495	
11	Other Operating Expense	235,333	235,333	

12 **COUNTY PROSECUTORS' SALARIES**

13	Personal Services	28,643,667	29,299,933	
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14
15 The above appropriations for county prosecutors' salaries represent the amounts authorized
16 by IC 33-39-6-5 and that are to be paid from the state general fund.

17
18 In addition to the appropriations for local judges' salaries and for county prosecutors'
19 salaries, there are hereby appropriated for personal services the amounts that the
20 state is required to pay for salary changes or for additional courts created by
21 the 118th general assembly.

22
23 **TRIAL COURT OPERATIONS**

24	Total Operating Expense	746,075	746,075	
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25 **INDIANA CONFERENCE FOR LEGAL EDUCATION OPPORTUNITY**

26	Total Operating Expense	778,750	778,750	
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27
28 The above funds are appropriated to the division of state court administration in
29 compliance with the provisions of IC 33-24-13-7.

30
31 **PUBLIC DEFENDER COMMISSION**

32	Total Operating Expense	14,850,000	14,850,000	
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33
34 The above appropriation is made in addition to the distribution authorized by
35 IC 33-37-7-9(c) for the purpose of reimbursing counties for indigent defense services
36 provided to a defendant. The division of state court administration of the supreme
37 court of Indiana shall provide staff support to the commission and shall administer
38 the public defense fund. The administrative costs may come from the public defense
39 fund. Any balance in the public defense fund is appropriated to the public defender
40 commission.

41
42 **GUARDIAN AD LITEM**

43	Total Operating Expense	2,970,248	2,970,248	
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44
45 The division of state court administration shall use the foregoing appropriation
46 to administer an office of guardian ad litem and court appointed special advocate
47 services and to provide matching funds to counties that are required to implement,
48 in courts with juvenile jurisdiction, a guardian ad litem and court appointed special
49 advocate program for children who are alleged to be victims of child abuse or neglect

1 under IC 31-33 and to administer the program. A county may use these matching funds
 2 to supplement amounts collected as fees under IC 31-40-3 to be used for the operation
 3 of guardian ad litem and court appointed special advocate programs. The county fiscal
 4 body shall appropriate adequate funds for the county to be eligible for these matching
 5 funds. In each fiscal year, the office of guardian ad litem shall set aside at least
 6 thirty thousand dollars (\$30,000) from the foregoing appropriation to provide older
 7 youth foster care.

8	CIVIL LEGAL AID		
9			
10	Total Operating Expense	1,500,000	1,500,000

11
 12 The above funds include the appropriation provided in IC 33-24-12-7.

13	SPECIAL JUDGES - COUNTY COURTS		
14			
15	Total Operating Expense	149,000	149,000

16
 17 If the funds appropriated above for special judges of county courts are insufficient
 18 to pay all of the necessary expenses that the state is required to pay under IC 34-35-1-4,
 19 there are hereby appropriated such further sums as may be necessary to pay these
 20 expenses.

21	COMMISSION ON RACE AND GENDER FAIRNESS		
22			
23	Total Operating Expense	380,996	380,996

24	FOR THE COURT OF APPEALS		
25			
26	Personal Services	9,544,709	9,760,409
27	Other Operating Expense	1,337,184	1,437,184

28
 29 The above appropriations for the court of appeals personal services include the
 30 subsistence allowance provided by IC 33-38-5-8.

31	FOR THE TAX COURT		
32			
33	Personal Services	575,818	585,451
34	Other Operating Expense	177,000	147,000

35	FOR THE JUDICIAL CENTER		
36			
37	Personal Services	1,929,641	2,104,019
38	Other Operating Expense	1,651,461	1,657,461

39
 40 The above appropriations for the judicial center include the appropriations for the
 41 judicial conference.

42	DRUG AND ALCOHOL PROGRAMS FUND		
43			
44	Total Operating Expense	100,000	100,000

45
 46 The above funds are appropriated notwithstanding the distribution under IC 33-37-7-9
 47 for the purpose of administering, certifying, and supporting alcohol and drug services
 48 programs under IC 12-23-14. However, if additional funds are needed to carry out the
 49 purpose of the program, existing revenues in the fund may be allotted.

	<i>FY 2013-2014 Appropriation</i>	<i>FY 2014-2015 Appropriation</i>	<i>Biennial Appropriation</i>
1			
2	INTERSTATE COMPACT FOR ADULT OFFENDER SUPERVISION		
3	Total Operating Expense	229,863	233,300
4			
5	FOR THE PUBLIC DEFENDER		
6	Personal Services	5,949,575	6,103,391
7	Other Operating Expense	973,837	973,837
8			
9	FOR THE PUBLIC DEFENDER COUNCIL		
10	Personal Services	928,440	929,036
11	Other Operating Expense	455,536	455,536
12			
13	FOR THE PROSECUTING ATTORNEYS' COUNCIL		
14	Personal Services	623,536	623,536
15	Other Operating Expense	591,740	591,740
16	DRUG PROSECUTION		
17	Drug Prosecution Fund (IC 33-39-8-6)		
18	Total Operating Expense	128,176	128,176
19	Augmentation allowed.		
20			
21	FOR THE INDIANA PUBLIC RETIREMENT SYSTEM		
22	JUDGES' RETIREMENT FUND		
23	Other Operating Expense	13,742,116	13,867,416
24	PROSECUTORS' RETIREMENT FUND		
25	Other Operating Expense	1,173,800	1,062,800
26			
27	C. EXECUTIVE		
28			
29	FOR THE GOVERNOR'S OFFICE		
30	Personal Services	1,845,816	1,845,816
31	Other Operating Expense	80,781	80,781
32	GOVERNOR'S RESIDENCE		
33	Total Operating Expense	114,575	114,575
34	GOVERNOR'S CONTINGENCY FUND		
35	Total Operating Expense		10,524
36			
37	Direct disbursements from the above contingency fund are not subject to the provisions		
38	of IC 5-22.		
39			
40	GOVERNOR'S FELLOWSHIP PROGRAM		
41	Total Operating Expense	106,335	106,335
42			
43	FOR THE WASHINGTON LIAISON OFFICE		
44	Total Operating Expense	55,198	55,198
45			
46	FOR THE LIEUTENANT GOVERNOR		
47	Personal Services	1,445,551	1,445,551
48	Other Operating Expense	1,128,903	1,180,985
49	CONTINGENCY FUND		

1 **Total Operating Expense** **10,214**

2
3 **Direct disbursements from the above contingency fund are not subject to the provisions**
4 **of IC 5-22.**

5
6 **FOR THE SECRETARY OF STATE**
7 **ADMINISTRATION**

8 Personal Services	3,524,359	3,524,359	
9 Other Operating Expense	1,140,522	1,140,522	

10
11 **FOR THE ATTORNEY GENERAL**
12 **ATTORNEY GENERAL**

13 From the General Fund			
14 14,410,367	14,410,367		
15 From the Homeowner Protection Unit (IC 4-6-12-9)			
16 435,018	435,018		
17 Augmentation allowed.			
18 From the Medicaid Fraud Control Unit Fund (IC 4-6-10)			
19 670,325	670,325		
20 Augmentation allowed.			
21 From the Unclaimed Property Litigation			
22 116,000	116,000		
23 Augmentation allowed.			
24 From the Consumer Fees and Settlements Fund			
25 1,396,934	1,396,934		
26 Augmentation allowed.			
27 From the Real Estate Appraiser Investigative Fund (IC 25-34.1-8-7.5)			
28 148,044	148,044		
29 Augmentation allowed.			
30 From the Telephone Solicitation Fund (IC 24-4.7-3-6)			
31 107,250	107,250		
32 Augmentation allowed.			
33 From the Non-Consumer Settlements Fund			
34 628,015	628,015		
35 Augmentation allowed.			
36 From the Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
37 728,769	728,769		
38 Augmentation allowed.			
39 From the Abandoned Property Fund (IC 32-34-1-33)			
40 390,662	390,662		
41 Augmentation allowed.			

42
43 **The amounts specified from the general fund, homeowner protection unit, Medicaid**
44 **fraud control unit fund, unclaimed property litigation, consumer fees and settlements**
45 **fund, real estate appraiser investigative fund, telephone solicitation fund, non-consumer**
46 **settlements fund, tobacco master settlement agreement fund, and abandoned property**
47 **fund are for the following purposes:**

48 Personal Services	17,744,225	17,744,225	
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	<i>FY 2013-2014 Appropriation</i>	<i>FY 2014-2015 Appropriation</i>	<i>Biennial Appropriation</i>
1	Other Operating Expense	1,287,159	1,287,159
2			
3	HOMEOWNER PROTECTION UNIT		
4	Homeowner Protection Unit Account (IC 4-6-12-9)		
5	Total Operating Expense	2,187,094	2,187,094
6	MEDICAID FRAUD UNIT		
7	Total Operating Expense	829,789	829,789
8			
9	The above appropriations to the Medicaid fraud unit are the state's matching share		
10	of funding for the state Medicaid fraud control unit under IC 4-6-10 as prescribed		
11	by 42 U.S.C. 1396b(q). Augmentation allowed from collections.		
12			
13	UNCLAIMED PROPERTY		
14	Abandoned Property Fund (IC 32-34-1-33)		
15	Personal Services	1,254,247	1,254,247
16	Other Operating Expense	3,828,922	3,828,922
17	Augmentation allowed.		
18			
19	D. FINANCIAL MANAGEMENT		
20			
21	FOR THE AUDITOR OF STATE		
22	Personal Services	4,127,418	4,127,418
23	Other Operating Expense	1,107,319	1,134,919
24	GOVERNORS' AND GOVERNORS' SURVIVING SPOUSES' PENSIONS		
25	Total Operating Expense	161,948	161,948
26			
27	The above appropriations for governors' and governors' surviving spouses' pensions		
28	are made under IC 4-3-3.		
29			
30	FOR THE STATE BOARD OF ACCOUNTS		
31	Personal Services	19,118,941	19,118,941
32	Other Operating Expense	353,348	353,348
33			
34	FOR THE STATE BUDGET COMMITTEE		
35	Total Operating Expense	46,000	46,000
36			
37	Notwithstanding IC 4-12-1-11(b), the salary per diem of the legislative members of		
38	the budget committee is an amount equal to one hundred fifty percent (150%) of the		
39	legislative business per diem allowance. If the above appropriations are insufficient		
40	to carry out the necessary operations of the budget committee, there are hereby		
41	appropriated such further sums as may be necessary.		
42			
43	FOR THE OFFICE OF MANAGEMENT AND BUDGET		
44	Personal Services	795,059	795,059
45	Other Operating Expense	155,855	155,855
46			
47	FOR THE STATE BUDGET AGENCY		
48	Personal Services	2,529,200	2,529,200
49	Other Operating Expense	247,828	247,828

1 the trust fund to accrue funds to pay benefits to employees that are not paid from the
 2 general fund.

3
 4 **COMPREHENSIVE HEALTH INSURANCE ASSOCIATION STATE SHARE**
 5 **Total Operating Expense** 38,250,000
 6 **Augmentation Allowed.**

7
 8 **SCHOOL AND LIBRARY INTERNET CONNECTION (IC 4-34-3)**
 9 **Build Indiana Fund (IC 4-30-17)**
 10 **Total Operating Expense** 2,625,000 2,625,000

11
 12 Of the foregoing appropriations, \$1,800,000 each year shall be used for schools under
 13 IC 4-34-3-4, and \$825,000 each year shall be used for libraries under IC 4-34-3-2.

14
 15 **INSPIRE (IC 4-34-3-2)**
 16 **Build Indiana Fund (IC 4-30-17)**
 17 **Other Operating Expense** 2,764,500
 18 **TEACHING AND TRAUMA HOSPITAL FEASIBILITY STUDY**
 19 **Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)**
 20 **Other Operating Expense** 250,000

21
 22 The above appropriation shall be used to conduct a study of the feasibility of establishing
 23 a teaching and trauma hospital in Northwest Indiana. The budget agency shall report
 24 the findings of the study to the budget committee.

25
 26 **FOR THE INDIANA PUBLIC RETIREMENT SYSTEM**
 27 **PUBLIC SAFETY PENSION**
 28 **Total Operating Expense** 145,000,000 175,000,000
 29 **Augmentation Allowed.**

30
 31 **FOR THE TREASURER OF STATE**
 32 **Personal Services** 806,962 806,962
 33 **Other Operating Expense** 31,133 31,133

34
 35 The treasurer of state, the board for depositories, the Indiana commission for higher
 36 education, and the commission for higher education shall cooperate and provide
 37 to the Indiana education savings authority the following:

- 38 (1) Clerical and professional staff and related support.
 39 (2) Office space and services.
 40 (3) Reasonable financial support for the development of rules, policies,
 41 programs, and guidelines, including authority operations and travel.

42
 43 **E. TAX ADMINISTRATION**

44
 45 **FOR THE DEPARTMENT OF REVENUE**
 46 **COLLECTION AND ADMINISTRATION**
 47 **From the General Fund**
 48 55,271,373 53,501,963
 49 **From the Motor Carrier Regulation Fund (IC 8-2.1-23)**

1
2 **The amounts specified from the state gaming fund and gaming investigations fund**
3 **are for the following purposes:**

4 Personal Services	5 2,939,399	6 2,939,399	
7 Other Operating Expense	8 431,003	9 431,003	

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

13 **Augmentation allowed.**

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

16 **FOR THE INDIANA HORSE RACING COMMISSION**

17 Indiana Horse Racing Commission Operating Fund (IC 4-31-10-2)			
18 Personal Services	19 1,661,508	20 1,661,508	
21 Other Operating Expense	22 282,499	23 282,499	

24 **The foregoing appropriations to the Indiana horse racing commission are made from**
25 **revenues accruing to the Indiana horse racing commission before any distribution**
26 **is made under IC 4-31-9.**

27 **Augmentation allowed.**

28 **STANDARD BRED ADVISORY BOARD**

29 Standardbred Horse Fund (IC 15-19-2-10)			
30 Total Operating Expense	31 193,500	32 193,500	

33 **The foregoing appropriations to the standardbred advisory board are made from**
34 **revenues accruing to the Indiana horse racing commission before any distribution**
35 **is made under IC 4-31-9.**

36 **Augmentation allowed.**

37 **STANDARD BRED BREED DEVELOPMENT**

38 Indiana Horse Racing Commission Operating Fund (IC 4-31-10-2)			
39 Total Operating Expense	40 3,962,000	41 3,962,000	

42 **Augmentation allowed.**

43 **THOROUGHBRED BREED DEVELOPMENT**

44 Indiana Horse Racing Commission Operating Fund (IC 4-31-10-2)			
45 Total Operating Expense	46 3,569,600	47 3,569,600	

48 **Augmentation allowed.**

49 **QUARTER HORSE BREED DEVELOPMENT**

50 Indiana Horse Racing Commission Operating Fund (IC 4-31-10-2)			
51 Total Operating Expense	52 465,600	53 465,600	

54 **Augmentation allowed.**

55 **FINGERPRINT FEES**

56 Indiana Horse Racing Commission Operating Fund (IC 4-31-10-2)			
57 Total Operating Expense	58 20,000	59 20,000	

	<i>FY 2013-2014</i>	<i>FY 2014-2015</i>	<i>Biennial</i>
	<i>Appropriation</i>	<i>Appropriation</i>	<i>Appropriation</i>
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1 the fund may be spent by the office in compliance with a plan approved by the budget
 2 agency. Any money remaining in the fund at the end of any fiscal year does not revert
 3 to the general fund or any other fund but remains in the pay phone fund.

4
 5 **FOR THE COMMISSION ON PUBLIC RECORDS**
 6 Personal Services 1,433,464 1,433,464
 7 Other Operating Expense 94,941 94,941

8
 9 **FOR THE OFFICE OF THE PUBLIC ACCESS COUNSELOR**
 10 Personal Services 123,079 123,079
 11 Other Operating Expense 11,353 11,353

12
 13 **FOR THE OFFICE OF STATE-BASED INITIATIVES**
 14 Total Operating Expense 88,984 88,984

15
 16 **G. OTHER**

17
 18 **FOR THE COMMISSION ON UNIFORM STATE LAWS**
 19 Total Operating Expense 74,276 74,276

20
 21 **FOR THE OFFICE OF INSPECTOR GENERAL**
 22 Personal Services 1,079,259 1,079,259
 23 Other Operating Expense 110,096 110,096

24 **STATE ETHICS COMMISSION**
 25 Other Operating Expense 6,111 6,111

26
 27 **FOR THE SECRETARY OF STATE**
 28 **ELECTION DIVISION**
 29 Personal Services 770,126 770,126
 30 Other Operating Expense 128,983 127,625

31 **VOTER LIST MAINTENANCE**
 32 Total Operating Expense 2,100,000 0

33 **VOTER REGISTRATION SYSTEM**
 34 Total Operating Expense 2,500,000 2,500,000

35 **VOTER OUTREACH AND EDUCATION**
 36 Total Operating Expense 750,000 750,000

37 **VOTER SYSTEM TECHNICAL OVERSIGHT PROGRAM**
 38 Total Operating Expense 500,000 0

39
 40 The above appropriations include state HAVA matching funds.

41
 42 **H. COMMUNITY SERVICES**

43
 44 **FOR THE GOVERNOR'S OFFICE OF FAITH BASED AND COMMUNITY INITIATIVES**
 45 Personal Services 209,042 209,042
 46 Other Operating Expense 37,927 37,927

47
 48 **SECTION 4. [EFFECTIVE JULY 1, 2013]**

49

1	PUBLIC SAFETY		
2			
3	A. CORRECTION		
4			
5	FOR THE DEPARTMENT OF CORRECTION		
6	CENTRAL OFFICE		
7	Personal Services	9,264,440	9,264,440
8	Other Operating Expense	9,410,000	9,410,000
9	ESCAPEE COUNSEL AND TRIAL EXPENSE		
10	Other Operating Expense	284,489	284,489
11	COUNTY JAIL MISDEMEANANT HOUSING		
12	Total Operating Expense	4,281,071	4,281,071
13	ADULT CONTRACT BEDS		
14	Total Operating Expense	5,567,488	5,567,488
15	STAFF DEVELOPMENT AND TRAINING		
16	Personal Services	1,052,385	1,052,385
17	Other Operating Expense	76,000	76,000
18	PAROLE DIVISION		
19	Personal Services	8,743,725	8,743,725
20	Other Operating Expense	758,799	758,799
21	PAROLE BOARD		
22	Personal Services	745,531	745,531
23	Other Operating Expense	6,675	6,675
24	INFORMATION MANAGEMENT SERVICES		
25	Personal Services	823,624	823,624
26	Other Operating Expense	285,302	285,302
27	JUVENILE TRANSITION		
28	Personal Services	473,973	473,973
29	Other Operating Expense	7,856,291	7,856,291
30	COMMUNITY CORRECTIONS PROGRAMS		
31	Total Operating Expense	43,262,752	43,262,752

32
33 The above appropriation for community corrections programs is not subject to transfer
34 to any other fund or to transfer, assignment, or reassignment for any other use or
35 purpose by the state board of finance notwithstanding IC 4-9.1-1-7 and IC 4-13-2-23
36 or by the budget agency notwithstanding IC 4-12-1-12 or any other law.

37
38 Notwithstanding IC 4-13-2-19 and any other law, the above appropriation for community
39 corrections programs does not revert to the general fund or another fund at the close
40 of a state fiscal year but remains available in subsequent state fiscal years for the
41 purposes of the appropriation.

42			
43	DRUG PREVENTION AND OFFENDER TRANSITION		
44	Total Operating Expense	116,594	116,594

45
46 The above appropriation shall be used for minimum security release programs, transition
47 programs, mentoring programs, and supervision of and assistance to adult and juvenile
48 offenders to promote the successful integration of the offender into the community.

49

1	YOUTH SERVICES TRANSITIONAL PROGRAM		
2	Youth Services Transitional Services Fund (IC 11-10-2-11)		
3	Total Operating Expense	1	1
4	Augmentation allowed.		
5	CENTRAL EMERGENCY RESPONSE		
6	Personal Services	696,560	696,560
7	Other Operating Expense	123,700	123,700
8	MEDICAL SERVICES		
9	Other Operating Expense	71,341,280	75,432,096

10
11 **The above appropriations for medical services shall be used only for services that**
12 **are determined to be medically necessary.**

13			
14	DRUG ABUSE PREVENTION		
15	Drug Abuse Fund (IC 11-8-2-11)		
16	Total Operating Expense	150,000	150,000
17	Augmentation allowed.		
18	COUNTY JAIL MAINTENANCE CONTINGENCY FUND		
19	Other Operating Expense	18,448,831	18,448,831

20
21 **Disbursements from the fund shall be made for the purpose of reimbursing sheriffs**
22 **for the cost of incarcerating in county jails persons convicted of felonies to the**
23 **extent that such persons are incarcerated for more than five (5) days after the**
24 **day of sentencing or the date upon which the department of correction receives the**
25 **abstract of judgment and sentencing order, whichever occurs later, at a rate to**
26 **be determined by the department of correction and approved by the state budget agency.**
27 **The rate shall be based upon programming provided, and shall be \$35 per day. In**
28 **addition to the per diem, the state shall reimburse the sheriffs for expenses determined**
29 **by the sheriff to be medically necessary medical care to the convicted persons.**
30 **However, if the sheriff or county receives money with respect to a convicted person**
31 **(from a source other than the county), the per diem or medical expense reimbursement**
32 **with respect to the convicted person shall be reduced by the amount received. A**
33 **sheriff shall not be required to comply with IC 35-38-3-4(a) or transport convicted**
34 **persons within five (5) days after the day of sentencing if the department of correction**
35 **does not have the capacity to receive the convicted person.**

36
37 **Augmentation allowed.**

38			
39	FOOD SERVICES		
40	Total Operating Expense	36,519,291	37,851,221
41	EDUCATIONAL SERVICES		
42	Other Operating Expense	8,919,470	8,919,470
43			
44	FOR THE STATE BUDGET AGENCY		
45	MEDICAL SERVICE PAYMENTS		
46	Total Operating Expense	25,000,000	25,000,000

47
48 **These appropriations for medical service payments are made to pay for services**
49 **determined to be medically necessary for committed individuals, patients and**

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

16 Direct disbursements from the above contingency fund are not subject to the
17 provisions of IC 4-13-2.
18

19 **FOR THE DEPARTMENT OF ADMINISTRATION**

20 **DEPARTMENT OF CORRECTION OMBUDSMAN BUREAU**

21	Personal Services	147,753	147,753
22	Other Operating Expense	3,426	3,426

23
24 **FOR THE DEPARTMENT OF CORRECTION**

25 **INDIANA STATE PRISON**

26	Personal Services	28,767,225	28,767,225
27	Other Operating Expense	5,921,045	5,921,045

28 **PENDLETON CORRECTIONAL FACILITY**

29	Personal Services	24,049,338	24,049,338
30	Other Operating Expense	5,956,771	5,956,771

31 **CORRECTIONAL INDUSTRIAL FACILITY**

32	Personal Services	18,207,281	18,207,281
33	Other Operating Expense	1,167,305	1,167,305

34 **INDIANA WOMEN'S PRISON**

35	Personal Services	10,437,508	10,437,508
36	Other Operating Expense	1,069,346	1,069,346

37 **PUTNAMVILLE CORRECTIONAL FACILITY**

38	Personal Services	26,650,856	26,650,856
39	Other Operating Expense	3,461,082	3,461,082

40 **WABASH VALLEY CORRECTIONAL FACILITY**

41	Personal Services	33,709,785	33,709,785
42	Other Operating Expense	4,445,352	4,445,352

43 **INDIANAPOLIS RE-ENTRY EDUCATION FACILITY**

44	Personal Services	6,590,847	6,590,847
45	Other Operating Expense	856,709	856,709

46 **BRANCHVILLE CORRECTIONAL FACILITY**

47	Personal Services	15,688,713	15,688,713
48	Other Operating Expense	3,200,161	3,200,161

49 **WESTVILLE CORRECTIONAL FACILITY**

		<i>FY 2013-2014 Appropriation</i>	<i>FY 2014-2015 Appropriation</i>	<i>Biennial Appropriation</i>
1	Personal Services	40,863,989	40,863,989	
2	Other Operating Expense	5,942,312	5,942,312	
3	ROCKVILLE CORRECTIONAL FACILITY FOR WOMEN			
4	Personal Services	12,773,916	12,773,916	
5	Other Operating Expense	1,802,976	1,802,976	
6	PLAINFIELD CORRECTIONAL FACILITY			
7	Personal Services	19,734,010	19,734,010	
8	Other Operating Expense	3,357,476	3,357,476	
9	PLAINFIELD STOP (SHORT TERM OFFENDER PLACEMENT)			
10	Personal Services	1,048,655	1,048,655	
11	Other Operating Expense	8,047,716	8,047,716	
12	RECEPTION AND DIAGNOSTIC CENTER			
13	Personal Services	11,868,483	11,868,483	
14	Other Operating Expense	1,377,148	1,377,148	
15	MIAMI CORRECTIONAL FACILITY			
16	Personal Services	27,287,195	27,287,195	
17	Other Operating Expense	5,022,599	5,022,599	
18	NEW CASTLE CORRECTIONAL FACILITY			
19	Other Operating Expense	38,285,030	39,064,507	
20	TITLE XX WORK RELEASE - SOUTH BEND WORK RELEASE CENTER			
21	General Fund			
22	Total Operating Expense	1,732,641	1,732,641	
23	Work Release - Study Release Special Revenue Fund (IC 11-10-8-6.5)			
24	Total Operating Expense	350,000	350,000	
25	Augmentation allowed from Work Release - Study Release Special Revenue Fund.			
26	HENRYVILLE CORRECTIONAL FACILITY			
27	Personal Services	2,260,260	2,260,260	
28	Other Operating Expense	265,079	265,079	
29	CHAIN O' LAKES CORRECTIONAL FACILITY			
30	Personal Services	1,631,600	1,631,600	
31	Other Operating Expense	241,707	241,707	
32	MADISON CORRECTIONAL FACILITY			
33	Personal Services	6,393,657	6,393,657	
34	Other Operating Expense	1,312,981	1,312,981	
35	EDINBURGH CORRECTIONAL FACILITY			
36	Personal Services	3,091,443	3,091,443	
37	Other Operating Expense	333,575	333,575	
38	NORTH CENTRAL JUVENILE CORRECTIONAL FACILITY			
39	Personal Services	10,010,438	10,010,438	
40	Other Operating Expense	886,769	886,769	
41	CAMP SUMMIT			
42	Personal Services	3,544,995	3,544,995	
43	Other Operating Expense	192,489	192,489	
44	PENDLETON JUVENILE CORRECTIONAL FACILITY			
45	Personal Services	15,063,598	15,063,598	
46	Other Operating Expense	1,319,530	1,319,530	
47	MADISON JUVENILE CORRECTIONAL FACILITY			
48	Personal Services	4,526,784	4,526,784	
49	Other Operating Expense	1,103,480	1,103,480	

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B. LAW ENFORCEMENT

FOR THE INDIANA STATE POLICE AND MOTOR CARRIER INSPECTION

From the General Fund

60,330,232 120,660,465

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

60,330,233 0

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

4,246,537 4,246,537

Augmentation allowed from the general fund and the motor carrier regulation fund.

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

Personal Services	105,651,160	105,651,160
Other Operating Expense	19,255,842	19,255,842

The above appropriations for personal services and other operating expense include funds to continue the state police minority recruiting program.

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

ISP OPEB CONTRIBUTION

Total Operating Expense	12,712,746	11,290,241
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INDIANA INTELLIGENCE FUSION CENTER

Total Operating Expense	799,145	799,145
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ODOMETER FRAUD INVESTIGATION

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

Total Operating Expense	97,113	97,113
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Augmentation allowed.

STATE POLICE TRAINING

State Police Training Fund (IC 5-2-8-5)

Total Operating Expense	491,600	491,600
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Augmentation allowed.

FORENSIC AND HEALTH SCIENCES LABORATORIES

From the General Fund

4,910,173 9,820,346

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

4,910,173 0

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

345,641 345,641

Augmentation allowed from the general fund and the motor carrier regulation fund.

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

Personal Services	9,878,300	9,878,300
Other Operating Expense	287,687	287,687

ENFORCEMENT AID

General Fund		
Total Operating Expense	37,380	74,761
Motor Vehicle Highway Account (IC 8-14-1)		
Total Operating Expense	37,381	0

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

PENSION FUND

General Fund		
Total Operating Expense	5,304,000	10,218,000
Motor Vehicle Highway Account (IC 8-14-1)		
Total Operating Expense	5,304,000	0

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

BENEFIT FUND

General Fund		
Total Operating Expense	2,290,000	4,680,000
Motor Vehicle Highway Account (IC 8-14-1)		
Total Operating Expense	2,290,000	0
Augmentation allowed.		

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

SUPPLEMENTAL PENSION

General Fund		
Total Operating Expense	1,491,000	2,882,000
Motor Vehicle Highway Account (IC 8-14-1)		
Total Operating Expense	1,491,000	0
Augmentation allowed.		

If the above appropriations for supplemental pension for any one (1) year are greater than the amount actually required under the provisions of IC 10-12-5, then the excess shall be returned proportionately to the funds from which the appropriations were made. If the amount actually required under IC 10-12-5 is greater than the above

1 appropriations, then, with the approval of the governor and the budget agency, those
 2 sums may be augmented from the general fund.

3
 4 **ACCIDENT REPORTING**

5 **Accident Report Account (IC 9-29-11-1)**
 6 **Total Operating Expense** 25,500 25,500
 7 **Augmentation allowed.**

8 **DRUG INTERDICTION**

9 **Drug Interdiction Fund (IC 10-11-7)**
 10 **Total Operating Expense** 215,000 215,000
 11 **Augmentation allowed.**

12 **DNA SAMPLE PROCESSING FUND**

13 **DNA Sample Processing Fund (IC 10-13-6-9.5)**
 14 **Total Operating Expense** 1,352,891 1,352,891
 15 **Augmentation allowed.**

16
 17 **FOR THE INTEGRATED PUBLIC SAFETY COMMISSION**

18 **PROJECT SAFE-T**

19 **Integrated Public Safety Communications Fund (IC 5-26-4-1)**
 20 **Total Operating Expense** 10,669,612 10,594,612
 21 **Augmentation allowed.**

22
 23 **FOR THE ADJUTANT GENERAL**

24 **Personal Services** 4,086,072 4,086,072
 25 **Other Operating Expense** 4,487,163 4,487,163

26 **CAMP ATTERBURY MUSCATATUCK CENTER FOR COMPLEX OPERATIONS**

27 **Personal Services** 762,915 762,915
 28 **Other Operating Expense** 74,435 74,435

29 **DISABLED SOLDIERS' PENSION**

30 **Total Operating Expense** 1 1
 31 **Augmentation allowed.**

32 **MUTC - MUSCATATUCK URBAN TRAINING CENTER**

33 **Total Operating Expense** 1,143,499 1,143,499

34 **HOOSIER YOUTH CHALLENGE ACADEMY**

35 **General Fund**

36 **Total Operating Expense** 1,800,000 1,800,000

37 **State Armory Board Fund (IC 10-16-3-2)**

38 **Total Operating Expense** 405,000 405,000

39 **Augmentation allowed.**

40 **GOVERNOR'S CIVIL AND MILITARY CONTINGENCY FUND**

41 **Total Operating Expense** 245,370

42
 43 **The above appropriations for the governor's civil and military contingency fund are**
 44 **made under IC 10-16-11-1.**

45
 46 **FOR THE CRIMINAL JUSTICE INSTITUTE**

47 **ADMIN. MATCH**

48 **Total Operating Expense** 414,435 414,435

49 **DRUG ENFORCEMENT MATCH**

	<i>FY 2013-2014 Appropriation</i>	<i>FY 2014-2015 Appropriation</i>	<i>Biennial Appropriation</i>
1	Total Operating Expense	973,554	973,554
2			
3	To facilitate the duties of the Indiana criminal justice institute as outlined in		
4	IC 5-2-6-3, the above appropriation is not subject to the provisions of IC 4-9.1-1-7		
5	when used to support other state agencies through the awarding of state match dollars.		
6			
7	VICTIM AND WITNESS ASSISTANCE FUND		
8	Victim and Witness Assistance Fund (IC 5-2-6-14)		
9	Total Operating Expense	745,989	745,989
10	Augmentation allowed.		
11	ALCOHOL AND DRUG COUNTERMEASURES		
12	Alcohol and Drug Countermeasures Fund (IC 9-27-2-11)		
13	Total Operating Expense	348,211	348,211
14	Augmentation allowed.		
15	STATE DRUG FREE COMMUNITIES FUND		
16	State Drug Free Communities Fund (IC 5-2-10-2)		
17	Total Operating Expense	578,000	578,000
18	Augmentation allowed.		
19	INDIANA SAFE SCHOOLS		
20	General Fund		
21	Total Operating Expense	1,095,340	1,095,340
22	Indiana Safe Schools Fund (IC 5-2-10.1-2)		
23	Total Operating Expense	400,053	400,053
24	Augmentation allowed from Indiana Safe Schools Fund.		
25			
26	Of the above appropriations for the Indiana safe schools program, \$1,071,316 is		
27	appropriated annually to provide grants to school corporations for school safe haven		
28	programs, emergency preparedness programs, and school safety programs, and		
29	\$750,000 is appropriated annually for use in providing training to school safety		
30	specialists.		
31			
32	CHILD RESTRAINT SYSTEM FUND		
33	Child Restraint System Account (IC 9-19-11-9)		
34	Total Operating Expense	150,000	150,000
35	HIGHWAY PASSENGER & COMMERCIAL VEHICLE GRANT		
36	Office of Traffic Safety		
37	General Fund		
38	Total Operating Expense	261,666	523,333
39	Motor Vehicle Highway Account (IC 8-14-1)		
40	Total Operating Expense	261,667	0
41	Augmentation allowed.		
42			
43	The above appropriation for the office of traffic safety may be used to cover the		
44	state match requirement for this program according to the current highway safety		
45	plan approved by the governor and the budget agency.		
46			
47	SEXUAL ASSAULT VICTIMS' ASSISTANCE		
48	Sexual Assault Victims' Assistance Account (IC 5-2-6-23(h))		
49	Total Operating Expense	25,000	25,000

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Augmentation allowed. The full amount of the above appropriations shall be distributed to rape crisis centers in Indiana without any deduction of personal services or other operating expenses of any state agency.

VICTIMS OF VIOLENT CRIME ADMINISTRATION

Social Services Block Grant

Total Operating Expense	636,763	636,763
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Violent Crime Victims Compensation Fund (IC 5-2-6.1-40)

Personal Services	178,825	178,825
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Other Operating Expense	2,383,175	2,383,175
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Augmentation allowed.

DOMESTIC VIOLENCE PREVENTION AND TREATMENT

General Fund

Total Operating Expense	2,500,000	2,500,000
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Domestic Violence Prevention and Treatment Fund (IC 5-2-6.7-4)

Total Operating Expense	1,064,334	1,064,334
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Augmentation allowed.

FOR THE DEPARTMENT OF TOXICOLOGY

Breath Test Training and Certification Fund

Total Operating Expense	2,031,056	2,031,056
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FOR THE CORONERS TRAINING BOARD

Coroners Training and Continuing Education Fund (IC 4-23-6.5-8)

Total Operating Expense	400,000	400,000
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Augmentation allowed.

FOR THE LAW ENFORCEMENT TRAINING ACADEMY

From the General Fund

1,987,206	1,987,206
-----------	-----------

From the Law Enforcement Training Fund (IC 5-2-1-13(b))

2,191,286	2,191,286
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Augmentation allowed from the Law Enforcement Training Fund.

The amounts specified from the General Fund and the Law Enforcement Training Fund are for the following purposes:

Personal Services	3,243,807	3,243,807
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Other Operating Expense	934,685	934,685
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C. REGULATORY AND LICENSING

FOR THE BUREAU OF MOTOR VEHICLES

From the General Fund

14,405,610	28,811,221
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From the Motor Vehicle Highway Account (IC 8-14-1)

14,405,611	0
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1 **The amounts specified from the General Fund and the Motor Vehicle Highway Account**
2 **are for the following purposes:**

4 Personal Services	15,227,588	15,227,588
5 Other Operating Expense	13,583,633	13,583,633

6
7 **LICENSE PLATES**

8 From the General Fund		
9 7,510,875	11,758,250	
10 From the Motor Vehicle Highway Account (IC 8-14-1)		
11 7,510,875	0	

12
13 **The amounts specified from the General Fund and the Motor Vehicle Highway Account**
14 **are for the following purpose:**

15 16 Total Operating Expense	15,021,750	11,758,250
17 Augmentation allowed.		

18
19 **COMMERCIAL DRIVER TRAINING SCHOOLS**

20 From the General Fund		
21 31,837	63,675	
22 From the Motor Vehicle Highway Account (IC 8-14-1)		
23 31,838	0	

24
25 **The amounts specified from the General Fund and the Motor Vehicle Highway Account**
26 **are for the following purpose:**

27 28 Total Operating Expense	63,675	63,675
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29 **FINANCIAL RESPONSIBILITY COMPLIANCE VERIFICATION**

30 Financial Responsibility Compliance Verification Fund (IC 9-25-9-7)		
31 Total Operating Expense	6,374,774	6,374,774
32 Augmentation allowed.		

33 **STATE MOTOR VEHICLE TECHNOLOGY**

34 State Motor Vehicle Technology Fund (IC 9-29-16-1)		
35 Total Operating Expense	5,103,841	5,103,841
36 Augmentation allowed.		

37 **MOTORCYCLE OPERATOR SAFETY**

38 Motorcycle Operator Safety Education Fund (IC 9-27-7-7)		
39 Total Operating Expense	1,113,661	1,113,661
40 Augmentation allowed.		

41
42 **FOR THE DEPARTMENT OF LABOR**

43 Personal Services	760,173	760,173
44 Other Operating Expense	72,241	72,241

45 **BUREAU OF MINES AND MINING**

46 Personal Services	169,689	169,689
47 Other Operating Expense	24,541	24,541

48 **QUALITY, METRICS, AND STATISTICS (MIS)**

49 Other Operating Expense	124,530	124,530
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1	OCCUPATIONAL SAFETY AND HEALTH		
2	Other Operating Expense	2,021,475	2,021,475
3			
4	The above appropriations for occupational safety and health and M.I.S. research and		
5	statistics reflect only the general fund portion of the total program costs of the		
6	Indiana occupational safety and health plan as approved by the U.S. department of		
7	labor. It is the intention of the general assembly that the Indiana department of		
8	labor make application to the federal government for the federal share of the total		
9	program costs.		
10			
11	EMPLOYMENT OF YOUTH		
12	Employment of Youth Fund (IC 20-33-3-42)		
13	Total Operating Expense	167,826	167,826
14	Augmentation allowed.		
15	INSAFE		
16	Special Fund for Safety and Health Consultation Services (IC 22-8-1.1-48)		
17	Other Operating Expense	182,206	182,206
18	Augmentation allowed.		
19			
20	FOR THE DEPARTMENT OF INSURANCE		
21	Department of Insurance Fund (IC 27-1-3-28)		
22	Personal Services	5,193,033	5,193,033
23	Other Operating Expense	853,438	853,438
24	Augmentation allowed.		
25	BAIL BOND DIVISION		
26	Bail Bond Enforcement and Administration Fund (IC 27-10-5-1)		
27	Personal Services	199,489	199,489
28	Other Operating Expense	8,120	8,120
29	Augmentation allowed.		
30	PATIENT'S COMPENSATION AUTHORITY		
31	Patient's Compensation Fund (IC 34-18-6-1)		
32	Personal Services	608,374	608,374
33	Other Operating Expense	941,152	941,152
34	Augmentation allowed.		
35	POLITICAL SUBDIVISION RISK MANAGEMENT		
36	Political Subdivision Risk Management Fund (IC 27-1-29-10)		
37	Other Operating Expense	66,940	66,940
38	Augmentation allowed.		
39	MINE SUBSIDENCE INSURANCE		
40	Mine Subsidence Insurance Fund (IC 27-7-9-7)		
41	Personal Services	57,035	57,035
42	Other Operating Expense	600,447	600,447
43	Augmentation allowed.		
44	TITLE INSURANCE ENFORCEMENT OPERATING		
45	Title Insurance Enforcement Fund (IC 27-7-3.6-1)		
46	Personal Services	312,263	312,263
47	Other Operating Expense	69,255	69,255
48	Augmentation allowed.		
49			

	<i>FY 2013-2014 Appropriation</i>	<i>FY 2014-2015 Appropriation</i>	<i>Biennial Appropriation</i>
1	FOR THE ALCOHOL AND TOBACCO COMMISSION		
2	Enforcement and Administration Fund (IC 7.1-4-10-1)		
3	Personal Services	8,157,675	8,157,675
4	Other Operating Expense	1,875,548	1,839,996
5	Augmentation allowed.		
6			
7	YOUTH TOBACCO EDUCATION AND ENFORCEMENT		
8	Youth Tobacco Education and Enforcement Fund (IC 7.1-6-2-6)		
9	Total Operating Expense	170,000	170,000
10	Augmentation allowed.		
11			
12	FOR THE DEPARTMENT OF FINANCIAL INSTITUTIONS		
13	Financial Institutions Fund (IC 28-11-2-9)		
14	Personal Services	6,136,668	6,136,668
15	Other Operating Expense	1,314,823	1,314,823
16	Augmentation allowed.		
17			
18	FOR THE PROFESSIONAL LICENSING AGENCY		
19	Personal Services	4,512,866	4,512,866
20	Other Operating Expense	420,282	420,282
21	INSPECT PROGRAM		
22	Controlled Substances Data Fund (IC 35-48-7-13.1)		
23	Total Operating Expense	1,000,000	1,000,000
24	Augmentation allowed.		
25	COSMETOLOGY AND BARBER EXAMINERS COMPLIANCE		
26	Cosmetology and Barber Examiners Compliance Fund (IC 25-8-3-30)		
27	Total Operating Expense	1	1
28	Augmentation allowed.		
29	PRENEED CONSUMER PROTECTION		
30	Preneed Consumer Protection Fund (IC 30-2-13-28)		
31	Total Operating Expense	50,000	50,000
32	Augmentation allowed.		
33	BOARD OF FUNERAL AND CEMETERY SERVICE		
34	Funeral Service Education Fund (IC 25-15-9-13)		
35	Total Operating Expense	250	250
36	Augmentation allowed.		
37	DENTAL PROFESSION INVESTIGATION		
38	Dental Compliance Fund (IC 25-14-1-3.7)		
39	Total Operating Expense	1	1
40	Augmentation allowed.		
41	PHYSICIAN INVESTIGATION		
42	Physician Compliance Fund (IC 25-22.5-2-8)		
43	Total Operating Expense	1	1
44	Augmentation allowed.		
45			
46	FOR THE CIVIL RIGHTS COMMISSION		
47	Personal Services	1,715,970	1,715,970
48	Other Operating Expense	115,850	115,850
49			

	<i>FY 2013-2014 Appropriation</i>	<i>FY 2014-2015 Appropriation</i>	<i>Biennial Appropriation</i>
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	<i>FY 2013-2014 Appropriation</i>	<i>FY 2014-2015 Appropriation</i>	<i>Biennial Appropriation</i>
1	Augmentation allowed.		
2	STATEWIDE FIRE AND BUILDING SAFETY EDUCATION FUND		
3	Statewide Fire & Building Safety Educ. Fund (IC 22-12-6-3)		
4	Total Operating Expense	101,123	101,123
5	Augmentation allowed.		
6	SECURED SCHOOL SAFETY GRANTS		
7	Total Operating Expense		20,000,000
8			
9	SECTION 5. [EFFECTIVE JULY 1, 2013]		
10			
11	CONSERVATION AND ENVIRONMENT		
12			
13	A. NATURAL RESOURCES		
14			
15	FOR THE DEPARTMENT OF NATURAL RESOURCES - ADMINISTRATION		
16	Personal Services	7,169,894	7,169,894
17	Other Operating Expense	2,369,779	2,369,779
18	DNR OPEB CONTRIBUTION		
19	Total Operating Expense	909,982	786,235
20	ENTOMOLOGY AND PLANT PATHOLOGY DIVISION		
21	Personal Services	407,059	407,059
22	Other Operating Expense	83,645	83,645
23	ENTOMOLOGY AND PLANT PATHOLOGY FUND		
24	Entomology and Plant Pathology Fund (IC 14-24-10-3)		
25	Total Operating Expense		772,648
26	Augmentation allowed.		
27	DNR ENGINEERING DIVISION		
28	Personal Services	1,731,284	1,731,284
29	Other Operating Expense	70,711	70,711
30	HISTORIC PRESERVATION DIVISION		
31	Personal Services	322,844	322,844
32	Other Operating Expense	321,137	321,137
33	DIVISION OF HISTORIC PRESERVATION AND ARCHAEOLOGY DEDICATED		
34	Total Operating Expense	26,845	26,845
35	LINCOLN PRODUCTION		
36	Total Operating Expense	213,400	213,400
37	WABASH RIVER HERITAGE CORRIDOR		
38	Wabash River Heritage Corridor Fund (IC 14-13-6-23)		
39	Total Operating Expense	193,000	193,000
40	OUTDOOR RECREATION DIVISION		
41	Personal Services	494,645	494,645
42	Other Operating Expense	56,078	56,078
43	NATURE PRESERVES DIVISION		
44	Personal Services	836,193	836,193
45	Other Operating Expense	137,704	137,704
46	WATER DIVISION		
47	Personal Services	4,176,425	4,176,425
48	Other Operating Expense	625,001	625,001
49			

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

6
 7 **DEER RESEARCH AND MANAGEMENT**

8 Deer Research and Management Fund (IC 14-22-5-2)

9 Total Operating Expense	138,283	138,283
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10 Augmentation allowed.

11 **OIL AND GAS DIVISION**

12 Oil and Gas Fund (IC 6-8-1-27)

13 Personal Services	1,220,747	1,220,747
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14 Other Operating Expense	369,692	369,692
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15 Augmentation allowed.

16 **DEPT. OF NATURAL RESOURCES - USEPA**

17 Oil and Gas Fund (IC 6-8-1-27)

18 Total Operating Expense	55,000	55,000
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19 Augmentation allowed.

20 **STATE PARKS AND RESERVOIRS**

21 From the General Fund

22 9,197,431	9,197,431
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23 From the State Parks and Reservoirs Special Revenue Fund (IC 14-19-8-2)

24 24,575,124	24,575,124
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25 Augmentation allowed from the State Parks and Reservoirs Special Revenue Fund.

26
 27 The amounts specified from the General Fund and the State Parks and Reservoirs
 28 Special Revenue Fund are for the following purposes:

30 Personal Services	24,688,900	24,688,900
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31 Other Operating Expense	9,083,655	9,083,655
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32
 33 **OFF-ROAD VEHICLE AND SNOWMOBILE FUND**

34 Off-Road Vehicle and Snowmobile Fund (IC 14-16-1-30)

35 Total Operating Expense	270,048	270,048
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36 Augmentation allowed.

37 **DNR LAW ENFORCEMENT DIVISION**

38 From the General Fund

39 8,390,747	8,390,747
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40 From the Fish and Wildlife Fund (IC 14-22-3-2)

41 12,713,124	12,713,124
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42 Augmentation allowed from the Fish and Wildlife Fund.

43
 44 The amounts specified from the General Fund and the Fish and Wildlife Fund are for
 45 the following purposes:

47 Personal Services	18,393,437	18,393,437
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48 Other Operating Expense	2,710,434	2,710,434
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	<i>FY 2013-2014</i>	<i>FY 2014-2015</i>	<i>Biennial</i>
	<i>Appropriation</i>	<i>Appropriation</i>	<i>Appropriation</i>
1	INDIANA SPORTSMEN BENEVOLENCE		
2		150,000	150,000
3	FISH AND WILDLIFE DIVISION		
4	Fish and Wildlife Fund (IC 14-22-3-2)		
5		3,776,377	3,776,377
6		6,000,120	6,000,120
7	Augmentation allowed.		
8	IND. DEPT. OF NATURAL RESOURCES - FISH & WILDLIFE/U.S. DEPT. OF THE INTERIOR		
9	Deer Research and Management Fund (IC 14-22-5-2)		
10		33,282	33,282
11	Fish and Wildlife Fund (IC 14-22-3-2)		
12		2,436,565	2,436,565
13	Augmentation allowed.		
14	FORESTRY DIVISION		
15	From the General Fund		
16	4,091,210	3,841,210	
17	From the State Forestry Fund (IC 14-23-3-2)		
18	5,363,104	5,363,104	
19	Augmentation allowed from the State Forestry Fund.		
20			
21	The amounts specified from the General Fund and the State Forestry Fund are for		
22	the following purposes:		
23			
24		6,600,089	6,600,089
25		2,854,225	2,604,225
26			
27	In addition to any of the foregoing appropriations for the department of natural		
28	resources, any federal funds received by the state of Indiana for support of approved		
29	outdoor recreation projects for planning, acquisition, and development under the		
30	provisions of the federal Land and Water Conservation Fund Act, P.L.88-578, are		
31	appropriated for the uses and purposes for which the funds were paid to the state,		
32	and shall be distributed by the department of natural resources to state agencies		
33	and other governmental units in accordance with the provisions under which the		
34	funds were received.		
35			
36	DNR DEPARTMENT OF COMMERCE, LAKE MICHIGAN COASTAL		
37	Cigarette Tax Fund (IC 6-7-1-29.1)		
38		120,941	120,941
39	Augmentation allowed.		
40	LAKE AND RIVER ENHANCEMENT		
41	Lake and River Enhancement Fund (IC 6-6-11-12.5)		
42			4,285,130
43	Augmentation allowed.		
44	HERITAGE TRUST		
45	General Fund		
46		597,000	597,000
47			
48	The above appropriation includes \$500,000 each year to match \$25 for every environmental		
49	license plate sold over 46,000 license plates.		

	<i>FY 2013-2014</i>	<i>FY 2014-2015</i>	<i>Biennial</i>
	<i>Appropriation</i>	<i>Appropriation</i>	<i>Appropriation</i>

1			
2	Indiana Heritage Trust Fund (IC 14-12-2-25)		
3	Total Operating Expense	1,200,000	1,200,000
4	Augmentation allowed.		
5	INSTITUTIONAL ROAD CONSTRUCTION		
6	State Highway Fund (IC 8-23-9-54)		
7	Total Operating Expense	2,500,000	2,500,000
8			

9 **The above appropriation for institutional road construction may be used for road**
10 **and bridge construction, relocation, and other related improvement projects at state-owned**
11 **properties managed by the department of natural resources.**

12
13 **B. OTHER NATURAL RESOURCES**

14
15 **FOR THE INDIANA STATE MUSEUM AND HISTORIC SITES CORPORATION**

16	General Fund		
17	Total Operating Expense	7,603,276	7,603,276
18	Indiana State Museum and Historic Sites Corp.		
19	Total Operating Expense	2,221,529	2,221,529
20			

21 **The above appropriation includes \$75,000 each state fiscal year for the Grissom**
22 **Air Museum.**

23
24 **FOR THE WORLD WAR MEMORIAL COMMISSION**

25	Personal Services	572,012	572,012
26	Other Operating Expense	283,669	283,669
27			

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

33
34 **INDIANA BATTLE FLAGS**

35	Total Operating Expense	125,000	125,000
36			

37 **FOR THE WHITE RIVER STATE PARK DEVELOPMENT COMMISSION**

38	Total Operating Expense	790,012	790,012
39			

40 **FOR THE MAUMEE RIVER BASIN COMMISSION**

41	Total Operating Expense	55,784	55,784
42			

43 **FOR THE ST. JOSEPH RIVER BASIN COMMISSION**

44	Total Operating Expense	55,784	55,784
45			

46 **FOR THE KANKAKEE RIVER BASIN COMMISSION**

47	Total Operating Expense	55,784	55,784
48			

49 **C. ENVIRONMENTAL MANAGEMENT**

1
2 **FOR THE DEPARTMENT OF ENVIRONMENTAL MANAGEMENT**
3 **ADMINISTRATION**

4 **From the General Fund**

5 **2,778,607 2,778,607**

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

7 **541,828 541,828**

8 **From the Indiana Recycling Promotion and Assistance Fund (IC 4-23-5.5-14)**

9 **541,827 541,827**

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

11 **302,175 302,175**

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

13 **958,620 958,620**

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

15 **41,680 41,680**

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

17 **41,676 41,676**

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

19 **41,680 41,680**

20 **From the Electronic Waste Fund (IC 13-20.5-2-3)**

21 **10,421 10,421**

22 **From the Asbestos Trust Fund (IC 13-17-6-3)**

23 **20,840 20,840**

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

25 **83,358 83,358**

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

27 **1,583,807 1,583,807**

28 **Augmentation allowed from the State Solid Waste Management Fund, Indiana**
29 **Recycling Promotion and Assistance Fund, Waste Tire Management Fund, Title V**
30 **Operating Permit Program Trust Fund, Environmental Management Permit**
31 **Operation Fund, Environmental Management Special Fund, Hazardous Substances**
32 **Response Trust Fund, Asbestos Trust Fund, Underground Petroleum Storage Tank**
33 **Trust Fund, and Underground Petroleum Storage Tank Excess Liability Trust**
34 **Fund.**

35
36 **The amounts specified from the General Fund, State Solid Waste Management Fund,**
37 **Indiana Recycling Promotion and Assistance Fund, Waste Tire Management Fund,**
38 **Title V Operating Permit Program Trust Fund, Environmental Management Permit**
39 **Operation Fund, Environmental Management Special Fund, Hazardous Substances**
40 **Response Trust Fund, Asbestos Trust Fund, Underground Petroleum Storage Tank**
41 **Trust Fund, and Underground Petroleum Storage Tank Excess Liability Trust Fund**
42 **are for the following purposes:**

44 Personal Services	5,175,569	5,175,569
45 Other Operating Expense	1,770,950	1,770,950

46
47 **IDEM LABORATORY CONTRACTS**

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

49 Total Operating Expense	169,209	169,209
-----------------------------------	----------------	----------------

1 **Augmentation allowed.**

2

3 **OFFICE OF WATER QUALITY LABORATORY CONTRACTS**

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

5 **Total Operating Expense 935,725 935,725**

6 **Augmentation allowed.**

7

8 **NORTHWEST REGIONAL OFFICE**

9 **From the General Fund**

10 **197,404 197,404**

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

12 **38,494 38,494**

13 **From the Indiana Recycling Promotion and Assistance Fund (IC 4-23-5.5-14)**

14 **38,490 38,490**

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

16 **21,470 21,470**

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

18 **68,105 68,105**

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

20 **2,962 2,962**

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

22 **2,962 2,962**

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

24 **2,962 2,962**

25 **From the Electronic Waste Fund (IC 13-20.5-2-3)**

26 **739 739**

27 **From the Asbestos Trust Fund (IC 13-17-6-3)**

28 **1,480 1,480**

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

30 **5,923 5,923**

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

32 **112,520 112,520**

33 **Augmentation allowed from the State Solid Waste Management Fund, Indiana**
34 **Recycling Promotion and Assistance Fund, Waste Tire Management Fund, Title V**
35 **Operating Permit Program Trust Fund, Environmental Management Permit**
36 **Operation Fund, Environmental Management Special Fund, Hazardous Substances**
37 **Response Trust Fund, Asbestos Trust Fund, and Underground Petroleum Storage**
38 **Tank Trust Fund.**

39

40 **The amounts specified from the General Fund, State Solid Waste Management Fund,**
41 **Indiana Recycling Promotion and Assistance Fund, Waste Tire Management Fund,**
42 **Title V Operating Permit Program Trust Fund, Environmental Management Permit**
43 **Operation Fund, Environmental Management Special Fund, Hazardous Substances**
44 **Response Trust Fund, Asbestos Trust Fund, and Underground Petroleum Storage Tank**
45 **Trust Fund are for the following purposes:**

46

47 **Personal Services 292,261 292,261**

48 **Other Operating Expense 201,250 201,250**

49

1	NORTHERN REGIONAL OFFICE		
2	From the General Fund		
3	157,096	157,096	
4	From the State Solid Waste Management Fund (IC 13-20-22-2)		
5	30,635	30,635	
6	From the Indiana Recycling Promotion and Assistance Fund (IC 4-23-5.5-14)		
7	30,634	30,634	
8	From the Waste Tire Management Fund (IC 13-20-13-8)		
9	17,084	17,084	
10	From the Title V Operating Permit Program Trust Fund (IC 13-17-8-1)		
11	54,199	54,199	
12	From the Environmental Management Permit Operation Fund (IC 13-15-11-1)		
13	2,356	2,356	
14	From the Environmental Management Special Fund (IC 13-14-12-1)		
15	2,356	2,356	
16	From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)		
17	2,357	2,357	
18	From the Electronic Waste Fund (IC 13-20.5-2-3)		
19	590	590	
20	From the Asbestos Trust Fund (IC 13-17-6-3)		
21	1,178	1,178	
22	From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)		
23	4,712	4,712	
24	From the Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)		
25	89,544	89,544	
26	Augmentation allowed from the State Solid Waste Management Fund, Indiana		
27	Recycling Promotion and Assistance Fund, Waste Tire Management Fund, Title		
28	V Operating Permit Program Trust Fund, Environmental Management Permit		
29	Operation Fund, Environmental Management Special Fund, Hazardous Substances		
30	Response Trust Fund, Asbestos Trust Fund, and Underground Petroleum Storage		
31	Tank Trust Fund.		

32
33 The amounts specified from the General Fund, State Solid Waste Management Fund,
34 Indiana Recycling Promotion and Assistance Fund, Waste Tire Management Fund,
35 Title V Operating Permit Program Trust Fund, Environmental Management Permit
36 Operation Fund, Environmental Management Special Fund, Hazardous Substances
37 Response Trust Fund, Asbestos Trust Fund, and Underground Petroleum Storage
38 Tank Trust Fund are for the following purposes:

39			
40	Personal Services	233,521	233,521
41	Other Operating Expense	159,220	159,220
42			

43	SOUTHEAST REGIONAL OFFICE		
44	From the General Fund		
45	127,364	127,364	
46	From the State Solid Waste Management Fund (IC 13-20-22-2)		
47	24,835	24,835	
48	From the Indiana Recycling Promotion and Assistance Fund (IC 4-23-5.5-14)		
49	24,842	24,842	

1	From the Waste Tire Management Fund (IC 13-20-13-8)		
2		13,851	13,851
3	From the Title V Operating Permit Program Trust Fund (IC 13-17-8-1)		
4		43,941	43,941
5	From the Environmental Management Permit Operation Fund (IC 13-15-11-1)		
6		1,909	1,909
7	From the Environmental Management Special Fund (IC 13-14-12-1)		
8		1,909	1,909
9	From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)		
10		1,909	1,909
11	From the Electronic Waste Fund (IC 13-20.5-2-3)		
12		477	477
13	From the Asbestos Trust Fund (IC 13-17-6-3)		
14		956	956
15	From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)		
16		3,821	3,821
17	From the Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)		
18		72,597	72,597
19	Augmentation allowed from the State Solid Waste Management Fund, Indiana		
20	Recycling Promotion and Assistance Fund, Waste Tire Management Fund, Title		
21	V Operating Permit Program Trust Fund, Environmental Management Permit		
22	Operation Fund, Environmental Management Special Fund, Hazardous Substances		
23	Response Trust Fund, Asbestos Trust Fund, and Underground Petroleum Storage		
24	Tank Trust Fund.		

25
26 **The amounts specified from the General Fund, State Solid Waste Management Fund,**
27 **Indiana Recycling Promotion and Assistance Fund, Waste Tire Management Fund,**
28 **Title V Operating Permit Program Trust Fund, Environmental Management Permit**
29 **Operation Fund, Environmental Management Special Fund, Hazardous Substances**
30 **Response Trust Fund, Asbestos Trust Fund, and Underground Petroleum Storage**
31 **Tank Trust Fund are for the following purposes:**

32			
33	Personal Services	233,261	233,261
34	Other Operating Expense	85,150	85,150
35			

36 **SOUTHWEST REGIONAL OFFICE**

37	From the General Fund		
38		119,092	119,092
39	From the State Solid Waste Management Fund (IC 13-20-22-2)		
40		23,223	23,223
41	From the Indiana Recycling Promotion and Assistance Fund (IC 4-23-5.5-14)		
42		23,217	23,217
43	From the Waste Tire Management Fund (IC 13-20-13-8)		
44		12,952	12,952
45	From the Title V Operating Permit Program Trust Fund (IC 13-17-8-1)		
46		41,087	41,087
47	From the Environmental Management Permit Operation Fund (IC 13-15-11-1)		
48		1,787	1,787
49	From the Environmental Management Special Fund (IC 13-14-12-1)		

1		1,787	1,787
2	From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)		
3		1,787	1,787
4	From the Electronic Waste Fund (IC 13-20.5-2-3)		
5		447	447
6	From the Asbestos Trust Fund (IC 13-17-6-3)		
7		895	895
8	From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)		
9		3,573	3,573
10	From the Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)		
11		67,882	67,882
12	Augmentation allowed from the State Solid Waste Management Fund, Indiana		
13	Recycling Promotion and Assistance Fund, Waste Tire Management Fund, Title		
14	V Operating Permit Program Trust Fund, Environmental Management Permit		
15	Operation Fund, Environmental Management Special Fund, Hazardous Substances		
16	Response Trust Fund, Asbestos Trust Fund, and Underground Petroleum Storage		
17	Tank Trust Fund.		
18			
19	The amounts specified from the General Fund, State Solid Waste Management Fund,		
20	Indiana Recycling Promotion and Assistance Fund, Waste Tire Management Fund,		
21	Title V Operating Permit Program Trust Fund, Environmental Management Permit		
22	Operation Fund, Environmental Management Special Fund, Hazardous Substances		
23	Response Trust Fund, Asbestos Trust Fund, and Underground Petroleum Storage		
24	Tank Trust Fund are for the following purposes:		
25			
26	Personal Services	212,629	212,629
27	Other Operating Expense	85,100	85,100
28			
29	IDEM LEGAL AFFAIRS		
30	From the General Fund		
31		590,934	590,934
32	From the State Solid Waste Management Fund (IC 13-20-22-2)		
33		125,341	125,341
34	From the Indiana Recycling Promotion and Assistance Fund (IC 4-23-5.5-14)		
35		125,336	125,336
36	From the Waste Tire Management Fund (IC 13-20-13-8)		
37		69,901	69,901
38	From the Title V Operating Permit Program Trust Fund (IC 13-17-8-1)		
39		221,756	221,756
40	From the Environmental Management Permit Operation Fund (IC 13-15-11-1)		
41		9,643	9,643
42	From the Environmental Management Special Fund (IC 13-14-12-1)		
43		9,643	9,643
44	From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)		
45		9,642	9,642
46	From the Electronic Waste Fund (IC 13-20.5-2-3)		
47		2,411	2,411
48	From the Asbestos Trust Fund (IC 13-17-6-3)		
49		4,822	4,822

1 **Response Trust Fund, Asbestos Trust Fund, and Underground Petroleum Storage**
2 **Tank Trust Fund.**

3

4 **The amounts specified from the General Fund, State Solid Waste Management Fund,**
5 **Indiana Recycling Promotion and Assistance Fund, Waste Tire Management Fund,**
6 **Title V Operating Permit Program Trust Fund, Environmental Management Permit**
7 **Operation Fund, Environmental Management Special Fund, Hazardous Substances**
8 **Response Trust Fund, Asbestos Trust Fund, and Underground Petroleum Storage**
9 **Tank Trust Fund are for the following purposes:**

10

11 Personal Services	276,750	276,750
12 Other Operating Expense	42,946	42,946

13

14 **IDEM MEDIA AND COMMUNICATIONS**

15

16 From the General Fund		
	443,307	443,307
17 From the State Solid Waste Management Fund (IC 13-20-22-2)		
	86,445	86,445
19 From the Indiana Recycling Promotion and Assistance Fund (IC 4-23-5.5-14)		
	86,437	86,437
21 From the Waste Tire Management Fund (IC 13-20-13-8)		
	48,213	48,213
23 From the Title V Operating Permit Program Trust Fund (IC 13-17-8-1)		
	152,942	152,942
25 From the Environmental Management Permit Operation Fund (IC 13-15-11-1)		
	6,650	6,650
27 From the Environmental Management Special Fund (IC 13-14-12-1)		
	6,650	6,650
29 From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)		
	6,650	6,650
31 From the Electronic Waste Fund (IC 13-20.5-2-3)		
	1,664	1,664
33 From the Asbestos Trust Fund (IC 13-17-6-3)		
	3,326	3,326
35 From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)		
	13,299	13,299
37 From the Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)		
	252,686	252,686
39 Augmentation allowed from the State Solid Waste Management Fund, Indiana 40 Recycling Promotion and Assistance Fund, Waste Tire Management Fund, Title V 41 Operating Permit Program Trust Fund, Environmental Management Permit Operation 42 Fund, Environmental Management Special Fund, Hazardous Substances Response 43 Trust Fund, Asbestos Trust Fund, Underground Petroleum Storage Tank Trust 44 Fund, and Underground Petroleum Storage Tank Excess Liability Trust Fund.		

45

46 **The amounts specified from the General Fund, State Solid Waste Management Fund,**
47 **Indiana Recycling Promotion and Assistance Fund, Waste Tire Management Fund,**
48 **Title V Operating Permit Program Trust Fund, Environmental Management Permit**
49 **Operation Fund, Environmental Management Special Fund, Hazardous Substances**

1 **Response Trust Fund, Asbestos Trust Fund, Underground Petroleum Storage Tank**
2 **Trust Fund, and Underground Petroleum Storage Tank Excess Liability Trust Fund,**
3 **are for the following purposes:**

4			
5	Personal Services	988,984	988,984
6	Other Operating Expense	119,285	119,285

7

8 **IDEM PLANNING AND ASSESSMENT**

9 **From the General Fund**

10	416,314	416,314	
11	From the State Solid Waste Management Fund (IC 13-20-22-2)		
12	162,363	162,363	
13	From the Indiana Recycling Promotion and Assistance Fund (IC 4-23-5.5-14)		
14	162,356	162,356	
15	From the Waste Tire Management Fund (IC 13-20-13-8)		
16	90,549	90,549	
17	From the Title V Operating Permit Program Trust Fund (IC 13-17-8-1)		
18	287,258	287,258	
19	From the Environmental Management Permit Operation Fund (IC 13-15-11-1)		
20	12,490	12,490	
21	From the Environmental Management Special Fund (IC 13-14-12-1)		
22	12,490	12,490	
23	From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)		
24	12,490	12,490	
25	From the Electronic Waste Fund (IC 13-20.5-2-3)		
26	3,123	3,123	
27	From the Asbestos Trust Fund (IC 13-17-6-3)		
28	6,245	6,245	
29	From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)		
30	24,980	24,980	
31	From the Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)		
32	474,600	474,600	

33 **Augmentation allowed from the State Solid Waste Management Fund, Indiana**
34 **Recycling Promotion and Assistance Fund, Waste Tire Management Fund, Title V**
35 **Operating Permit Program Trust Fund, Environmental Management Permit Operation**
36 **Fund, Environmental Management Special Fund, Hazardous Substances Response**
37 **Trust Fund, Asbestos Trust Fund, Underground Petroleum Storage Tank Trust**
38 **Fund, and Underground Petroleum Storage Tank Excess Liability Trust Fund.**

39

40 **The amounts specified from the General Fund, State Solid Waste Management Fund,**
41 **Indiana Recycling Promotion and Assistance Fund, Waste Tire Management Fund,**
42 **Title V Operating Permit Program Trust Fund, Environmental Management Permit**
43 **Operation Fund, Environmental Management Special Fund, Hazardous Substances**
44 **Response Trust Fund, Asbestos Trust Fund, Underground Petroleum Storage Tank**
45 **Trust Fund, and Underground Petroleum Storage Tank Excess Liability Trust Fund**
46 **are for the following purposes:**

47			
48	Personal Services	1,561,958	1,561,958
49	Other Operating Expense	103,300	103,300

1			
2	OHIO RIVER VALLEY WATER SANITATION COMMISSION		
3	Environmental Management Special Fund (IC 13-14-12-1)		
4	Total Operating Expense	270,200	270,200
5	Augmentation allowed.		
6	OFFICE OF ENVIRONMENTAL RESPONSE		
7	Personal Services	2,329,953	2,329,953
8	Other Operating Expense	410,726	410,726
9	POLLUTION PREVENTION AND TECHNICAL ASSISTANCE		
10	Personal Services	890,786	890,786
11	Other Operating Expense	142,035	142,035
12	PPG PCB INSPECTION		
13	Environmental Management Permit Operation Fund (IC 13-15-11-1)		
14	Total Operating Expense	20,000	20,000
15	Augmentation allowed.		
16	U.S. GEOLOGICAL SURVEY CONTRACTS		
17	Environmental Management Special Fund (IC 13-14-12-1)		
18	Total Operating Expense	53,096	53,096
19	Augmentation allowed.		
20	STATE SOLID WASTE GRANTS MANAGEMENT		
21	State Solid Waste Management Fund (IC 13-20-22-2)		
22	Personal Services	129,714	129,714
23	Other Operating Expense	222,546	222,546
24	Augmentation allowed.		
25	RECYCLING OPERATING		
26	Indiana Recycling Promotion and Assistance Fund (IC 4-23-5.5-14)		
27	Personal Services	163,889	163,889
28	Other Operating Expense	283,259	283,259
29	Augmentation allowed.		
30	RECYCLING PROMOTION AND ASSISTANCE PROGRAM		
31	Indiana Recycling Promotion and Assistance Fund (IC 4-23-5.5-14)		
32	Total Operating Expense	3,508,280	3,508,280
33	Augmentation allowed.		
34	VOLUNTARY CLEAN-UP PROGRAM		
35	Voluntary Remediation Fund (IC 13-25-5-21)		
36	Personal Services	698,186	698,186
37	Other Operating Expense	277,385	277,385
38	Augmentation allowed.		
39	TITLE V AIR PERMIT PROGRAM		
40	Title V Operating Permit Program Trust Fund (IC 13-17-8-1)		
41	Personal Services	10,283,934	10,283,934
42	Other Operating Expense	1,667,789	1,667,789
43	Augmentation allowed.		
44	WATER MANAGEMENT PERMITTING		
45	From the General Fund		
46	1,588,844	1,588,844	
47	From the Environmental Management Permit Operation Fund (IC 13-15-11-1)		
48	5,633,173	5,633,173	
49	Augmentation allowed from the Environmental Management Permit Operation Fund.		

1 **AIR MANAGEMENT OPERATING**

2 From the General Fund		
3 391,495	391,495	
4 From the Environmental Management Special Fund (IC 13-14-12-1)		
5 649,708	649,708	
6 Augmentation allowed from the Environmental Management Special Fund.		

