Journal of the Senate

State of Indiana

114th General Assembly First Regular Session

Thirty-eighth Meeting Day Thursday Afternoon March 31, 2005

The Senate convened at 1:32 p.m., with the President of the Senate, Rebecca S. Skillman, in the Chair.

Prayer was offered by Pastor Frank Forthman, First Baptist Church of Aurora, the guest of Senator Johnny Nugent.

The Pledge of Allegiance to the Flag was led by Senator Nugent.

The Chair ordered the roll of the Senate to be called. Those present were:

Alting	Long
Antich-Carr	Lubbers
Bowser	Lutz ▶
Bray	Meeks
Breaux	Merritt
Broden	Miller
Clark	Mishler
Craycraft	Mrvan
Dillon	Nugent
Drozda	Paul
Ford	Riegsecker
Gard	Rogers
Garton	Server
Harrison	Simpson
Heinold	Sipes
Hershman	Skinner
Howard	Smith
Hume	Steele
Jackman	Waltz
Kenley	Waterman
Kruse	Weatherwax
Lanane	Wyss ▶
Landske	Young, M.
Lawson	Young, R.
Lewis	Zakas

Roll Call 336: present 48; excused 2. [*Note: A ▶ indicates those who were excused.*] The Chair announced a quorum present. Pursuant to Senate Rule 5(d), no motion having been heard, the Journal of the previous day was considered read.

RESOLUTIONS ON FIRST READING

Senate Resolution 23

Senate Resolution 23, introduced by Senator Nugent:

A SENATE RESOLUTION to honor the First Baptist Church of Aurora for the 185th anniversary of its founding.

Whereas, On February 26, 1820, the First Baptist Church of Aurora was founded by Jesse L. Holman, Timothy Brown, Lydia St. John, Sophia Brown, Sallie Brown and William Hancock, the six charter members;

Whereas, Elder James Dicken was called as pastor and received a monthly salary of $1.25;

Whereas, The first worship services were held in a private log house residence on Fifth Street;

Whereas, Between 1825 and 1828, near the original log house, the members built a brick meetinghouse with a small belfry. However, a triangle was used to summon people to services until a bell could be purchased;

Whereas, This first bell was later used as the ferry bell;

Whereas, The church membership continued to grow spiritually and in number of members;

Whereas, In 1937, the church was damaged by the great flood and later burned that year but was soon rebuilt in September 1938 at 304 Fourth Street;

Whereas, A new bell, weighing 1800 pounds, was purchased by citizens exclusive of the church members and hung in the belfry of the new church;

Whereas, In 1999, ten more acres of land was purchased as the site of a future church building with more spacious facilities;

Whereas, Today this church is the oldest building in Aurora and worship services are still held there every Sunday: Therefore,

Be it resolved by the Senate of the General Assembly of the State of Indiana:

SECTION 1. That the Indiana Senate honors the First Baptist Church of Aurora on its 185th anniversary.

SECTION 2. That the Secretary of the Senate is hereby directed to transmit a copy of this Resolution to the Deacons of the church on behalf of all members and friends of the congregation of the First Baptist Church of Aurora.

The resolution was read in full and adopted by voice vote.

REPORTS FROM COMMITTEES

COMMITTEE REPORT

Madam President: The Senate Committee on Appropriations, to

which was referred Engrossed House Bill 1001, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be amended as follows:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration and to make an appropriation.

Delete everything after the enacting clause and insert the following:

SECTION 1. [EFFECTIVE JULY 1, 2005]

(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, 2005, and ending June 30, 2007.

Appropriations appearing in the biennial column for construction or other permanentimprovements 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 2004-2005 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) "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".

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

(8) "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.

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

(10) "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.

(11) "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 or 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, 2005]

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.

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
SECTION 3. [EFFECTIVE JULY 1, 2005]			
GENERAL GOVERNMENT			
A. LEGISLATIVE			
FOR THE GENERAL ASSEMBLY			
LEGISLATORS' SALARIES - HOUSE			
Total Operating Expense	**5,013,333**	**5,014,333**	
HOUSE EXPENSES			
Total Operating Expense	**7,803,042**	**7,806,100**	
LEGISLATORS' SALARIES - SENATE			
Total Operating Expense	**1,140,203**	**1,232,406**	
SENATE EXPENSES			
Total Operating Expense	**8,406,750**	**8,826,192**	

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, either 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

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.

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	2,015,396	2,015,396
LEGISLATORS' EXPENSES - SENATE		
Total Operating Expense	1,046,728	1,046,728

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, $6,500; assistant president pro tempore, $2,500; majority floor leader emeritus, $1,500; majority floor leader, $5,000; assistant majority floor leader, $1,000; majority caucus chair, $5,000; assistant majority caucus chair, $1,000; appropriations committee chair, $5,000; tax and fiscal policy committee chair, $5,000; appropriations committee ranking majority member, $1,500; tax and fiscal policy committee ranking majority member, $1,500; majority whip, $3,500; assistant majority whip, $1,000; minority floor leader, $5,500; minority leader pro tempore, $1,000; minority caucus chair, $4,500; minority assistant floor leader, $4,500; appropriations committee ranking minority member, $2,000; tax and fiscal policy committee ranking minority member, $2,000; minority whip, $2,500; assistant minority whip, $500; and assistant minority caucus chair, $500.

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, the foregoing appropriations for subsistence shall be used to pay for the new committee or 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	8,475,000	8,880,000
LEGISLATOR AND LAY MEMBER TRAVEL		
Total Operating Expense	570,000	570,000

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.

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 2005-2007 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			**223,614**

Disbursements from the fund may be made only for purposes approved by the chairman nd 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 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
PRINTING AND DISTRIBUTION			
Total Operating Expense	**750,000**	**840,000**	

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 114th general assembly, the supplements to the Indiana Code for fiscal years 2005-2006 and 2006-2007, 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	**130,084**	**134,637**
NATIONAL CONFERENCE OF STATE LEGISLATURES ANNUAL DUES		
Other Operating Expense	**155,109**	**161,313**
NATIONAL CONFERENCE OF INSURANCE LEGISLATORS ANNUAL DUES		
Other Operating Expense	**10,000**	**10,000**
FOR THE INDIANA LOBBY REGISTRATION COMMISSION		
Total Operating Expense	**218,285**	**218,395**
FOR THE PUBLIC EMPLOYEES' RETIREMENT FUND LEGISLATORS' RETIREMENT FUND		
Total Operating Expense	**100,000**	**100,000**

B. JUDICIAL

FOR THE SUPREME COURT		
Personal Services	**5,807,737**	**5,918,803**
Other Operating Expense	**1,601,800**	**1,601,800**

The above appropriation for the supreme court personal services includes the subsistence allowance as provided by

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
IC 33-38-5-8.			
LOCAL JUDGES' SALARIES			
Personal Services	44,815,006	45,535,562	
Other Operating Expense	39,000	39,000	
COUNTY PROSECUTORS' SALARIES			
Personal Services	19,529,409	19,833,721	
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 114th general assembly.

TRIAL COURT OPERATIONS			
Total Operating Expense	353,500	353,500	
INDIANA CONFERENCE FOR LEGAL EDUCATION OPPORTUNITY			
Total Operating Expense	625,000	625,000	

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			
Public Defense Fund			
Total Operating Expense	4,600,000	4,600,000	
Augmentation allowed.			

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 fund. The administrative costs may come from the fund.

GUARDIAN AD LITEM			
Total Operating Expense	802,325	804,133	

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	1,000,000	1,000,000	

The above funds are appropriated to the division of state court administration in compliance with the provisions of IC 33-24-12-7.

SPECIAL JUDGES - COUNTY COURTS			
Personal Services	15,000	15,000	
Other Operating Expense	119,000	119,000	

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			
Total Operating Expense	260,996	260,996	
FOR THE CLERK OF THE SUPREME AND APPELLATE COURTS			
Personal Services	752,945	753,505	
Other Operating Expense	185,070	185,070	
FOR THE COURT OF APPEALS			
Personal Services	7,564,555	7,645,870	
Other Operating Expense	1,183,820	1,183,220	

The above appropriations for the court of appeals personal services includes the subsistence allowance provided by

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
IC 33-38-5-8.			
FOR THE TAX COURT			
Personal Services	469,342	476,583	
Other Operating Expense	123,272	123,272	
FOR THE JUDICIAL CENTER			
Personal Services	1,230,853	1,260,061	
Other Operating Expense	801,342	801,342	

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

DRUG AND ALCOHOL PROGRAMS FUND			
Total Operating Expense	299,010	299,010	

The above funds are appropriated 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 the receipts are less than the appropriation, the center may not spend more than is collected.

INTERSTATE COMPACT FOR ADULT OFFENDER SUPERVISION			
Total Operating Expense	54,492	55,944	

Augmentation allowed from fee increases enacted in the 2003 general assembly under IC 11-13-4.5-4.

FOR THE PUBLIC DEFENDER			
Personal Services	5,242,831	5,385,118	
Other Operating Expense	985,133	985,133	
FOR THE PUBLIC DEFENDER COUNCIL			
Personal Services	801,743	802,348	
Other Operating Expense	318,009	318,009	
FOR THE PROSECUTING ATTORNEYS' COUNCIL			
Personal Services	533,169	533,549	
Other Operating Expense	574,489	574,489	
DRUG PROSECUTION			
Drug Prosecution Fund (IC 33-39-8-6) Total Operating Expense	103,436	103,436	

Augmentation allowed.

FOR THE PUBLIC EMPLOYEES' RETIREMENT FUND			
JUDGES' RETIREMENT FUND			
Other Operating Expense	8,800,000	9,500,000	
PROSECUTORS' RETIREMENT FUND			
Other Operating Expense	170,000	190,000	

C. EXECUTIVE

FOR THE GOVERNOR'S OFFICE			
Personal Services	2,160,617	2,162,265	
Other Operating Expense	125,904	125,904	
GOVERNOR'S RESIDENCE			
Total Operating Expense	179,657	179,761	
GOVERNOR'S CONTINGENCY FUND			
Total Operating Expense			170,000

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

GOVERNOR'S FELLOWSHIP PROGRAM			
Total Operating Expense	170,000	170,000	
FOR THE WASHINGTON LIAISON OFFICE			
Total Operating Expense	195,000	195,000	
FOR THE LIEUTENANT GOVERNOR			
Personal Services	1,645,075	1,645,621	
Other Operating Expense	788,725	788,725	
CONTINGENCY FUND			
Total Operating Expense			37,240

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

FOR THE SECRETARY OF STATE ADMINISTRATION			
Personal			

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
Services	378,199	378,488	
Other Operating Expense	23,429	23,429	
BUSINESS SERVICES			
Personal Services	853,317	853,897	
Other Operating Expense	136,976	136,976	
SECURITIES DIVISION			
Personal Services	774,806	775,356	
Other Operating Expense	97,061	95,694	
FOR THE ATTORNEY GENERAL			
ATTORNEY GENERAL			
From the General Fund	12,662,763	12,662,764	
From the Motor Vehicle Odometer Fund (IC 9-29-1-5)	89,211	89,211	
Augmentation allowed.			
From the Medicaid Fraud Control Unit Fund	576,065	585,123	
Augmentation allowed.			
From the Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)	250,000	250,000	
Augmentation allowed.			
From the Abandoned Property Fund (IC 32-34-1-33)	171,570	171,570	
Augmentation allowed.			

The amounts specified from the General Fund, Motor Vehicle Odometer Fund, Medicaid Fraud Control Unit Fund, Tobacco Master Settlement Agreement Fund, and Abandoned Property Fund are for the following purposes:

Personal Services	12,578,568	12,587,627	
Other Operating Expense	1,171,041	1,171,041	
HOMEOWNER PROTECTION UNIT (IC 4-6-12-9)			
Total Operating Expense	120,000	120,000	
MEDICAID FRAUD UNIT			
Total Operating Expense	829,356	829,789	

The above appropriations to the Medicaid fraud unit are the state's matching shareof 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	1,080,199	1,080,926	
Other Operating Expense	3,439,706	3,439,706	
Augmentation allowed.			

D. FINANCIAL MANAGEMENT

FOR THE AUDITOR OF STATE			
Personal Services	4,484,169	4,487,428	
Other Operating Expense	1,423,832	1,388,632	
TECHNOLOGY MODERNIZATION AND UPGRADE			
Pay Phone Fund			
Total Operating Expense	600,000	600,000	
GOVERNORS' AND GOVERNORS' SURVIVING SPOUSES' PENSIONS			
Total Operating Expense	125,000	125,000	

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

FOR THE STATE BOARD OF ACCOUNTS			
Personal Services	19,507,669	19,522,499	
Other Operating Expense	1,348,860	1,348,860	
FOR THE STATE BUDGET COMMITTEE			
Total Operating Expense	60,000	60,000	

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	794,755	795,682	

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
Other Operating Expense	212,176	212,176	
FOR THE STATE BUDGET AGENCY			
Personal Services	2,773,434	2,776,490	
Other Operating Expense	393,882	393,882	
BUILD INDIANA FUND ADMINISTRATION			
Build Indiana Fund (IC 4-30-17)			
Other Operating Expense	1	1	
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.

PERSONAL SERVICES/FRINGE BENEFITS CONTINGENCY FUND			
Total Operating Expense			89,000,000

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 only be used for salary increases, fringe benefit increases, and for an employee leave conversion program for state employees in the 2005-2007 biennium 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.

COMPREHENSIVE HEALTH INSURANCE ASSOCIATION STATE SHARE			
Total Operating Expense	30,500,000	32,200,000	
Augmentation Allowed			
SCHOOL AND LIBRARY INTERNET CONNECTION			
Build Indiana Fund (IC 4-30-17)			
Other Operating Expense			7,000,000

Of the foregoing appropriations $2,300,000 each year shall be for schools under IC 4-34-3-4 and $1,200,000 each year shall be used for libraries under IC 4-34-3-2.

INSPIRE (IC 4-34-3-2)			
Build Indiana Fund (IC 4-30-17)			
Other Operating Expense			2,500,000
FOR THE TREASURER OF STATE			
Personal Services	827,187	827,811	
Other Operating Expense	42,350	42,350	

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			
General Fund	50,713,568	48,553,653	
Motor Carrier Regulation Fund (IC 8-2.1-23)	770,021	770,021	
Charity Gaming Enforcement Fund (IC 4-33-10)	988,951	988,951	
Motor Vehicle Highway Account (IC 8-14-1)	2,374,180	2,374,180	

Augmentation allowed from the Motor Carrier Regulation Fund, Charity Gaming Enforcement Fund, and the Motor Vehicle Highway Account.

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

Personal

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
Services	40,414,374	40,442,835	
Other Operating Expense	14,432,346	12,243,970	

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	2,700,000	2,700,000

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.

MOTOR CARRIER REGULATION

Motor Carrier Regulation Fund (IC 8-2.1-23)		
Personal Services	1,519,316	1,519,920
Other Operating Expense	3,796,100	3,796,100

Augmentation allowed from the Motor Carrier Regulation Fund.

MOTOR FUEL TAX DIVISION

Motor Vehicle Highway Account (IC 8-14-1)		
Personal Services	8,643,079	8,649,105
Other Operating Expense	1,062,900	1,062,900

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.

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
FOR THE INDIANA GAMING COMMISSION			
State Gaming Fund (IC 4-33-13-3)			
Personal Services	2,134,159	2,135,732	
Other Operating Expense	689,500	689,500	
INVESTIGATION			
State Gaming Fund (IC 4-33-13-3)			
Personal Services	875,000	875,000	
Other Operating Expense	454,450	454,450	

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.

The commission may employ or contract for inspectors and agents required under IC 4-33-4-3.5. The licensed owners shall, in the manner prescribed by the rules of the commission, reimburse the commission for the salaries and other expenses of the inspectors and agents who are required to be present during the time gambling operations are conducted on a riverboat.

FOR THE INDIANA HORSE RACING COMMISSION		
Indiana Horse Racing Commission Operating Fund (IC 4-31-10-2)		
Personal Services	2,136,556	2,137,198
Other Operating Expense	712,358	712,358
Augmentation allowed.		
STANDARDBRED ADVISORY BOARD		
Standardbred Horse Fund (IC 15-5-5.5-9.5)		
Total Operating Expense	193,500	193,500
Augmentation allowed.		
FOR THE DEPARTMENT OF LOCAL GOVERNMENT FINANCE		
Personal Services	4,119,403	4,122,337

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
Other Operating Expense	730,917	730,917	

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.

FOR THE INDIANA BOARD OF TAX REVIEW

Personal Services	1,318,469	1,319,521
Other Operating Expense	115,090	115,090

Augmentation allowed from fee increases enacted by P.L.245-2003 and reimbursements from any county under IC 6-1.1-4-34(f), regardless of when the fees or reimbursements were received.

F. ADMINISTRATION

FOR THE DEPARTMENT OF ADMINISTRATION

Personal Services	13,583,850	13,593,433
Other Operating Expense	7,635,798	7,635,798

FOR THE STATE PERSONNEL DEPARTMENT

Personal Services	3,500,000	3,500,000
Other Operating Expense	400,000	400,000

STATE EMPLOYEES' APPEALS COMMISSION

Personal Services	134,738	134,830
Other Operating Expense	13,257	13,257

FOR THE OFFICE OF TECHNOLOGY

Pay Phone Fund

Total Operating Expense	2,490,000	2,490,000

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 office of technology (OoT). 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	1,328,319	1,329,301
Other Operating Expense	156,364	156,364

FOR THE OFFICE OF THE PUBLIC ACCESS COUNSELOR

Personal Services	148,323	148,436
Other Operating Expense	5,134	5,134

G. OTHER

FOR THE COMMISSION ON UNIFORM STATE LAWS

Total Operating Expense	43,584	43,584

FOR THE OFFICE OF INSPECTOR GENERAL

Personal Services	1,010,968	1,011,268
Other Operating Expense	134,096	134,096

FOR THE STATE ETHICS COMMISSION

Personal Services	260,816	261,006
Other Operating Expense	2,596	2,596

FOR THE SECRETARY OF STATE

ELECTION DIVISION

Personal Services	652,669	653,145
Other Operating Expense	202,907	202,907

ELECTION TECHNOLOGY AND ADMINISTRATION REQUIREMENTS (HAVA TITLE II)

Total Operating Expense	688,880	0

SECTION 4. [EFFECTIVE JULY 1, 2005]

PUBLIC SAFETY

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
A. CORRECTION			
FOR THE DEPARTMENT OF CORRECTION			
CENTRAL OFFICE			
Personal Services	8,365,099	8,371,234	
Other Operating Expense	2,392,191	2,392,191	
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	10,235,735	10,235,735	
STAFF DEVELOPMENT AND TRAINING			
Personal Services	1,404,251	1,405,258	
Other Operating Expense	448,388	448,388	
PAROLE DIVISION			
Personal Services	5,749,346	5,753,450	
Other Operating Expense	804,943	804,943	
PAROLE BOARD			
Personal Services	552,124	552,544	
Other Operating Expense	35,590	35,590	
INFORMATION MANAGEMENT SERVICES			
Personal Services	2,364,202	2,366,020	
Other Operating Expense	1,922,620	1,922,620	
JUVENILE TRANSITION			
Personal Services	1,181,277	1,182,115	
Other Operating Expense	4,051,694	4,051,694	
COMMUNITY CORRECTIONS PROGRAMS			
Total Operating Expense			55,763,764

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.

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
DRUG PREVENTION AND OFFENDER TRANSITION			
Total Operating Expense	988,293	988,487	

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	1,179,746	1,180,570	
Other Operating Expense	455,738	455,738	
MEDICAL SERVICES			
Other Operating Expense	27,260,811	27,260,811	

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	40,716	40,742	
Other Operating Expense	113,000	113,000	
Augmentation allowed.			
COUNTY JAIL MAINTENANCE CONTINGENCY FUND			
Other Operating Expense	17,281,044	17,281,044	

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 incurred in providing 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.

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
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, the school for the blind, the school for the deaf, or the division of disability, aging and rehabilitative services 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, the school for the blind, the school for the deaf, the division of disability, aging and rehabilitative services, 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.

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
FOR THE DEPARTMENT OF ADMINISTRATION			
DEPARTMENT OF CORRECTION			
OMBUDSMAN BUREAU			
Personal Services	**135,966**	**136,067**	
Other Operating Expense	**13,124**	**13,124**	
FOR THE DEPARTMENT OF CORRECTION			
INDIANA STATE PRISON			
Personal Services	**28,327,153**	**28,345,171**	
Other Operating Expense	**5,819,137**	**5,819,137**	
VOCATIONAL TRAINING PROGRAM			
Total Operating Expense	**257,291**	**257,291**	
PENDLETON CORRECTIONAL FACILITY			
Personal Services	**28,133,124**	**28,152,801**	
Other Operating Expense	**6,931,289**	**6,931,289**	
CORRECTIONAL INDUSTRIAL FACILITY			
Personal Services	**19,842,899**	**19,856,310**	
Other Operating Expense	**4,035,819**	**4,035,819**	
INDIANA WOMEN'S PRISON			
Personal Services	**11,666,382**	**11,673,614**	
Other Operating Expense	**1,928,211**	**1,928,211**	
PUTNAMVILLE CORRECTIONAL FACILITY			
Personal Services	**28,542,062**	**28,561,207**	
Other Operating Expense	**5,595,717**	**5,595,717**	
WABASH VALLEY CORRECTIONAL FACILITY			
Personal Services	**38,442,605**	**38,467,484**	
Other Operating Expense	**7,469,855**	**7,469,855**	
PLAINFIELD JUVENILE CORRECTIONAL FACILITY			
Personal Services	**13,401,073**	**13,410,386**	
Other Operating Expense	**2,386,012**	**2,386,012**	
INDIANAPOLIS JUVENILE CORRECTIONAL FACILITY			
Personal Services	**14,618,497**	**14,626,547**	
Other Operating Expense	**1,711,469**	**1,711,469**	
BRANCHVILLE CORRECTIONAL FACILITY			
Personal Services	**17,856,336**	**17,868,319**	
Other Operating Expense	**2,945,374**	**2,945,374**	
WESTVILLE CORRECTIONAL FACILITY			
Personal Services	**42,249,577**	**42,278,476**	
Other Operating Expense	**7,690,288**	**7,690,288**	
WESTVILLE MAXIMUM CONTROL FACILITY			
Personal Services	**5,428,434**	**5,432,101**	
Other Operating Expense	**582,757**	**582,757**	
ROCKVILLE CORRECTIONAL FACILITY FOR WOMEN			
Personal Services	**15,746,198**	**15,757,032**	
Other Operating Expense	**2,712,522**	**2,712,522**	
PLAINFIELD CORRECTIONAL FACILITY			
Personal Services	**25,173,242**	**25,190,068**	

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
Other Operating Expense	5,464,545	5,464,545	
RECEPTION AND DIAGNOSTIC CENTER			
Personal Services	11,780,995	11,789,124	
Other Operating Expense	1,217,704	1,217,704	
MIAMI CORRECTIONAL FACILITY			
Personal Services	28,785,622	28,804,798	
Other Operating Expense	4,617,107	4,617,107	
NEW CASTLE CORRECTIONAL FACILITY			
Personal Services	12,203,968	12,212,345	
Other Operating Expense	2,779,105	2,779,105	
SOCIAL SERVICES BLOCK GRANT			
General Fund Total Operating Expense	9,948,380	9,955,962	
Work Release - Study Release Special Revenue Fund (IC 11-10-8-6.5) Total Operating Expense	466,014	466,014	
Augmentation allowed from Work Release - Study Release Special Revenue Fund and Social Services Block Grant.			
HENRYVILLE CORRECTIONAL FACILITY			
Personal Services	2,018,547	2,019,927	
Other Operating Expense	379,381	379,381	
CHAIN O' LAKES CORRECTIONAL FACILITY			
Personal Services	1,819,881	1,820,956	
Other Operating Expense	380,606	380,606	
MEDARYVILLE CORRECTIONAL FACILITY			
Personal Services	1,899,480	1,900,654	
Other Operating Expense	330,727	330,727	
ATTERBURY CORRECTIONAL FACILITY			
Personal Services	2,048,622	2,049,962	
Other Operating Expense	350,351	350,351	
MADISON CORRECTIONAL FACILITY			
Personal Services	3,114,891	3,116,892	
Other Operating Expense	468,019	468,019	
EDINBURGH CORRECTIONAL FACILITY			
Personal Services	2,849,220	2,851,122	
Other Operating Expense	363,155	363,155	
LAKESIDE CORRECTIONAL FACILITY			
Personal Services	4,904,199	4,907,478	
Other Operating Expense	732,602	732,602	
FORT WAYNE JUVENILE CORRECTIONAL FACILITY			
Personal Services	1,425,664	1,426,588	
Other Operating Expense	436,233	436,233	
SOUTH BEND JUVENILE CORRECTIONAL FACILITY			
Personal Services	4,343,067	4,345,596	
Other Operating Expense	2,886,037	2,886,037	
LOGANSPORT INTAKE/DIAGNOSTIC FACILITY			
Personal Services	2,868,870	2,870,666	
Other Operating Expense	536,690	536,690	
NORTH CENTRAL JUVENILE CORRECTIONAL FACILITY			
Personal Services	8,296,951	8,301,236	
Other Operating Expense	1,294,293	1,294,293	
CAMP SUMMIT			
Personal Services	2,545,249	2,546,766	
Other Operating Expense	362,040	362,040	
PENDLETON JUVENILE CORRECTIONAL FACILITY			
Personal Services	14,161,982	14,170,029	
Other Operating Expense	2,530,172	2,530,172	

B. LAW ENFORCEMENT

FOR THE INDIANA STATE POLICE AND MOTOR CARRIER INSPECTION			
From the General Fund	40,416,979	40,426,519	
From the Motor Vehicle Highway Account (IC 8-14-1)	70,416,982	70,426,522	
From the Motor Carrier Regulation Fund (IC 8-2.1-23)	4,025,699	4,026,788	

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
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	**104,557,210**	**104,577,379**
Other Operating Expense	**10,302,450**	**10,302,450**

The above appropriations for personal services and other operating expense include funds to continue the state police minority recruiting program. In addition to any funds that may be expended for accident reporting from the "accident report account" under IC 9-29-11-1, there are included in the appropriations for Indiana state police and motor carrier inspection such additional funds as necessary for administering accident reporting as required under IC 9-26-3.

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

From the Motor Vehicle Odometer Fund (IC 9-29-1-5)		
Total Operating Expense	**95,841**	**95,841**
Augmentation allowed.		

STATE POLICE TRAINING

From the State Police Training Fund (IC 5-2-8-5)		
Total Operating Expense	**303,722**	**303,722**
Augmentation allowed.		

FORENSIC AND HEALTH SCIENCES LABORATORIES

From the Motor Vehicle Highway Account (IC 8-14-1)		
Personal Services	**2,683,888**	**2,685,880**
Other Operating Expense	**1,602,961**	**1,602,961**
Augmentation allowed.		

ENFORCEMENT AID

From the General Fund		
Total Operating Expense	**40,000**	**40,000**
From the 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

From the General Fund		
Total Operating Expense	**3,800,302**	**6,087,313**
From the Motor Vehicle Highway Account (IC 8-14-1)		
Total Operating Expense	**3,800,306**	**6,087,318**

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

From the General Fund		
Total Operating Expense	**1,513,750**	**1,513,750**
Augmentation allowed.		
From the Motor Vehicle Highway Account (IC 8-14-1)		
Total Operating Expense	**1,513,750**	**1,513,750**
Augmentation allowed.		

All benefits that accrue 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	**1,437,500**	**1,437,500**
Augmentation allowed.		
Motor Vehicle Highway Account (IC 8-14-1)		
Total Operating Expense	**1,437,500**	**1,437,500**
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

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.

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	91,140	91,140	
Augmentation allowed.			
DRUG INTERDICTION			
Drug Interdiction Fund (IC 10-11-7)			
Total Operating Expense	273,420	273,420	
Augmentation allowed.			
FOR THE INTEGRATED PUBLIC SAFETY COMMISSION PROJECT SAFE-T			
Integrated Public Safety Communications Fund (IC 5-26-4-1)			
Total Operating Expense	13,205,269	13,205,269	
Augmentation allowed.			
FOR THE ADJUTANT GENERAL			
Personal Services	9,659,149	7,946,862	
Other Operating Expense	3,595,193	2,790,351	
NAVAL FORCES			
Personal Services	149,991	150,089	
Other Operating Expense	68,983	68,983	
DISABLED SOLDIERS' PENSION			
Other Operating Expense	16,507	16,507	
GOVERNOR'S CIVIL AND MILITARY CONTINGENCY FUND			
Total Operating Expense			707,340

The above appropriations for the adjutant general 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	440,467	440,467	
DRUG ENFORCEMENT MATCH			
Total Operating Expense	2,096,955	2,096,955	
VICTIM AND WITNESS ASSISTANCE FUND			
Victim and Witness Assistance Fund (IC 5-2-6-14)			
Total Operating Expense	591,132	591,132	
Augmentation allowed.			
ALCOHOL AND DRUG COUNTERMEASURES			
Alcohol and Drug Countermeasures Fund (IC 9-27-2-11)			
Total Operating Expense	516,558	516,558	
Augmentation allowed.			
STATE DRUG FREE COMMUNITIES FUND			
State Drug Free Communities Fund (IC 5-2-10-2)			
Total Operating Expense	501,099	501,099	
Augmentation allowed.			
INDIANA SAFE SCHOOLS			
General Fund			
Total Operating Expense	1,660,300	1,660,300	
Indiana Safe Schools Fund (IC 5-2-10.1-2)			
Total Operating Expense	406,700	406,700	
Augmentation allowed from Indiana Safe Schools Fund.			

Of the above appropriations for the Indiana safe schools program, $1,317,000 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.

OFFICE OF TRAFFIC SAFETY			
Motor Vehicle Highway Account (IC 8-14-1)			
Personal Services	457,669	457,777	
Other Operating Expense	11,093,645	11,093,645	
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.

PROJECT IMPACT			
Total Operating			

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
Expense	196,000	196,000	
VICTIMS OF VIOLENT CRIME ADMINISTRATION			
Violent Crime Victims Compensation Fund (IC 5-2-6.1-40)			
Personal Services	185,665	185,720	
Other Operating Expense	2,548,565	2,548,565	
Augmentation allowed.			
FOR THE CORONERS' TRAINING BOARD			
Coroners' Training and Continuing Education Fund (IC 4-23-6.5-8)			
Personal Services	30,000	30,000	
Other Operating Expense	485,429	485,429	
Augmentation allowed.			
FOR THE INDIANA DEPARTMENT OF GAMING RESEARCH			
Personal Services	157,519	157,632	
Other Operating Expense	88,658	88,658	
Augmentation allowed from fees accruing under IC 4-33-18-8.			
FOR THE LAW ENFORCEMENT TRAINING ACADEMY			
From the General Fund	1,622,820	1,624,857	
From the Law Enforcement Academy Training Fund (IC 5-2-1-13(b))	2,803,013		2,803,013
Augmentation allowed from Law Enforcement Academy Training Fund.			

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

Personal Services	3,083,774	3,085,811
Other Operating Expense	1,342,059	1,342,059

C. REGULATORY AND LICENSING

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
FOR THE BUREAU OF MOTOR VEHICLES			
Motor Vehicle Highway Account (IC 8-14-1)			
Personal Services	20,056,862	20,047,781	
Other Operating Expense	16,589,473	16,589,473	
Augmentation allowed.			
LICENSE PLATES			
Motor Vehicle Highway Account (IC 8-14-1)			
Total Operating Expense	5,390,000	5,390,000	
Augmentation allowed.			
DEALER INVESTIGATOR EXPENSES			
Motor Vehicle Odometer Fund (IC 9-29-1-5)			
Total Operating Expense	263,228	263,228	
Augmentation allowed.			
FINANCIAL RESPONSIBILITY COMPLIANCE VERIFICATION			
Financial Responsibility Compliance Verification Fund (IC 9-25-9-7)			
Total Operating Expense	7,777,970	7,778,371	
Augmentation allowed.			
ABANDONED VEHICLES			
Abandoned Vehicle Fund (IC 9-22-1-28)			
Total Operating Expense	36,260	36,260	
Augmentation allowed.			
STATE MOTOR VEHICLE TECHNOLOGY			
State Motor Vehicle Technology Fund (IC 9-29-16-1)			
Total Operating Expense	5,098,968	5,098,968	
Augmentation allowed.			
FOR THE DEPARTMENT OF LABOR			
Personal Services	1,019,407	1,020,143	
Other Operating Expense	114,673	114,673	
INDUSTRIAL HYGIENE			
Personal Services	1,246,719	1,247,594	
Other Operating Expense	117,031	117,031	
BUREAU OF MINES AND MINING			
Personal Services	109,621	109,697	
Other Operating Expense	19,104	19,104	
M.I.S. RESEARCH AND STATISTICS			
Personal Services	237,799	237,963	
Other Operating Expense	20,299	20,299	

The above funds are appropriated to occupational safety and health, industrial hygiene, and to management information services research and statistics to provide the total program

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.

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. Federal funds received shall be considered a reimbursement of state expenditures and as such shall be deposited into the state general fund.

OCCUPATIONAL SAFETY AND HEALTH		
Personal Services	**2,314,796**	**2,316,387**
Other Operating Expense	**198,885**	**198,885**
EMPLOYMENT OF YOUTH		
Fund for Employment of Youth (IC 20-8.1-4-31)		
Total Operating Expense	**75,443**	**75,473**
Augmentation allowed.		
BUREAU OF SAFETY EDUCATION AND TRAINING		
Special Fund for Safety and Health Consultation Services (IC 22-8-1.1-48)		
Personal Services	**893,884**	**894,498**
Other Operating Expense	**189,792**	**189,792**
Augmentation allowed.		

Federal cost reimbursements for expenses attributable to the Bureau of Safety Education and Training appropriations shall be deposited into the special fund for safety and health consultation services.

FOR THE INSURANCE DEPARTMENT		
From the General Fund	**3,428,470**	**3,431,292**
From the Department of Insurance Fund (IC 27-1-3-28)	**2,363,439**	**2,363,439**
Augmentation allowed from the Department of Insurance Fund.		

The amounts specified from the General Fund and the Department of Insurance Fund are for the following purposes:

Personal Services	**4,734,217**	**4,737,039**
Other Operating Expense	**1,057,692**	**1,057,692**
BAIL BOND DIVISION		
Bail Bond Enforcement and Administration Fund (IC 27-10-5-1)		
Personal Services	**108,119**	**108,188**
Other Operating Expense	**14,660**	**14,660**
Augmentation allowed.		
PATIENTS' COMPENSATION AUTHORITY		
Patients' Compensation Fund (IC 34-18-6-1)		
Personal Services	**620,860**	**621,057**
Other Operating Expense	**68,525**	**68,525**
Augmentation allowed.		
POLITICAL SUBDIVISION RISK MANAGEMENT		
Political Subdivision Risk Management Fund (IC 27-1-29-10)		
Personal Services	**221,502**	**221,569**
Other Operating Expense	**52,525**	**52,525**
Augmentation allowed.		
MINE SUBSIDENCE INSURANCE		
Mine Subsidence Insurance Fund (IC 27-7-9-7)		
Personal Services	**118,535**	**118,622**
Other Operating Expense	**201,765**	**201,765**
Augmentation allowed.		
FOR THE ALCOHOL AND TOBACCO COMMISSION		
From the Enforcement and Administration Fund (IC 7.1-4-10-1)		
Personal Services	**4,963,688**	**4,513,135**
Other Operating Expense	**887,278**	**887,278**
Augmentation allowed.		
EXCISE OFFICER TRAINING FUND (IC 5-2-8-8)		
Total Operating Expense	**6,860**	**6,860**
Augmentation allowed from the Alcoholic Beverage Enforcement Officer Training Fund.		
FOR THE DEPARTMENT OF FINANCIAL INSTITUTIONS		
Financial Institutions Fund (IC 28-11-2-9)		
Personal Services	**5,884,768**	**5,889,224**
Other Operating Expense	**1,530,776**	**1,531,496**
Augmentation allowed.		
FOR THE PROFESSIONAL LICENSING AGENCY		
Personal		

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
Services	4,307,807	4,310,715	
Other Operating Expense	1,500,531	1,500,531	
EMBALMERS' AND FUNERAL DIRECTORS' EDUCATION (IC 25-15-9-13)			
Funeral Services Education Fund (IC 25-15-9-13)			
Total Operating Expense	4,900	4,900	
Augmentation allowed.			
FOR THE DEPARTMENT OF FIRE AND BUILDING SERVICES			
Fire and Building Services Fund (IC 22-12-6-1)			
Personal Services	8,541,057	8,546,829	
Other Operating Expense	1,345,487	1,345,487	
Augmentation allowed.			
FOR THE PUBLIC SAFETY TRAINING INSTITUTE			
Fire and Building Services Fund (IC 22-12-6-1)			
Personal Services	1,063,716	1,064,361	
Other Operating Expense	305,978	305,978	
Augmentation allowed.			
FOR THE CIVIL RIGHTS COMMISSION			
Personal Services	2,097,270	2,098,776	
Other Operating Expense	266,515	266,515	

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.

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
FOR THE UTILITY CONSUMER COUNSELOR			
Public Utility Fund (IC 8-1-6-1)			
Personal Services	3,800,352	3,803,139	
Other Operating Expense	455,065	455,065	
Augmentation allowed.			
EXPERT WITNESS FEES AND AUDIT			
Public Utility Fund (IC 8-1-6-1)			
Total Operating Expense			1,550,000
Augmentation allowed.			
FOR THE UTILITY REGULATORY COMMISSION			
Public Utility Fund (IC 8-1-6-1)			
Personal Services	5,239,324	5,243,244	
Other Operating Expense	1,966,515	1,966,515	
Augmentation allowed.			
FOR THE WORKERS' COMPENSATION BOARD			
Personal Services	1,800,788	1,802,034	
Other Operating Expense	89,869	89,869	
FOR THE STATE BOARD OF ANIMAL HEALTH			
Personal Services	3,172,896	3,175,065	
Other Operating Expense	680,927	680,927	
INDEMNITY FUND			
Total Operating Expense			49,430
Augmentation allowed.			
MEAT & POULTRY INSPECTION			
Total Operating Expense	1,781,628	1,782,624	
FOR THE EMERGENCY MANAGEMENT AGENCY			
Personal Services	1,558,682	1,559,945	
Other Operating Expense	154,602	154,602	
EMERGENCY MANAGEMENT AGENCY CONTINGENCY FUND			
Total Operating Expense	242,500	242,500	

The above appropriations for the emergency management agency contingency fund are made to the contingency fund under IC 10-14-3-28. The above appropriations shall be in addition to any unexpended balances in the fund as of June 30, 2005.

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
DIRECTION CONTROL AND WARNING			
Total Operating Expense	30,182	30,182	
INDIVIDUAL AND FAMILY ASSISTANCE			
Total Operating Expense	1	1	
Augmentation allowed.			
PUBLIC ASSISTANCE			

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
Total Operating Expense	1	1	

Augmentation allowed.

The above appropriations for the emergency management agency represent the total program cost for civil defense and for emergency medical services for each fiscal year. It is the intent of the general assembly that the emergency management agency apply to the Federal Emergency Management Agency for all federal reimbursement funds for which Indiana is eligible. All funds received shall be deposited into the state general fund.

SECTION 5. [EFFECTIVE JULY 1, 2005]

CONSERVATION AND ENVIRONMENT

A. NATURAL RESOURCES

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
FOR THE DEPARTMENT OF NATURAL RESOURCES - ADMINISTRATION			
Personal Services	4,864,533	4,868,008	
Other Operating Expense	728,150	728,150	
ENTOMOLOGY AND PLANT PATHOLOGY DIVISION			
Personal Services	760,732	761,281	
Other Operating Expense	161,937	161,937	
ENTOMOLOGY AND PLANT PATHOLOGY FUND (IC 14-24-10-3)			
Total Operating Expense			23,359
Augmentation allowed.			
ENGINEERING DIVISION			
Personal Services	1,588,440	1,589,599	
Other Operating Expense	71,351	71,351	
STATE MUSEUM			
Personal Services	5,498,536	5,502,194	
Other Operating Expense	2,031,841	2,031,841	
HISTORIC PRESERVATION DIVISION			
Personal Services	937,701	938,370	
Other Operating Expense	41,125	41,125	
STATE HISTORIC SITES			
Personal Services	2,139,718	2,140,920	
Other Operating Expense	381,787	381,787	

From the above appropriations, $75,000 in each state fiscal year shall be used for the Grissom Museum.

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
WABASH RIVER HERITAGE CORRIDOR			
Total Operating Expense	97,849	97,849	
OUTDOOR RECREATION DIVISION			
Personal Services	850,544	851,170	
Other Operating Expense	44,019	44,019	
NATURE PRESERVES DIVISION			
Personal Services	908,197	908,859	
Other Operating Expense	52,164	52,164	
DEPARTMENT OF NATURAL RESOURCES FINANCIAL MANAGEMENT			
Personal Services	148,372	148,483	
Other Operating Expense	41,718	41,718	
WATER DIVISION			
Personal Services	4,938,614	4,942,191	
Other Operating Expense	663,935	663,935	

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.

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
GREAT LAKES COMMISSION			
Other Operating Expense	61,000	61,000	
DEER RESEARCH AND MANAGEMENT			
Deer Research and Management Fund (IC 14-22-5-2)			
Total Operating Expense	174,000	174,000	
Augmentation allowed.			
OIL AND GAS DIVISION			
From the General Fund	1,207,046	1,207,388	
From the Oil and Gas Fund (IC 6-8-1-27)	139,750	140,176	
Augmentation allowed from Oil and Gas Fund.			

The amounts specified from the General Fund and the Oil and

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
Gas Fund are for the following purposes:			
Personal Services	**1,066,435**	**1,067,203**	
Other Operating Expense	**280,361**	**280,361**	
STATE PARKS AND RESERVOIRS			
From the General Fund	**10,161,162**	**10,168,398**	
From the State Parks and Reservoirs Special Revenue Fund (IC 14-19-8-2)	**21,136,316**	**21,160,811**	
Augmentation allowed from State Parks and Reservoirs Special Revenue Fund.			
The amounts specified from the General Fund and the State Parks and Reservoirs Special Revenue Fund are for the following purposes:			
Personal Services	**24,409,278**	**24,441,009**	
Other Operating Expense	**6,888,200**	**6,888,200**	
SNOWMOBILE/OFFROAD VEHICLE LICENSING FUND			
Snowmobile/Offroad Licensing Fund (IC 14-16-1-30)			
Total Operating Expense	**139,908**	**139,908**	
Augmentation allowed.			
LAW ENFORCEMENT DIVISION			
From the General Fund	**9,207,707**	**9,208,185**	
From the Fish and Wildlife Fund (IC 14-22-3-2)	**11,060,370**	**11,061,123**	
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	**17,010,154**	**17,011,385**	
Other Operating Expense	**3,257,923**	**3,257,923**	
FISH AND WILDLIFE DIVISION			
Fish and Wildlife Fund (IC 14-22-3-2)			
Personal Services	**13,271,453**	**13,279,686**	
Other Operating Expense	**4,056,937**	**4,056,937**	
Augmentation allowed.			
FORESTRY DIVISION			
From the General Fund	**1,406,350**	**1,406,609**	
From the State Forestry Fund (IC 14-23-3-2)	**7,948,375**	**7,952,921**	
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	**7,850,802**	**7,855,607**	
Other Operating Expense	**1,503,923**	**1,503,923**	
All money expended by the division of forestry of the department of natural resources for the detention and suppression of forest, grassland, and wasteland fires shall be through the enforcement division of the department, and the employment with such money of all personnel, with the exception of emergency labor, shall be in accordance with IC 14-9-8.			
RECLAMATION DIVISION			
From the General Fund	**36,857**	**36,857**	
From the Natural Resources Reclamation Division Fund (IC 14-34-14-2)	**5,228,074**	**5,231,437**	
Augmentation allowed from the Natural Resources Reclamation Division Fund.			
The amounts specified from the General Fund and the Natural Resources Reclamation Division Fund are for the following purposes:			
Personal Services	**4,585,013**	**4,588,376**	
Other Operating Expense	**679,918**	**679,918**	
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 AND RIVER ENHANCEMENT			
Lake and River Enhancement Fund (IC 6-6-11-12.5)			
Total Operating Expense			**4,685,811**
Augmentation allowed.			

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
CONSERVATION OFFICERS' MARINE ENFORCEMENT FUND			
Lake and River Enhancement Fund (IC 6-6-11-12.5)			
Total Operating Expense	**182,759**	**182,759**	
Augmentation allowed.			
HERITAGE TRUST			
Total Operating Expense	**1,000,000**	**1,000,000**	

B. OTHER NATURAL RESOURCES

FOR THE WORLD WAR MEMORIAL COMMISSION			
Personal Services	**1,025,997**	**1,026,680**	
Other Operating Expense	**143,509**	**143,509**	

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	**1,309,965**	**1,309,965**	
FOR THE ST. JOSEPH RIVER BASIN COMMISSION			
Total Operating Expense	**70,029**	**70,029**	

C. ENVIRONMENTAL MANAGEMENT

FOR THE DEPARTMENT OF ENVIRONMENTAL MANAGEMENT ADMINISTRATION			
From the General Fund	**4,302,355**	**4,386,235**	
From the State Solid Waste Management Fund (IC 13-20-22-2)	**128,388**	**128,465**	
From the Waste Tire Management Fund (IC 13-20-13-8)	**60,182**	**60,218**	
From the Title V Operating Permit Program Trust Fund (IC 13-17-8-1)	**742,243**	**742,684**	
From the Environmental Management Permit Operation Fund (IC 13-15-11-1)	**862,606**	**863,148**	
From the Environmental Management Special Fund (IC 13-14-12-1)	**216,654**	**216,782**	
From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)	**316,957**	**317,145**	
From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)	**56,167**	**56,201**	
From the Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)	**1,628,925**	**1,629,890**	

Augmentation allowed from the State Solid Waste Management 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, 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, 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, Underground Petroleum Storage Tank Trust Fund, and Underground Petroleum Storage Tank Excess Liability Trust Fund are for the following purposes:

Personal Services	**6,113,111**	**6,117,395**	
Other Operating Expense	**2,201,366**	**2,283,373**	
LABORATORY CONTRACTS			
General Fund	**708,362**	**777,825**	
Environmental Management Special Fund (IC 13-14-12-1)	**425,999**	**425,999**	
Hazardous Substances Response Trust Fund (IC 13-25-4-1)	**1,277,997**	**1,277,997**	

Augmentation allowed from the Environmental Management Special Fund and the Hazardous Substances Response Trust Fund.

The amounts specified from the General Fund, Environmental Management Special Fund, and the Hazardous Substance Response Trust Fund are for the following purpose:

Total Operating Expense	**2,412,358**	**2,481,821**	
NORTHWEST REGIONAL OFFICE			
From the General Fund	**523,982**	**524,332**	
From the State Solid Waste Management			

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
Fund (IC 13-20-22-2)	**31,639**	**31,659**	
From the Waste Tire Management Fund (IC 13-20-13-8)	**8,925**	**8,931**	
From the Title V Operating Permit Program Trust Fund (IC 13-17-8-1)	**283,124**	**283,308**	
From the Environmental Management Permit Operation Fund (IC 13-15-11-1)	**135,480**	**135,571**	
From the Environmental Management Special Fund (IC 13-14-12-1)	**64,089**	**64,130**	
From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)	**48,677**	**48,709**	
From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)	**8,113**	**8,118**	
From the Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)	**231,202**	**231,349**	

Augmentation allowed from the State Solid Waste Management 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, 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, 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, Underground Petroleum Storage Tank Trust Fund, and Underground Petroleum Storage Tank Excess Liability Trust Fund are for the following purposes:

Personal Services	**1,206,917**	**1,207,793**
Other Operating Expense	**128,314**	**128,314**

NORTHERN REGIONAL OFFICE

From the General Fund	**374,610**	**374,843**
From the State Solid Waste Management Fund (IC 13-20-22-2)	**46,856**	**46,883**
From the Waste Tire Management Fund (IC 13-20-13-8)	**5,679**	**5,682**
From the Title V Operating Permit Program Trust Fund (IC 13-17-8-1)	**276,161**	**276,325**
From the Environmental Management Permit Operation Fund (IC 13-15-11-1)	**123,527**	**123,626**
From the Environmental Management Special Fund (IC 13-14-12-1)	**66,732**	**66,772**
From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)	**39,048**	**39,071**
From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)	**4,970**	**4,973**
From the Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)	**146,951**	**147,035**

Augmentation allowed from the State Solid Waste Management 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, 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, 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, Underground Petroleum Storage Tank Trust Fund, and Underground Petroleum Storage Tank Excess Liability Trust Fund are for the following purposes:

Personal Services	**932,226**	**932,902**
Other Operating Expense	**152,308**	**152,308**

SOUTHWEST REGIONAL OFFICE

From the General Fund	**387,639**	**387,863**
From the State Solid Waste Management Fund (IC 13-20-22-2)	**97,931**	**97,987**
From the Waste Tire Management Fund (IC 13-20-13-8)	**6,045**	**6,048**
From the Title V Operating Permit Program Trust Fund (IC 13-17-8-1)	**146,896**	**146,981**
From the Environmental Management Permit		

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
Operation Fund (IC 13-15-11-1)	**86,445**	**86,497**	
From the Environmental Management Special Fund (IC 13-14-12-1)	**52,594**	**52,624**	
From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)	**55,010**	**55,042**	
From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)	**5,440**	**5,443**	
From the Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)	**154,150**	**154,239**	

Augmentation allowed from the State Solid Waste Management 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, 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, 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, Underground Petroleum Storage Tank Trust Fund, and Underground Petroleum Storage Tank Excess Liability Trust Fund are for the following purposes:

Personal Services	**793,774**	**794,348**
Other Operating Expense	**198,376**	**198,376**

LEGAL AFFAIRS

From the General Fund	**779,039**	**779,561**
From the State Solid Waste Management Fund (IC 13-20-22-2)	**40,958**	**40,983**
From the Waste Tire Management Fund (IC 13-20-13-8)	**4,428**	**4,431**
From the Title V Operating Permit Program Trust Fund (IC 13-17-8-1)	**242,425**	**242,573**
From the Environmental Management Permit Operation Fund (IC 13-15-11-1)	**180,435**	**180,553**
From the Environmental Management Special Fund (IC 13-14-12-1)	**61,990**	**62,027**
From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)	**91,877**	**91,932**
From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)	**16,604**	**16,614**
From the Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)	**468,246**	**468,528**

Augmentation allowed from the State Solid Waste Management 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, 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, 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, Underground Petroleum Storage Tank Trust Fund, and Underground Petroleum Storage Tank Excess Liability Trust Fund are for the following purposes:

Personal Services	**1,762,962**	**1,764,162**
Other Operating Expense	**123,040**	**123,040**

ENFORCEMENT

From the General Fund	**1,056,384**	**1,057,122**
From the Title V Operating Permit Program Trust Fund (IC 13-17-8-1)	**733,137**	**733,746**
From the Environmental Management Special Fund (IC 13-14-12-1)	**80,186**	**80,253**
From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)	**3,273**	**3,276**
From the Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)	**1,636**	**1,637**

Augmentation allowed from the Title V Operating Permit Program Trust Fund, Environmental Management Special Fund, Hazardous Substances Response Trust Fund, and

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
the Underground Petroleum Storage Tank Excess Liability Trust Fund.			

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

Personal Services	**1,794,769**	**1,796,187**
Other Operating Expense	**79,847**	**79,847**

INVESTIGATIONS

From the General Fund	**191,601**	**191,702**
From the State Solid Waste Management Fund (IC 13-20-22-2)	**6,819**	**6,822**
From the Waste Tire Management Fund (IC 13-20-13-8)	**4,636**	**4,638**
From the Title V Operating Permit Program Trust Fund (IC 13-17-8-1)	**44,721**	**44,744**
From the Environmental Management Permit Operation Fund (IC 13-15-11-1)	**55,627**	**55,657**
From the Environmental Management Special Fund (IC 13-14-12-1)	**13,089**	**13,096**
From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)	**22,632**	**22,643**
From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)	**4,362**	**4,364**
From the Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)	**120,799**	**120,862**
Augmentation allowed from the State Solid Waste Management 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, 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, 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, Underground Petroleum Storage Tank Trust Fund, and Underground Petroleum Storage Tank Excess Liability Trust Fund are for the following purposes:

Personal Services	**333,715**	**333,957**
Other Operating Expense	**130,571**	**130,571**

PLANNING AND ASSESSMENT

From the General Fund	**444,517**	**444,834**
From the State Solid Waste Management Fund (IC 13-20-22-2)	**8,389**	**8,395**
From the Waste Tire Management Fund (IC 13-20-13-8)	**5,705**	**5,709**
From the Title V Operating Permit Program Trust Fund (IC 13-17-8-1)	**55,033**	**55,071**
From the Environmental Management Permit Operation Fund (IC 13-15-11-1)	**68,454**	**68,505**
From the Environmental Management Special Fund (IC 13-14-12-1)	**16,107**	**16,118**
From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)	**27,852**	**27,872**
From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)	**5,370**	**5,374**
From the Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)	**148,654**	**148,757**
Augmentation allowed from the State Solid Waste Management 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, 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, 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, Underground Petroleum Storage Tank Trust Fund, and Underground Petroleum

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
Storage Tank Excess Liability Trust Fund are for the following purposes:			
Personal Services	**763,868**	**764,422**	
Other Operating Expense	**16,213**	**16,213**	
MEDIA AND COMMUNICATIONS			
From the General Fund	**418,483**	**418,762**	
From the State Solid Waste Management Fund (IC 13-20-22-2)	**10,533**	**10,539**	
From the Waste Tire Management Fund (IC 13-20-13-8)	**7,161**	**7,165**	
From the Title V Operating Permit Program Trust Fund (IC 13-17-8-1)	**69,097**	**69,142**	
From the Environmental Management Permit Operation Fund (IC 13-15-11-1)	**85,949**	**86,008**	
From the Environmental Management Special Fund (IC 13-14-12-1)	**20,224**	**20,237**	
From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)	**34,970**	**34,992**	
From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)	**6,741**	**6,745**	
From the Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)	**186,648**	**186,769**	
Augmentation allowed from the State Solid Waste Management 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, 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, 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, Underground Petroleum Storage Tank Trust Fund, and Underground Petroleum Storage Tank Excess Liability Trust Fund are for the following purposes:			
Personal Services	**795,024**	**795,577**	
Other Operating Expense	**44,782**	**44,782**	
PUBLIC POLICY AND PLANNING			
From the General Fund	**161,608**	**161,718**	
From the State Solid Waste Management Fund (IC 13-20-22-2)	**5,908**	**5,912**	
From the Waste Tire Management Fund (IC 13-20-13-8)	**4,019**	**4,021**	
From the Title V Operating Permit Program Trust Fund (IC 13-17-8-1)	**38,752**	**38,777**	
From the Environmental Management Permit Operation Fund (IC 13-15-11-1)	**48,207**	**48,240**	
From the Environmental Management Special Fund (IC 13-14-12-1)	**11,342**	**11,349**	
From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)	**19,613**	**19,625**	
From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)	**3,780**	**3,782**	
From the Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)	**104,682**	**104,752**	
Augmentation allowed from the State Solid Waste Management 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, Underground Petroleum Storage Tank Trust Fund, and Underground PetroleumStorage Tank Excess Liability Trust Fund.			
The amounts specified from the General Fund, State Solid Waste Management 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, Underground Petroleum Storage Tank Trust Fund, and Underground Petroleum Storage Tank Excess Liability Trust Fund are for the following purposes:			
Personal Services	**353,663**	**353,928**	
Other Operating			

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
Expense	44,248	44,248	
OHIO RIVER VALLEY WATER SANITATION COMMISSION			
Environmental Management Special Fund (IC 13-14-12-1)			
Total Operating Expense	242,900	242,900	
Augmentation allowed.			
OFFICE OF ENVIRONMENTAL RESPONSE			
Personal Services	1,948,562	1,949,976	
Other Operating Expense	575,485	575,485	
POLLUTION PREVENTION AND TECHNICAL ASSISTANCE			
Personal Services	1,045,497	1,046,263	
Other Operating Expense	249,790	249,790	
PCB INSPECTIONS			
Environmental Management Permit Operation Fund (IC 13-15-11-1)			
Total Operating Expense	40,001	40,001	
Augmentation allowed.			
U.S. GEOLOGICAL SURVEY CONTRACTS			
Environmental Management Special Fund (IC 13-14-12-1)			
Total Operating Expense	62,890	62,890	
Augmentation allowed.			
STATE SOLID WASTE GRANTS MANAGEMENT			
State Solid Waste Management Fund (IC 13-20-22-2)			
Personal Services	232,830	232,997	
Other Operating Expense	1,372,630	1,372,630	
Augmentation allowed.			
VOLUNTARY CLEAN-UP PROGRAM			
Voluntary Remediation Fund (IC 13-25-5-21)			
Personal Services	326,625	326,858	
Other Operating Expense	551,500	551,500	
Augmentation allowed.			
TITLE V AIR PERMIT PROGRAM			
Title V Operating Permit Program Trust Fund (IC 13-17-8-1)			
Personal Services	6,131,432	6,135,885	
Other Operating Expense	4,374,989	4,374,989	
Augmentation allowed.			
WATER MANAGEMENT PERMITTING			
From the General Fund	1,919,924	1,921,119	
From the Environmental Management Permit Operation Fund (IC 13-15-11-1)	4,205,935	4,208,554	
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	5,331,613	5,335,427	
Other Operating Expense	794,246	794,246	
SOLID WASTE MANAGEMENT PERMITTING			
From the General Fund	2,007,190	2,008,514	
From the Environmental Management Permit Operation Fund (IC 13-15-11-1)	3,102,309	3,104,355	
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	4,714,580	4,717,950	
Other Operating Expense	394,919	394,919	
HAZARDOUS WASTE MANAGEMENT PERMITTING			
From the General Fund	2,492,889	2,494,350	
From the Environmental Management Permit Operation Fund (IC 13-15-11-1)	2,978,130	2,979,879	
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	4,445,660	4,448,870	
Other Operating Expense	1,025,359	1,025,359	

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
SAFE DRINKING WATER PROGRAM			
From the General Fund			
	571,429	**571,807**	
From the Environmental Management Permit Operation Fund (IC 13-15-11-1)			
	2,094,366	**2,894,837**	
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	**1,075,952**	**1,077,970**
Other Operating Expense	**1,589,843**	**2,388,674**

WATERSHED MANAGEMENT		
Environmental Management Special Fund (IC 13-14-12-1)		
Total Operating Expense	**24,037**	**24,037**
Augmentation allowed.		
CLEAN VESSEL PUMPOUT		
Environmental Management Special Fund (IC 13-14-12-1)		
Total Operating Expense	**58,475**	**58,475**
Augmentation allowed.		
GROUNDWATER PROGRAM		
Total Operating Expense	**287,001**	**287,126**
UNDERGROUND STORAGE TANK PROGRAM		
Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)		
Total Operating Expense	**137,215**	**137,277**
Augmentation allowed.		
AIR MANAGEMENT OPERATING		
From the General Fund		
	886,788	**887,229**
From the Environmental Management Special Fund (IC 13-14-12-1)		
	1,698,889	**1,699,738**
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	**1,776,421**	**1,777,711**
Other Operating Expense	**809,256**	**809,256**
WATER MANAGEMENT NON-PERMITTING		
Personal Services	**3,137,463**	**3,139,726**
Other Operating Expense	**391,681**	**490,466**
GREAT LAKES INITIATIVE		
Environmental Management Special Fund (IC 13-14-12-1)		
Total Operating Expense	**96,160**	**96,160**
Augmentation allowed.		
OUTREACH OPERATOR TRAINING		
Total Operating Expense	**41,306**	**41,306**
LEAKING UNDERGROUND STORAGE TANKS		
Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)		
Personal Services	**124,465**	**124,555**
Other Operating Expense	**44,109**	**44,109**
Augmentation allowed.		
CORE SUPERFUND		
Hazardous Substances Response Trust Fund (IC 13-25-4-1)		
Total Operating Expense	**127,435**	**127,467**
Augmentation allowed.		
AUTO EMISSIONS TESTING PROGRAM		
Personal Services	**153,161**	**153,270**
Other Operating Expense	**7,592,411**	**7,344,013**

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	**914,494**	**915,153**
Other Operating Expense	**1,323,811**	**1,323,811**
Augmentation allowed.		
HAZARDOUS WASTE SITES - NATURAL RESOURCE DAMAGES		
Hazardous Substances Response Trust Fund (IC 13-25-4-1)		
Personal Services	**174,348**	**174,474**
Other Operating Expense	**680,991**	**680,991**
Augmentation allowed.		

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
SUPERFUND MATCH			
Hazardous Substances Response Trust Fund (IC 13-25-4-1)			
Total Operating Expense	**354,985**	**354,985**	
Augmentation allowed.			
HOUSEHOLD HAZARDOUS WASTE			
Hazardous Substances Response Trust Fund (IC 13-25-4-1)			
Personal Services	**39,934**	**39,960**	
Other Operating Expense	**443,816**	**443,816**	
Augmentation allowed.			
ASBESTOS TRUST - OPERATING			
Asbestos Trust Fund (IC 13-17-6-3)			
Personal Services	**358,456**	**358,709**	
Other Operating Expense	**150,384**	**150,384**	
Augmentation allowed.			
UNDERGROUND PETROLEUM STORAGE TANK - OPERATING			
Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)			
Personal Services	**201,977**	**202,035**	
Other Operating Expense	**28,128,801**	**28,128,801**	
Augmentation allowed.			
WASTE TIRE MANAGEMENT			
Waste Tire Management Fund (IC 13-20-13-8)			
Total Operating Expense	**1,054,000**	**1,054,000**	
Augmentation allowed.			
VOLUNTARY COMPLIANCE			
Environmental Management Special Fund (IC 13-14-12-1)			
Personal Services	**140,598**	**140,696**	
Other Operating Expense	**217,737**	**217,737**	
Augmentation allowed.			
ENVIRONMENTAL MANAGEMENT SPECIAL FUND - OPERATING			
Environmental Management Special Fund (IC 13-14-12-1)			
Total Operating Expense	**1,100,000**	**1,100,000**	
Augmentation allowed.			
SMALL TOWN COMPLIANCE			
Environmental Management Special Fund (IC 13-14-12-1)			
Total Operating Expense	**60,000**	**60,000**	
Augmentation allowed.			
WETLANDS PROTECTION			
Environmental Management Special Fund (IC 13-14-12-1)			
Total Operating Expense	**50,401**	**50,401**	
Augmentation allowed.			
MERCURY REDUCTION OUTREACH GRANT			
Total Operating Expense	**87,590**	**87,590**	
PETROLEUM TRUST - OPERATING			
Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)			
Personal Services	**242,896**	**243,081**	
Other Operating Expense	**462,885**	**462,885**	
Augmentation allowed.			
LEAD BASED PAINT ACTIVITIES PROGRAM			
Lead Trust Fund (IC 13-17-14-6)			
Total Operating Expense	**21,638**	**21,646**	
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, watershed management, groundwater program, underground storage tanks, air management operating, asbestos trust operating, lead based paint activities program, water management non-permitting, pollution prevention incentives for states, 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			
Environmental Management Special Fund (IC 13-14-12-1)			
Personal Services	**232,179**	**232,335**	
Other Operating Expense	**82,114**	**82,114**	
Augmentation allowed.			

SECTION 6. [EFFECTIVE JULY 1, 2005]

ECONOMIC DEVELOPMENT

A. AGRICULTURE

FOR THE DEPARTMENT OF AGRICULTURE			
Personal Services	**1,437,305**	**1,438,352**	
Other Operating			

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
Expense	239,431	239,431	
VALUE ADDED RESEARCH PROGRAM			
General Fund			
Total Operating Expense	250,000	250,000	
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	600,000	600,000	
CLEAN WATER INDIANA			
From the Cigarette Tax Fund (IC 6-7-1-29.1)			
Total Operating Expense	3,700,000	3,700,000	

The above appropriations for Clean Water Indiana are available only if the general assembly provides dedicated funding from the cigarette tax for Clean Water Indiana.

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
SOIL CONSERVATION DIVISION - T BY 2000			
Cigarette Tax Fund (IC 6-7-1-29.1)			
Personal Services	1,657,340	1,660,521	
Other Operating Expense	639,838	639,838	
Augmentation allowed.			
FOR THE LIEUTENANT GOVERNOR			
RURAL DEVELOPMENT ADMINISTRATION			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	2,400,000	2,400,000	

Notwithstanding IC 4-4-9.3, the above appropriations include funds for the farm counseling program. Not more than $279,000 in each state fiscal year may be allocated from the above appropriations to the farm counseling program.

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
RURAL DEVELOPMENT COUNCIL			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	1,203,480	1,203,483	
B. COMMERCE			
FOR THE LIEUTENANT GOVERNOR			
COMMUNITY DEVELOPMENT ADMINISTRATION			
Personal Services	883,830	883,830	
Other Operating Expense	238,875	238,875	
HOME OWNERSHIP EDUCATION			
Total Operating Expense	120,000	120,000	
OFFICE OF TOURISM			
Total Operating Expense	4,360,032	4,360,032	
INDIANA INDIVIDUAL DEVELOPMENT ACCOUNTS			
Total Operating Expense	1,350,000	1,350,000	

The office of the lieutenant governor 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.).

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
RECYCLING PROMOTION AND ASSISTANCE PROGRAM			
Indiana Recycling Promotion and Assistance Fund (IC 4-23-5.5-14)			
Total Operating Expense	1,500,000	1,500,000	
Augmentation allowed.			
RECYCLING OPERATING			
Indiana Recycling Promotion and Assistance Fund (IC 4-23-5.5-14)			
Personal Services	56,700	56,741	
Other Operating Expense	172,930	172,930	
Augmentation allowed.			
STATE ENERGY PROGRAM			
Total Operating Expense	283,648	283,648	
FOR THE INDIANA ECONOMIC DEVELOPMENT CORPORATION ADMINISTRATIVE AND FINANCIAL SERVICES			
From the General Fund	7,131,894	7,137,741	
From the Training 2000 Fund (IC 4-4-4.6-6)	185,630	185,630	
From the Industrial Development Grant Fund	52,139	52,139	

The amounts specified from the General Fund, Skills 2016 Fund, and Industrial Development Grant Fund are for the following purposes:

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
Total Operating Expense	7,369,663	7,375,510	
INTERNATIONAL TRADE			
Total Operating Expense	1,394,676	1,394,676	
ENTERPRISE ZONE PROGRAM			
Indiana Enterprise Zone Fund (IC 4-4-6.1-2.3)			
Total Operating Expense	260,024	260,065	
Augmentation allowed.			
LOCAL ECONOMIC DEVELOPMENT ORGANIZATION/ REGIONAL ECONOMIC DEVELOPMENT ORGANIZATION (LEDO/REDO) MATCHING GRANT PROGRAM			
Total Operating Expense			1,900,000
TRAINING 2000			
Total Operating Expense			23,150,038
BUSINESS PROMOTION PROGRAM			
Total Operating Expense			2,271,508
TRADE PROMOTION PROGRAM			
Total Operating Expense	200,000	200,000	
ECONOMIC DEVELOPMENT GRANT AND LOAN PROGRAM			
Total Operating Expense			1,200,000
INDUSTRIAL DEVELOPMENT GRANT PROGRAM			
Total Operating Expense			6,500,000
21ST CENTURY RESEARCH & TECHNOLOGY FUND			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	37,500,000	37,500,000	
TECHNOLOGY DEVELOPMENT GRANT PROGRAM			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	4,500,000	4,500,000	

FOR THE INDIANA FINANCE AUTHORITY (IFA)

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
CAPITAL ACCESS PROGRAM			
Total Operating Expense			1,242,500
ENVIRONMENTAL REMEDIATION REVOLVING LOAN PROGRAM			
Total Operating Expense			2,500,000
PROJECT GUARANTY PROGRAM			
Total Operating Expense			1,800,000
BUSINESS DEVELOPMENT LOAN PROGRAM			
Total Operating Expense			2,000,000

C. COMMUNITY SERVICES

FOR THE GOVERNOR'S OFFICE OF FAITH BASED & COMMUNITY INITIATIVES

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
Personal Services	263,974	264,340	
Other Operating Expense	76,869	76,869	

D. EMPLOYMENT SERVICES

FOR THE DEPARTMENT OF WORKFORCE DEVELOPMENT ADMINISTRATION

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
Total Operating Expense	1,148,027	1,148,027	
WOMEN'S COMMISSION			
Personal Services	113,666	113,746	
Other Operating Expense	5,153	5,153	
COMMISSION ON HISPANIC/LATINO AFFAIRS			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	124,188	124,235	

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

E. OTHER ECONOMIC DEVELOPMENT

FOR THE STATE BUDGET AGENCY

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
I-LIGHT FIBER OPTIC SYSTEM			
Total Operating Expense	1,000,000	1,000,000	

SECTION 7. [EFFECTIVE JULY 1, 2005]

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 state general fund, the public

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.

