PRELIMINARY DRAFT
No. 3017(ss)

PREPARED BY
LEGISLATIVE SERVICES AGENCY
2009 GENERAL ASSEMBLY

DIGEST

Citations Affected: IC 4; IC 5; IC 6; IC 12; IC 20; IC 21; IC 31; IC 34.

Synopsis: Budget bill. Makes appropriations for the operation of state government and the delivery of Medicaid and other services. Authorizes capital projects. Provides a school funding formula. Updates references to the Internal Revenue Code and requires certain adjustments for the purposes of calculating adjusted gross income. Provides that the budget agency with the approval of the governor may withhold allotments of appropriations for the 2009-2011 biennium if it is considered necessary to do so in order to prevent a deficit financial situation or if the probable receipts from taxes or other sources for any fund will be less than were anticipated. Provides that if the budget agency withholds an allotment of an appropriation from a particular fund, any provision in a statute or act specifying that the balance in that fund does not revert to the state general fund is suspended and does not apply during the period during which the allotment is withheld. Allows capital appropriations to revert if the appropriation has not been allotted or encumbered before the expiration of two years and the budget director and the entity to which the appropriation was made agree that the project will not be undertaken. Specifies that certain statutory provisions concerning transfer of appropriations and withholding of allotments apply to all appropriations made in the

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Effective: July 1, 2009.

budget bill (including any appropriation made to an entity that is not a board, department, commission, office, agency, or benevolent or penal institution of the state). Provides that funds distributed to state universities under the provisions of the American Recovery and Reinvestment Act of 2009 related to restoring state support for higher education shall be treated as a special, one-time distribution and shall be used only for general repair and rehabilitation of facilities for instruction or research or for repair and rehabilitation of dormitories or other student housing. Provides that the funds shall be distributed on the schedule determined by the budget agency after review by the budget committee. Provides that on or before January 15 and July 15 of each year during the biennium, the budget agency shall calculate whether receipts from actual tax collections exceed the May 27, 2009, adjusted state revenue forecast for the preceding six month period. Specifies that if actual receipts for the sixth month period exceed the forecast, 50% of the excess revenue is appropriated to the department of education to be used as a special, one-time tuition support distribution. Establishes the office of department of child services ombudsman within the department of administration. Provides that the ombudsman is appointed by the governor, serves at the pleasure of the governor, and may employ experts and other employees to carry out the duties of the office. Provides that any special volume cap regarding bonds issued under a federal act providing the cap is in addition to the volume cap under Section 146 of the Internal Revenue Code. Provides that 0.5% of cigarette tax revenue shall be deposited in the retiree health benefit trust fund. Removes executive branch employees from coverage of the retirement medical benefits account. Delays the beginning of the general reassessment until 2010. Provides that a taxpayer is entitled to a state tax credit for a contribution to a scholarship granting organization. Provides that the contribution must be used by the scholarship granting organization in a scholarship program to provide scholarships to eligible students. Limits the total amount of tax credits that may be awarded to $5,000,000 in any state fiscal year. Requires new retail merchants to file returns and remit sales tax electronically. Requires refiners, terminal operators, and qualified distributors to remit prepaid state gross retail taxes through the department's online tax filing system. Requires the department of state revenue to determine a new sales tax prepayment rate on gasoline every three months. Eliminates the requirement to publish the prepayment rate change in the Indiana Register. Allows the department of state revenue, subject to office of management and budget approval, to make a new prepayment rate determination if the price of gasoline has changed by at least 25% since the most recent determination. Uses 80% instead of 90% of the estimated tax liability in making the determination. Provides that an individual may claim a deduction for state income tax purposes for property taxes that: (1) were imposed on

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the individual's principal place of residence for the March 1, 2007, assessment date or the January 15, 2008, assessment date; (2) are due after December 31, 2008; and (3) are paid in 2009 on or before the due date for the property taxes. Requires all new withholding tax registrants to file returns and remit the withholding taxes electronically through the department's online tax filing program. Includes vehicles that operate on biodiesel or diesel fuel for purposes of the Hoosier alternative fuel vehicle manufacturer income tax credit. Specifies that for research expense incurred after December 31, 2009, a taxpayer may choose to have the amount of the research expense tax credit determined under the existing calculation or under an alternative calculation providing the amount of the credit is equal to 10% of the part of the taxpayer's Indiana qualified research expense for the year that exceeds 50% of the taxpayer's average Indiana qualified research expense for the preceding three years. Delays the implementation of fiscal year budgeting for school corporations. Makes changes to bring Indiana in conformance with the Streamlined Sales and Use Tax Agreement as amended through September 5, 2008. Updates the definition of "gross retail income" to coincide with the definition of "sales price". Provides relief for retail merchants if there is a change in the sales and use tax rate. Makes permanent the sourcing rule for floral deliveries providing that a sale is sourced to the location of the florist where the order originated when the sale involves one florist taking an order and transferring the order to another florist for delivery to the final recipient. Provides that the sale of Internet access service or certain ancillary telecommunication services are sourced to the customer's place of primary use. Adds a definition of "pass through entity" to the income tax statutes. Provides that income from a pass through entity shall be characterized in a manner consistent with the income's characterization for federal income tax purposes and attributed to Indiana as if the person, corporation, or pass through entity that received the income had directly engaged in the income producing activity. Provides that the state tax credit for media production expenditures may not be awarded for an expenditure made after June 30, 2009. Repeals the sales tax exemption for property acquired for direct use in a qualified media production. Provides that a contract entered into by a state agency may require the contractor to offer to political subdivisions the services, supplies, or transportation equipment (including buses) that are the subject of the contract under conditions specified in the contract. Requires a political subdivision to consult at least two purchasing cooperatives (if at least two purchasing cooperatives exist) before purchasing a service, supply, or item of equipment, and to maintain records of the consultations. Authorizes the department of administration to adopt rules to regulate purchases by political subdivisions. Provides that the department of administration may establish written policies for purchases by political subdivisions

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to ensure that political subdivisions secure the best available price and quality of an item purchased. Extends the expiration date of the office of the secretary of family and social services (FSSA), the office of Medicaid policy and planning, the statutes concerning directors of divisions within FSSA, and certain advisory committees under the FSSA statutes. Removes provisions limiting the health facilities subject to the quality assessment fee based on the health facility's Medicaid utilization rate and annual Medicaid revenue. Eliminates the exemption from the quality assessment fee for health facilities that receive only Medicare revenues. Provides an exemption for hospital based health facilities. Eliminates the role of the department of state revenue in collecting quality assessment fees. Adds provisions concerning continuing care retirement communities. Specifies the percentage distribution of money collected from the quality assessment depending on whether the state is receiving an adjusted federal medical assistance percentage by the federal American Recovery and Reinvestment Act of 2009. Extends the health facility quality assessment fee until August 1, 2011. Specifies that any health, vision, or dental benefits that are provided to school employees after June 30, 2012, must be provided under a state employee health plan. Provides that a charter school or conversion charter school that has received an advance for operational costs from the common school fund does not have to make principal or interest payments during the state fiscal years beginning July 1, 2009, and July 1, 2010. Amends the circuit breaker levy replacement grant for school corporations. Requires a school corporation to notify a teacher that the governing body will consider nonrenewal of the teacher's contract for the next school term at least 60 days before the beginning of the next school term. Provides that a teacher contract entered into or renewed after June 30, 2009, may not extend beyond June 30 of the next odd-numbered year occurring after the contract is entered into or renewed. Requires a school corporation with an ADM on June 30, 2009, of less than 100 students to reorganize by consolidating with an adjacent school corporation under the school consolidation provisions. Requires the department of education to develop a charter school facilities incentive grants program before January 1, 2010, using priority criteria set forth in federal law. Specifies that state adult education funding may also be provided to entities that are eligible providers for purposes of the federal Adult Education and Family Literacy Act. (Current law limits state adult education funding to school corporations.) Requires the department of education to establish a program for virtual charter schools. Specifies the funding for virtual charter schools. Repeals a statute that: (1) requires school corporations and certain state agencies to submit to the state superintendent of public instruction a comprehensive plan for educating children with disabilities; and (2) authorizes the state board of education to conduct a program for the early identification of children with disabilities. Provides that beginning with the school year beginning July 1, 2009, the department of education shall obtain and maintain student certain test number information. Provides that for

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purposes of the twenty-first century scholars program, a student must demonstrate financial need at the time of applying for state financial aid (using a methodology consistent with the methodology used to determine eligibility for state higher education awards and freedom of choice grants). Provides that for purposes of the tuition and fee exemption for Purple Heart recipients: (1) nonstate tuition based gift aid is applied to tuition and regularly assessed fees of a recipient before state tuition based aid is applied; and (2) the amount of state aid a student may receive in total from any source or fund may not exceed eight semesters. Authorizes Purdue University and Indiana University to issue before July 1, 2011, revenue bonds payable from the general revenues of the university, including mandatory student fees and state appropriations for fee replacement purposes. Specifies the purposes that may be funded by the revenue bonds. Provides that SSACI may transfer funds among freedom of choice awards, higher education awards, and twenty-first century awards to ensure maximum use of the funds and the awards. Requires the Indiana finance authority to study the mission, organization, and management structure of the I-Light Fiber Optic Network and submit a report to the governor and the legislative council. Specifies that a financial and operational management plan to address the operating budget deficits for the facilities operated by the capital improvement board of managers of Marion County shall be presented by the governor (in concurrence with the mayor of the city of Indianapolis) on or before June 4, 2009, and shall be included in the governor's budget bill for consideration by the general assembly. Makes other changes.

Special Session 116th General Assembly (2009)(ss)

A BILL FOR AN ACT concerning state and local administration and to make an appropriation.

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

SECTION 1. [EFFECTIVE JULY 1, 2009]

(a) The following definitions apply throughout this act:
(1) "Augmentation allowed" means the governor and the budget agency are authorized to add to an appropriation in this act from revenues accruing to the fund from which the appropriation was made.
(2) "Biennium" means the period beginning July 1, 2009, and ending June 30, 2011. Appropriations appearing in the biennial column for construction or other permanent improvements do not revert under IC 4-13-2-19 and may be allotted.
(3) "Deficiency appropriation" or "special claim" means an appropriation available during the 2008-2009 fiscal year.
(4) "Equipment" includes machinery, implements, tools, furniture, furnishings, vehicles, and other articles that have a calculable period of service that exceeds twelve (12) calendar months.
(5) "Fee replacement" includes payments to universities to be used to pay indebtedness resulting from financing the cost of planning, purchasing, rehabilitation, construction, repair, leasing, lease-purchasing, or otherwise acquiring land, buildings, facilities, and equipment to be used for academic and instructional purposes.
(6) "Federally qualified health center" means a community health center that is designated by the Health Resources Services Administration, Bureau of Primary Health Care, as a Federally Qualified Health Center Look Alike under the FED 330 Consolidated

Health Center Program authorization, including Community Health Center (330e), Migrant Health Center (330g), Health Care for the Homeless (330h), Public Housing Primary Care (330i), and School Based Health Centers (330).
(7) "Other operating expense" includes payments for "services other than personal", "services by contract", "supplies, materials, and parts", "grants, subsidies, refunds, and awards", "in-state travel", "out-of-state travel", and "equipment".
(8) "Pension fund contributions" means the state of Indiana's contributions to a specific retirement fund.
(9) "Personal services" includes payments for salaries and wages to officers and employees of the state (either regular or temporary), payments for compensation awards, and the employer's share of Social Security, health insurance, life insurance, dental insurance, vision insurance, deferred compensation - state match, leave conversion, disability, and retirement fund contributions.
(10) "SSBG" means the Social Services Block Grant. This was formerly referred to as "Title XX".
(11) "State agency" means:
(A) each office, officer, board, commission, department, division, bureau, committee, fund, agency, authority, council, or other instrumentality of the state;
(B) each hospital, penal institution, and other institutional enterprise of the state;
(C) the judicial department of the state; and
(D) the legislative department of the state.
However, this term does not include cities, towns, townships, school cities, school townships, school districts, other municipal corporations or political subdivisions of the state, or universities and colleges supported in whole or in part by state funds.
(12) "State funded community health center" means a public or private not for profit (501(c)(3)) organization that provides comprehensive primary health care services to all age groups.
(13) "Total operating expense" includes payments for both "personal services" and "other operating expense".
(b) The state board of finance may authorize advances to boards or persons having control of the funds of any institution or department of the state of a sum of money out of any appropriation available at such time for the purpose of establishing working capital to provide for payment of expenses in the case of emergency when immediate payment is necessary or expedient. Advance payments shall be made by warrant by the auditor of state, and properly itemized and receipted bills or invoices shall be filed by the board or persons receiving the advance payments.
(c) All money appropriated by this act shall be considered either a direct appropriation or an appropriation from a rotary or revolving fund.
(1) Direct appropriations are subject to withdrawal from the state treasury and for expenditure for such purposes, at such time, and in such manner as may be prescribed by law. Direct appropriations are not subject to return and rewithdrawal from the state treasury, except for the correction of an error which may have occurred in any transaction or for reimbursement of expenditures which have occurred in the same fiscal year.
(2) A rotary or revolving fund is any designated part of a fund that is set apart as working capital in a manner prescribed by law and devoted to a specific purpose or purposes. The fund consists of earnings and income only from certain sources

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

SECTION 2. [EFFECTIVE JULY 1, 2009]

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

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

SECTION 3. [EFFECTIVE JULY 1, 2009]

GENERAL GOVERNMENT

A. LEGISLATIVE

FOR THE GENERAL ASSEMBLY		
LEGISLATORS' SALARIES - HOUSE		
Total Operating Expense	**6,198,756**	**6,198,756**
HOUSE EXPENSES		
Total Operating Expense	**9,332,831**	**9,697,001**
LEGISLATORS' SALARIES - SENATE		
Total Operating Expense	**2,247,345**	**2,247,345**
SENATE EXPENSES		
Total Operating Expense	**9,729,727**	**10,305,831**

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

Members of the general assembly are entitled, when authorized by the speaker of the house or the president pro tempore of the senate, to the legislative business per

diem allowance for each and every day engaged in official business.

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

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

Any member of the general assembly who is appointed, by the governor, speaker of the house, president or president pro tempore of the senate, house or senate minority floor leader, or Indiana legislative council to serve on any research, study, or survey committee or commission, or who attends any meetings authorized or convened under the auspices of the Indiana legislative council, including pre-session conferences and federal-state relations conferences, is entitled, when authorized by the legislative council, to receive the legislative business per diem allowance for each day in actual attendance and is also entitled to a mileage allowance, at the rate specified above, for each mile necessarily traveled from the member's usual place of residence to the state capitol, or other in-state site of the committee, commission, or conference. The per diem allowance and the mileage allowance permitted under this paragraph shall be paid from the legislative council appropriation for legislator and lay member travel unless the member is attending an out-of-state meeting, as authorized by the speaker of the house of representatives or the president pro tempore of the senate, in which case the member is entitled to receive:
(1) the legislative business per diem allowance for each day the member is engaged in approved out-of-state travel; and
(2) reimbursement for traveling expenses actually incurred in connection with the member's duties, as provided in the state travel policies and procedures established by the legislative council.

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

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

LEGISLATORS' SUBSISTENCE		
LEGISLATORS' EXPENSES - HOUSE		
Total Operating Expense	**2,424,801**	**2,432,543**
LEGISLATORS' EXPENSES - SENATE		
Total Operating Expense	**1,126,579**	**1,004,601**

Each member of the general assembly is entitled to a subsistence allowance of forty percent (40%) of the maximum daily amount allowable to employees of the executive branch of the federal government for subsistence expenses while away from home in travel status in the Indianapolis area:
(1) each day that the general assembly is not convened in regular or special session; and
(2) each day after the first session day held in November and before the first session day held in January.

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

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

The officers of the senate are entitled to the following amounts annually in addition to the subsistence allowance: president pro tempore, $7,000; assistant president pro tempore, $3,000; majority floor leader, $5,500; assistant majority floor leaders, $3,500; majority caucus chair, $5,500; assistant majority caucus chairs, $1,500;

appropriations committee chair, $5,500; tax and fiscal policy committee chair, $5,500; appropriations committee ranking majority member, $2,000; tax and fiscal policy committee ranking majority member, $2,000; majority whip, $4,000; assistant majority whip, $2,000; minority floor leader, $6,000; minority leader emeritus, $1,500; minority caucus chair, $5,000; minority assistant floor leader, $5,000; appropriations committee ranking minority member, $2,000; tax and fiscal policy committee ranking minority member, $2,000; minority whip(s), $2,000; assistant minority caucus chair(s), $1,000; agriculture and small business committee chair, $1,000; commerce, public policy, and interstate cooperation committee chair, $1,000; corrections, criminal, and civil matters committee chair, $1,000; education and career development chair, $1,000; elections committee chair, $1,000; energy and environmental affairs committee chair, $1,000; pensions and labor committee chair, $1,000; health and provider services committee chair, $1,000; homeland security, transportation, and veterans affairs committee chair, $1,000; insurance and financial institutions committee chair, $1,000; judiciary committee chair, $1,000; local government committee chair, $1,000; utilities and technology committee chair, $1,000; and natural resources committee chair, $1,000. If an officer fills more than one leadership position, the officer shall be paid for the higher paid position.

Officers of the house of representatives are entitled to the following amounts annually in addition to the subsistence allowance: speaker of the house, $6,500; speaker pro tempore, $5,000; deputy speaker pro tempore, $1,500; majority leader, $5,000; majority caucus chair, $5,000; assistant majority caucus chair, $1,000; ways and means committee chair, $5,000; ways and means committee ranking majority member, $3,000; ways and means committee, chairman of the education subcommittee, $1,500; speaker pro tempore emeritus, $1,500; budget subcommittee chair, $3,000; majority whip, $3,500; assistant majority whip, $1,000; assistant majority leader, $1,000; minority leader, $5,500; minority caucus chair, $4,500; ways and means committee ranking minority member, $3,500; minority whip, $2,500; assistant minority leader, $4,500; second assistant minority leader, $1,500; and deputy assistant minority leader, $1,000.

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

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

FOR THE LEGISLATIVE COUNCIL AND THE LEGISLATIVE SERVICES AGENCY

Total Operating Expense	**8,961,833**	**9,355,000**

LEGISLATOR AND LAY MEMBER TRAVEL

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
Total Operating Expense	**560,128**	**500,000**	

Included in the above appropriations for the legislative council and legislative services agency expenses are funds for usual and customary expenses associated with legislative services.

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

Any person other than a member of the general assembly who is appointed by the governor, speaker of the house, president or president pro tempore of the senate, house or senate minority floor leader, or legislative council to serve on any research, study, or survey committee or commission is entitled, when authorized by the legislative council, to a per diem instead of subsistence of $75 per day during the 2009-2011 biennium. In addition to the per diem, such a person is entitled to mileage reimbursement, at the rate specified for members of the general assembly, for each mile necessarily traveled from the person's usual place of residence to the state capitol or other in-state site of the committee, commission, or conference. However, reimbursement for any out-of-state travel expenses claimed by lay members serving on research, study, or survey committees or commissions under the jurisdiction of the legislative council shall be based on SECTION 14 of this act, until the legislative council applies those travel policies and procedures that govern legislators and their staffs to such lay members as authorized elsewhere in this SECTION. The allowance and reimbursement permitted in this paragraph shall be paid from the legislative council appropriations for legislative and lay member travel unless otherwise provided for by a specific appropriation.

LEGISLATIVE COUNCIL CONTINGENCY FUND	
Total Operating Expense	**125,000**

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

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

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

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

Per page charge for copies of legislative documents: $0.15

Annual charge for interim calendar: $10

Daily charge for the journal of either house: $2

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
PRINTING AND DISTRIBUTION			
Total Operating Expense	**560,278**	**760,000**	

The above funds are appropriated for the printing and distribution of documents published by the legislative council. These documents include journals, bills, resolutions, enrolled documents, the acts of the first and second regular sessions of the 116th general assembly, the supplements to the Indiana Code for fiscal years 2009-2010 and 2010-2011, and the publication of the Indiana Administrative Code and the Indiana Register. Upon completion of the distribution of the Acts and the supplements to the Indiana Code, as provided in IC 2-6-1.5, remaining copies may be sold at a price or prices periodically determined by the legislative council. If the above appropriations for the printing and distribution of documents published by the legislative council are insufficient to pay all of the necessary expenses incurred, there are hereby appropriated such sums as may be necessary to pay such expenses.

COUNCIL OF STATE GOVERNMENTS ANNUAL DUES			
Other Operating Expense	**143,944**	**143,944**	
NATIONAL CONFERENCE OF STATE LEGISLATURES ANNUAL DUES			
Other Operating Expense	**190,337**	**190,337**	
NATIONAL CONFERENCE OF INSURANCE LEGISLATORS ANNUAL DUES			
Other Operating Expense	**10,000**	**10,000**	
FOR THE INDIANA LOBBY REGISTRATION COMMISSION			
Total Operating Expense	**271,910**	**271,910**	

B. JUDICIAL

FOR THE SUPREME COURT			
Personal Services	**7,564,269**	**7,564,269**	
Other Operating Expense	**2,001,965**	**2,001,965**	

The above appropriation for the supreme court personal services includes the subsistence allowance as provided by IC 33-38-5-8.

LOCAL JUDGES' SALARIES			
Personal Services	**57,146,053**	**57,146,053**	
Other Operating Expense	**39,000**	**39,000**	
COUNTY PROSECUTORS' SALARIES			
Personal Services	**24,785,126**	**24,785,126**	
Other Operating Expense	**31,000**	**31,000**	

The above appropriations for county prosecutors' salaries represent the amounts authorized by IC 33-39-6-5 and that are to be paid from the state general fund.

In addition to the appropriations for local judges' salaries and for county prosecutors' salaries, there are hereby appropriated for personal services the amounts that the state is required to pay for salary changes or for additional courts created by the 116th general assembly.

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
TRIAL COURT OPERATIONS			
Total Operating Expense	**596,075**	**596,075**	
INDIANA CONFERENCE FOR LEGAL EDUCATION OPPORTUNITY			
Total Operating Expense	**778,750**	**778,750**	

The above funds are appropriated to the division of state court administration in compliance with the provisions of IC 33-24-13-7.

PUBLIC DEFENDER COMMISSION			
Total Operating Expense	**9,850,000**	**9,850,000**	

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

GUARDIAN AD LITEM			
Total Operating Expense	**2,970,248**	**2,970,248**	

The division of state court administration shall use the foregoing appropriation to administer an office of guardian ad litem and court appointed special advocate services and to provide matching funds to counties that are required to implement, in courts with juvenile jurisdiction, a guardian ad litem and court appointed special advocate program for children who are alleged to be victims of child abuse or neglect under IC 31-33 and to administer the program. A county may use these matching funds to supplement amounts collected as fees under IC 31-40-3 to be used for the operation of guardian ad litem and court appointed special advocate programs. The county fiscal body shall appropriate adequate funds for the county to be eligible for these matching funds.

CIVIL LEGAL AID			
Total Operating Expense	**1,500,000**	**1,500,000**	

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

SPECIAL JUDGES - COUNTY COURTS			
Personal Services	**15,000**	**15,000**	
Other Operating Expense	**134,000**	**134,000**	

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

COMMISSION ON RACE AND GENDER FAIRNESS

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
Total Operating Expense	**380,996**	**380,996**	
FOR THE COURT OF APPEALS			
Personal Services	**9,141,271**	**9,141,271**	
Other Operating Expense	**1,025,470**	**1,025,470**	

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

FOR THE TAX COURT			
Personal Services	**549,418**	**549,418**	
Other Operating Expense	**123,595**	**123,595**	
FOR THE JUDICIAL CENTER			
Personal Services	**1,680,763**	**1,680,763**	
Other Operating Expense	**1,140,419**	**1,140,419**	

The above appropriations for the judicial center include the appropriations for the judicial conference.

DRUG AND ALCOHOL PROGRAMS FUND			
Total Operating Expense	**100,000**	**100,000**	

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

INTERSTATE COMPACT FOR ADULT OFFENDER SUPERVISION			
Total Operating Expense	**200,000**	**200,000**	
FOR THE PUBLIC DEFENDER			
Personal Services	**5,679,783**	**5,679,783**	
Other Operating Expense	**985,133**	**985,133**	
FOR THE PUBLIC DEFENDER COUNCIL			
Personal Services	**943,769**	**943,769**	
Other Operating Expense	**420,328**	**420,328**	
FOR THE PROSECUTING ATTORNEYS' COUNCIL			
Personal Services	**638,099**	**638,099**	
Other Operating Expense	**577,177**	**577,177**	
DRUG PROSECUTION			
Drug Prosecution Fund (IC 33-39-8-6)			
Total Operating Expense	**79,000**	**109,000**	

Augmentation allowed.

FOR THE PUBLIC EMPLOYEES' RETIREMENT FUND
JUDGES' RETIREMENT FUND

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
Other Operating Expense	**11,474,961**	**12,048,709**	
PROSECUTORS' RETIREMENT FUND			
Other Operating Expense	**170,000**	**170,000**	

C. EXECUTIVE

FOR THE GOVERNOR'S OFFICE			
Personal Services	**1,902,269**	**1,902,269**	
Other Operating Expense	**153,976**	**153,976**	
GOVERNOR'S RESIDENCE			
Total Operating Expense	**136,858**	**136,858**	
GOVERNOR'S CONTINGENCY FUND			
Total Operating Expense			**153,358**

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

GOVERNOR'S FELLOWSHIP PROGRAM			
Total Operating Expense	**265,205**	**265,205**	
FOR THE WASHINGTON LIAISON OFFICE			
Total Operating Expense	**242,500**	**242,500**	
FOR THE LIEUTENANT GOVERNOR			
Personal Services	**1,725,210**	**1,725,210**	
Other Operating Expense	**550,115**	**550,115**	
CONTINGENCY FUND			
Total Operating Expense			**12,388**

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

FOR THE SECRETARY OF STATE			
ADMINISTRATION			
Personal Services	**2,197,658**	**2,197,658**	
Other Operating Expense	**150,500**	**150,500**	

FOR THE ATTORNEY GENERAL

ATTORNEY GENERAL

From the General Fund

15,128,969 15,128,969

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

90,000 90,000

Augmentation allowed.

From the Medicaid Fraud Control Unit Fund (IC 4-6-10-1)

542,447 542,447

Augmentation allowed.

From the Victims' Assistance Address Confidentiality Fund (IC 5-26.5-3-6)

59,929 59,929

Augmentation allowed.
From the Real Estate Appraiser Investigative Fund (IC 25-34.1-8-7.5)
64,230 64,230
Augmentation allowed.
From the Non-Consumer Settlements Fund
116,678 116,678
Augmentation allowed.
From the Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)
494,467 494,467
Augmentation allowed.
From the Abandoned Property Fund (IC 32-34-1-33)
318,968 318,968
Augmentation allowed.

The amounts specified from the General Fund, motor vehicle odometer fund, medicaid fraud control unit fund, victims' assistance address confidentiality fund, non-consumer settlements fund, real estate appraiser investigative fund, tobacco master settlement fund, and abandoned property fund are for the following purposes:

Personal Services	**15,690,686**	**15,690,686**
Other Operating Expense	**1,125,002**	**1,125,002**
HOMEOWNER PROTECTION UNIT		
Homeowner Protection Unit Account (IC 4-6-12-9)		
Total Operating Expense	**422,000**	**422,000**
MEDICAID FRAUD UNIT		
Total Operating Expense	**235,473**	**235,473**

The above appropriations to the Medicaid fraud unit are the state's matching share of the state Medicaid fraud control unit under IC 4-6-10 as prescribed by 42 U.S.C. 1396b(q). Augmentation allowed from collections.

UNCLAIMED PROPERTY		
Abandoned Property Fund (IC 32-34-1-33)		
Personal Services	**1,347,951**	**1,347,951**
Other Operating Expense	**3,163,434**	**3,163,434**
Augmentation allowed.		

D. FINANCIAL MANAGEMENT

FOR THE AUDITOR OF STATE		
Personal Services	**4,587,218**	**4,587,218**
Other Operating Expense	**1,388,632**	**1,388,632**
GOVERNORS' AND GOVERNORS' SURVIVING SPOUSES' PENSIONS		
Total Operating Expense	**140,246**	**140,246**

The above appropriations for governors' and governors' surviving spouses' pensions are made under IC 4-3-3.

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
FOR THE STATE BOARD OF ACCOUNTS			
Personal Services	**20,581,483**	**20,581,483**	
Other Operating Expense	**1,178,717**	**1,178,717**	
FOR THE STATE BUDGET COMMITTEE			
Total Operating Expense	**54,126**	**54,126**	

Notwithstanding IC 4-12-1-11(b), the salary per diem of the legislative members of the budget committee is an amount equal to one hundred fifty percent (150%) of the legislative business per diem allowance. If the above appropriations are insufficient to carry out the necessary operations of the budget committee, there are hereby appropriated such further sums as may be necessary.

FOR THE OFFICE OF MANAGEMENT AND BUDGET			
Personal Services	**1,000,227**	**1,000,227**	
Other Operating Expense	**153,095**	**153,095**	
FOR THE STATE BUDGET AGENCY			
Personal Services	**2,729,047**	**2,729,047**	
Other Operating Expense	**639,093**	**639,093**	
DEPARTMENTAL AND INSTITUTIONAL EMERGENCY CONTINGENCY FUND			
Total Operating Expense			**10,000,000**

The foregoing departmental and institutional emergency contingency fund appropriation is subject to allotment to departments, institutions, and all state agencies by the budget agency with the approval of the governor. These allocations may be made upon written request of proper officials, showing that contingencies exist that require additional funds for meeting necessary expenses. The budget committee shall be advised of each transfer request and allotment.

OUTSIDE BILL CONTINGENCY			
Total Operating Expense			**9,354,228**
PERSONAL SERVICES/FRINGE BENEFITS CONTINGENCY FUND			
Total Operating Expense			**55,625,000**

The foregoing personal services/fringe benefits contingency fund appropriation is subject to allotment to departments, institutions, and all state agencies by the budget agency with the approval of the governor.

The foregoing personal services/fringe benefits contingency fund appropriation may be used only for salary increases, fringe benefit increases, an employee leave conversion program, or a state retiree health program for state employees and may not be used for any other purpose.

The foregoing personal services/fringe benefits contingency fund appropriation does not revert at the end of the biennium but remains in the personal services/fringe benefits contingency fund.

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
RETIREE HEALTH BENEFIT TRUST FUND			
Retiree Health Benefit Trust Fund (IC 5-10-8-8.5)			
Total Operating Expense			**5,700,000**
Augmentation Allowed.			

The foregoing appropriation for the retiree health plan:

(1) is to fund employer contributions and benefits provided under IC 5-10-8.5;
(2) does not revert at the end of any state fiscal year but remains available for the purposes of the appropriation in subsequent state fiscal years; and
(3) is not subject to transfer to any other fund or to transfer, assignment, or reassignment for any other use or purpose by the state board of finance notwithstanding IC 4-9.1-1-7 and IC 4-13-2-23 or by the budget agency notwithstanding IC 4-12-1-12 or any other law.

The budget agency may transfer appropriations from federal or dedicated funds to the trust fund to accrue funds to pay benefits to employees that are not paid from the general fund.

COMPREHENSIVE HEALTH INSURANCE ASSOCIATION STATE SHARE			
Total Operating Expense			**77,000,000**
Augmentation Allowed.			
LIBRARY INTERNET CONNECTION (IC 4-34-3-2)			
Build Indiana Fund (IC 4-30-17)			
Total Operating Expense	**1,200,000**	**1,200,000**	
INSPIRE (IC 4-34-3-2)			
Build Indiana Fund (IC 4-30-17)			
Other Operating Expense			**3,000,000**
FEDERAL STIMULUS MATCHING GRANTS			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense			**10,000,000**

The foregoing appropriation to the budget agency from the Indiana tobacco master settlement agreement fund established by IC 4-12-1-14.3 for the biennium beginning July 1, 2009, and ending June 30, 2011, is to provide the nonfederal match for grants available under the American Recovery and Reinvestment Act. In order to qualify for matching funds:

(1) The nonfederal share provided under this SECTION may not exceed thirty percent (30%) of the cost of the project or program.
(2) The project or program must be one (1) time in nature.

FOR THE PUBLIC EMPLOYEES' RETIREMENT FUND			
PUBLIC SAFETY PENSION			
Total Operating Expense	**96,000,000**	**112,000,000**	

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation

Augmentation Allowed.

FOR THE TREASURER OF STATE

Personal Services	**817,630**	**817,630**
Other Operating Expense	**52,476**	**52,476**

The treasurer of state, the board for depositories, the Indiana commission for higher education, and the state student assistance commission shall cooperate and provide to the Indiana education savings authority the following:

(1) Clerical and professional staff and related support.

(2) Office space and services.

(3) Reasonable financial support for the development of rules, policies, programs, and guidelines, including authority operations and travel.

E. TAX ADMINISTRATION

FOR THE DEPARTMENT OF REVENUE

COLLECTION AND ADMINISTRATION

From the General Fund

48,831,936 48,831,936

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

794,261 794,261

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

2,449,434 2,449,434

Augmentation allowed from the Motor Carrier Regulation Fund and the Motor Vehicle Highway Account.

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

Personal Services	**37,103,377**	**37,103,377**
Other Operating Expense	**14,972,254**	**14,972,254**

With the approval of the governor and the budget agency, the department shall annually reimburse the state general fund for expenses incurred in support of the collection of dedicated fund revenue according to the department's cost allocation plan.

With the approval of the governor and the budget agency, the foregoing sums for the department of state revenue may be augmented to an amount not exceeding in total, together with the above specific amounts, one and one-tenth percent (1.1%) of the amount of money collected by the department of state revenue from taxes and fees.

OUTSIDE COLLECTIONS

Total Operating Expense	**4,500,000**	**4,500,000**

With the approval of the governor and the budget agency, the foregoing sums for the department of state revenue's outside collections may be augmented to an amount not exceeding in total, together with the above specific amounts, one and one-tenth percent (1.1%) of the amount of money collected by the department from taxes and fees.

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation

MOTOR CARRIER REGULATION

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

Personal Services	**1,744,843**	**1,744,843**
Other Operating Expense	**3,797,857**	**3,797,857**

Augmentation allowed from the Motor Carrier Regulation Fund.

MOTOR FUEL TAX DIVISION

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

Personal Services	**7,041,830**	**7,041,830**
Other Operating Expense	**2,561,625**	**2,561,625**

Augmentation allowed from the Motor Vehicle Highway Account.

In addition to the foregoing appropriations, there is hereby appropriated to the department of revenue motor fuel tax division an amount sufficient to pay claims for refunds on license-fee-exempt motor vehicle fuel as provided by law. The sums above appropriated from the motor vehicle highway account for the operation of the motor fuel tax division, together with all refunds for license-fee-exempt motor vehicle fuel, shall be paid from the receipts of those license fees before they are distributed as provided by IC 6-6-1.1.

FOR THE INDIANA GAMING COMMISSION

From the State Gaming Fund (IC 4-33-13-3)

	3,501,183	**3,501,183**

From the Gaming Investigations Fund (IC 4-33-4.5)

	600,000	**600,000**

The amounts specified from the state gaming fund and gaming investigations are for the following purposes:

Personal Services	**3,288,542**	**3,288,542**
Other Operating Expense	**812,641**	**812,641**

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

Augmentation allowed.

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

FOR THE INDIANA DEPARTMENT OF GAMING RESEARCH

Personal Services	**120,394**	**120,394**
Other Operating Expense	**104,312**	**104,312**

Augmentation allowed from fees accruing under IC 4-33-18-8.

FOR THE INDIANA HORSE RACING COMMISSION

Indiana Horse Racing Commission Operating Fund (IC 4-31-10-2)

Personal Services	**2,126,562**	**2,126,562**

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
Other Operating Expense	**627,890**	**627,890**	

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

Augmentation allowed.

STANDARDBRED ADVISORY BOARD

Standardbred Horse Fund (IC 15-19-2-10)

Total Operating Expense	**193,500**	**193,500**	

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

Augmentation allowed.

STANDARDBRED BREED DEVELOPMENT

Indiana Horse Racing Commission Operating Fund (IC 4-31-10-2)

Total Operating Expense	**4,049,719**	**4,049,719**	

Augmentation allowed.

THOROUGHBRED BREED DEVELOPMENT

Indiana Horse Racing Commission Operating Fund (IC 4-31-10-2)

Total Operating Expense	**2,904,012**	**2,904,012**	

Augmentation allowed.

QUARTER HORSE BREED DEVELOPMENT

Indiana Horse Racing Commission Operating Fund (IC 4-31-10-2)

Total Operating Expense	**228,896**	**228,896**	

Augmentation allowed.

FINGERPRINT FEES

Indiana Horse Racing Commission Operating Fund (IC 4-31-10-2)

Total Operating Expense	**52,110**	**52,110**	

Augmentation allowed.

GAMING INTEGRITY FUND - IHRC

Gaming Integrity Fund - IHRC (IC 4-35-8.7-3)

Total Operating Expense	**500,000**	**500,000**	

Augmentation allowed.

FOR THE DEPARTMENT OF LOCAL GOVERNMENT FINANCE

Personal Services	**3,927,361**	**3,926,359**	
Other Operating Expense	**722,957**	**722,957**	

From the above appropriations for the department of local government finance, travel subsistence and mileage allowances may be paid for members of the local government tax control board created by IC 6-1.1-18.5-11 and the state school property tax control board created by IC 6-1.1-19-4.1, under state travel regulations.

DISTRESSED UNIT APPEAL BOARD

Total Operating Expense	**20,600**	**20,600**	

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
FOR THE INDIANA BOARD OF TAX REVIEW			
Personal Services	**1,209,019**	**1,209,019**	
Other Operating Expense	**63,510**	**63,510**	

F. ADMINISTRATION

FOR THE DEPARTMENT OF ADMINISTRATION			
Personal Services	**11,562,865**	**11,562,865**	
Other Operating Expense	**14,718,815**	**14,718,815**	
FOR THE STATE PERSONNEL DEPARTMENT			
Personal Services	**3,405,686**	**3,405,686**	
Other Operating Expense	**320,200**	**320,200**	

The department may establish an internal service fund to perform the functions of the department.

FOR THE STATE EMPLOYEES APPEALS COMMISSION			
Personal Services	**169,653**	**169,653**	
Other Operating Expense	**10,086**	**10,086**	
FOR THE OFFICE OF TECHNOLOGY			
Pay Phone Fund (IC 5-22-23-7)			
Total Operating Expense	**1,900,000**	**1,900,000**	
Augmentation allowed.			

The pay phone fund is established for the procurement of hardware, software, and related equipment and services needed to expand and enhance the state campus backbone and other central information technology initiatives. Such procurements may include, but are not limited to, wiring and rewiring of state offices, Internet services, video conferencing, telecommunications, application software, and related services. The fund consists of the net proceeds received from contracts with companies providing phone services at state institutions and other state properties. The fund shall be administered by the budget agency. Money in the fund may be spent by the office in compliance with a plan approved by the budget agency. Any money remaining in the fund at the end of any fiscal year does not revert to the general fund or any other fund but remains in the pay phone fund.

FOR THE COMMISSION ON PUBLIC RECORDS			
Personal Services	**1,325,220**	**1,325,220**	
Other Operating Expense	**141,446**	**141,446**	
FOR THE OFFICE OF THE PUBLIC ACCESS COUNSELOR			
Personal Services	**153,041**	**153,041**	
Other Operating Expense	**3,688**	**3,688**	
FOR THE OFFICE OF FEDERAL GRANTS AND PROCUREMENT			
Total Operating Expense	**95,039**	**95,039**	

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
G. OTHER			
FOR THE COMMISSION ON UNIFORM STATE LAWS			
Total Operating Expense	**43,584**	**43,584**	
FOR THE OFFICE OF INSPECTOR GENERAL			
Personal Services	**1,212,488**	**1,212,488**	
Other Operating Expense	**229,383**	**229,383**	
STATE ETHICS COMMISSION			
Personal Services	**2,668**	**2,668**	
Other Operating Expense	**6,297**	**6,297**	
FOR THE SECRETARY OF STATE			
ELECTION DIVISION			
Personal Services	**701,510**	**701,510**	
Other Operating Expense	**196,242**	**196,242**	
VOTER LIST MAINTENANCE			
Total Operating Expense	**512,500**	**512,500**	
H. COMMUNITY SERVICES			
FOR THE GOVERNOR'S OFFICE OF FAITH BASED & COMMUNITY INITIATIVES			
Personal Services	**240,327**	**240,327**	
Other Operating Expense	**50,225**	**50,225**	
SECTION 4. [EFFECTIVE JULY 1, 2009]			
PUBLIC SAFETY			
A. CORRECTION			
FOR THE DEPARTMENT OF CORRECTION			
CENTRAL OFFICE			
Personal Services	**9,376,633**	**9,376,633**	
Other Operating Expense	**6,158,981**	**6,158,981**	
ESCAPEE COUNSEL AND TRIAL EXPENSE			
Other Operating Expense	**198,000**	**198,000**	
COUNTY JAIL MISDEMEANANT HOUSING			
Total Operating Expense	**4,281,101**	**4,281,101**	
ADULT CONTRACT BEDS			
Total Operating Expense	**2,831,443**	**2,831,443**	
STAFF DEVELOPMENT AND TRAINING			
Personal Services	**1,084,457**	**1,084,457**	
Other Operating Expense	**132,885**	**132,885**	
PAROLE DIVISION			
Personal Services	**8,337,627**	**8,337,627**	
Other Operating Expense	**905,405**	**905,405**	
PAROLE BOARD			

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
Personal Services	**657,976**	**657,976**	
Other Operating Expense	**23,741**	**23,741**	
INFORMATION MANAGEMENT SERVICES			
Personal Services	**1,048,752**	**1,048,752**	
Other Operating Expense	**432,534**	**432,534**	
JUVENILE TRANSITION			
Personal Services	**662,692**	**662,692**	
Other Operating Expense	**908,545**	**908,545**	
COMMUNITY CORRECTIONS PROGRAMS			
Total Operating Expense	**34,018,114**	**34,018,114**	

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

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

DRUG PREVENTION AND OFFENDER TRANSITION			
Total Operating Expense	**206,824**	**206,824**	

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

CENTRAL EMERGENCY RESPONSE			
Personal Services	**1,159,005**	**1,159,005**	
Other Operating Expense	**120,174**	**120,174**	
MEDICAL SERVICES			
Other Operating Expense	**76,130,153**	**86,032,783**	

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

DRUG ABUSE PREVENTION			
Drug Abuse Fund (IC 11-8-2-11)			
Personal Services	**740,000**	**740,000**	
Other Operating Expense	**2,600**	**2,600**	
Augmentation allowed.			
COUNTY JAIL MAINTENANCE CONTINGENCY FUND			
Other Operating Expense	**20,000,000**	**20,000,000**	

Disbursements from the fund shall be made for the purpose of reimbursing sheriffs for the cost of incarcerating in county jails persons convicted of felonies to the extent that such persons are incarcerated for more than five (5) days after the day of sentencing, at the rate of $35 per day. In addition to the per diem, the state

shall reimburse the sheriffs for expenses determined by the sheriff to be medically necessary medical care to the convicted persons. However, if the sheriff or county receives money with respect to a convicted person (from a source other than the county), the per diem or medical expense reimbursement with respect to the convicted person shall be reduced by the amount received. A sheriff shall not be required to comply with IC 35-38-3-4(a) or transport convicted persons within five (5) days after the day of sentencing if the department of correction does not have the capacity to receive the convicted person.

Augmentation allowed.

FOOD SERVICES		
Total Operating Expense	**36,652,458**	**40,281,856**

FOR THE STATE BUDGET AGENCY

MEDICAL SERVICE PAYMENTS		
Total Operating Expense	**25,000,000**	**25,000,000**

These appropriations for medical service payments are made to pay for services determined to be medically necessary for committed individuals, patients and students of institutions under the jurisdiction of the department of correction, the state department of health, the division of mental health and addiction, the school for the blind and visually impaired, the school for the deaf, the division of disability and rehabilitative services, or the division of aging if the services are provided outside these institutions. These appropriations may not be used for payments for medical services that are covered by IC 12-16 unless these services have been approved under IC 12-16. These appropriations shall not be used for payment for medical services which are payable from an appropriation in this act for the state department of health, the division of mental health and addiction, the school for the blind and visually impaired, the school for the deaf, the division of disability and rehabilitative services, the division of aging, or the department of correction, or that are reimbursable from funds for medical assistance under IC 12-15. If these appropriations are insufficient to make these medical service payments, there is hereby appropriated such further sums as may be necessary.

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

FOR THE DEPARTMENT OF ADMINISTRATION

DEPARTMENT OF CORRECTION OMBUDSMAN BUREAU		
Personal Services	**134,554**	**134,554**
Other Operating Expense	**7,328**	**7,328**

FOR THE DEPARTMENT OF CORRECTION

INDIANA STATE PRISON		
Personal Services	**32,867,370**	**32,867,370**
Other Operating Expense	**6,751,252**	**6,751,252**
PENDLETON CORRECTIONAL FACILITY		
Personal Services	**27,299,395**	**27,299,395**
Other Operating Expense	**7,070,626**	**7,070,626**

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
CORRECTIONAL INDUSTRIAL FACILITY			
Personal Services	**20,245,770**	**20,245,770**	
Other Operating Expense	**997,243**	**997,243**	
INDIANA WOMEN'S PRISON			
Personal Services	**8,612,523**	**8,612,523**	
Other Operating Expense	**1,059,099**	**1,059,099**	
PUTNAMVILLE CORRECTIONAL FACILITY			
Personal Services	**30,333,741**	**30,333,741**	
Other Operating Expense	**4,329,691**	**4,329,691**	
WABASH VALLEY CORRECTIONAL FACILITY			
Personal Services	**35,452,554**	**35,452,554**	
Other Operating Expense	**5,409,888**	**5,409,888**	
PLAINFIELD EDUCATION RE-ENTRY FACILITY			
Personal Services	**7,055,354**	**7,055,354**	
Other Operating Expense	**3,235,412**	**3,235,412**	
INDIANAPOLIS JUVENILE CORRECTIONAL FACILITY			
Personal Services	**10,906,670**	**10,906,670**	
Other Operating Expense	**1,090,070**	**1,090,070**	
BRANCHVILLE CORRECTIONAL FACILITY			
Personal Services	**16,560,275**	**16,560,275**	
Other Operating Expense	**2,361,080**	**2,361,080**	
WESTVILLE CORRECTIONAL FACILITY			
Personal Services	**42,786,893**	**42,786,893**	
Other Operating Expense	**5,980,703**	**5,980,703**	
ROCKVILLE CORRECTIONAL FACILITY FOR WOMEN			
Personal Services	**14,998,655**	**14,998,655**	
Other Operating Expense	**1,927,015**	**1,927,015**	
PLAINFIELD CORRECTIONAL FACILITY			
Personal Services	**22,950,007**	**22,950,007**	
Other Operating Expense	**2,619,303**	**2,619,303**	
RECEPTION AND DIAGNOSTIC CENTER			
Personal Services	**11,799,385**	**11,799,385**	
Other Operating Expense	**695,865**	**695,865**	
MIAMI CORRECTIONAL FACILITY			
Personal Services	**28,891,409**	**28,891,409**	
Other Operating Expense	**5,231,704**	**5,231,704**	
NEW CASTLE CORRECTIONAL FACILITY			
Other Operating Expense	**31,587,079**	**32,328,736**	
SOCIAL SERVICES BLOCK GRANT			
General Fund			
Total Operating Expense	**5,029,318**	**5,029,318**	
Work Release - Study Release Special Revenue Fund (IC 11-10-8-6.5)			
Total Operating Expense	**1,328,704**	**1,328,704**	
Augmentation allowed from Work Release - Study Release Special Revenue Fund and Social Services Block Grant.			
HENRYVILLE CORRECTIONAL FACILITY			
Personal Services	**2,355,124**	**2,355,124**	
Other Operating Expense	**271,599**	**271,599**	
CHAIN O' LAKES CORRECTIONAL FACILITY			

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
Personal Services	**1,743,782**	**1,743,782**	
Other Operating Expense	**261,355**	**261,355**	
MADISON CORRECTIONAL FACILITY			
Personal Services	**4,835,168**	**4,835,168**	
Other Operating Expense	**962,558**	**962,558**	
EDINBURGH CORRECTIONAL FACILITY			
Personal Services	**3,614,415**	**3,614,415**	
Other Operating Expense	**388,295**	**388,295**	
SOUTH BEND JUVENILE CORRECTIONAL FACILITY			
Personal Services	**4,739,483**	**4,739,483**	
Other Operating Expense	**2,826,481**	**2,826,481**	
NORTH CENTRAL JUVENILE CORRECTIONAL FACILITY			
Personal Services	**9,213,446**	**9,213,446**	
Other Operating Expense	**1,243,603**	**1,243,603**	
CAMP SUMMIT			
Personal Services	**2,258,110**	**2,258,110**	
Other Operating Expense	**217,833**	**217,833**	
PENDLETON JUVENILE CORRECTIONAL FACILITY			
Personal Services	**15,807,771**	**15,807,771**	
Other Operating Expense	**1,633,941**	**1,633,941**	

B. LAW ENFORCEMENT

FOR THE INDIANA STATE POLICE AND MOTOR CARRIER INSPECTION

From the General Fund

45,469,876 45,469,876

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

79,313,933 79,313,933

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

4,391,978 4,391,978

Augmentation allowed from the general fund, the motor vehicle highway account, 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	**115,028,075**	**115,028,075**
Other Operating Expense	**14,147,712**	**14,147,712**

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.

