CONFERENCE COMMITTEE REPORT
DIGEST FOR EHB 1001

Citations Affected: IC 2-5; IC 2-8; IC 2-8.2; IC 3-6; IC 4-6; IC 4-9.1; IC 4-10; IC 4-12; IC 4-13; IC 4-31; IC 4-35; IC 5-2; IC 5-10; IC 5-10.2; IC 5-10.3; IC 5-10.5; IC 6-1.1; IC 6-2.5; IC 6-3; IC 6-3.1; IC 6-3.5; IC 6-4.1; IC 6-5.5; IC 6-6; IC 6-7; IC 6-8.1; IC 6-9; IC 8-14; IC 8-15.5; IC 8-15.7; IC 8-23; IC 11-10; IC 11-12; IC 12-7; IC 12-8; IC 12-10; IC 12-13; IC 12-15; IC 12-17.2; IC 12-17.6; IC 16-21; IC 16-28; IC 16-29; IC 20-18; IC 20-20; IC 20-23; IC 20-24; IC 20-24.5; IC 20-25; IC 20-26; IC 20-27; IC 20-28; IC 20-29; IC 20-33; IC 20-43; IC 20-45; IC 20-49; IC 20-51; IC 21-7; IC 21-9; IC 21-12; IC 21-13; IC 21-14; IC 21-18.5; IC 21-35; IC 21-36; IC 22-2; IC 22-4; IC 23-19; IC 31-33; IC 35-32; IC 35-51; IC 36-1; noncode.

Synopsis: Biennial budget. Appropriates money for capital expenditures, the operation of the state, the delivery of Medicaid and other services, and various other distributions and purposes. Abolishes the health finance advisory committee, the health policy advisory committee, and the select joint commission on Medicaid oversight, and transfers their duties to the health finance commission. Restores citation numbering in Article V convention law as adopted by the senate in SB 224. Requires the county chairman of a major political party to provide the name and address of the precinct committeemen and vice committeemen to an elected official, upon request of the elected official. Provides that the office of management and budget may not consider a balance in the state tuition reserve fund when calculating the amount of state reserves at the end of a state fiscal year for purposes of the automatic taxpayer refund. Provides that the racino slot machine wagering tax is imposed on 91.5% of adjusted gross receipts. Specifies that such adjusted gross receipts include the 15% distribution from racinos. Caps supplemental distributions of wagering tax revenues at $48,000,000 statewide. Provides that the exception to the circuit-breaker credit for bonds and lease issued or entered into before July 1, 2008, in St. Joseph County or Lake County also applies to certain bonds or leases issued or entered into to refund those preexisting obligations. Reduces the adjusted gross income tax rate on noncorporate taxpayers to: (1) 3.3% for taxable years beginning after 2014 and before 2017; and (2) to 3.23% for taxable years beginning after 2016. Increases the annual cap on school scholarship tax credits to $7,500,000. Permits a county income tax council to impose a motor vehicle excise surtax and a wheel tax for a county. (Current law permits the county council to impose these taxes.) Specifies that the body that initially imposes the excise surtax and wheel tax is the body that is

empowered to increase, decrease, or rescind the excise surtax and wheel tax. Provides that the inheritance tax expires on January 1, 2013, rather than on January 1, 2022. Specifies that a county is not entitled to an inheritance tax replacement amount for a state fiscal year beginning after June 30, 2013. Repeals the Indiana estate tax and Indiana generation skipping transfer tax. Reallocates certain cigarette tax revenues. Updates the version of the Internal Revenue Code. Changes financial institution tax distributions to local governments. Provides that any increase after January 1, 2013, and before March 1, 2013, in the Marion County supplemental auto rental excise tax rate or the Marion County admissions tax rate may not continue in effect after February 28, 2023. Increases the total amount of school scholarship tax credits that may be awarded in a state fiscal year. Provides that the general assembly recognizes that an agreement by the department of state revenue that meets certain conditions and that specifies that a person is exempt from collecting the state gross retail or use tax is binding on the state. Allocates 1% of state gross retail tax collections to the motor vehicle highway account. Removes state police expenses from motor vehicle highway account distributions. Establishes the major moves 2020 trust fund. Specifies that money is to be used exclusively for major highway expansion projects that enhance the ability to transport goods in and through Indiana, upon appropriation by the general assembly. Provides that the fund is considered a trust fund, and that money may not be transferred, assigned, or otherwise removed from the fund by the state board of finance, the budget agency, or any other state agency. Provides that, on July 1, 2013, and on July 1, 2014, the auditor of state shall transfer $200,000,000 to the fund from the state general fund. Provides that the Indiana finance authority may enter into public-private agreements for freeway projects in addition to toll road projects. Defines a freeway project as a nontolled highway project subject to a public-private agreement. Specifies that additional statutory authority is not necessary to issue a request for proposals or to enter into a public-private agreement for a freeway project. Provides that freeway projects are not subject to a preliminary feasibility and economic impact study required by current law before entering into a public-private agreement for a toll road project. Provides that lodging facilities constructed on or adjacent to a freeway project are not part of the freeway project. Specifies that the general law concerning public-private partnerships may not be construed to affect a project carried out under the law governing public-private agreements for toll road projects and freeway projects. Provides that if the department of correction or a county incurs medical care expenses in providing medical care to an inmate and the medical care expenses are not reimbursed, the department or the county shall attempt to determine the amount, if any, of the medical care expenses that may be paid: (1) by a policy of insurance that is maintained by the inmate and that covers medical care, dental care, eye care, or any other health care related service; or (2) by Medicaid. Removes expiration date for the Medicare plus 4% provision concerning certain medical costs incurred by the department of correction or a county. Authorizes a hospital assessment fee through June 30, 2017. Extends the health facility quality assessment fee through June 30, 2017. Provides that FSSA may not implement a waiver or Medicaid state plan amendment without having it reviewed by the budget committee. Doubles the amounts that FSSA must pay to funeral directors and cemeteries for the burial expenses of TANF and Medicaid recipients. Specifies distribution of disproportionate share payments for specified fiscal years to specified hospitals and psychiatric institutions. Authorizes transfers from the state tuition reserve to the state general fund if the budget director, after review by the budget committee, makes a determination that the amount of the distribution for that state fiscal year for basic tuition support has been reduced because the amount of the distributions for the state fiscal year for choice scholarships has exceeded the estimated amount of the distributions for choice scholarships. Provides that such a transfer may not exceed $25,000,000 per state fiscal year. Specifies that the amounts transferred shall be used to augment the appropriation for state tuition support and shall be distributed to school corporations to restore the distributions for basic tuition support that have been reduced. Provides that if the state board of education determines that the Indianapolis public school corporation or any other school corporation is entitled to a distribution to correct the amount that was withheld during July

through December 2012 from state tuition support and federal funds otherwise to be distributed to the school corporation under the turnaround academy statute, the state board receives an appropriation of $7,405,892 to make corrected distributions. Requires the recipient school corporation to dismiss and not pursue any claims against the state, the special management team, or the turnaround academy with regard to distributions. Requires a new application form to be used to apply for financial assistance for textbook fees or for a choice scholarship. Requires schools to submit the individual applications to the department of education. Requires the department of education to submit 25% of the applications each year to the department of state revenue for income verification. Establishes the science, technology, engineering, and mathematics teacher recruitment fund. Establishes the high need fields and minority student teacher stipend programs. Repeals the nursing scholarship and scholarships for special education, occupational therapy, and physical therapy students. Creates a scholarship program for medical students. Requires the Department of Child Services (DCS) to investigate all reports of child abuse or neglect received from a judge. Requires DCS to forward all reports of child abuse or neglect received from medical personnel, school personnel, a social worker, law enforcement personnel, judiciary personnel, or prosecutor personnel to the appropriate local office. Requires the auditor of state to transfer $150,000,000 to the tuition reserve fund on July 1, 2013, and on July 1, 2014. Authorizes a state educational institution to develop and finance a hospitality facility through a financing and operating agreement with a developer. Specifies that the hospitality facility must be generally available to students, faculty, staff, or visitors without discrimination and at reasonable charges. Provides for funding of the securities division. Requires political subdivisions to annually report certain information concerning other post employment benefits (OPEB) to the department of local government finance. Requires studies of various topics. Appropriates money to defease bonds on the state museum and forensics and health sciences lab. Repeals obsolete study committees. Provides that on July 1, 2013, the auditor of state shall transfer $10,000,000 from the mine subsidence insurance fund to the state general fund. Repeals the 2009 appropriation for carrying out architectural and engineering work for a trauma care center in the city of Gary. Repeals certain previously authorized higher education bonding authority. **(This conference committee report makes numerous changes to the Senate passed version of the bill including the following: Provides an additional adjusted gross income tax rate reduction for taxable years beginning after 2016. Increases the annual cap on school scholarship tax credits to $7,500,000. Adds provisions authorizing transfers from the state tuition reserve to the state general fund. Deletes a provision establishing the healthy Indiana plan savings account. Deletes provisions freezing MVHA distributions to counties in which the wheel tax and sur tax are below 50% of the maximum rate. Provides that the Indiana finance authority may enter into public-private agreements for freeway projects. Reconciles provisions enacted in 2013 concerning an Article V convention. Removes the expiration date for the Medicare plus 4% provision concerning certain medical costs incurred by the department of correction or a county. Establishes the science, technology, engineering, and mathematics teacher recruitment fund. Establishes the high need fields and minority student teacher stipend programs. Deletes provisions concerning financial literacy education. Updates the reference to the Internal Revenue Code. Changes financial institution tax distributions to local governments. Provides that any increase after January 1, 2013, and before March 1, 2013, in the Marion County supplemental auto rental excise tax rate or the Marion County admissions tax rate may not continue in effect after February 28, 2023. Repeals the 2009 appropriation for carrying out architectural and engineering work for a trauma care center in the city of Gary. Repeals certain previously authorized higher education bonding authority. Requires the Department of Child Services (DCS) to investigate all reports of child abuse or neglect received from a judge. Requires DCS to forward all reports of child abuse or neglect received from medical personnel, school personnel, a social worker, law enforcement personnel, judiciary personnel, or prosecutor personnel to the appropriate local office.**

Specifies distribution of disproportionate share payments for specified fiscal years to specified hospitals and psychiatric institutions. Adds the provision requiring the county chairman of a major political party to provide the name and address of the precinct committeemen and vice committeemen to an elected official, upon request of the elected official. Provides that the general assembly recognizes that an agreement by the department of state revenue that meets certain conditions and that specifies that a person is exempt from collecting the state gross retail or use tax is binding on the state.)

Effective: Upon passage; January 1, 2013 (retroactive); May 15, 2013; June 1, 2013; June 30, 2013; July 1, 2013; January 1, 2014.

Adopted	Rejected

CONFERENCE COMMITTEE REPORT

MR. SPEAKER:

Your Conference Committee appointed to confer with a like committee from the Senate upon Engrossed Senate Amendments to Engrossed House Bill No. 1001 respectfully reports that said two committees have conferred and agreed as follows to wit:

that the House recede from its dissent from all Senate amendments and that the House now concur in all Senate amendments to the bill and that the bill be further amended as follows:

Delete everything after the enacting clause and insert the following:

SECTION 1. [EFFECTIVE JULY 1, 2013]

(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, 2013, and ending June 30, 2015. Appropriations appearing in the biennial column for construction or other permanent improvements do not revert under IC 4-13-2-19 and may be allotted.
(3) "Deficiency appropriation" or "special claim" means an appropriation available during the 2012-2013 fiscal year.
(4) "Equipment" includes machinery, implements, tools, furniture, furnishings, vehicles, and other articles that have a calculable period of service that exceeds twelve (12) calendar months.
(5) "Fee replacement" includes payments to universities to be used to pay indebtedness resulting from financing the cost of planning, purchasing, rehabilitation, construction, repair, leasing, lease-purchasing, or otherwise acquiring land, buildings, facilities, and equipment to be used for academic and instructional purposes.
(6) "Federally qualified health center" means a community health center that is designated by the Health Resources Services Administration, Bureau of Primary Health Care, as a Federally Qualified Health Center Look Alike under the FED 330 Consolidated

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

or combination of sources. 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 to the fund, 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 of the fund 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, 2013]

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

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

SECTION 3. [EFFECTIVE JULY 1, 2013]

GENERAL GOVERNMENT

A. LEGISLATIVE

FOR THE GENERAL ASSEMBLY		
LEGISLATORS' SALARIES - HOUSE		
Total Operating Expense	**6,179,501**	**6,405,001**
HOUSE EXPENSES		
Total Operating Expense	**11,594,570**	**11,844,570**
LEGISLATORS' SALARIES - SENATE		
Total Operating Expense	**2,055,318**	**2,055,318**
SENATE EXPENSES		
Total Operating Expense	**10,293,711**	**11,692,593**

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.

Each member of the general assembly is 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 every day the member is engaged in official business.

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

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

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

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

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

LEGISLATORS' SUBSISTENCE		
LEGISLATORS' EXPENSES - HOUSE		
Total Operating Expense	**2,524,980**	**2,620,929**
LEGISLATORS' EXPENSES - SENATE		
Total Operating Expense	**1,195,888**	**1,015,872**

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 for:
(1) each day that the general assembly is not convened in regular or special session; and
(2) each day after the first session day held in November and before the first session day held in January.

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

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

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

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

Officers of the house of representatives are entitled to the following amounts annually in addition to the subsistence allowance: speaker of the house, $7,000; speaker pro tempore, $5,000; deputy speaker pro tempore, $2,000; majority floor leader, 5,500; majority caucus chair, $5,500; majority whip, $4,000; assistant majority floor leader, $3,500; assistant majority caucus chair, $2,000; assistant majority whip, $2,000; ways and means committee chair, $5,500; ways and means k-12 subcommittee chair, $1,500; ways and means higher education subcommittee chair, $1,500; ways and means budget subcommittee chair, $3,000; minority leader, $5,500; minority floor leader, $4,500; minority caucus chair, $4,500; minority whip, $3,000; assistant minority leader, $1,500; assistant minority floor leader, $1,500; assistant minority caucus chair, $1,500; assistant minority caucus whip, $1,500; ways and means committee ranking minority member, $3,500; agriculture and rural development committee chair, $1,000; commerce, small business, and economic development committee chair, $1,000; courts and criminal code committee chair, $1,000; education committee chair, $1,000; elections and apportionment committee chair, $1,000; employment, labor, and pensions committee chair, $1,000; environmental affairs committee chair, $1,000; statutory committee on ethics committee chair, $1,000; family, children, and human affairs committee chair, $1,000; financial institutions committee chair, $1,000; government and regulatory reform committee chair, $1,000; insurance committee chair, $1,000; statutory committee on interstate and international cooperation committee chair, $1,000; judiciary committee chair, $1,000; local government committee chair, $1,000; natural resources committee chair, $1,000; public health committee chair, $1,000; public policy committee chair, $1,000; roads and transportation committee chair, $1,000; rules and legislative procedures committee chair, $1,000; select committee on government reduction committee chair, $1,000; utilities and energy committee chair, $1,000; and veterans affairs and public safety committee chair, $1,000. If an officer fills more than one (1) leadership position, the officer shall be paid for the higher paid position.

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

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

FOR THE LEGISLATIVE COUNCIL AND THE LEGISLATIVE SERVICES AGENCY		
Total Operating Expense	**15,855,439**	**15,124,164**
LEGISLATOR AND LAY MEMBER TRAVEL		
Total Operating Expense	**775,000**	**775,000**

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

If the funds above appropriated for the legislative council and the legislative services agency and for 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 2013-2015 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.

Included in the above appropriations for the legislative council and legislative services agency are funds 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 118th general assembly, the supplements to the Indiana Code for fiscal years 2013-2014 and 2014-2015, 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.

LEGISLATIVE COUNCIL CONTINGENCY FUND			
Total Operating Expense			**226,125**

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

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

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

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

Per page charge for copies of legislative documents: $0.15

Annual charge for interim calendar: $10

Daily charge for the journal of either house: $2

COUNCIL OF STATE GOVERNMENTS ANNUAL DUES		
Other Operating Expense	**167,863**	**174,578**
NATIONAL CONFERENCE OF STATE LEGISLATURES ANNUAL DUES		
Other Operating Expense	**209,737**	**209,737**
NATIONAL CONFERENCE OF INSURANCE LEGISLATORS ANNUAL DUES		
Other Operating Expense	**10,000**	**10,000**
FOR THE INDIANA LOBBY REGISTRATION COMMISSION		
Total Operating Expense	**285,300**	**296,000**
FOR THE INDIANA PUBLIC RETIREMENT SYSTEM		
LEGISLATORS' RETIREMENT FUND		
Other Operating Expense	**138,300**	**130,900**

B. JUDICIAL

FOR THE SUPREME COURT

	FY 2013-2014 Appropriation	FY 2014-2015 Appropriation	Biennial Appropriation
Personal Services	**8,725,240**	**8,899,933**	
Other Operating Expense	**2,077,014**	**2,077,014**	

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

LOCAL JUDGES' SALARIES			
Personal Services	**61,192,108**	**62,994,495**	
Other Operating Expense	**235,333**	**235,333**	
COUNTY PROSECUTORS' SALARIES			
Personal Services	**28,643,667**	**29,299,933**	

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 118th general assembly.

TRIAL COURT OPERATIONS			
Total Operating Expense	**746,075**	**746,075**	
INDIANA CONFERENCE FOR LEGAL EDUCATION OPPORTUNITY			
Total Operating Expense	**778,750**	**778,750**	

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

PUBLIC DEFENDER COMMISSION			
Total Operating Expense	**14,850,000**	**14,850,000**	

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

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

The division of state court administration shall use the foregoing appropriation to administer an office of guardian ad litem and court appointed special advocate services and to provide matching funds to counties that are required to implement, in courts with juvenile jurisdiction, a guardian ad litem and court appointed special advocate program for children who are alleged to be victims of child abuse or neglect

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

ADULT GUARDIANSHIP		
Total Operating Expense	**500,000**	**500,000**

The above appropriation shall be used to provide matching funds to counties that implement in courts with probate jurisdiction a volunteer advocate program for seniors and incapacitated adults who are appointed a guardian under IC 29. The above appropriation also includes funds to develop and maintain an adult guardianship registry to serve as a data repository for adult guardianship cases and guardians appointed by the courts.

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

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

SPECIAL JUDGES - COUNTY COURTS		
Total Operating Expense	**149,000**	**149,000**

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	**380,996**	**380,996**
FOR THE COURT OF APPEALS		
Personal Services	**9,544,709**	**9,760,409**
Other Operating Expense	**1,337,184**	**1,437,184**

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

FOR THE TAX COURT		
Personal Services	**575,818**	**585,451**
Other Operating Expense	**177,000**	**147,000**
FOR THE JUDICIAL CENTER		
Personal Services	**1,929,641**	**2,104,019**
Other Operating Expense	**1,651,461**	**1,657,461**

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

judicial conference.

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

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

INTERSTATE COMPACT FOR ADULT OFFENDER SUPERVISION		
Total Operating Expense	**229,863**	**233,300**
PROBATION OFFICERS TRAINING		
Total Operating Expense	**250,000**	**250,000**
FORENSIC DIVERSION PROGRAM		
Total Operating Expense	**0**	**2,000,000**
FOR THE PUBLIC DEFENDER		
Personal Services	**5,949,575**	**6,103,391**
Other Operating Expense	**973,837**	**973,837**
FOR THE PUBLIC DEFENDER COUNCIL		
Personal Services	**928,440**	**929,036**
Other Operating Expense	**455,536**	**455,536**
FOR THE PROSECUTING ATTORNEYS' COUNCIL		
Personal Services	**623,536**	**623,536**
Other Operating Expense	**591,740**	**591,740**
DRUG PROSECUTION		
Drug Prosecution Fund (IC 33-39-8-6)		
Total Operating Expense	**128,176**	**128,176**
Augmentation allowed.		
FOR THE INDIANA PUBLIC RETIREMENT SYSTEM		
JUDGES' RETIREMENT FUND		
Other Operating Expense	**13,742,116**	**13,867,416**
PROSECUTORS' RETIREMENT FUND		
Other Operating Expense	**1,173,800**	**1,062,800**

C. EXECUTIVE

FOR THE GOVERNOR'S OFFICE			
Personal Services	**1,845,816**	**1,845,816**	
Other Operating Expense	**80,781**	**80,781**	
GOVERNOR'S RESIDENCE			
Total Operating Expense	**114,575**	**114,575**	
GOVERNOR'S CONTINGENCY FUND			
Total Operating Expense			**10,524**

	FY 2013-2014 Appropriation	FY 2014-2015 Appropriation	Biennial Appropriation

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

GOVERNOR'S FELLOWSHIP PROGRAM			
Total Operating Expense	**106,335**	**106,335**	
FOR THE WASHINGTON LIAISON OFFICE			
Total Operating Expense	**55,198**	**55,198**	
FOR THE LIEUTENANT GOVERNOR			
Personal Services	**1,445,551**	**1,445,551**	
Other Operating Expense	**1,128,903**	**1,180,985**	
CONTINGENCY FUND			
Total Operating Expense			**10,214**

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

FOR THE SECRETARY OF STATE			
ADMINISTRATION			
Personal Services	**3,524,359**	**3,524,359**	
Other Operating Expense	**1,140,522**	**1,140,522**	

FOR THE ATTORNEY GENERAL

ATTORNEY GENERAL

From the General Fund

14,410,367 14,410,367

From the Homeowner Protection Unit (IC 4-6-12-9)

435,018 435,018

Augmentation allowed.

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

670,325 670,325

Augmentation allowed.

From the Unclaimed Property Litigation

116,000 116,000

Augmentation allowed.

From the Consumer Fees and Settlements Fund

1,396,934 1,396,934

Augmentation allowed.

From the Real Estate Appraiser Investigative Fund (IC 25-34.1-8-7.5)

148,044 148,044

Augmentation allowed.

From the Telephone Solicitation Fund (IC 24-4.7-3-6)

107,250 107,250

Augmentation allowed.

From the Non-Consumer Settlements Fund

628,015 628,015

Augmentation allowed.

From the Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)

	728,769	**728,769**
Augmentation allowed.		
From the Abandoned Property Fund (IC 32-34-1-33)		
	390,662	**390,662**
Augmentation allowed.		