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.

PLANNING AND ADMINISTRATION

From the State Highway Fund (IC 8-23-9-54)	509,370	509,666	
From the Public Mass Transportation Fund (IC 8-23-3-8)	207,623	207,744	
From the Industrial Rail Service Fund (IC 8-3-1.7-2)	30,760	30,778	
Augmentation allowed from the Public Mass Transportation Fund, Industrial Rail Service Fund, and State Highway Fund.			

The amounts specified from the Public Mass Transportation Fund, Industrial Rail Service Fund, and State Highway Fund are for the following purposes:

Personal Services	583,247	583,587
Other Operating Expense	164,506	164,601

The above appropriations may be used to match federal funds available for planning and administration of transportation in Indiana.

INTERMODAL OPERATING

From the State Highway Fund (IC 8-23-9-54)	533,581	533,915	
From the Public Mass Transportation Fund (IC 8-23-3-8)	370,542	370,770	
From the Industrial Rail Service Fund (IC 8-3-1.7-2)	370,542	370,770	
Augmentation allowed from the State Highway Fund, Public Mass Transportation Fund and Industrial Rail Service Fund.			

The amounts specified from the State Highway Fund, the Public Mass Transportation Fund, and the Industrial Rail Service Fund are for the following purposes:

Personal Services	1,096,212	1,096,891
Other Operating Expense	178,453	178,564

INTERMODAL GRANT PROGRAM

Department of Transportation Administration Fund			
Total Operating Expense	42,000	42,000	
Public Mass Transportation Fund (IC 8-23-3-8)			
Total Operating Expense	37,500	37,500	
Augmentation allowed from Public Mass Transportation Fund.			
RAILROAD GRADE CROSSING IMPROVEMENT			
State Highway Fund (IC 8-23-9-54)			
Total Operating Expense	465,000	465,000	
HIGH SPEED RAIL			
Industrial Rail Service Fund Matching Funds			40,000
Augmentation allowed.			
PUBLIC MASS TRANSPORTATION			
Public Mass Transportation Fund (IC 8-23-3-8)			
Total Operating Expense	31,009,377	31,628,396	
Augmentation allowed.			

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 fundsto 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	207,986,295	208,125,958
Other Operating Expense	40,256,068	40,255,120

The above appropriations for Personal Services and Other Operating Expense include an increase of 4,325,383 each year

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.

to add additional professional staff and equipment to increase the department's plan design and right-of-way capability.

HIGHWAY BUILDINGS AND GROUNDS
State Highway Fund (IC 8-23-9-54)

Total Operating Expense			10,000,000

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.

HIGHWAY VEHICLE AND ROAD MAINTENANCE EQUIPMENT
State Highway Fund (IC 8-23-9-54)

Other Operating Expense	18,820,600	18,820,600	

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	74,000,000	74,000,000	

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	17,000,000	17,000,000	
Formal Contracts Expense	156,736,104	157,122,472	
Consulting Services Expense	22,300,000	24,000,000	
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 foregoing appropriations for highway operating, highway vehicles 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.

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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. Transfers exceeding $1,000,000 must be reviewed by the budget committee. 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	**3,500,000**	**3,500,000**

STATE HIGHWAY ROAD CONSTRUCTION AND IMPROVEMENT PROGRAM		
State Highway Road Construction Improvement Fund (IC 8-14-10-5)		
Lease Rental Payments		
Expense	**65,875,392**	**66,534,146**
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 may be used for:
(1) road and bridge construction, reconstruction, or replacement;
(2) construction, reconstruction, or replacement of travel lanes, intersections, grade separations;
(3) relocation and modernization of existing roads;
(4) right-of-way, relocation, and engineering and consulting expenses associated with any of the above types of projects; and
(5) payment of rentals and leases relating to projects under IC 8-14.5.

CROSSROADS 2000 PROGRAM		
Crossroads 2000 Fund (IC 8-14-10-9)		
Formal Contracts		
Expense	**13,093,301**	**437,179**
Lease Rental Payment		
Expense	**37,200,000**	**37,200,000**
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 may be used for:
(1) road and bridge construction, reconstruction, or replacement;
(2) construction, reconstruction, or replacement of travel lanes, intersections, grade separations;
(3) relocation and modernization of existing roads;
(4) right-of-way, relocation, and engineering and consulting expenses associated with any of the above types of projects; and
(5) payment of rentals and leases relating to projects under IC 8-14.5.

FEDERAL APPORTIONMENT		
Right-of-Way		
Expense	**42,500,000**	**42,500,000**
Formal Contracts		
Expense	**324,500,000**	**354,740,000**
Consulting Engineers		
Expense	**51,000,000**	**60,760,000**
Highway Planning and		
Research	**13,000,000**	**13,000,000**
Local Government		
Revolving Acct.	**140,000,000**	**140,000,000**
Formal Contracts -		
Crossroads	**40,000,000**	**0**

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 2005-2007 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

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.

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.

SECTION 8. [EFFECTIVE JULY 1, 2005]

FAMILY AND SOCIAL SERVICES, HEALTH, AND VETERANS' AFFAIRS

A. FAMILY AND SOCIAL SERVICES
FOR THE BUDGET AGENCY
FSSA/DEPARTMENT OF HEALTH INSTITUTIONAL CONTINGENCY FUND

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
Total Operating Expense	2,000,000		

The above institutional contingency fund shall be allotted upon the recommendation of the budget agency with approval of the governor. This appropriation may be used to supplement individual hospital, state developmental center, and special institutions budgets.

INDIANA PRESCRIPTION DRUG PROGRAM
Tobacco Master Settlement Agreement Fund
(IC 4-12-1-14.3)

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
Total Operating Expense	8,000,000	8,000,139	

With the approval of the governor and the budget agency, the above appropriations for the Indiana prescription drug program may be augmented by leveraging for each fiscal year federal Medicaid dollars.

FOR THE FAMILY AND SOCIAL SERVICES ADMINISTRATION
CHILDREN'S HEALTH INSURANCE PROGRAM
Tobacco Master Settlement Agreement Fund
(IC 4-12-1-14.3)

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
Total Operating Expense	29,935,718	33,835,718	

FAMILY AND SOCIAL SERVICES ADMINISTRATION

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
Total Operating Expense	13,816,018	13,823,693	

COMMISSION ON THE SOCIAL STATUS OF BLACK MALES

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
Total Operating Expense	131,628	131,711	

OFFICE OF MEDICAID POLICY AND PLANNING - ADMINISTRATION

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
Total Operating Expense	5,458,790	5,462,653	

MEDICAID ADMINISTRATION

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
Total Operating Expense	49,500,000	49,500,000	

MEDICAID - CURRENT OBLIGATIONS
General Fund

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
Total Operating Expense	1,397,100,000		1,467,000,000

Hospital Care for the Indigent Fund (IC 12-16-14-6)

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
Total Operating Expense	21,700,000	21,700,000	

Augmentation allowed.

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

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.

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.

Subject to the approval of the governor and the budget agency, the foregoing appropriations for Medicaid - Current Obligations may be augmented or reduced based on revenues accruing to the hospital care for the indigent fund.

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
MEDICAID DISABILITY ELIGIBILITY EXAMS			
Total Operating Expense	3,195,000	3,195,000	
MENTAL HEALTH ADMINISTRATION			
Other Operating Expense	2,365,294	2,365,294	
SERIOUSLY EMOTIONALLY DISTURBED			
Total Operating Expense	16,469,493	16,469,493	
SERIOUSLY MENTALLY ILL			
General Fund			
Total Operating Expense	93,862,579	93,862,579	
Mental Health Centers Fund (IC 6-7-1)			
Total Operating Expense	4,445,000	4,445,000	
Augmentation allowed.			
COMMUNITY MENTAL HEALTH CENTERS			
Tobacco Master Settlement Fund (IC 4-12-1-14.3)			
Total Operating Expense	2,000,000	2,000,000	

The above appropriation from the Tobacco Master Settlement 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.

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
GAMBLERS' ASSISTANCE			
Gamblers' Assistance Fund (IC 4-33-12-6)			
Total Operating Expense	4,250,000	4,250,000	
SUBSTANCE ABUSE TREATMENT			
Total Operating Expense	5,006,000	5,006,000	
QUALITY ASSURANCE/RESEARCH			
Total Operating Expense	884,304	884,304	
PREVENTION			
Gamblers' Assistance Fund (IC 4-33-12-6)			
Total Operating Expense	2,946,936	2,946,936	
Augmentation allowed.			
METHADONE DIVERSION CONTROL OVERSIGHT (MDCO) PROGRAM			
MDCO Fund (IC 12-23-18)			
Total Operating Expense	26,269	26,269	
Augmentation allowed.			
DMHA YOUTH TOBACCO REDUCTION SUPPORT PROGRAM			
Gamblers' Assistance Fund (IC 4-33-12-6)			
Total Operating Expense	54,000	54,000	
Augmentation allowed.			
EVANSVILLE STATE HOSPITAL			
General Fund	22,395,551	22,407,654	
Mental Health Fund (IC 12-24-14-4)	1,235,014	1,235,682	
Augmentation allowed.			

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

Personal Services	18,516,201	18,528,972	
Other Operating Expense	5,114,364	5,114,364	
LARUE CARTER MEMORIAL HOSPITAL			
General Fund	18,887,386	18,895,892	
Mental Health Fund (IC 12-24-14-4)	443,622	443,822	
Augmentation allowed.			

The amounts specified from the general fund and the mental

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
health fund are for the following purposes:			
Personal Services	**12,562,778**	**12,571,484**	
Other Operating Expense	**6,768,230**	**6,768,230**	
LOGANSPORT STATE HOSPITAL			
General Fund	**38,746,342**	**38,765,733**	
Mental Health Fund (IC 12-24-14-4)	**1,764,662**	**1,765,546**	
Augmentation allowed.			
The amounts specified from the general fund and the mental health fund are for the following purposes:			
Personal Services	**29,854,331**	**29,874,606**	
Other Operating Expense	**10,656,673**	**10,656,673**	
FARM REVENUE			
Total Operating Expense	**53,857**	**53,857**	
MADISON STATE HOSPITAL			
General Fund	**20,947,363**	**20,959,654**	
Mental Health Fund (IC 12-24-14-4)	**811,461**	**811,937**	
Augmentation allowed.			
The amounts specified from the general fund and the mental health fund are for the following purposes:			
Personal Services	**18,439,326**	**18,452,093**	
Other Operating Expense	**3,319,498**	**3,319,498**	
RICHMOND STATE HOSPITAL			
General Fund	**30,590,520**	**30,605,663**	
Mental Health Fund (IC 12-24-14-4)	**876,500**	**876,934**	
Augmentation allowed.			
The amounts specified from the general fund and the mental health fund are for the following purposes:			
Personal Services	**25,548,982**	**25,564,559**	
Other Operating Expense	**5,918,038**	**5,918,038**	
PATIENT PAYROLL			
Total Operating Expense	**316,800**	**316,800**	

Sixty-six percent (66%) of the revenue accruing to the state mental health institutions under IC 12-15 shall be deposited in the mental health fund established by IC 12-24-14-1, and thirty-four percent (34%) of the revenue accruing to the institutions, under IC 12-15, 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, 2005.

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
DIVISION OF FAMILY RESOURCES ADMINISTRATION			
Personal Services	**4,814,750**	**4,820,468**	
Other Operating Expense	**810,328**	**810,328**	
CENTRAL REIMBURSEMENT OFFICE			
PROGRAM ADMINISTRATION			
Total Operating Expense	**6,399,705**	**6,399,705**	
CHILD CARE LICENSING FUND			
Child Care Fund			
Total Operating Expense	**100,000**	**100,000**	
Augmentation allowed.			
ELECTRONIC BENEFIT TRANSFER PROGRAM			
Total Operating Expense	**1,800,766**	**1,800,766**	

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 12-17-2-31.

STATE WELFARE - COUNTY ADMINISTRATION			
Total Operating Expense	**49,501,684**	**49,501,684**	

The foregoing appropriation may be transferred from FSSA to the department of child services with the approval of the budget agency.

INDIANA CLIENT ELIGIBILITY SYSTEM (ICES)

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
Total Operating Expense	7,007,662	7,007,662	
IMPACT PROGRAM			
Total Operating Expense	2,449,580	2,449,683	
TEMPORARY ASSISTANCE TO NEEDY FAMILIES (TANF)			
Total Operating Expense	40,457,943	40,457,943	
IMPACT - TANF			
Total Operating Expense	5,768,527	5,768,672	
CHILD CARE & DEVELOPMENT FUND			
Total Operating Expense	35,056,200	35,056,200	

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 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
DOMESTIC VIOLENCE PREVENTION AND TREATMENT			
General Fund			
Total Operating Expense	1,000,000	1,000,000	
Domestic Violence Prevention and Treatment Fund (IC 12-18-4)			
Total Operating Expense	1,000,000	1,000,000	
Augmentation allowed.			
STEP AHEAD			
Total Operating Expense	1,789,082	1,789,312	
FOOD ASSISTANCE PROGRAM			
Total Operating Expense	145,506	145,506	
YOUTH SERVICE BUREAU			
Total Operating Expense	1,250,000	1,250,000	

The director of the division of family resources shall establish standards for youth service bureaus. Any youth service bureau that is not an agency of a unit of local government or is not registered with the Indiana secretary of state as a nonprofit corporation shall not be funded. The division of family resources shall fund all youth service bureaus that meet the standards as established June 30, 1983. However, a grant may not be made without approval by the budget agency after review by the budget committee.

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
PROJECT SAFEPLACE			
Total Operating Expense	125,000	125,000	
SCHOOL AGE CHILD CARE PROJECT FUND			
Total Operating Expense	550,000	550,000	
SOCIAL SERVICES BLOCK GRANT (SSBG)			
Total Operating Expense	20,863,880	20,864,042	

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

Division of Disability, Aging, and Rehabilitative Services	1,030,877	1,030,877
Division of Family Resources	12,725,150	12,725,150
Department of Child Services	5,515,999	5,516,161
Department of Health	296,504	296,504
Department of Correction	1,295,350	1,295,350

DIVISION OF DISABILITY, AGING, AND REHABILITATIVE SERVICES ADMINISTRATION		
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
Total Operating Expense	3,012,462	3,012,462

The above appropriations for the division of disability, aging, and rehabilitative services 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	11,421,472	11,421,472
C.H.O.I.C.E. IN-HOME SERVICES		
Total Operating Expense	48,765,643	48,765,897

The foregoing appropriations for C.H.O.I.C.E. In-Home Services include intragovernmental transfers to provide the

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.

nonfederal share of the Medicaid aged and disabled waiver. In addition to the Medicaid aged and disabled waivers provided under intragovernmental transfers, additional funds may be used each year for Medicaid aged and disabled waivers. The family and social services administration shall cause the utilization of co-payments for C.H.O.I.C.E. In-Home Services that is proportional to an individual's income.

If the appropriations for C.H.O.I.C.E. In-Home Services are insufficient to provide services to all eligible persons, the division of disability, aging, and rehabilitative services may give priority for services to persons who are unable to perform three (3) or more activities of daily living (as defined in IC 12-10-10-1.5). The division of disability, aging, and rehabilitative services may discontinue conducting assessments for individuals applying for services under the C.H.O.I.C.E. In-Home Services program if a waiting list for such services exists.

The division of disability, aging, and rehabilitative services 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.

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
OLDER HOOSIERS ACT			
Total Operating Expense	**1,842,109**	**1,842,109**	
ADULT PROTECTIVE SERVICES			
Total Operating Expense	**2,021,540**	**2,021,540**	
ADULT GUARDIANSHIP SERVICES			
Total Operating Expense	**491,863**	**491,892**	
TITLE V EMPLOYMENT GRANT (OLDER WORKERS)			
Total Operating Expense	**6,436**	**6,436**	
TITLE III ADMINISTRATION GRANT			
Total Operating Expense	**307,282**	**307,446**	
OMBUDSMAN			
Total Operating Expense	**305,226**	**305,226**	
VOCATIONAL REHABILITATION SERVICES			
Personal Services	**3,440,619**	**3,443,026**	
Other Operating Expense	**14,133,156**	**14,133,156**	
AID TO INDEPENDENT LIVING			
Total Operating Expense	**22,008**	**22,008**	
OFFICE OF DEAF AND HEARING IMPAIRED			
Personal Services	**285,036**	**285,235**	
Other Operating Expense	**211,396**	**211,396**	
BLIND VENDING OPERATIONS			
Total Operating Expense	**129,879**	**129,905**	
DEVELOPMENTAL DISABILITY RESIDENTIAL FACILITIES COUNCIL			
Personal Services	**2,970**	**2,970**	
Other Operating Expense	**13,168**	**13,168**	
OFFICE OF SERVICES FOR THE BLIND AND VISUALLY IMPAIRED			
Personal Services	**255,036**	**255,036**	
Other Operating Expense	**73,907**	**73,907**	
EMPLOYEE TRAINING			
Total Operating Expense	**6,112**	**6,112**	
MEDICAID WAIVER			
Total Operating Expense	**316,333**	**316,390**	
OBRA/PASSARR			
Total Operating Expense	**90,212**	**90,268**	
BUREAU OF QUALITY IMPROVEMENT SERVICES - BQIS			
Total Operating Expense	**1,919,027**	**1,919,027**	
DAY SERVICES - DEVELOPMENTALLY DISABLED			
Other Operating Expense	**22,976,381**	**22,976,381**	
DIAGNOSIS AND EVALUATION			

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
Other Operating Expense	930,788	930,788	
SUPPORTED EMPLOYMENT			
Other Operating Expense	3,117,498	3,117,498	
EPILEPSY PROGRAM			
Other Operating Expense	460,954	460,954	
FAMILY SUBSIDY PROGRAM			
Other Operating Expense	1,004,700	1,004,700	
RESIDENTIAL SERVICES - CASE MANAGEMENT			
General Fund			
Total Operating Expense	4,436,985	4,436,985	
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	2,050,626	2,050,626	
Augmentation allowed.			
RESIDENTIAL SERVICES FOR DEVELOPMENTALLY DISABLED PERSONS			
General Fund			
Total Operating Expense	91,749,831	107,967,677	
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	22,300,000	22,300,000	

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, aging, 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.

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
FORT WAYNE STATE DEVELOPMENTAL CENTER			
General Fund	359,900	359,900	
Mental Health Fund (IC 12-24-14-4)	1,838,145	1,839,050	
Augmentation allowed.			

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

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
Personal Services	1,625,184	1,626,089	
Other Operating Expense	572,861	572,861	

Sixty-six percent (66%) of the revenue accruing to the above named state developmental centers under IC 12-15 shall be deposited in the mental health fund established under IC 12-24-14, and thirty-four percent (34%) of the revenue accruing to the above named institutions under IC 12-15 shall be deposited in the state 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, of the amount in which actual net collections exceed an amount specified in writing by the division of disability, aging, and rehabilitative services before July 1 of each year beginning July 1, 2005.

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
FOR THE DEPARTMENT OF CHILD SERVICES			
DEPARTMENT OF CHILD SERVICES - ADMINISTRATION			
Personal Services	53,706,520	61,626,520	
Other Operating Expense	8,454,011	8,454,011	

The foregoing appropriation may be transferred from the department of child services to FSSA with the approval of the budget agency.

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
DEPARTMENT OF CHILD SERVICES - STATE ADMINISTRATION			
Personal Services	861,254	861,254	
Other Operating Expense	124,274	124,274	
CHILD WELFARE SERVICES STATE GRANTS			
General Fund			
Total Operating Expense	10,698,884	10,698,884	
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	3,969,158	3,971,838	

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.

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 12-17-2-31.

INDEPENDENT LIVING TRANSITIONAL SERVICES		
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
Total Operating Expense	**1,000,000**	**1,000,000**
HEALTHY FAMILIES INDIANA		
Total Operating Expense	**6,223,086**	**6,223,086**
TITLE IV-B CHILD WELFARE ADMINISTRATION		
Total Operating Expense	**484,286**	**484,560**
CHILD WELFARE TRAINING		
Total Operating Expense	**1,106,281**	**1,106,281**
SPECIAL NEEDS ADOPTION II		
Personal Services	**231,108**	**231,271**
Other Operating Expense	**445,797**	**445,797**
ADOPTION ASSISTANCE		
Total Operating Expense	**7,954,083**	**7,954,083**

The foregoing appropriations for Title IV-B child welfare and adoption assistance represent the maximum state match for Title IV-B and Title IV-E.

NON-RECURRING ADOPTION ASSISTANCE		
Total Operating Expense	**625,000**	**625,000**
INDIANA SUPPORT ENFORCEMENT TRACKING (ISETS)		
Total Operating Expense	**4,067,520**	**4,067,718**
CHILD PROTECTION AUTOMATION PROJECT (ICWIS)		
Total Operating Expense	**5,260,522**	**5,260,550**

B. PUBLIC HEALTH

FOR THE STATE DEPARTMENT OF HEALTH		
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
Personal Services	**22,131,052**	**22,146,865**
Other Operating Expense	**5,194,560**	**5,194,560**

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 additional revenue from penalties or fees enacted or implemented for collection by the state department of health after January 1, 2003.

CANCER REGISTRY		
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
Total Operating Expense	**253,651**	**253,803**
MINORITY HEALTH INITIATIVE		
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
Total Operating Expense	**2,091,224**	**2,091,224**

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	**232,500**	**232,500**
AID TO COUNTY TUBERCULOSIS HOSPITALS		
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
Other Operating Expense	**107,397**	**107,397**

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	**6,132,535**	**6,136,279**

Personal Services augmentation allowed in amounts not to exceed additional revenue from health facilities license fee increases or from health care providers (as defined in IC 16-18-2-163) fee increases enacted after January 1, 2003, or adopted by the Executive Board of the Indiana State Department of Health pursuant to IC 16-19-3.

AIDS EDUCATION

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Personal Services	**421,851**	**422,146**	
Other Operating Expense	**277,953**	**277,953**	
HIV/AIDS SERVICES			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**2,325,004**	**2,325,004**	
TEST FOR DRUG AFFLICTED BABIES			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**62,496**	**62,496**	

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).

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
STATE CHRONIC DISEASES			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Personal Services	**100,449**	**100,519**	
Other Operating Expense	**444,398**	**444,398**	

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.

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
WOMEN, INFANTS, AND CHILDREN SUPPLEMENT			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**176,700**	**176,700**	
MATERNAL AND CHILD HEALTH SUPPLEMENT			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**176,700**	**176,700**	

Notwithstanding IC 6-7-1-30.2, the above appropriations for the women, infants, and children supplement and maternal and child health supplement are the total appropriations

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
provided for this purpose.			
CANCER EDUCATION AND DIAGNOSIS - BREAST CANCER			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	93,000	93,000	
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	187,354	187,472	
Augmentation allowed.			
CHILDREN WITH SPECIAL HEALTH CARE NEEDS			
Total Operating Expense	5,808,756	5,809,042	
NEWBORN SCREENING PROGRAM			
Newborn Screening Fund (IC 16-41-17-11)			
Personal Services	406,346	406,607	
Other Operating Expense	817,780	817,780	
Augmentation allowed.			
INDIANA HEALTH CARE PROFESSIONAL RECRUITMENT AND RETENTION			
Indiana Medical and Nursing Grant Fund (IC 16-46-5-8)			
Total Operating Expense	137,201	137,201	
Augmentation allowed.			
RADON GAS TRUST FUND			
Radon Gas Trust Fund (IC 16-41-38-8)			
Total Operating Expense	14,701	14,701	
Augmentation allowed.			
BIRTH PROBLEMS REGISTRY			
Birth Problems Registry Fund (IC 16-38-4-17)			
Personal Services	31,356	31,375	
Other Operating Expense	12,070	12,070	
Augmentation allowed.			
MOTOR FUEL INSPECTION PROGRAM			
Motor Fuel Inspection Fund (IC 16-44-3-10)			
Total Operating Expense	82,448	82,471	
Augmentation allowed.			
PROJECT RESPECT			
Total Operating Expense	596,280	596,280	
DONATED DENTAL SERVICES			
Total Operating Expense	46,500	46,500	

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

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
OFFICE OF WOMEN'S HEALTH			
Total Operating Expense	159,599	159,599	
SILVERCREST CHILDREN'S DEVELOPMENT CENTER			
Personal Services	7,769,136	7,774,637	
Other Operating Expense	627,805	627,805	
SOLDIERS' AND SAILORS' CHILDREN'S HOME			
Personal Services	9,556,682	9,563,296	
Other Operating Expense	1,377,441	1,377,441	

Any revenue accruing to the Silvercrest Children's Development Center and Soldiers' and Sailors' Children's Home from the receipt of Medicaid reimbursement shall be deposited in the state general fund.

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
INDIANA VETERANS' HOME			
From the General Fund	12,530,104	12,542,859	
From the Comfort - Welfare Fund	11,936,223	11,936,223	

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

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
Personal Services	20,124,846	20,137,601	
Other Operating Expense	4,341,481	4,341,481	
COMFORT AND WELFARE PROGRAM			
Comfort-Welfare Fund (IC 10-17-9-7(c))			
Total Operating Expense	5,000,000	5,000,000	
MINORITY EPIDEMIOLOGY			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	500,000	500,000	

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
COMMUNITY HEALTH CENTERS			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**15,003,071**	**15,003,197**	
TOBACCO HEALTH PROGRAMS			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**2,461,400**	**2,461,400**	
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			
Local Maintenance Fund (IC 16-46-10-1)			
Total Operating Expense	**2,460,000**	**2,460,000**	
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**1,400,000**	**1,400,000**	

The above appropriations for the local health maintenance fund 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.

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
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	**10,858,441**	**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			
Personal Services	**10,285,542**	**10,288,991**	
Other Operating Expense	**828,069**	**828,069**	
FOR THE INDIANA SCHOOL FOR THE DEAF			
Personal Services	**16,774,951**	**16,781,064**	
Other Operating Expense	**2,106,845**	**2,106,845**	

C. VETERANS' AFFAIRS

FOR THE INDIANA DEPARTMENT OF VETERANS' AFFAIRS			
Personal Services	**659,214**	**659,679**	
Other Operating Expense	**204,667**	**204,667**	

The foregoing appropriations for the Indiana department of veterans' affairs include operating funds for the veterans' cemetery. Notwithstanding IC 10-17-1-6, staff employed for the operation and maintenance of the veterans' cemetery shall be selected as are all other state employees.

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**

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
SECTION 9. [EFFECTIVE JULY 1, 2005]			
EDUCATION			
A. HIGHER EDUCATION			
FOR INDIANA UNIVERSITY			
BLOOMINGTON CAMPUS			
Total Operating Expense	192,152,673	191,855,234	
Fee Replacement	18,297,029	24,575,676	
FOR INDIANA UNIVERSITY REGIONAL CAMPUSES			
EAST			
Total Operating Expense	7,570,790	7,516,462	
Fee Replacement	1,883,532	2,026,511	
KOKOMO			
Total Operating Expense	10,162,502	10,124,249	
Fee Replacement	2,254,333	2,425,461	
NORTHWEST			
Total Operating Expense	17,514,736	17,563,889	
Fee Replacement	3,979,214	4,281,276	
SOUTH BEND			
Total Operating Expense	22,660,743	22,395,713	
Fee Replacement	5,495,632	5,912,806	
SOUTHEAST			
Total Operating Expense	19,241,674	18,802,121	
Fee Replacement	4,835,198	5,202,237	
TOTAL APPROPRIATION - INDIANA UNIVERSITY REGIONAL CAMPUSES	95,598,354	96,250,725	
FOR INDIANA UNIVERSITY - PURDUE UNIVERSITY AT INDIANAPOLIS (IUPUI)			
HEALTH DIVISIONS			
Total Operating Expense	88,039,600	87,844,775	
Fee Replacement	3,047,105	3,243,817	

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
FOR INDIANA UNIVERSITY SCHOOL OF MEDICINE ON THE CAMPUS OF THE UNIVERSITY OF SOUTHERN INDIANA			
Total Operating Expense	1,486,577	1,483,288	
THE CAMPUS OF INDIANA UNIVERSITY-PURDUE UNIVERSITY FORT WAYNE			
Total Operating Expense	1,367,557	1,364,531	
THE CAMPUS OF INDIANA UNIVERSITY-NORTHWEST			
Total Operating Expense	1,942,802	1,938,503	
THE CAMPUS OF PURDUE UNIVERSITY			
Total Operating Expense	1,734,224	1,730,387	
THE CAMPUS OF BALL STATE UNIVERSITY			
Total Operating Expense	1,559,351	1,555,900	
THE CAMPUS OF THE UNIVERSITY OF NOTRE DAME			
Total Operating Expense	1,446,111	1,442,911	
THE CAMPUS OF INDIANA STATE UNIVERSITY			
Total Operating Expense	1,724,077	1,720,262	

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	90,393,043	90,168,567	
Fee Replacement	15,409,015	16,403,766	
TOTAL APPROPRIATIONS - IUPUI	208,149,462	208,896,707	

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

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
ABILENE NETWORK OPERATIONS CENTER			
Total Operating Expense	817,502	817,502	
SPINAL CORD AND HEAD INJURY RESEARCH CENTER			
Total Operating Expense	514,726	514,726	
OPTOMETRY BOARD EDUCATION FUND			
Total Operating Expense	29,000	1,500	
STATE DEPARTMENT OF TOXICOLOGY			
Total Operating Expense	644,058	644,058	
INSTITUTE FOR THE STUDY OF DEVELOPMENTAL DISABILITIES			
Total Operating Expense	2,432,526	2,432,526	
GEOLOGICAL SURVEY			
Total Operating Expense	3,046,002	3,046,002	
INDUSTRIAL RESEARCH LIAISON PROGRAM			
Total Operating Expense	249,964	249,964	
LOCAL GOVERNMENT ADVISORY COMMISSION			
Total Operating Expense	55,518	55,518	
ADULT STEM CELL RESEARCH CENTER			
Total Operating Expense	50,000	0	

Indiana University shall report to the budget committee on the feasibility of creating a center for research on adult stem cells.

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
FOR PURDUE UNIVERSITY WEST LAFAYETTE			
Total Operating Expense	239,076,505	241,258,923	
Fee Replacement	17,606,980	20,920,977	
FOR PURDUE UNIVERSITY - REGIONAL CAMPUSES CALUMET			
Total Operating Expense	26,146,127	25,885,425	
Fee Replacement	1,930,940	1,941,138	
NORTH CENTRAL			
Total Operating Expense	10,298,659	10,287,733	
TOTAL APPROPRIATION - PURDUE UNIVERSITY REGIONAL CAMPUSES	38,375,726	38,114,296	
FOR INDIANA UNIVERSITY - PURDUE UNIVERSITY AT FORT WAYNE (IPFW)			
Total Operating Expense	35,011,547	35,123,947	
Fee Replacement	3,334,353	3,240,770	

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.

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
FOR PURDUE UNIVERSITY ANIMAL DISEASE DIAGNOSTIC LABORATORY SYSTEM			
Total Operating Expense	3,387,166	3,387,166	

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 15-2.1-5-6. Notwithstanding IC 15-2.1-5-5, the trustees of Purdue University may approve reasonable charges for testing for pseudorabies.

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
STATEWIDE TECHNOLOGY			
Total Operating Expense	5,468,960	5,468,960	
COUNTY AGRICULTURAL EXTENSION EDUCATORS			
Total Operating Expense	7,103,447	7,103,447	
AGRICULTURAL RESEARCH AND EXTENSION - CROSSROADS			
Total Operating Expense	7,107,724	7,107,724	
CENTER FOR PARALYSIS RESEARCH			
Total Operating Expense	513,085	513,085	
UNIVERSITY-BASED BUSINESS ASSISTANCE			
Total Operating Expense	1,100,715	1,100,715	
NORTH CENTRAL - VALPO NURSING PARTNERSHIP			
Total Operating Expense	98,662	0	
FOR INDIANA STATE UNIVERSITY			
Total Operating			

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
Expense	76,085,538	73,911,172	
Fee Replacement	6,663,721	7,282,616	
FOR UNIVERSITY OF SOUTHERN INDIANA			
Total Operating Expense	33,939,286	34,136,743	
Fee Replacement	5,855,701	5,901,601	
HISTORIC NEW HARMONY			
Total Operating Expense	356,216	356,216	
YOUNG ABE LINCOLN			
Total Operating Expense	270,000		
FOR BALL STATE UNIVERSITY			
Total Operating Expense	123,351,153	121,943,120	
Fee Replacement	7,824,168	10,808,931	
ACADEMY FOR SCIENCE, MATHEMATICS, AND HUMANITIES			
Total Operating Expense	4,196,355	4,196,355	
FOR VINCENNES UNIVERSITY			
Total Operating Expense	36,654,617	36,128,169	
Fee Replacement	3,226,033	3,861,825	
FOR IVY TECH STATE COLLEGE			
Total Operating Expense	138,587,242	144,061,470	
Fee Replacement	11,757,465	13,119,374	
VALPO NURSING PARTNERSHIP			
Total Operating Expense	0	98,662	

The foregoing sums for Indiana University, Purdue University, Indiana State University, University of Southern Indiana, Ball State University, Vincennes University, and Ivy Tech State College operating accounts, line item accounts, and the appropriations in this act to the institutions for general repair and rehabilitation include an amount needed to reduce claims as a result of the previous distribution of eleven-twelfths (11/12) of the appropriated amount in fiscal year 2001-2002. To the extent the foregoing operating account, line item accounts, and general repair and rehabilitation appropriations exceed the allotments for the operating account, line items, and general repair and rehabilitation for the state fiscal year ending June 30, 2005, the budget agency shall use the foregoing appropriations to reduce each claim that resulted from the previous distribution of eleven-twelfths (11/12) of the budgeted amount for operating accounts and line item accounts in fiscal year 2001-2002. These amounts shall be separately allotted, all claims shall be reduced accordingly, and the institution shall reflect the reduction on its financial statements. The balances remaining from the foregoing appropriations are available for allotment by the budget agency for each year of the biennium.

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
FOR THE INDIANA HIGHER EDUCATION TELECOMMUNICATIONS SYSTEM (IHETS)			
Total Operating Expense	3,300,000	3,300,000	

The above appropriation includes the entire amount needed to eliminate any claimresulting from the previous distribution of eleven-twelfths (11/12) of the budgetedamount in fiscal year 2001-2002. This amount shall be separately allotted, IHETS'claim shall be reduced accordingly, and IHETS shall reflect the reduction on its financial statements.

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

The above appropriations for IHETS are available for allotment by the budget agencyafter review by the budget committee.

The sums herein appropriated to Indiana University, Purdue University, Indiana StateUniversity, University of Southern Indiana, Ball State University, Vincennes University,Ivy Tech State 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, 2005,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 institutionsand IHETS, including university hospitals, schools of medicine, nurses' trainingschools, schools of dentistry, and agricultural extension and experimental stations. However, such income, fees, earnings, and receipts may be used for land and structuresonly if approved by the governor and the budget agency.

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.

The foregoing appropriations and allocations for fee replacement are for replacementof student fees deducted during the 2005-2007 biennium to cover bond or lease-purchase principal, interest, and other obligations of debt costs of facility constructionand acquisition for those projects authorized by the general assembly. These fee replacement appropriations and allocations shall be allotted by the budget agencyafter receipt of verification of payment of such debt cost expense.

The foregoing appropriations to Indiana University, Purdue University, Indiana StateUniversity, University of Southern Indiana, Ball State University, Vincennes University,Ivy Tech State 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 State 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 he governor and the budget agency may specify, complete information concerning receiptsfrom 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 State 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.

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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 trusteesof Ivy Tech State 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.

If an early payment of an amount appropriated to any of the aforementioned institutions or IHETS is made in either state fiscal year of the biennium to eliminate an otherwise authorized payment delay to a later state fiscal year, the amount may be used only for the purposes approved by the budget agency after review by the budget committee.

FOR THE MEDICAL EDUCATION BOARD
FAMILY PRACTICE RESIDENCY FUND

Total Operating Expense	**2,249,791**	**2,249,791**

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	**1,478,533**	**1,478,533**

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
INDIANA CAREER AND POSTSECONDARY ADVANCEMENT CENTER			
Total Operating Expense	**1**		
FOR THE DEPARTMENT OF ADMINISTRATION			
ANIMAL DISEASE DIAGNOSTIC LABORATORY LEASE RENTAL			
Total Operating Expense	**1,047,240**	**1,042,345**	
COLUMBUS LEARNING CENTER LEASE PAYMENT			
Total Operating Expense	**1,842,000**	**3,831,500**	
FOR THE STATE BUDGET AGENCY			
GIGAPOP PROJECT			
Total Operating Expense	**727,638**	**727,638**	
SOUTH CENTRAL EDUCATIONAL ALLIANCE BEDFORD SERVICE AREA			
Total Operating Expense	**280,710**	**280,710**	
SOUTHEAST INDIANA EDUCATION SERVICES			
Total Operating Expense	**600,000**	**600,000**	

The above appropriation for southeast Indiana education services may be expended with the approval of the budget agency after review by the commission for higher education.

DEGREE LINK			
Total Operating Expense	**500,375**	**500,375**	

The above appropriations shall be used for the delivery of Indiana State University baccalaureate degree programs at Ivy Tech State College and Vincennes University locations through Degree Link. Distributions shall be made upon the recommendation of the Indiana commission for higher education and with approval by the budget agency after review by the budget committee.

WORKFORCE CENTERS			
Total Operating Expense	**837,000**	**837,000**	
MIDWEST HIGHER EDUCATION COMMISSION			
Total Operating Expense	**255,000**	**90,000**	
FOR THE STATE STUDENT ASSISTANCE COMMISSION			
Total Operating Expense	**1,240,723**	**1,240,723**	
FREEDOM OF CHOICE GRANTS			
Total Operating Expense	**41,751,997**	**46,035,799**	
HIGHER EDUCATION AWARD PROGRAM			
Total Operating Expense	**106,959,572**	**120,674,940**	
NURSING SCHOLARSHIP PROGRAM			
Total Operating Expense	**402,142**	**402,142**	
HOOSIER SCHOLAR PROGRAM			
Total Operating Expense	**400,000**	**400,000**	

For the higher education awards and freedom of choice grants made for the 2005-2007 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 $200.

(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: 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).

For the Hoosier scholar program for the 2005-2007 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.

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STATUTORY FEE REMISSION			
Total Operating Expense	**17,482,349**	**19,648,108**	
PART-TIME GRANT PROGRAM			
Total Operating Expense	**5,250,000**	**5,250,000**	

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 20-12-21 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 and children shall apply all qualifying expenditures for the part time grant program toward Indiana's maintenance of effort under the federal Temporary Assistance to Needy Families (TANF) program (45 CFR 260 et seq.).

CONTRACT FOR INSTRUCTIONAL OPPORTUNITIES IN SOUTHEASTERN INDIANA			
Total Operating Expense	**603,407**	**603,407**	
MINORITY TEACHER SCHOLARSHIP FUND			
Total Operating Expense	**399,768**	**399,768**	
COLLEGE WORK STUDY PROGRAM			
Total Operating Expense	**805,189**	**805,189**	
21ST CENTURY ADMINISTRATION			
Total Operating Expense	**2,000,000**	**2,000,000**	
21ST CENTURY SCHOLAR AWARDS			
Total Operating Expense	**18,402,449**	**19,171,429**	

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

NATIONAL GUARD SCHOLARSHIP			
Total Operating Expense	**3,033,730**	**3,299,821**	

The above appropriations for national guard scholarship and any program reserves existing on June 30, 2005, shall be the total allowable state expenditure for the program in the 2005-2007 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.

B. ELEMENTARY AND SECONDARY EDUCATION

FOR THE DEPARTMENT OF EDUCATION			
STATE BOARD OF EDUCATION			
Total Operating Expense	**3,152,112**	**3,152,112**	

The foregoing appropriations for the Indiana state board of education are for the education roundtable established by IC 20-1-20.5-3; 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			
Personal Services	**686,467**	**686,877**	
Other Operating Expense	**1,439,160**	**1,437,682**	
PUBLIC TELEVISION DISTRIBUTION			
Total Operating Expense	**2,357,563**	**2,357,563**	

These appropriations are for grants for public television. The Indiana Public Broadcasting Stations, Inc. shall submit a distribution plan for the eight Indiana public education television stations that shall be approved by the budget agency after review by the budget committee. The above appropriation includes the costs of transmission for the "GED-on-TV" program. Of the above appropriations,

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$100,000 each year shall be distributed equally among the eight radio stations.

RESEARCH AND DEVELOPMENT PROGRAMS			
Personal Services	86,958	86,959	
Other Operating Expense	300,390	300,390	

Of the foregoing appropriations for Research and Development Programs, up to $140,000 each year is dedicated for the Center for Evaluation and Education Policy. Funds are included for the center to facilitate a study of the feasibility of consolidating school corporations in Indiana.

DEPUTY SUPERINTENDENT'S OFFICE			
Personal Services	457,320	457,562	
Other Operating Expense	92,839	92,603	
RILEY HOSPITAL			
Total Operating Expense	27,900	27,900	
ADMINISTRATION AND FINANCIAL MANAGEMENT			
Personal Services	2,143,064	2,144,538	
Other Operating Expense	298,207	296,808	
MOTORCYCLE OPERATOR SAFETY EDUCATION FUND			
Safety Education Fund (IC 20-10.1-7-14)			
Personal Services	132,303	132,397	
Other Operating Expense	892,177	892,087	

The foregoing appropriations for the motorcycle operator safety education fund are from the motorcycle operator safety education fund created by IC 20-10.1-7-14.

SCHOOL TRAFFIC SAFETY			
Motor Vehicle Highway Account (IC 8-14-1)			
Personal Services		242,813	242,989
Other Operating Expense	30,405	30,236	
Augmentation allowed.			
CENTER FOR SCHOOL ASSESSMENT			
Personal Services	310,777	311,004	
Other Operating Expense	706,025	705,800	
ACCREDITATION SYSTEM			
Personal Services	471,390	471,732	
Other Operating Expense	489,547	489,210	
SPECIAL EDUCATION (S-5)			
Total Operating Expense	30,000,000	30,000,000	

The foregoing appropriations for special education are made under IC 20-1-6-19.

CENTER FOR COMMUNITY RELATIONS AND SPECIAL POPULATIONS			
Personal Services	234,467	234,580	
Other Operating Expense	78,988	78,879	
SPECIAL EDUCATION EXCISE			
Alcoholic Beverage Excise Tax Funds (IC 20-1-6-10)			
Personal Services	344,177	344,351	
Augmentation allowed.			
GED-ON-TV PROGRAM			
Other Operating Expense	229,500	229,500	

The foregoing appropriation is for grants to provide GED-ON-TV programming. The GED-ON-TV Program shall submit for review by the budget committee an annual report on utilization of this appropriation.

VOCATIONAL EDUCATION			
Personal Services	1,318,379	1,319,338	
Other Operating Expense	40,532	39,599	
CENTER FOR SCHOOL IMPROVEMENT AND PERFORMANCE			
Personal Services	1,701,420	1,701,447	
Other Operating Expense	978,089	978,089	
PRINCIPAL LEADERSHIP ACADEMY			
Personal Services	320,628	320,632	
Other Operating Expense	142,204	142,204	
EDUCATION SERVICE CENTERS			
Total Operating Expense	1,721,287	1,721,287	

No appropriation made for an education service center shall be distributed to the administering school corporation of the

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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 2005-2006 based on the school corporation's ADM count as reported for school aid distribution in the fall of 2004, and at least three dollars ($3) per student for fiscal year 2006-2007, based on the school corporation's ADM count as reported for school aid distribution beginning in the fall of 2005. 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	50,000	50,000

The foregoing appropriations for transfer tuition (state employees' children and eligible children in mental health facilities) are made under IC 20-8.1-6.1-6 and IC 20-8.1-6.1-5.

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 vocational 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		
General Fund		
Total Operating Expense	2,102,779,408	2,100,046,075
Property Tax Replacement Fund (IC 6-1.1-21)		
Total Operating Expense	1,654,903,925	1,652,170,592

The foregoing appropriations for distribution for tuition support are to be distributed for tuition support, special education programs, vocational education programs, at-risk programs, honors grants, and the primetime program in accordance with a statute enacted for this purpose during the 2005 session of the general assembly. If the above appropriations for distribution for tuition support are more than are required under this SECTION, one-half (1/2) of any excess shall revert to the general fund and one-half (1/2) of any excess shall revert to the property tax replacement 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.

EDUCATION DISCRETIONARY SPENDING ACCOUNT DISTRIBUTION		
Other Operating Expense	78,000,000	82,000,000

A discretionary spending account distribution is available to a school corporation and nonpublic school that applies to the department of education for funding of summer school, remediation, professional development, gifted and talented programs, full day kindergarten, technology, or other uses that improve student educational achievement as determined by the department of education. The amount of the distribution available to a school corporation each year equals a foundation grant of sixty-six dollars ($66) multiplied by the school corporation's ADM (as defined in IC 21-3-1.6-1.1) for the current year multiplied by the school corporation's complexity index for the current year (as determined under IC 21-3-1.7-6.7). The department of education may use up to five percent (5%) of the foregoing appropriation for making discretionary spending account distributions to nonpublic schools. A school corporation or nonpublic school that is awarded a discretionary spending account distribution must provide to the department of education a financial report in the format determined by the department of education stating how the discretionary spending account distribution funds were spent. Any unspent discretionary spending account distribution funds at the end of the biennium must be returned to the state by the school corporation or nonpublic school. The department of education shall increase or decrease the amount of the foundation grant to limit total distributions to the above amounts.

ADULT EDUCATION DISTRIBUTION		
Total Operating		

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
Expense	14,000,000	14,000,000	

It is the intent of the 2005 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	18,200,000	18,200,000	

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	19,902,559	19,902,644	

Before a school corporation or an accredited non-public school may receive a distribution under the textbook reimbursement program, the school corporation or accredited non-public school shall provide to the department the requirements established in IC 20-8.1-9-2. 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, division of family and children, 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.).

TESTING

Other Operating Expense	22,500,000	17,500,000	

The above appropriation for Testing shall be used for students who attend public and nonpublic schools. The department of education shall determine the amount of funding for non-public schools.

SPECIAL EDUCATION PRESCHOOL

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
Total Operating Expense	27,173,300	27,173,300	

The above appropriations shall be distributed to guarantee a minimum of $2,750 per child enrolled in special education preschool programs from state and local sources in school corporations that levy the maximum special education tax rate for this purpose. It is the intent of the 2005 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.

DISTRIBUTION FOR ADULT VOCATIONAL EDUCATION

Total Operating Expense	250,000	250,000	

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

PRIMETIME

Personal Services	172,564	172,566	
Other Operating Expense	34,467	34,467	

DRUG FREE SCHOOLS

Personal Services	52,360	52,361	
Other Operating Expense	20,093	20,093	

ALTERNATIVE SCHOOLS

Total Operating Expense	6,380,059	6,380,319	

PROFESSIONAL STANDARDS DIVISION

General Fund			
Personal Services	1,053,602	1,054,199	
Other Operating Expense	262,900	1,762,303	
Professional Standards Board Licensing Fund			
Total Operating Expense	2,400,000	900,000	

Augmentation allowed.

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

FOR THE INDIANA STATE TEACHERS' RETIREMENT

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
FUND POSTRETIREMENT PENSION INCREASES			
Other Operating Expense	50,427,438	49,797,084	

The appropriations for postretirement pension increases are made for those benefits and adjustments provided in IC 21-6.1-6 and IC 5-10.2-5.

TEACHERS' RETIREMENT FUND DISTRIBUTION			
Other Operating Expense	502,400,000	536,200,000	
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 effective prior to the 114th General Assembly that are funded on a "pay as you go" basis plus the base benefits is greater than the above appropriations, after notice to the governor and the budget agency of the deficiency, the above appropriations shall be augmented from the pension stabilization fund established by IC 21-6.1-2-8. 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. If the amount actually required for the Post Retirement Pension Increases effective prior to the 114th General Assembly 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 less than the above approriations for the year, the excess shall be transferred to 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	637,399	637,806	
Other Operating Expense	45,354	45,354	
PUBLIC EMPLOYEE RELATIONS BOARD			
Total Operating Expense	32,550	32,550	
FOR THE STATE LIBRARY			
Personal Services	2,867,740	2,869,750	
Other Operating Expense	729,954	729,954	
INDIANA COOPERATIVE LIBRARY SERVICES AUTHORITY			
Total Operating Expense	2,408,848	2,408,848	
ACADEMY OF SCIENCE			
Total Operating Expense	8,811	8,811	
FOR THE ARTS COMMISSION			
Personal Services	329,919	330,168	
Other Operating Expense	3,302,296	3,302,056	
FOR THE HISTORICAL BUREAU			
Personal Services	403,124	403,408	
Other Operating Expense	9,554	9,554	
HISTORICAL MARKER PROGRAM			
Total Operating Expense			34,300
FOR THE COMMISSION ON PROPRIETARY EDUCATION			
Personal Services	447,806	448,129	
Other Operating Expense	6,865	6,865	

SECTION 10. [EFFECTIVE JULY 1, 2005]

DISTRIBUTIONS

FOR THE PROPERTY TAX REPLACEMENT FUND BOARD		
Property Tax Replacement Fund (IC 6-1.1-21)		
Total Operating Expense	2,028,509,197	2,028,509,197

Notwithstanding IC 6-1.1-21, the foregoing appropriations are the maximum amount that may be distributed. If the amount determined under IC 6-1.1-21 exceeds the amount appropriated, the board shall reduce the credit percentages proportionately so that the distributions equal the appropriation.

SECTION 11. [EFFECTIVE JULY 1, 2005]

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

	FY 2005-06 Appropriation	FY 2006-07 Appropriation	Biennial Appro.
STATE PROGRAMS AND LEADERSHIP	2,655,188	2,655,188	
SECONDARY VOCATIONAL PROGRAMS	14,878,845	14,878,845	
POSTSECONDARY VOCATIONAL PROGRAMS	8,522,925	8,522,925	
TECHNOLOGY - PREPARATION EDUCATION	2,465,494	2,465,494	

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:

SECTION 12. [EFFECTIVE JULY 1, 2005]

In accordance with IC 20-1-18.3, the budget agency, with the advice of the commissionon 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, 2005]

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 or 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, 2005]

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, 2005]

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

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to the salary per diem provided in IC 4-10-11-2.1.

SECTION 16. [EFFECTIVE JULY 1, 2005]

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, 2005]

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, 2005]

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 general fund.

SECTION 19. [EFFECTIVE JULY 1, 2005]

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, 2005]

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, 2005]

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, 2005]

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, 2005]

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, 2005]

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

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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, 2005]

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, 2005]

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, 2005]

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, 2005]

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, 2005]

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, 2005]

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 2005-2007 biennium, if it is considered necessary to do so in order to prevent a deficit financial situation.

SECTION 31. [EFFECTIVE JULY 1, 2004 (RETROACTIVE)]

The following deficiency appropriation for the state fiscal year beginning July 1, 2004, and ending June 30, 2005, is made in addition to the appropriations in P.L.224-2003, SECTION 9:

FOR THE DEPARTMENT OF EDUCATION
DISTRIBUTION FOR TUITION SUPPORT
General Fund
Total Operating
Expense 20,000,000

The budget agency shall transfer twenty million dollars ($20,000,000) from the balance that existed as of January 31, 2005, in Account 6000/168900 to the state general fund to fund the deficiency appropriation made by this SECTION. The deficiency appropriation made by this SECTION is not subject to transfer to any other fund or subject 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.

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SECTION 32. [EFFECTIVE JULY 1, 2005]

CONSTRUCTION

For the 2005-2007 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.

State General Fund - Lease Rentals	243,893,130
State General Fund - Construction	203,037,414
State Police Building Commission Fund (IC 9-29-1-4)	10,500,000
Law Enforcement Academy Building Fund (IC 5-2-1-13)	1,300,000
Cigarette Tax Fund (IC 6-7-1-29.1)	1,332,000
Vocational Construction Projects Fund (IC 16-33-4-10)	375,000
Veterans' Home Building Fund (IC 10-17-9-7)	4,527,332
Post War Construction Fund (IC 7.1-4-8-1)	28,873,488
Industry and Farm Products Revolving Fund (IC 11-10-6-6)	110,292
Regional Health Care Construction Account (IC 4-12-8.5)	18,738,093
TOTAL	512,686,749

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:

A. GENERAL GOVERNMENT

FOR THE HOUSE OF REPRESENTATIVES	
House Renovations	150,000
FOR THE STATE BUDGET AGENCY	
Health and Safety Contingency Fund	5,900,000
Aviation Technology Center	2,708,109
Airport Facilities Lease	41,917,375
Qualitech Capital Lease	5,888,000
Heartland Steel Capital Lease	2,554,000
DEPARTMENT OF ADMINISTRATION - PROJECTS	
Preventive Maintenance	4,811,020
Repair and Rehabilitation	19,300,000
DEPARTMENT OF ADMINISTRATION - LEASES	
General Fund	
Lease - Government Center North	34,691,616
Lease - Government Center South	30,909,841
Lease - State Museum	15,293,975
Lease - McCarty Street	1,415,653
Lease - Parking Garages	12,576,651
Lease - Wabash Valley Correctional	24,324,343
Lease - Rockville Correctional	7,144,675
Lease - Miami Correctional	31,631,607
Lease - Pendleton Juvenile Correctional	9,334,000
Lease - New Castle Correctional	23,503,285
Regional Health Care Construction Account (IC 4-12-8.5)	
Lease - Evansville State Hospital	6,541,168
Lease - Southeast Regional Treatment	6,951,700
Lease - Logansport State Hospital	5,245,225

B. PUBLIC SAFETY

(1) LAW ENFORCEMENT

INDIANA STATE POLICE	
State Police Building Commission Fund (IC 9-29-1-4)	
Preventive Maintenance	1,014,000
Automobiles	7,046,895
Repair and Rehabilitation	2,439,105
LAW ENFORCEMENT TRAINING BOARD	
Law Enforcement Academy Building Fund (IC 5-2-1-13)	
Preventive Maintenance	1,170,000
Repair and Rehabilitation	130,000
ADJUTANT GENERAL	
Preventive Maintenance	113,400
Repair and Rehabilitation	1,151,700
Gary Army Aviation Support	2,600,000

(2) CORRECTIONS

DEPARTMENT OF CORRECTION - PROJECTS	
Post War Construction Fund (IC 7.1-4-8-1)	
Repair and Rehabilitation	2,323,988
CORRECTIONAL UNITS	
Preventive Maintenance	420,000
Repair and Rehabilitation	119,000
Post War Construction Fund (IC 7.1-4-8-1)	
Repair and Rehabilitation	4,759,500

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STATE PRISON			
Preventive Maintenance			1,161,322
Post War Construction Fund (IC 7.1-4-8-1)			
A&E Fees: Repl. Cellhouse Locking Systems			250,000
Master Plan: New Visitation Building			2,500,000
Master Plan: New Checkpoint/Fencing			1,500,000
Repair and Rehabilitation			6,625,000
PENDLETON CORRECTIONAL FACILITY			
Preventive Maintenance			996,396
Post War Construction Fund (IC 7.1-4-8-1)			
Repair and Rehabilitation			75,000
WOMEN'S PRISON			
Preventive Maintenance			273,000
Repair and Rehabilitation			1,000,000
Post War Construction Fund (IC 7.1-4-8-1)			
Repair and Rehabilitation			550,000
NEW CASTLE CORRECTIONAL FACILITY			
Preventive Maintenance			660,660
PUTNAMVILLE CORRECTIONAL FACILITY			
Preventive Maintenance			843,022
Post War Construction Fund (IC 7.1-4-8-1)			
A&E Visitation/Admin Bldg			287,000
Repair and Rehabilitation			885,000
PLAINFIELD JUVENILE CORRECTIONAL FACILITY			
Preventive Maintenance			543,947
Post War Construction Fund (IC 7.1-4-8-1)			
Repair and Rehabilitation			540,000
INDIANAPOLIS JUVENILE CORRECTIONAL FACILITY			
Preventive Maintenance			325,146
Post War Construction Fund (IC 7.1-4-8-1)			
Repair and Rehabilitation			780,000
BRANCHVILLE CORRECTIONAL FACILITY			
Preventive Maintenance			344,870
Post War Construction Fund (IC 7.1-4-8-1)			
Repair and Rehabilitation			734,000
WESTVILLE CORRECTIONAL FACILITY			
Preventive Maintenance			1,191,891
Post War Construction Fund (IC 7.1-4-8-1)			
Master Plan - Vehicle Repair Building			500,000
Repair and Rehabilitation			1,700,000
ROCKVILLE CORRECTIONAL FACILITY			
Preventive Maintenance			344,870
PLAINFIELD CORRECTIONAL FACILITY			
Preventive Maintenance			575,751
Post War Construction Fund (IC 7.1-4-8-1)			
Repair and Rehabilitation			3,215,000
RECEPTION-DIAGNOSTIC CENTER			
Preventive Maintenance			216,472
Post War Construction Fund (IC 7.1-4-8-1)			
Repair and Rehabilitation			1,100,000
PEN PRODUCTS			
Industry and Farm Products Revolving Fund (IC 11-10-6-6)			
Preventive Maintenance			110,292
CORRECTIONAL INDUSTRIAL FACILITY			
Preventive Maintenance			520,023
Post War Construction Fund (IC 7.1-4-8-1)			
Repair and Rehabilitation			250,000
WORK RELEASE CENTERS			
Preventive Maintenance			100,732
WABASH VALLEY CORRECTIONAL FACILITY			
Preventive Maintenance			833,560
Post War Construction Fund (IC 7.1-4-8-1)			
Repair and Rehabilitation			299,000
MIAMI CORRECTIONAL FACILITY			
Preventive Maintenance			521,400
PENDLETON JUVENILE CORRECTIONAL FACILITY			
Preventive Maintenance			364,000
C. CONSERVATION AND ENVIRONMENT			
DEPARTMENT OF NATURAL RESOURCES - GENERAL ADMINISTRATION			
Preventive Maintenance			266,000
General Admin. - ADA			1,000,000
Repair and Rehabilitation			6,500,000
FISH AND WILDLIFE			
Preventive Maintenance			1,810,863
F&W - Public Access Land Acq.			817,000
Repair and Rehabilitation			2,555,000
FORESTRY			
Preventive Maintenance			1,756,800
Repair and Rehabilitation			5,119,650
MUSEUMS AND HISTORIC SITES			
Preventive Maintenance			331,586
Repair and Rehabilitation			3,768,520
NATURE PRESERVES			
Preventive Maintenance			134,200
Repair and Rehabilitation			1,093,000
OUTDOOR RECREATION			
Preventive Maintenance			33,306
Repair and Rehabilitation			375,000
STATE PARKS AND RESERVOIR MANAGEMENT			
Preventive Maintenance			2,945,654
Parks/Res. - Charlestown			3,000,000
Repair and Rehabilitation			17,200,000
Drinking Water and Wastewater Projects			6,000,000
Cigarette Tax Fund (IC 6-7-1-29.1)			
Preventive Maintenance			1,332,000
DIVISION OF WATER			
Preventive Maintenance			250,000

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Repair and Rehabilitation			925,000
Dam Repair and Rehabilitation			8,000,000
Shafer-Freeman Lakes Dredging Enhancement Project			1,000,000
ENFORCEMENT			
Preventive Maintenance			207,480
Repair and Rehabilitation			700,000
STATE MUSEUM			
Preventive Maintenance			650,000
Repair and Rehabilitation			300,000
OIL AND GAS			
Oil & Gas - Partnership Program			200,000
ENTOMOLOGY			
Entomology - Exotic Species Control			700,000
WAR MEMORIALS COMMISSION			
Preventive Maintenance			1,421,494
Repair and Rehabilitation			1,750,000
MAUMEE RIVER BASIN COMMISSION			
Repair and Rehabilitation			150,000
LITTLE CALUMET RIVER BASIN COMMISSION			
Little Calumet River Basin Devlpmnt Comm			2,000,000

D. TRANSPORTATION

AIRPORT DEVELOPMENT			
Airport Development			1,200,000

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 government 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.

PORT COMMISSION			
Pier #3 Southwind Maritime Center			1,200,000

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

(1) FAMILY AND SOCIAL SERVICES ADMINISTRATION

FSSA CONSTRUCTION			
Repair and Rehabilitation			4,200,000
EVANSVILLE PSYCHIATRIC CHILDREN'S CENTER			
Preventive Maintenance			45,000
Repair and Rehabilitation			950,000
EVANSVILLE STATE HOSPITAL			
Preventive Maintenance			756,756
Repair and Rehabilitation			57,000
MADISON STATE HOSPITAL			
Preventive Maintenance			971,409
LOGANSPORT STATE HOSPITAL			
Preventive Maintenance			963,144
Transitional Care Unit			1,300,000
Boiler Lease Payment			244,180
Repair and Rehabilitation			3,211,925
RICHMOND STATE HOSPITAL			
Preventive Maintenance			1,210,724
Repair and Rehabilitation			2,004,468
LARUE CARTER MEMORIAL HOSPITAL			
Preventive Maintenance			1,484,134
Repair and Rehabilitation			1,500,000
FORT WAYNE STATE DEVELOPMENTAL CENTER			
Preventive Maintenance			1,424,803
Repair and Rehabilitation			2,000,000

(2) PUBLIC HEALTH

DEPARTMENT OF HEALTH			
Repair and Rehabilitation			130,000
SILVERCREST CHILDREN'S DEVELOPMENT CENTER			
Preventive Maintenance			161,140
SCHOOL FOR THE BLIND			
Preventive Maintenance			565,714
SCHOOL FOR THE DEAF			
Preventive Maintenance			553,120
Repair and Rehabilitation			72,752
SOLDIERS' AND SAILORS' CHILDREN'S HOME			
Preventive Maintenance			400,000
Repair and Rehabilitation			645,536
Vocational Construction Projects Fund (IC 16-33-4-10)			
Repair and Rehabilitation			375,000

(3) VETERANS' AFFAIRS

INDIANA VETERANS' HOME			
Veterans' Home Building Fund (IC 10-17-9-7)			
Preventive Maintenance			1,000,000
Repair and Rehabilitation			3,527,332

F. EDUCATION

HIGHER EDUCATION

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INDIANA UNIVERSITY - TOTAL SYSTEM			
General Repair and Rehab			**20,933,720**
PURDUE UNIVERSITY - TOTAL SYSTEM			
General Repair and Rehab			**16,611,550**
INDIANA STATE UNIVERSITY			
General Repair and Rehab			**4,122,676**
UNIVERSITY OF SOUTHERN INDIANA			
General Repair and Rehab			**800,828**
BALL STATE UNIVERSITY			
General Repair and Rehab			**5,242,038**
VINCENNES UNIVERSITY			
General Repair and Rehab			**2,008,410**
Steamline Replacement			**2,500,000**
Electrical Substation			**1,000,000**
IVY TECH STATE COLLEGE			
General Repair and Rehab			**1,473,652**
Planning - Greencastle Campus Expansion			**250,000**
Ft. Wayne Technology Center A&E			**2,500,000**

SECTION 33. [EFFECTIVE JULY 1, 2005]

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 34. [EFFECTIVE JULY 1, 2005]

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.

SECTION 35. [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 appropriations for state developmental centers in any subsequent year.

SECTION 36. [EFFECTIVE JULY 1, 2005]

(a) 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 an amount necessary to maintain a positive balance in the general fund.

(b) The budget agency shall transfer one hundred million dollars ($100,000,000) into the counter-cyclical revenue and economic stabilization fund during the state fiscal year ending June 30, 2007, unless the budget agency determines there is an insufficient balance in the general fund to make the transfer.

(c) This SECTION expires July 2, 2007.

SECTION 37. IC 4-1-8-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. (a) No individual may be compelled by any state agency, board, commission, department, bureau, or other entity of state government (referred to as "state agency" in this chapter) to provide the individual's Social Security number to the state agency against the individual's will, absent federal requirements to the contrary. However, the provisions of this chapter do not apply to the following:

(1) Department of state revenue.

(2) Department of workforce development.

(3) The programs administered by:

(A) the division of family and children;

(B) the division of mental health and addiction;

(C) the division of disability, aging, and rehabilitative services; and

(D) the office of Medicaid policy and planning;

of the office of the secretary of family and social services.

(4) Auditor of state.

(5) State personnel department.

(6) Secretary of state, with respect to the registration of broker-dealers, agents, and investment advisors.

(7) The legislative ethics commission, with respect to the registration of lobbyists.

(8) Indiana department of administration, with respect to bidders on contracts.

(9) Indiana department of transportation, with respect to bidders on contracts.

(10) Health professions bureau.

(11) Indiana professional licensing agency.

(12) ~~Indiana~~ Department of insurance, with respect to licensing of insurance producers.

(13) A pension fund administered by the board of trustees of the public employees' retirement fund.

(14) The Indiana state teachers' retirement fund.

(15) The state police benefit system.

(16) The alcohol and tobacco commission.

(b) The bureau of motor vehicles may, notwithstanding this chapter, require the following:

(1) That an individual include the individual's Social Security number in an application for an official certificate of title for any vehicle required to be titled under IC 9-17.

(2) That an individual include the individual's Social Security number on an application for registration.

(3) That a corporation, limited liability company, firm,

partnership, or other business entity include its federal tax identification number on an application for registration.

(c) The Indiana department of administration, the Indiana department of transportation, the health professions bureau, and the Indiana professional licensing agency may require an employer to provide its federal employer identification number.

(d) The department of correction may require a committed offender to provide the offender's Social Security number for purposes of matching data with the Social Security Administration to determine benefit eligibility.

(e) The Indiana gaming commission may, notwithstanding this chapter, require the following:

(1) That an individual include the individual's Social Security number in any application for a riverboat owner's license, supplier's license, or occupational license.

(2) That a sole proprietorship, a partnership, an association, a fiduciary, a corporation, a limited liability company, or any other business entity include its federal tax identification number on an application for a riverboat owner's license or supplier's license.

(f) Notwithstanding this chapter, the ~~professional standards board~~ **department of education** established by ~~IC 20-1-1.4-2~~ **IC 20-1-1.1-2** may require an individual who applies to the board for a license or an endorsement to provide the individual's Social Security number. The Social Security number may be used by the board only for conducting a background investigation, if the board is authorized by statute to conduct a background investigation of an individual for issuance of the license or endorsement.

SECTION 38. IC 4-3-21 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

Chapter 21. Office of Management and Budget

Sec. 1. The state will benefit from devoting adequate resources to do the following:

(1) Gather and coordinate data in a timely manner.

(2) Perform comprehensive and detailed budgeting analysis.

(3) Put in place comprehensive and effective budgeting practices.

(4) Coordinate all functions related to budgeting and controlling spending in state government.

(5) Perform comprehensive and detailed financial analysis.

(6) Perform comprehensive financial oversight.