ODOMETER FRAUD INVESTIGATION

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
Motor Vehicle Odometer Fund (IC 9-29-1-5)			
Total Operating Expense	**25,000**	**25,000**	
Augmentation allowed.			
STATE POLICE TRAINING			
State Police Training Fund (IC 5-2-8-5)			
Total Operating Expense	**502,875**	**502,875**	
Augmentation allowed.			
FORENSIC AND HEALTH SCIENCES LABORATORIES			
From the General Fund			
	3,888,671	**3,888,671**	
From the Motor Carrier Regulation Fund (IC 8-2.1-23)			
	375,611	**375,611**	
From the Motor Vehicle Highway Account (IC 8-14-1)			
	6,783,078	**6,783,078**	
Augmentation allowed from the general fund, the motor vehicle highway account, 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	**10,572,562**	**10,572,562**
Other Operating Expense	**474,798**	**474,798**
ENFORCEMENT AID		
General Fund		
Total Operating Expense	**40,000**	**40,000**
Motor Vehicle Highway Account (IC 8-14-1)		
Total Operating Expense	**40,000**	**40,000**

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	**4,736,247**	**4,736,247**
Motor Vehicle Highway Account (IC 8-14-1)		
Total Operating Expense	**4,736,246**	**4,736,246**

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	**1,713,151**	**1,713,151**
Augmentation allowed.		

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
Motor Vehicle Highway Account (IC 8-14-1)			
Total Operating Expense	**1,713,151**	**1,713,151**	
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	**1,900,753**	**1,900,753**	
Augmentation allowed.			
Motor Vehicle Highway Account (IC 8-14-1)			
Total Operating Expense	**1,900,753**	**1,900,753**	
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 appropriations, then, with the approval of the governor and the budget agency, those sums may be augmented from the general fund and the motor vehicle highway account.

ACCIDENT REPORTING			
Accident Report Account (IC 9-29-11-1)			
Total Operating Expense	**30,000**	**30,000**	
Augmentation allowed.			
DRUG INTERDICTION			
Drug Interdiction Fund (IC 10-11-7)			
Total Operating Expense	**273,420**	**273,420**	
Augmentation allowed.			
DNA SAMPLE PROCESSING FUND			
DNA Sample Processing Fund (IC 10-13-6-9.5)			
Total Operating Expense	**1,327,777**	**1,327,777**	
Augmentation allowed.			
FOR THE INTEGRATED PUBLIC SAFETY COMMISSION			
PROJECT SAFE-T			
Integrated Public Safety Communications Fund (IC 5-26-4-1)			
Total Operating Expense	**13,000,000**	**13,000,000**	
Augmentation allowed.			
FOR THE ADJUTANT GENERAL			
CAMP ATTERBURY MUSCATATUCK CENTER FOR COMPLEX OPERATIONS			
Personal Services	**653,456**	**653,456**	
Other Operating Expense	**362,134**	**362,134**	
ADJUTANT GENERAL FEDERAL COOP AGREEMENT			
Total Operating Expense	**9,653,699**	**9,653,699**	
BAER FIELD FEDERAL COOP AGREEMENT			

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
Total Operating Expense	**370,161**	**370,161**	
HULMAN FIELD FEDERAL COOP AGREEMENT			
Total Operating Expense	**306,453**	**306,453**	
DISABLED SOLDIERS' PENSION			
Other Operating Expense	**1**	**1**	
Augmentation allowed.			
MUTC - MUSCATATUCK URBAN TRAINING CENTER			
Total Operating Expense	**1,386,906**	**1,386,906**	
HOOSIER YOUTH CHALLENGE ACADEMY			
Total Operating Expense	**1,148,948**	**1,800,000**	
GOVERNOR'S CIVIL AND MILITARY CONTINGENCY FUND			
Total Operating Expense			**288,672**

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

FOR THE CRIMINAL JUSTICE INSTITUTE			
ADMINISTRATIVE MATCH			
Total Operating Expense	**427,253**	**427,253**	
DRUG ENFORCEMENT MATCH			
Total Operating Expense	**1,571,760**	**1,571,760**	
VICTIM AND WITNESS ASSISTANCE FUND			
Victim and Witness Assistance Fund (IC 5-2-6-14)			
Total Operating Expense	**629,689**	**629,689**	
Augmentation allowed.			
ALCOHOL AND DRUG COUNTERMEASURES			
Alcohol and Drug Countermeasures Fund (IC 9-27-2-11)			
Total Operating Expense	**348,211**	**348,211**	
Augmentation allowed.			
STATE DRUG FREE COMMUNITIES FUND			
State Drug Free Communities Fund (IC 5-2-10-2)			
Total Operating Expense	**526,585**	**526,585**	
Augmentation allowed.			
INDIANA SAFE SCHOOLS			
General Fund			
Total Operating Expense	**1,247,756**	**1,247,756**	
Indiana Safe Schools Fund (IC 5-2-10.1-2)			
Total Operating Expense	**764,397**	**764,397**	
Augmentation allowed from Indiana Safe Schools Fund.			

Of the above appropriations for the Indiana safe schools program, $1,262,153 is appropriated annually to provide grants to school corporations for school safe haven programs, emergency preparedness programs, and school safety programs, and $750,000 is appropriated annually for use in providing training to school safety specialists.

CHILD RESTRAINT SYSTEM FUND			
Total Operating Expense	**100,000**	**100,000**	
COMMUNITY DRIVER TRAINING SCHOOLS & INSTRUCTION			
Motor Vehicle Highway Account (IC 8-14-1)			

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
Total Operating Expense	**63,359**	**63,359**	
Augmentation allowed.			
OFFICE OF TRAFFIC SAFETY			
Motor Vehicle Highway Account (IC 8-14-1)			
Personal Services	**575,778**	**575,778**	
Other Operating Expense	**13,211,355**	**13,211,355**	
Augmentation allowed.			

The above appropriation for the office of traffic safety is from the motor vehicle highway account and may be used to fund traffic safety projects that are included in a current highway safety plan approved by the governor and the budget agency. The department shall apply to the national highway traffic safety administration for reimbursement of all eligible project costs. Any federal reimbursement received by the department for the highway safety plan shall be deposited into the motor vehicle highway account.

SEXUAL ASSAULT VICTIMS' ASSISTANCE			
Sexual Assault Victims' Assistance Account (IC 5-2-6-23(h))			
Total Operating Expense	**49,000**	**49,000**	

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			
Violent Crime Victims Compensation Fund (IC 5-2-6.1-40)			
Personal Services	**112,122**	**112,122**	
Other Operating Expense	**2,407,402**	**2,407,402**	
Augmentation allowed.			
DOMESTIC VIOLENCE PREVENTION AND TREATMENT			
General Fund			
Total Operating Expense	**1,734,014**	**1,734,014**	
Domestic Violence Prevention and Treatment Fund (IC 12-18-4)			
Total Operating Expense	**1,115,590**	**1,115,590**	
Augmentation allowed.			

FOR THE CORONERS' TRAINING BOARD			
Coroners' Training and Continuing Education Fund (IC 4-23-6.5-8)			
Total Operating Expense	**361,229**	**361,229**	
Augmentation allowed.			

FOR THE LAW ENFORCEMENT TRAINING ACADEMY			
From the General Fund			
	2,190,933	**2,190,933**	
From the Law Enforcement Training Fund (IC 5-2-1-13(b))			
	2,220,048	**2,220,048**	
Augmentation allowed from the Law Enforcement Training Fund.			

The amounts specified from the General Fund and the Law Enforcement Training Fund

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
are for the following purposes:			
Personal Services	**3,608,441**	**3,608,441**	
Other Operating Expense	**802,540**	**802,540**	
C. REGULATORY AND LICENSING			
FOR THE BUREAU OF MOTOR VEHICLES			
Motor Vehicle Highway Account (IC 8-14-1)			
Personal Services	**17,446,403**	**17,446,403**	
Other Operating Expense	**13,493,000**	**13,493,000**	
Augmentation allowed.			
LICENSE PLATES			
Motor Vehicle Highway Account (IC 8-14-1)			
Total Operating Expense	**5,600,000**	**5,600,000**	
Augmentation allowed.			
FINANCIAL RESPONSIBILITY COMPLIANCE VERIFICATION			
Financial Responsibility Compliance Verification Fund (IC 9-25-9-7)			
Total Operating Expense	**6,571,932**	**6,571,932**	
Augmentation allowed.			
STATE MOTOR VEHICLE TECHNOLOGY			
State Motor Vehicle Technology Fund (IC 9-29-16-1)			
Total Operating Expense	**5,261,692**	**5,261,692**	
Augmentation allowed.			
FOR THE DEPARTMENT OF LABOR			
Personal Services	**871,619**	**871,619**	
Other Operating Expense	**141,615**	**141,615**	
BUREAU OF MINES AND MINING			
Personal Services	**150,554**	**150,554**	
Other Operating Expense	**20,104**	**20,104**	
M.I.S. RESEARCH AND STATISTICS			
Personal Services	**207,354**	**207,354**	
Other Operating Expense	**22,360**	**22,360**	
OCCUPATIONAL SAFETY AND HEALTH			
Personal Services	**3,237,073**	**3,237,073**	
Other Operating Expense	**568,548**	**568,548**	

The above funds are appropriated to occupational safety and health and management information services research and statistics to provide the total program cost of the Indiana occupational safety and health plan as approved by the United States Department of Labor. Inasmuch as the state is eligible to receive from the federal government partial reimbursement of the state's total Indiana occupational safety and health plan program cost, it is the intention of the general assembly that the department of labor make application to the federal government for the federal share of the total program cost.

EMPLOYMENT OF YOUTH

Employment of Youth Fund (IC 20-33-3-42)

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
Total Operating Expense	**183,555**	**183,555**	
Augmentation allowed.			
INSAFE			
Special Fund for Safety and Health Consultation Services (IC 22-8-1.1-48)			
Personal Services	**874,587**	**874,587**	
Other Operating Expense	**217,752**	**217,752**	
Augmentation allowed.			
FOR THE DEPARTMENT OF INSURANCE			
Department of Insurance Fund (IC 27-1-3-28)			
Personal Services	**5,318,138**	**5,318,138**	
Other Operating Expense	**1,195,519**	**1,195,519**	
Augmentation allowed.			
BAIL BOND DIVISION			
Bail Bond Enforcement and Administration Fund (IC 27-10-5-1)			
Personal Services	**171,597**	**171,597**	
Other Operating Expense	**8,832**	**8,832**	
Augmentation allowed.			
PATIENTS' COMPENSATION AUTHORITY			
Patients' Compensation Fund (IC 34-18-6-1)			
Personal Services	**490,135**	**490,135**	
Other Operating Expense	**1,346,870**	**1,346,870**	
Augmentation allowed.			
POLITICAL SUBDIVISION RISK MANAGEMENT			
Political Subdivision Risk Management Fund (IC 27-1-29-10)			
Personal Services	**44,195**	**44,195**	
Other Operating Expense	**782,960**	**782,960**	
Augmentation allowed.			
MINE SUBSIDENCE INSURANCE			
Mine Subsidence Insurance Fund (IC 27-7-9-7)			
Personal Services	**62,116**	**62,116**	
Other Operating Expense	**827,283**	**827,283**	
Augmentation allowed.			
TITLE INSURANCE ENFORCEMENT OPERATING			
Title Insurance Enforcement Fund (IC 27-7-3.6-1)			
Personal Services	**288,370**	**288,370**	
Other Operating Expense	**80,921**	**80,921**	
Augmentation allowed.			
FOR THE ALCOHOL AND TOBACCO COMMISSION			
Enforcement and Administration Fund (IC 7.1-4-10-1)			
Personal Services	**8,612,469**	**8,612,469**	
Other Operating Expense	**1,780,699**	**1,780,699**	
Augmentation allowed.			
ALCOHOLIC BEVERAGE ENFORCEMENT OFFICERS' TRAINING			
Alcoholic Beverage Commission Enforcement Officers' Training Fund (IC 5-2-8-8)			
Total Operating Expense	**4,200**	**4,200**	
Augmentation allowed.			

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
YOUTH TOBACCO EDUCATION AND ENFORCEMENT			
Youth Tobacco Education and Enforcement Fund (IC 7.1-6-2-6)			
Total Operating Expense	**25,000**	**25,000**	
Augmentation allowed.			
FOR THE DEPARTMENT OF FINANCIAL INSTITUTIONS			
Financial Institutions Fund (IC 28-11-2-9)			
Personal Services	**6,972,935**	**6,972,935**	
Other Operating Expense	**1,518,119**	**1,518,119**	
Augmentation allowed.			
FOR THE PROFESSIONAL LICENSING AGENCY			
Personal Services	**4,669,317**	**4,669,317**	
Other Operating Expense	**867,325**	**867,325**	
PRENEED CONSUMER PROTECTION			
Preneed Consumer Protection Fund (IC 30-2-13-28)			
Total Operating Expense	**72,750**	**72,750**	
Augmentation allowed.			
BOARD OF FUNERAL AND CEMETERY SERVICE			
Funeral Service Education Fund (IC 25-15-9-13)			
Total Operating Expense	**4,850**	**4,850**	
Augmentation allowed.			
FOR THE CIVIL RIGHTS COMMISSION			
Personal Services	**1,916,298**	**1,916,298**	
Other Operating Expense	**270,632**	**270,632**	

It is the intention of the general assembly that the civil rights commission shall apply to the federal government for funding based upon the processing of employment and housing discrimination complaints by the civil rights commission. Such federal funds received by the state shall be considered as a reimbursement of state expenditures and shall be deposited into the state general fund.

MARTIN LUTHER KING JR. HOLIDAY COMMISSION			
Total Operating Expense	**20,000**	**20,000**	
FOR THE UTILITY CONSUMER COUNSELOR			
Public Utility Fund (IC 8-1-6-1)			
Personal Services	**4,485,790**	**4,485,790**	
Other Operating Expense	**687,910**	**687,910**	
Augmentation allowed.			
EXPERT WITNESS FEES AND AUDIT			
Public Utility Fund (IC 8-1-6-1)			
Total Operating Expense			**1,503,500**
Augmentation allowed.			
FOR THE UTILITY REGULATORY COMMISSION			
Public Utility Fund (IC 8-1-6-1)			

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
Personal Services	**6,729,019**	**6,729,019**	
Other Operating Expense	**1,917,752**	**1,917,752**	
Augmentation allowed.			
FOR THE WORKERS' COMPENSATION BOARD			
From the General Fund			
	1,918,782	**1,918,782**	
From the Workers' Compensation Supplemental Administration Fund (IC 22-3-5-6)			
	145,007	**145,007**	
Augmentation allowed.			
The amounts specified from the general fund and the workers' compensation supplemental administrative fund are for the following purposes:			
Personal Services	**1,927,761**	**1,927,761**	
Other Operating Expense	**136,028**	**136,028**	
FOR THE STATE BOARD OF ANIMAL HEALTH			
Personal Services	**4,021,557**	**4,021,557**	
Other Operating Expense	**865,228**	**865,228**	
INDEMNITY FUND			
Total Operating Expense			**9,700**
Augmentation allowed.			
MEAT & POULTRY INSPECTION			
Total Operating Expense	**1,884,049**	**1,884,049**	
FOR THE DEPARTMENT OF HOMELAND SECURITY			
FIRE AND BUILDING SERVICES			
From the Fire and Building Services Fund (IC 22-12-6-1)			
	15,251,362	**15,251,362**	
From the Medical Services Education Fund (IC 16-31-7-1)			
	23,437	**23,437**	
Augmentation allowed from the fire and building services fund and medical services education fund.			
The amounts specified from the fire and building services fund and medical services education fund are for the following purposes:			
Personal Services	**12,467,711**	**12,467,711**	
Other Operating Expense	**2,807,088**	**2,807,088**	
REGIONAL PUBLIC SAFETY TRAINING			
Regional Public Safety Training Fund (IC 10-15-3-12)			
Total Operating Expense	**1,902,047**	**1,902,047**	
Augmentation allowed.			
EMERGENCY MANAGEMENT CONTINGENCY FUND			
Total Operating Expense	**121,645**	**121,645**	

The above appropriations for the emergency management contingency fund are made under IC 10-14-3-28.

PUBLIC ASSISTANCE		
Total Operating Expense	**1**	**1**
HOMELAND SECURITY FUND - FOUNDATION		
Homeland Security Fund - Foundation (IC 10-15-3-1)		
Total Operating Expense	**224,423**	**224,423**
Augmentation allowed.		
INDIANA EMERGENCY RESPONSE COMMISSION		
Emergency Planning and Right to Know Fund (IC 6-6-10-5)		
Total Operating Expense	**40,962**	**40,962**
Augmentation allowed.		
STATE DISASTER RELIEF FUND		
State Disaster Relief Fund (IC 10-14-4-5)		
Total Operating Expense	**500,000**	**500,000**
Augmentation allowed, not to exceed revenues collected from the public safety fee imposed by IC 22-11-14-12.		
Augmentation allowed from the general fund to match federal disaster relief funds.		
REDUCED IGNITION PROPENSITY STANDARDS FOR CIGARETTES FUND		
Reduced Ignition Propensity Standards for Cigarettes Fund (IC 22-14-7-22(a))		
Total Operating Expense	**80,000**	**80,000**
Augmentation allowed.		
INDIANA INTELLIGENCE FUSION CENTER		
Total Operating Expense	**969,252**	**969,252**
STATEWIDE FIRE AND BUILDING SAFETY EDUCATION FUND		
Statewide Fire and Building Safety Education Fund (IC 22-12-6-3)		
Total Operating Expense	**117,162**	**117,162**
Augmentation allowed.		

SECTION 5. [EFFECTIVE JULY 1, 2009]

CONSERVATION AND ENVIRONMENT

A. NATURAL RESOURCES

FOR THE DEPARTMENT OF NATURAL RESOURCES - ADMINISTRATION			
Personal Services	**8,179,372**	**8,179,372**	
Other Operating Expense	**1,358,733**	**1,358,733**	
ENTOMOLOGY AND PLANT PATHOLOGY DIVISION			
Personal Services	**588,850**	**588,850**	
Other Operating Expense	**151,997**	**151,997**	
ENTOMOLOGY AND PLANT PATHOLOGY FUND			
Entomology and Plant Pathology Fund (IC 14-24-10-3)			
Total Operating Expense			**662,868**
Augmentation allowed.			
ENGINEERING DIVISION			

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
Personal Services	**1,728,557**	**1,728,557**	
Other Operating Expense	**99,232**	**99,232**	
STATE MUSEUM			
Personal Services	**5,020,180**	**5,020,180**	
Other Operating Expense	**1,251,406**	**1,251,406**	
HISTORIC PRESERVATION DIVISION			
Personal Services	**755,246**	**755,246**	
Other Operating Expense	**70,346**	**70,346**	
HISTORIC PRESERVATION - FEDERAL			
Total Operating Expense	**32,559**	**32,559**	
STATE HISTORIC SITES			
Personal Services	**2,400,530**	**2,400,530**	
Other Operating Expense	**499,789**	**499,789**	
WABASH RIVER HERITAGE CORRIDOR			
Total Operating Expense	**80,246**	**80,246**	
OUTDOOR RECREATION DIVISION			
Personal Services	**615,004**	**615,004**	
Other Operating Expense	**41,931**	**41,931**	
NATURE PRESERVES DIVISION			
Personal Services	**923,068**	**923,068**	
Other Operating Expense	**46,569**	**46,569**	
WATER DIVISION			
Personal Services	**4,417,754**	**4,417,754**	
Other Operating Expense	**405,079**	**405,079**	

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

DEER RESEARCH AND MANAGEMENT			
Deer Research and Management Fund (IC 14-22-5-2)			
Total Operating Expense	**189,160**	**189,160**	
Augmentation allowed.			
OIL AND GAS DIVISION			
Oil and Gas Fund (IC 6-8-1-27)			
Personal Services	**1,300,410**	**1,300,410**	
Other Operating Expense	**322,789**	**322,789**	
Augmentation allowed.			

STATE PARKS AND RESERVOIRS

From the General Fund

11,343,213 11,343,213

From the State Parks and Reservoirs Special Revenue Fund (IC 14-19-8-2)

20,644,742 20,644,742

Augmentation allowed from the State Parks and Reservoirs Special Revenue Fund.

The amounts specified from the General Fund and the State Parks and Reservoirs

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation

Special Revenue Fund are for the following purposes:

Personal Services	**23,781,129**	**23,781,129**
Other Operating Expense	**8,206,826**	**8,206,826**

OFF-ROAD VEHICLE AND SNOWMOBILE FUND

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

Total Operating Expense	**291,001**	**291,001**

Augmentation allowed.

LAW ENFORCEMENT DIVISION

From the General Fund

9,936,748 9,936,748

From the Fish and Wildlife Fund (IC 14-22-3-2)

13,381,894 13,381,894

Augmentation allowed from the Fish and Wildlife Fund.

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

Personal Services	**19,396,301**	**19,396,301**
Other Operating Expense	**3,922,341**	**3,922,341**

FISH AND WILDLIFE DIVISION

Fish and Wildlife Fund (IC 14-22-3-2)

Personal Services	**13,124,471**	**13,124,471**
Other Operating Expense	**4,377,957**	**4,377,957**

Augmentation allowed.

FORESTRY DIVISION

From the General Fund

4,494,586 4,494,586

From the State Forestry Fund (IC 14-23-3-2)

7,492,186 7,492,186

Augmentation allowed from the State Forestry Fund.

The amounts specified from the General Fund and the State Forestry Fund are for the following purposes:

Personal Services	**7,796,996**	**7,796,996**
Other Operating Expense	**4,189,776**	**4,189,776**

RECLAMATION DIVISION

Natural Resources Reclamation Division Fund (IC 14-34-14-2)

Personal Services	**1,496,777**	**1,496,777**
Other Operating Expense	**393,565**	**393,565**

Augmentation allowed.

In addition to any of the foregoing appropriations for the department of natural resources, any federal funds received by the state of Indiana for support of approved outdoor recreation projects for planning, acquisition, and development under the

provisions of the federal Land and Water Conservation Fund Act, P.L.88-578, are appropriated for the uses and purposes for which the funds were paid to the state, and shall be distributed by the department of natural resources to state agencies and other governmental units in accordance with the provisions under which the funds were received.

LAKE MICHIGAN COASTAL PROGRAM			
Cigarette Tax Fund (IC 6-7-1-29.1)			
Total Operating Expense	**142,283**	**142,283**	
Augmentation allowed.			
LAKE AND RIVER ENHANCEMENT			
Lake and River Enhancement Fund (IC 6-6-11-12.5)			
Total Operating Expense			**4,603,882**
Augmentation allowed.			
CONSERVATION OFFICERS' MARINE ENFORCEMENT FUND			
Lake and River Enhancement Fund (IC 6-6-11-12.5)			
Total Operating Expense	**795,400**	**795,400**	
Augmentation allowed.			

B. OTHER NATURAL RESOURCES

FOR THE WORLD WAR MEMORIAL COMMISSION		
Personal Services	**735,437**	**735,437**
Other Operating Expense	**302,381**	**302,381**

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

FOR THE WHITE RIVER PARK COMMISSION		
Total Operating Expense	**998,999**	**998,999**
FOR THE MAUMEE RIVER BASIN COMMISSION		
Total Operating Expense	**67,658**	**67,658**
FOR THE ST. JOSEPH RIVER BASIN COMMISSION		
Total Operating Expense	**58,751**	**58,751**
FOR THE KANKAKEE RIVER BASIN COMMISSION		
Total Operating Expense	**67,658**	**67,658**

C. ENVIRONMENTAL MANAGEMENT

FOR THE DEPARTMENT OF ENVIRONMENTAL MANAGEMENT		
ADMINISTRATION		
From the General Fund		
	3,363,457	**3,363,457**
From the State Solid Waste Management Fund (IC 13-20-22-2)		

66,480 66,480
From the Indiana Recycling Promotion and Assistance Fund (IC 4-23-5.5-14)
57,475 57,475
From the Waste Tire Management Fund (IC 13-20-13-8)
101,519 101,519
From the Title V Operating Permit Program Trust Fund (IC 13-17-8-1)
639,953 639,953
From the Environmental Management Permit Operation Fund (IC 13-15-11-1)
608,752 608,752
From the Environmental Management Special Fund (IC 13-14-12-1)
88,128 88,128
From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)
179,093 179,093
From the Asbestos Trust Fund (IC 13-17-6-3)
23,089 23,089
From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)
51,616 51,616
From the Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)
1,761,099 1,761,099
Augmentation allowed from the State Solid Waste Management Fund, Indiana Recycling Promotion and Assistance Fund, Waste Tire Management Fund, Title V Operating Permit Program Trust Fund, Environmental Management Permit Operation Fund, Environmental Management Special Fund, Hazardous Substances Response Trust Fund, Asbestos Trust Fund, Underground Petroleum Storage Tank Trust Fund, and Underground Petroleum Storage Tank Excess Liability Trust Fund.

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

Personal Services	**5,241,508**	**5,241,508**
Other Operating Expense	**1,699,153**	**1,699,153**

LABORATORY CONTRACTS
Environmental Management Special Fund (IC 13-14-12-1)

Total Operating Expense	**461,424**	**461,424**

Augmentation allowed.
Hazardous Substances Response Trust Fund (IC 13-25-4-1)

Total Operating Expense	**200,747**	**200,747**

Augmentation allowed.

OWQ LABORATORY CONTRACTS
Environmental Management Special Fund (IC 13-14-12-1)

Total Operating Expense	**340,470**	**340,470**

Augmentation allowed.
Hazardous Substances Response Trust Fund (IC 13-25-4-1)
Total Operating Expense **794,430** **794,430**
Augmentation allowed.

NORTHWEST REGIONAL OFFICE
From the General Fund
308,229 **308,229**
From the State Solid Waste Management Fund (IC 13-20-22-2)
6,760 **6,760**
From the Indiana Recycling Promotion and Assistance Fund (IC 4-23-5.5-14)
5,844 **5,844**
From the Waste Tire Management Fund (IC 13-20-13-8)
12,094 **12,094**
From the Title V Operating Permit Program Trust Fund (IC 13-17-8-1)
143,845 **143,845**
From the Environmental Management Permit Operation Fund (IC 13-15-11-1)
69,339 **69,339**
From the Environmental Management Special Fund (IC 13-14-12-1)
10,760 **10,760**
From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)
23,294 **23,294**
From the Asbestos Trust Fund (IC 13-17-6-3)
5,190 **5,190**
From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)
7,396 **7,396**
Augmentation allowed from the State Solid Waste Management Fund, Indiana Recycling Promotion and Assistance Fund, Waste Tire Management Fund, Title V Operating Permit Program Trust Fund, Environmental Management Permit Operation Fund, Environmental Management Special Fund, Hazardous Substances Response Trust Fund, Asbestos Trust Fund, and Underground Petroleum Storage Tank Trust Fund.

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

Personal Services **255,609** **255,609**
Other Operating Expense **337,142** **337,142**

NORTHERN REGIONAL OFFICE
From the General Fund
190,702 **190,702**
From the State Solid Waste Management Fund (IC 13-20-22-2)
8,067 **8,067**
From the Indiana Recycling Promotion and Assistance Fund (IC 4-23-5.5-14)

6,972 6,972
From the Waste Tire Management Fund (IC 13-20-13-8)
12,143 12,143
From the Title V Operating Permit Program Trust Fund (IC 13-17-8-1)
118,951 118,951
From the Environmental Management Permit Operation Fund (IC 13-15-11-1)
74,143 74,143
From the Environmental Management Special Fund (IC 13-14-12-1)
11,395 11,395
From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)
21,336 21,336
From the Asbestos Trust Fund (IC 13-17-6-3)
4,290 4,290
From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)
6,050 6,050
Augmentation allowed from the State Solid Waste Management Fund, Indiana Recycling Promotion and Assistance Fund, Waste Tire Management Fund, Title V Operating Permit Program Trust Fund, Environmental Management Permit Operation Fund, Environmental Management Special Fund, Hazardous Substances Response Trust Fund, Asbestos Trust Fund, and Underground Petroleum Storage Tank Trust Fund.

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

Personal Services	**204,566**	**204,566**
Other Operating Expense	**249,483**	**249,483**

SOUTHWEST REGIONAL OFFICE
From the General Fund
152,909 152,909
From the State Solid Waste Management Fund (IC 13-20-22-2)
16,615 16,615
From the Indiana Recycling Promotion and Assistance Fund (IC 4-23-5.5-14)
14,363 14,363
From the Waste Tire Management Fund (IC 13-20-13-8)
20,150 20,150
From the Title V Operating Permit Program Trust Fund (IC 13-17-8-1)
69,085 69,085
From the Environmental Management Permit Operation Fund (IC 13-15-11-1)
65,400 65,400
From the Environmental Management Special Fund (IC 13-14-12-1)
11,913 11,913
From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)
22,794 22,794

From the Asbestos Trust Fund (IC 13-17-6-3)
2,490 2,490
From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)
6,564 6,564
Augmentation allowed from the State Solid Waste Management Fund, Indiana Recycling Promotion and Assistance Fund, Waste Tire Management Fund, Title V Operating Permit Program Trust Fund, Environmental Management Permit Operation Fund, Environmental Management Special Fund, Hazardous Substances Response Trust Fund, Asbestos Trust Fund, and Underground Petroleum Storage Tank Trust Fund.

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

Personal Services	**200,171**	**200,171**
Other Operating Expense	**182,112**	**182,112**

LEGAL AFFAIRS
From the General Fund
493,113 493,113
From the Waste Tire Management Fund (IC 13-20-13-8)
8,168 8,168
From the Title V Operating Permit Program Trust Fund (IC 13-17-8-1)
217,015 217,015
From the Environmental Management Permit Operation Fund (IC 13-15-11-1)
159,037 159,037
From the Environmental Management Special Fund (IC 13-14-12-1)
19,518 19,518
From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)
36,872 36,872
From the Asbestos Trust Fund (IC 13-17-6-3)
7,829 7,829
From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)
9,907 9,907
From the Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)
337,980 337,980
Augmentation allowed from the Waste Tire Management Fund, Title V Operating Permit Program Trust Fund, Environmental Management Permit Operation Fund, Environmental Management Special Fund, Hazardous Substances Response Trust Fund, Asbestos Trust Fund, Underground Petroleum Storage Tank Trust Fund, and Underground Petroleum Storage Tank Excess Liability Trust Fund.

The amounts specified from the General Fund, Waste Tire Management Fund, Title V Operating Permit Program Trust Fund, Environmental Management Permit Operation Fund, Environmental Management Special Fund, Hazardous Substances Response Trust

Fund, Asbestos Trust Fund, Underground Petroleum Storage Tank Trust Fund, and Underground Petroleum Storage Tank Excess Liability Trust Fund are for the following purposes:

Personal Services	**1,173,821**	**1,173,821**
Other Operating Expense	**115,618**	**115,618**

ENFORCEMENT

From the General Fund

199,909 199,909

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

14,231 14,231

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

55,898 55,898

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

15,847 15,847

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

51,200 51,200

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

2,016 2,016

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

17,255 17,255

Augmentation allowed from the Waste Tire Management Fund, Title V Operating Permit Program Trust Fund, Environmental Management Special Fund, Hazardous Substances Response Trust Fund, Asbestos Trust Fund, and Underground Petroleum Storage Tank Trust Fund.

The amounts specified from the General Fund, Waste Tire Management Fund, Title V Operating Permit Program Trust Fund, Environmental Management Special Fund, Hazardous Substances Response Trust Fund, Asbestos Trust Fund, and Underground Petroleum Storage Tank Trust Fund are for the following purposes:

Personal Services	**289,276**	**289,276**
Other Operating Expense	**67,080**	**67,080**

INVESTIGATIONS

From the General Fund

173,097 173,097

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

6,622 6,622

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

5,725 5,725

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

15,565 15,565

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

57,883 57,883

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

83,397 83,397

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

10,405 10,405
From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)
33,468 33,468
From the Asbestos Trust Fund (IC 13-17-6-3)
2,088 2,088
From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)
11,753 11,753
Augmentation allowed from the State Solid Waste Management Fund, Indiana Recycling Promotion and Assistance Fund, Waste Tire Management Fund, Title V Operating Permit Program Trust Fund, Environmental Management Permit Operation Fund, Environmental Management Special Fund, Hazardous Substances Response Trust Fund, Asbestos Trust Fund, and Underground Petroleum Storage Tank Trust Fund.

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

Personal Services	**330,556**	**330,556**
Other Operating Expense	**69,447**	**69,447**

MEDIA AND COMMUNICATIONS
From the General Fund
417,794 417,794
From the State Solid Waste Management Fund (IC 13-20-22-2)
8,437 8,437
From the Indiana Recycling Promotion and Assistance Fund (IC 4-23-5.5-14)
7,294 7,294
From the Waste Tire Management Fund (IC 13-20-13-8)
12,595 12,595
From the Title V Operating Permit Program Trust Fund (IC 13-17-8-1)
73,727 73,727
From the Environmental Management Permit Operation Fund (IC 13-15-11-1)
64,768 64,768
From the Environmental Management Special Fund (IC 13-14-12-1)
9,757 9,757
From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)
20,693 20,693
From the Asbestos Trust Fund (IC 13-17-6-3)
2,657 2,657
From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)
6,208 6,208
From the Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)
211,660 211,660
Augmentation allowed from the State Solid Waste Management Fund, Indiana Recycling Promotion and Assistance Fund, Waste Tire Management Fund, Title V Operating Permit Program Trust Fund, Environmental Management Permit Operation

Fund, Environmental Management Special Fund, Hazardous Substances Response Trust Fund, Asbestos Trust Fund, Underground Petroleum Storage Tank Trust Fund, and Underground Petroleum Storage Tank Excess Liability Trust Fund.

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

Personal Services	**780,640**	**780,640**
Other Operating Expense	**54,950**	**54,950**

COMMUNITY RELATIONS

From the General Fund

480,081 480,081

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

13,954 13,954

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

12,061 12,061

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

20,830 20,830

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

121,916 121,916

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

107,104 107,104

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

16,124 16,124

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

34,215 34,215

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

4,398 4,398

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

10,260 10,260

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

349,996 349,996

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

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

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation

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

Personal Services	**1,080,148**	**1,080,148**
Other Operating Expense	**90,791**	**90,791**
OHIO RIVER VALLEY WATER SANITATION COMMISSION		
Environmental Management Special Fund (IC 13-14-12-1)		
Total Operating Expense	**270,242**	**270,242**
Augmentation allowed.		
OFFICE OF ENVIRONMENTAL RESPONSE		
Personal Services	**3,000,468**	**3,000,468**
Other Operating Expense	**319,013**	**319,013**
POLLUTION PREVENTION AND TECHNICAL ASSISTANCE		
Personal Services	**1,456,036**	**1,456,036**
Other Operating Expense	**437,489**	**437,489**
PCB INSPECTIONS		
Environmental Management Permit Operation Fund (IC 13-15-11-1)		
Total Operating Expense	**30,562**	**30,562**
Augmentation allowed.		
U.S. GEOLOGICAL SURVEY CONTRACTS		
Environmental Management Special Fund (IC 13-14-12-1)		
Total Operating Expense	**64,398**	**64,398**
Augmentation allowed.		
STATE SOLID WASTE GRANTS MANAGEMENT		
State Solid Waste Management Fund (IC 13-20-22-2)		
Personal Services	**391,814**	**391,814**
Other Operating Expense	**337,443**	**337,443**
Augmentation allowed.		
RECYCLING OPERATING		
Indiana Recycling Promotion and Assistance Fund (IC 4-23-5.5-14)		
Personal Services	**325,931**	**325,931**
Other Operating Expense	**312,525**	**312,525**
Augmentation allowed.		
RECYCLING PROMOTION AND ASSISTANCE PROGRAM		
Indiana Recycling Promotion and Assistance Fund (IC 4-23-5.5-14)		
Total Operating Expense	**770,000**	**770,000**
Augmentation allowed.		
VOLUNTARY CLEAN-UP PROGRAM		
Voluntary Remediation Fund (IC 13-25-5-21)		
Personal Services	**739,322**	**739,322**
Other Operating Expense	**179,935**	**179,935**
Augmentation allowed.		
TITLE V AIR PERMIT PROGRAM		
Title V Operating Permit Program Trust Fund (IC 13-17-8-1)		
Personal Services	**12,041,882**	**12,041,882**
Other Operating Expense	**2,798,196**	**2,798,196**
Augmentation allowed.		

WATER MANAGEMENT PERMITTING
From the General Fund
1,923,612 1,923,612
From the Environmental Management Permit Operation Fund (IC 13-15-11-1)
4,867,843 4,867,843
Augmentation allowed from the Environmental Management Permit Operation Fund.

The amounts specified from the General Fund and the Environmental Management Permit Operation Fund are for the following purposes:

Personal Services	**6,136,065**	**6,136,065**
Other Operating Expense	**655,390**	**655,390**

SOLID WASTE MANAGEMENT PERMITTING
From the General Fund
2,221,388 2,221,388
From the Environmental Management Permit Operation Fund (IC 13-15-11-1)
3,409,461 3,409,461
Augmentation allowed from the Environmental Management Permit Operation Fund.

The amounts specified from the General Fund and the Environmental Management Permit Operation Fund are for the following purposes:

Personal Services	**5,310,601**	**5,310,601**
Other Operating Expense	**320,248**	**320,248**

CFO/CAFO INSPECTIONS

Total Operating Expense	**450,000**	**450,000**

HAZARDOUS WASTE MANAGEMENT PERMITTING
From the General Fund
2,319,283 2,319,283
From the Environmental Management Permit Operation Fund (IC 13-15-11-1)
2,762,897 2,762,897
Augmentation allowed from the Environmental Management Permit Operation Fund.

The amounts specified from the General Fund and the Environmental Management Permit Operation Fund are for the following purposes:

Personal Services	**4,156,730**	**4,156,730**
Other Operating Expense	**925,450**	**925,450**

SAFE DRINKING WATER PROGRAM
From the General Fund
371,290 371,290
From the Environmental Management Permit Operation Fund (IC 13-15-11-1)
2,421,272 2,421,272
Augmentation allowed from the Environmental Management Permit Operation Fund.

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation

The amounts specified from the General Fund and the Environmental Management Permit Operation Fund are for the following purposes:

Personal Services	**2,301,996**	**2,301,996**
Other Operating Expense	**490,566**	**490,566**

CLEAN VESSEL PUMPOUT
Environmental Management Special Fund (IC 13-14-12-1)

Total Operating Expense	**77,588**	**77,588**

Augmentation allowed.

GROUNDWATER PROGRAM
Environmental Management Special Fund (IC 13-14-12-1)

Total Operating Expense	**122,150**	**122,150**

Augmentation allowed.

UNDERGROUND STORAGE TANK PROGRAM
Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)

Total Operating Expense	**656,973**	**656,973**

Augmentation allowed.
Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)

Total Operating Expense	**282,669**	**282,669**

Augmentation allowed.

AIR MANAGEMENT OPERATING
From the General Fund

	620,477	**620,477**

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

	248,424	**248,424**

Augmentation allowed from the Environmental Management Special Fund.

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

Personal Services	**518,018**	**518,018**
Other Operating Expense	**350,883**	**350,883**

WATER MANAGEMENT NONPERMITTING

Personal Services	**3,291,009**	**3,291,009**
Other Operating Expense	**719,538**	**719,538**

GREAT LAKES INITIATIVE
Environmental Management Special Fund (IC 13-14-12-1)

Total Operating Expense	**57,207**	**57,207**

Augmentation allowed.

OUTREACH OPERATOR TRAINING
General Fund

Total Operating Expense	**2,963**	**2,963**

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

Total Operating Expense	**5,924**	**5,924**

Augmentation allowed.

LEAKING UNDERGROUND STORAGE TANKS
Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
Personal Services	**161,311**	**161,311**	
Other Operating Expense	**31,718**	**31,718**	
Augmentation allowed.			
CORE SUPERFUND			
Hazardous Substances Response Trust Fund (IC 13-25-4-1)			
Total Operating Expense	**12,967**	**12,967**	
Augmentation allowed.			
AUTO EMISSIONS TESTING PROGRAM			
Personal Services	**86,983**	**86,983**	
Other Operating Expense	**5,672,829**	**5,672,829**	

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

HAZARDOUS WASTE SITE - STATE CLEAN-UP			
Hazardous Substances Response Trust Fund (IC 13-25-4-1)			
Personal Services	**1,425,495**	**1,425,495**	
Other Operating Expense	**515,152**	**515,152**	
Augmentation allowed.			
HAZARDOUS WASTE SITES - NATURAL RESOURCE DAMAGES			
Hazardous Substances Response Trust Fund (IC 13-25-4-1)			
Personal Services	**141,408**	**141,408**	
Other Operating Expense	**289,544**	**289,544**	
Augmentation allowed.			
SUPERFUND MATCH			
Hazardous Substances Response Trust Fund (IC 13-25-4-1)			
Total Operating Expense	**511,675**	**511,675**	
Augmentation allowed.			
HOUSEHOLD HAZARDOUS WASTE			
Hazardous Substances Response Trust Fund (IC 13-25-4-1)			
Other Operating Expense	**278,293**	**278,293**	
Augmentation allowed.			
ASBESTOS TRUST - OPERATING			
Asbestos Trust Fund (IC 13-17-6-3)			
Personal Services	**415,391**	**415,391**	
Other Operating Expense	**132,292**	**132,292**	
Augmentation allowed.			
UNDERGROUND PETROLEUM STORAGE TANK - OPERATING			
Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)			
Personal Services	**874,215**	**874,215**	
Other Operating Expense	**42,446,857**	**42,446,857**	
Augmentation allowed.			
WASTE TIRE MANAGEMENT			
Waste Tire Management Fund (IC 13-20-13-8)			
Total Operating Expense	**563,887**	**563,887**	
Augmentation allowed.			
WASTE TIRE RE-USE			
Waste Tire Management Fund (IC 13-20-13-8)			

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
Total Operating Expense	**907,796**	**907,796**	
Augmentation allowed.			
VOLUNTARY COMPLIANCE			
Environmental Management Special Fund (IC 13-14-12-1)			
Personal Services	**293,070**	**293,070**	
Other Operating Expense	**170,394**	**170,394**	
Augmentation allowed.			
ENVIRONMENTAL MANAGEMENT SPECIAL FUND - OPERATING			
Environmental Management Special Fund (IC 13-14-12-1)			
Total Operating Expense	**961,315**	**961,315**	
Augmentation allowed.			
SMALL TOWN COMPLIANCE			
Environmental Management Special Fund (IC 13-14-12-1)			
Total Operating Expense	**58,200**	**58,200**	
Augmentation allowed.			
WETLANDS PROTECTION			
Environmental Management Special Fund (IC 13-14-12-1)			
Total Operating Expense	**22,148**	**22,148**	
Augmentation allowed.			
PETROLEUM TRUST - OPERATING			
Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)			
Personal Services	**121,790**	**121,790**	
Other Operating Expense	**350,689**	**350,689**	
Augmentation allowed.			

Notwithstanding any other law, with the approval of the governor and the budget agency, the above appropriations for hazardous waste management permitting, wetlands protection, groundwater program, underground storage tank program, air management operating, asbestos trust operating, water management nonpermitting, safe drinking water program, and any other appropriation eligible to be included in a performance partnership grant may be used to fund activities incorporated into a performance partnership grant between the United States Environmental Protection Agency and the department of environmental management.

FOR THE OFFICE OF ENVIRONMENTAL ADJUDICATION		
Personal Services	**308,690**	**308,690**
Other Operating Expense	**59,560**	**59,560**

SECTION 6. [EFFECTIVE JULY 1, 2009]

ECONOMIC DEVELOPMENT

A. AGRICULTURE

FOR THE DEPARTMENT OF AGRICULTURE		
Personal Services	**1,930,284**	**1,930,284**
Other Operating Expense	**456,387**	**456,387**

CLEAN WATER INDIANA

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
Cigarette Tax Fund (IC 6-7-1-29.1)			
Total Operating Expense	**3,666,425**	**3,666,425**	
Augmentation allowed.			
SOIL CONSERVATION DIVISION			
Cigarette Tax Fund (IC 6-7-1-29.1)			
Total Operating Expense	**1,862,216**	**1,862,216**	
Augmentation allowed.			
GRAIN BUYERS AND WAREHOUSE LICENSING			
Grain Buyers and Warehouse Licensing Agency License Fee Fund (IC 26-3-7-6.3)			
Total Operating Expense	**165,050**	**165,050**	
Augmentation allowed.			
B. COMMERCE			
FOR THE LIEUTENANT GOVERNOR			
RURAL ECONOMIC DEVELOPMENT FUND			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**1,497,688**	**1,497,688**	
OFFICE OF TOURISM			
Total Operating Expense	**2,406,684**	**2,406,684**	
STATE ENERGY PROGRAM			
Total Operating Expense	**237,963**	**237,963**	
FOOD ASSISTANCE PROGRAM			
Total Operating Expense	**131,261**	**131,261**	
FOR THE INDIANA ECONOMIC DEVELOPMENT CORPORATION			
ADMINISTRATIVE AND FINANCIAL SERVICES			
General Fund			
Total Operating Expense	**6,423,392**	**6,423,392**	
Training 2000 Fund (IC 5-28-7-5)			
Total Operating Expense	**185,630**	**185,630**	
Industrial Development Grant Fund (IC 5-28-25-4)			
Total Operating Expense	**52,139**	**52,139**	
21ST CENTURY RESEARCH & TECHNOLOGY FUND			
Total Operating Expense	**24,875,000**	**24,875,000**	
INTERNATIONAL TRADE			
Total Operating Expense	**1,297,049**	**1,297,049**	
ENTERPRISE ZONE PROGRAM			
Enterprise Zone Fund (IC 5-28-15-6)			
Total Operating Expense	**215,536**	**215,536**	
Augmentation allowed.			
LOCAL ECONOMIC DEVELOPMENT ORGANIZATION/ REGIONAL ECONOMIC DEVELOPMENT ORGANIZATION (LEDO/REDO) MATCHING GRANT PROGRAM			
Total Operating Expense			**1,713,990**
TRAINING 2000			
General Fund			
Total Operating Expense			**19,401,660**
Training 2000 Fund (IC 5-28-7-5)			

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
Total Operating Expense			**3,858,206**
Augmentation allowed.			
BUSINESS PROMOTION PROGRAM			
Total Operating Expense			**2,049,126**
TRADE PROMOTION PROGRAM			
Total Operating Expense	**167,791**	**167,791**	
BUSINESS DEVELOPMENT LOAN PROGRAM			
Total Operating Expense	**838,953**	**838,953**	
AG LOAN AND RURAL DEVELOP GUARANTEE FUND			
Economic Development Fund (IC 5-28-8-5)			
Total Operating Expense	**200,000**	**200,000**	
Augmentation allowed.			
ECONOMIC DEVELOPMENT GRANT AND LOAN PROGRAM			
General Fund			
Total Operating Expense			**1,006,744**
Economic Development Fund (IC 5-28-8-5)			
Total Operating Expense			**448,256**
Augmentation allowed.			
INDUSTRIAL DEVELOPMENT GRANT PROGRAM			
General Fund			
Total Operating Expense			**6,500,000**
Industrial Development Grant Fund (IC 5-28-25-4)			
Total Operating Expense			**4,500,000**
Augmentation allowed.			
TECHNOLOGY DEVELOPMENT GRANT PROGRAM			
Total Operating Expense	**1,894,410**	**1,894,410**	
FOR THE INDIANA FINANCE AUTHORITY (IFA)			
ENVIRONMENTAL REMEDIATION REVOLVING LOAN PROGRAM			
Total Operating Expense	**500,000**	**500,000**	
FOR THE HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY			
INDIANA INDIVIDUAL DEVELOPMENT ACCOUNTS			
Total Operating Expense	**1,000,000**	**1,000,000**	

The housing and community development authority shall collect and report to the family and social services administration (FSSA) all data required for FSSA to meet the data collection and reporting requirements in 45 CFR Part 265.

