

SENATOR SUE ERRINGTON INITIATIVES BECOME LAW

I am pleased to report that several of my initiatives introduced this session have been signed into law. A few of these include the following:

Division of Family Resources

Resources: Senate Enrolled Act (SEA 344) requires the Division of Family Resources to maintain offices in each county rather than

consolidating the office operations into regions or districts under privatization efforts. This act is aimed at ensuring that residents have state case workers to approach face-to-face with questions or concerns regarding their benefits.

Purple Heart recipients: SEA 39 extends an exemption for tuition and fees at state colleges and universities to all Purple Heart recipients. Previous law awarded this only to those serving since September 10, 2001. It is estimated that in Indiana there are approximately 1,350 Purple Heart recipients from World War II, 360 from the Korean War, and 2,070 from the Vietnam War.

Silver Alert: SEA 307 creates the Silver Alert Program modeled after the state's existing Amber Alert law to provide swift action and streamlined communication between state, local and private agencies to facilitate the safe return of endangered adults within 24 hours.

Small business development: House Enrolled Act (HEA) 1697 requires Indiana Economic Development Corporation to maintain a Small Business Division to assist small businesses in obtaining state and federal tax incentives. The division will also maintain a statewide network of public, private, and educational resources to inform small businesses of the state and federal programs under which they may obtain financial assistance or realize reduced costs.

Reducing e-waste: House Enrolled Act (HEA) 1589 is aimed at reducing the amount of electronic waste sent to Indiana landfills contaminating nearby soil and ground water. The act requires manufacturers to participate in the collection and recycling of products including cell phones, computers, and televisions.

Economic development in areas of high unemployment: HEA 1434 establishes the new business recruitment grant program for local economic development organizations serving counties where the unemployment rate exceeds the state unemployment rate by at least 2%. The new law will assist local communities by providing grant money for initiatives that help to attract businesses to the area.

GPS tracking for protective order offenders: HEA 1578 permits a court to require a person to wear a GPS tracking device if the court finds that the person violated a protective order. The GPS tracking device could allow officials to detect whether an offender is in an exclusion zone, or area protected by the order. This is an additional protection against dangerous offenders who continue to violate protective orders.

Geothermal for schools: HEA 1669 establishes a state revolving loan fund administered by the Indiana Bond Bank to help school corporations install geothermal heating and cooling systems in new or existing facilities.

Promoting renewable energy: HEA 1033 requires the Indiana Department of Agriculture to facilitate the use of biomass and algae products as a renewable energy source.

For more information on these and other new laws, please visit www.in.gov/legislative or my website at www.in.gov/s26.

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Senator Errington speaks to reporters at a Statehouse press conference on FSSA privatization and the impact on residents of Delaware County.

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STATE SENATOR
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2009 SESSION REPORT STATE BUDGET APPROVED

This year the Indiana General Assembly was faced with the challenge of creating a two-year state budget under the constraints of greatly reduced revenue and an unpredictable economy. Difficult negotiations forced legislators to return to Indianapolis for a special session to continue work on the budget.

In the end, an agreement was reached to pass a \$27.8 billion two-year state budget. The plan includes more than \$2 billion in federal stimulus funds to be utilized by the state over fiscal years 2009, 2010, and 2011.

K-12 and Higher Education

The area of greatest disagreement was education funding. Under the plan, state funding for K-12 schools will increase by 1.1% in 2010 and 0.3% in 2011. These figures represent the statewide average, so some schools will see increases while others will face funding shortfalls. I am concerned by the inadequate funding that was allocated to our schools, forcing the state to choose between children based on where they live. The plan does not account for inflation and the increase of fixed costs. A positive step that resulted in this agreement is that a study of the school funding formula will be conducted over the next two years. I hope this will result in the creation of a new distribution system that doesn't create winners and losers and provides all Hoosier children the opportunities they deserve.

Indiana's public universities and technical schools depend on state support to help manage costs and keep tuition affordable. While funding for the universities was cut by an average of 3.8% in 2010, the state will direct federal stimulus dollars to replace the loss and create a net flat line at last year's level. Ivy Tech Community College will receive additional funds due to that school's large increase in enrollment.