(7) Ensure that effective financial management policies are implemented throughout state government.

(8) Perform comprehensive and detailed performance analysis.

(9) Ascertain whether the burdens imposed by laws and rules are justified by their benefits using a rigorous cost benefit analysis.

(10) Measure the performance of government activities.

Sec. 2. As used in this chapter, "director" means the director of the office of management and budget established by this chapter.

Sec. 3. (a) To address the needs set forth in section 1 of this chapter, there is established the office of management and budget, which is referred to in this chapter as the "OMB".

(b) The OMB shall have a director who is the chief financial officer of the state. The director shall report directly to the governor.

Sec. 4. The director is responsible and accountable for and has authority over the following:

(1) All functions performed by the following:

(A) The budget agency.

(B) The department of state revenue.

(C) The department of local government finance.

(D) The public finance office.

The directors of these agencies, departments, and offices shall report to the director and administer their offices and agencies in compliance with the policies and procedures related to fiscal management that are established by the OMB and approved by the governor.

(2) All budgeting, accounting, and spending functions within the various agencies, departments, and programs of state government.

Sec. 5. The director may serve as the budget director of the budget agency under IC 4-12-1-3 unless the governor appoints another individual to serve as the budget director. If the director also serves as the budget director, the director is not entitled to receive any salary or other compensation as budget director.

Sec. 6. (a) The division of government efficiency and financial planning is established within the OMB. The director shall appoint, subject to the approval of the governor, a director of the division, who serves at the pleasure of the director of OMB.

(b) The division shall conduct operational and procedural audits of state government, perform financial planning, design and implement efficiency projects, and carry out such other responsibilities as may be designated by the director.

Sec. 7. The OMB shall assist the governor in the articulation, development, and execution of the governor's policies and programs on fiscal management.

Sec. 8. The OMB shall assist and represent the governor in the development and review of all policy, legislative, and rulemaking proposals affecting capital budgeting, procurement, e-government, and other matters related to fiscal management.

Sec. 9. The OMB shall harmonize agency views on legislation and facilitate the negotiation of policy positions for the governor.

Sec. 10. The OMB shall provide expertise to the governor for budget decision making and negotiations.

Sec. 11. The OMB shall analyze trends in and the consequences of aggregate budget policy.

Sec. 12. The OMB shall establish metrics for measuring state government performance and efficiency.

Sec. 13. The OMB shall perform a cost benefit analysis upon each proposed rule and provide to the governor an assessment of the rule's effect on Indiana business.

Sec. 14. All instrumentalities, agencies, authorities, boards, commissions, and officers of the executive, including the administrative, department of state government, and all bodies corporate and politic established as instrumentalities of the state shall:

(1) comply with the policies and procedures related to fiscal

management that are established by the OMB and approved by the governor; and

(2) cooperate and provide assistance to the OMB.

Sec. 15. All state agencies (as defined in IC 4-12-1-2) shall, in addition to complying with all statutory duties applicable to state purchasing, be accountable to the OMB for adherence to policies, procedures, and spending controls established by the OMB and approved by the governor.

SECTION 39. IC 4-9.1-1-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) The board may transfer money between state funds, and the board may transfer money between appropriations for any board, department, commission, office, or benevolent or penal institution of the state. After the transfer is made the money of the fund or appropriation transferred is not available to the fund or the board, department, commission, office, or benevolent or penal institution from which it was transferred.

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

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

~~(c)~~ **(d)** The authority given the board under this section to make transfers does not apply to trust funds. For the purposes of this section, "trust fund" means a fund which by the constitution or by statute has been designated as a trust fund or a fund which has been determined by the board to be a trust fund.

SECTION 40. IC 4-12-1-18 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 18. Federal funds received by an instrumentality are appropriated for purposes specified by the federal government, subject to allotment by the budget agency. The provisions of this chapter and other laws concerning the acceptance, disbursement, review, and approval of grants, loans, and gifts made by the federal government or any other source to the state or its agencies apply to instrumentalities.**

SECTION 41. IC 4-13-2-20, AS AMENDED BY P.L.4-2005, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 20. (a) Except as otherwise provided in this section ~~IC 20-1-1.8-17.2,~~ or IC 12-8-10-7, payment for any services, supplies, materials, or equipment shall not be paid from any fund or state money in advance of receipt of such services, supplies, materials, or equipment by the state.

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

(1) War surplus property.

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

(3) Dues and subscriptions.

(4) License fees.

(5) Insurance premiums.

(6) Utility connection charges.

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

(8) Grants of state funds authorized by statute.

(9) Employee expense vouchers.

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

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

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

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

(14) Maintenance of equipment and maintenance of software not exceeding an annual amount of one thousand five hundred dollars ($1,500) for each piece of equipment or each software license.

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

(c) Any state agency and any state college or university supported in whole or in part by state funds may make advance payments to its employees for duly accountable expenses exceeding ten dollars ($10) incurred through travel approved by the employee's respective agency director in the case of a state agency and by a duly authorized person in the case of any such state college or university.

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

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

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

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

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

(2) Provisions requiring that each time a special disbursing officer makes an accounting to the auditor of state of the

expenditure of the advanced funds, the auditor of state shall request that the Indiana department of administration review the accounting for compliance with IC 5-22.

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

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

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

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

(1) is authorized to make the disbursement; and

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

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

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

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

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

(1) a school corporation (as defined in IC 20-10.1-1-1); or

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

SECTION 42. IC 4-20.5-7-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. The agency head of a transferring agency must do the following:

(1) Find that the property is surplus to the needs of the agency.

(2) Notify the department that the agency wants to transfer the property.

(3) Provide the details of the proposed transfer as required by the department.

(4) Request **to the budget agency,** in writing, ~~approval of~~ **that** the governor ~~to~~ **approve the** transfer **of** the property.

Subdivisions (1) and (4) do not apply to a lease of state property.

SECTION 43. IC 4-20.5-7-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) ~~If the commissioner finds that another agency or a state educational institution can use the property, the~~ **Surplus** property may, **under the policies prescribed by the budget agency,** be transferred to ~~the other~~ **another** agency or ~~the~~ **a** state educational institution.

(b) The **policies of the budget agency must include a requirement that the** agency head of the accepting agency or the state educational institution ~~must~~ do the following:

(1) Find that the property is necessary or convenient to the accepting agency's or state educational institution's use or purpose.

(2) Request, in writing, approval of the governor to transfer possession of the property from the transferring agency.

(c) With the approval of the budget agency, the accepting agency or state educational institution may transfer funds to the transferring agency in consideration of the transfer.

(d) The offer to the transferring agency must remain open for thirty (30) days after the offer was made. If an offer has not been rejected or accepted by the agency within thirty (30) days, the department may dispose of the property as otherwise permitted under this chapter.

SECTION 44. IC 4-24-7-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. For all claims that the ~~Plainfield Juvenile Correctional Facility or the Indianapolis Juvenile Correctional Facility~~ **department of correction** may have against any county for the payment of the county's portion of the cost of the maintenance of any inmate ~~of such~~ **at a juvenile** institution ~~which inmate~~ **who** was admitted to ~~such~~ **the** institution from ~~such~~ **that** county, the superintendent of ~~such~~ **the** institution shall make out an account ~~therefor~~ against ~~such~~ **the** county, in a manner ~~as hereinafter~~ provided **in this chapter.**

SECTION 45. IC 4-24-7-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. **(a)** ~~From and after January 1, 1953, such~~ Accounts of state institutions ~~as are~~ described in sections 1 ~~2,~~ and 3 of this chapter shall be paid as follows:

(1) All such accounts shall be signed by the superintendent of such institution, attested to by the seal of the institution, and forwarded to the auditor of the county for payment from which county the inmate or patient was admitted.

(2) All accounts accruing between January 1 and June 30 of each year shall be forwarded to the county auditor on or before October 1 of such year.

(3) All accounts accruing between July 1 and December 31 of each year shall be forwarded to the county auditor on or before April 1 of the following year.

(4) Upon receipt of any such account, the county auditor shall draw a warrant on the treasurer of the county for the payment of the account, and the same shall be paid out of the funds of the county appropriated therefor.

(5) The county council of each county of the state shall annually appropriate sufficient funds to pay such accounts.

(b) All accounts of state institutions described in section 2 of this chapter shall be paid as follows:

(1) All such accounts shall be signed by the superintendent of the institution, attested to by the seal of the institution, and forwarded to the auditor of the county for payment from which county the inmate was admitted.

(2) All accounts accruing after December 31 and before April 1 of each year shall be forwarded to the county auditor on or before May 15 of that year.

(3) All accounts accruing after March 31 and before July 1 of each year shall be forwarded to the county auditor on or before August 15 of that year.

(4) All accounts accruing after June 30 and before October 1 of each year shall be forwarded to the county auditor on or before November 15 of that year.

(5) All accounts accruing after September 30 and before January 1 of each year, and any reconciliations for previous

periods, shall be forwarded to the county auditor on or before March 15 of the following year.

(6) Upon receipt of an account, the county auditor shall draw a warrant on the treasurer of the county for the payment of the account, which shall be paid from the funds of the county that were appropriated for the payment.

(7) The county council of each county shall annually appropriate sufficient funds to pay these accounts.

If a county has not paid an account within six (6) months after the account is forwarded under this subsection, the auditor of state shall, notwithstanding anything to the contrary in IC 6-1.1-21, reduce the next distribution of property tax replacement credits under IC 6-1.1-21 to the county and withhold the amount owed on the account. The auditor of state shall credit the withheld amount to the state general fund for the purpose of curing the default. The account is then considered paid. A county that has the county's distribution reduced under this subsection shall apply the withheld amount only to the county unit's share of the distribution and may not reduce a distribution to any other civil taxing unit or school corporation within the county.

SECTION 46. IC 4-30-16-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. (a) The commission shall transfer the surplus revenue in the administrative trust fund as follows:

(1) Before the last business day of January, April, July, and October, the commission shall transfer to the treasurer of state, for deposit in the Indiana state teachers' retirement fund (IC 21-6.1-2), ~~before July 1, 2005,~~ seven million five hundred thousand dollars ($7,500,000). ~~and after June 30, 2005, an amount equal to the lesser of:~~

~~(A) seven million five hundred thousand dollars ($7,500,000); or~~

~~(B) the additional quarterly contribution needed so that the ratio of the unfunded liability of the Indiana state teachers' retirement fund compared to total active teacher payroll is as close as possible to but not greater than the ratio that existed on the preceding July 1.~~

~~After June 30, 2003, and before July 1, 2005, the amount deposited in a state fiscal year under this subdivision in the Indiana state teachers' retirement fund (IC 21-6.1-2) shall only be used by the board to reduce the employer contribution rate that school corporations would otherwise pay after June 30, 2003, and before July 1, 2005, to the Indiana state teachers' retirement fund (IC 21-6.1-2), as computed under IC 5-10.2-2 and certified under IC 21-6.1-7-12, for teachers covered by the 1996 account, including a proportionate share of administration expenses for the 1996 account. On or before June 15, 2005, and June 15 of each year thereafter, the board of trustees of the Indiana state teachers' retirement fund shall submit to the treasurer of state, each member of the pension management oversight commission, and the auditor of state its estimate of the quarterly amount needed to freeze the unfunded accrued liability of the pre-1996 account (as defined in IC 21-6.1-1-6.9) as a percent of payroll. The estimate shall be based on the most recent actuarial valuation of the fund.~~

Notwithstanding any other law, including any appropriations law resulting from a budget bill (as defined in IC 4-12-1-2), ~~after June 30, 2005,~~ the money transferred under this subdivision shall be set aside in ~~a special account~~ **the pension stabilization fund (IC 21-6.1-2-8)** to be used as a credit against the unfunded accrued liability of the pre-1996 account (as defined in IC 21-6.1-1-6.9) of the Indiana state teachers' retirement fund. The money transferred is in addition to the appropriation needed to pay benefits for the state fiscal year.

(2) Before the last business day of January, April, July, and October, the commission shall transfer:

(A) two million five hundred thousand dollars ($2,500,000) of the surplus revenue to the treasurer of state for deposit in the "k" portion of the pension relief fund (IC 5-10.3-11); and

(B) five million dollars ($5,000,000) of the surplus revenue to the treasurer of state for deposit in the "m" portion of the pension relief fund (IC 5-10.3-11).

(3) The surplus revenue remaining in the fund on the last day of January, April, July, and October after the transfers under subdivisions (1) and (2) shall be transferred by the commission to the treasurer of state for deposit on that day in the build Indiana fund.

(b) The commission may make transfers to the treasurer of state more frequently than required by subsection (a). However, the number of transfers does not affect the amount that is required to be transferred for the purposes listed in subsection (a)(1) and (a)(2). Any amount transferred during the month in excess of the amount required to be transferred for the purposes listed in subsection (a)(1) and (a)(2) shall be transferred to the build Indiana fund.

SECTION 47. IC 4-33-13-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. (a) This subsection does not apply to tax revenue remitted by an operating agent operating a riverboat in a historic hotel district. After funds are appropriated under section 4 of this chapter, each month the treasurer of state shall distribute the tax revenue deposited in the state gaming fund under this chapter to the following:

(1) The first thirty-three million dollars ($33,000,000) of tax revenues collected under this chapter shall be set aside for revenue sharing under subsection (e).

(2) Subject to subsection (c), twenty-five percent (25%) of the remaining tax revenue remitted by each licensed owner shall be paid:

(A) to the city that is designated as the home dock of the riverboat from which the tax revenue was collected, in the case of:

(i) a city described in IC 4-33-12-6(b)(1)(A); or

(ii) a city located in a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000); or

(B) to the county that is designated as the home dock of the riverboat from which the tax revenue was collected, in the case of a riverboat whose home dock is not in a city described in clause (A).

(3) Subject to subsection (d), the remainder of the tax revenue remitted by each licensed owner shall be paid to the property tax replacement fund. In each state fiscal year, ~~beginning after June 30, 2003,~~ the treasurer of state shall make the transfer required by

this subdivision not later than the last business day of the month in which the tax revenue is remitted to the state for deposit in the state gaming fund. However, if tax revenue is received by the state on the last business day in a month, the treasurer of state may transfer the tax revenue to the property tax replacement fund in the immediately following month.

(b) This subsection applies only to tax revenue remitted by an operating agent operating a riverboat in a historic hotel district. After funds are appropriated under section 4 of this chapter, each month the treasurer of state shall distribute the tax revenue deposited in the state gaming fund under this chapter as follows:

(1) Thirty-seven and one half percent (37.5%) shall be paid to the property tax replacement fund established under IC 6-1.1-21.

(2) Thirty-seven and one-half percent (37.5%) shall be paid to the West Baden Springs historic hotel preservation and maintenance fund established by IC 36-7-11.5-11(b). However, at any time the balance in that fund exceeds twenty million dollars ($20,000,000), the amount described in this subdivision shall be paid to the property tax replacement fund established under IC 6-1.1-21.

(3) Five percent (5%) shall be paid to the historic hotel preservation commission established under IC 36-7-11.5.

(4) Ten percent (10%) shall be paid in equal amounts to each town that:

(A) is located in the county in which the riverboat docks; and

(B) contains a historic hotel.

The town council shall appropriate a part of the money received by the town under this subdivision to the budget of the town's tourism commission.

(5) Ten percent (10%) shall be paid to the county treasurer of the county in which the riverboat is docked. The county treasurer shall distribute the money received under this subdivision as follows:

(A) Twenty percent (20%) shall be quarterly distributed to the county treasurer of a county having a population of more than thirty-nine thousand six hundred (39,600) but less than forty thousand (40,000) for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body for the receiving county shall provide for the distribution of the money received under this clause to one (1) or more taxing units (as defined in IC 6-1.1-1-21) in the county under a formula established by the county fiscal body after receiving a recommendation from the county executive.

(B) Twenty percent (20%) shall be quarterly distributed to the county treasurer of a county having a population of more than ten thousand seven hundred (10,700) but less than twelve thousand (12,000) for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body for the receiving county shall provide for the distribution of the money received under this clause to one (1) or more taxing units (as defined in IC 6-1.1-1-21) in the county under a formula established by the county fiscal body after receiving a recommendation from the county executive.

(C) Sixty percent (60%) shall be retained by the county where the riverboat is docked for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body shall provide for the distribution of part or all of the money received under this clause to the following under a formula established by the county fiscal body:

(i) A town having a population of more than two thousand two hundred (2,200) but less than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000).

(ii) A town having a population of more than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000).

(c) For each city and county receiving money under subsection (a)(2)(A) or ~~(a)(2)(C),~~ **(a)(2)(B),** the treasurer of state shall determine the total amount of money paid by the treasurer of state to the city or county during the state fiscal year 2002. The amount determined is the base year revenue for the city or county. The treasurer of state shall certify the base year revenue determined under this subsection to the city or county. The total amount of money distributed to a city or county under this section during a state fiscal year may not exceed the entity's base year revenue. For each state fiscal year, ~~beginning after June 30, 2002,~~ the treasurer of state shall pay that part of the riverboat wagering taxes that:

(1) exceeds a particular ~~city~~ **city's** or county's base year revenue; and

(2) would otherwise be due to the city or county under this section;

to the property tax replacement fund instead of to the city or county.

(d) Each state fiscal year the treasurer of state shall transfer from the tax revenue remitted to the property tax replacement fund under subsection (a)(3) to the build Indiana fund an amount that when added to the following may not exceed two hundred fifty million dollars ($250,000,000):

(1) Surplus lottery revenues under IC 4-30-17-3.

(2) Surplus revenue from the charity gaming enforcement fund under IC 4-32-10-6.

(3) Tax revenue from pari-mutuel wagering under IC 4-31-9-3.

The treasurer of state shall make transfers on a monthly basis as needed to meet the obligations of the build Indiana fund. If in any state fiscal year insufficient money is transferred to the property tax replacement fund under subsection (a)(3) to comply with this subsection, the treasurer of state shall reduce the amount transferred to the build Indiana fund to the amount available in the property tax replacement fund from the transfers under subsection (a)(3) for the state fiscal year.

(e) Before August 15 of ~~2003 and~~ each year, ~~thereafter,~~ the treasurer of state shall distribute the wagering taxes set aside for revenue sharing under subsection (a)(1) to the county treasurer of each county that does not have a riverboat according to the ratio that the county's population bears to the total population of the counties that do not have a riverboat. Except as provided in subsection (h), the county auditor shall distribute the money received by the county under this subsection as follows:

(1) To each city located in the county according to the ratio the city's population bears to the total population of the county.

(2) To each town located in the county according to the ratio the town's population bears to the total population of the county.

(3) After the distributions required in subdivisions (1) and (2) are made, the remainder shall be retained by the county.

(f) Money received by a city, town, or county under subsection (e) or (h) may be used for any of the following purposes:

(1) To reduce the property tax levy of the city, town, or county for a particular year (a property tax reduction under this subdivision does not reduce the maximum levy of the city, town, or county under IC 6-1.1-18.5);

(2) For deposit in a special fund or allocation fund created under IC 8-22-3.5, IC 36-7-14, IC 36-7-14.5, IC 36-7-15.1, and IC 36-7-30 to provide funding for additional credits for property tax replacement in property tax increment allocation areas or debt repayment.

(3) To fund sewer and water projects, including storm water management projects.

(4) For police and fire pensions.

(5) To carry out any governmental purpose for which the money is appropriated by the fiscal body of the city, town, or county. Money used under this subdivision does not reduce the property tax levy of the city, town, or county for a particular year or reduce the maximum levy of the city, town, or county under IC 6-1.1-18.5.

(g) This subsection does not apply to an entity receiving money under IC 4-33-12-6(c). Before September 15 of ~~2003 and~~ each year, ~~thereafter,~~ the treasurer of state shall determine the total amount of money distributed to an entity under IC 4-33-12-6 during the preceding state fiscal year. If the treasurer of state determines that the total amount of money distributed to an entity under IC 4-33-12-6 during the preceding state fiscal year was less than the entity's base year revenue (as determined under IC 4-33-12-6), the treasurer of state shall make a supplemental distribution to the entity from taxes collected under this chapter and deposited into the property tax replacement fund. The amount of the supplemental distribution is equal to: ~~the difference between~~

(1) the entity's base year revenue (as determined under IC 4-33-12-6); ~~and~~ **minus**

(2) the **sum of:**

(A) the total amount of money distributed to the entity during the preceding state fiscal year under IC 4-33-12-6; **plus**

(B) any amounts deducted under IC 6-3.1-20-7.

(h) This subsection applies only to a county containing a consolidated city. The county auditor shall distribute the money received by the county under subsection (d) as follows:

(1) To each city, other than a consolidated city, located in the county according to the ratio that the city's population bears to the total population of the county.

(2) To each town located in the county according to the ratio that the town's population bears to the total population of the county.

(3) After the distributions required in subdivisions (1) and (2) are made, the remainder shall be paid in equal amounts to the consolidated city and the county.

SECTION 48. IC 5-10-8-7.3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7.3. (a) As used in this section, "covered individual" means an individual who is:

(1) covered under a self-insurance program established under section 7(b) of this chapter to provide group health coverage; or

(2) entitled to services under a contract with a prepaid health care delivery plan that is entered into or renewed under section 7(c) of this chapter.

(b) As used in this section, "early intervention services" means services provided to a first steps child under IC 12-17-15-3 and 20 U.S.C. 1432(4).

(c) As used in this section, "first steps child" means an infant or toddler from birth through two (2) years of age who is enrolled in the Indiana first steps program and is a covered individual.

(d) As used in this section, "first steps program" refers to the program established under IC 12-17-15 and 20 U.S.C. 1431 et seq. to meet the needs of:

(1) children who are eligible for early intervention services; and

(2) their families.

The term includes the coordination of all available federal, state, local, and private resources available to provide early intervention services within Indiana.

(e) As used in this section, "health benefits plan" means a:

(1) self-insurance program established under section 7(b) of this chapter to provide group health coverage; or

(2) contract with a prepaid health care delivery plan that is entered into or renewed under section 7(c) of this chapter.

(f) A health benefits plan that provides coverage for early intervention services shall reimburse the first steps program for payments made by the program for early intervention services that are covered under the health benefits plan.

~~(g) The reimbursement required under subsection (f) is limited to an annual maximum benefit of three thousand five hundred dollars ($3,500) per first steps child.~~

~~(h)~~ **(g)** The reimbursement required under subsection (f) may not be applied to any annual or aggregate lifetime limit on the first steps child's coverage under the health benefits plan.

~~(i)~~ **(h)** The first steps program may pay required deductibles, copayments, or other out-of-pocket expenses for a first steps child directly to a provider. A health benefits plan shall apply any payments made by the first steps program to the health benefits plan's deductibles, copayments, or other out-of-pocket expenses according to the terms and conditions of the health benefits plan.

SECTION 49. IC 5-10.2-2-4.1 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 4.1. Interest credited before July 1, 2005, in the annuity savings account of the public employees' retirement fund to suspended members participating in the guaranteed fund under section 3 of this chapter are to be treated as properly credited.**

SECTION 50. IC 5-10.2-2-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 11. (a) Based on the actuarial investigation and valuation in section 9 of this chapter, each board shall determine:

(1) the normal contribution for the employer, which is the amount necessary to fund the pension portion of the retirement benefit;

(2) the rate of normal contribution;

(3) the unfunded accrued liability of the public employees' retirement fund, the pre-1996 account, and the 1996 account,

which is the excess of total accrued liability over the fund's or account's total assets, respectively; and

(4) the rates of contribution for the state expressed as a proportion of compensation of members, which would be necessary to:

(A) amortize the unfunded accrued liability of the state for thirty (30) years or for ~~the~~ **a shorter** time period requested by the budget agency or the governor; and

(B) prevent the state's unfunded accrued liability from increasing.

(b) Based on the information in subsection (a), each board may determine, in its sole discretion, contributions and contribution rates for individual employers or for a group of employers.

(c) The board's determinations under subsection (a) are subject to section 1.5 of this chapter.

SECTION 51. IC 5-10.2-5-34 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 34. (a) This section does not apply to a member of the public employees' retirement fund (or to a survivor or beneficiary of a member of the public employees' retirement fund) whose creditable service was earned only as an elected official.

(b) In addition to any other cost of living increase provided under this chapter, the pension portion (plus postretirement increases to the pension portion) provided by employer contributions of the monthly benefit payable after December 31, ~~2003,~~ **2005,** to a member of the public employees' retirement fund (or to a survivor or beneficiary of a member of the public employees' retirement fund) who was a retired member of the fund with at least ten (10) years of creditable service and was entitled to receive a monthly benefit on December 1, ~~2003,~~ **2004,** may not be less than one hundred eighty dollars ($180).

(c) The increases specified in this section:

(1) are based upon the date of the member's latest retirement or disability;

(2) do not apply to benefits payable in a lump sum; and

(3) are in addition to any other increase provided by law.

SECTION 52. IC 5-10.2-5-38 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 38. (a) The pension portion (plus postretirement increases to the pension portion) provided by employer contributions of the monthly benefit payable after December 31, 2005, to a member of the public employees' retirement fund (or to a survivor or beneficiary of a member of the public employees' retirement fund) who retired or was disabled:**

(1) before July 2, 1990, shall be increased by two percent (2%); and

(2) after July 1, 1990, and before January 1, 2005, shall be increased by one and one-half percent (1.5%).

(b) The increases specified in this section:

(1) are based on the date of the member's latest retirement or disability;

(2) do not apply to benefits payable in a lump sum; and

(3) are in addition to any other increase provided by law.

SECTION 53. IC 5-10.2-5-39 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 39. (a) The pension portion (plus postretirement increases to the pension portion) provided by employer contributions of the monthly benefit payable after December 31, 2005, to a member of the Indiana state teachers' retirement fund (or to a survivor or beneficiary of a member of the Indiana state teachers' retirement fund) who retired or was disabled:**

(1) before July 2, 1990, shall be increased by two percent (2%); and

(2) after July 1, 1990, and before July 2, 2003, shall be increased by one percent (1%).

(b) The increases specified in this section:

(1) are based on the date of the member's latest retirement or disability;

(2) do not apply to benefits payable in a lump sum; and

(3) are in addition to any other increase provided by law.

SECTION 54. IC 5-22-21-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. ~~(a)~~ Except as provided in section 7.5 of this chapter, surplus property available for sale ~~shall first~~ **may, under the policies prescribed by the budget agency,** be offered for sale to ~~all~~ political subdivisions. **The policies of the budget agency must require that** if the property is in the possession of the Indiana department of transportation **and is to be offered to political subdivisions,** the commissioner shall notify each supervisor of county highways appointed under IC 8-17-3-1 of the sale.

~~(b) Notice of the sale shall be mailed or provided by another means at least fifteen (15) days before the date of the sale to each county auditor and to each political subdivision that has previously requested notice of the sale from the commissioner. Information regarding the sale shall also be made available at any time before the sale to political subdivisions upon request.~~

~~(c) A political subdivision that wants to purchase the property must deliver a sealed bid to the commissioner before the date of the sale to political subdivisions.~~

~~(d) The department shall sell the surplus property to the highest responsible governmental bidder. The commissioner shall determine a market price for the surplus property that is stated in the notice of the sale. The department shall sell the surplus property to the highest governmental bidder whose bid equals or exceeds the market price determined by the commissioner.~~

~~(e) The department shall deliver possession of the surplus property to the governmental bidder after the bidder approves a claim for payment submitted by the department.~~

SECTION 55. IC 5-22-21-7.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7.5. (a) This section applies to surplus computer hardware that:

(1) is not usable by a state agency as determined under section 6 of this chapter; and

(2) has market value.

(b) As used in this section, "educational entity" refers to the following:

(1) A school corporation as defined in IC 36-1-2-17 or nonpublic schools as defined in IC 20-10.1-1-3.

(2) The corporation for educational technology described in IC 20-10.1-25.1.

(c) As used in this section, "market value" means the value of the property is more than the estimated costs of sale and transportation of the property.

(d) Surplus computer hardware available for sale ~~must~~ **may, under the policies prescribed by the budget agency,** be offered ~~first~~ to an educational entity. ~~Notice of the sale must be given to the corporation for educational technology and to each school corporation through publication in a publication of the department of education or other appropriate association or department.~~

~~(e) Sealed bids shall be delivered by educational entities to the office of the commissioner before the date of the sale to educational entities. Surplus personal property shall be sold to the highest responsible bidder as determined by the commissioner. The department shall deliver possession of the surplus property to the successful bidder after the bidder submits an executed purchase order to the department.~~

~~(f) If the surplus computer hardware:~~

~~(1) is not sold to an educational entity under this section; and~~

~~(2) had an original purchase price of more than two thousand five hundred dollars ($2,500);~~

~~the property shall be offered for sale to political subdivisions as described in section 7 of this chapter.~~

SECTION 56. IC 6-1.1-3-23 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]: Sec. 23. (a) For purposes of this section:

(1) "adjusted cost" refers to the adjusted cost established in 50 IAC 4.2-4-4 (as in effect on January 1, 2003);

(2) "depreciable personal property" has the meaning set forth in 50 IAC 4.2-4-1 (as in effect on January 1, 2003);

(3) "integrated steel mill" means a person, **or a subsidiary of a corporation,** that produces steel by processing iron ore and other raw materials in a blast furnace **in Indiana;**

(4) "oil refinery/petrochemical company" means a person that produces a variety of petroleum products by processing an annual average of at least one hundred thousand (100,000) barrels of crude oil per day;

(5) "permanently retired depreciable personal property" has the meaning set forth in 50 IAC 4.2-4-3 (as in effect on January 1, 2003);

(6) "pool" refers to a pool established in 50 IAC 4.2-4-5(a) (as in effect on January 1, 2003);

(7) "special integrated steel mill or oil refinery/petrochemical equipment" means depreciable personal property, other than special tools and permanently retired depreciable personal property:

(A) that:

(i) is owned, leased, or used by an integrated steel mill or an entity that is at least fifty percent (50%) owned by an affiliate of an integrated steel mill; and

(ii) falls within Asset Class 33.4 as set forth in IRS Rev. Proc. 87-56, 1987-2, C.B. 647; or

(B) that:

(i) is owned, leased, or used as an integrated part of an oil refinery/petrochemical company or its affiliate; and

(ii) falls within Asset Class 13.3 or 28.0 as set forth in IRS Rev. Proc. 87-56, 1987-2, C.B. 647;

(8) "special tools" has the meaning set forth in 50 IAC 4.2-6-2 (as in effect on January 1, 2003); and

(9) "year of acquisition" refers to the year of acquisition determined under 50 IAC 4.2-4-6 (as in effect on January 1, 2003).

(b) Notwithstanding 50 IAC 4.2-4-4, 50 IAC 4.2-4-6, and 50 IAC 4.2-4-7, a taxpayer may elect to calculate the true tax value of the taxpayer's special integrated steel mill or oil refinery/petrochemical equipment by multiplying the adjusted cost of that equipment by the percentage set forth in the following table:

Year of Acquisition	Percentage
1	40%
2	56%
3	42%
4	32%
5	24%
6	18%
7	15%
8 and older	10%

(c) The department of local government finance shall designate the table under subsection (b) as "Pool No. 5" on the business personal property tax return.

(d) The percentage factors in the table under subsection (b) automatically reflect all adjustments for depreciation and obsolescence, including abnormal obsolescence, for special integrated steel mill or oil refinery/petrochemical equipment. The equipment is entitled to all exemptions, credits, and deductions for which it qualifies.

(e) The minimum valuation limitations under 50 IAC 4.2-4-9 do not apply to special integrated steel mill or oil refinery/petrochemical equipment valued under this section. The value of the equipment is not included in the calculation of that minimum valuation limitation for the taxpayer's other assessable depreciable personal property in the taxing district.

(f) An election to value special integrated steel mill or oil refinery/petrochemical equipment under this section:

(1) must be made by reporting the equipment under this section on a business personal property tax return;

(2) applies to all of the taxpayer's special integrated steel mill or oil refinery/petrochemical equipment located in the state (whether owned or leased, or used as an integrated part of the equipment); and

(3) is binding on the taxpayer for the assessment date for which the election is made.

The department of local government finance shall prescribe the forms to make the election beginning with the March 1, 2003, assessment date. Any special integrated steel mill or oil refinery/petrochemical equipment acquired by a taxpayer that has made an election under this section is valued under this section.

(g) If fifty percent (50%) or more of the adjusted cost of a taxpayer's property that would, notwithstanding this section, be reported in a pool other than Pool No. 5 is attributable to special integrated steel mill or oil refinery/petrochemical equipment, the taxpayer may elect to calculate the true tax value of all of that property as special integrated steel mill or oil refinery/petrochemical equipment. The true tax value of property

for which an election is made under this subsection is calculated under subsections (b) through (f).

SECTION 57. IC 6-1.1-19-1.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 1.5. (a) The following definitions apply throughout this section and IC 21-3-1.7:

(1) "Adjustment factor" means the adjustment factor determined by the department of local government finance for a school corporation under IC 6-1.1-34.

(2) "Adjusted target property tax rate" means:

(A) the school corporation's target general fund property tax rate determined under IC 21-3-1.7-6.8; multiplied by

(B) the school corporation's adjustment factor.

(3) "Previous year property tax rate" means the **part of the** school corporation's previous year general fund property tax rate ~~after the reductions cited in IC 21-3-1.7-5(1), IC 21-3-1.7-5(2), and IC 21-3-1.7-5(3).~~ **imposed for the school corporation's tuition support levy (as defined in IC 21-3-1.7-5).**

(b) Except as otherwise provided in this chapter, a school corporation may not ~~for a calendar year beginning after December 31, 2004,~~ impose a general fund ad valorem property tax levy which exceeds the following:

STEP ONE: Determine the result of:

(A) the school corporation's adjusted target property tax rate; minus

(B) the school corporation's previous year property tax rate.

STEP TWO: If the school corporation's adjusted target property tax rate:

(A) exceeds the school corporation's previous year property tax rate, ~~perform~~ the ~~calculation under STEP THREE and not under~~ STEP ~~FOUR;~~ **TWO result for the school corporation is the school corporation's previous year property tax rate after increasing the rate by the lesser of:**

(A) the STEP ONE result; or

(B) three cents ($0.03); or

(B) is less than the school corporation's previous year property tax rate, ~~perform~~ the ~~calculation under STEP FOUR and not under~~ STEP ~~THREE;~~ **TWO result is the school corporation's previous year property tax rate after reducing the rate by the lesser of:**

(A) the absolute value of the STEP ONE result; or

(B) eight cents ($0.08); or

(C) equals the school corporation's previous year property tax rate, ~~determine~~ the ~~levy resulting from using~~ **STEP TWO result is** the school corporation's adjusted target property tax rate. ~~and do not perform the calculation under STEP THREE or STEP FOUR.~~

~~STEP THREE: Determine the levy resulting from using the school corporation's previous year property tax rate after increasing the rate by the lesser of:~~

~~(A) the STEP ONE result; or~~

~~(B) five cents ($0.05).~~

~~STEP FOUR: Determine the levy resulting from using the school corporation's previous year property tax rate after reducing the rate by the lesser of:~~

~~(A) the absolute value of the STEP ONE result; or~~

~~(B) five cents ($0.05).~~

STEP THREE: Divide the school corporation's total assessed value by one hundred dollars ($100).

STEP FOUR: Multiply the STEP TWO result by the STEP THREE result.

STEP FIVE: Determine the ~~result~~ **sum** of **the following:**

(A) The ~~STEP TWO (C), STEP THREE, or~~ STEP FOUR result. ~~whichever applies; plus~~

(B) An amount equal to 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.

(C) The **part of the** maximum **general fund** levy ~~is to include~~ **for** the ~~portion of any excessive levy and~~ **year that equals the original amount of** the levy ~~for~~ **by the school corporation to cover the costs of opening a** new ~~facilities~~ **school facility or reopening an existing facility during the preceding year.**

(D) The amount determined under item (iv) of the following formula:

(i) Determine the target revenue per ADM under IC 21-3-1.7-6.7 for each charter school that included at least one (1) student who has legal settlement in the school corporation in the charter school's current ADM.

(ii) For each charter school, multiply the item (i) amount by the number of students who have legal settlement in the school corporation and who are included in the charter school's current ADM.

(iii) Determine the sum of the item (ii) amounts.

(iv) Multiply the item (iii) amount by

~~STEP SIX: Determine the result of:~~

~~(A) the STEP FIVE result; plus~~

~~(B) the product of:~~

~~(i) the weighted average of the amounts determined under IC 21-3-1.7-6.7(c) STEP NINE for all charter schools attended by students who have legal settlement in the school corporation, multiplied by~~

~~(ii)~~ thirty-five hundredths (0.35).

In determining the number of students for purposes of this ~~STEP,~~ **clause,** each kindergarten pupil shall be counted as one-half (1/2) pupil.

~~The result determined under this STEP may not be included in the school corporation's adjusted base levy for the year following the year in which the result applies or in the school corporation's determination of tuition support.~~

(c) For purposes of this section, "total assessed value" with respect to a school corporation means the total assessed value of all taxable property for ad valorem property taxes first due and payable during that year.

(d) The department of local government finance shall annually establish an assessment ratio and adjustment factor for each school corporation to be used upon the review and recommendation of the budget committee. The information compiled, including background documentation, may not be used in a:

(1) review of an assessment under IC 6-1.1-8, IC 6-1.1-13, IC 6-1.1-14, or IC 6-1.1-15;

(2) petition for a correction of error under IC 6-1.1-15-12; or

(3) petition for refund under IC 6-1.1-26.

(e) All tax rates ~~shall be computed by rounding the rate to the nearest one-hundredth of a cent ($0.0001). All~~ **and** tax levies **computed under this section** shall be computed by rounding ~~the levy to the nearest dollar amount.~~ **in conformity with IC 21-3-1.7-7.**

~~(f) For the calendar year beginning January 1, 2004, and ending December 31, 2004, a school corporation may impose a general fund ad valorem property tax levy in the amount determined under STEP EIGHT of the following formula:~~

~~STEP ONE: Determine the quotient of:~~

~~(A) the school corporation's 2003 assessed valuation; divided by~~

~~(B) the school corporation's 2002 assessed valuation.~~

~~STEP TWO: Determine the greater of zero (0) or the difference between:~~

~~(A) the STEP ONE amount; minus~~

~~(B) one (1).~~

~~STEP THREE: Determine the lesser of eleven-hundredths (0.11) or the product of:~~

~~(A) the STEP TWO amount; multiplied by~~

~~(B) eleven-hundredths (0.11).~~

~~STEP FOUR: Determine the sum of:~~

~~(A) the STEP THREE amount; plus~~

~~(B) one (1).~~

~~STEP FIVE: Determine the product of:~~

~~(A) the STEP FOUR amount; multiplied by~~

~~(B) the school corporation's general fund ad valorem property tax levy for calendar year 2003.~~

~~STEP SIX: Determine the lesser of:~~

~~(A) the STEP FIVE amount; or~~

~~(B) the levy resulting from using the school corporation's previous year property tax rate after increasing the rate by five cents ($0.05).~~

~~STEP SEVEN: Determine the result of:~~

~~(A) the STEP SIX amount; plus~~

~~(B) an amount equal to 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.~~

~~The maximum levy is to include the part of any excessive levy and the levy for new facilities.~~

~~STEP EIGHT: Determine the result of:~~

~~(A) the STEP SEVEN result; plus~~

~~(B) the product of:~~

~~(i) the weighted average of the amounts determined under IC 21-3-1.7-6.7(c) STEP NINE for all charter schools attended by students who have legal settlement in the school corporation; multiplied by~~

~~(ii) thirty-five hundredths (0.35).~~

~~In determining the number of students for purposes of this STEP, each kindergarten pupil shall be counted as one-half (1/2) pupil.~~

~~The result determined under this STEP may not be included in the school corporation's adjusted base levy for the year following the year in which the result applies or in the school corporation's determination of tuition support.~~

SECTION 58. IC 6-1.1-21.8-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. (a) The board shall determine the terms of a loan made under this chapter. However, the interest charged on the loan may not exceed the percent of increase in the United States Department of Labor Consumer Price Index for Urban Wage Earners and Clerical Workers during the most recent twelve (12) month period for which data is available as of the date that the unit applies for a loan under this chapter. In the case of a qualified taxing unit that is not a school corporation or a public library (as defined in IC 20-14-1-2), a loan must be repaid not later than ten (10) years after the date on which the loan was made. In the case of a qualified taxing unit that is a school corporation or a public library (as defined in IC 20-14-1-2), a loan must be repaid not later than eleven (11) years after the date on which the loan was made. A school corporation or a public library (as defined in IC 20-14-1-2) is not required to begin making payments to repay a loan until after June 30, 2004. The total amount of all the loans made under this chapter may not exceed twenty-eight million dollars ($28,000,000). The board may disburse the proceeds of a loan in installments. However, not more than one-third (1/3) of the total amount to be loaned under this chapter may be disbursed at any particular time without the review of the budget committee and the approval of the budget agency.

(b) A loan made under this chapter shall be repaid only from:

(1) property tax revenues of the qualified taxing unit that are subject to the levy limitations imposed by IC 6-1.1-18.5 or IC 6-1.1-19; ~~or~~

(2) in the case of a school corporation, the school corporation's debt service fund; or

~~(2)~~ **(3)** any other source of revenues (other than property taxes) that is legally available to the qualified taxing unit.

The payment of any installment of principal constitutes a first charge against the property tax revenues described in subdivision (1) that are collected by the qualified taxing unit during the calendar year the installment is due and payable.

(c) The obligation to repay a loan made under this chapter is not a basis for the qualified taxing unit to obtain an excessive tax levy under IC 6-1.1-18.5 or IC 6-1.1-19.

(d) Whenever the board receives a payment on a loan made under this chapter, the board shall deposit the amount paid in the counter-cyclical revenue and economic stabilization fund.

(e) This section does not prohibit a qualified taxing unit from repaying a loan made under this chapter before the date specified in subsection (a) if a taxpayer described in section 3 of this chapter resumes paying property taxes to the qualified taxing unit.

(f) Interest accrues on a loan made under this chapter until the date the board receives notice from the county auditor that the county has adopted at least one (1) of the following:

(1) The county adjusted gross income tax under IC 6-3.5-1.1.

(2) The county option income tax under IC 6-3.5-6.

(3) The county economic development income tax under IC 6-3.5-7.

Notwithstanding subsection (a), interest may not be charged on a loan made under this chapter if a tax described in this subsection is adopted before a qualified taxing unit applies for the loan.

SECTION 59. IC 6-1.1-30-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. The commissioner ~~shall~~ **may** appoint an individual to serve as deputy commissioner of the department of local government finance. However, the appointment must be approved by the governor. ~~The~~ **A** deputy commissioner shall subscribe to an oath to faithfully discharge the duties assigned to the deputy commissioner either by law or by the commissioner.

SECTION 60. IC 6-1.1-34-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. Each year in which a general assessment of real property becomes effective, the department of local government finance shall compute a new assessment ratio for each school corporation and a new state average assessment ratio. In all other years, the department ~~may~~ **shall** compute a new assessment ratio for a school corporation and a new state average assessment ratio if the department finds that there has been sufficient reassessment **or adjustment** of one (1) or more classes of property in the school district. When the department of local government finance computes a new assessment ratio for a school corporation, the department shall publish the new ratio.

SECTION 61. IC 6-3-1-3.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005 (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) one thousand five hundred dollars ($1,500) for each of the exemptions allowed under Section 151(c)(1)(B) of the Internal Revenue Code for taxable years beginning after December 31, 1996; 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)(2)(C)(iii)~~ **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.

(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)(2)(C)(iii)~~ **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.

(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)(2)(C)(iii)~~ **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.

(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)(2)(C)(iii)~~ **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.

(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)(2)(C)(iii)~~ **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.

(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 ~~THREE~~ **FOUR** amount and two thousand five hundred dollars ($2,500).

SECTION 62. IC 6-3-1-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005 (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, ~~2003.~~ **2005.**

(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, ~~2003,~~ **2005,** 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, ~~2003,~~ **2005,** 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, ~~2003,~~ **2005,** that is effective for any taxable year that began before January 1, ~~2003,~~ **2005,** 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 63. IC 6-3-1-33 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)]: Sec. 33. As used in this article, "bonus depreciation" means an amount equal to that part of any depreciation allowance allowed in computing the taxpayer's federal adjusted gross income or federal taxable income that is attributable to the additional first-year special depreciation allowance (bonus depreciation) for qualified property allowed under Section 168(k) of the Internal Revenue Code, **including the special depreciation allowance for 50-percent bonus depreciation property.**

SECTION 64. IC 6-3.1-2-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. As used in this chapter, the following terms have the following meanings:

(1) "Eligible teacher" means a teacher:

(A) certified in a shortage area by the ~~professional standards board~~ **department of education** established by ~~IC 20-1-1.4,~~ **IC 20-19-3-1;** and

(B) employed under contract during the regular school term by a school corporation in a shortage area.

(2) "Qualified position" means a position that:

(A) is relevant to the teacher's ~~academic training~~ **education** in a shortage area; and

(B) has been approved by the Indiana state board of education under section 6 of this chapter.

(3) "Regular school term" means the period, other than the school summer recess, during which a teacher is required to perform duties assigned to ~~him~~ **the teacher** under a teaching contract.

(4) "School corporation" means any corporation authorized by law to establish public schools and levy taxes for their maintenance.

(5) "Shortage area" means the subject areas of mathematics and science and any other subject area designated as a shortage area by the Indiana state board of education.

(6) "State income tax liability" means a taxpayer's total income tax liability incurred under IC 6-3 and IC 6-5.5, as computed after application of credits that under IC 6-3.1-1-2 are to be applied before the credit provided by this chapter.

SECTION 65. IC 6-5.5-1-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005 (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)(2)(C)(iii)~~ **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.

(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) ~~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)(2)(C)(iii)~~ **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).

(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 66. IC 6-5.5-1-20 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)]: Sec. 20. As used in this article, "bonus depreciation" means an amount equal to that part of any depreciation allowance allowed in computing the taxpayer's federal taxable income that is attributable to the additional first-year special depreciation allowance (bonus depreciation) for qualified property allowed under Section 168(k) of the Internal Revenue Code, **including the special depreciation allowance for 50-percent bonus depreciation property.**

SECTION 67. IC 8-23-7-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. If the department determines that real property owned in fee simple by the department will not be needed for a purpose described in section 2 of this chapter, the commissioner may, **with the approval of the budget agency,** issue an order describing the surplus property and offering the surplus property for sale at or above its fair market value as determined by appraisers of the department. The department may combine or divide parcels of surplus property to facilitate the sale of the property.

SECTION 68. IC 9-22-5-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 13. (a) A person not described in section 12 of this chapter who sells an abandoned motor vehicle under this chapter may retain from the proceeds of sale the cost of publication of notice and the cost of preserving the motor vehicle during the period of the vehicle's abandonment. The person shall pay the remaining balance of the proceeds of the sale to the circuit court clerk of the county in which the abandoned motor vehicle is located.

(b) At any time within ten (10) years after the money is paid to the clerk, the person who owns the abandoned motor vehicle sold under this chapter may make a claim with the clerk for the sale proceeds deposited with the clerk. If ownership of the proceeds is established to the satisfaction of the clerk, the clerk shall pay the proceeds to the person who owns the abandoned motor vehicle.

(c) If a claim for the proceeds of the sale of an abandoned motor vehicle under subsection (b) is not made within ten (10) years,

claims for the proceeds are barred. The clerk shall notify the attorney general and upon demand pay the proceeds to the attorney general. The attorney general shall turn the proceeds over to the treasurer of state. The proceeds vest in and escheat to the state ~~common school~~ **general** fund. ~~and shall be distributed as a part of the common school fund.~~

SECTION 69. IC 9-27-4-5.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5.5. (a) To receive an instructor's license under subsection (d), an individual must complete at least sixty (60) semester hours at a college. The individual must complete at least twelve (12) semester hours in driver education courses, of which three (3) semester hours must consist of supervised student teaching experience under the direction of an individual who has:

(1) a driver and traffic safety education endorsement issued by the ~~professional standards board~~ **department of education** established by ~~IC 20-1-1.4;~~ **IC 20-19-3-1;** and

(2) at least five (5) years of teaching experience in driver education.

(b) The three (3) semester hours of supervised student teaching experience required under subsection (a) may only be undertaken by an individual who will be at least twenty-one (21) years of age upon completion and may only be performed at a high school, a commercial driving school, or the college providing the courses for the individual to become an instructor. The remaining nine (9) hours of driver education courses required under subsection (a) must include a combination of theoretical and behind-the-wheel instruction that is consistent with nationally accepted standards in traffic safety.

(c) The driver education semester hours required under subsection (a) do not satisfy the requirements of subsection (d) or (e) unless the driver education curriculum is approved by the commission for higher education.

(d) The bureau shall issue an instructor's license to an individual who satisfies all of the following:

(1) The individual meets the requirements of subsection (a).

(2) The individual does not have more than the maximum number of points for violating traffic laws specified by the bureau by rules adopted under IC 4-22-2.

(3) The individual has a good moral character, physical condition, knowledge of the rules of the road, and work history. The bureau shall adopt rules under IC 4-22-2 that specify the requirements, including requirements about criminal convictions, necessary to satisfy the conditions of this subdivision.

(e) The bureau shall issue an instructor's license to an individual who:

(1) during 1995, held an instructor's license;

(2) meets the requirements of subsection (d)(2) and (d)(3); and

(3) completes the twelve (12) semester hours of driver education courses required under subsection (a) not later than July 1, 1999.

However, an individual who has acted as an instructor for at least two (2) years before January 1, 1996, is not required to complete the requirements of subdivision (3) in order to receive an instructor's license under this subsection.

(f) The bureau shall issue an instructor's license to an individual who:

(1) holds a driver and traffic safety education endorsement issued by the ~~professional standards board~~ **department of education** established ~~under IC 20-1-1.4;~~ **by IC 20-19-3-1;** and

(2) meets the requirements of subsection (d)(2) and (d)(3).

(g) Only an individual who holds an instructor's license issued by the bureau under subsection (d), (e), or (f) may act as an instructor.

SECTION 70. IC 9-29-3-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]: Sec. 4. (a) The service charge for each of the first twelve thousand (12,000) vehicle registrations at a license branch each year is one dollar and seventy-five cents ($1.75).

(b) The service charge for each of the next thirty-eight thousand (38,000) vehicle registrations at that license branch each year is one dollar and fifty cents ($1.50).

(c) The service charge for each additional vehicle registration at that license branch each year is one dollar and twenty-five cents ($1.25).

(d) Fifty cents ($0.50) of each service charge collected under this section ~~during 2002 and 2003~~ shall be deposited in the state motor vehicle technology fund established by IC 9-29-16-1.

SECTION 71. IC 10-13-3-38.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 38.5. (a) Under federal P.L.92-544 (86 Stat. 1115), the department may use an individual's fingerprints submitted by the individual for the following purposes:

(1) Determining the individual's suitability for employment with the state, or as an employee of a contractor of the state, in a position:

(A) that has a job description that includes contact with, care of, or supervision over a person less than eighteen (18) years of age;

(B) that has a job description that includes contact with, care of, or supervision over an endangered adult (as defined in IC 12-10-3-2), except the individual is not required to meet the standard for harmed or threatened with harm set forth in IC 12-10-3-2(a)(3);

(C) at a state institution managed by the office of the secretary of family and social services or state department of health;

(D) at the Indiana School for the Deaf established by IC 20-16-2-1;

(E) at the Indiana School for the Blind established by IC 20-15-2-1;

(F) at a juvenile detention facility;

(G) with the **Indiana** gaming commission under IC 4-33-3-16;

(H) with the department of financial institutions under IC 28-11-2-3; or

(I) that has a job description that includes access to or supervision over state financial or personnel data, including state warrants, banking codes, or payroll information pertaining to state employees.

(2) Identification in a request related to an application for a

teacher's license submitted to the ~~professional standards board~~ **department of education** established ~~under IC 20-1-1.4.~~ **by IC 20-19-3-1.**

An applicant shall submit the fingerprints in an appropriate format or on forms provided for the employment or license application. The department shall charge each applicant the fee established under section 28 of this chapter and by federal authorities to defray the costs associated with a search for and classification of the applicant's fingerprints. The department may forward fingerprints submitted by an applicant to the Federal Bureau of Investigation or any other agency for processing. The state personnel department or the agency to which the applicant is applying for employment or a license may receive the results of all fingerprint investigations.

(b) An applicant who is an employee of the state may not be charged under subsection (a).

(c) Subsection (a)(1) does not apply to an employee of a contractor of the state if the contract involves the construction or repair of a capital project or other public works project of the state.

SECTION 72. IC 11-10-2-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. (a) A county that commits an offender to the department shall pay to the state treasurer, under IC 4-24-7-4, ~~one-half (1/2) of the daily cost of~~ **sixty dollars ($60) for each day for** keeping the offender. ~~in the facility or program to which he is assigned. That cost is determined by dividing the average daily population of that facility or program into the previous fiscal year's operating expense of that facility or program and dividing the quotient by the number of days in the previous fiscal year.~~

(b) A county is not liable for services provided an offender under section 6 of this chapter or for the cost of keeping the offender while those services are being provided.

SECTION 73. IC 11-10-5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. The **advisory board of the division of** professional standards ~~board~~ **of the department of education** established by IC 20-1-1.4 shall, in accord with IC 20-6.1-3, adopt rules under IC 4-22-2 for the licensing of teachers to be employed by the department.

SECTION 74. IC 11-10-5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. Limited certificates valid for one (1) year may be granted, upon the request of the commissioner, according to rules of the **advisory board of the division of** professional standards ~~board~~ **of the department of education** established by IC 20-1-1.4. Modification of these rules may be made by the **advisory board of the division of** professional standards ~~board~~ **of the department of education established by IC 20-1-1.4** in a way reasonably calculated to make available an adequate supply of qualified teachers. A limited certificate may be issued in cases where special ~~training~~ **education** and qualifications warrant the waiver of part of the prerequisite professional ~~training~~ **education** required for certification to teach in the public schools. The limited certificate, however, may be issued only to applicants who have graduated from an accredited college or university. Teachers of vocational education need not be graduates of an accredited college or university but shall meet requirements for conditional vocational certificates as determined by the ~~professional standards board.~~ **department of education.**

SECTION 75. IC 12-7-2-40.2 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 40.2. "Community spouse", for purposes of IC 12-15-2, means an individual who:**

(1) is the spouse of an individual who resides in a nursing facility or another medical institution; and

(2) does not reside in a nursing facility or another medical institution.

SECTION 76. IC 12-8-10-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7. (a) When a state agency selects a grantee agency under section 6 of this chapter, the state agency shall determine whether the purchase of service format can be used as the procedure for reimbursing the grantee agency. The state agency has exclusive authority to make this determination, but the state agency shall seek to use the purchase of service format whenever possible.

(b) If a state agency determines that the purchase of service format can be used with a particular grantee agency, the state agency shall notify the group of the state agency's decision. The group shall then follow the procedure described in section 8 of this chapter.

(c) If a state agency determines that the purchase of service format cannot be used with a particular grantee agency, the state agency shall select the contract format that is to be used. If a state agency selects a contract format under this subsection, the state agency shall notify the group of the state agency's decision. The group shall then follow the procedure described in section 8 of this chapter.

(d) Notwithstanding IC 4-13-2-20 ~~IC 20-1-1.8-17.2,~~ or any other law, a contract format selected under subsection (b) or (c) may include provisions for advance funding as follows:

(1) For not more than one-sixth (1/6) of the contract amount if the annual contract amount is at least fifty thousand dollars ($50,000).

(2) For not more than one-half (1/2) of the contract amount if the annual contract amount is less than fifty thousand dollars ($50,000).

(3) For interim payments, with subsequent reconciliation of the amounts paid under the contract and the cost of the services actually provided.

SECTION 77. IC 12-8-14-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. The family support policy state plan must do the following:

(1) Focus on the family and the community of the person with a disability, including the parents of the person with a disability.

(2) Encourage a partnership among families, consumers, and professionals in the development of an individual family support service plan that begins within a reasonable time and that is periodically reviewed.

~~(3) Promote the participation of families of persons with disabilities in local step ahead councils.~~

~~(4)~~ **(3)** Foster the involvement of families and persons with disabilities in decision making, needs assessment, and providing services.

~~(5)~~ **(4)** Provide for the establishment of a systematic process for admission to participation in the family support program and other programs that help individuals and families identify and satisfy their health, education, social service, and other needs and choices.

~~(6)~~ **(5)** Encourage program flexibility as unique family needs change and provide flexible program funding for alternative choices.

~~(7)~~ **(6)** Examine funding mechanisms, including sliding fee scales and annual budgeting processes for the delivery of services.

~~(8)~~ **(7)** Promote a system of funding for family support services that follows the person receiving the services.

~~(9)~~ **(8)** Encourage interagency collaboration among different agencies and programs at the community level, with coordination and review by the office of the secretary of family and social services to ensure statewide coverage.

~~(10)~~ **(9)** Provide for the establishment of information and referral systems to determine gaps in services in the state and to develop a resource network that includes the public and private sectors.

~~(11)~~ **(10)** Encourage outreach to inform families and consumers of services and public and private agencies about the family support program. The outreach includes publishing a brochure listing service options and defining family rights.

~~(12)~~ **(11)** Promote training of personnel providing individualized support services and training of families and consumers on consumer empowerment and service availability.

~~(13)~~ **(12)** Promote a community centered approach to include the following:

(A) Available services.

(B) Public and private sector resources.

(C) Governmental agencies.

(D) Public and private agencies providing family support services.

~~(14)~~ **(13)** Promote integration of a person with a disability into the community.

SECTION 78. IC 12-8-14-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. (a) The secretary of family and social services shall administer the family support program to produce a state plan, based on limits of appropriations, to promote the statewide availability of services.

(b) The state plan required by subsection (a) must include the following objectives:

(1) Implementing a fair, swift, and convenient process for determination of family eligibility.

(2) Assuring that all organizations implementing individualized support services will incorporate a family focus in providing family support programs.

(3) Using existing local organizations as the single point of entry for families seeking services.

(4) Using existing public and private local organizations, including ~~the county step ahead councils,~~ parent advisory groups and natural and informal networks of family and friends, to carry out the daily operations of the family support program.

(5) Providing a method for contracting with agencies, grantees, or vendors to provide individualized support services, especially in regions of Indiana that are inadequately served.

(6) Developing a method for providing technical assistance to agencies and organizations, including consumer groups, that are developing or offering individualized support services to assure the coordination of publicly funded programs and generic services and to assure that other publicly funded programs and agencies are not supplanted.

(7) Using available state, regional, and local media to support outreach to families.

(8) Providing due process hearings on eligibility and other decisions affecting services.

(9) Exploring sources of and opportunities for federal participation in and funding of services for families of persons with disabilities and persons with disabilities.

(10) Giving priority to programs preventing and ameliorating the impact of disabilities on families.

SECTION 79. IC 12-10-10-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. (a) As used in this chapter, "eligible individual" means an individual who:

(1) is a resident of Indiana;

(2) is:

(A) at least sixty (60) years of age; or

(B) disabled; ~~and~~

(3) has assets that do not exceed two hundred fifty thousand dollars ($250,000), as determined by the division;

~~(3)~~ **(4)** qualifies under criteria developed by the board as having an impairment that places the individual at risk of losing the individual's independence, as described in subsection (b); **and**

(5) is first determined to be ineligible for the state Medicaid program (IC 12-15).

(b) For purposes of subsection (a), an individual is at risk of losing the individual's independence if the individual is unable to perform ~~two (2)~~ **three (3)** or more activities of daily living. The use by or on behalf of the individual of any of the following services or devices does not make the individual ineligible for services under this chapter:

(1) Skilled nursing assistance.

(2) Supervised community and home care services, including skilled nursing supervision.

(3) Adaptive medical equipment and devices.

(4) Adaptive nonmedical equipment and devices.

SECTION 80. IC 12-10-10-12 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 12. The office of the secretary shall establish reimbursement rates for services provided under this chapter that do not exceed the Medicaid allowable rate for the same or an equivalent service under the aged and disabled Medicaid waiver.**

SECTION 81. IC 12-13-14.5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. One (1) time every ~~six (6)~~ **three (3)** months, the division shall submit a report to the **legislative council and** budget committee ~~and to the general assembly~~ that provides data and statistical information regarding

caseloads for each county for child protection caseworkers, child welfare caseworkers and other caseworkers under the jurisdiction of the division of family and children, department of family and social services during the preceding ~~six (6)~~ **three (3)** months. A report submitted under this section ~~to the general assembly~~ must be in an electronic format under IC 5-14-6.

SECTION 82. IC 12-13-14.5-3.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 3.5. (a) This section applies after June 30, 2008.**

(b) A child protection caseworker or a child welfare caseworker may not be assigned work that exceeds the following maximum caseload levels at any time:

(1) For caseworkers assigned only initial assessments, including investigations of an allegation of child abuse or neglect, twelve (12) active cases per month per caseworker.

(2) For caseworkers assigned only ongoing cases, seventeen (17) active children per caseworker.

(3) For caseworkers assigned a combination of initial assessments and ongoing cases under subdivisions (1) and (2), four (4) investigations and ten (10) active ongoing cases per caseworker.

(c) The local child protection service shall comply with the maximum caseload ratios described in subsection (b).

SECTION 83. IC 12-15-2-24 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 24. (a) This section applies to determining eligibility for an individual who:**

(1) resides in a nursing facility or another medical institution; and

(2) has a community spouse.

(b) In determining eligibility for an individual described in subsection (a), the office shall, beginning in calendar year 2006, use the greater of the following community spouse resource allowance:

(1) Nineteen thousand twenty dollars ($19,020), subject to an adjustment described in 42 U.S.C. 1396r-5(g).

(2) The lesser of:

(A) the spousal share computed under 42 U.S.C. 1396r-5(c)(1); or

(B) ninety-five thousand one hundred dollars ($95,100), subject to an adjustment described in 42 U.S.C. 1396r-5g.

(3) An amount established by a court order or an administrative hearing if the community spouse's income is less than the minimum monthly needs allowance established under 42 U.S.C. 1396r-5(d)(3) and an increased amount is necessary to increase the community spouse's income to the minimum monthly needs allowance.

(c) An institutionalized spouse shall not be ineligible for the program because of resources if:

(1) the institutionalized spouse:

(A) establishes that the individual has a right to receive support from the community spouse; and

(B) assigns to the office the right to receive support from the community spouse; or

(2) the office determines that the denial of eligibility would result in an undue hardship to the institutionalized spouse.

(d) The office shall adopt rules under IC 4-22-2 to calculate the amount of resources necessary to provide income to the community spouse under subsection (b).

SECTION 84. IC 12-15-2-25 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 25. (a) This section applies to an individual who:**

(1) is eligible for Medicaid;

(2) resides in a nursing facility or another medical institution; and

(3) has a community spouse.

(b) An individual described in subsection (a) is entitled to retain an income allowance for the purpose of supporting a community spouse if:

(1) the community spouse's income is less than the minimum monthly needs allowance established under 42 U.S.C. 1396r-5(d)(3); and

(2) an increased amount is necessary to increase the community spouse's income to the minimum monthly needs allowance.

(c) If either spouse establishes that a higher allowance is needed due to exceptional circumstances resulting in significant financial duress, the minimum monthly needs allowance may be increased after an administrative hearing or by a court order.

(d) The office shall adopt rules under IC 4-22-2 setting forth the manner in which the office will determine the existence of exceptional circumstances resulting in significant financial duress under subsection (c).

SECTION 85. IC 12-15-3-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. (a) Except as provided in ~~subsection~~ **subsections** (b) **and (c),** an applicant for or recipient of Medicaid is ineligible for assistance if the total cash value of money, stock, bonds, and life insurance owned by:

(1) the applicant or recipient is more than one thousand five hundred dollars ($1,500) for assistance to the aged, blind, or disabled; or

(2) the applicant or recipient and the applicant's or recipient's spouse is more than two thousand two hundred fifty dollars ($2,250) for medical assistance to the aged, blind, or disabled.

(b) In the case of an applicant who is an eligible individual, a Holocaust victim's settlement payment received by the applicant or the applicant's spouse may not be considered when calculating the total cash value of money, stock, bonds, and life insurance owned by the applicant or the applicant's spouse.

(c) In the case of an individual who:

(1) resides in a nursing facility or other medical institution; and

(2) has a spouse who does not reside in a nursing facility or other medical institution;

the total cash value of money, stock, bonds, and life insurance that may be owned by the couple to be eligible for the program is determined under IC 12-15-2-24.

SECTION 86. IC 12-15-5-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. Except as provided in IC 12-15-2-12, IC 12-15-6, and IC 12-15-21, the

following services and supplies are provided under Medicaid:

(1) Inpatient hospital services.

(2) Nursing facility services.

(3) Physician's services, including services provided under ~~IC 25-10-1 and~~ IC 25-22.5-1.

(4) Outpatient hospital or clinic services.

(5) Home health care services.

(6) Private duty nursing services.

(7) Physical therapy and related services.

(8) Dental services.

(9) Prescribed laboratory and x-ray services.

(10) Prescribed drugs and services.

(11) Eyeglasses and prosthetic devices.

(12) Optometric services.

(13) Diagnostic, screening, preventive, and rehabilitative services.

(14) Podiatric medicine services.

(15) Hospice services.

(16) Services or supplies recognized under Indiana law and specified under rules adopted by the office.

(17) Family planning services except the performance of abortions.

(18) Nonmedical nursing care given in accordance with the tenets and practices of a recognized church or religious denomination to an individual qualified for Medicaid who depends upon healing by prayer and spiritual means alone in accordance with the tenets and practices of the individual's church or religious denomination.

(19) Services provided to individuals described in IC 12-15-2-8 and IC 12-15-2-9.

(20) Services provided under IC 12-15-34 and IC 12-15-32.

(21) Case management services provided to individuals described in IC 12-15-2-11 and IC 12-15-2-13.

(22) Any other type of remedial care recognized under Indiana law and specified by the United States Secretary of Health and Human Services.

(23) Examinations required under IC 16-41-17-2(a)(10).

SECTION 87. IC 12-15-5-8 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 8. (a) As used in this section, "maintenance drug" means a medication that is dispensed under a single prescription for a period of not less than one hundred eighty (180) days, excluding authorized refills, for the ongoing treatment of a chronic medical condition or disease or congenital condition or disorder.**

(b) The office may designate:

(1) a mail order pharmacy;

(2) an Internet based pharmacy (as defined in IC 25-26-18-1);

(3) a pharmacy that agrees to sell a maintenance drug at the same price as a mail order or an Internet based pharmacy; or

(4) all the pharmacies listed in subdivisions (1) through (3); through which a recipient may obtain a maintenance drug.

(c) If the office makes a designation under subsection (b), a managed care organization that has a contract with the office under IC 12-15-12 is not required to use a pharmacy that is designated under subsection (b).

(d) If a Medicaid recipient's physician prescribes a maintenance prescription drug, the Medicaid recipient may purchase the maintenance prescription drug from a pharmacy that is designated under subsection (b).

(e) The office shall apply to amend the state Medicaid plan if the office determines that an amendment is necessary to carry out this section.

SECTION 88. IC 12-15-8.5-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 12. **(a) This section applies:**

(1) after the death of a Medicaid recipient whose property; or

(2) upon the sale of property that;

is subject to a lien under this chapter.

~~(a)~~ **(b)** A lien under this chapter is void if both of the following occur:

(1) The owner of property subject to a lien under this chapter or any person or corporation having an interest in the property, including a mortgagee or a lienholder, provides written notice to the office to file an action to foreclose the lien.

(2) The office fails to file an action to foreclose the lien in the county where the property is located not later than ~~thirty (30)~~ **sixty (60)** days after receiving the notice.

However, this section does not prevent the claim from being collected as other claims are collected by law.

~~(b)~~ **(c)** A person who gives notice under subsection ~~(a)(1)~~ **(b)(1)** by registered or certified mail to the office at the address given in the recorded statement and notice of intention to hold a lien may file an affidavit of service of the notice to file an action to foreclose the lien with the recorder of the county in which the property is located. The affidavit must state the following:

(1) The facts of the notice.