7
8 **The amounts specified from the General Fund and the Environmental Management**
9 **Special Fund are for the following purposes:**

10			
11	Personal Services	723,853	723,853
12	Other Operating Expense	317,350	317,350

13
14 **WATER MANAGEMENT NONPERMITTING**

15	Personal Services	3,160,045	3,160,045
16	Other Operating Expense	932,436	932,436

17 **LEAKING UNDERGROUND STORAGE TANKS**

18	Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)		
19	Personal Services	172,263	172,263
20	Other Operating Expense	22,811	22,811

21 Augmentation allowed.

22 **AUTO EMISSIONS TESTING PROGRAM**

23	Personal Services	74,523	74,523
24	Other Operating Expense	5,369,499	5,369,499

25
26 **The above appropriations for auto emissions testing are the maximum amounts available**
27 **for this purpose. If it becomes necessary to conduct additional tests in other locations,**
28 **the above appropriations shall be prorated among all locations.**
29

30 **HAZARDOUS WASTE SITES - STATE CLEAN-UP**

31	Hazardous Substances Response Trust Fund (IC 13-25-4-1)		
32	Personal Services	1,829,426	1,829,426
33	Other Operating Expense	246,824	246,824

34 Augmentation allowed.

35 **HAZARDOUS WASTE - NATURAL RESOURCE DAMAGES**

36	Hazardous Substances Response Trust Fund (IC 13-25-4-1)		
37	Personal Services	176,555	176,555
38	Other Operating Expense	171,192	171,192

39 Augmentation allowed.

40 **SUPERFUND MATCH**

41	Hazardous Substances Response Trust Fund (IC 13-25-4-1)		
42	Total Operating Expense	987,706	987,706

43 Augmentation allowed.

44 **HOUSEHOLD HAZARDOUS WASTE**

45	Hazardous Substances Response Trust Fund (IC 13-25-4-1)		
46	Other Operating Expense	37,144	37,144

47 Augmentation allowed.

48 **ASBESTOS TRUST - OPERATING**

49 Asbestos Trust Fund (IC 13-17-6-3)

	<i>FY 2013-2014 Appropriation</i>	<i>FY 2014-2015 Appropriation</i>	<i>Biennial Appropriation</i>
1	Personal Services	457,353	457,353
2	Other Operating Expense	40,759	40,759
3	Augmentation allowed.		
4	UNDERGROUND PETROLEUM STORAGE TANK - OPERATING		
5	Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)		
6	Personal Services	2,296,414	2,296,414
7	Other Operating Expense	36,670,346	36,670,346
8	Augmentation allowed.		
9	WASTE TIRE MANAGEMENT		
10	Waste Tire Management Fund (IC 13-20-13-8)		
11	Total Operating Expense	500,115	500,115
12	Augmentation allowed.		
13	WASTE TIRE RE-USE		
14	Waste Tire Management Fund (IC 13-20-13-8)		
15	Total Operating Expense	32,782	32,782
16	Augmentation allowed.		
17	VOLUNTARY COMPLIANCE		
18	Environmental Management Special Fund (IC 13-14-12-1)		
19	Personal Services	661,897	661,897
20	Other Operating Expense	76,564	76,564
21	Augmentation allowed.		
22	ENVIRONMENTAL MANAGEMENT SPECIAL FUND - OPERATING		
23	Environmental Management Special Fund (IC 13-14-12-1)		
24	Total Operating Expense	641,476	641,476
25	Augmentation allowed.		
26	WETLANDS PROTECTION		
27	Environmental Management Special Fund (IC 13-14-12-1)		
28	Total Operating Expense	75,384	75,384
29	Augmentation allowed.		
30	PETROLEUM TRUST - OPERATING		
31	Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)		
32	Personal Services	221,693	221,693
33	Other Operating Expense	49,819	49,819
34	Augmentation allowed.		
35			
36	Notwithstanding any other law, with the approval of the governor and the budget		
37	agency, the above appropriations for hazardous waste management permitting,		
38	wetlands protection, groundwater program, underground storage tank program,		
39	air management operating, asbestos trust operating, water management nonpermitting,		
40	safe drinking water program, and any other appropriation eligible to be included in a		
41	performance partnership grant may be used to fund activities incorporated into a		
42	performance partnership grant between the United States Environmental Protection		
43	Agency and the department of environmental management.		
44			
45	FOR THE OFFICE OF ENVIRONMENTAL ADJUDICATION		
46	Personal Services	272,443	272,443
47	Other Operating Expense	19,698	19,698
48			
49	SECTION 6. [EFFECTIVE JULY 1, 2013]		

1			
2	ECONOMIC DEVELOPMENT		
3			
4	A. AGRICULTURE		
5			
6	FOR THE DEPARTMENT OF AGRICULTURE		
7	Personal Services	1,533,838	1,533,838
8	Other Operating Expense	751,290	809,581
9	DISTRIBUTIONS TO FOOD BANKS		
10	Total Operating Expense	300,000	300,000
11	CLEAN WATER INDIANA		
12	General Fund		
13	Total Operating Expense	1,000,000	1,000,000
14	Cigarette Tax Fund (IC 6-7-1-29.1)		
15	Total Operating Expense	3,014,201	3,014,201
16	SOIL CONSERVATION DIVISION		
17	Cigarette Tax Fund (IC 6-7-1-29.1)		
18	Total Operating Expense	1,301,179	1,301,179
19	Augmentation allowed.		
20	GRAIN BUYERS AND WAREHOUSE LICENSING		
21	Grain Buyers and Warehouse Licensing Agency License Fee Fund (IC 26-3-7-6.3)		
22	Total Operating Expense	244,768	244,768
23	Augmentation allowed.		
24			
25	B. COMMERCE		
26			
27	FOR THE LIEUTENANT GOVERNOR		
28	RURAL ECONOMIC DEVELOPMENT FUND		
29	Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
30	Total Operating Expense	1,234,846	1,234,846
31	OFFICE OF TOURISM		
32	Total Operating Expense	1,200,000	1,200,000
33			
34	Of the above appropriations, the office of tourism shall distribute \$500,000 each		
35	year to the Indiana sports corporation to promote the hosting of amateur sporting		
36	events in Indiana cities. Funds may be released after review by the budget committee.		
37			
38	The office may retain any advertising revenue generated by the office. Any revenue		
39	received is in addition to the above appropriation and is appropriated for the purposes		
40	of the office.		
41			
42	MARKETING DEVELOPMENT GRANT		
43	Total Operating Expense	1,200,000	1,200,000
44			
45	Of the above appropriation, five hundred thousand dollars (\$500,000) each year shall		
46	be used to match other funds in coordination with the Association of Indiana Convention		
47	and Visitors Bureaus.		
48			
49	OFFICE OF DEFENSE DEVELOPMENT		

	<i>FY 2013-2014 Appropriation</i>	<i>FY 2014-2015 Appropriation</i>	<i>Biennial Appropriation</i>
1	Total Operating Expense	641,470	647,485
2			
3	FOR THE OFFICE OF ENERGY DEVELOPMENT		
4	Total Operating Expense	183,000	183,000
5			
6	FOR THE SECRETARY OF COMMERCE		
7	Total Operating Expense	300,000	300,000
8			
9	FOR THE INDIANA ECONOMIC DEVELOPMENT CORPORATION		
10	ADMINISTRATIVE AND FINANCIAL SERVICES		
11	General Fund		
12	Total Operating Expense	6,423,392	6,423,392
13	Training 2000 Fund (IC 5-28-7-5)		
14	Total Operating Expense	185,630	185,630
15	Industrial Development Grant Fund (IC 5-28-25-4)		
16	Total Operating Expense	52,139	52,139
17			
18	The above appropriation includes funding for the development and implementation		
19	of a transparency portal.		
20			
21	IN 21ST CENTURY RESEARCH & TECHNOLOGY FUND		
22	General Fund		
23	Total Operating Expense	14,550,000	14,550,000
24			
25	Of the above appropriation, the Indiana Economic Development Corporation shall allocate		
26	up to \$5,000,000 each year to Indiana public research intensive campuses, as defined		
27	by IC 21-7-13-29.5, in order to support research activities that may have an economic		
28	impact to the state. The Indiana Commission for Higher Education and the Indiana		
29	Economic Development Corporation shall jointly develop policies and procedures regarding		
30	the allocation of state support for research activities by Indiana public research		
31	intensive campuses. The allocated funds to the Indiana public research intensive		
32	campuses remain available and do not revert.		
33			
34	INDIANA RESEARCH INSTITUTE		
35	Total Operating Expense		25,000,000
36			
37	The above appropriation is funded with fifteen million dollars (\$15,000,000) of		
38	unspent FY 2011-2013 general fund capital appropriations and ten million dollars		
39	(\$10,000,000) from the state general fund. The IEDC board shall approve each		
40	grant and shall annually report to the state budget committee.		
41			
42	INTERNATIONAL TRADE		
43	Total Operating Expense	1,232,197	1,232,197
44	ENTERPRISE ZONE PROGRAM		
45	Enterprise Zone Fund (IC 5-28-15-6)		
46	Total Operating Expense	82,450	82,450
47	Augmentation allowed.		
48	LOCAL ECONOMIC DEVELOPMENT ORGANIZATION/ REGIONAL ECONOMIC DEVELOPMENT ORGANIZATION		
49			

	<i>FY 2013-2014</i>	<i>FY 2014-2015</i>	<i>Biennial</i>
	<i>Appropriation</i>	<i>Appropriation</i>	<i>Appropriation</i>
1	(LEDO/REDO) MATCHING GRANT PROGRAM		
2			582,000
3	SKILLS ENHANCEMENT FUND		
4			20,000,000
5	BUSINESS PROMOTION PROGRAM		
6			1,689,506
7	ECONOMIC DEVELOPMENT GRANT AND LOAN PROGRAM		
8			756,128
9	INDUSTRIAL DEVELOPMENT GRANT PROGRAM		
10			5,905,330
11			
12	FOR THE HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY		
13	MORTGAGE FORECLOSURE COUNSELING		
14	Home Ownership Education Fund (IC 5-20-1-27)		
15	1,700,000	1,700,000	
16	Augmentation Allowed.		
17	INDIANA INDIVIDUAL DEVELOPMENT ACCOUNTS		
18	1,000,000	1,000,000	
19			
20	The housing and community development authority shall collect and report to the		
21	family and social services administration (FSSA) all data required for FSSA to meet		
22	the data collection and reporting requirements in 45 CFR Part 265.		
23			
24	Family and social services administration, division of family resources shall apply		
25	all qualifying expenditures for individual development accounts deposits toward Indiana's		
26	maintenance of effort under the federal Temporary Assistance for Needy Families (TANF)		
27	program (45 CFR 260 et seq.).		
28			
29	FOR THE INDIANA FINANCE AUTHORITY		
30	ENVIRONMENTAL REMEDIATION REVOLVING LOAN PROGRAM		
31	Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)		
32	1,500,000	1,500,000	
33			
34	C. EMPLOYMENT SERVICES		
35			
36	FOR THE INDIANA CAREER COUNCIL		
37	375,000	375,000	
38			
39	The above appropriation for the Indiana Career Council includes funds to develop		
40	and operate the Indiana Workforce Intelligence longitudinal data system established		
41	under IC 22-4.5-10.		
42			
43	FOR THE DEPARTMENT OF WORKFORCE DEVELOPMENT		
44	ADMINISTRATION		
45	General Fund		
46	350,170	350,170	
47	Employment Security Special Fund		
48	666,574	666,574	
49	WORK INDIANA PROGRAM		

	<i>FY 2013-2014 Appropriation</i>	<i>FY 2014-2015 Appropriation</i>	<i>Biennial Appropriation</i>
1	Total Operating Expense	2,500,000	2,500,000
2	ADULT VOCATIONAL EDUCATION		
3	Total Operating Expense	206,125	206,125
4	PROPRIETARY EDUCATIONAL INSTITUTIONS		
5	Total Operating Expense	64,576	64,576
6	SPECIAL VOCATIONAL EDUCATION - ADULT BASIC EDUCATION		
7	Total Operating Expense	14,000,000	14,000,000

8
9 **It is the intent of the 2013 general assembly that the above appropriations for**
10 **adult education shall be the total allowable state expenditure for such program.**
11 **Therefore, if the expected disbursements are anticipated to exceed the total**
12 **appropriation for a state fiscal year, the department of workforce development**
13 **shall reduce the distributions proportionately.**

14	DROPOUT PREVENTION		
15	Total Operating Expense	6,000,000	6,000,000

16
17
18 **The above appropriation shall be directed to programs that help to prevent students**
19 **from dropping out of school.**

20
21 **D. OTHER ECONOMIC DEVELOPMENT**

22	FOR THE INDIANA STATE FAIR BOARD		
23	STATE FAIR		
24	Total Operating Expense	6,878,103	6,878,103

25
26
27 **SECTION 7. [EFFECTIVE JULY 1, 2013]**

28
29 **TRANSPORTATION**

30	FOR THE DEPARTMENT OF TRANSPORTATION		
31	RAILROAD GRADE CROSSING IMPROVEMENT		
32	Motor Vehicle Highway Account (IC 8-14-1)		
33	Total Operating Expense	500,000	500,000

34	HIGH SPEED RAIL		
35	Industrial Rail Service Fund (IC 8-3-1.7-2)		
36	Matching Funds		40,000
37	Augmentation allowed.		

38	PUBLIC MASS TRANSPORTATION		
39	Total Operating Expense	42,581,051	42,581,051

40
41
42 **The appropriations are to be used solely for the promotion and development of public**
43 **transportation. The department of transportation shall allocate funds based on a**
44 **formula approved by the commissioner of the department of transportation.**

45
46 **The department of transportation may distribute public mass transportation funds**
47 **to an eligible grantee that provides public transportation in Indiana.**

48
49 **The state funds can be used to match federal funds available under the Federal Transit**

1 Act (49 U.S.C. 1601, et seq.) or local funds from a requesting grantee.

2
3 Before funds may be disbursed to a grantee, the grantee must submit its request for
4 financial assistance to the department of transportation for approval. Allocations
5 must be approved by the governor and the budget agency after review by the budget
6 committee and shall be made on a reimbursement basis. Only applications for capital
7 and operating assistance may be approved. Only those grantees that have met the
8 reporting requirements under IC 8-23-3 are eligible for assistance under this
9 appropriation.

10
11 **HIGHWAY OPERATING**

12	State Highway Fund (IC 8-23-9-54)		
13	Personal Services	208,791,284	204,836,050
14	Other Operating Expense	58,313,106	58,313,106

15
16 **HIGHWAY VEHICLE AND ROAD MAINTENANCE EQUIPMENT**

17	State Highway Fund (IC 8-23-9-54)		
18	Other Operating Expense	17,300,000	17,300,000

19
20 The above appropriations for highway operating and highway vehicle and road
21 maintenance equipment may be used for personal services, equipment, and other
22 operating expense, including the cost of transportation for the governor.

23
24 **HIGHWAY MAINTENANCE WORK PROGRAM**

25	State Highway Fund (IC 8-23-9-54)		
26	Other Operating Expense	78,463,374	80,457,354

27
28 The above appropriations for the highway maintenance work program may be used for:
29 (1) materials for patching roadways and shoulders;
30 (2) repairing and painting bridges;
31 (3) installing signs and signals and painting roadways for traffic control;
32 (4) mowing, herbicide application, and brush control;
33 (5) drainage control;
34 (6) maintenance of rest areas, public roads on properties of the department
35 of natural resources, and driveways on the premises of all state facilities;
36 (7) materials for snow and ice removal;
37 (8) utility costs for roadway lighting; and
38 (9) other special maintenance and support activities consistent with the
39 highway maintenance work program.

40
41 **HIGHWAY CAPITAL IMPROVEMENTS**

42	State Highway Fund (IC 8-23-9-54)		
43	Right-of-Way Expense	7,230,000	4,250,000
44	Formal Contracts Expense	82,821,011	89,692,076
45	Consulting Services Expense	15,470,000	8,530,000
46	Institutional Road Construction	2,500,000	2,500,000

47
48 The above appropriations for the capital improvements program may be used for:
49 (1) bridge rehabilitation and replacement;

- 1 (2) road construction, reconstruction, or replacement;
- 2 (3) construction, reconstruction, or replacement of travel lanes, intersections,
- 3 grade separations, rest parks, and weigh stations;
- 4 (4) relocation and modernization of existing roads;
- 5 (5) resurfacing;
- 6 (6) erosion and slide control;
- 7 (7) construction and improvement of railroad grade crossings, including
- 8 the use of the appropriations to match federal funds for projects;
- 9 (8) small structure replacements;
- 10 (9) safety and spot improvements; and
- 11 (10) right-of-way, relocation, and engineering and consulting expenses
- 12 associated with any of the above types of projects.
- 13

14 The appropriations for highway operating, highway vehicle and road maintenance
15 equipment, highway buildings and grounds, the highway planning and research
16 program, the highway maintenance work program, and highway capital improvements
17 are appropriated from estimated revenues, which include the following:

- 18 (1) Funds distributed to the state highway fund from the motor vehicle highway account
- 19 under IC 8-14-1-3(4).
- 20 (2) Funds distributed to the state highway fund from the highway, road and street
- 21 fund under IC 8-14-2-3.
- 22 (3) All fees and miscellaneous revenues deposited in or accruing to the state highway
- 23 fund under IC 8-23-9-54.
- 24 (4) Any unencumbered funds carried forward in the state highway fund from any previous
- 25 fiscal year.
- 26 (5) All other funds appropriated or made available to the department of transportation
- 27 by the general assembly.
- 28

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

33
34 If there is a change in a statute reducing or increasing revenue for department use,
35 the budget agency shall notify the auditor of state to adjust the above appropriations
36 to reflect the estimated increase or decrease. Upon the request of the department,
37 the budget agency, with the approval of the governor, may allot any increase in
38 appropriations to the department for formal contracts.

39
40 If the department of transportation finds that an emergency exists or that an
41 appropriation will be insufficient to cover expenses incurred in the normal
42 operation of the department, the budget agency may, upon request of the department,
43 and with the approval of the governor, transfer funds from revenue sources set out
44 above from one (1) appropriation to the deficient appropriation. No appropriation
45 from the state highway fund may be used to fund any toll road or toll bridge project
46 except as specifically provided for under IC 8-15-2-20.

47
48 **HIGHWAY PLANNING AND RESEARCH PROGRAM**
49 **State Highway Fund (IC 8-23-9-54)**

	<i>FY 2013-2014</i>	<i>FY 2014-2015</i>	<i>Biennial</i>
	<i>Appropriation</i>	<i>Appropriation</i>	<i>Appropriation</i>
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49			

1 **Local Government Revolving Acct.** **227,000,000** **216,000,000**
2

3 **The department may establish an account to be known as the "local government revolving**
4 **account". The account is to be used to administer the federal-local highway construction**
5 **program. All contracts issued and all funds received for federal-local projects under**
6 **this program shall be entered into this account.**
7

8 **If the federal apportionments for the fiscal years covered by this act exceed the above**
9 **estimated appropriations for the department or for local governments, the excess**
10 **federal apportionment is hereby appropriated for use by the department with the**
11 **approval of the governor and the budget agency.**
12

13 **The department shall bill, in a timely manner, the federal government for all department**
14 **payments that are eligible for total or partial reimbursement.**
15

16 **The department may let contracts and enter into agreements for construction and**
17 **preliminary engineering during each year of the 2013-2015 biennium that obligate**
18 **not more than one-third (1/3) of the amount of state funds estimated by the department**
19 **to be available for appropriation in the following year for formal contracts and consulting**
20 **engineers for the capital improvements program.**
21

22 **Under IC 8-23-5-7(a), the department, with the approval of the governor, may construct**
23 **and maintain roadside parks and highways where highways will connect any state highway**
24 **now existing, or hereafter constructed, with any state park, state forest preserve, state**
25 **game preserve, or the grounds of any state institution. There is appropriated to the**
26 **department of transportation an amount sufficient to carry out the provisions of this**
27 **paragraph. Under IC 8-23-5-7(d), such appropriations shall be made from the motor**
28 **vehicle highway account before distribution to local units of government.**
29

30 **LOCAL TECHNICAL ASSISTANCE AND RESEARCH**
31

32 **Under IC 8-14-1-3(6), there is appropriated to the department of transportation an amount**
33 **sufficient for:**

- 34 **(1) the program of technical assistance under IC 8-23-2-5(6); and**
35 **(2) the research and highway extension program conducted for local government under**
36 **IC 8-17-7-4.**
37

38 **The department shall develop an annual program of work for research and extension in**
39 **cooperation with those units being served, listing the types of research and educational**
40 **programs to be undertaken. The commissioner of the department of transportation may**
41 **make a grant under this appropriation to the institution or agency selected to conduct**
42 **the annual work program. Under IC 8-14-1-3(6), appropriations for the program of**
43 **technical assistance and for the program of research and extension shall be taken**
44 **from the local share of the motor vehicle highway account.**
45

46 **Under IC 8-14-1-3(7) there is hereby appropriated such sums as are necessary to**
47 **maintain a sufficient working balance in accounts established to match federal and**
48 **local money for highway projects. These funds are appropriated from the following**
49 **sources in the proportion specified:**

1 (1) one-half (1/2) from the forty-seven percent (47%) set aside of the motor vehicle
 2 highway account under IC 8-14-1-3(7); and
 3 (2) for counties and for those cities and towns with a population greater than five
 4 thousand (5,000), one-half (1/2) from the distressed road fund under IC 8-14-8-2.

5
 6 **OHIO RIVER BRIDGE**
 7 State Highway Fund (IC 8-23-9-54)
 8 Total Operating Expense 63,000,000 63,000,000
 9

10 **SECTION 8. [EFFECTIVE JULY 1, 2013]**

11
 12 **FAMILY AND SOCIAL SERVICES, HEALTH, AND VETERANS' AFFAIRS**

13
 14 **A. FAMILY AND SOCIAL SERVICES**

15
 16 **FOR THE FAMILY AND SOCIAL SERVICES ADMINISTRATION**

17
 18 **INDIANA PRESCRIPTION DRUG PROGRAM**
 19 Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)
 20 Total Operating Expense 1,117,830 1,117,830

21 **CHILDREN'S HEALTH INSURANCE PROGRAM**
 22 Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)
 23 Total Operating Expense 36,984,504 36,984,504

24 **FAMILY AND SOCIAL SERVICES ADMINISTRATION - CENTRAL OFFICE**
 25 Total Operating Expense 15,764,735 15,764,735

26 **OFFICE OF MEDICAID POLICY AND PLANNING - ADMINISTRATION**
 27 Total Operating Expense 100,000 100,000

28 **MEDICAID ADMINISTRATION**
 29 Total Operating Expense 51,803,064 45,303,064

30 **MEDICAID - CURRENT OBLIGATIONS**
 31 General Fund
 32 Total Operating Expense 1,859,200,000 2,017,200,000
 33

34 The foregoing appropriations for Medicaid current obligations and for Medicaid
 35 administration are for the purpose of enabling the office of Medicaid policy and
 36 planning to carry out all services as provided in IC 12-8-6.5. In addition to the above
 37 appropriations, all money received from the federal government and paid into the
 38 state treasury as a grant or allowance is appropriated and shall be expended by
 39 the office of Medicaid policy and planning for the respective purposes for which
 40 the money was allocated and paid to the state. Subject to the provisions of IC 12-8-1.5-11,
 41 if the sums herein appropriated for Medicaid current obligations and for Medicaid
 42 administration are insufficient to enable the office of Medicaid policy and planning
 43 to meet its obligations, then there is appropriated from the general fund such further
 44 sums as may be necessary for that purpose, subject to the approval of the governor
 45 and the budget agency.

46
 47 **INDIANA CHECK-UP PLAN (EXCLUDING IMMUNIZATION)**
 48 Indiana Check-Up Plan Trust Fund (IC 12-15-44.2-17)
 49 Total Operating Expense 112,654,073 112,654,073

	<i>FY 2013-2014</i>	<i>FY 2014-2015</i>	<i>Biennial</i>
	<i>Appropriation</i>	<i>Appropriation</i>	<i>Appropriation</i>

1	HOSPITAL CARE FOR THE INDIGENT FUND		
2	Total Operating Expense	57,000,000	57,000,000
3	MEDICAL ASSISTANCE TO WARDS (MAW)		
4	Total Operating Expense	13,100,000	13,100,000
5	MARION COUNTY HEALTH AND HOSPITAL CORPORATION		
6	Total Operating Expense	38,000,000	38,000,000
7	MENTAL HEALTH ADMINISTRATION		
8	Total Operating Expense	3,159,047	3,159,047

9
10 **Two hundred seventy-five thousand dollars (\$275,000) of the above appropriation**
11 **for the state fiscal year beginning July 1, 2013, and ending June 30, 2014, and**
12 **two hundred seventy-five thousand dollars (\$275,000) of the above appropriation**
13 **for the state fiscal year beginning July 1, 2014, and ending June 30, 2015, shall**
14 **be distributed in the state fiscal year to neighborhood based community service**
15 **programs.**

16			
17	CHILD PSYCHIATRIC SERVICES FUND		
18	Total Operating Expense	16,423,760	16,423,760
19	SERIOUSLY EMOTIONALLY DISTURBED		
20	Total Operating Expense	15,075,408	15,075,408
21	SERIOUSLY MENTALLY ILL		
22	General Fund		
23	Total Operating Expense	94,302,551	94,302,551
24	Mental Health Centers Fund (IC 6-7-1-32.1)		
25	Total Operating Expense	2,700,000	2,700,000
26	Augmentation allowed.		
27	COMMUNITY MENTAL HEALTH CENTERS		
28	Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
29	Total Operating Expense	7,000,000	7,000,000

30
31 **The above appropriation from the Tobacco Master Settlement Agreement Fund is in**
32 **addition to other funds. The above appropriations for comprehensive community mental**
33 **health services include the intragovernmental transfers necessary to provide the**
34 **nonfederal share of reimbursement under the Medicaid rehabilitation option.**

35
36 **The comprehensive community mental health centers shall submit their proposed annual**
37 **budgets (including income and operating statements) to the budget agency on or before**
38 **August 1 of each year. All federal funds shall be applied in augmentation of the foregoing**
39 **funds rather than in place of any part of the funds. The office of the secretary, with the**
40 **approval of the budget agency, shall determine an equitable allocation of the appropriation**
41 **among the mental health centers.**

42			
43	DIVISION OF MENTAL HEALTH AND ADDICTION		
44	Total Operating Expense	4,251,472	4,251,472

45
46 **The above appropriation is for programs and facilities for the prevention and treatment**
47 **of addictions to drugs, alcohol, and compulsive gambling. The division shall allocate**
48 **at least 25% to prevention and treatment of compulsive gambling.**

	<i>FY 2013-2014</i>	<i>FY 2014-2015</i>	<i>Biennial</i>
	<i>Appropriation</i>	<i>Appropriation</i>	<i>Appropriation</i>
1	GAMBLERS' ASSISTANCE		
2	Gamblers' Assistance Fund		
3	3,041,728	3,041,728	
4	SUBSTANCE ABUSE TREATMENT		
5	Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
6	4,855,820	4,855,820	
7	QUALITY ASSURANCE/RESEARCH		
8	562,860	562,860	
9	PREVENTION		
10	Gamblers' Assistance Fund		
11	2,572,675	2,572,675	
12	Augmentation allowed.		
13	METHADONE DIVERSION CONTROL AND OVERSIGHT (MDCO) PROGRAM		
14	Opioid Treatment Program Fund (IC 12-23-18-4)		
15	380,566	380,566	
16	Augmentation allowed.		
17	DMHA YOUTH TOBACCO REDUCTION SUPPORT PROGRAM		
18	DMHA Youth Tobacco Reduction Support Program		
19	250,000	250,000	
20	Augmentation allowed.		
21	EVANSVILLE PSYCHIATRIC CHILDREN'S CENTER		
22	From the General Fund		
23	726,378	726,378	
24	From the Mental Health Fund (IC 12-24-14-4)		
25	2,747,484	2,747,484	
26	Augmentation allowed.		
27			
28	The amounts specified from the general fund and the mental health fund are for the		
29	following purposes:		
30			
31	2,901,008	2,901,008	
32	572,854	572,854	
33			
34	EVANSVILLE STATE HOSPITAL		
35	From the General Fund		
36	22,018,659	22,018,659	
37	From the Mental Health Fund (IC 12-24-14-4)		
38	5,180,386	5,180,386	
39	Augmentation allowed.		
40			
41	The amounts specified from the general fund and the mental health fund are for the		
42	following purposes:		
43			
44	19,055,208	19,055,208	
45	8,143,837	8,143,837	
46			
47	LARUE CARTER MEMORIAL HOSPITAL		
48	From the General Fund		
49	18,500,766	18,500,766	

1 **From the Mental Health Fund (IC 12-24-14-4)**

2 **9,008,594 9,008,594**

3 **Augmentation allowed.**

4

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

7

8 **Personal Services 18,453,369 18,453,369**

9 **Other Operating Expense 9,055,991 9,055,991**

10

11 **LOGANSPORT STATE HOSPITAL**

12 **From the General Fund**

13 **28,662,340 28,662,340**

14 **From the Mental Health Fund (IC 12-24-14-4)**

15 **3,668,784 3,668,784**

16 **Augmentation allowed.**

17

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

20

21 **Personal Services 24,987,677 24,987,677**

22 **Other Operating Expense 7,343,447 7,343,447**

23

24 **MADISON STATE HOSPITAL**

25 **From the General Fund**

26 **23,239,646 23,239,646**

27 **From the Mental Health Fund (IC 12-24-14-4)**

28 **4,505,252 4,505,252**

29 **Augmentation allowed.**

30

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

33

34 **Personal Services 21,700,000 21,700,000**

35 **Other Operating Expense 6,044,898 6,044,898**

36

37 **RICHMOND STATE HOSPITAL**

38 **From the General Fund**

39 **29,355,977 29,355,977**

40 **From the Mental Health Fund (IC 12-24-14-4)**

41 **5,576,998 5,576,998**

42 **Augmentation allowed.**

43

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

46

47 **Personal Services 26,430,975 26,430,975**

48 **Other Operating Expense 8,502,000 8,502,000**

49

1			
2	BURIAL EXPENSES		
3	Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
4	Total Operating Expense	1,607,219	1,607,219
5	SCHOOL AGE CHILD CARE PROJECT FUND		
6	Total Operating Expense	812,413	812,413
7	HEADSTART - FEDERAL		
8	Total Operating Expense	43,750	43,750
9	DIVISION OF AGING ADMINISTRATION		
10	Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
11	Personal Services	282,408	282,408
12	Other Operating Expense	455,970	455,970

13

14 **The above appropriations for the division of aging administration are for administrative**

15 **expenses. Any federal fund reimbursements received for such purposes are to be deposited**

16 **in the general fund.**

17			
18	ROOM AND BOARD ASSISTANCE (R-CAP)		
19	Total Operating Expense	10,481,788	10,481,788
20	C.H.O.I.C.E. IN-HOME SERVICES		
21	Total Operating Expense	48,765,643	48,765,643

22

23 **The foregoing appropriations for C.H.O.I.C.E. In-Home Services include intragovernmental**

24 **transfers to provide the nonfederal share of the Medicaid aged and disabled waiver.**

25

26 **The intragovernmental transfers for use in the Medicaid aged and disabled waiver**

27 **may not exceed in the state fiscal year beginning July 1, 2013, and ending June**

28 **30, 2014, twenty million dollars (\$20,000,000) and in the state fiscal year beginning**

29 **July 1, 2014, and ending June 30, 2015, twenty million dollars (\$20,000,000).**

30

31 **The division of aging shall conduct an annual evaluation of the cost effectiveness**

32 **of providing home and community-based services. Before January of each year, the**

33 **division shall submit a report to the budget committee, the budget agency, and the**

34 **legislative council that covers all aspects of the division's evaluation and such**

35 **other information pertaining thereto as may be requested by the budget committee,**

36 **the budget agency, or the legislative council, including the following:**

- 37 **(1) the number and demographic characteristics of the recipients of home and**
- 38 **community-based services during the preceding fiscal year, including a separate**
- 39 **count of individuals who received no services other than case management services**
- 40 **(as defined in 455 IAC 2-4-10) during the preceding fiscal year;**
- 41 **(2) the total cost and per recipient cost of providing home and community-based**
- 42 **services during the preceding fiscal year.**

43

44 **The division shall obtain from providers of services data on their costs and expenditures**

45 **regarding implementation of the program and report the findings to the budget committee,**

46 **the budget agency, and the legislative council. The report to the legislative council must**

47 **be in an electronic format under IC 5-14-6.**

48

49 **STATE SUPPLEMENT TO SSBG - AGING**

	<i>FY 2013-2014 Appropriation</i>	<i>FY 2014-2015 Appropriation</i>	<i>Biennial Appropriation</i>
1	Total Operating Expense	687,396	687,396
2	OLDER HOOSIERS ACT		
3	Total Operating Expense	1,573,446	1,573,446
4	ADULT PROTECTIVE SERVICES		
5	General Fund		
6	Total Operating Expense	1,956,528	1,956,528
7	Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
8	Total Operating Expense	495,420	495,420
9	Augmentation allowed.		
10	ADULT GUARDIANSHIP SERVICES		
11	Total Operating Expense	405,565	405,565
12	MEDICAID WAIVER		
13	Total Operating Expense	1,062,895	1,062,895
14	TITLE III ADMINISTRATION GRANT		
15	Total Operating Expense	310,000	310,000
16	OMBUDSMAN		
17	Total Operating Expense	310,124	310,124
18	DIVISION OF DISABILITY AND REHABILITATIVE SERVICES ADMINISTRATION		
19	Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
20	Total Operating Expense	360,764	360,764
21	BUREAU OF REHABILITATIVE SERVICES		
22	- VOCATIONAL REHABILITATION OPERATING		
23	Personal Services	15,501,710	15,501,710
24	Other Operating Expense	380,362	380,362
25	AID TO INDEPENDENT LIVING		
26	Total Operating Expense	46,927	46,927
27	accessABILITY CENTER FOR INDEPENDENT LIVING		
28	Total Operating Expense	87,665	87,665
29	SOUTHERN INDIANA CENTER FOR INDEPENDENT LIVING		
30	Total Operating Expense	87,665	87,665
31	ATTIC, INCORPORATED		
32	Total Operating Expense	87,665	87,665
33	LEAGUE FOR THE BLIND AND DISABLED		
34	Total Operating Expense	87,665	87,665
35	FUTURE CHOICES, INC.		
36	Total Operating Expense	158,113	158,113
37	THE WABASH INDEPENDENT LIVING AND LEARNING CENTER, INC.		
38	Total Operating Expense	158,113	158,113
39	INDEPENDENT LIVING CENTER OF EASTERN INDIANA		
40	Total Operating Expense	158,113	158,113
41	BUREAU OF REHABILITATIVE SERVICES - DEAF AND HARD OF HEARING SERVICES		
42	Personal Services	112,175	112,175
43	Other Operating Expense	154,599	154,599
44	BUREAU OF REHABILITATIVE SERVICES - BLIND VENDING OPERATIONS		
45	Total Operating Expense	129,905	129,905
46	BUREAU OF REHABILITATIVE SERVICES - INDEPENDENT LIVING - BLIND ELDERLY		
47	Total Operating Expense	73,378	73,378
48	BUREAU OF DEVELOPMENTAL DISABILITIES SERVICES		
49	- RESIDENTIAL FACILITIES COUNCIL		

	<i>FY 2013-2014</i>	<i>FY 2014-2015</i>	<i>Biennial</i>
	<i>Appropriation</i>	<i>Appropriation</i>	<i>Appropriation</i>
1	Total Operating Expense	5,008	5,008
2	BUREAU OF REHABILITATIVE SERVICES - EMPLOYEE TRAINING		
3	Total Operating Expense	6,112	6,112
4	BUREAU OF QUALITY IMPROVEMENT SERVICES - BQIS		
5	Total Operating Expense	2,533,633	2,533,633
6	BUREAU OF DEVELOPMENTAL DISABILITIES SERVICES - DAY SERVICES		
7	Other Operating Expense	3,159,384	3,159,384
8	BUREAU OF DEVELOPMENTAL DISABILITIES SERVICES		
9	- DIAGNOSIS AND EVALUATION		
10	Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
11	Other Operating Expense	400,125	400,125
12	FIRST STEPS		
13	Total Operating Expense	6,149,513	6,149,513
14	BUREAU OF DEVELOPMENTAL DISABILITIES SERVICES - EPILEPSY PROGRAM		
15	Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
16	Other Operating Expense	463,758	463,758
17	BUREAU OF DEVELOPMENTAL DISABILITIES SERVICES - CAREGIVER SUPPORT		
18	Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
19	Other Operating Expense	509,500	509,500
20	BUREAU OF DEVELOPMENTAL DISABILITIES SERVICES - OPERATING		
21	General Fund		
22	Total Operating Expense	4,286,696	4,286,696
23	Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
24	Total Operating Expense	2,458,936	2,458,936
25	Augmentation allowed.		
26	BUREAU OF DEVELOPMENTAL DISABILITIES SERVICES - CASE MANAGEMENT - OASIS		
27	Total Operating Expense	2,516,000	2,516,000
28	BUREAU OF DEVELOPMENTAL DISABILITIES SERVICES - RESIDENTIAL SERVICES		
29	General Fund		
30	Total Operating Expense	88,866,771	88,866,771
31	Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
32	Total Operating Expense	10,229,000	10,229,000
33			
34	The above appropriations for client services include the intragovernmental transfers		
35	necessary to provide the nonfederal share of reimbursement under the Medicaid program		
36	for day services provided to residents of group homes and nursing facilities.		
37			
38	In the development of new community residential settings for persons with developmental		
39	disabilities, the division of disability and rehabilitative services must give priority to the		
40	appropriate placement of such persons who are eligible for Medicaid and currently		
41	residing in intermediate care or skilled nursing facilities and, to the extent permitted		
42	by law, such persons who reside with aged parents or guardians or families in crisis.		
43			
44	FOR THE DEPARTMENT OF CHILD SERVICES		
45	CASE MANAGEMENT SERVICES		
46	Other Operating Expense	1,458,136	1,458,136
47	CASE MGMT SERVICES APPROP.		
48	Total Operating Expense	97,310,701	97,310,701
49	DEPARTMENT OF CHILD SERVICES - COUNTY ADMINISTRATION		

	<i>FY 2013-2014 Appropriation</i>	<i>FY 2014-2015 Appropriation</i>	<i>Biennial Appropriation</i>
1	- STATE APPROPRIATION		
2			
3	23,002,721	23,002,721	
4	20,968,596	20,968,596	
5	DCS - COUNTY ADMINISTRATION		
6			
7	9,424,268	9,424,268	
8	DCS - STATE ADMINISTRATION		
9			
10	9,534,489	9,534,489	
11	CHILD WELFARE ADMINISTRATION - STATE APPROPRIATION		
12			
13	11,643,098	11,643,098	
14	CHILD WELFARE SERVICES STATE GRANTS		
15			
16	12,108,778	12,108,778	
17	TITLE IV-D FEDERAL SS ACT		
18			
19	7,475,179	7,475,179	
20	The foregoing appropriations for the department of child services Title IV-D of the federal Social Security Act are made under, and not in addition to, IC 31-25-4-28.		
21			
22	FAMILY AND CHILDREN FUND		
23	General Fund		
24			
25	258,561,900	258,561,900	
26	Augmentation allowed.		
27	FAMILY & CHILDREN SERVICES		
28			
29	25,357,584	25,357,584	
30	ADOPTION SERVICE GRANTS		
31			
32	26,983,440	26,983,440	
33	IN SUPPORT ENFORCEMENT TRACK		
34			
35	4,806,636	4,806,636	
36	INDEPENDENT LIVING		
37			
38	1,361,982	1,361,982	
39	YOUTH SERVICE BUREAU		
40			
41	1,303,699	1,303,699	
42	PROJECT SAFEPLACE		
43			
44	112,000	112,000	
45	HEALTHY FAMILIES INDIANA		
46			
47	3,093,165	3,093,165	
48	CHILD WELFARE TRAINING - STATE APPROP		
49			
50	3,679,518	3,679,518	
51	ADOPTION ASSISTANCE		
52			
53	921,500	921,500	
54	ADOPTION SERVICES		
55			
56	15,137,933	15,137,933	
57	SPECIAL NEEDS ADOPTION II		
58			
59	699,600	699,600	
60	DCS INFO SYSTEMS TECH ST APPROP.		
61			
62	11,082,363	11,082,363	
63	STATEWIDE CHILD FATALITY COORDINATOR		
64			
65	40,000	40,000	
66	FOR THE DEPARTMENT OF ADMINISTRATION		

1 **DEPARTMENT OF CHILD SERVICES OMBUDSMAN BUREAU**
 2 **Total Operating Expense** **215,675** **215,675**

3
 4 **B. PUBLIC HEALTH**

5
 6 **FOR THE STATE DEPARTMENT OF HEALTH**

7 **General Fund**
 8 **23,608,005** **23,608,005**

9 **ISDH Indirect Revenue**
 10 **4,000,000** **4,000,000**

11 **Augmentation Allowed.**

12
 13 **The amounts specified from the General Fund and ISDH Indirect Revenue are**
 14 **for the following purposes:**

15
 16 **Personal Services** **20,320,120** **20,320,120**
 17 **Other Operating Expense** **7,287,885** **7,287,885**

18
 19 **All receipts to the state department of health from licenses or permit fees shall**
 20 **be deposited in the state general fund.**

21
 22 **AREA HEALTH EDUCATION CENTERS**

23 **Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)**
 24 **Total Operating Expense** **2,300,000** **2,300,000**

25 **CANCER REGISTRY**
 26 **Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)**
 27 **Total Operating Expense** **503,479** **503,479**

28 **MINORITY HEALTH INITIATIVE**
 29 **Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)**
 30 **Total Operating Expense** **2,473,500** **2,473,500**

31
 32 **The foregoing appropriations shall be allocated to the Indiana Minority Health Coalition**
 33 **to work with the state department on the implementation of IC 16-46-11.**

34
 35 **PRIMARY CARE SHORTAGE AREA SCHOLARSHIP**
 36 **Total Operating Expense** **1,000,000** **2,000,000**

37
 38 **The above appropriations for primary care shortage area scholarship are for scholarships**
 39 **under IC 16-46-14.**

40
 41 **SICKLE CELL**

42 **Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)**
 43 **Total Operating Expense** **242,500** **242,500**

44 **AID TO COUNTY TUBERCULOSIS HOSPITALS**
 45 **Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)**
 46 **Total Operating Expense** **79,880** **79,880**

47
 48 **These funds shall be used for eligible expenses according to IC 16-21-7-3 for tuberculosis**
 49 **patients for whom there are no other sources of reimbursement, including patient**

1	resources, health insurance, medical assistance payments, and hospital care for the		
2	indigent.		
3			
4	MEDICARE-MEDICAID CERTIFICATION		
5	Total Operating Expense	5,169,142	5,169,142
6			
7	Personal services augmentation allowed in amounts not to exceed revenue from health		
8	facilities license fees or from health care providers (as defined in IC 16-18-2-163) fee		
9	increases or those adopted by the Executive Board of the Indiana State Department of		
10	Health under IC 16-19-3.		
11			
12	AIDS EDUCATION		
13	Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
14	Personal Services	271,105	271,105
15	Other Operating Expense	402,713	402,713
16	HIV/AIDS SERVICES		
17	Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
18	Total Operating Expense	2,054,141	2,054,141
19	SSBG - AIDS CARE COORDINATION		
20	Total Operating Expense	287,609	287,609
21	TEST FOR DRUG AFFLICTED BABIES		
22	Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
23	Total Operating Expense	47,921	47,921
24	STATE CHRONIC DISEASES		
25	Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
26	Personal Services	67,205	67,205
27	Other Operating Expense	821,958	821,958
28			
29	At least \$82,560 of the above appropriations shall be for grants to community groups		
30	and organizations as provided in IC 16-46-7-8.		
31			
32	FOOD ASSISTANCE		
33	Total Operating Expense	108,225	108,225
34	WOMEN, INFANTS, AND CHILDREN SUPPLEMENT		
35	Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
36	Total Operating Expense	190,000	190,000
37	SSBG - MATERNAL & CHILD HEALTH		
38	Total Operating Expense	280,671	280,671
39	MATERNAL AND CHILD HEALTH SUPPLEMENT		
40	Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
41	Total Operating Expense	190,000	190,000
42	CANCER EDUCATION AND DIAGNOSIS - BREAST CANCER		
43	Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
44	Total Operating Expense	71,311	71,311
45	CANCER EDUCATION AND DIAGNOSIS - PROSTATE CANCER		
46	Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
47	Total Operating Expense	76,679	76,679
48	ADOPTION HISTORY		
49	Adoption History Fund (IC 31-19-18-6)		

	<i>FY 2013-2014 Appropriation</i>	<i>FY 2014-2015 Appropriation</i>	<i>Biennial Appropriation</i>
1	Total Operating Expense	198,212	198,212
2	Augmentation allowed.		
3	CHILDREN WITH SPECIAL HEALTH CARE NEEDS		
4	Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
5	Total Operating Expense	10,759,276	10,759,276
6	Augmentation allowed.		
7	NEWBORN SCREENING PROGRAM		
8	Newborn Screening Fund (IC 16-41-17-11)		
9	Personal Services	671,877	671,877
10	Other Operating Expense	1,909,917	1,909,917
11	Augmentation allowed.		
12			
13	The above appropriation includes funding for pulse oximetry screening of infants.		
14			
15	CENTER FOR DEAF AND HARD OF HEARING EDUCATION		
16	Total Operating Expense	2,080,512	2,080,512
17	Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
18	Total Operating Expense	670,000	670,000
19	RADON GAS TRUST FUND		
20	Radon Gas Trust Fund (IC 16-41-38-8)		
21	Total Operating Expense	11,000	11,000
22	Augmentation allowed.		
23	BIRTH PROBLEMS REGISTRY		
24	Birth Problems Registry Fund (IC 16-38-4-17)		
25	Personal Services	66,735	66,735
26	Other Operating Expense	9,056	9,056
27	Augmentation allowed.		
28	MOTOR FUEL INSPECTION PROGRAM		
29	Motor Fuel Inspection Fund (IC 16-44-3-10)		
30	Total Operating Expense	160,000	160,000
31	Augmentation allowed.		
32	PROJECT RESPECT		
33	Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
34	Total Operating Expense	381,877	381,877
35	DONATED DENTAL SERVICES		
36	Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
37	Total Operating Expense	35,397	35,397
38			
39	The above appropriation shall be used by the Indiana foundation for dentistry for the handicapped.		
40			
41			
42	KIDNEY EARLY EVALUATION PROGRAM		
43	Total Operating Expense	50,000	50,000
44			
45	The above appropriation shall be distributed quarterly to the National Kidney Foundation of Indiana.		
46			
47			
48	OFFICE OF WOMEN'S HEALTH		
49	Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		

	<i>FY 2013-2014</i>	<i>FY 2014-2015</i>	<i>Biennial</i>
	<i>Appropriation</i>	<i>Appropriation</i>	<i>Appropriation</i>
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TOBACCO USE PREVENTION AND CESSATION PROGRAM
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)

Total Operating Expense	4,051,037	4,051,037
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A minimum of 90% of the above appropriations shall be used for grants to local agencies and other entities with programs designed to reduce smoking.

FOR THE INDIANA SCHOOL FOR THE BLIND AND VISUALLY IMPAIRED

Personal Services	9,638,808	9,638,808
Other Operating Expense	936,050	936,050

FOR THE INDIANA SCHOOL FOR THE DEAF

Personal Services	13,277,055	13,277,055
Other Operating Expense	2,216,939	2,137,739

C. VETERANS' AFFAIRS

FOR THE INDIANA DEPARTMENT OF VETERANS' AFFAIRS

Personal Services	473,845	473,845
Other Operating Expense	52,349	52,349

DISABLED AMERICAN VETERANS OF WORLD WARS

Total Operating Expense	40,000	40,000
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AMERICAN VETERANS OF WORLD WAR II, KOREA, AND VIETNAM

Total Operating Expense	30,000	30,000
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VETERANS OF FOREIGN WARS

Total Operating Expense	30,000	30,000
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VIETNAM VETERANS OF AMERICA

Total Operating Expense		20,000
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MILITARY FAMILY RELIEF FUND

Military Family Relief Fund (IC 10-17-12-8)		
Total Operating Expense	450,000	450,000

INDIANA VETERANS' HOME

From the General Fund	3,017,711	3,017,711
From the Veterans' Home Comfort and Welfare Program	13,370,531	13,370,531
From the IVH Medicaid Reimbursement Fund	7,353,100	7,353,100
From the IVH Medicare Revenue Fund	924,658	924,658

Augmentation allowed from the Comfort and Welfare Fund, IVH Medicaid Reimbursement Fund, and the IVH Medicare Revenue Fund.

The amounts specified from the General Fund and the Veterans' Home Comfort and Welfare Fund are for the following purposes:

Personal Services	17,336,495	17,336,495
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	<i>FY 2013-2014 Appropriation</i>	<i>FY 2014-2015 Appropriation</i>	<i>Biennial Appropriation</i>
1	Other Operating Expense	7,329,505	7,329,505
2			
3	SECTION 9. [EFFECTIVE JULY 1, 2013]		
4			
5	EDUCATION		
6			
7	A. HIGHER EDUCATION		
8			
9	FOR INDIANA UNIVERSITY		
10	BLOOMINGTON CAMPUS		
11	Total Operating Expense	184,992,406	184,992,406
12	Fee Replacement	17,457,668	17,680,535
13			
14	FOR INDIANA UNIVERSITY REGIONAL CAMPUSES		
15	EAST		
16	Total Operating Expense	8,966,491	8,966,491
17	Fee Replacement	1,400,666	1,246,022
18	KOKOMO		
19	Total Operating Expense	12,040,936	12,040,936
20	Fee Replacement	1,795,518	1,577,593
21	NORTHWEST		
22	Total Operating Expense	16,747,093	16,747,093
23	Fee Replacement	6,587,505	7,034,200
24	SOUTH BEND		
25	Total Operating Expense	22,300,605	22,300,605
26	Fee Replacement	4,227,071	3,863,236
27	SOUTHEAST		
28	Total Operating Expense	19,152,981	19,152,981
29	Fee Replacement	2,969,040	2,491,336
30			
31	TOTAL APPROPRIATION - INDIANA UNIVERSITY REGIONAL CAMPUSES		
32	96,187,906 95,420,493		
33			
34	FOR INDIANA UNIVERSITY - PURDUE UNIVERSITY		
35	AT INDIANAPOLIS (IUPUI)		
36	I. U. SCHOOLS OF MEDICINE AND DENTISTRY		
37	Total Operating Expense	96,841,389	96,841,389
38	Fee Replacement	3,409,706	3,486,679
39			
40	FOR INDIANA UNIVERSITY SCHOOL OF MEDICINE ON		
41	THE CAMPUS OF THE UNIVERSITY OF SOUTHERN INDIANA		
42	Total Operating Expense	1,659,798	1,659,798
43	THE CAMPUS OF INDIANA UNIVERSITY-PURDUE UNIVERSITY FORT WAYNE		
44	Total Operating Expense	1,526,909	1,526,909
45	THE CAMPUS OF INDIANA UNIVERSITY-NORTHWEST		
46	Total Operating Expense	2,169,183	2,169,183
47	THE CAMPUS OF PURDUE UNIVERSITY		
48	Total Operating Expense	1,936,302	1,936,302
49	THE CAMPUS OF BALL STATE UNIVERSITY		

	<i>FY 2013-2014</i>	<i>FY 2014-2015</i>	<i>Biennial</i>
	<i>Appropriation</i>	<i>Appropriation</i>	<i>Appropriation</i>
1	Total Operating Expense	1,741,051	1,741,051
2	THE CAMPUS OF THE UNIVERSITY OF NOTRE DAME		
3	Total Operating Expense	1,614,617	1,614,617
4	THE CAMPUS OF INDIANA STATE UNIVERSITY		
5	Total Operating Expense	1,924,972	1,924,972
6			
7	The Indiana University School of Medicine - Indianapolis shall submit to the Indiana		
8	commission for higher education before May 15 of each year an accountability report		
9	containing data on the number of medical school graduates who entered primary care		
10	physician residencies in Indiana from the school's most recent graduating class.		
11	The school shall also attempt to increase its incoming freshman class by ten (10)		
12	Indiana in-state students.		
13			
14	FOR INDIANA UNIVERSITY - PURDUE UNIVERSITY AT INDIANAPOLIS (IUPUI)		
15	GENERAL ACADEMIC DIVISIONS		
16	Total Operating Expense	95,761,906	95,761,906
17	Fee Replacement	15,188,016	15,530,879
18			
19	TOTAL APPROPRIATIONS - IUPUI		
20		223,773,849	224,193,685
21			
22	Transfers of allocations between campuses to correct for errors in allocation among		
23	the campuses of Indiana University can be made by the institution with the approval of		
24	the commission for higher education and the budget agency. Indiana University shall		
25	maintain current operations at all statewide medical education sites.		
26			
27	FOR INDIANA UNIVERSITY		
28	DUAL CREDIT		
29	Total Operating Expense	1,454,500	1,454,500
30	ABILENE NETWORK OPERATIONS CENTER		
31	Total Operating Expense	707,707	707,707
32	SPINAL CORD AND HEAD INJURY RESEARCH CENTER		
33	Total Operating Expense	542,578	542,578
34	MEDICAL EDUCATION CENTER EXPANSION		
35	Total Operating Expense	3,000,000	3,000,000
36			
37	The above appropriations for medical education center expansion are intended to		
38	help increase medical school class size on a statewide basis. The funds shall be		
39	used to help increase enrollment and to provide clinical instruction. The funds		
40	shall be distributed to the nine (9) existing medical education centers in proportion		
41	to the increase in enrollment for each center.		
42			
43	INSTITUTE FOR THE STUDY OF DEVELOPMENTAL DISABILITIES		
44	Total Operating Expense	2,105,824	2,105,824
45	GEOLOGICAL SURVEY		
46	Total Operating Expense	2,729,199	2,729,199
47	LOCAL GOVERNMENT ADVISORY COMMISSION		
48	Total Operating Expense	48,062	48,062
49	I-LIGHT NETWORK OPERATIONS		

	<i>FY 2013-2014</i>	<i>FY 2014-2015</i>	<i>Biennial</i>
	<i>Appropriation</i>	<i>Appropriation</i>	<i>Appropriation</i>
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	<i>FY 2013-2014 Appropriation</i>	<i>FY 2014-2015 Appropriation</i>	<i>Biennial Appropriation</i>
1	CENTER FOR PARALYSIS RESEARCH		
2	Total Operating Expense	522,558	522,558
3	UNIVERSITY-BASED BUSINESS ASSISTANCE		
4	Total Operating Expense	1,930,212	1,930,212
5			
6	FOR INDIANA STATE UNIVERSITY		
7	Total Operating Expense	67,542,421	67,542,421
8	Fee Replacement	8,531,280	8,533,541
9	DUAL CREDIT		
10	Total Operating Expense	83,200	83,200
11	NURSING PROGRAM		
12	Total Operating Expense	204,000	204,000
13	PRINCIPAL LEADERSHIP ACADEMY		
14	Total Operating Expense	600,000	600,000
15			
16	FOR UNIVERSITY OF SOUTHERN INDIANA		
17	Total Operating Expense	42,117,384	42,117,384
18	Fee Replacement	11,064,580	10,738,142
19	DUAL CREDIT		
20	Total Operating Expense	274,100	274,100
21	HISTORIC NEW HARMONY		
22	Total Operating Expense	486,878	486,878
23			
24	FOR BALL STATE UNIVERSITY		
25	Total Operating Expense	118,427,607	118,427,607
26	Fee Replacement	15,570,428	14,804,007
27	DUAL CREDIT		
28	Total Operating Expense	99,450	99,450
29	ENTREPRENEURIAL COLLEGE		
30	Total Operating Expense	6,587,500	6,587,500
31	ACADEMY FOR SCIENCE, MATHEMATICS, AND HUMANITIES		
32	Total Operating Expense	4,384,956	4,384,956
33			
34	FOR VINCENNES UNIVERSITY		
35	Total Operating Expense	39,000,028	39,000,028
36	Fee Replacement	4,786,137	4,789,687
37	DUAL CREDIT		
38	Total Operating Expense	1,474,650	1,474,650
39			
40	FOR IVY TECH COMMUNITY COLLEGE		
41	Total Operating Expense	199,695,333	199,695,333
42	Fee Replacement	33,874,414	33,409,029
43	DUAL CREDIT		
44	Total Operating Expense	4,125,150	4,125,150
45	VALPO NURSING PARTNERSHIP		
46	Total Operating Expense	85,411	85,411
47	FT. WAYNE PUBLIC SAFETY TRAINING CENTER		
48	Total Operating Expense	1,000,000	1,000,000
49			

1 **FOR THE INDIANA HIGHER EDUCATION TELECOMMUNICATIONS SYSTEM (IHETS)**
2 **Build Indiana Fund (IC 4-30-17)**
3 **Total Operating Expense** **435,269** **435,269**

4
5 **The above appropriations do not include funds for the course development grant program.**

6
7 **The sums herein appropriated to Indiana University, Purdue University, Indiana State**
8 **University, University of Southern Indiana, Ball State University, Vincennes University,**
9 **Ivy Tech Community College, and the Indiana Higher Education Telecommunications**
10 **System (IHETS) are in addition to all income of said institutions and IHETS, respectively,**
11 **from all permanent fees and endowments and from all land grants, fees, earnings, and**
12 **receipts, including gifts, grants, bequests, and devises, and receipts from any miscellaneous**
13 **sales from whatever source derived.**

14
15 **All such income and all such fees, earnings, and receipts on hand June 30, 2013, and**
16 **all such income and fees, earnings, and receipts accruing thereafter are hereby**
17 **appropriated to the boards of trustees or directors of the aforementioned institutions**
18 **and IHETS and may be expended for any necessary expenses of the respective institutions**
19 **and IHETS, including university hospitals, schools of medicine, nurses' training**
20 **schools, schools of dentistry, and agricultural extension and experimental stations.**
21 **However, such income, fees, earnings, and receipts may be used for land and structures**
22 **only if approved by the governor and the budget agency.**

23
24 **The foregoing appropriations to Indiana University, Purdue University, Indiana State**
25 **University, University of Southern Indiana, Ball State University, Vincennes University,**
26 **Ivy Tech Community College, and IHETS include the employers' share of Social Security**
27 **payments for university and IHETS employees under the public employees' retirement**
28 **fund, or institutions covered by the Indiana state teachers' retirement fund. The funds**
29 **appropriated also include funding for the employers' share of payments to the public**
30 **employees' retirement fund and to the Indiana state teachers' retirement fund at a rate**
31 **to be established by the retirement funds for both fiscal years for each institution and**
32 **for IHETS employees covered by these retirement plans.**

33
34 **The treasurers of Indiana University, Purdue University, Indiana State University,**
35 **University of Southern Indiana, Ball State University, Vincennes University, and**
36 **Ivy Tech Community College shall, at the end of each three (3) month period, prepare**
37 **and file with the auditor of state a financial statement that shall show in total all**
38 **revenues received from any source, together with a consolidated statement of disbursements**
39 **for the same period. The budget director shall establish the requirements for the form**
40 **and substance of the reports.**

41
42 **The reports of the treasurer also shall contain in such form and in such detail as the**
43 **governor and the budget agency may specify, complete information concerning receipts**
44 **from all sources, together with any contracts, agreements, or arrangements with any**
45 **federal agency, private foundation, corporation, or other entity from which such receipts**
46 **accrue.**

47
48 **All such treasurers' reports are matters of public record and shall include without**
49 **limitation a record of the purposes of any and all gifts and trusts with the sole**

1 exception of the names of those donors who request to remain anonymous.

2
 3 Notwithstanding IC 4-10-11, the auditor of state shall draw warrants to the treasurers
 4 of Indiana University, Purdue University, Indiana State University, University of
 5 Southern Indiana, Ball State University, Vincennes University, and Ivy Tech Community
 6 College on the basis of vouchers stating the total amount claimed against each fund or
 7 account, or both, but not to exceed the legally made appropriations.

8
 9 Notwithstanding IC 4-12-1-14, for universities and colleges supported in whole or
 10 in part by state funds, grant applications and lists of applications need only be
 11 submitted upon request to the budget agency for review and approval or disapproval
 12 and, unless disapproved by the budget agency, federal grant funds may be requested
 13 and spent without approval by the budget agency. Each institution shall retain the
 14 applications for a reasonable period of time and submit a list of all grant applications,
 15 at least monthly, to the commission for higher education for informational purposes.

16
 17 For all university special appropriations, an itemized list of intended expenditures,
 18 in such form as the governor and the budget agency may specify, shall be submitted
 19 to support the allotment request. All budget requests for university special appropriations
 20 shall be furnished in a like manner and as a part of the operating budgets of the state
 21 universities.

22
 23 The trustees of Indiana University, the trustees of Purdue University, the trustees
 24 of Indiana State University, the trustees of University of Southern Indiana, the
 25 trustees of Ball State University, the trustees of Vincennes University, the trustees
 26 of Ivy Tech Community College and the directors of IHETS are hereby authorized to
 27 accept federal grants, subject to IC 4-12-1.

28
 29 Fee replacement funds are to be distributed as requested by each institution, on
 30 payment due dates, subject to available appropriations.

31
 32 **FOR THE MEDICAL EDUCATION BOARD**
 33 **FAMILY PRACTICE RESIDENCY FUND**

Total Operating Expense	1,909,998	1,909,998
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34
 35
 36 Of the foregoing appropriations for the medical education board-family practice
 37 residency fund, \$1,000,000 each year shall be used for grants for the purpose of
 38 improving family practice residency programs serving medically underserved areas.

39
 40 **FOR THE COMMISSION FOR HIGHER EDUCATION**

Total Operating Expense	3,001,737	3,001,737
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41
 42
 43 **FREEDOM OF CHOICE GRANTS**

Total Operating Expense	47,315,346	39,954,462
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44
 45 **HIGHER EDUCATION AWARD PROGRAM**

Total Operating Expense	125,273,917	105,785,538
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46
 47
 48 For the higher education awards and freedom of choice grants made for the 2013-2015
 49 biennium, the following guidelines shall be used, notwithstanding current administrative

1 rule or practice:

- 2 (1) The commission shall maintain the historic levels and proportionality of award
3 maxima for public, private, and proprietary institutions when setting forth amounts
4 under IC 21-12-1.7.
5 (2) Minimum Award: No actual award shall be less than \$600.
6 (3) The commission shall reduce award amounts as necessary to stay within the appropriation.
7

8 **TUITION AND FEE EXEMPTION FOR CHILDREN OF VETERANS AND**
9 **PUBLIC SAFETY OFFICERS (IC 21-14)**

10 Total Operating Expense	27,190,589	28,701,041
11 PART-TIME STUDENT GRANT DISTRIBUTION		
12 Total Operating Expense	7,579,858	7,579,858

13
14 Priority for awards made from the above appropriation shall be given first to eligible
15 students meeting TANF income eligibility guidelines as determined by the family and
16 social services administration and second to eligible students who received awards
17 from the part-time grant fund during the school year associated with the biennial budget
18 year. Funds remaining shall be distributed according to procedures established by the
19 commission. The maximum grant that an applicant may receive for a particular academic
20 term shall be established by the commission but shall in no case be greater than a grant
21 for which an applicant would be eligible under IC 21-12-3 if the applicant were a
22 full-time student. The commission shall collect and report to the family and social
23 services administration (FSSA) all data required for FSSA to meet the data collection
24 and reporting requirements in 45 CFR Part 265.
25

26 The family and social services administration, division of family resources, shall apply
27 all qualifying expenditures for the part-time grant program toward Indiana's maintenance
28 of effort under the federal Temporary Assistance for Needy Families (TANF) program
29 (45 CFR 260 et seq.).
30

31 **EARN INDIANA WORK STUDY PROGRAM**

32 Total Operating Expense	606,099	606,099
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33 **21ST CENTURY ADMINISTRATION**

34 Total Operating Expense	1,899,858	1,899,858
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35 **21ST CENTURY SCHOLAR AWARDS**

36 Total Operating Expense	109,637,450	120,108,163
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37
38 The commission shall collect and report to the family and social services administration
39 (FSSA) all data required for FSSA to meet the data collection and reporting requirements
40 in 45 CFR 265.
41

42 Family and social services administration, division of family resources, shall apply
43 all qualifying expenditures for the 21st century scholars program toward Indiana's
44 maintenance of effort under the federal Temporary Assistance for Needy Families
45 (TANF) program (45 CFR 260 et seq.).
46

47 **POSTSECONDARY PROPRIETARY INSTITUTION ACCREDITATION**

48 Postsecondary Credit Bearing Proprietary Educational Institution Accreditation
49 Fund (IC 21-18.5-6-26(b))

	<i>FY 2013-2014 Appropriation</i>	<i>FY 2014-2015 Appropriation</i>	<i>Biennial Appropriation</i>
1	Total Operating Expense	50,000	50,000
2	Augmentation allowed.		
3	CAREER COLLEGE STUDENT ASSURANCE		
4	Career College Student Assurance Fund (IC 21-18.5-6-6(a))		
5	Total Operating Expense	20,000	20,000
6	Augmentation allowed.		
7	NATIONAL GUARD SCHOLARSHIP		
8	Total Operating Expense	3,579,353	3,676,240
9			
10	The above appropriations for national guard scholarship and any program reserves		
11	existing on June 30, 2013, shall be the total allowable state expenditure for the		
12	program in the 2013-2015 biennium. If the dollar amounts of eligible awards exceed		
13	appropriations and program reserves, the commission shall develop a plan to ensure		
14	that the total dollar amount does not exceed the above appropriations and any program		
15	reserves.		
16			
17	LEARN MORE INDIANA		
18	Total Operating Expense	725,000	725,000
19	STATEWIDE TRANSFER WEBSITE		
20	Total Operating Expense	1,084,317	1,084,317
21			
22	FOR THE DEPARTMENT OF ADMINISTRATION		
23	COLUMBUS LEARNING CENTER LEASE PAYMENT		
24	Total Operating Expense	4,899,000	4,999,000
25			
26	FOR THE STATE BUDGET AGENCY		
27	GIGAPOP PROJECT		
28	Build Indiana Fund (IC 4-30-17)		
29	Total Operating Expense	656,158	656,158
30	SOUTHERN INDIANA EDUCATIONAL ALLIANCE		
31	Build Indiana Fund (IC 4-30-17)		
32	Total Operating Expense	1,090,452	1,090,452
33	DEGREE LINK		
34	Build Indiana Fund (IC 4-30-17)		
35	Total Operating Expense	460,245	460,245
36			
37	The above appropriations shall be used for the delivery of Indiana State University		
38	baccalaureate degree programs at Ivy Tech Community College and Vincennes		
39	University locations through Degree Link.		
40			
41	WORKFORCE CENTERS		
42	Build Indiana Fund (IC 4-30-17)		
43	Total Operating Expense	732,794	732,794
44	MIDWEST HIGHER EDUCATION COMPACT		
45	Build Indiana Fund (IC 4-30-17)		
46	Total Operating Expense	95,000	95,000
47			
48	B. ELEMENTARY AND SECONDARY EDUCATION		
49			

1 **FOR THE STATE BOARD OF EDUCATION**

2 Total Operating Expense	2,950,716	2,950,716	
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3

4 **The foregoing appropriations for the Indiana state board of education are for the**
5 **academic standards project to distribute copies of the academic standards and provide**
6 **teachers with curriculum frameworks; for special evaluation and research projects,**
7 **including national and international assessments; and for state board administrative**
8 **expenses.**

9

10 **FOR THE INDIANA CHARTER SCHOOL BOARD**

11 Total Operating Expense	750,000	500,000	
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12

13 **FOR THE INDIANA WORKS COUNCILS**

14 Total Operating Expense	1,000,000	5,000,000	
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16 **In the state fiscal year beginning July 1, 2013 and ending June 30, 2014, the above**
17 **appropriation may be used for planning and regional assessments. In the state fiscal**
18 **year beginning July 1, 2014 and ending June 30, 2015, \$500,000 may be used by the**
19 **education roundtable established by IC 20-19-4-2 for related operating expenses**
20 **and \$4,500,000 may used as matching grants for private investments into the career**
21 **and technical education pathways.**

22

23 **FOR THE EDUCATION ROUNDTABLE**

24 Total Operating Expense	750,000	750,000	
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25 **STEM TEACHER RECRUITMENT FUND**

26 Total Operating Expense	3,000,000	3,000,000	
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27

28 **The above appropriation may be used to provide grants to the Woodrow Wilson National**
29 **Fellowship Foundation to place new science, technology, engineering, and math teachers**
30 **in schools located in underserved areas.**

31

32 **FOR THE DEPARTMENT OF EDUCATION**

33

34 **SUPERINTENDENT'S OFFICE**

35 **From the General Fund**

	8,495,125	8,495,125	
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37 **From the Professional Standards Fund (IC 20-28-2-10)**

	395,000	395,000	
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39 **Augmentation allowed from the Professional Standards Fund.**

40

41 **The amounts specified from the General Fund and the Professional Standards Fund**
42 **are for the following purposes:**

43

44 Personal Services	7,696,172	7,696,172	
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45 Other Operating Expense	1,193,953	1,193,953	
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46

47 **The above appropriation includes funds to provide state support to educational service**
48 **centers.**

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1 **IC 20-26-11-10.**

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

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

DISTRIBUTION FOR ADULT LEARNERS		
Total Operating Expense	18,686,000	22,430,000

DISTRIBUTION FOR TUITION SUPPORT		
Total Operating Expense	6,614,214,000	6,679,370,000

The foregoing appropriations for distribution for tuition support are to be distributed for tuition support, complexity grants, full-day kindergarten, special education programs, career and technical education programs, honors grants, Mitch Daniels early graduation scholarships, and choice scholarships in accordance with a statute enacted for this purpose during the 2013 session of the general assembly.

If the above appropriations for distribution for tuition support are more than are required under this SECTION, any excess shall revert to the general fund.

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

The above appropriation for tuition support includes an amount for the department of education to make a special distribution to each school corporation and charter school (other than a virtual charter school).

The department shall determine the amount of the distribution for each year as follows:
STEP ONE: Determine the total amount distributed in the year to all individuals for a scholarship under the choice scholarship program described in IC 20-51-4.
STEP TWO: Determine the total amount of state tuition support that all school corporations and charter schools (other than virtual charter schools) would have received in the year if those individuals who received a scholarship and who were enrolled in a public school during the preceding two (2) semesters

1 before first receiving the scholarship had instead remained enrolled in public
 2 schools and had not enrolled in private schools.

3 **STEP THREE: Determine the result of:**

4 (A) the STEP TWO result; minus

5 (B) the STEP ONE amount.

6 **STEP FOUR: Determine each school corporation's percentage and each charter**
 7 **school's (other than a virtual charter school) percentage of the total state**
 8 **tuition support that will be distributed to school corporations and charter**
 9 **schools (other than virtual charter schools).**

10 **STEP FIVE: Multiply the result determined in STEP THREE by the school**
 11 **corporation's percentage or the charter school's (other than a virtual charter**
 12 **school) percentage determined under STEP FOUR.**

13 **If the above appropriations are insufficient to make the full distribution under**
 14 **this provision, the amount each school corporation and charter school (other than**
 15 **a virtual charter school) receives shall be proportionately reduced. The special**
 16 **distributions may be made only after review by the state budget committee and**
 17 **approval by the budget agency.**

18			
19	SCHOOL PERFORMANCE AWARDS		
20	Total Operating Expense	0	25,000,000
21	DISTRIBUTION FOR SUMMER SCHOOL		
22	Other Operating Expense	18,360,000	18,360,000
23			

24 **It is the intent of the 2013 general assembly that the above appropriations for summer**
 25 **school shall be the total allowable state expenditure for such program. Therefore, if**
 26 **the expected disbursements are anticipated to exceed the total appropriation for that**
 27 **state fiscal year, then the department of education shall reduce the distributions**
 28 **proportionately.**

29			
30	EARLY INTERVENTION PROGRAM AND READING DIAGNOSTIC ASSESSMENT		
31	Total Operating Expense	4,012,000	4,012,000
32			

33 **The above appropriation for the early intervention program may be used for grants to**
 34 **local school corporations for grant proposals for early intervention programs.**

35
 36 **The foregoing appropriations may be used by the department for the reading diagnostic**
 37 **assessment and subsequent remedial programs or activities. The reading diagnostic**
 38 **assessment program, as approved by the board, is to be made available on a voluntary**
 39 **basis to all Indiana public and nonpublic school first and second grade students upon**
 40 **the approval of the governing body of school corporations. The board shall determine**
 41 **how the funds will be distributed for the assessment and related remediation. The**
 42 **department or its representative shall provide progress reports on the assessment**
 43 **as requested by the board and the education roundtable.**

44			
45	NATIONAL SCHOOL LUNCH PROGRAM		
46	Total Operating Expense	5,125,000	5,125,000
47	MARION COUNTY DESEGREGATION COURT ORDER		
48	Total Operating Expense	10,000,000	9,000,000
49			

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

TEXTBOOK REIMBURSEMENT		
Total Operating Expense	39,000,000	39,000,000

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10 **Before a school corporation or an accredited nonpublic school may receive a distribution**
11 **under the textbook reimbursement program, the school corporation or accredited nonpublic**
12 **school shall provide to the department the requirements established in IC 20-33-5-2.**
13 **The department shall provide to the family and social services administration (FSSA)**
14 **all data required for FSSA to meet the data collection reporting requirement in 45**
15 **CFR 265. The family and social services administration, division of family resources,**
16 **shall apply all qualifying expenditures for the textbook reimbursement program toward**
17 **Indiana's maintenance of effort under the federal Temporary Assistance for Needy**
18 **Families (TANF) program (45 CFR 260 et seq.).**

TESTING AND REMEDIATION		
Total Operating Expense	45,729,643	45,222,643

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22
23 **The above appropriations for testing and remediation include funds for graduation**
24 **exam remediation.**
25
26 **Prior to notification of local school corporations of the formula and components**
27 **of the formula for distributing funds for remediation and graduation exam remediation,**
28 **review and approval of the formula and components shall be made by the budget agency.**

29
30 **The above appropriation for testing and remediation shall be used by school**
31 **corporations to provide remediation programs for students who attend public and**
32 **nonpublic schools. For purposes of tuition support, these students are not to be**
33 **counted in the average daily membership.**

ADVANCED PLACEMENT PROGRAM		
Other Operating Expense	2,800,000	3,300,000

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37
38 **The above appropriations for the advanced placement program are to provide funding**
39 **for students of accredited public and nonpublic schools with priority given to math**
40 **and science exams and for non-math-and-science exams taken by students qualified**
41 **for the free or reduced lunch program. Any remaining funds available after exam**
42 **fees have been paid shall be used for teachers of math and science advanced placement**
43 **courses to attend professional development training for those courses.**

PSAT PROGRAM		
Other Operating Expense	700,000	707,000

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47
48 **The above appropriations for the PSAT program are to provide funding for students**
49 **of accredited public and nonpublic schools in grade ten (10) to take the PSAT exam.**

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NON-ENGLISH SPEAKING PROGRAM

Other Operating Expense	5,000,000	5,000,000
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The above appropriations for the Non-English Speaking Program are for pupils who have a primary language other than English and limited English proficiency, as determined by using a standard proficiency examination that has been approved by the department of education.