The state also provides financial aid to thousands of students through need-based grants and scholarships. The state budget appropriates an increase of nearly 10% for these programs to help make college affordable for more Hoosiers.

Job Creation and Economic Development

The greatest immediate impact on job creation will come from dollars invested in university capital projects. Bonding was authorized for
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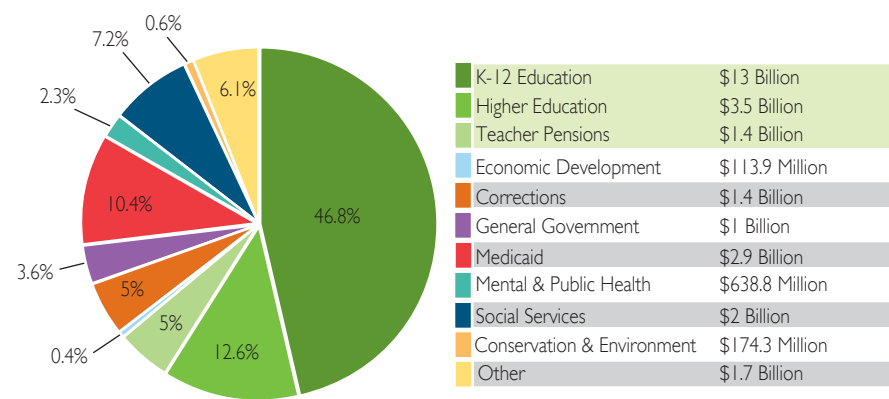
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FOR INFORMATION ON SUMMER STUDY COMMITTEES, VISIT www.IN.gov/legislative/interim

\$27.8 Billion

General Fund Appropriations
For the biennium July 1, 2009 to June 30, 2011

Data: Indiana State Budget Agency



more than \$475 million in renovation, repair or new construction projects on campuses throughout the state. State investments in economic development, while reduced, also continue in areas such as small business incentives, technology grants, tourism, the arts, and international trade opportunities. A new Green Industries Fund was established to help existing businesses and industries retrofit operations to improve efficiency and to retool production lines to manufacture energy efficient products. Other tax credit incentives were included to develop the film industry, coal gasification technology, and alternative fuel vehicle manufacturing.

Health and Social Services

The appropriation to cover the state's Medicaid obligations is slightly lower than in the last budget. This is possible because more federal Medicaid dollars are available this biennium due to an increased federal match rate based on the state's higher unemployment rate.

A new ombudsman position was established within the Department of Child Services to oversee Indiana's child welfare system and to investigate and resolve complaints regarding that agency's actions in protecting the health and safety of a child or in potential violation of laws, rules or policies.

Public Safety and Corrections

The budget for the Indiana Department of Correction was increased by nearly 9% to cover increased costs in food and medical service contracts associated with more offenders housed in Indiana's prison facilities. Funding was not increased for new facilities or the expansion of existing prisons. Community correction programs received the same amount as last year.

State Agency Reductions

Governor Daniels ordered a 10% cut by most state agencies in 2008 to accommodate lower revenues. The new state budget continues those reductions and makes an additional cut of 2% from agency budgets for the next two years. Certain agencies are protected from these cuts, primarily due to federal requirements or public safety needs.

On a local note. . .

The state budget provides Ball State University's Entrepreneurial College with \$2 million over the next two years. This program prepares students for the jobs of the future, and provides them with real-life experiences working with local communities and businesses throughout the state. Eventually, the university plans to make this an entrepreneurial minor available for all BSU students.