(2) That more than ~~thirty (30)~~ **sixty (60)** days have passed since the notice was received by the office.

(3) That no action for foreclosure of the lien is pending.

(4) That no unsatisfied judgment has been rendered on the lien.

~~(c)~~ **(d)** The recorder shall:

(1) record the affidavit of service in the miscellaneous record book of the recorder's office; and

(2) certify on the face of the record any lien that is fully released.

When the recorder records the affidavit and certifies the record under this subsection, the real estate described in the lien is released from the lien.

SECTION 89. IC 12-15-9-0.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 0.5. (a) As used in this chapter, "estate" includes:

(1) all real and personal property and other assets included within an individual's probate estate;

(2) any interest in real property owned by the individual at the time of death that was conveyed to the individual's survivor through joint tenancy with right of survivorship, if the joint tenancy was created after June 30, 2002; ~~and~~

(3) any real or personal property conveyed through a

nonprobate transfer; **and**

(4) any sum due after June 30, 2005, to a person after the death of a Medicaid recipient that is under the terms of an annuity contract purchased at any time with the assets of:

(A) the Medicaid recipient; or

(B) the Medicaid recipient's spouse.

(b) As used in this chapter, "nonprobate transfer" means a valid transfer, effective at death, by a transferor:

(1) whose last domicile was in Indiana; and

(2) who immediately before death had the power, acting alone, to prevent transfer of the property by revocation or withdrawal and:

(A) use the property for the benefit of the transferor; or

(B) apply the property to discharge claims against the transferor's probate estate.

The term does not include transfer of a survivorship interest in a tenancy by the entireties real estate or payment of the death proceeds of a life insurance policy.

SECTION 90. IC 12-15-9-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. Upon the death of a Medicaid recipient **or upon the death of a deceased Medicaid recipient's spouse,** the total amount of Medicaid paid on behalf of the recipient after the recipient became fifty-five (55) years of age must be allowed as a preferred claim against the estate of the recipient **or the recipient's spouse** in favor of the state. The affidavit of a person designated by the secretary to administer this section is evidence of the amount of the claim and is payable after the payment of the following in accordance with IC 29-1-14-9:

(1) Funeral expenses for the recipient and the recipient's spouse, not to exceed in each individual case three hundred fifty dollars ($350).

(2) The expenses of the last illness of the recipient and the recipient's spouse that are authorized or paid by the office.

(3) The expenses of administering the estate, including the attorney's fees approved by the court.

SECTION 91. IC 12-15-9-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. ~~(a)~~ The office may not recover on a claim filed against the estate of a surviving spouse while the individual is survived by a child who is:

(1) less than twenty-one (21) years of age; or

(2) permanently and totally disabled under criteria established by the federal Supplemental Security Income program.

~~(b) A claim against the estate of a surviving spouse for medical assistance paid on behalf of the predeceased spouse is limited to the value of the assets included in the predeceased spouse's probate estate.~~

SECTION 92. IC 12-15-9-7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 7. A person receiving beneficiary payments from an annuity contract of a deceased Medicaid recipient is liable to the state for reimbursement of Medicaid benefits:**

(1) paid to; or

(2) on behalf of;

the deceased Medicaid recipient to the extent of any payments that are received by the person under the annuity contract.

SECTION 93. IC 12-17-2-34 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 34. (a) When the Title IV-D agency finds that an obligor is delinquent and can demonstrate that all previous enforcement actions have been unsuccessful, the Title IV-D agency shall send, to a verified address, a notice to the obligor that ~~includes~~ **does** the following:

(1) Specifies that the obligor is delinquent.

(2) Describes the amount of child support that the obligor is in arrears.

(3) States that unless the obligor:

(A) pays the obligor's child support arrearage in full;

(B) requests the activation of an income withholding order under IC 31-16-15-2 and establishes a payment plan with the Title IV-D agency to pay the arrearage; or

(C) requests a hearing under section 35 of this chapter;

within twenty (20) days after the date the notice is mailed, the Title IV-D agency shall issue an order to the bureau of motor vehicles stating that the obligor is delinquent and that the obligor's driving privileges shall be suspended.

(4) Explains that the obligor has twenty (20) days after the notice is mailed to do one (1) of the following:

(A) Pay the obligor's child support arrearage in full.

(B) Request the activation of an income withholding order under IC 31-16-15-2 and establish a payment plan with the Title IV-D agency to pay the arrearage.

(C) Request a hearing under section 35 of this chapter.

(5) Explains that if the obligor has not satisfied any of the requirements of subdivision (4) within twenty (20) days after the notice is mailed, that the Title IV-D agency shall issue a notice to:

(A) the board **or department** that regulates the obligor's profession or occupation, if any, that the obligor is delinquent and that the obligor may be subject to sanctions under IC 25-1-1.2, including suspension or revocation of the obligor's professional or occupational license;

(B) the supreme court disciplinary commission if the obligor is licensed to practice law;

(C) the ~~professional standards board as~~ **department of education** established by ~~IC 20-1-1.4~~ **IC 20-19-3-1** if the obligor is a licensed teacher;

(D) the Indiana horse racing commission if the obligor holds or applies for a license issued under IC 4-31-6;

(E) the Indiana gaming commission if the obligor holds or applies for a license issued under IC 4-33;

(F) the commissioner of the department of insurance if the obligor holds or is an applicant for a license issued under IC 27-1-15.6, IC 27-1-15.8, or IC 27-10-3; or

(G) the director of the department of natural resources if the obligor holds or is an applicant for a license issued by the department of natural resources under the following:

(i) IC 14-22-12 (fishing, hunting, and trapping licenses).

(ii) IC 14-22-14 (Lake Michigan commercial fishing license).

(iii) IC 14-22-16 (bait dealer's license).

(iv) IC 14-22-17 (mussel license).

(v) IC 14-22-19 (fur buyer's license).

(vi) IC 14-24-7 (nursery dealer's license).

(vii) IC 14-31-3 (ginseng dealer's license).

(6) Explains that the only basis for contesting the issuance of an order under subdivision (3) or (5) is a mistake of fact.

(7) Explains that an obligor may contest the Title IV-D agency's determination to issue an order under subdivision (3) or (5) by making written application to the Title IV-D agency within twenty (20) days after the date the notice is mailed.

(8) Explains the procedures to:

(A) pay the obligor's child support arrearage in full;

(B) establish a payment plan with the Title IV-D agency to pay the arrearage; and

(C) request the activation of an income withholding order under IC 31-16-15-2.

(b) Whenever the Title IV-D agency finds that an obligor is delinquent and has failed to:

(1) pay the obligor's child support arrearage in full;

(2) establish a payment plan with the Title IV-D agency to pay the arrearage and request the activation of an income withholding order under IC 31-16-15-2; or

(3) request a hearing under section 35 of this chapter within twenty (20) days after the date the notice described in subsection (a) is mailed;

the Title IV-D agency shall issue an order to the bureau of motor vehicles stating that the obligor is delinquent.

(c) An order issued under subsection (b) must require the following:

(1) If the obligor who is the subject of the order holds a driving license or permit on the date the order is issued, that the driving privileges of the obligor be suspended until further order of the Title IV-D agency.

(2) If the obligor who is the subject of the order does not hold a driving license or permit on the date the order is issued, that the bureau of motor vehicles may not issue a driving license or permit to the obligor until the bureau of motor vehicles receives a further order from the Title IV-D agency.

(d) The Title IV-D agency shall provide the:

(1) full name;

(2) date of birth;

(3) verified address; and

(4) Social Security number or driving license number;

of the obligor to the bureau of motor vehicles.

(e) When the Title IV-D agency finds that an obligor who is an applicant (as defined in IC 25-1-1.2-1) or a practitioner (as defined in IC 25-1-1.2-6) is delinquent and the applicant or practitioner has failed to:

(1) pay the obligor's child support arrearage in full;

(2) establish a payment plan with the Title IV-D agency to pay the arrearage or request the activation of an income withholding order under IC 31-16-15; or

(3) request a hearing under section 35 of this chapter;

the Title IV-D agency shall issue an order to the board regulating the practice of the obligor's profession or occupation stating that the obligor is delinquent.

(f) An order issued under subsection (e) must direct the board **or department** regulating the obligor's profession or occupation to impose the appropriate sanctions described under IC 25-1-1.2.

(g) When the Title IV-D agency finds that an obligor who is an attorney or a licensed teacher is delinquent and the attorney or licensed teacher has failed to:

(1) pay the obligor's child support arrearage in full;

(2) establish a payment plan with the Title IV-D agency to pay the arrearage or request the activation of an income withholding order under IC 31-16-15-2; or

(3) request a hearing under section 35 of this chapter;

the Title IV-D agency shall notify the supreme court disciplinary commission if the obligor is an attorney, or the ~~professional standards board~~ **department of education** if the obligor is a licensed teacher, that the obligor is delinquent.

(h) When the Title IV-D agency finds that an obligor who holds a license issued under IC 4-31-6 or IC 4-33 has failed to:

(1) pay the obligor's child support arrearage in full;

(2) establish a payment plan with the Title IV-D agency to pay the arrearage and request the activation of an income withholding order under IC 31-16-15-2; or

(3) request a hearing under section 35 of this chapter;

the Title IV-D agency shall issue an order to the Indiana horse racing commission if the obligor holds a license issued under IC 4-31-6, or to the Indiana gaming commission if the obligor holds a license issued under IC 4-33, stating that the obligor is delinquent and directing the commission to impose the appropriate sanctions described in IC 4-31-6-11 or IC 4-33-8.5-3.

(i) When the Title IV-D agency finds that an obligor who holds a license issued under IC 27-1-15.6, IC 27-1-15.8, or IC 27-10-3 has failed to:

(1) pay the obligor's child support arrearage in full;

(2) establish a payment plan with the Title IV-D agency to pay the arrearage and request the activation of an income withholding order under IC 31-16-15-2; or

(3) request a hearing under section 35 of this chapter;

the Title IV-D agency shall issue an order to the commissioner of the department of insurance stating that the obligor is delinquent and directing the commissioner to impose the appropriate sanctions described in IC 27-1-15.6-29 or IC 27-10-3-20.

(j) When the Title IV-D agency finds that an obligor who holds a license issued by the department of natural resources under IC 14-22-12, IC 14-22-14, IC 14-22-16, IC 14-22-17, IC 14-22-19, IC 14-24-7, or IC 14-31-3 has failed to:

(1) pay the obligor's child support arrearage in full;

(2) establish a payment plan with the Title IV-D agency to pay the arrearage and request the activation of an income withholding order under IC 31-16-15-2; or

(3) request a hearing under section 35 of this chapter;

the Title IV-D agency shall issue an order to the director of the department of natural resources stating that the obligor is delinquent and directing the director to suspend or revoke a license issued to the obligor by the department of natural resources as provided in IC 14-11-3.

SECTION 94. IC 12-17-15-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. (a) As used in this chapter, "early intervention services" means developmental services that meet the following conditions:

(1) Are provided under public supervision.

~~(2) Are provided at no cost, except where federal or state law allows for a system of payments by families, which may include a sliding scale of fees.~~

(2) Have the state as the payor of last resort.

(3) Are designed to meet the developmental needs of infants and toddlers with disabilities in at least one (1) of the areas specified in section 4(a)(1) of this chapter.

(4) Meet all required state and federal standards.

(5) Are provided by qualified personnel, including the following:

(A) Early childhood special educators, early childhood educators, and special educators.

(B) Speech and language pathologists and audiologists.

(C) Occupational therapists.

(D) Physical therapists.

(E) Psychologists.

(F) Social workers.

(G) Nurses.

(H) Nutritionists.

(I) Family therapists.

(J) Orientation and mobility specialists.

(K) Pediatricians and other physicians.

(6) To the:

(A) maximum extent ~~appropriate,~~ **possible for a child who is less than nineteen (19) months of age; and**

(B) extent possible for a child who is at least nineteen (19) months of age;

are provided in natural environments, including the home and community settings in which children without disabilities participate.

(7) Are provided in conformity with an individualized family service plan adopted in accordance with 20 U.S.C. 1435.

(8) Include training a family member or guardian in providing the service unless the parent is incompetent to provide the service, and to require the family member or guardian to provide the service after the family member or guardian is adequately trained.

(b) The term includes the following services:

(1) Family training, counseling, and home visits.

(2) Special instruction.

(3) Speech and language pathology and audiology.

(4) Occupational therapy.

(5) Physical therapy.

(6) Psychological services.

(7) Service coordination services.

(8) Medical services only for diagnostic, evaluation, or consultation purposes.

(9) Early identification, screening, and assessment services.

(10) Other health services necessary for the infant or toddler to benefit from the services.

(11) Vision services.

(12) Supportive technology services.

(13) Transportation and related costs that are necessary to enable an infant or a toddler and the infant or toddler's family to receive early intervention services.

SECTION 95. IC 12-17-15-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 17. (a) Upon the recommendations of the council, the division shall adopt rules under IC 4-22-2 providing for a statewide system of coordinated, comprehensive, multidisciplinary, interagency programs that provide appropriate early intervention services to all infants and toddlers with disabilities and their families to the extent required under 20 U.S.C. 1431 through 1445.

(b) Rules adopted under this section must, to the extent allowed by federal law, include a cost participation plan for charges and fees imposed for programs and services described in subsection (a).

(c) A cost participation plan adopted under this section must provide for cost participation **per child** according to the following schedule:

Percentage of Federal Income Poverty Level		Copayment Per Treatment	Maximum Monthly Cost Share
At Least	But Not More Than		
~~0%~~	~~350%~~	~~$ 0~~	~~$ 0~~
~~351%~~	~~450%~~	~~$ 5~~	~~$ 25~~
~~451%~~	~~550%~~	~~$ 10~~	~~$ 50~~
~~551%~~	~~650%~~	~~$ 15~~	~~$ 75~~
~~651%~~	~~750%~~	~~$ 20~~	~~$ 100~~
~~751%~~	~~850%~~	~~$ 25~~	~~$ 125~~
~~851%~~	~~1000%~~	~~$ 30~~	~~$ 150~~
~~1001%~~		~~$ 36~~	~~$ 180~~
0%	**250%**	**$ 0**	**$ 0**
251%	**350%**	**$ 3**	**$ 24**
351%	**450%**	**$ 6**	**$ 48**
451%	**550%**	**$ 15**	**$ 120**
551%	**650%**	**$ 25**	**$ 200**
651%	**750%**	**$ 50**	**$ 400**
751%	**850%**	**$ 75**	**$ 600**
851%	**1000%**	**$ 100**	**$ 800**
1001%		**$ 120**	**$ 960**

~~The schedule of cost participation required under this subsection expires July 1, 2005.~~ **The copayment per treatment and the maximum monthly cost share shall be reduced by fifty percent (50%) for the second child participating in the program. For a family with more than two (2) children participating in the program, a copayment is not required under this subsection for more than two (2) children.**

(d) In addition to the schedule of cost participation required under subsection (c), a cost participation plan adopted under this section:

(1) must:

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

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

(i) annually; and

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

(C) allow the division to waive a required copayment if

~~(i)~~ other medical expenses or personal care needs expenses for any member of the family reduce the level

of income the family has available to pay copayments under this section; ~~or~~

~~(ii) the program receives payment from the family's health care coverage;~~ **and**

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

~~(3) must provide that the division may not receive more than three thousand five hundred dollars ($3,500) per eligible child per year from a family's health care coverage.~~

(e) Funds received under a cost participation plan adopted under this section must be used to fund programs described in subsection (a).

SECTION 96. IC 14-10-2-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. The commission may do the following:

(1) Take the action that is necessary to enable the state to participate in the programs set forth in 16 U.S.C. 470 et seq.

(2) Promulgate and maintain a state register of districts, sites, buildings, structures, and objects significant in American or Indiana history, architecture, archeology, and culture and expend money for the purpose of preparing comprehensive statewide historic surveys and plans, in accordance with criteria established by the commission, that comply with the standards and regulations promulgated by the United States Secretary of the Interior for the preservation, acquisition, and development of the properties.

(3) Establish in accordance with criteria established by the United States Secretary of the Interior a program of matching grants-in-aid to public agencies for projects having as their purpose the preservation for public benefit of properties that are significant in American or Indiana history, architecture, archeology, and culture.

(4) Accept grants from public and private sources, including those provided under 16 U.S.C. 470 et seq.

(5) Adopt rules, under IC 4-22-2, to establish fees that may be different than the fees otherwise established by this title for the following:

(A) Programs of the department or the commission.

(B) Facilities owned or operated by the department or the commission or a lessee of the department or commission.

(C) Licenses issued by the commission, the department, or the director.

(D) Inspections or other similar services under this title performed by the department or an assistant or employee of the department.

SECTION 97. IC 14-11-2-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. **(a)** The department may adopt rules under IC 4-22-2 for the conduct of the following:

(1) Department meetings.

(2) Upon the recommendation of the director, the work of the department and the divisions.

(b) The department may not adopt rules under IC 4-22-2 for the establishment of fees for the following:

(1) Programs of the department or the commission.

(2) Facilities owned or operated by the department or the commission or a lessee of the department or commission.

(3) Licenses issued by the commission, the department, or the director.

(4) Inspections or other similar services under this title performed by the department or an assistant or employee of the department.

SECTION 98. IC 14-16-1-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14. (a) The owner of a vehicle required to be registered under this chapter shall notify the department within fifteen (15) days if any of the following conditions exist:

(1) The vehicle is destroyed or abandoned.

(2) The vehicle is sold or an interest in the vehicle is transferred wholly or in part to another person.

(3) The owner's address no longer conforms to the address appearing on the certificate of registration.

(b) The notice must consist of a surrender of the certificate of registration on which the proper information shall be noted on a place to be provided.

(c) If the surrender of the certificate is required because the vehicle is destroyed or abandoned, the department shall cancel the certificate and enter that fact in the records. The number then may be reassigned.

(d) If the surrender is required because of a change of address on the part of the owner, the department shall record the new address. Upon payment of a fee established by the ~~department,~~ **commission,** a certificate of registration bearing the new information shall be returned to the owner.

(e) The transferee of a vehicle registered under this chapter shall, within fifteen (15) days after acquiring the vehicle, make application to the department for transfer to the transferee of the certificate of registration issued to the vehicle. The transferee shall provide the transferee's name and address and the number of the vehicle and pay to the department a fee established by the department. Upon receipt of the application and fee, the department shall transfer the certificate of registration issued for the vehicle to the new owner. Unless the application is made and the fee paid within fifteen (15) days, the vehicle is considered to be without a certificate of registration and a person may not operate the vehicle until a certificate is issued.

SECTION 99. IC 14-16-1-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 15. If a certificate of registration is lost, mutilated, or illegible, the owner of the vehicle may obtain a duplicate of the certificate upon application and payment of a fee established by the ~~department.~~ **commission.**

SECTION 100. IC 14-16-1-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 16. (a) A dealer or manufacturer may obtain certificates of registration for use in the testing or demonstrating of vehicles upon the following:

(1) Application to the department upon forms provided by the department.

(2) Payment of a fee established by the department for each of the first two (2) registration certificates. Additional certificates that the dealer requires may be issued for a fee

established by the ~~department.~~ **commission.**

(b) An applicant may use a certificate issued under this section only in the testing or demonstrating of vehicles by temporary placement of the numbers on the vehicle being tested or demonstrated. A certificate issued under this section may be used on only one (1) vehicle at any given time. The temporary placement of numbers must conform to the requirements of this chapter or rules adopted under this chapter.

(c) A certificate issued under this section is valid for three (3) years.

SECTION 101. IC 14-19-1-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. The department may do the following:

(1) Make available to the public under rules adopted by the department public parks and other suitable places for recreation, conservation, and management of natural and cultural resources. The rules may include a procedure for the establishment of a schedule of admission fees and service charges **adopted by the commission** for the parks and other places of recreation.

(2) Construct, rent, lease, license, or operate public service privileges and facilities in a state park. An agreement may not be made to rent, lease, or license a public service privilege or facility in a state park for longer than four (4) years, except as provided in section 3 of this chapter.

(3) Acquire other suitable land or park property within Indiana that is entrusted, donated, or devised to Indiana by the United States or by a county, a city, a town, a private corporation, or an individual for the purpose of public recreation or for the preservation of natural beauty or natural features possessing historic value.

SECTION 102. IC 16-38-4-8, AS AMENDED BY P.L.17-2004, SECTION 6, AND AS AMENDED BY P.L.28-2004, SECTION 138, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 8. (a) The state department shall establish a birth problems registry for the purpose of recording all cases of birth problems that occur in Indiana residents and compiling necessary and appropriate information concerning those cases, as determined by the state department, in order to:

(1) conduct epidemiologic and environmental studies and to apply appropriate preventive and control measures;

(2) inform the parents of children with birth problems:

(A) at the time of discharge from the hospital; or

(B) if a birth problem is diagnosed during a physician or hospital visit that occurs before the child is:

(i) except as provided in item (ii), three (3) years of age at the time of diagnosis; or

(ii) five (5) years of age at the time of diagnosis if the disorder is a pervasive developmental disorder or a fetal alcohol spectrum disorder; ~~*two (2) years of age, at the time of diagnosis;*~~

about physicians, care facilities, and appropriate community resources, including ~~local step ahead agencies and~~ the infants and toddlers with disabilities program (IC 12-17-15); or

(3) inform citizens regarding programs designed to prevent or reduce birth problems.

(b) The state department shall record in the birth problems registry:

(1) all data concerning birth problems of children that are provided from the certificate of live birth; and

(2) any additional information that may be provided by an individual or entity described in section 7(a)(2) of this chapter concerning a birth problem that is:

(A) designated in a rule adopted by the state department; and

(B) recognized:

(i) after the child is discharged from the hospital as a newborn; ~~*and*~~

(ii) before the child is ~~*two (2)*~~ *five (5)* years of age *if the child is diagnosed with a pervasive developmental disorder or a fetal alcohol spectrum disorder; and*

(iii) before the child is three (3) years of age for any diagnosis not specified in item (ii).

(c) The state department shall:

(1) provide a physician and a local health department with necessary forms for reporting under this chapter; and

(2) report *in an electronic format under IC 5-14-6* to the legislative council any birth problem trends that are identified through the data collected under this chapter.

SECTION 103. IC 20-1-1-6.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6.5. (a) As used in this section, "board" refers to the **Indiana** state board of education established under section 1 of this chapter.

(b) As used in this section, "department" refers to the department of education established under ~~IC 20-1-1.1-2.~~ **IC 20-19-3-1.**

(c) As used in this section, "governing body" has the meaning set forth in IC 20-10.1-1-5.

(d) As used in this section, "plan" refers to an Indiana school academic plan established under section 6.3 of this chapter.

(e) As used in this section, "program" refers to a professional development program.

(f) As used in this section, "school" includes the following:

(1) A public school.

(2) A nonpublic school that has voluntarily become accredited under section 6 of this chapter.

(g) As used in this section, "superintendent" has the meaning set forth in IC 20-10.1-1-6.

(h) A school shall develop a program as a component of a plan established by the school.

(i) The following apply to a program developed under this section:

(1) The program must emphasize improvement of student learning and performance.

(2) The program must be developed by the committee that develops the school's strategic and continuous improvement and achievement plan under IC 20-10.2-3-1.

(3) The program must be integrated with the school's strategic and continuous improvement and achievement plan developed under IC 20-10.2-3.

(j) A school committee shall submit the school's program to the superintendent for the superintendent's review. The superintendent:

(1) shall review the plan to ensure that the program aligns with the school corporation's objectives, goals, and expectations;

(2) may make written recommendations of modifications to the program to ensure alignment; and

(3) shall return the program and any recommendations to the school committee.

(k) A school committee may modify the program to comply with recommendations made by the superintendent under subsection (j).

(l) A school committee shall submit the program as part of its plan to the governing body. The governing body shall:

(1) approve or reject the program as part of the plan; and

(2) submit the program to the board as part of the plan for the school.

(m) The board may approve a school's program only if the program meets the board's core principles for professional development and the following additional criteria:

(1) To ensure high quality professional development, the program:

(A) is school based and collaboratively designed, and encourages participants to work collaboratively;

(B) has a primary focus on state and local academic standards, including a focus on Core 40 subject areas;

(C) enables teachers to improve expertise in subject knowledge and teaching strategies, uses of technologies, and other essential elements in teaching to high standards;

(D) furthers the alignment of standards, curriculum, and assessments; and

(E) includes measurement activities to ensure the transfer of new knowledge and skills to classroom instruction.

(2) A variety of resources, including needs assessments, an analysis of data regarding student learning needs, professional literature, research, and school improvement programs, are used in developing the program.

(3) The program supports professional development for all stakeholders.

(4) The program includes ongoing professional growth experiences that provide adequate time and job embedded opportunities to support school improvement and student learning, including flexible time for professional development that provides professional development opportunities before, during, and after the regular school day and school year.

(5) Under the program, teacher time for professional development sustains instructional coherence, participant involvement, and continuity for students.

(6) The program includes effective, research based strategies to support ongoing developmental activities.

(7) The program supports experiences to increase the effective use of technology to improve teaching and learning.

(8) The program encourages diverse techniques, including inquiry, reflection, action research, networking, study groups, coaching, and evaluation.

(9) The program includes a means for evaluating the effectiveness of the program and activities under the program.

(n) The board shall approve an evaluation system for professional development based on recommendations from the department and the ~~professional standards board.~~ **advisory board for the division of professional standards established by IC 20-1-1.4-3.** The department shall develop a means for measuring successful programs and activities in which schools participate. The measurements must include the following:

(1) A mechanism to identify and develop strategies to collect multiple forms of data that reflect the achievement of expectations for all students. The data may include the results of ISTEP tests under IC 20-10.1-16, local tests, classroom work, and teacher and administrator observations.

(2) A procedure for using collected data to make decisions.

(3) A method of evaluation in terms of educator's practice and student learning, including standards for effective teaching and effective professional development.

(o) A school qualifies for a grant from the department when the school's program, developed and submitted under this section, is approved by the board upon recommendation of the department. For purposes of determining whether a school qualifies for a grant under this chapter, the department shall:

(1) review;

(2) suggest changes to; and

(3) recommend approval or rejection of;

a school's program.

(p) A school must use a grant received under this section to implement all or part of the school's program by funding activities that may include the following:

(1) Partnership programs with other entities, including professional development schools.

(2) Teacher leadership academies, research teams, and study groups.

(3) Workshops, seminars, and site visits.

(4) Cooperative programs with other school corporations.

(5) National board certification for teachers.

(q) A school may contract with private or public sector providers to provide professional development activities under this section.

(r) A grant received under this section:

(1) shall be expended only for the conduct of activities specified in the program; and

(2) shall be coordinated with other professional development programs and expenditures of the school and school corporation.

(s) A school shall report to the department concerning the use of grants received under this chapter. A school that fails to make a report under this section is not eligible for a subsequent grant.

SECTION 104. IC 20-1-1.4-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. ~~Notwithstanding IC 20-1-1.1-1,~~ As used in this chapter, **"advisory** board" refers to the ~~professional standards board~~ **advisory board for the division of professional standards** established by ~~section 2~~ **section 3** of this chapter.

SECTION 105. IC 20-1-1.4-1.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 1.5. As used in this chapter, "division" refers to the division of professional standards established by section 2.5 of this chapter.**

SECTION 106. IC 20-1-1.4-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. **Except as**

provided in section 7 of this chapter, the ~~professional standards board is established to govern teacher training and licensing programs. Notwithstanding any other law, the board and the board's staff have~~ **department has** the ~~sole~~ authority and responsibility for ~~making recommendations concerning and otherwise~~ governing teacher ~~training~~ **education** and teacher licensing matters, **including professional development.**

SECTION 107. IC 20-1-1.4-2.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 2.5. The division of professional standards is established within the department to administer the responsibilities of the department described in section 2 of this chapter.**

SECTION 108. IC 20-1-1.4-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. (a) **The advisory board for the division of professional standards is established to advise the superintendent, the board, the department, and the division on matters concerning teacher education, licensing, and professional development.** The **advisory** board consists of nineteen (19) voting members.

(b) Each voting member of the **advisory** board described in this subsection and subsections (c) and (d) must hold an Indiana teacher's license and must be actively employed by a school corporation unless otherwise provided. Eighteen (18) members shall be appointed by the governor as follows:

(1) One (1) member must hold a license and be actively employed in a public school as an Indiana school superintendent.

(2) Two (2) members must:

(A) hold licenses as public school principals;

(B) be actively employed as public school principals; and

(C) be employed at schools having dissimilar grade level configurations.

(3) One (1) member must:

(A) hold a license as a special education director; and

(B) be actively employed as a special education director in:

(i) a school corporation; or

(ii) a public school special education cooperative.

(4) One (1) member must be a member of the governing body of a school corporation but is not required to be actively employed by a school corporation or to hold an Indiana teacher's license.

(5) Three (3) members must meet the following conditions:

(A) Represent Indiana teacher ~~training~~ **education** units within Indiana public and private institutions of higher education.

(B) Hold a teacher's license but not necessarily an Indiana teacher's license.

(C) Be actively employed by the respective teacher ~~training~~ **education** units but are not required to be employed by a school corporation.

(6) Nine (9) members must be licensed and actively employed as Indiana public school teachers in the following categories:

(A) At least one (1) member must hold an Indiana standard early childhood education license.

(B) At least one (1) member must hold an Indiana teacher's license in elementary education.

(C) At least one (1) member must hold an Indiana teacher's license for middle/junior high school education.

(D) At least one (1) member must hold an Indiana teacher's license in high school education.

(7) One (1) member must be a member of the business community in Indiana, but is not required to be actively employed by a school corporation or to hold an Indiana teacher's license.

(c) Each member described in subsection (b)(6) must be licensed and actively employed as a practicing teacher in at least one (1) of the following areas to be appointed:

(1) At least one (1) member must be licensed in special education.

(2) At least one (1) member must be licensed in vocational education.

(3) At least one (1) member must be employed and licensed in student services, which may include school librarians or psychometric evaluators.

(4) At least one (1) member must be licensed in social science education.

(5) At least one (1) member must be licensed in fine arts education.

(6) At least one (1) member must be licensed in English or language arts education.

(7) At least one (1) member must be licensed in mathematics education.

(8) At least one (1) member must be licensed in science education.

(d) At least one (1) of the voting members described in subsections (b) and (c) must be a parent of a student enrolled in a public preschool or public school within a school corporation in either kindergarten or any of grades 1 through 12.

(e) The ~~state~~ superintendent shall serve as an ex officio voting member of the **advisory** board. The ~~state~~ superintendent may make recommendations to the governor as to the appointment of members on the **advisory** board.

SECTION 109. IC 20-1-1.4-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. The term of office for the appointed members of the **advisory** board is four (4) years.

SECTION 110. IC 20-1-1.4-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. **The superintendent shall appoint** the ~~chairman~~ **director** of the **advisory** board, ~~shall be elected by a majority of the members of the board~~ **who shall be known as the secretary of professional standards,** from among the members of the **advisory** board for a term of one (1) year. A member may be ~~reelected~~ **reappointed** to serve as ~~a chairman~~ **director** for subsequent terms.

SECTION 111. IC 20-1-1.4-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6. (a) Each member of the **advisory** board who is not a state employee is not entitled to the minimum salary per diem provided by IC 4-10-11-2.1(b). Such a member is, however, entitled to reimbursement for traveling expenses and other expenses actually incurred in connection with

the member's duties, as provided in the state travel policies and procedures established by the Indiana department of administration and approved by the budget agency.

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

SECTION 112. IC 20-1-1.4-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7. (a) **Subject to subsection (c) and** in addition to the powers and duties set forth in IC 20-6.1, the **advisory** board ~~shall~~ **may** adopt rules under IC 4-22-2 to do the following:

(1) Set standards for teacher licensing and ~~administer~~ **for the administration of** a professional licensing and certification process **by the department.**

(2) Approve or disapprove teacher preparation programs.

(3) Set fees to be charged in connection with teacher licensing.

(4) Suspend, revoke, or reinstate teacher licenses.

(5) Enter into agreement with other states to acquire reciprocal approval of teacher preparation programs.

(6) Set standards for teacher licensing relative to new subjects of study.

(7) Evaluate work experience and military service relative to higher education and experience equivalency.

(8) Perform any other action that relates to the improvement of instruction in the public schools through teacher education and professional development through continuing education and that attracts qualified candidates for teacher ~~training~~ **education** from among the high school graduates of Indiana.

(9) Set standards for endorsement of school psychologists as independent practice school psychologists under IC 20-1-1.9.

(b) Notwithstanding subsection (a)(1), a person shall earn one (1) year of occupational experience for purposes of obtaining an occupational specialist certificate under this article for each year the person holds a license under IC 25-8-6.

(c) Before publishing notice of the intent to adopt a rule under IC 4-22-2, the advisory board must submit the proposed rule to the superintendent for approval. If the superintendent approves the rule, the advisory board may publish notice of the intent to adopt the rule. If the superintendent does not approve the rule, the advisory board may not publish notice of the intent to adopt the rule.

SECTION 113. IC 20-1-1.4-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 8. (a) The ~~board~~ **department** may recommend to the general assembly for consideration of the general assembly measures relating to the ~~board's~~ **department's** powers and duties that improve the quality of teacher preparation or teacher licensing standards.

(b) The ~~board~~ **department** shall submit to the general assembly before November 1 of each year a report:

(1) detailing the findings and activities of the **department, the division, and the advisory** board; and

(2) including any recommendations developed ~~by the board.~~ **under this chapter.**

SECTION 114. IC 20-1-1.4-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 9. (a) The ~~board~~ **department** may, subject to approval by the budget agency, do the following **to administer the responsibilities of the department described in section 2 of this chapter:**

(1) Establish advisory committees the ~~board~~ **department** determines are necessary.

(2) Expend funds made available to the ~~board~~ **department** according to policies established by the budget agency.

(b) The ~~board~~ **department** shall comply with the requirements for submitting a budget request to the budget agency, as set forth in IC 4-12-1, **for funds to administer the responsibilities of the department described in section 2 of this chapter.**

SECTION 115. IC 20-1-1.4-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 10. IC 4-21.5 applies to orders issued ~~by the board.~~ **under this chapter.**

SECTION 116. IC 20-1-1.4-11 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 11. There is established the professional standards fund to be administered by the department. The fund consists of fees collected under this chapter. Money in the fund does not revert to the state general fund at the end of a state fiscal year.**

SECTION 117. IC 20-1-1.9-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. An individual who applies for an endorsement as an independent practice school psychologist must meet the following requirements:

(1) Be licensed as a school psychologist by the ~~professional standards board established by IC 20-1-1.4-2.~~ **department.**

(2) Be employed by a:

(A) developmental center;

(B) state hospital;

(C) public or private hospital;

(D) mental health center;

(E) rehabilitation center;

(F) private school; or

(G) public school;

at least thirty (30) hours per week during the contract period unless the individual is retired from full-time or part-time employment as a school psychologist or the individual has a medical condition or physical disability that restricts the mobility required for employment in a school setting.

(3) Furnish satisfactory evidence to the ~~professional standards board~~ **department** that the applicant has received at least a sixty (60) semester hour master's or specialist degree in school psychology from:

(A) a recognized institution of higher learning; or

(B) an educational institution not located in the United States that has a program of study that meets the standards of the ~~board.~~ **department.**

(4) Furnish satisfactory evidence to the ~~professional standards board~~ **department** that the applicant has demonstrated graduate level competency through the successful completion of course work and a practicum in the areas of assessment and counseling.

(5) Furnish satisfactory evidence to the ~~professional standards board~~ **department** that the applicant has at least one thousand two hundred (1,200) hours of school psychology experience beyond the master's degree level. At least six hundred (600) hours must be in a school setting under the supervision of any of the following:

(A) A physician licensed under IC 25-22.5.

(B) A psychologist licensed under IC 25-33.

(C) A school psychologist licensed under IC 20-1-1.4.

(6) Furnish satisfactory evidence to the ~~professional standards board~~ **department** that the applicant has completed, in addition to the requirements in subdivision (5), at least four hundred (400) hours of supervised experience in identification and referral of mental and behavioral disorders, including at least one (1) hour each week of direct personal supervision by a:

(A) physician licensed under IC 25-22.5;

(B) psychologist licensed under IC 25-33; or

(C) school psychologist endorsed under this chapter;

with at least ten (10) hours of direct personal supervision.

(7) Furnish satisfactory evidence to the ~~professional standards board~~ **department** that the applicant has completed, in addition to the requirements of subdivisions (5) and (6), fifty-two (52) hours of supervision with a physician licensed under IC 25-22.5, a psychologist licensed under IC 25-33, or a school psychologist endorsed under this chapter that meets the following requirements:

(A) The fifty-two (52) hours must be completed within at least twenty-four (24) consecutive months but not less than twelve (12) months.

(B) Not more than one (1) hour of supervision may be included in the total for each week.

(C) At least nine hundred (900) hours of direct client contact must take place during the total period under ~~subdivision~~ **clause** (A).

(8) Furnish satisfactory evidence to the ~~professional standards board~~ **department** that the applicant does not have a conviction for a crime that has a direct bearing on the applicant's ability to practice competently.

(9) Furnish satisfactory evidence to the ~~professional standards board~~ **department** that the applicant has not been the subject of a disciplinary action by a licensing or certification agency of any jurisdiction on the grounds that the applicant was not able to practice as a school psychologist without endangering the public.

(10) Pass the examination provided by the ~~professional standards board.~~ **department.**

SECTION 118. IC 20-3.1-2-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 14. "Parent" ~~has the meaning set forth in IC 20-1-1.8-8.~~ **means the individual who has legal custody of a child.**

SECTION 119. IC 20-5.5-1-1.3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1.3. "ADM of the previous year" or "ADM of the prior year" has the meaning set forth in ~~IC 21-3-1.6-1.1(m).~~ **IC 21-3-1.6-1.1.**

SECTION 120. IC 20-5.5-1-5.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5.5. "Current ADM" has the meaning set forth in ~~IC 21-3-1.6-1.1(n).~~ **IC 21-3-1.6-1.1.**

SECTION 121. IC 20-5.5-1-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 10. "Parent" ~~has the meaning set forth in IC 20-1-1.8-8.~~ **means the individual who has legal custody of a child.**

SECTION 122. IC 20-5.5-7-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 3. (a) Not later than the date established by the department for determining average daily membership under IC 21-3-1.6-1.1(d), and after May 31, the organizer shall submit to the department the following information on a form prescribed by the department:

(1) The number of students enrolled in the charter school.

(2) The name and address of each student.

(3) The name of the school corporation in which the student has legal settlement.

(4) The name of the school corporation, if any, that the student attended during the immediately preceding school year.

(5) The grade level in which the student will enroll in the charter school.

The department shall verify the accuracy of the information reported.

(b) This subsection applies after December 31 of the calendar year in which a charter school begins its initial operation. The department shall distribute to the organizer the amount determined under IC 21-3-1.7 for the charter school. The department shall make a distribution under this subsection at the same time and in the same manner as the department makes a distribution under IC 21-3-1.7.

(c) The department shall provide to the department of local government finance the following information:

(1) For each county, the number of students who:

(A) have legal settlement in the county; and

(B) attend a charter school.

(2) The school corporation in which each student described in subdivision (1) has legal settlement.

(3) The charter school that a student described in subdivision (1) attends and the county in which the charter school is located.

(4) The amount determined under ~~IC 6-1.1-19-1.5(f) STEP EIGHT for 2004 and~~ IC 6-1.1-19-1.5(b) STEP ~~SIX for 2005~~ **FIVE (D)** for each school corporation described in subdivision (2).

(5) The amount determined under STEP TWO of the following formula:

STEP ONE: Determine the product of:

(A) the amount determined under ~~IC 21-3-1.7-6.7(d) or IC 21-3-1.7-6.7(e)~~ **IC 21-3-1.7-6.7** for a charter school described in subdivision (3); multiplied by

(B) thirty-five hundredths (0.35).

STEP TWO: Determine the product of:

(A) the STEP ONE amount; multiplied by

(B) the current ADM of a charter school described in subdivision (3).

(6) The amount determined under STEP THREE of the

following formula:

STEP ONE: Determine the number of students described in subdivision (1) who:

(A) attend the same charter school; and

(B) have legal settlement in the same school corporation located in the county.

STEP TWO: Determine the subdivision (5) STEP ONE amount for a charter school described in STEP ONE (A).

STEP THREE: Determine the product of:

(A) the STEP ONE amount; multiplied by

(B) the STEP TWO amount.

SECTION 123. IC 20-5.5-7.5-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 4. (a) The amount of an advance under section 3 of this chapter for operational costs described in section 2(1) of this chapter 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 20-5.5-7-3(a); multiplied by

(B) the target revenue per ADM determined under ~~IC 21-3-1.7-6.7(d) or IC 21-3-1.7-6.7(e)~~ **IC 21-3-1.7-6.7** for the charter school.

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).

(b) The amount of an advance under section 3 of this chapter for operational costs described in section 2(2) of this chapter may not exceed the amount determined under STEP FOUR of the following formula:

STEP ONE: Determine the quotient of:

(A) the target revenue per ADM determined under ~~IC 21-3-1.7-6.7(d) or IC 21-3-1.7-6.7(e)~~ **IC 21-3-1.7-6.7** for the charter school; 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 124. IC 20-5.5-8-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. Except as specifically provided in this article and the statutes listed in section 5 of this chapter, the following do not apply to a charter school:

(1) Any Indiana statute applicable to a governing body or school corporation.

(2) A rule or guideline adopted by the Indiana state board of education.

(3) A rule or guideline adopted by the **advisory board of the division of** professional standards ~~board~~ **of the department of education** (established by ~~IC 20-1-1.4-2),~~ **IC 20-1-1.4-3),** except for those rules that assist a teacher in gaining or renewing a standard or advanced license.

(4) A local regulation or policy adopted by a school corporation unless specifically incorporated in the charter.

SECTION 125. IC 20-6.1-1-0.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 0.5. As used in this article, "advisory board" refers to the advisory board of the division of professional standards of the department of education established by IC 20-1-1.4-3.**

SECTION 126. IC 20-6.1-1-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. (a) As used in this article, the term "license" refers to any document issued by the ~~professional standards board established by IC 20-1-1.4, which~~ **department that** grants permission to serve as a particular kind of teacher. The term includes but is not necessarily limited to any certificate or permit issued by the ~~professional standards board.~~ **department.**

(b) As used in this article, the term "kind of license" refers to the various types and grades of licenses.

SECTION 127. IC 20-6.1-1-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 8. ~~Definition, "Teacher".~~ As used in this article, the term "teacher" means a professional person whose position in the school corporation requires certain ~~teacher training preparations~~ **educational preparation** and licensing. The term includes, but is not limited to, any superintendent, supervisor, principal, attendance officer, teacher, or librarian.

SECTION 128. IC 20-6.1-2-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. **(a)** The ~~professional standards board established by IC 20-1-1.4~~ **department** shall:

(1) arrange a statewide system of professional instruction for teacher ~~training;~~ **education;**

(2) accredit and inspect teacher ~~training~~ **education** schools and departments which comply with the rules of the ~~professional standards board;~~ **department;**

(3) recommend and approve courses for the ~~training~~ **education** of particular kinds of teachers in accredited schools and departments; and

(4) specify the kinds of licenses for graduates of approved courses.

(b) The department shall work with teacher education schools and departments to develop a system of teacher education that ensures individuals who graduate from the schools and departments are able to meet the highest professional standards.

SECTION 129. IC 20-6.1-2-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) Each accredited school and department may use the word "accredited" in advertising its approved courses and the kind of teachers it is accredited to prepare. Each accredited school and department may enter into the student teaching agreements specified in IC 20-5-10.

(b) The ~~professional standards board~~ **department** shall revoke this right to use the word "accredited" when an accredited school or

department refuses to abide by the ~~professional standards~~ **advisory** board's rules.

SECTION 130. IC 20-6.1-3-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. The ~~board~~ **department** is responsible for the licensing of teachers.

SECTION 131. IC 20-6.1-3-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. The **advisory** board may adopt rules for:

(1) the issuance of a substitute license; and

(2) the employment of substitute licensees.

A person may not serve as a substitute teacher without a license issued by the ~~board.~~ **department.**

SECTION 132. IC 20-6.1-3-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. (a) The ~~board~~ **department** shall designate:

(1) the grade average required for each kind of license; and

(2) the kinds of license to which the teachers' minimum salary laws apply, including nonrenewable one (1) year limited licenses.

(b) The ~~board~~ **department** shall determine details of licensing not provided in this chapter. These details may include requirements regarding:

(1) the conversion of one **(1)** kind of license into another;

(2) the accreditation of teacher ~~training~~ **education** schools and departments;

(3) the exchange and renewal of licenses;

(4) the endorsement of another state's license;

(5) the acceptance of credentials from teacher ~~training~~ **education** institutions of another state;

(6) the academic and professional preparation for each kind of license;

(7) the granting of permission to teach a high school subject area related to the subject area for which the teacher holds a license;

(8) the issuance of licenses on credentials;

(9) the kind of license for each school position;

(10) the size of an elementary school requiring a licensed principal; and

(11) other related matters.

However, the ~~board~~ **department** shall ~~not later than December 31, 1984~~, establish at least one (1) system for renewing a teaching license that does not require a graduate degree.

(c) The ~~board~~ **department** shall periodically publish bulletins regarding:

(1) the details described in subsection (b);

(2) information on the kinds of licenses issued;

(3) the rules governing the issuance of each kind of license; and

(4) other similar matters.

SECTION 133. IC 20-6.1-3-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7. (a) On the written recommendation of the state superintendent, the ~~board~~ **department** may suspend or revoke a license for:

(1) immorality;

(2) misconduct in office;

(3) incompetency; or

(4) willful neglect of duty.

However, for each suspension or revocation, the ~~board~~ **department** shall comply with IC 4-21.5-3.

(b) This subsection applies when a prosecuting attorney knows that a licensed employee of a public school (as defined in IC 20-10.1-1-2) or a nonpublic school has been convicted of an offense listed in subsection (d). The prosecuting attorney shall immediately give written notice of the conviction to the following:

(1) The state superintendent.

(2) Except as provided in subdivision (3), the superintendent of the school corporation that employs the licensed employee or the equivalent authority for the nonpublic school.

(3) The presiding officer of the governing body of the school corporation that employs the licensed employee, if the convicted licensed employee is the superintendent of the school corporation.

(c) The superintendent of a school corporation, presiding officer of the governing body, or equivalent authority for a nonpublic school shall immediately notify the state superintendent when the person knows that a current or former licensed employee of the public school or nonpublic school has been convicted of an offense listed in subsection (d).

(d) The ~~board,~~ **department,** after holding a hearing on the matter, shall permanently revoke the license of a person who is known by the ~~board~~ **department** to have been convicted of any of the following felonies:

(1) Kidnapping (IC 35-42-3-2), if the victim is less than eighteen (18) years of age.

(2) Criminal confinement (IC 35-42-3-3), if the victim is less than eighteen (18) years of age.

(3) Rape (IC 35-42-4-1), if the victim is less than eighteen (18) years of age.

(4) Criminal deviate conduct (IC 35-42-4-2), if the victim is less than eighteen (18) years of age.

(5) Child molesting (IC 35-42-4-3).

(6) Child exploitation (IC 35-42-4-4(b)).

(7) Vicarious sexual gratification (IC 35-42-4-5).

(8) Child solicitation (IC 35-42-4-6).

(9) Child seduction (IC 35-42-4-7).

(10) Sexual misconduct with a minor (IC 35-42-4-9).

(11) Incest (IC 35-46-1-3), if the victim is less than eighteen (18) years of age.

(12) Dealing in or manufacturing cocaine, a narcotic drug, or methamphetamine (IC 35-48-4-1).

(13) Dealing in a schedule I, II, or III controlled substance (IC 35-48-4-2).

(14) Dealing in a schedule IV controlled substance (IC 35-48-4-3).

(15) Dealing in a schedule V controlled substance (IC 35-48-4-4).

(16) Dealing in a counterfeit substance (IC 35-48-4-5).

(17) Dealing in marijuana, hash oil, or hashish (IC 35-48-4-10(b)).

(e) A license may be suspended by the state superintendent as specified in IC 20-6.1-4-13.

SECTION 134. IC 20-6.1-3-7.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7.1. (a) As used in this section, "applicant" refers to an applicant for:

(1) a new license;

(2) a renewal license; or

(3) a substitute teacher certificate;

issued by the ~~board.~~ **department.**

(b) As used in this section, "limited criminal history" has the meaning set forth in IC 10-13-3-11.

(c) As used in this section, "disposition" has the meaning set forth in IC 10-13-3-7.

(d) An applicant must do the following:

(1) Submit a request to the Indiana central repository for limited criminal history information under IC 10-13-3.

(2) Obtain a copy of the limited criminal history for the applicant from the repository's records.

(3) Submit to the ~~board~~ **department** the limited criminal history for the applicant.

(4) Submit to the ~~board~~ **department** a document verifying a disposition that does not appear on the limited criminal history for the applicant.

(e) The ~~board~~ **department** may deny the issuance of a license or certificate to an applicant who is convicted of an offense for which the individual's license may be revoked or suspended under this chapter.

(f) The ~~board~~ **department** must use the information obtained under this section in accordance with IC 10-13-3-29.

(g) An applicant is responsible for all costs associated with meeting the requirements of this section.

SECTION 135. IC 20-6.1-3-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 8. (a) The ~~board~~ **department** shall keep a record of:

(1) all licenses issued;

(2) all licenses in force; and

(3) the academic preparation, professional preparation, and teaching experience of each applicant for a license or a license renewal.

(b) Each superintendent shall register and keep a record of:

(1) the kind of license held by each teacher;

(2) each teacher's date of first employment; and

(3) each teacher's annual or monthly salary.

SECTION 136. IC 20-6.1-3-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 9. (a) The ~~board~~ **department** shall not renew the junior high/middle school or secondary education license of a teacher on the basis of the teacher obtaining a graduate degree unless the teacher completes at least the equivalent of eighteen (18) semester hours beyond the teacher's undergraduate degree in any combination of courses in the teacher's major, minor, primary, supporting, or endorsement areas. These semester hours may include graduate hours, undergraduate hours, or both, as determined by the ~~board.~~ **department.**

(b) The **advisory** board may adopt rules under IC 4-22-2 to create exceptions to subsection (a), and may grant individual waivers to subsection (a).

(c) This section does not apply to anyone who, on or before September 1, 1985, has earned more than the equivalent of twelve (12) semester hours of graduate credit.

SECTION 137. IC 20-6.1-3-10.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 10.1. (a) The ~~board~~ **department** may not grant an initial standard license to an individual unless the individual has demonstrated proficiency in the following areas on a written examination or through other procedures prescribed by the ~~board.~~ **department:**

(1) Basic reading, writing, and mathematics.

(2) Pedagogy.

(3) Knowledge of the areas in which the individual is required to have a license to teach.

(4) If the individual is seeking to be licensed as an elementary school teacher, comprehensive reading instruction skills, including:

(A) phonemic awareness; and

(B) phonics instruction.

(b) An individual's license examination score may not be disclosed by the ~~board~~ **department** without the individual's consent unless specifically required by state or federal statute or court order.

(c) The **advisory** board shall adopt rules under IC 4-22-2 to do the following:

(1) Adopt, validate, and implement the examination or other procedures required by subsection (a).

(2) Establish examination scores indicating proficiency.

(3) Otherwise carry out the purposes of this section.

(d) The **advisory** board shall adopt rules under IC 4-22-2 establishing the conditions under which the requirements of this section may be waived for individuals holding valid ~~teachers~~ **teacher's** licenses issued by another state.

(e) Subsection (a) does not apply to individuals holding Indiana limited, reciprocal, or standard teaching licenses on June 30, 1985.

(f) If the ~~board~~ **department** is notified by the department of state revenue that a person is on the most recent tax warrant list, the ~~board~~ **department** may not grant an initial standard license to the person until:

(1) the person provides the ~~board~~ **department** with a statement from the department of state revenue indicating that the person's delinquent tax liability has been satisfied; or

(2) the ~~board~~ **department** receives a notice from the commissioner of the department of state revenue under IC 6-8.1-8-2(k).

SECTION 138. IC 20-6.1-3-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 11. (a) As used in this section, "program" refers to the transition to teaching program established by subsection (b).

(b) The transition to teaching program is established to accomplish the following:

(1) Facilitate the transition into the teaching profession of competent professionals in fields other than teaching.

(2) Allow competent professionals who do not hold a teaching license to earn and be issued a teaching license through participation in and satisfactory completion of the program.

(c) Subject to the requirements of this section, the ~~board~~ **department** shall develop and administer the program. The ~~board~~ **department** shall determine the details of the program that are not

included in this section.

(d) Each accredited teacher ~~training~~ **education** school and department shall establish a course of study that constitutes the higher education component of the program. The higher education component required under this subsection must comply with the following requirements:

(1) Include the following study requirements:

(A) For a program participant who seeks to obtain a license to teach in grade 6 through grade 12, up to eighteen (18) credit hours of study or the equivalent that prepare a program participant to meet Indiana standards for teaching in the subject areas corresponding to the area in which the program participant has met the education requirements under subsection (e), unless the program participant demonstrates that the program participant requires fewer credit hours of study to meet Indiana standards for teaching.

(B) For a program participant who seeks to obtain a license to teach in kindergarten through grade 5, twenty-four (24) credit hours of study or the equivalent, which must include at least six (6) credit hours in the teaching of reading, that prepare a program participant to meet Indiana standards for teaching, unless the program participant demonstrates that the program participant requires fewer credit hours of study to meet Indiana standards for teaching.

(2) Focus on the communication of knowledge to students.

(3) Include suitable field or classroom experiences if the program participant does not have teaching experience.

(e) A person who wishes to participate in the program must have one (1) of the following qualifications:

(1) For a program participant who seeks to obtain a license to teach in grade 6 through grade 12, one (1) of the following:

(A) A bachelor's degree or the equivalent with a grade point average of three (3.0) on a four (4.0) scale from an accredited institution of higher education in the subject area that the person intends to teach.

(B) A graduate degree from an accredited institution of higher education in the subject area that the person intends to teach.

(C) Both:

(i) a bachelor's degree from an accredited institution of higher education with a grade point average of two and five-tenths (2.5) on a four (4) point scale; and

(ii) five (5) years of professional experience;

in the subject area that the person intends to teach.

(2) For a program participant who seeks to obtain a license to teach in kindergarten through grade 5, one (1) of the following:

(A) A bachelor's degree or the equivalent with a grade point average of three (3.0) on a four (4.0) scale from an accredited institution of higher education.

(B) Both:

(i) a bachelor's degree from an accredited institution of higher education with a grade point average of two and five-tenths (2.5) on a four (4.0) point scale; and

(ii) five (5) years of professional experience in an education-related field.

(f) The ~~board~~ **department** shall grant an initial standard license to a program participant who does the following:

(1) Successfully completes the higher education component of the program.

(2) Demonstrates proficiency through a written examination in:

(A) basic reading, writing, and mathematics;

(B) pedagogy; and

(C) knowledge of the areas in which the program participant is required to have a license to teach;

under section 10.1(a) of this chapter.

(3) Participates successfully in a beginning teacher internship program under IC 20-6.1-8 (repealed) that includes implementation in a classroom of the teaching skills learned in the higher education component of the program.

(4) Receives a successful assessment of teaching skills upon completion of the beginning teacher internship program from the administrator of the school where the beginning teacher internship program takes place, or, if the program participant does not receive a successful assessment, ~~participates~~ **continues participation** in the beginning teacher internship program. ~~for a second year, as provided under~~ IC ~~20-6.1-8-13 (repealed). The appeals provisions of~~ IC ~~20-6.1-8-14 (repealed) apply to an assessment under this subdivision.~~

(g) This subsection applies to a program participant who has a degree described in subsection (e) that does not include all the content areas of a standard license issued by the ~~board.~~ **department.** The ~~board~~ **department** shall issue an initial standard license that is restricted to only the content areas in which the program participant has a degree unless the program participant demonstrates sufficient knowledge in other content areas of the license.

(h) A school corporation may hire a program participant to teach only in the subject area in which the participant meets the qualifications set forth under subsection (e).

(i) After receiving an initial standard license under subsection (f) or (g), a program participant who seeks to renew the participant's initial standard license must meet the same requirements as other candidates for license renewal.

(j) The **advisory** board may adopt rules under IC 4-22-2 to administer this section. Rules adopted under this subsection must include a requirement that accredited teacher ~~training~~ **education** schools and departments submit an annual report to the ~~board~~ **department** of the number of individuals who:

(1) enroll in; and

(2) complete;

the program.

SECTION 139. IC 20-6.1-5-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. Computation of minimum salary shall be made each school year on the basis of the teacher's ~~training,~~ **education,** experience, and degree, completed as of the first day of service. If a teacher is licensed by the ~~professional standards board~~ **department** on the first day of service in the current school year or on another date as agreed by the school

employer and the exclusive representative under IC 20-7.5, the minimum salary of the public school teacher is as follows:

(1) The minimum salary of a teacher who has completed four (4) years or one hundred forty-four (144) weeks of professional ~~training,~~ **education,** for service during a nine (9) months school term, is five thousand two hundred dollars ($5,200). To this salary, an increment of one hundred fifty dollars ($150) shall be added for each of the first ten (10) years of experience. An increment of two hundred fifty dollars ($250) shall be added to this salary after the fifteenth year and again after the twentieth year of experience.

(2) The minimum salary of a teacher who has completed five (5) years or one hundred eighty (180) weeks of professional ~~training,~~ **education,** for service during a nine (9) months school term, is five thousand five hundred dollars ($5,500). To this salary, an increment of one hundred fifty dollars ($150) shall be added for each of the first eighteen (18) years of experience. An increment of three hundred dollars ($300) shall be added to this salary after each of the following years of experience:

(A) The nineteenth.
(B) The twentieth.
(C) The twenty-second.
(D) The twenty-fourth.
(E) The twenty-sixth.
(F) The thirtieth.

(3) The beginning salary of a teacher who has completed less than four (4) years of professional ~~training,~~ **education,** for service during a nine (9) months school term, is four thousand seven hundred dollars ($4,700). To this salary, an increment of one hundred twenty dollars ($120) shall be added after each of the first ten (10) years of experience.

SECTION 140. IC 20-6.1-5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) If the school term of or contract with a school corporation is more or less than nine (9) months, the minimum salary as set forth in section 1 of this chapter shall be proportionately increased or decreased.

(b) The ~~professional standards board~~ **department** shall require:

(1) a bachelor's degree from an accredited teacher ~~training~~ **education** institution for each teacher seeking to qualify for the first time for classification under section 1(1) of this chapter; and

(2) a master's degree for each teacher seeking to qualify for the first time for classification under section 1(2) of this chapter. Five (5) years of ~~training~~ **education** may not be recognized unless at least a bachelor's degree has been completed.

(c) In fixing the annual salary of teachers when contracting with them or when distributing state funds, a fraction of less than one-half (1/2) of a dollar is dropped while a fraction of one-half (1/2) or more is adjusted to the next whole dollar.

SECTION 141. IC 20-6.1-5-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. (a) A person who:

(1) holds: ~~a.~~

(A) **a** professional license;
(B) **a** provisional license;
(C) **a** limited license; or
(D) an equivalent license, which is issued by the ~~professional standards board,~~ **department;** and

(2) serves as an occasional substitute teacher;

shall be compensated on the pay schedule for substitutes of the school corporation ~~he~~ **the person** serves.

(b) A person who:

(1) holds a:

(A) professional license; or
(B) provisional license; and

(2) serves as a substitute teacher in the same teaching position for more than fifteen (15) consecutive school days;

shall be compensated on the regular pay schedule for teachers of the school corporation ~~he~~ **the person** serves.

SECTION 142. IC 20-8.1-3-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 13. With the exception of ex officio attendance officers, no person may hold the position of attendance officer unless ~~he~~ **the person** has complied with all standards of the ~~professional standards board~~ **department** and has been properly licensed by ~~that body.~~ **the department.**

SECTION 143. IC 20-8.1-6.1-6.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6.1. (a) A school corporation may enter into an agreement with:

(1) a nonprofit corporation that operates a federally approved education program; or

(2) a nonprofit corporation that:

(A) is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code;
(B) for its classroom instruction, employs teachers who are certified by the ~~professional standards board,~~ **department;**
(C) employs other professionally and state licensed staff as appropriate; and
(D) educates children who:

(i) have been suspended, expelled, or excluded from a public school in that school corporation and have been found to be emotionally disturbed;
(ii) have been placed with the nonprofit corporation by court order;
(iii) have been referred by a local health department; or
(iv) have been placed in a state licensed private or public health care or child care facility as described in section 5(b) of this chapter;

in order to provide a student with an individualized education program that is the most suitable educational program available.

(b) If a school corporation that is a transferee corporation enters into an agreement as described in subsection (a), the school corporation shall pay to the nonprofit corporation an amount agreed upon from the transfer tuition of the student. The amount agreed upon may not exceed the transfer tuition costs that otherwise would be payable to the transferee corporation.

(c) If a school corporation that is a transferor corporation enters into an agreement as described in subsection (a), the school corporation shall pay to the nonprofit corporation an amount agreed upon which may not exceed the transfer tuition costs that otherwise would be payable to a transferee school corporation.

SECTION 144. IC 20-8.1-6.1-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 8. (a) As used in this section, the following terms have the following meanings:

(1) "Class of school" refers to a classification of each school or program in the transferee corporation by the grades or special programs taught at the school. Generally, these classifications are denominated as kindergarten, elementary school, middle school or junior high school, high school, and special schools or classes, such as schools or classes for special education, vocational training, or career education.

(2) "ADM" means the following:

(A) For purposes of allocating to a transfer student state distributions under IC 21-1-30 (primetime), "ADM" as computed under IC 21-1-30-2.

(B) For all other purposes, "ADM" as set forth in IC 21-3-1.6-1.1.

(3) "Pupil enrollment" means the following:

(A) The total number of students in kindergarten through grade 12 who are enrolled in a transferee school corporation on a date determined by the Indiana state board of education.

(B) The total number of students enrolled in a class of school in a transferee school corporation on a date determined by the Indiana state board of education.

However, a kindergarten student shall be counted under clauses (A) and (B) as one-half (1/2) a student.

(4) "Special equipment" means equipment that during a school year:

(A) is used only when a child with disabilities is attending school;

(B) is not used to transport a child to or from a place where the child is attending school;

(C) is necessary for the education of each child with disabilities that uses the equipment, as determined under the individualized instruction program for the child; and

(D) is not used for or by any child who is not a child with disabilities.

The Indiana state board of education may select a different date for counts under subdivision (3). However, the same date shall be used for all school corporations making a count for the same class of school.

(b) Each transferee corporation is entitled to receive for each school year on account of each transferred student, except a student transferred under section 3 of this chapter, transfer tuition from the transferor corporation or the state as provided in this chapter. Transfer tuition equals the amount determined under STEP THREE of the following formula:

STEP ONE: Allocate to each transfer student the capital expenditures for any special equipment used by the transfer student and a proportionate share of the operating costs incurred by the transferee school for the class of school where the transfer student is enrolled.

STEP TWO: If the transferee school included the transfer student in the transferee school's ADM for a school year, allocate to the transfer student a proportionate share of the following general fund revenues of the transferee school for, except as provided in clause (C), the calendar year in which the school year ends:

(A) The following state distributions that are computed in any part using ADM or other pupil count in which the student is included:

(i) Primetime grant under IC 21-1-30.

(ii) Tuition support for basic programs. ~~and at-risk weights under IC 21-3-1.7-8 (before January 1, 1996) and only for basic programs (after December 31, 1995).~~

(iii) Enrollment growth grant under IC 21-3-1.7-9.5 **before 2006.**

~~(iv) At-risk grant under IC 21-3-1.7-9.7.~~

~~(v)~~ **(iv)** Academic honors diploma award under IC 21-3-1.7-9.8.

~~(vi)~~ **(v)** Vocational education grant under IC 21-3-12.

~~(vii)~~ **(vi)** Special education grant under IC 21-3-2.1.

~~(viii) The portion of the ADA flat grant that is available for the payment of general operating expenses under IC 21-3-4.5-2(b)(1).~~

(B) ~~For school years beginning after June 30, 1997,~~ Property tax levies **(as defined in IC 6-1.1-19) received for deposit in the calendar year in which the school year begins.**

(C) ~~For school years beginning after June 30, 1997,~~ Excise tax revenue (as defined in IC 21-3-1.7-2) received for deposit in the calendar year in which the school year begins.

(D) ~~For school years beginning after June 30, 1997,~~ Allocations to the transferee school under IC 6-3.5 **received for deposit in the calendar year in which the school year begins.**

STEP THREE: Determine the greater of:

(A) zero (0); or

(B) the result of subtracting the STEP TWO amount from the STEP ONE amount.

If a child is placed in an institution or facility in Indiana under a court order, the institution or facility shall charge the county office of the county of the student's legal settlement under IC 12-19-7 for the use of the space within the institution or facility (commonly called capital costs) that is used to provide educational services to the child based upon a prorated per student cost.

(c) Operating costs shall be determined for each class of school where a transfer student is enrolled. The operating cost for each class of school is based on the total expenditures of the transferee corporation for the class of school from its general fund expenditures as specified in the classified budget forms prescribed by the state board of accounts. This calculation excludes:

(1) capital outlay;

(2) debt service;

(3) costs of transportation;

(4) salaries of board members;

(5) contracted service for legal expenses; and

(6) any expenditure which is made out of the general fund from extracurricular account receipts;

for the school year.

(d) The capital cost of special equipment for a school year is

equal to:

(1) the cost of the special equipment; divided by

(2) the product of:

(A) the useful life of the special equipment, as determined under the rules adopted by the Indiana state board of education; multiplied by

(B) the number of students using the special equipment during at least part of the school year.

(e) When an item of expense or cost described in subsection (c) cannot be allocated to a class of school, it shall be prorated to all classes of schools on the basis of the pupil enrollment of each class in the transferee corporation compared to the total pupil enrollment in the school corporation.

(f) Operating costs shall be allocated to a transfer student for each school year by dividing:

(1) the transferee school corporation's operating costs for the class of school in which the transfer student is enrolled; by

(2) the pupil enrollment of the class of school in which the transfer student is enrolled.

When a transferred student is enrolled in a transferee corporation for less than the full school year of pupil attendance, the transfer tuition shall be calculated by the portion of the school year for which the transferred student is enrolled. A school year of pupil attendance consists of the number of days school is in session for pupil attendance. A student, regardless of the student's attendance, is enrolled in a transferee school unless the student is no longer entitled to be transferred because of a change of residence, the student has been excluded or expelled from school for the balance of the school year or for an indefinite period, or the student has been confirmed to have withdrawn from school. The transferor and the transferee corporation may enter into written agreements concerning the amount of transfer tuition due in any school year. Where an agreement cannot be reached, the amount shall be determined by the Indiana state board of education, and costs may be established, when in dispute, by the state board of accounts.

(g) A transferee school shall allocate revenues described in subsection (b) STEP TWO to a transfer student by dividing:

(1) the total amount of revenues received; by

(2) the ADM of the transferee school for the school year that ends in the calendar year in which the revenues are received.

However, for state distributions under IC 21-1-30, IC 21-3-2.1, IC 21-3-12, or any other statute that computes the amount of a state distribution using less than the total ADM of the transferee school, the transferee school shall allocate the revenues to the transfer student by dividing the revenues that the transferee school is eligible to receive in a calendar year by the pupil count used to compute the state distribution.

(h) In lieu of the payments provided in subsection (b), the transferor corporation or state owing transfer tuition may enter into a long term contract with the transferee corporation governing the transfer of students. This contract is for a maximum period of five (5) years with an option to renew, and may specify a maximum number of pupils to be transferred and fix a method for determining the amount of transfer tuition and the time of payment, which may be different from that provided in section 9 of this chapter.