The grant amount is two hundred dollars (\$200) per pupil. It is the intent of the 2013 general assembly that the above appropriations for the Non-English Speaking Program shall be the total allowable state expenditure for the program. If the expected distributions are anticipated to exceed the total appropriations for the state fiscal year, the department of education shall reduce each school corporation's distribution proportionately.

GIFTED AND TALENTED EDUCATION PROGRAM

Personal Services	66,628	66,628
Other Operating Expense	12,481,468	12,481,468

EXCELLENCE IN PERFORMANCE AWARDS

Total Operating Expense	9,000,000	0
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The above appropriation may only be used to make grants to school corporations and charter schools to be used to make cash awards to effective and highly effective teachers. The department shall develop a program to administer the program. The program shall include guidelines that permit all school corporations and charter schools to apply for a grant. The guidelines must specify that in order to receive a grant a school must have a system of performance evaluations that meets the requirements of IC 20-28-11.5. The above funds are available for allotment by the budget agency after approval by the state board of education and review by the state budget committee.

PRIMETIME

Personal Services	103,437	103,437
Other Operating Expense	51,093	51,093

DRUG FREE SCHOOLS

Total Operating Expense	36,656	36,656
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ALTERNATIVE EDUCATION

Total Operating Expense	6,142,909	6,142,909
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The above appropriation includes funding to provide \$7,500 for each child attending a charter school operated by an accredited hospital specializing in the treatment of alcohol or drug abuse. This funding is in addition to tuition support for the charter school.

SENATOR DAVID C. FORD EDUCATIONAL TECHNOLOGY PROGRAM (IC 20-20-13)

Build Indiana Fund (IC 4-30-17)

Total Operating Expense	3,086,072	3,086,072
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The department shall use the funds to make grants to school corporations to promote student learning through the use of technology. Notwithstanding distribution guidelines in IC 20-20-13, the department shall develop guidelines for distribution of the grants.

PROFESSIONAL STANDARDS DIVISION

From the General Fund

2,247,197	2,247,197
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From the Professional Standards Fund (IC 20-28-2-10)

605,000	605,000
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Augmentation allowed.

The amounts specified from the General Fund and the Professional Standards Fund are for the following purposes:

Personal Services	1,851,981	1,851,981
Other Operating Expense	1,000,216	1,000,216

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

FOR THE INDIANA PUBLIC RETIREMENT SYSTEM

TEACHERS' POSTRETIREMENT PENSION INCREASES

Other Operating Expense	69,265,000	71,343,000
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The appropriations for postretirement pension increases are made for those benefits and adjustments provided in IC 5-10.4 and IC 5-10.2-5.

TEACHERS' RETIREMENT FUND DISTRIBUTION

Other Operating Expense	719,651,000	721,362,000
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Augmentation allowed.

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

- (1) greater than the above appropriations for a year, after notice to the governor and the budget agency of the deficiency, the above appropriation for the year shall be augmented from the state general fund. Any augmentation shall be included in the required pension stabilization calculation under IC 5-10.4; or
- (2) less than the above appropriations for a year, the excess shall be retained in the state general fund. The portion of the benefit funded by the annuity account and the actuarially funded Post Retirement Pension Increases shall not be part of this calculation.

C. OTHER EDUCATION

FOR THE EDUCATION EMPLOYMENT RELATIONS BOARD

Personal Services	664,451	664,451
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	<i>FY 2013-2014 Appropriation</i>	<i>FY 2014-2015 Appropriation</i>	<i>Biennial Appropriation</i>
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The following allocations of federal funds are available for career and technical education under the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2301 et seq. for Career and Technical Education). These funds shall be received by the state board of education, and may be allocated by the budget agency after consultation with the board of education and any other state agencies, commissions, or organizations required by state law. Funds shall be allocated to these agencies in accordance with the allocations specified below:

STATE PROGRAMS AND LEADERSHIP		
	2,546,515	2,546,515
SECONDARY VOCATIONAL PROGRAMS		
	14,341,974	14,341,974
POSTSECONDARY VOCATIONAL PROGRAMS		
	8,067,360	8,067,360

SECTION 12. [EFFECTIVE JULY 1, 2013]

In accordance with IC 20-20-38, the budget agency, with the advice of the board of education and the budget committee, may proportionately augment or reduce an allocation of federal funds made under SECTION 11 of this act.

SECTION 13. [EFFECTIVE JULY 1, 2013]

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

SECTION 14. [EFFECTIVE JULY 1, 2013]

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

All appropriations provided by this act or any other statute, for traveling and hotel expenses for any department, officer, agent, employee, person, trustee, or commissioner, are to be used only for travel within the state of Indiana, unless those expenses are incurred in traveling outside the state of Indiana on trips that previously have received approval as required by the state travel policies and procedures established by the Indiana department of administration and the budget

1 agency. With the required approval, a reimbursement for out-of-state travel expenses
2 may be granted in an amount not to exceed actual lodging and miscellaneous expenses
3 incurred. A person in travel status is entitled to a meal allowance not to exceed during
4 any twenty-four (24) hour period the standard meal allowances established by the
5 federal Internal Revenue Service for properly approved travel within the continental
6 United States and a minimum of \$50 during any twenty-four (24) hour period for
7 properly approved travel outside the continental United States. However, while
8 traveling in Japan, the minimum meal allowance shall not be less than \$90 for any
9 twenty-four (24) hour period. While traveling in Korea and Taiwan, the minimum
10 meal allowance shall not be less than \$85 for any twenty-four (24) hour period.
11 While traveling in Singapore, China, Great Britain, Germany, the Netherlands, and
12 France, the minimum meal allowance shall not be less than \$65 for any twenty-four
13 (24) hour period.

14
15 In the case of the state supported institutions of postsecondary education, approval
16 for out-of-state travel may be given by the chief executive officer of the institution,
17 or the chief executive officer's authorized designee, for the chief executive officer's
18 respective personnel.

19
20 Before reimbursing overnight travel expenses, the auditor of state shall require
21 documentation as prescribed in the state travel policies and procedures established
22 by the Indiana department of administration and the budget agency. No appropriation
23 from any fund may be construed as authorizing the payment of any sum in excess of
24 the standard mileage rates for personally owned transportation equipment established
25 by the federal Internal Revenue Service when used in the discharge of state business.
26 The Indiana department of administration and the budget agency may adopt policies
27 and procedures relative to the reimbursement of travel and moving expenses of new
28 state employees and the reimbursement of travel expenses of prospective employees
29 who are invited to interview with the state.

30
31 SECTION 15. [EFFECTIVE JULY 1, 2013]

32
33 Notwithstanding IC 4-10-11-2.1, the salary per diem of members of boards, commissions,
34 and councils who are entitled to a salary per diem is \$50 per day. However, members of
35 boards, commissions, or councils who receive an annual or a monthly salary paid by the
36 state are not entitled to the salary per diem provided in IC 4-10-11-2.1.

37
38 SECTION 16. [EFFECTIVE JULY 1, 2013]

39
40 No payment for personal services shall be made by the auditor of state unless the
41 payment has been approved by the budget agency or the designee of the budget agency.

42
43 SECTION 17. [EFFECTIVE JULY 1, 2013]

44
45 No warrant for operating expenses, capital outlay, or fixed charges shall be issued to
46 any department or an institution unless the receipts of the department or institution
47 have been deposited into the state treasury for the month. However, if a department or
48 an institution has more than \$10,000 in daily receipts, the receipts shall be deposited
49 into the state treasury daily.

1
2 **SECTION 18. [EFFECTIVE JULY 1, 2013]**
3

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

10
11 **SECTION 19. [EFFECTIVE JULY 1, 2013]**
12

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

18
19 **SECTION 20. [EFFECTIVE JULY 1, 2013]**
20

21 **If any state penal or benevolent institution other than the Indiana state prison,**
22 **Pendleton correctional facility, or Putnamville correctional facility shall, in the**
23 **operation of its farms, produce products or commodities in excess of the needs of**
24 **the institution, the surplus may be sold through the division of industries and farms,**
25 **the director of the supply division of the Indiana department of administration, or both.**
26 **The proceeds of any such sale or sales shall be deposited in the state treasury. The**
27 **amount deposited is hereby reappropriated to the institution for expenses of the**
28 **then current year if approved by the director of the budget agency. The exchange**
29 **between state penal and benevolent institutions of livestock for breeding purposes**
30 **only is hereby authorized at valuations agreed upon between the superintendents or**
31 **wardens of the institutions. Capital outlay expenditures may be made from the**
32 **institutional industries and farms revolving fund if approved by the budget agency**
33 **and the governor.**

34
35 **SECTION 21. [EFFECTIVE JULY 1, 2013]**
36

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

42
43 **SECTION 22. [EFFECTIVE JULY 1, 2013]**
44

45 **If an agency has an annual appropriation fixed by law, and if the agency also receives**
46 **an appropriation in this act for the same function or program, the appropriation in**
47 **this act supersedes any other appropriations and is the total appropriation for the**
48 **agency for that program or function.**
49

1 SECTION 23. [EFFECTIVE JULY 1, 2013]
2

3 The balance of any appropriation or funds heretofore placed or remaining to the
4 credit of any division of the state of Indiana, and any appropriation or funds provided
5 in this act placed to the credit of any division of the state of Indiana, the powers,
6 duties, and functions whereof are assigned and transferred to any department for
7 salaries, maintenance, operation, construction, or other expenses in the exercise
8 of such powers, duties, and functions, shall be transferred to the credit of the
9 department to which such assignment and transfer is made, and the same shall be
10 available for the objects and purposes for which appropriated originally.
11

12 SECTION 24. [EFFECTIVE JULY 1, 2013]
13

14 The director of the division of procurement of the Indiana department of administration,
15 or any other person or agency authorized to make purchases of equipment, shall not
16 honor any requisition for the purchase of an automobile that is to be paid for from any
17 appropriation made by this act or any other act, unless the following facts are shown
18 to the satisfaction of the commissioner of the Indiana department of administration or
19 the commissioner's designee:

- 20 (1) In the case of an elected state officer, it shall be shown that the duties of the
21 office require driving about the state of Indiana in the performance of official duty.
22 (2) In the case of department or commission heads, it shall be shown that the statutory
23 duties imposed in the discharge of the office require traveling a greater distance
24 than one thousand (1,000) miles each month or that they are subject to official duty
25 call at all times.
26 (3) In the case of employees, it shall be shown that the major portion of the duties
27 assigned to the employee require travel on state business in excess of one thousand
28 (1,000) miles each month, or that the vehicle is identified by the agency as an integral
29 part of the job assignment.
30

31 In computing the number of miles required to be driven by a department head or an
32 employee, the distance between the individual's home and office or designated official
33 station is not to be considered as a part of the total. Department heads shall annually
34 submit justification for the continued assignment of each vehicle in their department,
35 which shall be reviewed by the commissioner of the Indiana department of administration,
36 or the commissioner's designee. There shall be an insignia permanently affixed on
37 each side of all state owned cars, designating the cars as being state owned. However,
38 this requirement does not apply to state owned cars driven by elected state officials
39 or to cases where the commissioner of the Indiana department of administration or
40 the commissioner's designee determines that affixing insignia on state owned cars
41 would hinder or handicap the persons driving the cars in the performance of their
42 official duties.
43

44 SECTION 25. [EFFECTIVE JULY 1, 2013]
45

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

1 agency.

2

3 **SECTION 26. [EFFECTIVE JULY 1, 2013]**

4

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

13

14 **SECTION 27. [EFFECTIVE JULY 1, 2013]**

15

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

19

20 **SECTION 28. [EFFECTIVE JULY 1, 2013]**

21

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

25

26 **SECTION 29. [EFFECTIVE JULY 1, 2013]**

27

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

34

35 **SECTION 30. [EFFECTIVE JULY 1, 2013]**

36

37 **Subject to SECTION 25 of this act as it relates to the budget committee, the budget**
38 **agency with the approval of the governor may withhold allotments of any or all**
39 **appropriations contained in this act for the 2013-2015 biennium, if it is considered**
40 **necessary to do so in order to prevent a deficit financial situation.**

41

42 **SECTION 31. [EFFECTIVE UPON PASSAGE]**

43

44 **There is hereby appropriated from the state general fund for the Indiana charter**
45 **school board three hundred thousand dollars (\$300,000) for the state fiscal year**
46 **beginning July 1, 2012, and ending June 30, 2013, to cover operating expenses of the**
47 **board.**

48

49 **SECTION 32. [EFFECTIVE JULY 1, 2013]**

1
2 **There is hereby appropriated from the state general fund for the state board of**
3 **education \$9,257,365 for FY 2013 to cover the settlement charges for the Indianapolis**
4 **and Gary turnaround schools.**

5
6 **SECTION 33. [EFFECTIVE JULY 1, 2013]**

7
8 **CONSTRUCTION**

9
10 **For the 2013-2015 biennium, the following amounts, from the funds listed as follows,**
11 **are hereby appropriated to provide for the construction, reconstruction, rehabilitation,**
12 **repair, purchase, rental, and sale of state properties, capital lease rentals, and the**
13 **purchase and sale of land, including equipment for such properties and other projects**
14 **as specified.**

16 State General Fund - Lease Rentals	
	391,950,606
17 State General Fund - Construction	
	359,435,257
18 State Police Building Account (IC 9-29-1-4)	
	5,399,998
19 Law Enforcement Academy Building Fund (IC 5-2-1-13(a))	
	916,078
20 Cigarette Tax Fund (IC 6-7-1-29.1)	
	3,600,000
21 Veterans' Home Building Fund (IC 10-17-9-7)	
	9,770,579
22 Postwar Construction Fund (IC 7.1-4-8-1)	
	32,829,263
23 Regional Health Care Construction Account (IC 4-12-8.5)	
	24,204,692
24 Build Indiana Fund (IC 4-30-17)	
	5,800,000
25 State Highway Fund (IC 8-23-9-54)	
	21,240,000
26 TOTAL	855,146,473

27
28 **The allocations provided under this SECTION are made from the state general fund,**
29 **unless specifically authorized from other designated funds by this act. The budget**
30 **agency, with the approval of the governor, in approving the allocation of funds pursuant**
31 **to this SECTION, shall consider, as funds are available, allocations for the following**
32 **specific uses, purposes, and projects:**

33 **A. GENERAL GOVERNMENT**

34 **FOR THE HOUSE OF REPRESENTATIVES**

35 Renovation		750,000
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	<i>FY 2013-2014 Appropriation</i>	<i>FY 2014-2015 Appropriation</i>	<i>Biennial Appropriation</i>
1	FOR THE STATE BUDGET AGENCY		
2			5,000,000
3	Health and Safety Contingency Fund		
4	Aviation Technology Center		2,656,362
5	Airport Facilities Lease		41,998,409
6	Stadium Lease Rental		174,538,668
7	Convention Center Lease Rental		49,290,626
8	State Fair Lease Rental		5,812,776
9	DEPARTMENT OF ADMINISTRATION		
10	Preventive Maintenance		8,688,334
11	Repair and Rehabilitation		13,289,403
12	DEPARTMENT OF ADMINISTRATION - LEASES		
13	General Fund		
14	Lease - State Museum		16,632,506
15	Lease - Forensic Lab		11,410,109
16	Lease - Wabash Valley Correctional Facility		31,357,286
17	Lease - Miami Correctional Facility		31,244,895
18	Lease - New Castle Correctional Facility		26,826,969
19	Postwar Construction Fund (IC 7.1-4-8-1)		
20	Lease - Westville Dormitory		600,000
21	Regional Health Care Construction Account (IC 4-12-8.5)		
22	Lease - Evansville State Hospital		7,973,019
23	Lease - Southeast Regional Treatment Center		10,959,925
24	Lease - Logansport State Hospital		5,271,748
25			
26	B. PUBLIC SAFETY		
27			
28	(1) LAW ENFORCEMENT		
29			
30	INDIANA STATE POLICE		
31	State Police Building Account (IC 9-29-1-4)		
32	Preventive Maintenance		1,266,998
33	Repair and Rehabilitation		120,000
34	Vehicle Replacement		4,013,000
35	LAW ENFORCEMENT TRAINING BOARD		
36	Law Enforcement Academy Building Fund (IC 5-2-1-13(a))		
37	Preventive Maintenance		346,078
38	Repair and Rehabilitation		520,000
39	Vehicle Replacement		50,000
40	ADJUTANT GENERAL		
41	Preventive Maintenance		125,000
42	Repair and Rehabilitation		2,000,000
43			
44	(2) CORRECTIONS		
45			
46	DEPARTMENT OF CORRECTION		
47	Preventive Maintenance		100,000
48	STATE PRISON		
49	Preventive Maintenance		1,100,000

	<i>FY 2013-2014 Appropriation</i>	<i>FY 2014-2015 Appropriation</i>	<i>Biennial Appropriation</i>
1	Postwar Construction Fund (IC 7.1-4-8-1)		
2	Repair and Rehabilitation		1,200,000
3	Construct Laundry Facility		3,250,000
4	Construct Security Building		2,200,000
5	PENDLETON CORRECTIONAL FACILITY		
6	Preventive Maintenance		1,300,000
7	Postwar Construction Fund (IC 7.1-4-8-1)		
8	Repair and Rehabilitation		3,200,000
9	WOMEN'S PRISON		
10	Preventive Maintenance		360,000
11	Postwar Construction Fund (IC 7.1-4-8-1)		
12	Repair and Rehabilitation		315,000
13	Install Emergency Power to Administration and Security Command Center		312,000
14	NEW CASTLE CORRECTIONAL FACILITY		
15	Preventive Maintenance		100,000
16	PUTNAMVILLE CORRECTIONAL FACILITY		
17	Preventive Maintenance		800,000
18	Postwar Construction Fund (IC 7.1-4-8-1)		
19	Repair and Rehabilitation		1,255,000
20	INDIANAPOLIS RE-ENTRY EDUCATION FACILITY		
21	Preventive Maintenance		360,000
22	Postwar Construction Fund (IC 7.1-4-8-1)		
23	Repair and Rehabilitation		90,000
24	BRANCHVILLE CORRECTIONAL FACILITY		
25	Preventive Maintenance		360,000
26	WESTVILLE CORRECTIONAL FACILITY		
27	Preventive Maintenance		1,040,000
28	Postwar Construction Fund (IC 7.1-4-8-1)		
29	Repair and Rehabilitation		2,212,000
30	ROCKVILLE CORRECTIONAL FACILITY		
31	Preventive Maintenance		500,000
32	Postwar Construction Fund (IC 7.1-4-8-1)		
33	Repair and Rehabilitation		2,736,048
34	PLAINFIELD CORRECTIONAL FACILITY		
35	Preventive Maintenance		950,000
36	RECEPTION AND DIAGNOSTIC CENTER		
37	Preventive Maintenance		210,000
38	Postwar Construction Fund (IC 7.1-4-8-1)		
39	Repair and Rehabilitation		242,000
40	CORRECTIONAL INDUSTRIAL FACILITY		
41	Preventive Maintenance		600,000
42	Postwar Construction Fund (IC 7.1-4-8-1)		
43	Repair and Rehabilitation		1,116,000
44	WABASH VALLEY CORRECTIONAL FACILITY		
45	Preventive Maintenance		527,354
46	CHAIN O' LAKES CORRECTIONAL FACILITY		
47	Preventive Maintenance		90,000
48	Postwar Construction Fund (IC 7.1-4-8-1)		
49	Construct Maintenance Building		180,000

	<i>FY 2013-2014 Appropriation</i>	<i>FY 2014-2015 Appropriation</i>	<i>Biennial Appropriation</i>
1	MADISON CORRECTIONAL FACILITY		
2			315,000
3	Preventive Maintenance		
4	Postwar Construction Fund (IC 7.1-4-8-1)		
5			375,000
6	Install Digital HVAC Controls		
7	MIAMI CORRECTIONAL FACILITY		
8			900,000
9	Preventive Maintenance		
10	CAMP SUMMIT CORRECTIONAL FACILITY		
11			80,000
12	Preventive Maintenance		
13	EDINBURGH CORRECTIONAL FACILITY		
14			80,000
15	Preventive Maintenance		
16	HENRYVILLE CORRECTIONAL FACILITY		
17			50,000
18	Preventive Maintenance		
19	PENDLETON JUVENILE CORRECTIONAL FACILITY		
20			300,000
21	Preventive Maintenance		
22	Postwar Construction Fund (IC 7.1-4-8-1)		
23			2,156,976
24	Repair and Rehabilitation		
25	NORTH CENTRAL JUVENILE CORRECTIONAL FACILITY		
26			120,000
27	Preventive Maintenance		
28	MADISON JUVENILE CORRECTIONAL FACILITY		
29			435,000
30	Preventive Maintenance		
31	Postwar Construction Fund (IC 7.1-4-8-1)		
32			375,000
33	Install Digital HVAC Controls on Housing Units		
34	C. CONSERVATION AND ENVIRONMENT		
35	DEPARTMENT OF NATURAL RESOURCES - GENERAL ADMINISTRATION		
36			100,000
37	Preventive Maintenance		
38			597,500
39	Repair and Rehabilitation		
40	FISH AND WILDLIFE		
41			3,279,158
42	Preventive Maintenance		
43			1,000,000
44	Repair and Rehabilitation		
45	FORESTRY		
46			2,870,000
47	Preventive Maintenance		
48			1,565,000
49	Repair and Rehabilitation		
50	NATURE PRESERVES		
51			639,750
52	Preventive Maintenance		
53			809,164
54	Repair and Rehabilitation		
55	OUTDOOR RECREATION		
56			60,000
57	Preventive Maintenance		
58			243,456
59	Repair and Rehabilitation		
60	STATE PARKS AND RESERVOIR MANAGEMENT		
61			3,165,350
62	Preventive Maintenance		
63			11,301,506
64	Repair and Rehabilitation		
65			182,000
66	State Parks - Falls of the Ohio Lease		
67			400,000
68	Falls of the Ohio - Exhibits		
69			2,000,000
70	Goose Pond Visitor Center		
71			3,600,000
72	Cigarette Tax Fund (IC 6-7-1-29.1)		
73			3,600,000
74	Preventive Maintenance		
75	DIVISION OF WATER		

	<i>FY 2013-2014</i>	<i>FY 2014-2015</i>	<i>Biennial</i>
	<i>Appropriation</i>	<i>Appropriation</i>	<i>Appropriation</i>
1			155,000
2			2,633,700
3	ENFORCEMENT		
4	Preventive Maintenance		589,600
5	Law Enforcement		800,000
6	Administration Building		2,000,000
7	ENTOMOLOGY		
8	Repair and Rehabilitation		200,000
9	INDIANA STATE MUSEUM AND HISTORIC SITES CORPORATION		
10	Preventive Maintenance		2,273,767
11	Repair and Rehabilitation		2,246,500
12	Bicentennial Match		4,000,000
13	WAR MEMORIALS COMMISSION		
14	Preventive Maintenance		1,234,000
15	Repair and Rehabilitation		1,100,000
16	Civil War Battle Flags Restoration		300,000
17	KANKAKEE RIVER BASIN COMMISSION		
18	Build Indiana Fund (IC 4-30-17)		
19	Repair and Rehabilitation		1,000,000
20			
21	D. TRANSPORTATION		
22			
23	DEPARTMENT OF TRANSPORTATION - BUILDINGS AND GROUNDS		
24	State Highway Fund (IC 8-23-9-54)		
25	Buildings and Grounds		21,240,000
26			
27	The above appropriations for highway buildings and grounds may be used for land		
28	acquisition, site development, construction and equipping of new highway facilities		
29	and for maintenance, repair, and rehabilitation of existing state highway facilities		
30	after review by the budget committee.		
31			
32	AIRPORT DEVELOPMENT		
33	Build Indiana Fund (IC 4-30-17)		
34	Airport Development		4,800,000
35	SOUTH CENTRAL REGIONAL AIRPORT AUTHORITY		
36	Airport Development		300,000
37			
38	The foregoing allocations for the Indiana department of transportation are for airport		
39	development and shall be used for the purpose of assisting local airport authorities		
40	and local units of government in matching available federal funds under the airport		
41	improvement program and for matching federal grants for airport planning and for		
42	the other airport studies. Matching grants of aid shall be made in accordance with		
43	the approved annual capital improvements program of the Indiana department of		
44	transportation and with the approval of the governor and the budget agency.		
45			
46	E. FAMILY AND SOCIAL SERVICES, HEALTH, AND VETERANS' AFFAIRS		
47			
48	(1) FAMILY AND SOCIAL SERVICES ADMINISTRATION		
49			

	<i>FY 2013-2014 Appropriation</i>	<i>FY 2014-2015 Appropriation</i>	<i>Biennial Appropriation</i>
1	FAMILY AND SOCIAL SERVICES ADMINISTRATION		
2	Postwar Construction Fund (IC 7.1-4-8-1)		
3			Vehicle Replacement 70,000
4	EVANSVILLE PSYCHIATRIC CHILDREN'S CENTER		
5	Preventive Maintenance 66,000		
6	Postwar Construction Fund (IC 7.1-4-8-1)		
7			Repair and Rehabilitation 183,086
8			Vehicle Replacement 30,000
9	EVANSVILLE STATE HOSPITAL		
10	Preventive Maintenance 783,924		
11	Postwar Construction Fund (IC 7.1-4-8-1)		
12			Repair and Rehabilitation 527,827
13			Vehicle Replacement 89,647
14	MADISON STATE HOSPITAL		
15	Preventive Maintenance 928,208		
16	Postwar Construction Fund (IC 7.1-4-8-1)		
17			Vehicle Replacement 100,737
18	LOGANSPOUR STATE HOSPITAL		
19	Preventive Maintenance 863,144		
20	Postwar Construction Fund (IC 7.1-4-8-1)		
21			Repair and Rehabilitation 2,986,943
22			Vehicle Replacement 176,760
23	RICHMOND STATE HOSPITAL		
24	Preventive Maintenance 1,100,000		
25	Postwar Construction Fund (IC 7.1-4-8-1)		
26			Repair and Rehabilitation 450,360
27			Vehicle Replacement 99,000
28	LARUE CARTER MEMORIAL HOSPITAL		
29	Preventive Maintenance 1,833,118		
30	Postwar Construction Fund (IC 7.1-4-8-1)		
31			Repair and Rehabilitation 1,080,000
32			Vehicle Replacement 103,032
33			
34	(2) PUBLIC HEALTH		
35			
36	SCHOOL FOR THE BLIND AND VISUALLY IMPAIRED		
37	Preventive Maintenance 565,714		
38	Postwar Construction Fund (IC 7.1-4-8-1)		
39			Repair and Rehabilitation 2,642,859
40	SCHOOL FOR THE DEAF		
41	Preventive Maintenance 565,714		
42	Postwar Construction Fund (IC 7.1-4-8-1)		
43			Repair and Rehabilitation 2,473,988
44			
45	(3) VETERANS' AFFAIRS		
46			
47	INDIANA VETERANS' HOME		
48	Veterans' Home Building Fund (IC 10-17-9-7)		
49			Preventive Maintenance 1,500,000

	<i>FY 2013-2014 Appropriation</i>	<i>FY 2014-2015 Appropriation</i>	<i>Biennial Appropriation</i>
1			8,270,579
2			
3	F. EDUCATION		
4			
5	HIGHER EDUCATION		
6			
7	INDIANA UNIVERSITY - TOTAL SYSTEM		
8	Repair and Rehabilitation		22,912,596
9	School of Medicine Laboratory Expansion		25,000,000
10	Regional Campus Projects		29,000,000
11	PURDUE UNIVERSITY - TOTAL SYSTEM		
12	Repair and Rehabilitation		18,529,948
13	PUWL Active Learning Center		50,000,000
14	IPFW South Campus Renovations		21,350,000
15	INDIANA STATE UNIVERSITY		
16	Repair and Rehabilitation		2,725,770
17	Normal Hall		16,000,000
18	UNIVERSITY OF SOUTHERN INDIANA		
19	Repair and Rehabilitation		1,367,926
20	Classroom Renovation and Expansion		18,000,000
21	Medical Education Center A&E		2,000,000
22	BALL STATE UNIVERSITY		
23	Repair and Rehabilitation		4,758,755
24	Geothermal Project Phase II		30,000,000
25	VINCENNES UNIVERSITY		
26	Repair and Rehabilitation		1,630,210
27	Aviation Technology Center Rehabilitation		6,000,000
28	IVY TECH COMMUNITY COLLEGE		
29	Repair and Rehabilitation		5,060,688
30	Hamilton County IVTCC Facility		12,000,000
31			
32	SECTION 34. [EFFECTIVE JULY 1, 2013]		
33			
34	The budget agency may employ one (1) or more architects or engineers to inspect		
35	construction, rehabilitation, and repair projects covered by the appropriations in		
36	this act or previous acts.		
37			
38	SECTION 35. [EFFECTIVE UPON PASSAGE]		
39			
40	If any part of a construction or rehabilitation and repair appropriation made by this		
41	act or any previous acts has not been allotted or encumbered before the expiration		
42	of two (2) biennia, the budget agency may determine that the balance of the appropriation		
43	is not available for allotment. The appropriation may be terminated, and the balance		
44	may revert to the fund from which the original appropriation was made.		
45			
46	SECTION 36. [EFFECTIVE JULY 1, 2013]		
47			
48	The budget agency may retain balances in the mental health fund at the end of any		
49	fiscal year to ensure there are sufficient funds to meet the service needs of the		

1 **developmentally disabled and the mentally ill in any year.**

2
3 **SECTION 37. [EFFECTIVE JULY 1, 2013]**

4
5 **If the budget director determines at any time during the biennium that the executive**
6 **branch of state government cannot meet its statutory obligations due to insufficient**
7 **funds in the general fund, then notwithstanding IC 4-10-18, the budget agency, with**
8 **the approval of the governor and after review by the budget committee, may transfer**
9 **from the counter-cyclical revenue and economic stabilization fund to the general**
10 **fund any additional amount necessary to maintain a positive balance in the general**
11 **fund.**

12 SECTION 38. IC 2-5-1.2-1, AS AMENDED BY P.L.133-2012, SECTION 1, IS AMENDED TO
13 READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) Except as provided in subsection
14 (b) or otherwise in this article, this chapter applies to all committees established under this article.

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

- 16 (1) The legislative council and code revision commission (IC 2-5-1.1).
- 17 (2) The public officers compensation advisory commission (IC 2-5-1.6).
- 18 (3) The commission on interstate cooperation (IC 2-5-2).
- 19 (4) The commission on state tax and financing policy (IC 2-5-3).
- 20 (5) The natural resources study committee (IC 2-5-5).
- 21 (6) The pension management oversight commission (IC 2-5-12).
- 22 (7) The probate code study commission (IC 2-5-16).
- 23 (8) The administrative rules oversight committee (IC 2-5-18).
- 24 (9) The census data advisory committee (IC 2-5-19).
- 25 (10) The commission on military and veterans affairs (IC 2-5-20).
- 26 (11) A committee covered by IC 2-5-21.
- 27 (12) The health finance commission (IC 2-5-23).
- 28 (13) The water resources study committee (IC 2-5-25).
- 29 ~~(14) The select joint commission on Medicaid oversight (IC 2-5-26).~~
- 30 ~~(15) (14) The commission on developmental disabilities (IC 2-5-27.2).~~
- 31 ~~(16) (15) The youth advisory council (IC 2-5-29).~~
- 32 ~~(17) (16) The unemployment insurance oversight committee (IC 2-5-30).~~
- 33 ~~(18) (17) The criminal law and sentencing policy study committee (IC 2-5-33.4).~~

34 SECTION 39. IC 2-5-23-2 IS REPEALED [EFFECTIVE UPON PASSAGE]. ~~Sec. 2: As used in this~~
35 ~~chapter, "committee" refers to the health finance advisory committee created under section 6 of this~~
36 ~~chapter.~~

37 SECTION 40. IC 2-5-23-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON
38 PASSAGE]: Sec. 4. The commission may study any topic:

- 39 (1) directed by the chairman of the commission;
- 40 (2) assigned by the legislative council; or
- 41 (3) concerning issues that include:
 - 42 (A) the delivery, payment, and organization of health care services;
 - 43 (B) rules adopted under IC 4-22-2 that pertain to health care delivery, payment, and services that
 - 44 are under the authority of any board or agency of state government; ~~and~~
 - 45 (C) the implementation of IC 12-10-11.5; **and**
 - 46 **(D) the state Medicaid program and the children's health insurance program established**
 - 47 **under IC 12-17.6.**

48 SECTION 41. IC 2-5-23-6 IS REPEALED [EFFECTIVE UPON PASSAGE]. ~~Sec. 6: The health~~
49 ~~finance advisory committee is created. At the request of the chairman, the health finance advisory~~
50 ~~committee shall provide information and otherwise assist the commission to perform the duties of the~~
51 ~~commission under this chapter. The health finance advisory committee members are ex officio and may~~
52 ~~not vote. Health finance advisory committee members shall be appointed from the general public; and~~

1 must include the following:

2 (1) One (1) representative from each of the following fields:

3 (A) Cost accounting:

4 (B) Actuarial sciences:

5 (C) Medical economics:

6 (2) One (1) individual who represents each of the following:

7 (A) Insurance; with knowledge of:

8 (i) acute and long term care; and

9 (ii) reimbursement:

10 (B) Long term care; with knowledge of institutionalized and home based services; including
11 planning services:

12 (C) Hospitals; with knowledge of:

13 (i) inpatient and outpatient care; and

14 (ii) disproportionate share hospitals:

15 (D) Mental health; with knowledge of acute care; chronic care; institutional care; and community
16 based care:

17 (E) Pharmacies; with knowledge of:

18 (i) drug utilization;

19 (ii) drug research; and

20 (iii) access to drug services:

21 (F) Physicians licensed under IC 25-22.5:

22 (G) Nurses:

23 (H) Public and community health; with knowledge of:

24 (i) primary care health centers; and

25 (ii) access to care:

26 (I) The dean of the Medical School at Indiana University; or the dean's designee:

27 (J) The budget director or the director's designee:

28 (3) Two (2) individuals with expertise concerning issues under consideration by the commission.

29 SECTION 42. IC 2-5-23-7 IS REPEALED [EFFECTIVE UPON PASSAGE]. Sec. 7: (a) The president
30 pro tempore of the senate; with the advice of the minority leader of the senate; shall appoint the members
31 of the committee identified in section 6(1) and 6(2)(A) through 6(2)(C):

32 (b) The speaker of the house of representatives; with the advice of the minority leader of the house of
33 representatives; shall appoint the members of the committee identified in section 6(2)(D) through 6(2)(H)
34 of this chapter:

35 (c) The chairman of the commission; with the advice of the vice chairman of the commission; shall
36 appoint the members of the health finance advisory committee identified in section 6(3) of this chapter:

37 SECTION 43. IC 2-5-23-8 IS REPEALED [EFFECTIVE UPON PASSAGE]. Sec. 8: (a) The health
38 policy advisory committee is established. At the request of the chairman of the commission; the health
39 policy advisory committee shall provide information and otherwise assist the commission to perform the
40 duties of the commission under this chapter:

41 (b) The health policy advisory committee members are ex officio and may not vote:

42 (c) The health policy advisory committee members shall be appointed from the general public and
43 must include one (1) individual who represents each of the following:

44 (1) The interests of public hospitals:

45 (2) The interests of community mental health centers:

46 (3) The interests of community health centers:

47 (4) The interests of the long term care industry:

48 (5) The interests of health care professionals licensed under IC 25; but not licensed under
49 IC 25-22.5:

50 (6) The interests of rural hospitals: An individual appointed under this subdivision must be licensed
51 under IC 25-22.5:

52 (7) The interests of health maintenance organizations (as defined in IC 27-13-1-19):

- 1 (8) The interests of for-profit health care facilities (as defined in IC 27-8-10-1).
- 2 (9) A statewide consumer organization.
- 3 (10) A statewide senior citizen organization.
- 4 (11) A statewide organization representing people with disabilities.
- 5 (12) Organized labor.
- 6 (13) The interests of businesses that purchase health insurance policies.
- 7 (14) The interests of businesses that provide employee welfare benefit plans (as defined in 29 U.S.C.
- 8 1002) that are self-funded.
- 9 (15) A minority community.
- 10 (16) The uninsured. An individual appointed under this subdivision must be and must have been
- 11 chronically uninsured.
- 12 (17) An individual who is not associated with any organization, business, or profession represented
- 13 in this subsection other than as a consumer.

14 (d) The chairman of the commission shall annually select a member of the health policy advisory
15 committee to serve as chairperson.

16 (e) The health policy advisory committee shall meet at the call of the chairperson of the health policy
17 advisory committee.

18 (f) The health policy advisory committee shall submit an annual report not later than September 15
19 of each year to the commission that summarizes the committee's actions and the committee's findings and
20 recommendations on any topic assigned to the committee. The report must be in an electronic format
21 under IC 5-14-6.

22 SECTION 44. IC 2-5-23-9 IS REPEALED [EFFECTIVE UPON PASSAGE]. Sec. 9: The president
23 pro tempore of the senate, with the advice of the minority leader of the senate, shall appoint the members
24 of the health policy advisory committee identified in section 8(1), 8(3), 8(4), 8(6), 8(7), 8(8), 8(12), and
25 8(13); of this chapter.

26 SECTION 45. IC 2-5-23-10 IS REPEALED [EFFECTIVE UPON PASSAGE]. Sec. 10: The speaker
27 of the house of representatives, with the advice of the minority leader of the house of representatives, shall
28 appoint the members of the health policy advisory committee identified in section 8(2), 8(5), 8(9), 8(10),
29 8(11), 8(14), 8(15), 8(16), and 8(17) of this chapter.

30 SECTION 46. IC 2-5-23-12 IS REPEALED [EFFECTIVE UPON PASSAGE]. Sec. 12: A committee
31 member as identified in section 6(3) of this chapter shall serve at the pleasure of the chairman of the
32 commission. The member may be replaced at any time without notice, and for any reason, at the discretion
33 of the chairman of the commission.

34 SECTION 47. IC 2-5-23-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON
35 PASSAGE]: Sec. 17. Each member of the commission each member of the health finance advisory
36 committee, and each member of the health policy advisory committee is entitled to receive the same per
37 diem, mileage, and travel allowances paid to individuals who serve as legislative and lay members,
38 respectively, of interim study committees established by the legislative council.

39 SECTION 48. IC 2-5-26 IS REPEALED [EFFECTIVE UPON PASSAGE]. (Select Joint Commission
40 on Medicaid Oversight).

41 SECTION 49. IC 4-9.1-1-7, AS AMENDED BY P.L.246-2005, SECTION 39, IS AMENDED TO
42 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 7. (a) The board may transfer money between
43 state funds, and the board may transfer money between appropriations for any board, department,
44 commission, office, or benevolent or penal institution of the state. After the transfer is made the money
45 of the fund or appropriation transferred is not available to the fund or the board, department, commission,
46 office, or benevolent or penal institution from which it was transferred.

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

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

52 (d) The authority given the board under this section to make transfers does not apply to trust funds.

1 For the purposes of this section, "trust fund" means a fund which by the constitution or by statute has been
2 designated as a trust fund or a fund which has been determined by the board to be a trust fund.

3 **(e) The authority of the board under this section to make transfers does not apply to that part**
4 **of the money in a dedicated fund that is attributable to fees credited to the fund.**

5 SECTION 50. IC 4-10-18-1, AS AMENDED BY P.L.146-2008, SECTION 8, IS AMENDED TO
6 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 1. As used in this chapter:

7 "Adjusted personal income" for a particular ~~calendar year~~ **reporting period** means the adjusted state
8 personal income for that **year reporting period** as determined under section 3(b) of this chapter.

9 "Annual growth rate" for a particular ~~calendar year~~ **reporting period** means the percentage change
10 in adjusted personal income for the particular ~~calendar year~~ **reporting period** as determined under section
11 3(c) of this chapter.

12 "Budget director" refers to the director of the budget agency established under IC 4-12-1.

13 **"Bureau" means the Bureau of Economic Analysis of the United States Department of**
14 **Commerce or its successor agency.**

15 "Costs" means the cost of construction, equipment, land, property rights (including leasehold interests),
16 easements, franchises, leases, financing charges, interest costs during and for a reasonable period after
17 construction, architectural, engineering, legal, and other consulting or advisory services, plans,
18 specifications, surveys, cost estimates, and other costs or expenses necessary or incident to the
19 acquisition, development, construction, financing, and operating of an economic growth initiative.

20 "Current calendar year" means a calendar year during which a transfer to or from the fund is initially
21 determined under sections 4 and 5 of this chapter.

22 **"Current reporting period" means the most recent reporting period for which the following**
23 **information is published by the bureau:**

24 **(1) The implicit price deflator for the gross domestic product.**

25 **(2) State personal income.**

26 "Economic growth initiative" means:

27 (1) the construction, extension, or completion of sewerlines, waterlines, streets, sidewalks, bridges,
28 roads, highways, public ways, and any other infrastructure improvements;

29 (2) the leasing or purchase of land and any site improvements to land;

30 (3) the construction, leasing, or purchase of buildings or other structures;

31 (4) the rehabilitation, renovation, or enlargement of buildings or other structures;

32 (5) the leasing or purchase of machinery, equipment, or furnishings; or

33 (6) the training or retraining of employees whose jobs will be created or retained as a result of the
34 initiative.

35 "Fund" means the counter-cyclical revenue and economic stabilization fund established under this
36 chapter.

37 "General fund revenue" means all general purpose tax revenue and other unrestricted general purpose
38 revenue of the state, including federal revenue sharing monies, credited to the state general fund and from
39 which appropriations may be made.

40 "Implicit price deflator for the gross ~~national~~ **domestic** product" means the implicit price deflator for
41 the gross ~~national~~ **domestic** product, or its closest equivalent, which is available from the ~~United States~~
42 ~~Bureau of Economic Analysis:~~ **bureau.**

43 "Political subdivision" has the meaning set forth in IC 36-1-2-13.

44 "Qualified economic growth initiative" means an economic growth initiative that is:

45 (1) proposed by or on behalf of a political subdivision to promote economic growth, including the
46 creation or retention of jobs or the infrastructure necessary to create or retain jobs;

47 (2) supported by a financing plan by or on behalf of the political subdivision in an amount at least
48 equal to the proposed amount of the grant under section 15 of this chapter; and

49 (3) estimated to cost not less than twelve million five hundred thousand dollars (\$12,500,000).

50 **"Reporting period" refers to a period of twelve (12) consecutive months.**

51 "State personal income" means state personal income as that term is defined by the bureau. of
52 ~~Economic Analysis of the United States Department of Commerce or its successor agency.~~

1 "Total state general fund revenue" for a particular state fiscal year means the amount of that revenue
2 for the particular state fiscal year as finally determined by the auditor of state.

3 "Transfer payments" means ~~transfer payments~~ **current personal transfer receipts** as that term is
4 defined by the bureau. of Economic Analysis of the United States Department of Commerce or its
5 successor agency:

6 SECTION 51. IC 4-10-18-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]:
7 Sec. 3. (a) Each year, the budget director shall determine the adjusted personal income and the annual
8 growth rate for Indiana **using the current reporting period.**

9 (b) The budget director shall determine the adjusted personal income for a ~~particular calendar year~~ **the**
10 **current reporting period** in the following manner:

11 STEP ONE: Calculate the average implicit price deflator for the gross ~~national~~ **domestic** product
12 for the ~~state fiscal year ending in that calendar year~~ **current reporting period** by totaling the
13 implicit price deflator for the gross ~~national~~ **domestic** product for each quarter of the ~~state fiscal year~~
14 **current reporting period** and dividing that total by four (4).

15 STEP TWO: Calculate the remainder of the total state personal income for the ~~calendar year~~ **current**
16 **reporting period** minus any transfer payments made in Indiana for the ~~calendar year~~. **current**
17 **reporting period.**

18 STEP THREE: Calculate the quotient of the result of STEP TWO divided by the result of STEP
19 ONE.

20 STEP FOUR: Calculate the product of one hundred (100) multiplied by the result of STEP THREE.
21 This product is the adjusted personal income for the ~~particular calendar year~~. **current reporting**
22 **period.**

23 (c) The annual growth rate for a ~~particular calendar year~~ **reporting period** equals the quotient of:

24 (1) the remainder of:

25 (A) the adjusted personal income for the ~~particular calendar year~~; **reporting period**; minus

26 (B) the adjusted personal income for the ~~calendar year~~ **twelve (12) month period** immediately
27 preceding the ~~particular calendar year~~; **current reporting period**; divided by

28 (2) the adjusted personal income for the ~~calendar year~~ **twelve (12) month period** immediately
29 preceding the ~~particular calendar year~~. **current reporting period.**

30 The annual growth rate shall be expressed as a percentage and shall be rounded to the nearest one-tenth
31 of one percent (~~+1%~~): **(0.1%)**.

32 (d) If the bureau of Economic Analysis of the United States Department of Commerce, or its successor
33 agency, changes the base year on which it calculates the implicit price deflator for the gross ~~national~~
34 **domestic** product, the budget director shall adjust the implicit price deflator for the gross ~~national~~
35 **domestic** product used in making the calculation in subsection (b) to compensate for that change in the
36 base year.

37 SECTION 52. IC 4-10-18-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]:
38 Sec. 4. (a) If the annual growth rate for the ~~calendar year~~ **preceding the current calendar year** **current**
39 **reporting period** exceeds two percent (2%), there is appropriated to the fund from the state general fund,
40 for the state fiscal year beginning in the current calendar year, an amount equal to the product of:

41 (1) the total state general fund revenues for the state fiscal year ending in the current calendar year;
42 multiplied by

43 (2) the remainder of:

44 (A) the annual growth rate for the ~~calendar year~~ **preceding the current calendar year**; **current**
45 **reporting period**; minus

46 (B) two percent (2%).

47 (b) If the annual growth rate for the ~~calendar year~~ **immediately preceding the current calendar year**
48 **current reporting period** is less than a negative two percent (-2%), there is appropriated from the fund
49 to the state general fund, for the state fiscal year beginning in the current calendar year, an amount equal
50 to the ~~product of~~: **amount determined in STEP TWO of the following formula:**

51 **STEP ONE: Determine the product of:**

52 **(+) (A)** the total state general fund revenues for the state fiscal year ending in the current calendar

1 year; multiplied by
2 ~~(2)~~ **(B)** negative one (-1). and further multiplied by
3 **STEP TWO: Determine the product of:**
4 **(A) the STEP ONE result; multiplied by**
5 ~~(3)~~ **(B)** the remainder of:
6 ~~(A)~~ **(i)** the annual growth rate for the ~~calendar year preceding the current calendar year;~~
7 **current reporting period;** minus
8 ~~(B)~~ **(ii)** negative two percent (-2%).

9 SECTION 53. IC 4-10-18-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]:

10 Sec. 7. If:

11 **(1)** the bureau of Economic Analysis of the United States Department of Commerce revises the state
12 personal income figure it has previously reported for the ~~calendar year~~ **twelve (12) month period**
13 ~~preceding the current calendar year~~ **reporting period;** and if

14 **(2)** the revision is made after the transfer for the state fiscal year that begins in the current calendar
15 year has initially been determined under section 5 of this chapter;

16 then the budget director shall adjust the transfer to reflect any increase or decrease in the growth rate used
17 in initially determining that transfer. However, the total adjustments made under this section may not
18 increase or decrease the initially determined transfer by an amount which exceeds one percent (1%) of
19 the total general fund revenue used in determining the transfer. In addition, the last report of state personal
20 income that the bureau makes before April 30 of the calendar year immediately following the current
21 calendar year determines the final adjustment that may be made under this section with respect to that
22 transfer.

23 SECTION 54. IC 4-10-22-3, AS AMENDED BY P.L.160-2012, SECTION 4, IS AMENDED TO
24 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 3. After completing the presentation to the
25 state budget committee described in section 2 of this chapter, the governor shall do the following:

26 (1) If the amount of excess reserves on June 30 of any year is less than fifty million dollars
27 (\$50,000,000), the governor shall carry over the excess reserves to each subsequent year until the
28 total excess reserves, including any carryover amount, equal at least fifty million dollars
29 (\$50,000,000). In the year that the total excess reserves equal at least fifty million dollars
30 (\$50,000,000), the excess reserves shall be used as provided in subdivision (2).

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

33 **(A)** If the year is calendar year ~~2012;~~ **2013**, transfer ~~fifty percent (50%)~~ **one hundred percent**
34 **(100%)** of the excess reserves as follows:

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

42 **(ii)** to the pension stabilization fund established by IC 5-10.4-2-5 for the purposes of the
43 pension stabilization fund. ~~if money remains after satisfying item (i):~~

44 If the year ~~begins after December 31, 2012;~~ **is calendar year 2014 or thereafter**, transfer fifty
45 percent (50%) of any excess reserves to the pension stabilization fund established by
46 IC 5-10.4-2-5 for the purposes of the pension stabilization fund.

47 **(B)** ~~If the year is calendar year 2014 or thereafter~~, use fifty percent (50%) of any excess
48 reserves for the purposes of providing an automatic taxpayer refund under section 4 of this
49 chapter.

50 SECTION 55. IC 4-12-1-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]:

51 Sec. 9. (a) The budget agency shall assist the budget committee in the preparation of the budget report
52 and the budget bill, using the recommendations and estimates prepared by the budget agency and the

1 information obtained through investigation and presented at hearings. The budget committee shall
2 consider the data, information, recommendations and estimates before it and, to the extent that there is
3 agreement on items, matters and amounts between the budget agency and a majority of the members of
4 the budget committee, the committee shall organize and assemble a budget report and a budget bill or
5 budget bills. In the event the budget agency and a majority of the members of the budget committee shall
6 differ upon any item, matter, or amount to be included in such report and bills, the recommendation of
7 the budget agency shall be included in the budget bill or bills, and the particular item, matter or amount,
8 and the extent of and reasons for the differences between the budget agency and the budget committee
9 shall be stated fully in the budget report. ~~Before the second Monday of January, in the year immediately~~
10 ~~after preparation, the budget report and the budget bill or bills shall be submitted to the governor by the~~
11 ~~budget committee. The budget committee shall submit the budget report and the budget bill or bills~~
12 ~~to the governor before:~~

13 **(1) the second Monday of January in the year immediately following the calendar year in**
14 **which the budget report and budget bill or bills are prepared, if the budget report and budget**
15 **bill or bills are prepared in a calendar year other than a calendar year in which a**
16 **gubernatorial election is held; or**

17 **(2) the third Monday of January, if the budget report and budget bill or bills are prepared in**
18 **the same calendar year in which a gubernatorial election is held.**

19 The governor shall deliver to the house members of the budget committee such bill or bills for
20 introduction into the house of representatives.

21 (b) Whenever during the period beginning thirty (30) days prior to a regular session of the general
22 assembly the budget report and budget bill or bills have been completed and printed and are available for
23 distribution, upon the request of a member of the general assembly an informal distribution of one (1)
24 copy of each such document shall be made by the budget committee to such members. During business
25 hours, and as may be otherwise required during sessions of the general assembly, the budget agency shall
26 make available to the members of the general assembly so much as they shall require of its accumulated
27 staff information, analyses and reports concerning the fiscal affairs of the state and the current budget
28 report and budget bill or bills.

29 (c) The budget report shall include at least the following five (5) parts:

30 (1) A statement of budget policy, including but not limited to recommendations with reference to
31 the fiscal policy of the state for the coming budget period, and describing the important features of
32 the budget.

33 (2) A general budget summary setting forth the aggregate figures of the budget to show the total
34 proposed expenditures and the total anticipated income, and the surplus or deficit.

35 (3) The detailed data on actual receipts and expenditures for the previous fiscal year or two (2) fiscal
36 years depending upon the length of the budget period for which the budget bill or bills is proposed,
37 the estimated receipts and expenditures for the current year, and for the ensuing budget period, and
38 the anticipated balances at the end of the current fiscal year and the ensuing budget period. Such
39 data shall be supplemented with necessary explanatory schedules and statements, including a
40 statement of any differences between the recommendations of the budget agency and of the budget
41 committee.

42 (4) A description of the capital improvement program for the state and an explanation of its relation
43 to the budget.

44 (5) The budget bills.

45 (d) The budget report shall cover and include all special and dedicated revenue funds as well as the
46 general revenue fund and shall include the estimated amounts of federal aids, for whatever purpose
47 provided, together with estimated expenditures therefrom.

48 (e) The budget agency shall furnish the governor with any further information required concerning the
49 budget, and upon request shall attend hearings of committees of the general assembly on the budget bills.

50 SECTION 56. IC 4-12-1-12, AS AMENDED BY P.L.146-2008, SECTION 13, IS AMENDED TO
51 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 12. (a) Within forty-five (45) days following
52 the adjournment of the regular session of the general assembly, the budget agency shall examine the acts

1 of such general assembly and, with the aid of its own records and those of the budget committee, shall
2 prepare a complete list of all appropriations made by law for the budget period beginning on July 1
3 following such regular session, or so made for such other period as is provided in the appropriation. While
4 such list is being made by it the budget agency shall review and analyze the fiscal status and affairs of the
5 state as affected by such appropriations. A written report thereof shall be made and signed by the budget
6 director and shall be transmitted to the governor and the auditor of state. The report shall be transmitted
7 in an electronic format under IC 5-14-6 to the general assembly.

8 (b) Not later than the first day of June of each calendar year, the budget agency shall prepare a list of
9 all appropriations made by law for expenditure or encumbrance during the fiscal year beginning on the
10 first day of July of that calendar year.

11 (c) Within sixty (60) days following the adjournment of any special session of the general assembly,
12 or within such shorter period as the circumstances may require, the budget agency shall prepare for and
13 transmit to the governor and members of the general assembly and the auditor of state, like information
14 and a list of sums appropriated, all as is done upon the adjournment of a regular session, pursuant to
15 subsections (a) and (b) ~~of this section~~ to the extent the same are applicable. The budget agency shall
16 transmit any information under this subsection to the general assembly in an electronic format under
17 IC 5-14-6.

18 (d) The budget agency shall administer the allotment system provided in IC 4-13-2-18.

19 (e) The budget agency may transfer, assign, and reassign any appropriation or appropriations, or parts
20 of them, excepting those appropriations made to the Indiana state teacher's retirement fund established
21 by IC 5-10.4-2, made **from a fund and identified** for one (1) specific use or purpose **of that fund** to
22 another use or purpose ~~of the agency of state to which the appropriation is made, but only when the uses~~
23 ~~and purposes to which the funds transferred, assigned and reassigned are uses and purposes the agency~~
24 ~~of state is by law required or authorized to perform: of that fund.~~ No transfer **for another use or purpose**
25 may be made as in this subsection authorized unless upon the request of and with the consent of the
26 agency of state whose appropriations are involved. Except to the extent otherwise specifically provided,
27 every appropriation made and hereafter made **from a fund** and provided for any specific use or purpose
28 of an agency of the state is and shall be construed to be an appropriation to the agency, for all other
29 necessary and lawful uses and purposes **of only that fund** of the agency, subject to the aforesaid request
30 and consent of the agency and concurrence of the budget agency. **The budget agency may not transfer,**
31 **assign, or reassign any appropriation or appropriations, or parts of them, from one (1) dedicated**
32 **fund to another dedicated fund or to the state general fund.**

33 (f) One (1) or more emergency or contingency appropriations for each fiscal year or for the budget
34 period may be made to the budget agency. Such appropriations shall be in amounts definitely fixed by
35 law, or ascertainable or determinable according to a formula, or according to appropriate provisions of
36 law taking into account the revenues and income of the agency of state. No transfer shall be made from
37 any such appropriation to the regular appropriation of an agency of the state except upon an order of the
38 budget agency made pursuant to the authority vested in it hereby or otherwise vested in it by law.

39 SECTION 57. IC 4-12-1-13, AS AMENDED BY P.L.100-2012, SECTION 2, IS AMENDED TO
40 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 13. (a) During the interval between sessions
41 of the general assembly, the budget agency shall make regular or, at the request of the governor, special
42 inspections of the respective institutions of the state supported by public funds. The budget agency shall
43 report regularly to the governor relative to the physical condition of such institutions, and any
44 contemplated action of the institution on a new or important matter, and on any other subject which such
45 agency may deem pertinent or on which the governor may require information. The budget agency shall
46 likewise familiarize itself with the best and approved practices in each of such institutions and supply
47 such information to other institutions to make their operation more efficient and economical.

48 (b) Except as to officers and employees of state educational institutions, the executive secretary of the
49 governor, the administrative assistants to the governor, the elected officials, and persons whose salaries
50 or compensation are fixed by the governor pursuant to law, the annual compensation of all persons
51 employed by agencies of the state shall be subject to the approval of the budget agency. Except as
52 otherwise provided by IC 4-15-2.2, the budget agency shall establish classifications and schedules for

1 fixing compensation, salaries and wages of all classes and types of employees of any state agency or state
2 agencies, and any and all other such classifications affecting compensation as the budget agency shall
3 deem necessary or desirable. The classifications and schedules thus established shall be filed in the office
4 of the budget agency. Requests by an appointing authority for salary and wage adjustments or personal
5 service payments coming within such classifications and schedules shall become effective when approved
6 by, and upon the terms of approval fixed by, the budget agency. All personnel requests pertaining to the
7 staffing of programs or agencies supported in whole or in part by federal funds are subject to review and
8 approval by the state personnel department under IC 4-15-2.2.

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

11 (d) The budget agency shall review all contracts for personal services or other services and no contract
12 for personal services or other services may be entered into by any agency of the state before the written
13 approval of the budget agency is given. Each demand for payment submitted by an agency to the auditor
14 of state under these contracts must be accompanied by a copy of the budget agency approval. No payment
15 may be made by the auditor of state without such approval. However, this subsection does not apply to
16 a contract entered into by:

17 (1) a state educational institution; or

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

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

23 (f) **Except as provided in subsection (g),** the budget agency may adopt such policies and procedures
24 not inconsistent with law as it may deem advisable to facilitate and carry out the powers and duties of the
25 agency, including the execution and administration of all appropriations made by law. IC 4-22-2 does not
26 apply to these policies and procedures.

27 **(g) The budget agency may not enforce or apply any policy or procedure, unless specifically**
28 **authorized by this chapter or an applicable statute, against or in relation to the following officials**
29 **or agencies, unless the official or agency consents to comply with the policy or procedure, or**
30 **emergency circumstances justify extraordinary measures to protect the state's budget or fiscal**
31 **reserves:**

32 (1) **The judicial department of the state.**

33 (2) **The general assembly, the legislative services agency, or any other entity of the legislative**
34 **department of the state.**

35 (3) **The attorney general.**

36 (4) **The auditor of state.**

37 (5) **The secretary of state.**

38 (6) **The superintendent of public instruction.**

39 (7) **The treasurer of state.**

40 SECTION 58. IC 4-13-2-18 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]:
41 Sec. 18. (a) For the purpose of the administration of the allotment system provided by this section, each
42 fiscal year shall be divided into four (4) quarterly allotment periods, beginning respectively on the first
43 day of July, October, January, and April. However, in any case where the quarterly allotment period is
44 impracticable, the state budget director may prescribe a different period suited to the circumstances but
45 not extending beyond the end of any fiscal year.

46 (b) Except as otherwise expressly provided in this section, the provisions of this chapter relating to the
47 allotment system and to the encumbering of funds shall apply to appropriations and funds of all kinds,
48 including standing or annual appropriations and dedicated funds, from which expenditures are to be made
49 from time to time by or under the authority of any state agency. However, the provisions relating to the
50 allotment system shall not apply to moneys made available for the purpose of conducting a post-audit of
51 financial transactions of any state agency. Likewise, appropriations for construction or for the acquisition
52 of real estate for public purposes may be exempted from the allotment system by the state budget director,

1 but in such cases he shall prescribe such regulations as will insure the proper application and
2 encumbering of funds.

3 (c) No appropriation to any state agency shall become available for expenditure until:

4 (1) such state agency shall have submitted to the state budget agency a request for allotment, such
5 request for allotment to consist of an estimate of the amount required for each activity and each
6 purpose for which money is to be expended during the applicable allotment period; and

7 (2) such estimate contained in the request for allotment shall have been approved, increased, or
8 decreased by the state budget director and funds allotted therefor as hereinafter provided.

9 The form of a request for allotment, including a request by hand, mail, facsimile transmission, or other
10 electronic transmission, shall be prescribed by the state budget agency with the approval of the auditor
11 of state and shall be submitted to them at least twenty-five (25) days prior to the beginning of the
12 allotment period.

13 (d) Each request for allotment shall be reviewed by the state budget agency and respective amounts
14 therein shall be allotted for expenditure if:

15 (1) the estimate therein is within the terms of the appropriation as to amount and purpose, having
16 due regard for the probable future needs of the state agency for the remainder of the fiscal year or
17 other term for which the appropriation was made; and

18 (2) the agency contemplates expenditure of the allotment during the period.

19 Otherwise the state budget agency shall modify the estimate so as to conform with the terms of the
20 appropriation and the prospective needs of the state agency, and shall reduce the amount to be allotted
21 accordingly. The state budget agency shall act promptly upon all requests for allotment and shall notify
22 every state agency of its allotments at least five (5) days before the beginning of each allotment period.
23 The total amount allotted to any agency for the fiscal year or other term for which the appropriation was
24 made shall not exceed the amount appropriated for such year or term.

25 (e) The state budget director shall also have authority at any time to modify or amend any allotment
26 previously made by him.

27 (f) In case the state budget director shall discover at any time that:

28 (1) the probable receipts from taxes or other sources for any fund will be less than were anticipated;
29 and

30 (2) as a consequence the amount available for the remainder of the term of the appropriation or for
31 any allotment period will be less than the amount estimated or allotted therefor;

32 he shall, with the approval of the governor, and after notice to the state agency or agencies concerned,
33 reduce the amount or amounts allotted or to be allotted so as to prevent a deficit.

34 (g) The state budget agency shall promptly transmit records of all allotments and modifications thereof
35 to the auditor of state.

36 (h) The auditor of state shall maintain as a part of the central accounting system for the state, as
37 hereinbefore provided, records showing at all times, by funds, accounts, and other pertinent
38 classifications, the amounts appropriated, the estimated revenues, the actual revenues or receipts; the
39 amounts allotted and available for expenditure, the total expenditures, the unliquidated obligations, actual
40 balances on hand, and the unencumbered balances of the allotments for each state agency.

41 (i) No payment shall be made from any fund, allotment, or appropriation unless the auditor of state
42 shall first certify that there is a sufficient unencumbered balance in such fund, allotment, or appropriation,
43 after taking into consideration all previous expenditures to meet the same. In the case of an obligation to
44 be paid from federal funds, a notice of federal grant award shall be considered an appropriation against
45 which obligations may be incurred, funds may be allotted, and encumbrances may be made.

46 (j) Every expenditure or obligation authorized or incurred in violation of the provisions of this chapter
47 shall be void. Every payment made in violation of the provisions of this chapter shall be illegal, and every
48 official authorizing or making such payment, or taking part therein, and every person receiving such
49 payment, or any part thereof, shall be jointly and severally liable to the state for the full amount so paid
50 or received. If any appointive officer or employee of the state shall knowingly incur any obligation or shall
51 authorize or make any expenditure in violation of the provisions of this chapter, or take any part therein,
52 it shall be ground for ~~his~~ **that person's** removal by the officer appointing ~~him~~, **that person**, and if the

1 appointing officer be other than the governor and shall fail to remove such officer or employee, the
2 governor may exercise such power of removal after giving notice of the charges and opportunity for
3 hearing thereon to the accused officer or employee and to the officer appointing ~~him~~: **that person.**

4 **(k) If the amount approved for allotment to a state agency under this section for a particular**
5 **period is at least five percent (5%) less than the amount of the requested allotment for that period**
6 **as submitted by the state agency to the budget agency, the budget agency shall notify the budget**
7 **committee of this action not more than thirty (30) days after the budget agency's action. If the**
8 **budget agency makes a determination at any time during a state fiscal year that the total amount**
9 **to be allotted to a state agency during that state fiscal year will be at least five percent (5%) less**
10 **than the total amount appropriated to the state agency for that state fiscal year, the budget agency**
11 **shall notify the budget committee of this action not more than thirty (30) days after the budget**
12 **agency makes such a determination.**

13 SECTION 59. IC 4-31-11-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]:

14 Sec. 11. Each development fund consists of:

- 15 (1) breakage and outs paid into the fund under IC 4-31-9-10;
- 16 (2) appropriations by the general assembly;
- 17 (3) gifts;
- 18 (4) stakes payments;
- 19 (5) entry fees; and
- 20 (6) money paid into the fund under ~~IC 4-33-12-6~~. **IC 4-35-7-12.**

21 SECTION 60. IC 4-35-2-2, AS ADDED BY P.L.233-2007, SECTION 21, IS AMENDED TO READ
22 AS FOLLOWS [EFFECTIVE JANUARY 1, 2013 (RETROACTIVE)]: Sec. 2. "Adjusted gross receipts"
23 means:

- 24 (1) the total of all cash and property (including checks received by a licensee, whether collected or
25 not) received by a licensee from gambling games, **including amounts that are distributed by a**
26 **licensee under IC 4-35-7-12;** minus
- 27 (2) the total of:
 - 28 (A) all cash paid out to patrons as winnings for gambling games; and
 - 29 (B) uncollectible gambling game receivables, not to exceed the lesser of:
 - 30 (i) a reasonable provision for uncollectible patron checks received from gambling games; or
 - 31 (ii) two percent (2%) of the total of all sums, including checks, whether collected or not, less
32 the amount paid out to patrons as winnings for gambling games.

33 For purposes of this section, a counter or personal check that is invalid or unenforceable under this article
34 is considered cash received by the licensee from gambling games.

35 SECTION 61. IC 4-35-8-1, AS AMENDED BY P.L.172-2011, SECTION 10, IS AMENDED TO
36 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 1. (a) A graduated slot machine wagering tax
37 is imposed as follows ~~on one hundred percent (100%) of the adjusted gross receipts received before July~~
38 ~~1, 2012, and on ninety-nine percent (99%) of the adjusted gross receipts received after June 30, 2012, and~~
39 **before July 1, 2013, and on ninety-one and five-tenths percent (91.5%) of the adjusted gross receipts**
40 **received after June 30, 2013,** from wagering on gambling games authorized by this article:

- 41 (1) Twenty-five percent (25%) of the first one hundred million dollars (\$100,000,000) of adjusted
42 gross receipts received during the period beginning July 1 of each year and ending June 30 of the
43 following year.
- 44 (2) Thirty percent (30%) of the adjusted gross receipts in excess of one hundred million dollars
45 (\$100,000,000) but not exceeding two hundred million dollars (\$200,000,000) received during the
46 period beginning July 1 of each year and ending June 30 of the following year.
- 47 (3) Thirty-five percent (35%) of the adjusted gross receipts in excess of two hundred million dollars
48 (\$200,000,000) received during the period beginning July 1 of each year and ending June 30 of the
49 following year.

50 (b) A licensee shall remit the tax imposed by this section to the department before the close of the
51 business day following the day the wagers are made.

52 (c) The department may require payment under this section to be made by electronic funds transfer

1 (as defined in IC 4-8.1-2-7(f)).

2 (d) If the department requires taxes to be remitted under this chapter through electronic funds transfer,
3 the department may allow the licensee to file a monthly report to reconcile the amounts remitted to the
4 department.

5 (e) The payment of the tax under this section must be on a form prescribed by the department.

6 SECTION 62. IC 5-2-1-9, AS AMENDED BY P.L.1-2010, SECTION 11, IS AMENDED TO READ
7 AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 9. (a) The board shall adopt in accordance with
8 IC 4-22-2 all necessary rules to carry out the provisions of this chapter. The rules, which shall be adopted
9 only after necessary and proper investigation and inquiry by the board, shall include the establishment
10 of the following:

11 (1) Minimum standards of physical, educational, mental, and moral fitness which shall govern the
12 acceptance of any person for training by any law enforcement training school or academy meeting
13 or exceeding the minimum standards established pursuant to this chapter.

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

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

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

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

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

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

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

29 (9) Minimum basic training requirements for each person accepted for training at a law enforcement
30 training school or academy that include six (6) hours of training in interacting with:

31 (A) persons with autism, mental illness, addictive disorders, mental retardation, and
32 developmental disabilities; and

33 (B) missing endangered adults (as defined in IC 12-7-2-131.3);

34 to be provided by persons approved by the secretary of family and social services and the board.

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

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

40 (B) Identification of human and sexual trafficking.

41 (C) Communicating with traumatized persons.

42 (D) Therapeutically appropriate investigative techniques.

43 (E) Collaboration with federal law enforcement officials.

44 (F) Rights of and protections afforded to victims.

45 (G) Providing documentation that satisfies the Declaration of Law Enforcement Officer for
46 Victim of Trafficking in Persons (Form I-914, Supplement B) requirements established under
47 federal law.

48 (H) The availability of community resources to assist human and sexual trafficking victims.

49 (b) A law enforcement officer appointed after July 5, 1972, and before July 1, 1993, may not enforce
50 the laws or ordinances of the state or any political subdivision unless the officer has, within one (1) year
51 from the date of appointment, successfully completed the minimum basic training requirements
52 established under this chapter by the board. If a person fails to successfully complete the basic training

1 requirements within one (1) year from the date of employment, the officer may not perform any of the
2 duties of a law enforcement officer involving control or direction of members of the public or exercising
3 the power of arrest until the officer has successfully completed the training requirements. This subsection
4 does not apply to any law enforcement officer appointed before July 6, 1972, or after June 30, 1993.

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

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

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

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

16 (e) This subsection does not apply to:

- 17 (1) a gaming agent employed as a law enforcement officer by the Indiana gaming commission; or
- 18 (2) an:
 - 19 (A) attorney; or
 - 20 (B) investigator;

21 designated by the securities commissioner as a police officer of the state under ~~IC 23-19-6-1(i)~~.
22 **IC 23-19-6-1(k).**

23 Before a law enforcement officer appointed after June 30, 1993, completes the basic training
24 requirements, the law enforcement officer may exercise the police powers described in subsection (d) if
25 the officer successfully completes the pre-basic course established in subsection (f). Successful
26 completion of the pre-basic course authorizes a law enforcement officer to exercise the police powers
27 described in subsection (d) for one (1) year after the date the law enforcement officer is appointed.

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

- 30 (1) law enforcement officers;
- 31 (2) police reserve officers (as described in IC 36-8-3-20); and
- 32 (3) conservation reserve officers (as described in IC 14-9-8-27);

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

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

1 either of the following:

- 2 (1) An emergency situation.
- 3 (2) The unavailability of courses.

4 (h) The board shall also adopt rules establishing a town marshal basic training program, subject to the
5 following:

- 6 (1) The program must require fewer hours of instruction and class attendance and fewer courses of
7 study than are required for the mandated basic training program.
- 8 (2) Certain parts of the course materials may be studied by a candidate at the candidate's home in
9 order to fulfill requirements of the program.
- 10 (3) Law enforcement officers successfully completing the requirements of the program are eligible
11 for appointment only in towns employing the town marshal system (IC 36-5-7) and having not more
12 than one (1) marshal and two (2) deputies.
- 13 (4) The limitation imposed by subdivision (3) does not apply to an officer who has successfully
14 completed the mandated basic training program.
- 15 (5) The time limitations imposed by subsections (b) and (c) for completing the training are also
16 applicable to the town marshal basic training program.
- 17 (6) The program must require training in interacting with individuals with autism.

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

- 20 (1) Liability.
- 21 (2) Media relations.
- 22 (3) Accounting and administration.
- 23 (4) Discipline.
- 24 (5) Department policy making.
- 25 (6) Lawful use of force.
- 26 (7) Department programs.
- 27 (8) Emergency vehicle operation.
- 28 (9) Cultural diversity.