PROTECTING UNEMPLOYED HOOSIERS

Protecting unemployed Hoosiers

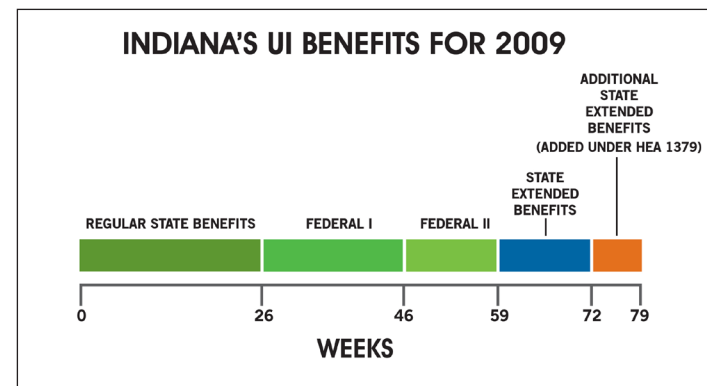
Lawmakers approved House Enrolled Act (HEA) 1379 this year to repair the state's Unemployment Insurance Trust Fund. An imbalance in the system resulted in the state's borrowing of funds from the federal government to pay unemployment benefits to Hoosier families, beginning in the fall of 2008. The bipartisan compromise that was reached this year addresses the immediate fund deficit and protects existing benefits and eligibility requirements for unemployed Hoosiers. If needed, future adjustments may be made to ensure an equitable system that best serves Indiana's workers and businesses of every size.

Increasing Revenue

HEA 1379 lowered the tax for many small businesses who lay off the fewest number of people, although it raised it for some employers who lay off the most people to help ensure those employers who use the system the most are paying more into the fund. The act increased the taxable wage base, but kept the employer contribution below the national average to maintain the state's attractive tax environment for businesses. It is estimated that these increases and other provisions will generate an additional \$473.6 million to restore the trust fund and slow the rate at which Indiana is borrowing money from the federal government.

Reducing Abuse

Under HEA 1379 additional measures were put in place to combat abuse, including a claims compliance center which will investigate instances when there is a discrepancy between information filed by a claimant and the employer. In addition, an oversight body was established to make recommendations and maintain watchful oversight for long-term solvency of the fund. The Unemployment Insurance Oversight Committee will oversee the



administration of the system as well as monitor and make recommendations to improve the solvency of the benefit trust fund.

Leveraging Federal Benefits

The federal government has made special temporary provisions to help Hoosiers who have lost their jobs during the national recession. Included in HEA 1379 were revisions to state law allowing Indiana to qualify for additional federal benefits. Hoosiers who have exhausted their state and federal benefits on or after March 15, 2009, may now be eligible for 20 weeks of state extended benefits through the end of 2009 if Indiana's total unemployment rate remains above 8 percent.

For more information, please contact the Department of Workforce Development at 1-800-891-6499 or www.in.gov/dwd, or visit your local WorkOne Center.

“The new law ensures that unemployed Hoosiers receive the benefits they need to provide for their families during the economic downturn while also maintaining a competitive business environment for Indiana.”

SEA 492 FORECLOSURE ASSISTANCE

Intended to slow the rate of foreclosures in Indiana, a new law that will encourage lenders and homeowners to work out alternative agreements to foreclosure was approved. Similar laws in other states have reduced the volume of foreclosure filings for their residents, helping homeowners stay in their homes, keeping homes off bank foreclosure lists, and protecting the values of neighboring properties.



SEA 492 requires, after June 30, 2009, that a bank or other mortgage lender send to the homeowner a notice that provides information about the upcoming foreclosure, information on mortgage foreclosure counseling, and contact information for the Indiana Foreclosure Prevention Network. This notice must be sent at least 30 days before the lender files the foreclosure action. The act requires the lender to notify the homeowner that they have a right to participate in a settlement conference.

The act prevents the court from entering into a foreclosure judgment unless the lender has given the required notice to the homeowner regarding a settlement conference and at least one of the following applies:

- The parties meet and are unable to agree on a foreclosure prevention agreement.
- The homeowner does not contact the court within 30 days of notice to schedule a settlement conference.
- At least 60 days have elapsed since the foreclosure notice was sent.

For more information on the Indiana Foreclosure Prevention Network, visit www.877gethope.org or call 1-877-GET-HOPE.

INDIANA'S RURAL CAUCUS

This year members of the General Assembly established the first Indiana Rural Caucus. I am pleased to be a member of this Caucus which acts as a bi-partisan advocate for the concerns and interests of rural communities.

With about 75% of Indiana considered rural, and 44% of the state's population living in rural areas, state legislators are addressing many issues affecting these communities. Rural areas face numerous challenges related to demographic changes, job creation, access to capital, land use, the environment, and community and historic preservation.



Many rural communities are now working to improve their infrastructure, broadband access, and community services to improve standards of living and compete economically. I look forward to working with the Indiana Rural Caucus as we continue to meet and work on behalf of all rural Hoosiers.