(i) If the school corporation can meet the requirements of ~~IC 21-1-30-5,~~ **IC 21-1-30-5.5,** it may negotiate transfer tuition agreements with a neighboring school corporation that can accommodate additional students. Agreements under this section may be for one (1) year or longer and may fix a method for determining the amount of transfer tuition or time of payment that is different from the method, amount, or time of payment that is provided in this section or section 9 of this chapter. A school corporation may not transfer a student under this section without the prior approval of the child's parent or guardian.

(j) If a school corporation experiences a net financial impact with regard to transfer tuition that is negative for a particular school year as described in IC 6-1.1-19-5.1, the school corporation may appeal for an excessive levy as provided under IC 6-1.1-19-5.1.

SECTION 145. IC 20-10.1-4-4.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4.5. (a) Notwithstanding IC 20-10.1-1-0.5, this section applies only to public schools (as defined in IC 20-10.1-1-2).

(b) As used in this section, "good citizenship instruction" means integrating into the current curriculum instruction that stresses the nature and importance of the following:

(1) Being honest and truthful.

(2) Respecting authority.

(3) Respecting the property of others.

(4) Always doing one's personal best.

(5) Not stealing.

(6) Possessing the skills necessary to live peaceably in society and not resorting to violence to settle disputes, including methods of conflict resolution.

(7) Taking personal responsibility for obligations to family and community.

(8) Taking personal responsibility for earning a livelihood.

(9) Treating others the way one would want to be treated.

(10) Respecting the national flag, the Constitution of the United States, and the Constitution of the State of Indiana.

(11) Respecting one's parents and home.

(12) Respecting one's self.

(13) Respecting the rights of others to have their own views and religious beliefs.

(c) The department shall identify and make available to school corporations models of conflict resolution instruction, which may consist of a program of teacher ~~training~~ **education** with application of the techniques to the children in the classroom, to assist school corporations in complying with this section.

SECTION 146. IC 20-10.1-4-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 12. (a) To:

(1) educate students on the importance of their future career choices;

(2) prepare students for the realities inherent in the work environment; and

(3) instill in students work values that will enable them to succeed in their respective careers;

~~and beginning with the 1994-95 school year,~~ each school within a school corporation shall include in the school's curriculum for all students in grades 1 through 12 instruction concerning employment matters and work values.

(b) Each school shall:

(1) integrate within the curriculum instruction that is; or

(2) conduct activities or special events periodically that are;

designed to foster overall career awareness and career development as described in subsection (a).

(c) The department shall develop career awareness and career development models as described in subsection (d) to assist schools in complying with this section.

(d) The models shall be developed in accordance with the following:

(1) For grades 1 through 5, career awareness models to introduce students to work values and basic employment concepts.

(2) For grades 6 through 8, initial career information models that focus on career choices as they relate to student interest and skills.

(3) For grades 9 through 10, career exploration models that offer students insight into future employment options.

(4) For grades 11 through 12, career preparation models that provide job or further education counseling, including the following:

(A) Initial job counseling, including the utilization of job service officers to provide school based assessment, information, and guidance on employment options and the rights of students as employees.

(B) Workplace orientation visits.

(C) On-the-job experience exercises.

(e) The department, with assistance from the department of labor and the department of workforce development, shall:

(1) develop and make available teacher guides; and

(2) conduct seminars or other teacher ~~training~~ **education** activities;

to assist teachers in providing the instruction described in this section.

(f) The department shall, with assistance from the department of workforce development, design and implement innovative career preparation demonstration projects for students in at least grade 9.

SECTION 147. IC 20-10.1-7-12.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 12.5. (a) A school corporation may enter into an agreement with:

(1) another school corporation;

(2) an accredited nonpublic school; or

(3) entities described in both subdivisions (1) and (2);

to offer a joint summer school program for high school students under this section.

(b) An agreement under this section must:

(1) designate one (1) participating school corporation as the local education agency for the joint educational program; and

(2) specify how the costs of the joint summer school program, including compensation for teachers, will be allocated among the parties to the agreement.

(c) The parties to an agreement under subsection (a) may provide educational programs:

(1) that are not regularly provided as part of the established curriculum during the school year; and

(2) for which a student who successfully completes a program may receive high school and college credit under an articulation agreement or dual credit provision under IC 20-10.1-4.4-9, IC 20-12-1-9, or IC 20-12-17.1.

(d) Except as provided in subsection (e), an instructor for an educational program described in subsection (c) must be:

(1) licensed under IC 20-6.1; or

(2) granted a substitute teacher's license by the ~~professional standards board.~~ **department.**

(e) If the school superintendent of the school corporation that is the local education agency determines that there:

(1) is not a qualified licensed teacher available from the entities entering into an agreement under subsection (a); and

(2) is a qualified postsecondary instructor available;

to instruct in an educational program described under subsection (c), the superintendent may request the ~~professional standards board~~ **department** to issue a substitute teacher's license to the instructor of an educational program described in subsection (c).

(f) If the ~~professional standards board~~ **department** finds that there is not a qualified licensed teacher available from the entities entering into an agreement under subsection (a) to instruct in an educational program described under subsection (c), the ~~professional standards board~~ **department** may issue a substitute teacher's license to the instructor of an educational program described in subsection (c).

(g) An instructor for an educational program described under subsection (c) must be compensated at the same rate as that determined for a teacher under IC 20-6.1-4-8 and the local education agency's contract with certificated employees.

(h) The board shall adopt rules under IC 4-22-2 to govern the distribution of state funds for purposes of this section.

SECTION 148. IC 20-10.1-16-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. (a) The purposes of the ISTEP program developed under this chapter are as follows:

(1) To assess the strengths and weaknesses of school performance.

(2) To assess the effects of state and local educational programs.

(3) To compare achievement of students in Indiana to achievement of students on a national basis.

(4) To provide a source of information for state and local decision makers with regard to educational matters, including the following:

(A) The overall academic progress of students.

(B) The need for new or revised educational programs.

(C) The need to terminate existing educational programs.

(D) Student readiness for postsecondary school experiences.

(E) Overall curriculum development and revision activities.

(F) Identifying students who may need remediation under IC 20-10.1-17.

(G) Diagnosing individual student needs.

(H) Teacher ~~training~~ **education** and staff development activities.

(b) To carry out the purposes described in subsection (a), each English/language arts and mathematics test developed for use under ISTEP must include the following:

(1) A method of testing basic skills appropriate for the designated grade level, including multiple choice questions.

(2) A method of testing applied skills appropriate for the designated grade level, including short answer or essay questions and the solving of arithmetic or mathematical problems.

(3) A method of testing and grading that will allow comparison with national and international academic standards.

SECTION 149. IC 20-10.2-8-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. (a) The ~~professional standards board, in consultation with the~~ department shall develop guidelines for use by accredited teacher ~~training~~ **education** institutions and departments in preparing individuals to teach in various environments.

(b) The guidelines developed under subsection (a) must include courses and methods that assist individuals in developing cultural competency.

SECTION 150. IC 20-10.2-8-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. The department ~~in consultation with the professional standards board,~~ shall develop and make available to school corporations and nonpublic schools materials that assist teachers, administrators, and staff in a school in developing cultural competency for use in providing professional and staff development programs.

SECTION 151. IC 20-12-0.5-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. The commission shall have the following powers and duties:

(1) To develop, continually keep current, and implement a long range plan for postsecondary education. In developing this plan, the commission shall take into account the plans and interests of the state private institutions, anticipated enrollments in state postsecondary institutions, financial needs of students, and other factors pertinent to the quality of educational opportunity available to the citizens of Indiana. The plan shall define the educational missions and the projected enrollments of the various state educational institutions.

(2) To consult with and make recommendations to the commission on vocational and technical education within the department of workforce development on all postsecondary vocational education programs. The commission shall biennially prepare a plan for implementing postsecondary vocational education programming after considering the long range state plan developed under IC 20-1-18.3-10. The commission shall submit this plan to the commission on vocational and technical education within the department of workforce development for its review and recommendations, and shall specifically report on how the plan addresses preparation for employment.

(3) To make recommendations to the general assembly and the governor concerning the long range plan, and prepare to submit drafts and proposed legislation needed to implement the plan. The commission may also make recommendations to the general assembly concerning the plan for postsecondary vocational education under subdivision (2).

(4) To review the legislative request budgets of all state educational institutions preceding each session of the general assembly and to make recommendations concerning appropriations and bonding authorizations to state educational institutions including public funds for financial aid to students by any state agency. The commission may review all programs of any state educational institution, regardless of the source of funding, and may make recommendations to the governing board of the institution, the governor, and the general assembly concerning the funding and the disposition of the programs. In making this review, the commission may request and shall receive, in such form as may reasonably be required, from all state educational institutions, complete information concerning all receipts and all expenditures.

(5) To submit to the commission on vocational and technical education within the department of workforce development for its review under IC 20-1-18.3-15 the legislative budget requests prepared by state educational institutions for state and federal funds for vocational education. These budget requests shall be prepared upon request of the budget director, shall cover the period determined by the budget director, and shall be made available to the commission within the department of workforce development before review by the budget committee.

(6) To make, or cause to be made, studies of the needs for various types of postsecondary education and to make recommendations to the general assembly and the governor concerning the organization of these programs. The commission shall make or cause to be made studies of the needs for various types of postsecondary vocational education and shall submit to the commission on vocational and technical education within the department of workforce development the commission's findings in this regard.

(7) To approve or disapprove the establishment of any new branches, regional or other campuses, or extension centers or of any new college or school, or the offering on any campus of any additional associate, baccalaureate, or graduate degree, or of any additional program of two (2) semesters, or their equivalent in duration, leading to a certificate or other indication of accomplishment. After March 29, 1971, no state educational institution shall establish any new branch, regional campus, or extension center or any new or additional academic college, or school, or offer any new degree or certificate as defined in this subdivision without the approval of the commission or without specific authorization by the general assembly. Any state educational institution may enter into contractual agreements with governmental units or with business and industry for specific programs to be wholly supported by the governmental unit or business and industry without the approval of the commission.

(8) If so designated by the governor or the general assembly, to serve as the agency for the purposes of receiving or administering funds available for postsecondary education programs, projects, and facilities for any of the acts of the United States Congress where the acts of Congress require the state to designate such an agency or commission. However,

this subdivision does not provide for the designation of the commission by the governor as the recipient of funds which may be provided by acts of the United States Congress, received by an agency, a board, or a commission designated by the general assembly.

(9) To designate and employ an executive officer and necessary employees, to designate the titles of the executive officer and necessary employees, and to fix the compensation in terms of the employment.

(10) To appoint appropriate advisory committees composed of representatives of state educational institutions, representatives of private colleges and universities, students, faculty, and other qualified persons.

(11) To employ all powers properly incident to or connected with any of the foregoing purposes, powers, or duties, including the power to adopt rules.

(12) To develop a definition for and report biennially to the:

(A) general assembly;

(B) governor; and

(C) commission on vocational and technical education within the department of workforce development;

on attrition and persistence rates by students enrolled in state vocational education. A report under this subdivision to the general assembly must be in an electronic format under IC 5-14-6.

(13) To submit a report to the legislative council not later than August 30 of each year on the status of the transfer of courses and programs between state educational institutions. The report must include any changes made during the immediately preceding academic year.

(14) To direct the activities of the committee, including the activities set forth in subdivisions (15) and (16).

(15) To develop through the committee statewide transfer of credit agreements for courses that are most frequently taken by undergraduates.

(16) To develop through the committee statewide agreements under which associate of arts and associate of science programs articulate fully with related baccalaureate degree programs.

(17) To publicize by all appropriate means, including an Internet web site, a master list of course transfer of credit agreements and program articulation agreements.

(18) To establish, with the assistance of the committee, a statewide core transfer library of at least seventy (70) courses that are transferable on all campuses of the state educational institutions in accordance with the principles in section 13 of this chapter.

(19) To establish, with the assistance of the committee, articulation agreements for at least twelve (12) degree programs:

(A) for which articulation agreements apply to any campus in the Ivy Tech State College system and to Vincennes University; and

(B) that draw from liberal arts and the technical, professional, and occupational fields.

SECTION 152. IC 20-12-0.5-13 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 13. (a) The commission shall exercise its powers and duties under section 8 of this chapter in a manner to facilitate the use of:**

(1) the core transfer library established under section 8(18) of this chapter at state educational institutions; and

(2) at least twelve (12) degree programs established under section 8(19) of this chapter at Ivy Tech State College and Vincennes University.

(b) The core transfer library developed under section 8(18) of this chapter shall be developed in accordance with the following principles:

(1) Each course in the core transfer library must transfer in and apply toward meeting degree requirements in the same way as the receiving state educational institution's equivalent course.

(2) Courses in the core transfer library must draw primarily from the liberal arts but must include introductory or foundational courses in technical, professional, and occupational fields.

(3) At least seventy (70) courses must be identified for inclusion in the core transfer library. The identified courses must emphasize the courses most frequently taken by undergraduates.

(4) With respect to core transfer library courses being transferred from a state educational institution to Indiana University or Purdue University, Indiana University and Purdue University must identify transfer equivalents so that a course accepted by one (1) regional campus will be accepted by all other regional campuses that offer the same transfer equivalent course.

(5) Within the Indiana University system and Purdue University system, equivalent courses, including courses with the same course number and title, must count in the same way at all campuses within the system where the course is offered.

(c) The commission shall adopt rules under IC 4-22-2 and prescribe procedures to facilitate the use of the core transfer library established under section 8(18) of this chapter, including designating courses in the course transfer library in the materials that colleges and universities use to communicate widely with students, such as online catalogs and course schedules, and at least twelve (12) degree programs established under section 8(19) of this chapter.

SECTION 153. IC 20-12-1-12 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 12. (a) This section applies notwithstanding IC 20-12-23-2, IC 20-12-36-4, IC 20-12-56-5, IC 20-12-57.5-11, and IC 20-12-64-5.**

(b) As used in this section, "academic year" has the meaning set forth in IC 20-12-76-1.

(c) As used in this section, "state educational institution" has the meaning set forth in IC 20-12-0.5-1.

(d) A state educational institution shall set tuition and fee rates for a two (2) year period. The rates shall be set according to the procedure set forth in subsection (e) and:

(1) on or before May 30 of the odd numbered year; or

(2) thirty (30) days after the state budget bill is enacted into law;

whichever is later.

(e) A state educational institution shall hold a public hearing before adopting any proposed tuition and fee rate increases. The state educational institution shall give public notice of the hearing at least ten (10) days before the hearing. The public notice shall include the specific proposal for tuition and fee rate increases and the expected uses of the revenue to be raised by the proposed increases. The hearing shall be held:

(1) on or before May 15 of each odd numbered year; or

(2) fifteen (15) days after the state budget bill is enacted into law;

whichever is later.

(f) After a state educational institution's tuition and fee rates are set under this section, the state educational institutions may adjust the tuition and fee rates only if appropriations to the state educational institution in the state budget act are reduced or withheld.

(g) If a state educational institution adjusts its tuition and fee rates under subsection (f), the total revenue generated by the tuition and fee rate adjustment must not exceed the amount by which appropriations to the state educational institution in the state budget act were reduced or withheld.

SECTION 154. IC 20-12-5.5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) In addition to projects authorized by the general assembly, the trustees of each higher education institution may engage in any of the following projects so long as there are funds available for the project and the project meets any of the applicable conditions:

(1) Each project to construct buildings or facilities of a cost greater than ~~two~~ **five** hundred thousand dollars ~~($200,000),~~ **($500,000),** or to purchase or lease-purchase land, buildings, or facilities the principal value of which exceeds ~~one~~ **two** hundred **fifty** thousand dollars ~~($100,000),~~ **($250,000),** must be reviewed by the commission for higher education and approved by the governor upon recommendation of the budget agency. If any part of the cost of the project as specified in section 3 of this chapter is paid by state appropriated funds or by mandatory student fees assessed all students and if the project is to construct buildings or facilities of a cost greater than five hundred thousand dollars ($500,000), or to purchase or lease-purchase land, buildings, or facilities the principal value of which exceeds three hundred thousand dollars ($300,000), the project must also be approved by the general assembly. Nothing herein limits the trustees in supplementing projects approved by the general assembly from gifts or other available funds so long as approval for the expansion of projects is given by the governor on review by the commission for higher education and recommendation of the budget agency.

(2) Each repair and rehabilitation project must be reviewed by the commission for higher education and approved by the governor, on recommendation of the budget agency, if the cost of the project exceeds ~~five~~ **seven** hundred **fifty** thousand dollars ~~($500,000)~~ **($750,000)** and if any part of the cost of the project is paid by state appropriated funds or by mandatory student fees assessed all students. If no part of the cost of the repair and rehabilitation project is paid by state appropriated funds or by mandatory student fees assessed all students, the review and approval requirements of this subdivision apply only if the project exceeds one million dollars ($1,000,000).

(3) Each project to lease, other than a project to lease-purchase, a building or facility must be reviewed by the commission for higher education and approved by the governor, on recommendation of the budget agency, if the annual cost of the project exceeds **one hundred** fifty thousand dollars ~~($50,000).~~ **($150,000).**

(b) The review and approval requirements of subsection (a)(1) do not apply to a project to construct buildings or facilities or to purchase or lease-purchase land, buildings, or facilities if the project involves the expansion or improvement of housing for students undertaken entirely by a fraternity or sorority at the state educational institution.

SECTION 155. IC 20-12-5.5-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6. The state budget agency may refer to the state budget committee **any** budgetary ~~and~~ **or** fiscal ~~matters~~ **matter** under this chapter for which it would like an advisory recommendation **if the cost or principal value of the matter exceeds the amount otherwise specified in this chapter for the matter.** If a matter is referred to the state budget committee, it shall hold hearings, may exercise any powers under IC 4-12-1-11, and shall make an advisory recommendation to the budget agency. The advisory recommendation may recommend that the matter as referred be approved, disapproved, referred to the general assembly, or resolved in another way.

SECTION 156. IC 20-12-30.5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. The Indiana Statewide Medical Education System shall include, but not be limited to, centers for comprehensive medical education established in cooperation with existing medical and educational institutions in Gary, Fort Wayne, Lafayette, Evansville, South Bend, Terre Haute, and Muncie, Indiana. These centers shall be known separately and respectively as **Indiana University School of Medicine-**Northwest **(on the campus of Indiana University-Northwest)**, ~~Center for Medical Education at Gary,~~ **Indiana University School of Medicine-** Fort Wayne **(on the campus of Indiana University-Purdue University Fort Wayne),** ~~Center for Medical Education,~~ **Indiana University School of Medicine-**Lafayette **(on the campus of Purdue University)**, ~~Center for Medical Education at Purdue University,~~ **Indiana University School of Medicine-**Evansville **(on the campus of the University of Southern Indiana)**, ~~Center for Medical Education,~~ **Indiana University School of Medicine-**South Bend **(on the campus of the University of Notre Dame)**, ~~Center for Medical Education,~~ **Indiana University School of Medicine-**Terre Haute **(on the campus of Indiana State University)**, ~~Center for Medical Education at Indiana State University,~~ **and Indiana University School of Medicine-**Muncie **(on the campus of Ball State University)**. ~~Center for Medical~~

~~Education at Ball State University.~~

SECTION 157. IC 21-1-5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)]: Sec. 3. (a) The Indiana state board of education is authorized to advance money to school corporations and school townships from the common school fund to be used for school building construction and educational technology programs as provided in this chapter.

(b) As used in this chapter, "school building construction program" means the purchase, lease, or financing of land, the construction and equipping of school buildings, and the remodeling, repairing, or improving of school buildings by a school corporation or school township:

(1) that sustained loss by fire, wind, cyclone, or other disaster of all or a major portion of a school building or school buildings;

(2) whose assessed valuation per pupil ~~ADA~~ **ADM** is within the lowest forty percent (40%) of the assessed valuation per pupil ~~ADA~~ **ADM** when compared to all school corporation or school township assessed valuation per pupil ~~ADA,~~ **ADM;** or

(3) with an advance under this chapter outstanding on July 1, 1993, that bears interest at least seven and one-half percent (7.5%).

However, as used in this chapter, the term does not include facilities used or to be used primarily for interscholastic or extracurricular activities.

(c) As used in this chapter, "educational technology program" means the purchase, lease, or financing of educational technology equipment, the operation of the educational technology equipment, and the training of teachers in the use of the educational technology equipment.

SECTION 158. IC 21-1-30-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)]: Sec. 2. For purposes of computation under this chapter, the following shall be used:

(1) Kindergarten pupils shall be counted as five-tenths (0.5). All other pupils shall be counted as one (1).

(2) The number of pupils shall be the number of pupils used in determining ADM, as defined by IC 21-3-1.6, for the current year.

(3) The staff cost amount for a school corporation is sixty-nine thousand eight hundred eleven dollars ($69,811).

(4) The guaranteed 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.**

~~(5) The at-risk index is the index determined under IC 21-3-1.6-1.1.~~

~~(6)~~ **(5)** 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 3(b) of this chapter:

(A) Except as permitted under section 5.5 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 5.5 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 Indiana state board of education.

~~(7)~~ **(6)** The complexity index is the index determined under IC 21-3-1.7-6.7.

SECTION 159. IC 21-1-30-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)]: Sec. 3. (a) The amount to be distributed to a school corporation under this chapter is the amount determined by the following formula:

~~STEP ONE: For a calendar year ending before January 1, 2004, determine the applicable target pupil teacher ratio for the school corporation as follows:~~

~~(A) If the school corporation's at-risk index is less than seventeen hundredths (0.17), the school corporation's target pupil teacher ratio is eighteen to one (18:1).~~

~~(B) If the school corporation's at-risk index is at least seventeen hundredths (0.17) but less than twenty-seven hundredths (0.27), the school corporation's target pupil teacher ratio is fifteen (15) plus the result determined in item (iii):~~

~~(i) Determine the result of twenty-seven hundredths (0.27) minus the school corporation's at-risk 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 at-risk index is at least twenty-seven hundredths (0.27), the school corporation's target pupil teacher ratio is fifteen to one (15:1).~~

STEP ~~TWO:~~ **ONE:** For a calendar year beginning after December 31, ~~2003,~~ **2004,** 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 ~~(0.1),~~ **(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 ~~(0.1)~~ **(1.1)** but less than **one and** two-tenths ~~(0.2),~~ **(1.2),** the school corporation's target pupil teacher ratio is fifteen (15) plus the result determined in item (iii):

(i) Determine the result of **one and** two-tenths ~~(0.2)~~ **(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 ~~(0.2),~~ **(1.2),** the school corporation's target pupil teacher ratio is fifteen to one (15:1).

STEP ~~THREE:~~ **TWO:** Determine the result of:

(A) the ADM of the school corporation, as determined under section 2(2) of this chapter, 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. ~~or STEP TWO.~~

STEP ~~FOUR.~~ **THREE:** Determine the result of:

(A) the total regular general fund revenue (the amount determined in ~~IC 21-3-1.7-8.2(b) STEP ONE or IC 21-3-1.7-8.2(c) STEP ONE)~~ **IC 21-3-1.7-8.2** multiplied by seventy-five hundredths (0.75); divided by

(B) the school corporation's total ADM.

STEP ~~FIVE.~~ **FOUR:** Determine the result of:

(A) the STEP ~~FOUR~~ **THREE** result; multiplied by

(B) the ADM of the school corporation, as determined under section 2(2) of this chapter in kindergarten through grade 3 for the current school year.

STEP ~~SIX.~~ **FIVE:** Determine the result of:

(A) the STEP ~~FIVE~~ **FOUR** result; divided by

(B) the staff cost amount.

STEP ~~SEVEN.~~ **SIX:** Determine the greater of zero (0) or the result of:

(A) the STEP ~~THREE~~ **TWO** amount; minus

(B) the STEP ~~SIX~~ **FIVE** amount.

STEP ~~EIGHT.~~ **SEVEN:** Determine the result of:

(A) the STEP ~~SEVEN~~ **SIX** amount; multiplied by

(B) the staff cost amount.

STEP ~~NINE.~~ **EIGHT:** Determine the greater of the STEP ~~EIGHT~~ **SEVEN** amount or the school corporation's guaranteed amount.

STEP ~~TEN.~~ **NINE:** If the amount the school corporation received under this chapter in the previous calendar year is greater than zero (0), determine the lesser of:

(A) the STEP ~~NINE~~ **EIGHT** amount; or

(B) 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) The amount received under this chapter shall be devoted to reducing class size in kindergarten through grade 3. A school corporation shall compile class size data for kindergarten through grade 3 and report the data to the department of education for purposes of maintaining compliance with this chapter.

SECTION 160. IC 21-1-30-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 10. This chapter expires January 1, ~~2006.~~ **2008.**

SECTION 161. IC 21-2-4-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. The governing body of each school corporation in Indiana shall establish a debt service fund for the payment of:

(1) all debt and other obligations arising out of funds borrowed or advanced for school buildings when purchased from the proceeds of a bond issue for capital construction;

(2) a lease to provide capital construction;

(3) interest on emergency and temporary loans;

(4) all debt and other obligations arising out of funds borrowed or advanced for the purchase or lease of school buses when purchased or leased from the proceeds of a bond issue, or from money obtained from a loan made under IC 20-9.1-6-5, for that purpose;

(5) all debt and other obligations arising out of funds borrowed to pay judgments against the school corporation; ~~or~~

(6) all debt and other obligations arising out of funds borrowed to purchase equipment; **or**

(7) all unreimbursed costs of textbooks for the school corporation's students who were eligible for free or reduced lunches in the previous school year.

The term "debt service" shall include but not be limited to lease rental obligations, school bonds and coupons and civil bond obligations assumed by school corporations reorganized pursuant to IC 20-4-1, and any interest cost on emergency and temporary loans but shall not include the repayment of the principal of the emergency and temporary loans obtained for benefit of any other fund. All receipts and disbursements authorized by law for school funds and tax levies for the lease rental fund, bond fund, sinking fund, civil bond obligation fund, and payment of interest on emergency and temporary loans shall be received in and disbursed from the debt service fund.

SECTION 162. IC 21-2-4-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. A tax levy shall be established by the governing body of each school corporation for the 1968 calendar year and all succeeding calendar years sufficient to pay all debt service obligations **and for textbooks covered by section 2(7) of this chapter.** If the advertised levy is insufficient to produce revenue to meet all debt service obligations for any calendar year, the department of local government finance is hereby authorized to establish a levy greater than advertised, if necessary, to meet such obligations.

SECTION 163. IC 21-2-5.6-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. This section applies to self-insurance funds permitted to be established under section 1(1) of this chapter and self-insurance funds required to be established under section 1(2) of this chapter. Subject to the approval of the commissioner of the department of insurance, the governing body of the school corporation is authorized to:

(1) transfer to the self-insurance fund an amount of money in:

(A) the general fund budget; and

(B) the general fund tax levy and rate;

(2) transfer monies from the general fund to the self-insurance fund; ~~or~~

(3) appropriate monies from the general fund for the self-insurance fund; **or**

(4) to the extent that money in the capital projects fund may be used for property or casualty insurance, transfer money from the capital projects fund to the self-insurance fund.

SECTION 164. IC 21-2-11-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. (a) Any lawful school expenses payable from any other fund of the school corporation, including without limitation debt service and capital outlay, but excluding costs attributable to transportation (as defined in IC 21-2-11.5-2), may be budgeted in and paid from the general fund. However, after June 30, ~~2003,~~ **2005,** and before July 1, ~~2005,~~ **2007,** a school corporation may budget for and pay costs attributable to transportation (as defined in IC 21-2-11.5-2) from the general fund.

(b) In addition, remuneration for athletic coaches (whether or not they are otherwise employed by the school corporation and whether or not they are licensed under IC 20-6.1-3) may be budgeted in and paid from the school corporation's general fund.

(c) **This subsection applies only to the extent that the school corporation's transportation fund has not been adjusted by the department of local government finance to reflect the termination of state distributions for the school corporation's transportation fund.** During the period beginning July 1, ~~2003,~~ **2005,** and ending June 30, ~~2005,~~ **2007,** the school corporation may transfer money in a fund maintained by the school corporation (other than the special education preschool fund (IC 21-2-17-1) or the school bus replacement fund (IC 21-2-11.5-2)) that is obtained from:

(1) a source other than a state distribution or local property taxation; or

(2) a state distribution or a property tax levy that is required to be deposited in the fund;

to any other fund. A transfer under subdivision (2) may not be the sole basis for reducing the property tax levy for the fund from which the money is transferred or the fund to which money is transferred. Money transferred under this subsection may be used only to pay costs, including debt service, attributable to reductions in funding for transportation distributions under IC 21-3-3.1, including reimbursements associated with transportation costs for special education and vocational programs under IC 21-3-3.1-4, and ADA flat grants under IC 21-3-4.5 **(repealed).** The property tax levy for a fund from which money was transferred may not be increased to replace the money transferred to another fund.

(d) The total amount transferred under subsection (c) may not exceed the following:

(1) For the period beginning July 1, ~~2003,~~ **2005,** and ending June 30, ~~2004,~~ **2006,** the ~~total amount of state funding received for transportation distributions under IC 21-3-3.1, including reimbursements associated with transportation costs for special education and vocational programs under IC 21-3-3.1-4, and ADA flat grants under IC 21-3-4.5 for the same period.~~ **last annual state transportation distribution.**

(2) For the period beginning July 1, ~~2004,~~ **2006,** and ending June 30, ~~2005,~~ **2007,** the product of:

(A) the amount determined under subdivision (1); multiplied by

(B) two (2).

SECTION 165. IC 21-2-11.6-4 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: **Sec. 4. (a) This section applies to a school corporation that:**

(1) has a referendum tax levy fund in 2006 as the result of the imposition of a referendum tax levy after 2001; and

(2) added an amount to the school corporation's base tax levy in 1986 as the result of the approval of an excessive tax levy by the majority of individuals voting in a referendum held in the area served by the school corporation under IC 6-1.1-19.

(b) The following definitions apply throughout this section:

(1) "Base tax levy" has the meaning set forth in IC 6-1.1-19-1.

(2) "Excessive tax levy" has the meaning set forth in IC 6-1.1-19-1.

(c) The power of the school corporation to levy the amount described in subsection (a)(2) is transferred from the school corporation's general fund to the school corporation's referendum tax levy fund. After 2005, the school corporation may levy an additional amount for the referendum tax levy fund that does not exceed the amount of the excess tax levy added to the school corporation's base tax levy in 1986. The power of the school corporation to impose the levy described in this subsection does not expire.

(d) The school corporation's referendum tax levy under subsection (c) may not be considered in the determination of the school corporation's state tuition support under IC 21-3-1.7 or the determination of the school corporation's maximum general fund tax levy under IC 6-1.1-19 and IC 21-3-1.7.

SECTION 166. IC 21-2-15-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 4. (a) As used in this subsection, "calendar year distribution" means the sum of:

(1) all distributions to a school corporation under:

(A) IC 6-1.1-19-1.5;

(B) IC 21-1-30;

(C) IC 21-3-1.7;

(D) IC 21-3-2.1; and

(E) IC 21-3-12;

for the calendar year; plus

(2) the school corporation's excise tax revenue (as defined in IC 21-3-1.7-2) for the immediately preceding calendar year.

(b) A school corporation may establish a capital projects fund.

(c) With respect to any facility used or to be used by the school corporation (other than a facility used or to be used primarily for interscholastic or extracurricular activities, except as provided in subsection (j)), the fund may be used to pay for the following:

(1) Planned construction, repair, replacement, or remodeling.

(2) Site acquisition.

(3) Site development.

(4) Repair, replacement, or site acquisition that is necessitated by an emergency.

(d) The fund may be used to pay for the purchase, lease, repair, or maintenance of equipment to be used by the school corporation (other than vehicles to be used for any purpose and equipment to be used primarily for interscholastic or extracurricular activities, except as provided in subsection (j)).

(e) The fund may be used for any of the following purposes:

(1) To purchase, lease, upgrade, maintain, or repair one (1) or more of the following:

(A) Computer hardware.

(B) Computer software.

(C) Wiring and computer networks.

(D) Communication access systems used to connect with computer networks or electronic gateways.

(2) To pay for the services of full-time or part-time computer maintenance employees.

(3) To conduct nonrecurring inservice technology training of school employees.

(4) To fund the payment of advances, together with interest on the advances, from the common school fund for educational technology programs under IC 21-1-5.

(5) To fund the acquisition of any equipment or services necessary:

(A) to implement the technology preparation curriculum under IC 20-10.1-5.6;

(B) to participate in a program to provide educational technologies, including computers, in the homes of students (commonly referred to as "the buddy system project") under IC 20-10.1-25, the 4R's technology program under IC 20-10.1-25, or any other program under the educational technology program described in IC 20-10.1-25; or

(C) to obtain any combination of equipment or services described in clauses (A) and (B).

(f) The fund may be used to purchase:

(1) building sites;

(2) buildings in need of renovation;

(3) building materials; and

(4) equipment;

for the use of vocational building trades classes to construct new buildings and to remodel existing buildings.

(g) The fund may be used for leasing or renting of existing real estate, excluding payments authorized under IC 21-5-11 and IC 21-5-12.

(h) The fund may be used to pay for services of the school corporation employees that are bricklayers, stone masons, cement masons, tile setters, glaziers, insulation workers, asbestos removers, painters, paperhangers, drywall applicators and tapers, plasterers, pipe fitters, roofers, structural and steel workers, metal building assemblers, heating and air conditioning installers, welders, carpenters, electricians, or plumbers, as these occupations are defined in the United States Department of Labor, Employment and Training Administration, Dictionary of Occupational Titles, Fourth Edition, Revised 1991, if:

(1) the employees perform construction of, renovation of, remodeling of, repair of, or maintenance on the facilities and equipment specified in subsections (b) and (c);

(2) the school corporation's total annual salary and benefits paid by the school corporation to employees described in this subsection are at least six hundred thousand dollars ($600,000); and

(3) the payment of the employees described in this subsection is included as part of the proposed capital projects fund plan described in section 5(a) of this chapter.

However, the number of employees that are covered by this subsection is limited to the number of employee positions described in this subsection that existed on January 1, 1993. For purposes of this subsection, maintenance does not include janitorial or comparable routine services normally provided in the daily operation of the facilities or equipment.

(i) The fund may be used to pay for energy saving contracts entered into by a school corporation under IC 36-1-12.5.

(j) Money from the fund may be used to pay for the construction, repair, replacement, remodeling, or maintenance of a school sports facility. However, a school corporation's expenditures in a calendar year under this subsection may not exceed five percent (5%) of the property tax revenues levied for the fund in the calendar year.

(k) Money from the fund may be used to carry out a plan developed under IC 20-10.1-33.

(l) This subsection applies during the period beginning January 1, ~~2004,~~ **2006,** and ending December 31, ~~2005.~~ **2007.** Money from the fund may be used to pay for up to one hundred percent (100%) of the following costs of a school corporation:

(1) Utility services.

(2) Property or casualty insurance.

(3) Both utility services and property or casualty insurance.

~~In the 2004 calendar year, a school corporation's expenditures under this subsection may not exceed one percent (1%) of the school corporation's 2003 calendar year distribution. In the 2005 calendar year,~~ A school corporation's expenditures under this subsection may not exceed two percent (2%) of the school corporation's ~~2003~~ **previous** calendar year distribution.

~~(m) Notwithstanding subsection (l), a school corporation's expenditures under subsection (l) in the 2004 calendar year may exceed one percent (1%) of the school corporation's 2003 calendar year distribution if the school corporation's 2004 calendar year distribution is less than the school corporation's 2003 calendar year distribution. The amount by which a school corporation's expenditures under subsection (l) in the 2004 calendar year may exceed one percent (1%) of the school corporation's 2003 calendar year distribution is the least of the following:~~

~~(1) One percent (1%) of the school corporation's 2003 calendar year distribution.~~

~~(2) The greater of zero (0) or the difference between:~~

~~(A) the sum of:~~

~~(i) the school corporation's calendar year distribution;~~

~~(ii) the amount determined for the school corporation under subsection (l); plus~~

~~(iii) the amount determined for the school corporation under this subsection, if any;~~

~~for the immediately preceding calendar year; minus~~

~~(B) the school corporation's calendar year distribution for the calendar year.~~

~~(3) The difference between:~~

~~(A) one hundred percent (100%) of the school corporation's costs for utility services and property or casualty insurance; minus~~

~~(B) the amount determined for the school corporation under subsection (l) for the calendar year.~~

~~(n) Notwithstanding subsection (l), a school corporation's expenditures under subsection (l) in the 2005 calendar year may exceed two percent (2%) of the school corporation's 2003 calendar year distribution if the school corporation's 2005 calendar year distribution is less than the school corporation's 2003 calendar year distribution. The amount by which a school corporation's expenditures under subsection (l) in the 2005 calendar year may exceed two percent (2%) of the school corporation's 2003 calendar year distribution is the least of the following:~~

~~(1) Two percent (2%) of the school corporation's 2003 calendar year distribution.~~

~~(2) The greater of zero (0) or the difference between:~~

~~(A) the sum of:~~

~~(i) the school corporation's calendar year distribution;~~

~~(ii) the amount determined for the school corporation under subsection (1); plus~~

~~(iii) the amount determined for the school corporation under this subsection, if any;~~

~~for the immediately preceding calendar year; minus~~

~~(B) the school corporation's calendar year distribution for the calendar year.~~

~~(3) The difference between:~~

~~(A) one hundred percent (100%) of the school corporation's costs for utility services and property or casualty insurance; minus~~

~~(B) the amount determined for the school corporation under subsection (1) for the calendar year.~~

SECTION 167. IC 21-3-1.6-1.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)]: Sec. 1.1. As used in this chapter:

(a) "School corporation" means any local public school corporation established under Indiana law. Except as otherwise indicated, the term includes a charter school.

(b) "School year" means a year beginning July 1 and ending the next succeeding June 30.

(c) "State distribution" due a school corporation means the amount of state funds to be distributed to a school corporation in any calendar year under this chapter.

(d) "Average daily membership" or "ADM" of a school corporation means the number of eligible pupils enrolled in the school corporation or in a transferee corporation on a day to be fixed annually by the Indiana state board of education and ~~beginning in the school year that ends in the 2005 calendar year,~~ as subsequently adjusted not later than January 30 under the rules adopted by the state board of education. The initial day of the count shall fall within the first thirty (30) days of the school term. If, however, extreme patterns of student in-migration, illness, natural disaster, or other unusual conditions in a particular school corporation's enrollment on either the day fixed by the Indiana state board of education or on the subsequent adjustment date, cause the enrollment to be unrepresentative of the school corporation's enrollment throughout a school year, the Indiana state board of education may designate another day for determining the school corporation's enrollment. The Indiana state board of education shall monitor changes that occur after the fall count, in the number of students enrolled in programs for children with disabilities and shall, before December 2 of that same year and, beginning in the 2004 calendar year, before April 2 of the following calendar year, make an adjusted count of students enrolled in programs for children with disabilities. The superintendent of public instruction shall certify the December adjusted count to the budget committee before February 5 of the following year and the April adjusted count not later than May 31 immediately after the date of the April adjusted count. In determining the ADM, each kindergarten pupil shall be counted as one-half (1/2) pupil. Where a school corporation commences kindergarten in a school year, the ADM of the current and prior calendar years shall be adjusted to reflect the enrollment of the kindergarten pupils. In determining the ADM, each pupil enrolled in a public school and a nonpublic school is to be counted on a full-time equivalency basis as provided in section 1.2 of this chapter.

(e) "Additional count" of a school corporation, or comparable language, means the aggregate of the additional counts of the school corporation for certain pupils as set out in section 3 of this chapter (repealed) and as determined at the times for calculating ADM. "Current additional count" means the initial computed additional count of the school corporation for the school year ending in the calendar year. "Prior year additional count" of a school corporation used in computing its state distribution in a calendar year means the initial computed additional count of the school corporation for the school year ending in the preceding calendar year.

(f) For purposes of this subsection, "school corporation" does not include a charter school. "Adjusted assessed valuation" of any school corporation used in computing state distribution for a calendar year means the assessed valuation in the school corporation, adjusted as provided in IC 6-1.1-34. The amount of the valuation shall also be adjusted downward by the department of local government finance to the extent it consists of real or personal property owned by a railroad or other corporation under the jurisdiction of a federal court under the federal bankruptcy laws (11 U.S.C. 101 et seq.) if as a result of the corporation being involved in a bankruptcy proceeding the corporation is delinquent in payment of its Indiana real and personal property taxes for the year to which the valuation applies. If the railroad or other corporation in some subsequent calendar year makes payment of the delinquent taxes, then the state superintendent of public instruction shall prescribe adjustments in the distributions of state funds pursuant to this chapter as are thereafter to become due to a school corporation affected by the delinquency as will ensure that the school corporation will not have been unjustly enriched under the provisions of P.L.382-1987(ss). The amount of the valuation shall also be adjusted downward by the department of local government finance to the extent it consists of real or personal property described in IC 6-1.1-17-0.5(b).

(g) "General fund" means a fund established under IC 21-2-11-2.

(h)"Teacher" means every person who is required as a condition of employment by a school corporation to hold a teacher's license issued or recognized by the state, except substitutes and any person paid entirely from federal funds.

(i) For purposes of this subsection, "school corporation" does not include a charter school. "Teacher ratio" of a school corporation used in computing state distribution in any calendar year means the ratio assigned to the school corporation pursuant to section 2 of this chapter.

(j) "Eligible pupil" means a pupil enrolled in a school corporation if:

(1) the school corporation has the responsibility to educate the pupil in its public schools without the payment of tuition;

(2) subject to subdivision (5), the school corporation has the responsibility to pay transfer tuition under IC 20-8.1-6.1, because the pupil is transferred for education to another school corporation (the "transferee corporation");

(3) the pupil is enrolled in a school corporation as a transfer

student under IC 20-8.1-6.1-3 or entitled to be counted for ADM or additional count purposes as a resident of the school corporation when attending its schools under any other applicable law or regulation;

(4) the state is responsible for the payment of transfer tuition to the school corporation for the pupil under IC 20-8.1-6.1; or

(5) all of the following apply:

(A) The school corporation is a transferee corporation.

(B) The pupil does not qualify as a qualified pupil in the transferee corporation under subdivision (3) or (4).

(C) The transferee corporation's attendance area includes a state licensed private or public health care facility, child care facility, or foster family home where the pupil was placed:

(i) by or with the consent of the division of family and children;

(ii) by a court order;

(iii) by a child placing agency licensed by the division of family and children; or

(iv) by a parent or guardian under IC 20-8.1-6.1-5.

For purposes of IC 21-3-12, the term includes a student enrolled in a charter school.

(k) "General fund budget" of a school corporation means the amount of the budget approved for a given year by the department of local government finance and used by the department of local government finance in certifying a school corporation's general fund tax levy and tax rate for the school corporation's general fund as provided for in IC 21-2-11. The term does not apply to a charter school.

~~(l) "At risk index" means the following:~~

~~(1) For a school corporation that is a not a charter school, the sum of:~~

~~(A) the product of sixteen-hundredths (0.16) multiplied by the percentage of families in the school corporation with children who are less than eighteen (18) years of age and who have a family income below the federal income poverty level (as defined in IC 12-15-2-1);~~

~~(B) the product of four-tenths (0.4) multiplied by the percentage of families in the school corporation with a single parent; and~~

~~(C) the product of forty-four hundredths (0.44) multiplied by the percentage of the population in the school corporation who are at least twenty (20) years of age with less than a twelfth grade education.~~

~~The data to be used in making the calculations under this subdivision must be the data from the 2000 federal decennial census.~~

~~(2) For a charter school, the index determined under subdivision (1) for the school corporation in which the charter school is located.~~

~~(m)~~ **(l)** "ADM of the previous year" or "ADM of the prior year" used in computing a state distribution in a calendar year means the initial computed ADM for the school year ending in the preceding calendar year.

~~(n)~~ **(m)** "Current ADM" used in computing a state distribution in a calendar year means the initial computed ADM for the school year ending in the calendar year.

SECTION 168. IC 21-3-1.7-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)]: Sec. 2. **(a)** As used in this chapter, "excise tax revenue" means the ~~amount~~ **sum** of:

(1) financial institution excise tax revenue (IC 6-5.5); ~~plus~~

(2) ~~the~~ motor vehicle excise taxes (IC 6-6-5); ~~and the~~

(3) commercial vehicle excise taxes (IC 6-6-5.5);

(4) boat excise tax (IC 6-6-11); and

(5) aircraft excise tax (IC 6-6-6.5);

the school corporation received for deposit in the school corporation's general fund in a year **or would have received for deposit in the school corporation's general fund in a year if the settlement of property taxes first due and payable in the year had been made on the schedule required under IC 6-1.1-27-1.** The excise tax revenue for a charter school is zero (0).

(b) Not later than January 15 each year, the department of local government finance shall certify to the department of education the amount of each school corporation's excise tax revenue for the immediately preceding year. In 2006, the department of local government finance shall certify to the department of education the amount of each school corporation's excise tax revenue for both 2004 and 2005. The department of education may rely on the excise tax revenue amounts certified by the department of local government finance under this subsection in making calculations under this chapter.

SECTION 169. IC 21-3-1.7-3.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 3.1. (a) As used in this chapter, "previous year revenue" for calculations with respect to a school corporation equals:

(1) the school corporation's tuition support for regular programs, including basic tuition support, and excluding:

(A) special education grants;

(B) vocational education grants;

~~(C) at-risk programs;~~

~~(D) the enrollment adjustment grant;~~

~~(E)~~ **(C)** the academic honors diploma award; **and**

~~(F)~~ **(D)** ~~the~~ primetime distribution; ~~and~~

~~(G) for 2005 and thereafter, the supplemental remediation grant;~~

for the year that precedes the current year; plus

(2) the school corporation's tuition support levy for the year that precedes the current year before the reductions required under section 5(1) and 5(2) of this chapter; plus

~~(3) distributions received by the school corporation under IC 6-1.1-21.6 for the year that precedes the current year; plus~~

~~(4)~~ **(3)** the school corporation's excise tax revenue for the year that precedes the current year by two (2) years; minus

~~(5)~~ **(4)** an amount equal to the reduction in the school corporation's tuition support under **any combination of** subsection (b), **subsection (c),** or IC 20-10.1-2-1; ~~or both; plus~~

~~(6) in calendar year 2003, the amount determined for calendar year 2002 under section 8.2 of this chapter, STEP TWO (C); plus~~

~~(7) in calendar year 2004, the amount determined for calendar year 2002 under section 8.2 of this chapter, STEP TWO (D); plus~~

~~(8) notwithstanding subdivision (1), in calendar year 2004, the school corporation's distribution under section 9.7 of this chapter for calendar year 2003.~~ **minus**

(5) in 2006, the amount of the school corporation's general fund levy attributable to the levy transferred from the school corporation's general fund to the school corporation's referendum tax levy fund under IC 21-2-11.6-4.

(b) A school corporation's previous year revenue shall be reduced if:

(1) the school corporation's state tuition support for special or vocational education was reduced as a result of a complaint being filed with the department of education after December 31, 1988, because the school program overstated the number of children enrolled in special or vocational education programs; and

(2) the school corporation's previous year revenue has not been reduced under this subsection more than one (1) time because of a given overstatement.

The amount of the reduction equals the amount the school corporation would have received in tuition support for special and vocational education because of the overstatement.

(c) A school corporation's previous year revenue shall be reduced if an existing elementary or secondary school located in the school corporation converts to a charter school under IC 20-5.5-11. The amount of the reduction equals the product of:

(1) the sum of the amounts distributed to the conversion charter school under IC 20-5.5-7-3.5(c) and IC 20-5.5-7-3.5(d); multiplied by

(2) two (2).

SECTION 170. IC 21-3-1.7-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 5. (a) As used in this section, "school corporation" does not include a charter school.

(b) As used in this chapter, "tuition support levy" means with respect to a school corporation for a year the **result determined using the following formula:**

STEP ONE: Determine the maximum general fund ad valorem property tax levy for the school corporation determined under IC 6-1.1-19-1.5. ~~reduced by the following:~~

STEP TWO: Determine the sum of the following:

~~(1)~~ **(A)** An amount equal to 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.

~~(2)~~ **(B)** The ~~portion~~ **part** of the maximum general fund levy for the year that equals the original amount of the levy imposed by the school corporation to cover the costs of opening a new school facility during the preceding year.

(C) The part of the maximum general fund levy for the year that is added to the maximum general fund levy in the year under IC 6-1.1-19-1.5 to provide revenue for one (1) or more charter schools attended by students with legal settlement in the school corporation.

STEP THREE: Determine the difference of:

(A) the STEP ONE amount; minus

(B) the STEP TWO amount.

SECTION 171. IC 21-3-1.7-6.6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 6.6. (a) **This subsection does not apply to a charter school. When calculating adjusted ADM for 2006 distributions, this subsection shall be used to calculate the adjusted ADM for the previous year rather than the calculation used to calculate adjusted ADM for 2005 distributions.** For purposes of this chapter, a school corporation's "adjusted ADM" for the current year is the result determined under the following formula:

STEP ONE: Determine the ~~greatest~~ **sum** of the following:

(A) The school corporation's ADM for the year preceding the current year by four (4) years multiplied by two-tenths (0.2).

~~(A)~~ **(B)** The school corporation's ADM for the year preceding the current year by three (3) years **multiplied by two-tenths (0.2).**

~~(B)~~ **(C)** The school corporation's ADM for the year preceding the current year by two (2) years **multiplied by two-tenths (0.2).**

~~(C)~~ **(D)** The school corporation's ADM for the year preceding the current year by one (1) year **multiplied by two-tenths (0.2).**

~~(D)~~ **(E)** The school corporation's ADM for the current year **multiplied by two-tenths (0.2).**

Round the result to the nearest five-tenths (0.5).

~~STEP TWO: Determine the greater of zero (0) or the result of:~~

~~(A) the school corporation's ADM for the year preceding the current year by four (4) years; minus~~

~~(B) the STEP ONE amount.~~

~~STEP THREE: Determine the greatest of the following:~~

~~(A) The school corporation's ADM for the year preceding the current year by two (2) years.~~

~~(B) the school corporation's ADM for the year preceding the current year; by one (1) year.~~

~~(C) the school corporation's ADM for the current year.~~

~~STEP FOUR: Determine the greater of zero (0) or the result of:~~

~~(A) the school corporation's ADM for the year preceding the current year by three (3) years; minus~~

~~(B) the STEP THREE amount.~~

~~STEP FIVE: Determine the greater of the following:~~

~~(A) The school corporation's ADM for the year preceding the current year by one (1) year.~~

~~(B) The school corporation's ADM for the current year.~~

~~STEP SIX: Determine the greater of zero (0) or the result of:~~

~~(A) the school corporation's ADM for the year preceding the current year by two (2) years; minus~~

~~(B) the STEP FIVE amount.~~

~~STEP SEVEN: Determine the greater of zero (0) or the result of:~~

~~(A) the school corporation's ADM for the year preceding~~

~~the current year by one (1) year; minus~~

~~(B) the school corporation's ADM for the current year.~~

~~STEP EIGHT: Determine the sum of the following:~~

~~(A) The STEP TWO result multiplied by two-tenths (0.2).~~

~~(B) The STEP FOUR result multiplied by four-tenths (0.4).~~

~~(C) The STEP SIX result multiplied by six-tenths (0.6).~~

~~(D) The STEP SEVEN result multiplied by eight-tenths (0.8).~~

~~STEP NINE: Determine the result of:~~

~~(A) the school corporation's ADM for the current year; plus~~

~~(B) the STEP EIGHT result.~~

~~STEP TEN: This STEP applies to a school corporation for which the amount determined under STEP EIGHT is zero (0). Determine the sum of:~~

~~(A) the school corporation's ADM for the 2003 school year; plus~~

~~(B) the subsection (b) or (c) result, whichever is applicable.~~

~~Round the result to the nearest five-tenths (0.5).~~

~~(b) This subsection applies during the 2004 calendar year to a school corporation described in subsection (a) STEP TEN. Determine the result under the following formula:~~

~~STEP ONE: Determine the difference between:~~

~~(A) the school corporation's ADM for the 2004 school year; minus~~

~~(B) the school corporation's ADM for the 2003 school year.~~

~~STEP TWO: Determine the greater of zero (0) or the STEP ONE amount.~~

~~STEP THREE: Determine the product of:~~

~~(A) the STEP TWO amount; multiplied by~~

~~(B) two-thousandths (0.002).~~

~~STEP FOUR: Determine the lesser of the following:~~

~~(A) The STEP THREE amount.~~

~~(B) Seventy-five hundredths (0.75).~~

~~STEP FIVE: Determine the product of:~~

~~(A) the STEP ONE amount; multiplied by~~

~~(B) the STEP FOUR amount.~~

~~(c) This subsection applies during the 2005 calendar year to a school corporation described in subsection (a) STEP TEN. Determine the result under the following formula:~~

~~STEP ONE: Determine the difference between:~~

~~(A) the school corporation's ADM for the 2005 school year; minus~~

~~(B) the school corporation's ADM for the 2004 school year.~~

~~STEP TWO: Determine the greater of zero (0) or the STEP ONE amount.~~

~~STEP THREE: Determine the product of:~~

~~(A) the STEP TWO amount; multiplied by~~

~~(B) two-thousandths (0.002).~~

~~STEP FOUR: Determine the lesser of the following:~~

~~(A) The STEP THREE amount.~~

~~(B) Seventy-five hundredths (0.75).~~

~~STEP FIVE: Determine the product of:~~

~~(A) the STEP ONE amount; multiplied by~~

~~(B) the STEP FOUR amount.~~

~~STEP SIX: Determine the subsection (b) amount.~~

~~STEP SEVEN: Determine the sum of:~~

~~(A) the STEP FIVE result; plus~~

~~(B) the STEP SIX result.~~

STEP TWO: Determine the sum of:

(A) the school corporation's ADM for the year preceding the current year; plus

(B) the product of:

(i) the school corporation's ADM for the current year minus the clause (A) amount; multiplied by

(ii) seventy-five hundredths (0.75).

Round the result to the nearest five-tenths (0.5).

STEP THREE: Determine the greater of the following:

(A) The STEP ONE result.

(B) The STEP TWO result.

~~(d) For a charter school whose current ADM is at least fifteen percent (15%) greater than the charter school's ADM of the previous year, the~~

(b) A charter school's adjusted ADM for purposes of this ~~section~~ **chapter** is the charter school's current ADM.

SECTION 172. IC 21-3-1.7-6.7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 6.7. ~~(a) This subsection applies during the 2003 calendar year. For each school corporation that is not a charter school, the index used in subsection (d) is determined under the following STEPS:~~

~~STEP ONE: Determine the greater of zero (0) or the result of the following:~~

~~(1) Multiply the school corporation's at risk index by twenty-five hundredths (0.25).~~

~~(2) Divide the result under subdivision (1) by three thousand seven hundred thirty-six ten-thousandths (0.3736).~~

~~(3) Subtract three hundred ninety-five ten-thousandths (0.0395) from the result under subdivision (2).~~

~~STEP TWO: Determine the greater of zero (0) or the result of the following:~~

~~(1) Multiply the percentage of the school corporation's students who were eligible for free lunches in the school year ending in 2001 by twenty-five hundredths (0.25).~~

~~(2) Divide the result under subdivision (1) by seven hundred twenty-three thousandths (0.723).~~

~~STEP THREE: Determine the greater of zero (0) or the result of the following:~~

~~(1) Multiply the percentage of the school corporation's students who were classified as limited English proficient in the school year ending in 2000 by twenty-five hundredths (0.25).~~

~~(2) Divide the result under subdivision (1) by one thousand seven hundred fifteen ten-thousandths (0.1715).~~

~~STEP FOUR: Determine the result of:~~

~~(1) the sum of the results in STEPS ONE through THREE; divided by~~

~~(2) three (3).~~

~~STEP FIVE: Determine the result of one (1) plus the STEP FOUR result.~~

~~(b) This subsection applies to calendar years beginning after December 31, 2003.~~

(a) For each school corporation, that is not a charter school, the index used in subsection ~~(c)~~ **(c)** is determined under the following STEPS:

STEP ONE: Determine the greater of zero (0) or the result of the following:

(1) Determine the percentage of the population in the school corporation who are at least ~~twenty (20)~~ **twenty-five (25)** years of age with less than a twelfth grade education.

(2) Determine the quotient of:

(A) ~~eight hundred seventy dollars ($870) in 2004 and nine hundred seventy~~ **one thousand nineteen** dollars ~~($970); in 2005;~~ **($1,019);** divided by

(B) ~~four thousand three hundred fifty dollars ($4,350) in 2004 and~~ four thousand ~~three~~ **four** hundred ~~sixty-eight~~ **seventy-five** dollars ~~($4,368) in 2005.~~ **($4,475) in 2006 and four thousand five hundred twenty dollars ($4,520) in 2007.**

(3) Determine the product of:

(A) the subdivision (1) amount; multiplied by

(B) the subdivision (2) amount.

STEP TWO: 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 lunches in the school year ending in ~~2003.~~ **2005.**

(2) Determine the quotient of:

(A) ~~one thousand one hundred dollars ($1,100) in 2004 and~~ one thousand two hundred **sixty** dollars ~~($1,200); in 2005;~~ **($1,260);** divided by

(B) ~~four thousand three hundred fifty dollars ($4,350) in 2004 and~~ four thousand ~~three~~ **four** hundred ~~sixty-eight~~ **seventy-five** dollars ~~($4,368) in 2005.~~ **($4,475) in 2006 and four thousand five hundred twenty dollars ($4,520) in 2007.**

(3) Determine the product of:

(A) the subdivision (1) amount; multiplied by

(B) the subdivision (2) amount.

STEP THREE: Determine the greater of zero (0) or the result of the following:

(1) Determine the percentage of the school corporation's students who were classified as limited English proficient in the school year ending in ~~2003.~~ **2005.**

(2) Determine the quotient of:

(A) ~~three hundred ten dollars ($310) in 2004 and~~ four hundred ~~thirty~~ **fifty-two** dollars ~~($430); in 2005;~~ **($452);** divided by

(B) ~~four thousand three hundred fifty dollars ($4,350) in 2004 and~~ four thousand ~~three~~ **four** hundred ~~sixty-eight~~ **seventy-five** dollars ~~($4,368) in 2005.~~ **($4,475) in 2006 and four thousand five hundred twenty dollars ($4,520) in 2007.**

(3) Determine the product of:

(A) the subdivision (1) amount; multiplied by

(B) the subdivision (2) amount.

STEP FOUR: Determine the greater of zero (0) or the result of the following:

(1) Determine the percentage of families in the school corporation with a single parent.

(2) Determine the quotient of:

(A) ~~four hundred forty dollars ($440) in 2004 and~~ five hundred ~~thirty~~ **fifty-seven** dollars ~~($530); in 2005;~~ **($557);** divided by

(B) ~~four thousand three hundred fifty dollars ($4,350) in 2004 and~~ four thousand ~~three~~ **four** hundred ~~sixty-eight~~ **seventy-five** dollars ~~($4,368) in 2005.~~ **($4,475) in 2006 and four thousand five hundred twenty dollars ($4,520) in 2007.**

(3) Determine the product of:

(A) the subdivision (1) amount; multiplied by

(B) the subdivision (2) amount.

STEP FIVE: Determine the greater of zero (0) or the result of the following:

(1) Determine the percentage of families in the school corporation with children who are less than eighteen (18) years of age and who have a family income level below the federal income poverty level (as defined in IC 12-15-2-1).

(2) Determine the quotient of:

(A) ~~two hundred twenty dollars ($220) in 2004 and~~ three hundred ~~thirty~~ **forty-seven** dollars ~~($330); in 2005;~~ **($347);** divided by

(B) ~~four thousand three hundred fifty dollars ($4,350) in 2004 and~~ four thousand ~~three~~ **four** hundred ~~sixty-eight~~ **seventy-five** dollars ~~($4,368) in 2005.~~ **($4,475) in 2006 and four thousand five hundred twenty dollars ($4,520) in 2007.**

(3) Determine the product of:

(A) the subdivision (1) amount; multiplied by

(B) the subdivision (2) amount.

STEP SIX: Determine the sum of the results in STEPS ONE through FIVE.

STEP SEVEN: Determine the result of one (1) plus the STEP SIX result.

STEP EIGHT: This STEP applies if the STEP SEVEN result is equal to or greater than one and twenty-five hundredths (1.25). Determine the result of the following:

~~(1) Determine the STEP TWO (1) amount for the school corporation.~~

~~(2) Determine the quotient of:~~

~~(A) one hundred fifty dollars ($150); divided by~~

~~(B) four thousand three hundred fifty dollars ($4,350) in 2004 and four thousand three hundred sixty-eight dollars ($4,368). in 2005.~~

~~(3) Determine the product of:~~

~~(A) the subdivision (1) amount; multiplied by~~

~~(B) the subdivision (2) amount.~~

~~(4) Determine the STEP FIVE (1) amount for the school corporation.~~

~~(5) Determine the product of:~~

~~(A) the subdivision (4) amount; multiplied by~~

~~(B) the subdivision (2) amount.~~

~~(6) Determine the result of:~~

~~(A) the subdivision (3) result; plus~~

~~(B) the subdivision (5) result.~~

(1) Subtract one and twenty-five hundredths (1.25) from the STEP SEVEN result.

(2) Multiply the subdivision (1) result by five-tenths (0.5).

~~(7)~~ **(3)** Determine the result of:

(A) the STEP SEVEN result; plus

(B) the subdivision ~~(6)~~ **(2)** result.

The data to be used in making the calculations under STEP ONE, STEP FOUR, and STEP FIVE of this subsection must be the data from the 2000 federal decennial census.

~~(c)~~ **(b)** For each charter school, the index used in ~~section (d) or (e)~~ **subsection (c)** is the index determined under subsection (a) ~~or (b)~~ for the school corporation in which the charter school is located. **However, the index used in subsection (c) for Campagna Academy Charter School is the index determined under subsection (a) for Gary Community School Corporation.**

~~(d) This subsection applies to calendar years ending before January 1, 2004. A school corporation's target revenue per ADM for a calendar year is the result determined under STEP SIX of the following formula:~~

~~STEP ONE: Determine the result under clause (B) of the following formula:~~

~~(A) Determine the result of:~~

~~(i) four thousand five hundred sixty dollars ($4,560); multiplied by~~

~~(ii) the index determined for the school corporation under subsection (a) or (c), as applicable.~~

~~(B) Multiply the clause (A) result by the school corporation's adjusted ADM for the current year.~~

~~STEP TWO: Divide the school corporation's previous year revenue by the school corporation's adjusted ADM for the previous year.~~

~~STEP THREE: Multiply the index determined under subsection (a) or (c), as applicable, by the following:~~

~~(A) If the STEP TWO result is not more than four thousand five hundred sixty dollars ($4,560), multiply by ninety dollars ($90).~~

~~(B) If the STEP TWO result is more than four thousand five hundred sixty dollars ($4,560) and not more than five thousand eight hundred twenty-five dollars ($5,825), multiply by the result under clause (C).~~

~~(C) Determine the result of the following:~~

~~(i) The STEP TWO result minus four thousand five hundred sixty dollars ($4,560).~~

~~(ii) Divide the item (i) result by one thousand two hundred sixty-five dollars ($1,265).~~

~~(iii) Multiply the item (ii) result by forty dollars ($40).~~

~~(iv) Subtract the item (iii) result from ninety dollars ($90).~~

~~(D) If the STEP TWO result is more than five thousand eight hundred twenty-five dollars ($5,825), multiply by fifty dollars ($50).~~

~~STEP FOUR: Add the STEP TWO result and the STEP THREE result.~~

~~STEP FIVE: Determine the greatest of the following:~~

~~(A) Multiply the STEP FOUR result by the school corporation's adjusted ADM for the current year.~~

~~(B) Multiply the school corporation's previous year revenue by one and two-hundredths (1.02).~~

~~(C) The STEP ONE amount.~~

~~STEP SIX: Divide the STEP FIVE amount by the school corporation's adjusted ADM for the current year.~~

~~(e) This subsection applies to calendar years beginning after December 31, 2003.~~

(c) A school corporation's target revenue per ADM for a calendar year is the result determined under ~~STEP NINE of~~ the following formula:

STEP ONE: ~~Determine the result under clause (B) of the following formula: (A) Determine the result of: (i) four thousand three hundred fifty dollars ($4,350) in 2004 and~~ **Determine the product of:**

(A) four thousand ~~three~~ **four** hundred ~~sixty-eight~~ **seventy-five** dollars ~~($4,368) in 2005.~~ **($4,475) in 2006 and four thousand five hundred twenty dollars ($4,520) in 2007**; multiplied by

~~(ii)~~ **(B)** the index determined for the school corporation under subsection ~~(b)~~ **(a)** or ~~(c),~~ **(b),** as applicable.

~~(B) Multiply the clause (A) result by the school corporation's adjusted ADM for the current year.~~

~~STEP TWO: Determine the result under the following formula:~~

~~(A) Determine the quotient of:~~

~~(i) the school corporation's previous year revenue; divided by~~

~~(ii) the school corporation's ADM for the previous year.~~

~~(B) Determine the product of:~~

~~(i) the clause (A) amount; multiplied by~~

~~(ii) one and two-hundredths (1.02).~~

~~(C) Determine the product of:~~

~~(i) the clause (B) amount; multiplied by~~

~~(ii) the school corporation's current ADM.~~

~~STEP THREE: Determine the result under the following formula:~~

~~(A) Determine the product of:~~

~~(i) the STEP TWO clause (A) amount; multiplied by~~

~~(ii) ninety-eight hundredths (0.98).~~

~~(B) Determine the product of:~~

~~(i) the clause (A) amount; multiplied by~~

~~(ii) the school corporation's current ADM.~~

~~STEP FOUR: Determine the lesser of:~~

~~(A) the STEP ONE amount; or~~

~~(B) the STEP TWO amount.~~

~~STEP FIVE: Determine the greater of:~~

~~(A) the STEP THREE amount; or~~

~~(B) the STEP FOUR amount.~~

STEP ~~SIX:~~ **TWO:** Divide the school corporation's previous

year revenue by the school corporation's adjusted ADM for the previous year.

~~STEP SEVEN: Determine the product of:~~

~~(A) the STEP SIX result; multiplied by~~

~~(B) the school corporation's current adjusted ADM.~~

~~STEP EIGHT: Determine the greatest of the following:~~

~~(A) The product of~~

~~(i) the school corporation's previous year revenue multiplied by~~

~~(ii) one and one-hundredth (1.01).~~

~~(B) The STEP FIVE amount.~~

~~(C) The STEP SEVEN amount.~~

STEP THREE: Determine the difference of:

(A) the STEP ONE amount; minus

(B) the STEP TWO amount.

STEP FOUR: Divide the STEP THREE result by:

(A) six (6) in 2006; and

(B) five (5) in 2007.

STEP FIVE: A school corporation's STEP FIVE amount is the following:

(A) For a charter school that has previous year revenue that is not greater than zero (0), the charter school's STEP FIVE amount is the quotient of:

(i) the STEP SEVEN amount for the school corporation where the charter school is located; divided by

(ii) the school corporation's current ADM.

(B) The STEP FIVE amount for a school corporation that is not a charter school described in clause (A) is the following:

(i) The school corporation's STEP ONE amount, if the school corporation's STEP TWO amount is greater than four thousand four hundred twenty-five dollars ($4,425) and less than four thousand five hundred twenty-five dollars ($4,525) for 2006 and greater than four thousand four hundred seventy dollars ($4,470) and less than four thousand five hundred seventy dollars ($4,570) for 2007.

(ii) The sum of the school corporation's STEP TWO amount and the greater of the school corporation's STEP FOUR amount or fifty dollars ($50), if the school corporation's STEP TWO amount is equal to or less than four thousand four hundred twenty-five dollars ($4,425) for 2006 and equal to or less than four thousand five hundred twenty-five dollars ($4,525) for 2007.