Family and social services administration, division of family resources shall apply all qualifying expenditures for individual development accounts deposits toward Indiana's maintenance of effort under the federal Temporary Assistance to Needy Families (TANF) program (45 CFR 260 et seq.).

MORTGAGE FORECLOSURE COUNSELING			
Home Ownership Education Fund (IC 5-20-1-27)			
Total Operating Expense	**2,700,000**	**2,700,000**	
Augmentation Allowed.			

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
FOR THE STATE BUDGET AGENCY			
MIDWEST INSTITUTE FOR NANOELECTRONICS DISCOVERY (MIND)			
ARRA State Fiscal Stabilization Fund (Section 14002(b))			
Total Operating Expense			**10,000,000**
C. EMPLOYMENT SERVICES			
FOR THE DEPARTMENT OF WORKFORCE DEVELOPMENT			
ADMINISTRATION			
Total Operating Expense	**855,000**	**855,000**	
WOMEN'S COMMISSION			
Personal Services	**106,824**	**106,824**	
Other Operating Expense	**12,175**	**12,175**	
NATIVE AMERICAN INDIAN AFFAIRS COMMISSION			
Total Operating Expense	**90,211**	**90,211**	
COMMISSION ON HISPANIC/LATINO AFFAIRS			
Total Operating Expense	**124,235**	**124,235**	

The above appropriations are in addition to any funding for the commission derived from funds appropriated to the department of workforce development.

D. OTHER ECONOMIC DEVELOPMENT			
FOR THE INDIANA STATE FAIR BOARD			
STATE FAIR			
Total Operating Expense	**2,119,124**	**1,619,124**	

SECTION 7. [EFFECTIVE JULY 1, 2009]

TRANSPORTATION

FOR THE DEPARTMENT OF TRANSPORTATION

For the conduct and operation of the department of transportation, the following sums are appropriated for the periods designated from the public mass transportation fund, the industrial rail service fund, the state highway fund, the motor vehicle highway account, the distressed road fund, the state highway road construction and improvement fund, the motor carrier regulation fund, and the crossroads 2000 fund.

INTERMODAL GRANT PROGRAM			
Public Mass Transportation Fund (IC 8-23-3-8)			
Total Operating Expense	**50,000**	**50,000**	
Augmentation allowed.			
RAILROAD GRADE CROSSING IMPROVEMENT			
Motor Vehicle Highway Account (IC 8-14-1)			
Total Operating Expense	**500,000**	**500,000**	
HIGH SPEED RAIL			
Industrial Rail Service Fund (IC 8-3-1.7-2)			
Matching Funds			**40,000**

Augmentation allowed.

PUBLIC MASS TRANSPORTATION

Public Mass Transportation Fund (IC 8-23-3-8)

Total Operating Expense	**42,300,000**	**44,400,000**

Augmentation allowed.

Any unencumbered amount remaining from this appropriation at the end of a state fiscal year remains available in subsequent state fiscal years for the purposes for which it is appropriated.

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

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

The state funds can be used to match federal funds available under the Federal Transit Act (49 U.S.C. 1601, et seq.) or local funds from a requesting grantee.

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

HIGHWAY OPERATING

State Highway Fund (IC 8-23-9-54)

Personal Services	**256,703,031**	**252,219,117**
Other Operating Expense	**63,309,536**	**63,309,536**

HIGHWAY VEHICLE AND ROAD MAINTENANCE EQUIPMENT

State Highway Fund (IC 8-23-9-54)

Other Operating Expense	**8,800,000**	**18,000,000**

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

HIGHWAY MAINTENANCE WORK PROGRAM

State Highway Fund (IC 8-23-9-54)

Other Operating Expense	**63,000,000**	**70,000,000**

The above appropriations for the highway maintenance work program may be used for:
(1) materials for patching roadways and shoulders;
(2) repairing and painting bridges;
(3) installing signs and signals and painting roadways for traffic control;
(4) mowing, herbicide application, and brush control;

(5) drainage control;
(6) maintenance of rest areas, public roads on properties of the department of natural resources, and driveways on the premises of all state facilities;
(7) materials for snow and ice removal;
(8) utility costs for roadway lighting; and
(9) other special maintenance and support activities consistent with the highway maintenance work program.

HIGHWAY CAPITAL IMPROVEMENTS		
State Highway Fund (IC 8-23-9-54)		
Right-of-Way Expense	**38,250,000**	**24,800,000**
Formal Contracts Expense	**47,181,225**	**72,307,207**
Consulting Services Expense	**18,600,000**	**24,736,741**
Institutional Road Construction	**5,000,000**	**5,000,000**

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

The appropriations for highway operating, highway vehicle and road maintenance equipment, highway buildings and grounds, the highway planning and research program, the highway maintenance work program, and highway capital improvements are appropriated from estimated revenues, which include the following:
(1) Funds distributed to the state highway fund from the motor vehicle highway account under IC 8-14-1-3(4).
(2) Funds distributed to the state highway fund from the highway, road and street fund under IC 8-14-2-3.
(3) All fees and miscellaneous revenues deposited in or accruing to the state highway fund under IC 8-23-9-54.
(4) Any unencumbered funds carried forward in the state highway fund from any previous fiscal year.
(5) All other funds appropriated or made available to the department of transportation by the general assembly.

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

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

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

HIGHWAY PLANNING AND RESEARCH PROGRAM		
State Highway Fund (IC 8-23-9-54)		
Total Operating Expense	**2,500,000**	**2,500,000**
STATE HIGHWAY ROAD CONSTRUCTION AND IMPROVEMENT PROGRAM		
State Highway Road Construction Improvement Fund (IC 8-14-10-5)		
Lease Rental Payments Expense	**61,524,711**	**62,139,958**
Augmentation allowed.		

The above appropriations for the state highway road construction and improvement program are appropriated from the state highway road construction and improvement fund provided in IC 8-14-10-5 and may include any unencumbered funds carried forward from any previous fiscal year. The funds shall be first used for payment of rentals and leases relating to projects under IC 8-14.5. If any funds remain, the funds may be used for the following purposes.
(1) road and bridge construction, reconstruction, or replacement;
(2) construction, reconstruction, or replacement of travel lanes, intersections, and grade separations;
(3) relocation and modernization of existing roads; and
(4) right-of-way, relocation, and engineering and consulting expenses associated with any of the above types of projects.

CROSSROADS 2000 PROGRAM		
Crossroads 2000 Fund (IC 8-14-10-9)		
Lease Rental Payment Expense	**46,142,787**	**38,517,564**
Augmentation allowed.		

The above appropriations for the crossroads 2000 program are appropriated from the crossroads 2000 fund provided in IC 8-14-10-9 and may include any unencumbered funds carried forward from any previous fiscal year. The funds shall be first used for payment of rentals and leases relating to projects under IC 8-14-10-9. If any funds remain, the funds may be used for the following purposes:
(1) road and bridge construction, reconstruction, or replacement;
(2) construction, reconstruction, or replacement of travel lanes, intersections, and grade separations;

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation

(3) relocation and modernization of existing roads; and
(4) right-of-way, relocation, and engineering and consulting expenses associated with any of the above types of projects.

MAJOR MOVES CONSTRUCTION PROGRAM		
Major Moves Construction Fund (IC 8-14-14-5)		
Formal Contracts Expense	**545,000,000**	**535,000,000**
Augmentation allowed.		
FEDERAL APPORTIONMENT		
Right-of-Way Expense	**174,250,000**	**113,100,000**
Formal Contracts Expense	**426,642,292**	**502,792,291**
Consulting Engineers Expense	**84,500,000**	**69,500,000**
Highway Planning and Research	**12,807,708**	**12,807,709**
Local Government Revolving Acct.	**266,000,000**	**266,000,000**

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

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

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

The department may let contracts and enter into agreements for construction and preliminary engineering during each year of the 2009-2011 biennium that obligate not more than one-third (1/3) of the amount of state funds estimated by the department to be available for appropriation in the following year for formal contracts and consulting engineers for the capital improvements program.

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

LOCAL TECHNICAL ASSISTANCE AND RESEARCH

Under IC 8-14-1-3(6), there is appropriated to the department of transportation an amount sufficient for:
(1) the program of technical assistance under IC 8-23-2-5(6); and
(2) the research and highway extension program conducted for local government under IC 8-17-7-4.

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

Under IC 8-14-1-3(7) there is hereby appropriated such sums as are necessary to maintain a sufficient working balance in accounts established to match federal and local money for highway projects. These funds are appropriated from the following sources in the proportion specified:
(1) one-half (1/2) from the forty-seven percent (47%) set aside of the motor vehicle highway account under IC 8-14-1-3(7); and
(2) for counties and for those cities and towns with a population greater than five thousand (5,000), one-half (1/2) from the distressed road fund under IC 8-14-8-2.

AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA)

There is apportioned to the department of transportation the following sums for the periods and purposes designated under the American Recovery and Reinvestment Act (ARRA) of 2009.

FOR THE DEPARTMENT OF TRANSPORTATION

Highway Capital Improvements	
Formal Contracts Expense	**440,838,364**
Augmentation allowed	
Transportation Enhancements	
Formal Contracts Expense	**19,739,031**
Augmentation allowed	
Highway Capital Improvements - Metro Planning Organizations, Cities, Towns, and Counties	**197,390,312**
Augmentation allowed	
Rural Transit Funds	**20,316,134**
Augmentation allowed	

As soon as practical after passage of this act, the department with the approval of the governor shall prepare a plan for the allocation and expenditure of the appropriations listed above. The plan shall list the projects to be funded. The department shall present the plan to the state budget committee for review under IC 4-12-1-11.5.

In preparing that portion of the plan for expenditure for Highway Capital Improvements and Transportation Enhancements, the department shall adhere to the following goals to the extent practical:

(1) The plan shall comply with all applicable federal statutes, rules, and policies as necessary to ensure eligibility for the maximum level of federal funding.
(2) The plan shall be designed to obligate the federal funds and begin construction as soon as practical.
(3) The plan shall be designed to minimize the likelihood that any funding apportioned to Indiana will have to be returned to the federal government.
(4) The plan shall strive to make Indiana eligible for any increased funding that may become available as a result of reallocation from other states.
(5) The plan shall reasonably allocate funding to projects located across all areas of the state, with an emphasis on areas determined by the department to be economically distressed.
(6) The department may hold special lettings for contracts using the above appropriations. The department shall strive to limit each contract to a maximum of $10,000,000.
(7) The department shall strive to diversify the type of work using the above appropriations.

In preparing that portion of the plan for expenditure for Highway Capital Improvements - Local Government and Highway Capital Improvements - Metro Planning Organizations, Cities, Towns, and Counties, the department shall adhere to the following guidelines to the extent practical:

(1) The plan shall comply with all applicable federal statutes, rules, and policies as necessary to ensure eligibility for the maximum level of federal funding.
(2) The plan shall be designed to obligate the federal funds and begin construction as soon as practical.
(3) The plan shall be designed to minimize the likelihood that any funding apportioned to Indiana will have to be returned to the federal government.
(4) The plan shall strive to make Indiana eligible for any increased funding that may become available as a result of reallocation from other states.
(5) The plan shall reasonably allocate funds to projects located across all areas of the state. However, if the department cannot identify local government projects that can be obligated within the established time frames the department may allocate funds as necessary to fully obligate all federal funding.
(6) For Highway Capital Improvements for Metro Planning Organizations the plan shall include projects selected by the respective metropolitan planning organizations. However, if the metropolitan planning organizations cannot identify projects that can be obligated within the established time frames, the department may select alternate projects as necessary to fully obligate all federal funding.
(7) The department may hold special lettings for contracts using the above appropriations. The department shall strive to limit each contract for Highway Capital Improvements for Cities, Towns, and Counties to a maximum of $7,000,000.

The department shall establish reasonable policies and guidelines for cities, towns, and counties and metropolitan planning organizations to follow to help ensure reasonable access and timely obligation of funds. The department shall provide reasonable assistance to cities, towns, and counties and metropolitan planning organizations in meeting deadlines established to ensure timely obligation of funding.

If the governor finds that any of the above goals conflict with another goal, the

governor shall determine the appropriate weight to give to each goal. Actions taken by the governor or the department with respect to allocation, obligation, or expenditure of the above appropriations before passage of this act is deemed to have satisfied the requirement for budget committee review providing such actions were taken to conform to the plan or to comply with laws, policies, or direction issued by the United States Department of Transportation or any other federal agency as a condition to qualifying for the federal funds.

The department with the approval of the governor may adjust the above appropriations for Highway Capital Improvements, Transportation Enhancements, Highway Capital Improvements - Metropolitan Planning Organizations, Cities, Towns, and Counties as necessary to comply with federal law, policies, or direction established to ensure continuing eligibility for federal funding.

The department shall submit reports to the budget committee and legislative council by December 31 of 2009, 2010, and 2011 detailing the status of the appropriations and projects funded under the plan. The department may submit copies of reports required to be submitted to the federal government to fulfill this requirement.

The above appropriations do not revert but remain in effect until obligated.

SECTION 8. [EFFECTIVE JULY 1, 2009]

FAMILY AND SOCIAL SERVICES, HEALTH, AND VETERANS' AFFAIRS

A. FAMILY AND SOCIAL SERVICES

FOR THE FAMILY AND SOCIAL SERVICES ADMINISTRATION

INDIANA PRESCRIPTION DRUG PROGRAM		
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
Total Operating Expense	**1,117,830**	**1,117,830**
CHILDREN'S HEALTH INSURANCE PROGRAM		
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
Total Operating Expense	**34,918,921**	**36,984,511**
FAMILY AND SOCIAL SERVICES ADMINISTRATION		
Total Operating Expense	**19,764,734**	**19,764,734**
OFFICE OF MEDICAID POLICY AND PLANNING - ADMINISTRATION		
Total Operating Expense	**6,061,868**	**6,062,487**
MEDICAID ADMINISTRATION		
Total Operating Expense	**36,427,564**	**36,427,564**
MEDICAID - CURRENT OBLIGATIONS		
General Fund		
Total Operating Expense	**1,116,000,000**	**1,428,800,000**

The foregoing appropriations for Medicaid current obligations and for Medicaid administration are for the purpose of enabling the office of Medicaid policy and planning to carry out all services as provided in IC 12-8-6. In addition to the above appropriations, all money received from the federal government and paid into the state treasury as

a grant or allowance is appropriated and shall be expended by the office of Medicaid policy and planning for the respective purposes for which the money was allocated and paid to the state. Subject to the provisions of P.L.46-1995, if the sums herein appropriated for Medicaid current obligations and for Medicaid administration are insufficient to enable the office of Medicaid policy and planning to meet its obligations, then there is appropriated from the general fund such further sums as may be necessary for that purpose, subject to the approval of the governor and the budget agency.

INDIANA CHECK-UP PLAN (EXCLUDING IMMUNIZATION)		
Indiana Check-Up Plan Trust Fund (IC 12-15-44.2-17)		
Total Operating Expense	**137,466,043**	**157,766,043**
HOSPITAL CARE FOR THE INDIGENT FUND		
Total Operating Expense	**61,500,000**	**61,500,000**
MEDICAID DISABILITY ELIGIBILITY EXAMS		
Total Operating Expense	**937,000**	**937,000**
MEDICAL ASSISTANCE TO WARDS (MAW)		
Total Operating Expense	**13,100,000**	**13,100,000**
MARION COUNTY HEALTH AND HOSPITAL CORPORATION		
Total Operating Expense	**38,000,000**	**38,000,000**
MENTAL HEALTH ADMINISTRATION		
Other Operating Expense	**4,059,047**	**4,059,047**

Two hundred seventy-five thousand dollars ($275,000) of the above appropriation for the state fiscal year beginning July 1, 2009, and ending June 30, 2010, and two hundred seventy-five thousand dollars ($275,000) of the above appropriation for the state fiscal year beginning July 1, 2010, and ending June 30, 2011, shall be distributed in the state fiscal year to neighborhood based community service programs.

CHILD PSYCHIATRIC SERVICES FUND		
Total Operating Expense	**20,423,760**	**20,423,760**
SERIOUSLY EMOTIONALLY DISTURBED		
Total Operating Expense	**15,975,408**	**15,975,408**
SERIOUSLY MENTALLY ILL		
General Fund		
Total Operating Expense	**91,046,702**	**91,046,702**
Mental Health Centers Fund (IC 6-7-1-32.1)		
Total Operating Expense	**4,311,650**	**4,311,650**
Augmentation allowed.		
COMMUNITY MENTAL HEALTH CENTERS		
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
Total Operating Expense	**7,000,000**	**7,000,000**

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

The comprehensive community mental health centers shall submit their proposed annual

budgets (including income and operating statements) to the budget agency on or before August 1 of each year. All federal funds shall be applied in augmentation of the foregoing funds rather than in place of any part of the funds. The office of the secretary, with the approval of the budget agency, shall determine an equitable allocation of the appropriation among the mental health centers.

GAMBLERS' ASSISTANCE		
Gamblers' Assistance Fund (IC 4-33-12-6)		
Total Operating Expense	**4,490,809**	**4,490,809**
MVOV CONFERENCE		
Gamblers' Assistance Fund (IC 4-33-12-6)		
Total Operating Expense	**199,763**	**199,763**
SUBSTANCE ABUSE TREATMENT		
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
Total Operating Expense	**4,855,820**	**4,855,820**
QUALITY ASSURANCE/RESEARCH		
Total Operating Expense	**812,860**	**812,860**
PREVENTION		
Gamblers' Assistance Fund (IC 4-33-12-6)		
Total Operating Expense	**2,858,528**	**2,858,528**
Augmentation allowed.		
METHADONE DIVERSION CONTROL AND OVERSIGHT (MDCO) PROGRAM		
MDCO Fund (IC 12-23-18)		
Total Operating Expense	**243,486**	**243,486**
Augmentation allowed.		
DMHA YOUTH TOBACCO REDUCTION SUPPORT PROGRAM		
DMHA Youth Tobacco Reduction Support Program (IC 4-33-12-6)		
Total Operating Expense	**250,000**	**250,000**
Augmentation allowed.		
EVANSVILLE PSYCHIATRIC CHILDREN'S CENTER		
Personal Services	**496,318**	**473,948**
Other Operating Expense	**123,252**	**123,252**
EVANSVILLE STATE HOSPITAL		
From the General Fund		
20,276,654	**20,340,477**	
From the Mental Health Fund (IC 12-24-14-4)		
677,943	**678,778**	
Augmentation allowed.		

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

Personal Services	**15,636,749**	**15,701,407**
Other Operating Expense	**5,317,848**	**5,317,848**

LARUE CARTER MEMORIAL HOSPITAL		
From the General Fund		
22,483,147	**22,534,726**	
From the Mental Health Fund (IC 12-24-14-4)		

476,465 472,254

Augmentation allowed.

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

Personal Services	**16,020,593**	**16,067,961**
Other Operating Expense	**6,939,019**	**6,939,019**

LOGANSPORT STATE HOSPITAL

From the General Fund

40,772,672 40,769,722

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

1,378,232 1,378,232

Augmentation allowed.

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

Personal Services	**32,407,597**	**32,404,647**
Other Operating Expense	**9,743,307**	**9,743,307**

MADISON STATE HOSPITAL

From the General Fund

16,403,876 16,402,626

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

666,308 666,308

Augmentation allowed.

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

Personal Services	**13,135,516**	**13,134,266**
Other Operating Expense	**3,934,668**	**3,934,668**

RICHMOND STATE HOSPITAL

From the General Fund

37,112,498 37,096,244

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

650,335 650,335

Augmentation allowed.

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

Personal Services	**29,512,684**	**29,496,430**
Other Operating Expense	**8,250,149**	**8,250,149**

PATIENT PAYROLL

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
Total Operating Expense	**285,785**	**285,785**	

The federal share of revenue accruing to the state mental health institutions under IC 12-15, based on the applicable Federal Medical Assistance Percentage (FMAP), shall be deposited in the mental health fund established by IC 12-24-14-1, and the remainder shall be deposited in the general fund.

In addition to the above appropriations, each institution may qualify for an additional appropriation, or allotment, subject to approval of the governor and the budget agency, from the mental health fund of up to twenty percent (20%), but not to exceed $50,000 in each fiscal year, of the amount by which actual net collections exceed an amount specified in writing by the division of mental health and addiction before July 1 of each year beginning July 1, 2009.

DIVISION OF FAMILY RESOURCES ADMINISTRATION			
Personal Services	**6,061,903**	**6,061,903**	
Other Operating Expense	**1,963,063**	**1,963,063**	
COMMISSION ON THE SOCIAL STATUS OF BLACK MALES			
Total Operating Expense	**173,179**	**173,179**	
CHILD CARE LICENSING FUND			
Child Care Fund (IC 12-17.2-2-3)			
Total Operating Expense	**100,000**	**100,000**	
Augmentation allowed.			
ELECTRONIC BENEFIT TRANSFER PROGRAM			
Total Operating Expense	**2,529,915**	**2,529,915**	

The foregoing appropriations for the division of family resources Title IV-D of the federal Social Security Act are made under, and not in addition to, IC 31-25-4-28.

STATE WELFARE - COUNTY ADMINISTRATION			
Total Operating Expense	**56,464,688**	**56,464,688**	
INDIANA CLIENT ELIGIBILITY SYSTEM (ICES)			
Total Operating Expense	**7,402,387**	**7,402,387**	
IMPACT PROGRAM			
Total Operating Expense	**689,001**	**689,001**	
TEMPORARY ASSISTANCE TO NEEDY FAMILIES (TANF)			
Total Operating Expense	**31,776,757**	**31,776,757**	
IMPACT - TANF			
Total Operating Expense	**1,880,252**	**1,880,252**	
CHILD CARE & DEVELOPMENT FUND			
Total Operating Expense	**34,418,255**	**34,418,255**	

The foregoing appropriations for information systems/technology, education and training, temporary assistance to needy families (TANF), and child care services are for the purpose of enabling the division of family resources to carry out all services as provided in IC 12-14. In addition to the above appropriations, all money received from the federal government and paid into the state treasury as a grant or allowance is appropriated and shall be expended by the division of family resources for the respective purposes for which such money was allocated and paid to the state.

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
BURIAL EXPENSES			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**1,607,219**	**1,607,219**	
SCHOOL AGE CHILD CARE PROJECT FUND			
Total Operating Expense	**955,780**	**955,780**	
DIVISION OF AGING ADMINISTRATION			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Personal Services	**594,659**	**594,659**	
Other Operating Expense	**852,751**	**852,751**	

The above appropriations for the division of aging administration are for administrative expenses. Any federal fund reimbursements received for such purposes are to be deposited in the general fund.

ROOM AND BOARD ASSISTANCE (R-CAP)			
Total Operating Expense	**13,477,844**	**13,477,844**	
C.H.O.I.C.E. IN-HOME SERVICES			
Total Operating Expense	**44,765,643**	**44,765,643**	

The foregoing appropriations for C.H.O.I.C.E. In-Home Services include intragovernmental transfers to provide the nonfederal share of the Medicaid aged and disabled waiver. The intragovernmental transfers for use in the Medicaid aged and disabled waiver may not exceed in the state fiscal year beginning July 1, 2009, and ending June 30, 2010, $12,900,000. The intragovernmental transfers for use in the Medicaid aged and disabled waiver may not exceed in the state fiscal year beginning July 1, 2010, and ending June 30, 2011, $12,900,000. After July 1, 2009, and before August 1, 2010, the office of the secretary (as defined in IC 12-7-2-135) shall submit a report to the legislative council in an electronic format under IC 5-14-6 and the governor in each July, October, January, and April specifying the number of persons on the waiting list for C.H.O.I.C.E. In-Home Services at the end of the month preceding the date of the report, a schedule indicating the length of time persons have been on the waiting list, a description of the conditions or problems that contribute to the waiting list, the plan in the next six (6) months after the end of the reporting period to reduce the waiting list, and any other information that is necessary or appropriate to interpret the information provided in the report.

The division of aging shall conduct an annual evaluation of the cost effectiveness of providing home care. Before January of each year, the division shall submit a report to the budget committee, the budget agency, and the legislative council that covers all aspects of the division's evaluation and such other information pertaining thereto as may be requested by the budget committee, the budget agency, or the legislative council, including the following:
(1) the number and demographic characteristics of the recipients of home care during the preceding fiscal year;
(2) the total cost and per recipient cost of providing home care services during the preceding fiscal year;
(3) the number of recipients of home care services who would have been placed in long term care facilities had they not received home care services; and

(4) the total cost savings during the preceding fiscal year realized by the state due to recipients of home care services (including Medicaid) being diverted from long term care facilities.

The division shall obtain from providers of services data on their costs and expenditures regarding implementation of the program and report the findings to the budget committee, the budget agency, and the legislative council. The report to the legislative council must be in an electronic format under IC 5-14-6.

The foregoing appropriations for C.H.O.I.C.E. In-Home Services do not revert to the state general fund or any other fund at the close of any state fiscal year but remain available for the purposes of C.H.O.I.C.E. In-Home Services in subsequent state fiscal years.

OLDER HOOSIERS ACT		
Total Operating Expense	**1,573,446**	**1,573,446**
ADULT PROTECTIVE SERVICES		
Total Operating Expense	**1,956,528**	**1,956,528**
ADULT GUARDIANSHIP SERVICES		
Total Operating Expense	**477,135**	**477,135**
TITLE V EMPLOYMENT GRANT (OLDER WORKERS)		
Total Operating Expense	**229,034**	**229,034**
MEDICAID WAIVER		
Total Operating Expense	**322,275**	**322,275**
OBRA/PASSARR		
Total Operating Expense	**91,108**	**91,108**
TITLE III ADMINISTRATION GRANT		
Total Operating Expense	**252,163**	**252,163**
OMBUDSMAN		
Total Operating Expense	**310,124**	**310,124**
DIVISION OF DISABILITY AND REHABILITATIVE SERVICES ADMINISTRATION		
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
Total Operating Expense	**360,764**	**360,764**
VOCATIONAL REHABILITATION SERVICES		
Personal Services	**3,525,457**	**3,525,457**
Other Operating Expense	**12,348,257**	**12,348,257**
AID TO INDEPENDENT LIVING		
Total Operating Expense	**46,927**	**46,927**
INDIANAPOLIS RESOURCE CENTER FOR INDEPENDENT LIVING		
Total Operating Expense	**87,665**	**87,665**
SOUTHERN INDIANA CENTER FOR INDEPENDENT LIVING		
Total Operating Expense	**87,665**	**87,665**
ATTIC, INCORPORATED		
Total Operating Expense	**87,665**	**87,665**
LEAGUE FOR THE BLIND AND DISABLED		
Total Operating Expense	**87,665**	**87,665**

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
FUTURE CHOICES, INC.			
Total Operating Expense	**158,113**	**158,113**	
THE WABASH INDEPENDENT LIVING AND LEARNING CENTER, INC.			
Total Operating Expense	**158,113**	**158,113**	
INDEPENDENT LIVING CENTER OF EASTERN INDIANA			
Total Operating Expense	**158,113**	**158,113**	
OFFICE OF DEAF AND HEARING IMPAIRED			
Personal Services	**185,104**	**185,104**	
Other Operating Expense	**131,670**	**131,670**	
BLIND VENDING OPERATIONS			
Total Operating Expense	**129,905**	**129,905**	
DEVELOPMENTAL DISABILITY RESIDENTIAL FACILITIES COUNCIL			
Personal Services	**2,970**	**2,970**	
Other Operating Expense	**12,038**	**12,038**	
OFFICE OF SERVICES FOR THE BLIND AND VISUALLY IMPAIRED			
Personal Services	**56,751**	**56,751**	
Other Operating Expense	**24,985**	**24,985**	
EMPLOYEE TRAINING			
Total Operating Expense	**6,112**	**6,112**	
BUREAU OF QUALITY IMPROVEMENT SERVICES - BQIS			
Total Operating Expense	**3,936,983**	**3,936,983**	
DAY SERVICES - DEVELOPMENTALLY DISABLED			
Other Operating Expense	**11,759,384**	**11,759,384**	
DIAGNOSIS AND EVALUATION			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Other Operating Expense	**400,125**	**400,125**	
FEDERAL EARLY INTERVENTION			
Total Operating Expense	**6,149,513**	**6,149,513**	
SUPPORTED EMPLOYMENT			
Other Operating Expense	**3,880,000**	**3,880,000**	
EPILEPSY PROGRAM			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Other Operating Expense	**463,758**	**463,758**	
CAREGIVER SUPPORT			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Other Operating Expense	**809,500**	**809,500**	
BDDS OPERATING			
General Fund			
Total Operating Expense	**5,286,709**	**5,286,709**	
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**1,869,887**	**1,869,887**	
Augmentation allowed.			
OASIS - OBJECTIVE ASSISTANCE SYSTEM FROM INDEPENDENT SERVICES			
Total Operating Expense	**5,529,000**	**5,529,000**	
CRISIS MANAGEMENT			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**4,136,080**	**4,136,080**	
Augmentation allowed.			

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
OUTREACH - STATE OPERATING SERVICES			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**2,232,973**	**2,232,973**	
Augmentation allowed.			
RESIDENTIAL SERVICES FOR DEVELOPMENTALLY DISABLED PERSONS			
General Fund			
Total Operating Expense	**93,996,290**	**93,996,290**	
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**15,229,000**	**15,229,000**	

The above appropriations for client services include the intragovernmental transfers necessary to provide the nonfederal share of reimbursement under the Medicaid program for day services provided to residents of group homes and nursing facilities.

In the development of new community residential settings for persons with developmental disabilities, the division of disability and rehabilitative services must give priority to the appropriate placement of such persons who are eligible for Medicaid and currently residing in intermediate care or skilled nursing facilities and, to the extent permitted by law, such persons who reside with aged parents or guardians or families in crisis.

FOR THE DEPARTMENT OF CHILD SERVICES			
DEPARTMENT OF CHILD SERVICES - ADMINISTRATION			
Personal Services	**89,445,563**	**89,445,563**	
Other Operating Expense	**20,582,245**	**20,582,245**	
DEPARTMENT OF CHILD SERVICES - STATE ADMINISTRATION			
Personal Services	**14,689,383**	**14,689,383**	
Other Operating Expense	**3,636,219**	**3,636,219**	
CHILD WELFARE SERVICES STATE GRANTS			
General Fund			
Total Operating Expense	**7,500,000**	**7,500,000**	
Excise and Financial Institution Taxes			
Total Operating Expense	**6,275,000**	**6,275,000**	
Augmentation allowed.			
TITLE IV-D OF THE FEDERAL SOCIAL SECURITY ACT (STATE MATCH)			
Total Operating Expense	**5,598,019**	**5,598,019**	

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.

FAMILY AND CHILDREN FUND			
General Fund			
Total Operating Expense	**445,406,171**	**445,406,171**	
Augmentation allowed.			
Family and Children Reimbursement (IC 31-40-1-3)			
Total Operating Expense	**8,782,173**	**8,782,173**	
Augmentation allowed.			
YOUTH SERVICE BUREAU			
Total Operating Expense	**1,250,000**	**1,250,000**	

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
PROJECT SAFEPLACE			
Total Operating Expense	**125,000**	**125,000**	
HEALTHY FAMILIES INDIANA			
Total Operating Expense	**6,826,935**	**6,826,935**	
CHILD WELFARE TRAINING			
Total Operating Expense	**1,729,473**	**1,729,473**	
SPECIAL NEEDS ADOPTION II			
Personal Services	**243,060**	**243,060**	
Other Operating Expense	**456,540**	**456,540**	
ADOPTION ASSISTANCE			
Total Operating Expense	**14,307,971**	**14,307,971**	
NON-RECURRING ADOPTION ASSISTANCE			
Total Operating Expense	**921,500**	**921,500**	
INDIANA SUPPORT ENFORCEMENT TRACKING (ISETS)			
Total Operating Expense	**4,804,602**	**4,804,602**	
CHILD PROTECTION AUTOMATION PROJECT (ICWIS)			
Total Operating Expense	**4,224,334**	**4,224,334**	
SOCIAL SERVICES BLOCK GRANT (SSBG)			
Total Operating Expense	**4,012,083**	**4,012,083**	

The funds appropriated above to the social services block grant are allocated in the following manner during the biennium:

Division of Disability and Rehabilitative Services	**343,481**	**343,481**
Division of Family Resources	**1,100,000**	**1,100,000**
Division of Aging	**687,396**	**687,396**
Department of Child Services	**289,352**	**289,352**
Department of Health	**296,504**	**296,504**
Department of Correction	**1,295,350**	**1,295,350**

FOR THE DEPARTMENT OF ADMINISTRATION		
DEPARTMENT OF CHILD SERVICES OMBUDSMAN BUREAU		
Total Operating Expense	**445,400**	**445,400**

B. PUBLIC HEALTH

FOR THE STATE DEPARTMENT OF HEALTH		
Personal Services	**21,315,999**	**21,315,999**
Other Operating Expense	**7,410,840**	**7,410,840**

All receipts to the state department of health from licenses or permit fees shall be deposited in the state general fund. Augmentation allowed in amounts not to exceed revenue from

penalties or fees collected by the state department of health.

CANCER REGISTRY		
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
Total Operating Expense	**610,647**	**610,647**
MINORITY HEALTH INITIATIVE		
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
Total Operating Expense	**3,000,000**	**3,000,000**

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

SICKLE CELL		
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
Total Operating Expense	**250,000**	**250,000**
AID TO COUNTY TUBERCULOSIS HOSPITALS		
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
Total Operating Expense	**96,883**	**96,883**

These funds shall be used for eligible expenses according to IC 16-21-7-3 for tuberculosis patients for whom there are no other sources of reimbursement, including patient resources, health insurance, medical assistance payments, and hospital care for the indigent.

MEDICARE-MEDICAID CERTIFICATION		
Total Operating Expense	**6,269,426**	**6,269,426**

Personal services augmentation allowed in amounts not to exceed revenue from health facilities license fees or from health care providers (as defined in IC 16-18-2-163) fee increases or those adopted by the Executive Board of the Indiana State Department of health pursuant to IC 16-19-3.

AIDS EDUCATION		
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
Personal Services	**286,161**	**286,161**
Other Operating Expense	**531,084**	**531,084**
HIV/AIDS SERVICES		
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
Total Operating Expense	**2,162,254**	**2,162,254**
TEST FOR DRUG AFFLICTED BABIES		
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
Total Operating Expense	**58,121**	**58,121**

The above appropriations for drug afflicted babies shall be used for the following purposes:

(1) All newborn infants shall be tested for the presence of a controlled substance in the infant's meconium if they meet the criteria established by the state department of health. These criteria will, at a minimum, include all newborns, if at birth:
(A) the infant's weight is less than two thousand five hundred (2,500) grams;

(B) the infant's head is smaller than the third percentile for the infant's gestational age; and
(C) there is no medical explanation for the conditions described in clauses (A) and (B).
(2) If a meconium test determines the presence of a controlled substance in the infant's meconium, the infant may be declared a child in need of services as provided in IC 31-34-1-10 through IC 31-34-1-13. However, the child's mother may not be prosecuted in connection with the results of the test.
(3) The state department of health shall provide forms on which the results of a meconium test performed on an infant under subdivision (1) must be reported to the state department of health by physicians and hospitals.
(4) The state department of health shall, at least semi-annually:
(A) ascertain the extent of testing under this chapter; and
(B) report its findings under subdivision (1) to:
(i) all hospitals;
(ii) physicians who specialize in obstetrics and gynecology or work with infants and young children; and
(iii) any other group interested in child welfare that requests a copy of the report from the state department of health.
(5) The state department of health shall designate at least one (1) laboratory to perform the meconium test required under subdivisions (1) through (8). The designated laboratories shall perform a meconium test on each infant described in subdivision (1) to detect the presence of a controlled substance.
(6) Subdivisions (1) through (7) do not prevent other facilities from conducting tests on infants to detect the presence of a controlled substance.
(7) Each hospital and physician shall:
(A) take or cause to be taken a meconium sample from every infant born under the hospital's and physician's care who meets the description under subdivision (1); and
(B) transport or cause to be transported each meconium sample described in clause (A) to a laboratory designated under subdivision (5) to test for the presence of a controlled substance as required under subdivisions (1) through (7).
(8) The state department of health shall establish guidelines to carry out this program, including guidance to physicians, medical schools, and birthing centers as to the following:
(A) Proper and timely sample collection and transportation under subdivision (7) of this appropriation.
(B) Quality testing procedures at the laboratories designated under subdivision (5) of this appropriation.
(C) Uniform reporting procedures.
(D) Appropriate diagnosis and management of affected newborns and counseling and support programs for newborns' families.
(9) A medically appropriate discharge of an infant may not be delayed due to the results of the test described in subdivision (1) or due to the pendency of the results of the test described in subdivision (1).

STATE CHRONIC DISEASES		
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
Personal Services	**120,459**	**120,459**
Other Operating Expense	**957,968**	**957,968**

At least $82,560 of the above appropriations shall be for grants to community groups

and organizations as provided in IC 16-46-7-8.

WOMEN, INFANTS, AND CHILDREN SUPPLEMENT		
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
Total Operating Expense	**190,000**	**190,000**
MATERNAL AND CHILD HEALTH SUPPLEMENT		
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
Total Operating Expense	**190,000**	**190,000**
CANCER EDUCATION AND DIAGNOSIS - BREAST CANCER		
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
Total Operating Expense	**86,490**	**86,490**
CANCER EDUCATION AND DIAGNOSIS - PROSTATE CANCER		
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
Total Operating Expense	**93,000**	**93,000**
ADOPTION HISTORY		
Adoption History Fund (IC 31-19-18-6)		
Total Operating Expense	**215,543**	**215,543**
Augmentation allowed.		
CHILDREN WITH SPECIAL HEALTH CARE NEEDS		
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
Total Operating Expense	**13,862,070**	**13,862,070**
Augmentation allowed.		
NEWBORN SCREENING PROGRAM		
Newborn Screening Fund (IC 16-41-17-11)		
Personal Services	**366,971**	**366,971**
Other Operating Expense	**2,294,672**	**2,294,672**
Augmentation allowed.		
RADON GAS TRUST FUND		
Radon Gas Trust Fund (IC 16-41-38-8)		
Total Operating Expense	**11,458**	**11,458**
Augmentation allowed.		
BIRTH PROBLEMS REGISTRY		
Birth Problems Registry Fund (IC 16-38-4-17)		
Personal Services	**62,071**	**62,071**
Other Operating Expense	**62,389**	**62,389**
Augmentation allowed.		
MOTOR FUEL INSPECTION PROGRAM		
Motor Fuel Inspection Fund (IC 16-44-3-10)		
Total Operating Expense	**174,464**	**174,464**
Augmentation allowed.		
PROJECT RESPECT		
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
Total Operating Expense	**537,904**	**537,904**
DONATED DENTAL SERVICES		
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
Total Operating Expense	**42,932**	**42,932**

The above appropriation shall be used by the Indiana foundation for dentistry for the handicapped.

OFFICE OF WOMEN'S HEALTH		
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
Total Operating Expense	**121,248**	**121,248**
SPINAL CORD AND BRAIN INJURY		
Spinal Cord and Brain Injury Fund (IC 16-41-42.2-3)		
Total Operating Expense	**1,175,770**	**1,175,770**
INDIANA CHECK-UP PLAN - IMMUNIZATIONS		
Indiana Check-Up Plan Trust Fund (IC 12-15-44.2-17)		
Total Operating Expense	**11,000,000**	**11,000,000**
WEIGHTS AND MEASURES FUND		
Weights and Measures Fund (IC 16-19-5-4)		
Total Operating Expense	**22,824**	**22,824**
Augmentation allowed.		
MINORITY EPIDEMIOLOGY		
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
Total Operating Expense	**750,000**	**750,000**
COMMUNITY HEALTH CENTERS		
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
Total Operating Expense	**15,000,000**	**15,000,000**
PRENATAL SUBSTANCE USE & PREVENTION		
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
Total Operating Expense	**150,000**	**150,000**
LOCAL HEALTH MAINTENANCE FUND		
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
Total Operating Expense	**3,860,000**	**3,860,000**
Augmentation allowed.		

The amount appropriated from the tobacco master settlement agreement fund is in lieu of the appropriation provided for this purpose in IC 6-7-1-30.5 or any other law. Of the above appropriations for the local health maintenance fund, $60,000 each year shall be used to provide additional funding to adjust funding through the formula in IC 16-46-10 to reflect population increases in various counties. Money appropriated to the local health maintenance fund must be allocated under the following schedule each year to each local board of health whose application for funding is approved by the state department of health:

COUNTY POPULATION	AMOUNT OF GRANT
over 499,999	94,112
100,000 - 499,999	72,672
50,000 - 99,999	48,859
under 50,000	33,139

LOCAL HEALTH DEPARTMENT ACCOUNT		
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
Total Operating Expense	**3,000,000**	**3,000,000**

The foregoing appropriations for the local health department account are statutory

distributions pursuant to IC 4-12-7.

FOR THE TOBACCO USE PREVENTION AND CESSATION BOARD
TOBACCO USE PREVENTION AND CESSATION PROGRAM
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)

Total Operating Expense	**10,859,308**	**10,859,308**

A minimum of 75% 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	**10,525,311**	**10,524,650**
Other Operating Expense	**1,028,728**	**1,029,396**

FOR THE INDIANA SCHOOL FOR THE DEAF

Personal Services	**16,817,364**	**16,822,021**
Other Operating Expense	**1,959,367**	**1,959,367**

C. VETERANS' AFFAIRS

FOR THE INDIANA DEPARTMENT OF VETERANS' AFFAIRS

Personal Services	**538,944**	**538,944**
Other Operating Expense	**80,108**	**80,108**

DISABLED AMERICAN VETERANS OF WORLD WARS

Total Operating Expense	**40,000**	**40,000**

AMERICAN VETERANS OF WORLD WAR II, KOREA, AND VIETNAM

Total Operating Expense	**30,000**	**30,000**

VETERANS OF FOREIGN WARS

Total Operating Expense	**30,000**	**30,000**

VIETNAM VETERANS OF AMERICA

Total Operating Expense			**20,000**

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

	12,815,594	**12,815,594**

From the Comfort and Welfare Fund (IC 10-17-9-7(c))

	9,381,362	**9,381,362**

Augmentation allowed from the Comfort and Welfare Fund in amounts not to exceed revenue collected for Medicaid and Medicare reimbursement.

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

Personal Services	**16,956,676**	**16,956,676**
Other Operating Expense	**5,240,280**	**5,240,280**

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
COMFORT AND WELFARE PROGRAM			
Comfort and Welfare Fund (IC 10-17-9-7(c))			
Total Operating Expense	**10,127,221**	**10,127,221**	
Augmentation allowed.			

SECTION 9. [EFFECTIVE JULY 1, 2009]

EDUCATION

A. HIGHER EDUCATION

FOR INDIANA UNIVERSITY			
BLOOMINGTON CAMPUS			
Total Operating Expense	**195,535,456**	**192,765,711**	
Fee Replacement	**26,901,091**	**38,643,685**	
FOR INDIANA UNIVERSITY REGIONAL CAMPUSES			
EAST			
Total Operating Expense	**7,935,371**	**7,814,060**	
Fee Replacement	**1,896,844**	**1,400,591**	
KOKOMO			
Total Operating Expense	**10,333,991**	**10,205,737**	
Fee Replacement	**2,103,973**	**1,553,532**	
NORTHWEST			
Total Operating Expense	**17,185,841**	**16,845,708**	
Fee Replacement	**3,899,173**	**2,879,072**	
SOUTH BEND			
Total Operating Expense	**22,096,237**	**21,654,708**	
Fee Replacement	**5,658,917**	**4,178,432**	
SOUTHEAST			
Total Operating Expense	**19,886,796**	**19,617,352**	
Fee Replacement	**5,048,022**	**3,727,359**	
TOTAL APPROPRIATION - INDIANA UNIVERSITY REGIONAL CAMPUSES	**96,045,165**	**89,876,551**	
FOR INDIANA UNIVERSITY - PURDUE UNIVERSITY AT INDIANAPOLIS (IUPUI)			
HEALTH DIVISIONS			
Total Operating Expense	**106,341,230**	**108,940,726**	
Fee Replacement	**4,189,020**	**2,821,231**	
FOR INDIANA UNIVERSITY SCHOOL OF MEDICINE ON THE CAMPUS OF THE UNIVERSITY OF SOUTHERN INDIANA			

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
Total Operating Expense	**1,565,404**	**1,603,670**	
THE CAMPUS OF INDIANA UNIVERSITY-PURDUE UNIVERSITY FORT WAYNE			
Total Operating Expense	**1,440,072**	**1,475,274**	
THE CAMPUS OF INDIANA UNIVERSITY-NORTHWEST			
Total Operating Expense	**2,045,819**	**2,095,829**	
THE CAMPUS OF PURDUE UNIVERSITY			
Total Operating Expense	**1,826,182**	**1,870,823**	
THE CAMPUS OF BALL STATE UNIVERSITY			
Total Operating Expense	**1,642,036**	**1,682,175**	
THE CAMPUS OF THE UNIVERSITY OF NOTRE DAME			
Total Operating Expense	**1,522,791**	**1,560,016**	
THE CAMPUS OF INDIANA STATE UNIVERSITY			
Total Operating Expense	**1,815,496**	**1,859,876**	

The Indiana University School of Medicine - Indianapolis shall submit to the Indiana commission for higher education before May 15 of each year an accountability report containing data on the number of medical school graduates who entered primary care physician residencies in Indiana from the school's most recent graduating class.

FOR INDIANA UNIVERSITY - PURDUE UNIVERSITY AT INDIANAPOLIS (IUPUI)			
GENERAL ACADEMIC DIVISIONS			
Total Operating Expense	**80,117,958**	**80,306,167**	
Fee Replacement	**20,004,544**	**13,472,705**	
TOTAL APPROPRIATIONS - IUPUI			
	222,510,552	**217,688,492**	

Transfers of allocations between campuses to correct for errors in allocation among the campuses of Indiana University can be made by the institution with the approval of the commission for higher education and the budget agency. Indiana University shall maintain current operations at all statewide medical education sites.

FOR INDIANA UNIVERSITY			
ABILENE NETWORK OPERATIONS CENTER			
Total Operating Expense	**832,596**	**832,596**	
SPINAL CORD AND HEAD INJURY RESEARCH CENTER			
Spinal Cord and Brain Injury Fund (IC 16-41-42.2-3)			
Total Operating Expense	**524,230**	**524,230**	
STATE DEPARTMENT OF TOXICOLOGY			
Total Operating Expense	**2,463,380**	**2,463,380**	

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
INSTITUTE FOR THE STUDY OF DEVELOPMENTAL DISABILITIES			
Total Operating Expense	**2,477,440**	**2,477,440**	
GEOLOGICAL SURVEY			
Total Operating Expense	**3,102,244**	**3,102,244**	
LOCAL GOVERNMENT ADVISORY COMMISSION			
Total Operating Expense	**56,543**	**56,543**	
I-LIGHT NETWORK OPERATIONS			
Build Indiana Fund (IC 4-30-17)			
Total Operating Expense	**2,000,000**	**2,000,000**	
FOR PURDUE UNIVERSITY			
WEST LAFAYETTE			
Total Operating Expense	**250,646,837**	**248,614,954**	
Fee Replacement	**26,722,911**	**26,777,731**	
FOR PURDUE UNIVERSITY - REGIONAL CAMPUSES			
CALUMET			
Total Operating Expense	**26,891,493**	**26,482,025**	
Fee Replacement	**1,491,261**	**1,491,824**	
NORTH CENTRAL			
Total Operating Expense	**11,599,490**	**11,806,851**	
TOTAL APPROPRIATION - PURDUE UNIVERSITY REGIONAL CAMPUSES			
	39,982,244	**39,780,700**	
FOR INDIANA UNIVERSITY - PURDUE UNIVERSITY			
AT FORT WAYNE (IPFW)			
Total Operating Expense	**36,920,732**	**36,909,156**	
Fee Replacement	**5,995,241**	**5,980,642**	

Transfers of allocations between campuses to correct for errors in allocation among the campuses of Purdue University can be made by the institution with the approval of the commission for higher education and the budget agency.

FOR PURDUE UNIVERSITY			
ANIMAL DISEASE DIAGNOSTIC LABORATORY SYSTEM			
Total Operating Expense	**3,449,706**	**3,449,706**	

The above appropriations shall be used to fund the animal disease diagnostic laboratory system (ADDL), which consists of the main ADDL at West Lafayette, the bangs disease testing service at West Lafayette, and the southern branch of ADDL Southern Indiana Purdue Agricultural Center (SIPAC) in Dubois County. The above appropriations are in addition to any user charges that may be established and collected under IC 21-46-3-5. Notwithstanding IC 21-46-3-4, the trustees of Purdue University may approve reasonable charges for testing for pseudorabies.