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

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

- 39 (1) the police chief of any city;
- 40 (2) the police chief of any town having a metropolitan police department; and
- 41 (3) the chief of a consolidated law enforcement department established under IC 36-3-1-5.1.

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

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

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

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

- 50 (1) is hired by an Indiana law enforcement department or agency as a law enforcement officer;
- 51 (2) has not been employed as a law enforcement officer for at least two (2) years and less than six
52 (6) years before the officer is hired under subdivision (1) due to the officer's resignation or

1 retirement; and
2 (3) completed at any time a basic training course certified by the board before the officer is hired
3 under subdivision (1).
4 (o) The board shall adopt rules under IC 4-22-2 to establish a refresher course for an officer who:
5 (1) is hired by an Indiana law enforcement department or agency as a law enforcement officer;
6 (2) has not been employed as a law enforcement officer for at least six (6) years and less than ten
7 (10) years before the officer is hired under subdivision (1) due to the officer's resignation or
8 retirement;
9 (3) is hired under subdivision (1) in an upper level policymaking position; and
10 (4) completed at any time a basic training course certified by the board before the officer is hired
11 under subdivision (1).
12 A refresher course established under this subsection may not exceed one hundred twenty (120) hours of
13 course work. All credit hours received for successfully completing the police chief executive training
14 program under subsection (i) shall be applied toward the refresher course credit hour requirements.
15 (p) Subject to subsection (q), an officer to whom subsection (n) or (o) applies must successfully
16 complete the refresher course described in subsection (n) or (o) not later than six (6) months after the
17 officer's date of hire, or the officer loses the officer's powers of:
18 (1) arrest;
19 (2) search; and
20 (3) seizure.
21 (q) A law enforcement officer who has worked as a law enforcement officer for less than twenty-five
22 (25) years before being hired under subsection (n)(1) or (o)(1) is not eligible to attend the refresher course
23 described in subsection (n) or (o) and must repeat the full basic training course to regain law enforcement
24 powers. However, a law enforcement officer who has worked as a law enforcement officer for at least
25 twenty-five (25) years before being hired under subsection (n)(1) or (o)(1) and who otherwise satisfies
26 the requirements of subsection (n) or (o) is not required to repeat the full basic training course to regain
27 law enforcement power but shall attend the refresher course described in subsection (n) or (o) and the
28 pre-basic training course established under subsection (f).
29 (r) This subsection applies only to a gaming agent employed as a law enforcement officer by the
30 Indiana gaming commission. A gaming agent appointed after June 30, 2005, may exercise the police
31 powers described in subsection (d) if:
32 (1) the agent successfully completes the pre-basic course established in subsection (f); and
33 (2) the agent successfully completes any other training courses established by the Indiana gaming
34 commission in conjunction with the board.
35 (s) This subsection applies only to a securities enforcement officer designated as a law enforcement
36 officer by the securities commissioner. A securities enforcement officer may exercise the police powers
37 described in subsection (d) if:
38 (1) the securities enforcement officer successfully completes the pre-basic course established in
39 subsection (f); and
40 (2) the securities enforcement officer successfully completes any other training courses established
41 by the securities commissioner in conjunction with the board.
42 (t) As used in this section, "upper level policymaking position" refers to the following:
43 (1) If the authorized size of the department or town marshal system is not more than ten (10)
44 members, the term refers to the position held by the police chief or town marshal.
45 (2) If the authorized size of the department or town marshal system is more than ten (10) members
46 but less than fifty-one (51) members, the term refers to:
47 (A) the position held by the police chief or town marshal; and
48 (B) each position held by the members of the police department or town marshal system in the
49 next rank and pay grade immediately below the police chief or town marshal.
50 (3) If the authorized size of the department or town marshal system is more than fifty (50) members,
51 the term refers to:
52 (A) the position held by the police chief or town marshal; and

1 (B) each position held by the members of the police department or town marshal system in the
2 next two (2) ranks and pay grades immediately below the police chief or town marshal.

3 (u) This subsection applies only to a correctional police officer employed by the department of
4 correction. A correctional police officer may exercise the police powers described in subsection (d) if:

- 5 (1) the officer successfully completes the pre-basic course described in subsection (f); and
- 6 (2) the officer successfully completes any other training courses established by the department of
7 correction in conjunction with the board.

8 SECTION 63. IC 5-2-10.1-10, AS AMENDED BY P.L.2-2006, SECTION 11, IS AMENDED TO
9 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 10. (a) A county may establish a county school
10 safety commission.

11 (b) The members of the commission are as follows:

- 12 (1) The school safety specialist for each school corporation located in whole or in part in the county.
- 13 (2) The judge of the court having juvenile jurisdiction in the county or the judge's designee.
- 14 (3) The sheriff of the county or the sheriff's designee.
- 15 (4) The chief officer of every other law enforcement agency in the county, or the chief officer's
16 designee.
- 17 (5) A representative of the juvenile probation system, appointed by the judge described under
18 subdivision (2).
- 19 (6) Representatives of community agencies that work with children within the county.
- 20 (7) A representative of the Indiana state police district that serves the county.
- 21 (8) A representative of the Prosecuting Attorneys Council of Indiana who specializes in the
22 prosecution of juveniles.
- 23 (9) Other appropriate individuals selected by the commission.

24 (c) If a commission is established, the school safety specialist of the school corporation having the
25 largest ADM (as defined in IC 20-18-2-2), **as determined in the fall count of ADM in the school year**
26 **ending in the current calendar year**, in the county shall convene the initial meeting of the commission.

27 (d) The members shall annually elect a chairperson.

28 (e) A commission shall perform the following duties:

- 29 (1) Perform a cumulative analysis of school safety needs within the county.
- 30 (2) Coordinate and make recommendations for the following:
 - 31 (A) Prevention of juvenile offenses and improving the reporting of juvenile offenses within the
32 schools.
 - 33 (B) Proposals for identifying and assessing children who are at high risk of becoming juvenile
34 offenders.
 - 35 (C) Methods to meet the educational needs of children who have been detained as juvenile
36 offenders.
 - 37 (D) Methods to improve communications among agencies that work with children.
 - 38 (E) Methods to improve security and emergency preparedness.
 - 39 (F) Additional equipment or personnel that are necessary to carry out safety plans.
 - 40 (G) Any other topic the commission considers necessary to improve school safety within the
41 school corporations within the commission's jurisdiction.
- 42 (3) Provide assistance to the school safety specialists on the commission in developing and
43 requesting grants for safety plans.
- 44 (4) Provide assistance to the school safety specialists on the commission and the participating school
45 corporations in developing and requesting grants for school safe haven programs under section 7 of
46 this chapter.
- 47 (5) Assist each participating school corporation in carrying out the school corporation's safety plans.

48 (f) The affirmative votes of a majority of the voting members of the commission are required for the
49 commission to take action on a measure.

50 SECTION 64. IC 5-10-8.5-9, AS ADDED BY P.L.44-2007, SECTION 1, IS AMENDED TO READ
51 AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 9. (a) As used in this chapter, "retired participant"
52 means:

1 (1) A participant who is eligible for and has applied to receive a normal, unreduced or disability
2 retirement benefit (as determined by the Indiana public employee retirement fund of which the
3 participant is a member) on the participant's last day of service.

4 (2) A participant who has completed at least ten (10) years of service as an elected or appointed
5 officer on the participant's last day of service as an elected or appointed officer. **For purposes of**
6 **determining whether a participant has completed at least ten (10) years of service on the**
7 **participant's last day of service for purposes of this subdivision, any partial year of service**
8 **completed by the participant in the year in which the participant is appointed to fill a vacant**
9 **elected office shall be considered to be one (1) complete year of service.**

10 (b) For a participant described in subsection (a)(2) who has service with more than one (1) employer,
11 the participant's years of service is the sum of all of the participant's years of service.

12 SECTION 65. IC 5-10.2-2-18.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO
13 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 18.5. A retirement fund administered by the**
14 **board may not enter into a supplemental annuity contract with a member or retired member of the**
15 **fund.**

16 SECTION 66. IC 6-2.5-10-1, AS AMENDED BY P.L.229-2011, SECTION 82, IS AMENDED TO
17 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 1. (a) The department shall account for all state
18 gross retail and use taxes that it collects.

19 (b) The department shall deposit those collections in the following manner:

20 (1) ~~Ninety-nine~~ **Ninety-eight** and eight hundred forty-eight thousandths percent (~~99.848%~~)
21 **(98.848%)** of the collections shall be paid into the state general fund.

22 **(2) One percent (1.0%) of the collections shall be deposited in the motor vehicle highway**
23 **account established under IC 8-14-1.**

24 ~~(3)~~ **(3)** Twenty-nine thousandths of one percent (0.029%) of the collections shall be deposited into
25 the industrial rail service fund established under IC 8-3-1.7-2.

26 ~~(4)~~ **(4)** One hundred twenty-three thousandths of one percent (0.123%) of the collections shall be
27 deposited into the commuter rail service fund established under IC 8-3-1.5-20.5.

28 SECTION 67. IC 6-3-2-1, AS AMENDED BY P.L.172-2011, SECTION 54, IS AMENDED TO
29 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 1. (a) Each taxable year, a tax at the ~~rate of~~
30 ~~three and four-tenths percent (3.4%)~~ **following rate** of adjusted gross income is imposed upon the
31 adjusted gross income of every resident person, and on that part of the adjusted gross income derived from
32 sources within Indiana of every nonresident person:

33 **(1) For taxable years beginning before January 1, 2015, three and four-tenths percent (3.4%).**

34 **(2) For taxable years beginning after December 31, 2014, three and three-tenths percent**
35 **(3.3%).**

36 (b) Except as provided in section 1.5 of this chapter, each taxable year, a tax at the following rate of
37 adjusted gross income is imposed on that part of the adjusted gross income derived from sources within
38 Indiana of every corporation:

39 (1) Before July 1, 2012, eight and five-tenths percent (8.5%).

40 (2) After June 30, 2012, and before July 1, 2013, eight percent (8.0%).

41 (3) After June 30, 2013, and before July 1, 2014, seven and five-tenths percent (7.5%).

42 (4) After June 30, 2014, and before July 1, 2015, seven percent (7.0%).

43 (5) After June 30, 2015, six and five-tenths percent (6.5%).

44 (c) If for any taxable year a taxpayer is subject to different tax rates under subsection (b), the taxpayer's
45 tax rate for that taxable year is the rate determined in the last STEP of the following STEPS:

46 STEP ONE: Multiply the number of months in the taxpayer's taxable year that precede the month
47 the rate changed by the rate in effect before the rate change.

48 STEP TWO: Multiply the number of months in the taxpayer's taxable year that follow the month
49 before the rate changed by the rate in effect after the rate change.

50 STEP THREE: Divide the sum of the amounts determined under STEPS ONE and TWO by twelve
51 (12).

52 However, the rate determined under this subsection shall be rounded to the nearest one-hundredth of one

1 percent (0.01%).

2 SECTION 68. IC 6-3.1-34.7 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO
3 READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2014]:

4 **Chapter 34.7. Primary Care Physician Services Tax Credit**

5 **Sec. 1. This chapter applies only to taxable years beginning after December 31, 2013.**

6 **Sec. 2. The definitions set forth in IC 16-46-14 apply throughout this chapter.**

7 **Sec. 3. As used in this chapter, "pass through entity" means:**

- 8 (1) a corporation that is exempt from the adjusted gross income tax under IC 6-3-2-2.8(2);
- 9 (2) a partnership;
- 10 (3) a limited liability company; or
- 11 (4) a limited liability partnership.

12 **Sec. 4. As used in this chapter, "state tax liability" means a taxpayer's total tax liability that is**
13 **incurred under IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax), as computed after the**
14 **application of the credits that under IC 6-3.1-1-2 are to be applied before the credit provided by this**
15 **chapter.**

16 **Sec. 5. As used in this chapter, "taxpayer" means a person, corporation, partnership, or other**
17 **entity that has any state tax liability.**

18 **Sec. 6. (a) An individual who satisfies all of the following conditions is entitled to a tax credit for**
19 **a taxable year in the amount determined under subsection (b):**

- 20 (1) The individual is a primary care physician who received a scholarship under IC 16-46-14.
- 21 (2) The individual satisfied all the terms and conditions required by the scholarship agreement
- 22 between the taxpayer and the state department of health.
- 23 (3) After the individual satisfies all the terms and conditions required by the scholarship
- 24 agreement, including the requirement to practice primary care in a primary care shortage
- 25 area for the number of years required by the agreement, the individual continues to practice
- 26 primary care in a primary care shortage area during the entire taxable year.

27 **(b) For each taxable year, the amount of the credit provided under this chapter is ten percent**
28 **(10%) of the individual's adjusted gross income from the practice of primary care. The credit is**
29 **increased by ten percent (10%) for each consecutive three (3) year period the individual**
30 **continuously practices primary care in a primary care shortage area. The credit may not exceed**
31 **one hundred percent (100%) of the individual's adjusted gross income tax liability attributable to**
32 **the practice of primary care.**

33 **Sec. 7. If an individual practices primary care and is organized as a pass through entity, the**
34 **shareholder, partner, or member of the pass through entity who practiced primary care in a**
35 **primary care shortage area is entitled to a share of the tax credit equal to the percentage of the pass**
36 **through entity's distributive income to which the shareholder, partner, or member is entitled that**
37 **is attributable to the individual's practice of primary care in a primary care shortage area.**

38 **Sec. 8. (a) If the credit provided by this chapter exceeds a taxpayer's state tax liability for the**
39 **taxable year for which the credit is first claimed, the excess may be carried forward to succeeding**
40 **taxable years and used as a credit against the taxpayer's state tax liability during those taxable**
41 **years. Each time the credit is carried forward to a succeeding taxable year, the credit is to be**
42 **reduced by the amount that was used as a credit during the immediately preceding taxable year.**

43 **(b) A taxpayer is not entitled to a carryback or refund of any unused credit under this chapter.**

44 **Sec. 9. To receive the tax credit under this chapter, a taxpayer must claim the credit on the**
45 **taxpayer's annual state tax return or returns in the manner prescribed by the department. The**
46 **state department of health shall provide to the department the information requested by the**
47 **department to verify whether a taxpayer is qualified for the credit under this chapter.**

48 SECTION 69. IC 6-3.5-4-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JUNE 1, 2013]:

49 Sec. 1. As used in this chapter:

50 "Adopting entity" means either the county council or the county income tax council established
51 by IC 6-3.5-6-2 for the county, whichever adopts an ordinance to impose a surtax first.

52 "Branch office" means a branch office of the bureau of motor vehicles.

1 "County council" includes the city-county council of a county that contains a consolidated city of the
2 first class.

3 "Motor vehicle" means a vehicle which is subject to the annual license excise tax imposed under
4 IC 6-6-5.

5 "Net annual license excise tax" means the tax due under IC 6-6-5 after the application of the
6 adjustments and credits provided by that chapter.

7 "Surtax" means the annual license excise surtax imposed by ~~a county council~~ **an adopting entity** under
8 this chapter.

9 SECTION 70. IC 6-3.5-4-1.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO
10 READ AS FOLLOWS [EFFECTIVE JUNE 1, 2013]: **Sec. 1.1. For purposes of acting as the adopting**
11 **entity under this chapter, a county income tax council is comprised of the same members as the**
12 **county income tax council that is established by IC 6-3.5-6-2 for the county (regardless of the**
13 **income tax that may be in effect in the county). The county income tax council shall use the same**
14 **procedures that apply under IC 6-3.5-6 when acting as an adopting entity under this chapter.**

15 SECTION 71. IC 6-3.5-4-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JUNE 1, 2013]:
16 Sec. 2. (a) ~~The county council~~ **An adopting entity** of any county may, subject to the limitation imposed
17 by subsection (c), adopt an ordinance to impose an annual license excise surtax at the same rate or amount
18 on each motor vehicle listed in subsection (b) that is registered in the county. The ~~county council~~
19 **adopting entity** may impose the surtax either:

- 20 (1) at a rate of not less than two percent (2%) nor more than ten percent (10%); or
21 (2) at a specific amount of at least seven dollars and fifty cents (\$7.50) and not more than
22 twenty-five dollars (\$25).

23 However, the surtax on a vehicle may not be less than seven dollars and fifty cents (\$7.50). The ~~county~~
24 **council adopting entity** shall state the surtax rate or amount in the ordinance which imposes the tax.

25 (b) The license excise surtax applies to the following vehicles:

- 26 (1) Passenger vehicles.
27 (2) Motorcycles.
28 (3) Trucks with a declared gross weight that does not exceed eleven thousand (11,000) pounds.

29 (c) The ~~county council~~ **adopting entity** may not adopt an ordinance to impose the surtax unless it
30 concurrently adopts an ordinance under IC 6-3.5-5 to impose the wheel tax.

31 (d) Notwithstanding any other provision of this chapter or IC 6-3.5-5, ordinances adopted by a county
32 council before ~~June 1, 1983~~, **June 1, 2013**, to impose or change the annual license excise surtax and the
33 annual wheel tax in the county remain in effect until the ordinances are amended or repealed under this
34 chapter or IC 6-3.5-5.

35 SECTION 72. IC 6-3.5-4-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JUNE 1, 2013]:
36 Sec. 3. If ~~a county council~~ **an adopting entity** adopts an ordinance imposing the surtax after December
37 31 but before July 1 of the following year, a motor vehicle is subject to the tax if it is registered in the
38 county after December 31 of the year in which the ordinance is adopted. If ~~a county council~~ **an adopting**
39 **entity** adopts an ordinance imposing the surtax after June 30 but before the following January 1, a motor
40 vehicle is subject to the tax if it is registered in the county after December 31 of the year following the
41 year in which the ordinance is adopted. However, in the first year the surtax is effective, the surtax does
42 not apply to the registration of a motor vehicle for the registration year that commenced in the calendar
43 year preceding the year the surtax is first effective.

44 SECTION 73. IC 6-3.5-4-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JUNE 1, 2013]:
45 Sec. 4. (a) After January 1 but before July 1 of any year, the ~~county council~~ **adopting entity** may, subject
46 to the limitations imposed by subsection (b), adopt an ordinance to rescind the surtax. If the ~~county~~
47 **council adopting entity** adopts such an ordinance, the surtax does not apply to a motor vehicle registered
48 after December 31 of the year the ordinance is adopted.

49 (b) The ~~county council~~ **adopting entity** may not adopt an ordinance to rescind the surtax unless it
50 concurrently adopts an ordinance under IC 6-3.5-5 to rescind the wheel tax. In addition, the ~~county~~
51 **council adopting entity** may not adopt an ordinance to rescind the surtax if:

- 52 (1) any portion of a loan obtained by the county under IC 8-14-8 is unpaid; or if

1 (2) any bonds issued by the county under IC 8-14-9 are outstanding.

2 SECTION 74. IC 6-3.5-4-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JUNE 1, 2013]:
3 Sec. 5. (a) The ~~county council~~ **adopting entity** may, subject to the limitations imposed by subsection (b),
4 adopt an ordinance to increase or decrease the surtax rate or amount. The new surtax rate or amount must
5 be within the range of rates or amounts prescribed by section 2 of this chapter. A new rate or amount that
6 is established by an ordinance that is adopted after December 31 but before July 1 of the following year
7 applies to motor vehicles registered after December 31 of the year in which the ordinance to change the
8 rate or amount is adopted. A new rate or amount that is established by an ordinance that is adopted after
9 June 30 but before January 1 of the following year applies to motor vehicles registered after December
10 31 of the year following the year in which the ordinance is adopted.

11 (b) The ~~county council~~ **adopting entity** may not adopt an ordinance to decrease the surtax rate or
12 amount under this section if:

13 (1) any portion of a loan obtained by the county under IC 8-14-8 is unpaid; or if

14 (2) any bonds issued by the county under IC 8-14-9 are outstanding.

15 SECTION 75. IC 6-3.5-4-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JUNE 1, 2013]:
16 Sec. 6. If a ~~county council~~ **an adopting entity** adopts an ordinance to impose, rescind, or change the rate
17 or amount of the surtax, the ~~county council~~ **adopting entity** shall send a copy of the ordinance to the
18 commissioner of the bureau of motor vehicles.

19 SECTION 76. IC 6-3.5-5-1, AS AMENDED BY P.L.211-2007, SECTION 30, IS AMENDED TO
20 READ AS FOLLOWS [EFFECTIVE JUNE 1, 2013]: Sec. 1. As used in this chapter:

21 **"Adopting entity" means either the county council or the county income tax council established**
22 **by IC 6-3.5-6-2 for the county, whichever adopts an ordinance to impose a wheel tax first.**

23 "Branch office" means a branch office of the bureau of motor vehicles.

24 "Bus" has the meaning set forth in IC 9-13-2-17(a).

25 "Commercial motor vehicle" has the meaning set forth in IC 6-6-5.5-1(c).

26 "County council" includes the city-county council of a county that contains a consolidated city of the
27 first class.

28 "In-state miles" has the meaning set forth in IC 6-6-5.5-1(i).

29 "Political subdivision" has the meaning set forth in IC 34-6-2-110.

30 "Recreational vehicle" has the meaning set forth in IC 9-13-2-150.

31 "Semitrailer" has the meaning set forth in IC 9-13-2-164(a).

32 "State agency" has the meaning set forth in IC 34-6-2-141.

33 "Tractor" has the meaning set forth in IC 9-13-2-180.

34 "Trailer" has the meaning set forth in IC 9-13-2-184(a).

35 "Truck" has the meaning set forth in IC 9-13-2-188(a).

36 "Wheel tax" means the tax imposed under this chapter.

37 SECTION 77. IC 6-3.5-5-1.1 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO
38 READ AS FOLLOWS [EFFECTIVE JUNE 1, 2013]: **Sec. 1.1. For purposes of acting as the adopting**
39 **entity under this chapter, a county income tax council is comprised of the same members as the**
40 **county income tax council that is established by IC 6-3.5-6-2 for the county (regardless of the**
41 **income tax that may be in effect in the county). The county income tax council shall use the same**
42 **procedures that apply under IC 6-3.5-6 when acting as an adopting entity under this chapter.**

43 SECTION 78. IC 6-3.5-5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JUNE 1, 2013]:

44 Sec. 2. (a) The ~~county council~~ **adopting entity** of any county may, subject to the limitation imposed by
45 subsection (b), adopt an ordinance to impose an annual wheel tax on each vehicle ~~which:~~ **that:**

46 (1) is included in one (1) of the classes of vehicles listed in section 3 of this chapter;

47 (2) is not exempt from the wheel tax under section 4 of this chapter; and

48 (3) is registered in the county.

49 (b) The ~~county council~~ **adopting entity** of a county may not adopt an ordinance to impose the wheel
50 tax unless it concurrently adopts an ordinance under IC 6-3.5-4 to impose the annual license excise surtax.

51 (c) The ~~county council~~ **adopting entity** may impose the wheel tax at a different rate for each of the
52 classes of vehicles listed in section 3 of this chapter. In addition, the ~~county council~~ **adopting entity** may

1 establish different rates within the classes of buses, semitrailers, trailers, tractors, and trucks based on
2 weight classifications of those vehicles that are established by the bureau of motor vehicles for use
3 throughout Indiana. However, the wheel tax rate for a particular class or weight classification of vehicles
4 may not be less than five dollars (\$5) and may not exceed forty dollars (\$40). The ~~county council~~
5 **adopting entity** shall state the initial wheel tax rates in the ordinance that imposes the tax.

6 SECTION 79. IC 6-3.5-5-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JUNE 1, 2013]:
7 Sec. 5. If a ~~county council~~ **an adopting entity** adopts an ordinance imposing the wheel tax after
8 December 31 but before July 1 of the following year, a vehicle described in section 2(a) of this chapter
9 is subject to the tax if it is registered in the county after December 31 of the year in which the ordinance
10 is adopted. If a ~~county council~~ **an adopting entity** adopts an ordinance imposing the wheel tax after June
11 30 but before the following January 1, a vehicle described in section 2(a) of this chapter is subject to the
12 tax if it is registered in the county after December 31 of the year following the year in which the ordinance
13 is adopted. However, in the first year the tax is effective, the tax does not apply to the registration of a
14 motor vehicle for the registration year that commenced in the calendar year preceding the year the tax is
15 first effective.

16 SECTION 80. IC 6-3.5-5-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JUNE 1, 2013]:
17 Sec. 6. (a) After January 1 but before July 1 of any year, the ~~county council~~ **adopting entity** may, subject
18 to the limitations imposed by subsection (b), adopt an ordinance to rescind the wheel tax. If the ~~county~~
19 ~~council~~ **adopting entity** adopts such an ordinance, the wheel tax does not apply to a vehicle registered
20 after December 31 of the year the ordinance is adopted.

21 (b) The ~~county council~~ **adopting entity** may not adopt an ordinance to rescind the wheel tax unless
22 it concurrently adopts an ordinance under IC 6-3.5-4 to rescind the annual license excise surtax. In
23 addition, the ~~county council~~ **adopting entity** may not adopt an ordinance to rescind the wheel tax if:

24 (1) any portion of a loan obtained by the county under IC 8-14-8 is unpaid; or if

25 (2) any bonds issued by the county under IC 8-14-9 are outstanding.

26 SECTION 81. IC 6-3.5-5-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JUNE 1, 2013]:
27 Sec. 7. (a) The ~~county council~~ **adopting entity** may, subject to the limitations imposed by subsection (b),
28 adopt an ordinance to increase or decrease the wheel tax rates. The new wheel tax rates must be within
29 the range of rates prescribed by section 2 of this chapter. New rates that are established by an ordinance
30 that is adopted after December 31 but before July 1 of the following year apply to vehicles registered after
31 December 31 of the year in which the ordinance to change the rates is adopted. New rates that are
32 established by an ordinance that is adopted after June 30 but before July 1 of the following year apply to
33 motor vehicles registered after December 31 of the year following the year in which the ordinance is
34 adopted.

35 (b) The ~~county council~~ **adopting entity** may not adopt an ordinance to decrease the wheel tax rate
36 under this section if:

37 (1) any portion of a loan obtained by the county under IC 8-14-8 is unpaid; or if

38 (2) any bonds issued by the county under IC 8-14-9 are outstanding.

39 SECTION 82. IC 6-3.5-5-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JUNE 1, 2013]:
40 Sec. 8. If a ~~county council~~ **an adopting entity** adopts an ordinance to impose, rescind, or change the rates
41 of the wheel tax, the ~~county council~~ **adopting entity** shall send a copy of the ordinance to the
42 commissioner of the bureau of motor vehicles.

43 SECTION 83. IC 6-4.1-1-0.5, AS ADDED BY P.L.157-2012, SECTION 1, IS AMENDED TO READ
44 AS FOLLOWS [EFFECTIVE JANUARY 1, 2013 (RETROACTIVE)]: Sec. 0.5. This chapter does not
45 apply to a property interest transferred by a decedent whose death occurs after December 31, ~~2021~~. **2012**.

46 SECTION 84. IC 6-4.1-1-4 IS REPEALED [EFFECTIVE JANUARY 1, 2013 (RETROACTIVE)] ~~Sec.~~
47 ~~4. "Federal death tax credit" means the maximum federal estate tax credit provided, with respect to estate,~~
48 ~~inheritance, legacy, or succession taxes, under Section 2011 or Section 2102 of the Internal Revenue~~
49 ~~Code.~~

50 SECTION 85. IC 6-4.1-2-0.5, AS ADDED BY P.L.157-2012, SECTION 3, IS AMENDED TO READ
51 AS FOLLOWS [EFFECTIVE JANUARY 1, 2013 (RETROACTIVE)]: Sec. 0.5. This chapter does not
52 apply to a property interest transferred by a decedent whose death occurs after December 31, ~~2021~~. **2012**.

1 SECTION 86. IC 6-4.1-3-0.5, AS ADDED BY P.L.157-2012, SECTION 5, IS AMENDED TO READ
2 AS FOLLOWS [EFFECTIVE JANUARY 1, 2013 (RETROACTIVE)]: Sec. 0.5. This chapter does not
3 apply to a property interest transferred by a decedent whose death occurs after December 31, ~~2021~~. **2012.**

4 SECTION 87. IC 6-4.1-4-0.2, AS ADDED BY P.L.157-2012, SECTION 7, IS AMENDED TO READ
5 AS FOLLOWS [EFFECTIVE JANUARY 1, 2013 (RETROACTIVE)]: Sec. 0.2. This chapter does not
6 apply to a property interest transferred by a decedent whose death occurs after December 31, ~~2021~~. **2012.**

7 SECTION 88. IC 6-4.1-5-0.5, AS ADDED BY P.L.157-2012, SECTION 8, IS AMENDED TO READ
8 AS FOLLOWS [EFFECTIVE JANUARY 1, 2013 (RETROACTIVE)]: Sec. 0.5. This chapter does not
9 apply to a property interest transferred by a decedent whose death occurs after December 31, ~~2021~~. **2012.**

10 SECTION 89. IC 6-4.1-5-1.1 IS REPEALED [EFFECTIVE JANUARY 1, 2013 (RETROACTIVE)].
11 ~~Sec. 1.1: (a) This section applies to a property interest transferred by a decedent whose death occurs after~~
12 ~~December 31, 2012.~~

13 (b) For purposes of determining the amount of inheritance tax imposed under this article, a credit is
14 allowed against the tax imposed under section 1 of this chapter on a decedent's transfer of property
15 interests. The amount of the credit equals the inheritance tax imposed under section 1 of this chapter
16 multiplied by the percentage prescribed in the following table:

17 YEAR OF	18 PERCENTAGE
19 INDIVIDUAL'S DEATH	20 OF CREDIT
21 2013	22 10%
23 2014	24 20%
25 2015	26 30%
27 2016	28 40%
29 2017	30 50%
31 2018	32 60%
33 2019	34 70%
35 2020	36 80%
37 2021	38 90%

39 (c) A person who is liable for inheritance tax imposed under this article may claim the credit allowed
40 under this section at the time the person pays the tax. When the payment is made, the person collecting
41 the tax shall reduce the inheritance tax due by the amount of the credit specified in subsection (b).

42 SECTION 90. IC 6-4.1-6-0.5, AS ADDED BY P.L.157-2012, SECTION 10, IS AMENDED TO
43 READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013 (RETROACTIVE)]: Sec. 0.5. This chapter does
44 not apply to a property interest transferred by a decedent whose death occurs after December 31, ~~2021~~.
45 **2012.**

46 SECTION 91. IC 6-4.1-7-0.5, AS ADDED BY P.L.157-2012, SECTION 11, IS AMENDED TO
47 READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013 (RETROACTIVE)]: Sec. 0.5. This chapter does
48 not apply to a property interest transferred by a decedent whose death occurs after December 31, ~~2021~~.
49 **2012.**

50 SECTION 92. IC 6-4.1-8-0.5, AS ADDED BY P.L.157-2012, SECTION 12, IS AMENDED TO
51 READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013 (RETROACTIVE)]: Sec. 0.5. This chapter does
52 not apply to a property interest transferred by a decedent whose death occurs after December 31, ~~2021~~.
53 **2012.**

54 SECTION 93. IC 6-4.1-9-0.5, AS ADDED BY P.L.157-2012, SECTION 13, IS AMENDED TO
55 READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013 (RETROACTIVE)]: Sec. 0.5. This chapter does
56 not apply to a property interest transferred by a decedent whose death occurs after December 31, ~~2021~~.
57 **2012.**

58 SECTION 94. IC 6-4.1-10-1, AS AMENDED BY P.L.182-2009(ss), SECTION 232, IS AMENDED
59 TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013 (RETROACTIVE)]: Sec. 1. (a) A person
60 may file with the department of state revenue a claim for the refund of inheritance **tax** or Indiana estate
61 tax (**paid before its repeal**) which has been erroneously or illegally collected. Except as provided in
62 section 2 of this chapter, the person must file the claim within:

(1) three (3) years after the tax is paid; or

1 within (2) one (1) year after the tax is finally determined under IC 6-4.1-5-10, IC 6-4.1-5-15, or
2 IC 6-4.1-5-16;
3 whichever is later.

4 (b) A person must file a claim for a refund on a form prescribed by the department of state
5 revenue. The claim must include:

- 6 (1) the amount of the refund claimed; and
7 (2) the reason the person is entitled to a refund.

8 ~~(b) (c)~~ The amount of the refund that a person is entitled to receive under this chapter equals the
9 amount of the erroneously or illegally collected tax, plus interest calculated as specified in subsection ~~(c)~~:
10 (d).

11 ~~(c) (d)~~ If a tax payment that has been erroneously or illegally collected is not refunded within ninety
12 (90) days after the later of the date on which:

- 13 (1) the refund claim is filed with the department of state revenue; or
14 (2) the department of state revenue receives:

15 (A) the inheritance tax return is received by the department of state revenue; and order required
16 under IC 6-4.1-5-10, in the case of a resident decedent; or

17 (B) the inheritance tax return, in the case of a nonresident decedent;

18 interest accrues at the rate of six percent (6%) per annum computed from the date under subdivision (1)
19 or (2), whichever applies, until the tax payment is refunded.

20 SECTION 95. IC 6-4.1-10-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1,
21 2013 (RETROACTIVE)]: Sec. 4. (a) A person who files a claim for the refund of inheritance tax or
22 Indiana estate tax (**paid before its repeal**) may appeal any refund order which the department of state
23 revenue enters with respect to **his the person's** claim. To initiate the appeal, the person must, within
24 ninety (90) days after the department enters the order, file a complaint in which the department is named
25 as the defendant.

26 (b) The court which has jurisdiction over an appeal initiated under this section is:

27 (1) the probate court of the county in which administration of the estate is pending, if the appeal
28 involves either a resident or a nonresident decedent's estate and administration of the estate is
29 pending;

30 (2) the probate court of the county in which the decedent was domiciled at the time of **his the**
31 **decedent's** death, if the appeal involves a resident decedent's estate and no administration of the
32 estate is pending in Indiana; or

33 (3) the probate court of any county in which any of the decedent's property was located at the time
34 of **his the decedent's** death, if the appeal involves a nonresident decedent's estate and no
35 administration of the estate is pending in Indiana.

36 SECTION 96. IC 6-4.1-11-0.1 IS REPEALED [EFFECTIVE JANUARY 1, 2013 (RETROACTIVE)].
37 Sec. 0.1: The following amendments to this chapter apply as follows:

38 (1) The amendments made to section 2 of this chapter by P.L.78-1993 do not apply to individuals
39 who die before July 1, 1993:

40 (2) The amendments made to section 3 of this chapter by P.L.252-2001 apply to the estate of an
41 individual who dies after June 30, 2001:

42 SECTION 97. IC 6-4.1-11-1 IS REPEALED [EFFECTIVE JANUARY 1, 2013 (RETROACTIVE)].
43 Sec. 1: A tax to be known as the "Indiana estate tax" is imposed upon a resident or nonresident decedent's
44 estate:

45 SECTION 98. IC 6-4.1-11-2 IS REPEALED [EFFECTIVE JANUARY 1, 2013 (RETROACTIVE)].
46 Sec. 2: (a) The Indiana estate tax is the amount determined in STEP FOUR of the following formula:

47 STEP ONE: Divide:

48 (A) the value of the decedent's Indiana gross estate; by

49 (B) the value of the decedent's total gross estate for federal estate tax purposes:

50 STEP TWO: Multiply:

51 (A) the quotient determined under STEP ONE; by

52 (B) the federal state death tax credit allowable against the decedent's federal estate tax.

1 The product is the Indiana portion of the federal state death tax credit.

2 STEP THREE: Subtract:

3 (A) the amount of all Indiana inheritance taxes actually paid as a result of the decedent's death;
4 from

5 (B) the product determined under STEP TWO.

6 STEP FOUR: Determine the greater of the following:

7 (A) The remainder determined under STEP THREE.

8 (B) Zero (0).

9 (b) For purposes of this section, the value of a nonresident decedent's Indiana gross estate equals the
10 total fair market value on the appraisal date of tangible personal property and real estate which had an
11 actual situs in Indiana at the time of the decedent's death and which is included in the decedent's gross
12 estate for federal estate tax purposes under Sections 2031 through 2044 of the Internal Revenue Code.

13 (c) For purposes of this section, the value of a resident decedent's Indiana gross estate equals the total
14 fair market value on the appraisal date of personal property and real estate that had an actual situs in
15 Indiana at the time of the decedent's death and all intangible personal property wherever located that is
16 included in the decedent's gross estate for federal estate tax purposes.

17 (d) For purposes of this section, the value of a resident or nonresident decedent's total gross estate for
18 federal estate tax purposes equals the total fair market value on the appraisal date of the property included
19 in the decedent's gross estate for federal estate tax purposes under Sections 2031 through 2044 of the
20 Internal Revenue Code.

21 (e) For purposes of determining the value of a decedent's Indiana gross estate and the decedent's total
22 gross estate, the appraisal date for each property interest is the date on which the property interest is
23 valued for federal estate tax purposes.

24 (f) The estate tax does not apply to a property interest transfer made by a resident decedent if the
25 interest transferred is in:

26 (1) real property located outside Indiana, regardless of whether the property is held in a trust or
27 whether the trustee is required to distribute the property in-kind; or

28 (2) real property located in Indiana, if:

29 (A) the real property was transferred to an irrevocable trust during the decedent's lifetime;

30 (B) the transfer to the trust was not made in contemplation of the transferor's death, as determined
31 under IC 6-4.1-2-4; and

32 (C) the decedent does not have a retained interest in the trust.

33 SECTION 99. IC 6-4.1-11-3 IS REPEALED [EFFECTIVE JANUARY 1, 2013 (RETROACTIVE)].

34 Sec. 3: (a) The Indiana estate tax accrues at the time of the decedent's death. Except as provided in
35 subsection (b) of this section, the Indiana estate tax is due twelve (12) months after the date of the
36 decedent's death.

37 (b) Any Indiana estate tax that results from a final change in the amount of federal estate tax is due:

38 (1) eighteen (18) months after the date of the decedent's death; or

39 (2) one (1) month after final notice of the federal estate tax due is given to the person liable for the
40 tax;

41 whichever is later.

42 SECTION 100. IC 6-4.1-11-4 IS REPEALED [EFFECTIVE JANUARY 1, 2013 (RETROACTIVE)].

43 Sec. 4: If Indiana estate tax is not paid on or before the due date, the person liable for the tax shall pay
44 interest on the delinquent portion of the tax from the due date until it is paid at the rate of six percent (6%)
45 per year.

46 SECTION 101. IC 6-4.1-11-5 IS REPEALED [EFFECTIVE JANUARY 1, 2013 (RETROACTIVE)].

47 Sec. 5: A person is entitled to claim the amount of Indiana estate tax paid under this chapter as a credit
48 against inheritance tax imposed under this article if:

49 (1) the inheritance tax is imposed after the Indiana estate tax is paid; and

50 (2) both taxes are imposed as a result of the same decedent's death.

51 SECTION 102. IC 6-4.1-11-6, AS AMENDED BY P.L.157-2012, SECTION 14, IS AMENDED TO
52 READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013 (RETROACTIVE)]: Sec. 6. (a) The department

1 of state revenue shall collect the Indiana estate tax and the interest charges imposed under this chapter.
2 The department shall remit the money which it collects under this chapter to the state treasurer, and the
3 state treasurer shall deposit the money in the state general fund.

4 (b) ~~Except as provided in subsection (e), the treasurer of state shall annually distribute to each county~~
5 ~~the amount determined under subsection (c) or (d) for the county. The distribution for a particular state~~
6 ~~fiscal year must be made before August 15 of the following state fiscal year. Before August 15, 2013,~~
7 ~~the treasurer of state shall distribute an inheritance tax replacement amount to each county eligible~~
8 ~~to receive a distribution as determined under this subsection with respect to inheritance tax~~
9 ~~collections in the state fiscal year that began on July 1, 2012. The amount of the inheritance tax~~
10 ~~replacement amount, if any, for each county is equal to:~~

11 (1) ~~the inheritance tax replacement amount distributed to the county in 2012, if any, with~~
12 ~~respect to inheritance tax collections in the state fiscal year that began on July 1, 2011;~~
13 ~~multiplied by~~

14 (2) ~~ninety-one percent (91%).~~

15 There is appropriated from the state general fund the amount necessary to make the distributions under
16 this subsection.

17 (c) ~~For a state fiscal year ending before July 1, 2012, the department of state revenue shall determine~~
18 ~~the inheritance tax replacement amount for each county using the following formula:~~

19 ~~STEP ONE: Determine the amount of inheritance tax revenue retained by each county in each state~~
20 ~~fiscal year beginning with the state fiscal year that began July 1, 1990, and ending with the state~~
21 ~~fiscal year that ends June 30, 1997.~~

22 ~~STEP TWO: Determine the average annual amount of inheritance tax revenue retained by each~~
23 ~~county using five (5) of the seven (7) state fiscal years described in STEP ONE after excluding the~~
24 ~~two (2) years in which each county retained its highest and lowest totals of inheritance tax revenue.~~

25 ~~STEP THREE: Determine the remainder of the STEP TWO amount minus the amount of inheritance~~
26 ~~taxes retained by the county during the immediately preceding state fiscal year.~~

27 (d) ~~For a state fiscal year beginning after June 30, 2012, and ending before July 1, 2022, the~~
28 ~~department of state revenue shall determine the inheritance tax replacement amount for each county using~~
29 ~~the following formula:~~

30 ~~STEP ONE: Determine the inheritance tax replacement amount distributed to the county for the state~~
31 ~~fiscal year that began on July 1, 2011.~~

32 ~~STEP TWO: Multiply the amount determined under STEP ONE by the appropriate percentage as~~
33 ~~follows:~~

34 (A) ~~ninety-one percent (91%) for the state fiscal year beginning July 1, 2012.~~

35 (B) ~~Eighty-two percent (82%) for the state fiscal year beginning July 1, 2013.~~

36 (C) ~~Seventy-three percent (73%) for the state fiscal year beginning July 1, 2014.~~

37 (D) ~~Sixty-four percent (64%) for the state fiscal year beginning July 1, 2015.~~

38 (E) ~~Fifty-five percent (55%) for the state fiscal year beginning July 1, 2016.~~

39 (F) ~~Forty-five percent (45%) for the state fiscal year beginning July 1, 2017.~~

40 (G) ~~Thirty-six percent (36%) for the state fiscal year beginning July 1, 2018.~~

41 (H) ~~Twenty-seven percent (27%) for the state fiscal year beginning July 1, 2019.~~

42 (I) ~~Eighteen percent (18%) for the state fiscal year beginning July 1, 2020.~~

43 (J) ~~Nine percent (9%) for the state fiscal year beginning July 1, 2021.~~

44 (e) ~~(c) A county is not entitled to a distribution under subsection (b) for a state fiscal year beginning~~
45 ~~after June 30, 2022. 2013.~~

46 SECTION 103. IC 6-4.1-11-7 IS REPEALED [EFFECTIVE JANUARY 1, 2013 (RETROACTIVE)].
47 Sec. 7: A probate court's final determination concerning the amount of Indiana estate tax owing under this
48 chapter may be appealed to the tax court in accordance with the rules of appellate procedure.

49 SECTION 104. IC 6-4.1-11.5 IS REPEALED [EFFECTIVE JANUARY 1, 2013 (RETROACTIVE)].
50 (Indiana Generation-Skipping Transfer Tax).

51 SECTION 105. IC 6-4.1-12-0.5, AS ADDED BY P.L.157-2012, SECTION 15, IS AMENDED TO
52 READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013 (RETROACTIVE)]: Sec. 0.5. (a) For an

1 individual who dies after December 31, ~~2021~~, **2012**, there is no inheritance tax imposed on the decedent's
2 transfer of property interests.

3 (b) Sections 1 through 12 of this chapter do not apply to a property interest transferred by a decedent
4 whose death occurs after December 31, ~~2021~~, **2012**.

5 SECTION 106. IC 6-5.5-8-2, AS AMENDED BY P.L.146-2008, SECTION 351, IS AMENDED TO
6 READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2014]: Sec. 2. (a) On or before February 1, May 1,
7 August 1, and December 1 of each year the auditor of state shall transfer to each county auditor for
8 distribution to the taxing units (as defined in IC 6-1.1-1-21) in the county, an amount equal to one-fourth
9 (1/4) of the sum of the guaranteed amounts for all the taxing units of the county. ~~On or before August 1~~
10 ~~of each year the auditor of state shall transfer to each county auditor the supplemental distribution for the~~
11 ~~county for the year.~~

12 (b) For purposes of determining distributions under subsection (c), the department of local government
13 finance shall determine a state welfare allocation and tuition support allocation for each county calculated
14 as follows:

15 (1) The state welfare allocation for each county equals the greater of zero (0) or the amount
16 determined under the following formula:

17 STEP ONE: For 1997, 1998, and 1999, determine the result of:

18 (i) the amounts appropriated by the county in the year for the county's county welfare fund and
19 county welfare administration fund; divided by

20 (ii) the amounts appropriated by all the taxing units in the county in the year.

21 STEP TWO: Determine the sum of the results determined in STEP ONE.

22 STEP THREE: Divide the STEP TWO result by three (3).

23 STEP FOUR: Determine the amount that would otherwise be distributed to the county under
24 subsection (c) without regard to this subdivision.

25 STEP FIVE: Determine the result of:

26 (i) the STEP FOUR amount; multiplied by

27 (ii) the STEP THREE result.

28 STEP SIX: For 2006, 2007, and 2008, determine the result of:

29 (i) the tax rate imposed by the county in the year for the county's county medical assistance to
30 wards fund, family and children's fund, children's psychiatric residential treatment services
31 fund, county hospital care for the indigent fund, and children with special health care needs
32 county fund, plus, in the case of Marion County, the tax rate imposed by the health and hospital
33 corporation that was necessary to raise thirty-five million dollars (\$35,000,000) from all taxing
34 districts in the county; divided by

35 (ii) the aggregate tax rate imposed by the county unit in the year plus, in the case of Marion
36 County, the aggregate tax rate imposed by the health and hospital corporation in the year.

37 STEP SEVEN: Determine the sum of the STEP SIX amounts.

38 STEP EIGHT: Divide the STEP SEVEN result by three (3).

39 STEP NINE: Determine the amount that would otherwise be distributed to the county under
40 subsection (c) without regard to this subdivision.

41 STEP TEN: Determine the result of:

42 (i) the STEP EIGHT amount; multiplied by

43 (ii) the STEP NINE result.

44 STEP ELEVEN: Determine the sum of the STEP FIVE amount and the STEP TEN amount.

45 (2) The tuition support allocation for each school corporation equals the greater of zero (0) or the
46 amount determined under the following formula:

47 STEP ONE: For 2006, 2007, and 2008, determine the result of:

48 (i) the tax rate imposed by the school corporation in the year for the tuition support levy under
49 IC 6-1.1-19-1.5 (repealed) or IC 20-45-3-11 (repealed) for the school corporation's general
50 fund plus the tax rate imposed by the school corporation for the school corporation's special
51 education preschool fund; divided by

52 (ii) the aggregate tax rate imposed by the school corporation in the year.

1 STEP TWO: Determine the sum of the results determined under STEP ONE.
2 STEP THREE: Divide the STEP TWO result by three (3).
3 STEP FOUR: Determine the amount that would otherwise be distributed to the school
4 corporation under subsection (c) without regard to this subdivision.
5 STEP FIVE: Determine the result of:
6 (i) the STEP FOUR amount; multiplied by
7 (ii) the STEP THREE result.
8 (3) The state welfare allocation and tuition support allocation shall be deducted from the
9 distributions otherwise payable under subsection (c) to the county taxing unit and school
10 corporations in the county and shall be deposited in a fund, as directed by the budget agency.
11 (c) A taxing unit's guaranteed distribution for a year is the greater of zero (0) or an amount equal to:
12 (1) **the product of:**
13 (A) the amount received by the taxing unit under IC 6-5-10 (repealed) and IC 6-5-11 (repealed)
14 in 1989; **multiplied by**
15 (B) **the tax rate imposed under IC 6-5.5-2-1 for the immediately preceding year divided by**
16 **eight and one-half percent (8.5%);** minus
17 (2) the amount to be received by the taxing unit in the year of the distribution, as determined by the
18 department of local government finance, from property taxes attributable to the personal property
19 of banks, exclusive of the property taxes attributable to personal property leased by banks as the
20 lessor where the possession of the personal property is transferred to the lessee; minus
21 (3) in the case of a taxing unit that is a county, the amount that would have been received by the
22 taxing unit in the year of the distribution, as determined by the department of local government
23 finance from property taxes that:
24 (A) were calculated for the county's county welfare fund and county welfare administration fund
25 for 2000 but were not imposed because of the repeal of IC 12-19-3 and IC 12-19-4; and
26 (B) would have been attributable to the personal property of banks, exclusive of the property
27 taxes attributable to personal property leased by banks as the lessor where the possession of the
28 personal property is transferred to the lessee.
29 (d) The amount of the supplemental distribution for a county for a year shall be determined using the
30 following formula:
31 **STEP ONE: Determine the greater of zero (0) or the difference between:**
32 (A) one-half (1/2) of the taxes that the department estimates will be paid under this article during
33 the year; minus
34 (B) the sum of all the guaranteed distributions; before the subtraction of all state welfare
35 allocations and tuition support allocations under subsection (b); for all taxing units in all counties
36 plus the bank personal property taxes to be received by all taxing units in all counties; as
37 determined under subsection (c)(2) for the year.
38 **STEP TWO: Determine the quotient of:**
39 (A) the amount received under IC 6-5-10 (repealed) and IC 6-5-11 (repealed) in 1989 by all
40 taxing units in the county; divided by
41 (B) the sum of the amounts received under IC 6-5-10 (repealed) and IC 6-5-11 (repealed) in 1989
42 by all taxing units in all counties.
43 **STEP THREE: Determine the product of:**
44 (A) the amount determined in STEP ONE; multiplied by
45 (B) the amount determined in STEP TWO.
46 **STEP FOUR: Determine the greater of zero (0) or the difference between:**
47 (A) the amount of supplemental distribution determined in STEP THREE for the county; minus
48 (B) the amount of refunds granted under IC 6-5-10-7 (repealed) that have yet to be reimbursed
49 to the state by the county treasurer under IC 6-5-10-13 (repealed).
50 For the supplemental distribution made on or before August 1 of each year, the department shall adjust
51 the amount of each county's supplemental distribution to reflect the actual taxes paid under this article
52 for the preceding year.

1 (e) Except as provided in subsections (g) and (h), the amount of the supplemental distribution for each
2 taxing unit shall be determined using the following formula:

3 STEP ONE: Determine the quotient of:

4 (A) the amount received by the taxing unit under IC 6-5-10 (repealed) and IC 6-5-11 (repealed)
5 in 1989; divided by

6 (B) the sum of the amounts used in STEP ONE (A) for all taxing units located in the county.

7 STEP TWO: Determine the product of:

8 (A) the amount determined in STEP ONE; multiplied by

9 (B) the supplemental distribution for the county, as determined in subsection (d); STEP FOUR:

10 (f) (d) The county auditor shall distribute the guaranteed and supplemental distributions **distribution**
11 received under subsection (a) to the taxing units in the county at the same time that the county auditor
12 makes the semiannual distribution of real property taxes to the taxing units.

13 (g) The amount of a supplemental distribution paid to a taxing unit that is a county shall be reduced
14 by an amount equal to:

15 (1) an amount equal to:

16 (A) the amount the county would receive under subsection (e) without regard to this subsection;
17 multiplied by

18 (B) the result of the following:

19 (i) Determine the amounts appropriated by the county in 1997, 1998, and 1999 for the county's
20 county welfare fund and county welfare administration fund; divided by the total amounts
21 appropriated by all the taxing units in the county in the year.

22 (ii) Divide the amount determined in item (i) by three (3); plus

23 (2) the amount the county would receive under subsection (e) without regard to this subsection
24 multiplied by the result determined under the following formula:

25 (A) Determine the result of:

26 (i) the tax rate imposed by the county in 2006, 2007, and 2008 for the county's county medical
27 assistance to wards fund; family and children's fund; children's psychiatric residential treatment
28 services fund; county hospital care for the indigent fund; children with special health care
29 needs county fund; plus, in the case of Marion County, the tax rate imposed by the health and
30 hospital corporation that was necessary to raise thirty-five million dollars (\$35,000,000) from
31 all taxing districts in the county; divided by

32 (ii) the aggregate tax rate imposed by the county in the year plus, in the case of Marion County,
33 the aggregate tax rate imposed by the health and hospital corporation in the year.

34 (B) Divide the clause (A) amount by three (3):

35 (h) The amount of a supplemental distribution paid to a school corporation shall be reduced by an
36 amount equal to:

37 (1) the amount the school corporation would receive under subsection (e) without regard to this
38 subsection; minus

39 (2) an amount equal to:

40 (A) the amount described in subdivision (1); multiplied by

41 (B) the result of the following formula:

42 (i) Determine the tax rate imposed by the school corporation in 2006, 2007, and 2008 for the
43 tuition support levy under IC 6-1.1-19-1.5 (repealed) or IC 20-45-3-11 (repealed) for the school
44 corporation's general fund plus the tax rate imposed by the school corporation for the school
45 corporation's special education preschool fund; divided by the aggregate tax rate imposed by
46 the school corporation in the year.

47 (ii) Divide the item (i) amount by three (3):

48 (i) The amounts deducted under subsections (g) and (h) shall be deposited in a state fund, as directed
49 by the budget agency.

50 SECTION 107. IC 6-7-1-28.1, AS AMENDED BY P.L.229-2011, SECTION 95, IS AMENDED TO
51 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 28.1. The taxes, registration fees, fines, or
52 penalties collected under this chapter shall be deposited in the following manner:

1 (1) Four and twenty-two hundredths percent (4.22%) of the money shall be deposited in a fund to
2 be known as the cigarette tax fund.

3 (2) Six-tenths percent (0.6%) of the money shall be deposited in a fund to be known as the mental
4 health centers fund.

5 (3) The following amount of the money shall be deposited in the state general fund:

6 (A) After June 30, 2011, and before July 1, 2013, sixty and twenty-four hundredths percent
7 (60.24%).

8 (B) After June 30, 2013, ~~fifty-four and five-tenths~~ **fifty-six and twenty-four hundredths** percent
9 ~~(54.5%)~~: **(56.24%)**.

10 (4) Five and forty-three hundredths percent (5.43%) of the money shall be deposited into the pension
11 relief fund established in IC 5-10.3-11.

12 (5) **Before January 1, 2014**, twenty-seven and five hundredths percent (27.05%) of the money shall
13 be deposited in the Indiana check-up plan trust fund established by IC 12-15-44.2-17. **After**
14 **December 31, 2013, twenty-seven and five hundredths percent (27.05%) of the money shall be**
15 **deposited in the healthy Indiana plan savings account established by IC 12-15-47.5.**

16 (6) Two and forty-six hundredths percent (2.46%) of the money shall be deposited in the state
17 general fund for the purpose of paying appropriations for Medicaid—Current Obligations, for
18 provider reimbursements.

19 (7) The following amount of the money shall be deposited in the state retiree health benefit trust
20 fund established by IC 5-10-8-8.5 as follows:

21 (A) Before July 1, 2011, five and seventy-four hundredths percent (5.74%).

22 (B) After June 30, 2011, and before July 1, 2013, zero percent (0%).

23 (C) After June 30, 2013, ~~five and seventy-four hundredths~~ **four** percent ~~(5.74%)~~: **(4%)**.

24 The money in the cigarette tax fund, the mental health centers fund, the Indiana check-up plan trust fund,
25 **the healthy Indiana plan savings account**, or the pension relief fund at the end of a fiscal year does not
26 revert to the state general fund. However, if in any fiscal year, the amount allocated to a fund under
27 subdivision (1) or (2) is less than the amount received in fiscal year 1977, then that fund shall be credited
28 with the difference between the amount allocated and the amount received in fiscal year 1977, and the
29 allocation for the fiscal year to the fund under subdivision (3) shall be reduced by the amount of that
30 difference. Money deposited under subdivisions (6) through (7) may not be used for any purpose other
31 than the purpose stated in the subdivision.

32 SECTION 108. IC 6-7-2-7, AS AMENDED BY P.L.172-2011, SECTION 83, IS AMENDED TO
33 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 7. (a) A tax is imposed on the distribution of
34 tobacco products in Indiana at the rate of:

35 (1) twenty-four percent (24%) of the wholesale price of tobacco products other than moist snuff; or

36 (2) for moist snuff, forty cents (\$0.40) per ounce, and a proportionate tax at the same rate on all
37 fractional parts of an ounce. If the tax calculated for a fractional part of an ounce carried to the third
38 decimal place results in the numeral in the third decimal place being greater than four (4), the
39 amount of the tax shall be rounded to the next additional cent.

40 (b) The distributor of the tobacco products, **including a person that sells tobacco products through**
41 **an Internet web site**, is liable for the tax imposed under subsection (a). The tax is imposed at the time
42 the distributor:

43 (1) brings or causes tobacco products to be brought into Indiana for distribution;

44 (2) manufactures tobacco products in Indiana for distribution; or

45 (3) transports tobacco products to retail dealers in Indiana for resale by those retail dealers.

46 (c) The Indiana general assembly finds that the tax rate on smokeless tobacco should reflect the
47 relative risk between such products and cigarettes.

48 SECTION 109. IC 6-7-2-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]:

49 Sec. 8. (a) A distributor, **including a person that sells tobacco products through an Internet web site**,
50 must obtain a license under this section before it distributes tobacco products in Indiana. The department
51 shall issue licenses to applicants that qualify under this section. A license issued under this section is valid
52 for one (1) year unless revoked or suspended by the department and is not transferable.

1 (b) An applicant for a license under this section must submit proof to the department of the
2 appointment of an agent for service of process in Indiana if the applicant is:

- 3 (1) an individual whose principal place of residence is outside Indiana; or
- 4 (2) a person, other than an individual, that has its principal place of business outside Indiana.

5 (c) To obtain or renew a license under this section, a person must:

- 6 (1) submit, for each location where it intends to distribute tobacco products, an application that
7 includes all information required by the department;
- 8 (2) pay a fee of twenty-five dollars (\$25) at the time of application; and
- 9 (3) at the time of application, post a bond, issued by a surety company approved by the department,
10 in an amount not less than one thousand dollars (\$1,000) and conditioned on the applicant's
11 compliance with this chapter.

12 (d) If business is transacted at two (2) or more places by one (1) distributor, a separate license must
13 be obtained for each place of business.

14 (e) Each license must be numbered, show the name and address of the distributor, and be posted in a
15 conspicuous place at the place of business for which it is issued.

16 (f) If the department determines that a bond provided by a licensee is inadequate, the department may
17 require a new bond in the amount necessary to fully protect the state.

18 SECTION 110. IC 6-8.1-7-1, AS AMENDED BY P.L.182-2009(ss), SECTION 254, IS AMENDED
19 TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 1. (a) This subsection does not apply to
20 the disclosure of information concerning a conviction on a tax evasion charge. Unless in accordance with
21 a judicial order or as otherwise provided in this chapter, the department, its employees, former employees,
22 counsel, agents, or any other person may not divulge the amount of tax paid by any taxpayer, terms of a
23 settlement agreement executed between a taxpayer and the department, investigation records,
24 investigation reports, or any other information disclosed by the reports filed under the provisions of the
25 law relating to any of the listed taxes, including required information derived from a federal return, except
26 to:

- 27 (1) members and employees of the department;
- 28 (2) the governor;
- 29 (3) the attorney general or any other legal representative of the state in any action in respect to the
30 amount of tax due under the provisions of the law relating to any of the listed taxes; or
- 31 (4) any authorized officers of the United States;

32 when it is agreed that the information is to be confidential and to be used solely for official purposes.

33 (b) The information described in subsection (a) may be revealed upon the receipt of a certified request
34 of any designated officer of the state tax department of any other state, district, territory, or possession
35 of the United States when:

- 36 (1) the state, district, territory, or possession permits the exchange of like information with the taxing
37 officials of the state; and
- 38 (2) it is agreed that the information is to be confidential and to be used solely for tax collection
39 purposes.

40 (c) The information described in subsection (a) relating to a person on public welfare or a person who
41 has made application for public welfare may be revealed to the director of the division of family
42 resources, and to any director of a county office of the division of family resources located in Indiana,
43 upon receipt of a written request from either director for the information. The information shall be treated
44 as confidential by the directors. In addition, the information described in subsection (a) relating to a
45 person who has been designated as an absent parent by the state Title IV-D agency shall be made
46 available to the state Title IV-D agency upon request. The information shall be subject to the information
47 safeguarding provisions of the state and federal Title IV-D programs.

48 (d) The name, address, Social Security number, and place of employment relating to any individual
49 who is delinquent in paying educational loans owed to a postsecondary educational institution may be
50 revealed to that institution if it provides proof to the department that the individual is delinquent in paying
51 for educational loans. This information shall be provided free of charge to approved postsecondary
52 educational institutions (as defined by IC 21-7-13-6(a)). The department shall establish fees that all other

1 institutions must pay to the department to obtain information under this subsection. However, these fees
2 may not exceed the department's administrative costs in providing the information to the institution.

3 (e) The information described in subsection (a) relating to reports submitted under IC 6-6-1.1-502
4 concerning the number of gallons of gasoline sold by a distributor and IC 6-6-2.5 concerning the number
5 of gallons of special fuel sold by a supplier and the number of gallons of special fuel exported by a
6 licensed exporter or imported by a licensed transporter may be released by the commissioner upon receipt
7 of a written request for the information.

8 (f) The information described in subsection (a) may be revealed upon the receipt of a written request
9 from the administrative head of a state agency of Indiana when:

10 (1) the state agency shows an official need for the information; and

11 (2) the administrative head of the state agency agrees that any information released will be kept
12 confidential and will be used solely for official purposes.

13 (g) The information described in subsection (a) may be revealed upon the receipt of a written request
14 from the chief law enforcement officer of a state or local law enforcement agency in Indiana when it is
15 agreed that the information is to be confidential and to be used solely for official purposes.

16 (h) The name and address of retail merchants, including township, as specified in IC 6-2.5-8-1(j) may
17 be released solely for tax collection purposes to township assessors and county assessors.

18 (i) The department shall notify the appropriate innkeepers' tax board, bureau, or commission that a
19 taxpayer is delinquent in remitting innkeepers' taxes under IC 6-9.

20 (j) All information relating to the delinquency or evasion of the motor vehicle excise tax may be
21 disclosed to the bureau of motor vehicles in Indiana and may be disclosed to another state, if the
22 information is disclosed for the purpose of the enforcement and collection of the taxes imposed by
23 IC 6-6-5.

24 (k) All information relating to the delinquency or evasion of commercial vehicle excise taxes payable
25 to the bureau of motor vehicles in Indiana may be disclosed to the bureau and may be disclosed to another
26 state, if the information is disclosed for the purpose of the enforcement and collection of the taxes
27 imposed by IC 6-6-5.5.

28 (l) All information relating to the delinquency or evasion of commercial vehicle excise taxes payable
29 under the International Registration Plan may be disclosed to another state, if the information is disclosed
30 for the purpose of the enforcement and collection of the taxes imposed by IC 6-6-5.5.

31 (m) All information relating to the delinquency or evasion of the excise taxes imposed on recreational
32 vehicles and truck campers that are payable to the bureau of motor vehicles in Indiana may be disclosed
33 to the bureau and may be disclosed to another state if the information is disclosed for the purpose of the
34 enforcement and collection of the taxes imposed by IC 6-6-5.1.

35 (n) This section does not apply to:

36 (1) the beer excise tax, including brand and packaged type (IC 7.1-4-2);

37 (2) the liquor excise tax (IC 7.1-4-3);

38 (3) the wine excise tax (IC 7.1-4-4);

39 (4) the hard cider excise tax (IC 7.1-4-4.5);

40 (5) the malt excise tax (IC 7.1-4-5);

41 (6) the motor vehicle excise tax (IC 6-6-5);

42 (7) the commercial vehicle excise tax (IC 6-6-5.5); and

43 (8) the fees under IC 13-23.

44 (o) The name and business address of retail merchants within each county that sell tobacco products
45 may be released to the division of mental health and addiction and the alcohol and tobacco commission
46 solely for the purpose of the list prepared under IC 6-2.5-6-14.2.

47 **(p) The name and business address of a person licensed by the department under IC 6-6 or**
48 **IC 6-7 may be disclosed for the purpose of reporting the status of the person's license.**

49 SECTION 111. IC 8-14-1-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]:

50 Sec. 2. It is hereby declared to be the policy of the state of Indiana that:

51 (1) the net amount in the motor vehicle highway account shall be budgeted for programs of traffic
52 safety and for the construction, reconstruction, improvement, **and** maintenance **and** policing of the

1 highways of the state;

2 (2) a fair distribution thereof shall be made between the department and subordinate political
3 subdivisions having jurisdiction of highways of the state;

4 (3) the funds allotted shall be used in accordance with the policy herein declared and the provisions
5 of this chapter; and

6 (4) the funds allocated to counties, cities, and towns from such motor vehicle highway account shall
7 be budgeted as provided by law, and such county budgets shall be referred to the county council for
8 approval, revision, or reduction.

9 SECTION 112. IC 8-14-1-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]:

10 Sec. 3. (a) The money collected for the motor vehicle highway account fund and remaining after refunds
11 and the payment of all expenses incurred in the collection thereof, and after the deduction of the amount
12 appropriated to the department for traffic safety, ~~and after the deduction of one-half (1/2) of the amount~~
13 ~~appropriated for the state police department~~, shall be allocated to and distributed among the department
14 and subdivisions designated as follows:

15 (1) Of the net amount in the motor vehicle highway account the auditor of state shall set aside for
16 the cities and towns of the state fifteen percent (15%) thereof. **Except as provided in subsection**
17 **(b)**, this sum shall be allocated to the cities and towns upon the basis that the population of each city
18 and town bears to the total population of all the cities and towns and shall be used for the
19 construction or reconstruction and maintenance of streets and alleys and shall be annually budgeted
20 as now provided by law. However, no part of such sum shall be used for any other purpose than for
21 the purposes defined in this chapter. If any funds allocated to any city or town shall be used by any
22 officer or officers of such city or town for any purpose or purposes other than for the purposes as
23 defined in this chapter, such officer or officers shall be liable upon their official bonds to such city
24 or town in such amount so used for other purposes than for the purposes as defined in this chapter,
25 together with the costs of said action and reasonable attorney fees, recoverable in an action or suit
26 instituted in the name of the state of Indiana on the relation of any taxpayer or taxpayers resident of
27 such city or town. A monthly distribution thereof of funds accumulated during the preceding month
28 shall be made by the auditor of state.

29 (2) Of the net amount in the motor vehicle highway account, the auditor of state shall set aside for
30 the counties of the state thirty-two percent (32%) thereof. However, as to the allocation to cities and
31 towns under subdivision (1), and as to the allocation to counties under this subdivision in the event
32 that the amount in the motor vehicle highway account fund remaining after refunds and **after** the
33 payment of all expenses incurred in the collection thereof ~~and after deduction of any amount~~
34 ~~appropriated by the general assembly for public safety and policing shall be is~~ less than twenty-two
35 million six hundred and fifty thousand dollars (\$22,650,000), in any fiscal year then the amount so
36 set aside in the next calendar year for distributions to counties shall be reduced fifty-four percent
37 (54%) of such deficit and the amount so set aside for distribution in the next calendar year to cities
38 and towns shall be reduced thirteen percent (13%) of such deficit. Such reduced distributions shall
39 begin with the distribution January 1 of each year.

40 (3) **Except as provided in subsection (c)**, the amount set aside for the counties of the state under
41 the provisions of subdivision (2) shall be allocated monthly upon the following basis:

42 (A) Five percent (5%) of the amount allocated to the counties to be divided equally among the
43 ninety-two (92) counties.

44 (B) Sixty-five percent (65%) of the amount allocated to the counties to be divided on the basis
45 of the ratio of the actual miles, now traveled and in use, of county roads in each county to the
46 total mileage of county roads in the state, which shall be annually determined, accurately, by the
47 department.

48 (C) Thirty percent (30%) of the amount allocated to the counties to be divided on the basis of the
49 ratio of the motor vehicle registrations of each county to the total motor vehicle registration of
50 the state.

51 All money so distributed to the several counties of the state shall constitute a special road fund for
52 each of the respective counties and shall be under the exclusive supervision and direction of the

1 board of county commissioners in the construction, reconstruction, maintenance, or repair of the
2 county highways or bridges on such county highways within such county.

3 (4) Each month the remainder of the net amount in the motor vehicle highway account, **after the**
4 **adjustments under subsections (b) and (c)**, shall be credited to the state highway fund for the use
5 of the department.

6 (5) Money in the fund may not be used for any toll road or toll bridge project.

7 (6) Notwithstanding any other provisions of this section, money in the motor vehicle highway
8 account fund may be appropriated to the Indiana department of transportation from the forty-seven
9 percent (47%) distributed to the political subdivisions of the state, **as adjusted under subsections**
10 **(b) and (c)**, to pay the costs incurred by the department in providing services to those subdivisions.

11 (7) Notwithstanding any other provisions of this section or of IC 8-14-8, for the purpose of
12 maintaining a sufficient working balance in accounts established primarily to facilitate the matching
13 of federal and local money for highway projects, money may be appropriated to the Indiana
14 department of transportation as follows:

15 (A) One-half (1/2) from the forty-seven percent (47%) set aside under subdivisions (1) and (2)
16 for counties and for those cities and towns with a population greater than five thousand (5,000).

17 (B) One-half (1/2) from the distressed road fund under IC 8-14-8.

18 **(b) The allocation under subsection (a)(1) for cities and towns shall be adjusted as provided in**
19 **the following STEPS:**

20 **STEP ONE: Determine the monthly amount that the city or town would be entitled to receive**
21 **under subsection (a)(1) before the adjustment under this subsection.**

22 **STEP TWO: Determine the average monthly amount that the city or town received under**
23 **subsection (a)(1) in the fiscal year ending June 30, 2013.**

24 **STEP THREE: Determine the greater of zero (0) or the result of:**

25 (1) the STEP ONE amount; minus

26 (2) the STEP TWO amount.

27 **STEP FOUR: Determine a percentage equal to the result of:**

28 (1) the county motor vehicle excise surtax rate imposed under IC 6-3.5-4 by the county in
29 which the city or town is located; divided by

30 (2) the maximum county motor vehicle excise surtax rate that the county in which the city
31 or town is located is authorized to impose under IC 6-3.5-4.

32 **In the case of a city or town that has territory in more than one (1) county, the county to be**
33 **considered for purposes of this STEP is the county in which the city or town has the greatest**
34 **part of its population.**

35 **STEP FIVE: This STEP applies to a city or town for which the STEP FOUR result is at least**
36 **fifty percent (50%). Determine the result:**

37 (1) the STEP TWO amount; plus

38 (2) the result of:

39 (A) the STEP THREE amount determined for the city or town; multiplied by

40 (B) the STEP FOUR percentage determined for the city or town.

41 **Notwithstanding subsection (a)(1), the amount determined under this STEP is the total**
42 **monthly amount that the city or town is entitled to receive.**

43 **STEP SIX: In the case of a city or town located in a county that has not adopted the county**
44 **motor vehicle excise surtax and the county wheel tax as of the first day of the preceding month,**
45 **then notwithstanding subsection (a)(1) the total monthly amount that the city or town is**
46 **entitled to receive is equal to the STEP TWO amount. In the case of a city or town that has**
47 **territory in more than one (1) county, the county to be considered for purposes of this STEP**
48 **is the county in which the city or town has the greatest part of its population.**

49 **STEP SEVEN: In the case of a city or town located in a county that has adopted the county**
50 **motor vehicle excise surtax and the county wheel tax as of the first day of the preceding month,**
51 **but for which the STEP FOUR result is less than fifty percent (50%), then notwithstanding**
52 **subsection (a)(1) the total monthly amount that the city or town is entitled to receive is equal**

1 to the STEP TWO amount. In the case of a city or town that has territory in more than one (1)
2 county, the county to be considered for purposes of this STEP is the county in which the city
3 or town has the greatest part of its population.

4 (c) The allocation under subsection (a)(3) for counties shall be adjusted as provided in the
5 following STEPS:

6 STEP ONE: Determine the monthly amount that the county would be entitled to receive under
7 subsection (a)(3) before the adjustment under this subsection.

8 STEP TWO: Determine the average monthly amount that the county received under
9 subsection (a)(3) in the fiscal year ending June 30, 2013.

10 STEP THREE: Determine the greater of zero (0) or the result of:

11 (1) the STEP ONE amount; minus

12 (2) the STEP TWO amount.

13 STEP FOUR: Determine a percentage equal to the result of:

14 (1) the county motor vehicle excise surtax rate imposed under IC 6-3.5-4 by the county;
15 divided by

16 (2) the maximum county motor vehicle excise surtax rate that the county is authorized to
17 impose under IC 6-3.5-4.