(iii) The difference determined by subtracting the greater of the absolute value of the school corporation's STEP FOUR amount or fifty dollars ($50) from the school corporation's STEP TWO amount, if the school corporation's STEP TWO amount is at least four thousand five hundred twenty-five dollars ($4,525) for 2006 and is at least four thousand five hundred seventy dollars ($4,570) for 2007.

STEP SIX: Determine the product of:

(A) the STEP FIVE amount; multiplied by

(B) the school corporation's current adjusted ADM.

STEP SEVEN: Determine the greater of the following:

(A) The school corporation's STEP SIX amount.

(B) The amount determined under item (iii) of the following formula:

(i) Divide the school corporation's previous year revenue by the school corporation's previous year ADM.

(ii) Multiply the item (i) result by ninety-nine hundredths (0.99).

(iii) Multiply the item (ii) amount by the school corporation's current ADM.

STEP ~~NINE:~~ **EIGHT:** Determine the quotient of:

(A) the STEP ~~EIGHT~~ **SEVEN** amount; divided by

(B) the school corporation's current adjusted ADM.

SECTION 173. IC 21-3-1.7-6.8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 6.8. (a) This section does not apply to a charter school.

~~(b) This subsection does not apply after December 31, 2003. A school corporation's target general fund property tax rate for purposes of IC 6-1.1-19-1.5 is the result determined under STEP THREE of the following formula:~~

~~STEP ONE: This STEP applies only if the amount determined in STEP FIVE of the formula in section 6.7(d) of this chapter minus the result determined in STEP ONE of the formula in section 6.7(d) of this chapter is greater than zero (0). Determine the result under clause (E) of the following formula:~~

~~(A) Divide the school corporation's 2002 assessed valuation by the school corporation's current ADM.~~

~~(B) Divide the clause (A) result by ten thousand (10,000).~~

~~(C) Determine the greater of the following:~~

~~(i) The clause (B) result.~~

~~(ii) Thirty-nine dollars ($39) in 2002 and thirty-nine dollars and seventy-five cents ($39.75) in 2003.~~

~~(D) Determine the result determined under item (ii) of the following formula:~~

~~(i) Subtract the result determined in STEP ONE of the formula in section 6.7(d) of this chapter from the amount determined in STEP FIVE of the formula in section 6.7(d) of this chapter.~~

~~(ii) Divide the item (i) result by the school corporation's current ADM.~~

~~(E) Divide the clause (D) result by the clause (C) result.~~

~~(F) Divide the clause (E) result by one hundred (100).~~

~~STEP TWO: This STEP applies only if the amount determined in STEP FIVE of the formula in section 6.7(d) of this chapter is equal to STEP ONE of the formula in section 6.7(d) of this chapter and the result of clause (A) is greater than zero (0). Determine the result under clause (G) of the following formula:~~

~~(A) Add the following:~~

~~(i) An amount equal to 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.~~

~~(ii) The portion of the maximum general fund levy for the year that equals the original amount of the levy imposed by the school corporation to cover the costs of opening a new school facility during the preceding year.~~

~~(B) Divide the clause (A) result by the school corporation's current ADM.~~

~~(C) Divide the school corporation's 2002 assessed valuation by the school corporation's current ADM.~~

~~(D) Divide the clause (C) result by ten thousand (10,000).~~

~~(E) Determine the greater of the following:~~

~~(i) The clause (D) result.~~

~~(ii) Thirty-nine dollars ($39) in 2002 and thirty-nine dollars and seventy-five cents ($39.75) in 2003.~~

~~(F) Divide the clause (B) result by the clause (E) amount.~~

~~(G) Divide the clause (F) result by one hundred (100).~~

~~STEP THREE: Determine the sum of:~~

~~(A) ninety-one and eight-tenths cents ($0.918) in 2002; and~~

~~(B) ninety-five and eight-tenths cents ($0.958) in 2003; and~~

~~if applicable, the STEP ONE or STEP TWO result.~~

~~(c) This subsection applies to calendar years beginning after December 31, 2004.~~

(b) A school corporation's target general fund property tax rate for purposes of IC 6-1.1-19-1.5 is the result determined under STEP FOUR of the following formula:

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

(A) the amount determined for the school corporation in STEP ONE of the formula in section ~~6.7(c)~~ **6.7(c)** of this chapter; **multiplied by**

(B) the school corporation's adjusted ADM for the current year.

STEP TWO: This STEP applies only if the amount determined in STEP ~~EIGHT~~ **SEVEN** of the formula in section ~~6.7(c)~~ **6.7(c)** of this chapter ~~minus~~ **is not equal to** the STEP ONE result. ~~is greater than zero (0).~~ Determine the result under clause ~~(E)~~ **(F)** of the following formula:

(A) Divide the school corporation's assessed valuation by the school corporation's current ADM.

(B) Divide the clause (A) result by ten thousand (10,000).

(C) Determine the greater of the following:

(i) The clause (B) result.

(ii) ~~Forty-three~~ **Thirty-six** dollars and ~~sixty-five~~ **thirty** cents ~~($43.65).~~ **($36.30).**

(D) Determine the result determined under item (ii) of the following formula:

(i) Subtract the STEP ONE result from the amount determined in STEP ~~EIGHT~~ **SEVEN** of the formula in section ~~6.7(c)~~ **6.7(c)** of this chapter.

(ii) Divide the item (i) result by the school corporation's current ADM.

(E) Divide the clause (D) result by the clause (C) result.

(F) Divide the clause (E) result by one hundred (100).

STEP THREE: This STEP applies only if the amount determined in STEP ~~EIGHT~~ **SEVEN** of the formula in section ~~6.7(c)~~ **6.7(c)** of this chapter is equal to the STEP ONE result and the result of clause (A) is greater than zero (0). Determine the result under clause (G) of the following formula:

(A) Add the following:

(i) An amount equal to 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.

(ii) The part of the maximum general fund levy for the year that equals the original amount of the levy imposed by the school corporation to cover the costs of opening a new school facility during the preceding year.

(B) Divide the clause (A) result by the school corporation's current ADM.

(C) Divide the school corporation's assessed valuation by the school corporation's current ADM.

(D) Divide the clause (C) result by ten thousand (10,000).

(E) Determine the greater of the following:

(i) The clause (D) result.

(ii) ~~Forty-three~~ **Thirty-six** dollars and ~~sixty-five~~ **thirty** cents ~~($43.65).~~ **($36.30).**

(F) Divide the clause (B) result by the clause (E) amount.

(G) Divide the clause (F) result by one hundred (100).

STEP FOUR: **This STEP applies to all school corporations.** Determine the sum of:

(A) ~~sixty-three~~ **sixty-nine** and ~~seven-tenths~~ **three-tenths** cents ~~($0.637)~~ **($0.693) in 2006 and seventy and eight tenths cents ($0.708) in 2007;** ~~and,~~ **plus**

(B) if applicable, the STEP TWO or STEP THREE result.

~~(d) For the calendar year beginning January 1, 2004, and ending December 31, 2004, a school corporation's general fund ad valorem property tax levy is determined under IC 6-1.1-19-1.5(f).~~

SECTION 174. IC 21-3-1.7-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 7. If a computation under this chapter results in a fraction and a rounding rule is not specified, the fraction shall be rounded as follows:

(1) ~~If it is a~~ **All** tax ~~rate calculation,~~ **rates shall be computed by rounding the rate** to the nearest one-hundredth of a cent ($0.0001).

(2) ~~If it is a~~ **All tax levies shall be computed by rounding the levy to the nearest dollar amount ($1).**

(3) All tuition support ~~calculation~~ **distributions shall be computed by rounding the tuition support distribution** to the nearest cent ($0.01).

~~(3)~~ **(4)** If ~~it is~~ a calculation **is** not covered by subdivision (1), ~~or~~ (2), **or (3), the result of the calculation shall be rounded** to the nearest ten-thousandth (.0001).

SECTION 175. IC 21-3-1.7-8.2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 8.2. ~~(a) As used in this section, "transfer amount" means the product of:~~

~~(1) a school corporation's assessed valuation for calendar year 2002 divided by one hundred (100), multiplied by~~

~~(2) the lesser of:~~

~~(A) three hundred twenty-eight ten-thousandths (0.0328),~~

~~or~~

~~(B) the school corporation's capital projects fund tax rate for calendar year 2002 multiplied by five-tenths (0.5).~~

~~(b) This subsection applies to calendar years ending before January 1, 2004. Notwithstanding IC 21-3-1.6 and subject to section 9 of this chapter, the state distribution for a calendar year for tuition support for basic programs for each school corporation equals the result determined using the following formula:~~

~~STEP ONE:~~

~~(A) For a school corporation not described in clause (B), determine the school corporation's result under STEP FIVE of section 6.7(d) of this chapter for the calendar year.~~

~~(B) For a school corporation that has target revenue per adjusted ADM for a calendar year that is equal to the amount under STEP ONE (A) of section 6.7(d) of this chapter, determine the sum of:~~

~~(i) the school corporation's result under STEP ONE of section 6.7(d) of this chapter for the calendar year; plus~~

~~(ii) 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; plus~~

~~(iii) the part of the maximum general fund levy for the year that equals the original amount of the levy imposed by the school corporation to cover the costs of opening a new school facility during the preceding year.~~

~~STEP TWO: Determine the sum of:~~

~~(A) the school corporation's tuition support levy;~~

~~(B) the school corporation's excise tax revenue for the year that precedes the current year by one (1) year;~~

~~(C) for the last six (6) months of calendar year 2002, the school corporation's transfer amount; plus~~

~~(D) for the first six (6) months of calendar year 2003, the school corporation's transfer amount.~~

~~The amount determined under this STEP for a charter school is zero (0).~~

~~STEP THREE: Determine the difference between:~~

~~(A) the STEP ONE amount; minus~~

~~(B) the applicable STEP TWO or STEP THREE amount.~~

~~(c) This subsection applies to calendar years beginning after December 31, 2003.~~ **(a)** Notwithstanding IC 21-3-1.6 and subject to section 9 of this chapter, the state distribution for a calendar year for tuition support for basic programs for each school corporation equals the result determined using the following formula:

STEP ONE: **For a:**

(A) ~~For a~~ school corporation not described in clause (B), determine the school corporation's result under STEP ~~EIGHT~~ **SEVEN** of section ~~6.7(c)~~ **6.7(c)** of this chapter for the calendar year; **and**

(B) ~~For a~~ school corporation that has target revenue per adjusted ADM for a calendar year that is equal to the amount under ~~STEP ONE (A) of~~ section ~~6.7(c)~~ **6.7(c) STEP ONE** of this chapter, determine the sum of:

(i) the school corporation's result under ~~STEP ONE of~~ section ~~6.7(c)~~ **6.7(c) STEP ONE** of this chapter for the calendar year **multiplied by the school corporation's adjusted ADM for the current year;** plus

(ii) 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; plus

(iii) the part of the maximum general fund levy for the year that equals the original amount of the levy imposed by the school corporation to cover the costs of opening a new school facility **or reopening an existing facility** during the preceding year.

STEP TWO: This STEP applies to a school corporation that is not a charter school. Determine the sum of:

(A) the school corporation's tuition support levy; plus

(B) the school corporation's excise tax revenue for the year that precedes the current year by one (1) year.

STEP THREE: This STEP applies to a charter school. Determine the product of:

(A) the amount determined under ~~STEP EIGHT of~~ section ~~6.7(c)~~ **6.7(c) STEP SEVEN** of this chapter for the charter school; multiplied by

(B) thirty-five hundredths (0.35).

STEP FOUR: Determine the difference between:

(A) the **result for the school corporation under section 6.7(c)** STEP ONE ~~amount;~~ **of this chapter for the calendar year multiplied by the school corporation's adjusted ADM for the current year;** minus

(B) the STEP TWO or STEP THREE amount, as applicable.

~~(d)~~ **(b)** If the state tuition support determined for a school corporation under this section is negative, the school corporation is not entitled to any state tuition support. In addition, the school corporation's maximum general fund levy under IC 6-1.1-19-1.5 shall be reduced by the amount of the negative result.

SECTION 176. IC 21-3-1.7-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)]: Sec. 9. (a) Subject to the amount appropriated by the general assembly for tuition support, the amount that a school corporation is entitled to receive in tuition support for a year is the amount determined in section 8.2 of this chapter.

(b) If the total amount to be distributed as tuition support under this chapter, **in 2005** for enrollment adjustment grants under section 9.5 of this chapter ~~for at-risk programs under section 9.7 of this chapter,~~ **(before its repeal),** for academic honors diploma awards under section 9.8 of this chapter, **in 2005** for supplemental remediation grants under section 9.9 of this chapter **(before its repeal),** for primetime distributions under IC 21-1-30, for special education grants under IC 21-3-2.1, and for vocational education grants under IC 21-3-12 for a particular year, exceeds:

~~(1) three billion five hundred eighty million dollars ($3,580,000,000) in 2003;~~

~~(2) three billion six hundred seventy-six million dollars ($3,676,000,000) in 2004; and~~

~~(3)~~ **(1)** three billion seven hundred ~~twenty-one~~ **fifty-eight** million **four hundred thousand** dollars ~~($3,721,000,000)~~

($3,758,400,000) in 2005;

(2) three billion seven hundred fifty-four million three hundred thousand dollars ($3,754,300,000) in 2006; and

(3) three billion seven hundred forty-nine million three hundred thousand dollars ($3,749,300,000) in 2007;

the amount to be distributed for tuition support under this chapter to each school corporation during each of the last six (6) months of the year shall be **proportionately** reduced ~~by the same dollar amount per ADM (as adjusted by IC 21-3-1.6-1.1)~~ so that the total reductions equal the amount of the excess. **The amount of the reduction for a particular school corporation is equal to the total amount of the excess multiplied by a fraction. The numerator of the fraction is the amount of the distribution for tuition support that the school corporation would have received if a reduction were not made under this section. The denominator of the fraction is the total amount that would be distributed for tuition support to all school corporations if a reduction were not made under this section.**

SECTION 177. IC 21-3-1.7-9.8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 9.8. (a) In addition to the distributions under ~~sections~~ **section** 8.2 ~~9.5, 9.7, and 9.9~~ of this chapter, a school corporation is eligible for an honors diploma award in the amount determined under STEP TWO of the following formula:

STEP ONE: Determine the number of the school corporation's eligible pupils who successfully completed an academic honors diploma program in the school year ending in the previous calendar year.

STEP TWO: Multiply the STEP ONE amount by nine hundred ~~sixty-three~~ dollars ~~($963).~~ **($900).**

~~(b) Each year the governing body of a school corporation may use the money that the school corporation receives for an honors diploma award under this section to give nine hundred sixty-three dollars ($963) to each eligible pupil in the school corporation who successfully completes an academic honors diploma program in the school year ending in the previous calendar year.~~

(b) An amount received by a school corporation as an honors diploma award may be used only for:

(1) any:

(A) staff training;

(B) program development;

(C) equipment and supply expenditures; or

(D) other expenses;

directly related to the school corporation's academic honors diploma program; and

(2) the school corporation's program for high ability students.

(c) The governing body of a school corporation shall prepare an annual report that summarizes the programs and services provided with the money received under this section. The report prepared under this subsection shall be made available for inspection by:

(1) the department of education; and

(2) members of the public.

A governing body that does not comply with this subsection for a school year is not eligible to receive an award under this section for the following school year until the governing body complies with this subsection.

SECTION 178. IC 21-3-1.7-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 10. This chapter expires January 1, ~~2006.~~ **2008.**

SECTION 179. IC 21-3-2.1-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 10. This chapter expires January 1, ~~2006.~~ **2008.**

SECTION 180. IC 21-3-12-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 12. This chapter expires January 1, ~~2006.~~ **2008.**

SECTION 181. IC 21-6.1-2-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) The board shall segregate the fund into the following accounts:

(1) The pre-1996 account.

(2) The 1996 account.

(b) The board shall segregate each of the accounts established under subsection (a) into the following subaccounts:

(1) The annuity savings account.

(2) The retirement allowance account.

(c) Except as provided in subsection (d), member contributions shall be credited to the annuity savings accounts within the pre-1996 account.

(d) Member contributions made after June 30, 1995, ~~with respect to the following members~~ shall be credited to the annuity savings account within the 1996 account

~~(1) A~~ **for any individual who first became a** member ~~who was hired~~ **of the fund** after June 30, 1995. ~~by a school corporation or other institution covered by the fund~~

~~(2) A member who~~

~~(A) before July 1, 1995, served in a position covered by the fund. and~~

~~(B) after June 30, 1995, and before July 1, 2001, was hired by another school corporation or institution covered by the fund or rehired by a prior employer.~~

~~(3) A member described in subdivision (2) who, after June 30, 2001, is hired by another school corporation or institution covered by the fund or rehired by a prior employer.~~

~~(e) Member contributions made to the pre-1996 account with respect to a member covered by subsection (d) shall be transferred to the annuity savings account within the 1996 account.~~

~~(f)~~ **(e)** Employer contributions made after June 30, 1995, with respect to members described in subsection (d) shall be credited to the retirement allowance account within the 1996 account. Employer contributions made after June 30, 1995, with respect to all other members shall be credited to the retirement allowance account within the pre-1996 account.

~~(g) Employer contributions, if any (as determined by the board), made to the pre-1996 account with respect to a member covered by subsection (d) shall be transferred to the retirement allowance account within the 1996 account.~~

~~(h)~~ **(f)** The board shall administer these accounts and subaccounts as specified in IC 5-10.2-2.

SECTION 182. IC 21-6.1-2-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. (a) The general assembly shall appropriate from the state general fund an amount

that is sufficient to cover the state's actuarial liability for each member covered by the pre-1996 account and for each state employee covered by the 1996 account. The board may reduce this liability by the amount of interest earned on the deposits in the fund. This liability is determined by the actuarial investigation prescribed in IC 5-10.2-2-9. **The actuarial investigation and the board shall include in the determination of the liability and appropriation necessary any cost of living increases granted to members of the pre-1996 account, amortized over thirty (30) years.** The board shall prepare its budget based on this investigation and for other specified expenditures and shall submit it to the governor or to another officer or committee authorized by law to recommend the necessary appropriation.

(b) Each school corporation shall contribute to the 1996 account as specified in IC 21-6.1-7.

(c) If members receive compensation from federal funds, the board shall at the end of each fiscal year determine the employer's contribution, excluding administration expenses, to be paid from federal funds. The amount shall be determined by such method adopted by the board as results in an equitable sharing of the employer contribution by the federal government on account of members receiving compensation from federal funds.

SECTION 183. IC 21-6.1-4-6.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6.1. (a) This subsection applies to members who retire before July 1, 1980. A member who had completed four (4) years of approved college teacher ~~training~~ **education** before voluntary or involuntary induction into the military services is entitled to credit for that service as if the member had begun teaching before the induction. A member who serves in military service is considered a teacher and is entitled to the benefits of the fund if for or during the leave of absence the member pays into the fund the member's contributions. Time served by a member in military service for the duration of the hostilities or for the length of active service in the hostilities and the necessary demobilization time after the hostilities is not subject to the one-seventh rule specified in section 5 of this chapter.

(b) This subsection applies to members who retire after June 30, 1980. A member who had completed four (4) years of approved college teacher ~~training~~ **education** before voluntary or involuntary induction into military service is entitled to credit for the member's active military service as if the member had begun teaching before the induction. A member who serves in military service is considered a teacher and is entitled to the benefits of the fund if:

(1) the member has an honorable discharge; and

(2) except as provided in subsection (f), the member returns to active teaching service within eighteen (18) months after the completion of active military service.

The time served by a member in military service for the duration of the hostilities or for the length of active service in the hostilities and the necessary demobilization time after the hostilities is not subject to the one-seventh rule specified in section 5 of this chapter. However, not more than six (6) years of military service credit may be granted under this subsection. In order to be eligible for any military service credit under this subsection, a member must have at least ten (10) years of in-state service credit.

(c) This subsection applies to members who retire after May 1, 1989. A member who had begun but had not completed four (4) years of approved college teacher ~~training~~ **education** before voluntary or involuntary induction into the military services is entitled to service credit in an amount equal to the duration of the member's active military service if the following conditions are met:

(1) The member has an honorable discharge.

(2) Except as provided in subsection (f), the member returns to a four (4) year approved college teacher training program within eighteen (18) months after the completion of active military service and subsequently completes that program.

(3) The member has at least ten (10) years of in-state service credit.

(d) This subsection applies to members who retire after May 1, 1991, and who are employed at state institutions of higher education. A member who had begun but had not completed baccalaureate or post-baccalaureate ~~training~~ **education** before voluntary or involuntary induction into military service is entitled to the member's active military service credit for the member's active military service in an amount equal to the duration of the member's military service if the following conditions are met:

(1) The member received an honorable discharge.

(2) Except as provided in subsection (f), the member returns to baccalaureate or post-baccalaureate ~~training~~ **education** within eighteen (18) months after completion of active military service and subsequently completes that ~~training.~~ **education.**

(3) The member has at least ten (10) years of in-state service credit.

(e) The maximum amount of service credit that may be granted to a member who meets the conditions of subsection (c), or (d) is six (6) years. However, for purposes of subsection (c), or (d), the time served by the member in active military service for the length of active service in hostilities and necessary demobilization is not subject to the one-seventh rule specified in section 5 of this chapter.

(f) The board shall extend the eighteen (18) month deadline contained in subsection (b)(2), (c)(2), or (d)(2) if the board determines that an illness, an injury, or a disability related to the member's military service prevented the member from returning to active teaching service or to a teacher ~~training~~ **education** program within eighteen (18) months after the member's discharge from military service. However, the board may not extend the deadline beyond thirty (30) months after the member's discharge.

(g) If a member retires, and the board subsequently determines that the member is entitled to additional service credit due to the extension of a deadline under subsection (f), the board shall recompute the member's benefit. However, the additional service credit may be used only in the computation of benefits to be paid after the date of the board's determination, and the member is not entitled to a recomputation of benefits received before the date of the board's determination.

(h) Notwithstanding any provision of this section, a member is entitled to military service credit and benefits in the amount and to the extent required by the Uniformed Services Employment and Reemployment Rights Act (38 U.S.C. 4301 et seq.), including all later amendments.

(i) Subject to the provisions of this section, an active member may purchase not more than two (2) years of service credit for the member's service on active duty in the armed services if the member meets the following conditions:

(1) The member has at least one (1) year of credited service in the fund.

(2) The member serves on active duty in the armed services of the United States for at least six (6) months.

(3) The member receives an honorable discharge from the armed services.

(4) Before the member retires, the member makes contributions to the fund as follows:

(A) Contributions that are equal to the product of the following:

(i) The member's salary at the time the member actually makes a contribution for the service credit.

(ii) A rate, determined by the actuary of the fund, that is based on the age of the member at the time the member actually makes a contribution for service credit and computed to result in a contribution amount that approximates the actuarial present value of the benefit attributable to the service credit purchased.

(iii) The number of years of service credit the member intends to purchase.

(B) Contributions for any accrued interest, at a rate determined by the actuary of the fund, for the period from the member's initial membership in the fund to the date payment is made by the member.

However, a member is entitled to purchase service credit under this subsection only to the extent that service credit is not granted for that time under another provision of this section. At least ten (10) years of service in Indiana is required before a member may receive a benefit based on service credits purchased under this section. A member who terminates employment before satisfying the eligibility requirements necessary to receive a monthly allowance or receives a monthly allowance for the same service from another tax supported public employee retirement plan other than under the federal Social Security Act may withdraw the purchase amount plus accumulated interest after submitting a properly completed application for a refund to the fund.

(j) The following apply to the purchase of service credit under subsection (i):

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

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

(3) A member may not claim the service credit for purposes of determining eligibility or computing benefits unless the member has made all payments required for the purchase of the service credit.

SECTION 184. IC 23-13-5-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 8. (a) Should for any cause any action of the board of directors or trustees of a corporation be invalid or ineffective in whole or in part as and for a cancellation or retirement of capital stock as provided in this chapter, then the entire act of cancellation or retirement as to all other stock shall be held null and void. If at any time after the transfer of any stock to the corporation or to the trustees or directors it becomes no longer possible for the corporation to operate the university, college, or institution of learning as a university, college, or institution of learning, and the fact is found to exist by the board of trustees or directors, the property and assets of the corporation vest in and belong absolutely to the local public school corporation within whose territorial limits the college, university, or institution of learning is situated unless the local public school corporation elects to refuse to accept the property and assets in writing served upon the board of trustees or an officer thereof within one hundred twenty (120) days. If the local public school corporation elects to refuse to accept the property and assets, then the property and assets of the corporation vest in and belong absolutely to the county within whose territorial limits the college, university, or institution of learning is situated unless the county, acting by its legislative body, elects to refuse to accept the property and assets in writing served upon the board of trustees or an officer within one hundred twenty (120) days. If the county refuses to accept the property and assets, the property and assets vest in and belong absolutely to the ~~common school~~ **state general** fund. ~~of the state of Indiana.~~ If the university, college, or institution of learning is situated in a school township, the election shall be made by the township executive with the approval of the township legislative body. If situated in a school city or town corporation, the election shall be made by the school board of the municipality.

(b) The local school corporation receiving the property or assets is responsible for the payment of the lawful debts and liabilities of the corporation. For the purpose of raising funds to pay the debts and liabilities, the township executive, with the concurrence and sanction of the township legislative body, or the city or town school board, as the case may be, is authorized and empowered to issue and sell bonds of the school township, school city, or school town. The debt created by the bonds, together with all other indebtedness of the school corporation, may not exceed two percent (2%) of the adjusted value of the taxable property within the school corporation as determined under IC 36-1-15. If the building or property of the corporation vested in the school corporation is suitable for instructing students of the township in the arts of agriculture, domestic science, or physical or practical mental culture, and in which to hold school or civic entertainments or be used for township, town, or city purposes, then the township executive, with the concurrence and sanction of the township, city, or town legislative body, as the case may be, is authorized and empowered to issue and sell bonds of the civil township, city, or town, as the case may be, and apply the proceeds to the payment of the debts and liabilities of the corporation. The proceeds of the bonds, together with all other indebtedness of the civil township, city, or town, may not exceed two percent (2%) of the adjusted value of the taxable property within the civil township, city, or town, as determined under IC 36-1-15. If the county receives the property, it is authorized to issue its general obligation bonds to pay the debts and liabilities as general obligation bonds of counties are issued under

the general law. Unless the school and civil townships and school and civil cities and towns can liquidate the debts and liabilities without violating Article 13, Section 1 of the Constitution of the State of Indiana and IC 36-1-15, they shall elect to refuse to accept the property. Unless the county can liquidate the debts and liabilities without violating the constitutional provision, it shall elect to refuse the property. If a civil township, city, or town uses its funds or the proceeds of the sale of its bonds to liquidate the debts and liabilities, it shall have an interest in the property in the proportion the funds expended by it bear to the funds expended by the school township, school city, or school town.

(c) Any bonds issued under this chapter shall be payable in not more than twenty (20) years after the date of their issuance. The municipal corporation issuing the bonds shall annually levy a tax on all of the taxable property within the municipal corporation in an amount sufficient to pay the interest on and the principal of such bonds as they mature. The bonds may mature and be payable either semiannually or annually. Notice of sale of the bonds shall be published once each week for two (2) weeks in a newspaper published in the municipal corporation issuing the bonds, or in a newspaper published in the county seat of the county in which the municipal corporation is located. Additional notices may be published.

(d) If the corporation ceases to exist or winds up its affairs without its board of trustees or directors finding that it is no longer possible for the corporation to operate the university, college, or institution of learning as a university, college, or institution of learning, this shall have the same effect as such a finding.

SECTION 185. IC 25-1-1.2-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. As used in this chapter, "board" means an entity that regulates occupations or professions under this title and the ~~professional standards board~~ **department of education** as established by ~~IC 20-1-1.4.~~ **IC 20-19-3-1.**

SECTION 186. IC 25-33-1-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. (a) There is created a board to be known as the "state psychology board". The board shall consist of seven (7) members appointed by the governor. Six (6) of the board members shall be licensed under this article and shall have had at least five (5) years of experience as a professional psychologist prior to their appointment. The seventh member shall be appointed to represent the general public, must be a resident of this state, must never have been credentialed in a mental health profession, and must in no way be associated with the profession of psychology other than as a consumer. All members shall be appointed for a term of three (3) years. All members may serve until their successors are duly appointed and qualified. A vacancy occurring on the board shall be filled by the governor by appointment. The member so appointed shall serve for the unexpired term of the vacating member. Each member of the board is entitled to the minimum salary per diem provided by IC 4-10-11-2.1(b). Such a member is also entitled to reimbursement for traveling expenses and other expenses actually incurred in connection with the member's duties, as provided in the state travel policies and procedures established by the **Indiana** department of administration and approved by the state budget agency.

(b) The members of the board shall organize by the election of a chairman and a vice chairman from among its membership. Such officers shall serve for a term of one (1) year. The board shall meet at least once in each calendar year and on such other occasions as it considers necessary and advisable. A meeting of the board may be called by its chairman or by a majority of the members on the board. Four (4) members of the board constitute a quorum. A majority of the quorum may transact business.

(c) The board is empowered to do the following:

(1) Establish reasonable application, examination, and renewal procedures and set fees for licensure under this article. However, no fee collected under this article shall, under any circumstances, be refunded.

(2) Adopt and enforce rules concerning assessment of costs in disciplinary proceedings before the board.

(3) Establish examinations of applicants for licensure under this article and issue, deny, suspend, revoke, and renew licenses.

(4) Subject to IC 25-1-7, investigate and conduct hearings, upon complaint against individuals licensed or not licensed under this article, concerning alleged violation of this article, under procedures conducted in accordance with IC 4-21.5.

(5) Initiate the prosecution and enjoinder of any person violating this article.

(6) Adopt rules which are necessary for the proper performance of its duties, in accordance with IC 4-22-2.

(7) Establish a code of professional conduct.

(d) The board shall adopt rules establishing standards for the competent practice of psychology.

(e) All expenses incurred in the administration of this article shall be paid from the general fund upon appropriation being made in the manner provided by law for the making of such appropriations.

(f) The bureau shall do the following:

(1) Carry out the administrative functions of the board.

(2) Provide necessary personnel to carry out the duties of this article.

(3) Receive and account for all fees required under this article.

(4) Deposit fees collected with the treasurer of ~~the~~ state for deposit in the state general fund.

(g) The board shall adopt rules under IC 4-22-2 to establish, maintain, and update a list of restricted psychology tests and instruments (as defined in section 14(b) of this chapter) containing those psychology tests and instruments that, because of their design or complexity, create a danger to the public by being improperly administered and interpreted by an individual other than:

(1) a psychologist licensed under IC 25-33-1-5.1;

(2) an appropriately trained mental health provider under the direct supervision of a health service provider endorsed under IC 25-33-1-5.1(c);

(3) a qualified physician licensed under IC 25-22.5;

(4) a school psychologist who holds a valid:

(A) license issued by the ~~professional standards board~~ **department of education** under IC 20-1-1.4-2; or

(B) endorsement under IC 20-1-1.9;

practicing within the scope of the school psychologist's license

or endorsement; or

(5) a minister, priest, rabbi, or other member of the clergy providing pastoral counseling or other assistance.

(h) The board shall provide to:

(1) the social work certification and marriage and family therapists credentialing board; and

(2) any other interested party upon receiving the request of the interested party;

a list of the names of tests and instruments proposed for inclusion on the list of restricted psychological tests and instruments under subsection (g) at least sixty (60) days before publishing notice of intent under IC 4-22-2-23 to adopt a rule regarding restricted tests and instruments.

(i) The social work certification and marriage and family therapists credentialing board and any other interested party that receives the list under subsection (h) may offer written comments or objections regarding a test or instrument proposed for inclusion on the list of restricted tests and instruments within sixty (60) days after receiving the list. If:

(1) the comments or objections provide evidence indicating that a proposed test or instrument does not meet the criteria established for restricted tests and instruments, the board may delete that test from the list of restricted tests; and

(2) the board determines that a proposed test or instrument meets the criteria for restriction after reviewing objections to the test or instrument, the board shall respond in writing to justify its decision to include the proposed test or instrument on the list of restricted tests and instruments.

(j) This section may not be interpreted to prevent a licensed or certified health care professional from practicing within the scope of the health care professional's:

(1) license or certification; and

(2) training or credentials.

SECTION 187. IC 25-33-1-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 14. (a) This section does not apply to an individual who is:

(1) a member of a teaching faculty, at a public or private institution of higher learning for the purpose of teaching, research, or the exchange or dissemination of information and ideas as an assigned duty of the institution;

(2) a commissioned psychology officer in the regular United States armed services;

(3) licensed by the ~~professional standards board~~ **department of education** (established by ~~IC 20-1-1.4-2)~~ **IC 20-19-3-1)** as a school psychologist and using the title "school psychologist" or "school psychometrist" as an employee of a school corporation; or

(4) endorsed as an independent practice school psychologist under IC 20-1-1.9.

(b) As used in this section, "restricted psychology test or instrument" means a measurement instrument or device used for treatment planning, diagnosing, or classifying intelligence, mental and emotional disorders and disabilities, disorders of personality, or neuropsychological, neurocognitive, or cognitive functioning. The term does not apply to an educational instrument used in a school setting to assess educational progress or an appraisal instrument.

(c) It is unlawful for an individual to:

(1) claim that the individual is a psychologist; or

(2) use any title which uses the word "psychologist", "clinical psychologist", "Indiana endorsed school psychologist", or "psychometrist", or any variant of these words, such as "psychology", or "psychological", or "psychologic";

unless that individual holds a valid license issued under this article or a valid endorsement issued under IC 20-1-1.9.

(d) It is unlawful for any individual, regardless of title, to render, or offer to render, psychological services to individuals, organizations, or to the public, unless the individual holds a valid license issued under this article or a valid endorsement issued under IC 20-1-1.9 or is exempted under section 1.1 of this chapter.

(e) It is unlawful for an individual, other than:

(1) a psychologist licensed under IC 25-33-1-5.1;

(2) an appropriately trained mental health provider under the direct supervision of a health service provider endorsed under IC 25-33-1-5.1(c);

(3) a qualified physician licensed under IC 25-22.5;

(4) a school psychologist who holds a valid:

(A) license issued by the ~~professional standards board~~ **department of education** under IC 20-1-1.4-2; or

(B) endorsement under IC 20-1-1.9;

who practices within the scope of the school psychologist's license or endorsement; or

(5) a minister, priest, rabbi, or other member of the clergy providing pastoral counseling or other assistance;

to administer or interpret a restricted psychology test or instrument as established by the board under ~~IC 25-33-1-3(g)~~ **section 3(g) of this chapter** in the course of rendering psychological services to individuals, organizations, or to the public.

(f) This section may not be interpreted to prevent a licensed or certified health care professional from practicing within the scope of the health care professional's:

(1) license or certification; and

(2) training or credentials.

SECTION 188. IC 29-1-3-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. **(a) Except as provided in subsection (b),** the right of election of the surviving spouse is personal to the spouse. It is not transferable and cannot be exercised subsequent to the spouse's death. A person with a valid power of attorney for the surviving spouse may elect for the spouse if the power of attorney has general authority with respect to estates as provided in IC 30-5-5-15(a)(4). If the surviving spouse is a protected person, the court may order the guardian of the spouse's estate to elect for the spouse.

(b) The spousal election may be exercised subsequent to the spouse's death under the following circumstances:

(1) The surviving spouse died before the election could be made.

(2) The election is being made to recover Medicaid benefits that were paid on behalf of the deceased surviving spouse.

The office of Medicaid policy and planning may exercise the right of election under this subsection. The spousal election is only enforceable up to the amount of Medicaid benefits that

were received and the amount may only be distributed to the office of Medicaid policy and planning.

SECTION 189. IC 29-1-8-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. (a) **Except as provided in subsection (g),** forty-five (45) days after the death of a decedent and upon being presented an affidavit that complies with subsection (b), a person:

(1) indebted to the decedent; or

(2) having possession of personal property, or an instrument evidencing a debt, an obligation, a stock, or a chose in action belonging to the decedent;

shall make payment of the indebtedness or deliver the personal property or an instrument evidencing a debt, an obligation, a stock, or a chose in action to a person claiming to be entitled to payment or delivery of property of the decedent.

(b) The affidavit required by subsection (a) must be an affidavit made by or on behalf of the claimant stating that:

(1) the value of the gross probate estate, wherever located (less liens and encumbrances), does not exceed twenty-five thousand dollars ($25,000);

(2) forty-five (45) days have elapsed since the death of the decedent;

(3) no application or petition for the appointment of a personal representative is pending or has been granted in any jurisdiction; and

(4) the claimant is entitled to payment or delivery of the property.

(c) If a motor vehicle or watercraft (as defined in IC 9-13-2-198.5) is part of the estate, nothing in this section shall prohibit a transfer of the certificate of title to the motor vehicle if five (5) days have elapsed since the death of the decedent and no appointment of a personal representative is contemplated. A transfer under this subsection shall be made by the bureau of motor vehicles upon receipt of an affidavit containing a statement of the conditions required by subsection (b)(1) and (b)(4). The affidavit must be duly executed by the distributees of the estate.

(d) A transfer agent of a security shall change the registered ownership on the books of a corporation from the decedent to a claimant upon the presentation of an affidavit as provided in subsection (a).

(e) For the purposes of subsection (a), an insurance company that, by reason of the death of the decedent, becomes obligated to pay a death benefit to the estate of the decedent is considered a person indebted to the decedent.

(f) For purposes of subsection (a), property in a safe deposit box rented by a decedent from a financial institution organized or reorganized under the law of any state (as defined in IC 28-2-17-19) or the United States is considered personal property belonging to the decedent in the possession of the financial institution.

(g) If an individual who has received medical assistance from the state under IC 12-15 has deposited personal funds with a health facility, the state may present the affidavit required under subsection (a) to the health facility if:

(1) at least fifteen (15) days have elapsed since the individual's death; and

(2) the state does not believe that a personal representative will be appointed for the decedent.

The affidavit must state that at least fifteen (15) days have elapsed since the individual's death.

SECTION 190. IC 31-33-2-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. **(a)** The local child protection service:

(1) must have sufficient qualified and trained staff to fulfill the purpose of this article;

(2) must be organized to maximize the continuity of responsibility, care, and service of individual caseworkers toward individual children and families;

(3) must provide training to representatives of the child protective services system regarding the legal duties of the representatives, which may consist of various methods of informing the representatives of their duties, in order to protect the legal rights and safety of children and families from the initial time of contact during the investigation through treatment; and

(4) must provide training to representatives of the child protective services system regarding the constitutional rights of the child's family, including a child's guardian or custodian, that is the subject of an investigation of child abuse or neglect consistent with the Fourth Amendment to the United States Constitution and Article I, Section 11 of the Constitution of the State of Indiana.

(b) This section expires June 30, 2008.

SECTION 191. IC 31-33-2-2.1 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 2.1. (a) This section applies after June 30, 2008.**

(b) The local child protection service:

(1) must have sufficient qualified and trained staff to:

(A) fulfill the purpose of this article; and

(B) comply with the maximum caseload ratios for:

(i) child protection caseworkers; and

(ii) child welfare caseworkers;

set forth in IC 12-13-14.5-3.5;

(2) must be organized to maximize the continuity of responsibility, care, and service of individual caseworkers toward individual children and families;

(3) must provide training to representatives of the child protective services system regarding the legal duties of the representatives, which may consist of various methods of informing the representatives of their duties, in order to protect the legal rights and safety of children and families from the initial time of contact during the investigation through treatment; and

(4) must provide training to representatives of the child protective services system regarding the constitutional rights of the child's family, including a child's guardian or custodian, that is the subject of an investigation of child abuse or neglect consistent with the Fourth Amendment to the United States Constitution and Article I, Section 11 of the Constitution of the State of Indiana.

SECTION 192. IC 31-34-24-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 15. The team or the

county fiscal body shall transmit copies of the plan, each annual report, and each revised plan to the following:

(1) The director.

(2) The state superintendent of public instruction.

(3) The county office.

(4) The juvenile court.

(5) The superintendent of each public school corporation in the county.

~~(6) The local step ahead council.~~

~~(7)~~ **(6)** Any public or private agency that:

(A) provides services to families and children in the county that requests information about the plan; or

(B) the team has identified as a provider of services relevant to the plan.

SECTION 193. IC 31-37-24-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 15. The team or the county fiscal body shall transmit copies of the initial plan, each annual report, and each revised plan to the following:

(1) The director.

(2) The state superintendent of public instruction.

(3) The county office.

(4) The juvenile court.

(5) The superintendent of each public school corporation in the county.

~~(6) The local step ahead council.~~

~~(7)~~ **(6)** Any public or private agency that:

(A) provides services to families and children in the county that requests information about the plan; or

(B) the team has identified as a provider of services relevant to the plan.

SECTION 194. IC 32-34-1-34 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004 (RETROACTIVE)]: Sec. 34. (a) Except as provided in section 42(d) of this chapter, the treasurer of state shall, on order of the attorney general, pay the necessary costs of the following:

(1) Selling abandoned property.

(2) Mailing notices.

(3) Making publications required by this chapter.

(4) Paying other operating expenses and administrative expenses, including:

(A) salaries and wages reasonably incurred by the attorney general in the administration and enforcement of this chapter; and

(B) costs incurred in examining records of the holders of property and in collecting the property from the holders.

(b) If the balance of the principal of the abandoned property fund established by section 33 of this chapter exceeds five hundred thousand dollars ($500,000), the treasurer of state may, and at least once each fiscal year shall, transfer to the ~~common school~~ **state general** fund ~~of the state~~ the balance of the principal of the abandoned property fund that exceeds five hundred thousand dollars ($500,000).

(c) If a claim is allowed or a refund is ordered under this chapter that is more than five hundred thousand dollars ($500,000), the treasurer of state shall transfer from the state general fund sufficient money to make prompt payment of the claim. There is annually appropriated to the treasurer of state from the state general fund the amount of money sufficient to implement this subsection.

(d) Before making a deposit into the abandoned property fund, the attorney general shall record the following:

(1) The name and last known address of each person appearing from the holder's reports to be entitled to the abandoned property.

(2) The name and last known address of each insured person or annuitant.

(3) The number, the name of the corporation, and the amount due concerning any policy or contract listed in the report of a life insurance company.

(e) Except as provided in subsection (f), earnings on the property custody fund and the abandoned property fund shall be credited to each fund.

(f) On July 1 of each year, the interest balance in the property custody fund established by section 32 of this chapter and the interest balance in the abandoned property fund shall be transferred to the state general fund.

SECTION 195. IC 32-34-3-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. (a) If a sum of money remains in the abandoned property fund for at least five (5) years after the date the money is deposited in the fund under section 2(d) of this chapter without any order directing the return of the money:

(1) title to the sum vests in and escheats to the state; and

(2) the sum shall be ~~distributed as part of the common school~~ **deposited in the state general** fund.

(b) Any claimant who does not file an application with the court within five (5) years after the sum is deposited in the unclaimed funds account is barred from asserting a claim.

SECTION 196. IC 32-34-9-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) A person who finds and secures any boats, fleets of timber, rafts, platforms, sawlogs, or other logs or trees prepared for the purpose of sale, or any cross or railroad ties, boards, planks, staves, heading, or other timber prepared for market that is the property of another and that is found adrift in the waters of Indiana without a boom or other arrangement provided by the owner to preserve the logs or timber below the point at which they are found, whether the logs or timber have a brand or not, is entitled to receive from the owner the following compensation:

(1) For each freight boat or other heavy boat, two dollars ($2) per ton for all cargo.

(2) For each jack-boat, skiff, or canoe, one dollar ($1).

(3) For each fleet of timber, fifty dollars ($50).

(4) For each raft of not less than forty (40) logs, fifteen dollars ($15).

(5) For each platform of at least ten (10) logs, four dollars ($4).

(6) For each sawlog or other log or tree prepared for sale, fifty cents ($0.50).

(7) For each cross or railroad tie, fifteen cents ($0.15).

(8) For boards or planks caught in rafts or a large body:

(A) one dollar ($1) per one thousand (1,000) board feet for a quantity twenty thousand (20,000) board feet or less; or

(B) fifty cents ($0.50) per one thousand (1,000) board feet for a quantity greater than twenty thousand (20,000) board feet.

(9) For loose and scattered boards or planks, five dollars and fifty cents ($5.50) per one thousand (1,000) board feet.

(10) For staves and heading, four dollars ($4) per one thousand (1,000) pieces that are merchantable.

(b) The compensation due under subsection (a) is payable by the owner, if required, upon the delivery to the owner of the logs or timber.

(c) The finder has a lien upon the property found for the charges provided in subsection (a).

(d) If the owner of the property fails to pay the compensation due under subsection (a) within sixty (60) days after the day the property is found, the property may be sold at the request of the person to whom the compensation is due by a constable, sheriff, or other officer of the county in which the property was found. The sale must be at the courthouse door at public auction to the highest bidder, upon thirty (30) days written or printed notice that gives the time and place of sale and a written or printed description of the property and any marks or brands on the property. The notice of the sale must be posted at the front door of the courthouse of the county in which the sale is to be made and at two (2) other public places in the county where the property is located. It is the duty of the constable or other officer making the sale to pay to the finder the finder's legal fees and charges after deducting the constable's or other officer's commission. The commission charged may be the same as if the constable or other officer had sold the same property under execution. If any sale money remains after payment of the charges and fees described in this section, the constable or other officer shall pay the remainder to the clerk of the circuit court in the county in which the sale occurred and obtain a receipt for the amount. If the constable or other officer fails to perform the constable's or other officer's duties under this chapter, the constable or other officer is liable on the constable's or other officer's official bond to the party aggrieved.

(e) If the owner, within one (1) year after the date of the sale, appears before the county judge of the county where the money is deposited with the clerk and establishes the owner's right to the satisfaction of the court to the money, the money must, upon the order of the county judge, be paid over to the owner by the clerk; otherwise, it shall be paid into the ~~common school~~ **state general** fund. ~~of Indiana.~~

(f) This chapter may not be construed to permit a person to recover under subsection (a) for any fleet of timber, raft or platform, sawlog, or other log or tree prepared for the purpose of sale, or any cross or railroad tie, board, plank, stave, heading, or other timber prepared for the market that is above any boom or other arrangement made by the owner to preserve the logs or timber.

SECTION 197. IC 33-23-3-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. (a) A senior judge is entitled to the following compensation:

(1) For each of the first thirty (30) days of service in a calendar year, a per diem of fifty dollars ($50).

(2) Except as provided in subsection (c), for each day the senior judge serves after serving the first thirty (30) days of service in a calendar year, a per diem of ~~one~~ **two** hundred dollars ~~($100).~~ **($200).**

(3) Reimbursement for:

(A) mileage; and

(B) reasonable expenses, including but not limited to meals and lodging, incurred in performing service as a senior judge;

for each day served as a senior judge.

(b) Subject to subsection (c), the per diem and reimbursement for mileage and reasonable expenses under subsection (a) shall be paid by the state.

(c) The compensation under subsection (a)(2) must be paid by the state from funds appropriated to the supreme court for judicial payroll. If the payroll fund is insufficient to pay the compensation under subsection (a)(2), the supreme court may issue an order adjusting the compensation rate.

(d) A senior judge appointed under this chapter may not be compensated as a senior judge for more than one hundred (100) total calendar days during a calendar year.

SECTION 198. IC 34-16-1-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. If, within the one hundred eighty (180) day period, the person fails to sue or to effectively prosecute the action, the prosecuting attorney of the county shall bring a civil action to recover the money or other property so lost and delivered, in the name of the state and for the benefit of:

(1) the person's dependent children who are less than eighteen (18) years of age and the person's spouse; or

(2) if there are no children or spouse, the ~~common school~~ **state general** fund.

SECTION 199. P.L.224-2003, SECTION 174 IS REPEALED [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)].

SECTION 200. THE FOLLOWING ARE REPEALED [EFFECTIVE JANUARY 1, 2006]: IC 21-2-4-7; IC 21-2-11.5-5; IC 21-2-15-13.1; IC 21-3-1.7-6; IC 21-3-1.7-9.5; IC 21-3-1.7-9.7; IC 21-3-1.7-9.9; IC 21-3-4.5.

SECTION 201. THE FOLLOWING ARE REPEALED [EFFECTIVE JULY 1, 2005]: IC 20-6.1-3-1.5; IC 20-6.1-3-6; IC 20-10.2-2-9.5.

SECTION 202. IC 6-3.1-21-10 IS REPEALED [EFFECTIVE JULY 1, 2005].

SECTION 203. IC 14-11-2-3 IS REPEALED [EFFECTIVE UPON PASSAGE].

SECTION 204. IC 12-15-9-0.7 IS REPEALED [EFFECTIVE JULY 1, 2005].

SECTION 205. THE FOLLOWING ARE REPEALED [EFFECTIVE JULY 1, 2005]: IC 12-17.2-3.5-13; IC 20-1-1.8.

SECTION 206. THE FOLLOWING ARE REPEALED [EFFECTIVE JULY 1, 2005]: IC 20-12-3.2-3; IC 27-8-27-7.

SECTION 207. P.L.224-2003, SECTION 173, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)]: SECTION 173. (a) Notwithstanding IC 21-3-1.6-1.2 ~~as added by this act;~~ and IC 21-3-1.7, the tuition support determined under IC 21-3-1.7-8 **(repealed) and IC 21-3-1.7-8.2** for a school corporation shall be reduced as follows:

(1) For 2001, the previous year's revenue determined without regard to IC 21-3-1.6-1.2 ~~as added by this act,~~ shall be reduced by an amount determined under the following STEPS:

STEP ONE: Determine the difference between:

(A) the school corporation's average daily membership count for 2000, without regard to IC 21-3-1.6-1.2; ~~as added by this act;~~ minus

(B) the school corporation's average daily membership count for 2000, as adjusted by the school corporation under this act after applying IC 21-3-1.6-1.2. ~~as added by this act.~~

STEP TWO: Determine the result of:

(A) the school corporation's previous year's revenue under IC 21-3-1.7-3.1, without regard to IC 21-3-1.6-1.2; ~~as added by this act;~~ divided by

(B) the school corporation's average daily membership for 2000, without regard to IC 21-3-1.6-1.2. ~~as added by this act.~~

STEP THREE: Multiply the STEP ONE result by the STEP TWO result.

STEP FOUR: Multiply the STEP THREE result by one-third (1/3).

(2) For 2002, the previous year revenue determined without regard to IC 21-3-1.6-1.2 ~~as added by this act,~~ shall be reduced by an amount equal to the result under the following:

(A) Determine the result of:

(i) the amount determined under STEP THREE of subdivision (1); minus

(ii) the amount determined under STEP FOUR of subdivision (1).

(B) Divide the clause (A) result by three (3).

(C) Multiply the clause (B) result by one and three-hundredths (1.03).

(3) For 2003, the previous year revenue determined without regard to IC 21-3-1.6-1.2 ~~as added by this act,~~ shall be reduced by an amount equal to the reduction amount under subdivision (2) multiplied by one and two-hundredths (1.02).

(4) For 2005, **the previous year revenue determined without regard to IC 21-3-1.6-1.2 shall be reduced by an amount equal to** the product of:

(A) the reduction amount under subdivision (3) divided by three (3); multiplied by

(B) one and three-hundredths (1.03).

(5) For 2006 and 2007, the ~~product of:~~

~~(A)~~ **previous year revenue determined without regard to IC 21-3-1.6-1.2 shall be reduced by an amount equal to** the reduction amount under subdivision ~~(4) divided by three (3); multiplied by~~

~~(B) one and one-hundredth (1.01).~~ **(4)(A).**

(b) This SECTION expires January 1, 2008.

SECTION 208. [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)] **(a) The department of education shall adjust distributions made to a school corporation, including a charter school, after the effective date of this SECTION to eliminate the difference between the state primetime distribution that the school corporation, including a charter school, received in 2005, as a result of IC 21-1-30-3, as amended by P.L.224-2003, SECTION 141, and the state primetime distribution to which the school corporation, including a charter school, is entitled to receive in 2005 under IC 21-1-30-3, as amended by this act.**

(b) Subject to this subsection, the adjustments required under this SECTION shall be made on the schedule determined by the department of education. Five twelfths (5/12) of the reduction must be made in the period beginning after December 31, 2004, and ending before July 1, 2005. The remaining seven twelfths (7/12) of the reduction must be made in the period beginning after June 30, 2005, and ending before January 1, 2006.

SECTION 209. [EFFECTIVE UPON PASSAGE] **(a) The department of education shall adjust distributions made to a school corporation, including a charter school, after the effective date of this SECTION to eliminate the difference between the state primetime distribution that the school corporation, including a charter school, received, as a result of IC 21-1-30-3, as amended by P.L.224-2003, SECTION 141, and the state primetime distribution to which the school corporation, including a charter school, is entitled to receive under IC 21-1-30-3, as amended by this act.**

(b) The adjustments required under this SECTION shall be made on the schedule determined by the department of education.

SECTION 210. [EFFECTIVE JULY 1, 2005] **(a) The professional standards board established by IC 20-1-1.4-2 is abolished.**

(b) The following are transferred on July 1, 2005, from the professional standards board to the department of education established by IC 20-19-3-1:

(1) All real and personal property of the professional standards board.

(2) All powers, duties, assets, and liabilities of the professional standards board.

(3) All appropriations to the professional standards board.

(c) Money in the professional standards board licensing fund established by P.L.224-2003, SECTION 9, is transferred on July 1, 2005, to the professional standards fund established by IC 20-1-1.4-11, as added by this act.

(d) Rules that were adopted by the professional standards board before July 1, 2005, shall be treated as though the rules were adopted by the advisory board of the division of professional standards of the department of education established by IC 20-1-1.4-3.

(e) After June 30, 2005, a reference to the professional standards board in a statute or rule shall be treated as a reference to the division of professional standards established by IC 20-1-1.4-2.5, as added by this act.

(f) The members appointed before July 1, 2005, to the professional standards board:

(1) become members of the advisory board for the division of professional standards established by IC 20-1-1.4-3, as amended by this act; and

(2) may serve until the expiration of the term for which

the members were appointed.

(g) A license or permit issued by the professional standards board before July 1, 2005, shall be treated after June 30, 2005, as a license or permit issued by the department of education established by IC 20-19-3-1.

(h) Proceedings pending before the professional standards board on July 1, 2005, shall be transferred from the professional standards board to the department of education and treated as if initiated by the department of education established by IC 20-19-3-1.

SECTION 211. [EFFECTIVE JULY 1, 2005] **The board shall allocate from the pension stabilization fund (IC 21-6.1-2-8) to the Indiana state teachers' retirement fund's 1996 account an amount equal to the liability for individuals who were members of the Indiana state teachers' retirement fund's pre-1996 account before July 1, 1995, (and survivors and beneficiaries of these members) who after June 30, 1995, became members of the Indiana state teachers' retirement fund's 1996 account.**

SECTION 212. [EFFECTIVE JULY 1, 2005] **(a) As used in this SECTION, "fund" refers to the public employees' retirement fund, with respect to members (and survivors and beneficiaries of members) of the fund.**

(b) The amount determined in this SECTION shall be paid from the fund on or before December 1, 2005, to any person who was a retired member of the fund (or to a survivor or beneficiary of a retired member of the fund) before January 1, 2005, and who was entitled to receive a monthly benefit on November 1, 2005. The amount shall be paid in a single check. The amount is not an increase in the pension portion of the monthly benefit.

(c) The amount determined under the following formula shall be paid from the fund to a retired member of the fund (or to a survivor or beneficiary of a retired member of the fund) who meets the requirements of subsection (b):

STEP ONE: Multiply by twelve (12) the pension portion, plus postretirement increases to the pension portion, of the monthly benefit that was payable to the retired member of the fund (or to a survivor or beneficiary of the retired member of the fund) and provided by employer contributions during the month before the payment is made under this SECTION.

STEP TWO: Multiply the amount determined in STEP ONE by the applicable percentage from the following table:

Calendar Year of Last Retirement of Member	Applicable Percentage
Before 1990	2%
1990 through 2004	1%

(d) This SECTION expires July 1, 2006.

SECTION 213. [EFFECTIVE JULY 1, 2005] **(a) IC 4-24-7-4(b), as amended by this act, applies only to accounts for claims at a juvenile institution that the department of correction may have against any county for the payment of the county's portion of the cost of the maintenance of any inmate of the institution for days served after June 30, 2005.**

(b) If a county has an account with an outstanding balance on June 30, 2005, for claims that the department of correction may have against any county for the payment of the county's portion of the cost of the maintenance of any inmate of the juvenile institution for days served before July 1, 2005, the county and budget agency shall attempt to establish a repayment plan before August 15, 2005. If an agreement on a repayment plan is not signed before August 15, 2005, the auditor of state shall, notwithstanding anything to the contrary in IC 6-1.1-21, reduce the distributions of property tax replacement credits under IC 6-1.1-21 to the county and withhold the amount owed on the account by spreading the reductions equally over the distributions in those state fiscal years that end in 2006, 2007, 2008, and 2009. The auditor of state shall credit the contract payments or any withheld amount to the state general fund for the purpose of curing the default. The account is then considered paid to the extent of the withheld amount. A county that has the county's distribution reduced under this SECTION shall apply the withheld amount only to the county unit's share of the distribution and may not reduce a distribution to any other civil taxing unit or school corporation within the county.

(c) This SECTION expires July 2, 2009.

SECTION 214. [EFFECTIVE JULY 1, 2005] **(a) The division of family and children shall submit a report to the legislative council and the health finance commission established by IC 2-5-23-3 that contains statistics concerning the education levels and salaries of all:**

(1) child protection caseworkers and child welfare caseworkers; and

(2) child protection caseworker and child welfare caseworker supervisors;

by September 1, 2005.

(b) The report required by subsection (a) must be in an electronic format under IC 5-14-6.

(c) This SECTION expires December 31, 2005.

SECTION 215. [EFFECTIVE UPON PASSAGE] **(a) As used in this SECTION, "office" refers to the office of Medicaid policy and planning established by IC 12-8-6-1.**

(b) The office shall apply to the United States Department of Health and Human Services to amend the state Medicaid plan concerning limiting dental and chiropractic services in the following manner:

(1) A Medicaid recipient who is at least twenty-one (21) years of age is only eligible for the following dental services without prior authorization under the Medicaid program:

(A) Preventative care.

(B) Fillings.

(C) Emergency and trauma care.

The office may authorize other dental services not listed in this subdivision for a Medicaid recipient if the recipient first obtains prior authorization from the office for the dental service.

(2) A Medicaid recipient who is less than twelve (12) years of age is not eligible for chiropractic services under the Medicaid program unless a physician licensed under IC 25-22.5 determines that the service is medically necessary.

(c) The office may not implement the amendment until the office files an affidavit with the governor attesting that the amendment applied for under this SECTION is in effect. The office shall file the affidavit under this subsection not later than five (5) days after the office is notified that an amendment is approved.

(d) If the office receives approval for an amendment under this SECTION from the United States Department of Health and Human Services and the governor receives the affidavit filed under subsection (c), the office shall implement the amendment not more than thirty (30) days after the governor receives the affidavit.

(e) The office may adopt rules under IC 4-22-2 necessary to implement this SECTION.

(f) This SECTION expires December 31, 2012.

SECTION 216. [EFFECTIVE JULY 1, 2005] **405 IAC 3 is void. The publisher of the Indiana Administrative Code shall remove this article from the Indiana Administrative Code.**

SECTION 217. [EFFECTIVE JULY 1, 2005] **(a) This SECTION covers officer positions created for the 2005 legislative session that were not set forth in P.L.274-2003, SECTION 3.**

(b) The following officers of the senate are entitled to the following amounts to be paid after June 30, 2005, and before December 31, 2005. These amounts are in addition to the subsistence allowance: appropriations committee chair, $5,000; tax and fiscal policy committee chair, $5,000; appropriations committee ranking majority member, $1,500; tax and fiscal policy committee ranking majority member, $1,500; appropriations committee ranking minority member, $2,000; tax and fiscal policy committee ranking minority member, $2,000.

(c) The following officers of the house of representatives are entitled to the following amounts to be paid after June 30, 2005, and before December 31, 2005. These amounts are in addition to the subsistence allowance: chairman of the education subcommittee, $1,500.

(d) This SECTION expires December 31, 2005.

SECTION 218. [EFFECTIVE UPON PASSAGE] **On the effective date of this SECTION, the powers of the department of natural resources to establish fees are transferred to the natural resources commission. After the effective date of this SECTION, the natural resources commission may exercise any power delegated to the department of natural resources to establish fees, and a rule of the department of natural resources that establishes a fee for any of the following shall be treated as a rule of the natural resources commission:**

(1) Programs of the department of natural resources or the natural resources commission.

(2) Facilities owned or operated by the department of natural resources or the natural resources commission or a lessee of the department of natural resources or the natural resources commission.

(3) Licenses issued by the natural resources commission, the department of natural resources, or the director of the department of natural resources.

(4) Inspections or other similar services under IC 14 performed by the department of natural resources or an assistant or employee of the department of natural resources.

SECTION 219. [EFFECTIVE UPON PASSAGE] **(a) The commission for higher education shall complete the establishment of the initial core transfer library under IC 20-12-0.5-8(18), as amended by this act, for at least seventy (70) courses and the initial articulation agreements for at least twelve (12) degree programs under IC 20-12-0.5-8(19), as amended by this act, before July 1, 2007. State educational institutions shall assist the commission for higher education as necessary to comply with this SECTION.**

(b) This SECTION expires June 30, 2008.

SECTION 220. [EFFECTIVE JULY 1, 2005] **(a) Effective July 1, 2005, the names of the Indiana University programs, centers, and schools related to medicine are changed to those set forth in IC 20-12-30.5-2, as amended by this act.**

(b) A reference to the former name described in IC 20-12-30.5-2, as amended by this act, in any law, rule, or document shall be treated after June 30, 2005, as a reference to the new name given to the program, center, or school.

(c) The legislative council shall provide for the preparation of legislation to change the references in all laws to the programs, centers, and schools described in IC 20-12-30.5-2, as amended by this act.

SECTION 221. [EFFECTIVE JULY 1, 2005] **(a) The trustees of following institutions may issue and sell bonds under IC 20-12-6, subject to the approvals required by IC 20-12-5.5, for the following projects if the sum of principal costs of any bond issued, excluding amounts necessary to provide money for debt service reserves, credit enhancement, or other costs incidental to the issuance of the bonds, does not exceed the total authority listed below for that institution:**

Indiana University - South Bend Campus Education and Arts Building Renovation	**25,750,000**
Ivy Tech - Valparaiso New Campus - Phase II	**20,000,000**
Ivy Tech - Madison Main Campus Expansion	**19,144,000**
Ivy Tech - Marion New Campus	**17,615,000**
University of Southern Indiana - Education/Science Building Completion SOB/GCB A&E, and Physical Plant Expansion	**6,600,000**
Indiana State University - University Hall Renovation for College of Education	**26,880,000**

The foregoing projects are eligible for fee replacement appropriations.

University of Southern Indiana - Recreation and Fitness Center Expansion Phase II and III	**7,250,000**

The foregoing project is not eligible for fee replacement appropriations.

(b) The trustees of following institutions may issue and sell bonds under IC 20-12-6, subject to the approvals required by IC 20-12-5.5, for the following projects if the sum of principal costs of any bond issued, excluding amounts necessary to provide money for debt service reserves, credit enhancement,

or other costs incidental to the issuance of the bonds, does not exceed the total authority listed below for that institution:

Indiana University - Bloomington Campus - Central Heating Plant Renovation Phase I 45,000,000

Purdue University - West Lafayette Campus - Infrastructure and Utilities Improvement 43,600,000

Ball State University - Boiler Plant Replacement and Chilled Water Plant Improvements 48,000,000

The budget agency shall, with the cooperation of the institutions, coordinate the planning, direct a process for developing detailed specifications, and develop a coordinated plan for contracting and implementing the construction and operation of the above projects. The projects may not be commenced by the institutions until alternatives for the projects such as privatization, joint ownership, phased construction, and joint operation of the improvements have been considered by the budget agency and the institutions. The coordinated plan may include alternatives required by the budget agency. The projects are eligible for fee replacement appropriations.

SECTION 222. [EFFECTIVE JULY 1, 2005] **(a) The budget agency shall make an early distribution of state tuition support to school corporations under IC 21-3-1.7 that may not exceed fifty percent (50%) of the most recent accrued tuition support payment delay balance, as determined by the budget agency. The distribution is to reduce accrued payment delay balances to school corporations that were created because of the distribution of eleven-twelfths (11/12) of the appropriated amount in the state fiscal year ending June 30, 2002. If the budget agency determines that insufficient combined balances exist to make an early distribution of fifty percent (50%), the budget agency may make an early distribution that is less than fifty percent (50%), so long as the percentage of the accrued payment delay is the same under this subsection as that used under subsection (b). An early distribution under this subsection is to be treated as a tuition support distribution under IC 21-3-1.7 for the calendar year in which the early distribution is made.**

(b) The budget agency shall make an early distribution of property tax replacement credits and homestead credits under IC 6-1.1-21 that may not exceed fifty percent (50%) of the most recent accrued property tax replacement credit and homestead credit payment delay balance, as determined by the budget agency. The distribution is to reduce accrued payment delay balances that were created because of the statutory change in IC 6-1.1-21-10 that was made by P.L.192-2002(ss), SECTION 43, to move the May distribution to July beginning with the May 2003 distribution. If the budget agency determines that insufficient combined balances exist to make an early distribution of fifty percent (50%), the budget agency may make an early distribution that is less than fifty percent (50%), so long as the percentage of the accrued payment delay is the same under this subsection as that used under subsection (a). An early distribution under this subsection is to be treated as a distribution under IC 6-1.1-21 for the calendar year in which the early distribution is made.

(c) Distributions under this SECTION:

(1) may be made in one (1) or more installments before July 1, 2007;

(2) shall be separately allotted and the accrued payment delay balances for the state fiscal year shall be reduced accordingly.

(d) There is appropriated from the state general fund or property tax replacement fund to the budget agency the amount necessary to make early distributions under this SECTION.

(e) This SECTION expires July 2, 2007.

SECTION 223. [EFFECTIVE JULY 1, 2005] **For purposes of reconciling the amount the property tax replacement fund paid under IC 4-33-13-5(g) to entities covered by IC 6-3.1-20-7, with respect to taxable years ending in 2001, 2002, and 2003, the treasurer of state shall reduce the supplemental distributions under IC 4-33-13-5(g) to the entities covered by IC 6-3.1-20-7. The total reduction amount is what is necessary so that the property tax replacement fund realizes the difference between payments made compared to the payments that should have been made had the reimbursement under IC 6-3.1-20-7 been treated as provided in IC 4-33-13-5(g), as amended by this act. The reduction shall be allocated equally to the supplemental distributions made before September 2005, 2006, and 2007 for state fiscal years ending in 2006, 2007, and 2008.**

SECTION 224. [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)] **IC 6-1.1-3-23, as amended by this act, applies only to property taxes first due and payable after December 31, 2004.**

SECTION 225. [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)] **(a) As used in this SECTION, "taxable year" has the meaning set forth in IC 6-3-1-16.**

(b) IC 6-3-1-11, as amended by this act, applies only to taxable years beginning after December 31, 2004.

SECTION 226. [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)] **IC 6-3-1-3.5 and IC 6-5.5-1-2, both as amended by this act, apply only to taxable years beginning after December 31, 2004.**

SECTION 227. [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)] **(a) Notwithstanding IC 6-3-1-11, as effective before the passage of this act, this SECTION applies to taxable years beginning after December 31, 2003, and before January 1, 2005.**

(b) As used in this SECTION, "Internal Revenue Code" means the Internal Revenue Code of 1986 of the United States as amended and in effect on January 1, 2004.