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
STATEWIDE TECHNOLOGY			
Total Operating Expense	**6,433,939**	**6,433,939**	
COUNTY AGRICULTURAL EXTENSION EDUCATORS			
Total Operating Expense	**7,234,605**	**7,234,605**	
AGRICULTURAL RESEARCH AND EXTENSION - CROSSROADS			
Total Operating Expense	**7,238,961**	**7,238,961**	
CENTER FOR PARALYSIS RESEARCH			
Total Operating Expense	**522,558**	**522,558**	
UNIVERSITY-BASED BUSINESS ASSISTANCE			
Total Operating Expense	**1,889,039**	**1,889,039**	
FOR INDIANA STATE UNIVERSITY			
Total Operating Expense	**72,689,609**	**71,468,078**	
Fee Replacement	**8,231,452**	**8,216,569**	
NURSING PROGRAM			
Total Operating Expense	**240,000**	**240,000**	
FOR UNIVERSITY OF SOUTHERN INDIANA			
Total Operating Expense	**38,672,234**	**38,437,801**	
Fee Replacement	**11,920,469**	**11,119,519**	
HISTORIC NEW HARMONY			
Total Operating Expense	**553,428**	**553,428**	
FOR BALL STATE UNIVERSITY			
Total Operating Expense	**124,586,362**	**123,320,507**	
Fee Replacement	**11,543,674**	**11,535,537**	
ENTREPRENEURIAL COLLEGE			
Total Operating Expense	**960,000**	**960,000**	
ACADEMY FOR SCIENCE, MATHEMATICS, AND HUMANITIES			
Total Operating Expense	**4,273,836**	**4,273,836**	
FOR VINCENNES UNIVERSITY			
Total Operating Expense	**37,186,934**	**36,723,948**	
Fee Replacement	**5,275,650**	**5,282,662**	
FOR IVY TECH COMMUNITY COLLEGE			
Total Operating Expense	**159,220,386**	**165,580,643**	
Fee Replacement	**26,656,511**	**26,651,916**	
VALPO NURSING PARTNERSHIP			

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
Total Operating Expense	**100,484**	**100,484**	
FT. WAYNE PUBLIC SAFETY TRAINING CENTER			
Total Operating Expense	**1,000,000**	**1,000,000**	
FOR THE INDIANA HIGHER EDUCATION TELECOMMUNICATIONS SYSTEM (IHETS)			
Build Indiana Fund (IC 4-30-17)			
Total Operating Expense	**600,000**	**600,000**	

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

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

All such income and all such fees, earnings, and receipts on hand June 30, 2009, and all such income and fees, earnings, and receipts accruing thereafter are hereby appropriated to the boards of trustees or directors of the aforementioned institutions and IHETS and may be expended for any necessary expenses of the respective institutions and IHETS, including university hospitals, schools of medicine, nurses' training schools, schools of dentistry, and agricultural extension and experimental stations. However, such income, fees, earnings, and receipts may be used for land and structures only if approved by the governor and the budget agency.

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

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

The reports of the treasurer also shall contain in such form and in such detail as the governor and the budget agency may specify, complete information concerning receipts from all sources, together with any contracts, agreements, or arrangements with any

federal agency, private foundation, corporation, or other entity from which such receipts accrue.

All such treasurers' reports are matters of public record and shall include without limitation a record of the purposes of any and all gifts and trusts with the sole exception of the names of those donors who request to remain anonymous.

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

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

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

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

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

FOR THE MEDICAL EDUCATION BOARD		
FAMILY PRACTICE RESIDENCY FUND		
Total Operating Expense	**2,247,056**	**2,247,056**

Of the foregoing appropriations for the medical education board-family practice residency fund, $1,000,000 each year shall be used for grants for the purpose of improving family practice residency programs serving medically underserved areas.

FOR THE COMMISSION FOR HIGHER EDUCATION		
Total Operating Expense	**1,476,735**	**1,476,735**
STATEWIDE TRANSFER WEB SITE		
Total Operating Expense	**644,293**	**644,293**

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation

FOR THE DEPARTMENT OF ADMINISTRATION

ANIMAL DISEASE DIAGNOSTIC LABORATORY LEASE RENTAL

Total Operating Expense	**1,045,098**	**1,046,630**

COLUMBUS LEARNING CENTER LEASE PAYMENT

Total Operating Expense	**4,988,000**	**4,934,000**

FOR THE STATE BUDGET AGENCY

MEDICAL EDUCATION CENTER EXPANSION

Total Operating Expense	**3,000,000**	**3,000,000**

The above appropriations for medical education center expansion are intended to help increase medical school class size on a statewide basis. The funds shall be used to help increase enrollment for years 1 and 2 and to provide clinical instruction for years 3 and 4. The funds shall be distributed to the nine existing medical education centers in proportion to the increase in enrollment for each center. The budget agency shall release the funds after a plan is submitted and favorably reviewed by the budget committee.

GIGAPOP PROJECT

Build Indiana Fund (IC 4-30-17)

Total Operating Expense	**771,951**	**771,951**

SOUTH CENTRAL EDUCATIONAL ALLIANCE - BEDFORD SERVICE AREA

Build Indiana Fund (IC 4-30-17)

Total Operating Expense	**395,266**	**395,266**

SOUTHEAST INDIANA EDUCATION SERVICES

Build Indiana Fund (IC 4-30-17)

Total Operating Expense	**695,226**	**695,226**

DEGREE LINK

Build Indiana Fund (IC 4-30-17)

Total Operating Expense	**541,465**	**541,465**

The above appropriations shall be used for the delivery of Indiana State University baccalaureate degree programs at Ivy Tech Community College and Vincennes University locations through Degree Link.

WORKFORCE CENTERS

Build Indiana Fund (IC 4-30-17)

Total Operating Expense	**862,110**	**862,110**

MIDWEST HIGHER EDUCATION COMMISSION

Build Indiana Fund (IC 4-30-17)

Total Operating Expense	**95,000**	**95,000**

FOR THE STATE STUDENT ASSISTANCE COMMISSION

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
Total Operating Expense	**1,073,337**	**1,073,337**	
FREEDOM OF CHOICE GRANTS			
Total Operating Expense	**49,010,522**	**50,480,838**	
HIGHER EDUCATION AWARD PROGRAM			
Total Operating Expense	**143,700,712**	**148,011,733**	
NURSING SCHOLARSHIP PROGRAM			
Total Operating Expense	**418,389**	**418,389**	
HOOSIER SCHOLAR PROGRAM			
Total Operating Expense	**404,500**	**404,500**	

For the higher education awards and freedom of choice grants made for the 2009-2011 biennium, the following guidelines shall be used, notwithstanding current administrative rule or practice:
(1) Financial Need: For purposes of these awards, financial need shall be limited to actual undergraduate tuition and fees for the prior academic year as established by the commission.
(2) Maximum Base Award: The maximum award shall not exceed the lesser of:
(A) eighty percent (80%) of actual prior academic year undergraduate tuition and fees; or
(B) eighty percent (80%) of the sum of the highest prior academic year undergraduate tuition and fees at any public institution of higher education and the lowest appropriation per full-time equivalent (FTE) undergraduate student at any public institution of higher education.
(3) Minimum Award: No actual award shall be less than $1,000.
(4) Award Size: A student's maximum award shall be reduced one (1) time:
(A) for dependent students, by the expected contribution from parents based upon information submitted on the financial aid application form; and
(B) for independent students, by the expected contribution derived from information submitted on the financial aid application form.
(5) Award Adjustment: The maximum base award may be adjusted by the commission, for any eligible recipient who fulfills college preparation requirements defined by the commission.
(6) Adjustment:
(A) If the dollar amounts of eligible awards exceed appropriations and program reserves, all awards may be adjusted by the commission by reducing the maximum award under subdivision (2)(A) or (2)(B).
(B) If appropriations and program reserves are sufficient and the maximum awards are not at the levels described in subdivision (2)(A) and (2)(B), all awards may be adjusted by the commission by proportionally increasing the awards to the maximum award under that subdivision so that parity between those maxima is maintained but not exceeded.

For the Hoosier scholar program for the 2009-2011 biennium, each award shall not exceed five hundred dollars ($500) and shall be made available for one (1) year only. Receipt of this award shall not reduce any other award received under any state funded student assistance program.

STATUTORY FEE REMISSION			
Total Operating Expense	**20,557,932**	**20,557,932**	

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
PART-TIME STUDENT GRANT DISTRIBUTION			
Total Operating Expense	**5,462,100**	**5,462,100**	

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

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

CONTRACT FOR INSTRUCTIONAL OPPORTUNITIES IN SOUTHEASTERN INDIANA			
Total Operating Expense	**458,253**	**458,253**	
MINORITY TEACHER SCHOLARSHIP FUND			
Total Operating Expense	**415,919**	**415,919**	
COLLEGE WORK STUDY PROGRAM			
Total Operating Expense	**837,719**	**837,719**	
21ST CENTURY ADMINISTRATION			
Total Operating Expense	**2,102,648**	**2,102,648**	
21ST CENTURY SCHOLAR AWARDS			
Total Operating Expense	**27,314,852**	**28,134,298**	
Augmentation for 21st Century Scholar Awards allowed from the general fund.			

The commission shall collect and report to the family and social services administration (FSSA) all data required for FSSA to meet the data collection and reporting requirements in 45 CFR 265.

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

NATIONAL GUARD SCHOLARSHIP			
Total Operating Expense	**2,874,264**	**2,874,264**	

The above appropriations for national guard scholarship and any program reserves existing on June 30, 2009, shall be the total allowable state expenditure for the program in the 2009-2011 biennium. If the dollar amounts of eligible awards exceed appropriations and program reserves, the state student assistance commission shall

develop a plan to ensure that the total dollar amount does not exceed the above appropriations and any program reserves.

INSURANCE EDUCATION SCHOLARSHIPS
Insurance Education Scholarship Fund (IC 21-12-9-5)

Total Operating Expense	**100,000**	**100,000**

Augmentation allowed.

B. ELEMENTARY AND SECONDARY EDUCATION

FOR THE DEPARTMENT OF EDUCATION
STATE BOARD OF EDUCATION

Total Operating Expense	**3,144,762**	**3,144,762**

The foregoing appropriations for the Indiana state board of education are for the education roundtable established by IC 20-19-4; for the academic standards project to distribute copies of the academic standards and provide teachers with curriculum frameworks; for special evaluation and research projects including national and international assessments; and for state board and roundtable administrative expenses.

SUPERINTENDENT'S OFFICE
From the General Fund

	8,495,125	**8,495,125**

From the Professional Standards Fund (IC 20-28-2-8)

	395,000	**395,000**

Augmentation allowed from the Professional Standards Fund.

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

Personal Services	**5,895,372**	**5,895,372**
Other Operating Expense	**2,994,753**	**2,994,753**

WOODROW WILSON TEACHING FELLOWSHIP PROGRAM
ARRA State Fiscal Stabilization Fund (Section 14002(b))

Total Operating Expense	**10,000,000**	**0**

The foregoing appropriation for the Woodrow Wilson teaching fellowship program shall be used for new math and science teachers for underserved areas.

RILEY HOSPITAL

Total Operating Expense	**27,900**	**27,900**

BEST BUDDIES

Total Operating Expense	**250,000**	**250,000**

MOTORCYCLE OPERATOR SAFETY EDUCATION FUND
Safety Education Fund (IC 20-30-13-11)

Personal Services	**154,388**	**154,388**
Other Operating Expense	**829,642**	**829,642**

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation

The foregoing appropriations for the motorcycle operator safety education fund are from the motorcycle operator safety education fund created by IC 20-30-13-11.

SCHOOL TRAFFIC SAFETY		
Motor Vehicle Highway Account (IC 8-14-1)		
Personal Services	**224,364**	**224,364**
Other Operating Expense	**28,119**	**28,119**
Augmentation allowed.		
EDUCATION LICENSE PLATE FEES		
Education License Plate Fees Fund (IC 9-18-31)		
Total Operating Expense	**141,200**	**141,200**
ACCREDITATION SYSTEM		
Personal Services	**566,462**	**566,462**
Other Operating Expense	**283,966**	**283,966**
SPECIAL EDUCATION (S-5)		
Total Operating Expense	**24,750,000**	**24,750,000**

The foregoing appropriations for special education are made under IC 20-35-6-2.

SPECIAL EDUCATION EXCISE		
Alcoholic Beverage Excise Tax Funds (IC 20-35-4-4)		
Personal Services	**386,527**	**386,527**
Augmentation allowed.		
CAREER AND TECHNICAL EDUCATION		
Personal Services	**1,390,117**	**1,390,117**
Other Operating Expense	**36,828**	**36,828**
ADVANCED PLACEMENT PROGRAM		
Other Operating Expense	**953,284**	**953,284**

The above appropriations for the Advanced Placement Program are to provide funding for students of accredited public and nonpublic schools.

PSAT PROGRAM		
Other Operating Expense	**717,449**	**717,449**

The above appropriations for the PSAT program are to provide funding for students of accredited public and nonpublic schools.

EDUCATION SERVICE CENTERS		
Total Operating Expense	**2,205,223**	**2,205,223**

No appropriation made for an education service center shall be distributed to the administering school corporation of the center unless each participating school corporation of the center contracts to pay to the center at least three dollars ($3) per student for fiscal year 2009-2010 based on the school corporation's ADM count as reported for school aid distribution in the fall of 2008 and at least three dollars ($3) per student for fiscal year 2010-2011, based on the school corporation's ADM count as reported for school aid distribution beginning in the fall of 2009. Before notification of education service centers of the formula and components of the formula for distributing

funds for education service centers, review and approval of the formula and components must be made by the budget agency.

TRANSFER TUITION (STATE EMPLOYEES' CHILDREN AND ELIGIBLE CHILDREN IN MENTAL HEALTH FACILITIES)

Total Operating Expense	**25,000**	**25,000**

The foregoing appropriations for transfer tuition (state employees' children and eligible children in mental health facilities) are made under IC 20-26-11-8 and IC 20-26-11-10.

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 TUITION SUPPORT

Total Operating Expense	**6,468,500,000**	**6,504,500,000**

After July 1, 2009, but before June 30, 2011, the state budget agency shall transfer five hundred seventy-nine million dollars ($579,000,000) from the state tuition reserve fund to the state general fund to support the foregoing appropriations.

The foregoing appropriations for distribution for tuition support are to be distributed for tuition support, special education programs, career and technical education programs, honors grants, and the primetime program in accordance with a statute enacted for this purpose during the 2009 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 calendar 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 calendar year shall equal the amount required under the statute enacted for the purpose referred to above.

DISTRIBUTION FOR SUMMER SCHOOL

Other Operating Expense	**18,360,000**	**18,360,000**

It is the intent of the 2009 general assembly that the above appropriations for summer school shall be the total allowable state expenditure for such program. Therefore, if the expected disbursements are anticipated to exceed the total appropriation for that state fiscal year, then the department of education shall reduce the distributions proportionately.

EARLY INTERVENTION PROGRAM AND READING DIAGNOSTIC ASSESSMENT		
Total Operating Expense	**4,720,000**	**4,720,000**

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

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

SCHOOL CIRCUIT BREAKER REPLACEMENT CREDITS		
Total Operating Expense	**60,000,000**	**35,000,000**
ADULT EDUCATION DISTRIBUTION		
Total Operating Expense	**13,000,000**	**13,000,000**

It is the intent of the 2009 general assembly that the above appropriations for adult education shall be the total allowable state expenditure for such program. Therefore, if the expected disbursements are anticipated to exceed the total appropriation for a state fiscal year, the department of education shall reduce the distributions proportionately.

NATIONAL SCHOOL LUNCH PROGRAM		
Total Operating Expense	**5,400,000**	**5,400,000**
MARION COUNTY DESEGREGATION COURT ORDER		
Total Operating Expense	**18,000,000**	**18,000,000**

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

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

Before a school corporation or an accredited nonpublic school may receive a distribution under the textbook reimbursement program, the school corporation or accredited nonpublic

school shall provide to the department the requirements established in IC 20-33-5-2. The department shall provide to the family and social services administration (FSSA) all data required for FSSA to meet the data collection reporting requirement in 45 CFR 265. Family and social services administration, division of family resources, shall apply all qualifying expenditures for the textbook reimbursement program toward Indiana's maintenance of effort under the federal Temporary Assistance to Needy Families (TANF) program (45 CFR 260 et seq.).

The foregoing appropriations for textbook reimbursement include the appropriation of the common school fund interest balance. The remainder of the above appropriations are provided from the state general fund.

FULL-DAY KINDERGARTEN		
Total Operating Expense	**58,500,000**	**58,500,000**

The above appropriations for full day kindergarten are available to school corporations and charter schools that apply to the department of education for funding of full day kindergarten. The amount available to a school corporation or charter school equals the amount appropriated divided by the total full day kindergarten enrollment of all participating school corporations and charter schools (as defined in IC 20-43-1-11) for the current year, and then multiplied by the school corporation's or charter school's full day kindergarten enrollment (as defined in IC 20-43-1-11) for the current year. However, a school corporation or charter school may not receive more than $2,500 dollars per student for full day kindergarten. A school corporation or charter school that is awarded a grant must provide to the department of education a financial report stating how the funds were spent. Any unspent funds at the end of the biennium must be returned to the state by the school corporation or charter school.

To provide full day kindergarten programs, a school corporation or charter school that determines there is inadequate space to offer a program in the school corporation's or charter school's existing facilities may offer the program in any suitable space located within the geographic boundaries of the school corporation or, in the case of a charter school, a location that is in the general vicinity of the charter school's existing facilities. A full day kindergarten program offered by a school corporation or charter school must meet the academic standards and other requirements of IC 20.

A school corporation or charter school that receives a grant must meet the academic standards and other requirements of IC 20.

In awarding grants from the above appropriations, the department of education may not refuse to make a grant to a school corporation or reduce the award that would otherwise be made to the school corporation because the school corporation used federal grants or loans, including Title I grants, to fund part or all of the school corporation's full day kindergarten program in a school year before the school year in which the grant will be given or because the school corporation intends to use federal grants or loans, including Title I grants, to fund part of the school corporation's full day kindergarten program in a school year in which the grant will be given.

The state board and department shall provide support to school corporations and charter schools in the development and implementation of child centered and learning focused programs using the following methods:

(1) Targeting professional development funds to provide teachers in kindergarten through grade 3 education in:

(A) scientifically proven methods of teaching reading;

(B) the use of data to guide instruction; and

(C) the use of age appropriate literacy and mathematics assessments.

(2) Making uniform, predictively valid, observational assessments that:

(A) provide frequent information concerning the student's progress to the student's teacher; and

(B) measure the student's progress in literacy;

available to teachers in kindergarten through grade 3. Teachers shall monitor students participating in a program, and the school corporation or charter school shall report the results of the assessments to the parents of a child completing an assessment and to the department.

(3) Undertaking a longitudinal study of students in programs in Indiana to determine the achievement levels of the students in kindergarten and later grades.

The school corporation or charter school may use any funds otherwise allowable under state and federal law, including the school corporation's general fund, any funds available to the charter school, or voluntary parent fees, to provide full day kindergarten programs.

TESTING AND REMEDIATION		
Total Operating Expense	**39,000,000**	**39,000,000**

Prior to notification of local school corporations of the formula and components of the formula for distributing funds for remediation, review and approval of the formula and components shall be made by the budget agency.

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

GRADUATION EXAM REMEDIATION		
Other Operating Expense	**4,958,910**	**4,958,910**

Prior to notification of local school corporations of the formula and components of the formula for distributing funds for graduation exam remediation, review and approval of the formula and components shall be made by the budget agency.

SPECIAL EDUCATION PRESCHOOL		
Total Operating Expense	**19,200,000**	**0**

The above appropriations shall be distributed to guarantee a minimum of $2,750 per child enrolled in special education preschool programs. It is the intent of the 2009 general assembly that the above appropriations for special education preschool shall

be the total allowable expenditure for such program. Therefore, if the expected disbursements are anticipated to exceed the total appropriation for that state fiscal year, then the department of education shall reduce the distributions proportionately.

NON-ENGLISH SPEAKING PROGRAM		
Other Operating Expense	**3,000,000**	**3,000,000**

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 2009 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	**148,024**	**148,024**
Other Operating Expense	**12,788,157**	**12,788,157**
DISTRIBUTION FOR ADULT VOCATIONAL EDUCATION		
Total Operating Expense	**250,000**	**250,000**

The distribution for adult career and technical education programs shall be made in accordance with the state plan for vocational education.

PRIMETIME		
Personal Services	**202,136**	**202,136**
Other Operating Expense	**32,053**	**32,053**
DRUG FREE SCHOOLS		
Personal Services	**46,203**	**46,203**
Other Operating Expense	**20,451**	**20,451**
ALTERNATIVE EDUCATION		
Total Operating Expense	**6,318,205**	**6,318,205**

The above appropriation includes funding to provide $5,000 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.

The foregoing appropriation for alternative education may be used for dropout prevention.

SENATOR DAVID C. FORD EDUCATIONAL TECHNOLOGY PROGRAM (IC 20-20-13)		
ARRA State Fiscal Stabilization Fund (Section 14002(b))		
Total Operating Expense	**5,000,000**	**0**

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation

Build Indiana Fund (IC 4-30-17)
Total Operating Expense 3,809,965 3,809,965

Of the foregoing appropriation, five million dollars ($5,000,000) shall be used to support start-up costs to establish New Tech High Schools in Indiana.

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. Up to $200,000 may be used each year to support the operation of the office of the special assistant to the superintendent of public instruction for technology.

PROFESSIONAL STANDARDS DIVISION
From the General Fund
2,882,513 2,882,513
From the Professional Standards Fund (IC 20-28-2-8)
1,000,000 1,000,000
Augmentation allowed.

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

Personal Services	2,243,571	2,243,571
Other Operating Expense	1,638,942	1,638,942

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

FOR THE INDIANA STATE TEACHERS' RETIREMENT FUND
POSTRETIREMENT PENSION INCREASES
Other Operating Expense 58,190,084 60,517,687

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 629,116,164 654,280,810
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 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 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	**587,688**	**587,688**
Other Operating Expense	**52,720**	**52,720**
FOR THE STATE LIBRARY		
Personal Services	**2,589,615**	**2,589,615**
Other Operating Expense	**850,689**	**850,689**
STATEWIDE LIBRARY SERVICES		
Total Operating Expense	**1,593,503**	**1,593,503**
LIBRARY SERVICES FOR THE BLIND - ELECTRONIC NEWSLINES		
Other Operating Expense	**36,400**	**36,400**
ACADEMY OF SCIENCE		
Total Operating Expense	**8,811**	**8,811**
FOR THE ARTS COMMISSION		
Personal Services	**418,557**	**418,557**
Other Operating Expense	**1,582,922**	**1,582,922**

The foregoing appropriation to the arts commission includes $325,000 each year to provide grants under IC 4-23-2.5 to:
(1) the arts organizations that have most recently qualified for general operating support as major arts organizations as determined by the arts commission; and
(2) the significant regional organizations that have most recently qualified for general operating support as mid-major arts organizations, as determined by the arts commission and its regional re-granting partners.

FOR THE HISTORICAL BUREAU			
Personal Services	**361,055**	**361,055**	
Other Operating Expense	**10,479**	**10,479**	
HISTORICAL MARKER PROGRAM			
Total Operating Expense			**25,444**
FOR THE COMMISSION ON PROPRIETARY EDUCATION			
Personal Services	**299,783**	**299,783**	
Other Operating Expense	**22,040**	**22,040**	

SECTION 10. [EFFECTIVE JULY 1, 2009]

DISTRIBUTIONS

FOR THE AUDITOR OF STATE		
HEA 1001 (2008) HOMESTEAD CREDITS		
Total Operating Expense	**110,000,000**	**40,000,000**

The above appropriations are for additional homestead credits for property taxes paid in 2009 and 2010.

GAMING TAX

Total Operating Expense	**139,753,902**	**139,753,902**

SECTION 11. [EFFECTIVE JULY 1, 2009]

The following allocations of federal funds are available for vocational and technical education under the Carl D. Perkins Vocational and Technical Education Act of 1998 (20 U.S.C. 2301 et seq. for Vocational and Technical Education) (20 U.S.C. 2371 for Tech Prep Education). These funds shall be received by the department of workforce development, commission on vocational and technical education, and shall be allocated by the budget agency after consultation with the commission on vocational and technical education, the department of education, the commission for higher education, and the department of correction. Funds shall be allocated to these agencies in accordance with the allocations specified below:

STATE PROGRAMS AND LEADERSHIP	**2,557,290**	**2,557,290**
SECONDARY VOCATIONAL PROGRAMS	**14,318,661**	**14,318,661**
POSTSECONDARY VOCATIONAL PROGRAMS	**8,202,039**	**8,202,039**
TECHNOLOGY - PREPARATION EDUCATION	**2,463,650**	**2,463,650**

SECTION 12. [EFFECTIVE JULY 1, 2009]

In accordance with IC 22-4.1-13, the budget agency, with the advice of the commission on vocational and technical education and the budget committee, may augment or reduce an allocation of federal funds made under SECTION 11 of this act.

SECTION 13. [EFFECTIVE JULY 1, 2009]

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, 2009]

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 agency. With the required approval, a reimbursement for out-of-state travel expenses may be granted in an amount not to exceed actual lodging and miscellaneous expenses incurred. A person in travel status 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 for properly approved travel within the continental United States and a minimum of $50 during any twenty-four (24) hour period for properly approved travel outside the continental United States. However, while traveling in Japan, the minimum meal allowance shall not be less than $90 for any twenty-four (24) hour period. While traveling in Korea and Taiwan, the minimum meal allowance shall not be less than $85 for any twenty-four (24) hour period. While traveling in Singapore, China, Great Britain, Germany, the Netherlands, and France, the minimum meal allowance shall not be less than $65 for any twenty-four (24) hour period.

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

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

SECTION 15. [EFFECTIVE JULY 1, 2009]

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

SECTION 16. [EFFECTIVE JULY 1, 2009]

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

SECTION 17. [EFFECTIVE JULY 1, 2009]

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

SECTION 18. [EFFECTIVE JULY 1, 2009]

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

SECTION 19. [EFFECTIVE JULY 1, 2009]

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

SECTION 20. [EFFECTIVE JULY 1, 2009]

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

SECTION 21. [EFFECTIVE JULY 1, 2009]

This act does not authorize any rehabilitation and repairs to any state buildings, nor does it allow that any obligations be incurred for lands and structures, without the prior approval of the budget director or the director's designee. This SECTION

does not apply to contracts for the state universities supported in whole or in part by state funds.

SECTION 22. [EFFECTIVE JULY 1, 2009]

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

SECTION 23. [EFFECTIVE JULY 1, 2009]

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

SECTION 24. [EFFECTIVE JULY 1, 2009]

The director of the division of procurement of the Indiana department of administration, or any other person or agency authorized to make purchases of equipment, shall not honor any requisition for the purchase of an automobile that is to be paid for from any appropriation made by this act or any other act, unless the following facts are shown to the satisfaction of the commissioner of the Indiana department of administration or the commissioner's designee:
(1) In the case of an elected state officer, it shall be shown that the duties of the office require driving about the state of Indiana in the performance of official duty.
(2) In the case of department or commission heads, it shall be shown that the statutory duties imposed in the discharge of the office require traveling a greater distance than one thousand (1,000) miles each month or that they are subject to official duty call at all times.
(3) In the case of employees, it shall be shown that the major portion of the duties assigned to the employee require travel on state business in excess of one thousand (1,000) miles each month, or that the vehicle is identified by the agency as an integral part of the job assignment.

In computing the number of miles required to be driven by a department head or an employee, the distance between the individual's home and office or designated official station is not to be considered as a part of the total. Department heads shall annually submit justification for the continued assignment of each vehicle in their department, which shall be reviewed by the commissioner of the Indiana department of administration, or the commissioner's designee. There shall be an insignia permanently affixed on each side of all state owned cars, designating the cars as being state owned. However, this requirement does not apply to state owned cars driven by elected state officials

or to cases where the commissioner of the Indiana department of administration or the commissioner's designee determines that affixing insignia on state owned cars would hinder or handicap the persons driving the cars in the performance of their official duties.

SECTION 25. [EFFECTIVE JULY 1, 2009]

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

SECTION 26. [EFFECTIVE JULY 1, 2009]

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

SECTION 27. [EFFECTIVE JULY 1, 2009]

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

SECTION 28. [EFFECTIVE JULY 1, 2009]

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

SECTION 29. [EFFECTIVE JULY 1, 2009]

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

SECTION 30. [EFFECTIVE JULY 1, 2009]

(a) Subject to SECTION 25 of this act as it relates to the budget committee, the budget agency with the approval of the governor may withhold allotments of any or all appropriations contained in this act for the 2009-2011 biennium, if it is considered necessary to do so in order to prevent a deficit financial situation or if the probable

receipts from taxes or other sources for any fund will be less than were anticipated.
(b) Notwithstanding any other law, if the budget agency withholds under subsection (a) an allotment of an appropriation that is contained in this act and made from a particular fund, any provision in a statute or act (including this act) specifying that some or all of the balance in that fund does not revert to the state general fund is suspended and does not apply during the period during which the allotment is withheld under subsection (a).

SECTION 31. [EFFECTIVE JULY 1, 2009]

CONSTRUCTION

For the 2009-2011 biennium, the following amounts, from the funds listed as follows, are hereby appropriated to provide for the construction, reconstruction, rehabilitation, repair, purchase, rental, and sale of state properties, capital lease rentals, and the purchase and sale of land, including equipment for such properties and other projects as specified.

State General Fund - Lease Rentals	**328,620,484**
State General Fund - Construction	**250,314,276**
State Police Building Commission Fund (IC 9-29-1-4)	**3,200,000**
Law Enforcement Academy Building Fund (IC 5-2-1-13(a))	**330,727**
Cigarette Tax Fund (IC 6-7-1-29.1)	**3,600,000**
Veterans' Home Building Fund (IC 10-17-9-7)	**5,449,777**
Postwar Construction Fund (IC 7.1-4-8-1)	**34,411,484**
Regional Health Care Construction Account (IC 4-12-8.5)	**21,489,259**
Build Indiana Fund (IC 4-30-17)	**2,400,000**
State Highway Fund (IC 8-23-9-54)	**25,000,000**
ARRA State Fiscal Stabilization Fund (Section 14002(a))	**62,070,098**
TOTAL	**736,886,105**

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

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
A. GENERAL GOVERNMENT			
FOR THE SENATE			
Remodeling			**260,000**
FOR THE STATE BUDGET AGENCY			
Health and Safety Contingency Fund			**5,000,000**
Aviation Technology Center			**2,471,771**
Airport Facilities Lease			**45,301,441**
Stadium Lease Rental			**82,000,000**
DEPARTMENT OF ADMINISTRATION - PROJECTS			
Preventive Maintenance			**7,841,835**
Repair and Rehabilitation			**2,935,000**
DEPARTMENT OF ADMINISTRATION - LEASES			
General Fund			
Lease - Government Center North			**27,872,783**
Lease - Government Center South			**34,073,925**
Lease - State Museum			**14,579,033**
Lease - McCarty Street Warehouse			**1,509,375**
Lease - Parking Garages			**10,428,265**
Lease - Toxicology Lab			**10,593,099**
Lease - Wabash Valley Correctional			**36,517,566**
Lease - Miami Correctional			**29,364,180**
Lease - Pendleton Juvenile Correctional			**10,217,237**
Lease - New Castle Correctional			**23,691,809**
Postwar Construction Fund (IC 7.1-4-8-1)			
Lease - Rockville Correctional			**10,783,470**
Regional Health Care Construction Account (IC 4-12-8.5)			
Lease - Evansville State Hospital			**5,462,562**
Lease - Southeast Regional Treatment			**10,358,654**
Lease - Logansport State Hospital			**5,668,043**
INDIANA FINANCE AUTHORITY			
ARRA State Fiscal Stabilization Fund (Section 14002(b))			
Muscatatuck Urban Training Center Infrastructure			**2,000,000**
B. PUBLIC SAFETY			
(1) LAW ENFORCEMENT			
INDIANA STATE POLICE			
State Police Building Commission Fund (IC 9-29-1-4)			
Preventive Maintenance			**1,015,000**
Repair and Rehabilitation			**2,185,000**
LAW ENFORCEMENT TRAINING BOARD			
Law Enforcement Academy Building Fund (IC 5-2-1-13(a))			
Preventive Maintenance			**330,727**
ADJUTANT GENERAL			

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
Preventive Maintenance			**250,000**
Land Acquisition			**4,000,000**
ARRA State Fiscal Stabilization Fund (Section 14002(b))			
Renovation for Youth Challenge Program			**2,000,000**
(2) CORRECTIONS			
DEPARTMENT OF CORRECTION - PROJECTS			
Preventive Maintenance			**76,828**
CORRECTIONAL UNITS			
Preventive Maintenance			**1,438,770**
STATE PRISON			
Preventive Maintenance			**954,492**
Postwar Construction Fund (IC 7.1-4-8-1)			
Repair and Rehabilitation			**2,298,000**
PENDLETON CORRECTIONAL FACILITY			
Preventive Maintenance			**1,257,064**
Postwar Construction Fund (IC 7.1-4-8-1)			
Repair and Rehabilitation			**3,465,000**
WOMEN'S PRISON			
Preventive Maintenance			**538,832**
Postwar Construction Fund (IC 7.1-4-8-1)			
Repair and Rehabilitation			**291,000**
NEW CASTLE CORRECTIONAL FACILITY			
Preventive Maintenance			**350,388**
Postwar Construction Fund (IC 7.1-4-8-1)			
Repair and Rehabilitation			**365,000**
PUTNAMVILLE CORRECTIONAL FACILITY			
Preventive Maintenance			**864,822**
Postwar Construction Fund (IC 7.1-4-8-1)			
Construct New Fire Station			**250,000**
Repair and Rehabilitation			**1,570,000**
PLAINFIELD EDUCATION RE-ENTRY FACILITY			
Preventive Maintenance			**322,804**
Postwar Construction Fund (IC 7.1-4-8-1)			
Repair and Rehabilitation			**740,000**
INDIANAPOLIS JUVENILE CORRECTIONAL FACILITY			
Preventive Maintenance			**395,510**
Postwar Construction Fund (IC 7.1-4-8-1)			
Repair and Rehabilitation			**212,500**
BRANCHVILLE CORRECTIONAL FACILITY			
Preventive Maintenance			**272,932**
WESTVILLE CORRECTIONAL FACILITY			
Preventive Maintenance			**806,330**
Postwar Construction Fund (IC 7.1-4-8-1)			
Repair and Rehabilitation			**2,300,000**
ROCKVILLE CORRECTIONAL FACILITY			
Preventive Maintenance			**357,296**
PLAINFIELD CORRECTIONAL FACILITY			

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
Preventive Maintenance			**663,704**
Postwar Construction Fund (IC 7.1-4-8-1)			
Repair and Rehabilitation			**1,054,000**
RECEPTION-DIAGNOSTIC CENTER			
Preventive Maintenance			**214,464**
Postwar Construction Fund (IC 7.1-4-8-1)			
Repair and Rehabilitation			**692,000**
CORRECTIONAL INDUSTRIAL FACILITY			
Preventive Maintenance			**584,172**
Postwar Construction Fund (IC 7.1-4-8-1)			
Repair and Rehabilitation			**1,853,000**
WABASH VALLEY CORRECTIONAL FACILITY			
Preventive Maintenance			**608,820**
Postwar Construction Fund (IC 7.1-4-8-1)			
Repair and Rehabilitation			**160,000**
CHAIN O' LAKES CORRECTIONAL FACILITY			
Preventive Maintenance			**76,828**
Postwar Construction Fund (IC 7.1-4-8-1)			
Construct New Maintenance Building			**180,000**
Construct New Dormitory			**320,000**
MADISON CORRECTIONAL FACILITY			
Postwar Construction Fund (IC 7.1-4-8-1)			
Repair and Rehabilitation			**90,000**
MIAMI CORRECTIONAL FACILITY			
Preventive Maintenance			**664,560**
CAMP SUMMIT CORRECTIONAL FACILITY			
Postwar Construction Fund (IC 7.1-4-8-1)			
Repair and Rehabilitation			**470,000**
PENDLETON JUVENILE CORRECTIONAL FACILITY			
Preventive Maintenance			**228,738**
C. CONSERVATION AND ENVIRONMENT			
DEPARTMENT OF NATURAL RESOURCES - GENERAL ADMINISTRATION			
Preventive Maintenance			**150,000**
Repair and Rehabilitation			**1,000,000**
FISH AND WILDLIFE			
Preventive Maintenance			**2,000,000**
Repair and Rehabilitation			**3,650,000**
FORESTRY			
Preventive Maintenance			**2,000,000**
Repair and Rehabilitation			**4,000,000**
MUSEUMS AND HISTORIC SITES			
Preventive Maintenance			**475,000**
Historic Sites Exhibits			**650,000**
Repair and Rehabilitation			**2,000,000**
NATURE PRESERVES			
Preventive Maintenance			**230,000**
Repair and Rehabilitation			**1,268,542**

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
OUTDOOR RECREATION			
Preventive Maintenance			**50,000**
Outdoor Rec. SCORP			**40,000**
Repair and Rehabilitation			**473,645**
STATE PARKS AND RESERVOIR MANAGEMENT			
Preventive Maintenance			**2,900,000**
Repair and Rehabilitation			**20,063,689**
State Parks Bond Payments			**917,028**
Falls of the Ohio Lease			**364,000**
Cigarette Tax Fund (IC 6-7-1-29.1)			
Preventive Maintenance			**3,600,000**
DIVISION OF WATER			
Preventive Maintenance			**125,000**
Div. of Water Flood Plain Mapping			**400,000**
Repair and Rehabilitation			**2,425,000**
ENFORCEMENT			
Preventive Maintenance			**250,000**
STATE MUSEUM			
Preventive Maintenance			**762,500**
ENTOMOLOGY			
Repair and Rehabilitation			**1,000,000**
WAR MEMORIALS COMMISSION			
Preventive Maintenance			**1,234,000**
IWM Fire Suppression/Material Abatement			**300,000**
Indiana War Memorial ADA Access			**250,000**
Repair and Rehabilitation			**192,000**
LITTLE CALUMET RIVER BASIN COMMISSION			
ARRA State Fiscal Stabilization Fund (Section 14002(b))			
Repair and Rehabilitation			**14,000,000**

D. TRANSPORTATION

DEPARTMENT OF TRANSPORTATION			
State Highway Fund (IC 8-23-9-54)			
Buildings and Grounds			**25,000,000**

The above appropriations for highway buildings and grounds may be used for land acquisition, site development, construction and equipping of new highway facilities and for maintenance, repair, and rehabilitation of existing state highway facilities after review by the budget committee.

AIRPORT DEVELOPMENT			
Build Indiana Fund (IC 4-30-17)			
Airport Development			**2,400,000**

The foregoing allocation for the Indiana department of transportation is for airport development and shall be used for the purpose of assisting local airport authorities and local units of governments in matching available federal funds under the airport improvement program and for matching federal grants for airport planning and for the

other airport studies. Matching grants of aid shall be made in accordance with the approved annual capital improvements program of the Indiana department of transportation and with the approval of the governor and the budget agency.

E. FAMILY AND SOCIAL SERVICES, HEALTH, AND VETERANS' AFFAIRS

(1) FAMILY AND SOCIAL SERVICES ADMINISTRATION

EVANSVILLE PSYCHIATRIC CHILDREN'S CENTER	
Preventive Maintenance	**45,000**
Repair and Rehabilitation	**287,660**
EVANSVILLE STATE HOSPITAL	
Preventive Maintenance	**500,000**
Repair and Rehabilitation	**360,000**
MADISON STATE HOSPITAL	
Preventive Maintenance	**971,409**
Repair and Rehabilitation	**956,800**
LOGANSPORT STATE HOSPITAL	
Preventive Maintenance	**963,144**
Repair and Rehabilitation	**1,486,700**
Postwar Construction Fund (IC 7.1-4-8-1)	
Repair and Rehabilitation	**3,000,000**
RICHMOND STATE HOSPITAL	
Preventive Maintenance	**1,210,724**
Repair and Rehabilitation	**2,403,700**
LARUE CARTER MEMORIAL HOSPITAL	
Preventive Maintenance	**1,863,118**

(2) PUBLIC HEALTH

SCHOOL FOR THE BLIND AND VISUALLY IMPAIRED	
Preventive Maintenance	**565,714**
Postwar Construction Fund (IC 7.1-4-8-1)	
Repair and Rehabilitation	**2,288,013**
SCHOOL FOR THE DEAF	
Preventive Maintenance	**565,714**
Postwar Construction Fund (IC 7.1-4-8-1)	
Repair and Rehabilitation	**2,029,501**

(3) VETERANS' AFFAIRS

INDIANA VETERANS' HOME	
Veterans' Home Building Fund (IC 10-17-9-7)	
Preventive Maintenance	**1,500,000**
Repair and Rehabilitation	**3,949,777**
ARRA State Fiscal Stabilization Fund (Section 14002(b))	
Repair and Rehabilitation	**3,000,000**

F. EDUCATION

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
HIGHER EDUCATION			
INDIANA UNIVERSITY - TOTAL SYSTEM			
ARRA State Fiscal Stabilization Fund (Section 14002(a))			
General Repair and Rehab			**25,202,564**
ARRA State Fiscal Stabilization Fund (Section 14002(b))			
IU Bloomington Life and Health Sciences Lab Renovations			**10,000,000**
IUPUI Life and Health Sciences Lab Renovations			**10,000,000**
PURDUE UNIVERSITY - TOTAL SYSTEM			
ARRA State Fiscal Stabilization Fund (Section 14002(a))			
General Repair and Rehab			**19,777,318**
ARRA State Fiscal Stabilization Fund (Section 14002(b))			
PU West Lafayette Life Sciences Lab Renovations			**10,000,000**
PU West Lafayette Medical School Renovations			**6,000,000**
INDIANA STATE UNIVERSITY			
ARRA State Fiscal Stabilization Fund (Section 14002(a))			
General Repair and Rehab			**4,681,980**
ARRA State Fiscal Stabilization Fund (Section 14002(b))			
Life Sciences/Chemistry Lab Renovations & Chiller			**14,000,000**
UNIVERSITY OF SOUTHERN INDIANA			
ARRA State Fiscal Stabilization Fund (Section 14002(a))			
General Repair and Rehab			**1,121,926**
BALL STATE UNIVERSITY			
ARRA State Fiscal Stabilization Fund (Section 14002(a))			
General Repair and Rehab			**6,726,300**
ARRA State Fiscal Stabilization Fund (Section 14002(b))			
Central Campus Academic Project Phase I and Utilities			**33,000,000**
VINCENNES UNIVERSITY			
ARRA State Fiscal Stabilization Fund (Section 14002(a))			
General Repair and Rehab			**2,272,968**
IVY TECH COMMUNITY COLLEGE			
ARRA State Fiscal Stabilization Fund (Section 14002(a))			
General Repair and Rehab			**2,287,042**
ARRA State Fiscal Stabilization Fund (Section 14002(b))			
ITCC Anderson Campus			**20,000,000**
ITCC Warsaw Campus			**10,000,000**
ITCC Elkhart Campus			**4,000,000**
ITCC Bloomington Campus			**20,000,000**

Any funds received under Section 14002(b) of the American Recovery and Reinvestment Act and distributed for the foregoing higher education projects must be obligated not later than one hundred twenty (120) days after review by the state budget committee. If the funds received under Section 14002(b) are not obligated within one hundred twenty (120) days after distribution, the university or college receiving the funds must repay the funds to the state general fund. Any funds returned under this provision may be distributed to another university or college for purposes of any of the foregoing higher education projects.

SECTION 32. [EFFECTIVE JULY 1, 2009]

The budget agency may employ one (1) or more architects or engineers to inspect construction, rehabilitation, and repair projects covered by the appropriations in this act or previous acts.

SECTION 33. [EFFECTIVE UPON PASSAGE]

(a) Except as provided in subsection (b), if any part of a construction or rehabilitation and repair appropriation made by this act or any previous acts has not been allotted or encumbered before the expiration of two (2) biennia, the budget agency may determine that the balance of the appropriation is not available for allotment. The appropriation may be terminated, and the balance may revert to the fund from which the original appropriation was made.

(b) If any part of a construction or rehabilitation and repair appropriation made by this act or any previous acts has not been allotted or encumbered before the expiration of two (2) years and both the budget director and the entity to which the appropriation was made agree that the project will not be undertaken, the budget agency may determine that the balance of the appropriation is not available for allotment. The appropriation may be terminated, and the balance may revert to the fund from which the original appropriation was made.

SECTION 34. [EFFECTIVE UPON PASSAGE]

The budget agency may retain balances in the mental health fund at the end of any fiscal year to ensure there are sufficient funds to meet the service needs of the developmentally disabled and the mentally ill in any year.

SECTION 35. [EFFECTIVE JULY 1, 2009]

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

SECTION 36. [EFFECTIVE JULY 1, 2009] **IC 4-9.1-1-7, IC 4-12-1-12(e), IC 4-13-2-18(c) through IC 4-13-2-18(j), and IC 4-13-2-23(a) apply to all appropriations made by this act (including any appropriation made to an entity that is not a board, department, commission, office, agency, or benevolent or penal institution of the state).**

SECTION 37. [EFFECTIVE JULY 1, 2009] **(a) On or before January 15 and July 15 of each year during the biennium beginning July 1, 2009, and ending June 30, 2011, the budget agency shall calculate whether receipts from actual tax collections exceed the May 27, 2009, adjusted state revenue forecast for the preceding six (6) month period. If actual receipts for the sixth (6) month period exceed the May 27, 2009, adjusted state revenue forecast for the same six (6) month period, fifty percent (50%) of the excess revenue is appropriated to the department of education to be used as a special one (1) time tuition support distribution. The budget agency**

or the department of education may exceed the calendar year tuition support maximum distribution contained in IC 20-43-2-2 as necessary to implement this SECTION.

(b) This SECTION expires June 30, 2011.

SECTION 38. [EFFECTIVE JULY 1, 2009] **Funds distributed to Indiana University, Purdue University, Indiana State University, University of Southern Indiana, Ball State University, Vincennes University, and Ivy Tech Community College as required by and pursuant to Section 14002(a)(2)(A)(ii) of the American Recovery and Reinvestment Act of 2009 to restore state support for fiscal year 2009, fiscal year 2010, and fiscal year 2011 shall be treated as a special one (1) time distribution and shall be used only for general repair and rehabilitation of facilities for instruction or research or for repair and rehabilitation of dormitories or other student housing. Funds shall be distributed in one (1) or more installments after June 30, 2009, and before July 1, 2011, on the schedule determined by the budget agency after review by the budget committee. The review and approval requirements contained in IC 21-33-3-6 shall apply to the use of funds authorized under this section.**

SECTION 39. [EFFECTIVE JULY 1, 2009] **The trustees of the following institutions may issue and sell bonds under IC 21-34, subject to the approvals required under IC 21-33-3, to provide funds for the acquisition, renovation, expansion, and improvements for the following projects (including all related and subordinate components of the following projects) and may undertake the project if the total costs financed by the bond issue, excluding any amount necessary to provide money for debt service reserves, credit enhancement, or other costs incidental to the issuance of the bonds, do not exceed the total authority listed below for that institution:**

Purdue University	
Lafayette Campus	
Student Fitness and Wellness Center	**98,000,000**
Indiana University Purdue University at Fort Wayne	
Parking Garage	**16,800,000**

The foregoing projects are not eligible for fee replacement appropriations in any year.

SECTION 40. [EFFECTIVE JULY 1, 2009] **Notwithstanding PL 234-2007, Section 179, the authority for trustees to issue bonds under IC 21-34 for the following projects is revoked:**

Ball State University Central Campus Academic Project, Phase I & Utilities	**33,000,000**
Indiana State University Life Science/Chemistry Laboratory Renovations	**14,800,000.**

SECTION 41. IC 4-4-11.5-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE OCTOBER 1, 2008 (RETROACTIVE)]: Sec. 1. As used in this chapter, "bond" means any:

(1) bond or mortgage credit certificate for which it is necessary to procure volume under the volume cap under Section 146 of the Internal Revenue Code; **or**

(2) bond or other obligation for which a special volume cap is authorized under a federal act.

SECTION 42. IC 4-4-11.5-13.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE OCTOBER 1, 2008 (RETROACTIVE)]: **Sec. 13.5. As used in this chapter, "special volume cap" means the maximum dollar amount of bonds that may be allocated to the state under the authority of a federal act. The special volume cap is in addition to the volume cap as defined in section 14 of this chapter.**

SECTION 43. IC 4-4-11.5-19.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE OCTOBER 1, 2008 (RETROACTIVE)]: **Sec. 19.5. The IFA shall determine the allocation of any special volume cap in accordance with the federal act authorizing the special volume cap.**

SECTION 44. IC 4-13-1-4, AS AMENDED BY P.L.1-2006, SECTION 63, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 4. The department shall, subject to this

chapter, do the following:

(1) Execute and administer all appropriations as provided by law, and execute and administer all provisions of law that impose duties and functions upon the executive department of government, including executive investigation of state agencies supported by appropriations and the assembly of all required data and information for the use of the executive department and the legislative department.