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

Personal Services	**17,744,225**	**17,744,225**
Other Operating Expense	**1,287,159**	**1,287,159**
HOMEOWNER PROTECTION UNIT		
Homeowner Protection Unit Account (IC 4-6-12-9)		
Total Operating Expense	**2,187,094**	**2,187,094**
MEDICAID FRAUD UNIT		
Total Operating Expense	**829,789**	**829,789**

The above appropriations to the Medicaid fraud unit are the state's matching share of funding for 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	**1,254,247**	**1,254,247**
Other Operating Expense	**3,828,922**	**3,828,922**
Augmentation allowed.		

D. FINANCIAL MANAGEMENT

FOR THE AUDITOR OF STATE		
Personal Services	**4,127,418**	**4,127,418**
Other Operating Expense	**1,107,319**	**1,134,919**
GOVERNORS' AND GOVERNORS' SURVIVING SPOUSES' PENSIONS		
Total Operating Expense	**161,948**	**161,948**

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	**17,918,941**	**17,918,941**
Other Operating Expense	**353,348**	**353,348**
FOR THE STATE BUDGET COMMITTEE		
Total Operating Expense	**46,000**	**46,000**

	FY 2013-2014 Appropriation	FY 2014-2015 Appropriation	Biennial Appropriation

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	**795,059**	**795,059**	
Other Operating Expense	**155,855**	**155,855**	
FOR THE STATE BUDGET AGENCY			
Personal Services	**2,529,200**	**2,529,200**	
Other Operating Expense	**247,828**	**247,828**	
DEPARTMENTAL AND INSTITUTIONAL EMERGENCY CONTINGENCY FUND			
Total Operating Expense			**2,000,000**

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

OUTSIDE BILL CONTINGENCY			
Total Operating Expense			**2**
PERSONAL SERVICES/FRINGE BENEFITS CONTINGENCY FUND			
Total Operating Expense			**95,700,000**

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

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

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

Of the foregoing appropriation, $6,700,000 shall be paid to the Indiana public retirement system (IC 5-10.5-3-1) in FY 2014.

RETIREE HEALTH BENEFIT TRUST FUND

Retiree Health Benefit Trust Fund (IC 5-10-8-8.5)

	FY 2013-2014 Appropriation	FY 2014-2015 Appropriation	Biennial Appropriation
Total Operating Expense			**48,720,750**
Augmentation Allowed.			

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

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

COMPREHENSIVE HEALTH INSURANCE ASSOCIATION STATE SHARE			
Total Operating Expense			**57,750,000**
Augmentation Allowed.			
SCHOOL AND LIBRARY INTERNET CONNECTION (IC 4-34-3)			
Build Indiana Fund (IC 4-30-17)			
Total Operating Expense	**2,625,000**	**2,625,000**	

Of the foregoing appropriations, $1,800,000 each year shall be used for schools under IC 4-34-3-4, and $825,000 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			**2,764,500**
TEACHING AND TRAUMA HOSPITAL FEASIBILITY STUDY			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Other Operating Expense			**500,000**

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

FOR THE INDIANA PUBLIC RETIREMENT SYSTEM			
PUBLIC SAFETY PENSION			
Total Operating Expense	**145,000,000**	**175,000,000**	
Augmentation Allowed.			
FOR THE TREASURER OF STATE			
Personal Services	**806,962**	**806,962**	
Other Operating Expense	**31,133**	**31,133**	

The treasurer of state, the board for depositories, the Indiana commission for higher education, and the commission for higher education shall cooperate and provide

to the Indiana education savings authority the following:
(1) Clerical and professional staff and related support.
(2) Office space and services.
(3) Reasonable financial support for the development of rules, policies, programs, and guidelines, including authority operations and travel.

E. TAX ADMINISTRATION

FOR THE DEPARTMENT OF REVENUE
COLLECTION AND ADMINISTRATION
From the General Fund
55,271,373 53,501,963
From the Motor Carrier Regulation Fund (IC 8-2.1-23)
752,284 752,284
Augmentation allowed from the Motor Carrier Regulation Fund.

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

Personal Services	**39,657,137**	**39,657,137**
Other Operating Expense	**16,366,520**	**14,597,110**

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	**5,200,000**	**5,200,000**

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	**1,914,852**	**1,914,852**
Other Operating Expense	**2,296,443**	**2,296,443**

Augmentation allowed from the Motor Carrier Regulation Fund.

MOTOR FUEL TAX DIVISION

Personal Services	**7,181,428**	**7,181,428**
Other Operating Expense	**1,029,675**	**1,029,675**

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

FOR THE INDIANA GAMING COMMISSION

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

	2,770,402	**2,770,402**

From the Gaming Investigations Fund

	600,000	**600,000**

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

Personal Services	**2,939,399**	**2,939,399**
Other Operating Expense	**431,003**	**431,003**

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

Augmentation allowed.

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

FOR THE INDIANA HORSE RACING COMMISSION

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

Personal Services	**1,661,508**	**1,661,508**
Other Operating Expense	**282,499**	**282,499**

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

Augmentation allowed.

STANDARDBRED ADVISORY BOARD

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

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

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

Augmentation allowed.

STANDARDBRED BREED DEVELOPMENT

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

	FY 2013-2014 Appropriation	FY 2014-2015 Appropriation	Biennial Appropriation
Total Operating Expense	**12,036,162**	**11,936,631**	
Augmentation allowed.			
THOROUGHBRED BREED DEVELOPMENT			
Indiana Horse Racing Commission Operating Fund (IC 4-31-10-2)			
Total Operating Expense	**10,028,930**	**9,949,305**	
Augmentation allowed.			
QUARTER HORSE BREED DEVELOPMENT			
Indiana Horse Racing Commission Operating Fund (IC 4-31-10-2)			
Total Operating Expense	**1,308,121**	**1,297,735**	
Augmentation allowed.			
FINGERPRINT FEES			
Indiana Horse Racing Commission Operating Fund (IC 4-31-10-2)			
Total Operating Expense	**20,000**	**20,000**	
Augmentation allowed.			
GAMING INTEGRITY FUND - IHRC			
Gaming Integrity Fund - IHRC (IC 4-35-8.7-3)			
Total Operating Expense	**1,000,000**	**1,000,000**	
Augmentation allowed.			
FOR THE DEPARTMENT OF LOCAL GOVERNMENT FINANCE			
Personal Services	**3,242,000**	**3,242,000**	
Other Operating Expense	**503,505**	**503,505**	
FOR THE INDIANA BOARD OF TAX REVIEW			
Personal Services	**1,086,678**	**1,086,678**	
Other Operating Expense	**69,700**	**69,700**	
F. ADMINISTRATION			
FOR THE DEPARTMENT OF ADMINISTRATION			
Personal Services	**8,650,620**	**8,650,620**	
Other Operating Expense	**15,403,847**	**15,403,847**	
BICENTENNIAL COMMISSION			
Total Operating Expense	**242,450**	**242,450**	
INDIANA BAR FOUNDATION			
Total Operating Expense	**300,000**	**300,000**	
The above appropriation is for the We the People program.			
FOR THE STATE PERSONNEL DEPARTMENT			
Personal Services	**2,876,769**	**2,876,769**	
Other Operating Expense	**195,224**	**195,224**	
FOR THE STATE EMPLOYEES' APPEALS COMMISSION			
Personal Services	**120,885**	**120,885**	
Other Operating Expense	**19,135**	**19,135**	
FOR THE OFFICE OF TECHNOLOGY			
Pay Phone Fund			

	FY 2013-2014 Appropriation	FY 2014-2015 Appropriation	Biennial Appropriation
Total Operating Expense	**1,600,000**	**1,600,000**	
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. Notwithstanding IC 5-22-23-5, the fund consists of the net proceeds received from contracts with companies providing phone services at state institutions and other state properties. The fund shall be administered by the budget agency. Money in the fund may be spent by the office in compliance with a plan approved by the budget agency. Any money remaining in the fund at the end of any fiscal year does not revert to the general fund or any other fund but remains in the pay phone fund.

FOR THE COMMISSION ON PUBLIC RECORDS			
Personal Services	**1,433,464**	**1,433,464**	
Other Operating Expense	**94,941**	**94,941**	
FOR THE OFFICE OF THE PUBLIC ACCESS COUNSELOR			
Personal Services	**123,079**	**123,079**	
Other Operating Expense	**11,353**	**11,353**	
FOR THE OFFICE OF STATE-BASED INITIATIVES			
Total Operating Expense	**88,984**	**88,984**	
G. OTHER			
FOR THE COMMISSION ON UNIFORM STATE LAWS			
Total Operating Expense	**74,276**	**74,276**	
FOR THE OFFICE OF INSPECTOR GENERAL			
Personal Services	**1,079,259**	**1,079,259**	
Other Operating Expense	**110,096**	**110,096**	
STATE ETHICS COMMISSION			
Other Operating Expense	**6,111**	**6,111**	
FOR THE SECRETARY OF STATE			
ELECTION DIVISION			
Personal Services	**770,126**	**770,126**	
Other Operating Expense	**128,983**	**127,625**	
VOTER LIST MAINTENANCE			
Total Operating Expense	**2,100,000**	**0**	
VOTER REGISTRATION SYSTEM			
Total Operating Expense	**2,500,000**	**2,500,000**	
VOTER OUTREACH AND EDUCATION			
Total Operating Expense	**750,000**	**750,000**	
VOTER SYSTEM TECHNICAL OVERSIGHT PROGRAM			
Total Operating Expense	**500,000**	**0**	

	FY 2013-2014 Appropriation	FY 2014-2015 Appropriation	Biennial Appropriation

The above appropriations include state HAVA matching funds.

H. COMMUNITY SERVICES

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

SECTION 4. [EFFECTIVE JULY 1, 2013]

PUBLIC SAFETY

A. CORRECTION

FOR THE DEPARTMENT OF CORRECTION		
CENTRAL OFFICE		
Personal Services	**9,264,440**	**9,264,440**
Other Operating Expense	**9,410,000**	**9,410,000**
ESCAPEE COUNSEL AND TRIAL EXPENSE		
Other Operating Expense	**284,489**	**284,489**
COUNTY JAIL MISDEMEANANT HOUSING		
Total Operating Expense	**4,281,071**	**4,281,071**
ADULT CONTRACT BEDS		
Total Operating Expense	**5,567,488**	**5,567,488**
STAFF DEVELOPMENT AND TRAINING		
Personal Services	**1,052,385**	**1,052,385**
Other Operating Expense	**76,000**	**76,000**
PAROLE DIVISION		
Personal Services	**8,743,725**	**8,743,725**
Other Operating Expense	**758,799**	**758,799**
PAROLE BOARD		
Personal Services	**745,531**	**745,531**
Other Operating Expense	**6,675**	**6,675**
INFORMATION MANAGEMENT SERVICES		
Personal Services	**823,624**	**823,624**
Other Operating Expense	**285,302**	**285,302**
JUVENILE TRANSITION		
Personal Services	**473,973**	**473,973**
Other Operating Expense	**4,356,291**	**5,356,291**
COMMUNITY CORRECTIONS PROGRAMS		
Total Operating Expense	**43,262,752**	**47,262,752**

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

Notwithstanding IC 4-13-2-19 and any other law, the above appropriation for community

corrections programs does not revert to the general fund or another fund at the close of a state fiscal year but remains available in subsequent state fiscal years for the purposes of the appropriation.

DRUG PREVENTION AND OFFENDER TRANSITION		
Total Operating Expense	**116,594**	**116,594**

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.

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

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)		
Total Operating Expense	**150,000**	**150,000**
Augmentation allowed.		
COUNTY JAIL MAINTENANCE CONTINGENCY FUND		
Other Operating Expense	**18,448,831**	**18,448,831**

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 or the date upon which the department of correction receives the abstract of judgment and sentencing order, whichever occurs later, at a rate to be determined by the department of correction and approved by the state budget agency. The rate shall be based upon programming provided, and shall be $35 per day. In addition to the per diem, the state shall reimburse the sheriffs for expenses determined by the sheriff to be medically necessary medical care to the convicted persons. However, if the sheriff or county receives money with respect to a convicted person (from a source other than the county), the per diem or medical expense reimbursement with respect to the convicted person shall be reduced by the amount received. A sheriff shall not be required to comply with IC 35-38-3-4(a) or transport convicted persons within five (5) days after the day of sentencing if the department of correction does not have the capacity to receive the convicted person.

Augmentation allowed.

	FY 2013-2014 Appropriation	FY 2014-2015 Appropriation	Biennial Appropriation
FOOD SERVICES			
Total Operating Expense	**36,519,291**	**37,851,221**	
EDUCATIONAL SERVICES			
Other Operating Expense	**8,919,470**	**8,919,470**	
FOR THE STATE BUDGET AGENCY			
MEDICAL SERVICE PAYMENTS			
Total Operating Expense	**25,000,000**	**25,000,000**	

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

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

FOR THE DEPARTMENT OF ADMINISTRATION			
DEPARTMENT OF CORRECTION OMBUDSMAN BUREAU			
Personal Services	**147,753**	**147,753**	
Other Operating Expense	**3,426**	**3,426**	
FOR THE DEPARTMENT OF CORRECTION			
INDIANA STATE PRISON			
Personal Services	**28,767,225**	**28,767,225**	
Other Operating Expense	**5,921,045**	**5,921,045**	
PENDLETON CORRECTIONAL FACILITY			
Personal Services	**24,049,338**	**24,049,338**	
Other Operating Expense	**5,956,771**	**5,956,771**	
CORRECTIONAL INDUSTRIAL FACILITY			
Personal Services	**18,207,281**	**18,207,281**	
Other Operating Expense	**1,167,305**	**1,167,305**	
INDIANA WOMEN'S PRISON			
Personal Services	**10,437,508**	**10,437,508**	
Other Operating Expense	**1,069,346**	**1,069,346**	
PUTNAMVILLE CORRECTIONAL FACILITY			
Personal Services	**26,650,856**	**26,650,856**	

	FY 2013-2014 Appropriation	FY 2014-2015 Appropriation	Biennial Appropriation
Other Operating Expense	**3,461,082**	**3,461,082**	
WABASH VALLEY CORRECTIONAL FACILITY			
Personal Services	**33,709,785**	**33,709,785**	
Other Operating Expense	**4,445,352**	**4,445,352**	
INDIANAPOLIS RE-ENTRY EDUCATION FACILITY			
Personal Services	**6,590,847**	**6,590,847**	
Other Operating Expense	**856,709**	**856,709**	
BRANCHVILLE CORRECTIONAL FACILITY			
Personal Services	**15,688,713**	**15,688,713**	
Other Operating Expense	**3,200,161**	**3,200,161**	
WESTVILLE CORRECTIONAL FACILITY			
Personal Services	**40,863,989**	**40,863,989**	
Other Operating Expense	**5,942,312**	**5,942,312**	
ROCKVILLE CORRECTIONAL FACILITY FOR WOMEN			
Personal Services	**12,773,916**	**12,773,916**	
Other Operating Expense	**1,802,976**	**1,802,976**	
PLAINFIELD CORRECTIONAL FACILITY			
Personal Services	**19,734,010**	**19,734,010**	
Other Operating Expense	**3,357,476**	**3,357,476**	
PLAINFIELD STOP (SHORT TERM OFFENDER PLACEMENT)			
Personal Services	**1,048,655**	**1,048,655**	
Other Operating Expense	**8,047,716**	**8,047,716**	
RECEPTION AND DIAGNOSTIC CENTER			
Personal Services	**11,868,483**	**11,868,483**	
Other Operating Expense	**1,377,148**	**1,377,148**	
MIAMI CORRECTIONAL FACILITY			
Personal Services	**27,287,195**	**27,287,195**	
Other Operating Expense	**5,022,599**	**5,022,599**	
NEW CASTLE CORRECTIONAL FACILITY			
Other Operating Expense	**38,285,030**	**39,064,507**	
TITLE XX WORK RELEASE - SOUTH BEND WORK RELEASE CENTER			
General Fund			
Total Operating Expense	**1,732,641**	**1,732,641**	
Work Release - Study Release Special Revenue Fund (IC 11-10-8-6.5)			
Total Operating Expense	**350,000**	**350,000**	
Augmentation allowed from Work Release - Study Release Special Revenue Fund.			
HENRYVILLE CORRECTIONAL FACILITY			
Personal Services	**2,260,260**	**2,260,260**	
Other Operating Expense	**265,079**	**265,079**	
CHAIN O' LAKES CORRECTIONAL FACILITY			
Personal Services	**1,631,600**	**1,631,600**	
Other Operating Expense	**241,707**	**241,707**	
MADISON CORRECTIONAL FACILITY			
Personal Services	**6,393,657**	**6,393,657**	
Other Operating Expense	**1,312,981**	**1,312,981**	
EDINBURGH CORRECTIONAL FACILITY			
Personal Services	**3,091,443**	**3,091,443**	
Other Operating Expense	**333,575**	**333,575**	
NORTH CENTRAL JUVENILE CORRECTIONAL FACILITY			

	FY 2013-2014 Appropriation	FY 2014-2015 Appropriation	Biennial Appropriation
Personal Services	**10,010,438**	**10,010,438**	
Other Operating Expense	**886,769**	**886,769**	
CAMP SUMMIT			
Personal Services	**3,544,995**	**3,544,995**	
Other Operating Expense	**192,489**	**192,489**	
PENDLETON JUVENILE CORRECTIONAL FACILITY			
Personal Services	**15,063,598**	**15,063,598**	
Other Operating Expense	**1,319,530**	**1,319,530**	
MADISON JUVENILE CORRECTIONAL FACILITY			
Personal Services	**4,526,784**	**4,526,784**	
Other Operating Expense	**1,103,480**	**1,103,480**	

B. LAW ENFORCEMENT

FOR THE INDIANA STATE POLICE AND MOTOR CARRIER INSPECTION

From the General Fund

120,660,465 120,660,465

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

4,246,537 4,246,537

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

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

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

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

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

ISP OPEB CONTRIBUTION			
Total Operating Expense	**12,712,746**	**11,290,241**	
INDIANA INTELLIGENCE FUSION CENTER			
Total Operating Expense	**799,145**	**799,145**	
ODOMETER FRAUD INVESTIGATION			
Motor Vehicle Odometer Fund (IC 9-29-1-5)			
Total Operating Expense	**97,113**	**97,113**	
Augmentation allowed.			
STATE POLICE TRAINING			
State Police Training Fund (IC 5-2-8-5)			
Total Operating Expense	**491,600**	**491,600**	
Augmentation allowed.			

FORENSIC AND HEALTH SCIENCES LABORATORIES
From the General Fund
9,820,346 9,820,346
From the Motor Carrier Regulation Fund (IC 8-2.1-23)
345,641 345,641
Augmentation allowed from the general fund and the motor carrier regulation fund.

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

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

ENFORCEMENT AID
General Fund

Total Operating Expense	**74,761**	**74,761**

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

PENSION FUND
General Fund

Total Operating Expense	**10,608,000**	**10,218,000**

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

BENEFIT FUND
General Fund

Total Operating Expense	**4,580,000**	**4,680,000**

Augmentation allowed.

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

SUPPLEMENTAL PENSION
General Fund

Total Operating Expense	**2,982,000**	**2,882,000**

Augmentation allowed.

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

	FY 2013-2014 Appropriation	FY 2014-2015 Appropriation	Biennial Appropriation
sums may be augmented from the general fund.			
ACCIDENT REPORTING			
Accident Report Account (IC 9-29-11-1)			
Total Operating Expense	**25,500**	**25,500**	
Augmentation allowed.			
DRUG INTERDICTION			
Drug Interdiction Fund (IC 10-11-7)			
Total Operating Expense	**215,000**	**215,000**	
Augmentation allowed.			
DNA SAMPLE PROCESSING FUND			
DNA Sample Processing Fund (IC 10-13-6-9.5)			
Total Operating Expense	**1,352,891**	**1,352,891**	
Augmentation allowed.			
FOR THE INTEGRATED PUBLIC SAFETY COMMISSION			
PROJECT SAFE-T			
Integrated Public Safety Communications Fund (IC 5-26-4-1)			
Total Operating Expense	**10,669,612**	**10,594,612**	
Augmentation allowed.			
FOR THE ADJUTANT GENERAL			
Personal Services	**4,086,072**	**4,086,072**	
Other Operating Expense	**4,487,163**	**4,487,163**	
CAMP ATTERBURY MUSCATATUCK CENTER FOR COMPLEX OPERATIONS			
Personal Services	**762,915**	**762,915**	
Other Operating Expense	**74,435**	**74,435**	
DISABLED SOLDIERS' PENSION			
Total Operating Expense	**1**	**1**	
Augmentation allowed.			
MUTC - MUSCATATUCK URBAN TRAINING CENTER			
Total Operating Expense	**1,143,499**	**1,143,499**	
HOOSIER YOUTH CHALLENGE ACADEMY			
General Fund			
Total Operating Expense	**1,800,000**	**1,800,000**	
State Armory Board Fund (IC 10-16-3-2)			
Total Operating Expense	**405,000**	**405,000**	
Augmentation allowed.			
GOVERNOR'S CIVIL AND MILITARY CONTINGENCY FUND			
Total Operating Expense			**245,370**
The above appropriations for the governor's civil and military contingency fund are made under IC 10-16-11-1.			
FOR THE CRIMINAL JUSTICE INSTITUTE			
ADMIN. MATCH			
Total Operating Expense	**414,435**	**414,435**	
DRUG ENFORCEMENT MATCH			
Total Operating Expense	**973,554**	**973,554**	

	FY 2013-2014 Appropriation	FY 2014-2015 Appropriation	Biennial Appropriation

To facilitate the duties of the Indiana criminal justice institute as outlined in IC 5-2-6-3, the above appropriation is not subject to the provisions of IC 4-9.1-1-7 when used to support other state agencies through the awarding of state match dollars.