18 STEP FIVE: This STEP applies to a county for which the STEP FOUR result is at least fifty
19 percent (50%). Determine the result:

20 (1) the STEP TWO amount; plus

21 (2) the result of:

22 (A) the STEP THREE amount determined for the county; multiplied by

23 (B) the STEP FOUR percentage determined for the county.

24 Notwithstanding subsection (a)(3), the amount determined under this STEP is the total
25 monthly amount that the county is entitled to receive.

26 STEP SIX: In the case of a county that has not adopted the county motor vehicle excise surtax
27 and the county wheel tax as of the first day of the preceding month, then notwithstanding
28 subsection (a)(3) the total monthly amount that the county is entitled to receive is equal to the
29 STEP TWO amount.

30 STEP SEVEN: In the case of a county that has adopted the county motor vehicle excise surtax
31 and the county wheel tax as of the first day of the preceding month, but for which the STEP
32 FOUR result is less than fifty percent (50%), then notwithstanding subsection (a)(3) the total
33 monthly amount that the county is entitled to receive is equal to the STEP TWO amount.

34 SECTION 113. IC 8-14-14.1 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO
35 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]:

36 **Chapter 14.1. Major Moves 2020 Trust Fund**

37 **Sec. 1.** As used in this chapter, "department" refers to the Indiana department of transportation.

38 **Sec. 2.** As used in this chapter, "fund" refers to the major moves 2020 trust fund established by
39 section 3 of this chapter.

40 **Sec. 3. (a)** The major moves 2020 trust fund is established, to be used exclusively for major
41 highway expansion projects that enhance the ability of goods to be transported in and through
42 Indiana.

43 (b) The fund shall be administered by the department.

44 (c) Notwithstanding IC 5-13, the treasurer of state shall invest the money in the fund not
45 currently needed to meet the obligations of the fund in the same manner as money is invested by
46 the Indiana public retirement system under IC 5-10.3-5. However, the treasurer of state may not
47 invest the money in the fund in equity securities. The treasurer of state may contract with
48 investment management professionals, investment advisors, and legal counsel to assist in the
49 investment of the fund and may pay the state expenses incurred under those contracts from the
50 fund. Interest that accrues from these investments shall be deposited in the fund.

51 (d) The fund consists of:

52 (1) money transferred to the fund under subsection (h); and

1 **(2) any interest or other earnings on money in the fund.**

2 **(e) The fund is considered a trust fund for purposes of IC 4-9.1-1-7. Money may not be**
3 **transferred, assigned, or otherwise removed from the fund by the state board of finance, the budget**
4 **agency, or any other state agency. IC 4-9.1-1-8 and IC 4-9.1-1-9 do not apply to the fund.**

5 **(f) Money in the fund at the end of a state fiscal year does not revert to the state general fund.**

6 **(g) Money in the fund must be appropriated by the general assembly to be available for**
7 **expenditure.**

8 **(h) On July 1, 2013, and on July 1, 2014, the auditor of state shall transfer two hundred million**
9 **dollars (\$200,000,000) to the fund from the state general fund. There is annually appropriated from**
10 **the state general fund an amount sufficient to make the transfer under this subsection.**

11 SECTION 114. IC 8-23-27 IS REPEALED [EFFECTIVE JULY 1, 2013]. (Illiana Expressway).

12 SECTION 115. IC 9-18-2-7, AS AMENDED BY P.L.26-2011, SECTION 1, IS AMENDED TO
13 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 7. (a) A person who owns a vehicle subject
14 to registration shall register each vehicle owned by the person as follows:

15 (1) A vehicle subject to section 8 of this chapter shall be registered under section 8 of this chapter.

16 (2) Subject to subsection (g) or (h), a vehicle not subject to section 8 or 8.5 of this chapter or to the
17 International Registration Plan shall be registered before:

18 (A) March 1 of each year; or

19 (B) an earlier date subsequent to January 1 of each year as set by the bureau.

20 (3) School buses owned by a school corporation are exempt from annual registration but are subject
21 to registration under IC 20-27-7.

22 (4) Subject to subsection (f), a vehicle subject to the International Registration Plan shall be
23 registered before April 1 of each year.

24 (5) A school bus not owned by a school corporation shall be registered subject to section 8.5 of this
25 chapter.

26 (b) Registrations and reregistrations under this section are for the calendar year. Registration and
27 reregistration for school buses owned by a school corporation may be for more than a calendar year.

28 (c) License plates for a vehicle subject to this section may be displayed during:

29 (1) the calendar year for which the vehicle is registered; and

30 (2) the period of time:

31 (A) subsequent to the calendar year; and

32 (B) before the date that the vehicle must be reregistered.

33 (d) Except as provided in IC 9-18-12-2.5, a person who owns or operates a vehicle may not operate
34 or permit the operation of a vehicle that:

35 (1) is required to be registered under this chapter; and

36 (2) has expired license plates.

37 (e) If a vehicle that is required to be registered under this chapter has:

38 (1) been operated on the highways; and

39 (2) not been properly registered under this chapter;

40 the bureau shall, before the vehicle is reregistered, collect the registration fee that the owner of the vehicle
41 would have paid if the vehicle had been properly registered.

42 (f) The department of state revenue may adopt rules under IC 4-22-2 to issue staggered registration
43 to motor vehicles subject to the International Registration Plan.

44 (g) Except as provided in section 8.5 of this chapter, the bureau may adopt rules under IC 4-22-2 to
45 issue staggered registration to motor vehicles described in subsection (a)(2).

46 (h) After June 30, 2011, the registration of a vehicle under IC 9-18-16-1(1) or IC 9-18-16-1(2) expires
47 on December 14 of each year. However, if a vehicle is registered under IC 9-18-16-1(1) or
48 IC 9-18-16-1(2) and the registration of the vehicle is in effect on June 30, 2011, the registration of the
49 vehicle remains valid:

50 (1) throughout calendar year 2011; and

51 (2) during the period that:

52 (A) begins January 1, 2012; and

1 (B) ends on the date on which the vehicle was due for reregistration under the law in effect before
2 this subsection took effect.

3 **(i) If a vehicle is registered under IC 9-18-47 (before its repeal) and the registration of the vehicle**
4 **is in effect on June 30, 2013, the registration of the vehicle remains valid:**

5 **(1) throughout calendar year 2013; and**

6 **(2) during the period that:**

7 **(A) begins January 1, 2014; and**

8 **(B) ends on the date on which the vehicle was due for reregistration under IC 9-18.**

9 **This subsection expires January 1, 2016.**

10 SECTION 116. IC 9-18-15-1, AS AMENDED BY P.L.87-2010, SECTION 10, IS AMENDED TO
11 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 1. (a) A person who is the registered owner
12 or lessee of a:

13 (1) passenger motor vehicle;

14 (2) motorcycle;

15 (3) recreational vehicle; or

16 (4) vehicle registered as a truck with a declared gross weight of not more than eleven thousand

17 (11,000) pounds;

18 registered with the bureau or who makes an application for an original registration or renewal registration
19 of a vehicle may apply to the bureau for a personalized license plate to be affixed to the vehicle for which
20 registration is sought instead of the regular license plate.

21 (b) A person who:

22 (1) is the registered owner or lessee of a vehicle described in subsection (a); and

23 (2) is eligible to receive a license plate for the vehicle under:

24 (A) IC 9-18-17 (prisoner of war license plates);

25 (B) IC 9-18-18 (disabled Hoosier veteran license plates);

26 (C) IC 9-18-19 (Purple Heart license plates);

27 (D) IC 9-18-20 (Indiana National Guard license plates);

28 (E) IC 9-18-21 (Indiana Guard Reserve license plates);

29 (F) IC 9-18-22 (license plates for persons with disabilities);

30 (G) IC 9-18-23 (amateur radio operator license plates);

31 (H) IC 9-18-24 (civic event license plates);

32 (I) IC 9-18-24.5 (In God We Trust license plates);

33 (J) IC 9-18-25 (special group recognition license plates);

34 (K) IC 9-18-29 (environmental license plates);

35 (L) IC 9-18-30 (kids first trust license plates);

36 (M) IC 9-18-31 (education license plates);

37 (N) IC 9-18-32.2 (drug free Indiana trust license plates);

38 (O) IC 9-18-33 (Indiana FFA trust license plates);

39 (P) IC 9-18-34 (Indiana firefighter license plates);

40 (Q) IC 9-18-35 (Indiana food bank trust license plates);

41 (R) IC 9-18-36 (Indiana girl scouts trust license plates);

42 (S) IC 9-18-37 (Indiana boy scouts trust license plates);

43 (T) IC 9-18-38 (Indiana retired armed forces member license plates);

44 (U) IC 9-18-39 (Indiana antique car museum trust license plates);

45 (V) IC 9-18-40 (D.A.R.E. Indiana trust license plates);

46 (W) IC 9-18-41 (Indiana arts trust license plates);

47 (X) IC 9-18-42 (Indiana health trust license plates);

48 (Y) IC 9-18-43 (Indiana mental health trust license plates);

49 (Z) IC 9-18-44 (Indiana Native American trust license plates);

50 (AA) IC 9-18-45.8 (Pearl Harbor survivor license plates);

51 (BB) IC 9-18-46.2 (Indiana state educational institution trust license plates);

52 ~~(CC) IC 9-18-47 (Lewis and Clark bicentennial license plates);~~

1 ~~(DD)~~ (CC) IC 9-18-48 (Riley Children's Foundation license plates);
2 ~~(EE)~~ (DD) IC 9-18-49 (National Football League franchised professional football team license
3 plates);
4 ~~(FF)~~ (EE) IC 9-18-50 (Hoosier veteran license plates);
5 ~~(GG)~~ (FF) IC 9-18-51 (support our troops license plates);
6 ~~(HH)~~ (GG) IC 9-18-52 (Abraham Lincoln bicentennial license plates);
7 ~~(II)~~ (HH) IC 9-18-53 (Earlham College Trust license plates); or
8 ~~(JJ)~~ (II) IC 9-18-54 (Indiana Gold Star family member license plates);
9 may apply to the bureau for a personalized license plate to be affixed to the vehicle for which registration
10 is sought instead of the regular special recognition license plate.

11 SECTION 117. IC 9-18-47 IS REPEALED [EFFECTIVE JULY 1, 2013]. (Lewis and Clark
12 Bicentennial License Plates).

13 SECTION 118. IC 11-10-3-6, AS ADDED BY P.L.229-2011, SECTION 102, IS AMENDED TO
14 READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) This section:

15 (1) does not apply in the case of a person who is subject to lawful detention by a county sheriff and
16 is:

17 (A) covered under private health coverage for health care services; ~~or~~

18 (B) willing to pay for the person's own health care services; ~~or~~

19 **(C) eligible to participate in the federal Medicaid program;** and

20 (2) does not affect copayments required under section 5 of this chapter.

21 (b) The following definitions apply throughout this section:

22 (1) "Charge description master" means a listing of the amount charged by a hospital for each service,
23 item, and procedure:

24 (A) provided by the hospital; and

25 (B) for which a separate charge exists.

26 (2) "Health care service" means the following:

27 (A) Medical care.

28 (B) Dental care.

29 (C) Eye care.

30 (D) Any other health care related service.

31 The term includes health care items and procedures.

32 (c) Except as provided in subsection (d), when the department or a county is responsible for payment
33 for health care services provided to a person who is committed to the department, the department shall
34 reimburse:

35 (1) a physician licensed under IC 25-22.5;

36 (2) a hospital licensed under IC 16-21-2; or

37 (3) another health care provider;

38 for the cost of a health care service at the federal Medicare reimbursement rate for the health care service
39 provided plus four percent (4%).

40 (d) If there is no federal Medicare reimbursement rate for a health care service described in subsection
41 (c), the department shall do the following:

42 (1) If the health care service is provided by a hospital, the department shall reimburse the hospital
43 an amount equal to sixty-five percent (65%) of the amount charged by the hospital according to the
44 hospital's charge description master.

45 (2) If the health care service is provided by a physician or another health care provider, the
46 department shall reimburse the physician or health care provider an amount equal to sixty-five
47 percent (65%) of the amount charged by the physician or health care provider.

48 ~~(e) This section expires July 1, 2013.~~

49 SECTION 119. IC 11-10-3-7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO
50 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 7. When the department or a county is**
51 **responsible for payment for health care services provided to a person who is:**

52 **(1) committed to the department; and**

1 (2) eligible to participate in the federal Medicaid program;
2 the department or the county (as appropriate) shall take the actions necessary to receive
3 reimbursement from the federal Medicaid program for the cost of the health care services provided
4 to the person.

5 SECTION 120. IC 12-8-1.5-9.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO
6 READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9.5. (a) This subsection applies to an
7 emergency rule adopted under section 9(b) of this chapter (before section 9(b) of this chapter
8 expired on December 31, 2012). An emergency rule adopted under section 9(b) of this chapter
9 expires December 31, 2013, regardless of any expiration date set forth in the rule.

10 (b) This subsection applies to a rule added or amended in LSA Document #10-792 or LSA
11 Document #10-793 in 2011. The policies set forth in the following remain in effect through
12 December 31, 2013, regardless of the effective date set forth in the rule:

13 (1) 405 IAC 1-11.5-2(g).

14 (2) 405 IAC 5-30-1.5(c).

15 (c) This subsection applies to an emergency rule adopted under IC 12-8-1-9(b) (before
16 IC 12-8-1-9(b) expired on June 30, 2011). An emergency rule adopted under IC 12-8-1-9(b) expires
17 December 31, 2013, regardless of any expiration date set forth in the rule.

18 SECTION 121. IC 12-8-6.5-12 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO
19 READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) As used in this section,
20 "SECTION 281" refers to P.L.229-2011, SECTION 281.

21 (b) Notwithstanding the expiration of SECTION 281, the office of Medicaid policy and planning
22 may:

23 (1) collect an unpaid hospital assessment fee under SECTION 281 owed by a hospital;

24 (2) refund a hospital assessment fee paid by the hospital under SECTION 281;

25 (3) make payments for programs described in subsection (f) of SECTION 281;

26 (4) make payments to hospitals in accordance with subsection (m) of SECTION 281; and

27 (5) make payments to private psychiatric institutions in accordance with subsection (o) of
28 SECTION 281;

29 at any time, including after the expiration of SECTION 281.

30 (c) The office of Medicaid policy and planning may:

31 (1) collect an unpaid hospital assessment fee under IC 16-21-10 owed by a hospital;

32 (2) refund a hospital assessment fee paid by a hospital under IC 16-21-10;

33 (3) make payments for programs described in IC 16-21-10-8(a);

34 (4) make payments under IC 16-21-10-11; and

35 (5) make payments under IC 16-21-10-13;

36 at any time, including after the hospital assessment fee ceases to be collected under IC 16-21-10.

37 SECTION 122. IC 12-10-11.5-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON
38 PASSAGE]: Sec. 6. (a) The office of the secretary of family and social services shall annually determine
39 any state savings generated by home and community based services under this chapter by reducing the
40 use of institutional care.

41 (b) The secretary shall annually report to the governor, the budget agency, the budget committee, the
42 ~~select joint commission on Medicaid oversight~~, **health finance commission**, and the executive director
43 of the legislative services agency the savings determined under subsection (a). A report under this
44 subsection to the executive director of the legislative services agency must be in an electronic format
45 under IC 5-14-6.

46 (c) Savings determined under subsection (a) may be used to fund the state's share of additional home
47 and community based Medicaid waiver slots.

48 SECTION 123. IC 12-13-5-14, AS ADDED BY P.L.153-2009, SECTION 2, IS AMENDED TO
49 READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14. (a) As used in this section,
50 "commission" refers to the ~~select joint commission on Medicaid oversight (IC 2-5-26-3)~~. **health finance**
51 **commission (IC 2-5-23)**.

52 (b) A contractor for the division, office, or secretary that has responsibility for processing eligibility

1 intake for the federal Supplemental Nutrition Assistance program (SNAP), the Temporary Assistance for
2 Needy Families (TANF) program, and the Medicaid program shall do the following:

3 (1) Review the eligibility intake process for:

4 (A) document management issues, including:

5 (i) unattached documents;

6 (ii) number of documents received by facsimile;

7 (iii) number of documents received by mail;

8 (iv) number of documents incorrectly classified;

9 (v) number of documents that are not indexed or not correctly attached to cases;

10 (vi) number of complaints from clients regarding lost documents; and

11 (vii) number of complaints from clients resolved regarding lost documents;

12 (B) direct client assistance at county offices, including the:

13 (i) number of clients helped directly in completing eligibility application forms;

14 (ii) wait times at local offices;

15 (iii) amount of time an applicant is given as notice before a scheduled applicant appointment;

16 (iv) amount of time an applicant waits for a scheduled appointment; and

17 (v) timeliness of the tasks sent by the contractor to the state for further action, as specified
18 through contracted performance standards; and

19 (C) call wait times and abandonment rates.

20 (2) Provide an update on employee training programs.

21 (3) Provide a copy of the monthly key performance indicator report.

22 (4) Provide information on error reports and contractor compliance with the contract.

23 (5) Provide oral and written reports to the commission concerning matters described in subdivision

24 (1):

25 (A) in a manner and format to be agreed upon with the commission; and

26 (B) whenever the commission requests.

27 (6) Report on information concerning assistance provided by voluntary community assistance
28 networks (V-CANs).

29 (7) Report on the independent performance audit conducted on the contract.

30 (c) Solely referring an individual to a computer or telephone does not constitute the direct client
31 assistance referred to in subsection (b)(1)(B).

32 SECTION 124. IC 12-15-12-19, AS AMENDED BY P.L.18-2007, SECTION 1, IS AMENDED TO
33 READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 19. (a) This section applies to an individual
34 who is a Medicaid recipient.

35 (b) Subject to subsection (c), the office shall develop the following programs regarding individuals
36 described in subsection (a):

37 (1) A disease management program for recipients with any of the following chronic diseases:

38 (A) Asthma.

39 (B) Diabetes.

40 (C) Congestive heart failure or coronary heart disease.

41 (D) Hypertension.

42 (E) Kidney disease.

43 (2) A case management program for recipients described in subsection (a) who are at high risk of
44 chronic disease, that is based on a combination of cost measures, clinical measures, and health
45 outcomes identified and developed by the office with input and guidance from the state department
46 of health and other experts in health care case management or disease management programs.

47 (c) The office shall implement:

48 (1) a pilot program for at least two (2) of the diseases listed in subsection (b) not later than July 1,
49 2003; and

50 (2) a statewide chronic disease program as soon as practicable after the office has done the
51 following:

52 (A) Evaluated a pilot program described in subdivision (1).

1 (B) Made any necessary changes in the program based on the evaluation performed under clause
2 (A).

3 (d) The office shall develop and implement a program required under this section in cooperation with
4 the state department of health and shall use the following persons to the extent possible:

- 5 (1) Community health centers.
- 6 (2) Federally qualified health centers (as defined in 42 U.S.C. 1396d(l)(2)(B)).
- 7 (3) Rural health clinics (as defined in 42 U.S.C. 1396d(l)(1)).
- 8 (4) Local health departments.
- 9 (5) Hospitals.
- 10 (6) Public and private third party payers.

11 (e) The office may contract with an outside vendor or vendors to assist in the development and
12 implementation of the programs required under this section.

13 (f) The office and the state department of health shall provide the ~~select joint commission on Medicaid~~
14 ~~oversight established by IC 2-5-26-3~~ **health finance commission established by IC 2-5-23-3** with an
15 evaluation and recommendations on the costs, benefits, and health outcomes of the pilot programs
16 required under this section. The evaluations required under this subsection must be provided not more
17 than twelve (12) months after the implementation date of the pilot programs.

18 (g) The office and the state department of health shall report to the ~~select joint commission on~~
19 ~~Medicaid oversight established by IC 2-5-26-3~~ **health finance commission established by IC 2-5-23-3**
20 not later than November 1 of each year regarding the programs developed under this section.

21 (h) The disease management program services for a recipient diagnosed with diabetes or hypertension
22 must include education for the recipient on kidney disease and the benefits of having evaluations and
23 treatment for chronic kidney disease according to accepted practice guidelines.

24 SECTION 125. IC 12-15-15-1.1, AS AMENDED BY P.L.229-2011, SECTION 128, IS AMENDED
25 TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1.1. (a) This section applies to a
26 hospital that is:

- 27 (1) licensed under IC 16-21; and
- 28 (2) established and operated under IC 16-22-2, IC 16-22-8, or IC 16-23.

29 This section does not apply during the period that the office is assessing a hospital fee authorized by ~~HEA~~
30 ~~1001-2011~~. **IC 16-21-10.**

31 (b) For a state fiscal year ending after June 30, 2003, in addition to reimbursement received under
32 section 1 of this chapter, a hospital is entitled to reimbursement in an amount calculated as follows:

33 STEP ONE: The office shall identify the aggregate inpatient hospital services, reimbursable under
34 this article and under the state Medicaid plan, that were provided during the state fiscal year by
35 hospitals established and operated under IC 16-22-2, IC 16-22-8, or IC 16-23.

36 STEP TWO: For the aggregate inpatient hospital services identified under STEP ONE, the office
37 shall calculate the aggregate payments made under this article and under the state Medicaid plan to
38 hospitals established and operated under IC 16-22-2, IC 16-22-8, or IC 16-23, excluding payments
39 under IC 12-15-16, IC 12-15-17, and IC 12-15-19.

40 STEP THREE: The office shall calculate a reasonable estimate of the amount that would have been
41 paid in the aggregate by the office for the inpatient hospital services described in STEP ONE under
42 Medicare payment principles.

43 STEP FOUR: Subtract the amount calculated under STEP TWO from the amount calculated under
44 STEP THREE.

45 STEP FIVE: Subject to subsection (g), from the amount calculated under STEP FOUR, allocate to
46 a hospital established and operated under IC 16-22-8 an amount not to exceed one hundred percent
47 (100%) of the difference between:

- 48 (A) the total cost for the hospital's provision of inpatient services covered under this article for
49 the hospital's fiscal year ending during the state fiscal year; and
- 50 (B) the total payment to the hospital for its provision of inpatient services covered under this
51 article for the hospital's fiscal year ending during the state fiscal year, excluding payments under
52 IC 12-15-16, IC 12-15-17, and IC 12-15-19.

1 STEP SIX: Subtract the amount calculated under STEP FIVE from the amount calculated under
2 STEP FOUR.

3 STEP SEVEN: Distribute an amount equal to the amount calculated under STEP SIX to the eligible
4 hospitals established and operated under IC 16-22-2 or IC 16-23 described in subsection (c) in an
5 amount not to exceed each hospital's Medicaid shortfall as defined in subsection (f).

6 (c) Subject to subsection (e), reimbursement for a state fiscal year under this section consists of
7 payments made after the close of each state fiscal year. A hospital is not eligible for a payment described
8 in this subsection unless an intergovernmental transfer or certification of expenditures is made under
9 subsection (d).

10 (d) Subject to subsection (e):

11 (1) an intergovernmental transfer may be made by or on behalf of the hospital; or
12 (2) a certification of expenditures as eligible for federal financial participation may be made;
13 after the close of each state fiscal year. An intergovernmental transfer under this subsection must be made
14 to the Medicaid indigent care trust fund in an amount equal to a percentage, as determined by the office,
15 of the amount to be distributed to the hospital under this section. The office shall use the
16 intergovernmental transfer to fund payments made under this section.

17 (e) A hospital that makes a certification of expenditures or makes or has an intergovernmental transfer
18 made on the hospital's behalf under this section may appeal under IC 4-21.5 the amount determined by
19 the office to be paid the hospital under subsection (b). The periods described in subsections (c) and (d)
20 for the hospital or another entity to make an intergovernmental transfer or certification of expenditures
21 are tolled pending the administrative appeal and any judicial review initiated by the hospital under
22 IC 4-21.5. The distribution to other hospitals under subsection (b) may not be delayed due to an
23 administrative appeal or judicial review instituted by a hospital under this subsection. If necessary, the
24 office may make a partial distribution to the other eligible hospitals under subsection (b) pending the
25 completion of a hospital's administrative appeal or judicial review, at which time the remaining portion
26 of the payments due to the eligible hospitals shall be made. A partial distribution may be based upon
27 estimates and trends calculated by the office.

28 (f) For purposes of this section:

29 (1) the Medicaid shortfall of a hospital established and operated under IC 16-22-2 or IC 16-23 is
30 calculated as follows:

31 STEP ONE: The office shall identify the inpatient hospital services, reimbursable under this
32 article and under the state Medicaid plan, that were provided during the state fiscal year by the
33 hospital.

34 STEP TWO: For the inpatient hospital services identified under STEP ONE, the office shall
35 calculate the payments made under this article and under the state Medicaid plan to the hospital,
36 excluding payments under IC 12-15-16, IC 12-15-17, and IC 12-15-19.

37 STEP THREE: The office shall calculate a reasonable estimate of the amount that would have
38 been paid by the office for the inpatient hospital services described in STEP ONE under
39 Medicare payment principles; and

40 (2) a hospital's Medicaid shortfall is equal to the amount by which the amount calculated in STEP
41 THREE of subdivision (1) is greater than the amount calculated in STEP TWO of subdivision (1).

42 (g) The actual distribution of the amount calculated under STEP FIVE of subsection (b) to a hospital
43 established and operated under IC 16-22-8 shall be made under the terms and conditions provided for the
44 hospital in the state plan for medical assistance. Payment to a hospital under STEP FIVE of subsection
45 (b) is not a condition precedent to the tender of payments to hospitals under STEP SEVEN of subsection
46 (b).

47 SECTION 126. IC 12-15-15-1.3, AS AMENDED BY P.L.229-2011, SECTION 129, IS AMENDED
48 TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1.3. (a) This section applies to a
49 hospital that is:

50 (1) licensed under IC 16-21; and
51 (2) established and operated under IC 16-22-2, IC 16-22-8, or IC 16-23.

52 This section does not apply during the period that the office is assessing a hospital fee authorized by HEA

1 ~~1001-2011~~. **IC 16-21-10.**

2 (b) For a state fiscal year ending after June 30, 2003, in addition to reimbursement received under
3 section 1 of this chapter, a hospital is entitled to reimbursement in an amount calculated as follows:

4 STEP ONE: The office shall identify the aggregate outpatient hospital services, reimbursable under
5 this article and under the state Medicaid plan, that were provided during the state fiscal year by
6 hospitals established and operated under IC 16-22-2, IC 16-22-8, or IC 16-23.

7 STEP TWO: For the aggregate outpatient hospital services identified under STEP ONE, the office
8 shall calculate the aggregate payments made under this article and under the state Medicaid plan to
9 hospitals established and operated under IC 16-22-2, IC 16-22-8, or IC 16-23, excluding payments
10 under IC 12-15-16, IC 12-15-17, and IC 12-15-19.

11 STEP THREE: The office shall calculate a reasonable estimate of the amount that would have been
12 paid in the aggregate by the office under Medicare payment principles for the outpatient hospital
13 services described in STEP ONE.

14 STEP FOUR: Subtract the amount calculated under STEP TWO from the amount calculated under
15 STEP THREE.

16 STEP FIVE: Subject to subsection (g), from the amount calculated under STEP FOUR, allocate to
17 a hospital established and operated under IC 16-22-8 an amount not to exceed one hundred percent
18 (100%) of the difference between:

19 (A) the total cost for the hospital's provision of outpatient services covered under this article for
20 the hospital's fiscal year ending during the state fiscal year; and

21 (B) the total payment to the hospital for its provision of outpatient services covered under this
22 article for the hospital's fiscal year ending during the state fiscal year, excluding payments under
23 IC 12-15-16, IC 12-15-17, and IC 12-15-19.

24 STEP SIX: Subtract the amount calculated under STEP FIVE from the amount calculated under
25 STEP FOUR.

26 STEP SEVEN: Distribute an amount equal to the amount calculated under STEP SIX to the eligible
27 hospitals established and operated under IC 16-22-2 or IC 16-23 described in subsection (c) in an
28 amount not to exceed each hospital's Medicaid shortfall as defined in subsection (f).

29 (c) A hospital is not eligible for a payment described in this section unless:

30 (1) an intergovernmental transfer is made by the hospital or on behalf of the hospital; or

31 (2) the hospital or another entity certifies the hospital's expenditures as eligible for federal financial
32 participation.

33 (d) Subject to subsection (e):

34 (1) an intergovernmental transfer may be made by or on behalf of the hospital; or

35 (2) a certification of expenditures as eligible for federal financial participation may be made;

36 after the close of each state fiscal year. An intergovernmental transfer under this subsection must be made
37 to the Medicaid indigent care trust fund in an amount equal to a percentage, as determined by the office,
38 of the amount to be distributed to the hospital under subsection (b). The office shall use the
39 intergovernmental transfer to fund payments made under this section.

40 (e) A hospital that makes a certification of expenditures or makes or has an intergovernmental transfer
41 made on the hospital's behalf under this section may appeal under IC 4-21.5 the amount determined by
42 the office to be paid by the hospital under subsection (b). The periods described in subsections (c) and
43 (d) for the hospital or other entity to make an intergovernmental transfer or certification of expenditures
44 are tolled pending the administrative appeal and any judicial review initiated by the hospital under
45 IC 4-21.5. The distribution to other hospitals under subsection (b) may not be delayed due to an
46 administrative appeal or judicial review instituted by a hospital under this subsection. If necessary, the
47 office may make a partial distribution to the other eligible hospitals under subsection (b) pending the
48 completion of a hospital's administrative appeal or judicial review, at which time the remaining portion
49 of the payments due to the eligible hospitals must be made. A partial distribution may be calculated by
50 the office based upon estimates and trends.

51 (f) For purposes of this section:

52 (1) the Medicaid shortfall of a hospital established and operated under IC 16-22-2 or IC 16-23 is

1 calculated as follows:

2 STEP ONE: The office shall identify the outpatient hospital services, reimbursable under this
3 article and under the state Medicaid plan, that were provided during the state fiscal year by the
4 hospital.

5 STEP TWO: For the outpatient hospital services identified under STEP ONE, the office shall
6 calculate the payments made under this article and under the state Medicaid plan to the hospital,
7 excluding payments under IC 12-15-16, IC 12-15-17, and IC 12-15-19.

8 STEP THREE: The office shall calculate a reasonable estimate of the amount that would have
9 been paid by the office for the outpatient hospital services described in STEP ONE under
10 Medicare payment principles; and

11 (2) a hospital's Medicaid shortfall is equal to the amount by which the amount calculated in STEP
12 THREE of subdivision (1) is greater than the amount calculated in STEP TWO of subdivision (1).

13 (g) The actual distribution of the amount calculated under STEP FIVE of subsection (b) to a hospital
14 established and operated under IC 16-22-8 shall be made under the terms and conditions provided for the
15 hospital in the state plan for medical assistance. Payment to a hospital under STEP FIVE of subsection
16 (b) is not a condition precedent to the tender of payments to hospitals under STEP SEVEN of subsection
17 (b).

18 SECTION 127. IC 12-15-15-1.5, AS AMENDED BY P.L.229-2011, SECTION 130, IS AMENDED
19 TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1.5. (a) This section applies to a
20 hospital that:

21 (1) is licensed under IC 16-21;

22 (2) is not a unit of state or local government; and

23 (3) is not owned or operated by a unit of state or local government.

24 This section does not apply during the period that the office is assessing a hospital fee authorized by HEA
25 ~~1001-2011~~. IC 16-21-10.

26 (b) For a state fiscal year ending after June 30, 2003, and before July 1, 2007, in addition to
27 reimbursement received under section 1 of this chapter, a hospital eligible under this section is entitled
28 to reimbursement in an amount calculated as follows:

29 STEP ONE: The office shall identify the total inpatient hospital services and the total outpatient
30 hospital services, reimbursable under this article and under the state Medicaid plan, that were
31 provided during the state fiscal year by the hospitals described in subsection (a).

32 STEP TWO: For the total inpatient hospital services and the total outpatient hospital services
33 identified under STEP ONE, the office shall calculate the aggregate payments made under this
34 article and under the state Medicaid plan to hospitals described in subsection (a), excluding
35 payments under IC 12-15-16, IC 12-15-17, and IC 12-15-19.

36 STEP THREE: The office shall calculate a reasonable estimate of the amount that would have been
37 paid in the aggregate by the office for the inpatient hospital services and the outpatient hospital
38 services identified in STEP ONE under Medicare payment principles.

39 STEP FOUR: Subtract the amount calculated under STEP TWO from the amount calculated under
40 STEP THREE.

41 STEP FIVE: Distribute an amount equal to the amount calculated under STEP FOUR to the eligible
42 hospitals described in subsection (a) as follows:

43 (A) Subject to the availability of funds under IC 12-15-20-2(8)(D) to serve as the nonfederal
44 share of such payment, the first ten million dollars (\$10,000,000) of the amount calculated under
45 STEP FOUR for a state fiscal year shall be paid to a hospital described in subsection (a) that has
46 more than sixty thousand (60,000) Medicaid inpatient days.

47 (B) Following the payment to the hospital under clause (A) and subject to the availability of
48 funds under IC 12-15-20-2(8)(D) to serve as the nonfederal share of such payments, the
49 remaining amount calculated under STEP FOUR for a state fiscal year shall be paid to all
50 hospitals described in subsection (a). The payments shall be made on a pro rata basis based on
51 the hospitals' Medicaid inpatient days or other payment methodology approved by the Centers
52 for Medicare and Medicaid Services. For purposes of this clause, a hospital's Medicaid inpatient

1 days are the hospital's in-state and paid Medicaid fee for service and managed care days for the
2 state fiscal year for which services are identified under STEP ONE, as determined by the office.
3 (C) Subject to IC 12-15-20.7, in the event the entirety of the amount calculated under STEP
4 FOUR is not distributed following the payments made under clauses (A) and (B), the remaining
5 amount may be paid to hospitals described in subsection (a) that are eligible under this clause.
6 A hospital is eligible for a payment under this clause only if the nonfederal share of the hospital's
7 payment is provided by or on behalf of the hospital. The remaining amount shall be paid to those
8 eligible hospitals:

- 9 (i) on a pro rata basis in relation to all hospitals eligible under this clause based on the
10 hospitals' Medicaid inpatient days; or
- 11 (ii) other payment methodology determined by the office and approved by the Centers for
12 Medicare and Medicaid Services.

13 (c) As used in this subsection, "Medicaid supplemental payments" means Medicaid payments for
14 hospitals that are in addition to Medicaid fee-for-service payments, Medicaid risk-based managed care
15 payments, and Medicaid disproportionate share payments, and that are included in the Medicaid state
16 plan, including Medicaid safety-net payments, and payments made under this section and sections 1.1,
17 1.3, 9, and 9.5 of this chapter. For a state fiscal year ending after June 30, 2007, in addition to the
18 reimbursement received under section 1 of this chapter, a hospital eligible under this section is entitled
19 to reimbursement in an amount calculated as follows:

20 STEP ONE: The office shall identify the total inpatient hospital services and the total outpatient
21 hospital services reimbursable under this article and under the state Medicaid plan that were
22 provided during the state fiscal year for all hospitals described in subsection (a).

23 STEP TWO: For the total inpatient hospital services and the total outpatient hospital services
24 identified in STEP ONE, the office shall calculate the total payments made under this article and
25 under the state Medicaid plan to all hospitals described in subsection (a). A calculation under this
26 STEP excludes a payment made under the following:

- 27 (A) IC 12-15-16.
- 28 (B) IC 12-15-17.
- 29 (C) IC 12-15-19.

30 STEP THREE: The office shall calculate, under Medicare payment principles, a reasonable estimate
31 of the total amount that would have been paid by the office for the inpatient hospital services and
32 the outpatient hospital services identified in STEP ONE.

33 STEP FOUR: Subtract the amount calculated under STEP TWO from the amount calculated under
34 STEP THREE.

35 STEP FIVE: Distribute an amount equal to the amount calculated under STEP FOUR to the eligible
36 hospitals described in subsection (a) as follows:

37 (A) As used in this clause, "Medicaid inpatient days" are the hospital's in-state paid Medicaid fee
38 for service and risk-based managed care days for the state fiscal year for which services are
39 identified under STEP ONE, as determined by the office. Subject to the availability of funds
40 transferred to the Medicaid indigent care trust fund under STEP FOUR of IC 12-16-7.5-4.5(c)
41 and remaining in the Medicaid indigent care trust fund under IC 12-15-20-2(8)(G) to serve as the
42 nonfederal share of the payments, the amount calculated under STEP FOUR for a state fiscal year
43 shall be paid to all hospitals described in subsection (a). The payments shall be made on a pro
44 rata basis, based on the hospitals' Medicaid inpatient days or in accordance with another payment
45 methodology determined by the office and approved by the Centers for Medicare and Medicaid
46 Services.

47 (B) Subject to IC 12-15-20.7, if the entire amount calculated under STEP FOUR is not distributed
48 following the payments made under clause (A), the remaining amount shall be paid as described
49 in clauses (C) and (D) to a hospital that is described in subsection (a) and that is described as
50 eligible under this clause. A hospital is eligible for a payment under clause (C) only if the
51 hospital:

- 52 (i) has less than sixty thousand (60,000) Medicaid inpatient days annually;

1 (ii) was eligible for Medicaid disproportionate share hospital payments in the state fiscal year
2 ending June 30, 1998, or the hospital met the office's Medicaid disproportionate share payment
3 criteria based upon state fiscal year 1998 data and received a Medicaid disproportionate share
4 payment for the state fiscal year ending June 30, 2001; and
5 (iii) received a Medicaid disproportionate share payment under IC 12-15-19-2.1 for state fiscal
6 years 2001, 2002, 2003, and 2004.

7 The payment amount under clause (C) for an eligible hospital is subject to the availability of the
8 nonfederal share of the hospital's payment being provided by the hospital or on behalf of the
9 hospital.

10 (C) For state fiscal years ending after June 30, 2007, but before July 1, 2009, payments to eligible
11 hospitals described in clause (B) shall be made as follows:

12 (i) The payment to an eligible hospital that merged two (2) hospitals under a single Medicaid
13 provider number effective January 1, 2004, shall equal one hundred percent (100%) of the
14 hospital's hospital-specific limit for the state fiscal year ending June 30, 2005, when the
15 payment is combined with any Medicaid disproportionate share payment made under
16 IC 12-15-19-2.1, Medicaid, and other Medicaid supplemental payments, paid or to be paid to
17 the hospital for a state fiscal year.

18 (ii) The payment to an eligible hospital described in clause (B) other than a hospital described
19 in item (i) shall equal one hundred percent (100%) of the hospital's hospital specific limit for
20 the state fiscal year ending June 30, 2004, when the payment is combined with any Medicaid
21 disproportionate share payment made under IC 12-15-19-2.1, Medicaid, and other Medicaid
22 supplemental payments, paid or to be paid to the hospital for a state fiscal year.

23 (D) For state fiscal years beginning after June 30, 2009, payments to an eligible hospital
24 described in clause (B) shall be made in a manner determined by the office.

25 (E) Subject to IC 12-15-20.7, if the entire amount calculated under STEP FOUR is not distributed
26 following the payments made under clause (A) and clauses (C) or (D), the remaining amount may
27 be paid as described in clause (F) to a hospital described in subsection (a) that is described as
28 eligible under this clause. A hospital is eligible for a payment for a state fiscal year under clause

29 (F) if the hospital:

- 30 (i) is eligible to receive Medicaid disproportionate share payments for the state fiscal year for
31 which the Medicaid disproportionate share payment is attributable under IC 12-15-19-2.1, for
32 a state fiscal year ending after June 30, 2007; and
33 (ii) does not receive a payment under clauses (C) or (D) for the state fiscal year.

34 A payment to a hospital under this clause is subject to the availability of nonfederal matching
35 funds.

36 (F) Payments to eligible hospitals described in clause (E) shall be made:

- 37 (i) to best use federal matching funds available for hospitals that are eligible for Medicaid
38 disproportionate share payments under IC 12-15-19-2.1; and
39 (ii) by using a methodology that allocates available funding under this clause, Medicaid
40 supplemental payments, and payments under IC 12-15-19-2.1, in a manner in which all
41 hospitals eligible under clause (E) receive payments in a manner that takes into account the
42 situation of eligible hospitals that have historically qualified for Medicaid disproportionate
43 share payments and ensures that payments for eligible hospitals are equitable.

44 (G) If the Centers for Medicare and Medicaid Services does not approve the payment
45 methodologies in clauses (A) through (F), the office may implement alternative payment
46 methodologies that are eligible for federal financial participation to implement a program
47 consistent with the payments for hospitals described in clauses (A) through (F).

48 (d) A hospital described in subsection (a) may appeal under IC 4-21.5 the amount determined by the
49 office to be paid to the hospital under STEP FIVE of subsections (b) or (c). The distribution to other
50 hospitals under STEP FIVE of subsection (b) or (c) may not be delayed due to an administrative appeal
51 or judicial review instituted by a hospital under this subsection. If necessary, the office may make a partial
52 distribution to the other eligible hospitals under STEP FIVE of subsection (b) or (c) pending the

1 completion of a hospital's administrative appeal or judicial review, at which time the remaining portion
2 of the payments due to the eligible hospitals shall be made. A partial distribution may be based on
3 estimates and trends calculated by the office.

4 SECTION 128. IC 12-15-15-1.6, AS AMENDED BY P.L.229-2011, SECTION 131, IS AMENDED
5 TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1.6. (a) This section applies only if the
6 office determines, based on information received from the United States Centers for Medicare and
7 Medicaid Services, that payments made under section 1.5(b) STEP FIVE (A), (B), or (C) of this chapter
8 will not be approved for federal financial participation. This section does not apply during the period that
9 the office is assessing a hospital fee authorized by ~~HEA 1001-2011~~. **IC 16-21-10.**

10 (b) If the office determines that payments made under section 1.5(b) STEP FIVE (A) of this chapter
11 will not be approved for federal financial participation, the office may make alternative payments to
12 payments under section 1.5(b) STEP FIVE (A) of this chapter if:

13 (1) the payments for a state fiscal year are made only to a hospital that would have been eligible for
14 a payment for that state fiscal year under section 1.5(b) STEP FIVE (A) of this chapter; and

15 (2) the payments for a state fiscal year to each hospital are an amount that is as equal as possible to
16 the amount each hospital would have received under section 1.5(b) STEP FIVE (A) of this chapter
17 for that state fiscal year.

18 (c) If the office determines that payments made under section 1.5(b) STEP FIVE (B) of this chapter
19 will not be approved for federal financial participation, the office may make alternative payments to
20 payments under section 1.5(b) STEP FIVE (B) of this chapter if:

21 (1) the payments for a state fiscal year are made only to a hospital that would have been eligible for
22 a payment for that state fiscal year under section 1.5(b) STEP FIVE (B) of this chapter; and

23 (2) the payments for a state fiscal year to each hospital are an amount that is as equal as possible to
24 the amount each hospital would have received under section 1.5(b) STEP FIVE (B) of this chapter
25 for that state fiscal year.

26 (d) If the office determines that payments made under section 1.5(b) STEP FIVE (C) of this chapter
27 will not be approved for federal financial participation, the office may make alternative payments to
28 payments under section 1.5(b) STEP FIVE (C) of this chapter if:

29 (1) the payments for a state fiscal year are made only to a hospital that would have been eligible for
30 a payment for that state fiscal year under section 1.5(b) STEP FIVE (C) of this chapter; and

31 (2) the payments for a state fiscal year to each hospital are an amount that is as equal as possible to
32 the amount each hospital would have received under section 1.5(b) STEP FIVE (C) of this chapter
33 for that state fiscal year.

34 (e) If the office determines, based on information received from the United States Centers for Medicare
35 and Medicaid Services, that payments made under subsection (b), (c), or (d) will not be approved for
36 federal financial participation, the office shall use the funds that would have served as the nonfederal
37 share of these payments for a state fiscal year to serve as the nonfederal share of a payment program for
38 hospitals to be established by the office. The payment program must distribute payments to hospitals for
39 a state fiscal year based upon a methodology determined by the office to be equitable under the
40 circumstances.

41 SECTION 129. IC 12-15-15-9, AS AMENDED BY P.L.229-2011, SECTION 132, IS AMENDED TO
42 READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) For purposes of this section and
43 IC 12-16-7.5-4.5, a payable claim is attributed to a county if the payable claim is submitted to the division
44 by a hospital licensed under IC 16-21-2 for payment under IC 12-16-7.5 for care provided by the hospital
45 to an individual who qualifies for the hospital care for the indigent program under IC 12-16-3.5-1 or
46 IC 12-16-3.5-2 and:

47 (1) who is a resident of the county;

48 (2) who is not a resident of the county and for whom the onset of the medical condition that
49 necessitated the care occurred in the county; or

50 (3) whose residence cannot be determined by the division and for whom the onset of the medical
51 condition that necessitated the care occurred in the county.

52 This section does not apply during the period that the office is assessing a hospital fee authorized by ~~HEA~~

1 ~~1001-2011~~. **IC 16-21-10.**

2 (b) For each state fiscal year ending after June 30, 2003, and before July 1, 2007, a hospital licensed
3 under IC 16-21-2 that submits to the division during the state fiscal year a payable claim under
4 IC 12-16-7.5 is entitled to a payment under subsection (c).

5 (c) Except as provided in section 9.8 of this chapter and subject to section 9.6 of this chapter, for a
6 state fiscal year, the office shall pay to a hospital referred to in subsection (b) an amount equal to the
7 amount, based on information obtained from the division and the calculations and allocations made under
8 IC 12-16-7.5-4.5, that the office determines for the hospital under STEP SIX of the following STEPS:

9 STEP ONE: Identify:

10 (A) each hospital that submitted to the division one (1) or more payable claims under
11 IC 12-16-7.5 during the state fiscal year; and

12 (B) the county to which each payable claim is attributed.

13 STEP TWO: For each county identified in STEP ONE, identify:

14 (A) each hospital that submitted to the division one (1) or more payable claims under
15 IC 12-16-7.5 attributed to the county during the state fiscal year; and

16 (B) the total amount of all hospital payable claims submitted to the division under IC 12-16-7.5
17 attributed to the county during the state fiscal year.

18 STEP THREE: For each county identified in STEP ONE, identify the amount of county funds
19 transferred to the Medicaid indigent care trust fund under IC 12-16-7.5-4.5.

20 STEP FOUR: For each hospital identified in STEP ONE, with respect to each county identified in
21 STEP ONE, calculate the hospital's percentage share of the county's funds transferred to the
22 Medicaid indigent care trust fund under IC 12-16-7.5-4.5. Each hospital's percentage share is based
23 on the total amount of the hospital's payable claims submitted to the division under IC 12-16-7.5
24 attributed to the county during the state fiscal year, calculated as a percentage of the total amount
25 of all hospital payable claims submitted to the division under IC 12-16-7.5 attributed to the county
26 during the state fiscal year.

27 STEP FIVE: Subject to subsection (j), for each hospital identified in STEP ONE, with respect to
28 each county identified in STEP ONE, multiply the hospital's percentage share calculated under STEP
29 FOUR by the amount of the county's funds transferred to the Medicaid indigent care trust fund under
30 IC 12-16-7.5-4.5.

31 STEP SIX: Determine the sum of all amounts calculated under STEP FIVE for each hospital
32 identified in STEP ONE with respect to each county identified in STEP ONE.

33 (d) For state fiscal years beginning after June 30, 2007, a hospital that received a payment determined
34 under STEP SIX of subsection (c) for the state fiscal year ending June 30, 2007, shall be paid in an
35 amount equal to the amount determined for the hospital under STEP SIX of subsection (c) for the state
36 fiscal year ending June 30, 2007.

37 (e) A hospital's payment under subsection (c) or (d) is in the form of a Medicaid supplemental
38 payment. The amount of a hospital's Medicaid supplemental payment is subject to the availability of
39 funding for the non-federal share of the payment under subsection (f). The office shall make the payments
40 under subsection (c) and (d) before December 15 that next succeeds the end of the state fiscal year.

41 (f) The non-federal share of a payment to a hospital under subsection (c) or (d) is funded from the
42 funds transferred to the Medicaid indigent care trust fund under IC 12-16-7.5-4.5.

43 (g) The amount of a county's transferred funds available to be used to fund the non-federal share of
44 a payment to a hospital under subsection (c) is an amount that bears the same proportion to the total
45 amount of funds of the county transferred to the Medicaid indigent care trust fund under IC 12-16-7.5-4.5
46 that the total amount of the hospital's payable claims under IC 12-16-7.5 attributed to the county
47 submitted to the division during the state fiscal year bears to the total amount of all hospital payable
48 claims under IC 12-16-7.5 attributed to the county submitted to the division during the state fiscal year.

49 (h) Any county's funds identified in subsection (g) that remain after the non-federal share of a
50 hospital's payment has been funded are available to serve as the non-federal share of a payment to a
51 hospital under section 9.5 of this chapter.

52 (i) For purposes of this section, "payable claim" has the meaning set forth in IC 12-16-7.5-2.5(b)(1).

1 (j) For purposes of subsection (c):

2 (1) the amount of a payable claim is an amount equal to the amount the hospital would have received
3 under the state's fee-for-service Medicaid reimbursement principles for the hospital care for which
4 the payable claim is submitted under IC 12-16-7.5 if the individual receiving the hospital care had
5 been a Medicaid enrollee; and

6 (2) a payable hospital claim under IC 12-16-7.5 includes a payable claim under IC 12-16-7.5 for the
7 hospital's care submitted by an individual or entity other than the hospital, to the extent permitted
8 under the hospital care for the indigent program.

9 (k) The amount calculated under STEP FIVE of subsection (c) for a hospital with respect to a county
10 may not exceed the total amount of the hospital's payable claims attributed to the county during the state
11 fiscal year.

12 SECTION 130. IC 12-15-15-9.5, AS AMENDED BY P.L.229-2011, SECTION 133, IS AMENDED
13 TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9.5. (a) For purposes of this section
14 and IC 12-16-7.5-4.5, a payable claim is attributed to a county if the payable claim is submitted to the
15 division by a hospital licensed under IC 16-21-2 for payment under IC 12-16-7.5 for care provided by the
16 hospital to an individual who qualifies for the hospital care for the indigent program under IC 12-16-3.5-1
17 or IC 12-16-3.5-2 and:

18 (1) who is a resident of the county;

19 (2) who is not a resident of the county and for whom the onset of the medical condition that
20 necessitated the care occurred in the county; or

21 (3) whose residence cannot be determined by the division and for whom the onset of the medical
22 condition that necessitated the care occurred in the county.

23 This section does not apply during the period that the office is assessing a hospital fee authorized by ~~HEA~~
24 ~~1001-2011~~. **IC 16-21-10.**

25 (b) For each state fiscal year ending after June 30, 2003, but before July 1, 2007, a hospital licensed
26 under IC 16-21-2:

27 (1) that submits to the division during the state fiscal year a payable claim under IC 12-16-7.5; and

28 (2) whose payment under section 9(c) of this chapter was less than the total amount of the hospital's
29 payable claims under IC 12-16-7.5 submitted by the hospital to the division during the state fiscal
30 year;

31 is entitled to a payment under subsection (c).

32 (c) Subject to section 9.6 of this chapter, for a state fiscal year, the office shall pay to a hospital
33 referred to in subsection (b) an amount equal to the amount, based on information obtained from the
34 division and the calculations and allocations made under IC 12-16-7.5-4.5, that the office determines for
35 the hospital under STEP EIGHT of the following STEPS:

36 STEP ONE: Identify each county whose transfer of funds to the Medicaid indigent care trust fund
37 under IC 12-16-7.5-4.5 for the state fiscal year was less than the total amount of all hospital payable
38 claims attributed to the county and submitted to the division during the state fiscal year.

39 STEP TWO: For each county identified in STEP ONE, calculate the difference between the amount
40 of funds of the county transferred to the Medicaid indigent care trust fund under IC 12-16-7.5-4.5
41 and the total amount of all hospital payable claims attributed to the county and submitted to the
42 division during the state fiscal year.

43 STEP THREE: Calculate the sum of the amounts calculated for the counties under STEP TWO.

44 STEP FOUR: Identify each hospital whose payment under section 9(c) of this chapter was less than
45 the total amount of the hospital's payable claims under IC 12-16-7.5 submitted by the hospital to the
46 division during the state fiscal year.

47 STEP FIVE: Calculate for each hospital identified in STEP FOUR the difference between the
48 hospital's payment under section 9(c) of this chapter and the total amount of the hospital's payable
49 claims under IC 12-16-7.5 submitted by the hospital to the division during the state fiscal year.

50 STEP SIX: Calculate the sum of the amounts calculated for each of the hospitals under STEP FIVE.

51 STEP SEVEN: For each hospital identified in STEP FOUR, calculate the hospital's percentage share
52 of the amount calculated under STEP SIX. Each hospital's percentage share is based on the amount

1 calculated for the hospital under STEP FIVE calculated as a percentage of the sum calculated under
2 STEP SIX.

3 STEP EIGHT: For each hospital identified in STEP FOUR, multiply the hospital's percentage share
4 calculated under STEP SEVEN by the sum calculated under STEP THREE. The amount calculated
5 under this STEP for a hospital may not exceed the amount by which the hospital's total payable
6 claims under IC 12-16-7.5 submitted during the state fiscal year exceeded the amount of the
7 hospital's payment under section 9(c) of this chapter.

8 (d) For state fiscal years beginning after June 30, 2007, a hospital that received a payment determined
9 under STEP EIGHT of subsection (c) for the state fiscal year ending June 30, 2007, shall be paid an
10 amount equal to the amount determined for the hospital under STEP EIGHT of subsection (c) for the state
11 fiscal year ending June 30, 2007.

12 (e) A hospital's payment under subsection (c) or (d) is in the form of a Medicaid supplemental
13 payment. The amount of the hospital's add-on payment is subject to the availability of funding for the
14 nonfederal share of the payment under subsection (f). The office shall make the payments under
15 subsection (c) or (d) before December 15 that next succeeds the end of the state fiscal year.

16 (f) The nonfederal share of a payment to a hospital under subsection (c) or (d) is derived from funds
17 transferred to the Medicaid indigent care trust fund under IC 12-16-7.5-4.5 and not expended under
18 section 9 of this chapter.

19 (g) Except as provided in subsection (h), the office may not make a payment under this section until
20 the payments due under section 9 of this chapter for the state fiscal year have been made.

21 (h) If a hospital appeals a decision by the office regarding the hospital's payment under section 9 of
22 this chapter, the office may make payments under this section before all payments due under section 9
23 of this chapter are made if:

24 (1) a delay in one (1) or more payments under section 9 of this chapter resulted from the appeal; and

25 (2) the office determines that making payments under this section while the appeal is pending will
26 not unreasonably affect the interests of hospitals eligible for a payment under this section.

27 (i) Any funds transferred to the Medicaid indigent care trust fund under IC 12-16-7.5-4.5 remaining
28 after payments are made under this section shall be used as provided in IC 12-15-20-2(8).

29 (j) For purposes of subsection (c):

30 (1) "payable claim" has the meaning set forth in IC 12-16-7.5-2.5(b);

31 (2) the amount of a payable claim is an amount equal to the amount the hospital would have received
32 under the state's fee-for-service Medicaid reimbursement principles for the hospital care for which
33 the payable claim is submitted under IC 12-16-7.5 if the individual receiving the hospital care had
34 been a Medicaid enrollee; and

35 (3) a payable hospital claim under IC 12-16-7.5 includes a payable claim under IC 12-16-7.5 for the
36 hospital's care submitted by an individual or entity other than the hospital, to the extent permitted
37 under the hospital care for the indigent program.

38 SECTION 131. IC 12-15-16-6, AS AMENDED BY P.L.229-2011, SECTION 134, IS AMENDED TO
39 READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) As used in this section, "low income
40 utilization rate" refers to the low income utilization rate described in section 3 of this chapter.

41 (b) Hospitals that qualify for basic disproportionate share under section 1(a) of this chapter shall
42 receive disproportionate share payments as follows:

43 (1) For the state fiscal year ending June 30, 1999, a pool not exceeding twenty-one million dollars
44 (\$21,000,000) shall be distributed to all hospitals licensed under IC 16-21 that qualify under section
45 1(a)(1) of this chapter. The funds in the pool must be distributed to qualifying hospitals in proportion
46 to each hospital's Medicaid day utilization rate and Medicaid discharges, as determined based on
47 data from the most recent audited cost report on file with the office. Any funds remaining in the pool
48 referred to in this subdivision following distribution to all qualifying hospitals shall be transferred
49 to the pool distributed under subdivision (3).

50 (2) Hospitals licensed under IC 16-21 that qualify under both section 1(a)(1) and 1(a)(2) of this
51 chapter shall receive a disproportionate share payment in accordance with subdivision (1).

52 (3) For the state fiscal year ending June 30, 1999, a pool not exceeding five million dollars

1 (\$5,000,000), subject to adjustment by the transfer of any funds remaining in the pool referred to in
2 subdivision (1), following distribution to all qualifying hospitals, shall be distributed to all hospitals
3 licensed under IC 16-21 that:

4 (A) qualify under section 1(a)(1) or 1(a)(2) of this chapter; and

5 (B) have at least twenty-five thousand (25,000) Medicaid inpatient days per year, based on data
6 from each hospital's Medicaid cost report for the fiscal year ended during state fiscal year 1996.

7 The funds in the pool must be distributed to qualifying hospitals in proportion to each hospital's Medicaid
8 day utilization rate and total Medicaid patient days, as determined based on data from the most recent
9 audited cost report on file with the office. Payments under this subdivision are in place of the payments
10 made under subdivisions (1) and (2).

11 (c) This subsection does not apply during the period that the office is assessing a hospital fee
12 authorized by ~~HEA 1001-2011~~. **IC 16-21-10**. Other institutions that qualify as disproportionate share
13 providers under section 1 of this chapter, in each state fiscal year, shall receive disproportionate share
14 payments as follows:

15 (1) For each of the state fiscal years ending after June 30, 1995, a pool not exceeding two million
16 dollars (\$2,000,000) shall be distributed to all private psychiatric institutions licensed under
17 IC 12-25 that qualify under section 1(a)(1) or 1(a)(2) of this chapter. The funds in the pool must be
18 distributed to the qualifying institutions in proportion to each institution's Medicaid day utilization
19 rate as determined based on data from the most recent audited cost report on file with the office.

20 (2) A pool not exceeding one hundred ninety-one million dollars (\$191,000,000) for all state fiscal
21 years ending after June 30, 1995, shall be distributed to all state mental health institutions under
22 IC 12-24-1-3 that qualify under either section 1(a)(1) or 1(a)(2) of this chapter. The funds in the pool
23 must be distributed to each qualifying institution in proportion to each institution's low income
24 utilization rate, as determined based on the most recent data on file with the office.

25 (d) This subsection does not apply during the period that the office is assessing a hospital fee
26 authorized by ~~HEA 1001-2011~~. **IC 16-21-10**. Disproportionate share payments described in this section
27 shall be made on an interim basis throughout the year, as provided by the office.

28 SECTION 132. IC 12-15-17-1, AS AMENDED BY P.L.229-2011, SECTION 135, IS AMENDED TO
29 READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. A disproportionate share payment shall
30 be made to:

31 (1) a hospital licensed under IC 16-21;

32 (2) a state mental health institution under IC 12-24-1-3; and

33 (3) a private psychiatric institution licensed under IC 12-25;

34 that serves a disproportionate share of Medicaid recipients and other low income patients as determined
35 under IC 12-15-16-1. However, a provider may not be defined as a disproportionate share provider under
36 IC 12-15-16-1 unless the provider has a Medicaid inpatient utilization rate (as defined in 42 U.S.C.
37 1396r-4(b)(2)) of at least one percent (1%). Subdivisions (2) and (3) do not apply during the period that
38 the office is assessing a hospital fee authorized by ~~HEA 1001-2011~~. **IC 16-21-10**.

39 SECTION 133. IC 12-15-19-2.1, AS AMENDED BY P.L.229-2011, SECTION 136, IS AMENDED
40 TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2.1. (a) This section does not apply
41 during the period that the office is assessing a hospital fee authorized by ~~HEA 1001-2011~~. **IC 16-21-10**.
42 For each state fiscal year ending on or after June 30, 2000, the office shall develop a disproportionate
43 share payment methodology that ensures that each hospital qualifying for disproportionate share payments
44 under IC 12-15-16-1(a) timely receives total disproportionate share payments that do not exceed the
45 hospital's hospital specific limit provided under 42 U.S.C. 1396r-4(g). The payment methodology as
46 developed by the office must:

47 (1) maximize disproportionate share hospital payments to qualifying hospitals to the extent
48 practicable;

49 (2) take into account the situation of those qualifying hospitals that have historically qualified for
50 Medicaid disproportionate share payments; and

51 (3) ensure that payments for qualifying hospitals are equitable.

52 (b) Total disproportionate share payments to a hospital under this chapter shall not exceed the hospital

1 specific limit provided under 42 U.S.C. 1396r-4(g). The hospital specific limit for a state fiscal year shall
2 be determined by the office taking into account data provided by each hospital that is considered reliable
3 by the office based on a system of periodic audits, the use of trending factors, and an appropriate base year
4 determined by the office. The office may require independent certification of data provided by a hospital
5 to determine the hospital's hospital specific limit.

6 (c) The office shall include a provision in each amendment to the state plan regarding Medicaid
7 disproportionate share payments that the office submits to the federal Centers for Medicare and Medicaid
8 Services that, as provided in 42 CFR 447.297(d)(3), allows the state to make additional disproportionate
9 share expenditures after the end of each federal fiscal year that relate back to a prior federal fiscal year.
10 However, the total disproportionate share payments to:

- 11 (1) each individual hospital; and
- 12 (2) all qualifying hospitals in the aggregate;

13 may not exceed the limits provided by federal law and regulation.

14 SECTION 134. IC 12-15-19-6, AS AMENDED BY P.L.229-2011, SECTION 137, IS AMENDED TO
15 READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) This section does not apply during
16 the period that the office is assessing a hospital fee authorized by ~~HEA 1001-2011~~ **IC 16-21-10**. The
17 office is not required to make disproportionate share payments under this chapter from the Medicaid
18 indigent care trust fund established by IC 12-15-20-1 until the fund has received sufficient deposits,
19 including intergovernmental transfers of funds and certifications of expenditures, to permit the office to
20 make the state's share of the required disproportionate share payments.

21 (b) For state fiscal years beginning after June 30, 2006, if:

- 22 (1) sufficient deposits have not been received; or
- 23 (2) the statewide Medicaid disproportionate share allocation is insufficient to provide federal
24 financial participation for the entirety of all eligible disproportionate share hospitals'
25 hospital-specific limits;

26 the office shall reduce disproportionate share payments made under IC 12-15-19-2.1 and Medicaid
27 safety-net payments made in accordance with the Medicaid state plan to eligible institutions using an
28 equitable methodology consistent with subsection (c).

29 (c) For state fiscal years beginning after June 30, 2006, payments reduced under this section shall, in
30 accordance with the Medicaid state plan, be made:

- 31 (1) to best utilize federal matching funds available for hospitals eligible for Medicaid
32 disproportionate share payments under IC 12-15-19-2.1; and
- 33 (2) by utilizing a methodology that allocates available funding under this subdivision, and Medicaid
34 supplemental payments as defined in IC 12-15-15-1.5, in a manner that all hospitals eligible for
35 Medicaid disproportionate share payments under IC 12-15-19-2.1 receive payments using a
36 methodology that:

37 (A) takes into account the situation of the eligible hospitals that have historically qualified for
38 Medicaid disproportionate share payments; and

39 (B) ensures that payments for eligible hospitals are equitable.

40 (d) The percentage reduction shall be sufficient to ensure that payments do not exceed the statewide
41 Medicaid disproportionate share allocation or the amounts that can be financed with:

- 42 (1) the amount transferred from the hospital care for the indigent trust fund;
- 43 (2) other intergovernmental transfers;
- 44 (3) certifications of public expenditures; or
- 45 (4) any other permissible sources of non-federal match.

46 SECTION 135. IC 12-15-19-8, AS AMENDED BY P.L.229-2011, SECTION 138, IS AMENDED TO
47 READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) This section does not apply during
48 the period that the office is assessing a hospital fee authorized by ~~HEA 1001-2011~~ **IC 16-21-10**. A
49 provider that qualifies as a municipal disproportionate share provider under IC 12-15-16-1 shall receive
50 a disproportionate share adjustment, subject to the provider's hospital specific limits described in
51 subsection (b), as follows:

- 52 (1) For each state fiscal year ending on or after June 30, 1998, an amount shall be distributed to each

1 provider qualifying as a municipal disproportionate share provider under IC 12-15-16-1. The total
2 amount distributed shall not exceed the sum of all hospital specific limits for all qualifying
3 providers.

4 (2) For each municipal disproportionate share provider qualifying under IC 12-15-16-1 to receive
5 disproportionate share payments, the amount in subdivision (1) shall be reduced by the amount of
6 disproportionate share payments received by the provider under IC 12-15-16-6 or sections 1 or 2.1
7 of this chapter. The office shall develop a disproportionate share provider payment methodology that
8 ensures that each municipal disproportionate share provider receives disproportionate share
9 payments that do not exceed the provider's hospital specific limit specified in subsection (b). The
10 methodology developed by the office shall ensure that a municipal disproportionate share provider
11 receives, to the extent possible, disproportionate share payments that, when combined with any other
12 disproportionate share payments owed to the provider, equals the provider's hospital specific limits.

13 (b) Total disproportionate share payments to a provider under this chapter and IC 12-15-16 shall not
14 exceed the hospital specific limit provided under 42 U.S.C. 1396r-4(g). The hospital specific limit for
15 state fiscal years ending on or before June 30, 1999, shall be determined by the office taking into account
16 data provided by each hospital for the hospital's most recent fiscal year or, if a change in fiscal year causes
17 the most recent fiscal period to be less than twelve (12) months, twelve (12) months of data compiled to
18 the end of the provider's fiscal year that ends within the most recent state fiscal year, as certified to the
19 office by an independent certified public accounting firm. The hospital specific limit for all state fiscal
20 years ending on or after June 30, 2000, shall be determined by the office taking into account data provided
21 by each hospital that is deemed reliable by the office based on a system of periodic audits, the use of
22 trending factors, and an appropriate base year determined by the office. The office may require
23 independent certification of data provided by a hospital to determine the hospital's hospital specific limit.

24 (c) For each of the state fiscal years:

25 (1) beginning July 1, 1998, and ending June 30, 1999; and

26 (2) beginning July 1, 1999, and ending June 30, 2000;

27 the total municipal disproportionate share payments available under this section to qualifying municipal
28 disproportionate share providers is twenty-two million dollars (\$22,000,000).

29 SECTION 136. IC 12-15-19-10, AS AMENDED BY P.L.229-2011, SECTION 139, IS AMENDED
30 TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. This section does not apply during
31 the period that the office is assessing a hospital fee authorized by ~~HEA 1001-2011~~. **IC 16-21-10**. For state
32 fiscal years beginning after June 30, 2000, the state shall pay providers as follows:

33 (1) The state shall make municipal disproportionate share provider payments to providers qualifying
34 under IC 12-15-16-1(b) until the state exceeds the state disproportionate share allocation (as defined
35 in 42 U.S.C. 1396r-4(f)(2)).

36 (2) After the state makes all payments under subdivision (1), if the state fails to exceed the state
37 disproportionate share allocation (as defined in 42 U.S.C. 1396r-4(f)(2)), the state shall make
38 disproportionate share provider payments to providers qualifying under IC 12-15-16-1(a).

39 (3) After the state makes all payments under subdivision (2), if the state fails to exceed the state
40 disproportionate share allocation (as defined in 42 U.S.C. 1396r-4(f)(2)), or the state limit on
41 disproportionate share expenditures for institutions for mental diseases (as defined in 42 U.S.C.
42 1396r-4(h)), the state shall make community mental health center disproportionate share provider
43 payments to providers qualifying under IC 12-15-16-1(c).

44 SECTION 137. IC 12-15-20-2, AS AMENDED BY P.L.229-2011, SECTION 140, IS AMENDED TO
45 READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. The Medicaid indigent care trust fund
46 is established to pay the non-federal share of the following:

47 (1) Enhanced disproportionate share payments to providers under IC 12-15-19-1.

48 (2) Subject to subdivision (8), disproportionate share payments to providers under IC 12-15-19-2.1.

49 (3) Medicaid payments for pregnant women described in IC 12-15-2-13 and infants and children
50 described in IC 12-15-2-14.

51 (4) Municipal disproportionate share payments to providers under IC 12-15-19-8.

52 (5) Payments to hospitals under IC 12-15-15-9.

1 (6) Payments to hospitals under IC 12-15-15-9.5.
2 (7) Payments, funding, and transfers as otherwise provided in clauses (8)(D), (8)(F), and (8)(G).
3 (8) Of the intergovernmental transfers deposited into the Medicaid indigent care trust fund, the
4 following apply:

5 (A) The entirety of the intergovernmental transfers deposited into the Medicaid indigent care
6 trust fund for state fiscal years ending on or before June 30, 2000, shall be used to fund the state's
7 share of the disproportionate share payments to providers under IC 12-15-19-2.1.

8 (B) Of the intergovernmental transfers deposited into the Medicaid indigent care trust fund for
9 the state fiscal year ending June 30, 2001, an amount equal to one hundred percent (100%) of the
10 total intergovernmental transfers deposited into the Medicaid indigent care trust fund for the state
11 fiscal year beginning July 1, 1998, and ending June 30, 1999, shall be used to fund the state's
12 share of disproportionate share payments to providers under IC 12-15-19-2.1. The remainder of
13 the intergovernmental transfers, if any, for the state fiscal year shall be used to fund the state's
14 share of additional Medicaid payments to hospitals licensed under IC 16-21 pursuant to a
15 methodology adopted by the office.

16 (C) Of the intergovernmental transfers deposited into the Medicaid indigent care trust fund, for
17 state fiscal years beginning July 1, 2001, and July 1, 2002, an amount equal to:

18 (i) one hundred percent (100%) of the total intergovernmental transfers deposited into the
19 Medicaid indigent care trust fund for the state fiscal year beginning July 1, 1998; minus

20 (ii) an amount equal to the amount deposited into the Medicaid indigent care trust fund under
21 IC 12-15-15-9(d) for the state fiscal years beginning July 1, 2001, and July 1, 2002;

22 shall be used to fund the state's share of disproportionate share payments to providers under
23 IC 12-15-19-2.1. The remainder of the intergovernmental transfers, if any, must be used to fund
24 the state's share of additional Medicaid payments to hospitals licensed under IC 16-21 pursuant
25 to a methodology adopted by the office.

26 (D) The intergovernmental transfers, which shall include amounts transferred under
27 IC 12-16-7.5-4.5, deposited into the Medicaid indigent care trust fund and the certifications of
28 public expenditures deemed to be made to the Medicaid indigent care trust fund, for the state
29 fiscal years ending after June 30, 2005, but before July 1, 2007, shall be used, in descending
30 order of priority, as follows:

31 (i) As provided in clause (B) of STEP THREE of IC 12-16-7.5-4.5(b)(1) and clause (B) of
32 STEP THREE of IC 12-16-7.5-4.5(b)(2), to fund the amount to be transferred to the office.

33 (ii) As provided in clause (C) of STEP THREE of IC 12-16-7.5-4.5(b)(1) and clause (C) of
34 STEP THREE of IC 12-16-7.5-4.5(b)(2), to fund the non-federal share of the payments made
35 under IC 12-15-15-9 and IC 12-15-15-9.5.

36 (iii) To fund the non-federal share of the payments made under IC 12-15-15-1.1,
37 IC 12-15-15-1.3, and IC 12-15-19-8.

38 (iv) As provided under clause (A) of STEP THREE of IC 12-16-7.5-4.5(b)(1) and clause (A)
39 of STEP THREE of IC 12-16-7.5-4.5(b)(2), for the payment to be made under clause (A) of
40 STEP FIVE of IC 12-15-15-1.5(b).

41 (v) As provided under STEP FOUR of IC 12-16-7.5-4.5(b)(1) and STEP FOUR of
42 IC 12-16-7.5-4.5(b)(2), to fund the payments to be made under clause (B) of STEP FIVE of
43 IC 12-15-15-1.5(b).

44 (vi) To fund, in an order of priority determined by the office to best use the available
45 non-federal share, the programs listed in clause (H).

46 (E) For state fiscal years ending after June 30, 2007, the total amount of intergovernmental
47 transfers used to fund the non-federal share of payments to hospitals under IC 12-15-15-9 and
48 IC 12-15-15-9.5 shall not exceed the amount provided in clause (G)(ii).