(2) Supervise and regulate the making of contracts by state agencies.

(3) Perform the property management functions required by IC 4-20.5-6.

(4) Assign office space and storage space for state agencies in the manner provided by IC 4-20.5-5.

(5) Maintain and operate the following for state agencies:

(A) Central duplicating.

(B) Printing.

(C) Machine tabulating.

(D) Mailing services.

(E) Centrally available supplemental personnel and other essential supporting services.

The department may require state agencies to use these general services in the interests of economy and efficiency. The general services rotary fund is established through which these services may be rendered to state agencies. The budget agency shall determine the amount for the general services rotary fund.

(6) Control and supervise the acquisition, operation, maintenance, and replacement of state owned vehicles by all state agencies. The department may establish and operate, in the interest of economy and efficiency, a motor vehicle pool, and may finance the pool by a rotary fund. The budget agency shall determine the amount to be deposited in the rotary fund.

(7) Promulgate and enforce rules relative to the travel of officers and employees of all state agencies when engaged in the performance of state business. These rules may allow reimbursement for travel expenses by any of the following methods:

(A) Per diem.

(B) For expenses necessarily and actually incurred.

(C) Any combination of the methods in clauses (A) and (B).

The rules must require the approval of the travel by the commissioner and the head of the officer's or employee's department prior to payment.

(8) Administer IC 4-13.6.

(9) Prescribe the amount and form of certified checks, deposits, or bonds to be submitted in connection with bids and contracts when not otherwise provided for by law.

(10) Rent out, with the approval of the governor, any state property, real or personal:

(A) not needed for public use; or

(B) for the purpose of providing services to the state or employees of the state;

the rental of which is not otherwise provided for or prohibited by law. Property may not be rented out under this subdivision for a term exceeding ten (10) years at a time. However, if property is rented out for a term of more than four (4) years, the commissioner must make a written determination stating the reasons that it is in the best interests of the state to rent property for the longer term. This subdivision does not include the power to grant or issue permits or leases to explore for or take coal, sand, gravel, stone, gas, oil, or other minerals or substances from or under the bed of any of the navigable waters of the state or other lands owned by the state.

(11) Have charge of all central storerooms, supply rooms, and warehouses established and operated by the state and serving more than one (1) agency.

(12) Enter into contracts and issue orders for printing as provided by IC 4-13-4.1.

(13) Sell or dispose of surplus property under IC 5-22-22, or if advantageous, to exchange or trade in the surplus property toward the purchase of other supplies, materials, or equipment, and to make proper adjustments in the accounts and inventory pertaining to the state agencies concerned.

(14) With respect to power, heating, and lighting plants owned, operated, or maintained by any state agency:

(A) inspect;

(B) regulate their operation; and

(C) recommend improvements to those plants to promote economical and efficient operation.

(15) Administer, determine salaries, and determine other personnel matters of the department of correction ombudsman bureau established by IC 4-13-1.2-3.

(16) Adopt rules to establish and implement a "Code Adam" safety protocol as described in IC 4-20.5-6-9.2.

(17) Adopt policies and standards for making state owned property reasonably available to be used free of charge as locations for making motion pictures.

(18) Administer, determine salaries, and determine other personnel matters of the department of child services ombudsman established by IC 4-13-19-3.

SECTION 45. IC 4-13-19 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]:

Chapter 19. Department of Child Services Ombudsman

Sec. 1. As used in this chapter, "child" means a person who:

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

(2) is at least eighteen (18) years of age at the time a complaint is made but was less than eighteen (18) years of age at the time of the alleged act or omission that is the subject of the complaint; or

(3) is at least eighteen (18) years of age but has been under the continuing jurisdiction of a juvenile court based upon an informal adjustment, child in need of services action under IC 31-34, or termination of parental rights action under IC 31-35 since becoming eighteen (18) years of age.

Sec. 2. As used in this chapter, "ombudsman" means:

(1) the person appointed by the governor to serve as ombudsman; or

(2) an employee or other individual approved by the office of the department of child services ombudsman to act in the capacity of ombudsman;

to investigate and resolve complaints that allege the department of child services failed to protect the health and safety of any child or failed to follow specific laws, rules, or written policies.

Sec. 3. The office of department of child services ombudsman is established as a separate bureau within the department. The ombudsman appointed by the governor shall report directly to the commissioner. The ombudsman appointed by the governor must be an attorney licensed to practice law in Indiana or a social worker with at least a master's degree. The ombudsman appointed by the governor must have significant experience or education in child development and child advocacy, including at least two (2) years experience working with child abuse and neglect.

Sec. 4. (a) The governor shall appoint the ombudsman. The ombudsman serves at the pleasure of the governor. An individual may not be appointed as ombudsman if the individual has been employed by the department of child services at any time during the preceding twelve (12) months. The governor shall appoint a successor ombudsman not later than thirty (30) days after a vacancy occurs in the position of the ombudsman.

(b) The office of the department of child services ombudsman may employ technical experts

and other employees to carry out the purposes of this chapter. However, the office of the department of child services ombudsman may not hire an individual to serve as an ombudsman if the individual has been employed by the department of child services during the preceding twelve (12) months.

(c) The ombudsman and any other person employed or authorized by the ombudsman:

(1) are subject to the same criminal history and background checks, to be performed by the department of child services, that are required for department of child services family case managers; and

(2) are subject to the same disqualification for employment criteria as department of child services family case managers.

Sec. 5. (a) The office of the department of child services ombudsman may receive, investigate, and attempt to resolve a complaint alleging that the department of child services, by an action or omission occurring on or after January 11, 2005, failed to follow a specific law, rule, or department written policy and thereby failed to protect the health or safety of any child.

(b) The office of the department of child services ombudsman may also do the following:

(1) Take action, including the establishing of a program of public education, to secure and ensure the legal rights of children.

(2) Periodically review relevant policies and procedures with a view toward the safety and welfare of children.

(3) When appropriate, refer a person making a report of child abuse or neglect to the department of child services and, if appropriate, to an appropriate law enforcement agency.

(4) Recommend changes in procedures for investigating reports of abuse and neglect and overseeing the welfare of children who are under the jurisdiction of a juvenile court.

(5) Make the public aware of the services of the ombudsman, the purpose of the office, and information concerning contacting the office.

(6) Examine policies and procedures and evaluate the effectiveness of the child protection system, specifically the respective roles of the department of child services, the court, the medical community, service providers, guardians ad litem, court appointed special advocates, and law enforcement agencies.

(7) Review and make recommendations concerning investigative procedures and emergency responses contained in the report prepared under section 10 of this chapter.

(c) Upon request of the office of the department of child services ombudsman, the local child protection team shall assist the office of the department of child services ombudsman by:

(1) investigating and making recommendations on a matter; or

(2) redacting or revising any report to be prepared for the complainant so that confidentiality laws are maintained.

If a local child protection team was involved in an initial investigation, a different local child protection team may assist in the investigation under this subsection.

(d) At the end of an investigation of a complaint, the office of the department of child services ombudsman shall provide an appropriate report as follows:

(1) If the complainant is a parent, guardian, custodian, court appointed special advocate, guardian ad litem, or court, the ombudsman may provide the same report to the complainant and the department of child services.

(2) If the complainant is not a person described in subdivision (1), the ombudsman shall provide a redacted version of its findings to the complainant stating in general terms that the actions of the department of child services were or were not appropriate.

(e) The department of child services ombudsman shall provide a copy of the report and recommendations to the department of child services. The office of the department of child

services ombudsman may not disclose to:

(1) a complainant;

(2) another person who is not a parent, guardian, or custodian of the child who was subject of the department of child services' action or omission; or

(3) the court, court appointed special advocate, or guardian ad litem of the child in a case that was filed as a child in need of services or a termination of parental rights action;

any information that the department of child services could not, by law, reveal to the complainant, parent, guardian, custodian, person, court, court appointed special advocate, or guardian ad litem.

(f) If, after reviewing a complaint or conducting an investigation and considering the response of an agency, facility, or program and any other pertinent material, the office of the department of child services ombudsman determines that the complaint has merit or the investigation reveals a problem, the ombudsman may recommend that the agency, facility, or program:

(1) consider the matter further;

(2) modify or cancel its actions;

(3) alter a rule, order, or internal policy; or

(4) explain more fully the action in question.

(g) At the office of the department of child services ombudsman's request, the agency, facility, or program shall, within a reasonable time, inform the office of the department of child services ombudsman about the action taken on the recommendation or the reasons for not complying with it.

(h) The office of the department of child services ombudsman may not investigate the following:

(1) A complaint from an employee of the department of child services that relates to the employee's employment relationship with the department of child services.

(2) A complaint challenging a department of child services substantiation of abuse or neglect or a complaint concerning a licensing issue or an adoption assistance matter that is currently the subject of a pending administrative review procedure before the exhaustion of administrative remedies provided by law, rule, or written policy. Investigation of any such complaint received shall be stayed until the administrative remedy has been exhausted. However, if the administrative process is not completed within six (6) months after initiation of the administrative process, the office of child services ombudsman may proceed with its investigation.

(i) If the office of the department of child services ombudsman does not investigate a complaint, the office of the department of child services ombudsman shall notify the complainant of the decision not to investigate and the reasons for the decision.

Sec. 6. (a) The office of the department of child services ombudsman shall be given appropriate access to department of child services records of a child who is the subject of a complaint that is filed under this chapter.

(b) A state or local government agency or entity that has records that are relevant to a complaint or an investigation conducted by an ombudsman shall provide the ombudsman with access to the records.

(c) A person is immune from:

(1) civil or criminal liability; and

(2) actions taken under:

(A) a professional disciplinary procedure; or

(B) procedures related to the termination or imposition of penalties under a contract dealing with an employee or contractor of the department of child services;

for the release or disclosure of records to the ombudsman under this chapter, unless the release or disclosure constitutes gross negligence or willful or wanton misconduct.

(d) Information or records of a state or local government agency provided to the office of the department of child services ombudsman may not be disclosed to the complainant or others if confidential under laws, rules, or regulations governing the state or local government agency that provided the information or records.

Sec. 7. The office of the department of child services ombudsman shall do the following:

(1) Establish procedures to receive and investigate complaints.

(2) Establish physical, technological, and administrative access controls for all information maintained by the office of the department of child services ombudsman.

(3) Except as necessary to investigate and resolve a complaint, ensure that the identity of a complainant will not be disclosed without:

(A) the complainant's written consent; or

(B) a court order.

Sec. 8. The office of the department of child services ombudsman may adopt rules under IC 4-22-2 necessary to carry out this chapter.

Sec. 9. An ombudsman is not personally liable for the good faith performance of the ombudsman's official duties.

Sec. 10. (a) The office of the department of child services ombudsman shall prepare a report each year on the operations of the office.

(b) The office of the department of child services ombudsman shall include the following information in the annual report required under subsection (a):

(1) The office of the department of child services ombudsman's activities.

(2) The general status of children in Indiana, including:

(A) the health and education of children; and

(B) the administration or implementation of programs for children.

(3) Any other issues, concerns, or information concerning children.

(c) A copy of the report shall be provided to the following:

(1) The governor.

(2) The legislative council.

(3) The Indiana department of administration.

(4) The department of child services.

A report provided under this subsection to the legislative council must be in an electronic format under IC 5-14-6.

(d) A copy of the report shall be posted on the department of child services' Internet web site and on any Internet web site maintained by the office of the department of child services ombudsman.

Sec. 11. (a) A person who:

(1) except as provided in subsection (b), intentionally interferes with or prevents the completion of the work of an ombudsman;

(2) knowingly offers compensation to an ombudsman in an effort to affect the outcome of an investigation or a potential investigation;

(3) knowingly or intentionally retaliates against another person who provides information to an ombudsman; or

(4) knowingly or intentionally threatens an ombudsman, a person who has filed a complaint, or a person who provides information to an ombudsman, because of an investigation or potential investigation;

commits interference with the office of the department of child services ombudsman, a Class A

misdemeanor.

(b) Expungement of records held by the department of child services that occurs by statutory mandate, judicial order or decree, administrative review or process, automatic operation of the Indiana Child Welfare Information System (ICWIS) computer system, or in the normal course of business shall not be considered intentional interference or prevention for the purposes of subsection (a).

(c) A complainant who knowingly or intentionally discloses to the public information about a case before the conclusion of an investigation and the release of the finding to the department of child services commits unlawful disclosure of information concerning a department of child services investigation, a Class A misdemeanor.

Sec. 12. The Indiana department of administration shall provide and maintain office space for the office of the department of child services ombudsman.

SECTION 46. IC 5-10-8-6.7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: **Sec. 6.7. (a) As used in this section, "state employee health plan" means a:**

(1) self-insurance program established under section 7(b) of this chapter; or

(2) contract with a prepaid health care delivery plan entered into under section 7(c) of this chapter;

to provide group health coverage for state employees. The term includes vision benefits or dental benefits, or both vision benefits and dental benefits, if those benefits are provided by a particular school corporation under IC 20-29-6-4.

(b) Notwithstanding any other provision of this chapter, if a school corporation provides coverage of health care services for active or retired employees of the school corporation after June 30, 2012, the school corporation shall provide the coverage under a state employee health plan.

(c) The following apply to a school corporation providing coverage for active or retired employees of the school corporation under subsection (b):

(1) The state shall not pay any part of the cost of the coverage.

(2) The coverage provided to an active or retired school corporation employee under this section must be the same as the coverage provided to an active or retired state employee under the state employee health plan.

(3) Notwithstanding sections 2.2 and 2.6 of this chapter:

(A) the school corporation shall pay for the coverage provided to an active or retired school corporation employee under this section an amount equal to the amount paid by the state for coverage provided to an active or retired state employee under the state employee health plan; and

(B) an active or retired school corporation employee shall pay for the coverage provided to the active or retired school corporation employee under this section an amount equal to the amount paid by an active or retired state employee for coverage provided to the active or retired state employee under the state employee health plan.

(4) The school corporation shall pay any administrative costs of the school corporation's participation in the state employee health plan.

(d) The state personnel department shall provide an enrollment period at least every thirty (30) days for a school corporation that provides coverage under subsection (b).

(e) The state personnel department may adopt rules under IC 4-22-2 to implement this section.

SECTION 47. IC 5-10-8-8.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 8.5. (a) The retiree health benefit**

trust fund is established to provide funding for a retiree health benefit plan developed under IC 5-10-8.5.

(b) The trust fund shall be administered by the budget agency. The expenses of administering the trust fund shall be paid from money in the trust fund. The trust fund consists of cigarette tax revenues deposited in the fund under IC 6-7-1-28.1(7) and other appropriations, revenues, or transfers to the trust fund under IC 4-12-1.

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

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

(e) The trust fund shall be established and administered in a manner that complies with Internal Revenue Code requirements concerning health reimbursement arrangement (HRA) trusts. Contributions by the state to the trust fund are irrevocable. All assets held in the trust fund must be held for the exclusive benefit of participants of the retiree health benefit plan developed under IC 5-10-8.5 and their beneficiaries. All assets in the trust fund:

(1) are dedicated exclusively to providing benefits to participants of the plan and their beneficiaries according to the terms of the plan; and

(2) are exempt from levy, sale, garnishment, attachment, or other legal process.

(f) Money in the trust fund does not revert to the state general fund at the end of any state fiscal year.

(g) The money in the trust fund is appropriated to the budget agency for providing the retiree health benefit plan developed under IC 5-10-8.5.

SECTION 48. IC 5-10-8.5-1, AS ADDED BY P.L.44-2007, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 1. (a) This chapter applies to an individual who is one (1) of the following:

(1) An employee of the ~~executive,~~ legislative or judicial branch of state government.

~~(2) A state elected or appointed officer.~~

~~(3)~~ **(2)** A member of the general assembly.

~~(4)~~ **(3)** An elected **judicial** officer paid by the state.

~~(5)~~ **(4)** An officer paid by the state under IC 33-23-5-10, IC 33-38-5-7, or IC 33-39-6-2.

(b) An individual described in subsection (a) is a participant in the retirement medical benefits account.

(c) In the case of an employee of the executive branch of state government or a state elected or appointed officer for whom contributions were made to a subaccount under this chapter before July 1, 2009:

(1) no additional contributions may be made after June 30, 2009, to any subaccount established for the individual; and

(2) the individual may receive a benefit from the account if the individual otherwise satisfies the requirements under this chapter to receive a benefit from the account.

SECTION 49. IC 5-10-8.5-5, AS ADDED BY P.L.44-2007, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 5. As used in this chapter, "employer" means the following:

~~(1) For an elected officer, appointed officer, or employee of the executive branch of state government, the state, including any board, commission, department, division, authority, institution, establishment, facility, or governmental unit under the supervision of the state, having a payroll in relation to persons it immediately employs.~~

~~(2)~~ **(1)** For a member of the general assembly or an employee of the legislative branch of state

government:
(A) the president pro tempore of the senate, for a member or an employee of the senate;
(B) the speaker of the house, for a member or an employee of the house of representatives; or
(C) the personnel subcommittee of the legislative council, for an employee of the legislative services agency.
~~(3)~~ **(2)** For:
(A) a justice;
(B) a judge;
(C) a prosecuting attorney;
(D) an officer described under section ~~1(a)(5)~~ **1(a)(4)** of this chapter; or
(E) an employee of the judicial branch of state government, including an employee of any board, commission, department, division, authority, institution, establishment, facility, or governmental unit under the supervision of the judicial branch, having a payroll in relation to persons it immediately employs;
the Indiana supreme court.

SECTION 50. IC 5-22-17-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 9. **(a) The general assembly finds:**

(1) that there is a public need and benefit for the most efficient and effective purchasing systems and methods to be available to serve the interests of the public; and

(2) that the purchasing resources and savings available to the state and other cooperative purchasing entities or efforts should be encouraged and extended to all political subdivisions.

(b) A contract entered into by a state agency may require the contractor to offer to political subdivisions the services, ~~or~~ supplies, **or transportation equipment, including buses,** that are the subject of the contract under conditions specified in the contract.

(c) Before making a procurement decision, a political subdivision must consult:

(1) at least two (2) cooperative purchasing organizations that offer; or

(2) if only one (1) cooperative purchasing organization exists, one (1) cooperative purchasing organization that offers;

the same or similar services, supplies, or equipment for purchase. A political subdivision shall maintain records of the cooperative purchasing organizations consulted, including the price of the same or similar service, supply, or equipment, with other relevant documents that support the procurement determination. The records and documents are public records and subject to review by the state board of accounts.

(d) The Indiana department of administration may adopt rules to regulate purchases by political subdivisions. A rule adopted under this subsection may supplement this article and may not be inconsistent with this article.

(e) The Indiana department of administration may establish written policies for purchases by political subdivisions to ensure that political subdivisions secure the best available price and quality of an item purchased under this article. A written policy established under this subsection:

(1) may apply to all purchases generally or to a specific purchase as stated in the solicitation for that purchase;

(2) must provide for evaluation criteria and selection criteria appropriate for each type or quantity of purchase; and

(3) may supplement this article or a policy, guideline, or ordinance adopted by a political subdivision.

SECTION 51. IC 6-1.1-4-4, AS AMENDED BY P.L.136-2009, SECTION 1, IS AMENDED TO

READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. ~~(a) A general reassessment, involving a physical inspection of all real property in Indiana, shall begin July 1, 2000, and be the basis for taxes payable in 2003.~~

~~(b)~~ **(a)** A general reassessment, involving a physical inspection of all real property in Indiana, shall begin July 1, ~~2009,~~ **2010,** and each fifth year thereafter. Each reassessment under this subsection:

(1) shall be completed on or before March 1 of the year that succeeds by two (2) years the year in which the general reassessment begins; and

(2) shall be the basis for taxes payable in the year following the year in which the general assessment is to be completed.

~~(c)~~ **(b)** In order to ensure that assessing officials are prepared for a general reassessment of real property, the department of local government finance shall give adequate advance notice of the general reassessment to the assessing officials of each county.

~~(d)~~ **(c)** For a general reassessment that begins on or after July 1, ~~2009,~~ **2010,** the assessed value of real property shall be based on the estimated true tax value of the property on the assessment date that is the basis for taxes payable in the year following the year in which the general reassessment is to be completed.

SECTION 52. IC 6-1.1-17-5, AS AMENDED BY P.L.146-2008, SECTION 149, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) The officers of political subdivisions shall meet each year to fix the budget, tax rate, and tax levy of their respective subdivisions for the ensuing budget year as follows:

(1) The board of school trustees of a school corporation that is located in a city having a population of more than one hundred five thousand (105,000) but less than one hundred twenty thousand (120,000), not later than:

(A) the time required in section 5.6(b) of this chapter; or

(B) for budget years beginning before July 1, ~~2010,~~ **2011,** September 30 if a resolution adopted under section 5.6(d) of this chapter is in effect.

(2) The proper officers of all other political subdivisions, not later than September 30.

(3) The governing body of each school corporation (including a school corporation described in subdivision (1)), not later than the time required under section 5.6(b) of this chapter for budget years beginning after June 30, ~~2010.~~ **2011.**

Except in a consolidated city and county and in a second class city, the public hearing required by section 3 of this chapter must be completed at least ten (10) days before the proper officers of the political subdivision meet to fix the budget, tax rate, and tax levy. In a consolidated city and county and in a second class city, that public hearing, by any committee or by the entire fiscal body, may be held at any time after introduction of the budget.

(b) Ten (10) or more taxpayers may object to a budget, tax rate, or tax levy of a political subdivision fixed under subsection (a) by filing an objection petition with the proper officers of the political subdivision not more than seven (7) days after the hearing. The objection petition must specifically identify the provisions of the budget, tax rate, and tax levy to which the taxpayers object.

(c) If a petition is filed under subsection (b), the fiscal body of the political subdivision shall adopt with its budget a finding concerning the objections in the petition and any testimony presented at the adoption hearing.

(d) This subsection does not apply to a school corporation. Each year at least two (2) days before the first meeting after September 20 of the county board of tax adjustment held under IC 6-1.1-29-4, a political subdivision shall file with the county auditor:

(1) a statement of the tax rate and levy fixed by the political subdivision for the ensuing budget year;

(2) two (2) copies of the budget adopted by the political subdivision for the ensuing budget year;

and

(3) two (2) copies of any findings adopted under subsection (c).

Each year the county auditor shall present these items to the county board of tax adjustment at the board's first meeting under IC 6-1.1-29-4 after September 20 of that year.

(e) In a consolidated city and county and in a second class city, the clerk of the fiscal body shall, notwithstanding subsection (d), file the adopted budget and tax ordinances with the county board of tax adjustment within two (2) days after the ordinances are signed by the executive, or within two (2) days after action is taken by the fiscal body to override a veto of the ordinances, whichever is later.

(f) If a fiscal body does not fix the budget, tax rate, and tax levy of the political subdivisions for the ensuing budget year as required under this section, the most recent annual appropriations and annual tax levy are continued for the ensuing budget year.

SECTION 53. IC 6-1.1-17-5.6, AS AMENDED BY P.L.146-2008, SECTION 150, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5.6. (a) For budget years beginning before July 1, ~~2010,~~ **2011,** this section applies only to a school corporation that is located in a city having a population of more than one hundred five thousand (105,000) but less than one hundred twenty thousand (120,000). For budget years beginning after June 30, ~~2010,~~ **2011,** this section applies to all school corporations. Beginning in ~~2010,~~ **2011,** each school corporation shall adopt a budget under this section that applies from July 1 of the year through June 30 of the following year. In the initial budget adopted by a school corporation in ~~2010~~ **2011** under this section, the first six (6) months of that initial budget must be consistent with the last six (6) months of the budget adopted by the school corporation for calendar year ~~2010.~~ **2011.**

(b) Before February 1 of each year, the officers of the school corporation shall meet to fix the budget for the school corporation for the ensuing budget year, with notice given by the same officers. However, if a resolution adopted under subsection (d) is in effect, the officers shall meet to fix the budget for the ensuing budget year before September 30.

(c) Each year, at least two (2) days before the first meeting after September 20 of the county board of tax adjustment held under IC 6-1.1-29-4, the school corporation shall file with the county auditor:

(1) a statement of the tax rate and tax levy fixed by the school corporation for the ensuing budget year;

(2) two (2) copies of the budget adopted by the school corporation for the ensuing budget year; and

(3) any written notification from the department of local government finance under section 16(i) of this chapter that specifies a proposed revision, reduction, or increase in the budget adopted by the school corporation for the ensuing budget year.

Each year the county auditor shall present these items to the county board of tax adjustment at the board's first meeting after September 20 of that year.

(d) This subsection does not apply to budget years after June 30, ~~2010.~~ **2011.** The governing body of the school corporation may adopt a resolution to cease using a school year budget year and return to using a calendar year budget year. A resolution adopted under this subsection must be adopted after January 1 and before July 1. The school corporation's initial calendar year budget year following the adoption of a resolution under this subsection begins on January 1 of the year following the year the resolution is adopted. The first six (6) months of the initial calendar year budget for the school corporation must be consistent with the last six (6) months of the final school year budget fixed by the department of local government finance before the adoption of a resolution under this subsection. Notwithstanding any resolution adopted under this subsection, beginning in ~~2010,~~ **2011,** each school corporation shall adopt a budget under this section that applies from July 1 of the year through June 30 of the following year.

(e) A resolution adopted under subsection (d) may be rescinded by a subsequent resolution adopted

by the governing body. If the governing body of the school corporation rescinds a resolution adopted under subsection (d) and returns to a school year budget year, the school corporation's initial school year budget year begins on July 1 following the adoption of the rescinding resolution and ends on June 30 of the following year. The first six (6) months of the initial school year budget for the school corporation must be consistent with the last six (6) months of the last calendar year budget fixed by the department of local government finance before the adoption of a rescinding resolution under this subsection.

SECTION 54. IC 6-2.5-1-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) Except as provided in subsection (b), "gross retail income" means the total ~~gross receipts, of any kind or character, received in a retail transaction,~~ **amount of consideration,** including cash, credit, property, and services, for which tangible personal property is sold, leased, or rented, valued in money, whether received in money or otherwise, without any deduction for:

(1) the seller's cost of the property sold;

(2) the cost of materials used, labor or service cost, interest, losses, all costs of transportation to the seller, all taxes imposed on the seller, and any other expense of the seller;

(3) charges by the seller for any services necessary to complete the sale, other than delivery and installation charges;

(4) delivery charges; or

~~(5) the value of exempt personal property given to the purchaser where taxable and exempt personal property have been bundled together and sold by the seller as a single product or piece of merchandise.~~

(5) consideration received by the seller from a third party if:

(A) the seller actually receives consideration from a party other than the purchaser and the consideration is directly related to a price reduction or discount on the sale;

(B) the seller has an obligation to pass the price reduction or discount through to the purchaser;

(C) the amount of the consideration attributable to the sale is fixed and determinable by the seller at the time of the sale of the item to the purchaser; and

(D) the price reduction or discount is identified as a third party price reduction or discount on the invoice received by the purchaser or on a coupon, certificate, or other documentation presented by the purchaser.

For purposes of subdivision (4), delivery charges are charges by the seller for preparation and delivery of the property to a location designated by the purchaser of property, including but not limited to transportation, shipping, postage, handling, crating, and packing.

(b) "Gross retail income" does not include that part of the gross receipts attributable to:

(1) the value of any tangible personal property received in a like kind exchange in the retail transaction, if the value of the property given in exchange is separately stated on the invoice, bill of sale, or similar document given to the purchaser;

(2) the receipts received in a retail transaction which constitute interest, finance charges, or insurance premiums on either a promissory note or an installment sales contract;

(3) discounts, including cash, terms, or coupons that are not reimbursed by a third party that are allowed by a seller and taken by a purchaser on a sale;

(4) interest, financing, and carrying charges from credit extended on the sale of personal property if the amount is separately stated on the invoice, bill of sale, or similar document given to the purchaser;

(5) any taxes legally imposed directly on the consumer that are separately stated on the invoice, bill of sale, or similar document given to the purchaser; or

(6) installation charges that are separately stated on the invoice, bill of sale, or similar document

given to the purchaser.

(c) A public utility's or a power subsidiary's gross retail income includes all gross retail income received by the public utility or power subsidiary, including any minimum charge, flat charge, membership fee, or any other form of charge or billing.

SECTION 55. IC 6-2.5-6-1, AS AMENDED BY P.L.131-2008, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 1. (a) Except as otherwise provided in this section, each person liable for collecting the state gross retail or use tax shall file a return for each calendar month and pay the state gross retail and use taxes that the person collects during that month. A person shall file the person's return for a particular month with the department and make the person's tax payment for that month to the department not more than thirty (30) days after the end of that month, if that person's average monthly liability for collections of state gross retail and use taxes under this section as determined by the department for the preceding calendar year did not exceed one thousand dollars ($1,000). If a person's average monthly liability for collections of state gross retail and use taxes under this section as determined by the department for the preceding calendar year exceeded one thousand dollars ($1,000), that person shall file the person's return for a particular month and make the person's tax payment for that month to the department not more than twenty (20) days after the end of that month.

(b) If a person files a combined sales and withholding tax report and either this section or IC 6-3-4-8.1 requires sales or withholding tax reports to be filed and remittances to be made within twenty (20) days after the end of each month, then the person shall file the combined report and remit the sales and withholding taxes due within twenty (20) days after the end of each month.

(c) Instead of the twelve (12) monthly reporting periods required by subsection (a), the department may permit a person to divide a year into a different number of reporting periods. The return and payment for each reporting period is due not more than twenty (20) days after the end of the period.

(d) Instead of the reporting periods required under subsection (a), the department may permit a retail merchant to report and pay the merchant's state gross retail and use taxes for a period covering a calendar year, if the retail merchant's state gross retail and use tax liability in the previous calendar year does not exceed one thousand dollars ($1,000). A retail merchant using a reporting period allowed under this subsection must file the merchant's return and pay the merchant's tax for a reporting period not later than the last day of the month immediately following the close of that reporting period.

(e) If a retail merchant reports the merchant's adjusted gross income tax, or the tax the merchant pays in place of the adjusted gross income tax, over a fiscal year not corresponding to the calendar year, the merchant may, without prior departmental approval, report and pay the merchant's state gross retail and use taxes over the merchant's fiscal year that corresponds to the calendar year the merchant is permitted to use under subsection (d). However, the department may, at any time, require the retail merchant to stop using the fiscal reporting period.

(f) If a retail merchant files a combined sales and withholding tax report, the reporting period for the combined report is the shortest period required under:

(1) this section;

(2) IC 6-3-4-8; or

(3) IC 6-3-4-8.1.

(g) If the department determines that a person's:

(1) estimated monthly gross retail and use tax liability for the current year; or

(2) average monthly gross retail and use tax liability for the preceding year;

exceeds five thousand dollars ($5,000), the person shall pay the monthly gross retail and use taxes due by electronic funds transfer (as defined in IC 4-8.1-2-7) or by delivering in person or by overnight courier a payment by cashier's check, certified check, or money order to the department. The transfer or payment shall be made on or before the date the tax is due.

(h) A person that registers as a retail merchant after December 31, 2009, shall report and remit state gross retail and use taxes through the department's online tax filing program. This subsection does not apply to a retail merchant that was a registered retail merchant before January 1, 2010, but adds an additional place of business in accordance with IC 6-2.5-8-1(e) after December 31, 2009.

~~(h)~~ **(i)** A person:

(1) who has voluntarily registered as a seller under the Streamlined Sales and Use Tax Agreement;

(2) who is not a Model 1, Model 2, or Model 3 seller (as defined in the Streamlined Sales and Use Tax Agreement); and

(3) whose liability for collections of state gross retail and use taxes under this section for the preceding calendar year as determined by the department does not exceed one thousand dollars ($1,000);

is not required to file a monthly gross retail and use tax return.

SECTION 56. IC 6-2.5-7-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 10. (a) Each refiner or terminal operator and each qualified distributor that has received a prepayment of the state gross retail tax under this chapter shall remit the tax received to the department semimonthly, **through the department's online tax filing system,** according to the following schedule:

(1) On or before the tenth day of each month for prepayments received after the fifteenth day and before the end of the preceding month.

(2) On or before the twenty-fifth day of each month for prepayments received after the end of the preceding month and before the sixteenth day of the month in which the prepayments are made.

(b) Before the end of each month, each refiner or terminal operator and each qualified distributor shall file a report covering the prepaid taxes received and the gallons of gasoline sold or shipped during the preceding month. The report must include the following:

(1) The number of gallons of gasoline sold or shipped during the preceding month, identifying each purchaser or receiver as required by the department.

(2) The amount of tax prepaid by each purchaser or receiver.

(3) Any other information reasonably required by the department.

SECTION 57. IC 6-2.5-7-14, AS AMENDED BY P.L.176-2006, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 14. (a) Before **March 10,** June 10, **September 10,** and December 10 of each year, the department shall determine and provide to:

(1) each refiner and terminal operator and each qualified distributor known to the department to be required to collect prepayments of the state gross retail tax under this chapter; and

(2) any other person that makes a request;

a notice of the prepayment rate to be used during the following ~~six (6)~~ **three (3)** month period. ~~The department shall also have the prepayment rate published in the June and December issues of the Indiana Register.~~ **The department, after approval by the office of management and budget, may determine a new prepayment rate if the department finds that the statewide average retail price per gallon of gasoline, excluding the Indiana and federal gasoline taxes and the Indiana gross retail tax, has changed by at least twenty-five percent (25%) since the most recent determination.**

(b) In determining the prepayment rate under this section, the department shall use the most recent retail price of gasoline available to the department.

(c) The prepayment rate per gallon of gasoline determined by the department under this section is the amount per gallon of gasoline determined under STEP FOUR of the following formula:

STEP ONE: Determine the statewide average retail price per gallon of gasoline, excluding the

Indiana and federal gasoline taxes and the Indiana gross retail tax.

STEP TWO: Determine the product of the following:

(A) The STEP ONE amount.

(B) The Indiana gross retail tax rate.

(C) ~~Ninety~~ **Eighty** percent ~~(90%).~~ **(80%).**

STEP THREE: Determine the lesser of:

(A) the STEP TWO result; or

(B) the product of:

(i) the prepayment rate in effect on the day immediately preceding the day on which the prepayment rate is redetermined under this section; multiplied by

(ii) one hundred twenty-five percent (125%).

STEP FOUR: Round the STEP THREE result to the nearest one-tenth of one cent ($0.001).

SECTION 58. IC 6-2.5-11-10, AS AMENDED BY P.L.145-2007, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 10. (a) A certified service provider is the agent of a seller, with whom the certified service provider has contracted, for the collection and remittance of sales and use taxes. As the seller's agent, the certified service provider is liable for sales and use tax due each member state on all sales transactions it processes for the seller except as set out in this section. A seller that contracts with a certified service provider is not liable to the state for sales or use tax due on transactions processed by the certified service provider unless the seller misrepresented the type of items it sells or committed fraud. In the absence of probable cause to believe that the seller has committed fraud or made a material misrepresentation, the seller is not subject to audit on the transactions processed by the certified service provider. A seller is subject to audit for transactions not processed by the certified service provider. The member states acting jointly may perform a system check of the seller and review the seller's procedures to determine if the certified service provider's system is functioning properly and the extent to which the seller's transactions are being processed by the certified service provider.

(b) A person that provides a certified automated system is responsible for the proper functioning of that system and is liable to the state for underpayments of tax attributable to errors in the functioning of the certified automated system. A seller that uses a certified automated system remains responsible and is liable to the state for reporting and remitting tax.

(c) A seller that has a proprietary system for determining the amount of tax due on transactions and has signed an agreement establishing a performance standard for that system is liable for the failure of the system to meet the performance standard.

(d) A certified service provider or a seller using a certified automated system that obtains a certification from the department is not liable for sales or use tax collection errors that result from reliance on the department's certification. If the department determines that an item or transaction is incorrectly classified as to the taxability of the item or transaction, the department shall notify the certified service provider or the seller using a certified automated system of the incorrect classification. The certified service provider or the seller using a certified automated system must revise the incorrect classification within ten (10) days after receiving notice of the determination from the department. If the classification error is not corrected within ten (10) days after receiving the department's notice, the certified service provider or the seller using a certified automated system is liable for failure to collect the correct amount of sales or use tax due and owing.

(e) If at least thirty (30) days is not provided between the enactment of a statute changing the rate set forth in IC 6-2.5-2-2 and the effective date of the rate change, the department shall relieve the seller of liability for failing to collect tax at the new rate if:

(1) the seller collected the tax at the immediately preceding effective rate; and

(2) the seller's failure to collect at the current rate does not extend beyond thirty (30) days

after the effective date of the rate change.

A seller is not eligible for the relief provided for in this subsection if the seller fraudulently fails to collect at the current rate or solicits purchases based on the immediately preceding effective rate.

~~(e)~~ **(f)** The department shall allow any monetary allowances that are provided by the member states to sellers or certified service providers in exchange for collecting the sales and use taxes as provided in article VI of the agreement.

SECTION 59. IC 6-2.5-12-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 15. Except for the telecommunications services listed in section 16 of this chapter, a sale of:

(1) telecommunications services sold on a basis other than a call by call basis;

(2) Internet access service; or

(3) an ancillary service;

is sourced to the customer's place of primary use.

SECTION 60. IC 6-2.5-13-1, AS AMENDED BY P.L.19-2008, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 1. (a) As used in this section, the terms "receive" and "receipt" mean:

(1) taking possession of tangible personal property;

(2) making first use of services; or

(3) taking possession or making first use of digital goods;

whichever comes first. The terms "receive" and "receipt" do not include possession by a shipping company on behalf of the purchaser.

(b) This section:

(1) applies regardless of the characterization of a product as tangible personal property, a digital good, or a service;

(2) applies only to the determination of a seller's obligation to pay or collect and remit a sales or use tax with respect to the seller's retail sale of a product; and

(3) does not affect the obligation of a purchaser or lessee to remit tax on the use of the product to the taxing jurisdictions of that use.

(c) This section does not apply to sales or use taxes levied on the following:

(1) The retail sale or transfer of watercraft, modular homes, manufactured homes, or mobile homes. These items must be sourced according to the requirements of this article.

(2) The retail sale, excluding lease or rental, of motor vehicles, trailers, semitrailers, or aircraft that do not qualify as transportation equipment, as defined in subsection (g). The retail sale of these items shall be sourced according to the requirements of this article, and the lease or rental of these items must be sourced according to subsection (f).

(3) Telecommunications services, ancillary services, and Internet access service shall be sourced in accordance with IC 6-2.5-12.

(d) The retail sale, excluding lease or rental, of a product shall be sourced as follows:

(1) When the product is received by the purchaser at a business location of the seller, the sale is sourced to that business location.

(2) When the product is not received by the purchaser at a business location of the seller, the sale is sourced to the location where receipt by the purchaser (or the purchaser's donee, designated as such by the purchaser) occurs, including the location indicated by instructions for delivery to the purchaser (or donee), known to the seller.

(3) When subdivisions (1) and (2) do not apply, the sale is sourced to the location indicated by an address for the purchaser that is available from the business records of the seller that are maintained in the ordinary course of the seller's business when use of this address does not

constitute bad faith.

(4) When subdivisions (1), (2), and (3) do not apply, the sale is sourced to the location indicated by an address for the purchaser obtained during the consummation of the sale, including the address of a purchaser's payment instrument, if no other address is available, when use of this address does not constitute bad faith.

(5) When none of the previous rules of subdivision (1), (2), (3), or (4) apply, including the circumstance in which the seller is without sufficient information to apply the previous rules, then the location will be determined by the address from which tangible personal property was shipped, from which the digital good or the computer software delivered electronically was first available for transmission by the seller, or from which the service was provided (disregarding for these purposes any location that merely provided the digital transfer of the product sold).

(e) The lease or rental of tangible personal property, other than property identified in subsection (f) or (g), shall be sourced as follows:

(1) For a lease or rental that requires recurring periodic payments, the first periodic payment is sourced the same as a retail sale in accordance with the provisions of subsection (d). Periodic payments made subsequent to the first payment are sourced to the primary property location for each period covered by the payment. The primary property location shall be as indicated by an address for the property provided by the lessee that is available to the lessor from its records maintained in the ordinary course of business, when use of this address does not constitute bad faith. The property location shall not be altered by intermittent use at different locations, such as use of business property that accompanies employees on business trips and service calls.

(2) For a lease or rental that does not require recurring periodic payments, the payment is sourced the same as a retail sale in accordance with the provisions of subsection (d).

This subsection does not affect the imposition or computation of sales or use tax on leases or rentals based on a lump sum or an accelerated basis, or on the acquisition of property for lease.

(f) The lease or rental of motor vehicles, trailers, semitrailers, or aircraft that do not qualify as transportation equipment, as defined in subsection (g), shall be sourced as follows:

(1) For a lease or rental that requires recurring periodic payments, each periodic payment is sourced to the primary property location. The primary property location shall be as indicated by an address for the property provided by the lessee that is available to the lessor from its records maintained in the ordinary course of business, when use of this address does not constitute bad faith. This location shall not be altered by intermittent use at different locations.

(2) For a lease or rental that does not require recurring periodic payments, the payment is sourced the same as a retail sale in accordance with the provisions of subsection (d).

This subsection does not affect the imposition or computation of sales or use tax on leases or rentals based on a lump sum or accelerated basis, or on the acquisition of property for lease.

(g) The retail sale, including lease or rental, of transportation equipment shall be sourced the same as a retail sale in accordance with the provisions of subsection (d), notwithstanding the exclusion of lease or rental in subsection (d). As used in this subsection, "transportation equipment" means any of the following:

(1) Locomotives and railcars that are used for the carriage of persons or property in interstate commerce.

(2) Trucks and truck-tractors with a gross vehicle weight rating (GVWR) of ten thousand one (10,001) pounds or greater, trailers, semitrailers, or passenger buses that are:

(A) registered through the International Registration Plan; and

(B) operated under authority of a carrier authorized and certificated by the U.S. Department of Transportation or another federal authority to engage in the carriage of persons or property in interstate commerce.

(3) Aircraft that are operated by air carriers authorized and certificated by the U.S. Department of Transportation or another federal or a foreign authority to engage in the carriage of persons or property in interstate or foreign commerce.

(4) Containers designed for use on and component parts attached or secured on the items set forth in subdivisions (1) through (3).

(h) ~~This subsection applies to retail sales of floral products that occur before January 1, 2010.~~ Notwithstanding subsection (d), a retail sale of floral products in which a florist or floral business:

(1) takes a floral order from a purchaser; and

(2) transmits the floral order by telegraph, telephone, or other means of communication to another florist or floral business for delivery;

is sourced to the location of the florist or floral business that originally takes the floral order from the purchaser.

SECTION 61. IC 6-3-1-3.5, AS AMENDED BY P.L.1-2009, SECTION 49, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 3.5. When used in this article, the term "adjusted gross income" shall mean the following:

(a) In the case of all individuals, "adjusted gross income" (as defined in Section 62 of the Internal Revenue Code), modified as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 62 of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state of the United States.

(3) Subtract one thousand dollars ($1,000), or in the case of a joint return filed by a husband and wife, subtract for each spouse one thousand dollars ($1,000).

(4) Subtract one thousand dollars ($1,000) for:

(A) each of the exemptions provided by Section 151(c) of the Internal Revenue Code;

(B) each additional amount allowable under Section 63(f) of the Internal Revenue Code; and

(C) the spouse of the taxpayer if a separate return is made by the taxpayer and if the spouse, for the calendar year in which the taxable year of the taxpayer begins, has no gross income and is not the dependent of another taxpayer.

(5) Subtract:

(A) for taxable years beginning after December 31, 2004, one thousand five hundred dollars ($1,500) for each of the exemptions allowed under Section 151(c)(1)(B) of the Internal Revenue Code (as effective January 1, 2004); and

(B) five hundred dollars ($500) for each additional amount allowable under Section 63(f)(1) of the Internal Revenue Code if the adjusted gross income of the taxpayer, or the taxpayer and the taxpayer's spouse in the case of a joint return, is less than forty thousand dollars ($40,000).

This amount is in addition to the amount subtracted under subdivision (4).

(6) Subtract an amount equal to the lesser of:

(A) that part of the individual's adjusted gross income (as defined in Section 62 of the Internal Revenue Code) for that taxable year that is subject to a tax that is imposed by a political subdivision of another state and that is imposed on or measured by income; or

(B) two thousand dollars ($2,000).

(7) Add an amount equal to the total capital gain portion of a lump sum distribution (as defined in Section 402(e)(4)(D) of the Internal Revenue Code) if the lump sum distribution is received by the individual during the taxable year and if the capital gain portion of the distribution is taxed in the manner provided in Section 402 of the Internal Revenue Code.

(8) Subtract any amounts included in federal adjusted gross income under Section 111 of the

Internal Revenue Code as a recovery of items previously deducted as an itemized deduction from adjusted gross income.

(9) Subtract any amounts included in federal adjusted gross income under the Internal Revenue Code which amounts were received by the individual as supplemental railroad retirement annuities under 45 U.S.C. 231 and which are not deductible under subdivision (1).

(10) Add an amount equal to the deduction allowed under Section 221 of the Internal Revenue Code for married couples filing joint returns if the taxable year began before January 1, 1987.

(11) Add an amount equal to the interest excluded from federal gross income by the individual for the taxable year under Section 128 of the Internal Revenue Code if the taxable year began before January 1, 1985.

(12) Subtract an amount equal to the amount of federal Social Security and Railroad Retirement benefits included in a taxpayer's federal gross income by Section 86 of the Internal Revenue Code.

(13) In the case of a nonresident taxpayer or a resident taxpayer residing in Indiana for a period of less than the taxpayer's entire taxable year, the total amount of the deductions allowed pursuant to subdivisions (3), (4), (5), and (6) shall be reduced to an amount which bears the same ratio to the total as the taxpayer's income taxable in Indiana bears to the taxpayer's total income.

(14) In the case of an individual who is a recipient of assistance under IC 12-10-6-1, IC 12-10-6-2.1, IC 12-15-2-2, or IC 12-15-7, subtract an amount equal to that portion of the individual's adjusted gross income with respect to which the individual is not allowed under federal law to retain an amount to pay state and local income taxes.

(15) In the case of an eligible individual, subtract the amount of a Holocaust victim's settlement payment included in the individual's federal adjusted gross income.

(16) For taxable years beginning after December 31, 1999, subtract an amount equal to the portion of any premiums paid during the taxable year by the taxpayer for a qualified long term care policy (as defined in IC 12-15-39.6-5) for the taxpayer or the taxpayer's spouse, or both.

(17) Subtract an amount equal to the lesser of:

(A) for a taxable year:

(i) including any part of 2004, the amount determined under subsection (f); and

(ii) beginning after December 31, 2004, two thousand five hundred dollars ($2,500); or

(B) the amount of property taxes that are paid during the taxable year in Indiana by the individual on the individual's principal place of residence.

(18) Subtract an amount equal to the amount of a September 11 terrorist attack settlement payment included in the individual's federal adjusted gross income.

(19) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(20) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

(21) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars ($25,000).

(22) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(23) Subtract an amount equal to the amount of the taxpayer's qualified military income that was not excluded from the taxpayer's gross income for federal income tax purposes under Section 112 of the Internal Revenue Code.

(24) Subtract income that is:

(A) exempt from taxation under IC 6-3-2-21.7; and

(B) included in the individual's federal adjusted gross income under the Internal Revenue Code.

(25) Subtract any amount of a credit (including an advance refund of the credit) that is provided to an individual under 26 U.S.C. 6428 (federal Economic Stimulus Act of 2008) and included in the individual's federal adjusted gross income.

(26) Add any amount of unemployment compensation excluded from federal gross income, as defined in Section 61 of the Internal Revenue Code, under Section 85(c) of the Internal Revenue Code.

(27) Add the amount excluded from gross income under Section 108(a)(1)(e) of the Internal Revenue Code for the discharge of debt on a qualified principal residence.

(28) Add an amount equal to any income not included in gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code. Subtract the amount necessary from the adjusted gross income of any taxpayer that added an amount to adjusted gross income in a previous year to offset the amount included in federal gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code.

(29) Add the amount necessary to make the adjusted gross income of any taxpayer that placed qualified restaurant property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(v) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed in service.

(30) Add the amount necessary to make the adjusted gross income of any taxpayer that placed qualified retail improvement property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(ix) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed in service.

(31) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that claimed the special allowance for qualified disaster assistance property under Section 168(n) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the special allowance not been claimed for the property.

(32) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that made an election under Section 179C of the Internal Revenue Code to expense costs for qualified refinery property equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year.

(33) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that made an election under Section 181 of the Internal Revenue Code to expense costs for a qualified film or television production equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year.