(c) Whenever the Internal Revenue Code is mentioned in IC 6-3, the particular provisions that are referred to, together with all the other provisions of the Internal Revenue Code in effect on January 1, 2004, that pertain to the provisions specifically mentioned, shall be regarded as incorporated in IC 6-3 by reference and have the same force and effect as though fully set forth in IC 6-3. To the extent the provisions apply to IC 6-3, regulations adopted under Section 7805(a) of the Internal Revenue Code and in effect on January 1, 2004, shall be regarded as rules adopted by the department under IC 6-3, unless the department adopts specific rules that supersede the regulation.

(d) An amendment to the Internal Revenue Code made by an act passed by Congress before January 1, 2004, that is effective for any taxable year that began before January 1, 2004, 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 IC 6-3-1-3.5.

(e) However, this act may not be construed to authorize a taxpayer to deduct, in computing the taxpayer's Indiana adjusted gross income, the amount of bonus depreciation (as defined in IC 6-3-12-33, as amended by this act, or IC 6-5.5-1-20, as amended by this act, as applicable) or a deduction under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars ($25,000) in any taxable year beginning before January 1, 2005.

SECTION 228. **An emergency is declared for this act.**

(Reference is to HB 1001 as reprinted February 18, 2005.)

Committee Vote: Yeas 7, Nays 4.

and when so amended that said bill do pass.

Committee Vote: Yeas 7, Nays 4.

MEEKS, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Appropriations, to which was referred Engrossed House Bill 1141, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be amended as follows:

Page 5, delete lines 24 through 42, begin a new paragraph and insert:

"SECTION 20. IC 33-33-53-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. (a) Monroe County constitutes the tenth judicial circuit.

(b) There are ~~seven (7)~~ **nine (9)** judges of the Monroe circuit court.".

Page 6, delete lines 1 through 17.

Page 9, delete lines 11 through 23, begin a new paragraph and insert:

"SECTION 33. [EFFECTIVE JULY 1, 2005] **(a) Notwithstanding IC 33-33-53-1, as amended by this act, the Monroe circuit court is not expanded to:**

(1) eight (8) judges until January 1, 2006, as described in subsection (b); and

(2) nine (9) judges until January 1, 2008, as described in subsection (c).

(b) The governor shall appoint a person under IC 3-13-6-1(c) to serve as the eighth judge of the Monroe circuit court added by IC 33-33-53-1, as amended by this act. The term of the initial judge appointed under this subsection begins January 1, 2006, and ends December 31, 2006. The initial election of the eighth judge of the Monroe circuit court added by IC 33-33-53-1, as amended by this act, is the general election on November 7, 2006. The term of the judge initially elected under this subsection begins January 1, 2007.

(c) The governor shall appoint a person under IC 3-13-6-1(c) to serve as the ninth judge of the Monroe circuit court added by IC 33-33-53-1, as amended by this act. The term of the initial judge appointed under this subsection begins January 1, 2008, and ends December 31, 2008. The initial election of the ninth judge of the Monroe circuit court added by IC 33-33-53-1, as amended by this act, is the general election on November 4, 2008. The term of the judge initially elected under this subsection begins January 1, 2009.

(d) This SECTION expires January 2, 2009.".

Renumber all SECTIONS consecutively.

(Reference is to EHB 1141 as printed March 18, 2005.)

and when so amended that said bill do pass.

Committee Vote: Yeas 9, Nays 0.

MEEKS, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Appropriations, to which was referred Engrossed House Bill 1241, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be amended as follows:

Page 1, delete lines 1 through 14 begin a new paragraph and insert:

"SECTION 1. IC 10-13-6-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 8. (a) The superintendent may establish a data base of DNA identification records of:

(1) convicted criminals;

(2) crime scene specimens;

(3) unidentified missing persons; and

(4) close biological relatives of missing persons.

(b) The superintendent shall maintain the Indiana DNA data base.

(c) The superintendent may contract for services to perform DNA analysis of convicted offenders under section 10 of this chapter to assist federal, state, and local criminal justice and law enforcement agencies in the putative identification, detection, or exclusion of individuals who are subjects of an investigation or prosecution of a sex offense, a violent crime, or another crime in which biological evidence is recovered from the crime scene.

(d) The superintendent:

(1) may perform or contract for performance of testing, typing, or analysis of a DNA sample collected from a person described in section 10 of this chapter at any time; and

(2) shall perform or contract for the performance of testing, typing, or analysis of a DNA sample collected from a person described in section 10 of this chapter if federal funds become available for the performance of DNA testing, typing, or analysis.

~~(d)~~ **(e)** The superintendent shall adopt rules under IC 4-22-2 necessary to administer and enforce the provisions and intent of this chapter.

(f) The detention, arrest, or conviction of a person based on a data base match or data base information is not invalidated if a court determines that the DNA sample was obtained or placed in the Indiana DNA data base by mistake.".

Page 2, delete lines 39 through 42.

Delete pages 3 through 12.

Renumber all SECTIONS consecutively.

(Reference is to EHB 1241 as printed March 18, 2005.)

and when so amended that said bill do pass.

Committee Vote: Yeas 11, Nays 0.

MEEKS, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Insurance and Financial Institutions, to which was referred Engrossed House Bill 1375, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill do pass.

Committee Vote: Yeas 6, Nays 0.

PAUL, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Appropriations, to which was referred Engrossed House Bill 1113, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be amended as follows:

Page 2, line 2, strike "judicial" and insert "**public defense**".

Page 2, line 3, strike "insurance adjustment" and insert "**administration**".

Page 2, line 4, delete "IC 33-37-5-27." and insert "**IC 33-37-5-26.**".

Page 2, between lines 11 and 12, begin a new paragraph and insert:

"SECTION 2. IC 33-34-8-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. (a) Payment for all costs made as a result of proceedings in a small claims court shall be to the _____ County Small Claims Court _____ Division (with the name of the county and township inserted). The court shall issue a receipt for all money received on a form numbered serially in duplicate. All township docket fees and late fees received by the court shall be paid to the township trustee at the close of each month.

(b) The court shall:

(1) semiannually distribute to the auditor of state:

(A) all automated record keeping fees **(IC 33-37-5-21)** received by the court for deposit in the state user fee fund established under IC 33-37-9;

(B) all public defense administration fees collected by the court under IC 33-37-5-21.2 for deposit in the state general fund;

(C) all judicial administration fees collected by the court under IC 33-37-5-25 for deposit in the state general fund; and

(D) seventy-five percent (75%) of all judicial salaries fees collected by the court under IC 33-37-5-26 for deposit in the state general fund; and

(2) distribute monthly to the county auditor all document storage fees received by the court.

The county auditor shall deposit fees distributed under ~~this~~ subdivision **(2)** into the clerk's record perpetuation fund under IC 33-37-5-2.".

Page 2, line 41, strike "judicial" and insert "**public defense**".

Page 2, line 42, strike "insurance adjustment" and insert "**administration**".

Page 3, line 2, delete "(IC 33-37-5-27)." and insert "**(IC 33-37-5-26).**".

Page 4, line 23, strike "judicial" and insert "**public defense**".

Page 4, line 24, strike "insurance adjustment" and insert "**administration**".

Page 4, line 26, delete "(IC 33-37-5-27)." and insert "**(IC 33-37-5-26).**".

Page 5, line 41, strike "judicial" and insert "**public defense**".

Page 5, line 42, strike "insurance adjustment" and insert "**administration**".

Page 6, line 2, delete "(IC 33-37-5-27)." and insert "**(IC 33-37-5-26).**".

Page 6, line 35, strike "judicial" and insert "**public defense**".

Page 6, line 36, strike "insurance adjustment" and insert "**administration**".

Page 6, delete line 37.

Page 6, line 38, delete "(8)" and insert "**(7)**".

Page 6, line 38, delete "(IC 33-37-5-27)." and insert "**(IC 33-37-5-26).**".

Page 7, delete lines 1 through 23, begin a new line block left and insert:

"the clerk shall collect from the party filing the action both of the following fees:

(1) A small claims costs fee of thirty-five dollars ($35).

(2) A small claims service fee of five dollars ($5) for each defendant named or added in the small claims action.

However, a clerk may not collect a small claims costs fee or small claims service fee for a small claims action filed by or on behalf of the attorney general.

(b) In addition to a small claims costs fee and small claims service fee collected under this section, the clerk shall collect the following

fees, if they are required under IC 33-37-5:

(1) A document fee (IC 33-37-5-1, IC 33-37-5-3, or IC 33-37-5-4).

(2) A document storage fee (IC 33-37-5-20).

(3) An automated record keeping fee (IC 33-37-5-21).

(4) A ~~judicial~~ **public defense** *administration fee ~~under~~ (IC 33-37-5-21.2).*

~~(4)~~ **(5)** *A judicial ~~insurance adjustment~~* **administration** *fee ~~under~~ (IC 33-37-5-25).*

(6) A judicial salaries fee (IC 33-37-5-26).

~~(c) This section applies after June 30, 2005.~~".

Page 7, line 41, strike "judicial" and insert "**public defense**".

Page 7, line 42, strike "insurance adjustment" and insert "**administration**".

Page 8, line 1, delete "(IC 33-37-5-27)." and insert "**(IC 33-37-5-26).**".

Page 8, between lines 9 and 10, begin a new paragraph and insert:

"SECTION 8. IC 33-37-5-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JUNE 1, 2005]: Sec. 17. (a) This section applies to actions in which the court defers prosecution under IC 33-39-1-8.

(b) In each action in which prosecution is deferred, the clerk shall collect from the defendant a deferred prosecution fee of ~~fifty~~ **one hundred twenty** dollars ~~($50)~~ **($120)** for court costs.".

Page 8, delete lines 16 through 42, begin a new line block left and insert:

"In each action filed in a court described in IC 33-37-1-1 **and in each small claims action in a court described in IC 33-34,** the clerk shall collect a ~~judicial~~ **public defense** administration fee of ~~in the period beginning July 1, 2004, and ending June 30, 2005, one dollar ($1) and after June 30, 2005, two~~ **three** dollars ~~($2).~~ **($3).**

(b) In each action in which a person is:

(1) convicted of an offense;

(2) required to pay a pretrial diversion fee;

(3) found to have violated an infraction; or

(4) found to have violated an ordinance;

the clerk shall collect a ~~judicial~~ **public defense** administration fee of ~~in the period beginning July 1, 2004, and ending June 30, 2005, one dollar ($1) and after June 30, 2005, two~~ **three** dollars ~~($2).~~ **($3).**

SECTION 9. IC 33-37-5-25 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 25. (a) This subsection does not apply to the following:

(1) A criminal proceeding.

(2) A proceeding for an infraction violation.

(3) A proceeding for an ordinance violation.

In each action filed in a court described in ~~IC 33-19-1-1,~~ **IC 33-37-1-1 and in each small claims action in a court described in IC 33-34,** the clerk shall collect a judicial ~~insurance adjustment~~ **administration** fee of ~~one dollar ($1).~~ **two dollars ($2).**

(b) In each action in which a person is:

(1) convicted of an offense;

(2) required to pay a pretrial diversion fee;

(3) found to have violated an infraction; or

(4) found to have violated an ordinance;

the clerk shall collect a judicial ~~insurance adjustment~~ **administration** fee of ~~one dollar ($1).~~ **two dollars ($2).**

SECTION 10. IC 33-37-5-26 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 26. (a) This subsection does not apply to the following:**

(1) A criminal proceeding.

(2) A proceeding for an infraction violation.

(3) A proceeding for an ordinance violation.

(4) A small claims action.

In each action filed in a court described in IC 33-37-1-1, the clerk shall collect a judicial salaries fee equal to the amount specified in the schedule in subsection (d).

(b) In each small claims action filed in a court described in IC 33-37-1-1 or IC 33-34, the clerk shall collect a judicial salaries fee specified in the schedule in subsection (e).

(c) In each action in which a person is:

(1) convicted of an offense;

(2) required to pay a pretrial diversion fee;

(3) found to have violated an infraction; or

(4) found to have violated an ordinance;

the clerk shall collect a judicial salaries fee specified in the schedule in subsection (d).

(d) Beginning:

(1) after June 30, 2005, and ending before July 1 of the first state fiscal year after June 30, 2006, in which salaries are increased under IC 33-38-5-8.1, the judicial salaries fee to which this subsection applies is fifteen dollars ($15);

(2) after June 30 immediately preceding the first state fiscal year in which salaries are increased under IC 33-38-5-8.1 and ending before July 1 of the second state fiscal year after June 30, 2006, in which salaries are increased under IC 33-38-5-8.1, the judicial salaries fee to which this subsection applies is sixteen dollars ($16);

(3) after June 30 immediately preceding the second state fiscal year in which salaries are increased under IC 33-38-5-8.1 and ending before July 1 of the third state fiscal year after June 30, 2006, in which salaries are increased under IC 33-38-5-8.1, the judicial salaries fee to which this subsection applies is seventeen dollars ($17);

(4) after June 30 immediately preceding the third state fiscal year in which salaries are increased under IC 33-38-5-8.1 and ending before July 1 of the fourth state fiscal year after June 30, 2006, in which salaries are increased under IC 33-38-5-8.1, the judicial salaries fee to which this subsection applies is eighteen dollars ($18);

(5) after June 30 immediately preceding the fourth state fiscal year in which salaries are increased under IC 33-38-5-8.1 and ending before July 1 of the fifth state fiscal year after June 30, 2006, in which salaries are increased under IC 33-38-5-8.1, the judicial salaries fee to which this subsection applies is nineteen dollars ($19); and

(6) after June 30 immediately preceding the fifth state fiscal year in which salaries are increased under IC 33-38-5-8.1, the judicial salaries fee to which this subsection applies is twenty dollars ($20).

(e) Beginning:

(1) after June 30, 2005, and ending before July 1 of the first state fiscal year after June 30, 2006, in which salaries are increased under IC 33-38-5-8.1, the judicial salaries fee to which this subsection applies is ten dollars ($10);

(2) after June 30 immediately preceding the first state fiscal year in which salaries are increased under IC 33-38-5-8.1 and ending before July 1 of the second state fiscal year after June 30, 2006, in which salaries are increased under IC 33-38-5-8.1, the judicial salaries fee to which this subsection applies is eleven dollars ($11);

(3) after June 30 immediately preceding the second state fiscal year in which salaries are increased under IC 33-38-5-8.1 and ending before July 1 of the third state fiscal year after June 30, 2006, in which salaries are increased under IC 33-38-5-8.1, the judicial salaries fee to which this subsection applies is twelve dollars ($12);

(4) after June 30 immediately preceding the third state fiscal year in which salaries are increased under IC 33-38-5-8.1 and ending before July 1 of the fourth state fiscal year after June 30, 2006, in which salaries are increased under IC 33-38-5-8.1, the judicial salaries fee to which this subsection applies is thirteen dollars ($13);

(5) after June 30 immediately preceding the fourth state fiscal year in which salaries are increased under IC 33-38-5-8.1 and ending before July 1 of the fifth state fiscal year after June 30, 2006, in which salaries are increased under IC 33-38-5-8.1, the judicial salaries fee to which this subsection applies is fourteen dollars ($14); and

(6) after June 30 immediately preceding the fifth state fiscal year in which salaries are increased under IC 33-38-5-8.1, the judicial salaries fee to which this subsection applies is fifteen dollars ($15).

SECTION 11. IC 33-37-7-2, AS AMENDED BY P.L.85-2004, SECTION 25, AND AS AMENDED BY P.L.95-2004, SECTION 13, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) The clerk of a circuit court shall distribute semiannually to the auditor of state as the state share for deposit in the state general fund seventy percent (70%) of the amount of fees collected under the following:

(1) IC 33-37-4-1(a) (criminal costs fees).

(2) IC 33-37-4-2(a) (infraction or ordinance violation costs fees).

(3) IC 33-37-4-3(a) (juvenile costs fees).

(4) IC 33-37-4-4(a) (civil costs fees).

(5) IC 33-37-4-6(a)(1) (small claims costs fees).

(6) IC 33-37-4-7(a) (probate costs fees).

~~(7) IC 33-37-5-17 (deferred prosecution fees).~~

(b) The clerk of a circuit court shall distribute semiannually to the auditor of state for deposit in the state user fee fund established in IC 33-37-9-2 the following:

(1) Twenty-five percent (25%) of the drug abuse, prosecution, interdiction, and correction fees collected under IC 33-37-4-1(b)(5).

(2) Twenty-five percent (25%) of the alcohol and drug countermeasures fees collected under IC 33-37-4-1(b)(6), IC 33-37-4-2(b)(4), and IC 33-37-4-3(b)(5).

(3) Fifty percent (50%) of the child abuse prevention fees collected under IC 33-37-4-1(b)(7).

(4) One hundred percent (100%) of the domestic violence prevention and treatment fees collected under IC 33-37-4-1(b)(8).

(5) One hundred percent (100%) of the highway work zone fees collected under IC 33-37-4-1(b)(9) and IC 33-37-4-2(b)(5).

(6) One hundred percent (100%) of the safe schools fee collected under IC 33-37-5-18.

(7) One hundred percent (100%) of the automated record keeping fee (IC 33-37-5-21).

(c) The clerk of a circuit court shall distribute monthly to the county auditor the following:

(1) Seventy-five percent (75%) of the drug abuse, prosecution, interdiction, and correction fees collected under IC 33-37-4-1(b)(5).

(2) Seventy-five percent (75%) of the alcohol and drug countermeasures fees collected under IC 33-37-4-1(b)(6), IC 33-37-4-2(b)(4), and IC 33-37-4-3(b)(5).

The county auditor shall deposit fees distributed by a clerk under this subsection into the county drug free community fund established under IC 5-2-11.

(d) The clerk of a circuit court shall distribute monthly to the county auditor fifty percent (50%) of the child abuse prevention fees collected under IC 33-37-4-1(b)(7). The county auditor shall deposit fees distributed by a clerk under this subsection into the county child advocacy fund established under IC 12-17-17.

(e) The clerk of a circuit court shall distribute monthly to the county auditor one hundred percent (100%) of the late payment fees collected under IC 33-37-5-22. The county auditor shall deposit fees distributed by a clerk under this subsection as follows:

(1) If directed to do so by an ordinance adopted by the county fiscal body, the county auditor shall deposit forty percent (40%) of the fees in the clerk's record perpetuation fund established under IC 33-37-5-2 and sixty percent (60%) of the fees in the county general fund.

(2) If the county fiscal body has not adopted an ordinance described in subdivision (1), the county auditor shall deposit all the fees in the county general fund.

(f) The clerk of the circuit court shall distribute semiannually to the auditor of state for deposit in the sexual assault victims assistance fund established by IC 16-19-13-6 one hundred percent (100%) of the sexual assault victims assistance fees collected under IC 33-37-5-23.

(g) The clerk of a circuit court shall distribute monthly to the county auditor the following:

(1) One hundred percent (100%) of the support and maintenance fees for cases designated as non-Title IV-D child support cases in the Indiana support enforcement tracking system (ISETS) collected under IC 33-37-5-6.

(2) The percentage share of the support and maintenance fees for cases designated as IV-D child support cases in ISETS collected under IC 33-37-5-6 that is reimbursable to the county at the federal financial participation rate.

The county clerk shall distribute monthly to the office of the secretary of family and social services the percentage share of the

support and maintenance fees for cases designated as Title IV-D child support cases in ISETS collected under IC 33-37-5-6 that is not reimbursable to the county at the applicable federal financial participation rate.

(h) The clerk of a circuit court shall distribute monthly to the county auditor one hundred percent (100%) of the small claims service fee under IC 33-37-4-6(a)(2) for deposit in the county general fund.

(i) The clerk of a circuit court shall semiannually distribute to the auditor of state for deposit in the state general fund one hundred percent (100%) of the ~~judicial~~ **public defense** *administration fee collected under IC 33-37-5-21.2.*

~~(i)~~ **(j)** *The clerk of a circuit court shall semiannually distribute to the auditor of state for deposit in the ~~judicial branch insurance adjustment account established by IC 33-38-5-8.2~~* **state general fund** *one hundred percent (100%) of the judicial ~~insurance adjustment~~* **administration** *fee collected under IC 33-37-5-25.*

~~(j) This section applies after June 30, 2005.~~

(k) The clerk of a circuit court shall semiannually distribute to the auditor of state for deposit in the state general fund one hundred percent (100%) of the fees collected under the following:

(1) IC 33-37-5-17 (deferred prosecution fees).

(2) IC 33-37-5-26 (judicial salaries fees).

(3) IC 34-28-5-1 (deferred traffic offense prosecution fees).

SECTION 12. IC 33-37-7-8, AS AMENDED BY P.L.85-2004, SECTION 27, AND AS AMENDED BY P.L.95-2004, SECTION 15, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 8. (a) The clerk of a city or town court shall distribute semiannually to the auditor of state as the state share for deposit in the state general fund fifty-five percent (55%) of the amount of fees collected under the following:

(1) IC 33-37-4-1(a) (criminal costs fees).

(2) IC 33-37-4-2(a) (infraction or ordinance violation costs fees).

(3) IC 33-37-4-4(a) (civil costs fees).

(4) IC 33-37-4-6(a)(1) (small claims costs fees).

~~(5) IC 33-37-5-17 (deferred prosecution fees).~~

(b) The city or town fiscal officer shall distribute monthly to the county auditor as the county share twenty percent (20%) of the amount of fees collected under the following:

(1) IC 33-37-4-1(a) (criminal costs fees).

(2) IC 33-37-4-2(a) (infraction or ordinance violation costs fees).

(3) IC 33-37-4-4(a) (civil costs fees).

(4) IC 33-37-4-6(a)(1) (small claims costs fees).

~~(5) IC 33-37-5-17 (deferred prosecution fees).~~

(c) The city or town fiscal officer shall retain twenty-five percent (25%) as the city or town share of the fees collected under the following:

(1) IC 33-37-4-1(a) (criminal costs fees).

(2) IC 33-37-4-2(a) (infraction or ordinance violation costs fees).

(3) IC 33-37-4-4(a) (civil costs fees).

(4) IC 33-37-4-6(a)(1) (small claims costs fees).

~~(5) IC 33-37-5-17 (deferred prosecution fees).~~

(d) The clerk of a city or town court shall distribute semiannually to the auditor of state for deposit in the state user fee fund established in IC 33-37-9 the following:

(1) Twenty-five percent (25%) of the drug abuse, prosecution, interdiction, and corrections fees collected under IC 33-37-4-1(b)(5).

(2) Twenty-five percent (25%) of the alcohol and drug countermeasures fees collected under IC 33-37-4-1(b)(6), IC 33-37-4-2(b)(4), and IC 33-37-4-3(b)(5).

(3) One hundred percent (100%) of the highway work zone fees collected under IC 33-37-4-1(b)(9) and IC 33-37-4-2(b)(5).

(4) One hundred percent (100%) of the safe schools fee collected under IC 33-37-5-18.

(5) One hundred percent (100%) of the automated record keeping fee (IC 33-37-5-21).

(e) The clerk of a city or town court shall distribute monthly to the county auditor the following:

(1) Seventy-five percent (75%) of the drug abuse, prosecution, interdiction, and corrections fees collected under IC 33-37-4-1(b)(5).

(2) Seventy-five percent (75%) of the alcohol and drug countermeasures fees collected under IC 33-37-4-1(b)(6), IC 33-37-4-2(b)(4), and IC 33-37-4-3(b)(5).

The county auditor shall deposit fees distributed by a clerk under this subsection into the county drug free community fund established under IC 5-2-11.

(f) The clerk of a city or town court shall distribute monthly to the city or town fiscal officer (as defined in IC 36-1-2-7) one hundred percent (100%) of the late payment fees collected under IC 33-37-5-22. The city or town fiscal officer (as defined in IC 36-1-2-7) shall deposit fees distributed by a clerk under this subsection in the city or town general fund.

(g) The clerk of a city or town court shall semiannually distribute to the auditor of state for deposit in the state general fund one hundred percent (100%) of the ~~judicial~~ **public defense** *administration fee collected under IC 33-37-5-21.2.*

~~(g)~~ **(h)** *The clerk of a city or town court shall semiannually distribute to the auditor of state for deposit in the ~~judicial branch insurance adjustment account established by IC 33-38-5-8.2~~* **state general fund** *one hundred percent (100%) of the judicial ~~insurance adjustment~~* **administration** *fee collected under IC 33-37-5-25.*

~~(h) This section applies after June 30, 2005.~~

(i) The clerk of a city or town court shall semiannually distribute to the auditor of state for deposit in the state general fund seventy-five percent (75%) of the judicial salaries fee collected under IC 33-37-5-26. The city or town fiscal officer shall retain twenty-five percent (25%) of the judicial salaries fee collected under IC 33-37-5-26 as the city or town share.

(j) The clerk of a city or town court shall semiannually distribute to the auditor of state for deposit in the state general fund one hundred percent (100%) of the fees collected under the following:

(1) IC 33-37-5-17 (deferred prosecution fees).

(2) IC 34-28-5-1 (deferred traffic offense prosecution fees).".

Delete pages 9 through 14.

Page 15, delete lines 1 through 33.

Page 16, after line 4, begin a new paragraph and insert:

"SECTION 17. IC 34-28-5-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JUNE 1, 2005]: Sec. 1. (a) An action to

enforce a statute defining an infraction shall be brought in the name of the state of Indiana by the prosecuting attorney for the judicial circuit in which the infraction allegedly took place. However, if the infraction allegedly took place on a public highway (as defined in IC 9-25-2-4) that runs on and along a common boundary shared by two (2) or more judicial circuits, a prosecuting attorney for any judicial circuit sharing the common boundary may bring the action.

(b) An action to enforce an ordinance shall be brought in the name of the municipal corporation. The municipal corporation need not prove that it or the ordinance is valid unless validity is controverted by affidavit.

(c) Actions under this chapter (or IC 34-4-32 before its repeal):

(1) shall be conducted in accordance with the Indiana Rules of Trial Procedure; and

(2) must be brought within two (2) years after the alleged conduct or violation occurred.

(d) The plaintiff in an action under this chapter must prove the commission of an infraction or ordinance violation by a preponderance of the evidence.

(e) The complaint and summons described in IC 9-30-3-6 may be used for any infraction or ordinance violation.

(f) The prosecuting attorney or the attorney for a municipal corporation may establish a deferral program for deferring actions brought under this section. Actions may be deferred under this section if:

(1) the defendant in the action agrees to conditions of a deferral program offered by the prosecuting attorney or the attorney for a municipal corporation;

(2) the defendant in the action agrees to pay to the clerk of the court an initial user's fee and monthly user's fee set by the prosecuting attorney or the attorney for the municipal corporation in accordance with IC 33-37-4-2(e);

(3) the terms of the agreement are recorded in an instrument signed by the defendant and the prosecuting attorney or the attorney for the municipal corporation;

(4) the defendant in the action agrees to pay ~~court costs~~ **a fee** of ~~twenty-five~~ **seventy** dollars ~~($25)~~ **($70)** to the clerk of court if the action involves a moving traffic offense (as defined in IC 9-13-2-110); and

(5) the agreement is filed in the court in which the action is brought.

When a defendant complies with the terms of an agreement filed under this subsection (or IC 34-4-32-1(f) before its repeal), the prosecuting attorney or the attorney for the municipal corporation shall request the court to dismiss the action. Upon receipt of a request to dismiss an action under this subsection, the court shall dismiss the action. An action dismissed under this subsection (or IC 34-4-32-1(f) before its repeal) may not be refiled.".

Renumber all SECTIONS consecutively.

(Reference is to EHB 1113 as printed March 25, 2005.)

and when so amended that said bill do pass.

Committee Vote: Yeas 9, Nays 0.

MEEKS, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Governmental Affairs and Interstate Cooperation, to which was referred Engrossed House Bill 1822, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be amended as follows:

Page 2, line 28, delete "office of economic development" and insert "**Indiana economic development corporation**".

Page 2, line 29, delete "IC 4-1.5-7-1:" and insert "**IC 5-28-3-1:**".

Page 2, line 33, delete "office" and insert "**corporation**".

Page 2, line 38, delete "office" and insert "**corporation**".

Page 2, line 42, delete "office of" and insert "**Indiana economic development corporation**".

Page 3, line 1, delete "economic development".

Page 3, line 1, delete "office's" and insert "**corporation's**".

Page 4, line 10, delete "office of" and insert "**Indiana economic development corporation**".

Page 4, line 11, delete "economic development".

Page 4, line 18, delete "office of economic development" and insert "**Indiana economic development corporation**".

Page 4, line 30, after "chapter," delete ""office"" and insert "**"corporation"**".

Page 4, line 30, delete "office of" and insert "**Indiana economic development corporation**".

Page 4, line 31, delete " economic development".

Page 4, line 31, delete "IC 4-1.5-7-1." and insert "**IC 5-28-3-1.**".

Page 6, line 31, delete "office of economic development" and insert "**Indiana economic development corporation**".

Page 6, line 35, delete "office" and insert "**corporation**".

Page 6, line 37, delete "office" and insert "**corporation**".

Page 6, line 41, delete "office's" and insert "**corporation's**".

Page 7, line 16, delete "office's" and insert "**corporation's**".

Page 7, line 27, delete "office" and insert "**corporation**".

Page 7, line 32, delete "office" and insert "**corporation**".

(Reference is to HB 1822 as printed February 15, 2005.)

and when so amended that said bill do pass.

Committee Vote: Yeas 8, Nays 0.

RIEGSECKER, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Judiciary, to which was referred Engrossed House Bill 1063, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be amended as follows:

Page 2, line 13, after "use" insert "**or**".

Page 2, line 14, delete "the owner" and insert "**:**

(1) there is a substantial likelihood that the acquisition and transfer of the property will:

(A) promote or retain the opportunity for gainful employment; or

(B) create business opportunities; and

(2) the property is or is located within a blighted area (as defined in IC 36-7-1-3(b)).".

Page 2, delete lines 15 through 27, begin a new paragraph and insert:

"SECTION 2. IC 32-24-1-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. (a) If the person seeking to acquire the property does not agree with the owner of an interest in the property or with the guardian of an owner concerning the damages sustained by the owner, the person seeking to acquire the property may file a complaint for that purpose with the clerk of the circuit court of the county where the property is located.

(b) The complaint must state the following:

(1) The name of the person seeking to acquire the property. This person shall be named as the plaintiff.

(2) The names of all owners, claimants to, and holders of liens on the property, if known, or a statement that they are unknown. These owners, claimants, and holders of liens shall be named as defendants.

(3) The use the plaintiff intends to make of the property or right sought to be acquired. **If the plaintiff intends to transfer the property to another person for a commercial use, the complaint must specifically state:**

(A) that the plaintiff intends to transfer the property to another person for commercial use; and

(B) that the intended commercial use is permissible under section 3.5 of this chapter.

(4) If a right-of-way is sought, the location, general route, width, and the beginning and end points of the right-of-way.

(5) A specific description of each piece of property sought to be acquired and whether the property includes the whole or only part of the entire parcel or tract. If property is sought to be acquired by the state or by a county for a public highway or by a municipal corporation for a public use and the acquisition confers benefits on any other property of the owner, a specific description of each piece of property to which the plaintiff alleges the benefits will accrue. Plats of property alleged to be affected may accompany the descriptions.

(6) That the plaintiff has been unable to agree for the purchase of the property with the owner, owners, or guardians, as the case may be, or that the owner is mentally incompetent or less than eighteen (18) years of age and has no legally appointed guardian, or is a nonresident of Indiana.

(c) All parcels lying in the county and required for the same public use, whether owned by the same parties or not, may be included in the same or separate proceedings at the option of the plaintiff. However, the court may consolidate or separate the proceedings to suit the convenience of parties and the ends of justice. The filing of the complaint and a lis pendens notice in any eminent domain action under this article constitutes notice of proceedings to all subsequent purchasers and persons taking encumbrances of the property, who are bound by the notice.

SECTION 3. IC 36-7-1-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. **(a) Except as provided in subsection (b),** "blighted area" means an area in which normal development and occupancy are undesirable or impossible because of:

(1) lack of development;

(2) cessation of growth;

(3) deterioration of improvements;

(4) character of occupancy;

(5) age;

(6) obsolescence;

(7) substandard buildings; or

(8) other factors that impair values or prevent a normal use or development of property.

(b) For purposes of IC 32-24-1-3.5, "blighted area" means an area in which normal development and occupancy are undesirable or impossible for one (1) or more of the following reasons:

(1) Deterioration of improvements.

(2) Obsolescence.

(3) Substandard buildings.

(4) A significant percentage of the property in the area is vacant or abandoned.".

(Reference is to HB 1063 as reprinted February 18, 2005.)

and when so amended that said bill do pass.

Committee Vote: Yeas 10, Nays 0.

BRAY, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Judiciary, to which was referred Engrossed House Bill 1736, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be amended as follows:

Page 4, line 13, delete "Except as provided in subsection (c), a" and insert "**A**".

Page 4, delete lines 25 through 31.

Page 4, line 32, delete "(d)" and insert "**(c)**".

Page 4, line 40, delete "must" and insert "**may**".

Page 8, line 5, delete ":".

Page 8, line 6, delete "(1)".

Page 8, line 6, delete "; and" and insert "**.**".

Page 8, run in lines 5 through 6.

Page 8, line 7, delete "(2) remains".

Page 8, line 7, strike "appropriated and available solely for the enforcement".

Page 8, strike lines 8 through 9.

Page 8, line 10, strike "fund.".

(Reference is to HB 1736 as reprinted February 15, 2005.)

and when so amended that said bill do pass.

Committee Vote: Yeas 8, Nays 1.

BRAY, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Health and Provider Services, to which was referred Engrossed House Bill 1142, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be amended as follows:

Page 1, between the enacting clause and line 1, begin a new

paragraph and insert:

"SECTION 1. IC 12-14-17-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) This section applies upon the death of either of the following:

(1) A recipient who is receiving supplemental assistance.

(2) An aged, blind, or disabled person who at the time of death was certified as eligible to receive medical assistance under Medicaid.

(b) ~~Unless otherwise determined by the director,~~ **Except as provided in subsection (c),** the division shall pay six hundred dollars ($600) for the funeral director's expenses of the decedent if the following conditions exist:

(1) The estate of the deceased is insufficient to pay the funeral director's expenses.

(2) The individual legally responsible for the burial of the deceased is unable to pay the funeral director's expenses.

(c) If the division determines that the estate of the deceased is sufficient to pay all or part of the funeral director's expenses, the division:

(1) shall pay six hundred dollars ($600) for expenses that the funeral director has incurred; and

(2) may recover the amount paid by the division under this section as a preferred claim from the estate of the deceased.

SECTION 2. IC 12-14-17-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. ~~Unless otherwise determined by the director,~~ **(a) Except as provided in subsection (b),** in addition to money paid by the division under section 2 of this chapter and even if the deceased or person legally responsible for the deceased possesses a burial lot, the division shall pay four hundred dollars ($400) for the cemetery's expenses for the deceased to cover the following:

(1) The provision of burial rights if necessary.

(2) The opening and closing of a burial plot and provision of an outer container.

(3) The service required by the cemetery authorities.

(b) If the division determines that the estate of the deceased is sufficient to pay all or part of the cemetery's expenses, the division:

(1) shall pay four hundred dollars ($400) for expenses that the cemetery has incurred; and

(2) may recover the amount paid by the division under this section as a preferred claim from the estate of the deceased.

SECTION 3. IC 12-14-17-3.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 3.5. Except for a claim for the costs and expenses of administration, a claim filed under sections 2(c) and 3(b) of this chapter is a superior claim.**

SECTION 4. IC 12-14-17-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. ~~An amount not exceeding~~ **The division:**

(1) may not consider a combined total of **one thousand** seven hundred fifty dollars ~~($750)~~ **($1,750)** that is contributed by:

~~(1)~~ **(A)** friends;

~~(2)~~ **(B)** relatives; and

~~(3)~~ **(C)** the resources of the deceased; **and**

(2) may consider any amount that exceeds one thousand seven hundred fifty dollars ($1,750) contributed by:

(A) friends;

(B) relatives; and

(C) the resources of the deceased;

~~may not be considered~~ when determining the amount to be paid to the funeral director for expenses under this chapter. However, the resources of the deceased may not be used if the deceased has prepaid funeral expenses that were excluded as a resource for Medicaid eligibility under IC 12-15-2.

SECTION 5. IC 12-14-17-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. ~~An amount not exceeding~~ **The division:**

(1) may not consider a combined total of ~~two~~ **four** hundred dollars ~~($200)~~ **($400)** that is contributed by:

~~(1)~~ **(A)** friends;

~~(2)~~ **(B)** relatives; and

~~(3)~~ **(C)** the resources of the deceased; **and**

(2) may consider any amount that exceeds four hundred dollars ($400) contributed by:

(A) friends;

(B) relatives; and

(C) the resources of the deceased;

~~may not be considered~~ when determining the amount to be paid to the cemetery for expenses under this chapter. However, the resources of the deceased may not be used if the deceased has prepaid funeral expenses that were excluded as a resource for Medicaid eligibility under IC 12-15-2.".

Page 1, between lines 10 and 11, begin a new line blocked left and insert:

"**The office shall inform an individual before the individual makes an assignment or irrevocable election under this section that the individual may have a life insurance policy with a face value of not more than ten thousand dollars ($10,000) that provides for the payment of the individual's funeral expenses under IC 12-15-2-17.**".

Page 4, line 10, after "if" insert "**no more premiums are due on the policy and**".

Page 4, delete lines 18 through 31, begin a new paragraph and insert:

"**(c) After the state:**

(1) receives payment from a life insurance policy described in subsection (a); and

(2) recoups the state's expenses of providing services under the Medicaid program for the individual;

the remainder of the amount of the policy reverts to the secondary beneficiary of the life insurance policy or, if there is not a secondary beneficiary, to the individual's estate.".

Renumber all SECTIONS consecutively.

(Reference is to HB 1142 as reprinted January 26, 2005.)

and when so amended that said bill do pass.

Committee Vote: Yeas 7, Nays 0.

MILLER, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Health and Provider Services, to which was referred Engrossed House Bill 1325, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be amended as follows:

Delete the title and insert the following:

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

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 12-15-5-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. **(a) The office may provide a prescription drug benefit to a Medicaid recipient in the Medicaid risk based managed care program.**

(b) If the office provides a prescription drug benefit to a Medicaid recipient in the Medicaid risk based managed care program:

(1) the office shall develop a procedure and provide the recipient's risk based managed care provider with information concerning the recipient's prescription drug utilization for the risk based managed care provider's case management program; and

(2) the provisions of IC 12-15-35.5 apply.

(c) If the office does not provide a prescription drug benefit to a Medicaid recipient in the Medicaid risk based managed care program, a Medicaid managed care organization ~~that provides~~ **shall provide** coverage and reimbursement for outpatient single source legend drugs ~~is~~ subject to IC 12-15-35-46, ~~and~~ IC 12-15-35-47, **and IC 12-15-35.5.**

SECTION 2. IC 12-15-12-4.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 4.5. A managed care provider's contract or provider agreement with the office may include a prescription drug program, subject to IC 12-15-5-5, IC 12-15-35, and IC 12-15-35.5.**

SECTION 3. IC 12-15-35-28, AS AMENDED BY P.L.28-2004, SECTION 104, AND AS AMENDED BY P.L.97-2004, SECTION 51, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 28. (a) The board has the following duties:

(1) The adoption of rules to carry out this chapter, in accordance with the provisions of IC 4-22-2 and subject to any office approval that is required by the federal Omnibus Budget Reconciliation Act of 1990 under Public Law 101-508 and its implementing regulations.

(2) The implementation of a Medicaid retrospective and prospective DUR program as outlined in this chapter, including the approval of software programs to be used by the pharmacist for prospective DUR and recommendations concerning the provisions of the contractual agreement between the state and any other entity that will be processing and reviewing Medicaid drug claims and profiles for the DUR program under this chapter.

(3) The development and application of the predetermined criteria and standards for appropriate prescribing to be used in retrospective and prospective DUR to ensure that such criteria and standards for appropriate prescribing are based on the compendia and developed with professional input with provisions for timely revisions and assessments as necessary.

(4) The development, selection, application, and assessment of interventions for physicians, pharmacists, and patients that are educational and not punitive in nature.

(5) The publication of an annual report that must be subject to public comment before issuance to the federal Department of Health and Human Services and to the Indiana legislative council by December 1 of each year. The report *issued* to the legislative council must be in an electronic format under IC 5-14-6.

(6) The development of a working agreement for the board to clarify the areas of responsibility with related boards or agencies, including the following:

(A) The Indiana board of pharmacy.

(B) The medical licensing board of Indiana.

(C) The SURS staff.

(7) The establishment of a grievance and appeals process for physicians or pharmacists under this chapter.

(8) The publication and dissemination of educational information to physicians and pharmacists regarding the board and the DUR program, including information on the following:

(A) Identifying and reducing the frequency of patterns of fraud, abuse, gross overuse, or inappropriate or medically unnecessary care among physicians, pharmacists, and recipients.

(B) Potential or actual severe or adverse reactions to drugs.

(C) Therapeutic appropriateness.

(D) Overutilization or underutilization.

(E) Appropriate use of generic drugs.

(F) Therapeutic duplication.

(G) Drug-disease contraindications.

(H) Drug-drug interactions.

(I) Incorrect drug dosage and duration of drug treatment.

(J) Drug allergy interactions.

(K) Clinical abuse and misuse.

(9) The adoption and implementation of procedures designed to ensure the confidentiality of any information collected, stored, retrieved, assessed, or analyzed by the board, staff to the board, or contractors to the DUR program that identifies individual physicians, pharmacists, or recipients.

(10) The implementation of additional drug utilization review with respect to drugs dispensed to residents of nursing facilities shall not be required if the nursing facility is in compliance with the drug regimen procedures under ~~410 IAC 16.2-3-8~~ **410 IAC 16.2-3.1** and 42 CFR 483.60.

(11) The research, development, and approval of a preferred drug list for:

(A) Medicaid's fee for service program;

(B) Medicaid's primary care case management program; ~~and~~

(C) Medicaid's risk based managed care program, if the office provides a prescription drug benefit and subject to IC 12-15-5; and

~~(C)~~ **(D)** ~~the primary care case management component of~~ the children's health insurance program under IC 12-17.6;

in consultation with the therapeutics committee.

(12) The approval of the review and maintenance of the preferred drug list at least two (2) times per year.

(13) The preparation and submission of a report concerning the preferred drug list at least two (2) times per year to the select joint commission on Medicaid oversight established by IC 2-5-26-3.

(14) The collection of data reflecting prescribing patterns related to treatment of children diagnosed with attention deficit disorder or attention deficit hyperactivity disorder.

(15) Advising the Indiana comprehensive health insurance association established by IC 27-8-10-2.1 concerning implementation of chronic disease management and pharmaceutical management programs under IC 27-8-10-3.5.

(b) The board shall use the clinical expertise of the therapeutics committee in developing a preferred drug list. The board shall also consider expert testimony in the development of a preferred drug list.

(c) In researching and developing a preferred drug list under subsection (a)(11), the board shall do the following:

(1) Use literature abstracting technology.

(2) Use commonly accepted guidance principles of disease management.

(3) Develop therapeutic classifications for the preferred drug list.

(4) Give primary consideration to the clinical efficacy or appropriateness of a particular drug in treating a specific medical condition.

(5) Include in any cost effectiveness considerations the cost implications of other components of the state's Medicaid program and other state funded programs.

(d) Prior authorization is required for coverage under a program described in subsection (a)(11) of a drug that is not included on the preferred drug list.

(e) The board shall determine whether to include a single source covered outpatient drug that is newly approved by the federal Food and Drug Administration on the preferred drug list not later than sixty (60) days after the date on which the manufacturer notifies the board in writing of the drug's approval. However, if the board determines that there is inadequate information about the drug available to the board to make a determination, the board may have an additional sixty (60) days to make a determination from the date that the board receives adequate information to perform the board's review. Prior authorization may not be automatically required for a single source drug that is newly approved by the federal Food and Drug Administration, and that is:

(1) in a therapeutic classification:

(A) that has not been reviewed by the board; and

(B) for which prior authorization is not required; or

(2) the sole drug in a new therapeutic classification that has not been reviewed by the board.

(f) The board may not exclude a drug from the preferred drug list based solely on price.

(g) The following requirements apply to a preferred drug list developed under subsection (a)(11):

(1) Except as provided by IC 12-15-35.5-3(b) and IC 12-15-35.5-3(c), the office or the board may require prior authorization for a drug that is included on the preferred drug list under the following circumstances:

(A) To override a prospective drug utilization review alert.

(B) To permit reimbursement for a medically necessary brand name drug that is subject to generic substitution under IC 16-42-22-10.

(C) To prevent fraud, abuse, waste, overutilization, or inappropriate utilization.

(D) To permit implementation of a disease management program.

(E) To implement other initiatives permitted by state or federal law.

(2) All drugs described in IC 12-15-35.5-3(b) must be included on the preferred drug list.

(3) The office may add a drug that has been approved by the federal Food and Drug Administration to the preferred drug list without prior approval from the board.

(4) The board may add a drug that has been approved by the federal Food and Drug Administration to the preferred drug list.

(h) At least two (2) times each year, the board shall provide a report to the select joint commission on Medicaid oversight established by IC 2-5-26-3. The report must contain the following information:

(1) The cost of administering the preferred drug list.

(2) Any increase in Medicaid physician, laboratory, or hospital costs or in other state funded programs as a result of the preferred drug list.

(3) The impact of the preferred drug list on the ability of a Medicaid recipient to obtain prescription drugs.

(4) The number of times prior authorization was requested, and the number of times prior authorization was:

(A) approved; and

(B) disapproved.

(i) The board shall provide the first report required under subsection (h) not later than six (6) months after the board submits an initial preferred drug list to the office.

SECTION 4. IC 12-15-35-45 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 45. (a) The chairman of the board, subject to the approval of the board members, may appoint an advisory committee to make recommendations to the board on the development of a Medicaid outpatient drug formulary.

(b) If the office decides to establish a Medicaid outpatient drug formulary, the formulary shall be developed by the board.

(c) A formulary, **preferred drug list, or prescription drug benefit** used by a Medicaid managed care organization is subject to **IC 12-15-5-5, IC 12-15-35.5, and** sections 46 and 47 of this chapter.

SECTION 5. IC 12-15-35.5-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. ~~(a) Except as provided in subsection (b),~~ This chapter applies to:

(1) the Medicaid program under this article; and

(2) the children's health insurance program under IC 12-17.6.

~~(b) This chapter does not apply to a formulary or prior authorization program operated by a managed care organization under a program described in subsection (a).~~

SECTION 6. IC 12-15-35.5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. (a) Except as provided in subsection (b), the office may establish prior authorization requirements for drugs covered under a program described in ~~section 1(a)~~ **section 1** of this chapter.

(b) The office may not require prior authorization for the following single source or brand name multisource drugs:

(1) A drug that is classified as an antianxiety, antidepressant, or antipsychotic central nervous system drug in the most recent publication of Drug Facts and Comparisons (published by the Facts and Comparisons Division of J.B. Lippincott Company).

(2) A drug that, according to:

(A) the American Psychiatric Press Textbook of Psychopharmacy;

(B) Current Clinical Strategies for Psychiatry;

(C) Drug Facts and Comparisons; or

(D) a publication with a focus and content similar to the publications described in clauses (A) through (C);

is a cross-indicated drug for a central nervous system drug classification described in subdivision (1).

(3) A drug that is:

(A) classified in a central nervous system drug category or classification (according to Drug Facts and Comparisons) that is created after the effective date of this chapter; and

(B) prescribed for the treatment of a mental illness (as defined in the most recent publication of the American Psychiatric Association's Diagnostic and Statistical Manual of Mental Disorders).

(c) Except as provided under section 7 of this chapter, a recipient enrolled in a program described in ~~section 1(a)~~ **section 1** of this chapter shall have unrestricted access to a drug described in subsection (b).

SECTION 7. IC 12-15-35.5-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7. (a) Subject to ~~subsection~~ **subsections** (b) **and (c),** the office may place limits on quantities dispensed or the frequency of refills for any covered drug for the purpose of:

(1) preventing fraud, abuse, **or** waste;

(2) preventing overutilization, ~~or~~ inappropriate utilization, **or inappropriate prescription practices that are contrary to:**

(A) clinical quality and patient safety; and

(B) accepted clinical practice for the diagnosis and treatment of mental illness; or

~~(2)~~ **(3)** implementing a disease management program.

(b) Before implementing a limit described in subsection (a), the office shall:

(1) consider quality of care and the best interests of Medicaid recipients;

(2) seek the advice of the drug utilization review board, established by IC 12-15-35-19, at a public meeting of the board; and

(3) publish a provider bulletin that complies with the requirements of IC 12-15-13-6.

(c) Subject to subsection (d), the board may establish and the office may implement a restriction on a drug described in section 3(b) of this chapter if:

(1) the board determines that data provided by the office indicates that a situation described in IC 12-15-35-28(a)(8)(A) through IC 12-15-35-28(a)(8)(K) requires an intervention to:

(A) prevent fraud, abuse, **or** waste;

(B) prevent overutilization, ~~or~~ inappropriate utilization, or **inappropriate prescription practices that are contrary to:**

(i) clinical quality and patient safety; and

(ii) accepted clinical practice for the diagnosis and treatment of mental illness; or

~~(B)~~ **(C)** implement a disease management program; **and**

(2) the board approves and the office implements an educational intervention program for providers to address the situation. ~~and (3) at least six (6) months after the implementation of the educational intervention program described in subdivision (2), the board determines that the situation requires further action.~~

(d) A restriction established under subsection (c) for any drug described in section 3(b) of this chapter:

(1) must comply with the procedures described in IC 12-15-35-35;

(2) may include requiring a recipient to be assigned to one (1) practitioner and one (1) pharmacy provider for purposes of receiving mental health medications;

(3) may not lessen the quality of care; and

(4) must be in the best interest of Medicaid recipients.

(e) Implementation of a restriction established under subsection (c) must provide ~~that only the prescribing practitioner may authorize an~~ **for the dispensing of a temporary supply of the drug for a prescription not to exceed seven (7) business days, if additional time is required to review the request for** override of the restriction. **This subsection does not apply if the federal Food and Drug Administration has issued a boxed warning under 21 CFR 201.57(e) that applies to the drug and is applicable to the patient.**

(f) Before implementing a restriction established under subsection (c), the office shall:

(1) seek the advice of the mental health quality advisory committee until June 30, 2007; and

(2) publish a provider bulletin that complies with the requirements of IC 12-15-13-6.

(g) Subsections (c) through (f):

(1) apply only to drugs described in section 3(b) of this chapter; and

(2) do not apply to a restriction on a drug described in section 3(b) of this chapter that was approved by the board and implemented by the office before April 1, 2003.

SECTION 8. [EFFECTIVE JULY 1, 2005] **(a) As used in this SECTION, "committee" refers to the mental health quality advisory committee established in subsection (c).**

(b) As used in this SECTION, "office" refers to the office of Medicaid policy and planning established by IC 12-8-6-1.

(c) The mental health quality advisory committee is established. The committee consists of the following members:

(1) The director of the office or the director's designee, who shall serve as chairperson of the committee.

(2) The director of the division of mental health and addiction or the director's designee.

(3) A representative of a statewide mental health advocacy organization.

(4) A representative of a statewide mental health provider organization.

(5) A representative from a managed care organization that participates in the state's Medicaid program.

(6) A member with expertise in psychiatric research representing an academic institution.

(7) A pharmacist licensed under IC 25-26.

The governor shall make the appointments under subdivisions (3) through (7) and fill any vacancy on the committee.

(d) The office shall staff the committee. The expenses of the committee shall be paid by the office.

(e) Each member of the committee who is not a state employee is entitled to the minimum salary per diem provided by IC 4-10-11-2.1(b). The member is also entitled to reimbursement for traveling expenses as provided under IC 4-13-1-4 and other expenses actually incurred in connection with the member's duties as provided in the state policies and procedures established by the Indiana department of administration and approved by the budget agency.

(f) Each member of the committee who is a state employee is entitled to reimbursement for traveling expenses as provided under IC 4-13-1-4 and other expenses actually incurred in connection with the member's duties as provided in the state policies and procedures established by the Indiana department of administration and approved by the budget agency.

(g) The affirmative votes of a majority of the voting members appointed to the committee are required by the committee to take action on any measure, including a final report.

(h) The committee shall advise the office and make recommendations concerning the implementation of IC 12-15-35.5-7(c) and consider the following:

(1) Peer reviewed medical literature.

(2) Observational studies.

(3) Health economic studies.

(4) Input from physicians and patients.

(5) Any other information determined by the committee to be appropriate.

(i) The office shall report recommendations made by the committee to the drug utilization review board established by IC 12-15-35-19.

(j) The office shall report the following information to the select joint commission on Medicaid oversight established by IC 2-5-26-3:

(1) The committee's advice and recommendations made under this SECTION.

(2) The number of instances that occur under the restriction described in IC 12-15-35.5-7(c) and the outcome of each occurrence.

(3) The transition of the aged, blind, and disabled population to the risk based managed care program. This information shall also be reported to the health finance commission established by IC 2-5-23-3.

(4) Any decision by the office to change the health care delivery system in which Medicaid is provided to recipients.

(k) This SECTION expires June 30, 2007.

SECTION 9. [EFFECTIVE JULY 1, 2005] **(a) The following are void:**

(1) 405 IAC 5-24-8.5.

(2) 405 IAC 5-24-8.6.

(3) 405 IAC 5-24-11.

(b) The publisher of the Indiana Administrative Code and the Indiana Register shall remove these provisions from the Indiana Administrative Code.

(c) This SECTION expires December 31, 2006.

SECTION 10. [EFFECTIVE JULY 1, 2005] **(a) As used in this SECTION, "managed care provider" refers to a managed care organization that has entered into a contract with the office to provide services under Medicaid's risk based managed care program.**

(b) As used in this SECTION, "office" refers to the office of Medicaid policy and planning established by IC 12-8-6-1.

(c) IC 12-15-12-4.5, as added by this act, applies to a provider agreement or contract entered into, amended, or renewed after June 30, 2005, between the office and a managed care provider.

(d) This SECTION expires December 31, 2010.".

Renumber all SECTIONS consecutively.

(Reference is to HB 1325 as printed January 25, 2005.)

and when so amended that said bill do pass.

Committee Vote: Yeas 9, Nays 0.

MILLER, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Health and Provider Services, to which was referred Engrossed House Bill 1075, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be amended as follows:

Page 1, line 6, delete "if all of the" and insert "**if:**

(1) the waiver period does not exceed ten (10) years; and

(2) all of the following conditions are met:".

Page 1, delete line 7.

Page 1, line 8, delete "(1)", begin a new line double block indented and insert:

"**(A)**".

Page 1, line 12, delete "(2)", begin a new line double block indented and insert:

"**(B)**".

Page 1, line 13, delete "(A)", begin a new line triple block indented and insert:

"**(i)**".

Page 1, line 14, delete "(B)", begin a new line triple block indented and insert:

"**(ii)**".

Page 1, line 15, beginning with "include" begin a new line double block indented.

Page 2, line 1, delete "(3)", begin a new line double block indented and insert:

"**(C)**".

Page 2, line 2, delete "(A)", begin a new line triple block indented and insert:

"**(i)**".

Page 2, line 3, delete "(B)", begin a new line triple block indented and insert:

"**(ii)**".

Page 2, line 4, beginning with "do" begin a new line double block indented.

Page 2, line 5, delete "(4)", begin a new line double block indented and insert:

"**(D)**".

Page 2, line 8, delete "(5)", begin a new line double block indented and insert:

"**(E)**".

Page 2, line 8, delete "to review the waiver upon request if:" and insert "**to:**

(i) review the underwriting basis for the waiver upon request one (1) time per year; and

(ii) remove the waiver if the insurer determines that evidence of insurability is satisfactory.".

Page 2, delete lines 9 through 16.

Page 2, line 17, delete "(6)", begin a new line double block indented and insert:

"**(F)**".

Page 2, line 21, delete "(7)", begin a new line double block indented and insert:

"**(G) The waiver of coverage does not apply to coverage required under state law.**

(H)".

Page 2, line 25, delete "(1)" and insert "**(2)(A)**".

Page 2, line 26, delete "(2)" and insert "**(2)(B)**".

Page 2, between lines 39 and 40, begin a new paragraph and insert:

"**(c) An insurer may not, on the basis of a waiver contained in a policy as provided in subsection (a), deny coverage for any condition, complication, service, or treatment that is not specified as required in the:**

(1) written notice under subsection (a)(2)(A); and

(2) offer of coverage and policy under subsection (a)(2)(B).

(d) An individual who is covered under a policy that includes a waiver under subsection (a) may directly appeal a denial of coverage based on the waiver by filing a request for an external grievance review under IC 27-8-29 without pursuing a grievance under IC 27-8-28.

(e) An insurer that removes a waiver under subsection (a)(2)(E) shall not consider the condition or any complication to which the waiver previously applied in making policy renewal and underwriting determinations.

(f) Upon the expiration of the waiver period allowed under this section, the insurer shall:

(1) remove the waiver;

(2) not consider the condition or any complication to which the waiver previously applied in making policy underwriting determinations; and

(3) renew the policy in accordance with 45 CFR 148.122.".

Page 3, line 10, delete "if all of the following conditions are met:" and insert "**if:**

(1) the waiver period does not exceed ten (10) years; and

(2) all of the following conditions are met:".

Page 3, line 11, delete "(1)", begin a new line double block indented and insert:

"**(A)**".

Page 3, line 15, delete "(2)", begin a new line double block indented and insert:

"**(B)**".

Page 3, line 16, delete "(A)", begin a new line triple block indented and insert:

"**(i)**".

Page 3, line 17, delete "(B)", begin a new line triple block indented and insert:

"**(ii)**".

Page 3, line 18, beginning with "include" begin a new line double block indented.

Page 3, line 21, delete "(3)", begin a new line double block indented and insert:

"**(C)**".

Page 3, line 22, delete "(A)", begin a new line triple block indented and insert:

"**(i)**".

Page 3, line 23, delete "(B)", begin a new line triple block indented and insert:

"**(ii)**".

Page 3, line 24, beginning with "do" begin a new line double block indented.

Page 3, line 25, delete "(4)", begin a new line double block indented and insert:

"**(D)**".

Page 3, line 28, delete "(5)", begin a new line double block indented and insert:

"**(E)**".

Page 3, line 28, delete "to review the waiver upon request if:" and insert "**to:**

(i) review the underwriting basis for the waiver upon request one (1) time per year; and

(ii) remove the waiver if the insurer determines that evidence of insurability is satisfactory.".

Page 3, delete lines 29 through 36.

Page 3, line 37, delete "(6)", begin a new line double block indented and insert:

"**(F)**".

Page 3, line 42, delete "(7)", begin a new line double block indented and insert:

"**(G) The waiver of coverage does not apply to coverage required under state law.**

(H)".

Page 4, line 4, delete "(b)(1)" and insert "**(b)(2)(A)**".

Page 4, line 6, delete "(b)(2)" and insert "**(b)(2)(B)**".

Page 4, delete lines 8 through 20, begin a new paragraph and insert:

"**(d) An insurer may not, on the basis of a waiver contained in a policy as provided in this section, deny coverage for any**

condition, complication, service, or treatment that is not specified as required in the:

(1) written notice under subsection (b)(2)(A); and

(2) offer of coverage and certificate of coverage under subsection (b)(2)(B).

(e) An individual who is covered under a policy that includes a waiver under this section may directly appeal a denial of coverage based on the waiver by filing a request for an external grievance review under IC 27-8-29 without pursuing a grievance under IC 27-8-28.

(f) An offer of coverage under a policy that includes a waiver under this section does not preclude eligibility for an Indiana comprehensive health insurance association policy under IC 27-8-10-5.1.

(g) An insurer that removes a waiver under subsection (b)(2)(E) shall not consider the condition or any complication to which the waiver previously applied in making policy renewal and underwriting determinations.

(h) Upon the expiration of the waiver period allowed under this section, the insurer shall:

(1) remove the waiver;

(2) not consider the condition or any complication to which the waiver previously applied in making policy underwriting determinations; and

(3) renew the policy in accordance with 45 CFR 148.122.".

Page 5, line 20, strike "full-time" and insert "**full time**".

Page 6, between lines 26 and 27, begin a new paragraph and insert:

"SECTION 4. IC 27-8-13.5 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

Chapter 13.5. Health Benefit Mandate Option

Sec. 1. As used in this chapter, "health benefit mandate" means any of the following requirements for coverage in, or an offering of coverage that must be made in connection with the purchase of, a policy of accident and sickness insurance, to the extent that the coverage is not required under federal law:

(1) Newborn coverage under IC 27-8-5.6.

(2) Breast cancer screening related coverage under IC 27-8-14.

(3) Morbid obesity related coverage under IC 27-8-14.1.

(4) Pervasive developmental disability related coverage under IC 27-8-14.2.

(5) Diabetes related coverage under IC 27-8-14.5.

(6) Prostate cancer screening related coverage under IC 27-8-14.7.

(7) Colorectal cancer screening related coverage under IC 27-8-14.8.

(8) Off label drug treatment coverage under IC 27-8-20.

(9) Minimum maternity related benefits under IC 27-8-24.

(10) Inherited metabolic disease related coverage under IC 27-8-24.1.

(11) Mastectomy related coverage under IC 27-8-5-26.

(12) Mental illness related coverage under IC 27-8-5-15.6.

(13) Dental anesthesia related coverage under IC 27-8-5-27.

(14) Adopted child coverage under IC 27-8-5-21.

Sec. 2. As used in this chapter, "insurer" refers to an insurer (as defined in IC 27-1-2-3) that issues or delivers a policy of accident and sickness insurance.

Sec. 3. As used in this chapter, "policy of accident and sickness insurance" has the meaning set forth in IC 27-8-5-1.

Sec. 4. As used in this chapter, "prospective purchaser" means an:

(1) individual who requests coverage under a policy of accident and sickness insurance issued on an individual basis; or

(2) employer that:

(A) employs not more than fifty (50) employees;

(B) requests coverage for the employer's employees under a policy of accident and sickness insurance issued on a group basis; and

(C) has not provided coverage for health care services (as defined in IC 27-13-1-18) for the employer's employees during the preceding calendar year.

Sec. 5. Notwithstanding any other law, an insurer may offer to a prospective purchaser a policy of accident and sickness insurance without complying with all health benefit mandates if:

(1) when the offer is made, the insurer provides a list of the health benefit mandates with which the offer does not comply; and

(2) the policy offered includes the following:

(A) Newborn coverage required under IC 27-8-5.6.

(B) Diabetes related coverage required under IC 27-8-14.5.

(C) If the prospective purchaser is described in section 4(2) of this chapter:

(i) breast cancer screening related coverage required under IC 27-8-14;

(ii) prostate cancer screening related coverage required under IC 27-8-14.7; and

(iii) colorectal cancer screening related coverage required under IC 27-8-14.8.

(D) Adopted child coverage required under IC 27-8-5-21.

(E) Minimum maternity related benefits of examination and testing of the newborn child required under IC 27-8-24-4(a)(2) and IC 27-8-24-4(a)(3).

Sec. 6. An insurer that offers to a prospective purchaser a policy of accident and sickness insurance described in section 5 of this chapter shall also offer to the prospective purchaser a policy of accident and sickness insurance in compliance with all health benefit mandates.

Sec. 7. An insurer that issues or delivers a policy of accident and sickness insurance described in section 5 of this chapter shall provide to an individual insured under the policy of accident and sickness insurance a written disclosure that:

(1) acknowledges that the policy of accident and sickness insurance is not issued in compliance with all health benefit mandates; and

(2) lists in summary form the health benefits:

(A) to which a health benefit mandate applies; and

(B) for which coverage is provided in the policy of accident and sickness insurance.

SECTION 5. IC 27-8-29-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6. As used in this chapter, "external grievance" means the independent review under this chapter of a:

(1) grievance filed under IC 27-8-28; or

(2) denial of coverage based on a waiver described in IC 27-8-5-2.5, ~~or~~ **IC 27-8-5-2.7,** IC 27-8-5-19.2, **or IC 27-8-5-19.3.**

SECTION 6. IC 27-8-29-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 12. An insurer shall establish and maintain an external grievance procedure for the resolution of external grievances regarding:

(1) an adverse determination of appropriateness;

(2) an adverse determination of medical necessity;

(3) a determination that a proposed service is experimental or investigational; or

(4) a denial of coverage based on a waiver described in IC 27-8-5-2.5, ~~or~~ **IC 27-8-5-2.7,** IC 27-8-5-19.2, **or IC 27-8-5-19.3;**

made by an insurer or an agent of an insurer regarding a service proposed by the treating health care provider.

SECTION 7. IC 27-8-29-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 13. (a) An external grievance procedure established under section 12 of this chapter must:

(1) allow a covered individual or a covered individual's representative to file a written request with the insurer for an external grievance review of the insurer's:

(A) appeal resolution under IC 27-8-28-17; or

(B) denial of coverage based on a waiver described in IC 27-8-5-2.5, ~~or~~ **IC 27-8-5-2.7,** IC 27-8-5-19.2, **or IC 27-8-5-19.3;**

not more than forty-five (45) days after the covered individual is notified of the resolution; and

(2) provide for:

(A) an expedited external grievance review for a grievance related to an illness, a disease, a condition, an injury, or a disability if the time frame for a standard review would seriously jeopardize the covered individual's:

(i) life or health; or

(ii) ability to reach and maintain maximum function; or

(B) a standard external grievance review for a grievance not described in clause (A).

A covered individual may file not more than one (1) external grievance of an insurer's appeal resolution under this chapter.

(b) Subject to the requirements of subsection (d), when a request is filed under subsection (a), the insurer shall:

(1) select a different independent review organization for each external grievance filed under this chapter from the list of independent review organizations that are certified by the department under section 19 of this chapter; and

(2) rotate the choice of an independent review organization among all certified independent review organizations before repeating a selection.

(c) The independent review organization chosen under subsection (b) shall assign a medical review professional who is board certified in the applicable specialty for resolution of an external grievance.

(d) The independent review organization and the medical review professional conducting the external review under this chapter may not have a material professional, familial, financial, or other affiliation with any of the following:

(1) The insurer.

(2) Any officer, director, or management employee of the insurer.

(3) The health care provider or the health care provider's medical group that is proposing the service.

(4) The facility at which the service would be provided.

(5) The development or manufacture of the principal drug, device, procedure, or other therapy that is proposed for use by the treating health care provider.

(6) The covered individual requesting the external grievance review.

However, the medical review professional may have an affiliation under which the medical review professional provides health care services to covered individuals of the insurer and may have an affiliation that is limited to staff privileges at the health facility, if the affiliation is disclosed to the covered individual and the insurer before commencing the review and neither the covered individual nor the insurer objects.

(e) A covered individual shall not pay any of the costs associated with the services of an independent review organization under this chapter. All costs must be paid by the insurer.

SECTION 8. IC 27-8-29-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 15. (a) An independent review organization shall:

(1) for an expedited external grievance filed under section 13(a)(2)(A) of this chapter, within three (3) business days after the external grievance is filed; or

(2) for a standard appeal filed under section 13(a)(2)(B) of this chapter, within fifteen (15) business days after the appeal is filed;

make a determination to uphold or reverse the insurer's appeal resolution under IC 27-8-28-17 based on information gathered from the covered individual or the covered individual's designee, the insurer, and the treating health care provider, and any additional information that the independent review organization considers necessary and appropriate.

(b) When making the determination under this section, the independent review organization shall apply:

(1) standards of decision making that are based on objective clinical evidence; and

(2) the terms of the covered individual's accident and sickness insurance policy.

(c) In an external grievance described in section 12(4) of this chapter, the insurer bears the burden of proving that the insurer properly denied coverage for a condition, complication, service, or treatment because the condition, complication, service, or treatment is directly related to a condition for which coverage has been waived under IC 27-8-5-2.5, ~~or~~ **IC 27-8-5-2.7,** IC 27-8-5-19.2, **or IC 27-8-5-19.3.**

(d) The independent review organization shall notify the insurer and the covered individual of the determination made under this section:

(1) for an expedited external grievance filed under section 13(a)(2)(A) of this chapter, within twenty-four (24) hours after making the determination; and

(2) for a standard external grievance filed under section 13(a)(2)(B) of this chapter, within seventy-two (72) hours after making the determination.