VICTIM AND WITNESS ASSISTANCE FUND		
Victim and Witness Assistance Fund (IC 5-2-6-14)		
Total Operating Expense	**745,989**	**745,989**
Augmentation allowed.		
ALCOHOL AND DRUG COUNTERMEASURES		
Alcohol and Drug Countermeasures Fund (IC 9-27-2-11)		
Total Operating Expense	**348,211**	**348,211**
Augmentation allowed.		
STATE DRUG FREE COMMUNITIES FUND		
State Drug Free Communities Fund (IC 5-2-10-2)		
Total Operating Expense	**578,000**	**578,000**
Augmentation allowed.		
INDIANA SAFE SCHOOLS		
General Fund		
Total Operating Expense	**1,095,340**	**1,095,340**
Indiana Safe Schools Fund (IC 5-2-10.1-2)		
Total Operating Expense	**400,053**	**400,053**
Augmentation allowed from Indiana Safe Schools Fund.		

Of the above appropriations for the Indiana safe schools program, $1,071,316 is appropriated annually to provide grants to school corporations for school safe haven programs, emergency preparedness programs, and school safety programs, and $750,000 is appropriated annually for use in providing training to school safety specialists.

CHILD RESTRAINT SYSTEM FUND		
Child Restraint System Account (IC 9-19-11-9)		
Total Operating Expense	**150,000**	**150,000**
HIGHWAY PASSENGER & COMMERCIAL VEHICLE GRANT		
Office of Traffic Safety		
Total Operating Expense	**523,333**	**523,333**

The above appropriation for the office of traffic safety may be used to cover the state match requirement for this program according to the current highway safety plan approved by the governor and the budget agency.

SEXUAL ASSAULT VICTIMS' ASSISTANCE		
Sexual Assault Victims' Assistance Account (IC 5-2-6-23(h))		
Total Operating Expense	**25,000**	**25,000**

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

	FY 2013-2014 Appropriation	FY 2014-2015 Appropriation	Biennial Appropriation
VICTIMS OF VIOLENT CRIME ADMINISTRATION			
Social Services Block Grant			
Total Operating Expense	**636,763**	**636,763**	
Violent Crime Victims Compensation Fund (IC 5-2-6.1-40)			
Personal Services	**178,825**	**178,825**	
Other Operating Expense	**2,383,175**	**2,383,175**	
Augmentation allowed.			
DOMESTIC VIOLENCE PREVENTION AND TREATMENT			
General Fund			
Total Operating Expense	**2,500,000**	**2,500,000**	
Domestic Violence Prevention and Treatment Fund (IC 5-2-6.7-4)			
Total Operating Expense	**1,064,334**	**1,064,334**	
Augmentation allowed.			
FOR THE DEPARTMENT OF TOXICOLOGY			
Breath Test Training and Certification Fund (IC 10-20-2-9)			
Total Operating Expense	**2,031,056**	**2,031,056**	
FOR THE CORONERS TRAINING BOARD			
Coroners Training and Continuing Education Fund (IC 4-23-6.5-8)			
Total Operating Expense	**400,000**	**400,000**	
Augmentation allowed.			
FOR THE LAW ENFORCEMENT TRAINING ACADEMY			
From the General Fund			
	1,987,206	**1,987,206**	
From the Law Enforcement Training Fund (IC 5-2-1-13(b))			
	2,191,286	**2,191,286**	
Augmentation allowed from the Law Enforcement Training Fund.			
The amounts specified from the General Fund and the Law Enforcement Training Fund are for the following purposes:			
Personal Services	**3,243,807**	**3,243,807**	
Other Operating Expense	**934,685**	**934,685**	
C. REGULATORY AND LICENSING			
FOR THE BUREAU OF MOTOR VEHICLES			
Personal Services	**15,227,588**	**15,227,588**	
Other Operating Expense	**13,583,633**	**13,583,633**	
LICENSE PLATES			
Total Operating Expense	**15,021,750**	**11,758,250**	
Augmentation allowed.			
COMMERCIAL DRIVER TRAINING SCHOOLS			
Total Operating Expense	**63,675**	**63,675**	
FINANCIAL RESPONSIBILITY COMPLIANCE VERIFICATION			
Financial Responsibility Compliance Verification Fund (IC 9-25-9-7)			
Total Operating Expense	**6,374,774**	**6,374,774**	

	FY 2013-2014 Appropriation	FY 2014-2015 Appropriation	Biennial Appropriation
Augmentation allowed.			
STATE MOTOR VEHICLE TECHNOLOGY			
State Motor Vehicle Technology Fund (IC 9-29-16-1)			
Total Operating Expense	**5,103,841**	**5,103,841**	
Augmentation allowed.			
MOTORCYCLE OPERATOR SAFETY			
Motorcycle Operator Safety Education Fund (IC 9-27-7-7)			
Total Operating Expense	**1,113,661**	**1,113,661**	
Augmentation allowed.			
FOR THE DEPARTMENT OF LABOR			
Personal Services	**760,173**	**760,173**	
Other Operating Expense	**72,241**	**72,241**	
BUREAU OF MINES AND MINING			
Personal Services	**169,689**	**169,689**	
Other Operating Expense	**24,541**	**24,541**	
QUALITY, METRICS, AND STATISTICS (MIS)			
Other Operating Expense	**124,530**	**124,530**	
OCCUPATIONAL SAFETY AND HEALTH			
Other Operating Expense	**2,021,475**	**2,021,475**	

The above appropriations for occupational safety and health and M.I.S. research and statistics reflect only the general fund portion of the total program costs of the Indiana occupational safety and health plan as approved by the U.S. department of labor. It is the intention of the general assembly that the Indiana department of labor make application to the federal government for the federal share of the total program costs.

EMPLOYMENT OF YOUTH			
Employment of Youth Fund (IC 20-33-3-42)			
Total Operating Expense	**167,826**	**167,826**	
Augmentation allowed.			
INSAFE			
Special Fund for Safety and Health Consultation Services (IC 22-8-1.1-48)			
Other Operating Expense	**182,206**	**182,206**	
Augmentation allowed.			
FOR THE DEPARTMENT OF INSURANCE			
Department of Insurance Fund (IC 27-1-3-28)			
Personal Services	**5,193,033**	**5,193,033**	
Other Operating Expense	**853,438**	**853,438**	
Augmentation allowed.			
BAIL BOND DIVISION			
Bail Bond Enforcement and Administration Fund (IC 27-10-5-1)			
Personal Services	**199,489**	**199,489**	
Other Operating Expense	**8,120**	**8,120**	
Augmentation allowed.			
PATIENT'S COMPENSATION AUTHORITY			
Patient's Compensation Fund (IC 34-18-6-1)			

	FY 2013-2014 Appropriation	FY 2014-2015 Appropriation	Biennial Appropriation
Personal Services	**608,374**	**608,374**	
Other Operating Expense	**941,152**	**941,152**	
Augmentation allowed.			
POLITICAL SUBDIVISION RISK MANAGEMENT			
Political Subdivision Risk Management Fund (IC 27-1-29-10)			
Other Operating Expense	**66,940**	**66,940**	
Augmentation allowed.			
MINE SUBSIDENCE INSURANCE			
Mine Subsidence Insurance Fund (IC 27-7-9-7)			
Personal Services	**57,035**	**57,035**	
Other Operating Expense	**600,447**	**600,447**	
Augmentation allowed.			
TITLE INSURANCE ENFORCEMENT OPERATING			
Title Insurance Enforcement Fund (IC 27-7-3.6-1)			
Personal Services	**312,263**	**312,263**	
Other Operating Expense	**69,255**	**69,255**	
Augmentation allowed.			
FOR THE ALCOHOL AND TOBACCO COMMISSION			
Enforcement and Administration Fund (IC 7.1-4-10-1)			
Personal Services	**8,157,675**	**8,157,675**	
Other Operating Expense	**1,875,548**	**1,839,996**	
Augmentation allowed.			
YOUTH TOBACCO EDUCATION AND ENFORCEMENT			
Youth Tobacco Education and Enforcement Fund (IC 7.1-6-2-6)			
Total Operating Expense	**170,000**	**170,000**	
Augmentation allowed.			
FOR THE DEPARTMENT OF FINANCIAL INSTITUTIONS			
Financial Institutions Fund (IC 28-11-2-9)			
Personal Services	**6,136,668**	**6,136,668**	
Other Operating Expense	**1,314,823**	**1,314,823**	
Augmentation allowed.			
FOR THE PROFESSIONAL LICENSING AGENCY			
Personal Services	**4,512,866**	**4,512,866**	
Other Operating Expense	**420,282**	**420,282**	
INSPECT PROGRAM			
Controlled Substances Data Fund (IC 35-48-7-13.1)			
Total Operating Expense	**1,000,000**	**1,000,000**	
Augmentation allowed.			
COSMETOLOGY AND BARBER EXAMINERS COMPLIANCE			
Cosmetology and Barber Examiners Compliance Fund (IC 25-8-3-30)			
Total Operating Expense	**1**	**1**	
Augmentation allowed.			
PRENEED CONSUMER PROTECTION			
Preneed Consumer Protection Fund (IC 30-2-13-28)			
Total Operating Expense	**50,000**	**50,000**	

	FY 2013-2014 Appropriation	FY 2014-2015 Appropriation	Biennial Appropriation
Augmentation allowed.			
BOARD OF FUNERAL AND CEMETERY SERVICE			
Funeral Service Education Fund (IC 25-15-9-13)			
Total Operating Expense	**250**	**250**	
Augmentation allowed.			
DENTAL PROFESSION INVESTIGATION			
Dental Compliance Fund (IC 25-14-1-3.7)			
Total Operating Expense	**1**	**1**	
Augmentation allowed.			
PHYSICIAN INVESTIGATION			
Physician Compliance Fund (IC 25-22.5-2-8)			
Total Operating Expense	**1**	**1**	
Augmentation allowed.			
FOR THE CIVIL RIGHTS COMMISSION			
Personal Services	**1,715,970**	**1,715,970**	
Other Operating Expense	**115,850**	**115,850**	

The above appropriation for the Indiana civil rights commission reflects only the general fund portion of the total program costs for the processing of employment and housing discrimination complaints. It is the intention of the general assembly that the commission make application to the federal government for funding based upon the processing of employment and housing discrimination complaints.

WOMEN'S COMMISSION			
Total Operating Expense	**98,115**	**98,115**	
COMMISSION ON THE SOCIAL STATUS OF BLACK MALES			
Total Operating Expense	**135,431**	**135,431**	
NATIVE AMERICAN INDIAN AFFAIRS COMMISSION			
Total Operating Expense	**74,379**	**74,379**	
COMMISSION ON HISPANIC/LATINO AFFAIRS			
Total Operating Expense	**102,432**	**102,432**	
MARTIN LUTHER KING JR. HOLIDAY COMMISSION			
Total Operating Expense	**19,400**	**19,400**	
FOR THE UTILITY CONSUMER COUNSELOR			
Public Utility Fund (IC 8-1-6-1)			
Personal Services	**4,984,090**	**4,984,090**	
Other Operating Expense	**643,884**	**650,600**	
Augmentation allowed.			
EXPERT WITNESS FEES AND AUDIT			
Public Utility Fund (IC 8-1-6-1)			
Total Operating Expense			**1,704,000**
Augmentation allowed.			
FOR THE UTILITY REGULATORY COMMISSION			
Public Utility Fund (IC 8-1-6-1)			
Personal Services	**6,870,908**	**6,870,908**	

	FY 2013-2014 Appropriation	FY 2014-2015 Appropriation	Biennial Appropriation
Other Operating Expense	**1,870,630**	**1,870,630**	
Augmentation allowed.			
FOR THE WORKER'S COMPENSATION BOARD			
From the General Fund			
	1,769,110	**1,769,110**	
From the Worker's Compensation Supplemental Administrative Fund (IC 22-3-5-6)			
	145,007	**145,007**	
Augmentation allowed.			
The amounts specified from the general fund and the worker's compensation supplemental administrative fund are for the following purposes:			
Personal Services	**1,805,237**	**1,805,237**	
Other Operating Expense	**108,880**	**108,880**	
FOR THE STATE BOARD OF ANIMAL HEALTH			
Personal Services	**3,886,640**	**3,886,640**	
Other Operating Expense	**654,744**	**654,744**	
INDEMNITY FUND			
Total Operating Expense			**2**
Augmentation allowed.			
MEAT & POULTRY INSPECTION			
Total Operating Expense	**1,465,000**	**1,465,000**	
PUBLIC HEALTH DATA COMM. INFRASTRUCTURE SYSTEM			
Total Operating Expense	**7,963**	**7,963**	
FOR THE DEPARTMENT OF HOMELAND SECURITY			
FIRE AND BUILDING SERVICES			
Fire and Building Services Fund (IC 22-12-6-1)			
Personal Services	**11,823,964**	**11,823,964**	
Other Operating Expense	**1,643,101**	**1,643,101**	
Augmentation allowed.			
REGIONAL PUBLIC SAFETY TRAINING			
Regional Public Safety Training Fund (IC 10-15-3-12)			
Total Operating Expense	**2,000,000**	**2,000,000**	
Augmentation allowed.			
RADIOLOGICAL HEALTH			
Total Operating Expense	**77,273**	**77,273**	
EMERGENCY MANAGEMENT CONTINGENCY FUND			
Total Operating Expense	**117,996**	**117,996**	
The above appropriations for the emergency management contingency fund are made under IC 10-14-3-28.			
PUBLIC ASSISTANCE			
Total Operating Expense	**1**	**1**	
Augmentation allowed.			
HOMELAND SECURITY FUND - FOUNDATION			

	FY 2013-2014 Appropriation	FY 2014-2015 Appropriation	Biennial Appropriation
Indiana Homeland Security Fund (IC 10-15-3-1)			
Total Operating Expense	**141,200**	**141,200**	
Augmentation allowed.			
INDIANA EMERGENCY RESPONSE COMMISSION			
Emergency Planning and Right to Know Fund (IC 6-6-10-5)			
Total Operating Expense	**73,615**	**73,615**	
Augmentation allowed.			
STATE DISASTER RELIEF FUND			
State Disaster Relief Fund (IC 10-14-4-5)			
Total Operating Expense	**500,000**	**500,000**	
Augmentation allowed, not to exceed revenues collected from the public safety fee imposed by IC 22-11-14-12.			
Augmentation allowed from the general fund to match federal disaster relief funds.			
REDUCED IGNITION PROPENSITY STANDARDS FOR CIGARETTES FUND			
Reduced Ignition Propensity Stds.-Cig. Fund (IC 22-14-7-22(a))			
Total Operating Expense	**1,475**	**1,475**	
Augmentation allowed.			
STATEWIDE FIRE AND BUILDING SAFETY EDUCATION FUND			
Statewide Fire & Building Safety Educ. Fund (IC 22-12-6-3)			
Total Operating Expense	**101,123**	**101,123**	
Augmentation allowed.			
SECURED SCHOOL SAFETY GRANTS			
Total Operating Expense			**20,000,000**

SECTION 5. [EFFECTIVE JULY 1, 2013]

CONSERVATION AND ENVIRONMENT

A. NATURAL RESOURCES

FOR THE DEPARTMENT OF NATURAL RESOURCES - ADMINISTRATION			
Personal Services	**7,169,894**	**7,169,894**	
Other Operating Expense	**2,369,779**	**2,369,779**	
DNR OPEB CONTRIBUTION			
Total Operating Expense	**909,982**	**786,235**	
ENTOMOLOGY AND PLANT PATHOLOGY DIVISION			
Personal Services	**407,059**	**407,059**	
Other Operating Expense	**83,645**	**83,645**	
ENTOMOLOGY AND PLANT PATHOLOGY FUND			
Entomology and Plant Pathology Fund (IC 14-24-10-3)			
Total Operating Expense			**772,648**
Augmentation allowed.			
DNR ENGINEERING DIVISION			
Personal Services	**1,731,284**	**1,731,284**	
Other Operating Expense	**70,711**	**70,711**	
HISTORIC PRESERVATION DIVISION			
Personal Services	**322,844**	**322,844**	

	FY 2013-2014 Appropriation	FY 2014-2015 Appropriation	Biennial Appropriation
Other Operating Expense	**321,137**	**321,137**	
DIVISION OF HISTORIC PRESERVATION AND ARCHAEOLOGY DEDICATED			
Total Operating Expense	**26,845**	**26,845**	
LINCOLN PRODUCTION			
Total Operating Expense	**213,400**	**213,400**	
WABASH RIVER HERITAGE CORRIDOR			
Wabash River Heritage Corridor Fund (IC 14-13-6-23)			
Total Operating Expense	**193,000**	**193,000**	
INDIANA-MICHIGAN BOUNDARY LINE COMMISSION			
Total Operating Expense			**200,000**
OUTDOOR RECREATION DIVISION			
Personal Services	**494,645**	**494,645**	
Other Operating Expense	**56,078**	**56,078**	
NATURE PRESERVES DIVISION			
Personal Services	**836,193**	**836,193**	
Other Operating Expense	**137,704**	**137,704**	
WATER DIVISION			
Personal Services	**4,176,425**	**4,176,425**	
Other Operating Expense	**625,001**	**625,001**	

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

DEER RESEARCH AND MANAGEMENT			
Deer Research and Management Fund (IC 14-22-5-2)			
Total Operating Expense	**138,283**	**138,283**	
Augmentation allowed.			
OIL AND GAS DIVISION			
Oil and Gas Fund (IC 6-8-1-27)			
Personal Services	**1,220,747**	**1,220,747**	
Other Operating Expense	**369,692**	**369,692**	
Augmentation allowed.			
DEPT. OF NATURAL RESOURCES - USEPA			
Oil and Gas Fund (IC 6-8-1-27)			
Total Operating Expense	**55,000**	**55,000**	
Augmentation allowed.			
STATE PARKS AND RESERVOIRS			
From the General Fund			
	9,197,431	**9,197,431**	
From the State Parks and Reservoirs Special Revenue Fund (IC 14-19-8-2)			
	24,575,124	**24,575,124**	
Augmentation allowed from the 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:

	FY 2013-2014 Appropriation	FY 2014-2015 Appropriation	Biennial Appropriation
Personal Services	**24,688,900**	**24,688,900**	
Other Operating Expense	**9,083,655**	**9,083,655**	

OFF-ROAD VEHICLE AND SNOWMOBILE FUND
Off-Road Vehicle and Snowmobile Fund (IC 14-16-1-30)

Total Operating Expense	**270,048**	**270,048**	

Augmentation allowed.

DNR LAW ENFORCEMENT DIVISION
From the General Fund

	8,390,747	**8,390,747**

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

	12,713,124	**12,713,124**

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	**18,393,437**	**18,393,437**	
Other Operating Expense	**2,710,434**	**2,710,434**	

INDIANA SPORTSMEN BENEVOLENCE

Total Operating Expense	**150,000**	**150,000**	

FISH AND WILDLIFE DIVISION
Fish and Wildlife Fund (IC 14-22-3-2)

Personal Services	**3,776,377**	**3,776,377**	
Other Operating Expense	**6,000,120**	**6,000,120**	

Augmentation allowed.

IND. DEPT. OF NATURAL RESOURCES - FISH & WILDLIFE/U.S. DEPT. OF THE INTERIOR
Deer Research and Management Fund (IC 14-22-5-2)

Total Operating Expense	**33,282**	**33,282**	

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

Total Operating Expense	**2,436,565**	**2,436,565**	

Augmentation allowed.

FORESTRY DIVISION
From the General Fund

	4,091,210	**3,841,210**

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

	5,363,104	**5,363,104**

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	**6,600,089**	**6,600,089**	
Other Operating Expense	**2,854,225**	**2,604,225**	

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

	FY 2013-2014 Appropriation	FY 2014-2015 Appropriation	Biennial Appropriation

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.

DNR DEPARTMENT OF COMMERCE, LAKE MICHIGAN COASTAL			
Cigarette Tax Fund (IC 6-7-1-29.1)			
Total Operating Expense	**120,941**	**120,941**	
Augmentation allowed.			
LAKE AND RIVER ENHANCEMENT			
Lake and River Enhancement Fund (IC 6-6-11-12.5)			
Total Operating Expense			**4,285,130**
Augmentation allowed.			
HERITAGE TRUST			
General Fund			
Total Operating Expense	**97,000**	**97,000**	
Indiana Heritage Trust Fund (IC 14-12-2-25)			
Total Operating Expense	**1,200,000**	**1,200,000**	
Augmentation allowed.			
INSTITUTIONAL ROAD CONSTRUCTION			
State Highway Fund (IC 8-23-9-54)			
Total Operating Expense	**2,500,000**	**2,500,000**	

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

B. OTHER NATURAL RESOURCES

FOR THE INDIANA STATE MUSEUM AND HISTORIC SITES CORPORATION			
General Fund			
Total Operating Expense	**7,603,276**	**7,603,276**	
Indiana State Museum and Historic Sites Corp.			
Total Operating Expense	**2,221,529**	**2,221,529**	

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

FOR THE WORLD WAR MEMORIAL COMMISSION			
Personal Services	**572,012**	**572,012**	
Other Operating Expense	**283,669**	**283,669**	

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.

	FY 2013-2014 Appropriation	FY 2014-2015 Appropriation	Biennial Appropriation
FOR THE WHITE RIVER STATE PARK DEVELOPMENT COMMISSION			
Total Operating Expense	**790,012**	**790,012**	
FOR THE MAUMEE RIVER BASIN COMMISSION			
Total Operating Expense	**55,784**	**55,784**	
FOR THE ST. JOSEPH RIVER BASIN COMMISSION			
Total Operating Expense	**55,784**	**55,784**	
FOR THE KANKAKEE RIVER BASIN COMMISSION			
Total Operating Expense	**55,784**	**55,784**	

C. ENVIRONMENTAL MANAGEMENT

FOR THE DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
ADMINISTRATION

From the General Fund
2,778,607 2,778,607

From the State Solid Waste Management Fund (IC 13-20-22-2)
541,828 541,828

From the Indiana Recycling Promotion and Assistance Fund (IC 4-23-5.5-14)
541,827 541,827

From the Waste Tire Management Fund (IC 13-20-13-8)
302,175 302,175

From the Title V Operating Permit Program Trust Fund (IC 13-17-8-1)
958,620 958,620

From the Environmental Management Permit Operation Fund (IC 13-15-11-1)
41,680 41,680

From the Environmental Management Special Fund (IC 13-14-12-1)
41,676 41,676

From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)
41,680 41,680

From the Electronic Waste Fund (IC 13-20.5-2-3)
10,421 10,421

From the Asbestos Trust Fund (IC 13-17-6-3)
20,840 20,840

From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)
83,358 83,358

From the Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)
1,583,807 1,583,807

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

The amounts specified from the General Fund, State Solid Waste Management Fund,

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

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

IDEM LABORATORY CONTRACTS

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

Total Operating Expense	**169,209**	**169,209**

Augmentation allowed.