(34) Add an amount equal to any loss that is treated under Section 301 of the Emergency Economic Stabilization Act of 2008 as an ordinary loss from the sale or exchange of preferred stock in:

(A) the Federal National Mortgage Association, established under the Federal National Mortgage Association Charter Act (12 U.S.C. 1716 et seq.); or

(B) the Federal Home Loan Mortgage Corporation, established under the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1451 et seq.).

Subtract from the adjusted gross income of any taxpayer that added an amount to adjusted gross income in a previous year the amount necessary to offset the amount included in federal gross income as a result of any loss that is treated under Section 301 of the Emergency Economic Stabilization Act of 2008 as an ordinary loss from the sale or exchange of preferred stock described in clause (A) or (B).

(b) In the case of corporations, the same as "taxable income" (as defined in Section 63 of the Internal Revenue Code) adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 170 of the Internal Revenue Code.

(3) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 63 of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state of the United States.

(4) Subtract an amount equal to the amount included in the corporation's taxable income under Section 78 of the Internal Revenue Code.

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(6) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

(7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars ($25,000).

(8) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(9) Add to the extent required by IC 6-3-2-20 the amount of intangible expenses (as defined in IC 6-3-2-20) and any directly related intangible interest expenses (as defined in IC 6-3-2-20) for the taxable year that reduced the corporation's taxable income (as defined in Section 63 of the

Internal Revenue Code) for federal income tax purposes.
(10) Add an amount equal to any deduction for dividends paid (as defined in Section 561 of the Internal Revenue Code) to shareholders of a captive real estate investment trust (as defined in section 34.5 of this chapter).
(11) Subtract income that is:
(A) exempt from taxation under IC 6-3-2-21.7; and
(B) included in the corporation's taxable income under the Internal Revenue Code.
(12) Add an amount equal to any income not included in gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code. Subtract from the adjusted gross income of any taxpayer that added an amount to adjusted gross income in a previous year the amount necessary to offset the amount included in federal gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code.
(13) Add the amount necessary to make the adjusted gross income of any taxpayer that placed qualified restaurant property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(v) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed in service.
(14) Add the amount necessary to make the adjusted gross income of any taxpayer that placed qualified retail improvement property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(ix) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed in service.
(15) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that claimed the special allowance for qualified disaster assistance property under Section 168(n) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the special allowance not been claimed for the property.
(16) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that made an election under Section 179C of the Internal Revenue Code to expense costs for qualified refinery property equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year.
(17) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that made an election under Section 181 of the Internal Revenue Code to expense costs for a qualified film or television production equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year.
(18) Add an amount equal to any loss that is treated under Section 301 of the Emergency Economic Stabilization Act of 2008 as an ordinary loss from the sale or exchange of preferred stock in:
(A) the Federal National Mortgage Association, established under the Federal National Mortgage Association Charter Act (12 U.S.C. 1716 et seq.); or
(B) the Federal Home Loan Mortgage Corporation, established under the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1451 et seq.).

Subtract from the adjusted gross income of any taxpayer that added an amount to adjusted gross income in a previous year the amount necessary to offset the amount included in federal gross income as a result of any loss that is treated under Section 301 of the Emergency Economic Stabilization Act of 2008 as an ordinary loss from the sale or exchange of preferred stock described in clause (A) or (B).

(c) In the case of life insurance companies (as defined in Section 816(a) of the Internal Revenue Code) that are organized under Indiana law, the same as "life insurance company taxable income" (as defined in Section 801 of the Internal Revenue Code), adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction allowed or allowable under Section 170 of the Internal Revenue Code.

(3) Add an amount equal to a deduction allowed or allowable under Section 805 or Section 831(c) of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state.

(4) Subtract an amount equal to the amount included in the company's taxable income under Section 78 of the Internal Revenue Code.

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(6) Add an amount equal to any deduction allowed under Section 172 or Section 810 of the Internal Revenue Code.

(7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars ($25,000).

(8) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(9) Subtract income that is:

(A) exempt from taxation under IC 6-3-2-21.7; and

(B) included in the insurance company's taxable income under the Internal Revenue Code.

(10) Add an amount equal to any income not included in gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code. Subtract from the adjusted gross income of any taxpayer that added an amount to adjusted gross income in a previous year the amount necessary to offset the amount included in federal gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code.

(11) Add the amount necessary to make the adjusted gross income of any taxpayer that placed qualified restaurant property in service during the taxable year and that was

classified as 15-year property under Section 168(e)(3)(E)(v) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed in service.

(12) Add the amount necessary to make the adjusted gross income of any taxpayer that placed qualified retail improvement property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(ix) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed in service.

(13) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that claimed the special allowance for qualified disaster assistance property under Section 168(n) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the special allowance not been claimed for the property.

(14) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that made an election under Section 179C of the Internal Revenue Code to expense costs for qualified refinery property equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year.

(15) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that made an election under Section 181 of the Internal Revenue Code to expense costs for a qualified film or television production equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year.

(16) Add an amount equal to any loss that is treated under Section 301 of the Emergency Economic Stabilization Act of 2008 as an ordinary loss from the sale or exchange of preferred stock in:

(A) the Federal National Mortgage Association, established under the Federal National Mortgage Association Charter Act (12 U.S.C. 1716 et seq.); or

(B) the Federal Home Loan Mortgage Corporation, established under the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1451 et seq.).

Subtract from the adjusted gross income of any taxpayer that added an amount to adjusted gross income in a previous year the amount necessary to offset the amount included in federal gross income as a result of any loss that is treated under Section 301 of the Emergency Economic Stabilization Act of 2008 as an ordinary loss from the sale or exchange of preferred stock described in clause (A) or (B).

(17) Add an amount equal to any exempt insurance income under Section 953(e) of the Internal Revenue Code that is active financing income under Subpart F of Subtitle A, Chapter 1, Subchapter N of the Internal Revenue Code.

(d) In the case of insurance companies subject to tax under Section 831 of the Internal Revenue Code and organized under Indiana law, the same as "taxable income" (as defined in Section 832 of the Internal Revenue Code), adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction allowed or allowable under Section 170 of the Internal Revenue Code.

(3) Add an amount equal to a deduction allowed or allowable under Section 805 or Section 831(c) of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state.

(4) Subtract an amount equal to the amount included in the company's taxable income under Section 78 of the Internal Revenue Code.
(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.
(6) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.
(7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars ($25,000).
(8) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.
(9) Subtract income that is:
(A) exempt from taxation under IC 6-3-2-21.7; and
(B) included in the insurance company's taxable income under the Internal Revenue Code.
(10) Add an amount equal to any income not included in gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code. Subtract from the adjusted gross income of any taxpayer that added an amount to adjusted gross income in a previous year the amount necessary to offset the amount included in federal gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code.
(11) Add the amount necessary to make the adjusted gross income of any taxpayer that placed qualified restaurant property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(v) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed in service.
(12) Add the amount necessary to make the adjusted gross income of any taxpayer that placed qualified retail improvement property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(ix) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed in service.
(13) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that claimed the special allowance for qualified disaster assistance property under Section 168(n) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the special allowance not been claimed for the property.
(14) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that made an election under Section 179C of the Internal Revenue Code to expense

costs for qualified refinery property equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year.

(15) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that made an election under Section 181 of the Internal Revenue Code to expense costs for a qualified film or television production equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year.

(16) Add an amount equal to any loss that is treated under Section 301 of the Emergency Economic Stabilization Act of 2008 as an ordinary loss from the sale or exchange of preferred stock in:

(A) the Federal National Mortgage Association, established under the Federal National Mortgage Association Charter Act (12 U.S.C. 1716 et seq.); or

(B) the Federal Home Loan Mortgage Corporation, established under the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1451 et seq.).

Subtract from the adjusted gross income of any taxpayer that added an amount to adjusted gross income in a previous year the amount necessary to offset the amount included in federal gross income as a result of any loss that is treated under Section 301 of the Emergency Economic Stabilization Act of 2008 as an ordinary loss from the sale or exchange of preferred stock described in clause (A) or (B).

(17) Add an amount equal to any exempt insurance income under Section 953(e) of the Internal Revenue Code that is active financing income under Subpart F of Subtitle A, Chapter 1, Subchapter N of the Internal Revenue Code.

(e) In the case of trusts and estates, "taxable income" (as defined for trusts and estates in Section 641(b) of the Internal Revenue Code) adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Subtract an amount equal to the amount of a September 11 terrorist attack settlement payment included in the federal adjusted gross income of the estate of a victim of the September 11 terrorist attack or a trust to the extent the trust benefits a victim of the September 11 terrorist attack.

(3) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(4) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars ($25,000).

(6) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(7) Subtract income that is:
(A) exempt from taxation under IC 6-3-2-21.7; and
(B) included in the taxpayer's taxable income under the Internal Revenue Code.
(8) Add an amount equal to any income not included in gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code. Subtract from the adjusted gross income of any taxpayer that added an amount to adjusted gross income in a previous year the amount necessary to offset the amount included in federal gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code.
(9) Add the amount necessary to make the adjusted gross income of any taxpayer that placed qualified restaurant property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(v) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed in service.
(10) Add the amount necessary to make the adjusted gross income of any taxpayer that placed qualified retail improvement property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(ix) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed in service.
(11) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that claimed the special allowance for qualified disaster assistance property under Section 168(n) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the special allowance not been claimed for the property.
(12) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that made an election under Section 179C of the Internal Revenue Code to expense costs for qualified refinery property equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year.
(13) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that made an election under Section 181 of the Internal Revenue Code to expense costs for a qualified film or television production equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year.
(14) Add an amount equal to any loss that is treated under Section 301 of the Emergency Economic Stabilization Act of 2008 as an ordinary loss from the sale or exchange of preferred stock in:
(A) the Federal National Mortgage Association, established under the Federal National Mortgage Association Charter Act (12 U.S.C. 1716 et seq.); or
(B) the Federal Home Loan Mortgage Corporation, established under the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1451 et seq.).
Subtract from the adjusted gross income of any taxpayer that added an amount to adjusted gross income in a previous year the amount necessary to offset the amount included in federal gross income as a result of any loss that is treated under Section 301 of the Emergency Economic Stabilization Act of 2008 as an ordinary loss from the sale or

exchange of preferred stock described in clause (A) or (B).

(f) This subsection applies only to the extent that an individual paid property taxes in 2004 that were imposed for the March 1, 2002, assessment date or the January 15, 2003, assessment date. The maximum amount of the deduction under subsection (a)(17) is equal to the amount determined under STEP FIVE of the following formula:

STEP ONE: Determine the amount of property taxes that the taxpayer paid after December 31, 2003, in the taxable year for property taxes imposed for the March 1, 2002, assessment date and the January 15, 2003, assessment date.

STEP TWO: Determine the amount of property taxes that the taxpayer paid in the taxable year for the March 1, 2003, assessment date and the January 15, 2004, assessment date.

STEP THREE: Determine the result of the STEP ONE amount divided by the STEP TWO amount.

STEP FOUR: Multiply the STEP THREE amount by two thousand five hundred dollars ($2,500).

STEP FIVE: Determine the sum of the STEP FOUR amount and two thousand five hundred dollars ($2,500).

SECTION 62. IC 6-3-1-3.7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: **Sec. 3.7. (a) This section applies only to an individual who in 2009 paid property taxes that:**

(1) were imposed on the individual's principal place of residence for the March 1, 2007, assessment date or the January 15, 2008, assessment date;

(2) are due after December 31, 2008; and

(3) are paid on or before the due date for the property taxes.

(b) An individual described in subsection (a) is entitled to a deduction from adjusted gross income for a taxable year beginning after December 31, 2008, and before January 1, 2010, in an amount equal to the amount determined in the following STEPS:

STEP ONE: Determine the lesser of:

(A) two thousand five hundred dollars ($2,500); or

(B) the total amount of property taxes imposed on the individual's principal place of residence for the March 1, 2007, assessment date or the January 15, 2008, assessment date and paid in 2008 or 2009.

STEP TWO: Determine the greater of zero (0) or the result of:

(A) the STEP ONE result; minus

(B) the total amount of property taxes that:

(i) were imposed on the individual's principal place of residence for the March 1, 2007, assessment date or the January 15, 2008, assessment date;

(ii) were paid in 2008; and

(iii) were deducted from adjusted gross income under section 3.5(a)(17) of this chapter by the individual on the individual's state income tax return for a taxable year beginning before January 1, 2009.

(c) The deduction under this section is in addition to any deduction that an individual is otherwise entitled to claim under section 3.5(a)(17) of this chapter. However, an individual may not deduct under section 3.5(a)(17) of this chapter any property taxes deducted under this section.

(d) This section expires January 1, 2014.

SECTION 63. IC 6-3-1-11, AS AMENDED BY P.L.131-2008, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 11. (a) The term "Internal Revenue Code" means the Internal Revenue Code of 1986 of the United States as amended and in effect on ~~January 1, 2008.~~ **February 17, 2009.**

(b) Whenever the Internal Revenue Code is mentioned in this article, the particular provisions that are referred to, together with all the other provisions of the Internal Revenue Code in effect on ~~January 1, 2008,~~ **February 17, 2009,** that pertain to the provisions specifically mentioned, shall be regarded as incorporated in this article by reference and have the same force and effect as though fully set forth in this article. To the extent the provisions apply to this article, regulations adopted under Section 7805(a) of the Internal Revenue Code and in effect on ~~January 1, 2008.~~ **February 17, 2009,** shall be regarded as rules adopted by the department under this article, unless the department adopts specific rules that supersede the regulation.

(c) An amendment to the Internal Revenue Code made by an act passed by Congress before ~~January 1, 2008,~~ **February 17, 2009,** that is effective for any taxable year that began before January 1, ~~2008,~~ **2009,** and that affects:

(1) individual adjusted gross income (as defined in Section 62 of the Internal Revenue Code);

(2) corporate taxable income (as defined in Section 63 of the Internal Revenue Code);

(3) trust and estate taxable income (as defined in Section 641(b) of the Internal Revenue Code);

(4) life insurance company taxable income (as defined in Section 801(b) of the Internal Revenue Code);

(5) mutual insurance company taxable income (as defined in Section 821(b) of the Internal Revenue Code); or

(6) taxable income (as defined in Section 832 of the Internal Revenue Code);

is also effective for that same taxable year for purposes of determining adjusted gross income under section 3.5 of this chapter.

SECTION 64. IC 6-3-1-35 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: **Sec. 35. As used in this article, "pass through entity" means:**

(1) a corporation that is exempt from the adjusted gross income tax under IC 6-3-2-2.8(2);

(2) a partnership;

(3) a trust;

(4) a limited liability company; or

(5) a limited liability partnership.

SECTION 65. IC 6-3-2-2, AS AMENDED BY P.L.162-2006, SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 2. (a) With regard to corporations and nonresident persons, "adjusted gross income derived from sources within Indiana", for the purposes of this article, shall mean and include:

(1) income from real or tangible personal property located in this state;

(2) income from doing business in this state;

(3) income from a trade or profession conducted in this state;

(4) compensation for labor or services rendered within this state; and

(5) income from stocks, bonds, notes, bank deposits, patents, copyrights, secret processes and formulas, good will, trademarks, trade brands, franchises, and other intangible personal property if the receipt from the intangible is attributable to Indiana under section 2.2 of this chapter.

Income from a pass through entity shall be characterized in a manner consistent with the income's characterization for federal income tax purposes and shall be considered Indiana source income as if the person, corporation, or pass through entity that received the income had directly engaged in the income producing activity. Income that is derived from one (1) pass through entity and is considered to pass through to another pass through entity does not change these characteristics or attribution provisions. In the case of nonbusiness income described in subsection (g), only so much of such income as is allocated to this state under the provisions of subsections (h) through (k) shall be deemed to be derived from sources within Indiana. In the case of

business income, only so much of such income as is apportioned to this state under the provision of subsection (b) shall be deemed to be derived from sources within the state of Indiana. In the case of compensation of a team member (as defined in section 2.7 of this chapter), only the portion of income determined to be Indiana income under section 2.7 of this chapter is considered derived from sources within Indiana. In the case of a corporation that is a life insurance company (as defined in Section 816(a) of the Internal Revenue Code) or an insurance company that is subject to tax under Section 831 of the Internal Revenue Code, only so much of the income as is apportioned to Indiana under subsection (r) is considered derived from sources within Indiana.

(b) Except as provided in subsection (l), if business income of a corporation or a nonresident person is derived from sources within the state of Indiana and from sources without the state of Indiana, the business income derived from sources within this state shall be determined by multiplying the business income derived from sources both within and without the state of Indiana by the following:

(1) For all taxable years that begin after December 31, 2006, and before January 1, 2008, a fraction. The:

(A) numerator of the fraction is the sum of the property factor plus the payroll factor plus the product of the sales factor multiplied by three (3); and

(B) denominator of the fraction is five (5).

(2) For all taxable years that begin after December 31, 2007, and before January 1, 2009, a fraction. The:

(A) numerator of the fraction is the property factor plus the payroll factor plus the product of the sales factor multiplied by four and sixty-seven hundredths (4.67); and

(B) denominator of the fraction is six and sixty-seven hundredths (6.67).

(3) For all taxable years beginning after December 31, 2008, and before January 1, 2010, a fraction. The:

(A) numerator of the fraction is the property factor plus the payroll factor plus the product of the sales factor multiplied by eight (8); and

(B) denominator of the fraction is ten (10).

(4) For all taxable years beginning after December 31, 2009, and before January 1, 2011, a fraction. The:

(A) numerator of the fraction is the property factor plus the payroll factor plus the product of the sales factor multiplied by eighteen (18); and

(B) denominator of the fraction is twenty (20).

(5) For all taxable years beginning after December 31, 2010, the sales factor.

(c) The property factor is a fraction, the numerator of which is the average value of the taxpayer's real and tangible personal property owned or rented and used in this state during the taxable year and the denominator of which is the average value of all the taxpayer's real and tangible personal property owned or rented and used during the taxable year. However, with respect to a foreign corporation, the denominator does not include the average value of real or tangible personal property owned or rented and used in a place that is outside the United States. Property owned by the taxpayer is valued at its original cost. Property rented by the taxpayer is valued at eight (8) times the net annual rental rate. Net annual rental rate is the annual rental rate paid by the taxpayer less any annual rental rate received by the taxpayer from subrentals. The average of property shall be determined by averaging the values at the beginning and ending of the taxable year, but the department may require the averaging of monthly values during the taxable year if reasonably required to reflect properly the average value of the taxpayer's property.

(d) The payroll factor is a fraction, the numerator of which is the total amount paid in this state during the taxable year by the taxpayer for compensation, and the denominator of which is the total compensation paid everywhere during the taxable year. However, with respect to a foreign

corporation, the denominator does not include compensation paid in a place that is outside the United States. Compensation is paid in this state if:

(1) the individual's service is performed entirely within the state;

(2) the individual's service is performed both within and without this state, but the service performed without this state is incidental to the individual's service within this state; or

(3) some of the service is performed in this state and:

(A) the base of operations or, if there is no base of operations, the place from which the service is directed or controlled is in this state; or

(B) the base of operations or the place from which the service is directed or controlled is not in any state in which some part of the service is performed, but the individual is a resident of this state.

(e) The sales factor is a fraction, the numerator of which is the total sales of the taxpayer in this state during the taxable year, and the denominator of which is the total sales of the taxpayer everywhere during the taxable year. Sales include receipts from intangible property and receipts from the sale or exchange of intangible property. However, with respect to a foreign corporation, the denominator does not include sales made in a place that is outside the United States. Receipts from intangible personal property are derived from sources within Indiana if the receipts from the intangible personal property are attributable to Indiana under section 2.2 of this chapter. Regardless of the f.o.b. point or other conditions of the sale, sales of tangible personal property are in this state if:

(1) the property is delivered or shipped to a purchaser that is within Indiana, other than the United States government; or

(2) the property is shipped from an office, a store, a warehouse, a factory, or other place of storage in this state and:

(A) the purchaser is the United States government; or

(B) the taxpayer is not taxable in the state of the purchaser.

Gross receipts derived from commercial printing as described in IC 6-2.5-1-10 shall be treated as sales of tangible personal property for purposes of this chapter.

(f) Sales, other than receipts from intangible property covered by subsection (e) and sales of tangible personal property, are in this state if:

(1) the income-producing activity is performed in this state; or

(2) the income-producing activity is performed both within and without this state and a greater proportion of the income-producing activity is performed in this state than in any other state, based on costs of performance.

(g) Rents and royalties from real or tangible personal property, capital gains, interest, dividends, or patent or copyright royalties, to the extent that they constitute nonbusiness income, shall be allocated as provided in subsections (h) through (k).

(h)(1) Net rents and royalties from real property located in this state are allocable to this state.

(2) Net rents and royalties from tangible personal property are allocated to this state:

(i) if and to the extent that the property is utilized in this state; or

(ii) in their entirety if the taxpayer's commercial domicile is in this state and the taxpayer is not organized under the laws of or taxable in the state in which the property is utilized.

(3) The extent of utilization of tangible personal property in a state is determined by multiplying the rents and royalties by a fraction, the numerator of which is the number of days of physical location of the property in the state during the rental or royalty period in the taxable year, and the denominator of which is the number of days of physical location of the property everywhere during all rental or royalty periods in the taxable year. If the physical location of the property during the rental or royalty period is unknown or unascertainable by the taxpayer, tangible personal property is utilized in the state in which the property was located at the time the rental or royalty payer obtained possession.

(i)(1) Capital gains and losses from sales of real property located in this state are allocable to this state.

(2) Capital gains and losses from sales of tangible personal property are allocable to this state if:

(i) the property had a situs in this state at the time of the sale; or

(ii) the taxpayer's commercial domicile is in this state and the taxpayer is not taxable in the state in which the property had a situs.

(3) Capital gains and losses from sales of intangible personal property are allocable to this state if the taxpayer's commercial domicile is in this state.

(j) Interest and dividends are allocable to this state if the taxpayer's commercial domicile is in this state.

(k)(1) Patent and copyright royalties are allocable to this state:

(i) if and to the extent that the patent or copyright is utilized by the taxpayer in this state; or

(ii) if and to the extent that the patent or copyright is utilized by the taxpayer in a state in which the taxpayer is not taxable and the taxpayer's commercial domicile is in this state.

(2) A patent is utilized in a state to the extent that it is employed in production, fabrication, manufacturing, or other processing in the state or to the extent that a patented product is produced in the state. If the basis of receipts from patent royalties does not permit allocation to states or if the accounting procedures do not reflect states of utilization, the patent is utilized in the state in which the taxpayer's commercial domicile is located.

(3) A copyright is utilized in a state to the extent that printing or other publication originates in the state. If the basis of receipts from copyright royalties does not permit allocation to states or if the accounting procedures do not reflect states of utilization, the copyright is utilized in the state in which the taxpayer's commercial domicile is located.

(l) If the allocation and apportionment provisions of this article do not fairly represent the taxpayer's income derived from sources within the state of Indiana, the taxpayer may petition for or the department may require, in respect to all or any part of the taxpayer's business activity, if reasonable:

(1) separate accounting;

(2) for a taxable year beginning before January 1, 2011, the exclusion of any one (1) or more of the factors, except the sales factor;

(3) the inclusion of one (1) or more additional factors which will fairly represent the taxpayer's income derived from sources within the state of Indiana; or

(4) the employment of any other method to effectuate an equitable allocation and apportionment of the taxpayer's income.

(m) In the case of two (2) or more organizations, trades, or businesses owned or controlled directly or indirectly by the same interests, the department shall distribute, apportion, or allocate the income derived from sources within the state of Indiana between and among those organizations, trades, or businesses in order to fairly reflect and report the income derived from sources within the state of Indiana by various taxpayers.

(n) For purposes of allocation and apportionment of income under this article, a taxpayer is taxable in another state if:

(1) in that state the taxpayer is subject to a net income tax, a franchise tax measured by net income, a franchise tax for the privilege of doing business, or a corporate stock tax; or

(2) that state has jurisdiction to subject the taxpayer to a net income tax regardless of whether, in fact, the state does or does not.

(o) Notwithstanding subsections (l) and (m), the department may not, under any circumstances, require that income, deductions, and credits attributable to a taxpayer and another entity be reported in a combined income tax return for any taxable year, if the other entity is:

(1) a foreign corporation; or

(2) a corporation that is classified as a foreign operating corporation for the taxable year by section 2.4 of this chapter.

(p) Notwithstanding subsections (l) and (m), the department may not require that income, deductions, and credits attributable to a taxpayer and another entity not described in subsection (o)(1) or (o)(2) be reported in a combined income tax return for any taxable year, unless the department is unable to fairly reflect the taxpayer's adjusted gross income for the taxable year through use of other powers granted to the department by subsections (l) and (m).

(q) Notwithstanding subsections (o) and (p), one (1) or more taxpayers may petition the department under subsection (l) for permission to file a combined income tax return for a taxable year. The petition to file a combined income tax return must be completed and filed with the department not more than thirty (30) days after the end of the taxpayer's taxable year. A taxpayer filing a combined income tax return must petition the department within thirty (30) days after the end of the taxpayer's taxable year to discontinue filing a combined income tax return.

(r) This subsection applies to a corporation that is a life insurance company (as defined in Section 816(a) of the Internal Revenue Code) or an insurance company that is subject to tax under Section 831 of the Internal Revenue Code. The corporation's adjusted gross income that is derived from sources within Indiana is determined by multiplying the corporation's adjusted gross income by a fraction:

(1) the numerator of which is the direct premiums and annuity considerations received during the taxable year for insurance upon property or risks in the state; and

(2) the denominator of which is the direct premiums and annuity considerations received during the taxable year for insurance upon property or risks everywhere.

The term "direct premiums and annuity considerations" means the gross premiums received from direct business as reported in the corporation's annual statement filed with the department of insurance.

SECTION 66. IC 6-3-2-2.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 2.5. (a) This section applies to a resident person.

(b) Resident persons are entitled to a net operating loss deduction. The amount of the deduction taken in a taxable year may not exceed the taxpayer's unused Indiana net operating losses carried back or carried over to that year.

(c) An Indiana net operating loss equals the taxpayer's federal net operating loss for a taxable year as calculated under Section 172 of the Internal Revenue Code, adjusted for the modifications required by IC 6-3-1-3.5.

(d) The following provisions apply for purposes of subsection (c):

(1) The modifications that are to be applied are those modifications required under IC 6-3-1-3.5 for the same taxable year in which each net operating loss was incurred.

(2) An Indiana net operating loss includes a net operating loss that arises when the modifications required by IC 6-3-1-3.5 exceed the taxpayer's federal adjusted gross income (as defined in Section 62 of the Internal Revenue Code) for the taxable year in which the Indiana net operating loss is determined.

(e) Subject to the limitations contained in subsection (g), an Indiana net operating loss carryback or carryover shall be available as a deduction from the taxpayer's adjusted gross income (as defined in IC 6-3-1-3.5) in the carryback or carryover year provided in subsection (f).

(f) Carrybacks and carryovers shall be determined under this subsection as follows:

(1) An Indiana net operating loss shall be an Indiana net operating loss carryback to each of the carryback years preceding the taxable year of the loss.

(2) An Indiana net operating loss shall be an Indiana net operating loss carryover to each of the carryover years following the taxable year of the loss.

(3) Carryback years shall be determined by reference to the number of years allowed for carrying back a net operating loss under Section 172(b) of the Internal Revenue Code. **However, with**

respect to the carryback period for a net operating loss:

(A) for which an eligible small business, as defined in Section 172(b)(1)(H)(iv) of the Internal Revenue Code, made an election to use five (5) years instead of two (2) years under Section 172(b)(1)(H) of the Internal Revenue Code, two (2) years shall be used instead of five (5) years; or

(B) that is a qualified disaster loss for which the taxpayer elected to have the net operating loss carryback period with respect to the loss year determined without regard to Section 172(b)(1)(J) of the Internal Revenue Code, five (5) years shall be used.

(4) Carryover years shall be determined by reference to the number of years allowed for carrying over net operating losses under Section 172(b) of the Internal Revenue Code.

(5) A taxpayer who makes an election under Section 172(b)(3) of the Internal Revenue Code to relinquish the carryback period with respect to a net operating loss for any taxable year shall be considered to have also relinquished the carryback of the Indiana net operating loss for purposes of this section.

(g) The entire amount of the Indiana net operating loss for any taxable year shall be carried to the earliest of the taxable years to which (as determined under subsection (f)) the loss may be carried. The amount of the Indiana net operating loss remaining after the deduction is taken under this section in a taxable year may be carried back or carried over as provided in subsection (f). The amount of the Indiana net operating loss carried back or carried over from year to year shall be reduced to the extent that the Indiana net operating loss carryback or carryover is used by the taxpayer to obtain a deduction in a taxable year until the occurrence of the earlier of the following:

(1) The entire amount of the Indiana net operating loss has been used as a deduction.

(2) The Indiana net operating loss has been carried over to each of the carryover years provided by subsection (f).

SECTION 67. IC 6-3-2-2.6, AS AMENDED BY P.L.2-2005, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 2.6. (a) This section applies to a corporation or a nonresident person.

(b) Corporations and nonresident persons are entitled to a net operating loss deduction. The amount of the deduction taken in a taxable year may not exceed the taxpayer's unused Indiana net operating losses carried back or carried over to that year.

(c) An Indiana net operating loss equals the taxpayer's federal net operating loss for a taxable year as calculated under Section 172 of the Internal Revenue Code, derived from sources within Indiana and adjusted for the modifications required by IC 6-3-1-3.5.

(d) The following provisions apply for purposes of subsection (c):

(1) The modifications that are to be applied are those modifications required under IC 6-3-1-3.5 for the same taxable year in which each net operating loss was incurred.

(2) The amount of the taxpayer's net operating loss that is derived from sources within Indiana shall be determined in the same manner that the amount of the taxpayer's adjusted income derived from sources within Indiana is determined under section 2 of this chapter for the same taxable year during which each loss was incurred.

(3) An Indiana net operating loss includes a net operating loss that arises when the modifications required by IC 6-3-1-3.5 exceed the taxpayer's federal taxable income (as defined in Section 63 of the Internal Revenue Code), if the taxpayer is a corporation, or when the modifications required by IC 6-3-1-3.5 exceed the taxpayer's federal adjusted gross income (as defined by Section 62 of the Internal Revenue Code), if the taxpayer is a nonresident person, for the taxable year in which the Indiana net operating loss is determined.

(e) Subject to the limitations contained in subsection (g), an Indiana net operating loss carryback or carryover shall be available as a deduction from the taxpayer's adjusted gross income derived from

sources within Indiana (as defined in section 2 of this chapter) in the carryback or carryover year provided in subsection (f).

(f) Carrybacks and carryovers shall be determined under this subsection as follows:

(1) An Indiana net operating loss shall be an Indiana net operating loss carryback to each of the carryback years preceding the taxable year of the loss.

(2) An Indiana net operating loss shall be an Indiana net operating loss carryover to each of the carryover years following the taxable year of the loss.

(3) Carryback years shall be determined by reference to the number of years allowed for carrying back a net operating loss under Section 172(b) of the Internal Revenue Code. **However, with respect to the carryback period for a net operating loss:**

(A) for which an eligible small business, as defined in Section 172(b)(1)(H)(iv) of the Internal Revenue Code, made an election to use five (5) years instead of two (2) years under Section 172(b)(1)(H) of the Internal Revenue Code, two (2) years shall be used instead of five (5) years; or

(B) that is a qualified disaster loss for which the taxpayer elected to have the net operating loss carryback period with respect to the loss year determined without regard to Section 172(b)(1)(J) of the Internal Revenue Code, five (5) years shall be used.

(4) Carryover years shall be determined by reference to the number of years allowed for carrying over net operating losses under Section 172(b) of the Internal Revenue Code.

(5) A taxpayer who makes an election under Section 172(b)(3) of the Internal Revenue Code to relinquish the carryback period with respect to a net operating loss for any taxable year shall be considered to have also relinquished the carryback of the Indiana net operating loss for purposes of this section.

(g) The entire amount of the Indiana net operating loss for any taxable year shall be carried to the earliest of the taxable years to which (as determined under subsection (f)) the loss may be carried. The amount of the Indiana net operating loss remaining after the deduction is taken under this section in a taxable year may be carried back or carried over as provided in subsection (f). The amount of the Indiana net operating loss carried back or carried over from year to year shall be reduced to the extent that the Indiana net operating loss carryback or carryover is used by the taxpayer to obtain a deduction in a taxable year until the occurrence of the earlier of the following:

(1) The entire amount of the Indiana net operating loss has been used as a deduction.

(2) The Indiana net operating loss has been carried over to each of the carryover years provided by subsection (f).

(h) An Indiana net operating loss deduction determined under this section shall be allowed notwithstanding the fact that in the year the taxpayer incurred the net operating loss the taxpayer was not subject to the tax imposed under section 1 of this chapter because the taxpayer was:

(1) a life insurance company (as defined in Section 816(a) of the Internal Revenue Code); or

(2) an insurance company subject to tax under Section 831 of the Internal Revenue Code.

(i) In the case of a life insurance company that claims an operations loss deduction under Section 810 of the Internal Revenue Code, this section shall be applied by:

(1) substituting the corresponding provisions of Section 810 of the Internal Revenue Code in place of references to Section 172 of the Internal Revenue Code; and

(2) substituting life insurance company taxable income (as defined in Section 801 the Internal Revenue Code) in place of references to taxable income (as defined in Section 63 of the Internal Revenue Code).

(j) For purposes of an amended return filed to carry back an Indiana net operating loss:

(1) the term "due date of the return", as used in IC 6-8.1-9-1(a)(1), means the due date of the return for the taxable year in which the net operating loss was incurred; and

(2) the term "date the payment was due", as used in IC 6-8.1-9-2(c), means the due date of the return for the taxable year in which the net operating loss was incurred.

SECTION 68. IC 6-3-2-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 8. (a) For purposes of this section, "qualified employee" means an individual who is employed by a taxpayer, a pass through entity, an employer exempt from adjusted gross income tax (IC 6-3-1 through IC 6-3-7) under IC 6-3-2-2.8(3), IC 6-3-2-2.8(4), or IC 6-3-2-2.8(5), a nonprofit entity, the state, a political subdivision of the state, or the United States government and who:

(1) has the employee's principal place of residence in the enterprise zone in which the employee is employed;

(2) performs services for the taxpayer, the employer, the nonprofit entity, the state, the political subdivision, or the United States government, ninety percent (90%) of which are directly related to:

(A) the conduct of the taxpayer's or employer's trade or business; or

(B) the activities of the nonprofit entity, the state, the political subdivision, or the United States government;

that is located in an enterprise zone; and

(3) performs at least fifty percent (50%) of the employee's service for the taxpayer or employer during the taxable year in the enterprise zone.

~~(b) For purposes of this section, "pass through entity" means a:~~

~~(1) corporation that is exempt from the adjusted gross income tax under IC 6-3-2-2.8(2);~~

~~(2) partnership;~~

~~(3) trust;~~

~~(4) limited liability company; or~~

~~(5) limited liability partnership.~~

~~(c)~~ **(b)** Except as provided in subsection ~~(d),~~ **(c),** a qualified employee is entitled to a deduction from ~~his~~ **the employee's** adjusted gross income in each taxable year in the amount of the lesser of:

(1) one-half (1/2) of ~~his~~ **the employee's** adjusted gross income for the taxable year that ~~he~~ **the employee** earns as a qualified employee; or

(2) seven thousand five hundred dollars ($7,500).

~~(d)~~ **(c)** No qualified employee is entitled to a deduction under this section for a taxable year that begins after the termination of the enterprise zone in which ~~he~~ **the employee** resides.

SECTION 69. IC 6-3-2-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 10. (a) An individual who received unemployment compensation, as defined in subsection (c), during the taxable year is entitled to a deduction from the individual's adjusted gross income for that taxable year in the amount determined using the following formula:

STEP ONE: Determine the **greater of zero (0) or the** difference between:

(A) the **sum of:**

(i) the federal adjusted gross income of the individual (or the individual and the individual's spouse, in the case of a joint return), as defined in Section 62 of the Internal Revenue Code; **plus**

(ii) the amount of unemployment compensation excluded from federal gross income, as defined in Section 61 of the Internal Revenue Code, under Section 85(c) of the Internal Revenue Code; minus

(B) the base amount as defined in subsection (b).

STEP TWO: Determine the greater of zero (0) or the difference between:

(A) the individual's unemployment compensation for the taxable year; minus

(B) one-half (1/2) of the amount determined under STEP ONE.

(b) As used in this section, "base amount" means:

(1) twelve thousand dollars ($12,000) in all cases not covered by subdivision (2) or (3);

(2) eighteen thousand dollars ($18,000) in the case of an individual who files a joint return for the taxable year; or

(3) zero (0), in the case of an individual who:

(A) is married at the close of the taxable year, as determined under Section 143 of the Internal Revenue Code;

(B) does not file a joint return for the taxable year; and

(C) does not live apart from the individual's spouse at all times during the taxable year.

(c) As used in this section, "unemployment compensation" means the amount of unemployment compensation that is included in the individual's federal gross income under Section 85 of the Internal Revenue Code.

SECTION 70. IC 6-3-3-10, AS AMENDED BY P.L.4-2005, SECTION 50, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 10. (a) As used in this section:

"Base period wages" means the following:

(1) In the case of a taxpayer other than a pass through entity, wages paid or payable by a taxpayer to its employees during the year that ends on the last day of the month that immediately precedes the month in which an enterprise zone is established, to the extent that the wages would have been qualified wages if the enterprise zone had been in effect for that year. If the taxpayer did not engage in an active trade or business during that year in the area that is later designated as an enterprise zone, then the base period wages equal zero (0). If the taxpayer engaged in an active trade or business during only part of that year in an area that is later designated as an enterprise zone, then the department shall determine the amount of base period wages.

(2) In the case of a taxpayer that is a pass through entity, base period wages equal zero (0).

"Enterprise zone" means an enterprise zone created under IC 5-28-15.

"Enterprise zone adjusted gross income" means adjusted gross income of a taxpayer that is derived from sources within an enterprise zone. Sources of adjusted gross income shall be determined with respect to an enterprise zone, to the extent possible, in the same manner that sources of adjusted gross income are determined with respect to the state of Indiana under IC 6-3-2-2.

"Enterprise zone gross income" means gross income of a taxpayer that is derived from sources within an enterprise zone.

"Enterprise zone insurance premiums" means insurance premiums derived from sources within an enterprise zone.

"Monthly base period wages" means base period wages divided by twelve (12).

~~"Pass through entity" means a:~~

~~(1) corporation that is exempt from the adjusted gross income tax under IC 6-3-2-2.8(2);~~

~~(2) partnership;~~

~~(3) trust;~~

~~(4) limited liability company; or~~

~~(5) limited liability partnership.~~

"Qualified employee" means an individual who is employed by a taxpayer and who:

(1) has the individual's principal place of residence in the enterprise zone in which the individual is employed;

(2) performs services for the taxpayer, ninety percent (90%) of which are directly related to the conduct of the taxpayer's trade or business that is located in an enterprise zone;

(3) performs at least fifty percent (50%) of the individual's services for the taxpayer during the taxable year in the enterprise zone; and

(4) in the case of an individual who is employed by a taxpayer that is a pass through entity, was first employed by the taxpayer after December 31, 1998.

"Qualified increased employment expenditures" means the following:

(1) For a taxpayer's taxable year other than the taxpayer's taxable year in which the enterprise zone is established, the amount by which qualified wages paid or payable by the taxpayer during the taxable year to qualified employees exceeds the taxpayer's base period wages.

(2) For the taxpayer's taxable year in which the enterprise zone is established, the amount by which qualified wages paid or payable by the taxpayer during all of the full calendar months in the taxpayer's taxable year that succeed the date on which the enterprise zone was established exceed the taxpayer's monthly base period wages multiplied by that same number of full calendar months.

"Qualified state tax liability" means a taxpayer's total income tax liability incurred under:

(1) IC 6-3-1 through IC 6-3-7 (adjusted gross income tax) with respect to enterprise zone adjusted gross income;

(2) IC 27-1-18-2 (insurance premiums tax) with respect to enterprise zone insurance premiums; and

(3) IC 6-5.5 (the financial institutions tax);

as computed after the application of the credits that, under IC 6-3.1-1-2, are to be applied before the credit provided by this section.

"Qualified wages" means the wages paid or payable to qualified employees during a taxable year.

"Taxpayer" includes a pass through entity.

(b) A taxpayer is entitled to a credit against the taxpayer's qualified state tax liability for a taxable year in the amount of the lesser of:

(1) the product of ten percent (10%) multiplied by the qualified increased employment expenditures of the taxpayer for the taxable year; or

(2) one thousand five hundred dollars ($1,500) multiplied by the number of qualified employees employed by the taxpayer during the taxable year.

(c) The amount of the credit provided by this section that a taxpayer uses during a particular taxable year may not exceed the taxpayer's qualified state tax liability for the taxable year. If the credit provided by this section exceeds the amount of that tax liability for the taxable year it is first claimed, then the excess may be carried back to preceding taxable years or carried over to succeeding taxable years and used as a credit against the taxpayer's qualified state tax liability for those taxable years. Each time that the credit is carried back to a preceding taxable year or carried over to a succeeding taxable year, the amount of the carryover is reduced by the amount used as a credit for that taxable year. Except as provided in subsection (e), the credit provided by this section may be carried forward and applied in the ten (10) taxable years that succeed the taxable year in which the credit accrues. The credit provided by this section may be carried back and applied in the three (3) taxable years that precede the taxable year in which the credit accrues.

(d) A credit earned by a taxpayer in a particular taxable year shall be applied against the taxpayer's qualified state tax liability for that taxable year before any credit carryover or carryback is applied against that liability under subsection (c).

(e) Notwithstanding subsection (c), if a credit under this section results from wages paid in a particular enterprise zone, and if that enterprise zone terminates in a taxable year that succeeds the last taxable year in which a taxpayer is entitled to use the credit carryover that results from those wages under subsection (c), then the taxpayer may use the credit carryover for any taxable year up to and including the taxable year in which the enterprise zone terminates.

(f) A taxpayer is not entitled to a refund of any unused credit.

(g) A taxpayer that:

(1) does not own, rent, or lease real property outside of an enterprise zone that is an integral part of its trade or business; and

(2) is not owned or controlled directly or indirectly by a taxpayer that owns, rents, or leases real property outside of an enterprise zone;

is exempt from the allocation and apportionment provisions of this section.

(h) If a pass through entity is entitled to a credit under subsection (b) but does not have state tax liability against which the tax credit may be applied, an individual who is a shareholder, partner, beneficiary, or member of the pass through entity is entitled to a tax credit equal to:

(1) the tax credit determined for the pass through entity for the taxable year; multiplied by

(2) the percentage of the pass through entity's distributive income to which the shareholder, partner, beneficiary, or member is entitled.

The credit provided under this subsection is in addition to a tax credit to which a shareholder, partner, beneficiary, or member of a pass through entity is entitled. However, a pass through entity and an individual who is a shareholder, partner, beneficiary, or member of a pass through entity may not claim more than one (1) credit for the qualified expenditure.

SECTION 71. IC 6-3-4-8.1, AS AMENDED BY P.L.211-2007, SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 8.1. (a) Any entity that is required to file a monthly return and make a monthly remittance of taxes under sections 8, 12, 13, and 15 of this chapter shall file those returns and make those remittances twenty (20) days (rather than thirty (30) days) after the end of each month for which those returns and remittances are filed, if that entity's average monthly remittance for the immediately preceding calendar year exceeds one thousand dollars ($1,000).

(b) The department may require any entity to make the entity's monthly remittance and file the entity's monthly return twenty (20) days (rather than thirty (30) days) after the end of each month for which a return and payment are made if the department estimates that the entity's average monthly payment for the current calendar year will exceed one thousand dollars ($1,000).

(c) If the department determines that a withholding agent is not withholding, reporting, or remitting an amount of tax in accordance with this chapter, the department may require the withholding agent:

(1) to make periodic deposits during the reporting period; and

(2) to file an informational return with each periodic deposit.

(d) If a person files a combined sales and withholding tax report and either this section or IC 6-2.5-6-1 requires the sales or withholding tax report to be filed and remittances to be made within twenty (20) days after the end of each month, then the person shall file the combined report and remit the sales and withholding taxes due within twenty (20) days after the end of each month.

(e) If the department determines that an entity's:

(1) estimated monthly withholding tax remittance for the current year; or

(2) average monthly withholding tax remittance for the preceding year;

exceeds five thousand dollars ($5,000), the entity shall remit the monthly withholding taxes due by electronic fund transfer (as defined in IC 4-8.1-2-7) or by delivering in person or by overnight courier a payment by cashier's check, certified check, or money order to the department. The transfer or payment shall be made on or before the date the remittance is due.

~~(f) If an entity's withholding tax remittance is made by electronic fund transfer, the entity is not required to file a monthly withholding tax return.~~

(f) An entity that registers to withhold taxes after December 31, 2009, shall file the withholding tax report and remit withholding taxes electronically through the department's online tax filing program.

SECTION 72. IC 6-3.1-4-2, AS AMENDED BY P.L.193-2005, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 2. (a) A taxpayer who incurs Indiana

qualified research expense in a particular taxable year is entitled to a research expense tax credit for the taxable year.

(b) For Indiana qualified research expense incurred before January 1, 2008, the amount of the research expense tax credit is equal to the product of ten percent (10%) multiplied by the remainder of:

(1) the taxpayer's Indiana qualified research expenses for the taxable year; minus

(2) the taxpayer's base amount.

(c) **Except as provided in subsection (d),** for Indiana qualified research expense incurred after December 31, 2007, the amount of the research expense tax credit is determined under STEP FOUR of the following formula:

STEP ONE: Subtract the taxpayer's base amount from the taxpayer's Indiana qualified research expense for the taxable year.

STEP TWO: Multiply the lesser of:

(A) one million dollars ($1,000,000); or

(B) the STEP ONE remainder;

by fifteen percent (15%).

STEP THREE: If the STEP ONE remainder exceeds one million dollars ($1,000,000), multiply the amount of that excess by ten percent (10%).

STEP FOUR: Add the STEP TWO and STEP THREE products.

(d) For Indiana qualified research expense incurred after December 31, 2009, a taxpayer may choose to have the amount of the research expense tax credit determined under this subsection rather than under subsection (c). At the election of the taxpayer, the amount of the taxpayer's research expense tax credit is equal to ten percent (10%) of the part of the taxpayer's Indiana qualified research expense for the taxable year that exceeds fifty percent (50%) of the taxpayer's average Indiana qualified research expense for the three (3) taxable years preceding the taxable year for which the credit is being determined. However, if the taxpayer did not have Indiana qualified research expense in any one (1) of the three (3) taxable years preceding the taxable year for which the credit is being determined, the amount of the research expense tax credit is equal to five percent (5%) of the taxpayer's Indiana qualified research expense for the taxable year.

SECTION 73. IC 6-3.1-30.5 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]:

Chapter 30.5. School Scholarship Tax Credit

Sec. 1. As used in this chapter, "credit" refers to a credit granted under this chapter.

Sec. 2. As used in this chapter, "pass through entity" has the meaning set forth in IC 6-3-1-35.

Sec. 3. As used in this chapter, "scholarship granting organization" refers to an organization that:

(1) is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code; and

(2) conducts a school scholarship program.

Sec. 4. As used in this chapter, "school scholarship program" refers to a scholarship program certified by the department of education under IC 20-51.

Sec. 5. As used in this chapter, "state tax liability" means a taxpayer's total tax liability that is incurred under:

(1) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax);

(2) IC 6-5.5 (the financial institutions tax); and

(3) IC 27-1-18-2 (the insurance premiums tax);

as computed after the application of the credits that under IC 6-3.1-1-2 are to be applied before the credit provided by this chapter.

Sec. 6. As used in this chapter, "taxpayer" means an individual or entity that has any state tax liability.

Sec. 7. A taxpayer that makes a contribution to a scholarship granting organization for use by the scholarship granting organization in a school scholarship program is entitled to a credit against the taxpayer's state tax liability in the taxable year in which the taxpayer makes the contribution.

Sec. 8. The amount of a taxpayer's credit is equal to fifty percent (50%) of the amount of the contribution made to the scholarship granting organization for a school scholarship program.

Sec. 9. A taxpayer is not entitled to a carryover, carryback, or refund of an unused credit.

Sec. 10. If a pass through entity is entitled to a credit under section 7 of this chapter but does not have state tax liability against which the tax credit may be applied, a shareholder, partner, or member of the pass through entity is entitled to a tax credit equal to:

(1) the tax credit determined for the pass through entity for the taxable year; multiplied by

(2) the percentage of the pass through entity's distributive income to which the shareholder, partner, or member is entitled.