49 (F) As provided in clause (D), for the following:

50 (i) Each state fiscal year ending after June 30, 2003, but before July 1, 2005, an amount equal
51 to the amount calculated under STEP THREE of the following formula shall be transferred to
52 the office:

1 STEP ONE: Calculate the product of thirty-five million dollars (\$35,000,000) multiplied by the
2 federal medical assistance percentage for federal fiscal year 2003.

3 STEP TWO: Calculate the sum of the amounts, if any, reasonably estimated by the office to be
4 transferred or otherwise made available to the office for the state fiscal year, and the amounts,
5 if any, actually transferred or otherwise made available to the office for the state fiscal year,
6 under arrangements whereby the office and a hospital licensed under IC 16-21-2 agree that an
7 amount transferred or otherwise made available to the office by the hospital or on behalf of the
8 hospital shall be included in the calculation under this STEP.

9 STEP THREE: Calculate the amount by which the product calculated under STEP ONE exceeds
10 the sum calculated under STEP TWO.

11 (ii) The state fiscal years ending after June 30, 2005, but before July 1, 2007, an amount equal
12 to thirty million dollars (\$30,000,000) shall be transferred to the office.

13 (G) Subject to IC 12-15-20.7-2(b), for each state fiscal year ending after June 30, 2007, the total
14 amount in the Medicaid indigent care trust fund, including the amount of intergovernmental
15 transfers of funds transferred, and the amounts of certifications of expenditures eligible for
16 federal financial participation deemed to be transferred, to the Medicaid indigent care trust fund,
17 shall be used to fund the following:

18 (i) Thirty million dollars (\$30,000,000) transferred to the office for the Medicaid budget.

19 (ii) An amount not to exceed the non-federal share of payments to hospitals under
20 IC 12-15-15-9 and IC 12-15-15-9.5.

21 (iii) An amount not to exceed the non-federal share of payments to hospitals made under
22 IC 12-15-15-1.1 and IC 12-15-15-1.3.

23 (iv) An amount not to exceed the non-federal share of disproportionate share payments to
24 hospitals under IC 12-15-19-8.

25 (v) An amount not to exceed the non-federal share of payments to hospitals under clause (A)
26 of STEP FIVE of IC 12-15-15-1.5(c).

27 (vi) An amount not to exceed the non-federal share of Medicaid safety-net payments.

28 (vii) An amount not to exceed the non-federal share of payments to hospitals made under
29 clauses (C) or (D) of STEP FIVE of IC 12-15-15-1.5(c).

30 (viii) An amount not to exceed the non-federal share of payments to hospitals made under
31 clause (F) of STEP FIVE of IC 12-15-15-1.5(c).

32 (ix) An amount not to exceed the non-federal share of disproportionate share payments to
33 hospitals under IC 12-15-19-2.1.

34 (x) If additional funds are available after making payments under items (i) through (ix), to fund
35 other Medicaid supplemental payments for hospitals approved by the office and included in
36 the Medicaid state plan.

37 Items (ii) through (x) do not apply during the period that the office is assessing a hospital fee
38 authorized by ~~HEA 1001-2011~~. **IC 16-21-10.**

39 (H) This clause does not apply during the period that the office is assessing a hospital fee
40 authorized by ~~HEA 1001-2011~~. **IC 16-21-10.** For purposes of clause (D)(vi), the office shall fund
41 the following:

42 (i) An amount equal to the non-federal share of the payments to the hospital that is eligible
43 under this item, for payments made under clause (C) of STEP FIVE of IC 12-15-15-1.5(b)
44 under an agreement with the office, Medicaid safety-net payments and any payment made
45 under IC 12-15-19-2.1. The amount of the payments to the hospital under this item shall be
46 equal to one hundred percent (100%) of the hospital's hospital-specific limit for state fiscal year
47 2005, when the payments are combined with payments made under IC 12-15-15-9,
48 IC 12-15-15-9.5, and clause (B) of STEP FIVE of IC 12-15-15-1.5(b) for a state fiscal year. A
49 hospital is eligible under this item if the hospital was eligible for Medicaid disproportionate
50 share hospital payments for the state fiscal year ending June 30, 1998, the hospital received a
51 Medicaid disproportionate share payment under IC 12-15-19-2.1 for state fiscal years 2001,
52 2002, 2003, and 2004, and the hospital merged two (2) hospitals under a single Medicaid

1 provider number, effective January 1, 2004.

2 (ii) An amount equal to the non-federal share of payments to hospitals that are eligible under
3 this item, for payments made under clause (C) of STEP FIVE of IC 12-15-15-1.5(b) under an
4 agreement with the office, Medicaid safety-net payments, and any payment made under
5 IC 12-15-19-2.1. The amount of payments to each hospital under this item shall be equal to one
6 hundred percent (100%) of the hospital's hospital-specific limit for state fiscal year 2004, when
7 the payments are combined with payments made to the hospital under IC 12-15-15-9,
8 IC 12-15-15-9.5, and clause (B) of STEP FIVE of IC 12-15-15-1.5(b) for a state fiscal year. A
9 hospital is eligible under this item if the hospital did not receive a payment under item (i), the
10 hospital has less than sixty thousand (60,000) Medicaid inpatient days annually, the hospital
11 either was eligible for Medicaid disproportionate share hospital payments for the state fiscal
12 year ending June 30, 1998, or the hospital met the office's Medicaid disproportionate share
13 payment criteria based on state fiscal year 1998 data and received a Medicaid disproportionate
14 share payment for the state fiscal year ending June 30, 2001, and the hospital received a
15 Medicaid disproportionate share payment under IC 12-15-19-2.1 for state fiscal years 2001,
16 2002, 2003, and 2004.

17 (iii) Subject to IC 12-15-19-6, an amount not less than the non-federal share of Medicaid
18 safety-net payments in accordance with the Medicaid state plan.

19 (iv) An amount not less than the non-federal share of payments made under clause (C) of STEP
20 FIVE of IC 12-15-15-1.5(b) under an agreement with the office to a hospital having sixty
21 thousand (60,000) Medicaid inpatient days annually.

22 (v) An amount not less than the non-federal share of Medicaid disproportionate share payments
23 for hospitals eligible under this item, and made under IC 12-15-19-6 and the approved
24 Medicaid state plan. A hospital is eligible for a payment under this item if the hospital is
25 eligible for payments under IC 12-15-19-2.1.

26 (vi) If additional funds remain after the payments made under (i) through (v), payments
27 approved by the office and under the Medicaid state plan, to fund the non-federal share of other
28 Medicaid supplemental payments for hospitals.

29 SECTION 138. IC 12-15-20.7-2, AS AMENDED BY P.L.6-2012, SECTION 92, IS AMENDED TO
30 READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) This section does not apply during
31 the period that the office is assessing a hospital fee authorized by ~~HEA 1001-2011~~ **IC 16-21-10**. For each
32 state fiscal year ending before July 1, 2005, and subject to section 3 of this chapter (repealed), the office
33 shall make the payments identified in this section in the following order:

34 (1) First, payments under IC 12-15-15-9 and IC 12-15-15-9.5.

35 (2) Second, payments under clauses (A) and (B) of STEP FIVE of IC 12-15-15-1.5(b).

36 (3) Third, Medicaid inpatient payments for safety-net hospitals and Medicaid outpatient payments
37 for safety-net hospitals.

38 (4) Fourth, payments under IC 12-15-15-1.1 and IC 12-15-15-1.3.

39 (5) Fifth, payments under IC 12-15-19-8 for municipal disproportionate share hospitals.

40 (6) Sixth, payments under IC 12-15-19-2.1 for disproportionate share hospitals.

41 (7) Seventh, payments under clause (C) of STEP FIVE of IC 12-15-15-1.5(b).

42 (b) For each state fiscal year ending after June 30, 2007, the office shall make the payments for the
43 programs identified in IC 12-15-20-2(8)(G) in the order of priority that best utilizes available non-federal
44 share, Medicaid supplemental payments, and Medicaid disproportionate share payments, and may change
45 the order or priority at any time as necessary for the proper administration of one (1) or more of the
46 payment programs listed in IC 12-15-20-2(8)(G).

47 SECTION 139. IC 12-15-35-28, AS AMENDED BY P.L.3-2012, SECTION 3, IS AMENDED TO
48 READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 28. (a) The board has the following duties:

49 (1) The adoption of rules to carry out this chapter, in accordance with the provisions of IC 4-22-2
50 and subject to any office approval that is required by the federal Omnibus Budget Reconciliation Act
51 of 1990 under Public Law 101-508 and its implementing regulations.

52 (2) The implementation of a Medicaid retrospective and prospective DUR program as outlined in

1 this chapter, including the approval of software programs to be used by the pharmacist for
2 prospective DUR and recommendations concerning the provisions of the contractual agreement
3 between the state and any other entity that will be processing and reviewing Medicaid drug claims
4 and profiles for the DUR program under this chapter.

5 (3) The development and application of the predetermined criteria and standards for appropriate
6 prescribing to be used in retrospective and prospective DUR to ensure that such criteria and
7 standards for appropriate prescribing are based on the compendia and developed with professional
8 input with provisions for timely revisions and assessments as necessary.

9 (4) The development, selection, application, and assessment of interventions for physicians,
10 pharmacists, and patients that are educational and not punitive in nature.

11 (5) The publication of an annual report that must be subject to public comment before issuance to
12 the federal Department of Health and Human Services and to the Indiana legislative council by
13 December 1 of each year. The report issued to the legislative council must be in an electronic format
14 under IC 5-14-6.

15 (6) The development of a working agreement for the board to clarify the areas of responsibility with
16 related boards or agencies, including the following:

17 (A) The Indiana board of pharmacy.

18 (B) The medical licensing board of Indiana.

19 (C) The SURS staff.

20 (7) The establishment of a grievance and appeals process for physicians or pharmacists under this
21 chapter.

22 (8) The publication and dissemination of educational information to physicians and pharmacists
23 regarding the board and the DUR program, including information on the following:

24 (A) Identifying and reducing the frequency of patterns of fraud, abuse, gross overuse, or
25 inappropriate or medically unnecessary care among physicians, pharmacists, and recipients.

26 (B) Potential or actual severe or adverse reactions to drugs.

27 (C) Therapeutic appropriateness.

28 (D) Overutilization or underutilization.

29 (E) Appropriate use of generic drugs.

30 (F) Therapeutic duplication.

31 (G) Drug-disease contraindications.

32 (H) Drug-drug interactions.

33 (I) Incorrect drug dosage and duration of drug treatment.

34 (J) Drug allergy interactions.

35 (K) Clinical abuse and misuse.

36 (9) The adoption and implementation of procedures designed to ensure the confidentiality of any
37 information collected, stored, retrieved, assessed, or analyzed by the board, staff to the board, or
38 contractors to the DUR program that identifies individual physicians, pharmacists, or recipients.

39 (10) The implementation of additional drug utilization review with respect to drugs dispensed to
40 residents of nursing facilities shall not be required if the nursing facility is in compliance with the
41 drug regimen procedures under 410 IAC 16.2-3.1 and 42 CFR 483.60.

42 (11) The research, development, and approval of a preferred drug list for:

43 (A) Medicaid's fee for service program;

44 (B) Medicaid's primary care case management program;

45 (C) Medicaid's risk based managed care program, if the office provides a prescription drug
46 benefit and subject to IC 12-15-5; and

47 (D) the children's health insurance program under IC 12-17.6;

48 in consultation with the therapeutics committee.

49 (12) The approval of the review and maintenance of the preferred drug list at least two (2) times per
50 year.

51 (13) The preparation and submission of a report concerning the preferred drug list at least one (1)
52 time per year to the ~~select joint commission on Medicaid oversight established by IC 2-5-26-3-~~

1 **health finance commission established by IC 2-5-23-3.**

2 (14) The collection of data reflecting prescribing patterns related to treatment of children diagnosed
3 with attention deficit disorder or attention deficit hyperactivity disorder.

4 (15) Advising the Indiana comprehensive health insurance association established by IC 27-8-10-2.1
5 concerning implementation of chronic disease management and pharmaceutical management
6 programs under IC 27-8-10-3.5.

7 (b) The board shall use the clinical expertise of the therapeutics committee in developing a preferred
8 drug list. The board shall also consider expert testimony in the development of a preferred drug list.

9 (c) In researching and developing a preferred drug list under subsection (a)(11), the board shall do the
10 following:

11 (1) Use literature abstracting technology.

12 (2) Use commonly accepted guidance principles of disease management.

13 (3) Develop therapeutic classifications for the preferred drug list.

14 (4) Give primary consideration to the clinical efficacy or appropriateness of a particular drug in
15 treating a specific medical condition.

16 (5) Include in any cost effectiveness considerations the cost implications of other components of the
17 state's Medicaid program and other state funded programs.

18 (d) Prior authorization is required for coverage under a program described in subsection (a)(11) of a
19 drug that is not included on the preferred drug list.

20 (e) The board shall determine whether to include a single source covered outpatient drug that is newly
21 approved by the federal Food and Drug Administration on the preferred drug list not later than sixty (60)
22 days after the date on which the manufacturer notifies the board in writing of the drug's approval.
23 However, if the board determines that there is inadequate information about the drug available to the
24 board to make a determination, the board may have an additional sixty (60) days to make a determination
25 from the date that the board receives adequate information to perform the board's review. Prior
26 authorization may not be automatically required for a single source drug that is newly approved by the
27 federal Food and Drug Administration, and that is:

28 (1) in a therapeutic classification:

29 (A) that has not been reviewed by the board; and

30 (B) for which prior authorization is not required; or

31 (2) the sole drug in a new therapeutic classification that has not been reviewed by the board.

32 (f) The board may not exclude a drug from the preferred drug list based solely on price.

33 (g) The following requirements apply to a preferred drug list developed under subsection (a)(11):

34 (1) Except as provided by IC 12-15-35.5-3(b) and IC 12-15-35.5-3(c), the office or the board may
35 require prior authorization for a drug that is included on the preferred drug list under the following
36 circumstances:

37 (A) To override a prospective drug utilization review alert.

38 (B) To permit reimbursement for a medically necessary brand name drug that is subject to
39 generic substitution under IC 16-42-22-10.

40 (C) To prevent fraud, abuse, waste, overutilization, or inappropriate utilization.

41 (D) To permit implementation of a disease management program.

42 (E) To implement other initiatives permitted by state or federal law.

43 (2) All drugs described in IC 12-15-35.5-3(b) must be included on the preferred drug list.

44 (3) The office may add a drug that has been approved by the federal Food and Drug Administration
45 to the preferred drug list without prior approval from the board.

46 (4) The board may add a drug that has been approved by the federal Food and Drug Administration
47 to the preferred drug list.

48 (h) At least one (1) time each year, the board shall provide a report to the ~~select joint commission on~~
49 ~~Medicaid oversight established by IC 2-5-26-3:~~ **health finance commission established by IC 2-5-23-3.**
50 The report must contain the following information:

51 (1) The cost of administering the preferred drug list.

52 (2) Any increase in Medicaid physician, laboratory, or hospital costs or in other state funded

1 programs as a result of the preferred drug list.

2 (3) The impact of the preferred drug list on the ability of a Medicaid recipient to obtain prescription
3 drugs.

4 (4) The number of times prior authorization was requested, and the number of times prior
5 authorization was:

6 (A) approved; and

7 (B) disapproved.

8 (i) The board shall provide the first report required under subsection (h) not later than six (6) months
9 after the board submits an initial preferred drug list to the office.

10 SECTION 140. IC 12-15-35-48 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON
11 PASSAGE]: Sec. 48. (a) The board shall review the prescription drug program of a managed care
12 organization that participates in the state's risk-based managed care program at least one (1) time per year.
13 The board's review of a prescription drug program must include the following:

14 (1) An analysis of the single source drugs requiring prior authorization, including the number of
15 drugs requiring prior authorization in comparison to other managed care organizations' prescription
16 drug programs that participate in the state's Medicaid program.

17 (2) A determination and analysis of the number and the type of drugs subject to a restriction.

18 (3) A review of the rationale for:

19 (A) the prior authorization of a drug described in subdivision (1); and

20 (B) a restriction on a drug.

21 (4) A review of the number of requests a managed care organization received for prior authorization,
22 including the number of times prior authorization was approved and the number of times prior
23 authorization was disapproved.

24 (5) A review of:

25 (A) patient and provider satisfaction survey reports; and

26 (B) pharmacy-related grievance data for a twelve (12) month period.

27 (b) A managed care organization described in subsection (a) shall provide the board with the
28 information necessary for the board to conduct its review under subsection (a).

29 (c) The board shall report to the ~~select joint commission on Medicaid oversight established by~~
30 ~~IC 2-5-26-3~~ **health finance commission established by IC 2-5-23-3** at least one (1) time per year on the
31 board's review under subsection (a).

32 SECTION 141. IC 12-15-35-51, AS ADDED BY P.L.36-2009, SECTION 2, IS AMENDED TO
33 READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 51. (a) As used in this section, "advisory
34 committee" refers to the mental health Medicaid quality advisory committee established by subsection
35 (b).

36 (b) The mental health Medicaid quality advisory committee is established. The advisory committee
37 consists of the following members:

38 (1) The director of the office or the director's designee, who shall serve as chairperson of the
39 advisory committee.

40 (2) The director of the division of mental health and addiction or the director's designee.

41 (3) A representative of a statewide mental health advocacy organization.

42 (4) A representative of a statewide mental health provider organization.

43 (5) A representative from a managed care organization that participates in the state's Medicaid
44 program.

45 (6) A member with expertise in psychiatric research representing an academic institution.

46 (7) A pharmacist licensed under IC 25-26.

47 (8) The commissioner of the department of correction or the commissioner's designee.

48 The governor shall make the appointments for a term of four (4) years under subdivisions (3) through (7)
49 and fill any vacancy on the advisory committee.

50 (c) The office shall staff the advisory committee. The expenses of the advisory committee shall be paid
51 by the office.

52 (d) Each member of the advisory committee who is not a state employee is entitled to the minimum

1 salary per diem provided by IC 4-10-11-2.1(b). The member is also entitled to reimbursement for
2 traveling expenses as provided under IC 4-13-1-4 and other expenses actually incurred in connection with
3 the member's duties as provided in the state policies and procedures established by the Indiana department
4 of administration and approved by the budget agency.

5 (e) Each member of the advisory committee who is a state employee is entitled to reimbursement for
6 traveling expenses as provided under IC 4-13-1-4 and other expenses actually incurred in connection with
7 the member's duties as provided in the state policies and procedures established by the Indiana department
8 of administration and approved by the budget agency.

9 (f) The affirmative votes of a majority of the voting members appointed to the advisory committee are
10 required by the advisory committee to take action on any measure.

11 (g) The advisory committee shall advise the office and make recommendations concerning the
12 implementation of IC 12-15-35.5-7(c) and consider the following:

13 (1) Peer reviewed medical literature.

14 (2) Observational studies.

15 (3) Health economic studies.

16 (4) Input from physicians and patients.

17 (5) Any other information determined by the advisory committee to be appropriate.

18 (h) The office shall report recommendations made by the advisory committee to the drug utilization
19 review board established by section 19 of this chapter.

20 (i) The office shall report the following information to the ~~select joint commission on Medicaid~~
21 ~~oversight established by IC 2-5-26-3:~~ **health finance commission established by IC 2-5-23-3:**

22 (1) The advisory committee's advice and recommendations made under this section.

23 (2) The number of restrictions implemented under IC 12-15-35.5-7(c) and the outcome of each
24 restriction.

25 (3) The transition of individuals who are aged, blind, or disabled to the risk based managed care
26 program. ~~This information shall also be reported to the health finance commission established by~~
27 ~~IC 2-5-23-3.~~

28 (4) Any decision by the office to change the health care delivery system in which Medicaid is
29 provided to recipients.

30 (j) Notwithstanding subsection (b), the initial members appointed to the advisory committee under this
31 section are appointed for the following terms:

32 (1) Individuals appointed under subsection (b)(3) and (b)(4) are appointed for a term of four (4)
33 years.

34 (2) An individual appointed under subsection (b)(5) is appointed for a term of three (3) years.

35 (3) An individual appointed under subsection (b)(6) is appointed for a term of two (2) years.

36 (4) An individual appointed under subsection (b)(7) is appointed for a term of one (1) year.

37 This subsection expires December 31, 2013.

38 SECTION 142. IC 12-15-44.2-17, AS ADDED BY P.L.3-2008, SECTION 98, IS AMENDED TO
39 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 17. (a) The Indiana check-up plan trust fund
40 is established for the following purposes:

41 (1) Administering a plan created by the general assembly to provide health insurance coverage for
42 low income residents of Indiana under this chapter.

43 (2) Providing copayments, preventative care services, and premiums for individuals enrolled in the
44 plan.

45 (3) Funding tobacco use prevention and cessation programs, childhood immunization programs, and
46 other health care initiatives designed to promote the general health and well being of Indiana
47 residents.

48 The fund is separate from the state general fund.

49 (b) The fund shall be administered by the office of the secretary of family and social services.

50 (c) The expenses of administering the fund shall be paid from money in the fund.

51 (d) The fund shall consist of the following:

52 (1) **Before January 1, 2014**, cigarette tax revenues designated by the general assembly to be part

- 1 of the fund.
- 2 (2) Other funds designated by the general assembly to be part of the fund.
- 3 (3) Federal funds available for the purposes of the fund.
- 4 (4) Gifts or donations to the fund.
- 5 (e) The treasurer of state shall invest the money in the fund not currently needed to meet the
- 6 obligations of the fund in the same manner as other public money may be invested.
- 7 (f) Money must be appropriated before funds are available for use.
- 8 (g) Money in the fund does not revert to the state general fund at the end of any fiscal year.
- 9 (h) The fund is considered a trust fund for purposes of IC 4-9.1-1-7. **Except as provided in subsection**
- 10 **(i),** money may not be transferred, assigned, or otherwise removed from the fund by the state board of
- 11 finance, the budget agency, or any other state agency.

12 **(i) The auditor of state shall transfer the balance in the fund to the healthy Indiana plan savings**
 13 **account established by IC 12-15-47.5 on the later of the following:**
 14 **(1) June 30, 2014.**
 15 **(2) The date that the budget agency certifies that there are no outstanding claims to be paid**
 16 **from the fund to carry out this chapter.**

17 SECTION 143. IC 12-15-46-1, AS ADDED BY P.L.6-2012, SECTION 95, IS AMENDED TO READ
 18 AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) As used in this section, "family planning
 19 services" does not include the performance of abortions or the use of a drug or device intended to
 20 terminate fertilization.

21 (b) As used in this section, "fertilization" means the joining of a human egg cell with a human sperm
 22 cell.

23 (c) As used in this section, "state plan amendment" refers to an amendment to Indiana's Medicaid State
 24 Plan as authorized by Section 1902(a)(10)(A)(ii)(XXI) of the federal Social Security Act (42 U.S.C.
 25 1315).

26 (d) Before January 1, 2012, the office shall do the following:

27 (1) Apply to the United States Department of Health and Human Services for approval of a state plan
 28 amendment to expand the population eligible for family planning services and supplies as permitted
 29 by Section 1902(a)(10)(A)(ii)(XXI) of the federal Social Security Act (42 U.S.C. 1315). In
 30 determining what population is eligible for this expansion, the state must incorporate the following:

- 31 (A) Inclusion of women and men.
- 32 (B) Setting income eligibility at one hundred thirty-three percent (133%) of the federal income
 33 poverty level.
- 34 (C) Adopting presumptive eligibility for services to this population.

35 (2) Consider the inclusion of additional:

- 36 (A) medical diagnosis; and
 - 37 (B) treatment services;
- 38 that are provided for family planning services in a family planning setting for the population
 39 designated in subdivision (1) in the state plan amendment.

40 ~~(e) The office shall report concerning its proposed state plan amendment to the select joint commission~~
 41 ~~on Medicaid oversight established by IC 2-5-26-3 during the commission's 2011 interim meetings. The~~
 42 ~~select joint commission on Medicaid oversight shall review the proposed state plan amendment and may~~
 43 ~~make an advisory recommendation to the office concerning the proposed state plan amendment.~~

44 ~~(f) (e)~~ The office may adopt rules under IC 4-22-2 to implement this section.

45 ~~(g) (f)~~ This section expires January 1, 2016.

46 SECTION 144. IC 12-15-46-2, AS ADDED BY P.L.6-2012, SECTION 95, IS AMENDED TO READ
 47 AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) As used in this section, "commission" refers
 48 to the select joint commission on Medicaid oversight established by IC 2-5-26-3 **(before its repeal).**

49 (b) As used in this section, "division" refers to the division of disability and rehabilitative services
 50 established by IC 12-9-1-1.

51 (c) As used in this chapter, "waiver" refers to the federal Medicaid developmental disabilities home
 52 and community based services waiver program that is administered by the office and the division.

1 (d) Before July 1, 2012, the division shall report orally and in writing to the commission for review
2 of a plan to reduce the aggregate and per capita cost of the waiver by implementing changes to the waiver,
3 which may include the following:

- 4 (1) Calculating budget neutrality on an individual rather than an aggregate basis.
- 5 (2) Instituting a family care program to provide recipients with another option for receiving services.
- 6 (3) Evaluating the current system to determine whether a group home or a waiver home is the most
7 appropriate use of resources for placement of the individual.
- 8 (4) Evaluating alternative placements for high cost individuals to ensure individuals are served in
9 the most integrated setting appropriate to the individual's needs and within the resources available
10 to the state.
- 11 (5) Migrating individuals from the waiver to a redesigned waiver that provides options to individuals
12 for receiving services and supports appropriate to meet the individual's needs and that are cost
13 effective and high quality and focus on social and health outcomes.
- 14 (6) Requiring cost participation by a recipient whose family income exceeds five hundred percent
15 (500%) of the federal income poverty level, factoring in medical expenses and personal care needs
16 expenses of the recipient.

17 (e) After the division makes the report required under subsection (d), the division may consult with
18 the office and take any action necessary to carry out the requirements of this section, including applying
19 to the federal Department of Health and Human Services for approval to amend the waiver.

20 SECTION 145. IC 12-15-47.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO
21 READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

22 **Chapter 47.5. Healthy Indiana Plan Savings Account**

23 **Sec. 1. (a) The healthy Indiana plan savings account is established, to be used exclusively as**
24 **provided in this chapter.**

25 **(b) The account shall be administered by the office of management and budget.**

26 **(c) The account consists of:**

- 27 **(1) money transferred to the account under subsection (j);**
- 28 **(2) money transferred to the account under IC 6-7-1-28.1;**
- 29 **(3) appropriations made to the account by the general assembly; and**
- 30 **(4) any interest or other earnings on money in the account.**

31 **(d) Expenses of administering the fund shall be paid from money in the account.**

32 **(e) The treasurer of state shall invest the money in the account not currently needed to meet the**
33 **obligations of the account in the same manner as other public money may be invested. Interest that**
34 **accrues from these investments shall be deposited in the account.**

35 **(f) Money in the account may be used only for the following:**

- 36 **(1) Paying expenses incurred under amendments to the state Medicaid plan or any Medicaid**
37 **waivers.**
- 38 **(2) Establishing a block grant system for providing services under the Medicaid program,**
39 **including providing coverage for individuals described in 42 U.S.C. 1396a(a)(10)(A)(i)(VIII).**

40 **(g) The account is considered a trust fund for purposes of IC 4-9.1-1-7. Money may not be**
41 **transferred, assigned, or otherwise removed from the account by the state board of finance, the**
42 **budget agency, or any other state agency. IC 4-9.1-1-8 and IC 4-9.1-1-9 do not apply to the account.**

43 **(h) Money in the account at the end of a state fiscal year does not revert to the state general fund.**

44 **(i) Money in the account must be appropriated by the general assembly to be available for**
45 **expenditure.**

46 **(j) Before July 1, 2013, the auditor of state shall transfer two hundred thirty-four million two**
47 **hundred thousand dollars (\$234,200,000) to the account from the state general fund. There is**
48 **appropriated from the state general fund an amount sufficient to make the transfer under this**
49 **subsection.**

50 **Sec. 2. (a) The office of the secretary has the authority to negotiate with the United States**
51 **Department of Health and Human Services for amendments to the state Medicaid plan or for any**
52 **Medicaid waivers necessary to establish a block grant system for providing services under the**

1 Medicaid program, including providing coverage for individuals described in 42 U.S.C.
2 1396a(a)(10)(A)(i)(VIII).

3 (b) A waiver or state plan amendment negotiated under this section must include the following:

4 (1) Allow the office to withdraw from participating in a program negotiated under this section
5 at any time.

6 (2) Include federal financial participation at least at the levels specified in the federal Patient
7 Protection and Affordable Care Act.

8 (3) Include, when appropriate, consumer driven principles.

9 (4) Include coverage for preventative care services provided at no cost to the recipient and
10 allow incentives for increasing preventative care for recipients.

11 (5) Allow for personal responsibility requirements.

12 (6) Require a recipient to make out-of-pocket payments related to coverage for health care
13 expenses provided under the program.

14 (7) Require a health care account to be used to pay the recipient's out-of-pocket health care
15 expenses associated with health care coverage provided as part of the recipient's participation
16 in the program described in this section.

17 (8) Include health care initiatives designed to promote the general health and well being of
18 recipients and encourage an understanding of the cost and quality of care.

19 (c) The office of the secretary may not implement a waiver or Medicaid state plan amendment
20 negotiated under this section until the office of the secretary has developed a sustainable financing
21 plan for the Medicaid state plan amendment or waiver and the plan has been reviewed by the
22 budget committee.

23 SECTION 146. IC 12-17.6-2-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON
24 PASSAGE]: Sec. 7. (a) The office shall contract with an independent organization to evaluate the
25 program.

26 (b) The office shall report the results of each evaluation to the:

27 (1) children's health policy board established by IC 4-23-27-2; and

28 (2) ~~select joint commission on Medicaid oversight established by IC 2-5-26-3.~~ **health finance**
29 **commission established by IC 2-5-23-3.**

30 (c) This section does not modify the requirements of other statutes relating to the confidentiality of
31 medical records.

32 SECTION 147. IC 12-17.6-2-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON
33 PASSAGE]: Sec. 12. Not later than April 1, the office shall provide a report describing the program's
34 activities during the preceding calendar year to the:

35 (1) budget committee;

36 (2) legislative council;

37 (3) children's health policy board established by IC 4-23-27-2; and

38 (4) ~~select joint commission on Medicaid oversight established by IC 2-5-26-3.~~ **health finance**
39 **commission established by IC 2-5-23-3.**

40 A report provided under this section to the legislative council must be in an electronic format under
41 IC 5-14-6.

42 SECTION 148. IC 14-20-15 IS REPEALED [EFFECTIVE JULY 1, 2013]. (Lewis and Clark
43 Bicentennial Commission).

44 SECTION 149. IC 16-21-10 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO
45 READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

46 **Chapter 10. Hospital Assessment Fee**

47 **Sec. 1. As used in this chapter, "committee" refers to the hospital assessment fee committee**
48 **established by section 7 of this chapter.**

49 **Sec. 2. As used in this chapter, "fee" refers to the hospital assessment fee authorized by this**
50 **chapter.**

51 **Sec. 3. As used in this chapter, "fee period" means the period during which a fee is collected**
52 **under this chapter.**

1 **Sec. 4. (a) As used in this chapter, "hospital" means either of the following:**

2 **(1) A hospital (as defined in IC 16-18-2-179(b)) licensed under this article.**

3 **(2) A private psychiatric hospital licensed under IC 12-25.**

4 **(b) The term does not include the following:**

5 **(1) A state mental health institution operated under IC 12-24-1-3.**

6 **(2) A hospital:**

7 **(A) designated by the Medicaid program as a long term care hospital;**

8 **(B) that has an average inpatient length of stay that is greater than twenty-five (25) days,**
9 **as determined by the office of Medicaid policy and planning under the Medicaid program;**

10 **(C) that is a Medicare certified, freestanding rehabilitation hospital; or**

11 **(D) that is a hospital operated by the federal government.**

12 **Sec. 5. As used in this chapter, "office" refers to the office of Medicaid policy and planning**
13 **established by IC 12-8-6.5-1.**

14 **Sec. 6. (a) Subject to subsection (b) and section 8(b) of this chapter, the office may assess a**
15 **hospital assessment fee to hospitals during the fee period if the following conditions are met:**

16 **(1) The fee may be used only for the purposes described in the following:**

17 **(A) Section 8(c)(1) of this chapter.**

18 **(B) Section 9 of this chapter.**

19 **(C) Section 11 of this chapter.**

20 **(D) Section 14 of this chapter.**

21 **(2) The Medicaid state plan amendments and waiver requests required for the implementation**
22 **of this chapter are submitted by the office to the United States Department of Health and**
23 **Human Services before October 1, 2013.**

24 **(3) The United States Department of Health and Human Services approves the Medicaid state**
25 **plan amendments and waiver requests, or revisions of the Medicaid state plan amendments**
26 **and waiver requests, described in subdivision (2):**

27 **(A) not later than October 1, 2014; or**

28 **(B) after October 1, 2014, if a date is established by the committee.**

29 **(4) The funds generated from the fee do not revert to the state general fund.**

30 **(b) The office shall stop collecting a fee, the programs described in section 8(a) of this chapter**
31 **shall be reconciled and terminated subject to section 9(c) of this chapter, and the operation of**
32 **section 11 of this chapter ends subject to section 9(c) of this chapter, if any of the following occurs:**

33 **(1) An appellate court makes a final determination that either:**

34 **(A) the fee; or**

35 **(B) any of the programs described in section 8(a) of this chapter;**
36 **cannot be implemented or maintained.**

37 **(2) The United States Department of Health and Human Services makes a final determination**
38 **that the Medicaid state plan amendments or waivers submitted under this chapter are not**
39 **approved or cannot be validly implemented.**

40 **(3) The fee is not collected because of circumstances described in section 8(d) of this chapter.**

41 **(c) The office shall keep records of the fees collected by the office and report the amount of fees**
42 **collected under this chapter to the budget committee.**

43 **Sec. 7. (a) The hospital assessment fee committee is established. The committee consists of the**
44 **following four (4) voting members:**

45 **(1) The secretary of family and social services established by IC 12-8-1.5-1, or the secretary's**
46 **designee, who shall serve as the chair of the committee.**

47 **(2) The budget director or the budget director's designee.**

48 **(3) Two (2) individuals appointed by the governor from a list of at least four (4) individuals**
49 **submitted by the Indiana Hospital Association.**

50 **If a vacancy occurs among the members appointed under subdivision (3), the governor shall appoint**
51 **a replacement committee member from a list of at least two (2) individuals submitted by the**
52 **Indiana Hospital Association.**

1 (b) The committee shall review any Medicaid state plan amendments, waiver requests, or
2 revisions to any Medicaid state plan amendments or waiver requests, to implement or continue the
3 implementation of this chapter for the purpose of establishing favorable review of the amendments,
4 requests, and revisions by the United States Department of Health and Human Services.

5 (c) The committee shall meet at the call of the chair. The members serve without compensation.

6 (d) A quorum consists of at least three (3) members. An affirmative vote of at least three (3)
7 members of the committee is necessary to approve Medicaid state plan amendments, waiver
8 requests, or revisions to the Medicaid state plan or waiver requests.

9 Sec. 8. (a) Subject to subsection (b), the office shall develop the following programs designed to
10 increase, to the extent allowable under federal law, Medicaid reimbursement for inpatient and
11 outpatient hospital services provided by a hospital to Medicaid recipients:

12 (1) A program concerning reimbursement for the Medicaid fee-for-service program that, in
13 the aggregate, will result in payments equivalent to the level of payment that would be paid
14 under federal Medicare payment principles.

15 (2) A program concerning reimbursement for the Medicaid risk based managed care program
16 that, in the aggregate, will result in payments equivalent to the level of payment that would be
17 paid under federal Medicare payment principles.

18 (b) The office shall not submit to the United States Department of Health and Human Services
19 any Medicaid state plan amendments, waiver requests, or revisions to any Medicaid state plan
20 amendments or waiver requests, to implement or continue the implementation of this chapter until
21 the committee has reviewed and approved the amendments, waivers, or revisions described in this
22 subsection and has submitted a written report to the budget committee concerning the amendments,
23 waivers, or revisions described in this subsection, including the following:

24 (1) The methodology to be used by the office in calculating the increased Medicaid
25 reimbursement under the programs described in subsection (a).

26 (2) The methodology to be used by the office in calculating, imposing, or collecting the fee, or
27 any other matter relating to the fee.

28 (3) The determination of Medicaid disproportionate share allotments under section 11 of this
29 chapter that are to be funded by the fee, including the formula for distributing the Medicaid
30 disproportionate share allotments.

31 (4) The distribution to private psychiatric institutions under section 13 of this chapter.

32 (c) This subsection applies to the programs described in subsection (a). The state share dollars
33 for the programs must consist of the following:

34 (1) Fees paid under this chapter.

35 (2) The hospital care for the indigent funds allocated under section 10 of this chapter.

36 (3) Other sources of state share dollars available to the office, excluding intergovernmental
37 transfers of funds made by or on behalf of a hospital.

38 The money described in subdivisions (1) and (2) may be used only to fund the part of the payments
39 that exceed the Medicaid reimbursement rates in effect on June 30, 2011.

40 (d) This subsection applies to the programs described in subsection (a). If the state is unable to
41 maintain the funding under subsection (c)(3) for the payments at Medicaid reimbursement levels
42 in effect on June 30, 2011, because of budgetary constraints, the office shall reduce inpatient and
43 outpatient hospital Medicaid reimbursement rates under subsection (a)(1) or (a)(2) or request
44 approval from the committee and the United States Department of Health and Human Services to
45 increase the fee to prevent a decrease in Medicaid reimbursement for hospital services. If:

46 (1) the committee:

47 (A) does not approve a reimbursement reduction; or

48 (B) does not approve an increase in the fee; or

49 (2) the United States Department of Health and Human Services does not approve an increase
50 in the fee;

51 the office shall cease to collect the fee and the programs described in subsection (a) are terminated.

52 Sec. 9. (a) This section is effective upon implementation of the fee. The hospital Medicaid fee

1 fund is established for the purpose of holding fees collected under this chapter that are not
2 necessary to match federal funds.

3 (b) The office shall administer the fund.

4 (c) Money in the fund at the end of a state fiscal year does not revert to the state general fund.
5 However, money remaining in the fund after the cessation of the collection of the fee under section
6 6(b) of this chapter shall be used for the payments described in sections 8(a) and 11 of this chapter.
7 Any money not required for the payments described in sections 8(a) and 11 of this chapter after the
8 cessation of the collection of the fee under section 6(b) of this chapter shall be distributed to the
9 hospitals on a pro rata basis based upon the fees paid by each hospital for the state fiscal year that
10 ended immediately before the cessation of the collection of the fee under section 6(b) of this chapter.

11 Sec. 10. This section:

12 (1) is effective upon implementation of the fee; and

13 (2) does not apply to funds under IC 12-16-17.

14 Notwithstanding any other law, the part of the amounts appropriated for or transferred to the
15 hospital care for the indigent program for the state fiscal year beginning July 1, 2013, and each
16 state fiscal year thereafter that are not required to be paid to the office by law shall be used
17 exclusively as state share dollars for the payments described in sections 8(a) and 11 of this chapter.
18 Any hospital care for the indigent funds that are not required for the payments described in
19 sections 8(a) and 11 of this chapter after the cessation of the collection of the fee under section 6(b)
20 of this chapter shall be used for the state share dollars of the payments in IC 12-15-20-2(8)(G)(ii)
21 through IC 12-15-20-2(8)(G)(x).

22 Sec. 11. (a) This section:

23 (1) is effective upon the implementation of the fee; and

24 (2) applies to the Medicaid disproportionate share payments for the state fiscal year beginning
25 July 1, 2013, and each state fiscal year thereafter.

26 (b) The state share dollars used to fund disproportionate share payments to acute care hospitals
27 licensed under IC 16-21-2 that qualify as disproportionate share providers or municipal
28 disproportionate share providers under IC 12-15-16-1(a) or IC 12-15-16-1(b) shall be paid with
29 money collected through the fee and the hospital care for the indigent dollars described in section
30 10 of this chapter.

31 (c) Subject to section 12 of this chapter and except as provided in section 12 of this chapter, the
32 federal Medicaid disproportionate share allotments for the state fiscal years beginning July 1, 2013,
33 and each state fiscal year thereafter shall be allocated in their entirety to acute care hospitals
34 licensed under IC 16-21-2 that qualify as disproportionate share providers or municipal
35 disproportionate share providers under IC 12-15-16-1(a) or IC 12-15-16-1(b). No part of the federal
36 disproportionate share allotments applicable for disproportionate share payments for the state
37 fiscal year beginning July 1, 2013, and each state fiscal year thereafter may be allocated to
38 institutions for mental disease or other mental health facilities, as defined by applicable federal law.

39 Sec. 12. For purposes of this chapter, the entire federal Medicaid disproportionate share
40 allotment for Indiana does not include the part of allotments that are required to be diverted under
41 the following:

42 (1) The federally approved Indiana "Special Terms and Conditions" Medicaid demonstration
43 project (Number 11-W-00237/5).

44 (2) Any extension after December 31, 2012, of the Indiana check-up plan established under
45 IC 12-15-44.2.

46 The office shall inform the committee and the budget committee concerning any extension of the
47 Indiana check-up plan after December 31, 2013.

48 Sec. 13. Notwithstanding IC 12-15-16-6(c), the annual two million dollar (\$2,000,000) pool of
49 disproportionate share dollars under IC 12-15-16-6(c) shall not be available to eligible private
50 psychiatric institutions. The office shall annually distribute two million dollars (\$2,000,000) to
51 eligible private psychiatric institutions that would have been eligible for payment under
52 IC 12-15-16-6(c).

1 **Sec. 14. The fees collected under this chapter may be used only as described in this chapter or**
2 **to pay the state's share of the cost for Medicaid services provided under the federal Medicaid**
3 **program (42 U.S.C. 1396 et seq.) as follows:**

4 **(1) Twenty-eight and five-tenths percent (28.5%) may be used by the office for Medicaid**
5 **expenses.**

6 **(2) Seventy-one and five-tenths percent (71.5%) to hospitals.**

7 **Sec. 15. This chapter may not be construed to authorize any county, municipality, district, or**
8 **authority to impose a fee, tax, or assessment on a hospital.**

9 **Sec. 16. Subject to section 8(b) of this chapter, the office may adopt rules, including emergency**
10 **rules adopted in the manner provided under IC 4-22-2-37.1, necessary to implement this chapter.**
11 **Rules adopted under this section may be retroactive to the effective date of the Medicaid state plan**
12 **amendments or waivers approved under this chapter.**

13 **Sec. 17. The office may enter into an agreement with a hospital to pay the fee in installments.**

14 **Sec. 18. (a) A hospital shall pay to the office interest on any fee that is paid eleven (11) or more**
15 **days after the payment date. The interest must be applied at the same rate as the rate determined**
16 **under IC 12-15-21-3(6)(A).**

17 **(b) The office shall report to the state department of health each hospital that fails to pay the fee**
18 **within one hundred twenty (120) days after the payment date. The state department shall do the**
19 **following concerning a hospital described in this subsection:**

20 **(1) Notify the hospital that the hospital's license under IC 16-21 will be revoked if the fee is not**
21 **paid.**

22 **(2) Revoke the hospital's license under IC 16-21 if the hospital fails to pay the fee. IC 4-21.5-3-8**
23 **and IC 4-21.5-4 apply to this subdivision.**

24 **Sec. 19. Payments for the programs described in section 8(a) of this chapter are limited to claims**
25 **for dates of services provided during the fee period and that are timely filed with the office or a**
26 **contractor of the office. Payments for the programs described in section 8(a) of this chapter and**
27 **payments to hospitals in accordance with section 11 of this chapter may occur at any time, including**
28 **after collection of the fee is stopped under section 6(b) of this chapter, to the extent the funding**
29 **provided for the payments by this chapter is available under section 9(c) of this chapter. Payments**
30 **for the program described in section 13 of this chapter may occur at any time, including after the**
31 **collection of the fee is stopped under section 6(b) of this chapter, subject to the reconciliation and**
32 **termination of the program required by section 6(b) of this chapter.**

33 **Sec. 20. The office may collect unpaid fees owed by a hospital under this chapter and may refund**
34 **fees paid by a hospital under this chapter at any time, including after the cessation of the collection**
35 **of a fee under this chapter.**

36 **Sec. 21. This chapter expires June 30, 2017.**

37 **SECTION 150. IC 16-28-15-8, AS ADDED BY P.L.229-2011, SECTION 162, IS AMENDED TO**
38 **READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) The money collected from the**
39 **quality assessment fee during the first year following the enactment state fiscal year 2012 may be used**
40 **only as follows:**

41 **(1) Sixty-seven and one-tenth percent (67.1%) to pay the state's share of costs for Medicaid nursing**
42 **facility services provided under Title XIX of the federal Social Security Act (42 U.S.C. 1396 et seq.).**

43 **(2) Twenty-three and eight-tenths percent (23.8%) to pay the state's share of costs for other Medicaid**
44 **services provided under Title XIX of the federal Social Security Act (42 U.S.C. 1396 et seq.).**

45 **(3) Nine and one-tenth percent (9.1%) to pay prior year state nursing facility expenditures.**

46 **(b) The money collected from the quality assessment fee during the second year following enactment**
47 **state fiscal year 2013 may be used only as follows:**

48 **(1) Sixty-six and five-tenths percent (66.5%) to pay the state's share of costs for Medicaid nursing**
49 **facility services provided under Title XIX of the federal Social Security Act (42 U.S.C. 1396 et seq.).**

50 **(2) Twenty-nine and four-tenths percent (29.4%) to pay the state's share of costs for other Medicaid**
51 **services provided under Title XIX of the federal Social Security Act (42 U.S.C. 1396 et seq.).**

52 **(3) Four and one-tenth percent (4.1%) to pay prior year state nursing facility expenditures.**

1 (c) The money collected from the quality assessment fee after the second year following enactment
2 **state fiscal year 2013** may be used only as follows:

3 (1) Seventy and six-tenths percent (70.6%) to pay the state's share of the costs for Medicaid nursing
4 facility services provided under Title XIX of the federal Social Security Act (42 U.S.C. 1396 et seq.).

5 (2) Twenty-nine and four-tenths percent (29.4%) to pay the state's share of costs for other Medicaid
6 services provided under Title XIX of the federal Social Security Act (42 U.S.C. 1396 et seq.).

7 (d) Any increase in reimbursement for Medicaid nursing facility services resulting from maximizing
8 the quality assessment rate under section 6(b) of this chapter shall be directed exclusively to initiatives
9 determined by the office to promote and enhance improvements in quality of care to nursing facility
10 residents.

11 (e) The office may establish a method to allow a health facility to enter into an agreement to pay the
12 quality assessment fee collected under this chapter under an installment plan.

13 SECTION 151. IC 16-28-15-13, AS ADDED BY P.L.229-2011, SECTION 162, IS AMENDED TO
14 READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. The ~~select joint commission on~~
15 ~~Medicaid oversight established by IC 2-5-26-3~~ **health finance commission established by IC 2-5-23-3**
16 shall review the implementation of this chapter.

17 SECTION 152. IC 16-28-15-14, AS ADDED BY P.L.229-2011, SECTION 162, IS AMENDED TO
18 READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14. This chapter expires June 30, ~~2014~~
19 **2017**.

20 SECTION 153. IC 16-29-6-8, AS ADDED BY P.L.229-2011, SECTION 164, IS AMENDED TO
21 READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. Not later than October 31, 2013, the
22 office of the secretary of family and social services shall report to the ~~select joint commission on Medicaid~~
23 ~~oversight~~ **health finance commission** established by ~~IC 2-5-26-3~~ **IC 2-5-23-3** with a five (5) year plan
24 to steadily reduce the number of Medicaid certified comprehensive care beds and health facility patients.

25 SECTION 154. IC 16-46-14 IS ADDED TO THE INDIANA CODE AS A **NEW CHAPTER** TO
26 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]:

27 **Chapter 14. Primary Care Shortage Area Scholarship**

28 **Sec. 1. As used in this chapter, "licensed physician" means an individual:**

29 (1) who holds an unlimited license to practice medicine in Indiana under IC 25-22.5, including
30 an osteopathic physician; and

31 (2) who practices primary care.

32 **Sec. 2. As used in this chapter, "primary care" means the practice of medicine in any of the**
33 **following areas:**

34 (1) Family practice.

35 (2) Pediatrics.

36 (3) Obstetrics and gynecology.

37 (4) Internal medicine.

38 **Sec. 3. As used in this chapter, "primary care shortage area" means a geographic area that is**
39 **identified by the state department as an area that does not have a sufficient number of licensed**
40 **physicians to meet the primary care needs of the residents of the area.**

41 **Sec. 4. (a) The state department shall administer a scholarship program to increase the**
42 **availability of primary care for residents in primary care shortage areas by providing incentives**
43 **to medical students who agree to provide primary care in a shortage area immediately after**
44 **becoming a licensed physician.**

45 (b) A scholarship awarded under this chapter must be used to provide supplemental support to
46 the medical student and may not be used to reduce any other financial aid, grant, or scholarship
47 the student may otherwise receive.

48 **Sec. 5. The state department, in conjunction with area health education centers throughout**
49 **Indiana, shall administer the scholarship program, including carrying out the following duties:**

50 (1) Identifying primary care shortage areas in Indiana.

51 (2) Assisting scholarship recipients in finding and obtaining employment in a primary care
52 shortage area in Indiana upon graduation from the Indiana medical school primary care

1 program.

2 (3) Developing applications and other forms needed to administer this chapter, including
3 timelines for receiving and reviewing applications.

4 (4) Reviewing applications and ranking applicants for scholarships under this chapter.

5 (5) Determining which applicants are qualified students eligible to be scholarship recipients
6 under this chapter.

7 (6) Determine the amount of the scholarship that should be awarded to each qualified student.

8 (7) Any other guidelines or requirements determined to be necessary to carry out the
9 scholarship program created by this chapter.

10 The state department shall adopt rules under IC 4-22-2 to implement the scholarship program.

11 Sec. 6. An individual must file an application with the state department for each school year to
12 be considered for a scholarship under this chapter. The state department shall provide application
13 forms to individuals.

14 Sec. 7. An applicant is a qualified student eligible for a scholarship under this chapter only if the
15 state department finds that the applicant satisfies all the following conditions:

16 (1) The applicant is an Indiana resident.

17 (2) The applicant is enrolled full time in an Indiana medical school program that will prepare
18 the applicant to provide primary care as a licensed physician.

19 (3) If the applicant is applying for a scholarship for the second through fourth year of the
20 Indiana medical school program, the applicant successfully completed the academic work
21 required for the previous school year.

22 (4) The applicant remains in good standing with the Indiana medical school program.

23 (5) The applicant agrees to execute a written primary care practice agreement with the state
24 department under section 9 of this chapter.

25 Sec. 8. (a) The state department shall select from among the qualified students who will receive
26 a scholarship under this chapter. The state department may not create or use a waiting list for
27 scholarships under this chapter.

28 (b) The amount of the scholarship that may be awarded to a qualified student for a particular
29 school year shall be determined by the state department and may not exceed twenty thousand
30 dollars (\$20,000).

31 (c) A qualified student may qualify for not more than four (4) scholarships covering not more
32 than four (4) school years.

33 Sec. 9. A scholarship recipient must execute a written primary care practice agreement with the
34 state department, with the terms and conditions and in the form and manner required by the state
35 department. The agreement must provide that the scholarship recipient shall do at least the
36 following:

37 (1) Continually satisfy the requirements of section 7 of this chapter during the school year.

38 (2) Complete the requirements of the Indiana medical school program by the end of the fourth
39 year after receiving the first scholarship under this chapter.

40 (3) Upon becoming a licensed physician, will practice primary care in a primary care shortage
41 area for twelve (12) months for each scholarship awarded for each school year.

42 (4) Return the amount of the scholarship, or scholarships, to the state department within thirty
43 (30) days after a written demand is made by the state department, if the scholarship recipient
44 fails to comply with all the terms and conditions of the primary care practice agreement.

45 SECTION 155. IC 20-18-2-2, AS AMENDED BY P.L.2-2006, SECTION 73, IS AMENDED TO
46 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 2. "ADM", has the meaning set forth in
47 ~~IC 20-43-1-6.~~ except as otherwise provided by law, refers to the fall count of eligible pupils under
48 IC 20-43-4-3 conducted in the school year ending in the current calendar year.

49 SECTION 156. IC 20-18-2-2.9 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO
50 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 2.9. "Current ADM" has the meaning set
51 forth in IC 20-43-1-10.

52 SECTION 157. IC 20-18-2-4.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO

1 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 4.5. "Fall count" has the meaning set forth**
2 **in IC 20-43-1-12.3.**

3 SECTION 158. IC 20-18-2-18.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO
4 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 18.5. "Spring count" has the meaning set**
5 **forth in IC 20-43-1-24.5.**

6 SECTION 159. IC 20-19-2-21 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO
7 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 21. (a) The state board may approve or deny**
8 **the request of the Indiana state charter board established by IC 20-24-2.1-1 to serve as the sponsor**
9 **of a recovery school or an accelerated learning center.**

10 **(b) The state board may approve the request of the Indiana state charter board to serve as the**
11 **sponsor of a recovery school or an accelerated learning center only if funding is available for the**
12 **school through a state appropriation that is separate from tuition support under IC 20-43.**

13 SECTION 160. IC 20-20-13-17, AS AMENDED BY P.L.133-2012, SECTION 190, IS AMENDED
14 TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 17. The total technology plan grant amount**
15 **to a qualifying school corporation is the amount determined by the department multiplied by the school**
16 **corporation's current ADM, as determined:**

17 **(1) for a calendar year ending before January 1, 2014, in the fall count of students in the school**
18 **year ending in the current calendar year; and**

19 **(2) for a calendar year ending after December 31, 2013, in the spring count of students in the**
20 **school year ending in the current calendar year.**

21 The amount is one hundred dollars (\$100). However, for the purposes of determining the **current** ADM
22 of a school corporation, students who are transferred under IC 20-33-4 or IC 20-26-11 shall be counted
23 as students having legal settlement in the transferee corporation and not having legal settlement in the
24 transferor corporation.

25 SECTION 161. IC 20-20-13-19, AS ADDED BY P.L.218-2005, SECTION 46, IS AMENDED TO
26 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 19. (a) The department shall list all school**
27 **corporations in Indiana according to assessed valuation for property tax purposes per student in current**
28 **ADM, as determined in section 17 of this chapter, beginning with the school corporation having the**
29 **lowest assessed valuation for property tax purposes per student in current ADM. For purposes of the list**
30 **made under this section, the Indiana School for the Blind and Visually Impaired established by**
31 **IC 20-21-2-1 and the Indiana School for the Deaf established by IC 20-22-2-1 shall be considered to have**
32 **the lowest assessed valuation for property tax purposes per student in current ADM during the six (6)**
33 **year period beginning July 1, 2001.**

34 **(b) The department must prepare a revised list under subsection (a) before a new series of grants may**
35 **begin.**

36 **(c) The department shall determine those school corporations to be placed in a group to receive a grant**
37 **in a fiscal year under sections 13 through 24 of this chapter as follows:**

38 **(1) Beginning with the school corporation that is first on the list developed under subsection (a), the**
39 **department shall continue sequentially through the list and place school corporations that qualify**
40 **for a grant under section 15 of this chapter in a group until the cumulative total current ADM of all**
41 **school corporations in the group depletes the money that is available for grants in the fiscal year.**

42 **(2) Each fiscal year the department shall develop a new group by continuing sequentially through**
43 **the list beginning with the first qualifying school corporation on the list that was not placed in a**
44 **group in the prior fiscal year.**

45 **(3) If the final group developed from the list contains substantially fewer students in current ADM**
46 **than available money, the department shall:**

47 **(A) prepare a revised list of school corporations under subsection (a); and**

48 **(B) place in the group qualifying school corporations from the top of the revised list.**

49 **(4) The department shall label the groups with sequential numbers beginning with "group one".**

50 SECTION 162. IC 20-23-7-12, AS AMENDED BY P.L.179-2011, SECTION 15, IS AMENDED TO
51 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 12. (a) As used in this section, "county" means**
52 **the county in which the school township is located.**

1 (b) As used in this section, "school township" means a school township in Indiana that:
2 (1) for the last full school semester immediately preceding:
3 (A) the adoption of a preliminary resolution by the township trustee and the township board
4 under subsection (f); or
5 (B) the adoption of a resolution of disapproval by the township trustee and the township board
6 under subsection (g);
7 had ~~an~~ **a current** ADM of at least six hundred (600) students in kindergarten through grade 12 in
8 the public schools of the school township; or
9 (2) is part of a township in which there were more votes cast for township trustee outside the school
10 township than inside the school township in the general election at which the trustee was elected and
11 that preceded the adoption of the preliminary or disapproving resolution.
12 (c) As used in this section, "township board" means the township board of a township in which the
13 school township is located.
14 (d) As used in this section, "township trustee" means the township trustee of the township in which
15 the school township is located.
16 (e) In a school township, a metropolitan school district may be created by complying with this section.
17 A metropolitan school district created under this section shall have the same boundaries as the school
18 township. After a district has been created under this section, the school township that preceded the
19 metropolitan school district is abolished. The procedures or provisions governing the creation of a
20 metropolitan school district under another section of this chapter do not apply to the creation of a district
21 under this section. After a metropolitan school district is created under this section, the district shall,
22 except as otherwise provided in this section, be governed by and operate in accordance with this chapter
23 governing the operation of a metropolitan school district as established under section 2 of this chapter.
24 (f) Except as provided in subsection (g), a metropolitan school district provided for in subsection (e)
25 may be created in the following manner:
26 (1) The township trustee shall call a meeting of the township board. At the meeting, the township
27 trustee and a majority of the township board shall adopt a resolution that a metropolitan school
28 district shall be created in the school township. The township trustee shall then give notice:
29 (A) by two (2) publications one (1) week apart in a newspaper of general circulation published
30 in the school township; or
31 (B) if there is no newspaper as described in clause (A), in a newspaper of general circulation in
32 the county;
33 of the adoption of the resolution setting forth the text of the resolution.
34 (2) On the thirtieth day after the date of the last publication of the notice under subdivision (1) and
35 if a protest has not been filed, the township trustee and a majority of the township board shall
36 confirm their preliminary resolution. If, however, on or before the twenty-ninth day after the date
37 of the last publication of the notice, a number of registered voters of the school township, equal to
38 five percent (5%) or more of the number of votes cast in the school township for secretary of state
39 at the last preceding general election for that office, sign and file with the township trustee a petition
40 requesting an election in the school township to determine whether or not a metropolitan school
41 district must be created in the township in accordance with the preliminary resolution, then an
42 election must be held as provided in subsection (h). The preliminary resolution and confirming
43 resolution provided in this subsection shall both be adopted at a meeting of the township trustee and
44 township board in which the township trustee and each member of the township board received or
45 waived a written notice of the date, time, place, and purpose of the meeting. The resolution and the
46 proof of service or waiver of the notice shall be made a part of the records of the township board.
47 (g) Except as provided in subsection (f), a metropolitan school district may also be created in the
48 following manner:
49 (1) A number of registered voters of the school township, equal to five percent (5%) or more of the
50 votes cast in the school township for secretary of state at the last general election for that office, shall
51 sign and file with the township trustee a petition requesting the creation of a metropolitan school
52 district under this section.

1 (2) The township trustee and a majority of the township board shall, not more than ten (10) days
2 after the filing of a petition:

3 (A) adopt a preliminary resolution that a metropolitan school district shall be created in the
4 school township and proceed as provided in subsection (f); or

5 (B) adopt a resolution disapproving the creation of the district.

6 (3) If either the township trustee or a majority of township board members vote in favor of
7 disapproving the resolution, an election must be held to determine whether or not a metropolitan
8 school district shall be created in the school township in the same manner as is provided in
9 subsection (f) if an election is requested by petition.

10 (h) An election required under subsection (f) or (g) may, at the option of the township trustee, be held
11 either as a special election or in conjunction with a primary or general election to be held not more than
12 one hundred twenty (120) days after the filing of a petition under subsection (f) or the adoption of the
13 disapproving resolution under subsection (g). The township trustee shall certify the question to the county
14 election board under IC 3-10-9-3 and give notice of an election:

15 (1) by two (2) publications one (1) week apart in a newspaper of general circulation in the school
16 township; or

17 (2) if a newspaper described in subdivision (1) does not exist, in a newspaper of general circulation
18 published in the county.

19 The notice must provide that on a day and time named in the notice, the polls shall be opened at the usual
20 voting places in the various precincts in the school township for the purpose of taking the vote of the
21 registered voters of the school township regarding whether a metropolitan school district shall be created
22 in the township. The election shall be held not less than twenty (20) days and not more than thirty (30)
23 days after the last publication of the notice unless a primary or general election will be conducted not
24 more than six (6) months after the publication. In that case, the county election board shall place the
25 public question on the ballot at the primary or general election. If the election is to be a special election,
26 the township trustee shall give notice not more than thirty (30) days after the filing of the petition or the
27 adoption of the disapproving resolution.

28 (i) On the day and time named in the notice, the polls shall be opened and the votes of the voters shall
29 be taken regarding whether a metropolitan school district shall be created in the school township. IC 3
30 governs the election except as otherwise provided in this chapter. The county election board shall conduct
31 the election. The public question shall be placed on the ballot in the form prescribed by IC 3-10-9-4 and
32 must state, "Shall a metropolitan school district under IC 20-23-7 be formed in the _____ School
33 Township of _____ County, Indiana?". The name of the school township shall be inserted in
34 the blanks.

35 (j) The votes cast in the election shall be canvassed at a place in the school township determined by
36 the county election board. The certificate of the votes cast for and against the creation of a metropolitan
37 school district shall be filed in the records of the township board and recorded with the county recorder.
38 If the special election is not conducted at a primary or general election, the school township shall pay the
39 expense of holding the election out of the school general fund that is appropriated for this purpose.

40 (k) A metropolitan school district shall, subject to section 7 of this chapter, be created on the thirtieth
41 day after the date of the adoption of the confirming resolution under subsection (f) or an election held
42 under subsection (h). If a public official fails to do the official's duty within the time prescribed in this
43 section, the failure does not invalidate the proceedings taken under this section. An action to contest the
44 validity of the creation of a metropolitan school district under this section or to enjoin the operation of
45 a metropolitan school district may not be instituted later than the thirtieth day following the date of the
46 adoption of the confirming resolution under subsection (f) or of the election held under subsection (h).
47 Except as provided in this section, an election under this subsection may not be held sooner than twelve
48 (12) months after another election held under subsection (h).

49 (l) A metropolitan school district is known as "The Metropolitan School District of _____
50 Township, _____ County, Indiana". The first metropolitan board of education in a metropolitan
51 school district created under this section consists of five (5) members. The township trustee and the
52 township board members are ex officio members of the first board, subject to the laws concerning length

1 of their respective terms of office, manner of election or appointment, and the filling of vacancies
2 applicable to their respective offices. The ex officio members serve without compensation or
3 reimbursement for expenses, other than that which they may receive from their respective offices. The
4 township board shall, by a resolution recorded in its records, appoint the fifth member of the metropolitan
5 board of education. The fifth member shall meet the qualifications of a member of a metropolitan board
6 of education under this chapter, with the exception of the board member district requirements provided
7 in sections 4, 5, and 8.1 of this chapter.

8 (m) A fifth board member shall be appointed not more than fifteen (15) days after the date of the
9 adoption of the confirming resolution under subsection (f)(2) or an election held under subsection (h). The
10 first board shall hold its first meeting not more than fifteen (15) days after the date when the fifth board
11 member is appointed or elected, on a date established by the township board in the resolution in which
12 it appoints the fifth board member. The first board shall serve until January 1 following the election of
13 a metropolitan school board at the first general election held more than sixty (60) days following the
14 creation of the metropolitan school district.

15 (n) After the creation of a metropolitan school district under this section, the president of the
16 metropolitan school board of the district shall serve as a member of the county board of education and
17 perform the duties on the county board of education that were previously performed by the township
18 trustee. The metropolitan school board and superintendent of the district may call upon the assistance of
19 and use the services provided by the county superintendent of schools. This subsection does not limit or
20 take away the powers, rights, privileges, or duties of the metropolitan school district or the board or
21 superintendent of the district provided in this chapter.

22 SECTION 163. IC 20-24-2.1-5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO
23 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 5. (a) After June 30, 2013, only the charter**
24 **board may sponsor a charter school designated as a recovery school or an accelerated learning**
25 **center that serves students who:**

26 (1) are at least twenty (20) years of age; and

27 (2) have dropped out of high school before receiving a diploma.

28 (b) **The charter board may serve as sponsor to a recovery school or an accelerated learning**
29 **center only if the organizer of the recovery school or accelerated learning center agrees to the**
30 **following provisions in the charter in addition to the charter requirements set forth in IC 20-24-4-1:**

31 (1) **A rigorous accountability plan that measures the following:**

32 (A) **Academic performance, including:**

33 (i) **progress by students towards graduation;**

34 (ii) **graduation rate;**

35 (iii) **college and career readiness, as demonstrated by the number of students achieving**
36 **satisfactory scores on an advanced placement examination or an International**
37 **Baccalaureate examination, successfully completing dual credit courses, receiving course**
38 **credit in approved industry certification courses, and receiving industry certifications;**

39 **and**

40 (iv) **placement by the department in one (1) of the two (2) highest performance categories**
41 **or designations under the alternative accountability system established under**
42 **IC 20-31-8-5.**

43 (B) **Financial health.**

44 (C) **Organizational competence.**

45 (2) **The conduct of student transfer audits.**

46 (3) **Periodic site visits.**

47 (4) **The submission of data and performance reports to demonstrate academic performance,**
48 **financial health, and organizational competence.**

49 (c) **The charter board may enter into a charter agreement with a recovery school or an**
50 **accelerated learning center only if:**

51 (1) **the state board gives approval under IC 20-19-2-21 for the charter board to serve as**
52 **sponsor for the school; and**

1 (2) funding is available for the school through a state appropriation that is separate from
2 tuition support under IC 20-43.

3 (d) The charter board shall issue an annual school performance report for each recovery school
4 or accelerated learning center that summarizes the school's academic performance, financial
5 health, and organizational competence.

6 SECTION 164. IC 20-24-7-2, AS AMENDED BY P.L.146-2008, SECTION 460, IS AMENDED TO
7 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 2. (a) Not later than each of the date dates
8 established by the department for determining ADM and after May 31 each year, under IC 20-43-4-3,
9 the organizer shall submit to the department the following information on a form prescribed by the
10 department:

- 11 (1) The number of students enrolled in the charter school.
- 12 (2) The name and address of each student.
- 13 (3) The name of the school corporation in which the student has legal settlement.
- 14 (4) The name of the school corporation, if any, that the student attended during the immediately
15 preceding school year.
- 16 (5) The grade level in which the student will enroll in the charter school.

17 The department shall verify the accuracy of the information reported.

18 (b) ~~This subsection applies after December 31 of the calendar year in which a charter school begins~~
19 ~~its initial operation.~~ The department shall distribute **state tuition support distributions** to the organizer.
20 ~~the state tuition support distribution.~~ The department shall make a distribution under this subsection at
21 the same time and in the same manner as the department makes a distribution of state tuition support
22 under IC 20-43-2 to other school corporations.

23 SECTION 165. IC 20-24-7-3, AS AMENDED BY P.L.146-2008, SECTION 461, IS AMENDED TO
24 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 3. (a) This section applies to a conversion
25 charter school.

26 (b) Beginning not more than sixty (60) days after the department receives the information reported
27 under section 2(a) of this chapter, the department shall distribute to the organizer:

- 28 (1) tuition support and other state funding for any purpose for students enrolled in the conversion
29 charter school;
- 30 (2) a proportionate share of state and federal funds received:
 - 31 (A) for students with disabilities; or
 - 32 (B) for staff services for students with disabilities;
- 33 enrolled in the conversion charter school; and
- 34 (3) a proportionate share of funds received under federal or state categorical aid programs for
35 students who are eligible for the federal or state categorical aid and are enrolled in the conversion
36 charter school;

37 for the second six (6) months of the calendar year in which the conversion charter school is established.
38 The department shall make a distribution under this subsection at the same time and in the same manner
39 as the department makes a distribution to the governing body of the school corporation in which the
40 conversion charter school is located. A distribution to the governing body of the school corporation in
41 which the conversion charter school is located is reduced by the amount distributed to the conversion
42 charter school. This subsection does not apply to a conversion charter school after December 31 of the
43 calendar year in which the conversion charter school is established.

44 (c) ~~This subsection applies during the second six (6) months of the calendar year in which a conversion~~
45 ~~charter school is established.~~ A conversion charter school may apply for an advance from the charter
46 school advancement account under IC 20-49-7 in the amount determined under STEP FOUR of the
47 following formula:

48 STEP ONE: Determine the result under subsection (d) STEP ONE (A):

49 STEP TWO: Determine the difference between:

50 (A) the conversion charter school's current ADM; minus

51 (B) the STEP ONE amount.

52 STEP THREE: Determine the quotient of:

1 (A) the STEP TWO amount; divided by
2 (B) the conversion charter school's current ADM.

3 STEP FOUR: Determine the product of:

4 (A) the STEP THREE amount; multiplied by

5 (B) the quotient of:

6 (i) the subsection (d) STEP TWO amount; divided by

7 (ii) two (2).

8 SECTION 166. IC 20-24-7-4, AS AMENDED BY P.L.91-2011, SECTION 18, IS AMENDED TO
9 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 4. (a) Services that a school corporation
10 provides to a charter school, including transportation, may be provided at not more than one hundred three
11 percent (103%) of the actual cost of the services.

12 (b) This subsection applies to a sponsor that is a state educational institution described in
13 ~~IC 20-24-1-7(2)~~. **IC 20-24-1-9(2)**. In a **calendar state fiscal** year, a state educational institution may
14 receive from the organizer of a charter school sponsored by the state educational institution an
15 administrative fee equal to not more than three percent (3%) of the total amount the organizer receives
16 during the **calendar state fiscal** year from basic tuition support (as defined in IC 20-43-1-8).

17 (c) This subsection applies to the executive of a consolidated city that sponsors a charter school. In a
18 **calendar state fiscal** year, the executive may collect from the organizer of a charter school sponsored by
19 the executive an administrative fee equal to not more than three percent (3%) of the total amount the
20 organizer receives during the **calendar state fiscal** year for basic tuition support.

21 (d) This subsection applies to a sponsor that is a nonprofit college or university that is approved by the
22 state board of education. In a **calendar state fiscal** year, a private college or university may collect from
23 the organizer of a charter school sponsored by the private college or university an administrative fee equal
24 to not more than three percent (3%) of the total amount the organizer receives during the **calendar state**
25 **fiscal** year for basic tuition support.

26 (e) This subsection applies to the charter board. In a **calendar state fiscal** year, the charter school board
27 may collect from the organizer of a charter school sponsored by the charter board an administrative fee
28 equal to not more than three percent (3%) of the total amount the organizer receives during the **calendar**
29 **state fiscal** year for basic tuition support.

30 (f) A sponsor's administrative fee may not include any costs incurred in delivering services that a
31 charter school may purchase at its discretion from the sponsor. The sponsor shall use its funding provided
32 under this section exclusively for the purpose of fulfilling sponsoring obligations.

33 (g) Except for oversight services, a charter school may not be required to purchase services from its
34 sponsor as a condition of charter approval or of executing a charter contract, nor may any such condition
35 be implied.

36 (h) A charter school may choose to purchase services from its sponsor. In that event, the charter school
37 and sponsor shall execute an annual service contract, separate from the charter contract, stating the
38 parties' mutual agreement concerning the services to be provided by the sponsor and any service fees to
39 be charged to the charter school. A sponsor may not charge more than market rates for services provided
40 to a charter school.

41 (i) Not later than ninety (90) days after the end of each fiscal year, each sponsor shall provide to each
42 charter school it sponsors an itemized accounting of the actual costs of services purchased by the charter
43 school from the sponsor. Any difference between the amount initially charged to the charter school and
44 the actual cost shall be reconciled and paid to the owed party. If either party disputes the itemized
45 accounting, any charges included in the accounting, or charges to either party, either party may request
46 a review by the department. The requesting party shall pay the costs of the review.

47 SECTION 167. IC 20-24-7-6.5, AS ADDED BY P.L.229-2011, SECTION 170, IS AMENDED TO
48 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 6.5. (a) Subject to subsection (b) and with the
49 approval of a majority of the members of the governing body, a school corporation may distribute any part
50 of the following to a conversion school sponsored by the school corporation in the amount and under the
51 terms and conditions adopted by a majority of the members of the governing body:

52 (1) State tuition support and other state distributions to the school corporation.

