

SENATOR CONNIE SIPES INITIATIVES BECOME LAW

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

School bus drivers: Senate Enrolled Act (SEA) 228 requires school bus drivers to check the seats of their bus at the end of each

route to ensure that no students remain on the bus. Schools or school corporations are required to report to the State Department of Education any incident in which a student is left on a bus. The act makes any violation of these provisions a Class C infraction.

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.



Senator Sipes discusses legislation with Senator Jean Breaux (D-Indianapolis) during a session break.

Missing persons: House Enrolled Act (HEA) 1116 will facilitate communication between local law enforcement agencies, state police, and national organizations when missing persons are reported in Indiana. The new law requires Indiana law enforcement agencies to submit information regarding missing persons to the National Crime Information Center's database within two hours of receiving a missing person report.

Protecting young witnesses in criminal cases: HEA 1175 will require a defense attorney to contact the prosecuting attorney before interviewing a child under the age of 16 who is an alleged victim of a sexual offense. Under this act, the child will have the right to confer with the

prosecuting attorney prior to an interview with the defense counsel.

Teacher recruitment: HEA 1479 requires the Indiana Department of Education to collaborate with nonprofits, the Commission for Higher Education, and state educational institutions to recruit qualified teachers from under-represented populations and teacher shortage areas. According to the Center for Education Policy at Indiana University, the diversity of teacher populations in Indiana does not match the diversity levels of students.

For more information on these and other new laws, please visit www.in.gov/legislative or my website at www.in.gov/s46.

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STATE SENATOR CONNIE SIPES District 46



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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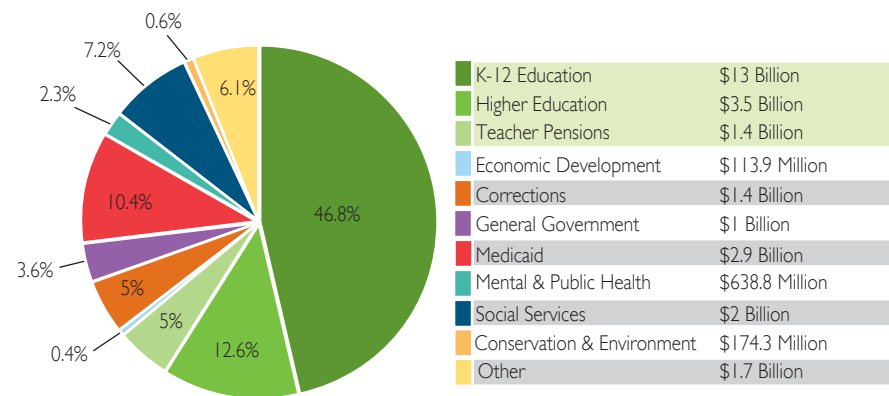


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\$27.8 Billion

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 includes the establishment of the Ohio River Bridges Project Commission to allow Indiana to work with Kentucky state leaders to negotiate the financing, construction, and maintenance of the Ohio River Bridges Project. This project will create more than 56,000 jobs during the construction phase.

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.

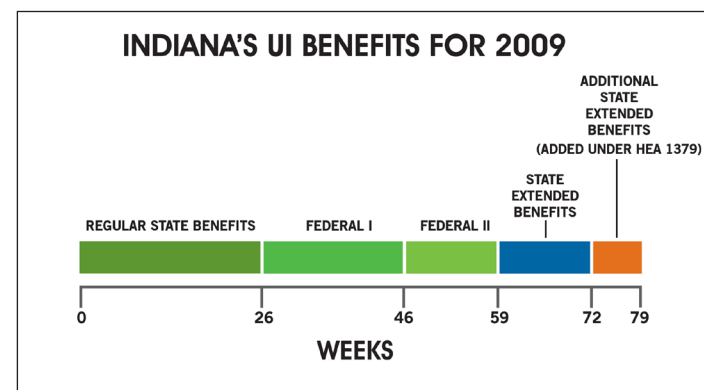
“The new law ensures that unemployed Hoosiers receive the benefits they need to provide for their families during the economic downturn while also maintaining a competitive business environment for Indiana.”

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.

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.

SEA 16 GRADUATED DRIVER'S LICENSE

Motor vehicle crashes are the leading cause of death for U.S. teens, accounting for more than one in three deaths in this age group. To reduce the risk of accidents by inexperienced drivers, lawmakers approved SEA 16 which includes new restrictions for drivers under the age of 18.

Effective July 1, 2009, anyone under age 18 is prohibited from driving during nighttime hours unless driving to or from work, school, or a religious event, or driving with passengers unless the driver is accompanied by an individual with a valid Indiana driver's license who is 25 years or older. Exemptions include a sibling and/or a child of the driver OR a spouse and/or child of the driver. An unlicensed parent, guardian or step-parent who is at least 21 may ride in the front seat. Also, drivers under the age of 18 are prohibited from using a cell phone or texting while operating a vehicle except for making emergency 911 calls.

Effective July 1, 2010, a driver may not begin classroom or behind-the-wheel training before reaching the age of 15 years and 6 months. Learner permits must be held for six months, and a minimum 50 hours (10 hours must be nighttime driving) of supervised practice driving with a licensed instructor or a licensed driver at least 25 years old or a spouse that is at least 21 years old is required. The minimum age to obtain a driver's license is now 16 years and 6 months with driver education, or 16 years and 9 months without driver education. For more information on these changes, visit www.in.gov/bmv.