OFFICE OF WATER QUALITY LABORATORY CONTRACTS

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

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

Augmentation allowed.

NORTHWEST REGIONAL OFFICE

From the General Fund	**197,404**	**197,404**
From the State Solid Waste Management Fund (IC 13-20-22-2)	**38,494**	**38,494**
From the Indiana Recycling Promotion and Assistance Fund (IC 4-23-5.5-14)	**38,490**	**38,490**
From the Waste Tire Management Fund (IC 13-20-13-8)	**21,470**	**21,470**
From the Title V Operating Permit Program Trust Fund (IC 13-17-8-1)	**68,105**	**68,105**
From the Environmental Management Permit Operation Fund (IC 13-15-11-1)	**2,962**	**2,962**
From the Environmental Management Special Fund (IC 13-14-12-1)	**2,962**	**2,962**
From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)	**2,962**	**2,962**
From the Electronic Waste Fund (IC 13-20.5-2-3)	**739**	**739**
From the Asbestos Trust Fund (IC 13-17-6-3)	**1,480**	**1,480**
From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)	**5,923**	**5,923**
From the Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)	**112,520**	**112,520**

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

Response Trust Fund, Asbestos Trust Fund, and Underground Petroleum Storage Tank Trust Fund.

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

Personal Services	**292,261**	**292,261**
Other Operating Expense	**201,250**	**201,250**

NORTHERN REGIONAL OFFICE

From the General Fund

157,096 157,096

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

30,635 30,635

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

30,634 30,634

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

17,084 17,084

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

54,199 54,199

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

2,356 2,356

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

2,356 2,356

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

2,357 2,357

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

590 590

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

1,178 1,178

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

4,712 4,712

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

89,544 89,544

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

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

	FY 2013-2014 Appropriation	FY 2014-2015 Appropriation	Biennial Appropriation

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

Personal Services	**233,521**	**233,521**
Other Operating Expense	**159,220**	**159,220**

SOUTHEAST REGIONAL OFFICE

From the General Fund

127,364 127,364

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

24,835 24,835

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

24,842 24,842

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

13,851 13,851

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

43,941 43,941

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

1,909 1,909

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

1,909 1,909

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

1,909 1,909

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

477 477

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

956 956

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

3,821 3,821

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

72,597 72,597

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

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

Personal Services	**233,261**	**233,261**
Other Operating Expense	**85,150**	**85,150**

SOUTHWEST REGIONAL OFFICE

	FY 2013-2014 Appropriation	FY 2014-2015 Appropriation	Biennial Appropriation

From the General Fund
119,092 119,092
From the State Solid Waste Management Fund (IC 13-20-22-2)
23,223 23,223
From the Indiana Recycling Promotion and Assistance Fund (IC 4-23-5.5-14)
23,217 23,217
From the Waste Tire Management Fund (IC 13-20-13-8)
12,952 12,952
From the Title V Operating Permit Program Trust Fund (IC 13-17-8-1)
41,087 41,087
From the Environmental Management Permit Operation Fund (IC 13-15-11-1)
1,787 1,787
From the Environmental Management Special Fund (IC 13-14-12-1)
1,787 1,787
From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)
1,787 1,787
From the Electronic Waste Fund (IC 13-20.5-2-3)
447 447
From the Asbestos Trust Fund (IC 13-17-6-3)
895 895
From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)
3,573 3,573
From the Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)
67,882 67,882
Augmentation allowed from the State Solid Waste Management Fund, Indiana Recycling Promotion and Assistance Fund, Waste Tire Management Fund, Title V Operating Permit Program Trust Fund, Environmental Management Permit Operation Fund, Environmental Management Special Fund, Hazardous Substances Response Trust Fund, Asbestos Trust Fund, and Underground Petroleum Storage Tank Trust Fund.

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

Personal Services	**212,629**	**212,629**
Other Operating Expense	**85,100**	**85,100**

IDEM LEGAL AFFAIRS
From the General Fund
590,934 590,934
From the State Solid Waste Management Fund (IC 13-20-22-2)
125,341 125,341
From the Indiana Recycling Promotion and Assistance Fund (IC 4-23-5.5-14)
125,336 125,336
From the Waste Tire Management Fund (IC 13-20-13-8)

69,901 69,901
From the Title V Operating Permit Program Trust Fund (IC 13-17-8-1)
221,756 221,756
From the Environmental Management Permit Operation Fund (IC 13-15-11-1)
9,643 9,643
From the Environmental Management Special Fund (IC 13-14-12-1)
9,643 9,643
From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)
9,642 9,642
From the Electronic Waste Fund (IC 13-20.5-2-3)
2,411 2,411
From the Asbestos Trust Fund (IC 13-17-6-3)
4,822 4,822
From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)
19,283 19,283
From the Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)
366,381 366,381
Augmentation allowed from the Waste Tire Management Fund, Title V Operating Permit Program Trust Fund, Environmental Management Permit Operation Fund, Environmental Management Special Fund, Hazardous Substances Response Trust Fund, Asbestos Trust Fund, Underground Petroleum Storage Tank Trust Fund, and Underground Petroleum Storage Tank Excess Liability Trust Fund.

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

Personal Services	**1,231,793**	**1,231,793**
Other Operating Expense	**323,300**	**323,300**

IDEM INVESTIGATIONS
From the General Fund
137,470 137,470
From the State Solid Waste Management Fund (IC 13-20-22-2)
23,691 23,691
From the Indiana Recycling Promotion and Assistance Fund (IC 4-23-5.5-14)
23,685 23,685
From the Waste Tire Management Fund (IC 13-20-13-8)
13,212 13,212
From the Title V Operating Permit Program Trust Fund (IC 13-17-8-1)
41,913 41,913
From the Environmental Management Permit Operation Fund (IC 13-15-11-1)
1,821 1,821
From the Environmental Management Special Fund (IC 13-14-12-1)
1,821 1,821
From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)

1,821 1,821
From the Electronic Waste Fund (IC 13-20.5-2-3)
457 457
From the Asbestos Trust Fund (IC 13-17-6-3)
912 912
From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)
3,645 3,645
From the Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)
69,248 69,248
Augmentation allowed from the State Solid Waste Management Fund, Indiana Recycling Promotion and Assistance Fund, Waste Tire Management Fund, Title V Operating Permit Program Trust Fund, Environmental Management Permit Operation Fund, Environmental Management Special Fund, Hazardous Substances Response Trust Fund, Asbestos Trust Fund, and Underground Petroleum Storage Tank Trust Fund.

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

Personal Services	**276,750**	**276,750**
Other Operating Expense	**42,946**	**42,946**

IDEM MEDIA AND COMMUNICATIONS
From the General Fund
443,307 443,307
From the State Solid Waste Management Fund (IC 13-20-22-2)
86,445 86,445
From the Indiana Recycling Promotion and Assistance Fund (IC 4-23-5.5-14)
86,437 86,437
From the Waste Tire Management Fund (IC 13-20-13-8)
48,213 48,213
From the Title V Operating Permit Program Trust Fund (IC 13-17-8-1)
152,942 152,942
From the Environmental Management Permit Operation Fund (IC 13-15-11-1)
6,650 6,650
From the Environmental Management Special Fund (IC 13-14-12-1)
6,650 6,650
From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)
6,650 6,650
From the Electronic Waste Fund (IC 13-20.5-2-3)
1,664 1,664
From the Asbestos Trust Fund (IC 13-17-6-3)
3,326 3,326
From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)
13,299 13,299

From the Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)
252,686 252,686
Augmentation allowed from the State Solid Waste Management Fund, Indiana Recycling Promotion and Assistance Fund, Waste Tire Management Fund, Title V Operating Permit Program Trust Fund, Environmental Management Permit Operation Fund, Environmental Management Special Fund, Hazardous Substances Response Trust Fund, Asbestos Trust Fund, Underground Petroleum Storage Tank Trust Fund, and Underground Petroleum Storage Tank Excess Liability Trust Fund.

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

Personal Services	**988,984**	**988,984**
Other Operating Expense	**119,285**	**119,285**

IDEM PLANNING AND ASSESSMENT
From the General Fund
416,314 416,314
From the State Solid Waste Management Fund (IC 13-20-22-2)
162,363 162,363
From the Indiana Recycling Promotion and Assistance Fund (IC 4-23-5.5-14)
162,356 162,356
From the Waste Tire Management Fund (IC 13-20-13-8)
90,549 90,549
From the Title V Operating Permit Program Trust Fund (IC 13-17-8-1)
287,258 287,258
From the Environmental Management Permit Operation Fund (IC 13-15-11-1)
12,490 12,490
From the Environmental Management Special Fund (IC 13-14-12-1)
12,490 12,490
From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)
12,490 12,490
From the Electronic Waste Fund (IC 13-20.5-2-3)
3,123 3,123
From the Asbestos Trust Fund (IC 13-17-6-3)
6,245 6,245
From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)
24,980 24,980
From the Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)
474,600 474,600
Augmentation allowed from the State Solid Waste Management Fund, Indiana Recycling Promotion and Assistance Fund, Waste Tire Management Fund, Title V Operating Permit Program Trust Fund, Environmental Management Permit Operation Fund, Environmental Management Special Fund, Hazardous Substances Response

Trust Fund, Asbestos Trust Fund, Underground Petroleum Storage Tank Trust Fund, and Underground Petroleum Storage Tank Excess Liability Trust Fund.

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

Personal Services	**1,561,958**	**1,561,958**
Other Operating Expense	**103,300**	**103,300**
OHIO RIVER VALLEY WATER SANITATION COMMISSION		
Environmental Management Special Fund (IC 13-14-12-1)		
Total Operating Expense	**270,200**	**270,200**
Augmentation allowed.		
OFFICE OF ENVIRONMENTAL RESPONSE		
Personal Services	**2,329,953**	**2,329,953**
Other Operating Expense	**410,726**	**410,726**
POLLUTION PREVENTION AND TECHNICAL ASSISTANCE		
Personal Services	**890,786**	**890,786**
Other Operating Expense	**142,035**	**142,035**
PPG PCB INSPECTION		
Environmental Management Permit Operation Fund (IC 13-15-11-1)		
Total Operating Expense	**20,000**	**20,000**
Augmentation allowed.		
U.S. GEOLOGICAL SURVEY CONTRACTS		
Environmental Management Special Fund (IC 13-14-12-1)		
Total Operating Expense	**53,096**	**53,096**
Augmentation allowed.		
STATE SOLID WASTE GRANTS MANAGEMENT		
State Solid Waste Management Fund (IC 13-20-22-2)		
Personal Services	**129,714**	**129,714**
Other Operating Expense	**222,546**	**222,546**
Augmentation allowed.		
RECYCLING OPERATING		
Indiana Recycling Promotion and Assistance Fund (IC 4-23-5.5-14)		
Personal Services	**163,889**	**163,889**
Other Operating Expense	**283,259**	**283,259**
Augmentation allowed.		
RECYCLING PROMOTION AND ASSISTANCE PROGRAM		
Indiana Recycling Promotion and Assistance Fund (IC 4-23-5.5-14)		
Total Operating Expense	**1,108,280**	**1,108,280**
Augmentation allowed.		
VOLUNTARY CLEAN-UP PROGRAM		
Voluntary Remediation Fund (IC 13-25-5-21)		
Personal Services	**698,186**	**698,186**

	FY 2013-2014 Appropriation	FY 2014-2015 Appropriation	Biennial Appropriation
Other Operating Expense	**277,385**	**277,385**	
Augmentation allowed.			
TITLE V AIR PERMIT PROGRAM			
Title V Operating Permit Program Trust Fund (IC 13-17-8-1)			
Personal Services	**10,283,934**	**10,283,934**	
Other Operating Expense	**1,667,789**	**1,667,789**	
Augmentation allowed.			
WATER MANAGEMENT PERMITTING			
From the General Fund			
	1,588,844	**1,588,844**	
From the Environmental Management Permit Operation Fund (IC 13-15-11-1)			
	5,633,173	**5,633,173**	
Augmentation allowed from the Environmental Management Permit Operation Fund.			

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

Personal Services	**6,607,354**	**6,607,354**
Other Operating Expense	**614,663**	**614,663**

SOLID WASTE MANAGEMENT PERMITTING		
From the General Fund		
	1,652,203	**1,652,203**
From the Environmental Management Permit Operation Fund (IC 13-15-11-1)		
	3,510,933	**3,510,933**
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	**4,586,742**	**4,586,742**
Other Operating Expense	**576,394**	**576,394**
CFO/CAFO INSPECTIONS		
Total Operating Expense	**286,494**	**286,494**
HAZARDOUS WASTE MANAGEMENT PERMITTING - FEDERAL		
Total Operating Expense	**1,411,816**	**1,411,816**
HAZARDOUS WASTE MANAGEMENT PERMITTING		
Environmental Management Permit Operation Fund (IC 13-15-11-1)		
Personal Services	**3,378,693**	**3,378,693**
Other Operating Expense	**386,382**	**386,382**
Augmentation allowed.		
ELECTRONIC WASTE		
Electronic Waste Fund (IC 13-20.5-2-3)		
Total Operating Expense	**127,377**	**127,377**
SAFE DRINKING WATER PROGRAM		
Environmental Management Permit Operation Fund (IC 13-15-11-1)		
Personal Services	**2,273,126**	**2,273,126**

	FY 2013-2014 Appropriation	FY 2014-2015 Appropriation	Biennial Appropriation
Other Operating Expense	**669,453**	**669,453**	
CLEAN VESSEL PUMPOUT			
Environmental Management Special Fund (IC 13-14-12-1)			
Total Operating Expense	**31,547**	**31,547**	
Augmentation allowed.			
GROUNDWATER PROGRAM			
Environmental Management Special Fund (IC 13-14-12-1)			
Total Operating Expense	**342,491**	**342,491**	
Augmentation allowed.			
UNDERGROUND STORAGE TANK PROGRAM			
Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)			
Total Operating Expense	**321,396**	**321,396**	
Augmentation allowed.			
AIR MANAGEMENT OPERATING			
From the General Fund			
	391,495	**391,495**	
From the Environmental Management Special Fund (IC 13-14-12-1)			
	649,708	**649,708**	
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	**723,853**	**723,853**	
Other Operating Expense	**317,350**	**317,350**	
WATER MANAGEMENT NONPERMITTING			
Personal Services	**3,160,045**	**3,160,045**	
Other Operating Expense	**932,436**	**932,436**	
LEAKING UNDERGROUND STORAGE TANKS			
Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)			
Personal Services	**172,263**	**172,263**	
Other Operating Expense	**22,811**	**22,811**	
Augmentation allowed.			
AUTO EMISSIONS TESTING PROGRAM			
Personal Services	**74,523**	**74,523**	
Other Operating Expense	**5,369,499**	**5,369,499**	

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 SITES - STATE CLEAN-UP			
Hazardous Substances Response Trust Fund (IC 13-25-4-1)			
Personal Services	**1,829,426**	**1,829,426**	
Other Operating Expense	**246,824**	**246,824**	
Augmentation allowed.			
HAZARDOUS WASTE - NATURAL RESOURCE DAMAGES			
Hazardous Substances Response Trust Fund (IC 13-25-4-1)			

	FY 2013-2014 Appropriation	FY 2014-2015 Appropriation	Biennial Appropriation
Personal Services	**176,555**	**176,555**	
Other Operating Expense	**171,192**	**171,192**	
Augmentation allowed.			
SUPERFUND MATCH			
Hazardous Substances Response Trust Fund (IC 13-25-4-1)			
Total Operating Expense	**987,706**	**987,706**	
Augmentation allowed.			
HOUSEHOLD HAZARDOUS WASTE			
Hazardous Substances Response Trust Fund (IC 13-25-4-1)			
Other Operating Expense	**37,144**	**37,144**	
Augmentation allowed.			
ASBESTOS TRUST - OPERATING			
Asbestos Trust Fund (IC 13-17-6-3)			
Personal Services	**457,353**	**457,353**	
Other Operating Expense	**40,759**	**40,759**	
Augmentation allowed.			
UNDERGROUND PETROLEUM STORAGE TANK - OPERATING			
Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)			
Personal Services	**2,296,414**	**2,296,414**	
Other Operating Expense	**36,670,346**	**36,670,346**	
Augmentation allowed.			
WASTE TIRE MANAGEMENT			
Waste Tire Management Fund (IC 13-20-13-8)			
Total Operating Expense	**500,115**	**500,115**	
Augmentation allowed.			
WASTE TIRE RE-USE			
Waste Tire Management Fund (IC 13-20-13-8)			
Total Operating Expense	**32,782**	**32,782**	
Augmentation allowed.			
VOLUNTARY COMPLIANCE			
Environmental Management Special Fund (IC 13-14-12-1)			
Personal Services	**661,897**	**661,897**	
Other Operating Expense	**76,564**	**76,564**	
Augmentation allowed.			
ENVIRONMENTAL MANAGEMENT SPECIAL FUND - OPERATING			
Environmental Management Special Fund (IC 13-14-12-1)			
Total Operating Expense	**641,476**	**641,476**	
Augmentation allowed.			
WETLANDS PROTECTION			
Environmental Management Special Fund (IC 13-14-12-1)			
Total Operating Expense	**75,384**	**75,384**	
Augmentation allowed.			
PETROLEUM TRUST - OPERATING			
Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)			
Personal Services	**221,693**	**221,693**	
Other Operating Expense	**49,819**	**49,819**	
Augmentation allowed.			

Notwithstanding any other law, with the approval of the governor and the budget

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

FOR THE OFFICE OF ENVIRONMENTAL ADJUDICATION		
Personal Services	**272,443**	**272,443**
Other Operating Expense	**19,698**	**19,698**

SECTION 6. [EFFECTIVE JULY 1, 2013]

ECONOMIC DEVELOPMENT

A. AGRICULTURE

FOR THE DEPARTMENT OF AGRICULTURE		
Personal Services	**1,533,838**	**1,533,838**
Other Operating Expense	**751,290**	**809,581**
DISTRIBUTIONS TO FOOD BANKS		
Total Operating Expense	**300,000**	**300,000**
CLEAN WATER INDIANA		
General Fund		
Total Operating Expense	**1,000,000**	**1,000,000**
Cigarette Tax Fund (IC 6-7-1-29.1)		
Total Operating Expense	**3,014,201**	**3,014,201**
SOIL CONSERVATION DIVISION		
Cigarette Tax Fund (IC 6-7-1-29.1)		
Total Operating Expense	**1,301,179**	**1,301,179**
Augmentation allowed.		
GRAIN BUYERS AND WAREHOUSE LICENSING		
Grain Buyers and Warehouse Licensing Agency License Fee Fund (IC 26-3-7-6.3)		
Total Operating Expense	**244,768**	**244,768**
Augmentation allowed.		

B. COMMERCE

FOR THE LIEUTENANT GOVERNOR		
RURAL ECONOMIC DEVELOPMENT FUND		
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
Total Operating Expense	**1,234,846**	**1,234,846**
OFFICE OF TOURISM		
Total Operating Expense	**1,200,000**	**1,200,000**

Of the above appropriations, the office of tourism shall distribute $500,000 each year to the Indiana sports corporation to promote the hosting of amateur sporting events in Indiana cities. Funds may be released after review by the budget committee.

	FY 2013-2014 Appropriation	FY 2014-2015 Appropriation	Biennial Appropriation

The office may retain any advertising revenue generated by the office. Any revenue received is in addition to the above appropriation and is appropriated for the purposes of the office.

MARKETING DEVELOPMENT GRANTS		
Total Operating Expense	**1,200,000**	**1,200,000**

Of the above appropriation, up to $500,000 each year shall be used to match other funds from the Association of Indiana Convention and Visitors Bureaus or any other organizations for purposes of statewide tourism marketing.

OFFICE OF DEFENSE DEVELOPMENT		
Total Operating Expense	**641,470**	**647,485**
OFFICE OF COMMUNITY AND RURAL AFFAIRS		
Total Operating Expense	**1,000,000**	**1,000,000**
FOR THE OFFICE OF ENERGY DEVELOPMENT		
Total Operating Expense	**183,000**	**183,000**
FOR THE SECRETARY OF COMMERCE		
Total Operating Expense	**300,000**	**300,000**
FOR THE INDIANA ECONOMIC DEVELOPMENT CORPORATION		
ADMINISTRATIVE AND FINANCIAL SERVICES		
General Fund		
Total Operating Expense	**6,423,392**	**6,423,392**
Training 2000 Fund (IC 5-28-7-5)		
Total Operating Expense	**185,630**	**185,630**
Industrial Development Grant Fund (IC 5-28-25-4)		
Total Operating Expense	**52,139**	**52,139**

The above appropriation includes funding for the development and implementation of a transparency portal.

IN 21ST CENTURY RESEARCH & TECHNOLOGY FUND		
General Fund		
Total Operating Expense	**20,000,000**	**20,000,000**

Of the above appropriation, the Indiana Economic Development Corporation shall allocate up to $2,500,000 each year to Indiana University in order to support research activities that may have an economic impact to the state. The Indiana Commission for Higher Education and the Indiana Economic Development Corporation shall jointly develop policies and procedures regarding the allocation of state support for research activities.

INDIANA BIOSCIENCES RESEARCH INSTITUTE			
Total Operating Expense			**25,000,000**

The Indiana Economic Development Corporation Board must approve each award made

from the above appropriation. No awards may be dispersed until a comprehensive plan for expending the funds has been reviewed by the budget committee and approved by the director of the Office of Management and Budget. The Indiana Economic Development Corporation shall annually report to the budget committee on award amounts and activities of the Indiana Biosciences Research Institute.

INTERNATIONAL TRADE			
Total Operating Expense	**1,232,197**	**1,232,197**	
ENTERPRISE ZONE PROGRAM			
Enterprise Zone Fund (IC 5-28-15-6)			
Total Operating Expense	**82,450**	**82,450**	
Augmentation allowed.			
LOCAL ECONOMIC DEVELOPMENT ORGANIZATION/ REGIONAL ECONOMIC DEVELOPMENT ORGANIZATION (LEDO/REDO) MATCHING GRANT PROGRAM			
Total Operating Expense			**582,000**
SKILLS ENHANCEMENT FUND			
Total Operating Expense			**25,000,000**

It is the intent of the General Assembly that organizations that operate programs that serve to reduce the unemployment rate and enhance the job skills of the developmentally disabled are eligible to receive awards from the Skills Enhancement Fund.