1 (2) Any other amount deposited in the school corporation's general fund.

2 (b) The total amount that may be transferred under subsection (a) in a **calendar state fiscal** year to a
3 particular conversion charter school may not exceed the result determined under STEP FOUR of the
4 following formula:

5 STEP ONE: Determine the result of:

6 (A) **the result of:**

7 (i) **the amount of state tuition support that the school corporation is eligible to receive in the**
8 **first six (6) months of the calendar state fiscal year; multiplied by**
9 **(ii) two (2);** divided by

10 (B) **the current fall count of ADM of the school corporation for conducted in the calendar state**
11 **fiscal year.**

12 STEP TWO: Determine: ~~the result of~~

13 (A) **the result of:**

14 (i) the amount of state tuition support that the conversion charter school is eligible to receive
15 in **the first six (6) months of the calendar state fiscal year; multiplied by**
16 **(ii) two (2);** divided by

17 (B) **the current fall count of ADM of the conversion charter school for conducted in the calendar**
18 **state fiscal year.**

19 STEP THREE: Determine the greater of zero (0) or the result of:

20 (A) the STEP ONE amount; minus
21 (B) the STEP TWO amount.

22 STEP FOUR: Determine the result of:

23 (A) the STEP THREE amount; multiplied by
24 (B) **the current fall count of ADM of the conversion charter school for conducted in the calendar**
25 **state fiscal year.**

26 SECTION 168. IC 20-24-7-9, AS AMENDED BY P.L.146-2008, SECTION 463, IS AMENDED TO
27 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 9. (a) This section applies if:

28 (1) a sponsor:

29 (A) revokes a charter before the end of the term for which the charter is granted; or
30 (B) does not renew a charter; or

31 (2) a charter school otherwise terminates its charter before the end of the term for which the charter
32 is granted.

33 (b) Any state funds that remain to be distributed to the charter school in the **calendar state fiscal** year
34 in which an event described in subsection (a) occurs shall be distributed as follows:

35 (1) First, to the common school loan fund to repay any existing obligations of the charter school
36 under IC 20-49-7 (**repealed**).

37 (2) Second, to the entities that distributed the funds to the charter school. A distribution under this
38 subdivision shall be on a pro rata basis.

39 (c) If the funds described in subsection (b) are insufficient to repay all existing obligations of the
40 charter school under IC 20-49-7 (**repealed**), the state shall repay any remaining obligations of the charter
41 school under IC 20-49-7 (**repealed**) from the amount appropriated for state tuition support distributions.

42 SECTION 169. IC 20-24-7-13, AS AMENDED BY P.L.229-2011, SECTION 171, IS AMENDED TO
43 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 13. (a) As used in this section, "virtual charter
44 school" means any charter school, including a conversion charter school, that provides for the delivery
45 of more than fifty percent (50%) of instruction to students through:

46 (1) virtual distance learning;
47 (2) online technologies; or
48 (3) computer based instruction.

49 (b) ~~Beginning with the 2011-2012 school year,~~ A virtual charter school may apply for sponsorship with
50 any statewide sponsor in accordance with the sponsor's guidelines.

51 (c) Before January 1, 2012, a virtual charter school is entitled to receive funding from the state in an
52 amount equal to the sum of ~~(+)~~ the product of:

1 ~~(A)~~ (1) the number of students included in the virtual charter school's ADM; multiplied by
2 ~~(B)~~ (2) eighty percent (80%) of statewide average basic tuition support.

3 (d) ~~After December 31, 2011, For state fiscal years beginning after June 30, 2013,~~ a virtual charter
4 school is entitled to receive funding from the state in an amount equal to the sum of:

5 (1) the product of:
6 (A) the number of students included in the virtual charter school's **current** ADM; multiplied by
7 (B) eighty-seven and five-tenths percent (87.5%) of the school's foundation amount determined
8 under IC 20-43-5-4; plus
9 (2) the total of any:
10 (A) special education grants under IC 20-43-7; to which the virtual charter school is entitled; **and**
11 (B) **full-day kindergarten grants under IC 20-43-14;**

12 ~~After December 31, 2011,~~ A virtual charter school is entitled to receive special education grants under
13 IC 20-43-7 calculated in the same manner as special education grants are calculated for other school
14 corporations.

15 ~~(d)~~ (e) The department shall adopt rules under IC 4-22-2 to govern the operation of virtual charter
16 schools.

17 ~~(e)~~ (f) ~~Beginning in 2009,~~ The department shall before December 1 of each year submit an annual
18 report to the budget committee concerning the program under this section.

19 ~~(f)~~ (g) This subsection does not apply to students who were enrolled in a virtual charter school during
20 the 2010-2011 school year. Each school year, at least sixty percent (60%) of the students who are enrolled
21 in virtual charter schools under this section for the first time must have been included in the state's ADM
22 count for the previous school year.

23 SECTION 170. IC 20-24-7.5 IS REPEALED [EFFECTIVE JULY 1, 2013]. (New Charter School
24 Startup Grant).

25 SECTION 171. IC 20-24.5-2-10, AS AMENDED BY P.L.146-2008, SECTION 464, IS AMENDED
26 TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 10. A laboratory school that:
27 (1) is operated without an agreement; and
28 (2) has an ADM **in the fall count of a school year** of not more than seven hundred fifty (750);
29 must be treated as a charter school for purposes of funding under IC 20-20-33 and IC 20-43.

30 SECTION 172. IC 20-24.5-2-11, AS ADDED BY P.L.2-2007, SECTION 209, IS AMENDED TO
31 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 11. A student who attends a laboratory school
32 full time may not be counted in **current** ADM or ADA by any school corporation when the student's
33 attendance is not regulated under an agreement.

34 SECTION 173. IC 20-26-5-4, AS AMENDED BY P.L.145-2012, SECTION 22, IS AMENDED TO
35 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 4. In carrying out the school purposes of a
36 school corporation, the governing body acting on the school corporation's behalf has the following
37 specific powers:
38 (1) In the name of the school corporation, to sue and be sued and to enter into contracts in matters
39 permitted by applicable law. However, a governing body may not use funds received from the state
40 to bring or join in an action against the state, unless the governing body is challenging an adverse
41 decision by a state agency, board, or commission.
42 (2) To take charge of, manage, and conduct the educational affairs of the school corporation and to
43 establish, locate, and provide the necessary schools, school libraries, other libraries where permitted
44 by law, other buildings, facilities, property, and equipment.
45 (3) To appropriate from the school corporation's general fund an amount, not to exceed the greater
46 of three thousand dollars (\$3,000) per budget year or one dollar (\$1) per pupil, not to exceed twelve
47 thousand five hundred dollars (\$12,500), based on the school corporation's **ADM of the previous**
48 ~~year's ADM, year (as defined in IC 20-43-1-7)~~ to promote the best interests of the school
49 corporation through:
50 (A) the purchase of meals, decorations, memorabilia, or awards;
51 (B) provision for expenses incurred in interviewing job applicants; or
52 (C) developing relations with other governmental units.

1 (4) To:

2 (A) Acquire, construct, erect, maintain, hold, and contract for construction, erection, or
3 maintenance of real estate, real estate improvements, or an interest in real estate or real estate
4 improvements, as the governing body considers necessary for school purposes, including
5 buildings, parts of buildings, additions to buildings, rooms, gymnasiums, auditoriums,
6 playgrounds, playing and athletic fields, facilities for physical training, buildings for
7 administrative, office, warehouse, repair activities, or housing school owned buses, landscaping,
8 walks, drives, parking areas, roadways, easements and facilities for power, sewer, water,
9 roadway, access, storm and surface water, drinking water, gas, electricity, other utilities and
10 similar purposes, by purchase, either outright for cash (or under conditional sales or purchase
11 money contracts providing for a retention of a security interest by the seller until payment is
12 made or by notes where the contract, security retention, or note is permitted by applicable law),
13 by exchange, by gift, by devise, by eminent domain, by lease with or without option to purchase,
14 or by lease under IC 20-47-2, IC 20-47-3, or IC 20-47-5.

15 (B) Repair, remodel, remove, or demolish, or to contract for the repair, remodeling, removal, or
16 demolition of the real estate, real estate improvements, or interest in the real estate or real estate
17 improvements, as the governing body considers necessary for school purposes.

18 (C) Provide for conservation measures through utility efficiency programs or under a guaranteed
19 savings contract as described in IC 36-1-12.5.

20 (5) To acquire personal property or an interest in personal property as the governing body considers
21 necessary for school purposes, including buses, motor vehicles, equipment, apparatus, appliances,
22 books, furniture, and supplies, either by cash purchase or under conditional sales or purchase money
23 contracts providing for a security interest by the seller until payment is made or by notes where the
24 contract, security, retention, or note is permitted by applicable law, by gift, by devise, by loan, or by
25 lease with or without option to purchase and to repair, remodel, remove, relocate, and demolish the
26 personal property. All purchases and contracts specified under the powers authorized under
27 subdivision (4) and this subdivision are subject solely to applicable law relating to purchases and
28 contracting by municipal corporations in general and to the supervisory control of state agencies as
29 provided in section 6 of this chapter.

30 (6) To sell or exchange real or personal property or interest in real or personal property that, in the
31 opinion of the governing body, is not necessary for school purposes, in accordance with IC 20-26-7,
32 to demolish or otherwise dispose of the property if, in the opinion of the governing body, the
33 property is not necessary for school purposes and is worthless, and to pay the expenses for the
34 demolition or disposition.

35 (7) To lease any school property for a rental that the governing body considers reasonable or to
36 permit the free use of school property for:

37 (A) civic or public purposes; or

38 (B) the operation of a school age child care program for children who are at least five (5) years
39 of age and less than fifteen (15) years of age that operates before or after the school day, or both,
40 and during periods when school is not in session;

41 if the property is not needed for school purposes. Under this subdivision, the governing body may
42 enter into a long term lease with a nonprofit corporation, community service organization, or other
43 governmental entity, if the corporation, organization, or other governmental entity will use the
44 property to be leased for civic or public purposes or for a school age child care program. However,
45 if payment for the property subject to a long term lease is made from money in the school
46 corporation's debt service fund, all proceeds from the long term lease must be deposited in the school
47 corporation's debt service fund so long as payment for the property has not been made. The
48 governing body may, at the governing body's option, use the procedure specified in IC 36-1-11-10
49 in leasing property under this subdivision.

50 (8) To:

51 (A) Employ, contract for, and discharge superintendents, supervisors, principals, teachers,
52 librarians, athletic coaches (whether or not they are otherwise employed by the school

1 corporation and whether or not they are licensed under IC 20-28-5), business managers,
2 superintendents of buildings and grounds, janitors, engineers, architects, physicians, dentists,
3 nurses, accountants, teacher aides performing noninstructional duties, educational and other
4 professional consultants, data processing and computer service for school purposes, including
5 the making of schedules, the keeping and analyzing of grades and other student data, the keeping
6 and preparing of warrants, payroll, and similar data where approved by the state board of
7 accounts as provided below, and other personnel or services as the governing body considers
8 necessary for school purposes.

9 (B) Fix and pay the salaries and compensation of persons and services described in this
10 subdivision that are consistent with IC 20-28-9-1.

11 (C) Classify persons or services described in this subdivision and to adopt schedules of salaries
12 or compensation that are consistent with IC 20-28-9-1.

13 (D) Determine the number of the persons or the amount of the services employed or contracted
14 for as provided in this subdivision.

15 (E) Determine the nature and extent of the duties of the persons described in this subdivision.

16 The compensation, terms of employment, and discharge of teachers are, however, subject to and
17 governed by the laws relating to employment, contracting, compensation, and discharge of teachers.
18 The compensation, terms of employment, and discharge of bus drivers are subject to and governed
19 by laws relating to employment, contracting, compensation, and discharge of bus drivers. The forms
20 and procedures relating to the use of computer and data processing equipment in handling the
21 financial affairs of the school corporation must be submitted to the state board of accounts for
22 approval so that the services are used by the school corporation when the governing body determines
23 that it is in the best interest of the school corporation while at the same time providing reasonable
24 accountability for the funds expended.

25 (9) Notwithstanding the appropriation limitation in subdivision (3), when the governing body by
26 resolution considers a trip by an employee of the school corporation or by a member of the
27 governing body to be in the interest of the school corporation, including attending meetings,
28 conferences, or examining equipment, buildings, and installation in other areas, to permit the
29 employee to be absent in connection with the trip without any loss in pay and to reimburse the
30 employee or the member the employee's or member's reasonable lodging and meal expenses and
31 necessary transportation expenses. To pay teaching personnel for time spent in sponsoring and
32 working with school related trips or activities.

33 (10) Subject to IC 20-27-13, to transport children to and from school, when in the opinion of the
34 governing body the transportation is necessary, including considerations for the safety of the
35 children and without regard to the distance the children live from the school. The transportation must
36 be otherwise in accordance with applicable law.

37 (11) To provide a lunch program for a part or all of the students attending the schools of the school
38 corporation, including the establishment of kitchens, kitchen facilities, kitchen equipment, lunch
39 rooms, the hiring of the necessary personnel to operate the lunch program, and the purchase of
40 material and supplies for the lunch program, charging students for the operational costs of the lunch
41 program, fixing the price per meal or per food item. To operate the lunch program as an
42 extracurricular activity, subject to the supervision of the governing body. To participate in a surplus
43 commodity or lunch aid program.

44 (12) To purchase textbooks, to furnish textbooks without cost or to rent textbooks to students, to
45 participate in a textbook aid program, all in accordance with applicable law.

46 (13) To accept students transferred from other school corporations and to transfer students to other
47 school corporations in accordance with applicable law.

48 (14) To make budgets, to appropriate funds, and to disburse the money of the school corporation in
49 accordance with applicable law. To borrow money against current tax collections and otherwise to
50 borrow money, in accordance with IC 20-48-1.

51 (15) To purchase insurance or to establish and maintain a program of self-insurance relating to the
52 liability of the school corporation or the school corporation's employees in connection with motor

1 vehicles or property and for additional coverage to the extent permitted and in accordance with
2 IC 34-13-3-20. To purchase additional insurance or to establish and maintain a program of
3 self-insurance protecting the school corporation and members of the governing body, employees,
4 contractors, or agents of the school corporation from liability, risk, accident, or loss related to school
5 property, school contract, school or school related activity, including the purchase of insurance or
6 the establishment and maintenance of a self-insurance program protecting persons described in this
7 subdivision against false imprisonment, false arrest, libel, or slander for acts committed in the course
8 of the persons' employment, protecting the school corporation for fire and extended coverage and
9 other casualty risks to the extent of replacement cost, loss of use, and other insurable risks relating
10 to property owned, leased, or held by the school corporation. In accordance with IC 20-26-17, to:

11 (A) participate in a state employee health plan under IC 5-10-8-6.6 or IC 5-10-8-6.7;

12 (B) purchase insurance; or

13 (C) establish and maintain a program of self-insurance;

14 to benefit school corporation employees, including accident, sickness, health, or dental coverage,
15 provided that a plan of self-insurance must include an aggregate stop-loss provision.

16 (16) To make all applications, to enter into all contracts, and to sign all documents necessary for the
17 receipt of aid, money, or property from the state, the federal government, or from any other source.

18 (17) To defend a member of the governing body or any employee of the school corporation in any
19 suit arising out of the performance of the member's or employee's duties for or employment with,
20 the school corporation, if the governing body by resolution determined that the action was taken in
21 good faith. To save any member or employee harmless from any liability, cost, or damage in
22 connection with the performance, including the payment of legal fees, except where the liability,
23 cost, or damage is predicated on or arises out of the bad faith of the member or employee, or is a
24 claim or judgment based on the member's or employee's malfeasance in office or employment.

25 (18) To prepare, make, enforce, amend, or repeal rules, regulations, and procedures:

26 (A) for the government and management of the schools, property, facilities, and activities of the
27 school corporation, the school corporation's agents, employees, and pupils and for the operation
28 of the governing body; and

29 (B) that may be designated by an appropriate title such as "policy handbook", "bylaws", or "rules
30 and regulations".

31 (19) To ratify and approve any action taken by a member of the governing body, an officer of the
32 governing body, or an employee of the school corporation after the action is taken, if the action could
33 have been approved in advance, and in connection with the action to pay the expense or
34 compensation permitted under IC 20-26-1 through IC 20-26-5, IC 20-26-7, IC 20-40-12, and
35 IC 20-48-1 or any other law.

36 (20) To exercise any other power and make any expenditure in carrying out the governing body's
37 general powers and purposes provided in this chapter or in carrying out the powers delineated in this
38 section which is reasonable from a business or educational standpoint in carrying out school
39 purposes of the school corporation, including the acquisition of property or the employment or
40 contracting for services, even though the power or expenditure is not specifically set out in this
41 chapter. The specific powers set out in this section do not limit the general grant of powers provided
42 in this chapter except where a limitation is set out in IC 20-26-1 through IC 20-26-5, IC 20-26-7,
43 IC 20-40-12, and IC 20-48-1 by specific language or by reference to other law.

44 SECTION 174. IC 20-26-11-11, AS AMENDED BY P.L.159-2007, SECTION 2, IS AMENDED TO
45 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 11. (a) A school corporation may enter into
46 an agreement with:

47 (1) a nonprofit corporation that operates a federally approved education program; or

48 (2) a nonprofit corporation that:

49 (A) is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue
50 Code;

51 (B) for its classroom instruction, employs teachers who are certified by the department;

52 (C) employs other professionally and state licensed staff as appropriate; and

1 (D) educates children who:
2 (i) have been suspended, expelled, or excluded from a public school in that school corporation
3 and have been found to have an emotional disturbance;
4 (ii) have been placed with the nonprofit corporation by court order;
5 (iii) have been referred by a local health department;
6 (iv) have been placed in a state licensed private or public health care or child care facility as
7 described in section 8 of this chapter; or
8 (v) have been placed by or with the consent of the department under IC 20-35-6-2;
9 in order to provide a student with an individualized education program that is the most suitable
10 educational program available.

11 (b) If a school corporation that is a transferee corporation enters into an agreement as described in
12 subsection (a), the school corporation shall pay to the nonprofit corporation an amount agreed upon that
13 may not exceed the total of:

14 (1) the transfer tuition costs for the student that otherwise would be payable to the transferee
15 corporation; and

16 (2) a proportionate amount of any state or local distributions to the transferee corporation that are
17 computed in any part using **current** ADM or any other student count in which the student is
18 included, if the transferee corporation includes the student in the transferee corporation's **current**
19 ADM for ~~a school year~~. **the period in which the student is being educated by the nonprofit**
20 **corporation.**

21 (c) If a school corporation that is a transferor corporation enters into an agreement as described in
22 subsection (a), the school corporation shall pay to the nonprofit corporation an amount agreed upon,
23 which may not exceed the total of:

24 (1) the transfer tuition costs that otherwise would be payable to a transferee school corporation; and

25 (2) a proportionate amount of any state or local distributions to the transferor corporation that are
26 computed in any part using **current** ADM or any other student count in which the student is
27 included, if the transferor corporation includes the student in the transferor corporation's ADM for
28 ~~a school year~~. **the period in which the student is being educated by the nonprofit corporation.**

29 SECTION 175. IC 20-26-11-13, AS AMENDED BY P.L.229-2011, SECTION 173, IS AMENDED
30 TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 13. (a) As used in this section, the
31 following terms have the following meanings:

32 (1) "Class of school" refers to a classification of each school or program in the transferee corporation
33 by the grades or special programs taught at the school. Generally, these classifications are
34 denominated as kindergarten, elementary school, middle school or junior high school, high school,
35 and special schools or classes, such as schools or classes for special education, career and technical
36 education, or career education.

37 (2) "Special equipment" means equipment that during a school year:

38 (A) is used only when a child with disabilities is attending school;

39 (B) is not used to transport a child to or from a place where the child is attending school;

40 (C) is necessary for the education of each child with disabilities that uses the equipment, as
41 determined under the individualized education program for the child; and

42 (D) is not used for or by any child who is not a child with disabilities.

43 (3) "Student enrollment" means the following:

44 (A) The total number of students in kindergarten through grade 12 who are enrolled in a
45 transferee school corporation on a date determined by the state board.

46 (B) The total number of students enrolled in a class of school in a transferee school corporation
47 on a date determined by the state board.

48 However, a kindergarten student shall be counted under clauses (A) and (B) as one-half (1/2)
49 student. The state board may select a different date for counts under this subdivision. However, the
50 same date shall be used for all school corporations making a count for the same class of school.

51 (b) Each transferee corporation is entitled to receive for each school year on account of each
52 transferred student, except a student transferred under section 6 of this chapter, transfer tuition from the

1 transferor corporation or the state as provided in this chapter. Transfer tuition equals the amount
2 determined under STEP THREE of the following formula:

3 STEP ONE: Allocate to each transfer student the capital expenditures for any special equipment
4 used by the transfer student and a proportionate share of the operating costs incurred by the
5 transferee school for the class of school where the transfer student is enrolled.

6 STEP TWO: If the transferee school included the transfer student in the transferee school's **current**
7 ADM, ~~for a school year~~, allocate to the transfer student a proportionate share of the following
8 general fund revenues of the transferee school: ~~for, except as provided in clause (C), the calendar~~
9 ~~year in which the school year ends~~:

10 (A) State tuition support distributions **received during the calendar year in which the school**
11 **year ends.**

12 (B) Property tax levies under IC 20-45-7 and IC 20-45-8 **for the calendar year in which the**
13 **school year ends.**

14 (C) The sum of the following excise tax revenue received for deposit in the calendar year in
15 which the school year begins:

16 (i) Financial institution excise tax revenue (IC 6-5.5).

17 (ii) Motor vehicle excise taxes (IC 6-6-5).

18 (iii) Commercial vehicle excise taxes (IC 6-6-5.5).

19 (iv) Boat excise tax (IC 6-6-11).

20 (v) Aircraft license excise tax (IC 6-6-6.5).

21 (D) Allocations to the transferee school under IC 6-3.5.

22 STEP THREE: Determine the greater of:

23 (A) zero (0); or

24 (B) the result of subtracting the STEP TWO amount from the STEP ONE amount.

25 If a child is placed in an institution or facility in Indiana by or with the approval of the department of child
26 services, the institution or facility shall charge the department of child services for the use of the space
27 within the institution or facility (commonly called capital costs) that is used to provide educational
28 services to the child based upon a prorated per student cost.

29 (c) Operating costs shall be determined for each class of school where a transfer student is enrolled.

30 The operating cost for each class of school is based on the total expenditures of the transferee corporation
31 for the class of school from its general fund expenditures as specified in the classified budget forms
32 prescribed by the state board of accounts. This calculation excludes:

33 (1) capital outlay;

34 (2) debt service;

35 (3) costs of transportation;

36 (4) salaries of board members;

37 (5) contracted service for legal expenses; and

38 (6) any expenditure that is made from extracurricular account receipts;

39 for the school year.

40 (d) The capital cost of special equipment for a school year is equal to:

41 (1) the cost of the special equipment; divided by

42 (2) the product of:

43 (A) the useful life of the special equipment, as determined under the rules adopted by the state
44 board; multiplied by

45 (B) the number of students using the special equipment during at least part of the school year.

46 (e) When an item of expense or cost described in subsection (c) cannot be allocated to a class of
47 school, it shall be prorated to all classes of schools on the basis of the student enrollment of each class
48 in the transferee corporation compared with the total student enrollment in the school corporation.

49 (f) Operating costs shall be allocated to a transfer student for each school year by dividing:

50 (1) the transferee school corporation's operating costs for the class of school in which the transfer
51 student is enrolled; by

52 (2) the student enrollment of the class of school in which the transfer student is enrolled.

1 When a transferred student is enrolled in a transferee corporation for less than the full school year of
2 student attendance, the transfer tuition shall be calculated by the part of the school year for which the
3 transferred student is enrolled. A school year of student attendance consists of the number of days school
4 is in session for student attendance. A student, regardless of the student's attendance, is enrolled in a
5 transferee school unless the student is no longer entitled to be transferred because of a change of
6 residence, the student has been excluded or expelled from school for the balance of the school year or for
7 an indefinite period, or the student has been confirmed to have withdrawn from school. The transferor and
8 the transferee corporation may enter into written agreements concerning the amount of transfer tuition
9 due in any school year. If an agreement cannot be reached, the amount shall be determined by the state
10 board, and costs may be established, when in dispute, by the state board of accounts.

11 (g) A transferee school shall allocate revenues described in subsection (b) STEP TWO to a transfer
12 student by dividing:

13 (1) the total amount of revenues received **during a period**; by

14 (2) the **current** ADM of the transferee school for the **school year that ends in the calendar year**
15 **period** in which the revenues are received.

16 However, for state tuition support distributions or any other state distribution computed using less than
17 the total **current** ADM of the transferee school, the transferee school shall allocate the revenues to the
18 transfer student by dividing the revenues that the transferee school is eligible to receive **in a calendar year**
19 **during the period** by the student count used to compute the state distribution.

20 (h) Instead of the payments provided in subsection (b), the transferor corporation or state owing
21 transfer tuition may enter into a long term contract with the transferee corporation governing the transfer
22 of students. The contract may:

23 (1) be entered into for a period of not more than five (5) years with an option to renew;

24 (2) specify a maximum number of students to be transferred; and

25 (3) fix a method for determining the amount of transfer tuition and the time of payment, which may
26 be different from that provided in section 14 of this chapter.

27 (i) A school corporation may negotiate transfer tuition agreements with a neighboring school
28 corporation that can accommodate additional students. Agreements under this section may:

29 (1) be for one (1) year or longer; and

30 (2) fix a method for determining the amount of transfer tuition or time of payment that is different
31 from the method, amount, or time of payment that is provided in this section or section 14 of this
32 chapter.

33 A school corporation may not transfer a student under this section without the prior approval of the child's
34 parent.

35 SECTION 176. IC 20-26-11-22, AS ADDED BY P.L.1-2005, SECTION 10, IS AMENDED TO
36 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 22. (a) The transferee corporation is entitled
37 to receive from the transferor corporation transfer tuition for each transferred student for each school year
38 calculated in two (2) parts:

39 (1) operating cost; and

40 (2) capital cost.

41 These costs must be allocated on a per student basis separately for each class of school.

42 (b) The operating cost for each class of school must be based on the total expenditures of the transferee
43 corporation for the class from its general fund expenditures as set out on the classified budget forms
44 prescribed by the state board of accounts, excluding from the calculation capital outlay, debt service, costs
45 of transportation, salaries of board members, contracted service for legal expenses, and any expenditure
46 that is made out of the general fund from extracurricular account receipts, for the school year.

47 (c) The capital cost for each class of school must consist of the lesser of the following alternatives:

48 (1) The capital cost must be based on an amount equal to five percent (5%) of the cost of transferee
49 corporation's physical plant, equipment, and all items connected to the physical plant or equipment,
50 including:

51 (A) buildings, additions, and remodeling to the buildings, excluding ordinary maintenance; and

52 (B) on-site and off-site improvements such as walks, sewers, waterlines, drives, and playgrounds;

1 that have been paid or are obligated to be paid in the future out of the general fund, capital projects
2 fund, or debt service fund, including principal and interest, lease rental payments, and funds that
3 were legal predecessors to these funds. If an item of the physical plant, equipment, appurtenances,
4 or part of the item is more than twenty (20) years old at the beginning of the school year, the capital
5 cost of the item shall be disregarded in making the capital cost computation.

6 (2) The capital cost must be based on the amount budgeted from the general fund for capital outlay
7 for physical plant, equipment, and appurtenances and the amounts levied for the debt service fund
8 and the capital projects fund for the calendar year in which the school year ends.

9 (d) If an item of expense or cost cannot be allocated to a class of school, the item shall be prorated to
10 all classes of schools on the basis of the ADM of each class in the transferee corporation, **as determined**
11 **in the fall count of ADM in the school year**, compared to the total **current** ADM therein, **as**
12 **determined in the fall count of ADM in the school year**.

13 (e) The transfer tuition for each student transferred for each school year shall be calculated by dividing
14 the transferee school corporation's total operating costs and the total capital costs for the class of school
15 in which the student is enrolled by the ADM of students therein, **as determined in the fall count of ADM**
16 **in the school year**. If a transferred student is enrolled in a transferee corporation for less than the full
17 school year, the transfer tuition shall be calculated by the proportion of such school year for which the
18 transferred student is enrolled. A school year for this purpose consists of the number of days school is in
19 session for student attendance. A student shall be enrolled in a transferee school, whether or not the
20 student is in attendance, unless the:

21 (1) student's residence is outside the area of students transferred to the transferee corporation;

22 (2) student has been excluded or expelled from school; or

23 (3) student has been confirmed as a school dropout.

24 The transferor and transferee corporations may enter into written agreements concerning the amount of
25 transfer tuition. If an agreement cannot be reached, the amount shall be determined by the state
26 superintendent, with costs to be established, where in dispute, by the state board of accounts.

27 (f) The transferor corporation shall pay the transferee corporation, when billed, the amount of book
28 rental due from transferred students who are unable to pay the book rental amount. The transferor
29 corporation is entitled to collect the amount of the book rental from the appropriate township trustee, from
30 its own funds, or from any other source, in the amounts and manner provided by law.

31 SECTION 177. IC 20-26-11-23, AS AMENDED BY P.L.182-2009(ss), SECTION 317, IS AMENDED
32 TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 23. (a) If a transfer is ordered to commence
33 in a school year, where the transferor corporation has net additional costs over savings (on account of any
34 transfer ordered) allocable to the ~~calendar~~ **state fiscal** year in which the school year begins, and where
35 the transferee corporation does not have budgeted funds for the net additional costs, the net additional
36 costs may be recovered by one (1) or more of the following methods in addition to any other methods
37 provided by applicable law:

38 (1) An emergency loan made under IC 20-48-1-7 to be paid, out of the debt service levy and fund,
39 or a loan from any state fund made available for the net additional costs.

40 (2) An advance in the ~~calendar~~ **state fiscal** year of state funds, which would otherwise become
41 payable to the transferee corporation after such ~~calendar~~ **state fiscal** year under law.

42 (3) A grant or grants in the calendar year from any funds of the state made available for the net
43 additional costs.

44 (b) The net additional costs must be certified by the department of local government finance.
45 Repayment of any advance or loan from the state shall be made from state tuition support distributions
46 or other money available to the school corporation.

47 SECTION 178. IC 20-26-11-30, AS ADDED BY P.L.133-2008, SECTION 2, IS AMENDED TO
48 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 30. (a) This section applies to a student who
49 resided in a school corporation where the student had legal settlement for at least two (2) consecutive
50 school years immediately before moving to an adjacent school corporation.

51 (b) A school corporation in which a student had legal settlement for at least two (2) consecutive years
52 as described in subsection (a):

1 (1) shall allow the student to attend an appropriate school within the school corporation in which the
2 student formerly resided;
3 (2) may not request the payment of transfer tuition for the student from the school corporation in
4 which the student currently resides and has legal settlement or from the student's parent; and
5 (3) shall include the student in the school corporation's **current** ADM;
6 if the principal and superintendent in both school corporations jointly agree to enroll the student in the
7 school.

8 (c) If a student enrolls under this section in a school described in subsection (b)(1), the student's parent
9 must provide for the student's transportation to school.

10 (d) A student to whom this section applies may not enroll primarily for athletic reasons in a school in
11 a school corporation in which the student does not have legal settlement. However, a decision to allow
12 a student to enroll in a school corporation in which the student does not have legal settlement is not
13 considered a determination that the student did not enroll primarily for athletic reasons.

14 SECTION 179. IC 20-29-6-12.5, AS ADDED BY P.L.229-2011, SECTION 179, IS AMENDED TO
15 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 12.5. (a) Before August 1 of the first year of
16 the state budget biennium, the department shall provide the parties with an estimate of the general fund
17 revenue available for bargaining in the school corporation from the school funding formula.

18 (b) Within thirty (30) days after the date of the **first state fall count of ADM count date** of the school
19 year in the first year of the state budget biennium, the department shall provide the parties with a
20 certification of estimated general fund revenue available for bargaining from the school funding formula.
21 A school employer that has passed a general fund operating referendum under IC 20-46-1 must have that
22 amount certified by the department of local government finance. The school corporation must obtain the
23 certification before the commencement of bargaining. These certifications must be the basis for
24 determinations throughout impasse proceedings under this chapter.

25 SECTION 180. IC 20-31-8-4.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO
26 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 4.5. In addition to other benchmarks,**
27 **performance indicators, and accountability standards developed under this article, the state board**
28 **shall develop alternative benchmarks, performance indicators, and accountability standards to be**
29 **used in the assessment of schools that focus exclusively on providing an academic program for**
30 **students with developmental, intellectual, or behavioral challenges.**

31 SECTION 181. IC 20-31-8-5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO
32 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 5. The state board shall establish an**
33 **alternative accountability system to assess the performance of a charter school that is sponsored**
34 **by the Indiana charter school board established by IC 20-24-2.1-1 and designated as a recovery**
35 **school or an accelerated learning center.**

36 SECTION 182. IC 20-31-9.5-8 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO
37 READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 8. (a) If the state board, upon remand**
38 **of the Marion County Circuit Court case of Board of School Commissioners of the City of**
39 **Indianapolis v. Indiana State Board of Education and Indiana Department of Education (cause**
40 **number 49D03-1206-MI-023257), determines that the Indianapolis public school corporation or any**
41 **other school corporation is entitled to a distribution to correct the amount that was withheld under**
42 **IC 20-31-9.5 during July through December 2012 from state tuition support and federal funds**
43 **otherwise to be distributed to the school corporation, the following apply:**

- 44 (1) The state board shall make distributions to the following:
- 45 (A) The Indianapolis public school corporation.
 - 46 (B) Any other school corporation affected by a redetermination of the amount that was
47 withheld under IC 20-31-9.5 during July through December 2012.
- 48 (2) Before making a distribution to a school corporation under this section, the state board
49 must obtain from the recipient school corporation an agreement that the school corporation
50 will dismiss and not pursue any claims against the state or any state officer or entity, the
51 special management team, or the turnaround academy with regard to distributions received
52 by the special management team or turnaround academy under IC 20-31-9.5 during July

1 through December 2012.

2 (b) There is appropriated from the state general fund to the state board for the 2012-2013 state
3 fiscal year, seven million four hundred five thousand eight hundred ninety-two dollars (\$7,405,892)
4 to make distributions as provided in subsection (a).

5 SECTION 183. IC 20-33-5-4, AS ADDED BY P.L.1-2005, SECTION 17, IS AMENDED TO READ
6 AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 4. (a) The department shall provide each school
7 corporation with sufficient application forms for assistance under this chapter. **The department, in
8 consultation with the department of state revenue, shall prescribe the application form to be used.**
9 The state board of accounts shall ~~prescribe the forms to be used:~~ **approve the application form. The
10 application form must require at least the following information:**

11 (1) **Personal identification information for the applicant and student, including a copy of either
12 a:**

13 (A) **current and valid photo identification; or**

14 (B) **current utility bill, bank statement, government check, paycheck, or government
15 document;**

16 **that shows the name and residence address of the applicant as stated on the application.**

17 (2) **Sufficient documentation verifying the applicant's income.**

18 (3) **A notice to the applicant:**

19 (A) **that the information in the application and supporting documentation will be shared
20 with the department of state revenue for income verification purposes; and**

21 (B) **that the applicant is verifying, under penalties for perjury, that the information in the
22 application and supporting documentation is true, accurate, and complete.**

23 (4) **A place for the applicant to acknowledge that the applicant understands the content of the
24 notice required by subdivision (3).**

25 (b) **The school corporation shall:**

26 (1) **retain each application and the supporting documentation; and**

27 (2) **submit to the department a copy of all applications and the supporting documentation
28 along with the school corporation's request for a textbook fee reimbursement under this
29 chapter.**

30 SECTION 184. IC 20-33-5-7, AS AMENDED BY P.L.229-2011, SECTION 192, IS AMENDED TO
31 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 7. (a) If a determination is made that the
32 applicant is eligible for assistance, the school corporation shall pay the cost of the student's required fees.

33 (b) A school corporation shall receive a reimbursement from the department for some or all of the costs
34 incurred by a school corporation during a school year in providing textbook assistance to students who
35 are eligible under section 2 of this chapter.

36 (c) To be guaranteed some level of reimbursement from the department, the governing body of a
37 school corporation shall request the reimbursement before ~~November~~ **October** 1 of a school year.

38 (d) In its request, the governing body shall certify to the department:

39 (1) the number of students who are enrolled in that school corporation and who are eligible for
40 assistance under this chapter;

41 (2) the costs incurred by the school corporation in providing:

42 (A) textbooks (including textbooks used in special education and high ability classes) to these
43 students;

44 (B) workbooks, digital content, and consumable textbooks (including workbooks, consumable
45 textbooks, and other consumable instructional materials that are used in special education and
46 high ability classes) that are used by students for not more than one (1) school year;

47 (C) instead of the purchase of textbooks, developmentally appropriate material for instruction in
48 kindergarten through the grade 3 level, laboratories, and children's literature programs; and

49 (D) curricular materials (as defined in IC 20-20-5.5-1);

50 (3) that each textbook described in subdivision (2)(A) (except those textbooks used in special
51 education classes and high ability classes) has been adopted by the governing body; and

52 (4) any other information required by the department.

1 (e) Each school within a school corporation **and the department** shall maintain complete and accurate
2 information concerning the number of students determined to be eligible for assistance under this chapter.
3 ~~This information shall be provided to the department upon request.~~

4 (f) Parents receiving other governmental assistance or aid that considers educational needs in
5 computing the entire amount of assistance granted may not be denied assistance if the applicant's total
6 family income does not exceed the standards established by this chapter.

7 (g) The amount of reimbursement that a school corporation is entitled to receive shall be determined
8 as provided in section 9.5 of this chapter.

9 SECTION 185. IC 20-33-5-9, AS AMENDED BY P.L.229-2011, SECTION 193, IS AMENDED TO
10 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 9. (a) If a parent of a child or an emancipated
11 minor who is enrolled in an accredited nonpublic school meets the financial eligibility standard under
12 section 2 of this chapter, the parent or the emancipated minor may receive a reimbursement from the
13 department as provided in this chapter for the costs or some of the costs incurred by the parent or
14 emancipated minor in fees that are reimbursable under section 7 of this chapter.

15 (b) The department shall provide each accredited nonpublic school with sufficient application forms
16 for assistance, **as prescribed by the department under section 4 of this chapter and approved** by the
17 state board of accounts.

18 (c) Each accredited nonpublic school shall provide the parents or emancipated minors who wish to
19 apply for assistance with:

- 20 (1) the appropriate application forms; and
- 21 (2) any assistance needed in completing the application form.

22 (d) The parent or emancipated minor shall submit the application to the accredited nonpublic school.
23 The accredited nonpublic school shall make a determination of financial eligibility subject to appeal by
24 the parent or emancipated minor. **The accredited nonpublic school shall:**

- 25 **(1) retain each application and the supporting documentation; and**
- 26 **(2) submit to the department a copy of all applications and the supporting documentation**
27 **along with the accredited nonpublic school's request for a textbook fee reimbursement under**
28 **this section.**

29 (e) If a determination is made that the applicant is eligible for assistance, subsection (a) applies.

30 (f) To be guaranteed some level of reimbursement from the department, the principal or other designee
31 shall submit the reimbursement request before ~~November~~ **October** 1 of a school year.

32 (g) In its request, the principal or other designee shall certify to the department:

- 33 (1) the number of students who are enrolled in the accredited nonpublic school and who are eligible
34 for assistance under this chapter;
- 35 (2) the costs incurred in providing:
 - 36 (A) textbooks (including textbooks used in special education and high ability classes);
 - 37 (B) workbooks, digital content, and consumable textbooks (including workbooks, consumable
38 textbooks, and other consumable teaching materials that are used in special education and high
39 ability classes) that are used by students for not more than one (1) school year; and
 - 40 (C) curricular materials (as defined in IC 20-20-5.5-1);
- 41 (3) that each textbook described in subdivision (2)(A) (except those textbooks used in special
42 education classes and high ability classes) has been adopted by the governing body; and
- 43 (4) any other information required by the department.

44 (h) The amount of reimbursement that a parent or emancipated minor is entitled to receive shall be
45 determined as provided in section 9.5 of this chapter.

46 (i) The accredited nonpublic school shall distribute the money received under this chapter to the
47 appropriate eligible parents or emancipated minors.

48 (j) Section ~~7(h)~~ **7(f)** of this chapter applies to parents or emancipated minors as described in this
49 section.

50 (k) The accredited nonpublic school and the department shall maintain complete and accurate
51 information concerning the number of applicants determined to be eligible for assistance under this
52 section.

1 (l) The state board shall adopt rules under IC 4-22-2 to implement this section.
2 SECTION 186. IC 20-33-5-9.5, AS ADDED BY P.L.229-2011, SECTION 194, IS AMENDED TO
3 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 9.5. (a) This section applies to reimbursements
4 made under this chapter in ~~calendar the state fiscal year 2012 and thereafter: beginning after June 30,~~
5 **2013.**

6 (b) The amount of reimbursement that a school corporation or an accredited nonpublic school is
7 entitled to receive under section 7 of this chapter in a ~~calendar state fiscal~~ year is equal to the amount
8 determined in the following STEPS:

9 STEP ONE: Determine the amount appropriated to make reimbursements under this chapter for the
10 state fiscal year. ~~ending in the calendar year.~~

11 STEP TWO: Determine the total number of eligible students for which reimbursement was
12 requested under either section 7 or 9 of this chapter before November 1 of the previous calendar year
13 by all school corporations and accredited nonpublic schools.

14 STEP THREE: Divide the result determined in STEP ONE by the number determined in STEP
15 TWO.

16 STEP FOUR: Multiply:

17 (A) the STEP THREE result; by

18 (B) the number of eligible students for which reimbursement was requested under section 7 or
19 9 of this chapter before November 1 of the ~~previous calendar state fiscal~~ year by the school
20 corporation or the accredited nonpublic school.

21 SECTION 187. IC 20-33-5-16 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO
22 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 16. (a) Before December 1 each school year,**
23 **the department shall submit to the department of state revenue a random sample of applications**
24 **consisting of twenty-five percent (25%) of the applications submitted under this chapter for that**
25 **school year.**

26 (b) **The department of state revenue shall verify the accuracy of the income information**
27 **submitted in these applications and report its findings to the department and to the office of**
28 **management and budget before March 1 of the following year. In addition, if the department of**
29 **state revenue finds that the income claimed on a particular application is less than the applicant's**
30 **income as verified by the department of state revenue, the department of state revenue shall report**
31 **that information to the attorney general and to the appropriate county prosecuting attorney.**

32 SECTION 188. IC 20-43-1-1, AS AMENDED BY P.L.144-2012, SECTION 2, IS AMENDED TO
33 READ AS FOLLOWS [EFFECTIVE JUNE 30, 2013]: Sec. 1. This article expires July 1, ~~2013:~~ **2015.**

34 SECTION 189. IC 20-43-1-6, AS ADDED BY P.L.2-2006, SECTION 166, IS AMENDED TO READ
35 AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 6. "ADM" refers to average daily membership
36 determined under ~~IC 20-43-4-2:~~ **IC 20-43-4.**

37 SECTION 190. IC 20-43-1-7, AS ADDED BY P.L.2-2006, SECTION 166, IS AMENDED TO READ
38 AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 7. "ADM of the previous year" means:

39 (1) **for previous state fiscal years ending before July 1, 2013, the initial computed fall count of**
40 **ADM; for the school year ending in the preceding calendar year.**

41 (2) **for previous state fiscal years ending after June 30, 2013, and before July 1, 2014, the**
42 **average of the fall 2012 adjusted ADM count and the fall 2013 adjusted ADM count; and**

43 (3) **for previous state fiscal years ending after June 30, 2014, the average of the previous year's**
44 **fall and spring adjusted ADM counts.**

45 SECTION 191. IC 20-43-1-10, AS AMENDED BY P.L.144-2012, SECTION 3, IS AMENDED TO
46 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 10. "Current ADM" means:

47 (1) **for distributions made under this article before July 1, 2013, the fall count of ADM for the**
48 **school year ending in the calendar year; and**

49 (2) **for distributions made under this article after June 30, 2013, the:**

50 (A) **spring count of ADM for distributions in the months of January through June of the**
51 **calendar year in which the spring count is taken; and**

52 (B) **fall count of ADM for distributions in the months of July through December of the**

1 **calendar year in which the fall count is taken.**

2 SECTION 192. IC 20-43-1-18 IS REPEALED [EFFECTIVE JULY 1, 2013]. ~~Sec. 18. "Maximum state~~
3 ~~distribution" refers to the amount determined under IC 20-43-2-2.~~

4 SECTION 193. IC 20-43-1-21 IS REPEALED [EFFECTIVE JULY 1, 2013]. ~~Sec. 21. "Primetime~~
5 ~~distribution" refers to the amount determined under IC 20-43-9-6.~~

6 SECTION 194. IC 20-43-1-25, AS AMENDED BY P.L.229-2011, SECTION 203, IS AMENDED TO
7 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 25. "State tuition support" means the amount
8 of state funds to be distributed to:

9 (1) a school corporation other than a virtual charter school in any **calendar state fiscal** year under
10 this article for all grants, distributions, and awards described in IC 20-43-2-3; and

11 (2) a virtual charter school in any **calendar state fiscal** year under IC 20-43-6-3.

12 SECTION 195. IC 20-43-2-1, AS AMENDED BY P.L.146-2008, SECTION 481, IS AMENDED TO
13 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 1. The department shall distribute the amount
14 appropriated by the general assembly for distribution as state tuition support in accordance with this
15 article. If the appropriations for distribution as state tuition support are more than required under this
16 article, any excess shall revert to the state general fund. The appropriations for state tuition support shall
17 be made each **calendar state fiscal** year under a schedule set by the budget agency and approved by the
18 governor. However, the schedule must provide:

19 (1) for at least twelve (12) payments;

20 (2) that one (1) payment shall be made at least every forty (40) days; and

21 (3) the total of the payments in each **calendar state fiscal** year must equal the amount required under
22 this article.

23 SECTION 196. IC 20-43-2-2, AS AMENDED BY P.L.229-2011, SECTION 204, IS AMENDED TO
24 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 2. The maximum state distribution for a
25 **calendar state fiscal** year for all school corporations for the purposes described in section 3 of this chapter
26 is

27 ~~(1) six billion two hundred forty-seven million eight hundred thousand dollars (\$6,247,800,000) in~~
28 ~~2011;~~

29 ~~(2) six billion two hundred seventy-seven million eight hundred thousand dollars (\$6,277,800,000)~~
30 ~~in 2012; and~~

31 ~~(3) six billion three hundred thirty-nine million six hundred thousand dollars (\$6,339,600,000) in~~
32 ~~2013; the amount appropriated by the general assembly for those purposes for that state fiscal~~
33 ~~year.~~

34 SECTION 197. IC 20-43-2-3, AS AMENDED BY P.L.229-2011, SECTION 205, IS AMENDED TO
35 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 3. If the total amount to be distributed:

36 (1) as basic tuition support;

37 (2) for honors diploma awards;

38 (3) for ~~primetime distributions;~~ **complexity grants;**

39 (4) for special education grants; ~~and~~

40 (5) for career and technical education grants;

41 **(6) for choice scholarships;**

42 **(7) for Mitch Daniels early graduation scholarships; and**

43 **(8) for full-day kindergarten grants;**

44 for a particular **state fiscal** year exceeds the ~~maximum state distribution amounts appropriated by the~~
45 ~~general assembly for those purposes~~ for a ~~calendar the state fiscal~~ year, the amount to be distributed
46 for state tuition support under this article to each school corporation during each of the ~~last six (6)~~
47 ~~remaining~~ months of the **state fiscal** year shall be proportionately reduced so that the total reductions
48 equal the amount of the excess.

49 SECTION 198. IC 20-43-2-8 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO
50 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 8. (a) Beginning July 1, 2013, distributions**
51 **for basic tuition support, honors diploma awards, complexity grants, special education grants,**
52 **career and technical education grants, choice scholarships, Mitch Daniels early graduation**

1 scholarships, and full-day kindergarten grants shall be made on a state fiscal year basis rather than
2 a calendar year basis.

3 (b) The following is the intent of the general assembly:

4 (1) The distributions for basic tuition support, honors diploma awards, special education
5 grants, career and technical education grants, choice scholarships, and Mitch Daniels early
6 graduation scholarships that are provided for under this article (as this article exists on
7 January 1, 2013) for calendar year 2013 shall be made only during the first six (6) months of
8 calendar year 2013.

9 (2) Except as otherwise provided, the distributions for basic tuition support, honors diploma
10 awards, complexity grants, special education grants, career and technical education grants,
11 choice scholarships, Mitch Daniels early graduation scholarships, and full-day kindergarten
12 grants that are provided for under this article (as this article exists on July 1, 2013) shall be
13 made during the state fiscal year beginning July 1, 2013.

14 (3) IC 20-43-3-7 and IC 20-43-3-8 apply to the distributions made after June 30, 2013.

15 (c) The department shall make any adjustments required to carry out the change from
16 distributions made on a calendar year basis to distributions made on a state fiscal year basis.

17 SECTION 199. IC 20-43-3-4, AS AMENDED BY P.L.229-2011, SECTION 206, IS AMENDED TO
18 READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) **This subsection applies to the**
19 **determination of a school corporation's previous year's revenue for purposes of determining**
20 **distributions under this article before July 1, 2013.** A school corporation's previous year revenue
21 equals the amount determined under STEP TWO of the following formula:

22 STEP ONE: Determine the sum of the following:

23 (A) the school corporation's basic tuition support actually received for the year that precedes the
24 current year.

25 (B) For 2012, the restoration grant (IC 20-43-12 (repealed)) actually received for 2011.

26 (C) For 2012, the small school grant (IC 20-43-12.2 (repealed)) actually received for 2011.

27 STEP TWO: Subtract from the STEP ONE result an amount equal to the reduction in the school
28 corporation's state tuition support under any combination of subsection (b) (d) or IC 20-30-2-4.

29 (b) **This subsection applies to the determination of a school corporation's previous year's revenue**
30 **for purposes of determining distributions under this article after June 30, 2013, but before July 1,**
31 **2014.** A school corporation's previous year revenue equals the amount determined under STEP
32 **THREE** of the following formula:

33 STEP ONE: Determine the sum of the following:

34 (A) The school corporation's basic tuition support actually received for the state fiscal year
35 that precedes the current state fiscal year.

36 (B) The primetime grant actually received for the state fiscal year that precedes the current
37 state fiscal year under IC 20-43-9 (before the abolishment of the primetime grant).

38 STEP TWO: After making the following calculations, subtract the amount determined under
39 clause (H) from the STEP ONE result:

40 (A) Subtract one (1) from the school corporation's 2012 complexity index.

41 (B) Multiply the clause (A) result by the school corporation's 2012 ADM.

42 (C) Multiply the clause (B) result by four thousand two hundred eighty dollars (\$4,280).

43 (D) Subtract one (1) from the school corporation's 2013 complexity index.

44 (E) Multiply the clause (D) result by the school corporation's 2013 ADM.

45 (F) Multiply the clause (E) result by four thousand four hundred five dollars (\$4,405).

46 (G) Determine the sum of the clause (C) and clause (F) results.

47 (H) Divide the clause (G) result by two (2).

48 STEP THREE: Subtract from the STEP TWO result an amount equal to the reduction in the
49 school corporation's state tuition support under any combination of subsection (d) or
50 IC 20-30-2-4.

51 (c) **This subsection applies to the determination of a school corporation's previous year's revenue**
52 **for purposes of determining distributions under this article after June 30, 2014.** A school

1 corporation's previous year revenue equals the amount determined under STEP TWO of the
2 following formula:

3 **STEP ONE: Determine the school corporation's basic tuition support actually received for the**
4 **state fiscal year that immediately precedes the current state fiscal year.**

5 **STEP TWO: Subtract from the STEP ONE result an amount equal to the reduction in the**
6 **school corporation's state tuition support under any combination of subsection (d) or**
7 **IC 20-30-2-4.**

8 ~~(b)~~ (d) A school corporation's previous year revenue must be reduced if:

9 (1) the school corporation's state tuition support for special education or career and technical
10 education is reduced as a result of a complaint being filed with the department after December 31,
11 1988, because the school program overstated the number of children enrolled in special education
12 programs or career and technical education programs; and

13 (2) the school corporation's previous year revenue has not been reduced under this subsection more
14 than one (1) time because of a given overstatement.

15 The amount of the reduction equals the amount the school corporation would have received in state tuition
16 support for special education and career and technical education because of the overstatement.

17 **SECTION 200. IC 20-43-3-7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO**
18 **READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) This section applies to**
19 **distributions under this article that:**

20 (1) are computed in any part based on a count of students under IC 20-43-4-2 or
21 IC 20-43-4-4.5; and

22 (2) are made after June 30, 2013.

23 (b) After June 30, 2013, the number of eligible pupils counted on the September count date (as
24 adjusted under IC 20-43-4-2) applies to distributions made in November and December of the year
25 in which the September count is made and in January, February, and March of the year following
26 the year in which the September count is made.

27 (c) The number of eligible pupils counted on the February count date (as adjusted under
28 IC 20-43-4-2) applies to distributions made in April, May, and June.

29 (d) Subject to adjustment under section 8 of this chapter, the estimate of the school corporation's
30 ADM for the following September, as determined by the department under IC 20-43-4-2(b), applies
31 to distributions made in July, August, September, and October.

32 (e) If the state board subsequently adjusts under IC 20-43-4-2 a count used for a distribution
33 under this article, the department shall adjust subsequent distributions to the school corporation
34 that are affected by the adjusted count, on the schedule determined by the department, to reflect
35 the differences between the distribution that the school corporation received and the distribution
36 that the school corporation would have received if the adjusted count had been used.

37 **SECTION 201. IC 20-43-3-8 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO**
38 **READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 8. Distributions under this article that are**
39 **computed in any part based on a count of students under IC 20-43-4-2, IC 20-43-4-4, or**
40 **IC 20-43-4-4.5, and that are made after June 30, 2013, shall be reconciled as follows:**

41 (1) In October of each year, the department shall determine the result of:

42 (A) the total amount of the distributions that would have been received by the school
43 corporation during the months of July, August, September, and October if the distributions
44 had been based on the September count of that year instead of the estimated September
45 count made in the preceding May under IC 20-43-4-2(b); minus

46 (B) the total amount of the distributions received by the school corporation during the
47 months of July, August, September, and October of that year.

48 (2) If the result determined under subdivision (1) is positive, the school corporation shall
49 receive an additional distribution in November equal to the result determined under
50 subdivision (1).

51 (3) If the result determined under subdivision (1) is negative, the distributions otherwise
52 received by the school corporation in November, December, January, and February shall be

1 proportionately reduced so that the total reduction is equal to the result determined under
2 subdivision (1).

3 (4) In March of each year, the department shall determine the result of:

4 (A) the total amount of the distributions that would have been received by the school
5 corporation during the months of January, February, and March if the distributions had
6 been based on the February count of that year instead of the count made in the preceding
7 September; minus

8 (B) the sum of:

9 (i) total amount of the distributions received by the school corporation during the months
10 of January, February, and March of that year; plus

11 (ii) the total amount of any reductions made under subdivision (3) in January and
12 February of that year.

13 (5) If the result determined under subdivision (4) is positive, the school corporation shall
14 receive an additional distribution in April equal to the result determined under subdivision (4).

15 (6) If the result determined under subdivision (4) is negative, the distributions otherwise
16 received by the school corporation in April, May, and June of that year shall be
17 proportionately reduced so that the total reduction is equal to the result determined under
18 subdivision (4).

19 SECTION 202. IC 20-43-4-2, AS ADDED BY P.L.2-2006, SECTION 166, IS AMENDED TO READ
20 AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) A school corporation's ADM is the number
21 of eligible pupils enrolled in:

22 (1) the school corporation; or

23 (2) a transferee corporation;

24 on a day to be the days fixed annually in September and in February by the state board for a count of
25 students under section 3 of this chapter and as subsequently adjusted not later than January 30 the date
26 specified under the rules adopted by the state board. The state board may adjust the school's count of
27 eligible pupils if the state board determines that the count is unrepresentative of the school
28 corporation's enrollment.

29 (b) Each school corporation shall in June of 2013 and in May of each year thereafter provide to
30 the department an estimate of the school corporation's ADM that will result from the count of
31 eligible pupils in the following September. The department may update and adjust the estimate as
32 determined appropriate by the department.

33 SECTION 203. IC 20-43-4-4, AS ADDED BY P.L.2-2006, SECTION 166, IS AMENDED TO READ
34 AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 4. (a) The state board shall monitor changes that occur
35 after the fall count of ADM count in the number of students enrolled in programs for children with
36 disabilities. The state board shall:

37 (1) before December 2 of that same year; and

38 (2) before April 2 of the following calendar year;

39 make an adjusted count of students enrolled in programs for children with disabilities The state
40 superintendent shall certify the December adjusted count to the budget committee before February 5 of
41 the following year and the April adjusted count not later than May 31 immediately after the date of the
42 April adjusted count. The state board may adjust the school's count of students enrolled in programs
43 for children with disabilities if the state board determines that the count is unrepresentative of the
44 school corporation's enrollment.

45 (b) The department shall distribute special education grants under IC 20-43-7 using only the
46 count specified in IC 20-43-7-1.

47 SECTION 204. IC 20-43-4-4.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO
48 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 4.5. (a) This section applies to a count of
49 individuals required under this article that is not described in section 2 or 4 of this chapter.

50 (b) The state board shall monitor changes that occur in the number of students counted under
51 this article. The state board:

52 (1) shall require a count of students two (2) times per school year on the same days that ADM

1 counts are conducted under sections 2 and 3 of this chapter; and
2 (2) may adjust the counts as provided in section 2 of this chapter.

3 SECTION 205. IC 20-43-4-4.6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO
4 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 4.6. IC 20-43-8-1 applies to a count of**
5 **students for career and technical education grants.**

6 SECTION 206. IC 20-43-4-6, AS AMENDED BY P.L.234-2007, SECTION 239, IS AMENDED TO
7 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 6. (a) In determining ADM, each pupil enrolled
8 in a public school and a nonpublic school is to be counted on a full-time equivalency basis if the pupil:

- 9 (1) is enrolled in a public school and a nonpublic school;
10 (2) has legal settlement in a school corporation; and
11 (3) receives instructional services from the school corporation.

12 (b) For purposes of this section, full-time equivalency is calculated as follows:

13 STEP ONE: Determine the result of:

- 14 (A) the number of days instructional services will be provided to the pupil, not to exceed one
15 hundred eighty (180); divided by
16 (B) one hundred eighty (180).

17 STEP TWO: Determine the result of:

- 18 (A) the pupil's public school instructional time (as defined in IC 20-30-2-1); divided by
19 (B) the actual public school regular instructional day (as defined in IC 20-30-2-2).

20 STEP THREE: Determine the result of:

- 21 (A) the STEP ONE result; multiplied by
22 (B) the STEP TWO result.

23 STEP FOUR: Determine the lesser of one (1) or the result of:

- 24 (A) the STEP THREE result; multiplied by
25 (B) one and five hundredths (1.05).

26 **However, the state board may, by rules adopted under IC 4-22-2, specify an equivalent formula if**
27 **the state board determines that the equivalent formula would more accurately reflect the**
28 **instructional services provided by a school corporation during a period that a particular ADM**
29 **count is in effect for the school corporation.**

30 SECTION 207. IC 20-43-4-7, AS AMENDED BY P.L.229-2011, SECTION 207, IS AMENDED TO
31 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 7. ~~When calculating adjusted ADM for 2012~~
32 ~~distributions, this section, as effective after December 31, 2011, shall be used to calculate the adjusted~~
33 ~~ADM for the previous year rather than the calculation used to calculate adjusted ADM for 2011~~
34 ~~distributions.~~ For purposes of this article, a school corporation's "adjusted ADM" for the current year is
35 the school corporation's current ADM. **However, for purposes of determining the adjusted ADM for**
36 **distributions in the state fiscal year beginning July 1, 2013, and in the state fiscal year beginning**
37 **July 1, 2014, the school corporation's February count of ADM may not be less than ninety percent**
38 **(90%) of the school corporation's September count of ADM, regardless of the actual amount of the**
39 **February count of ADM.**

40 SECTION 208. IC 20-43-5-1, AS AMENDED BY P.L.234-2007, SECTION 241, IS AMENDED TO
41 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 1. A school corporation's transition to
42 foundation revenue per adjusted ADM for a ~~calendar~~ **state fiscal** year is the amount determined under
43 section 9 of this chapter.

44 SECTION 209. IC 20-43-5-2, AS AMENDED BY P.L.234-2007, SECTION 242, IS AMENDED TO
45 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 2. The following amounts must be determined
46 under this chapter to calculate a school corporation's transition to foundation revenue per adjusted ADM
47 for a ~~calendar~~ **state fiscal** year:

- 48 (1) The school corporation's complexity index for the ~~calendar~~ **state fiscal** year under section 3 of
49 this chapter.
50 (2) The school corporation's foundation amount for the ~~calendar~~ **state fiscal** year under section 4 of
51 this chapter.
52 (3) The school corporation's previous year revenue foundation amount for the ~~calendar~~ **state fiscal**

1 year under section 5 of this chapter.
2 (4) The school corporation's transition to foundation amount for the **calendar state fiscal** year under
3 section 6 of this chapter.

4 (5) The school corporation's transition to foundation revenue for the **calendar state fiscal** year under
5 section 7 of this chapter.

6 SECTION 210. IC 20-43-5-4, AS AMENDED BY P.L.229-2011, SECTION 209, IS AMENDED TO
7 READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. A school corporation's foundation
8 amount for a **calendar year** is the result determined under STEP THREE of the following formula: **is the**
9 **STEP ONE amount (for a state fiscal year beginning after June 30, 2013) or the STEP THREE**
10 **amount (for the first six (6) months of 2013) determined as follows:**

11 STEP ONE: The STEP ONE amount is
12 (A) in 2012, four thousand two hundred eighty dollars (\$4,280); and as follows:
13 (B) (A) In the first six (6) months of 2013, four thousand four hundred five dollars (\$4,405).
14 (B) In the state fiscal year beginning July 1, 2013, four thousand five hundred sixty dollars
15 (\$4,560).
16 (C) In the state fiscal year beginning July 1, 2014, four thousand five hundred eighty-two
17 dollars (\$4,582).

18 STEP TWO: For the first six (6) months of 2013, multiply the STEP ONE amount by the school
19 corporation's complexity index.

20 STEP THREE: For the first six (6) months of 2013, determine the sum of the STEP TWO amount
21 and the following:

22 (A) Zero dollars (\$0), if the school corporation's current ADM is less than five hundred (500).
23 (B) One hundred fifty dollars (\$150), if the school corporation's current ADM is at least five
24 hundred (500) and is not more than one thousand (1,000).
25 (C) The result of one hundred fifty thousand dollars (\$150,000) divided by the school
26 corporation's current ADM, if the school corporation's current ADM is more than one thousand
27 (1,000).

28 SECTION 211. IC 20-43-5-5, AS AMENDED BY P.L.182-2009(ss), SECTION 335, IS AMENDED
29 TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 5. A school corporation's previous year
30 revenue foundation amount for a **calendar state fiscal** year is equal to the result of:

31 (1) the school corporation's previous year revenue; divided by
32 (2) the school corporation's ~~adjusted~~ ADM for of the previous year.

33 SECTION 212. IC 20-43-5-6, AS AMENDED BY P.L.229-2011, SECTION 210, IS AMENDED TO
34 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 6. (a) A school corporation's transition to
35 foundation amount for a **calendar state fiscal** year is equal to the result determined under STEP TWO of
36 the following formula:

37 STEP ONE: Determine the difference of:
38 (A) the school corporation's foundation amount; minus
39 (B) the lesser of:
40 (i) the school corporation's previous year revenue foundation amount. ~~or~~
41 (ii) the result of the school corporation's foundation amount multiplied by one and two-tenths
42 (1.2).

43 STEP TWO: A school corporation's STEP TWO amount is the following:
44 (A) For a charter school located outside Marion County that has previous year revenue that is not
45 greater than zero (0), the charter school's STEP TWO amount is the quotient of:
46 (i) the school corporation's transition to foundation revenue for the **calendar state fiscal** year
47 where the charter school is located; divided by
48 (ii) the school corporation's current ADM.
49 (B) For a charter school located in Marion County that has previous year revenue that is not
50 greater than zero (0), the charter school's STEP TWO amount is the weighted average of the
51 transition to foundation revenue for the school corporations where the students counted in the
52 current ADM of the charter school have legal settlement, as determined under item (iv) of the

1 following formula:

2 (i) Determine the transition to foundation revenue for each school corporation where a student
3 counted in the current ADM of the charter school has legal settlement.

4 (ii) For each school corporation identified in item (i), divide the item (i) amount by the school
5 corporation's current ADM.

6 (iii) For each school corporation identified in item (i), multiply the item (ii) amount by the
7 number of students counted in the current ADM of the charter school that have legal settlement
8 in the particular school corporation.

9 (iv) Determine the sum of the item (iii) amounts for the charter school.

10 (C) The STEP TWO amount for a school corporation that is not a charter school described in
11 clause (A) or (B) is the following:

12 (i) The school corporation's foundation amount for the ~~calendar~~ **state fiscal** year if the STEP
13 ONE amount is zero (0) or greater **or, for purposes of the state fiscal year beginning July**
14 **1, 2013, if the school corporation satisfies the conditions of subsection (c).**

15 (ii) The amount determined under subsection (b), if the school corporation's STEP ONE
16 amount is less than zero (0). **However, this item does not apply to a school corporation that**
17 **satisfies the conditions of subsection (c).**

18 (b) For the purposes of STEP TWO (C)(ii) in subsection (a), determine the result of:

19 (1) the result determined for the school corporation under STEP ONE (B) of subsection (a); minus

20 (2) the result of:

21 (A) the absolute value of the STEP ONE amount; divided by

22 (B) ~~seven (7) in 2012 and six (6) in 2013.~~ **the following:**

23 (i) **Four (4) in the state fiscal year beginning July 1, 2013.**

24 (ii) **Three (3) in the state fiscal year beginning July 1, 2014.**

25 (c) **For purposes of subsection (a), STEP TWO (C), a school corporation satisfies the conditions**
26 **of this subsection if:**

27 (1) **the result of the school corporation's calendar year 2013 foundation amount was equal to**
28 **the school corporation's calendar year 2013 transition to foundation amount; and**

29 (2) **the result of:**

30 (A) **the school corporation's previous year revenue per adjusted ADM, for the state fiscal**
31 **year beginning July 1, 2013; minus**

32 (B) **the school corporation's foundation amount for the state fiscal year beginning July 1,**
33 **2013;**

34 **is greater than zero (0) and is less than the result of the primetime grant actually received by**
35 **the school corporation for the state fiscal year that precedes the current state fiscal year under**
36 **IC 20-43-9 (before the abolishment of the primetime grant) divided by the school corporation's**
37 **ADM of the previous year.**

38 SECTION 213. IC 20-43-5-7, AS AMENDED BY P.L.229-2011, SECTION 211, IS AMENDED TO
39 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 7. A school corporation's transition to
40 foundation revenue for a ~~calendar~~ **state fiscal** year is equal to the product of:

41 (1) the school corporation's transition to foundation amount for the ~~calendar~~ **state fiscal** year;
42 multiplied by

43 (2) the school corporation's current ADM.

44 SECTION 214. IC 20-43-5-9, AS AMENDED BY P.L.234-2007, SECTION 247, IS AMENDED TO
45 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 9. A school corporation's transition to
46 foundation revenue per adjusted ADM for a ~~calendar~~ **state fiscal** year is the quotient of:

47 (1) the school corporation's transition to foundation revenue for the ~~calendar~~ **state fiscal** year;
48 divided by

49 (2) the school corporation's current adjusted ADM.

50 SECTION 215. IC 20-43-6-1, AS AMENDED BY P.L.182-2009(ss), SECTION 338, IS AMENDED
51 TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 1. Subject to the amount appropriated by
52 the general assembly for state tuition support and IC 20-43-2, the amount that a school corporation is

1 entitled to receive in basic tuition support for a **state fiscal** year is the amount determined in section 3 of
2 this chapter.

3 SECTION 216. IC 20-43-6-3, AS AMENDED BY P.L.229-2011, SECTION 212, IS AMENDED TO
4 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 3. (a) A school corporation's basic tuition
5 support for a **state fiscal** year is the amount determined under the applicable provision of this section.

6 (b) The school corporation's basic tuition support for a **state fiscal** year is equal to the school
7 corporation's transition to foundation revenue for the year.

8 (c) This subsection applies to students of a virtual charter school. A virtual charter school's basic
9 tuition support for a **state fiscal** year for those students is the amount determined under IC 20-24-7-13.

10 SECTION 217. IC 20-43-7-1, AS ADDED BY P.L.2-2006, SECTION 166, IS AMENDED TO READ
11 AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 1. **(a)** In addition to the amount a school corporation
12 is entitled to receive in basic tuition support, each school corporation is entitled to receive a grant for
13 special education programs **for the state fiscal year. Subject to subsections (b) and (c),** the amount of
14 the special education grant is based on the count of eligible pupils enrolled in special education programs
15 on December 1 of the preceding **state fiscal** year in:

16 (1) the school corporation; or

17 (2) a transferee corporation.

18 **(b) Before February 1 of each calendar year, the department shall determine the result of:**

19 **(1) the total amount of the special education grant that would have been received by the school**
20 **corporation during the months of July, August, September, October, November, and**
21 **December of the preceding calendar year and January of the current calendar year if the**
22 **grant had been based on the count of students with disabilities that was made on the**
23 **immediately preceding December 1; minus**

24 **(2) the total amount of the special education grant received by the school corporation during**
25 **the months of July, August, September, October, November, and December of the preceding**
26 **calendar year and January of the current calendar year.**

27 **If the result determined under this subsection is positive, the school corporation shall receive an**
28 **additional special education grant distribution in February equal to the result determined under**
29 **this subsection. If the result determined under this subsection is negative, the special education**
30 **grant distributions that otherwise would be received by the school corporation in February, March,**
31 **April, and May shall be proportionately reduced so that the total reduction is equal to the result**
32 **determined under this subsection.**

33 **(c) The special education grant distributions made in February, March, April, May, and June**
34 **of a calendar year shall be based on the count of students with disabilities that was made on the**
35 **immediately preceding December 1.**

36 SECTION 218. IC 20-43-7-6, AS AMENDED BY P.L.182-2009(ss), SECTION 340, IS AMENDED
37 TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 6. A school corporation's special education
38 grant for a **calendar state fiscal** year is equal to the sum of the following:

39 (1) The nonduplicated count of pupils in programs for severe disabilities multiplied by eight
40 thousand three hundred fifty dollars (\$8,350).

41 (2) The nonduplicated count of pupils in programs of mild and moderate disabilities multiplied by
42 two thousand two hundred sixty-five dollars (\$2,265).

43 (3) The duplicated count of pupils in programs for communication disorders multiplied by five
44 hundred thirty-three dollars (\$533).

45 (4) The cumulative count of pupils in homebound programs multiplied by five hundred thirty-three
46 dollars (\$533).

47 (5) The nonduplicated count of pupils in special preschool education programs multiplied by two
48 thousand seven hundred fifty dollars (\$2,750).

49 SECTION 219. IC 20-43-8-2, AS AMENDED BY P.L.234-2007, SECTION 137, IS AMENDED TO
50 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 2. (a) Before December 1 of each year, the
51 department of workforce development shall provide the department with a report, to be used to determine
52 career and technical education grant amounts in the **second calendar state fiscal** year **beginning** after the

1 year in which the report is provided, listing whether the labor market demand for each generally
2 recognized labor category is more than moderate, moderate, or less than moderate. In the report, the
3 department of workforce development shall categorize each of the career and technical education
4 programs using the following four (4) categories:

5 (1) Programs that address employment demand for individuals in labor market categories that are
6 projected to need more than a moderate number of individuals.

7 (2) Programs that address employment demand for individuals in labor market categories that are
8 projected to need a moderate number of individuals.

9 (3) Programs that address employment demand for individuals in labor market categories that are
10 projected to need less than a moderate number of individuals.

11 (4) All programs not covered by the employment demand categories of subdivisions (1) through (3).