Sec. 11. To apply a credit against the taxpayer's state tax liability, a taxpayer must claim the credit on the taxpayer's annual state tax return or returns in the manner prescribed by the department. The taxpayer shall submit to the department the information that the department determines is necessary for the department to determine whether the taxpayer is eligible for the credit.

Sec. 12. A contribution shall be treated as having been made for use in a school scholarship program if:

(1) the contribution is made directly to a scholarship granting organization; and

(2) either:

(A) not later than the date of the contribution, the taxpayer designates in writing to the scholarship granting organization that the contribution is to be used only for a school scholarship program; or

(B) the scholarship granting organization provides the taxpayer with written confirmation that the contribution will be dedicated solely for use in a school scholarship program.

Sec. 13. The total amount of tax credits awarded under this chapter may not exceed five million dollars ($5,000,000) in any state fiscal year.

Sec. 14. The department, on an Internet web site used by the department to provide information to the public, shall provide the following information:

(1) The application for the credit provided in this chapter.

(2) A timeline for receiving the credit provided in this chapter.

(3) The total amount of credits awarded under this chapter during the current state fiscal year.

Sec. 15. The department shall adopt rules under IC 4-22-2 to implement this chapter.

SECTION 74. IC 6-3.1-31.9-1, AS ADDED BY P.L.223-2007, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. As used in this chapter, "alternative fuel" means:

(1) methanol, denatured ethanol, and other alcohols;

(2) mixtures containing eighty-five percent (85%) or more by volume of methanol, denatured ethanol, and other alcohols with gasoline or other fuel;

(3) natural gas;

(4) liquefied petroleum gas;

(5) hydrogen;

(6) coal-derived liquid fuels;
(7) non-alcohol fuels derived from biological material;
(8) P-Series fuels; ~~or~~
(9) electricity; **or**
(10) biodiesel or diesel fuel.

SECTION 75. IC 6-3.1-32-17, AS ADDED BY P.L.235-2007, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 17. A qualified applicant is not entitled to a tax credit under this chapter for tangible personal property:

(1) that is a qualified production expenditure; and
(2) for which the qualified applicant claims an exemption under IC 6-2.5-5-41 **(before its repeal).**

SECTION 76. IC 6-3.1-32-20, AS ADDED BY P.L.235-2007, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 20. (a) A tax credit may not be awarded under this chapter for a ~~taxable year ending after December 31, 2011.~~ **qualified production expenditure made after June 30, 2009.**

(b) This chapter expires January 1, ~~2012.~~ **2010.**

SECTION 77. IC 6-3.5-1.1-14, AS AMENDED BY P.L.146-2008, SECTION 328, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 14. (a) In determining the amount of property tax replacement credits civil taxing units and school corporations of a county are entitled to receive during a calendar year, the department of local government finance shall consider only property taxes imposed on tangible property that was assessed in that county.

(b) If a civil taxing unit or a school corporation is located in more than one (1) county and receives property tax replacement credits from one (1) or more of the counties, then the property tax replacement credits received from each county shall be used only to reduce the property tax rates that are imposed within the county that distributed the property tax replacement credits.

(c) A civil taxing unit shall treat any property tax replacement credits that it receives or is to receive during a particular calendar year as a part of its property tax levy for that same calendar year for purposes of fixing its budget and for purposes of the property tax levy limits imposed by IC 6-1.1-18.5.

(d) Subject to subsection (e), if a civil taxing unit or school corporation of an adopting county does not impose a property tax levy that is first due and payable in a calendar year in which property tax replacement credits are being distributed, the civil taxing unit or school corporation is entitled to use the property tax replacement credits distributed to the civil taxing unit or school corporation for any purpose for which a property tax levy could be used.

(e) A school corporation shall treat any property tax replacement credits that the school corporation receives or is to receive during a particular calendar year as a part of its property tax levy for its debt service fund, capital projects fund, transportation fund, **and** school bus replacement fund ~~and special education preschool fund~~ in proportion to the levy for each of these funds for that same calendar year for purposes of fixing its budget. A school corporation shall allocate the property tax replacement credits described in this subsection to all ~~five (5)~~ **four (4)** funds in proportion to the levy for each fund.

SECTION 78. IC 6-5.5-1-2, AS AMENDED BY P.L.223-2007, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 2. (a) Except as provided in subsections (b) through (d), "adjusted gross income" means taxable income as defined in Section 63 of the Internal Revenue Code, adjusted as follows:

(1) Add the following amounts:
(A) An amount equal to a deduction allowed or allowable under Section 166, Section 585, or Section 593 of the Internal Revenue Code.
(B) An amount equal to a deduction allowed or allowable under Section 170 of the Internal Revenue Code.

(C) An amount equal to a deduction or deductions allowed or allowable under Section 63 of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by a state of the United States or levied at the local level by any subdivision of a state of the United States.

(D) The amount of interest excluded under Section 103 of the Internal Revenue Code or under any other federal law, minus the associated expenses disallowed in the computation of taxable income under Section 265 of the Internal Revenue Code.

(E) An amount equal to the deduction allowed under Section 172 or 1212 of the Internal Revenue Code for net operating losses or net capital losses.

(F) For a taxpayer that is not a large bank (as defined in Section 585(c)(2) of the Internal Revenue Code), an amount equal to the recovery of a debt, or part of a debt, that becomes worthless to the extent a deduction was allowed from gross income in a prior taxable year under Section 166(a) of the Internal Revenue Code.

(G) Add the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(H) Add the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars ($25,000).

(I) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(J) Add an amount equal to any income not included in gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code. Subtract from the adjusted gross income of any taxpayer that added an amount to adjusted gross income in a previous year the amount necessary to offset the amount included in federal gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code.

(K) Add the amount necessary to make the adjusted gross income of any taxpayer that placed qualified restaurant property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(v) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed in service.

(L) Add the amount necessary to make the adjusted gross income of any taxpayer that placed qualified retail improvement property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(ix) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed in service.

(M) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that claimed the special allowance for qualified disaster assistance property under Section 168(n) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the special allowance not been claimed for the property.

(N) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that made an election under Section 179C of the Internal Revenue Code to expense costs for qualified refinery property equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year.

(O) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that made an election under Section 181 of the Internal Revenue Code to expense costs for a qualified film or television production equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year.

(P) Add an amount equal to any loss that is treated under Section 301 of the Emergency Economic Stabilization Act of 2008 as an ordinary loss from the sale or exchange of preferred stock in:

(i) the Federal National Mortgage Association, established under the Federal National Mortgage Association Charter Act (12 U.S.C. 1716 et seq.); or

(ii) the Federal Home Loan Mortgage Corporation, established under the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1451 et seq.).

Subtract from the adjusted gross income of any taxpayer that added an amount to adjusted gross income in a previous year the amount necessary to offset the amount included in federal gross income as a result of any loss that is treated under Section 301 of the Emergency Economic Stabilization Act of 2008 as an ordinary loss from the sale or exchange of preferred stock described in item (i) or (ii).

(Q) Add an amount equal to any exempt insurance income under Section 953(e) of the Internal Revenue Code for active financing income under Subpart F, Subtitle A, Chapter 1, Subchapter N of the Internal Revenue Code.

(2) Subtract the following amounts:

(A) Income that the United States Constitution or any statute of the United States prohibits from being used to measure the tax imposed by this chapter.

(B) Income that is derived from sources outside the United States, as defined by the Internal Revenue Code.

(C) An amount equal to a debt or part of a debt that becomes worthless, as permitted under Section 166(a) of the Internal Revenue Code.

(D) An amount equal to any bad debt reserves that are included in federal income because of accounting method changes required by Section 585(c)(3)(A) or Section 593 of the Internal Revenue Code.

(E) The amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation.

(F) The amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross

income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars ($25,000).

(G) Income that is:

(i) exempt from taxation under IC 6-3-2-21.7; and

(ii) included in the taxpayer's taxable income under the Internal Revenue Code.

(b) In the case of a credit union, "adjusted gross income" for a taxable year means the total transfers to undivided earnings minus dividends for that taxable year after statutory reserves are set aside under IC 28-7-1-24.

(c) In the case of an investment company, "adjusted gross income" means the company's federal taxable income multiplied by the quotient of:

(1) the aggregate of the gross payments collected by the company during the taxable year from old and new business upon investment contracts issued by the company and held by residents of Indiana; divided by

(2) the total amount of gross payments collected during the taxable year by the company from the business upon investment contracts issued by the company and held by persons residing within Indiana and elsewhere.

(d) As used in subsection (c), "investment company" means a person, copartnership, association, limited liability company, or corporation, whether domestic or foreign, that:

(1) is registered under the Investment Company Act of 1940 (15 U.S.C. 80a-1 et seq.); and

(2) solicits or receives a payment to be made to itself and issues in exchange for the payment:

(A) a so-called bond;

(B) a share;

(C) a coupon;

(D) a certificate of membership;

(E) an agreement;

(F) a pretended agreement; or

(G) other evidences of obligation;

entitling the holder to anything of value at some future date, if the gross payments received by the company during the taxable year on outstanding investment contracts, plus interest and dividends earned on those contracts (by prorating the interest and dividends earned on investment contracts by the same proportion that certificate reserves (as defined by the Investment Company Act of 1940) is to the company's total assets) is at least fifty percent (50%) of the company's gross payments upon investment contracts plus gross income from all other sources except dividends from subsidiaries for the taxable year. The term "investment contract" means an instrument listed in clauses (A) through (G).

SECTION 79. IC 6-7-1-28.1, AS AMENDED BY P.L.3-2008, SECTION 66, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 28.1. The taxes, registration fees, fines, or penalties collected under this chapter shall be deposited in the following manner:

(1) Four and twenty-two hundredths percent (4.22%) of the money shall be deposited in a fund to be known as the cigarette tax fund.

(2) Six-tenths percent (0.6%) of the money shall be deposited in a fund to be known as the mental health centers fund.

(3) ~~Fifty-three~~ **Fifty-seven** and ~~sixty-eight~~ **twenty-eight** hundredths percent ~~(53.68%)~~ **(57.28%)** of the money shall be deposited in the state general fund.

(4) Five and forty-three hundredths percent (5.43%) of the money shall be deposited into the pension relief fund established in IC 5-10.3-11.

(5) Twenty-seven and five hundredths percent (27.05%) of the money shall be deposited in the Indiana check-up plan trust fund established by IC 12-15-44.2-17.

(6) Two and forty-six hundredths percent (2.46%) of the money shall be deposited in the state general fund for the purpose of paying appropriations for Medicaid—Current Obligations, for provider reimbursements.

(7) ~~Four and one-tenth~~ **Five-tenths** percent ~~(4.1%)~~ **(0.5%)** of the money shall be deposited in the ~~state general fund for the purpose of paying any appropriation for a health initiative.~~ **retiree health benefit trust fund established by IC 5-10-8-8.5 for the purpose of paying any appropriation for a health initiative.**

(8) Two and forty-six hundredths percent (2.46%) of the money shall be deposited in the state general fund for the purpose of reimbursing the state general fund for a tax credit provided under IC 6-3.1-31.

The money in the cigarette tax fund, the mental health centers fund, the Indiana check-up plan trust fund, or the pension relief fund at the end of a fiscal year does not revert to the state general fund. However, if in any fiscal year, the amount allocated to a fund under subdivision (1) or (2) is less than the amount received in fiscal year 1977, then that fund shall be credited with the difference between the amount allocated and the amount received in fiscal year 1977, and the allocation for the fiscal year to the fund under subdivision (3) shall be reduced by the amount of that difference. Money deposited under subdivisions (6) through ~~(8)~~ **(7)** may not be used for any purpose other than the purpose stated in the subdivision.

SECTION 80. IC 12-8-1-10, AS AMENDED BY P.L.113-2008, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 10. This chapter expires ~~January 1, 2010.~~ **June 30, 2011.**

SECTION 81. IC 12-8-2-12, AS AMENDED BY P.L.113-2008, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 12. This chapter expires ~~January 1, 2010.~~ **June 30, 2011.**

SECTION 82. IC 12-8-6-10, AS AMENDED BY P.L.113-2008, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 10. This chapter expires ~~January 1, 2010.~~ **June 30, 2011.**

SECTION 83. IC 12-8-8-8, AS AMENDED BY P.L.113-2008, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 8. This chapter expires ~~January 1, 2010.~~ **June 30, 2011.**

SECTION 84. IC 20-19-3-9 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 9. Beginning with the school year beginning July 1, 2009, the department shall obtain and maintain student test number information in a manner and form that permits any person who is authorized to review the information, to:**

(1) access the information at any time; and

(2) accurately determine:

(A) where each student is enrolled and attending classes; and

(B) the number of students enrolled in a school corporation or charter school and residing in the area served by a school corporation;

as of any date after June 30, 2009, occurring before two (2) regular instructional days before the date of the inquiry.

Each school corporation and charter school shall provide the information to the department in the form and on a schedule that permits the department to comply with this section. The department shall provide technical assistance to school corporations and charter schools to assist school corporations and charter schools in complying with this section.

SECTION 85. IC 20-20-13-3, AS ADDED BY P.L.218-2005, SECTION 45, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 3. As used in sections 13 through 24 of this chapter, "school corporation" includes, except as otherwise provided in this chapter, the Indiana School for the Blind and Visually Impaired established by IC 20-21-2-1, ~~and~~ the Indiana School for the Deaf established by IC 20-22-2-1, **and a charter school established under IC 20-24.**

SECTION 86. IC 20-20-36.2-5, AS ADDED BY P.L.1-2009, SECTION 120, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 5. (a) An eligible school corporation's circuit breaker replacement amount for 2009 is equal to the result determined under STEP FOUR of the following formula:

STEP ONE: Determine the amount of credits granted against the eligible school corporation's combined levy for the eligible school corporation's debt service fund, capital projects fund, transportation fund, school bus replacement fund, and racial balance fund.

STEP TWO: Determine the sum of the STEP ONE amounts for all eligible school corporations in Indiana.

STEP THREE: Divide **the lesser of the STEP TWO amount or** fifty million dollars ($50,000,000) by the STEP TWO amount, rounding to the nearest ten thousandth (0.0001).

STEP FOUR: Multiply the STEP THREE result by the STEP ONE amount, rounding to the nearest dollar ($1).

(b) An eligible school corporation's circuit breaker replacement amount for 2010 is equal to the result determined under STEP FOUR of the following formula:

STEP ONE: Determine the amount of credits granted against the eligible school corporation's combined levy for the school corporation's debt service fund, capital projects fund, transportation fund, school bus replacement fund, and racial balance fund.

STEP TWO: Determine the sum of the STEP ONE amounts for all eligible school corporations in Indiana.

STEP THREE: Divide **the lesser of the STEP TWO amount or** seventy million dollars ($70,000,000) by the STEP TWO amount, rounding to the nearest ten thousandth (0.0001).

STEP FOUR: Multiply the STEP THREE result by the STEP ONE amount, rounding to the nearest dollar ($1).

SECTION 87. IC 20-20-36.2-7, AS ADDED BY P.L.1-2009, SECTION 120, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 7. (a) Not later than ~~May 1~~ **July 30** of a calendar year, the budget agency shall certify to the department an initial estimate of the circuit breaker replacement amount attributable to each school corporation for the calendar year.

(b) Not later than November 1 of a calendar year, the budget agency shall certify to the department a final estimate of the circuit breaker replacement amount attributable to each eligible school corporation for the calendar year.

(c) The budget agency shall compute an amount certified under this section using the best information available to the budget agency at the time the certification is made.

SECTION 88. IC 20-20-36.2-8, AS ADDED BY P.L.1-2009, SECTION 120, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 8. Subject to section 9 of this chapter, the department shall distribute a grant to an eligible school corporation equal to fifty percent (50%) of the eligible school corporation's estimated circuit breaker replacement amount for the calendar year in two (2) installments. ~~An installment shall be paid not later than:~~

~~(1) June 20; and~~

~~(2) December 20;~~

~~of the calendar year.~~

SECTION 89. IC 20-23-6-18 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO

READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: **Sec. 18. (a) This section applies to a school corporation with an ADM on June 30, 2009, of less than one hundred (100) students.**

(b) Before July 1, 2010, a school corporation to which this section applies shall reorganize by consolidating with an adjacent school corporation under this chapter.

(c) If the governing body of a school corporation to which this section applies does not comply with this section before July 1, 2010, the state board shall, after June 30, 2010, develop a reorganization plan for the school corporation and require the governing body to implement the plan.

SECTION 90. IC 20-24-7-11, AS ADDED BY P.L.246-2005, SECTION 129, IS CORRECTED AND IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) If the United States Department of Education approves a new competition for states to receive matching funds for charter school facilities, the department shall pursue this federal funding.

~~*(b) There is appropriated to the department of education ten million dollars ($10,000,000) from the common school fund interest balance in the state general fund to provide state matching funds for the federal funding described in subsection (a) for the benefit of charter schools, beginning July 1, 2005, and ending June 30, 2007.*~~

(b) The department shall use the common school fund interest balance to provide state matching funds for the federal funding described in subsection (a) for the benefit of charter schools.

~~(c) The department shall develop guidelines and the state board shall adopt rules under IC 4-22-2 necessary to implement this section.~~

(c) To increase the state's opportunity to receive matching funds from the United States Department of Education, the department shall develop a facilities incentive grants program before January 1, 2010.

(d) The department shall use the priority criteria set forth in 21 U.S.C. 7221d(b) and 34 CFR 226.12 through 34 CFR 226.14 to develop the facilities incentive grants program.

SECTION 91. IC 20-24-7-13 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: **Sec. 13. (a) As used in this SECTION, "virtual charter school" means any charter school, including a conversion charter school, that provides for the delivery of more than fifty percent (50%) of instruction to students through:**

(1) virtual distance learning;

(2) online technologies; or

(3) computer based instruction.

(b) The department shall establish a program for virtual charter schools. The department may choose an entity or entities to operate the virtual charter schools.

(c) A virtual charter school is entitled to a state tuition support distribution determined under the following formula:

STEP ONE: Determine the number of students included in the virtual charter school's ADM.

STEP TWO: Determine fifty percent (50%) of the students included in the virtual charter school's ADM who were not previously enrolled in a public or charter school on the prior count day.

STEP THREE: Subtract the STEP TWO amount from the STEP ONE amount.

STEP FOUR: Multiply the STEP THREE amount by eighty percent (80%) of the statewide average basic tuition support for the current year.

SECTION 92. IC 20-26-5-4, AS AMENDED BY P.L.168-2006, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 4. In carrying out the school purposes of a school corporation, the governing body acting on the school corporation's behalf has the following specific powers:

(1) In the name of the school corporation, to sue and be sued and to enter into contracts in matters permitted by applicable law.

(2) To take charge of, manage, and conduct the educational affairs of the school corporation and to establish, locate, and provide the necessary schools, school libraries, other libraries where permitted by law, other buildings, facilities, property, and equipment.

(3) To appropriate from the school corporation's general fund an amount, not to exceed the greater of three thousand dollars ($3,000) per budget year or one dollar ($1) per pupil, not to exceed twelve thousand five hundred dollars ($12,500), based on the school corporation's previous year's ADM, to promote the best interests of the school corporation through:

(A) the purchase of meals, decorations, memorabilia, or awards;

(B) provision for expenses incurred in interviewing job applicants; or

(C) developing relations with other governmental units.

(4) To:

(A) Acquire, construct, erect, maintain, hold, and contract for construction, erection, or maintenance of real estate, real estate improvements, or an interest in real estate or real estate improvements, as the governing body considers necessary for school purposes, including buildings, parts of buildings, additions to buildings, rooms, gymnasiums, auditoriums, playgrounds, playing and athletic fields, facilities for physical training, buildings for administrative, office, warehouse, repair activities, or housing school owned buses, landscaping, walks, drives, parking areas, roadways, easements and facilities for power, sewer, water, roadway, access, storm and surface water, drinking water, gas, electricity, other utilities and similar purposes, by purchase, either outright for cash (or under conditional sales or purchase money contracts providing for a retention of a security interest by the seller until payment is made or by notes where the contract, security retention, or note is permitted by applicable law), by exchange, by gift, by devise, by eminent domain, by lease with or without option to purchase, or by lease under IC 20-47-2, IC 20-47-3, or IC 20-47-5.

(B) Repair, remodel, remove, or demolish, or to contract for the repair, remodeling, removal, or demolition of the real estate, real estate improvements, or interest in the real estate or real estate improvements, as the governing body considers necessary for school purposes.

(C) Provide for conservation measures through utility efficiency programs or under a guaranteed savings contract as described in IC 36-1-12.5.

(5) To acquire personal property or an interest in personal property as the governing body considers necessary for school purposes, including buses, motor vehicles, equipment, apparatus, appliances, books, furniture, and supplies, either by cash purchase or under conditional sales or purchase money contracts providing for a security interest by the seller until payment is made or by notes where the contract, security, retention, or note is permitted by applicable law, by gift, by devise, by loan, or by lease with or without option to purchase and to repair, remodel, remove, relocate, and demolish the personal property. All purchases and contracts specified under the powers authorized under subdivision (4) and this subdivision are subject solely to applicable law relating to purchases and contracting by municipal corporations in general and to the supervisory control of state agencies as provided in section 6 of this chapter.

(6) To sell or exchange real or personal property or interest in real or personal property that, in the opinion of the governing body, is not necessary for school purposes, in accordance with IC 20-26-7, to demolish or otherwise dispose of the property if, in the opinion of the governing body, the property is not necessary for school purposes and is worthless, and to pay the expenses for the demolition or disposition.

(7) To lease any school property for a rental that the governing body considers reasonable or to permit the free use of school property for:

(A) civic or public purposes; or

(B) the operation of a school age child care program for children who are at least five (5) years of age and less than fifteen (15) years of age that operates before or after the school day, or both, and during periods when school is not in session;

if the property is not needed for school purposes. Under this subdivision, the governing body may enter into a long term lease with a nonprofit corporation, community service organization, or other governmental entity, if the corporation, organization, or other governmental entity will use the property to be leased for civic or public purposes or for a school age child care program. However, if payment for the property subject to a long term lease is made from money in the school corporation's debt service fund, all proceeds from the long term lease must be deposited in the school corporation's debt service fund so long as payment for the property has not been made. The governing body may, at the governing body's option, use the procedure specified in IC 36-1-11-10 in leasing property under this subdivision.

(8) To:

(A) Employ, contract for, and discharge superintendents, supervisors, principals, teachers, librarians, athletic coaches (whether or not they are otherwise employed by the school corporation and whether or not they are licensed under IC 20-28-5), business managers, superintendents of buildings and grounds, janitors, engineers, architects, physicians, dentists, nurses, accountants, teacher aides performing noninstructional duties, educational and other professional consultants, data processing and computer service for school purposes, including the making of schedules, the keeping and analyzing of grades and other student data, the keeping and preparing of warrants, payroll, and similar data where approved by the state board of accounts as provided below, and other personnel or services as the governing body considers necessary for school purposes.

(B) Fix and pay the salaries and compensation of persons and services described in this subdivision.

(C) Classify persons or services described in this subdivision and to adopt schedules of salaries or compensation.

(D) Determine the number of the persons or the amount of the services employed or contracted for as provided in this subdivision.

(E) Determine the nature and extent of the duties of the persons described in this subdivision.

The compensation, terms of employment, and discharge of teachers are, however, subject to and governed by the laws relating to employment, contracting, compensation, and discharge of teachers. The compensation, terms of employment, and discharge of bus drivers are subject to and governed by laws relating to employment, contracting, compensation, and discharge of bus drivers. The forms and procedures relating to the use of computer and data processing equipment in handling the financial affairs of the school corporation must be submitted to the state board of accounts for approval so that the services are used by the school corporation when the governing body determines that it is in the best interest of the school corporation while at the same time providing reasonable accountability for the funds expended.

(9) Notwithstanding the appropriation limitation in subdivision (3), when the governing body by resolution considers a trip by an employee of the school corporation or by a member of the governing body to be in the interest of the school corporation, including attending meetings, conferences, or examining equipment, buildings, and installation in other areas, to permit the employee to be absent in connection with the trip without any loss in pay and to reimburse the employee or the member the employee's or member's reasonable lodging and meal expenses and necessary transportation expenses. To pay teaching personnel for time spent in sponsoring and working with school related trips or activities.

(10) To transport children to and from school, when in the opinion of the governing body the transportation is necessary, including considerations for the safety of the children and without regard to the distance the children live from the school. The transportation must be otherwise in accordance with applicable law.

(11) To provide a lunch program for a part or all of the students attending the schools of the school corporation, including the establishment of kitchens, kitchen facilities, kitchen equipment, lunch rooms, the hiring of the necessary personnel to operate the lunch program, and the purchase of material and supplies for the lunch program, charging students for the operational costs of the lunch program, fixing the price per meal or per food item. To operate the lunch program as an extracurricular activity, subject to the supervision of the governing body. To participate in a surplus commodity or lunch aid program.

(12) To purchase textbooks, to furnish textbooks without cost or to rent textbooks to students, to participate in a textbook aid program, all in accordance with applicable law.

(13) To accept students transferred from other school corporations and to transfer students to other school corporations in accordance with applicable law.

(14) To make budgets, to appropriate funds, and to disburse the money of the school corporation in accordance with applicable law. To borrow money against current tax collections and otherwise to borrow money, in accordance with IC 20-48-1.

(15) To purchase insurance or to establish and maintain a program of self-insurance relating to the liability of the school corporation or the school corporation's employees in connection with motor vehicles or property and for additional coverage to the extent permitted and in accordance with IC 34-13-3-20. To purchase additional insurance or to establish and maintain a program of self-insurance protecting the school corporation and members of the governing body, employees, contractors, or agents of the school corporation from liability, risk, accident, or loss related to school property, school contract, school or school related activity, including the purchase of insurance or the establishment and maintenance of a self-insurance program protecting persons described in this subdivision against false imprisonment, false arrest, libel, or slander for acts committed in the course of the persons' employment, protecting the school corporation for fire and extended coverage and other casualty risks to the extent of replacement cost, loss of use, and other insurable risks relating to property owned, leased, or held by the school corporation. To:

(A) participate in a state employee health plan under IC 5-10-8-6.6;

(B) purchase insurance; or

(C) establish and maintain a program of self-insurance;

to benefit school corporation employees, including accident, sickness, health **(before July 1, 2012)** or dental coverage **(before July 1, 2012),** provided that a plan of self-insurance must include an aggregate stop-loss provision.

(16) To make all applications, to enter into all contracts, and to sign all documents necessary for the receipt of aid, money, or property from the state, the federal government, or from any other source.

(17) To defend a member of the governing body or any employee of the school corporation in any suit arising out of the performance of the member's or employee's duties for or employment with, the school corporation, if the governing body by resolution determined that the action was taken in good faith. To save any member or employee harmless from any liability, cost, or damage in connection with the performance, including the payment of legal fees, except where the liability, cost, or damage is predicated on or arises out of the bad faith of the member or employee, or is a claim or judgment based on the member's or employee's malfeasance in office or employment.

(18) To prepare, make, enforce, amend, or repeal rules, regulations, and procedures:

(A) for the government and management of the schools, property, facilities, and activities of

the school corporation, the school corporation's agents, employees, and pupils and for the operation of the governing body; and

(B) that may be designated by an appropriate title such as "policy handbook", "bylaws", or "rules and regulations".

(19) To ratify and approve any action taken by a member of the governing body, an officer of the governing body, or an employee of the school corporation after the action is taken, if the action could have been approved in advance, and in connection with the action to pay the expense or compensation permitted under IC 20-26-1 through IC 20-26-5, IC 20-26-7, IC 20-40-12, and IC 20-48-1 or any other law.

(20) To exercise any other power and make any expenditure in carrying out the governing body's general powers and purposes provided in this chapter or in carrying out the powers delineated in this section which is reasonable from a business or educational standpoint in carrying out school purposes of the school corporation, including the acquisition of property or the employment or contracting for services, even though the power or expenditure is not specifically set out in this chapter. The specific powers set out in this section do not limit the general grant of powers provided in this chapter except where a limitation is set out in IC 20-26-1 through IC 20-26-5, IC 20-26-7, IC 20-40-12, and IC 20-48-1 by specific language or by reference to other law.

SECTION 93. IC 20-28-6-2.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: **Sec. 2.5. A contract entered into or renewed under this chapter after June 30, 2009, may not extend beyond June 30 of the next odd-numbered year occurring after the contract is entered into or renewed.**

SECTION 94. IC 20-28-7-9, AS AMENDED BY P.L.38-2007, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 9. (a) Before a teacher is refused continuation of the contract under section 8 of this chapter, the teacher has the following rights, which shall be strictly construed:

(1) The principal of the school at which the teacher teaches must provide the teacher with an annual written evaluation of the teacher's performance before January 1 of each year. Upon the request of a nonpermanent teacher, delivered in writing to the principal not later than thirty (30) days after the teacher receives the evaluation required by this section, the principal shall provide the teacher with an additional written evaluation.

(2) ~~On or before May 1,~~ The school corporation shall **at least sixty (60) days before the beginning of the next school term** notify the teacher that the governing body will consider nonrenewal of the contract for the next school term. The notification must be:

(A) written; and

(B) delivered in person or mailed by registered or certified mail to the teacher at the teacher's last known address.

(b) The notice in subsection (a)(2) must include a written statement, which:

(1) may be developed in executive session; and

(2) is not a public document;

giving the reasons for the consideration of the nonrenewal of the teacher's contract.

(c) For reasons other than a reduction in force, the notice in subsection (a)(2) must inform the teacher that, not later than ten (10) days after the teacher's receipt of the notice, the teacher may request a conference under section 10 of this chapter.

(d) If the reason for nonrenewal is reduction in force, the teacher may request a conference as provided in section 10 of this chapter.

SECTION 95. IC 20-29-6-4.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO

READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: **Sec. 4.5. Any health, vision, or dental benefits that are:**

(1) provided to school employees after June 30, 2012; and

(2) negotiated under this chapter;

must be provided under a state employee health plan as provided in IC 5-10-8-6.7.

SECTION 96. IC 20-30-6-1, AS ADDED BY P.L.1-2005, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 1. **(a) As used in this section, "qualified provider" means any of the following:**

(1) A school corporation.

(2) An eligible provider (as defined in 20 U.S.C. 9202).

~~(a)~~ **(b)** The state board and the state superintendent may prescribe a program of adult education **under this section and the federal Adult Education and Family Literacy Act (20 U.S.C. 9201 et seq.).** The state board shall adopt rules under IC 4-22-2 to provide for this program and to provide for the state distribution formula for money appropriated by the general assembly for adult education. Money appropriated by the general assembly for adult education may be used only to reimburse a ~~school corporation~~ **qualified provider** for adult education that is provided to individuals who:

(1) need the education to master a skill that leads to:

(A) the completion of grade 8; or

(B) a state of Indiana general educational development (GED) diploma under IC 20-20-6;

(2) need the education to receive high school credit to obtain a high school diploma; or

(3) have graduated from high school (or received a high school equivalency certificate or a state of Indiana general educational development (GED) diploma) but who demonstrate basic skill deficiencies in mathematics or English/language arts.

For purposes of reimbursement under this section, ~~the school corporation~~ **a qualified provider** may not count an individual who is also enrolled in ~~the school corporation's~~ **a** kindergarten through grade 12 educational program. An individual described in subdivision (3) may be counted for reimbursement by ~~the school corporation~~ **a qualified provider** only for classes taken in mathematics and English/language arts.

~~(b)~~ **(c)** The state board shall provide for reimbursement to a ~~school corporation~~ **qualified provider** under this section for instructor salaries and administrative and support costs. However, the state board may not allocate more than fifteen percent (15%) of the total appropriation under subsection ~~(a)~~ **(b)** for administrative and support costs.

~~(c)~~ **(d)** A ~~school corporation~~ **qualified provider** may conduct a program of adult education.

~~(d)~~ **(e)** A school corporation may require an individual who:

(1) is at least sixteen (16) years of age; and

(2) wishes to enroll in a school following the student's expulsion from school under IC 20-33-8 on the grounds that the student was:

(A) disorderly; or

(B) dangerous to persons or property;

to attend evening classes or classes established for students who are at least sixteen (16) years of age. However, the school corporation shall provide a child with a disability (as defined in IC 20-35-1-2) who is at least eighteen (18) years of age and whom the school corporation elects to educate with an appropriate special educational program.

SECTION 97. IC 20-33-8.5-5, AS AMENDED BY P.L.234-2007, SECTION 228, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 5. The agreement must provide how the expenses of supervising a student who has been suspended or expelled are funded. A school corporation may not be required to expend more than the transition to foundation ~~revenue per adjusted ADM~~ **amount** (as ~~defined in IC 20-43-1-29.3)~~ **determined under IC 20-43-5-6)** for each student

referred under the agreement.

SECTION 98. IC 20-43-1-1, AS AMENDED BY P.L.234-2007, SECTION 232, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 1. This article expires January 1, ~~2010.~~ **2012.**

SECTION 99. IC 20-43-1-8, AS ADDED BY P.L.2-2006, SECTION 166, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 8. "Basic tuition support" means the part of a school corporation's state tuition support for basic programs determined under ~~IC 20-43-6-5.~~ **IC 20-43-6-3.**

SECTION 100. IC 20-43-1-25, AS ADDED BY P.L.2-2006, SECTION 166, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 25. "State tuition support" means the amount of state funds to be distributed to:

(1) a school corporation **other than a virtual charter school** in any calendar year under this article for all grants, distributions, and awards described in IC 20-43-2-3; **and**

(2) a virtual charter school in any calendar year under IC 20-24-7-13.

SECTION 101. IC 20-43-1-31 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: **Sec. 31. "Virtual charter school" has the meaning set forth in IC 20-24-7-13.**

SECTION 102. IC 20-43-1-32 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: **Sec. 32. For purposes of the calculation of state tuition support under this article and for purposes of federal state fiscal stabilization funds, a school corporation's fiscal year is the calendar year.**

SECTION 103. IC 20-43-2-2, AS AMENDED BY P.L.146-2008, SECTION 482, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 2. The maximum state distribution **(excluding federal funds under the American Recovery and Reinvestment Act of 2009)** for a calendar year for all school corporations for the purposes described in section 3 of this chapter is:

~~(1) three billion eight hundred twelve million five hundred thousand dollars ($3,812,500,000) in 2007;~~

~~(2) three billion nine hundred sixty million nine hundred thousand dollars ($3,960,900,000) in 2008; and~~

~~(3)~~ **(1)** ~~six~~ **five** billion ~~five~~ **eight** hundred ~~nine~~ **sixty-one** million dollars ~~($6,509,000,000)~~ **($5,861,000,000)** in 2009;

(2) six billion four hundred ninety-seven million one hundred thousand dollars ($6,497,100,000) in 2010; and

(3) six billion five hundred twelve million dollars ($6,512,000,000) in 2011.

SECTION 104. IC 20-43-5-3, AS AMENDED BY P.L.3-2008, SECTION 125, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 3. A school corporation's complexity index is determined under the following formula:

STEP ONE: Determine the greater of zero (0) or the result of the following:

(1) Determine the percentage of the school corporation's students who were eligible for free or reduced price lunches in the school year ending in the later of ~~2007~~ **2009** or the first year of operation of the school corporation.

(2) Determine the quotient of:

~~(A) in 2008:~~

~~(i) two thousand two hundred fifty dollars ($2,250); divided by~~

~~(ii) four thousand seven hundred ninety dollars ($4,790); and~~

~~(B) in 2009:~~

~~(i)~~ **(A)** two thousand four hundred dollars ($2,400); divided by

~~(ii)~~ **(B)** four thousand eight hundred twenty-five dollars ($4,825).

(3) Determine the product of:

(A) the subdivision (1) amount; multiplied by

(B) the subdivision (2) amount.

STEP TWO: Determine the result of one (1) plus the STEP ONE result.

STEP THREE: This STEP applies if the STEP TWO result is equal to or greater than at least one and twenty-five hundredths (1.25). Determine the result of the following:

(1) Subtract one and twenty-five hundredths (1.25) from the STEP TWO result.

(2) Determine the result of:

(A) the STEP TWO result; plus

(B) the subdivision (1) result.

The data to be used in making the calculations under STEP ONE must be the data collected in the annual pupil enrollment count by the department.

SECTION 105. IC 20-43-5-4, AS AMENDED BY P.L.234-2007, SECTION 244, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 4. A school corporation's foundation amount for a calendar year is the result determined under STEP TWO of the following formula:

STEP ONE: ~~Determine~~

~~(A) in 2008, four thousand seven hundred ninety dollars ($4,790); or~~

~~(B) in 2009,~~ **The STEP ONE amount is** four thousand eight hundred twenty-five dollars ($4,825).

STEP TWO: Multiply the STEP ONE amount by the school corporation's complexity index.

SECTION 106. IC 20-43-5-6, AS AMENDED BY P.L.234-2007, SECTION 245, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 6. **(a) This subsection applies to a charter school with an ADM for 2009 that is not greater than zero (0). A charter school's transition to foundation amount for a year is equal to the foundation amount for the year.**

(b) This subsection applies to a school corporation that is not described in subsection (a). A school corporation's transition to foundation amount for a calendar year is equal to the result determined under STEP ~~THREE~~ **TWO** of the following formula:

~~STEP ONE: Determine the difference of:~~

~~(A) the school corporation's foundation amount; minus~~

~~(B) the school corporation's previous year revenue foundation amount.~~

~~STEP TWO: Divide the STEP ONE result by:~~

~~(A) four (4) in 2008; or~~

~~(B) three (3) in 2009.~~

~~STEP THREE: A school corporation's STEP THREE amount is the following:~~

~~(A) For a charter school located outside Marion County that has previous year revenue that is not greater than zero (0), the charter school's STEP THREE amount is the quotient of:~~

~~(i) the school corporation's transition to foundation revenue for the calendar year where the charter school is located; divided by~~

~~(ii) the school corporation's current ADM.~~

~~(B) For a charter school located in Marion County that has previous year revenue that is not greater than zero (0), the charter school's STEP THREE amount is the weighted average of the transition to foundation revenue for the school corporations where the students counted in the current ADM of the charter school have legal settlement, as determined under item (iv) of the following formula:~~

~~(i) Determine the transition to foundation revenue for each school corporation where a student counted in the current ADM of the charter school has legal settlement.~~

~~(ii) For each school corporation identified in item (i), divide the item (i) amount by the school corporation's current ADM.~~

~~(iii) For each school corporation identified in item (i), multiply the item (ii) amount by the number of students counted in the current ADM of the charter school that have legal settlement in the particular school corporation.~~

~~(iv) Determine the sum of the item (iii) amounts for the charter school.~~

~~(C) The STEP THREE amount for a school corporation that is not a charter school described in clause (A) or (B) is the following:~~

~~(i) The school corporation's foundation amount for the calendar year, if the STEP ONE amount is at least negative fifty dollars (-$50) and not more than one hundred dollars ($100).~~

~~(ii) For 2009, the school corporation's foundation amount for the calendar year, if the foundation amount in 2008 equaled the school corporation's transition to foundation revenue per adjusted ADM in 2008.~~

~~(iii) The sum of the school corporation's previous year revenue foundation amount and the greater of the school corporation's STEP TWO amount or one hundred dollars ($100), if the school corporation's STEP ONE amount is greater than one hundred dollars ($100).~~

~~(iv) The difference determined by subtracting fifty dollars ($50) from the school corporation's previous year revenue foundation amount, if the school corporation's STEP ONE amount is less than negative fifty dollars (-$50).~~

STEP ONE: Determine the amount of basic tuition support to which the school corporation would have been entitled for the 2009 calendar year if:

(A) the school corporation's basic tuition support had been computed using the formula for computing basic tuition support for 2009 as that formula existed after the amendments made by P.L.146-2008; and

(B) the changes made to this article in the 2009 session of the general assembly were not applied.

STEP TWO: Divide the STEP ONE amount by the school corporation's 2009 ADM.

SECTION 107. IC 20-43-6-1, AS ADDED BY P.L.2-2006, SECTION 166, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 1. Subject to the amount appropriated by the general assembly for state tuition support and IC 20-43-2, the amount that a school corporation is entitled to receive in basic tuition support for a year is the amount determined in section ~~5~~ **3** of this chapter.

SECTION 108. IC 20-43-6-3, AS AMENDED BY P.L.146-2008, SECTION 488, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 3. (a) ~~A school corporation's total regular program tuition support for a calendar~~ year is ~~the amount determined under the applicable provision of this section.~~ **This subsection applies to a virtual charter school. A virtual charter school's basic tuition support for a year is the amount determined under IC 20-24-7-13.**

(b) This subsection applies to a school corporation that ~~has transition to foundation revenue per adjusted ADM for a calendar year that is not equal to the school corporation's foundation amount for the calendar year. The~~ **is not described in subsection (a). A** school corporation's ~~total regular program~~ **basic** tuition support for a ~~calendar~~ year is equal to the school corporation's transition to foundation ~~revenue~~ **amount** for the ~~calendar~~ year **determined under IC 20-43-5-6 multiplied by the school corporation's current ADM.**

~~(c) This subsection applies to a school corporation that has transition to foundation revenue per adjusted ADM for a calendar year that is equal to the school corporation's foundation amount for the calendar year. The school corporation's total regular program tuition support for a calendar year is the sum of the following:~~

~~(1) The school corporation's foundation amount for the calendar year multiplied by the school corporation's adjusted ADM for the current year.~~

~~(2) The amount of the annual decrease in federal aid to impacted areas from the year preceding the ensuing calendar year by three (3) years to the year preceding the ensuing calendar year by two (2) years.~~

SECTION 109. IC 20-43-7-6, AS AMENDED BY P.L.234-2007, SECTION 252, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 6. A school corporation's special education grant for a calendar year is equal to the sum of the following:

(1) The nonduplicated count of pupils in programs for severe disabilities multiplied by

~~(A) in 2008, eight thousand three hundred dollars ($8,300); and~~

~~(B) in 2009,~~ eight thousand three hundred fifty dollars ($8,350).

(2) The nonduplicated count of pupils in programs of mild and moderate disabilities multiplied by

~~(A) in 2008, two thousand two hundred fifty dollars ($2,250); and~~

~~(B) in 2009,~~ two thousand two hundred sixty-five dollars ($2,265).

(3) The duplicated count of pupils in programs for communication disorders multiplied by

~~(A) in 2008, five hundred thirty-one dollars ($531); and~~

~~(B) in 2009,~~ five hundred thirty-three dollars ($533).

(4) The cumulative count of pupils in homebound programs multiplied by

~~(A) in 2008, five hundred thirty-one dollars ($531); and~~

~~(B) in 2009,~~ five hundred thirty-three dollars ($533).

(5) The nonduplicated count of pupils in special preschool education programs multiplied by two thousand seven hundred fifty dollars ($2,750).

SECTION 110. IC 20-43-9-4, AS AMENDED BY P.L.234-2007, SECTION 253, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 4. For purposes of computation under this chapter, the following shall be used:

(1) The staff cost amount for a school corporation

~~(A) in 2008, is seventy-two thousand dollars ($72,000); and~~

~~(B) in 2009,~~ is seventy-four thousand five hundred dollars ($74,500).

(2) The guaranteed primetime amount for a school corporation is the primetime allocation, before any penalty is assessed under this chapter, that the school corporation would have received under this chapter for the 1999 calendar year or the first year of participation in the program, whichever is later.

(3) The following apply to determine whether amounts received under this chapter have been devoted to reducing class size in kindergarten through grade 3 as required by section 2 of this chapter:

(A) Except as permitted under section 8 of this chapter, only a licensed teacher who is an actual classroom teacher in a regular instructional program is counted as a teacher.

(B) If a school corporation is granted approval under section 8 of this chapter, the school corporation may include as one-third (1/3) of a teacher each classroom instructional aide who meets qualifications and performs duties prescribed by the state board.

SECTION 111. IC 20-43-9-6, AS AMENDED BY P.L.234-2007, SECTION 254, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 6. A school corporation's primetime distribution for a calendar year under this chapter is the amount determined by the following formula:

STEP ONE: Determine the applicable target pupil/teacher ratio for the school corporation as follows:

(A) If the school corporation's complexity index is less than one and one-tenth (1.1), the

school corporation's target pupil/teacher ratio is eighteen to one (18:1).

(B) If the school corporation's complexity index is at least one and one-tenth (1.1) but less than one and two-tenths (1.2), the school corporation's target pupil/teacher ratio is fifteen (15) plus the result determined in item (iii) to one (1):

(i) Determine the result of one and two-tenths (1.2) minus the school corporation's complexity index.

(ii) Determine the item (i) result divided by one-tenth (0.1).

(iii) Determine the item (ii) result multiplied by three (3).

(C) If the school corporation's complexity index is at least one and two-tenths (1.2), the school corporation's target pupil/teacher ratio is fifteen to one (15:1).

STEP TWO: Determine the result of:

(A) the ADM of the school corporation in kindergarten through grade 3 for the current school year; divided by

(B) the school corporation's applicable target pupil/teacher ratio, as determined in STEP ONE.

STEP THREE: Determine the result of:

(A) the ~~total regular program~~ **basic** tuition support for the year multiplied by seventy-five hundredths (0.75); divided by

(B) the school corporation's total ADM.

STEP FOUR: Determine the result of:

(A) the STEP THREE result; multiplied by

(B) the ADM of the school corporation in kindergarten through grade 3 for the current school year.

STEP FIVE: Determine the result of:

(A) the STEP FOUR result; divided by

(B) the staff cost amount.

STEP SIX: Determine the greater of zero (0) or the result of:

(A) the STEP TWO amount; minus

(B) the STEP FIVE amount.

STEP SEVEN: Determine the result of:

(A) the STEP SIX amount; multiplied by

(B) the staff cost amount.

STEP EIGHT: Determine the greater of the STEP SEVEN amount or the school corporation's guaranteed primetime amount.

STEP NINE: A school corporation's amount under this STEP is the following:

(A) If the amount the school corporation received under this chapter in the previous calendar year is greater than zero (0), the amount under this STEP is the lesser of:

(i) the STEP EIGHT amount; or

(ii) the amount the school corporation received under this chapter for the previous calendar year multiplied by one hundred seven and one-half percent (107.5%).

(B) If the amount the school corporation received under this chapter in the previous calendar year is not greater than zero (0), the amount under this STEP is the STEP EIGHT amount.

SECTION 112. IC 20-46-5-6.1 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 6.1. (a) This section does not apply to a school corporation located in South Bend, unless a resolution adopted under IC 6-1.1-17-5.6(d) by the governing body of the school corporation is in effect.**

(b) Before a governing body may collect property taxes for the fund in a particular calendar year, the governing body must, after January 1 and not later than September 20 of the immediately preceding year:

(1) conduct a public hearing on; and

(2) pass a resolution to adopt;

a plan.

(c) This section expires January 1, 2011.

SECTION 113. IC 20-46-5-7, AS AMENDED BY P.L.146-2008, SECTION 505, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) Except as provided in subsection (b), this section applies only to a school corporation located in South Bend.

(b) After December 31, ~~2009,~~ **2010,** this section applies to all school corporations.

(c) This subsection expires January 1, ~~2010.~~ **2011.** This section does not apply to the school corporation if a resolution adopted under IC 6-1.1-17-5.6(d) by the governing body of the school corporation is in effect.

(d) Before the governing body of the school corporation may collect property taxes for the fund in a particular calendar year, the governing body must, after January 1 and on or before February 1 of the immediately preceding year:

(1) conduct a public hearing on; and

(2) pass a resolution to adopt;

a plan.

SECTION 114. IC 20-46-5-10, AS ADDED BY P.L.2-2006, SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. (a) A governing body may amend a plan. When an amendment to a plan is required, the governing body must:

(1) declare the nature of and the need for the amendment; and

(2) show cause as to why the original plan no longer meets the needs of the school corporation.

(b) The governing body must then conduct a public hearing on and pass a resolution to adopt the amendment to the plan.

(c) The plan, as proposed to be amended, must comply with the requirements for a plan under section 8 of this chapter.

(d) An amendment to the plan is not subject to the deadlines for adoption described in section ~~6~~ **6.1** or 7 of this chapter. However, the amendment to the plan must be submitted to the department of local government finance for its consideration and is subject to approval, disapproval, or modification in accordance with the procedures for adopting a plan set forth in this chapter.

SECTION 115. IC 20-46-6-8.1 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 8.1. (a) This section does not apply to a school corporation that is located in South Bend, unless a resolution adopted under IC 6-1.1-17-5.6(d) by the governing body of the school corporation is in effect.**

(b) Before a governing body may collect property taxes for a capital projects fund in a particular year, the governing body must:

(1) after January 1; and

(2) not later than September 20;

of the immediately preceding year, hold a public hearing on a proposed or amended plan and pass a resolution to adopt the proposed or amended plan.

(c) This section expires January 1, 2011.