BUSINESS PROMOTION PROGRAM			
Total Operating Expense			**3,000,000**
MOTORSPORTS IMPROVEMENT PROGRAM			
Total Operating Expense	**5,000,000**	**5,000,000**	
ECONOMIC DEVELOPMENT GRANT AND LOAN PROGRAM			
Total Operating Expense			**756,128**
INDUSTRIAL DEVELOPMENT GRANT PROGRAM			
Total Operating Expense			**5,905,330**

FOR THE HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY

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

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

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

	FY 2013-2014 Appropriation	FY 2014-2015 Appropriation	Biennial Appropriation
FOR THE INDIANA FINANCE AUTHORITY			
ENVIRONMENTAL REMEDIATION REVOLVING LOAN PROGRAM			
Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)			
Total Operating Expense	**1,500,000**	**1,500,000**	

C. EMPLOYMENT SERVICES

FOR THE INDIANA CAREER COUNCIL			
Total Operating Expense	**375,000**	**375,000**	

The above appropriation for the Indiana Career Council includes funds to develop and operate the Indiana Workforce Intelligence longitudinal data system established under IC 22-4.5-10.

FOR THE DEPARTMENT OF WORKFORCE DEVELOPMENT			
ADMINISTRATION			
General Fund			
Total Operating Expense	**350,170**	**350,170**	
Employment Security Special Fund			
Total Operating Expense	**666,574**	**666,574**	
WORK INDIANA PROGRAM			
Total Operating Expense	**2,500,000**	**2,500,000**	
ADULT VOCATIONAL EDUCATION			
Total Operating Expense	**206,125**	**206,125**	
PROPRIETARY EDUCATIONAL INSTITUTIONS			
Total Operating Expense	**64,576**	**64,576**	
SPECIAL VOCATIONAL EDUCATION - ADULT BASIC EDUCATION			
Total Operating Expense	**14,467,000**	**14,467,000**	

It is the intent of the 2013 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 workforce development shall reduce the distributions proportionately.

DROPOUT PREVENTION			
Total Operating Expense	**6,000,000**	**6,000,000**	

The above appropriation shall be directed to programs that help to prevent students from dropping out of school.

D. OTHER ECONOMIC DEVELOPMENT

FOR THE INDIANA STATE FAIR BOARD			
STATE FAIR			
Total Operating Expense	**600,000**	**600,000**	

SECTION 7. [EFFECTIVE JULY 1, 2013]

	FY 2013-2014 Appropriation	FY 2014-2015 Appropriation	Biennial Appropriation
TRANSPORTATION			
FOR THE DEPARTMENT OF TRANSPORTATION			
RAILROAD GRADE CROSSING IMPROVEMENT			
Motor Vehicle Highway Account (IC 8-14-1)			
Total Operating Expense	**500,000**	**500,000**	
HIGH SPEED RAIL			
Industrial Rail Service Fund (IC 8-3-1.7-2)			
Matching Funds			**40,000**
Augmentation allowed.			
PUBLIC MASS TRANSPORTATION			
Total Operating Expense	**42,581,051**	**42,581,051**	

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

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

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

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

HIGHWAY OPERATING			
State Highway Fund (IC 8-23-9-54)			
Personal Services	**208,791,284**	**204,836,050**	
Other Operating Expense	**58,313,106**	**58,313,106**	
HIGHWAY VEHICLE AND ROAD MAINTENANCE EQUIPMENT			
State Highway Fund (IC 8-23-9-54)			
Other Operating Expense	**17,300,000**	**17,300,000**	

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

HIGHWAY MAINTENANCE WORK PROGRAM			
State Highway Fund (IC 8-23-9-54)			
Other Operating Expense	**78,463,374**	**80,457,354**	

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	**7,230,000**	**4,250,000**
Formal Contracts Expense	**82,821,011**	**89,692,076**
Consulting Services Expense	**15,470,000**	**8,530,000**
Institutional Road Construction	**2,500,000**	**2,500,000**

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

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

	FY 2013-2014 Appropriation	FY 2014-2015 Appropriation	Biennial Appropriation

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

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

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

HIGHWAY PLANNING AND RESEARCH PROGRAM		
State Highway Fund (IC 8-23-9-54)		
Total Operating Expense	**2,500,000**	**2,500,000**
STATE HIGHWAY ROAD CONSTRUCTION AND IMPROVEMENT PROGRAM		
State Highway Road Construction Improvement Fund (IC 8-14-10-5)		
Lease Rental Payments Expense	**58,700,000**	**58,000,000**
Augmentation allowed.		

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

CROSSROADS 2000 PROGRAM		
State Highway Fund (IC 8-23-9-54)		
Lease Rental Payment Expense	**6,491,225**	**10,701,414**
Augmentation allowed.		
Crossroads 2000 Fund (IC 8-14-10-9)		
Lease Rental Payment Expense	**37,100,000**	**37,100,000**
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 shall be first used for payment of rentals and leases relating to projects under IC 8-14-10-9. If any funds remain, the funds may be used for the following purposes:
(1) road and bridge construction, reconstruction, or replacement;
(2) construction, reconstruction, or replacement of travel lanes, intersections, and grade separations;
(3) relocation and modernization of existing roads; and
(4) right-of-way, relocation, and engineering and consulting expenses associated with any of the above types of projects.

MAJOR MOVES CONSTRUCTION PROGRAM		
Major Moves Construction Fund (IC 8-14-14-5)		
Formal Contracts Expense	**5,600,000**	**2,600,000**
Augmentation allowed.		
FEDERAL APPORTIONMENT		
Right-of-Way Expense	**35,280,000**	**20,750,000**
Formal Contracts Expense	**569,282,292**	**574,672,291**
Consulting Engineers Expense	**75,530,000**	**41,670,000**
Highway Planning and Research	**12,807,708**	**12,807,708**
Local Government Revolving Acct.	**227,000,000**	**216,000,000**

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

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

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

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

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

vehicle highway account before distribution to local units of government.

After review by the budget committee and approval by the budget agency, money appropriated to the department of transportation under this SECTION for any purpose may instead be expended by the department to carry out an agreement with the National Railroad Passenger Corporation (AMTRAK) to provide service in Indiana and to provide for the purchase of equipment.

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.

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

SECTION 8. [EFFECTIVE JULY 1, 2013]

FAMILY AND SOCIAL SERVICES, HEALTH, AND VETERANS' AFFAIRS

A. FAMILY AND SOCIAL SERVICES

FOR THE FAMILY AND SOCIAL SERVICES ADMINISTRATION

INDIANA PRESCRIPTION DRUG PROGRAM		
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
Total Operating Expense	**1,117,830**	**1,117,830**
CHILDREN'S HEALTH INSURANCE PROGRAM		

	FY 2013-2014 Appropriation	FY 2014-2015 Appropriation	Biennial Appropriation
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**36,984,504**	**36,984,504**	
FAMILY AND SOCIAL SERVICES ADMINISTRATION - CENTRAL OFFICE			
Total Operating Expense	**15,764,735**	**15,764,735**	
OFFICE OF MEDICAID POLICY AND PLANNING - ADMINISTRATION			
Total Operating Expense	**100,000**	**100,000**	
MEDICAID ADMINISTRATION			
Total Operating Expense	**51,803,064**	**45,303,064**	
MEDICAID - CURRENT OBLIGATIONS			
General Fund			
Total Operating Expense	**1,815,350,000**	**2,008,800,000**	

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

INDIANA CHECK-UP PLAN (EXCLUDING IMMUNIZATION)			
Indiana Check-Up Plan Trust Fund (IC 12-15-44.2-17)			
Total Operating Expense	**112,654,073**	**112,654,073**	
HOSPITAL CARE FOR THE INDIGENT FUND			
Total Operating Expense	**57,000,000**	**57,000,000**	
MEDICAL ASSISTANCE TO WARDS (MAW)			
Total Operating Expense	**13,100,000**	**13,100,000**	
MARION COUNTY HEALTH AND HOSPITAL CORPORATION			
Total Operating Expense	**38,000,000**	**38,000,000**	
MENTAL HEALTH ADMINISTRATION			
Total Operating Expense	**3,159,047**	**3,159,047**	

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

CHILD PSYCHIATRIC SERVICES FUND			
Total Operating Expense	**16,923,760**	**16,923,760**	

The above appropriation includes $500,000 each state fiscal year for the Family and Social Services Administration to develop and implement an evidence-based program

model that partners with elementary and high schools to provide social services to children, parents, caregivers, teachers, and the community to prevent substance abuse, promote healthy behaviors, and maximize student success.

SERIOUSLY EMOTIONALLY DISTURBED		
Total Operating Expense	**15,075,408**	**15,075,408**
SERIOUSLY MENTALLY ILL		
General Fund		
Total Operating Expense	**95,102,551**	**95,102,551**
Mental Health Centers Fund (IC 6-7-1-32.1)		
Total Operating Expense	**2,700,000**	**2,700,000**
Augmentation allowed.		
COMMUNITY MENTAL HEALTH CENTERS		
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
Total Operating Expense	**7,200,000**	**7,200,000**

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

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

GAMBLERS' ASSISTANCE		
Gamblers' Assistance Fund		
Total Operating Expense	**3,041,728**	**3,041,728**
SUBSTANCE ABUSE TREATMENT		
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
Total Operating Expense	**5,355,820**	**5,355,820**

The above appropriation includes $500,000 each fiscal year to support a two-year drug rehabilitation demonstration project with the Jefferson County community corrections program. The Division of Mental Health and Addiction and Jefferson County community corrections shall jointly develop a model drug rehabilitation program for offenders convicted of drug-related offenses. At the conclusion of the two-year demonstration project, the Division shall provide a report to the General Assembly that includes a description of the program's structure, statistics that measure the results of the program, and a full accounting of the costs of the program including the average cost per offender. The report shall include recommendations on whether the model program should be expanded to include additional community corrections agencies.

QUALITY ASSURANCE/RESEARCH		
Total Operating Expense	**562,860**	**562,860**
PREVENTION		

	FY 2013-2014 Appropriation	FY 2014-2015 Appropriation	Biennial Appropriation
Gamblers' Assistance Fund			
Total Operating Expense	**2,572,675**	**2,572,675**	
Augmentation allowed.			
METHADONE DIVERSION CONTROL AND OVERSIGHT (MDCO) PROGRAM			
Opioid Treatment Program Fund (IC 12-23-18-4)			
Total Operating Expense	**380,566**	**380,566**	
Augmentation allowed.			
DMHA YOUTH TOBACCO REDUCTION SUPPORT PROGRAM			
DMHA Youth Tobacco Reduction Support Program			
Total Operating Expense	**250,000**	**250,000**	
Augmentation allowed.			
EVANSVILLE PSYCHIATRIC CHILDREN'S CENTER			
From the General Fund			
	726,378	**726,378**	
From the Mental Health Fund (IC 12-24-14-4)			
	2,747,484	**2,747,484**	
Augmentation allowed.			

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

Personal Services	**2,901,008**	**2,901,008**
Other Operating Expense	**572,854**	**572,854**

EVANSVILLE STATE HOSPITAL		
From the General Fund		
	22,018,659	**22,018,659**
From the Mental Health Fund (IC 12-24-14-4)		
	5,180,386	**5,180,386**
Augmentation allowed.		

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

Personal Services	**19,055,208**	**19,055,208**
Other Operating Expense	**8,143,837**	**8,143,837**

LARUE CARTER MEMORIAL HOSPITAL		
From the General Fund		
	18,500,766	**18,500,766**
From the Mental Health Fund (IC 12-24-14-4)		
	9,008,594	**9,008,594**
Augmentation allowed.		

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

Personal Services	**18,453,369**	**18,453,369**
Other Operating Expense	**9,055,991**	**9,055,991**

LOGANSPORT STATE HOSPITAL
From the General Fund
28,662,340 28,662,340
From the Mental Health Fund (IC 12-24-14-4)
3,668,784 3,668,784
Augmentation allowed.

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

Personal Services	**24,987,677**	**24,987,677**
Other Operating Expense	**7,343,447**	**7,343,447**

MADISON STATE HOSPITAL
From the General Fund
23,239,646 23,239,646
From the Mental Health Fund (IC 12-24-14-4)
4,505,252 4,505,252
Augmentation allowed.

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

Personal Services	**21,700,000**	**21,700,000**
Other Operating Expense	**6,044,898**	**6,044,898**

RICHMOND STATE HOSPITAL
From the General Fund
29,355,977 29,355,977
From the Mental Health Fund (IC 12-24-14-4)
5,576,998 5,576,998
Augmentation allowed.

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

Personal Services	**26,430,975**	**26,430,975**
Other Operating Expense	**8,502,000**	**8,502,000**

PATIENT PAYROLL

Total Operating Expense	**257,206**	**257,206**

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

In addition to the above appropriations, each institution may qualify for an additional

appropriation, or allotment, subject to approval of the governor and the budget agency, from the mental health fund of up to twenty percent (20%), but not to exceed $50,000 in each fiscal year, of the amount by which actual net collections exceed an amount specified in writing by the division of mental health and addiction before July 1 of each year beginning July 1, 2013.

DIVISION OF FAMILY RESOURCES ADMINISTRATION		
Personal Services	**2,458,912**	**2,458,912**
Other Operating Expense	**536,857**	**536,857**
EARLY EDUCATION MATCHING GRANT PROGRAM		
Total Operating Expense	**2,000,000**	**2,000,000**

The above appropriation is for providing matching grants under the Early Education Matching Grant Program.

CHILD CARE LICENSING FUND		
Child Care Fund (IC 12-17.2-2-3)		
Total Operating Expense	**45,000**	**45,000**
Augmentation allowed.		
EBT ADMINISTRATION		
Total Operating Expense	**2,278,565**	**2,278,565**

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

DFR - COUNTY ADMINISTRATION		
Total Operating Expense	**90,229,853**	**90,229,853**
INDIANA CLIENT ELIGIBILITY SYSTEM (ICES)		
Total Operating Expense	**7,292,497**	**7,292,497**
IMPACT PROGRAM		
Total Operating Expense	**3,016,665**	**3,016,665**
TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF)		
Total Operating Expense	**29,276,757**	**29,276,757**
IMPACT PROGRAM - SNAP ADMINISTRATION		
Total Operating Expense	**2,182,125**	**2,182,125**
CHILD CARE & DEVELOPMENT FUND		
Total Operating Expense	**34,316,109**	**34,316,109**

The foregoing appropriations for information systems/technology, education and training, Temporary Assistance for 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.

BURIAL EXPENSES

Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)

	FY 2013-2014 Appropriation	FY 2014-2015 Appropriation	Biennial Appropriation
Total Operating Expense	**1,607,219**	**1,607,219**	
SCHOOL AGE CHILD CARE PROJECT FUND			
Total Operating Expense	**812,413**	**812,413**	
HEADSTART - FEDERAL			
Total Operating Expense	**43,750**	**43,750**	
DIVISION OF AGING ADMINISTRATION			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Personal Services	**282,408**	**282,408**	
Other Operating Expense	**455,970**	**455,970**	

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

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

The foregoing appropriations for C.H.O.I.C.E. In-Home Services include intragovernmental transfers to provide the nonfederal share of the Medicaid aged and disabled waiver.

The intragovernmental transfers for use in the Medicaid aged and disabled waiver may not exceed in the state fiscal year beginning July 1, 2013, and ending June 30, 2014, $18,000,000 and in the state fiscal year beginning July 1, 2014, and ending June 30, 2015, $18,000,000.

The division of aging shall conduct an annual evaluation of the cost effectiveness of providing home and community-based services. 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 and community-based services during the preceding fiscal year, including a separate count of individuals who received no services other than case management services (as defined in 455 IAC 2-4-10) during the preceding fiscal year;
(2) the total cost and per recipient cost of providing home and community-based services during the preceding fiscal year.

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

STATE SUPPLEMENT TO SSBG - AGING			
Total Operating Expense	**687,396**	**687,396**	
OLDER HOOSIERS ACT			
Total Operating Expense	**1,573,446**	**1,573,446**	

	FY 2013-2014 Appropriation	FY 2014-2015 Appropriation	Biennial Appropriation
ADULT PROTECTIVE SERVICES			
General Fund			
Total Operating Expense	**1,956,528**	**1,956,528**	
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**495,420**	**495,420**	
Augmentation allowed.			
ADULT GUARDIANSHIP SERVICES			
Total Operating Expense	**405,565**	**405,565**	
MEDICAID WAIVER			
Total Operating Expense	**1,062,895**	**1,062,895**	
TITLE III ADMINISTRATION GRANT			
Total Operating Expense	**310,000**	**310,000**	
OMBUDSMAN			
Total Operating Expense	**310,124**	**310,124**	
DIVISION OF DISABILITY AND REHABILITATIVE SERVICES ADMINISTRATION			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**360,764**	**360,764**	
BUREAU OF REHABILITATIVE SERVICES			
- VOCATIONAL REHABILITATION OPERATING			
Personal Services	**15,501,710**	**15,501,710**	
Other Operating Expense	**380,362**	**380,362**	
AID TO INDEPENDENT LIVING			
Total Operating Expense	**46,927**	**46,927**	
accessABILITY CENTER FOR INDEPENDENT LIVING			
Total Operating Expense	**87,665**	**87,665**	
SOUTHERN INDIANA CENTER FOR INDEPENDENT LIVING			
Total Operating Expense	**87,665**	**87,665**	
ATTIC, INCORPORATED			
Total Operating Expense	**87,665**	**87,665**	
LEAGUE FOR THE BLIND AND DISABLED			
Total Operating Expense	**87,665**	**87,665**	
FUTURE CHOICES, INC.			
Total Operating Expense	**158,113**	**158,113**	
THE WABASH INDEPENDENT LIVING AND LEARNING CENTER, INC.			
Total Operating Expense	**158,113**	**158,113**	
INDEPENDENT LIVING CENTER OF EASTERN INDIANA			
Total Operating Expense	**158,113**	**158,113**	
BUREAU OF REHABILITATIVE SERVICES - DEAF AND HARD OF HEARING SERVICES			
Personal Services	**112,175**	**112,175**	
Other Operating Expense	**154,599**	**154,599**	
BUREAU OF REHABILITATIVE SERVICES - BLIND VENDING OPERATIONS			
Total Operating Expense	**129,905**	**129,905**	
BUREAU OF REHABILITATIVE SERVICES - INDEPENDENT LIVING - BLIND ELDERLY			
Total Operating Expense	**73,378**	**73,378**	
BUREAU OF DEVELOPMENTAL DISABILITIES SERVICES			
- RESIDENTIAL FACILITIES COUNCIL			
Total Operating Expense	**5,008**	**5,008**	
BUREAU OF REHABILITATIVE SERVICES - EMPLOYEE TRAINING			
Total Operating Expense	**6,112**	**6,112**	

	FY 2013-2014 Appropriation	FY 2014-2015 Appropriation	Biennial Appropriation
BUREAU OF QUALITY IMPROVEMENT SERVICES - BQIS			
Total Operating Expense	**2,533,633**	**2,533,633**	
BUREAU OF DEVELOPMENTAL DISABILITIES SERVICES - DAY SERVICES			
Other Operating Expense	**3,159,384**	**3,159,384**	
BUREAU OF DEVELOPMENTAL DISABILITIES SERVICES - DIAGNOSIS AND EVALUATION			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Other Operating Expense	**400,125**	**400,125**	
FIRST STEPS			
Total Operating Expense	**6,149,513**	**6,149,513**	
BUREAU OF DEVELOPMENTAL DISABILITIES SERVICES - EPILEPSY PROGRAM			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Other Operating Expense	**463,758**	**463,758**	
BUREAU OF DEVELOPMENTAL DISABILITIES SERVICES - CAREGIVER SUPPORT			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Other Operating Expense	**509,500**	**509,500**	
BUREAU OF DEVELOPMENTAL DISABILITIES SERVICES - OPERATING			
General Fund			
Total Operating Expense	**4,286,696**	**4,286,696**	
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**2,458,936**	**2,458,936**	
Augmentation allowed.			
BUREAU OF DEVELOPMENTAL DISABILITIES SERVICES - CASE MANAGEMENT - OASIS			
Total Operating Expense	**2,516,000**	**2,516,000**	
BUREAU OF DEVELOPMENTAL DISABILITIES SERVICES - RESIDENTIAL SERVICES			
General Fund			
Total Operating Expense	**88,866,771**	**88,866,771**	
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**10,229,000**	**10,229,000**	

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

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

FOR THE DEPARTMENT OF CHILD SERVICES			
CASE MANAGEMENT SERVICES			
Other Operating Expense	**1,458,136**	**1,458,136**	
CASE MGMT SERVICES APPROP.			
Total Operating Expense	**99,810,701**	**99,810,701**	
DEPARTMENT OF CHILD SERVICES - COUNTY ADMINISTRATION - STATE APPROPRIATION			
Personal Services	**24,502,721**	**24,502,721**	
Other Operating Expense	**21,968,596**	**21,968,596**	

	FY 2013-2014 Appropriation	FY 2014-2015 Appropriation	Biennial Appropriation
DCS - COUNTY ADMINISTRATION			
Total Operating Expense	**9,424,268**	**9,424,268**	
DCS - STATE ADMINISTRATION			
Other Operating Expense	**9,534,489**	**9,534,489**	
CHILD WELFARE ADMINISTRATION - STATE APPROPRIATION			
Total Operating Expense	**11,643,098**	**11,643,098**	
CHILD WELFARE SERVICES STATE GRANTS			
Total Operating Expense	**12,108,778**	**12,108,778**	
TITLE IV-D FEDERAL SS ACT			
Total Operating Expense	**7,475,179**	**7,475,179**	

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

FAMILY AND CHILDREN FUND			
General Fund			
Total Operating Expense	**258,561,900**	**258,561,900**	
Augmentation allowed.			
FAMILY & CHILDREN SERVICES			
Total Operating Expense	**25,357,584**	**25,357,584**	
ADOPTION SERVICE GRANTS			
Total Operating Expense	**26,983,440**	**26,983,440**	
IN SUPPORT ENFORCEMENT TRACK			
Total Operating Expense	**4,806,636**	**4,806,636**	
INDEPENDENT LIVING			
Total Operating Expense	**1,361,982**	**1,361,982**	
YOUTH SERVICE BUREAU			
Total Operating Expense	**1,303,699**	**1,303,699**	
PROJECT SAFEPLACE			
Total Operating Expense	**112,000**	**112,000**	
HEALTHY FAMILIES INDIANA			
Total Operating Expense	**3,093,165**	**3,093,165**	
CHILD WELFARE TRAINING - STATE APPROP			
Total Operating Expense	**3,679,518**	**3,679,518**	
ADOPTION ASSISTANCE			
Other Operating Expense	**921,500**	**921,500**	
ADOPTION SERVICES			
Total Operating Expense	**15,137,933**	**15,137,933**	
SPECIAL NEEDS ADOPTION II			
Total Operating Expense	**699,600**	**699,600**	
DCS INFO SYSTEMS TECH ST APPROP.			
Total Operating Expense	**11,082,363**	**11,082,363**	

FOR THE DEPARTMENT OF ADMINISTRATION

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

B. PUBLIC HEALTH

	FY 2013-2014 Appropriation	FY 2014-2015 Appropriation	Biennial Appropriation

FOR THE STATE DEPARTMENT OF HEALTH

General Fund		
	23,608,005	**23,608,005**
ISDH Indirect Revenue		
	4,000,000	**4,000,000**
Augmentation Allowed.		