12 (b) Before December 1 of each year, the department of workforce development shall provide the
13 department with a report, to be used to determine grant amounts that will be distributed under this chapter
14 in the **second calendar state fiscal year beginning** after the year in which the report is provided, listing
15 whether the average wage level for each generally recognized labor category for which career and
16 technical education programs are offered is a high wage, a moderate wage, or a less than moderate wage.

17 (c) In preparing the labor market demand report under subsection (a) and the average wage level report
18 under subsection (b), the department of workforce development shall, if possible, list the labor market
19 demand and the average wage level for specific regions, counties, and municipalities.

20 (d) If a new career and technical education program is created by rule of the state board, the
21 department of workforce development shall determine the category in which the program should be
22 included.

23 SECTION 220. IC 20-43-8-9, AS AMENDED BY P.L.234-2007, SECTION 139, IS AMENDED TO
24 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 9. A school corporation's career and technical
25 education grant for a **calendar state fiscal** year is the sum of the following amounts:

26 STEP ONE: For each career and technical education program provided by the school corporation:

27 (A) the number of credit hours of the program (either one (1) credit, two (2) credits, or three (3)
28 credits); multiplied by

29 (B) the number of students enrolled in the program; multiplied by

30 (C) the following applicable amount:

31 (i) Four hundred fifty dollars (\$450), in the case of a program described in section 5 of this
32 chapter (more than a moderate labor market need) for which the average wage level determined
33 under section 2(b) of this chapter is a high wage.

34 (ii) Three hundred seventy-five dollars (\$375), in the case of a program described in section
35 5 of this chapter (more than a moderate labor market need) for which the average wage level
36 determined under section 2(b) of this chapter is a moderate wage.

37 (iii) Three hundred dollars (\$300), in the case of a program described in section 5 of this
38 chapter (more than a moderate labor market need) for which the average wage level determined
39 under section 2(b) of this chapter is a less than moderate wage.

40 (iv) Three hundred seventy-five dollars (\$375), in the case of a program described in section
41 6 of this chapter (moderate labor market need) for which the average wage level determined
42 under section 2(b) of this chapter is a high wage.

43 (v) Three hundred dollars (\$300), in the case of a program described in section 6 of this chapter
44 (moderate labor market need) for which the average wage level determined under section 2(b)
45 of this chapter is a moderate wage.

46 (vi) Two hundred twenty-five dollars (\$225), in the case of a program described in section 6
47 of this chapter (moderate labor market need) for which the average wage level determined
48 under section 2(b) of this chapter is a less than moderate wage.

49 (vii) Three hundred dollars (\$300), in the case of a program described in section 7 of this
50 chapter (less than a moderate labor market need) for which the average wage level determined
51 under section 2(b) of this chapter is a high wage.

52 (viii) Two hundred twenty-five dollars (\$225), in the case of a program described in section

1 7 of this chapter (less than a moderate labor market need) for which the average wage level
2 determined under section 2(b) of this chapter is a moderate wage.
3 (ix) One hundred fifty dollars (\$150), in the case of a program described in section 7 of this
4 chapter (less than a moderate labor market need) for which the average wage level determined
5 under section 2(b) of this chapter is a less than moderate wage.
6 STEP TWO: The number of pupils described in section 8 of this chapter (all other programs)
7 multiplied by two hundred fifty dollars (\$250).
8 STEP THREE: The number of pupils participating in a career and technical education program in
9 which pupils from multiple schools are served at a common location multiplied by one hundred fifty
10 dollars (\$150).
11 SECTION 221. IC 20-43-9-6 IS REPEALED [EFFECTIVE JULY 1, 2013]. Sec. 6: A school
12 corporation's primetime distribution for a calendar year under this chapter is the amount determined by
13 the following formula:
14 STEP ONE: Determine the applicable target pupil/teacher ratio for the school corporation as
15 follows:
16 (A) If the school corporation's complexity index is less than one and one-tenth (1.1); the school
17 corporation's target pupil/teacher ratio is eighteen to one (18:1).
18 (B) If the school corporation's complexity index is at least one and one-tenth (1.1) but less than
19 one and three-tenths (1.3); the school corporation's target pupil/teacher ratio is fifteen (15) plus
20 the result determined in item (iii) to one (1):
21 (i) Determine the result of one and three-tenths (1.3) minus the school corporation's complexity
22 index.
23 (ii) Determine the item (i) result divided by two-tenths (0.2).
24 (iii) Determine the item (ii) result multiplied by three (3).
25 (C) If the school corporation's complexity index is at least one and three-tenths (1.3); the school
26 corporation's target pupil/teacher ratio is fifteen to one (15:1).
27 STEP TWO: Determine the result of:
28 (A) the ADM of the school corporation in kindergarten through grade 3 for the current school
29 year; divided by
30 (B) the school corporation's applicable target pupil/teacher ratio; as determined in STEP ONE.
31 STEP THREE: Determine the result of:
32 (A) the basic tuition support for the year multiplied by seventy-five hundredths (0.75); divided
33 by
34 (B) the school corporation's ADM.
35 STEP FOUR: Determine the result of:
36 (A) the STEP THREE result; multiplied by
37 (B) the ADM of the school corporation in kindergarten through grade 3 for the current school
38 year.
39 STEP FIVE: Determine the result of:
40 (A) the STEP FOUR result; divided by
41 (B) the staff cost amount.
42 STEP SIX: Determine the greater of zero (0) or the result of:
43 (A) the STEP TWO amount; minus
44 (B) the STEP FIVE amount.
45 STEP SEVEN: Determine the result of:
46 (A) the STEP SIX amount; multiplied by
47 (B) the staff cost amount.
48 STEP EIGHT: Determine the greater of the STEP SEVEN amount or:
49 (A) for 2012; fifty percent (50%) of the school corporation's guaranteed primetime amount; or
50 (B) for 2013; zero (0).
51 STEP NINE: A school corporation's amount under this STEP is the following:
52 (A) If the amount the school corporation received under this chapter in the previous calendar year

1 is greater than zero (0); the amount under this STEP is the lesser of:
2 (i) the STEP EIGHT amount; or
3 (ii) the amount the school corporation received under this chapter for the previous calendar
4 year multiplied by one hundred seven and one-half percent (107.5%):
5 (B) If the amount the school corporation received under this chapter in the previous calendar year
6 is not greater than zero (0); the amount under this STEP is the STEP EIGHT amount.

7 SECTION 222. IC 20-43-9-12 IS REPEALED [EFFECTIVE JULY 1, 2013]. See: 12- (a) The
8 department shall adjust distributions made to a school corporation, including a charter school, after May
9 13, 2005, to eliminate the difference between the state primetime distribution that the school corporation,
10 including a charter school, received as a result of IC 21-1-30-3 (as amended by P.L.224-2003, before its
11 repeal, now codified in this chapter); and the state primetime distribution to which the school corporation,
12 including a charter school, is entitled to receive under IC 21-1-30-3 (as amended by P.L.246-2005, before
13 its repeal, now codified in this chapter):

14 (b) The adjustments required under this section shall be made on the schedule determined by the
15 department of education.

16 SECTION 223. IC 20-43-10-2, AS AMENDED BY P.L.229-2011, SECTION 219, IS AMENDED TO
17 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 2. (a) A school corporation's honors diploma
18 award for a **calendar state fiscal** year is the amount determined under STEP FOUR of the following
19 formula:

20 STEP ONE: Determine the number of the school corporation's eligible pupils who successfully
21 completed an academic honors diploma program in the school year ending in the previous **calendar**
22 **state fiscal** year.

23 STEP TWO: Determine the result of:

24 (A) the number of the school corporation's eligible pupils who successfully completed a Core 40
25 diploma with technical honors program in the school year ending in the previous **calendar state**
26 **fiscal** year; minus

27 (B) the number of eligible pupils who would otherwise be double counted under both clause (A)
28 and STEP ONE.

29 STEP THREE: Determine the sum of the number of eligible students determined under STEP ONE
30 and the number of eligible students determined under STEP TWO.

31 STEP FOUR: Multiply the STEP THREE amount by ~~nine hundred dollars (\$900)~~: **one thousand**
32 **dollars (\$1,000)**.

33 (b) An amount received by a school corporation as an honors diploma award may be used only for:

34 (1) any:

35 (A) staff training;

36 (B) program development;

37 (C) equipment and supply expenditures; or

38 (D) other expenses;

39 directly related to the school corporation's honors diploma program; and

40 (2) the school corporation's program for high ability students.

41 (c) A governing body that does not comply with this section for a school year is not eligible to receive
42 an honors diploma award for the following school year.

43 SECTION 224. IC 20-43-10-3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO
44 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 3. (a) As used in this section, "achievement
45 test" means a:

46 (1) test required by the ISTEP program; or

47 (2) Core 40 end of course assessment for the following:

48 (A) Algebra I.

49 (B) English 10.

50 (C) Biology I.

51 (b) As used in this section, "graduation rate" means the percentage graduation rate for all high
52 schools in a school corporation as determined under IC 20-26-13-10 but adjusted to reflect the

1 pupils who meet the requirements of graduation under subsection (d).

2 (c) As used in this section, "tested pupil" means either:

3 (1) a pupil who took the test required by the ISTEP program; or

4 (2) a high school pupil who took a Core 40 end of course assessment;

5 in the school year ending in the immediately preceding state fiscal year or, for purposes of a school
6 year to school year comparison, in the school year immediately preceding that school year.

7 (d) A pupil meets the requirements of graduation for purposes of this section if the pupil
8 successfully completed:

9 (1) a sufficient number of academic credits, or the equivalent of academic credits; and

10 (2) the graduation examination required under IC 20-32-3 through IC 20-32-6;

11 that resulted in the awarding of a high school diploma or an academic honors diploma to the pupil
12 for the school year ending in the immediately preceding state fiscal year.

13 (e) Determinations for a school corporation for a state fiscal year shall be made using the count
14 of pupils passing the achievement tests taken compared to the count of tested pupils throughout the
15 school corporation and the graduation rate and count of pupils graduating in all high schools
16 throughout the school corporation.

17 (f) In determining grants under this section, a school corporation may qualify for the following
18 each year:

19 (1) One (1) grant under either subsection (h), (i), or (j).

20 (2) One (1) grant under either subsection (k), (l), or (m).

21 (g) The sum of the grant amounts determined under this section constitutes an annual
22 performance grant that is in addition to state tuition support. The annual performance grant for
23 a state fiscal year shall be distributed to the school corporation before December 5 of that state
24 fiscal year. The performance grant received by a school corporation may be used only to pay cash
25 awards to teachers who are rated as effective or as highly effective.

26 (h) A school corporation qualifies for a grant under this subsection if the school corporation has
27 more than seventy-two and five-tenths percent (72.5%) but less than ninety percent (90%) of tested
28 pupils pass the achievement tests taken in the school year ending in the immediately preceding state
29 fiscal year. The grant amount for the state fiscal year is:

30 (1) the count of the school corporation's pupils who had a passing score on their achievement
31 test in the school year ending in the immediately preceding state fiscal year; multiplied by

32 (2) twenty-five dollars (\$25).

33 (i) A school corporation qualifies for a grant under this subsection if the school corporation has
34 ninety percent (90%) or more of tested pupils pass the achievement tests taken in the school year
35 ending in the immediately preceding state fiscal year. The grant amount for the state fiscal year is:

36 (1) the count of the school corporation's pupils who had a passing score on their achievement
37 test in the school year ending in the immediately preceding state fiscal year; multiplied by

38 (2) fifty dollars (\$50).

39 (j) This subsection does not apply to a school corporation in its first year of operation. A school
40 corporation qualifies for a grant under this subsection if the school corporation's school year over
41 school year percentage growth rate of tested pupils who pass the achievement tests taken was at
42 least five percent (5%), comparing the school year ending in the immediately preceding state fiscal
43 year to the school year immediately preceding that school year. The grant amount for the state
44 fiscal year is:

45 (1) the count of the school corporation's pupils who had a passing score on their achievement
46 test in the school year ending in the immediately preceding state fiscal year; multiplied by

47 (2) fifty dollars (\$50).

48 (k) A school corporation qualifies for a grant under this subsection if the school corporation had
49 a graduation rate of ninety percent (90%) or more for the school year ending in the immediately
50 preceding state fiscal year. The grant amount for the state fiscal year is:

51 (1) the count of the school corporation's pupils who met the requirements for graduation for
52 the school year ending in the immediately preceding state fiscal year; multiplied by

1 (2) one hundred forty-four dollars (\$144).

2 (l) A school corporation qualifies for a grant under this subsection if the school corporation had
3 a graduation rate greater than seventy-five percent (75%) but less than ninety percent (90%) for
4 the school year ending in the immediately preceding state fiscal year. The grant amount for the
5 state fiscal year is:

6 (1) the count of the school corporation's pupils who met the requirements for graduation for
7 the school year ending in the immediately preceding state fiscal year; multiplied by

8 (2) seventy-two dollars (\$72).

9 (m) This subsection does not apply to a school corporation in its first year of operation. A school
10 corporation qualifies for a grant under this subsection if the school corporation's school year over
11 school year percentage growth in its graduation rate is at least five percent (5%), comparing the
12 graduation rate for the school year ending in the immediately preceding state fiscal year to the
13 graduation rate for the school year immediately preceding that school year. The grant amount for
14 the state fiscal year is:

15 (1) the count of the school corporation's pupils who had a passing score on their achievement
16 test in the school year ending in the immediately preceding state fiscal year; multiplied by

17 (2) one hundred forty-four dollars (\$144).

18 (n) This section expires June 30, 2015.

19 SECTION 225. IC 20-43-13 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO
20 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]:

21 **Chapter 13. Complexity Grants**

22 **Sec. 1. This chapter applies to all school corporations, including virtual charter schools.**

23 **Sec. 2. The total amount to be distributed under this chapter to a school corporation or charter
24 school for the state fiscal year beginning July 1, 2013, is the amount determined in STEP FOUR or
25 STEP SIX (whichever is applicable) of the following formula:**

26 **STEP ONE: Determine the greater of zero (0) or the result determined under clause (B) after
27 making the following determinations:**

28 (A) Determine the percentage of the school corporation's students who were eligible for free
29 or reduced price lunches in the school year ending in the later of:

30 (i) 2013; or

31 (ii) the first year of operation of the school corporation.

32 (B) Determine the quotient of:

33 (i) the percentage determined under clause (A); divided by

34 (ii) two (2).

35 **STEP TWO: This STEP applies if the result determined under clause (B) of STEP ONE is
36 greater than thirty-three hundredths (0.33). Determine the result of the following:**

37 (A) Subtract thirty-three hundredths (0.33) from the result determined under clause (B) of
38 STEP ONE.

39 (B) Determine the sum of:

40 (i) the result determined under clause (B) of STEP ONE; plus

41 (ii) the clause (A) result.

42 **STEP THREE: This STEP applies if STEP TWO applies. Determine the product of:**

43 (A) the STEP TWO result; multiplied by

44 (B) the school corporation's foundation amount for the state fiscal year.

45 **STEP FOUR: This STEP applies if STEP TWO applies. Determine the product of:**

46 (A) the STEP THREE result; multiplied by

47 (B) the school corporation's current ADM.

48 **STEP FIVE: This STEP applies if the result determined under clause (B) of STEP ONE is less
49 than or equal to thirty-three hundredths (0.33). Determine the product of:**

50 (A) the result determined under clause (B) of STEP ONE; multiplied by

51 (B) the school corporation's foundation amount for the state fiscal year.

52 **STEP SIX: This STEP applies if STEP FIVE applies. Determine the product of:**

- 1 (A) the STEP FIVE result; multiplied by
- 2 (B) the school corporation's current ADM.

3 **Sec. 3. The total amount to be distributed under this chapter to a school corporation or charter**
4 **school for the state fiscal year beginning July 1, 2014, is the amount determined in STEP FOUR or**
5 **STEP SIX (whichever is applicable) of the following formula:**

6 **STEP ONE: Determine the greater of zero (0) or the result determined under clause (B) after**
7 **making the following determinations:**

8 (A) Determine the percentage of the school corporation's students who were receiving
9 financial assistance under IC 20-33-5 in the school year ending in the later of:

- 10 (i) 2014; or
- 11 (ii) the first year of operation of the school corporation.

12 (B) Determine the quotient of:

- 13 (i) the percentage determined under clause (A); divided by
- 14 (ii) two (2).

15 **STEP TWO: This STEP applies if the result determined under clause (B) of STEP ONE is**
16 **greater than thirty-five hundredths (0.35). Determine the result of the following:**

17 (A) Subtract thirty-five hundredths (0.35) from the result determined under clause (B) of
18 STEP ONE.

19 (B) Determine the sum of:

- 20 (i) the result determined under clause (B) of STEP ONE; plus
- 21 (ii) the clause (A) result.

22 **STEP THREE: This STEP applies if STEP TWO applies. Determine the product of:**

- 23 (A) the STEP TWO result; multiplied by
- 24 (B) the school corporation's foundation amount for the state fiscal year.

25 **STEP FOUR: This STEP applies if STEP TWO applies. Determine the product of:**

- 26 (A) the STEP THREE result; multiplied by
- 27 (B) the school corporation's current ADM.

28 **STEP FIVE: This STEP applies if the result determined under clause (B) of STEP ONE is less**
29 **than or equal to thirty-five hundredths (0.35). Determine the product of:**

- 30 (A) the result determined under clause (B) of STEP ONE; multiplied by
- 31 (B) the school corporation's foundation amount for the state fiscal year.

32 **STEP SIX: This STEP applies if STEP FIVE applies. Determine the product of:**

- 33 (A) the STEP FIVE result; multiplied by
- 34 (B) the school corporation's current ADM.

35 **Sec. 4. The complexity index is:**

36 (1) the result determined under clause (B) of STEP ONE in section 2 of this chapter for the
37 state fiscal year beginning July 1, 2013; and

38 (2) the result determined under clause (B) of STEP ONE in section 3 of this chapter for the
39 state fiscal year beginning July 1, 2014.

40 **SECTION 226. IC 20-43-14 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO**
41 **READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]:**

42 **Chapter 14. Full-Day Kindergarten Grants**

43 **Sec. 1. This chapter applies to all school corporations, including virtual charter schools.**

44 **Sec. 2. The total amount to be distributed under this chapter to a school corporation or charter**
45 **school for the state fiscal year beginning July 1, 2013, equals the result of:**

- 46 (1) two thousand four hundred forty-eight dollars (\$2,448); multiplied by
- 47 (2) the number of eligible pupils who are:

48 (A) counted in the current ADM of the school; and

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

51 **Sec. 3. The total amount to be distributed under this chapter to a school corporation or charter**
52 **school for the state fiscal year beginning July 1, 2014, equals the result of:**

- 1 (1) two thousand four hundred seventy-two dollars (\$2,472); multiplied by
2 (2) the number of eligible pupils who are:
3 (A) counted in the current ADM of the school; and
4 (B) enrolled in and attending full-day kindergarten on the count date on which the current
5 ADM is determined.

6 **Sec. 4. A school corporation or charter school that receives a distribution under this chapter may**
7 **not charge a fee for enrolling in or attending full-day kindergarten in a school year:**

- 8 (1) beginning July 1, 2013, and ending June 30, 2014; or
9 (2) beginning July 1, 2014, and ending June 30, 2015.

10 SECTION 227. IC 20-45-7-19, AS ADDED BY P.L.2-2006, SECTION 168, IS AMENDED TO
11 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 19. Before July 11 of each year, the state
12 superintendent shall certify to the county auditor:

- 13 (1) the consolidated ADA ratio of the qualified school corporations;
14 (2) the number of pupils in **the current** ADM of each qualified school corporation for the
15 immediately preceding school year, **as determined:**
16 (A) for a calendar year ending before January 1, 2013, in the fall count of ADM for the
17 school year ending in the calendar year; and
18 (B) for a calendar year ending after December 31, 2012, in the spring count of ADM for the
19 school year ending in the calendar year; and

20 (3) an estimate of these statistics for the succeeding school year.

21 SECTION 228. IC 20-45-7-26, AS ADDED BY P.L.2-2006, SECTION 168, IS AMENDED TO
22 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 26. The entitlement of each qualified school
23 corporation from the fund for each calendar year is the greater of:

- 24 (1) the amount of its entitlement for calendar year 2000 from the tax levied under this chapter; or
25 (2) an amount equal to twenty-seven dollars and fifty cents (\$27.50) times its **current ADM as**
26 **determined in the fall count of ADM conducted in the school year ending in the current**
27 **calendar year.**

28 SECTION 229. IC 20-45-8-18, AS ADDED BY P.L.2-2006, SECTION 168, IS AMENDED TO
29 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 18. (a) Before July 11 of each year, the state
30 superintendent shall deliver to the county auditor a certified statement of:

- 31 (1) for a calendar year ending before January 1, 2013, the fall count of ADM in grades 1 through
32 12 residing in each qualified school corporation for the immediately preceding school year ending
33 in the calendar year; and
34 (2) for a calendar year ending after December 31, 2012, the spring count of ADM in grades 1
35 through 12 residing in each qualified school corporation for the school year ending in the
36 calendar year.

37 (b) Upon the receipt of the information, the county auditor shall compute the amount to be distributed
38 to each of the qualified school corporations from the receipts of the tax levy, based on the formula set
39 forth in this chapter.

40 (c) The county auditor shall annually issue a warrant to the county treasurer ordering the payment to
41 the respective qualified school corporations the various amounts in the fund at each semiannual tax
42 settlement period during the year in which the tax has been collected.

43 (d) The qualified school corporations and the proper officials and employees of the qualified school
44 corporations shall receive the receipts distributed by the county treasurer in the same manner as other tax
45 receipts are received.

46 SECTION 230. IC 20-45-8-22, AS ADDED BY P.L.2-2006, SECTION 168, IS AMENDED TO
47 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 22. (a) The amount to be raised by the tax shall
48 be determined in any calendar year by the county auditor and certified to by the board of county
49 commissioners before the time for making the county budgets in the year.

50 (b) The amount is the total of the entitlements of all qualified school corporations.

51 (c) The entitlement of each qualified school corporation calculated in a calendar year is an amount
52 equal to the result determined under STEP TWO of the following formula:

1 STEP ONE: Calculate the quotient of:

2 (A) the total amount deposited in the fund in calendar year 1979 or the first year in which a
3 deposit was made, whichever is later; divided by

4 (B) for:

5 (i) a calendar year ending before January 1, 2013, the total ADM of the immediately
6 preceding school year of qualified school corporations that received money from the fund in
7 1979, as determined in the fall count of ADM for the school year ending in the
8 immediately preceding calendar year; and

9 (ii) a calendar year beginning after December 31, 2012, the total ADM of the immediately
10 preceding school year of qualified school corporations that received money from the fund
11 in 1979, as determined in the spring count of ADM for the school year ending in the
12 immediately preceding calendar year.

13 STEP TWO: Calculate the product of:

14 (A) the STEP ONE result; multiplied by

15 (B) for:

16 (i) a calendar year ending before January 1, 2013, the ADM of the immediately preceding
17 school year of the qualified school corporation that received money from the fund in 1979, as
18 determined in the fall count of ADM for the school year ending in the immediately
19 preceding calendar year; and

20 (ii) a calendar year beginning after December 31, 2012, the total ADM of the immediately
21 preceding school year of qualified school corporations that received money from the fund
22 in 1979, as determined in the spring count of ADM for the school year ending in the
23 immediately preceding calendar year.

24 SECTION 231. IC 20-49-3-8, AS AMENDED BY P.L.146-2008, SECTION 529, IS AMENDED TO
25 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 8. The fund may be used to make advances:

26 (1) to school corporations, including school townships, under IC 20-49-4 and IC 20-49-5; and

27 (2) under IC 20-49-6. and

28 (3) to charter schools under IC 20-24-7-3(c) and IC 20-49-7.

29 SECTION 232. IC 20-49-4-7, AS AMENDED BY P.L.113-2010, SECTION 99, IS AMENDED TO
30 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 7. As used in this chapter, "school building
31 construction program" means the purchase, lease, or financing of land, the construction and equipping
32 of school buildings, and the remodeling, repairing, or improving of school buildings by a school
33 corporation:

34 (1) that sustained a loss from a disaster;

35 (2) whose adjusted assessed valuation (as determined under IC 6-1.1-34-8) per **current** ADM is
36 within the lowest forty percent (40%) of the assessed valuation per **current** ADM when compared
37 with all school corporation adjusted assessed valuation (as adjusted (if applicable) under
38 IC 6-1.1-34-8) per **current** ADM; or

39 (3) with an advance under this chapter outstanding on July 1, 1993, that bears interest of at least
40 seven and one-half percent (7.5%).

41 The term does not include facilities used or to be used primarily for interscholastic or extracurricular
42 activities.

43 SECTION 233. IC 20-49-7 IS REPEALED [EFFECTIVE JULY 1, 2013]. (Charter School
44 Advancement Account).

45 SECTION 234. IC 20-51-4-8, AS ADDED BY P.L.92-2011, SECTION 10, IS AMENDED TO READ
46 AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 8. (a) The department, ~~may~~ **in consultation with the**
47 **department of state revenue, shall prescribe forms the application form and may prescribe additional**
48 **methods for demonstrating eligibility for a choice scholarship under this chapter. The state board of**
49 **accounts shall approve the application form. The application form must require at least the**
50 **following information:**

51 (1) **Personal identification information for the applicant and student, including a copy of either**
52 **a:**

1 (A) current and valid photo identification; or
2 (B) current utility bill, bank statement, government check, paycheck, or government
3 document;
4 that shows the name and residence address of the applicant as stated on the application.

5 (2) Sufficient documentation verifying the applicant's income.

6 (3) A notice to the applicant:

7 (A) that the information in the application and supporting documentation will be shared
8 with the department of state revenue for income verification purposes; and

9 (B) that the applicant is verifying, under penalties for perjury, that the information in the
10 application and supporting documentation is true, accurate, and complete.

11 (4) A place for the applicant to acknowledge that the applicant understands the content of the
12 notice required by subdivision (3).

13 (b) The eligible school shall:

14 (1) retain each application and the supporting documentation; and

15 (2) submit to the department a copy of all applications and the supporting documentation for
16 each choice scholarship.

17 SECTION 235. IC 20-51-4-12 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO
18 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 12. (a) Before December 1 each school year,
19 the department shall submit to the department of state revenue a random sample of applications
20 consisting of twenty-five percent (25%) of the applications submitted under this chapter for that
21 school year.

22 (b) The department of state revenue shall verify the accuracy of the income information
23 submitted in these applications and report its findings to the department and to the office of
24 management and budget before March 1 of the following year. In addition, if the department of
25 state revenue finds that the income claimed on a particular application is less than the applicant's
26 income as verified by the department of state revenue, the department of state revenue shall report
27 that information to the attorney general.

28 SECTION 236. IC 21-7-13-5, AS ADDED BY P.L.2-2007, SECTION 243, IS AMENDED TO READ
29 AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 5. "Current ADM" has the meaning set forth in
30 ~~IC 20-43-1-6.~~ IC 20-43-1-10.

31 SECTION 237. IC 21-12-13-2, AS ADDED BY P.L.169-2011, SECTION 14, IS AMENDED TO
32 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 2. (a) This section applies to the following
33 scholarship, and fee remission statutes:

34 (1) IC 21-12-3.

35 (2) IC 21-12-4.

36 (3) IC 21-12-6.

37 (4) IC 21-12-8.

38 (5) IC 21-12-9.

39 (6) IC 21-13-2.

40 ~~(7) IC 21-13-3.~~

41 ~~(8) (7) IC 21-13-4.~~

42 ~~(9) (8) IC 21-14-5.~~

43 ~~(10) (9) IC 21-14-6-2.~~

44 (b) Except as provided in sections 3 and 4 of this chapter, a grant or reduction in tuition or fees,
45 including all renewals and extensions, under any of the laws listed in subsection (a) may not exceed eight
46 (8) full-time undergraduate semesters or its equivalent, as determined by the commission and must be
47 used within eight (8) years after the date the individual first applies and becomes eligible for benefits
48 under the applicable law.

49 SECTION 238. IC 21-13-1-5, AS AMENDED BY P.L.170-2009, SECTION 3, IS AMENDED TO
50 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 5. "Fund":

51 (1) for purposes of IC 21-13-2, refers to the minority teacher or special education services
52 scholarship fund established by IC 21-13-2-1;

- (2) for purposes of IC 21-13-3, refers to the nursing scholarship fund established by IC 21-13-3-1;
- ~~(3)~~ (2) for purposes of IC 21-13-4, refers to the National Guard tuition supplement program fund established by IC 21-13-4-1;
- ~~(4)~~ (3) for purposes of IC 21-13-5, refers to the National Guard scholarship extension fund established by IC 21-13-5-1; and
- ~~(5)~~ (4) for purposes of IC 21-13-6, refers to the primary care physician loan forgiveness fund established by IC 21-13-6-3.

SECTION 239. IC 21-13-2-1, AS ADDED BY P.L.2-2007, SECTION 254, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 1. The minority teacher or special education services scholarship fund is established:

- (1) to encourage and promote qualified minority individuals to pursue a career in teaching in accredited schools in Indiana;
- (2) to enhance the number of individuals who may serve as role models for the minority students in Indiana; and
- (3) to rectify the shortage of minority teachers teaching in accredited schools in Indiana.
- ~~(4)~~ to encourage and promote qualified individuals to pursue a career in:
 - ~~(A)~~ teaching special education in accredited schools in Indiana; or
 - ~~(B)~~ practicing occupational or physical therapy in accredited schools in Indiana; in vocational rehabilitation centers under IC 12-12-1-4.1(a)(1); or in community mental retardation or other developmental disabilities centers under IC 12-29 (except IC 12-29-3-6) as part of the special education program; and
- ~~(5)~~ to rectify the shortage of individuals who:
 - ~~(A)~~ teach special education; or
 - ~~(B)~~ provide certain other special education services in accredited schools in Indiana.

SECTION 240. IC 21-13-2-3, AS ADDED BY P.L.2-2007, SECTION 254, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 3. Money in the fund shall be used to provide annual scholarships to individuals who qualify for a scholarship under

- ~~(1)~~ section 4 of this chapter. or
- ~~(2)~~ section 5 of this chapter.

SECTION 241. IC 21-13-2-5 IS REPEALED [EFFECTIVE JULY 1, 2013]. Sec. 5: An individual qualifies for an initial scholarship from the fund if the individual:

- ~~(1)~~ is admitted to an eligible institution as a full-time student or is attending an eligible institution as a full-time student;
- ~~(2)~~ either intends to pursue or, in the case of a student who is attending an eligible institution, pursues a course of study that would enable the student, upon graduation, to be:
 - ~~(A)~~ licensed to teach special education in an accredited school under rules adopted by the Indiana state board of education;
 - ~~(B)~~ licensed to practice occupational therapy:
 - ~~(i)~~ in an accredited school;
 - ~~(ii)~~ in a vocational rehabilitation center under IC 12-12-1-4.1(a)(1); or
 - ~~(iii)~~ in a community mental retardation or other developmental disabilities center under IC 12-29 except IC 12-29-3-6; or
 - ~~(C)~~ licensed to practice physical therapy:
 - ~~(i)~~ in an accredited school;
 - ~~(ii)~~ in a vocational rehabilitation center under IC 12-12-1-4.1(a)(1); or
 - ~~(iii)~~ in a community mental retardation or other developmental disabilities center under IC 12-29 except IC 12-29-3-6;
- ~~(3)~~ agrees in writing to:
 - ~~(A)~~ teach in an accredited school; or
 - ~~(B)~~ practice occupational therapy or physical therapy, whichever applies:
 - ~~(i)~~ in an accredited school in Indiana;
 - ~~(ii)~~ in a vocational rehabilitation center under IC 12-12-1-4.1(a)(1); or

1 (iii) in a community mental retardation or other developmental disabilities center under
2 IC 12-29 except IC 12-29-3-6;

3 for at least three (3) of the first five (5) years following the student's licensure as a teacher; licensure
4 as an occupational therapist; or licensure as a physical therapist; and
5 (4) meets any other minimum criteria established by the commission;

6 SECTION 242. IC 21-13-2-6, AS ADDED BY P.L.2-2007, SECTION 254, IS AMENDED TO READ
7 AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 6. Subject to section 12 of this chapter, a scholarship
8 may be renewed under this chapter for a total scholarship award that does not exceed **eight (8) semesters**
9 **(or its equivalent): the number of academic terms that constitutes four (4) academic years.** However,
10 an eligible institution may not grant a scholarship renewal to a student for an academic year that ends later
11 than six (6) years after the date the student received the initial scholarship under this chapter.

12 SECTION 243. IC 21-13-2-7, AS ADDED BY P.L.2-2007, SECTION 254, IS AMENDED TO READ
13 AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 7. (a) To qualify for a scholarship renewal from the
14 fund, a minority student that qualified for the initial scholarship under section 4 of this chapter must:

- 15 (1) comply with the criteria in section 4 of this chapter; and
16 (2) maintain at least the cumulative grade point average:
17 (A) that is required by an eligible institution for admission to the eligible institution's school of
18 education; or
19 (B) of 2.0 on a 4.0 grading scale or its equivalent as established by the eligible institution if the
20 eligible institution's school of education does not require a certain minimum cumulative grade
21 point average.

22 (b) To qualify for a scholarship renewal from the fund, an individual that qualified for the initial
23 scholarship under section 5 of this chapter must:

- 24 (1) comply with the criteria set forth in section 5 of this chapter; and
25 (2) maintain at least the cumulative grade point average:
26 (A) that is required by an eligible institution for admission to the eligible institution's school of
27 education; or
28 (B) of 2.0 on a 4.0 grading scale or its equivalent as established by the eligible institution if the
29 eligible institution's school of education does not require a certain minimum cumulative grade
30 point average.

31 SECTION 244. IC 21-13-2-11 IS REPEALED [EFFECTIVE JULY 1, 2013]. Sec. 11. The commission
32 shall allocate the available money from the fund to each eligible institution in proportion to the number
33 of minority students enrolled at each eligible institution based upon the most recent information
34 concerning:

- 35 (1) the number of minority students enrolled at each eligible institution; and
36 (2) the number of individuals who are:
37 (A) enrolled at each eligible institution; and
38 (B) pursuing a course of study that would enable the student, upon graduation, to be:
39 (i) licensed to teach special education in an accredited school; or
40 (ii) licensed to practice occupational therapy or physical therapy in an accredited school; in a
41 vocational rehabilitation center under IC 12-12-1-4.1(a)(1); or in a community mental
42 retardation or other developmental disabilities center under IC 12-29 as part of the special
43 education program.

44 SECTION 245. IC 21-13-2-12, AS ADDED BY P.L.2-2007, SECTION 254, IS AMENDED TO
45 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 12. Each eligible institution **The commission**
46 shall determine the scholarship recipients under this chapter:

- 47 (1) based upon:
48 (A) the criteria set forth in section 4 or 5 of this chapter; and
49 (B) the rules adopted by the commission; and
50 (2) with a priority on granting scholarships in the following order:
51 (A) Minority students seeking a renewal scholarship.
52 (B) Newly enrolling minority students.

1 (C) Special education services students seeking a renewal scholarship.

2 (D) Newly enrolling special education services students.

3 SECTION 246. IC 21-13-2-13 IS REPEALED [EFFECTIVE JULY 1, 2013]. ~~Sec. 13. Any funds that:~~

4 (1) are allocated to an eligible institution; and

5 (2) are not used for scholarships under this chapter;

6 shall be returned to the commission for reallocation by the commission to any other eligible institution
7 in need of additional funds.

8 SECTION 247. IC 21-13-2-15 IS REPEALED [EFFECTIVE JULY 1, 2013]. ~~Sec. 15. (a) The~~
9 commission shall maintain complete and accurate records in implementing the program, including the
10 following:

11 (1) The number of scholarships awarded under this chapter.

12 (2) The number of individuals who fulfilled the agreement described under section 5 of this chapter.

13 (3) The number of individuals who did not fulfill the agreement described under section 5 of this
14 chapter.

15 (b) Each eligible institution shall provide the commission with information concerning the following:

16 (1) The awarding of scholarships under this chapter.

17 (2) The academic progress made by each recipient of a scholarship under this chapter.

18 (3) Other pertinent information requested by the commission.

19 SECTION 248. IC 21-13-2-16 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO
20 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 16. Before January 1, 2015, the commission**
21 **shall provide a report in an electronic format under IC 5-14-6 to the general assembly regarding**
22 **the effectiveness of the program.**

23 SECTION 249. IC 21-13-3 IS REPEALED [EFFECTIVE JULY 1, 2013]. (Nursing Scholarship Fund).

24 SECTION 250. IC 21-18.5-4-9, AS ADDED BY P.L.107-2012, SECTION 58, IS AMENDED TO
25 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 9. The commission shall adopt rules under
26 IC 4-22-2:

27 (1) to develop standards that govern the denial of assistance to higher education award applicants
28 and recipients under IC 21-12-3-13;

29 (2) to implement IC 21-12-6, including:

30 (A) rules regarding the establishment of appeals procedures for individuals who become
31 disqualified from the program under IC 21-12-6-9;

32 (B) notwithstanding IC 21-12-6-5, rules that may include students who are in grades other than
33 grade 6, 7, or 8 as eligible students; and

34 (C) rules that allow a student described in IC 21-12-6-5(b) to become an eligible student while
35 the student is in high school, if the student agrees to comply with the requirements set forth in
36 IC 21-12-6-5(a)(4)(B) through IC 21-12-6-5(a)(4)(D) for not less than six (6) months after
37 graduating from high school;

38 (3) to implement IC 21-13-2; ~~including rules governing the enforcement of the agreements under~~
39 ~~IC 21-13-2-5; and~~

40 (4) that are necessary to carry out IC 21-13-3; ~~including rules governing the enforcement of the~~
41 ~~agreements made under IC 21-13-3-5; and~~

42 (5) (4) to implement:

43 (A) IC 21-12-7; and

44 (B) IC 21-14-5.

45 SECTION 251. IC 21-35-7-2, AS ADDED BY P.L.2-2007, SECTION 276, IS AMENDED TO READ
46 AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 2. This chapter applies to buildings and equipment
47 located on or immediately adjacent to a campus of a state educational institution, the primary purpose of
48 which is to make available or provide:

49 (1) offstreet parking;

50 (2) alternative transportation systems;

51 (3) office space;

52 (4) convenience, retail, and service establishments;

- 1 (5) bookstores;
- 2 (6) research;
- 3 (7) outpatient and extended care;
- 4 (8) food service;
- 5 (9) temporary lodging quarters or similar structures used by students, faculty, staff, patients, or
- 6 visitors; or
- 7 (10) housing used by students in connection with:
 - 8 (A) hospitals or health care units; **or**
 - 9 (B) **a hospitality or food management facility.**

10 The term does not include undergraduate dormitories.

11 SECTION 252. IC 21-43-5-14, AS ADDED BY P.L.234-2007, SECTION 67, IS AMENDED TO
 12 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 14. Ivy Tech Community College is entitled
 13 to reimbursement for the costs incurred to deliver courses under this chapter that are taken:

- 14 (1) at an Ivy Tech Community College site; and
- 15 (2) by a student for whom Ivy Tech Community College has waived tuition under this chapter or
- 16 IC 21-14-8.

17 The school corporation in which the student described in subdivision (2) resides shall pay the individual's
 18 tuition to Ivy Tech Community College for each **year month** the student is included in the school
 19 corporation's **current** ADM.

20 SECTION 253. IC 21-43-6-2, AS AMENDED BY P.L.3-2008, SECTION 148, IS AMENDED TO
 21 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 2. (a) To be eligible to earn a high school
 22 diploma, an individual participating in the program established under this chapter must be either:

- 23 (1) at least nineteen (19) years of age and not enrolled in a high school; or
- 24 (2) at least seventeen (17) years of age and have consent from the high school the individual
- 25 attended most recently.

26 (b) The school corporation in which an individual described in this subdivision has legal settlement
 27 shall pay the individual's costs for high school level courses taken at Ivy Tech Community College during
 28 each **year month** the individual is included in the school corporation's **current** ADM.

29 SECTION 254. IC 21-43-7-2, AS AMENDED BY P.L.3-2008, SECTION 150, IS AMENDED TO
 30 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 2. (a) To be eligible to earn a high school
 31 diploma, an individual participating in the program established under this chapter must be either:

- 32 (1) at least nineteen (19) years of age and not enrolled in a high school; or
- 33 (2) at least seventeen (17) years of age and have consent from the high school the individual
- 34 attended most recently.

35 (b) The school corporation in which an individual described in this subdivision has legal settlement
 36 shall pay the individual's tuition for high school level courses taken at Vincennes University during each
 37 **year month** the individual is included in the school corporation's **current** ADM.

38 SECTION 255. IC 21-43-8-2, AS AMENDED BY P.L.3-2008, SECTION 152, IS AMENDED TO
 39 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 2. (a) To be eligible to earn a high school
 40 diploma, an individual participating in the program established under this chapter must be either:

- 41 (1) at least nineteen (19) years of age and not enrolled in a school corporation; or
- 42 (2) at least seventeen (17) years of age and have consent from the high school the individual
- 43 attended most recently.

44 (b) The school corporation in which an individual to whom this subdivision applies resides shall pay
 45 the individual's tuition for high school level courses taken at the state educational institution during each
 46 **year month** the individual is included in the school corporation's **current** ADM.

47 SECTION 256. IC 22-4-26-5, AS AMENDED BY P.L.3-2008, SECTION 160, IS AMENDED TO
 48 READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) Money credited to the account of
 49 this state in the unemployment trust fund by the Secretary of the Treasury of the United States pursuant
 50 to 42 U.S.C. 1103, as amended, may be requisitioned and used for the payment of expenses incurred for
 51 the administration of this article and public employment offices pursuant to a specific appropriation by
 52 the general assembly, provided that the expenses are incurred and the money is requisitioned after the

1 enactment of an appropriation statute which:

2 (1) specifies the purposes for which such money is appropriated and the amounts appropriated
3 therefor;

4 (2) except as provided in subsection (i), limits the period within which such money may be obligated
5 to a period ending not more than two (2) years after the date of the enactment of the appropriation
6 statute; and

7 (3) limits the total amount which may be obligated during a twelve (12) month period beginning on
8 July 1 and ending on the next June 30 to an amount which does not exceed the amount by which:

9 (A) the aggregate of the amounts credited to the account of this state pursuant to 42 U.S.C. 1103,
10 as amended, during such twelve (12) month period and the twenty-four (24) preceding twelve
11 (12) month periods; exceeds

12 (B) the aggregate of the amounts obligated by this state pursuant to this section and amounts paid
13 out for benefits and charged against the amounts credited to the account of this state during such
14 twenty-five (25) twelve (12) month periods.

15 (b) For the purposes of this section, amounts obligated by this state during any such twelve (12) month
16 period shall be charged against equivalent amounts which were first credited and which have not
17 previously been so charged, except that no amount obligated for administration of this article and public
18 employment offices during any such twelve (12) month period may be charged against any amount
19 credited during such twelve (12) month period earlier than the fourteenth preceding such twelve (12)
20 month period.

21 (c) Amounts credited to the account of this state pursuant to 42 U.S.C. 1103, as amended, may not be
22 obligated except for the payment of cash benefits to individuals with respect to their unemployment and
23 for the payment of expenses incurred for the administration of this article and public employment offices
24 pursuant to this section.

25 (d) Money appropriated as provided in this section for the payment of expenses incurred for the
26 administration of this article and public employment offices pursuant to this section shall be requisitioned
27 as needed for payment of obligations incurred under such appropriation and upon requisition shall be
28 deposited in the employment and training services administration fund but, until expended, shall remain
29 a part of the unemployment insurance benefit fund. The commissioner shall maintain a separate record
30 of the deposit, obligation, expenditure, and return of funds so deposited. If any money so deposited is for
31 any reason not to be expended for the purpose for which it was appropriated, or if it remains unexpended
32 at the end of the period specified by the statute appropriating such money, it shall be withdrawn and
33 returned to the Secretary of the Treasury of the United States for credit to this state's account in the
34 unemployment trust fund.

35 (e) There is appropriated out of the funds made available to Indiana under Section 903 of the Social
36 Security Act, as amended by Section 209 of the Temporary Extended Unemployment Compensation Act
37 of 2002 (which is Title II of the federal Jobs Creation and Worker Assistance Act of 2002,
38 Pub.L107-147), seventy-two million two hundred thousand dollars (\$72,200,000) to the department of
39 workforce development. ~~The appropriation made by this subsection is available for ten (10) state fiscal~~
40 ~~years beginning with the state fiscal year beginning July 1, 2003.~~ Unencumbered money at the end of a
41 state fiscal year does not revert to the state general fund.

42 (f) Money appropriated under subsection (e) is subject to the requirements of IC 22-4-37-1.

43 (g) Money appropriated under subsection (e) may be used only for the following purposes:

44 (1) The administration of the Unemployment Insurance (UI) program and the Wagner Peyser public
45 employment office program.

46 (2) Acquiring land and erecting buildings for the use of the department of workforce development.

47 (3) Improvements, facilities, paving, landscaping, and equipment repair and maintenance that may
48 be required by the department of workforce development.

49 (h) In accordance with the requirements of subsection (g), the department of workforce development
50 may allocate up to the following amounts from the amount described in subsection (e) for the following
51 purposes:

52 (1) Thirty-nine million two hundred thousand dollars (\$39,200,000) to be used for the modernization

1 of the Unemployment Insurance (UI) system beginning July 1, 2003, and ending June 30, 2013.

2 (2) For:

3 (A) the state fiscal year beginning after June 30, 2003, and ending before July 1, 2004, five
4 million dollars (\$5,000,000);

5 (B) the state fiscal year beginning after June 30, 2004, and ending before July 1, 2005, five
6 million dollars (\$5,000,000);

7 (C) the state fiscal year beginning after June 30, 2005, and ending before July 1, 2006, five
8 million dollars (\$5,000,000);

9 (D) the state fiscal year beginning after June 30, 2006, and ending before July 1, 2007, five
10 million dollars (\$5,000,000);

11 (E) the state fiscal year beginning after June 30, 2007, and ending before July 1, 2008, five
12 million dollars (\$5,000,000); and

13 (F) state fiscal years beginning after June 30, 2008, and ending before July 1, 2012, the unused
14 part of any amount allocated in any year for any purpose under this subsection;

15 for the JOBS proposal to meet the workforce needs of Indiana employers in high wage, high skill,
16 high demand occupations.

17 (3) For:

18 (A) the state fiscal year beginning after June 30, 2003, and ending before July 1, 2004, four
19 million dollars (\$4,000,000); and

20 (B) the state fiscal year beginning after June 30, 2004, and ending before July 1, 2005, four
21 million dollars (\$4,000,000);

22 to be used by the workforce investment boards in the administration of Indiana's public employment
23 offices.

24 (i) The amount appropriated under subsection (e) for the payment of expenses incurred in the
25 administration of this article and public employment is not required to be obligated within the two (2) year
26 period described in subsection (a)(2).

27 SECTION 257. IC 23-19-6-1, AS AMENDED BY P.L.85-2012, SECTION 4, IS AMENDED TO
28 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 1. (a) This article shall be administered by a
29 division of the office of the secretary of state. The secretary of state shall appoint a securities
30 commissioner who shall be responsible for the direction and supervision of the division and the
31 administration of this article under the direction and control of the secretary of state. The salary of the
32 securities commissioner shall be paid out of the funds appropriated for the administration of this article.
33 The commissioner shall serve at the will of the secretary of state.

34 (b) The secretary of state:

35 (1) shall employ a chief deputy, attorneys, a senior investigator, a senior accountant, and other
36 deputies, investigators, accountants, clerks, stenographers, and other employees necessary for the
37 administration of this article; and

38 (2) shall fix their compensation with the approval of the budget agency.

39 (c) It is unlawful for the commissioner or an officer, employee, or designee of the commissioner to use
40 for personal benefit or the benefit of others records or other information obtained by or filed with the
41 commissioner that are not public under section 7(b) of this chapter. This article does not authorize the
42 commissioner or an officer, employee, or designee of the commissioner to disclose the record or
43 information, except in accordance with section 2, 7(c), or 8 of this chapter.

44 (d) This article does not create or diminish a privilege or exemption that exists at common law, by
45 statute or rule, or otherwise.

46 (e) Subject to IC 4-2-6-15, the commissioner may develop and implement investor education initiatives
47 to inform the public about investing in securities, with particular emphasis on the prevention and
48 detection of securities fraud. In developing and implementing these initiatives, the commissioner may
49 collaborate with public and nonprofit organizations with an interest in investor education. The
50 commissioner may accept a grant or donation from a person that is not affiliated with the securities
51 industry or from a nonprofit organization, regardless of whether the organization is affiliated with the
52 securities industry, to develop and implement investor education initiatives. This subsection does not

1 authorize the commissioner to require participation or monetary contributions of a registrant in an investor
2 education program.

3 (f) **The securities division enforcement account is established.** Fees and funds of whatever character
4 accruing from the administration of this article shall be accounted for by the secretary of state and shall
5 be deposited with the treasurer of state to be deposited by the treasurer of the state in either the state
6 general fund or the **securities division** enforcement account. ~~referenced below.~~ Subject to IC 4-2-6-15,
7 expenses incurred in the administration of this article shall be paid from the state general fund upon
8 appropriation being made for the expenses in the manner provided by law for the making of those
9 appropriations. ~~However, grants and donations received under subsection (e); costs of investigations~~
10 ~~recovered under section 4(e) of this chapter; and civil penalties recovered under sections 3(b) and 4(d)~~
11 ~~of this chapter~~ **The following** shall be deposited by the treasurer of state in a **separate account to be**
12 ~~known~~ as the securities division enforcement account:

13 (1) **Grants and donations received under subsection (e).**

14 (2) **Costs of investigations recovered under section 4(e) of this chapter.**

15 (3) **Civil penalties recovered under sections 3(b) and 4(d) of this chapter.**

16 (4) **Fifty percent (50%) of the amounts:**

17 (A) **recovered in a settlement of an action initiated to enforce this article; or**

18 (B) **awarded as a judgment in an action to enforce this article.**

19 (g) **Fifty percent (50%) of the amounts:**

20 (1) **recovered in a settlement of an action initiated to enforce this article; or**

21 (2) **awarded as a judgment in an action to enforce this article;**

22 **shall be deposited by the treasurer of state in the state general fund.**

23 (h) Notwithstanding IC 9-23-6-4, IC 23-2-2.5-34, IC 23-2-2.5-43, IC 23-2-5-7, IC 23-19-4-12,
24 IC 25-11-1-15, and this chapter, five percent (5%) of funds received after June 30, 2010, for deposit in
25 the **securities division** enforcement account shall instead be deposited in the securities restitution fund
26 established by IC 23-20-1-25. Subject to IC 4-2-6-15, the funds deposited in the **securities division**
27 enforcement account shall be available, with the approval of the budget agency:

28 (1) to augment and supplement the funds appropriated for the administration of this article; and

29 (2) for grants and awards to nonprofit entities for programs and activities that will further investor
30 education and financial literacy in the state.

31 The funds in the **securities division** enforcement account do not revert to the state general fund at the end
32 of any state fiscal year.

33 (g) (i) In connection with the administration and enforcement of this article, the attorney general shall
34 render all necessary assistance to the commissioner upon the commissioner's request, and to that end, the
35 attorney general shall employ legal and other professional services as are necessary to adequately and
36 fully perform the service under the direction of the commissioner as the demands of the securities division
37 shall require. Expenses incurred by the attorney general for the purposes stated in this subsection shall
38 be chargeable against and paid out of funds appropriated to the attorney general for the administration
39 of the attorney general's office. The attorney general may authorize the commissioner and the
40 commissioner's designee to represent the commissioner and the securities division in any proceeding
41 involving enforcement or defense of this article.

42 (h) (j) Neither the secretary of state, the commissioner, nor an employee of the securities division shall
43 be liable in their individual capacity, except to the state, for an act done or omitted in connection with the
44 performance of their respective duties under this article.

45 (i) (k) The commissioner shall take, prescribe, and file the oath of office prescribed by law. The
46 commissioner, chief deputy commissioner, and each attorney or investigator designated by the
47 commissioner are police officers of the state and shall have all the powers and duties of police officers
48 in making arrests for violations of this article, or in serving any process, notice, or order connected with
49 the enforcement of this article by whatever officer, authority, or court issued and shall comprise the
50 enforcement department of the division and are considered a criminal justice agency for purposes of
51 IC 5-2-4 and IC 10-13-3.

52 (j) (l) The provisions of this article delegating and granting power to the secretary of state, the

1 securities division, and the commissioner shall be liberally construed to the end that:

2 (1) the practice or commission of fraud may be prohibited and prevented;

3 (2) disclosure of sufficient and reliable information in order to afford reasonable opportunity for the
4 exercise of independent judgment of the persons involved may be assured; and

5 (3) the qualifications may be prescribed to assure availability of reliable broker-dealers, investment
6 advisers, and agents engaged in and in connection with the issuance, barter, sale, purchase, transfer,
7 or disposition of securities in this state.

8 It is the intent and purpose of this article to delegate and grant to and vest in the secretary of state, the
9 securities division, and the commissioner full and complete power to carry into effect and accomplish the
10 purpose of this article and to charge them with full and complete responsibility for its effective
11 administration.

12 ~~(k)~~ (m) Copies of any statement and documents filed in the office of the secretary of state and of any
13 records of the secretary of state certified by the commissioner shall be admissible in any prosecution,
14 action, suit, or proceeding based upon, arising out of, or under this article to the same effect as the original
15 of such statement, document, or record would be if actually produced.

16 ~~(j)~~ (n) IC 4-21.5 is not applicable to any of the proceedings under this article.

17 SECTION 258. IC 36-1-8-17.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO
18 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 17.5. (a) As used in this section, "OPEB"**
19 **means a post-employment benefit that is considered to be an "other post employment benefit"**
20 **under the standards of the Governmental Accounting Standards Board.**

21 **(b) Each political subdivision must, before February 1 of each year, report to the department**
22 **of local government finance the political subdivision's:**

23 (1) OPEB liability;

24 (2) unfunded OPEB liability;

25 (3) OPEB assets;

26 (4) OPEB contributions; and

27 (5) OPEB expenses and expenditures;

28 for the preceding year.

29 **(c) A political subdivision must report the information required by subsection (a) in the manner**
30 **specified by the department of local government finance.**

31 SECTION 259. IC 36-2-7-10, AS AMENDED BY SEA 85-2013, SECTION 151, IS AMENDED TO
32 READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2014]: Sec. 10. (a) The county recorder shall tax and
33 collect the fees prescribed by this section for recording, filing, copying, and other services the recorder
34 renders, and shall pay them into the county treasury at the end of each calendar month. The fees
35 prescribed and collected under this section supersede all other recording fees required by law to be
36 charged for services rendered by the county recorder.

37 (b) The county recorder shall charge the following:

38 (1) Six dollars (\$6) for the first page and two dollars (\$2) for each additional page of any document
39 the recorder records if the pages are not larger than eight and one-half (8 1/2) inches by fourteen (14)
40 inches.

41 (2) Fifteen dollars (\$15) for the first page and five dollars (\$5) for each additional page of any
42 document the recorder records, if the pages are larger than eight and one-half (8 1/2) inches by
43 fourteen (14) inches.

44 (3) For attesting to the release, partial release, or assignment of any mortgage, judgment, lien, or oil
45 and gas lease contained on a multiple transaction document, the fee for each transaction after the
46 first is the amount provided in subdivision (1) plus the amount provided in subdivision (4) and one
47 dollar (\$1) for marginal mortgage assignments or marginal mortgage releases.

48 (4) One dollar (\$1) for each cross-reference of a recorded document.

49 (5) One dollar (\$1) per page not larger than eight and one-half (8 1/2) inches by fourteen (14) inches
50 for furnishing copies of records and two dollars (\$2) per page that is larger than eight and one-half
51 (8 1/2) inches by fourteen (14) inches.

52 (6) Five dollars (\$5) for acknowledging or certifying to a document.

- 1 (7) Five dollars (\$5) for each deed the recorder records, in addition to other fees for deeds, for the
2 county surveyor's corner perpetuation fund for use as provided in IC 21-47-3-3 or IC 36-2-12-11(e).
- 3 (8) A fee in an amount authorized under IC 5-14-3-8 for transmitting a copy of a document by
4 facsimile machine.
- 5 (9) A fee in an amount authorized by an ordinance adopted by the county legislative body for
6 duplicating a computer tape, a computer disk, an optical disk, microfilm, or similar media. This fee
7 may not cover making a handwritten copy or a photocopy or using xerography or a duplicating
8 machine.
- 9 (10) A supplemental fee of three dollars (\$3) for recording a document that is paid at the time of
10 recording. The fee under this subdivision is in addition to other fees provided by law for recording
11 a document.
- 12 (11) Three dollars (\$3) for each mortgage on real estate recorded, in addition to other fees required
13 by this section, distributed as follows:
- 14 (A) Fifty cents (\$0.50) is to be deposited in the recorder's record perpetuation fund.
- 15 (B) Two dollars and fifty cents (\$2.50) is to be distributed to the auditor of state on or before June
16 20 and December 20 of each year as provided in IC 24-9-9-3.
- 17 (12) This subdivision applies in a county only if at least one (1) unit in the county has established
18 an affordable housing fund under IC 5-20-5-15.5 and the county fiscal body adopts an ordinance
19 authorizing the fee described in this subdivision. An ordinance adopted under this subdivision may
20 authorize the county recorder to charge a fee of:
- 21 (A) two dollars and fifty cents (\$2.50) for the first page; and
22 (B) one dollar (\$1) for each additional page;
23 of each document the recorder records.
- 24 (13) This subdivision applies in a county containing a consolidated city that has established a
25 housing trust fund under IC 36-7-15.1-35.5(e). The county fiscal body may adopt an ordinance
26 authorizing the fee described in this subdivision. An ordinance adopted under this subdivision may
27 authorize the county recorder to charge a fee of:
- 28 (A) two dollars and fifty cents (\$2.50) for the first page; and
29 (B) one dollar (\$1) for each additional page;
30 of each document the recorder records.
- 31 (c) The county recorder shall charge a two dollar (\$2) county identification security protection fee for
32 recording or filing a document. This fee shall be deposited under IC 36-2-7.5-6.
- 33 (d) The county treasurer shall establish a recorder's records perpetuation fund. All revenue received
34 under section 10.1 of this chapter, subsection (b)(5), (b)(8), (b)(9), and (b)(10), and IC 36-2-7.5-6(b)(1),
35 and fifty cents (\$0.50) from revenue received under subsection (b)(11), shall be deposited in this fund.
36 The county recorder may use any money in this fund without appropriation for the preservation of records
37 and the improvement of record keeping systems and equipment. Money from the fund:
- 38 (1) may not be deposited or transferred into the county general fund and does not revert to the county
39 general fund at the end of a fiscal year; **and**
- 40 (2) **may not be used to pay any salary or other compensation of a county officer or employee.**
- 41 (e) As used in this section, "record" or "recording" includes the functions of recording, filing, and filing
42 for record.
- 43 (f) The county recorder shall post the fees set forth in subsection (b) in a prominent place within the
44 county recorder's office where the fee schedule will be readily accessible to the public.
- 45 (g) The county recorder may not tax or collect any fee for:
- 46 (1) recording an official bond of a public officer, a deputy, an appointee, or an employee; or
47 (2) performing any service under any of the following:
- 48 (A) IC 6-1.1-22-2(c).
49 (B) IC 8-23-7.
50 (C) IC 8-23-23.
51 (D) IC 10-17-2-3.
52 (E) IC 10-17-3-2.

1 (F) IC 12-14-13.

2 (G) IC 12-14-16.

3 (h) The state and its agencies and instrumentalities are required to pay the recording fees and charges
4 that this section prescribes.

5 (i) This subsection applies to a county other than a county containing a consolidated city. The county
6 treasurer shall distribute money collected by the county recorder under subsection (b)(12) as follows:

7 (1) Sixty percent (60%) of the money collected by the county recorder under subsection (b)(12) shall
8 be distributed to the units in the county that have established an affordable housing fund under
9 IC 5-20-5-15.5 for deposit in the fund. The amount to be distributed to a unit is the amount available
10 for distribution multiplied by a fraction. The numerator of the fraction is the population of the unit.
11 The denominator of the fraction is the population of all units in the county that have established an
12 affordable housing fund. The population to be used for a county that establishes an affordable
13 housing fund is the population of the county outside any city or town that has established an
14 affordable housing fund.

15 (2) Forty percent (40%) of the money collected by the county recorder under subsection (b)(12) shall
16 be distributed to the treasurer of state for deposit in the affordable housing and community
17 development fund established under IC 5-20-4-7 for the purposes of the fund.

18 Money shall be distributed under this subsection before the sixteenth day of the month following the
19 month in which the money is collected from the county recorder.

20 (j) This subsection applies to a county described in subsection (b)(13). The county treasurer shall
21 distribute money collected by the county recorder under subsection (b)(13) as follows:

22 (1) Sixty percent (60%) of the money collected by the county recorder under subsection (b)(13) shall
23 be deposited in the housing trust fund established under IC 36-7-15.1-35.5(e) for the purposes of the
24 fund.

25 (2) Forty percent (40%) of the money collected by the county recorder under subsection (b)(13) shall
26 be distributed to the treasurer of state for deposit in the affordable housing and community
27 development fund established under IC 5-20-4-7 for the purposes of the fund.

28 Money shall be distributed under this subsection before the sixteenth day of the month following the
29 month in which the money is collected from the county recorder.

30 SECTION 260. P.L.229-2011, SECTION 282, IS AMENDED TO READ AS FOLLOWS
31 [EFFECTIVE UPON PASSAGE]: SECTION 282. (a) The definitions of "vacation leave", "sick leave",
32 and other types of leave used on July 1, 2010, by the department apply to this SECTION.

33 (b) As used in this SECTION, "department" refers to the state personnel department established by
34 IC 4-15-1.8-2 **(before its repeal)**.

35 (c) As used in this SECTION, "pilot program" refers to the pilot program reestablished under
36 subsection (d).

37 (d) The personnel committee of the legislative council for the legislative branch of state government
38 or the Indiana supreme court for the judicial branch of state government, or both, may reestablish the pilot
39 program established by P.L.220-2005, SECTION 8 (before its expiration), and P.L.220-2005, SECTION
40 10 (before its expiration), including provisions adopted by:

- 41 (1) the deferred compensation committee (established by IC 5-10-1.1-4) to govern the pilot program;
42 (2) the department under LSA Document #06-488(E) (before its expiration), filed with the publisher
43 of the Indiana Register on October 16, 2006, to govern the pilot program; or
44 (3) the auditor of state to administer the pilot program.

45 (e) An individual who:

- 46 (1) was employed by the legislative or judicial branch of state government during the state's 2010
47 open enrollment period;
48 (2) would have been eligible during the state's 2010 open enrollment period to participate in the pilot
49 program under the provisions of the program before the program's expiration; and
50 (3) continues to be employed by the legislative or judicial branch of state government;

51 is entitled to elect to participate in the pilot program and to make a leave conversion not later than June
52 30, 2011, based on the individual's leave balance on December 31, 2010. A leave conversion elected

1 under this subsection by an eligible individual is in addition to any other leave conversion that the
2 individual is otherwise authorized to make under the pilot program.

3 ~~(f)~~ (e) Subject to the Internal Revenue Code and applicable regulations, the personnel committee of
4 the legislative council or the Indiana supreme court, or both, may adopt procedures to implement and
5 administer the pilot program, including provisions established or reestablished under subsections
6 subsection (d). and ~~(e)~~.

7 ~~(g)~~ (f) The auditor of state shall provide for the administration of the pilot program.

8 ~~(h)~~ (g) This SECTION expires June 30, 2013. **2015.**

9 SECTION 261. P.L.273-1999, SECTION 159, IS REPEALED [EFFECTIVE JULY 1, 2013].
10 SECTION 159: (a) The primetime distribution for each local school for the period of June 30, 1999, to
11 December 31, 1999, must equal one half (1/2) of the primetime distribution before any penalty assessed
12 under the provisions of IC 21-1-30 that the school would have received during fiscal year 1998-1999. The
13 distribution shall be made monthly in six (6) approximately equal payments to be made before the
14 fifteenth day of each month:

15 (b) Beginning in 2000, a school corporation's primetime distribution shall be determined on a calendar
16 year basis. The amount of the primetime distribution for 2000 shall be determined on a calendar year basis
17 under IC 21-1-30, as amended by this act.

18 SECTION 262. [EFFECTIVE JULY 1, 2013] (a) On July 1, 2013, the auditor of state shall transfer
19 the balance that remained on June 30, 2013, in the nursing scholarship fund established by
20 IC 21-13-3-1 (before its repeal by this act) to the state general fund.

21 (b) This SECTION expires July 1, 2014.

22 SECTION 263. [EFFECTIVE JULY 1, 2013] (a) The auditor of state shall, on July 1, 2013, transfer
23 from the state general fund to the common school fund the amount necessary to repay all of the
24 outstanding principal and interest on any advances made to charter schools from the charter school
25 advancement account established within the common school fund.

26 (b) The obligation of a charter school to repay any outstanding principal and interest on an
27 advance made to the charter school from the charter school advancement account is canceled.

28 (c) An amount sufficient to make the transfer required by subsection (a) is appropriated from
29 the state general fund.

30 (d) This SECTION expires June 30, 2014.

31 SECTION 264. [EFFECTIVE UPON PASSAGE] (a) Before July 1, 2013, the auditor of state shall
32 transfer one million nine hundred thousand dollars (\$1,900,000) from the state general fund to the
33 preneed consumer protection fund established by IC 30-2-13-28. The amount necessary to make
34 the transfer required by this subsection is appropriated from the state general fund.

35 (b) This SECTION expires June 30, 2014.

36 SECTION 265. [EFFECTIVE UPON PASSAGE] (a) Before July 1, 2013, the auditor of state shall
37 transfer ten million dollars (\$10,000,000) from the mine subsidence insurance fund established
38 IC by 27-7-9-7 to the state general fund. The amount necessary to make the transfer required by
39 this subsection is appropriated from the mine subsidence insurance fund.

40 (b) This SECTION expires June 30, 2014.

41 SECTION 266. [EFFECTIVE UPON PASSAGE] Rules (as defined in IC 4-22-2-3) necessary or
42 appropriate to carry out legislation enacted in the 2013 session of the general assembly shall be
43 treated as permissible rules excluded from the suspension of rulemaking imposed by Executive
44 Order 13-03.

45 SECTION 267. [EFFECTIVE UPON PASSAGE] (a) This SECTION applies if a provision of the
46 Indiana Code is:

47 (1) added, amended, or repealed by SEA 85-2013; and

48 (2) added, amended, or repealed by another act without recognizing the existence of the
49 addition, amendment, or repeal made by SEA 85-2013 by an appropriate reference in the
50 lead-in line of the SECTION of the other act adding, amending, or repealing the same
51 provision of the Indiana Code.

52 (b) As used in this SECTION, "other act" refers to an act enacted in the 2013 session of the

1 general assembly other than SEA 85-2013.

2 (c) Except as provided in subsections (d) and (e), the provision as added, amended, or repealed
3 by the other act shall be considered the law in Indiana, regardless of whether there is a difference
4 in the effective date of the provision added, amended, or repealed by SEA 85-2013 and the provision
5 added, amended, or repealed by the other act. The lawful compilers of the Indiana Code, in
6 publishing the affected Indiana Code provision, shall publish only the version of the Indiana Code
7 provision that is amended by the other act. The history line for an Indiana Code provision that is
8 added or amended by the other act must reference both acts.

9 (d) This subsection applies if a provision described in subsection (a) that is added, amended, or
10 repealed by SEA 85-2013 takes effect before the corresponding provision in the other act. The
11 lawful compilers of the Indiana Code, in publishing the provision in SEA 85-2013, shall publish that
12 version of the provision and note that the provision is effective until the effective date of the
13 corresponding provision in the other act. On and after the effective date of the corresponding
14 provision in the other act, the provision as added, amended, or repealed by the other act shall be
15 considered the law in Indiana, regardless of whether there is a difference in the effective date of the
16 provision added, amended, or repealed by SEA 85-2013 and the provision added, amended, or
17 repealed by the other act. The lawful compilers of the Indiana Code, in publishing the
18 corresponding Indiana Code provision, shall publish the version of the Indiana Code provision that
19 is added, amended, or repealed by the other act, and shall note that this version of the provision is
20 effective on the effective date of the provision in the other act. The history line for an Indiana Code
21 provision that is added or amended by the other act must reference both acts.

22 (e) If SEA 85-2013 adds a provision at the same Indiana Code location as a provision added in
23 the other act, the lawful compilers of the Indiana Code, in publishing the affected Indiana Code
24 provisions, shall publish both the version of the Indiana Code provision that is added by SEA
25 85-2013 and the version that is added by the other act, unless the subject matter in both versions
26 of the provision is substantially similar. If the subject matter is substantially similar, subject to
27 subsection (d), the lawful compilers of the Indiana Code, in publishing the affected Indiana Code
28 provision, shall publish the version of the Indiana Code provision that is amended by the other act,
29 and shall note that this version of the provision is effective on the effective date of the provision in
30 the other act. The history line for an Indiana Code provision that is added or amended by the other
31 act must reference both acts.

32 (f) If, during the same year, two (2) or more other acts amend, add, or repeal the same Indiana
33 Code provision as the Indiana Code provision amended, added, or repealed by SEA 85-2013, the
34 lawful compilers of the Indiana Code, in publishing the Indiana Code provision, shall follow the
35 principles set forth in this section.

36 SECTION 268. [EFFECTIVE JULY 1, 2013] (a) As used in this SECTION, "commission" refers
37 to the Indiana horse racing commission.

38 (b) The commission shall enter into a contract for an independent study concerning the economic
39 impact of horse racing in Indiana, including a determination of whether the reinvestment by
40 racinos in the horse racing industry is better as a statutory distribution or a negotiation between
41 the racinos and the horsemen. In entering into the contract for the independent study, the
42 commission shall use an open, objective, and competitive request for proposal process adopted by
43 the commission.

44 (c) The commission shall pay for the costs of the independent study from money paid to the
45 commission under subsection (d).

46 (d) Notwithstanding IC 4-31-9-2, each person that holds a permit to conduct a horse racing
47 meeting shall do the following:

48 (1) Before September 1, 2013, pay to the commission an amount equal to:

49 (A) twenty-five thousand dollars (\$25,000); multiplied by

50 (B) the number of tracks in Indiana for which the permit holder holds a permit to conduct
51 horse racing meetings;

52 from the purse account established by that permit holder.

1 (2) Before September 1, 2014, pay to the commission an additional amount equal to:
2 (A) twenty-five thousand dollars (\$25,000); multiplied by
3 (B) the number of tracks in Indiana for which the permit holder holds a permit to conduct
4 horse racing meetings;
5 from the purse account established by that permit holder.
6 The amounts paid by a permit holder under this subsection shall be subtracted from amounts that
7 the permit holder is otherwise required to pay out in purses under IC 4-31-9-2.
8 (e) The commission shall, before November 1, 2014, do the following:
9 (1) Present the results of the independent study to the budget committee.
10 (2) Submit the results of the independent study to:
11 (A) the governor; and
12 (B) the legislative council, in an electronic format under IC 5-14-6.
13 (f) This SECTION expires January 1, 2015.
14 SECTION 269. [EFFECTIVE UPON PASSAGE] (a) On June 30, 2013, the auditor of state shall
15 transfer the balance in the Lewis and Clark bicentennial fund established by IC 9-18-47-4 to the
16 state general fund.
17 (b) This SECTION expires July 1, 2014.
18 SECTION 270. [EFFECTIVE UPON PASSAGE] (a) The state personnel department shall do the
19 following:
20 (1) Study the employee benefits provided to state employees, including salaries and wages, paid
21 time off, sick leave, short term and long term disability benefits, health insurance, and pension
22 and other retirement benefits.
23 (2) Report the department's findings and any recommendations to the budget committee
24 before December 1, 2013.
25 (b) This SECTION expires June 30, 2014.
26 SECTION 271. [EFFECTIVE UPON PASSAGE] (a) The pension management oversight
27 commission shall do the following:
28 (1) Study issues related to the retiree health benefit system of the Indiana state police pre-1987
29 benefit system (IC 10-12-3) and the Indiana state police 1987 benefit system (IC 10-12-4).
30 (2) Report to the legislative council concerning the commission's findings and
31 recommendations, including any recommended legislation concerning the topic, not later than
32 November 1, 2013.
33 (b) This SECTION expires June 30, 2014.
34 SECTION 272. An emergency is declared for this act.
 (Reference is to HB 1001 as reprinted February 22, 2013.)

and when so amended that said bill do pass.

Committee Vote: Yeas 9, Nays 4.

Kenley Chairperson