SECTION 116. IC 20-46-6-9, AS AMENDED BY P.L.146-2008, SECTION 508, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) Except as provided in subsection (b), this section applies only to a school corporation that is located in South Bend.

(b) After December 31, ~~2009,~~ **2010,** this section applies to all school corporations.

(c) This subsection expires January 1, ~~2010.~~ **2011.** This section does not apply to the school corporation if a resolution adopted under IC 6-1.1-17-5.6(d) by the governing body of the school corporation is in effect.

(d) Before the governing body of the school corporation may collect property taxes for a fund in a particular year, the governing body must:

(1) after January 1; and

(2) before February 2;

of the immediately preceding year, hold a public hearing on a proposed or amended plan and pass a resolution to adopt the proposed or amended plan.

SECTION 117. IC 20-46-6-18, AS ADDED BY P.L.2-2006, SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 18. (a) This section applies to an amendment to a plan that is required by a reason other than an emergency.

(b) The governing body must hold a public hearing on the proposed amendment. At the hearing, the governing body must declare the nature of and the need for the amendment and pass a resolution to adopt the amendment to the plan.

(c) The plan, as proposed to be amended, must comply with the requirements for a plan under section 10 of this chapter. The governing body must publish the proposed amendment to the plan and notice of the hearing in accordance with IC 5-3-1-2(b).

(d) An amendment to the plan:

(1) is not subject to the deadline for adoption described in section ~~8~~ **8.1** or 9 of this chapter;

(2) must be submitted to the department of local government finance for its consideration; and

(3) is subject to approval, disapproval, or modification in accordance with the procedures for adopting a plan.

SECTION 118. IC 20-46-6-19, AS ADDED BY P.L.2-2006, SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 19. (a) This section applies to an amendment to a plan that is required by reason of an emergency that results in costs that exceed the amount accumulated in the fund for repair, replacement, or site acquisition that is necessitated by an emergency.

(b) The governing body is not required to comply with section 18 of this chapter.

(c) The governing body must immediately apply to the department of local government finance for a determination that an emergency exists. If the department of local government finance determines that an emergency exists, the governing body may adopt a resolution to amend the plan.

(d) An amendment to the plan is not subject to the deadline and the procedures for adoption described in section ~~8~~ **8.1** or 9 of this chapter. However, the amendment is subject to modification by the department of local government finance.

SECTION 119. IC 20-49-1-3, AS AMENDED BY P.L.234-2007, SECTION 265, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 3. "Transition to foundation ~~revenue per adjusted ADM" has the meaning set forth in IC 20-43-1-29.3.~~ **amount" refers to the amount determined under IC 20-43-5-6.**

SECTION 120. IC 20-49-7-10, AS AMENDED BY P.L.234-2007, SECTION 266, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 10. The amount of an advance for operational costs may not exceed the amount determined under STEP THREE of the following formula:

STEP ONE: Determine the product of:

(A) the charter school's enrollment reported under IC 20-24-7-2(a); multiplied by

(B) the charter school's transition to foundation ~~revenue per adjusted ADM.~~ **amount.**

STEP TWO: Determine the quotient of:

(A) the STEP ONE amount; divided by

(B) two (2).

STEP THREE: Determine the product of:

(A) the STEP TWO amount; multiplied by

(B) one and fifteen-hundredths (1.15).

SECTION 121. IC 20-49-7-11, AS AMENDED BY P.L.234-2007, SECTION 267, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 11. The amount of an advance for operational costs may not exceed the amount determined under STEP FOUR of the following formula:

STEP ONE: Determine the quotient of:

(A) the charter school's transition to foundation ~~revenue per adjusted ADM;~~ **amount;** divided by

(B) two (2).

STEP TWO: Determine the difference between:

(A) the charter school's current ADM; minus

(B) the charter school's ADM of the previous year.

STEP THREE: Determine the product of:

(A) the STEP ONE amount; multiplied by

(B) the STEP TWO amount.

STEP FOUR: Determine the product of:

(A) the STEP THREE amount; multiplied by

(B) one and fifteen-hundredths (1.15).

SECTION 122. IC 20-49-7-21 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: **Sec. 21. (a) A charter school, including a conversion charter school, that has received an advance for operational costs from the common school fund under this chapter does not have to make principal or interest payments during the state fiscal years beginning:**

(1) July 1, 2009; and

(2) July 1, 2010;

notwithstanding contrary terms in the charter school and state board advance agreement.

(b) The repayment term of the advance shall be extended by two (2) years to provide for the waiver described in subsection (a) even though it may make the repayment term for the advance longer than twenty (20) years.

SECTION 123. IC 20-51 IS ADDED TO THE INDIANA CODE AS A **NEW** ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]:

ARTICLE 51. SCHOOL SCHOLARSHIPS

Chapter 1. Definitions

Sec. 1. The definitions in this chapter apply throughout this article.

Sec. 2. "Agreement" refers to an agreement between the department and an applicant that applies for certification of a school scholarship program.

Sec. 3. "Contribution" refers to a contribution to a scholarship granting organization for use in a school scholarship program.

Sec. 4. (a) "Cost of education" means the tuition and fees that would otherwise be charged by a participating school to:

(1) an eligible student; or

(2) a parent of an eligible student.

(b) In the case of an eligible pupil who attends a public school, the term includes any transfer tuition charged to the eligible student or a parent of the eligible student.

Sec. 5. "Eligible student" refers to an individual who:

(1) has legal settlement in Indiana;

(2) is at least five (5) years of age and less than twenty-two (22) years of age on the date in the school year specified in IC 20-33-2-7;

(3) either has been or is currently enrolled in a participating school;

(4) either:

(A) is a member of a household with an annual income of not more than two hundred percent (200%) of the amount required for the individual to qualify for the federal free or reduced price lunch program; or

(B) received a scholarship under this article in the immediately preceding school year or the immediately preceding term of the current school year and qualified under clause (A) in the first year that the individual received a scholarship under this article; and

(5) meets at least one (1) of the following conditions:

(A) The individual is enrolling in kindergarten.

(B) The individual was enrolled in a public school during the school year preceding the first school year for which a scholarship granting organization provides a scholarship to the individual.

(C) The individual received a scholarship in the previous year from a nonprofit scholarship granting organization that qualifies for certification as a school scholarship program.

(D) The individual received a school scholarship for the previous school year.

Sec. 6. (a) "Participating school" refers to a public or nonpublic school that:

(1) an eligible student is required to pay tuition or transfer tuition to attend;

(2) voluntarily agrees to enroll an eligible student;

(3) is accredited by either the state board or a national or regional accreditation agency that is recognized by the state board; and

(4) administers the tests under the Indiana statewide testing for educational progress (ISTEP) program or administers another nationally recognized and norm-referenced assessment of the school's students.

(b) The term does not include a public school in a school corporation where the eligible student has legal settlement under IC 20-26-11.

Sec. 7. "Scholarship granting organization" refers to an organization that:

(1) is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code; and

(2) is organized at least in part to grant school scholarships.

Sec. 8. "School scholarship" refers to a grant to pay only the cost of education for an eligible student as determined for the school year (as defined in IC 20-18-2-17) for which the scholarship will be granted.

Chapter 2. Exchange of Information; Rules

Sec. 1. The department shall maintain a publicly available list of the school scholarship programs certified by the department. The list must contain names, addresses, and any other information that the department determines is necessary for the public to determine which scholarship granting organizations conduct school scholarship programs. A current list must be posted on an Internet web site used by the department to provide information to the public.

Chapter 3. Scholarship Granting Organizations; Certification; Administration of Contributions

Sec. 1. (a) A program qualifies for certification as a school scholarship program if:

(1) the program:

(A) is administered by a scholarship granting organization; and

(B) has the primary purpose of providing school scholarships to eligible students; and

(2) the scholarship granting organization administering the program:

(A) applies to the department on the form and in the manner prescribed by the

department; and

(B) enters into an agreement with the department to comply with this article.

(b) A program may not be certified as a school scholarship program if the program:

(1) limits a recipient of a school scholarship to attending specific participating schools; or

(2) limits the ability of a recipient of a school scholarship to change attendance from one (1) participating school to another participating school.

Sec. 2. The department shall certify all programs that meet the qualifications under section 1 of this chapter as school scholarship programs.

Sec. 3. An agreement entered into under section 1 of this chapter between the department and a scholarship granting organization must require the scholarship granting organization to do the following:

(1) Provide a receipt to taxpayers for contributions made to the scholarship granting organization that will be used in a school scholarship program. The department of state revenue shall prescribe a standardized form for the receipt issued under this subdivision. The receipt must indicate the value of the contribution and portion of the contribution being designated for use in a school scholarship program.

(2) Distribute at least ninety percent (90%) of the total amount of contributions as school scholarships to eligible students.

(3) Distribute one hundred percent (100%) of any income earned on contributions as school scholarships to eligible students.

(4) Conduct criminal background checks on all the scholarship granting organization's employees and board members and exclude from employment or governance any individual who might reasonably pose a risk to the appropriate use of contributed funds.

(5) Make the reports required by this chapter.

Sec. 4. An agreement entered into under section 1 of this chapter may not prohibit a scholarship granting organization from receiving contributions other than contributions described in section 3(1) of this chapter.

Sec. 5. An agreement entered into under section 1 of this chapter must prohibit a scholarship granting organization from distributing school scholarships for use by an eligible student to:

(1) enroll in a school that has:

(A) paid staff or board members; or

(B) relatives of paid staff or board members;

in common with the scholarship granting support organization;

(2) enroll in a school that the scholarship granting organization knows does not qualify as a participating school; or

(3) pay for the cost of education for a public school where the eligible student is entitled to enroll without the payment of tuition.

Sec. 6. (a) A scholarship granting organization certified under this chapter must publicly report to the department by August 1 of each year the following information regarding the organization's scholarships awarded in the previous school year:

(1) The name and address of the scholarship granting organization.

(2) The total number and total dollar amount of contributions received during the previous school year.

(3) The:

(A) total number and total dollar amount of scholarships awarded during the previous school year; and

(B) total number and total dollar amount of school scholarships awarded during the previous school year.

The report must be certified under penalties of perjury by the chief executive officer of the scholarship granting organization.

(b) A scholarship granting organization certified under this chapter shall contract with an independent certified public accountant for an annual financial audit of the scholarship granting organization. The scholarship granting organization must provide a copy of the annual financial audit to the department and must make the annual financial audit available to a member of the public upon request.

Sec. 7. The department shall prescribe a standardized form for scholarship granting organizations to report information required under this chapter.

Sec. 8. The department may, in a proceeding under IC 4-21.5, suspend or terminate the certification of an organization as a scholarship granting organization if the department establishes that the scholarship granting organization has intentionally and substantially failed to comply with the requirements of this article or an agreement entered into under this article.

Sec. 9. If the department suspends or terminates the certification of an organization as a scholarship granting organization, the department shall notify affected eligible students and their parents of the decision as quickly as possible. An eligible student affected by a suspension or termination of a scholarship granting organization's certification remains an eligible student under this article until the end of the school year after the school year in which the scholarship granting organization's certification is suspended or terminated, regardless of whether the scholarship student currently meets the definition of an eligible student.

Sec. 10. The department may conduct either a financial review or an audit of a scholarship granting organization certified under this chapter if the department of state revenue has evidence of fraud.

Sec. 11. The department shall adopt rules under IC 4-22-2 to implement this article.

SECTION 124. IC 21-12-6-6, AS ADDED BY P.L.2-2007, SECTION 253, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 6. A student may apply to the commission for a scholarship. To qualify for a scholarship, the student must meet the following requirements:

(1) Be an eligible student who qualified to participate in the program under section 5 of this chapter.

(2) Be a resident of Indiana.

(3) Be a graduate from a secondary school located in Indiana that meets the admission criteria of an eligible institution.

(4) Have applied to attend and be accepted to attend as a full-time student **at** an eligible institution.

(5) Certify in writing that the student has:

(A) not illegally used controlled substances (as defined in IC 35-48-1-9);

(B) not illegally consumed alcoholic beverages;

(C) not committed any other crime or a delinquent act (as described in IC 31-37-1-2 or IC 31-37-2-2 through IC 31-37-2-5 (or IC 31-6-4-1(a)(1) through IC 31-6-4-1(a)(5) before their repeal)); and

(D) timely filed an application for other types of financial assistance available to the student from the state or federal government.

(6) Submit to the commission all the information and evidence required by the commission to determine eligibility as a scholarship applicant.

(7) Demonstrate financial need at the time of applying for state financial aid as required under section 5(a)(4)(E) of this chapter using a methodology consistent with the methodology used to determine eligibility for programs under IC 21-12-3 and IC 21-12-4.

~~(7)~~ **(8)** Meet any other minimum criteria established by the commission.

SECTION 125. IC 21-12-6-7, AS ADDED BY P.L.2-2007, SECTION 253, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 7. A scholarship may be renewed. To qualify for a scholarship renewal, a scholarship recipient must do the following:

(1) Submit to the commission a renewal application that contains all the information and evidence required by the commission to determine eligibility for the scholarship renewal.

(2) Continue to be enrolled as a full-time student in good standing at an eligible institution.

(3) Continue to meet any other minimum criteria established by the commission.

(4) Continue to demonstrate need as determined by the commission.

SECTION 126. IC 21-14-10-4, AS ADDED BY P.L.141-2008, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 4. If an eligible applicant:

(1) is permitted to matriculate in a state educational institution;

(2) qualifies under this chapter; and

(3) has earned or has been awarded ~~a cash scholarship~~ **nonstate tuition based gift aid** that is paid or payable to the state educational institution, from any source;

the amount paid shall be applied to the credit of the eligible applicant in the payment of ~~incidental expenses~~ **tuition and regularly assessed fees** of the eligible applicant's attendance at the state educational institution ~~The balance, if the terms of the scholarship permit, must be returned to the eligible applicant.~~ **before the application of state tuition based aid from any source. The amount of state aid the student may receive in total from any source or fund may not exceed eight (8) semesters (or the equivalent).**

SECTION 127. IC 21-29-3-3, AS ADDED BY P.L.2-2007, SECTION 270, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 3. (a) Subject to subsections (b) through (d), any state educational institution may enter into and modify, amend, or terminate one (1) or more swap agreements that the state educational institution determines to be necessary or desirable in connection with or incidental to the issuance, carrying, or securing of obligations. Swap agreements entered into by a state educational institution must:

(1) contain the provisions (including payment, term, security, default, and remedy provisions); and

(2) be with the parties;

that the state educational institution determines are necessary or desirable after due consideration is given to the creditworthiness of the parties.

(b) A state educational institution may not:

(1) enter into, modify, amend, or terminate any swap agreement without the specific approval of the public finance director appointed under IC 4-4-11-9;

~~(1)~~ **(2)** enter into any swap agreement under this section other than for the purpose of managing an interest rate or similar risk that arises in connection with or incidental to the issuance, carrying, or securing of obligations by the state educational institution; or

~~(2)~~ **(3)** carry on a business of acting as a dealer in swap agreements.

(c) A swap agreement is considered as being entered into in connection with or incidental to the issuance, carrying, or securing of obligations if:

(1) the swap agreement is entered into not more than one hundred eighty (180) days after the issuance of the obligations and specifically indicates the agreement's relationship to the obligations;

(2) the board of trustees of the state educational institution specifically designates the swap agreement as having a relationship to the particular obligations;

(3) the swap agreement amends, modifies, or reverses a swap agreement described in subdivision (1) or (2); or

(4) the terms of the swap agreement bear a reasonable relationship to the terms of the obligations.

(d) Payments to be made by a state educational institution to any other party under a swap agreement are payable only from the same source or sources of funds from which the related obligations are payable.

SECTION 128. IC 21-32-4 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 4. Revenue Bonds

Sec. 1. (a) As used in this section, "research" means research described in IC 21-35-3-2(2).

(b) Notwithstanding IC 21-33-3 and IC 21-34-10 regarding requirements for approval by the general assembly, the trustees of Purdue University and the trustees of Indiana University, upon receiving the approvals required under IC 21-34-10-1, may issue general revenue bonds.

(c) The general revenue bonds may be issued under the procedures set forth in IC 21-34-6 through IC 21-34-10 (except as provided in subsection (b)).

(d) The general revenue bonds may be secured by, and shall be payable from, the general revenues of the university issuing the bonds, including mandatory student fees and state appropriations for fee replacement purposes, but specifically excluding gift, grant, or investment revenues specifically dedicated under law to other purposes. The general revenue bonds are in all cases subject to any prior lien granted for existing bondholders.

(e) In addition to the purposes for which bonds may be issued under IC 21-34-6-1, the general revenue bonds may be issued to fund the costs of the following purposes (excluding compensation costs in the case of the purposes specified in subdivisions (3) through (4)):

(1) To create or enhance endowments used to establish, attract, and retain faculty or to establish distinguished professorships or similar designations.

(2) To build or acquire research equipment or facilities.

(3) To establish and invest in research centers in partnerships with federal, state, industrial, and university sponsors.

(4) To provide bridge funding for research support.

(f) The maximum principal amount of bonds issued by Purdue University under this section that may be outstanding at any one (1) time is one hundred million dollars ($100,000,000).

(g) The maximum principal amount of bonds issued by Indiana University under this section that may be outstanding at any one (1) time is one hundred million dollars ($100,000,000).

(h) The authority to issue general revenue bonds under this section:

(1) is supplemental to all existing authority; and

(2) expires July 1, 2011.

SECTION 129. IC 31-25-5 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]:

Chapter 5. Cooperation With Department of Child Services Ombudsman

Sec. 1. As used in this chapter, "ombudsman" refers to the office of the department of child services ombudsman established within the Indiana department of administration by IC 4-13-19-3. The term includes an employee of the office of the department of child services ombudsman or an individual approved by the office of the department of child services ombudsman to investigate and resolve complaints regarding the health and safety of a child.

Sec. 2. The department and the juvenile court with jurisdiction over a child shall provide the ombudsman with:

(1) appropriate access to all records of the department concerning the child, excluding adoption records, but including all records of the department related to vendors and contractors; and

(2) immediate access, without prior notice, to any facility in which the child is placed or is receiving services funded by the department.

SECTION 130. IC 31-27-3-18, AS AMENDED BY P.L.138-2007, SECTION 49, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 18. (a) A licensee shall keep records regarding each child in the control and care of the licensee as the department requires and shall report to the department upon request the facts the department requires with reference to children.

(b) The department shall keep records regarding children and facts learned about children and the children's parents or relatives confidential.

(c) The following have access to records regarding children and facts learned about children:

(1) A state agency involved in the licensing of the child caring institution.

(2) A legally mandated child protection agency.

(3) A law enforcement agency.

(4) An agency having the legal responsibility to care for a child placed at the child caring institution.

(5) The parent, guardian, or custodian of the child at the child caring institution.

(6) A citizen review panel established under IC 31-25-2-20.4.

(7) The department of child services ombudsman established by IC 4-13-19-3.

SECTION 131. IC 31-27-4-21, AS AMENDED BY P.L.138-2007, SECTION 54, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 21. (a) A licensee shall keep records required by the department regarding each child in the control and care of the licensee and shall report to the department upon request the facts the department requires with reference to children.

(b) The department shall keep records regarding children and facts learned about children and the children's parents or relatives confidential.

(c) The following have access to records regarding children and facts learned about children:

(1) A state agency involved in the licensing of the foster family home.

(2) A legally mandated child protection agency.

(3) A law enforcement agency.

(4) An agency having the legal responsibility to care for a child placed at the foster family home.

(5) The parent, guardian, or custodian of the child at the foster family home.

(6) A citizen review panel established under IC 31-25-2-20.4.

(7) The department of child services ombudsman established by IC 4-13-19-3.

SECTION 132. IC 31-27-5-18, AS AMENDED BY P.L.138-2007, SECTION 58, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 18. (a) A licensee shall keep records required by the department regarding each child in the control and care of the licensee and shall report to the department, upon request, the facts the department requires with reference to children.

(b) The department shall keep records regarding children and facts learned about children and the children's parents or relatives confidential.

(c) The following have access to records regarding children and facts learned about children:

(1) A state agency involved in the licensing of the group home.

(2) A legally mandated child protection agency.

(3) A law enforcement agency.

(4) An agency having the legal responsibility to care for a child placed at the group home.

(5) The parent, guardian, or custodian of the child at the group home.

(6) A citizen review panel established under IC 31-25-2-20.4.

(7) The department of child services ombudsman established by IC 4-13-19-3.

SECTION 133. IC 31-27-6-15, AS AMENDED BY P.L.138-2007, SECTION 62, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 15. (a) A licensee shall keep records required by the department regarding each child in the control and care of the licensee and shall report to the department upon request the facts the department requires with reference to children.

(b) The department shall keep records regarding children and facts learned about children and the

children's parents or relatives confidential.

(c) The following have access to records regarding children and facts learned about children:

(1) A state agency involved in the licensing of the child placing agency.

(2) A legally mandated child protection agency.

(3) A law enforcement agency.

(4) A citizen review panel established under IC 31-25-2-20.4.

(5) The department of child services ombudsman established by IC 4-13-19-3.

SECTION 134. IC 31-33-18-1, AS AMENDED BY P.L.145-2006, SECTION 283, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 1. (a) Except as provided in section 1.5 of this chapter, the following are confidential:

(1) Reports made under this article (or IC 31-6-11 before its repeal).

(2) Any other information obtained, reports written, or photographs taken concerning the reports in the possession of:

(A) the division of family resources;

(B) the county office; ~~or~~

(C) the department; **or**

(D) the department of child services ombudsman established by IC 4-13-19-3.

(b) Except as provided in section 1.5 of this chapter, all records held by:

(1) the division of family resources;

(2) a county office;

(3) the department;

(4) a local child fatality review team established under IC 31-33-24; ~~or~~

(5) the statewide child fatality review committee established under IC 31-33-25; **or**

(6) the department of child services ombudsman established by IC 4-13-19-3;

regarding the death of a child determined to be a result of abuse, abandonment, or neglect are confidential and may not be disclosed.

SECTION 135. IC 31-33-18-1.5, AS AMENDED BY P.L.131-2009, SECTION 52, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 1.5. (a) This section applies to records held by:

(1) the division of family resources;

(2) a county office;

(3) the department;

(4) a local child fatality review team established under IC 31-33-24; ~~or~~

(5) the statewide child fatality review committee established under IC 31-33-25; **or**

(6) the department of child services ombudsman established by IC 4-13-19-3;

regarding a child whose death or near fatality may have been the result of abuse, abandonment, or neglect.

(b) For purposes of subsection (a), a child's death or near fatality may have been the result of abuse, abandonment, or neglect if:

(1) an entity described in subsection (a) determines that the child's death or near fatality is the result of abuse, abandonment, or neglect; or

(2) a prosecuting attorney files:

(A) an indictment or information; or

(B) a complaint alleging the commission of a delinquent act;

that, if proven, would cause a reasonable person to believe that the child's death or near fatality may have been the result of abuse, abandonment, or neglect.

Upon the request of any person, or upon its own motion, the court exercising juvenile jurisdiction in the county in which the child's death or near fatality occurred shall determine whether the allegations

contained in the indictment, information, or complaint described in subdivision (2), if proven, would cause a reasonable person to believe that the child's death or near fatality may have been the result of abuse, abandonment, or neglect.

(c) As used in this section:

(1) "identifying information" means information that identifies an individual, including an individual's:

(A) name, address, date of birth, occupation, place of employment, and telephone number;

(B) employer identification number, mother's maiden name, Social Security number, or any identification number issued by a governmental entity;

(C) unique biometric data, including the individual's fingerprint, voice print, or retina or iris image;

(D) unique electronic identification number, address, or routing code;

(E) telecommunication identifying information; or

(F) telecommunication access device, including a card, a plate, a code, an account number, a personal identification number, an electronic serial number, a mobile identification number, or another telecommunications service or device or means of account access; and

(2) "near fatality" has the meaning set forth in 42 U.S.C. 5106a.

(d) Unless information in a record is otherwise confidential under state or federal law, a record described in subsection (a) that has been redacted in accordance with this section is not confidential and may be disclosed to any person who requests the record. The person requesting the record may be required to pay the reasonable expenses of copying the record.

(e) When a person requests a record described in subsection (a), the entity having control of the record shall immediately transmit a copy of the record to the court exercising juvenile jurisdiction in the county in which the death or near fatality of the child occurred. However, if the court requests that the entity having control of a record transmit the original record, the entity shall transmit the original record.

(f) Upon receipt of the record described in subsection (a), the court shall, within thirty (30) days, redact the record to exclude:

(1) identifying information described in subsection (c)(1)(B) through (c)(1)(F) of a person; and

(2) all identifying information of a child less than eighteen (18) years of age.

(g) The court shall disclose the record redacted in accordance with subsection (f) to any person who requests the record, if the person has paid:

(1) to the entity having control of the record, the reasonable expenses of copying under IC 5-14-3-8; and

(2) to the court, the reasonable expenses of copying the record.

(h) The data and information in a record disclosed under this section must include the following:

(1) A summary of the report of abuse or neglect and a factual description of the contents of the report.

(2) The date of birth and gender of the child.

(3) The cause of the fatality or near fatality, if the cause has been determined.

(4) Whether the department or the office of the secretary of family and social services had any contact with the child or a member of the child's family or household before the fatality or near fatality, and, if the department or the office of the secretary of family and social services had contact, the following:

(A) The frequency of the contact or communication with the child or a member of the child's family or household before the fatality or near fatality and the date on which the last contact or communication occurred before the fatality or near fatality.

(B) A summary of the status of the child's case at the time of the fatality or near fatality,

including:

(i) whether the child's case was closed by the department or the office of the secretary of family and social services before the fatality or near fatality; and

(ii) if the child's case was closed as described under item (i), the reasons that the case was closed.

(i) The court's determination under subsection (f) that certain identifying information or other information is not relevant to establishing the facts and circumstances leading to the death or near fatality of a child is not admissible in a criminal proceeding or civil action.

SECTION 136. IC 31-33-18-2, AS AMENDED BY P.L.138-2007, SECTION 66, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 2. The reports and other material described in section 1(a) of this chapter and the unredacted reports and other material described in section 1(b) of this chapter shall be made available only to the following:

(1) Persons authorized by this article.

(2) A legally mandated public or private child protective agency investigating a report of child abuse or neglect or treating a child or family that is the subject of a report or record.

(3) A police or other law enforcement agency, prosecuting attorney, or coroner in the case of the death of a child who is investigating a report of a child who may be a victim of child abuse or neglect.

(4) A physician who has before the physician a child whom the physician reasonably suspects may be a victim of child abuse or neglect.

(5) An individual legally authorized to place a child in protective custody if:

(A) the individual has before the individual a child whom the individual reasonably suspects may be a victim of abuse or neglect; and

(B) the individual requires the information in the report or record to determine whether to place the child in protective custody.

(6) An agency having the legal responsibility or authorization to care for, treat, or supervise a child who is the subject of a report or record or a parent, guardian, custodian, or other person who is responsible for the child's welfare.

(7) An individual named in the report or record who is alleged to be abused or neglected or, if the individual named in the report is a child or is otherwise incompetent, the individual's guardian ad litem or the individual's court appointed special advocate, or both.

(8) Each parent, guardian, custodian, or other person responsible for the welfare of a child named in a report or record and an attorney of the person described under this subdivision, with protection for the identity of reporters and other appropriate individuals.

(9) A court, for redaction of the record in accordance with section 1.5 of this chapter, or upon the court's finding that access to the records may be necessary for determination of an issue before the court. However, except for disclosure of a redacted record in accordance with section 1.5 of this chapter, access is limited to in camera inspection unless the court determines that public disclosure of the information contained in the records is necessary for the resolution of an issue then pending before the court.

(10) A grand jury upon the grand jury's determination that access to the records is necessary in the conduct of the grand jury's official business.

(11) An appropriate state or local official responsible for child protection services or legislation carrying out the official's official functions.

(12) A foster care review board established by a juvenile court under IC 31-34-21-9 (or IC 31-6-4-19 before its repeal) upon the court's determination that access to the records is necessary to enable the foster care review board to carry out the board's purpose under IC 31-34-21.

(13) The community child protection team appointed under IC 31-33-3 (or IC 31-6-11-14 before its repeal), upon request, to enable the team to carry out the team's purpose under IC 31-33-3.

(14) A person about whom a report has been made, with protection for the identity of:

(A) any person reporting known or suspected child abuse or neglect; and

(B) any other person if the person or agency making the information available finds that disclosure of the information would be likely to endanger the life or safety of the person.

(15) An employee of the department, a caseworker, or a juvenile probation officer conducting a criminal history check under IC 31-26-5, IC 31-34, or IC 31-37 to determine the appropriateness of an out-of-home placement for a:

(A) child at imminent risk of placement;

(B) child in need of services; or

(C) delinquent child.

The results of a criminal history check conducted under this subdivision must be disclosed to a court determining the placement of a child described in clauses (A) through (C).

(16) A local child fatality review team established under IC 31-33-24-6.

(17) The statewide child fatality review committee established by IC 31-33-25-6.

(18) The department.

(19) The division of family resources, if the investigation report:

(A) is classified as substantiated; and

(B) concerns:

(i) an applicant for a license to operate;

(ii) a person licensed to operate;

(iii) an employee of; or

(iv) a volunteer providing services at;

a child care center licensed under IC 12-17.2-4 or a child care home licensed under IC 12-17.2-5.

(20) A citizen review panel established under IC 31-25-2-20.4.

(21) The department of child services ombudsman established by IC 4-13-19-3.

SECTION 137. IC 31-33-25-6, AS ADDED BY P.L.145-2006, SECTION 288, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 6. (a) The statewide child fatality review committee is established to review a child's death that is:

(1) sudden;

(2) unexpected; or

(3) unexplained;

if the county where the child died does not have a local child fatality review team or if the local child fatality review team requests a review of the child's death by the statewide committee.

(b) The statewide child fatality review committee may also review the death of a child upon request by an individual **or the department of child services ombudsman established by IC 4-13-19-3.**

(c) A request submitted under subsection (b) must set forth:

(1) the name of the child;

(2) the age of the child;

(3) the county where the child died;

(4) whether a local child fatality review team reviewed the death; and

(5) the cause of death of the deceased child.

SECTION 138. IC 31-33-25-8, AS AMENDED BY P.L.225-2007, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 8. The statewide child fatality review committee consists of the following members appointed by the governor:

(1) a coroner or deputy coroner;

(2) a representative from:

(A) the state department of health established by IC 16-19-1-1;
(B) a local health department established under IC 16-20-2; or
(C) a multiple county health department established under IC 16-20-3;
(3) a pediatrician;
(4) a representative of law enforcement;
(5) a representative from an emergency medical services provider;
(6) the director or a representative of the department;
(7) a representative of a prosecuting attorney;
(8) a pathologist who is:
(A) certified by the American Board of Pathology in forensic pathology; and
(B) licensed to practice medicine in Indiana;
(9) a mental health provider;
(10) a representative of a child abuse prevention program; ~~and~~
(11) a representative of the department of education; **and**
(12) at the discretion of the department of child services ombudsman, a representative of the department of child services ombudsman established by IC 4-13-19-3.

SECTION 139. IC 31-33-26-5, AS ADDED BY P.L.138-2007, SECTION 67, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 5. (a) Subject to the accessibility to files provided in subsection (b), at least ten (10) levels of security for confidentiality in the index must be maintained.

(b) The index must have a comprehensive system of limited access to information as follows:
(1) The index must be accessed only by the entry of an operator identification number and a password.
(2) A child welfare caseworker must be allowed to access only:
(A) cases that are assigned to the caseworker; and
(B) other cases or investigations that involve:
(i) a family member of a child; or
(ii) a child;
who is the subject of a case described in clause (A).
(3) A child welfare supervisor may access only the following:
(A) Cases assigned to the supervisor.
(B) Cases assigned to a caseworker who reports to the supervisor.
(C) Other cases or investigations that involve:
(i) a family member of a child; or
(ii) a child;
who is the subject of a case described in clause (A) or (B).
(D) Cases that are unassigned.
(4) To preserve confidentiality in the workplace, child welfare managers, as designated by the department, may access any case, except restricted cases involving:
(A) a state employee; or
(B) the immediate family member of a state employee;
who has access to the index. Access to restricted information under this subdivision may be obtained only if an additional level of security is implemented.
(5) Access to records of authorized users, including passwords, is restricted to:
(A) users designated by the department as administrators; and
(B) the administrator's level of access as determined by the department.
(6) Ancillary programs that may be designed for the index may not be executed in a manner that would circumvent the index's log-on security measures.

(7) Certain index functions must be accessible only to index operators with specified levels of authorization as determined by the department.
(8) Files containing passwords must be encrypted.
(9) There must be two (2) additional levels of security for confidentiality as determined by the department.
(10) The department of child services ombudsman established by IC 4-13-19-3 shall have read only access to the index concerning:
(A) children who are the subject of complaints filed with; or
(B) cases being investigated by;
the department of child services ombudsman. The office of the department of child services ombudsman shall not have access to any information related to cases or information that involves the ombudsman or any member of the ombudsman's immediate family.

SECTION 140. IC 31-39-2-6, AS AMENDED BY P.L.145-2006, SECTION 359, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 6. The records of the juvenile court are available without a court order to:
(1) the attorney for the department of child services; or
(2) any authorized staff member of:
(A) the county office;
(B) the department of child services; ~~or~~
(C) the department of correction; **or**
(D) the department of child services ombudsman established by IC 4-13-19-3.

SECTION 141. IC 31-39-4-7, AS AMENDED BY P.L.145-2006, SECTION 361, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 7. The records of a law enforcement agency are available, without specific permission from the head of the agency, to: ~~the:~~
(1) the attorney for the department of child services or any authorized staff member; **or**
(2) any authorized staff member of the department of child services ombudsman established by IC 4-13-19-3.

SECTION 142. IC 31-39-9-1, AS ADDED BY P.L.67-2007, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 1. The following entities and agencies may exchange records of a child who is a child in need of services or has been determined to be a delinquent child under IC 31-37-1-2, if the information or records are not confidential under state or federal law:
(1) A court.
(2) A law enforcement agency.
(3) The department of correction.
(4) The department of child services.
(5) The office of the secretary of family and social services.
(6) A primary or secondary school, including a public or nonpublic school.
(7) The department of child services ombudsman established by IC 4-13-19-3.

SECTION 143. IC 34-30-2-39.6 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: **Sec. 39.6. IC 4-13-19-6 (Concerning a person who releases information to the department of child services ombudsman).**

SECTION 144. IC 34-30-2-39.7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: **Sec. 39.7. IC 4-13-19-9 (Concerning the department of child services ombudsman for the good faith performance of official duties).**

SECTION 145. THE FOLLOWING ARE REPEALED [EFFECTIVE JULY 1, 2009]: P.L.131-2008, SECTION 70; P.L.146-2008, SECTION 857.

SECTION 146. IC 6-2.5-5-41 IS REPEALED [EFFECTIVE JULY 1, 2009].

SECTION 147. IC 20-35-4-10 IS REPEALED [EFFECTIVE JULY 1, 2009].

SECTION 148. THE FOLLOWING ARE REPEALED [EFFECTIVE JANUARY 1, 2010]: IC 20-20-34; IC 20-40-4; IC 20-43-1-4; IC 20-43-1-19; IC 20-43-1-20; IC 20-43-1-27; IC 20-43-1-29; IC 20-43-1-29.3; IC 20-43-3-4; IC 20-43-4-7; IC 20-43-5-1; IC 20-43-5-2; IC 20-43-5-5; IC 20-43-5-7; IC 20-43-5-9; IC 20-43-6-5; IC 20-43-11.5; IC 20-45-1-2; IC 20-45-1-6; IC 20-45-1-12; IC 20-45-1-21.3; IC 20-45-1-21.5; IC 20-45-1-21.7.

SECTION 149. [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)] **Notwithstanding the effective date of IC 6-3-2-2, as amended by this act, the amendments made to IC 6-3-2-2 by this act apply to taxable years beginning after December 31, 2004, and are intended to be a clarification of the law and not a substantive change in the law.**

SECTION 150. [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)] **(a) A prepayment rate determined by the department under IC 6-2.5-7-14, as amended by this act, that took effect after December 31, 2008, is legalized and validated.**

(b) This SECTION expires December 31, 2009.

SECTION 151. [EFFECTIVE JANUARY 1, 2010] **IC 6-3.1-4-2, as amended by this act, applies to taxable years beginning after December 31, 2009.**

SECTION 152. P.L.3-2007, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE OCTOBER 1, 2008 (RETROACTIVE)]: SECTION 1. **(a) As used in this SECTION, "continuing care retirement community" means a health care facility that:**

(1) provides independent living services and health facility services in a campus setting with common areas;

(2) holds continuing care agreements with at least twenty-five percent (25%) of its residents (as defined in IC 23-2-4-1);

(3) uses the money described in subdivision (2) to provide services to the resident before the resident may be eligible for Medicaid under IC 12-15; and

(4) meets the requirements of IC 23-2-4.

~~(a)~~ **(b)** As used in this SECTION, "health facility" refers to a health facility that is licensed under IC 16-28 as a comprehensive care facility.

~~(b)~~ **(c)** As used in this SECTION, "nursing facility" means a health facility that is certified for participation in the federal Medicaid program under Title XIX of the federal Social Security Act (42 U.S.C. 1396 et seq.).

~~(c)~~ **(d)** As used in this SECTION, "office" refers to the office of Medicaid policy and planning established by IC 12-8-6-1.

~~(d) As used in this SECTION, "total annual revenue" does not include revenue from Medicare services provided under Title XVIII of the federal Social Security Act (42 U.S.C. 1395 et seq.).~~

(e) Effective August 1, ~~2003,~~ **2009,** the office shall collect a quality assessment from each ~~nursing~~ **health** facility. ~~that has:~~

~~(1) a Medicaid utilization rate of at least twenty-five percent (25%); and~~

~~(2) at least seven hundred thousand dollars ($700,000) in annual Medicaid revenue, adjusted annually by the average annual percentage increase in Medicaid rates.~~

The office shall offset the collection of the assessment for a health facility:

(1) against a Medicaid payment to the health facility by the office; or

(2) in another manner determined by the office.

(f) ~~If~~ **The office shall implement the waiver approved by** the United States Centers for Medicare and Medicaid Services ~~determines not to approve payments under this SECTION using the methodology described in subsection (c), the office shall revise the state plan amendment and waiver request submitted under subsection (l) as soon as possible to demonstrate compliance with 42 CFR 433.68(c)(2)(ii). The revised state plan amendment and waiver request must provide~~ **that provides**

for ~~the following:~~

~~(1) Effective August 1, 2003, collection of a quality assessment by the office from each nursing facility.~~

~~(2) Effective August 1, 2003, collection of a quality assessment by the department of state revenue from each health facility that is not a nursing facility.~~

~~(3) An~~ **an** exemption from collection of a quality assessment from the following:

~~(A)~~

(1) A continuing care retirement community **as follows:**

(A) A continuing care retirement community that was registered with the securities commissioner as a continuing care retirement community on January 1, 2007, is not required to meet the definition of a continuing care retirement community in subsection (a).

(B) A continuing care retirement community that, for the period January 1, 2007, through June 30, 2009, operates independent living units, at least twenty-five percent (25%) of which are provided under contracts that require the payment of a minimum entrance fee of at least twenty-five thousand dollars ($25,000).

(C) An organization registered under IC 23-2-4 before July 1, 2009, that provides housing in an independent living unit for a religious order.

(D) A continuing care retirement community that meets the definition set forth in subsection (a).

~~(B) A health facility that only receives revenue from Medicare services provided under 42 U.S.C. 1395 et seq.~~

~~(C)~~

(2) A **hospital based** health facility. ~~that has less than seven hundred fifty thousand dollars ($750,000) in total annual revenue, adjusted annually by the average annual percentage increase in Medicaid rates.~~

~~(D)~~

(3) The Indiana Veterans' Home.

Any revision to the state plan amendment or waiver request under this subsection is subject to and must comply with the provisions of this SECTION.

(g) If the United States Centers for Medicare and Medicaid Services determines not to approve payments under this SECTION using the methodology described in subsections **(d) and** (e), ~~and (f),~~ the office shall revise the state plan amendment and waiver request submitted under ~~subsection (l)~~ **this SECTION** as soon as possible to demonstrate compliance with 42 CFR 433.68(e)(2)(ii) and to provide for collection of a quality assessment from health facilities effective August 1, ~~2003. In amending the state plan amendment and waiver request under this subsection, the office may modify the parameters described in subsection (f)(3). However, if the office determines a need to modify the parameters described in subsection (f)(3), the office shall modify the parameters in order to achieve a methodology and result as similar as possible to the methodology and result described in subsection (f). Any revision of the state plan amendment and waiver request under this subsection is subject to and must comply with the provisions of this SECTION.~~ **2009.**

(h) The money collected from the quality assessment may be used only to pay the state's share of the costs for Medicaid services provided under Title XIX of the federal Social Security Act (42 U.S.C. 1396 et seq.) as follows:

(1) **At the following percentages when the state's regular federal medical assistance percentage (FMAP) applies, excluding the time frame in which the adjusted FMAP is provided to the state by the federal American Recovery and Reinvestment Act of 2009:**

(A) Twenty percent (20%) as determined by the office.

~~(2)~~ **(B)** Eighty percent (80%) to nursing facilities.

(2) At the following percentages when the state's federal medical assistance percentage (FMAP) is adjusted by the federal American Recovery and Reinvestment Act of 2009:

(A) Forty percent (40%) as determined by the office.

(B) Sixty percent (60%) to nursing facilities.

(i) After:

(1) the amendment to the state plan and waiver request submitted under this SECTION is approved by the United States Centers for Medicare and Medicaid Services; and

(2) the office calculates and begins paying enhanced reimbursement rates set forth in this SECTION;

the office ~~and the department of state revenue~~ shall begin the collection of the quality assessment set under this SECTION. The office ~~and the department of state revenue shall~~ **may** establish a method to allow a facility to enter into an agreement to pay the quality assessment collected under this SECTION subject to an installment plan.

(j) If federal financial participation becomes unavailable to match money collected from the quality assessments for the purpose of enhancing reimbursement to nursing facilities for Medicaid services provided under Title XIX of the federal Social Security Act (42 U.S.C. 1396 et seq.), the office ~~and department of state revenue~~ shall cease collection of the quality assessment under this SECTION.

(k) To implement this SECTION, the

~~(1)~~ office shall adopt rules under IC 4-22-2. ~~and~~

~~(2) office and department of state revenue shall adopt joint rules under IC 4-22-2.~~

(l) Not later than ~~July 1, 2003,~~ **August 1, 2009,** the office shall do the following:

(1) Request the United States Department of Health and Human Services under 42 CFR 433.72 to approve waivers of 42 CFR 433.68(c) and 42 CFR 433.68(d) by demonstrating compliance with 42 CFR 433.68(e)(2)(ii).

(2) Submit any state Medicaid plan amendments to the United States Department of Health and Human Services that are necessary to implement this SECTION.

(m) After approval of the waivers and state Medicaid plan amendment applied for under ~~subsection (l),~~ **this SECTION,** the office ~~and the department of state revenue~~ shall implement this SECTION effective ~~July 1, 2003.~~ **August 1, 2009.**

(n) The select joint commission on Medicaid oversight, established by IC 2-5-26-3, shall review the implementation of this SECTION. The office may not make any change to the reimbursement for nursing facilities unless the select joint commission on Medicaid oversight recommends the reimbursement change.

(o) A nursing facility or a health facility may not charge the facility's residents for the amount of the quality assessment that the facility pays under this SECTION.

(p) The office may withdraw a state plan amendment **submitted** under ~~subsection (c), (f), or (g)~~ **this SECTION** only if the office determines that failure to withdraw the state plan amendment will result in the expenditure of state funds not funded by the quality assessment.

(q) If a health facility fails to pay the quality assessment under this SECTION not later than ten (10) days after the date the payment is due, the health facility shall pay interest on the quality assessment at the same rate as determined under IC 12-15-21-3(6)(A).

(r) The ~~following shall be provided to the state department of health:~~

~~(1) The~~ office shall report **to the state department of health** each nursing **facility and each health** facility that fails to pay the quality assessment under this SECTION not later than one hundred twenty (120) days after payment of the quality assessment is due.

~~(2) The department of state revenue shall report each health facility that is not a nursing facility that fails to pay the quality assessment under this SECTION not later than one hundred twenty~~

~~(120) days after payment of the quality assessment is due.~~

(s) The state department of health shall do the following:

(1) Notify each nursing facility and each health facility reported under subsection (r) that the nursing facility's or health facility's license under IC 16-28 will be revoked if the quality assessment is not paid.

(2) Revoke the nursing facility's or health facility's license under IC 16-28 if the nursing facility or the health facility fails to pay the quality assessment.

(t) An action taken under subsection (s)(2) is governed by:

(1) IC 4-21.5-3-8; or

(2) IC 4-21.5-4.

(u) The office shall report the following information to the select joint commission on Medicaid oversight established by IC 2-5-26-3 at every meeting of the commission:

(1) Before the quality assessment is approved by the United States Centers for Medicare and Medicaid Services:

(A) an update on the progress in receiving approval for the quality assessment; and

(B) a summary of any discussions with the United States Centers for Medicare and Medicaid Services.

(2) After the quality assessment has been approved by the United States Centers for Medicare and Medicaid Services:

(A) an update on the collection of the quality assessment;

(B) a summary of the quality assessment payments owed by a nursing facility or a health facility; and

(C) any other relevant information related to the implementation of the quality assessment.

(v) This SECTION expires August 1, ~~2009.~~ **2011.**

SECTION 153. [EFFECTIVE UPON PASSAGE] **The department of education may adopt temporary rules in the manner provided in IC 4-22-2-37.1 for the adoption of emergency rules to implement IC 20-51, as added by this act. A temporary rule adopted under this SECTION expires on the earliest of the following:**

(1) The date another temporary rule is adopted under this SECTION that supersedes or repeals the previously adopted temporary rule.

(2) The date that a permanent rule adopted under IC 4-22-2 supersedes or repeals a temporary rule adopted under this SECTION.

(3) The date specified in the temporary rule.

(4) June 30, 2011.

SECTION 154. [EFFECTIVE UPON PASSAGE] **IC 6-3.1-30.5, as added by this act, applies to contributions made in taxable years beginning after December 31, 2009.**

SECTION 155. [EFFECTIVE UPON PASSAGE] **Notwithstanding IC 21-12-4, the state student assistance commission may transfer funds among freedom of choice awards, higher education awards, and twenty-first century scholars awards to ensure maximum use of the funds and the awards.**

SECTION 156. [EFFECTIVE JULY 1, 2009] **(a) The commission for higher education, with the assistance of the state student assistance commission, shall study the funding of college scholarship programs provided by the state student assistance commission and the state's public universities. The study must examine the following issues:**

(1) The limits established for awards and the differences between the limits established for private and public universities.

(2) The extent to which criteria for establishing the eligibility of an applicant should consider receipt of Pell Grants, other wrap-around assistance provided by a university, tax

credits, and other assistance.

(3) The relative amounts of assistance provided on the basis of merit and on the basis of need.

(4) Whether means tests should be required for students participating in the twenty-first century scholars program as those students enter college.

(5) Scholarships and awards provided for members of the military and national guard.

(6) Scholarships and awards provided to individuals being held in state correctional facilities.

(b) The state's public universities shall provide the commission for higher education with the data necessary to complete the study. The commission shall before June 30, 2010, provide a report and recommendations to the budget committee for modernizing and improving scholarship programs.

(c) This SECTION expires January 1, 2011.

SECTION 157. [EFFECTIVE UPON PASSAGE] **(a) The Indiana finance authority shall study the mission, organization, and management structure of the I-Light fiber optic network. The study must include the following issues:**

(1) Whether the capabilities of the network are being used in a manner that maximizes benefits to the state, public and private universities, and other existing and potential consortium members.

(2) Whether an alternate provider could provide comparable service levels at a lower cost to the state.

(3) Whether there are opportunities for increased use of the network to support electronic learning, worker training, and workforce development.

(b) A public university that uses or benefits from the I-Light fiber optic network shall provide to the Indiana finance authority any information concerning the network that is requested by the Indiana finance authority.

(c) The Indiana finance authority shall before November 1, 2009, submit a report of its findings and any recommendations to the governor and (in an electronic format under IC 5-14-6) to the legislative council.

(d) This SECTION expires July 1, 2010.

SECTION 158. [EFFECTIVE UPON PASSAGE] **(a) A financial and operational management plan to address the operating budget deficits for the facilities operated by the capital improvement board of managers of Marion County shall be presented by the governor (in concurrence with the mayor of the city of Indianapolis) on or before June 4, 2009, and shall be included in the governor's budget bill for consideration by the general assembly during its special session in June 2009. When the contents of the plan are made publicly available, the contents of the plan shall be included in the budget bill.**

(b) This SECTION expires January 1, 2010.

SECTION 159. **An emergency is declared for this act.**