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

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

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

AREA HEALTH EDUCATION CENTERS		
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
Total Operating Expense	**2,300,000**	**2,300,000**
CANCER REGISTRY		
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
Total Operating Expense	**503,479**	**503,479**
MINORITY HEALTH INITIATIVE		
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
Total Operating Expense	**2,473,500**	**2,473,500**

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	**300,000**	**300,000**
AID TO COUNTY TUBERCULOSIS HOSPITALS		
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
Total Operating Expense	**79,880**	**79,880**

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	**5,169,142**	**5,169,142**

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

	FY 2013-2014 Appropriation	FY 2014-2015 Appropriation	Biennial Appropriation
AIDS EDUCATION			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Personal Services	**271,105**	**271,105**	
Other Operating Expense	**402,713**	**402,713**	
HIV/AIDS SERVICES			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**2,054,141**	**2,054,141**	
SSBG - AIDS CARE COORDINATION			
Total Operating Expense	**287,609**	**287,609**	
TEST FOR DRUG AFFLICTED BABIES			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**47,921**	**47,921**	
STATE CHRONIC DISEASES			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Personal Services	**67,205**	**67,205**	
Other Operating Expense	**821,958**	**821,958**	

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.

STATEWIDE CHILD FATALITY COORDINATOR			
Total Operating Expense	**40,000**	**40,000**	
FOOD ASSISTANCE			
Total Operating Expense	**108,225**	**108,225**	
WOMEN, INFANTS, AND CHILDREN SUPPLEMENT			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**190,000**	**190,000**	
SSBG - MATERNAL & CHILD HEALTH			
Total Operating Expense	**280,671**	**280,671**	
MATERNAL AND CHILD HEALTH SUPPLEMENT			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**190,000**	**190,000**	
CANCER EDUCATION AND DIAGNOSIS - BREAST CANCER			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**71,311**	**71,311**	
CANCER EDUCATION AND DIAGNOSIS - PROSTATE CANCER			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**76,679**	**76,679**	
ADOPTION HISTORY			
Adoption History Fund (IC 31-19-18-6)			
Total Operating Expense	**198,212**	**198,212**	
Augmentation allowed.			
CHILDREN WITH SPECIAL HEALTH CARE NEEDS			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**10,759,276**	**10,759,276**	
Augmentation allowed.			
NEWBORN SCREENING PROGRAM			
Newborn Screening Fund (IC 16-41-17-11)			
Personal Services	**671,877**	**671,877**	

	FY 2013-2014 Appropriation	FY 2014-2015 Appropriation	Biennial Appropriation
Other Operating Expense	**1,909,917**	**1,909,917**	
Augmentation allowed.			

The above appropriation includes funding for pulse oximetry screening of infants.

CENTER FOR DEAF AND HARD OF HEARING EDUCATION			
Total Operating Expense	**2,080,512**	**2,080,512**	
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**670,000**	**670,000**	
RADON GAS TRUST FUND			
Radon Gas Trust Fund (IC 16-41-38-8)			
Total Operating Expense	**11,000**	**11,000**	
Augmentation allowed.			
BIRTH PROBLEMS REGISTRY			
Birth Problems Registry Fund (IC 16-38-4-17)			
Personal Services	**66,735**	**66,735**	
Other Operating Expense	**9,056**	**9,056**	
Augmentation allowed.			
MOTOR FUEL INSPECTION PROGRAM			
Motor Fuel Inspection Fund (IC 16-44-3-10)			
Total Operating Expense	**160,000**	**160,000**	
Augmentation allowed.			
PROJECT RESPECT			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**381,877**	**381,877**	
DONATED DENTAL SERVICES			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**35,397**	**35,397**	

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

OFFICE OF WOMEN'S HEALTH			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**99,969**	**99,969**	
SPINAL CORD AND BRAIN INJURY			
Spinal Cord and Brain Injury Fund (IC 16-41-42.2-3)			
Total Operating Expense	**1,555,389**	**1,555,389**	
INDIANA CHECK-UP PLAN - IMMUNIZATIONS			
Indiana Check-Up Plan Trust Fund (IC 12-15-44.2-17)			
Total Operating Expense	**11,000,000**	**11,000,000**	
WEIGHTS AND MEASURES FUND			
Weights and Measures Fund (IC 16-19-5-4)			
Total Operating Expense	**19,922**	**19,922**	
Augmentation allowed.			
MINORITY EPIDEMIOLOGY			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**618,375**	**618,375**	
COMMUNITY HEALTH CENTERS			

	FY 2013-2014 Appropriation	FY 2014-2015 Appropriation	Biennial Appropriation
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**15,100,000**	**14,900,000**	

The above appropriation includes $200,000 in state fiscal year 2014 for the Riggs Community Health Center in Lafayette. The department shall disperse the funds within 30 days of receiving a written request from the Riggs Community Health Center.

FAMILY HEALTH CENTER OF CLARK COUNTY			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**48,500**	**48,500**	
PRENATAL SUBSTANCE USE & PREVENTION			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**123,675**	**123,675**	
LOCAL HEALTH MAINTENANCE FUND			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**3,915,209**	**3,915,209**	
Augmentation allowed.			

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

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

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

The foregoing appropriations for the local health department account are statutory distributions under IC 4-12-7.

TOBACCO USE PREVENTION AND CESSATION PROGRAM			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**5,000,000**	**5,000,000**	

A minimum of 90% of the above appropriations shall be used for grants to local agencies and other entities with programs designed to reduce smoking.

FOR THE INDIANA SCHOOL FOR THE BLIND AND VISUALLY IMPAIRED			
Personal Services	**9,638,808**	**9,638,808**	

	FY 2013-2014 Appropriation	FY 2014-2015 Appropriation	Biennial Appropriation
Other Operating Expense	**936,050**	**936,050**	
FOR THE INDIANA SCHOOL FOR THE DEAF			
Personal Services	**13,277,055**	**13,277,055**	
Other Operating Expense	**2,216,939**	**2,137,739**	
C. VETERANS' AFFAIRS			
FOR THE INDIANA DEPARTMENT OF VETERANS' AFFAIRS			
Personal Services	**543,845**	**543,845**	
Other Operating Expense	**52,349**	**52,349**	
DISABLED AMERICAN VETERANS OF WORLD WARS			
Total Operating Expense	**40,000**	**40,000**	
AMERICAN VETERANS OF WORLD WAR II, KOREA, AND VIETNAM			
Total Operating Expense	**30,000**	**30,000**	
VETERANS OF FOREIGN WARS			
Total Operating Expense	**30,000**	**30,000**	
VIETNAM VETERANS OF AMERICA			
Total Operating Expense			**20,000**
MILITARY FAMILY RELIEF FUND			
Military Family Relief Fund (IC 10-17-12-8)			
Total Operating Expense	**450,000**	**450,000**	

INDIANA VETERANS' HOME

From the General Fund

3,017,711 3,017,711

From the Veterans' Home Comfort and Welfare Program

13,370,531 13,370,531

From the IVH Medicaid Reimbursement Fund

7,353,100 7,353,100

From the IVH Medicare Revenue Fund

924,658 924,658

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

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

Personal Services	**17,336,495**	**17,336,495**
Other Operating Expense	**7,329,505**	**7,329,505**

SECTION 9. [EFFECTIVE JULY 1, 2013]

EDUCATION

A. HIGHER EDUCATION

FOR INDIANA UNIVERSITY

BLOOMINGTON CAMPUS

	FY 2013-2014 Appropriation	FY 2014-2015 Appropriation	Biennial Appropriation
Total Operating Expense	**184,795,242**	**184,795,242**	
Fee Replacement	**17,457,668**	**17,680,535**	
FOR INDIANA UNIVERSITY REGIONAL CAMPUSES			
EAST			
Total Operating Expense	**8,988,877**	**8,988,877**	
Fee Replacement	**1,400,666**	**1,246,022**	
KOKOMO			
Total Operating Expense	**12,064,986**	**12,064,986**	
Fee Replacement	**1,795,518**	**1,577,593**	
NORTHWEST			
Total Operating Expense	**16,720,237**	**16,720,237**	
Fee Replacement	**6,587,505**	**7,034,200**	
SOUTH BEND			
Total Operating Expense	**22,254,859**	**22,254,859**	
Fee Replacement	**4,227,071**	**3,863,236**	
SOUTHEAST			
Total Operating Expense	**19,093,240**	**19,093,240**	
Fee Replacement	**2,969,040**	**2,491,336**	
TOTAL APPROPRIATION - INDIANA UNIVERSITY REGIONAL CAMPUSES			
	96,101,999	**95,334,586**	
FOR INDIANA UNIVERSITY - PURDUE UNIVERSITY AT INDIANAPOLIS (IUPUI)			
I. U. SCHOOLS OF MEDICINE AND DENTISTRY			
Total Operating Expense	**96,841,389**	**96,841,389**	
Fee Replacement	**3,409,706**	**3,486,679**	
FOR INDIANA UNIVERSITY SCHOOL OF MEDICINE ON THE CAMPUS OF THE UNIVERSITY OF SOUTHERN INDIANA			
Total Operating Expense	**1,659,798**	**1,659,798**	
THE CAMPUS OF INDIANA UNIVERSITY-PURDUE UNIVERSITY FORT WAYNE			
Total Operating Expense	**1,526,909**	**1,526,909**	
THE CAMPUS OF INDIANA UNIVERSITY-NORTHWEST			
Total Operating Expense	**2,169,183**	**2,169,183**	
THE CAMPUS OF PURDUE UNIVERSITY			
Total Operating Expense	**1,936,302**	**1,936,302**	
THE CAMPUS OF BALL STATE UNIVERSITY			
Total Operating Expense	**1,741,051**	**1,741,051**	
THE CAMPUS OF THE UNIVERSITY OF NOTRE DAME			
Total Operating Expense	**1,614,617**	**1,614,617**	
THE CAMPUS OF INDIANA STATE UNIVERSITY			
Total Operating Expense	**1,924,972**	**1,924,972**	

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.

	FY 2013-2014 Appropriation	FY 2014-2015 Appropriation	Biennial Appropriation

FOR INDIANA UNIVERSITY - PURDUE UNIVERSITY AT INDIANAPOLIS (IUPUI)

GENERAL ACADEMIC DIVISIONS		
Total Operating Expense	**95,960,976**	**95,960,976**
Fee Replacement	**15,188,016**	**15,530,879**
TOTAL APPROPRIATIONS - IUPUI		
	223,972,919	**224,392,755**

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

DUAL CREDIT		
Total Operating Expense	**1,454,500**	**1,454,500**
ABILENE NETWORK OPERATIONS CENTER		
Total Operating Expense	**707,707**	**707,707**
SPINAL CORD AND HEAD INJURY RESEARCH CENTER		
Total Operating Expense	**542,578**	**542,578**
MEDICAL EDUCATION CENTER EXPANSION		
Total Operating Expense	**3,000,000**	**3,000,000**

The above appropriations for medical education center expansion are intended to help increase medical school class size on a statewide basis. The funds shall be used to help increase enrollment and to provide clinical instruction. The funds shall be distributed to the nine (9) existing medical education centers in proportion to the increase in enrollment for each center.

INSTITUTE FOR THE STUDY OF DEVELOPMENTAL DISABILITIES		
Total Operating Expense	**2,105,824**	**2,105,824**
GEOLOGICAL SURVEY		
Total Operating Expense	**2,729,199**	**2,729,199**
LOCAL GOVERNMENT ADVISORY COMMISSION		
Total Operating Expense	**150,000**	**150,000**
I-LIGHT NETWORK OPERATIONS		
Build Indiana Fund (IC 4-30-17)		
Total Operating Expense	**1,471,833**	**1,471,833**

FOR PURDUE UNIVERSITY

WEST LAFAYETTE		
Total Operating Expense	**244,792,248**	**244,792,248**
Fee Replacement	**21,336,918**	**20,821,980**

FOR PURDUE UNIVERSITY - REGIONAL CAMPUSES

CALUMET		
Total Operating Expense	**27,843,362**	**27,843,362**
Fee Replacement	**1,474,082**	**1,478,484**

	FY 2013-2014 Appropriation	FY 2014-2015 Appropriation	Biennial Appropriation
NORTH CENTRAL			
Total Operating Expense	**13,453,989**	**13,453,989**	
Fee Replacement	**2,024,537**	**2,024,537**	
TOTAL APPROPRIATION - PURDUE UNIVERSITY REGIONAL CAMPUSES	**44,795,970**	**44,800,372**	
FOR INDIANA UNIVERSITY - PURDUE UNIVERSITY AT FORT WAYNE (IPFW)			
Total Operating Expense	**39,018,966**	**39,018,966**	
Fee Replacement	**5,310,403**	**5,312,223**	

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

FOR PURDUE UNIVERSITY			
NEXT GENERATION MANUFACTURING COMPETITIVENESS CENTER			
Total Operating Expense	**2,500,000**	**2,500,000**	
DUAL CREDIT			
Total Operating Expense	**744,700**	**744,700**	
ANIMAL DISEASE DIAGNOSTIC LABORATORY SYSTEM			
Total Operating Expense	**4,449,706**	**3,570,446**	

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

STATEWIDE TECHNOLOGY			
Total Operating Expense	**6,695,258**	**6,695,258**	
COUNTY AGRICULTURAL EXTENSION EDUCATORS			
Total Operating Expense	**7,487,816**	**7,487,816**	
AGRICULTURAL RESEARCH AND EXTENSION - CROSSROADS			
Total Operating Expense	**8,492,325**	**8,492,325**	
CENTER FOR PARALYSIS RESEARCH			
Total Operating Expense	**522,558**	**522,558**	
UNIVERSITY-BASED BUSINESS ASSISTANCE			
Total Operating Expense	**1,930,212**	**1,930,212**	
FOR INDIANA STATE UNIVERSITY			
Total Operating Expense	**67,308,231**	**67,308,231**	
Fee Replacement	**8,531,280**	**8,533,541**	
DUAL CREDIT			
Total Operating Expense	**83,200**	**83,200**	

	FY 2013-2014 Appropriation	FY 2014-2015 Appropriation	Biennial Appropriation
NURSING PROGRAM			
Total Operating Expense	**204,000**	**204,000**	
PRINCIPAL LEADERSHIP ACADEMY			
Total Operating Expense	**600,000**	**600,000**	
FOR UNIVERSITY OF SOUTHERN INDIANA			
Total Operating Expense	**42,146,854**	**42,146,854**	
Fee Replacement	**11,064,580**	**10,738,142**	
DUAL CREDIT			
Total Operating Expense	**274,100**	**274,100**	
HISTORIC NEW HARMONY			
Total Operating Expense	**486,878**	**486,878**	
FOR BALL STATE UNIVERSITY			
Total Operating Expense	**117,973,175**	**117,973,175**	
Fee Replacement	**15,570,428**	**14,804,007**	
DUAL CREDIT			
Total Operating Expense	**99,450**	**99,450**	
ENTREPRENEURIAL COLLEGE			
Total Operating Expense	**6,587,500**	**6,587,500**	
ACADEMY FOR SCIENCE, MATHEMATICS, AND HUMANITIES			
Total Operating Expense	**4,384,956**	**4,384,956**	
FOR VINCENNES UNIVERSITY			
Total Operating Expense	**39,026,180**	**39,026,180**	
Fee Replacement	**4,786,137**	**4,789,687**	
DUAL CREDIT			
Total Operating Expense	**1,474,650**	**1,474,650**	
FOR IVY TECH COMMUNITY COLLEGE			
Total Operating Expense	**200,314,691**	**200,314,691**	
Fee Replacement	**33,874,414**	**33,409,029**	
DUAL CREDIT			
Total Operating Expense	**4,125,150**	**4,125,150**	
VALPO NURSING PARTNERSHIP			
Total Operating Expense	**85,411**	**85,411**	
FT. WAYNE PUBLIC SAFETY TRAINING CENTER			
Total Operating Expense	**1,000,000**	**1,000,000**	
FOR THE INDIANA HIGHER EDUCATION TELECOMMUNICATIONS SYSTEM (IHETS)			
Build Indiana Fund (IC 4-30-17)			
Total Operating Expense	**435,269**	**435,269**	

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

The sums herein appropriated to Indiana University, Purdue University, Indiana State University, University of Southern Indiana, Ball State University, Vincennes University, Ivy Tech Community College, and the Indiana Higher Education Telecommunications System (IHETS) are in addition to all income of said institutions and IHETS, respectively,

from all permanent fees and endowments and from all land grants, fees, earnings, and receipts, including gifts, grants, bequests, and devises, and receipts from any miscellaneous sales from whatever source derived.

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

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

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

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

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

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

Notwithstanding IC 4-12-1-14, for universities and colleges supported in whole or in part by state funds, grant applications and lists of applications need only be

submitted upon request to the budget agency for review and approval or disapproval and, unless disapproved by the budget agency, federal grant funds may be requested and spent without approval by the budget agency. Each institution shall retain the applications for a reasonable period of time and submit a list of all grant applications, at least monthly, to the commission for higher education for informational purposes.

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

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

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

FOR THE MEDICAL EDUCATION BOARD		
FAMILY PRACTICE RESIDENCY FUND		
Total Operating Expense	**1,909,998**	**1,909,998**

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	**3,001,737**	**3,001,737**
FREEDOM OF CHOICE GRANTS		
Total Operating Expense	**47,315,346**	**39,954,462**
HIGHER EDUCATION AWARD PROGRAM		
Total Operating Expense	**125,273,917**	**105,785,538**

For the higher education awards and freedom of choice grants made for the 2013-2015 biennium, the following guidelines shall be used, notwithstanding current administrative rule or practice:
(1) The commission shall maintain the proportionality of award maxima for public, private, and proprietary institutions when setting forth amounts under IC 21-12-1.7.
(2) Minimum Award: No actual award shall be less than $600.
(3) The commission shall reduce award amounts as necessary to stay within the appropriation.

TUITION AND FEE EXEMPTION FOR CHILDREN OF VETERANS AND PUBLIC SAFETY OFFICERS (IC 21-14)		
Total Operating Expense	**27,190,589**	**28,701,041**
PART-TIME STUDENT GRANT DISTRIBUTION		

	FY 2013-2014 Appropriation	FY 2014-2015 Appropriation	Biennial Appropriation
Total Operating Expense	**7,579,858**	**7,579,858**	

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

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

MINORITY TEACHER SCHOLARSHIPS		
Total Operating Expense	**400,000**	**400,000**
HIGH NEED STUDENT TEACHING STIPEND FUND		
Total Operating Expense	**450,000**	**450,000**
MINORITY STUDENT TEACHING STIPEND FUND		
Total Operating Expense	**50,000**	**50,000**
EARN INDIANA WORK STUDY PROGRAM		
Total Operating Expense	**606,099**	**606,099**
21ST CENTURY ADMINISTRATION		
Total Operating Expense	**1,899,858**	**1,899,858**
21ST CENTURY SCHOLAR AWARDS		
Total Operating Expense	**109,637,450**	**120,108,163**

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

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

POSTSECONDARY PROPRIETARY INSTITUTION ACCREDITATION		
Postsecondary Credit Bearing Proprietary Educational Institution Accreditation Fund (IC 21-18.5-6-26(b))		
Total Operating Expense	**50,000**	**50,000**
Augmentation allowed.		
CAREER COLLEGE STUDENT ASSURANCE		
Career College Student Assurance Fund (IC 21-18.5-6-6(a))		
Total Operating Expense	**20,000**	**20,000**

	FY 2013-2014 Appropriation	FY 2014-2015 Appropriation	Biennial Appropriation
Augmentation allowed.			
NATIONAL GUARD SCHOLARSHIP			
Total Operating Expense	**3,579,353**	**3,676,240**	

The above appropriations for national guard scholarship and any program reserves existing on June 30, 2013, shall be the total allowable state expenditure for the program in the 2013-2015 biennium. If the dollar amounts of eligible awards exceed appropriations and program reserves, the commission shall develop a plan to ensure that the total dollar amount does not exceed the above appropriations and any program reserves.

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

The above appropriations for primary care shortage area scholarship are for scholarships under IC 21-13-7.