SECTION 9. IC 27-13-1-17.6 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 17.6. "Health benefit mandate" means any of the following requirements for coverage in, or an offering of coverage that must be made in connection with the purchase of, an individual contract or a group contract, to the extent that the coverage is not required under federal law:**

(1) Newborn coverage under IC 27-8-5.6.

(2) Breast cancer screening related coverage under IC 27-13-7-15.3.

(3) Morbid obesity related coverage under IC 27-13-7-14.5.

(4) Pervasive developmental disability related coverage under IC 27-13-7-14.7.

(5) Diabetes related coverage under IC 27-8-14.5.

(6) Prostate cancer screening related coverage under IC 27-13-7-16.

(7) Colorectal cancer screening related coverage under IC 27-13-7-17.

(8) Off label drug treatment coverage under IC 27-8-20.

(9) Minimum maternity related benefits under IC 27-8-24.

(10) Inherited metabolic disease related coverage under IC 27-13-7-18.

(11) Mastectomy related coverage under IC 27-13-7-14.

(12) Mental illness related coverage under IC 27-13-7-14.8.

(13) Dental anesthesia related coverage under IC 27-13-7-15.

(14) Adopted child coverage under IC 27-8-5-21.

SECTION 10. IC 27-13-1-27.8 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 27.8. "Prospective purchaser" means an:**

(1) individual who requests coverage under an individual contract; or

(2) employer that:

(A) employs not more than fifty (50) employees;

(B) requests coverage for the employer's employees under a group contract; and

(C) has not provided coverage for health care services for the employer's employees during the preceding calendar year.

SECTION 11. IC 27-13-7.5 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

Chapter 7.5. Health Benefit Mandate Option

Sec. 1. Notwithstanding any other law, a health maintenance organization may offer to a prospective purchaser an individual contract or a group contract without complying with all health benefit mandates if:

(1) when the offer is made, the health maintenance organization provides a list of the health benefit mandates with which the offer does not comply; and

(2) the contract includes the following:

(A) Newborn coverage that is substantially similar to the coverage required under IC 27-8-5.6.

(B) Diabetes related coverage required under IC 27-8-14.5.

(C) If the prospective purchaser is described in IC 27-13-1-27.8(2):

(i) breast cancer screening related coverage required under IC 27-13-7-15.3;

(ii) prostate cancer screening related coverage required under IC 27-13-7-16; and

(iii) colorectal cancer screening related coverage required under IC 27-13-7-17.

(D) Adopted child coverage required under IC 27-8-5-21.

(E) Minimum maternity related benefits of examination and testing of the newborn child required under IC 27-8-24-4(a)(2) and IC 27-8-24-4(a)(3).

Sec. 2. A health maintenance organization that offers to a prospective purchaser an individual contract or a group contract described in section 1 of this chapter shall also offer to the prospective purchaser an individual contract or a group contract in compliance with all health benefit mandates.

Sec. 3. A health maintenance organization that enters into or delivers an individual contract or a group contract described in section 1 of this chapter shall provide to an enrollee a written disclosure that:

(1) acknowledges that the individual contract or group contract is not entered into in compliance with all health benefit mandates; and

(2) lists in summary form the health benefits:

(A) to which a health benefit mandate applies; and

(B) for which coverage is provided in the individual contract or group contract.

SECTION 12. [EFFECTIVE JULY 1, 2005] **(a) As used in this SECTION, "department" refers to the department of insurance created by IC 27-1-1-1.**

(b) An insurer that issues or delivers a policy of accident and sickness insurance described in IC 27-8-13.5-5, as added by this act, and a health maintenance organization that enters into or delivers a contract described in IC 27-13-7.5-1, as added by this act, shall report the following information to the department not later than November 15, 2006:

(1) The number of policies or contracts described in this subsection that are issued or delivered by the insurer or entered into or delivered by the health maintenance organization and the number of individuals covered under each policy or contract.

(2) The premium for each policy or contract described in this subsection.

(3) The difference between:

(A) the premium described in this subsection; and

(B) the premium of any other policy or contract offered to a prospective purchaser that purchased a policy or contract described in this subsection.

(c) Not later than December 1, 2006, the department shall compile the information reported to the department under

subsection (b) and report the information to the legislative council in an electronic format under IC 5-14-6. The department:

(1) shall include in the report information concerning the number of uninsured individuals in Indiana; and

(2) may include any other information in the report that the department determines is relevant.

(d) This SECTION expires December 31, 2006.".

Page 6, line 27, delete "and" and insert "**,**".

Page 6, line 28, delete "IC 27-8-5-19.3, both".

Page 6, line 28, delete "apply" and insert "**applies**".

Page 6, line 29, delete ", delivered, amended," and insert "**or delivered**".

Page 6, line 30, delete "or renewed".

Page 6, after line 30, begin a new paragraph and insert:

"SECTION 14. [EFFECTIVE JULY 1, 2005] **(a) An insurer that issues a policy of accident and sickness insurance that contains a waiver under IC 27-8-5-2.7 or IC 27-8-5-19.3, both as added by this act, shall submit to the commissioner of the department of insurance the following information for the reporting periods specified under subsection (b) on a form prescribed by the commissioner:**

(1) The number of policies and certificates that the insurer issued with a waiver.

(2) A list of specified conditions that the insurer waived.

(3) The number of waivers issued for each specified condition listed under subdivision (2).

(4) The number of waivers issued categorized by the period of time for which coverage of a specified condition was waived.

(5) The number of applicants who were denied insurance coverage by the insurer because of a specified condition.

(b) An insurer shall submit to the commissioner of the department of insurance the information required under subsection (a) as follows:

(1) Not later than September 1, 2006, for the reporting period July 1, 2005, through June 30, 2006.

(2) Not later than September 1, 2007, for the reporting period July 1, 2006, through June 30, 2007.

(c) The commissioner of the department of insurance shall forward the information submitted:

(1) under subsection (b)(1) not later than November 1, 2006; and

(2) under subsection (b)(2) not later than November 1, 2007; to the legislative council in an electronic format under IC 5-14-6.

(d) The commissioner of the department of insurance shall compile the information submitted under subsection (b) and, not later than November 1, 2007, report the information to the legislative council in an electronic format under IC 5-14-6.

(e) This SECTION expires June 30, 2008.".

Renumber all SECTIONS consecutively.

(Reference is to HB 1075 as reprinted January 25, 2005.)

and when so amended that said bill do pass.

Committee Vote: Yeas 6, Nays 3.

MILLER, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Governmental Affairs and Interstate Cooperation, to which was referred Engrossed House Bill 1590, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be amended as follows:

Page 2, line 39, delete "an area" and insert "**a redevelopment project** area,".

Page 2, line 40, delete "needing redevelopment,".

Page 2, line 41, delete "project".

(Reference is to HB 1590 as printed January 28, 2005.)

and when so amended that said bill do pass.

Committee Vote: Yeas 6, Nays 0.

RIEGSECKER, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Governmental Affairs and Interstate Cooperation, to which was referred Engrossed House Bill 1329, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be amended as follows:

Page 3, after line 33, begin a new paragraph and insert:

"SECTION 2. [EFFECTIVE JULY 1, 2005] **(a) As used in this SECTION, "commissioner" refers to the commissioner of the Indiana department of administration.**

(b) As used in this SECTION, "department" refers to the Indiana department of administration created by IC 4-13-1-2.

(c) As used in this SECTION, "grantee" refers to the Southwest Indiana Municipal Gardeners Association.

(d) As used in this SECTION, "real estate" refers to the real property located in Section 26, Township 6 South, Range 10 West in Knight Township, Vanderburgh County, Indiana, more particularly described as follows:

Commencing at the southwest corner of the northwest quarter of Section 26; thence along the west line of the quarter section, North 01 degree, 06 minutes, 58 seconds East 1686.80 feet to the southwest corner of a tract of land conveyed to the City of Evansville in Deed Drawer 11, card 9992 in the office of the Recorder of Vanderburgh County; thence along the boundary of the City of Evansville tract the following seven (7) calls:

South 86 degrees, 14 minutes, 29 seconds East 383.18 feet; thence

South 23 degrees, 15 minutes, 05 seconds East 99.07 feet; thence

South 57 degrees, 37 minutes, 45 seconds East 114.34 feet; thence

South 86 degrees, 17 minutes, 39 seconds East 127.75 feet; thence

North 00 degrees, 04 minutes, 06 seconds East 113.09 feet; thence

South 87 degrees, 28 minutes, 48 seconds East 61.01 feet; thence

North 09 degrees, 00 minutes, 19 seconds East 207.54 feet; to the southwest corner of a tract of land conveyed to the Buffalo Trace Council, Inc. of the Boy Scouts of America in Document Number 2004R00010382 in the office of the Recorder of Vanderburgh County; thence along the boundary of the Boy Scout tract, South 88 degrees, 35 minutes, 04 seconds East 909.20 feet; thence continuing along the Boy Scout Tract, North 15 degrees, 07 minutes, 50 seconds East 75.92 feet to the point of beginning; thence continuing along the Boy Scout tract the following four (4) calls:

North 68 degrees, 20 minutes, 24 seconds West 198.16 feet; thence

North 00 degrees, 28 minutes, 12 seconds East 254.18 feet; thence

South 73 degrees, 53 minutes, 24 seconds East 195.17 feet; thence

South 06 degrees, 59 minutes, 24 seconds East 175.44 feet; thence

South 15 degrees, 07 minutes, 50 seconds West 102.58 feet to the point of beginning and containing a gross area of 1.208 acres.

(e) The governor and the commissioner are authorized and directed on behalf of and in the name of the state of Indiana to convey the real estate to the grantee. Except as provided in this SECTION, the conveyance of the real estate shall be made without consideration. Conveyance of the real estate is subject to the following:

(1) Use of the real estate for educational, cultural, recreational, art, or museum purposes.

(2) The rights of ingress and egress across existing roadways and parking lots as described in the quitclaim deed to the Buffalo Trace Council, Inc. of the Boy Scouts of America in Document Number 2004R00010382 in the office of the Recorder of Vanderburgh County.

(3) The use of paths located on the real estate for biking, hiking, and other similar recreational activities.

(4) Highways, easements, and restrictions of record.

(f) The real estate reverts to the state if the real estate is not used for the purposes described in subsection (e)(1).

(g) The conveyance of the real estate must comply with IC 4-20.5-7 to the extent that IC 4-20.5-7 does not conflict with this SECTION. The department shall have a quitclaim deed prepared to convey the real estate to the grantee. The deed must state the conditions and restrictions contained in subsections (e) and (f). The commissioner and the governor shall sign the deed, and the seal of the state shall be affixed to the deed.

(h) The grantee shall have the deed to the real estate recorded in Vanderburgh County, Indiana.

(i) The department shall inform the superintendent of Evansville State Hospital when the conveyance under this SECTION has been completed.

(j) SECTION 1 of this act does not apply to the conveyance required by this SECTION.

(k) This SECTION expires July 1, 2009.".

Renumber all SECTIONS consecutively.

(Reference is to HB 1329 as printed January 20, 2005.)

and when so amended that said bill do pass.

Committee Vote: Yeas 6, Nays 0.

RIEGSECKER, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Governmental Affairs and Interstate Cooperation, to which was referred Engrossed House Bill 1265, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be amended as follows:

Page 2, line 10, delete "rule, other" and insert "**rule; and**".

Page 2, delete lines 11 through 12.

Page 2, line 22, delete "and" and insert "**and**".

Page 2, after line 35, begin a new paragraph and insert:

"SECTION 2. IC 4-22-2-28.1 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 28.1. (a) This section applies to a rule for which the notice required by section 23 of this chapter is published by an agency after June 30, 2005.**

(b) As used in this section, "coordinator" refers to the small business regulatory coordinator assigned to a rule by an agency under subsection (e).

(c) As used in this section, "director" refers to the director or other administrative head of an agency.

(d) As used in this section, "small business" means any person, firm, corporation, limited liability company, partnership, or association that:

(1) is actively engaged in business in Indiana and maintains its principal place of business in Indiana;

(2) is independently owned and operated;

(3) employs not more than one hundred (100) full-time employees; and

(4) has gross annual receipts of not more than five million dollars ($5,000,000).

(e) For each:

(1) rulemaking action; and

(2) rule finally adopted as a result of a rulemaking action;

by an agency under this chapter, the agency shall assign one (1) staff person to serve as the agency's small business regulatory coordinator with respect to the proposed or adopted rule. The agency shall assign a staff person to a rule under this subsection based on the person's knowledge of, or experience with, the subject matter of the rule. A staff person may serve as the coordinator for more than one (1) rule proposed or adopted by the agency if the person is qualified by knowledge or experience with respect to each rule. Subject to subsection (f), in the case of a proposed rule, the agency's notice of intent to adopt the rule under section 23 of this chapter must include the name, address, telephone number, and electronic mail address of the small business coordinator for the proposed rule. Subject to subsection (f), in the case of a rule finally adopted by the agency, the final rule, as published in the Indiana Register and the Indiana Administrative Code, must include the name, address, telephone number, and electronic mail address of the

coordinator.

(f) This subsection applies to a rule adopted by the department of environmental management or any of the boards (as defined in IC 13-11-2-18) under IC 13-14-9. In addition to the information required under subsection (e), the department or the board shall include in the notice provided under section 23 of this chapter and in the publication of the final rule in the Indiana Register and the Indiana Administrative Code:

(1) a statement of the resources available to regulated entities through the technical and compliance assistance program established under IC 13-28-3;

(2) the name, address, telephone number, and electronic mail address of the ombudsman designated under IC 13-28-3-2; and

(3) if applicable, a statement of:

(A) the resources available to small businesses through the small business stationary source technical assistance program established under IC 13-28-5; and

(B) the name, address, telephone number, and electronic mail address of the ombudsman for small business designated under IC 13-28-5-2(3).

The coordinator assigned to the rule under subsection (e) shall work with the ombudsman described in subdivision (2) and the office of voluntary compliance established by IC 13-28-1-1 to coordinate the provision of services required under subsection (g) and IC 13-28-3. If applicable, the coordinator assigned to the rule under subsection (e) shall work with the ombudsman referred to in subdivision (3)(B) to coordinate the provision of services required under subsection (g) and IC 13-28-5.

(g) The coordinator assigned to a rule under subsection (e) shall serve as a liaison between the agency and any small business subject to regulation under the rule. The coordinator shall provide guidance to small businesses affected by the rule on the following:

(1) Any requirements imposed by the rule, including any reporting, record keeping, or accounting requirements.

(2) How the agency determines or measures compliance with the rule, including any deadlines for action by regulated entities.

(3) Any penalties, sanctions, or fines imposed for noncompliance with the rule.

(4) Any other concerns of small businesses with respect to the rule, including the agency's application or enforcement of the rule in particular situations. However, in the case of a rule adopted under IC 13-14-9, the coordinator assigned to the rule may refer a small business with concerns about the application or enforcement of the rule in a particular situation to the ombudsman designated under IC 13-28-3-2 or, if applicable, under IC 13-28-5-2(3).

(h) The coordinator assigned to a rule under subsection (e) shall provide guidance under this section in response to questions and concerns expressed by small businesses affected by the rule. The coordinator may also issue general guidelines or informational pamphlets to assist small businesses in complying with the rule. Any guidelines or informational pamphlets issued under this subsection shall be made available:

(1) for public inspection and copying at the offices of the agency under IC 5-14-3; and

(2) electronically through electronic gateway access.

(i) The coordinator assigned to a rule under subsection (e) shall keep a record of all comments, questions, and complaints received from small businesses with respect to the rule. The coordinator shall deliver the record, along with any accompanying documents submitted by small businesses, to the director:

(1) not later than ten (10) days after the date on which the rule is file stamped by the secretary of state under section 35 of this chapter; and

(2) before July 15 of each year during which the rule remains in effect.

The coordinator and the director shall keep confidential any information concerning a small business to the extent that the information is exempt from public disclosure under IC 5-14-3-4.

(j) Not later than November 1 of each year, the director shall:

(1) compile the records received from all of the agency's coordinators under subsection (i);

(2) prepare a report that sets forth:

(A) the number of comments, complaints, and questions received by the agency from small businesses during the most recent state fiscal year, categorized by the subject matter of the rules involved;

(B) the number of complaints or questions reported under clause (A) that were resolved to the satisfaction of the agency and the small businesses involved;

(C) the total number of staff serving as coordinators under this section during the most recent state fiscal year;

(D) the agency's costs in complying with this section during the most recent state fiscal year; and

(E) the projected budget required by the agency to comply with this section during the current state fiscal year; and

(3) deliver the report to the legislative council in an electronic format under IC 5-14-6 and to the Indiana economic development corporation established by IC 5-28-3.

SECTION 3. IC 4-22-2-28.2 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 28.2. (a) This section applies to a violation described in subsection (c) that occurs after June 30, 2005. However, in the case of a violation of a rule adopted under IC 13-14-9 by the department of environmental management or any of the boards (as defined in IC 13-11-2-18), the procedures set forth in IC 13-30-4-3 and IC 13-30-7 apply instead of this section.**

(b) As used in this section, "small business" has the meaning set forth in section 28.1(d) of this chapter.

(c) Except as provided in subsection (d), a small business that voluntarily provides notice to an agency of the small business's actual or potential violation of a rule adopted by the agency under this chapter is immune from civil or criminal liability resulting from an agency action relating to the violation if the small business does the following:

(1) Provides written notice of the violation to the agency not later than forty-five (45) days after the small business knew

or should have known that the violation occurred.

(2) Corrects the violation within a time, which in no case may be less than ninety (90) days after the date of the notice described in subdivision (1), agreed to by the agency and the small business.

(3) Cooperates with any reasonable request by the agency in any investigation initiated in response to the notice.

(d) A small business is not immune from civil or criminal liability relating to a violation of which the small business provides notice under subsection (c) if any of the following apply:

(1) The violation resulted in serious harm or in imminent and substantial endangerment to the public health, safety, or welfare.

(2) The violation resulted in a substantial economic benefit that afforded the small business a clear advantage over the small business's competitors.

(3) The small business has a pattern of continuous or repeated violations of the rule at issue or any other rules of the agency.

(e) Information that a small business provides under this section, including actions and documents that identify or describe the small business, to an agency in providing notice of the small business's actual or potential violation of a rule adopted by the agency is confidential, unless a clear and immediate danger to the public health, safety, or welfare or to the environment exists. Information described in this subsection may not be made available for use by the agency for purposes other than the purposes of this section without the consent of the small business.

(f) Voluntary notice of an actual or a potential violation of a rule that is provided by a small business under subsection (c) is not admissible as evidence in a proceeding, other than an agency proceeding, to prove liability for the rule violation or the effects of the rule violation.

SECTION 4. IC 34-30-2-3.8 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 3.8. IC 4-22-2-28.2 (Concerning voluntary notice by a small business of an actual or a potential violation of an agency rule).**".

Renumber all SECTIONS consectutivley.

(Reference is to HB 1265 as printed February 15, 2005.)

and when so amended that said bill do pass.

Committee Vote: Yeas 6, Nays 0.

RIEGSECKER, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Governmental Affairs and Interstate Cooperation, to which was referred Engrossed House Bill 1250, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill do pass.

Committee Vote: Yeas 6, Nays 0.

RIEGSECKER, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Pensions and Labor, to which was referred Engrossed House Bill 1346, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be amended as follows:

Page 4, after line 29, begin a new paragraph and insert:

"SECTION 5. IC 5-10-1.1-7.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7.5. (a) As used in this section, "state agency" means the following:

(1) An authority, a board, a branch, a commission, a committee, a department, a division, or other instrumentality of state government.

(2) A separate corporate body politic that adopts the plan described in subsection (b).

(3) State elected officials and their office staff.

(4) The legislative services agency.

(5) Legislative staff eligible to participate in the state employees' deferred compensation plan established by section 1 of this chapter.

However, the term does not include a state educational institution (as defined in IC 20-12-0.5-1) or a political subdivision.

(b) The deferred compensation committee shall adopt provisions in a defined contribution plan, under Sections 401(a) and 414(d) of the Internal Revenue Code, for the purpose of converting unused excess accrued leave to a monetary contribution for employees of a state agency. These provisions may be part of the plan and trust established under section 1.5(a) of this chapter.

(c) The deferred compensation committee is the trustee of the plan described in subsection (b). The plan must be a qualified plan, as determined by the Internal Revenue Service.

(d) The state personnel department shall adopt rules under IC 4-22-2 that it considers appropriate or necessary to implement this section. The rules adopted by the state personnel department under this section must:

(1) be consistent with the plan described in subsection (b);

(2) include provisions concerning:

(A) the type and amount of leave that may be converted to a monetary contribution;

(B) the conversion formula for valuing any leave that is converted;

(C) the manner of employee selection of leave conversion; and

(D) the vesting schedule for any leave that is converted; and

(3) apply to all state agencies.

(e) The rules adopted by the state personnel department under subsection (d) specifying the conversion formula must provide for a conversion rate under which the amount contributed on behalf of a participating employee for a day of leave that is converted under this section is equal to at least sixty percent (60%) of the employee's daily pay as of the date the leave is converted.

(f) The deferred compensation committee may adopt the following:

(1) Plan provisions governing:

(A) the investment of accounts in the plan; and

(B) the accounting for converted leave.

(2) Any other plan provisions that are necessary or appropriate for operation of the plan.

(g) The plan described in subsection (b) may be implemented only if the deferred compensation committee has received from the Internal Revenue Service any rulings or determination letters that the committee considers necessary or appropriate.

(h) To the extent allowed by:

(1) the Internal Revenue Code; and

(2) rules adopted by:

(A) the state personnel department under this section; and

(B) the public employees' retirement fund under IC 5-10.3-8-14;

an employee of a state agency may convert unused excess accrued leave to a monetary contribution under this section and under IC 5-10.3-8-14.

SECTION 6. IC 5-10.3-8-14 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 14. (a) This section applies to employees of the state (as defined in 5-10.3-7-1(d)) who are members of the fund.**

(b) The board shall adopt provisions to establish a retirement medical benefits account within the fund, under Section 401(h) or another applicable section of the Internal Revenue Code, for the purpose of converting unused excess accrued leave to a monetary contribution for employees of the state to fund on a pretax basis benefits for sickness, accident, hospitalization, and medical expenses for retired employees of the state, their spouses, and their dependents.

(c) The board is the trustee of the account described in subsection (b). The account must be qualified, as determined by the Internal Revenue Service, as a separate account within the fund whose benefits are subordinate to the retirements benefits provided by the fund.

(d) The board shall adopt rules under IC 5-10.3-3-8 that it considers appropriate or necessary to implement this section after consulting with the state personnel department. The rules adopted by the board under this section must:

(1) be consistent with the account described in subsection (b) and the fund;

(2) include provisions concerning:

(A) the type and amount of leave that may be converted to a monetary contribution;

(B) the conversion formula for valuing any leave that is converted;

(C) the manner of employee selection of leave conversion; and

(D) the vesting schedule for any leave that is converted.

(e) The board may adopt the following:

(1) Account provisions governing:

(A) the investment of amounts in the account; and

(B) the accounting for converted leave.

(2) Any other provisions that are necessary or appropriate for operation of the account.

(f) The account described in subsection (b) may be implemented only if the board has received from the Internal Revenue Service any rulings or determination letters that the board considers necessary or appropriate.

(g) To the extent allowed by:

(1) the Internal Revenue Code; and

(2) rules adopted by:

(A) the board under this section; and

(B) the state personnel department under IC 5-10-1.1-7.5;

employees of the state may convert unused excess accrued leave to a monetary contribution under this section and under IC 5-10-1.1-7.5.

SECTION 7. [EFFECTIVE UPON PASSAGE] **(a) As used in this SECTION, "committee" refers to the deferred compensation committee established by IC 5-10-1.1-4.**

(b) As used in this SECTION, "plan" refers to the deferred compensation plan described in IC 5-10-1.1-1.5.

(c) The committee shall adopt a pilot program that enables the employees of at least one (1) branch of state government to make the first conversion of unused excess accrued leave to a monetary contribution under the plan not later than December 31, 2005.

(d) The auditor of state shall provide for the administration of the pilot program under IC 5-10-1.1-5.

(e) The provisions of IC 5-10-1.1-7.5 apply to the pilot program described in subsection (c).

(f) This SECTION expires on the earlier of:

(1) the date the leave conversion provisions of the plan are fully implemented on a permanent basis for all state agencies (as defined in IC 5-10-1.1-7.5(a)); or

(2) July 1, 2010.

SECTION 8. [EFFECTIVE UPON PASSAGE] **(a) As used in this SECTION, "department" refers to the state personnel department established by IC 4-15-1.8-2.**

(b) Notwithstanding IC 5-10-1.1-7.5(d), the department shall adopt any rules to implement IC 5-10-1.1-7.5, as amended by this act, and SECTION 7 of this act, in the same manner as emergency rules are adopted under IC 4-22-2-37.1.

(c) Any rules adopted under this SECTION must be adopted so that employees of at least one (1) branch of state government are able to make the first conversion of unused excess accrued leave not later than December 31, 2005.

(d) A rule adopted under this SECTION expires on the earlier of:

(1) the date rules are adopted by the department under IC 4-22-2-24 through IC 4-22-2-36 to implement IC 5-10-1.1-7.5, as amended by this act, for all state agencies (as defined in IC 5-10-1.1-7.5(a)); or

(2) July 1, 2010.

(e) This SECTION expires July 1, 2010.

SECTION 9. **An emergency is declared for this act.**".

Renumber all SECTIONS consecutively.

(Reference is to HB 1346 as printed January 25, 2005.)

and when so amended that said bill do pass.

Committee Vote: Yeas 6, Nays 0.

HARRISON, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Governmental Affairs and Interstate Cooperation, to which was referred Engrossed House Bill 1611, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be amended as follows:

Page 2, delete lines 35 through 42.

Page 3, delete lines 1 through 32.

Page 4, delete lines 4 through 16.

Renumber all SECTIONS consecutively.

(Reference is to HB 1611 as reprinted February 15, 2005.)

and when so amended that said bill do pass.

Committee Vote: Yeas 7, Nays 0.

RIEGSECKER, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Judiciary, to which was referred Engrossed House Bill 1198, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be amended as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 9-24-2-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. (a) A driver's license or a learner's permit may not be issued to an individual less than eighteen (18) years of age who meets any of the following conditions:

(1) Is a habitual truant under ~~IC 20-8.1-3-17.2.~~ **IC 20-33-2-11.**

(2) Is under at least a second suspension from school for the school year under ~~IC 20-8.1-5.1-8~~ **IC 20-33-8-14** or ~~IC 20-8.1-5.1-9.~~ **IC 20-33-8-15.**

(3) Is under an expulsion from school under ~~IC 20-8.1-5.1-8, IC 20-8.1-5.1-9, or IC 20-8.1-5.1-10.~~ **IC 20-33-8-14, IC 20-33-8-15, or IC 20-33-8-16.**

~~(4) Has withdrawn from school, for a reason other than financial hardship and the withdrawal was reported under IC 20-8.1-3-24(a) before graduating.~~

(4) Is considered a dropout under IC 20-33-2-28.5.

(b) At least five (5) days before holding an exit interview under ~~IC 20-8.1-3-17(b)(2),~~ **IC 20-33-2-28.5,** the school corporation shall give notice by certified mail or personal delivery to the student, the student's parent, or the student's guardian ~~of the following:~~

~~(1) That the exit interview will include a hearing to determine if the reason for the student's withdrawal is financial hardship.~~

~~(2) If the principal determines that the reason for the student's withdrawal is not financial hardship:~~

~~(A) the student and the student's parent or guardian will receive a copy of the determination; and~~

~~(B) the student's name will be submitted to the bureau for the bureau's use in denying or invalidating a driver's license or learner's permit under this section.~~

that the student's failure to attend an exit interview under IC 20-33-2-28.5 or return to school if the student does not meet the requirements to withdraw from school under IC 20-33-2-28.5 will result in the revocation or denial of the student's:

(1) driver's license or learner's permit; and

(2) employment certificate.".

Page 1, line 9, strike "and" and insert "**,**".

Page 1, line 9, after "gender" insert "**, and disability status**".

Page 1, line 17, after "gender," insert "**disability status,**".

Page 3, between lines 17 and 18, begin a new paragraph and insert:

"**Sec. 1. This chapter does not apply to a nonpublic school.**".

Page 3, line 18, delete "Sec. 1." and insert "**Sec. 2.**".

Page 3, line 25, delete "Sec. 2." and insert "**Sec. 3.**".

Page 3, line 34, delete "Sec. 3." and insert "**Sec. 4.**".

Page 4, line 5, delete "Sec. 4." and insert "**Sec. 5.**".

Page 4, line 10, delete "Sec. 5." and insert "**Sec. 6.**".

Page 4, line 10, delete "a" and insert "**an informal**".

Page 4, line 10, after "court" insert "**, in a setting agreed upon by the court and the school board,**".

Page 4, line 14, delete "Sec. 6." and insert "**Sec. 7.**".

Page 4, delete lines 24 through 30.

Page 4, line 31, delete "Sec. 9." and insert "**Sec. 8.**".

Page 4, line 31, after "present" insert "**, and may be required to be present,**".

Page 4, line 32, delete "court".

Page 4, line 32, delete ", and, if the student or the student's" and insert "**.**".

Page 4, delete lines 33 through 34.

Page 4, line 35, delete "Sec. 10." and insert "**Sec. 9.**".

Page 4, between lines 39 and 40, begin a new paragraph and insert:

"**Sec. 10. This chapter does not deprive a child of any due process rights to which the child may be entitled.**".

Page 6, after line 5, begin a new paragraph and insert:

"SECTION 10. IC 20-19-3-4, AS ADDED BY HEA 1288-2005, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. **(a)** The department shall:

(1) perform the duties required by statute;

(2) implement the policies and procedures established by the state board;

(3) conduct analytical research to assist the state board in determining the state's educational policy;

(4) compile statistics concerning the ethnicity, ~~and~~ gender, **and disability status** of students in Indiana schools, including statistics for all information that the department receives from school corporations on enrollment, number of suspensions, and number of expulsions; and

(5) provide technical assistance to school corporations.

(b) In compiling statistics by gender, ethnicity, and disability status under subsection (a)(4), the department shall also categorize suspensions and expulsions by cause as follows:

(1) Alcohol.

(2) Drugs.

(3) Deadly weapons (other than firearms).

(4) Handguns.

(5) Rifles or shotguns.
(6) Other firearms.
(7) Tobacco.
(8) Attendance.
(9) Destruction of property.
(10) Legal settlement (under IC 20-33-8-17).
(11) Fighting (incident does not rise to the level of battery).
(12) Battery (IC 35-42-2-1).
(13) Intimidation (IC 35-45-2-1).
(14) Verbal aggression or profanity.
(15) Defiance.
(16) Other.

(c) The department shall develop guidelines necessary to implement this section.

SECTION 11. IC 20-33-2-9, AS ADDED BY HEA-1288-2005, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6. ~~(a)~~ A student is bound by the requirements of this chapter from the earlier of the date on which the student officially enrolls in a school or, except as provided in section 8 of this chapter, the beginning of the fall school term for the school year in which the student becomes seven (7) years of age until the date on which the student:

(1) graduates;
(2) becomes eighteen (18) years of age; or
(3) becomes sixteen (16) years of age but is less than eighteen (18) years of age and the requirements under section 9 of this chapter concerning an exit interview are met enabling the student to withdraw from school before graduation;

whichever occurs first.

~~(b) A student who:~~
~~(1) enrolls in school before the fall school term for the school year in which the student becomes seven (7) years of age; and~~
~~(2) is withdrawn from school before the school year described in subdivision (1) occurs;~~

~~is not subject to the requirements of this chapter until the student is reenrolled as required in subsection (a). This chapter shall not be construed to require that a student complete grade 1 before the student becomes eight (8) years of age.~~

SECTION 12. IC 20-33-2-11, AS ADDED BY HEA-1288-2005, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 11. (a) Notwithstanding IC 9-24 concerning the minimum requirements for qualifying for the issuance of an operator's license or a learner's permit, and subject to subsections (c) through (e), an individual who is:

(1) at least thirteen (13) years of age but less than fifteen (15) years of age;
(2) a habitual truant under the definition of habitual truant established under subsection (b); and
(3) identified in the information submitted to the bureau of motor vehicles under subsection (f);

may not be issued an operator's license or a learner's permit to drive a motor vehicle under IC 9-24 until the individual is at least eighteen (18) years of age.

(b) Each governing body shall establish and include as part of the written copy of its discipline rules described in IC 20-33-8-12:

(1) a definition of a child who is designated as a habitual truant, **which must, at a minimum, define the term as a student who is chronically absent, by having unexcused absences from school for more than ten (10) days of school in one (1) school year;**
(2) the procedures under which subsection (a) will be administered; and
(3) all other pertinent matters related to this action.

(c) An individual described in subsection (a) is entitled to the procedure described in IC 20-33-8-19.

(d) An individual described in subsection (a) who is at least thirteen (13) years of age and less than eighteen (18) years of age is entitled to a periodic review of the individual's attendance record in school to determine whether the prohibition described in subsection (a) shall continue. The periodic reviews may not be conducted less than one (1) time each school year.

(e) Upon review, the governing body may determine that the individual's attendance record has improved to the degree that the individual may become eligible to be issued an operator's license or a learner's permit.

(f) Before:
(1) February 1; and
(2) October 1;

of each year the governing body of the school corporation shall submit to the bureau of motor vehicles the pertinent information concerning an individual's ineligibility under subsection (a) to be issued an operator's license or a learner's permit.

(g) The department shall develop guidelines concerning criteria used in defining a habitual truant that may be considered by a governing body in complying with subsection (b).

SECTION 13. IC 20-33-2-28.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 28.5. (a) This section applies to an individual:**

(1) who:
(A) attends or last attended a public school;
(B) is at least sixteen (16) years of age but less than eighteen (18) years of age; and
(C) has not completed the requirements for graduation;
(2) who:
(A) wishes to withdraw from school before graduation;
(B) fails to return at the beginning of a semester; or
(C) stops attending school during a semester; and
(3) who has no record of transfer to another school.

(b) An individual to whom this section applies may withdraw from school only if all of the following conditions are met:

(1) An exit interview is conducted.
(2) The individual's parent consents to the withdrawal.
(3) The school principal approves of the withdrawal.

During the exit interview, the school principal shall provide to the student and the student's parent a copy of statistics compiled by the department concerning the likely consequences of life without a high school diploma. The school principal shall advise the student and the student's parent that the student's withdrawal from school may prevent the student from receiving or result in the revocation of the student's employment

certificate and driver's license or learner's permit.

(c) For purposes of this section, the following must be in written form:

(1) An individual's request to withdraw from school.

(2) A parent's consent to a withdrawal.

(3) A principal's consent to a withdrawal.

(d) If the individual's principal does not consent to the individual's withdrawal under this section, the individual's parent may appeal the denial of consent to the governing body of the public school that the individual last attended.

(e) Each public school, including each school corporation and each charter school (as defined in IC 20-24-1-4), shall provide an annual report to the department setting forth the following information:

(1) The total number of individuals:

(A) who withdrew from school under this section; and

(B) who either:

(i) failed to return to school at the beginning of a semester; or

(ii) stopped attending school during a semester;

and for whom there is no record of transfer to another school.

(2) The number of individuals who withdrew from school following an exit interview.

(f) If an individual to which this section applies:

(1) has not received consent to withdraw from school under this section; and

(2) fails to return to school at the beginning of a semester or during the semester;

the principal of the school that the individual last attended shall deliver by certified mail or personal delivery to the bureau of child labor a record of the individual's failure to return to school so that the bureau of child labor revokes any employment certificates issued to the individual and does not issue any additional employment certificates to the individual. For purposes of IC 20-33-3-13, the individual shall be considered a dropout.

(g) At the same time that a school principal delivers the record under subsection (f), the principal shall deliver by certified mail or personal delivery to the bureau of motor vehicles a record of the individual's failure to return to school so that the bureau of motor vehicles revokes any driver's license or learner's permit issued to the individual and does not issue any additional driver's licenses or learner's permits to the individual before the individual is at least eighteen (18) years of age. For purposes of IC 9-24-2-1, the individual shall be considered a dropout.

(h) If:

(1) a principal has delivered the record required under subsection (f) or (g), or both; and

(2) the school subsequently gives consent to the individual to withdraw from school under this section;

the principal of the school shall send a notice of withdrawal to the bureau of child labor and the bureau of motor vehicles by certified mail or personal delivery and, for purposes of IC 20-33-3-13 and IC 9-24-2-1, the individual shall no longer be considered a dropout.

SECTION 14. IC 20-33-2-28.7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005] **Sec. 28.7. (a) The department of education shall compile and make available to schools statistics concerning the likely consequences of life without a high school diploma. The statistics must include, but are not limited to, statistics that show the likelihood of an individual's:**

(1) unemployment or employment in a lower paying job; and

(2) involvement in criminal activity;

as the consequence of not obtaining a high school diploma.

(b) The department of education shall update the statistics made available under subsection (a) every two (2) years.

SECTION 17. IC 20-33-7-3, AS ADDED BY HEA 1288-2005, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. (a) As used in this section, "juvenile justice agency" has the meaning set forth in IC 10-13-4-5.

(b) A school corporation or other entity to which the education records privacy provisions of the federal Family Educational Rights and Privacy Act (20 U.S.C. 1232g) apply may disclose or report on the education records of a child, including personally identifiable information contained in the education records, without the consent of the child's parent under the following conditions:

(1) The disclosure or reporting of education records is to a state or local juvenile justice agency.

(2) The disclosure or reporting relates to the ability of the juvenile justice system to serve, before adjudication, the student whose records are being released.

(3) The juvenile justice agency receiving the information certifies, in writing, to the entity providing the information that the agency or individual receiving the information has agreed not to disclose it to a third party, other than another juvenile justice agency, without the consent of the child's parent.

(c) For purposes of subsection (b)(2), a disclosure or reporting of education records concerning a child who has been adjudicated as a delinquent child shall be treated as related to the ability of the juvenile justice system to serve the child before adjudication if the juvenile justice agency seeking the information provides sufficient information to enable the keeper of the education records to determine that the juvenile justice agency seeks the information in order to identify and intervene with the child as a juvenile at risk of delinquency rather than to obtain information solely related to supervision of the child as an adjudicated delinquent child.

(d) A school corporation to which the education records privacy provisions of the federal Family Educational Rights and Privacy Act (20 U.S.C. 1232g) apply may disclose or report on the education records of a child, including personally identifiable information contained in the education records, without the consent of the child's parent, if the child has been suspended or expelled and referred to a court in accordance with an agreement for court assisted resolution of suspension and expulsion cases under IC 20-33-8.5. The request for the education records of a child by a court must be for the purpose of assisting the child before adjudication.

~~(d)~~ **(e)** A school corporation or other entity to which the education records privacy provisions of the federal Family Educational Rights and Privacy Act (20 U.S.C. 1232g) apply that:

(1) discloses or reports on the education records of a child, including personally identifiable information contained in the education records, in violation of this section; and

(2) makes a good faith effort to comply with this section;

is immune from civil liability.

SECTION 15. IC 20-33-8-12, AS ADDED BY HEA-1288-2005, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 12. (a) The governing body of a school corporation must do the following:

(1) Establish written discipline rules, which may include:

(A) appropriate dress codes; **and**

(B) if applicable, an agreement for court assisted resolution of school suspension and expulsion cases;

for the school corporation.

(2) Give general publicity to the discipline rules within a school where the discipline rules apply by actions such as:

(A) making a copy of the discipline rules available to students and students' parents; or

(B) delivering a copy of the discipline rules to students or the parents of students.

This publicity requirement may not be construed technically and is satisfied if the school corporation makes a good faith effort to disseminate to students or parents generally the text or substance of a discipline rule.

(b) The:

(1) superintendent of a school corporation; and

(2) principals of each school in a school corporation;

may adopt regulations establishing lines of responsibility and related guidelines in compliance with the discipline policies of the governing body.

(c) The governing body of a school corporation may delegate:

(1) rulemaking;

(2) disciplinary; and

(3) other authority;

as reasonably necessary to carry out the school purposes of the school corporation.

(d) Subsection (a) does not apply to rules or directions concerning the following:

(1) Movement of students.

(2) Movement or parking of vehicles.

(3) Day to day instructions concerning the operation of a classroom or teaching station.

(4) Time for commencement of school.

(5) Other standards or regulations relating to the manner in which an educational function must be administered.

However, this subsection does not prohibit the governing body from regulating the areas listed in this subsection.

SECTION 16. IC 20-33-8.5 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

Chapter 8.5. Court Assisted Resolution of Suspension and Expulsion Cases

Sec. 1. This chapter does not apply to a nonpublic school.

Sec. 2. A superintendent and a court having juvenile jurisdiction in the county may enter into a voluntary agreement (referred to as the "agreement" in this chapter) for court assisted resolution of school suspension and expulsion cases. The agreement may require the court to supervise or provide for the supervision of an expelled or suspended student who has been referred to the court by the school corporation in accordance with the terms of the agreement.

Sec. 3. The agreement may require that a court do one (1) or more of the following:

(1) Establish a flexible program for the supervision of a student who has been suspended or expelled.

(2) Supervise a student who has been suspended or expelled.

(3) Require a student who has been suspended or expelled to participate in a school program (including an alternative educational program) for the supervision of a student who has been suspended or expelled.

Sec. 4. (a) The agreement may require that a school corporation do one (1) or more of the following:

(1) Define the violation for which a student who has been suspended or expelled shall be referred to the court.

(2) Refer a student who has been suspended or expelled for a violation described in subdivision (1) to the court.

(3) Establish a school program (including an alternative educational program) for the supervision of a student who has been suspended or expelled.

(b) If a school corporation enters into an agreement, the discipline rules adopted by the school corporation under IC 20-33-8-12 must specify the violations for which a student may be referred to the court under the agreement.

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 amount determined under IC 21-3-1.7-6.7(e) for each student referred under the agreement.

Sec. 6. A student shall be given an informal hearing before the court, in a setting agreed upon by the court and the school system, as soon as practicable following the student's referral to the court, after notice of the hearing has been provided to the student's parent.

Sec. 7. A hearing under this chapter is not a hearing to determine whether a student who has been suspended or expelled is a child in need of services. However, if a court determines that a student who has been suspended or expelled may:

(1) be a child in need of services (as described in IC 31-34-1); or

(2) have committed a delinquent act (as described in IC 31-37);

the court may notify the office of family and children or the prosecuting attorney.

Sec. 8. A parent or guardian has the right to be present and may be required to be present during the student's appearance.

Sec. 9. Notwithstanding the terms of the agreement, a suspension, an expulsion, or a referral of a student who is a child with a disability (as defined in IC 20-35-1-2) is subject to the:

(1) procedural requirements of 20 U.S.C. 1415; and

(2) rules adopted by the Indiana state board of education.

Sec. 10. This chapter does not deprive a child of any due process rights to which the child may be entitled.

SECTION 18. [EFFECTIVE UPON PASSAGE] **(a) The department of education shall develop a form for the written consent to withdraw from school for a school corporation's use in implementing IC 20-33-2-28.5, as added by this act.**

(b) The department of education shall under this SECTION begin compiling the statistics concerning the likely consequences of life without a high school diploma as required by IC 20-33-2-28.7,as added by this act.

(c) This SECTION expires December 31, 2005.

SECTION 19. **An emergency is declared for this act.**".

Renumber all SECTIONS consecutively.

(Reference is to HB 1198 as printed January 28, 2005.)

and when so amended that said bill do pass.

Committee Vote: Yeas 9, Nays 0.

BRAY, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Health and Provider Services, to which was referred Engrossed House Bill 1098, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be amended as follows:

Page 2, line 23, delete "under which a" and insert "**before January 1, 2006, to ensure that a pharmacist:**

(1) has entered into a contract with; or

(2) is subject to a policy that accepts the return of expired drugs of;

a wholesaler, manufacturer, or agent of a wholesaler or manufacturer concerning the return by the pharmacist to the wholesaler, the manufacturer, or the agent of expired legend drugs or controlled drugs. In determining the standards and procedures, the board shall consider the cost of a drug and the purchase of a reasonable quantity of a drug by a pharmacy. ".

Page 2, delete lines 24 through 25.

Page 2, delete lines 33 through 40.

(Reference is to HB 1098 as printed January 26, 2005.)

and when so amended that said bill do pass.

Committee Vote: Yeas 9, Nays 0.

MILLER, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Judiciary, to which was referred Engrossed House Bill 1217, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill do pass.

Committee Vote: Yeas 9, Nays 0.

BRAY, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Health and Provider Services, to which was referred Engrossed House Bill 1320, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill do pass.

Committee Vote: Yeas 8, Nays 0.

MILLER, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Health and Provider Services, to which was referred Engrossed House Bill 1069, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill do pass.

Committee Vote: Yeas 8, Nays 0.

MILLER, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Health and Provider Services, to which was referred Engrossed House Bill 1056, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be amended as follows:

Page 2, line 14, delete "and that offers food for sale to the final".

Page 2, line 15, delete "consumer at an event held for the benefit of the organization".

Page 2, line 16, delete "chapter that" and insert "**chapter.**".

Page 2, delete lines 17 through 26.

(Reference is to HB 1056 as reprinted January 19, 2005.)

and when so amended that said bill do pass.

Committee Vote: Yeas 7, Nays 0.

MILLER, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred Engrossed House Bill 1129, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill do pass.

Committee Vote: Yeas 12, Nays 0.

KENLEY, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Corrections, Criminal, and Civil Matters, to which was referred Engrossed House Bill 1126, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill do pass.

Committee Vote: Yeas 9, Nays 0.

LONG, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Corrections, Criminal, and Civil Matters, to which was referred Engrossed House Bill 1165, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be amended as follows:

Page 1, delete lines 1 through 17.

Page 2, delete lines 1 through 28.

Page 4, between lines 13 and 14, begin a new paragraph and insert:

"SECTION 3. IC 23-1-29-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. (a) A corporation shall notify shareholders of the date, time, and place of each annual and special shareholders' meeting no fewer than ten (10) nor more than sixty (60) days before the meeting date. Unless this article or the articles of incorporation require otherwise, the corporation is required to give notice only to shareholders entitled to vote at the meeting.

(b) Unless this article or the articles of incorporation require otherwise, notice of an annual meeting need not include a description of the purpose or purposes for which the meeting is called.

(c) Notice of a special meeting must include a description of the purpose or purposes for which the meeting is called.

(d) If not otherwise fixed under section 7 of this chapter, the record date for determining shareholders entitled to notice of and to vote at an annual or special shareholders' meeting is the close of business on the day before the first notice is delivered to shareholders.

(e) Unless the bylaws require otherwise, if an annual or special shareholders' meeting is adjourned to a different date, time, or place, notice need not be given of the new date, time, or place if the new date, time, or place is announced at the meeting before adjournment. If a new record date for the adjourned meeting is or must be fixed under section 7 of this chapter, however, notice of the adjourned meeting must be given under this section to persons who are shareholders as of the new record date.

(f) A corporation may give notice of a shareholders' meeting under this section by mailing the notice, postage prepaid, through the United States Postal Service, using any class or form of mail, if:

(1) the shares to which the notice relates are of a class of securities that is registered under the Exchange Act (as defined in IC 23-1-43-9); and

(2) the notice and the related proxy or information statement required under the Exchange Act (as defined in IC 23-1-43-9) are available to the public, without cost or password, through the corporation's Internet web site not fewer than thirty (30) days before the shareholders' meeting.".

Page 11, delete lines 7 through 42.

Delete pages 12 through 14.

Renumber all SECTIONS consecutively.

(Reference is to HB 1165 as reprinted February 1, 2005.)

and when so amended that said bill do pass.

Committee Vote: Yeas 10, Nays 0.

LONG, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Corrections, Criminal, and Civil Matters, to which was referred Engrossed House Bill 1403, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be amended as follows:

Page 6, line 31, delete "." and insert "**or a limited service health maintenance organization (as defined in IC 27-13-1-27).**".

Page 6, between lines 39 and 40, begin a new line block indented and insert:

"**(5) A health maintenance organization.**

(6) A limited service health maintenance organization.".

Page 9, delete line 14.

Page 9, line 15, delete "(B)" and insert "**(A)**".

Page 9, line 16, delete "(C)" and insert "**(B)**".

Page 9, line 18, delete "(D)" and insert "**(C)**".

Page 9, line 19, delete "(E)" and insert "**(D)**".

Page 9, line 21, delete "(F)" and insert "**(E)**".

Page 9, line 22, delete "(G)" and insert "**(F)**".

Page 9, line 23, delete "(H)" and insert "**(G)**".

Page 9, line 25, delete "(H)" and insert "**(G)**".

Page 9, line 38, delete "(C)" and insert "**(B)**".

Page 10, between lines 15 and 16, begin a new paragraph and insert:

"**(c) A person who knowingly and with intent to defraud makes a material misstatement in support of an application for the issuance of an insurance policy commits insurance application fraud, a Class A misdemeanor.**".

(Reference is to HB 1403 as printed February 9, 2005.)

and when so amended that said bill do pass.

Committee Vote: Yeas 8, Nays 0.

LONG, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Corrections, Criminal, and Civil Matters, to which was referred Engrossed House Bill 1159, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be amended as follows:

Page 1, line 4, delete "senior"" and insert "**adult**"".

Page 1, line 5, delete "sixty-five (65)" and insert "**eighteen (18)**".

Page 1, line 11, delete "." and insert: "**by reason of:**

(A) mental illness;

(B) mental retardation;

(C) dementia; or

(D) other physical or mental incapacity of managing or directing the management of the individual's property or providing or directing the provision of self-care.".

Page 1, line 14, delete ""Senior" and insert "**"Endangered adult**".

Page 1, line 16, delete "senior" and insert "**adult**".
Page 2, line 3, delete "Seniors" and insert "**Adults**".
Page 2, line 5, delete "senior" and insert "**adult**".
Page 2, line 6, delete "senior's" and insert "**adult's**".
Page 2, line 11, delete "senior" and insert "**adult**".
Page 2, line 14, delete "senior" and insert "**adult**".
Page 2, line 15, delete "proof" and insert "**evidence**".
Page 2, line 15, delete "senior" and insert "**adult**".
Page 2, line 16, delete "medical".
Page 2, line 16, after "condition" insert "**that may prevent the endangered adult from returning home without assistance**".
Page 2, line 17, delete "a" and insert "**an investigative**".
Page 2, line 17, delete "senior." and insert "**adult, if based on the notification, the law enforcement agency has reason to believe that an endangered adult is missing.**".
Page 2, line 18, after "(b) The" insert "**investigative**".
Page 2, line 18, delete "must" and insert "**may**".
Page 2, line 21, delete "senior" and insert "**adult**".
Page 2, line 24, delete "senior" and insert "**adult**".
Page 2, line 26, delete "senior" and insert "**adult**".
Page 2, line 27, delete "senior's" and insert "**adult's**".
Page 2, line 33, after "prepare the" insert "**investigative**".
Page 2, line 34, delete "required" and insert "**described**".
Page 2, line 34, delete "but" and insert "**and if possible**".
Page 2, line 36, delete "senior" and insert "**adult**".
Page 2, line 37, delete "required" and insert "**described**".
Page 2, line 38, after "chapter," insert "**if**".
Page 2, line 38, delete "shall" and insert "**has reason to believe that public notification may assist in locating the missing endangered adult, the law enforcement agency may**".
Page 2, line 41, delete "senior" and insert "**adult**".
Page 3, line 1, delete "senior" and insert "**adult**".
Page 3, line 4, delete "senior" and insert "**adult**".
Page 3, line 10, delete "senior" and insert "**adult**".
Page 3, line 14, delete "required" and insert "**described**".
Page 3, line 17, delete "senior" and insert "**adult**".
Page 3, line 19, delete "shall" and insert "**may**".
Page 3, line 20, delete "newspaper may:" and insert "**newspaper:**".
Page 3, line 21, delete "a senior" and insert "**an endangered adult**".
Page 3, line 23, delete "senior" and insert "**adult**".
Page 3, line 25, delete "senior" and insert "**adult**".
Page 3, line 26, delete "shall" and insert "**may**".
Page 3, line 27, delete "senior" and insert "**adult**".
Page 3, line 28, delete "senior" and insert "**adult**".
Page 3, line 31, delete "senior" and insert "**adult**".
Page 3, line 34, delete "a senior" and insert "**an endangered adult**".
Page 3, line 37, delete "senior" and insert "**adult**".
Page 3, line 39, delete "senior" and insert "**adult**".
Page 4, line 5, delete "IC 12-10-18-5" and insert "**IC 12-10-18-6**".
Page 4, line 6, delete "a senior" and insert "**an endangered adult**".
Page 4, line 7, delete "a senior" and insert "**an endangered adult**".
Page 4, after line 7, begin a new paragraph and insert:
"SECTION 5. IC 35-44-2-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) As used in this section, "consumer product" has the meaning set forth in IC 35-45-8-1.
(b) As used in this section, "misconduct" means a violation of a departmental rule or procedure of a law enforcement agency.
(c) A person who reports, by telephone, telegraph, mail, or other written or oral communication, that:
(1) the person or another person has placed or intends to place an explosive, a destructive device, or other destructive substance in a building or transportation facility;
(2) there has been or there will be tampering with a consumer product introduced into commerce; or
(3) there has been or will be placed or introduced a weapon of mass destruction in a building or a place of assembly;
knowing the report to be false commits false reporting, a Class D felony.
(d) A person who:
(1) gives a false report of the commission of a crime or gives false information in the official investigation of the commission of a crime, knowing the report or information to be false;
(2) gives a false alarm of fire to the fire department of a governmental entity, knowing the alarm to be false;
(3) makes a false request for ambulance service to an ambulance service provider, knowing the request to be false;
(4) gives a false report concerning a missing child (as defined in IC 10-13-5-4) **or missing endangered adult (as defined in IC 12-7-2-131.3)** or gives false information in the official investigation of a missing child **or missing endangered adult** knowing the report or information to be false; or
(5) makes a complaint against a law enforcement officer to the state or municipality (as defined in IC 8-1-13-3) that employs the officer:
(A) alleging the officer engaged in misconduct while performing the officer's duties; and
(B) knowing the complaint to be false;
commits false informing, a Class B misdemeanor. However, the offense is a Class A misdemeanor if it substantially hinders any law enforcement process or if it results in harm to an innocent person.
SECTION 6. [EFFECTIVE JULY 1, 2005] **IC 35-44-2-2, as amended by this act, applies only to crimes committed after June 30, 2005.**".
Renumber all SECTIONS consecutively.
(Reference is to HB 1159 as printed January 14, 2005.)
and when so amended that said bill do pass.
Committee Vote: Yeas 8, Nays 0.

LONG, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Corrections, Criminal, and Civil Matters, to which was referred Engrossed House Bill 1230, has had the same under consideration and begs

leave to report the same back to the Senate with the recommendation that said bill be amended as follows:

Page 2, line 5, after "include" insert "**:**

(1)".

Page 2, line 8, delete "." and insert "**;**

(2) a person that operates a facility that transfers intermodal freight between a railroad and a motor carrier;

(3) a person (including an agent or a subcontractor acting on behalf of the person) principally engaged in the business of transporting intermodal freight containers or other intermodal equipment used or to be used as part of an intermodal movement; or

(4) a person that is an energy utility (as defined in IC 8-1-2.5-2).".

Page 2, line 9, after "Sec. 3." insert "**(a) This section does not apply to a contract provision in which a motor carrier indemnifies a promisee only for loss or damage that results directly from the negligence, omission, or intentional act of the motor carrier or the agent, employee, servant, or independent contractor that is directly responsible to the motor carrier.**

(b)".

(Reference is to HB 1230 as reprinted February 4, 2005.)

and when so amended that said bill do pass.

Committee Vote: Yeas 8, Nays 0.

LONG, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Corrections, Criminal, and Civil Matters, to which was referred Engrossed House Bill 1315, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be amended as follows:

Replace the effective date in SECTION 4 with "[EFFECTIVE JANUARY 1, 2006]".

Replace the effective dates in SECTIONS 6 through 18 with "[EFFECTIVE JANUARY 1, 2006]".

Replace the effective date in SECTION 20 with "[EFFECTIVE JANUARY 1, 2006]".

Page 2, line 15, after "(a)" insert "**This section does not apply to an off-road vehicle that is at least five (5) model years old.**

(b)".

Page 2, line 19, delete "vehicles for which a certificate of title was" and insert "**vehicles;**".

Page 2, delete line 20.

Page 2, line 22, strike "(b)" and insert "**(c)**".

Page 2, line 30, strike "(c)" and insert "**(d)**".

Page 2, line 36, delete "June 30," and insert "**December 31,**".

Page 2, line 41, after "vehicle" insert "**or off-road vehicle**".

Page 3, line 1, after "vehicle" insert "**or off-road vehicle**".

Page 3, line 4, after "vehicle" insert "**or off-road vehicle**".

Page 3, line 5, after "vehicle" insert "**or off-road vehicle**".

Page 3, line 8, delete "vehicle." and insert "**vehicle or off-road vehicle.**".

Page 3, line 12, delete "1(a)(2)" and insert "**1(b)(2)**".

(Reference is to HB 1315 as reprinted February 16, 2005.)

and when so amended that said bill do pass.

Committee Vote: Yeas 8, Nays 0.

LONG, Chair

Report adopted.

SENATE MOTION

Madam President: I move that Senator Gard be added as cosponsor of Engrossed House Bill 1822.

LANANE

Motion prevailed.

SENATE MOTION

Madam President: I move that Senator Lanane be added as cosponsor of Engrossed House Bill 1063.

BRAY

Motion prevailed.

SENATE MOTION

Madam President: I move that Senator Steele be added as cosponsor of Engrossed House Bill 1219.

PAUL

Motion prevailed.

MOTIONS TO DISSENT FROM HOUSE AMENDMENTS

SENATE MOTION

Madam President: I move that the Senate do not concur with the House Amendments to Engrossed Senate Bill 446 and that a conference committee be appointed to confer with a like committee of the House.

GARD

Motion prevailed.

SENATE MOTION

Madam President: I move that the Senate do not concur with the House Amendments to Engrossed Senate Bill 378 and that a conference committee be appointed to confer with a like committee of the House.

WEATHERWAX

Motion prevailed.

RESOLUTIONS ON FIRST READING

Senate Concurrent Resolution 56

Senate Concurrent Resolution 56, introduced by Senators Zakas, Breaux, Bray, Long, Howard, M. Young, Lanane, Waltz, Bowser,

Waterman, and Steele:

A CONCURRENT RESOLUTION encouraging shopping malls, stores, and local units of government throughout Indiana to adopt a "Code Adam" child safety protocol.

Whereas, The "Code Adam" program was first established in 1995;

Whereas, The program, named in memory of Adam Walsh, six-year-old Florida boy who was abducted from a shopping mall and murdered in 1981, is used as a preventive tool against child abductions in more than 45,000 stores across the nation;

Whereas, The program protocol is activated when a customer reports a missing child to a store employee;

Whereas, An alert is announced over the public address system and a brief description of the child is obtained and provided to all designated employees, who immediately stop their normal work to search for the child and monitor all exits to help prevent the child from leaving the store;

Whereas, If the child is not found within the first ten minutes during a storewide search, or if the child is seen accompanied by someone other than a parent or guardian, store personnel contact local law enforcement and request assistance;

Whereas, The program has proven extremely successful in thwarting many attempted abductions through the issuance of a "Code Adam" alert in commercial establishments; it continues to be implemented in stores across the country with the help of the National Center for Missing and Exploited Children;

Whereas, According to the United States Department of Justice, approximately 4,600 children are abducted annually by nonfamily members; and

Whereas, Indiana should take all possible steps to ensure the safety of Hoosier children: Therefore,

Be it resolved by the Senate of the General Assembly of the State of Indiana, the House of Representatives concurring:

SECTION 1. That the Indiana General Assembly encourages all shopping malls, stores, and local units of government to adopt the "Code Adam" child safety protocol.

SECTION 2. That copies of this resolution be transmitted by the Secretary of the Senate to the National Center for Missing and Exploited Children, the National Federation of Independent Business, the Association of Indiana Counties, the Indiana Association of Cities and Towns, and the Indiana Chamber of Commerce.

The resolution was read in full and adopted by voice vote. The Chair instructed the Secretary to inform the House of the passage of the resolution. House sponsors: Representatives Walorski, Welch, and Ruppel.

ENGROSSED HOUSE BILLS ON SECOND READING

Engrossed House Bill 1219

Senator Paul called up Engrossed House Bill 1219 for second reading. The bill was read a second time by title. There being no amendments, the bill was ordered engrossed.

Engrossed House Bill 1263

Senator Long called up Engrossed House Bill 1263 for second reading. The bill was read a second time by title. There being no amendments, the bill was ordered engrossed.

Engrossed House Bill 1495

Senator Server called up Engrossed House Bill 1495 for second reading. The bill was read a second time by title. There being no amendments, the bill was ordered engrossed.

Engrossed House Bill 1662

Senator Miller called up Engrossed House Bill 1662 for second reading. The bill was read a second time by title.

SENATE MOTION
(Amendment 1662–1)

Madam President: I move that Engrossed House Bill 1662 be amended to read as follows:

Page 5, line 3, after "(u)" insert "**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)".

(Reference is to EHB 1662 as printed March 25, 2005.)

MILLER

Motion prevailed. The bill was ordered engrossed.

Engrossed House Bill 1402

Senator Waterman called up Engrossed House Bill 1402 for second reading. The bill was read a second time by title. There

being no amendments, the bill was ordered engrossed.

MOTIONS TO DISSENT FROM HOUSE AMENDMENTS

SENATE MOTION

Madam President: I move that the Senate do not concur with the House Amendments to Engrossed Senate Bill 1 and that a conference committee be appointed to confer with a like committee of the House.

FORD

Motion prevailed.

SENATE MOTION

Madam President: I move that the Senate do not concur with the House Amendments to Engrossed Senate Bill 18 and that a conference committee be appointed to confer with a like committee of the House.

LAWSON

Motion prevailed.

SENATE MOTION

Madam President: I move that the Senate do not concur with the House Amendments to Engrossed Senate Bill 227 and that a conference committee be appointed to confer with a like committee of the House.

MILLER

Motion prevailed.

SENATE MOTION

Madam President: I move that the Senate do not concur with the House Amendments to Engrossed Senate Bill 206 and that a conference committee be appointed to confer with a like committee of the House.

DILLON

Motion prevailed.

ENGROSSED HOUSE BILLS ON THIRD READING

Engrossed House Bill 1008

Senator Jackman called up Engrossed House Bill 1008 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning agriculture and rural development.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 337: yeas 48, nays 0. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Chair instructed the Secretary to inform the House of the passage of the bill.

Engrossed House Bill 1112

Senator Long called up Engrossed House Bill 1112 for third reading:

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

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 338: yeas 47, nays 1. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Chair instructed the Secretary to inform the House of the passage of the bill.

Engrossed House Bill 1432

Senator Merritt called up Engrossed House Bill 1432 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning utilities and transportation.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 339: yeas 48, nays 0. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Chair instructed the Secretary to inform the House of the passage of the bill.

Engrossed House Bill 1501

Senator Server called up Engrossed House Bill 1501 for third reading:

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

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 340: yeas 47, nays 1. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Chair instructed the Secretary to inform the House of the passage of the bill.

2:27 p.m.

The Chair declared a recess until the fall of the gavel.

Recess

The Senate reconvened at 2:49 p.m., with the President of the Senate in the Chair.

REPORT OF THE PRESIDENT PRO TEMPORE

Madam President: Pursuant to Senate Rule 65(b), I hereby report that, Engrossed House Bill 1525 which is eligible for third reading, be reassigned to the Committee on Tax and Fiscal Policy.

GARTON

REPORT OF THE PRESIDENT PRO TEMPORE

Madam President: Pursuant to Senate Rule 65(b), I hereby report that, subsequent to the adoption of the Governmental Affairs and Interstate Cooperation Committee Report on March 31, 2005, Engrossed House Bill 1250 was reassigned to the Committee on Appropriations.

GARTON

REPORT OF THE PRESIDENT PRO TEMPORE

Pursuant to Rule 81(b), of the Standing Rules and Orders of the Senate, President Pro Tempore Robert D. Garton has appointed the following senators to serve as Senate conferees (or advisors) on Engrossed Senate Bill 1:
Conferees: Ford, Chair and Hume
Advisors: Kenley and Simpson

GARTON
Date: 3/31/05
Time: 2:15 p.m.

REPORT OF THE PRESIDENT PRO TEMPORE

Pursuant to Rule 81(b), of the Standing Rules and Orders of the Senate, President Pro Tempore Robert D. Garton has appointed the following senators to serve as Senate conferees (or advisors) on Engrossed Senate Bill 18:
Conferees: Lawson, Chair and Mrvan
Advisors: Steele and Broden

GARTON
Date: 3/31/05
Time: 2:20 p.m.

REPORT OF THE PRESIDENT PRO TEMPORE

Pursuant to Rule 81(b), of the Standing Rules and Orders of the Senate, President Pro Tempore Robert D. Garton has appointed the following senators to serve as Senate conferees (or advisors) on Engrossed Senate Bill 206:
Conferees: Dillon, Chair and Breaux

GARTON
Date: 3/31/05
Time: 2:21 p.m.

REPORT OF THE PRESIDENT PRO TEMPORE

Pursuant to Rule 81(b), of the Standing Rules and Orders of the Senate, President Pro Tempore Robert D. Garton has appointed the following senators to serve as Senate conferees (or advisors) on Engrossed Senate Bill 227:
Conferees: Miller, Chair and Broden
Advisors: Heinold and Lanane

GARTON
Date: 3/31/05
Time: 2:30 p.m.

REPORT OF THE PRESIDENT PRO TEMPORE

Pursuant to Rule 81(b), of the Standing Rules and Orders of the Senate, President Pro Tempore Robert D. Garton has appointed the following senators to serve as Senate conferees (or advisors) on Engrossed Senate Bill 378:
Conferees: Weatherwax, Chair and Hume
Advisors: Hershman and Skinner

GARTON
Date: 3/31/05
Time: 1:25 p.m.

REPORT OF THE PRESIDENT PRO TEMPORE

Pursuant to Rule 81(b), of the Standing Rules and Orders of the Senate, President Pro Tempore Robert D. Garton has appointed the following senators to serve as Senate conferees (or advisors) on Engrossed Senate Bill 446:
Conferees: Gard, Chair and Lanane

GARTON
Date: 3/31/05
Time: 1:27 p.m.

SENATE MOTION

Madam President: I move that Senators Wyss, Breaux, Lanane, Hershman, Long, Mrvan, Howard, Antich-Carr, Jackman, Craycraft, and Ford be added as cosponsors of Engrossed House Bill 1241.

ZAKAS

Motion prevailed.

SENATE MOTION

Madam President: I move that Senator Steele be added as cosponsor of Engrossed House Bill 1008.

JACKMAN

Motion prevailed.

SENATE MOTION

Madam President: I move that Senators Heinold and Lewis be added as cosponsors of Engrossed House Bill 1432.

MERRITT

Motion prevailed.

MOTIONS TO DISSENT FROM HOUSE AMENDMENTS

SENATE MOTION

Madam President: I move that the Senate do not concur with the House Amendments to Engrossed Senate Bill 213 and that a conference committee be appointed to confer with a like committee of the House.

M. YOUNG

Motion prevailed.

SENATE MOTION

Madam President: I move we adjourn until 1:30 p.m., Monday, April 4, 2005.

GARTON

Motion prevailed.

The Senate adjourned at 2:54 p.m.

MARY C. MENDEL
Secretary of the Senate

REBECCA S. SKILLMAN
President of the Senate