LEARN MORE INDIANA			
Total Operating Expense	**725,000**	**725,000**	
STATEWIDE TRANSFER WEBSITE			
Total Operating Expense	**1,084,317**	**1,084,317**	
FOR THE DEPARTMENT OF ADMINISTRATION			
COLUMBUS LEARNING CENTER LEASE PAYMENT			
Total Operating Expense	**4,899,000**	**4,999,000**	
FOR THE STATE BUDGET AGENCY			
GIGAPOP PROJECT			
Build Indiana Fund (IC 4-30-17)			
Total Operating Expense	**656,158**	**656,158**	
SOUTHERN INDIANA EDUCATIONAL ALLIANCE			
Build Indiana Fund (IC 4-30-17)			
Total Operating Expense	**1,090,452**	**1,090,452**	
DEGREE LINK			
Build Indiana Fund (IC 4-30-17)			
Total Operating Expense	**460,245**	**460,245**	

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

WORKFORCE CENTERS			
Build Indiana Fund (IC 4-30-17)			
Total Operating Expense	**732,794**	**732,794**	
MIDWEST HIGHER EDUCATION COMPACT			
Build Indiana Fund (IC 4-30-17)			
Total Operating Expense	**95,000**	**95,000**	

B. ELEMENTARY AND SECONDARY EDUCATION

	FY 2013-2014 Appropriation	FY 2014-2015 Appropriation	Biennial Appropriation

FOR THE STATE BOARD OF EDUCATION

Total Operating Expense	**3,010,716**	**3,010,716**

The foregoing appropriations for the Indiana state board of education are 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 administrative expenses. The above appropriation includes $60,000 each state fiscal year for the Center for Evaluation and Education Policy.

FOR THE INDIANA CHARTER SCHOOL BOARD

Total Operating Expense	**750,000**	**500,000**

FOR THE INDIANA WORKS COUNCILS

Total Operating Expense	**1,000,000**	**5,000,000**

In the state fiscal year beginning July 1, 2013 and ending June 30, 2014, the above appropriation may be used for planning and regional assessments. In the state fiscal year beginning July 1, 2014, and ending June 30, 2015, $500,000 may be used for related operating expenses and $4,500,000 may used as matching grants for private investments into the career and technical education pathways.

FOR THE EDUCATION ROUNDTABLE

Total Operating Expense	**750,000**	**750,000**

STEM TEACHER RECRUITMENT FUND

Total Operating Expense	**5,000,000**	**5,000,000**

The above appropriation may be used to provide grants to nonprofit organizations that place new science, technology, engineering, and math teachers in elementary and high schools located in underserved areas.

FOR THE DEPARTMENT OF EDUCATION

SUPERINTENDENT'S OFFICE

From the General Fund

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

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

	395,000	**395,000**

Augmentation allowed from the Professional Standards Fund.

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

Personal Services	**7,696,172**	**7,696,172**
Other Operating Expense	**1,193,953**	**1,193,953**

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

	FY 2013-2014 Appropriation	FY 2014-2015 Appropriation	Biennial Appropriation
PUBLIC TELEVISION DISTRIBUTION			
Total Operating Expense	**3,000,000**	**3,000,000**	

The above 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. Of the above appropriations, $357,500 each year shall be distributed equally among all of the public radio stations.

RILEY HOSPITAL			
Total Operating Expense	**23,004**	**23,004**	
BEST BUDDIES			
Total Operating Expense	**206,125**	**206,125**	
PERKINS STATE MATCH			
Total Operating Expense	**494,000**	**494,000**	
SCHOOL TRAFFIC SAFETY			
Personal Services	**203,109**	**203,109**	
Other Operating Expense	**49,374**	**49,374**	
Augmentation allowed.			
EDUCATION LICENSE PLATE FEES			
Education License Plate Fees Fund (IC 9-18-31)			
Total Operating Expense	**115,569**	**115,569**	
ACCREDITATION SYSTEM			
Personal Services	**382,747**	**382,747**	
Other Operating Expense	**320,117**	**320,117**	
SPECIAL EDUCATION (S-5)			
Total Operating Expense	**24,070,000**	**24,070,000**	

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

SPECIAL EDUCATION EXCISE			
Alcoholic Beverage Excise Tax Funds (IC 20-35-4-4)			
Personal Services	**259,719**	**259,719**	
Other Operating Expense	**126,808**	**126,808**	
Augmentation allowed.			
CAREER AND TECHNICAL EDUCATION			
Personal Services	**1,130,217**	**1,130,217**	
Other Operating Expense	**82,686**	**82,686**	
TRANSFER TUITION (STATE EMPLOYEES' CHILDREN AND ELIGIBLE CHILDREN IN MENTAL HEALTH FACILITIES)			
Total Operating Expense	**7,000**	**7,000**	

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

TEACHERS' SOCIAL SECURITY AND RETIREMENT DISTRIBUTION

	FY 2013-2014 Appropriation	FY 2014-2015 Appropriation	Biennial Appropriation
Total Operating Expense	**2,403,792**	**2,403,792**	

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

DISTRIBUTION FOR TUITION SUPPORT			
Total Operating Expense	**6,622,800,000**	**6,691,600,000**	

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

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

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

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

The department shall determine the amount of the distribution for each year as follows:
STEP ONE: Determine the total amount distributed in the year to all individuals for a scholarship under the choice scholarship program described in IC 20-51-4.
STEP TWO: Determine the total amount of state tuition support that all school corporations and charter schools (other than virtual charter schools) would have received in the year if those individuals who received a scholarship and who were enrolled in a public school during the preceding two (2) semesters before first receiving the scholarship had instead remained enrolled in public schools and had not enrolled in private schools.
STEP THREE: Determine the result of:
(A) the STEP TWO result; minus
(B) the STEP ONE amount.
STEP FOUR: Determine each school corporation's percentage and each charter school's

(other than a virtual charter school) percentage of the total state tuition support that will be distributed to school corporations and charter schools (other than virtual charter schools).
STEP FIVE: Multiply the result determined in STEP THREE by the school corporation's percentage or the charter school's (other than a virtual charter school) percentage determined under STEP FOUR.

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

SCHOOL PERFORMANCE AWARDS		
Total Operating Expense	**0**	**30,000,000**
DISTRIBUTION FOR SUMMER SCHOOL		
Other Operating Expense	**18,360,000**	**18,360,000**

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

ADULT LEARNERS		
Total Operating Expense	**21,700,000**	**22,800,000**
EARLY INTERVENTION PROGRAM AND READING DIAGNOSTIC ASSESSMENT		
Total Operating Expense	**4,012,000**	**4,012,000**

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

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

NATIONAL SCHOOL LUNCH PROGRAM		
Total Operating Expense	**5,125,000**	**5,125,000**
MARION COUNTY DESEGREGATION COURT ORDER		
Total Operating Expense	**10,000,000**	**9,000,000**

The foregoing appropriations for court ordered desegregation costs are made under order No. IP 68-C-225-S of the United States District Court for the Southern District of Indiana. If the sums herein appropriated are insufficient to enable the state to meet

its obligations, then there are hereby appropriated from the state general fund such further sums as may be necessary for such purpose.

TEXTBOOK REIMBURSEMENT

Total Operating Expense	**39,000,000**	**39,000,000**

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

TESTING AND REMEDIATION

Total Operating Expense	**45,729,643**	**45,222,643**

The above appropriations for testing and remediation include funds for graduation exam remediation.

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

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

ADVANCED PLACEMENT PROGRAM

Other Operating Expense	**2,800,000**	**3,300,000**

The above appropriations for the Advanced Placement Program are to provide funding for students of accredited public and nonpublic schools to take the College Board's Advanced Placement math and science exams and to supplement any federal funds awarded for non-math-and-science Advanced Placement exams taken by students qualified for the Free or Reduced Lunch program. Any remaining funds available after exam fees have been paid shall be prioritized for use by teachers of math and science Advanced Placement courses to attend professional development training for those courses.

PSAT PROGRAM

Other Operating Expense	**700,000**	**707,000**

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

NON-ENGLISH SPEAKING PROGRAM

	FY 2013-2014 Appropriation	FY 2014-2015 Appropriation	Biennial Appropriation
Other Operating Expense	**5,000,000**	**5,000,000**	

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

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

GIFTED AND TALENTED EDUCATION PROGRAM			
Personal Services	**66,628**	**66,628**	
Other Operating Expense	**12,481,468**	**12,481,468**	
EXCELLENCE IN PERFORMANCE AWARDS			
Total Operating Expense	**2,000,000**	**2,000,000**	

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

PRIMETIME			
Personal Services	**103,437**	**103,437**	
Other Operating Expense	**51,093**	**51,093**	
DRUG FREE SCHOOLS			
Total Operating Expense	**36,656**	**36,656**	
ALTERNATIVE EDUCATION			
Total Operating Expense	**6,142,909**	**6,142,909**	

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

SENATOR DAVID C. FORD EDUCATIONAL TECHNOLOGY PROGRAM (IC 20-20-13)			
Build Indiana Fund (IC 4-30-17)			
Total Operating Expense	**3,086,072**	**3,086,072**	

The department shall use the funds to make grants to school corporations to promote

student learning through the use of technology. Notwithstanding distribution guidelines in IC 20-20-13, the department shall develop guidelines for distribution of the grants. Up to $200,000 may be used each year to support the operation of the office of the special assistant to the superintendent of public instruction for technology.

PROFESSIONAL STANDARDS DIVISION

From the General Fund

	2,247,197	**2,247,197**

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

	605,000	**605,000**

Augmentation allowed.

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

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

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

FOR THE INDIANA PUBLIC RETIREMENT SYSTEM

TEACHERS' POSTRETIREMENT PENSION INCREASES

Other Operating Expense	**69,265,000**	**71,343,000**

The appropriations for postretirement pension increases are made for those benefits and adjustments provided in IC 5-10.4 and IC 5-10.2-5.

TEACHERS' RETIREMENT FUND DISTRIBUTION

Other Operating Expense	**719,651,000**	**721,362,000**

Augmentation allowed.

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

(1) greater than the above appropriations for a year, after notice to the governor and the budget agency of the deficiency, the above appropriation for the year shall be augmented from the state general fund. Any augmentation shall be included in the required pension stabilization calculation under IC 5-10.4; or

(2) less than the above appropriations for a year, the excess shall be retained in the state general fund. The portion of the benefit funded by the annuity account and the actuarially funded Post Retirement Pension Increases shall not be part of this calculation.

C. OTHER EDUCATION

FOR THE EDUCATION EMPLOYMENT RELATIONS BOARD

Personal Services	**664,451**	**664,451**

	FY 2013-2014 Appropriation	FY 2014-2015 Appropriation	Biennial Appropriation
Other Operating Expense	**331,925**	**331,925**	
FOR THE STATE LIBRARY			
Personal Services	**2,447,808**	**2,447,808**	
Other Operating Expense	**388,516**	**388,516**	
STATEWIDE LIBRARY SERVICES			
Total Operating Expense	**1,313,844**	**1,313,844**	

The foregoing appropriations for statewide library services will be used to provide services to libraries across the state. These services may include, but will not be limited to, programs, including Wheels, I*Ask, and professional development. The state library shall identify statewide library services that are to be provided by a vendor. Those services identified by the library shall be procured through a competitive process using one (1) or more requests for proposals covering the service.

LIBRARY SERVICES FOR THE BLIND - ELECTRONIC NEWSLINES			
Other Operating Expense	**100,000**	**100,000**	
ACADEMY OF SCIENCE			
Total Operating Expense	**7,264**	**7,264**	
FOR THE ARTS COMMISSION			
Personal Services	**455,705**	**455,705**	
Other Operating Expense	**2,509,648**	**2,509,648**	

The foregoing appropriation to the arts commission includes $650,000 each year to provide grants under IC 4-23-2.5 to:
(1) the arts organizations that have most recently qualified for general operating support as major arts organizations as determined by the arts commission; and
(2) the significant regional organizations that have most recently qualified for general operating support as mid-major arts organizations, as determined by the arts commission and its regional re-granting partners.

FOR THE HISTORICAL BUREAU			
Personal Services	**307,613**	**307,613**	
Other Operating Expense	**1,799**	**1,799**	
HISTORICAL MARKER PROGRAM			
Total Operating Expense			**20,980**

SECTION 10. [EFFECTIVE JULY 1, 2013]

DISTRIBUTIONS

FOR THE AUDITOR OF STATE

GAMING TAX		
Total Operating Expense	**110,000,000**	**72,600,000**

SECTION 11. [EFFECTIVE JULY 1, 2013]

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

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

SECTION 12. [EFFECTIVE JULY 1, 2013]

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

SECTION 13. [EFFECTIVE JULY 1, 2013]

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

SECTION 14. [EFFECTIVE JULY 1, 2013]

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

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

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, 2013]

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

SECTION 16. [EFFECTIVE JULY 1, 2013]

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, 2013]

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, 2013]

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

SECTION 19. [EFFECTIVE JULY 1, 2013]

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, 2013]

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, 2013]

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, 2013]

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, 2013]

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, 2013]

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

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

SECTION 25. [EFFECTIVE JULY 1, 2013]

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, 2013]

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, 2013]

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, 2013]

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, 2013]

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, 2013]

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 2013-2015 biennium, if it is considered necessary to do so in order to prevent a deficit financial situation.

SECTION 31. [EFFECTIVE UPON PASSAGE]

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

SECTION 32. [EFFECTIVE UPON PASSAGE]

There is hereby appropriated from the state general fund for the office of management and budget $91,200,000 for the state fiscal year beginning July 1, 2012, and ending June 30, 2013, to repay the common school fund for outstanding charter school loans. Charter schools must apply to the office to receive loan repayment in the manner prescribed by the office. The office shall develop policies and procedures to implement the loan repayment program.

SECTION 33. [EFFECTIVE JULY 1, 2013]

CONSTRUCTION

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

State General Fund - Lease Rentals	**363,907,991**
State General Fund - Construction	**380,493,162**
State Police Building Account (IC 9-29-1-4)	**5,399,998**
Law Enforcement Academy Building Fund (IC 5-2-1-13(a))	**916,078**
Cigarette Tax Fund (IC 6-7-1-29.1)	**3,600,000**
Veterans' Home Building Fund (IC 10-17-9-7)	**9,770,579**
Postwar Construction Fund (IC 7.1-4-8-1)	**32,829,263**
Regional Health Care Construction Account (IC 4-12-8.5)	**24,204,692**
Build Indiana Fund (IC 4-30-17)	**6,100,000**
State Highway Fund (IC 8-23-9-54)	**21,240,000**
TOTAL	**848,461,763**

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

	FY 2013-2014 Appropriation	FY 2014-2015 Appropriation	Biennial Appropriation
FOR THE HOUSE OF REPRESENTATIVES			
Renovation			**750,000**
FOR THE STATE BUDGET AGENCY			
Health and Safety Contingency Fund			**5,000,000**
Aviation Technology Center			**2,656,362**
Airport Facilities Lease			**41,998,409**
Stadium Lease Rental			**174,538,668**
Convention Center Lease Rental			**49,290,626**
State Fair Lease Rental			**5,812,776**
Indiana Motorsports Commission			**10,000,000**
DEPARTMENT OF ADMINISTRATION			
Preventive Maintenance			**8,688,334**
Repair and Rehabilitation			**13,289,403**
DEPARTMENT OF ADMINISTRATION - LEASES			
General Fund			
Lease - Wabash Valley Correctional Facility			**31,357,286**
Lease - Miami Correctional Facility			**31,244,895**
Lease - New Castle Correctional Facility			**26,826,969**
Postwar Construction Fund (IC 7.1-4-8-1)			
Lease - Westville Dormitory			**600,000**
Regional Health Care Construction Account (IC 4-12-8.5)			
Lease - Evansville State Hospital			**7,973,019**
Lease - Southeast Regional Treatment Center			**10,959,925**
Lease - Logansport State Hospital			**5,271,748**
B. PUBLIC SAFETY			
(1) LAW ENFORCEMENT			
INDIANA STATE POLICE			
State Police Building Account (IC 9-29-1-4)			
Preventive Maintenance			**1,266,998**
Repair and Rehabilitation			**120,000**
Vehicle Replacement			**4,013,000**
FORENSIC LAB			
Repair and Rehabilitation			**1,696,728**
LAW ENFORCEMENT TRAINING BOARD			
Law Enforcement Academy Building Fund (IC 5-2-1-13(a))			
Preventive Maintenance			**346,078**
Repair and Rehabilitation			**520,000**
Vehicle Replacement			**50,000**
ADJUTANT GENERAL			
Preventive Maintenance			**125,000**
Repair and Rehabilitation			**2,000,000**
Joint Force Headquarters			**4,000,000**
(2) CORRECTIONS			

	FY 2013-2014 Appropriation	FY 2014-2015 Appropriation	Biennial Appropriation
DEPARTMENT OF CORRECTION			
Preventive Maintenance			**100,000**
STATE PRISON			
Preventive Maintenance			**1,100,000**
Postwar Construction Fund (IC 7.1-4-8-1)			
Repair and Rehabilitation			**1,200,000**
Construct Laundry Facility			**3,250,000**
Construct Security Building			**2,200,000**
PENDLETON CORRECTIONAL FACILITY			
Preventive Maintenance			**1,300,000**
Postwar Construction Fund (IC 7.1-4-8-1)			
Repair and Rehabilitation			**3,200,000**
WOMEN'S PRISON			
Preventive Maintenance			**360,000**
Postwar Construction Fund (IC 7.1-4-8-1)			
Repair and Rehabilitation			**315,000**
Install Emergency Power to Administration and Security Command Center			**312,000**
NEW CASTLE CORRECTIONAL FACILITY			
Preventive Maintenance			**100,000**
PUTNAMVILLE CORRECTIONAL FACILITY			
Preventive Maintenance			**800,000**
Postwar Construction Fund (IC 7.1-4-8-1)			
Repair and Rehabilitation			**1,255,000**
INDIANAPOLIS RE-ENTRY EDUCATION FACILITY			
Preventive Maintenance			**360,000**
Postwar Construction Fund (IC 7.1-4-8-1)			
Repair and Rehabilitation			**90,000**
BRANCHVILLE CORRECTIONAL FACILITY			
Preventive Maintenance			**360,000**
WESTVILLE CORRECTIONAL FACILITY			
Preventive Maintenance			**1,040,000**
Postwar Construction Fund (IC 7.1-4-8-1)			
Repair and Rehabilitation			**2,212,000**
ROCKVILLE CORRECTIONAL FACILITY			
Preventive Maintenance			**500,000**
Postwar Construction Fund (IC 7.1-4-8-1)			
Repair and Rehabilitation			**2,736,048**
PLAINFIELD CORRECTIONAL FACILITY			
Preventive Maintenance			**950,000**
RECEPTION AND DIAGNOSTIC CENTER			
Preventive Maintenance			**210,000**
Postwar Construction Fund (IC 7.1-4-8-1)			
Repair and Rehabilitation			**242,000**
CORRECTIONAL INDUSTRIAL FACILITY			
Preventive Maintenance			**600,000**
Postwar Construction Fund (IC 7.1-4-8-1)			
Repair and Rehabilitation			**1,116,000**
WABASH VALLEY CORRECTIONAL FACILITY			

	FY 2013-2014 Appropriation	FY 2014-2015 Appropriation	Biennial Appropriation
Preventive Maintenance			**527,354**
CHAIN O' LAKES CORRECTIONAL FACILITY			
Preventive Maintenance			**90,000**
Postwar Construction Fund (IC 7.1-4-8-1)			
Construct Maintenance Building			**180,000**
MADISON CORRECTIONAL FACILITY			
Preventive Maintenance			**315,000**
Postwar Construction Fund (IC 7.1-4-8-1)			
Install Digital HVAC Controls			**375,000**
MIAMI CORRECTIONAL FACILITY			
Preventive Maintenance			**900,000**
CAMP SUMMIT CORRECTIONAL FACILITY			
Preventive Maintenance			**80,000**
EDINBURGH CORRECTIONAL FACILITY			
Preventive Maintenance			**80,000**
HENRYVILLE CORRECTIONAL FACILITY			
Preventive Maintenance			**50,000**
PENDLETON JUVENILE CORRECTIONAL FACILITY			
Preventive Maintenance			**300,000**
Postwar Construction Fund (IC 7.1-4-8-1)			
Repair and Rehabilitation			**2,156,976**
NORTH CENTRAL JUVENILE CORRECTIONAL FACILITY			
Preventive Maintenance			**120,000**
MADISON JUVENILE CORRECTIONAL FACILITY			
Preventive Maintenance			**435,000**
Postwar Construction Fund (IC 7.1-4-8-1)			
Install Digital HVAC Controls on Housing Units			**375,000**
C. CONSERVATION AND ENVIRONMENT			
DEPARTMENT OF NATURAL RESOURCES - GENERAL ADMINISTRATION			
Preventive Maintenance			**100,000**
Repair and Rehabilitation			**597,500**
FISH AND WILDLIFE			
Preventive Maintenance			**3,279,158**
Repair and Rehabilitation			**1,000,000**
FORESTRY			
Preventive Maintenance			**2,870,000**
Repair and Rehabilitation			**1,565,000**
NATURE PRESERVES			
Preventive Maintenance			**639,750**
Repair and Rehabilitation			**809,164**
OUTDOOR RECREATION			
Preventive Maintenance			**60,000**
Repair and Rehabilitation			**243,456**
STATE PARKS AND RESERVOIR MANAGEMENT			
Preventive Maintenance			**3,165,350**
Repair and Rehabilitation			**11,301,506**
State Parks - Falls of the Ohio Lease			**182,000**

	FY 2013-2014 Appropriation	FY 2014-2015 Appropriation	Biennial Appropriation
Falls of the Ohio - Exhibits			**400,000**
Goose Pond Visitor Center			**2,000,000**
Cigarette Tax Fund (IC 6-7-1-29.1)			
Preventive Maintenance			**3,600,000**
DIVISION OF WATER			
Preventive Maintenance			**155,000**
Repair and Rehabilitation			**2,633,700**
ENFORCEMENT			
Preventive Maintenance			**589,600**
Law Enforcement			**800,000**
Administration Building			**2,000,000**
ENTOMOLOGY			
Repair and Rehabilitation			**200,000**
INDIANA STATE MUSEUM AND HISTORIC SITES CORPORATION			
Preventive Maintenance			**2,273,767**
Repair and Rehabilitation			**3,907,677**
Bicentennial Match			**2,000,000**
WAR MEMORIALS COMMISSION			
Preventive Maintenance			**1,234,000**
Repair and Rehabilitation			**1,100,000**
Civil War Battle Flags Restoration			**300,000**
KANKAKEE RIVER BASIN COMMISSION			
Build Indiana Fund (IC 4-30-17)			
Repair and Rehabilitation			**1,000,000**

D. TRANSPORTATION

DEPARTMENT OF TRANSPORTATION - BUILDINGS AND GROUNDS			
State Highway Fund (IC 8-23-9-54)			
Buildings and Grounds			**21,240,000**

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

AIRPORT DEVELOPMENT			
Build Indiana Fund (IC 4-30-17)			
Airport Development			**5,100,000**

The foregoing allocations for the Indiana department of transportation are 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. Of the above appropriation, $300,000 is appropriated to the South Central Regional Airport Authority.

	FY 2013-2014 Appropriation	FY 2014-2015 Appropriation	Biennial Appropriation

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

(1) FAMILY AND SOCIAL SERVICES ADMINISTRATION

FAMILY AND SOCIAL SERVICES ADMINISTRATION			
Postwar Construction Fund (IC 7.1-4-8-1)			
Vehicle Replacement			**70,000**
EVANSVILLE PSYCHIATRIC CHILDREN'S CENTER			
Preventive Maintenance			**66,000**
Postwar Construction Fund (IC 7.1-4-8-1)			
Repair and Rehabilitation			**183,086**
Vehicle Replacement			**30,000**
EVANSVILLE STATE HOSPITAL			
Preventive Maintenance			**783,924**
Postwar Construction Fund (IC 7.1-4-8-1)			
Repair and Rehabilitation			**527,827**
Vehicle Replacement			**89,647**
MADISON STATE HOSPITAL			
Preventive Maintenance			**928,208**
Postwar Construction Fund (IC 7.1-4-8-1)			
Vehicle Replacement			**100,737**
LOGANSPORT STATE HOSPITAL			
Preventive Maintenance			**863,144**
Postwar Construction Fund (IC 7.1-4-8-1)			
Repair and Rehabilitation			**2,986,943**
Vehicle Replacement			**176,760**
RICHMOND STATE HOSPITAL			
Preventive Maintenance			**1,100,000**
Postwar Construction Fund (IC 7.1-4-8-1)			
Repair and Rehabilitation			**450,360**
Vehicle Replacement			**99,000**
LARUE CARTER MEMORIAL HOSPITAL			
Preventive Maintenance			**1,833,118**
Postwar Construction Fund (IC 7.1-4-8-1)			
Repair and Rehabilitation			**1,080,000**
Vehicle Replacement			**103,032**

(2) PUBLIC HEALTH

SCHOOL FOR THE BLIND AND VISUALLY IMPAIRED			
Preventive Maintenance			**565,714**
Postwar Construction Fund (IC 7.1-4-8-1)			
Repair and Rehabilitation			**2,642,859**
SCHOOL FOR THE DEAF			
Preventive Maintenance			**565,714**
Postwar Construction Fund (IC 7.1-4-8-1)			
Repair and Rehabilitation			**2,473,988**

	FY 2013-2014 Appropriation	FY 2014-2015 Appropriation	Biennial Appropriation
(3) VETERANS' AFFAIRS			
INDIANA VETERANS' HOME			
Veterans' Home Building Fund (IC 10-17-9-7)			
Preventive Maintenance			**1,500,000**
Repair and Rehabilitation			**8,270,579**
F. EDUCATION			
HIGHER EDUCATION			
INDIANA UNIVERSITY - TOTAL SYSTEM			
Repair and Rehabilitation			**22,912,596**
School of Medicine Laboratory Expansion			**25,000,000**
Regional Campus Projects			**29,000,000**
Evansville Medical Education Center A&E			**2,000,000**
PURDUE UNIVERSITY - TOTAL SYSTEM			
Repair and Rehabilitation			**18,529,948**
PUWL Active Learning Center			**50,000,000**
IPFW South Campus Renovations			**21,350,000**
INDIANA STATE UNIVERSITY			
Repair and Rehabilitation			**2,725,770**
Normal Hall			**16,000,000**
UNIVERSITY OF SOUTHERN INDIANA			
Repair and Rehabilitation			**1,367,926**
Classroom Renovation and Expansion			**18,000,000**
BALL STATE UNIVERSITY			
Repair and Rehabilitation			**4,758,755**
Geothermal Project Phase II			**30,000,000**
VINCENNES UNIVERSITY			
Repair and Rehabilitation			**1,630,210**
Aviation Technology Center Rehabilitation			**6,000,000**
Infrastructure Upgrade			**6,000,000**
IVY TECH COMMUNITY COLLEGE			
Repair and Rehabilitation			**5,060,688**
Hamilton County Facility			**12,000,000**

SECTION 34. [EFFECTIVE JULY 1, 2013]

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 35. [EFFECTIVE UPON PASSAGE]

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 36. [EFFECTIVE JULY 1, 2013]

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

SECTION 37. [EFFECTIVE JULY 1, 2013]

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

SECTION 38. [EFFECTIVE JULY 1, 2013] **A state educational institution may use the construction manager at risk method of construction for any of the projects covered by an appropriation in this act or any previous act. "Construction manager at risk" is defined as a project delivery process in which a construction manager is engaged by the state educational institution during the design process to assist in pre-construction project management support services and to act as a general contractor during the construction process. A construction manager must be chosen through a request for proposals process. A construction manager may be asked to provide a guaranteed maximum price for the construction of the project. It is the construction manager who incurs the risk of any cost overruns.**

SECTION 39. IC 2-5-1.2-1, AS AMENDED BY P.L.133-2012, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) Except as provided in subsection (b) or otherwise in this article, this chapter applies to all committees established under this article.

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

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

SECTION 40. IC 2-5-23-2 IS REPEALED [EFFECTIVE UPON PASSAGE]. ~~Sec. 2. As used in this~~

~~chapter, "committee" refers to the health finance advisory committee created under section 6 of this chapter.~~

SECTION 41. IC 2-5-23-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. The commission may study any topic:

(1) directed by the chairman of the commission;

(2) assigned by the legislative council; or

(3) concerning issues that include:

(A) the delivery, payment, and organization of health care services;

(B) rules adopted under IC 4-22-2 that pertain to health care delivery, payment, and services that are under the authority of any board or agency of state government; ~~and~~

(C) the implementation of IC 12-10-11.5; **and**

(D) the state Medicaid program and the children's health insurance program established under IC 12-17.6.

SECTION 42. IC 2-5-23-6 IS REPEALED [EFFECTIVE UPON PASSAGE]. ~~Sec. 6. The health finance advisory committee is created. At the request of the chairman, the health finance advisory committee shall provide information and otherwise assist the commission to perform the duties of the commission under this chapter. The health finance advisory committee members are ex officio and may not vote. Health finance advisory committee members shall be appointed from the general public, and must include the following:~~

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

~~(A) Cost accounting.~~

~~(B) Actuarial sciences.~~

~~(C) Medical economics.~~

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

~~(A) Insurance, with knowledge of:~~

~~(i) acute and long term care; and~~

~~(ii) reimbursement.~~

~~(B) Long term care, with knowledge of institutionalized and home based services, including planning services.~~

~~(C) Hospitals, with knowledge of:~~

~~(i) inpatient and outpatient care; and~~

~~(ii) disproportionate share hospitals.~~

~~(D) Mental health, with knowledge of acute care, chronic care, institutional care, and community based care.~~

~~(E) Pharmacies, with knowledge of:~~

~~(i) drug utilization;~~

~~(ii) drug research; and~~

~~(iii) access to drug services.~~

~~(F) Physicians licensed under IC 25-22.5.~~

~~(G) Nurses.~~

~~(H) Public and community health, with knowledge of:~~

~~(i) primary care health centers; and~~

~~(ii) access to care.~~

~~(I) The dean of the Medical School at Indiana University, or the dean's designee.~~

~~(J) The budget director or the director's designee.~~

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

SECTION 43. IC 2-5-23-7 IS REPEALED [EFFECTIVE UPON PASSAGE]. ~~Sec. 7. (a) The president pro tempore of the senate, with the advice of the minority leader of the senate, shall appoint the members of the committee identified in section 6(1) and 6(2)(A) through 6(2)(C).~~

~~(b) The speaker of the house of representatives, with the advice of the minority leader of the house of representatives, shall appoint the members of the committee identified in section 6(2)(D) through 6(2)(H) of this chapter.~~

~~(c) The chairman of the commission, with the advice of the vice chairman of the commission, shall appoint the members of the health finance advisory committee identified in section 6(3) of this chapter.~~

SECTION 44. IC 2-5-23-8 IS REPEALED [EFFECTIVE UPON PASSAGE]. ~~Sec. 8. (a) The health policy advisory committee is established. At the request of the chairman of the commission, the health policy advisory committee shall provide information and otherwise assist the commission to perform the duties of the commission under this chapter.~~

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

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

~~(1) The interests of public hospitals.~~

~~(2) The interests of community mental health centers.~~

~~(3) The interests of community health centers.~~

~~(4) The interests of the long term care industry.~~

~~(5) The interests of health care professionals licensed under IC 25, but not licensed under IC 25-22.5.~~

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

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

~~(8) The interests of for-profit health care facilities (as defined in IC 27-8-10-1).~~

~~(9) A statewide consumer organization.~~

~~(10) A statewide senior citizen organization.~~

~~(11) A statewide organization representing people with disabilities.~~

~~(12) Organized labor.~~

~~(13) The interests of businesses that purchase health insurance policies.~~

~~(14) The interests of businesses that provide employee welfare benefit plans (as defined in 29 U.S.C. 1002) that are self-funded.~~

~~(15) A minority community.~~

~~(16) The uninsured. An individual appointed under this subdivision must be and must have been chronically uninsured.~~

~~(17) An individual who is not associated with any organization, business, or profession represented in this subsection other than as a consumer.~~

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

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

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

SECTION 45. IC 2-5-23-9 IS REPEALED [EFFECTIVE UPON PASSAGE]. ~~Sec. 9. The president pro tempore of the senate, with the advice of the minority leader of the senate, shall appoint the members of the health policy advisory committee identified in section 8(1), 8(3), 8(4), 8(6), 8(7), 8(8), 8(12), and 8(13), of this chapter.~~

SECTION 46. IC 2-5-23-10 IS REPEALED [EFFECTIVE UPON PASSAGE]. ~~Sec. 10. The speaker of the house of representatives, with the advice of the minority leader of the house of representatives, shall appoint the members of the health policy advisory committee identified in section 8(2), 8(5), 8(9), 8(10),~~

~~8(11), 8(14), 8(15), 8(16), and 8(17) of this chapter.~~

SECTION 47. IC 2-5-23-12 IS REPEALED [EFFECTIVE UPON PASSAGE]. ~~Sec. 12. A committee member as identified in section 6(3) of this chapter shall serve at the pleasure of the chairman of the commission. The member may be replaced at any time without notice, and for any reason, at the discretion of the chairman of the commission.~~

SECTION 48. IC 2-5-23-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 17. Each member of the commission ~~each member of the health finance advisory committee, and each member of the health policy advisory committee~~ is entitled to receive the same per diem, mileage, and travel allowances paid to individuals who serve as legislative and lay members, respectively, of interim study committees established by the legislative council.

SECTION 49. IC 2-5-26 IS REPEALED [EFFECTIVE UPON PASSAGE]. (Select Joint Commission on Medicaid Oversight).

SECTION 50. IC 2-8 IS REPEALED [EFFECTIVE JULY 1, 2013]. (Delegates to a Convention Called under Article V of the Constitution of the United States).

SECTION 51. IC 2-8.2-3-5, AS ADDED BY SEA 225-2013, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 5. **(a)** The general assembly may recall any delegate or alternate delegate and replace that delegate or alternate delegate with an individual appointed under this article at any time.

(b) The general assembly may fill a vacancy in the office of delegate or alternate delegate with an individual appointed under this article at any time. If the general assembly is not in session during a time in which a vacancy has occurred with respect to both a delegate and the paired alternate delegate of a delegate, the governor shall call the general assembly into special session under Article 4, Section 9 of the Constitution of the State of Indiana for the purpose of appointing a delegate and an alternate delegate to fill the vacancies.

SECTION 52. IC 2-8.2-4 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]:

Chapter 4. Duties of Delegates and Alternate Delegates

Sec. 1. (a) At the time delegates and alternate delegates are appointed, the general assembly shall adopt a joint resolution to provide instructions to the delegates and alternate delegates regarding the following:

(1) The rules of procedure.

(2) Any other matter relating to the Article V convention that the general assembly considers necessary.

(b) The general assembly may amend the instructions at any time by joint resolution.

Sec. 2. An alternate delegate:

(1) shall act in the place of the alternate delegate's paired delegate when the alternate delegate's paired delegate is absent from the Article V convention; and

(2) replaces the alternate delegate's paired delegate if the alternate delegate's paired delegate vacates the office.

Sec. 3. A vote cast by a delegate or an alternate delegate at an Article V convention that is outside the scope of:

(1) the instructions established by a joint resolution adopted under section 1 of this chapter; or

(2) the limits placed by the general assembly in a joint resolution that calls for an Article V convention for the purpose of proposing amendments to the Constitution of the United States on the subjects and amendments that may be considered by the Article V convention;

is void.

Sec. 4. (a) A delegate or alternate delegate who votes or attempts to vote outside the scope of:

(1) the instructions established by a joint resolution adopted under section 1 of this chapter; or

(2) the limits placed by the general assembly in a joint resolution that calls for an Article V convention for the purpose of proposing amendments to the Constitution of the United States on the subjects and amendments that may be considered by the Article V convention;

forfeits the delegate's or alternate delegate's appointment by virtue of that vote or attempt to vote.

(b) If a delegate forfeits appointment under subsection (a), the paired alternate delegate of the delegate becomes the delegate at the time the forfeiture of the appointment occurs.

Sec. 5. The application of the general assembly to call an Article V convention for proposing amendments to the Constitution of the United States ceases to be a continuing application and shall be treated as having no effect if all of the delegates and alternate delegates vote or attempt to vote outside the scope of:

(1) the instructions established by a joint resolution adopted under section 1 of this chapter; or

(2) the limits placed by the general assembly in a joint resolution that calls for an Article V convention for the purpose of proposing amendments to the Constitution of the United States on the subjects and amendments that may be considered by the Article V convention.

Sec. 6. A delegate or alternate delegate who knowingly or intentionally votes or attempts to vote outside the scope of:

(1) the instructions established by a joint resolution adopted under section 1 of this chapter; or

(2) the limits placed by the general assembly in a joint resolution that calls for an Article V convention for the purpose of proposing amendments to the Constitution of the United States on the subjects and amendments that may be considered by the Article V convention;

commits a Class D felony.

SECTION 53. IC 2-8.2-5 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]:

Chapter 5. Article V Convention Delegate Advisory Group

Sec. 1. As used in this chapter, "advisory group" refers to the Article V convention delegate advisory group established by section 2 of this chapter.

Sec. 2. The Article V convention delegate advisory group is established.

Sec. 3. The advisory group consists of the following members:

(1) The chief justice of the supreme court.

(2) The chief judge of the court of appeals.

(3) The judge of the tax court.

Sec. 4. The chief justice of the supreme court is the chair of the advisory group.

Sec. 5. The advisory group shall meet at the call of the chair.

Sec. 6. The advisory group shall establish the policies and procedures that the advisory group determines necessary to carry out this chapter.

Sec. 7. (a) Upon request of a delegate or alternate delegate, the advisory group shall advise the delegate or alternate delegate whether there is reason to believe that an action or an attempt to take an action by a delegate or alternate delegate would:

(1) violate the instructions established by a joint resolution adopted under IC 2-8.2-4-1; or

(2) exceed the limits placed by the general assembly in a joint resolution that calls for an Article V convention for the purpose of proposing amendments to the Constitution of the United States on the subjects and amendments that may be considered by the Article V convention.

(b) The advisory group may render an advisory determination under this section in any summary manner considered appropriate by the advisory group.

(c) The advisory group shall render an advisory determination under this section within twenty-four (24) hours after receiving a request for a determination.

(d) The advisory group shall transmit a copy of an advisory determination under this section in

the most expeditious manner possible to the delegate or alternative delegate who requested the advisory determination.

(e) If the advisory group renders an advisory determination under this section, the advisory group may also take an action permitted under section 8 of this chapter.

Sec. 8. (a) On its own motion or upon request of the speaker of the house of representatives, the president pro tempore of the senate, or the attorney general, the advisory group shall advise the attorney general whether there is reason to believe that a vote or an attempt to vote by a delegate or alternate delegate has:

(1) violated the instructions established by a joint resolution adopted under IC 2-8.2-4-1; or

(2) exceeded the limits placed by the general assembly in a joint resolution that calls for an Article V convention for the purpose of proposing amendments to the Constitution of the United States on the subjects and amendments that may be considered by the Article V convention.

(b) The advisory group shall issue the advisory determination under this section by one (1) of the following summary procedures:

(1) Without notice or an evidentiary proceeding.

(2) After a hearing conducted by the advisory group.

(c) The advisory group shall render an advisory determination under this section within twenty-four (24) hours after receiving a request for an advisory determination.

(d) The advisory group shall transmit a copy of an advisory determination under this section in the most expeditious manner possible to the attorney general.

Sec. 9. Immediately, upon receipt of an advisory determination under section 8 of this chapter that finds that a vote or attempt to vote by a delegate or alternate delegate is a violation described in section 8(a)(1) of this chapter or in excess of the authority of the delegate or alternate delegate, as described in section 8(a)(2) of this chapter, the attorney general shall inform the delegates, alternate delegates, the speaker of the house of representatives, the president pro tempore of the senate, and the Article V convention that:

(1) the vote or attempt to vote did not comply with Indiana law, is void, and has no effect; and

(2) the credentials of the delegate or alternate delegate who is the subject of the determination are revoked.

SECTION 54. IC 3-6-2-10.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 10.5. (a) This section applies to all counties after June 30, 2013.**

(b) The county chairman of a major political party shall, upon the request of a person who is serving in an elected office (as defined in IC 3-5-2-17), provide to that person the name and address of the precinct committeeman and vice committeeman of that party for each precinct in the county.

SECTION 55. IC 4-6-2-1.1, AS AMENDED BY SEA 224-2013, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 1.1. The attorney general has concurrent jurisdiction with the prosecuting attorney in the prosecution of the following:

(1) Actions in which a person is accused of committing, while a member of an unlawful assembly as defined in IC 35-45-1-1, a homicide (IC 35-42-1).

(2) Actions in which a person is accused of assisting a criminal (IC 35-44.1-2-5), if the person alleged to have been assisted is a person described in subdivision (1).

(3) Actions in which a sheriff is accused of any offense that involves a failure to protect the life of a prisoner in the sheriff's custody.

(4) Actions in which a violation of ~~IC 2-8-3-6~~ **IC 2-8.2-4-6** (concerning constitutional convention delegates) has occurred.

SECTION 56. IC 4-9.1-1-7, AS AMENDED BY P.L.246-2005, SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: 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.

(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.

(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.

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

SECTION 57. IC 4-10-18-1, AS AMENDED BY P.L.146-2008, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 1. As used in this chapter:

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

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

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

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

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

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

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

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

(2) State personal income.

"Economic growth initiative" means:

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

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

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

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

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

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

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

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

"Implicit price deflator for the gross ~~national~~ **domestic** product" means the implicit price deflator for

the gross ~~national~~ **domestic** product, or its closest equivalent, which is available from the ~~United States Bureau of Economic Analysis.~~ **bureau.**

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

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

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

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

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

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

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

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

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

SECTION 58. IC 4-10-18-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 3. (a) Each year, the budget director shall determine the adjusted personal income and the annual growth rate for Indiana **using the current reporting period.**

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

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

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

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

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

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

(1) the remainder of:

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

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

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

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

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

SECTION 59. IC 4-10-18-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]:

Sec. 4. (a) If the annual growth rate for the ~~calendar year preceding the current calendar year~~ **current reporting period** exceeds two percent (2%), there is appropriated to the fund from the state general fund, for the state fiscal year beginning in the current calendar year, an amount equal to the product of:

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

(2) the remainder of:

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

(B) two percent (2%).

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

STEP ONE: Determine the product of:

~~(1)~~ **(A)** the total state general fund revenues for the state fiscal year ending in the current calendar year; multiplied by

~~(2)~~ **(B)** negative one (-1). ~~and further multiplied by~~

STEP TWO: Determine the product of:

(A) the STEP ONE result; multiplied by

~~(3)~~ **(B)** the remainder of:

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

~~(B)~~ **(ii)** negative two percent (-2%).

SECTION 60. IC 4-10-18-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 7. If:

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

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

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

SECTION 61. IC 4-10-22-1, AS AMENDED BY P.L.160-2012, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 1. **(a)** After the end of each odd-numbered state fiscal year, the office of management and budget shall calculate in the customary manner the total amount of state reserves as of the end of the state fiscal year. The office of management and budget shall make the calculation not later than July 31 of each odd-numbered year.

(b) The office of management and budget may not consider a balance in the state tuition reserve fund established by IC 4-12-1-15.7 when making the calculation required by subsection (a).

SECTION 62. IC 4-10-22-3, AS AMENDED BY P.L.160-2012, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 3. After completing the presentation to the state budget committee described in section 2 of this chapter, the governor shall do the following:

(1) If the amount of excess reserves on June 30 of any year is less than fifty million dollars ($50,000,000), the governor shall carry over the excess reserves to each subsequent year until the

total excess reserves, including any carryover amount, equal at least fifty million dollars ($50,000,000). In the year that the total excess reserves equal at least fifty million dollars ($50,000,000), the excess reserves shall be used as provided in subdivision (2).

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

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

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

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

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

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

SECTION 63. IC 4-12-1-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 9. (a) The budget agency shall assist the budget committee in the preparation of the budget report and the budget bill, using the recommendations and estimates prepared by the budget agency and the information obtained through investigation and presented at hearings. The budget committee shall consider the data, information, recommendations and estimates before it and, to the extent that there is agreement on items, matters and amounts between the budget agency and a majority of the members of the budget committee, the committee shall organize and assemble a budget report and a budget bill or budget bills. In the event the budget agency and a majority of the members of the budget committee shall differ upon any item, matter, or amount to be included in such report and bills, the recommendation of the budget agency shall be included in the budget bill or bills, and the particular item, matter or amount, and the extent of and reasons for the differences between the budget agency and the budget committee shall be stated fully in the budget report. ~~Before the second Monday of January, in the year immediately after preparation, the budget report and the budget bill or bills shall be submitted to the governor by the budget committee.~~ **The budget committee shall submit the budget report and the budget bill or bills to the governor before:**

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

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

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

(b) Whenever during the period beginning thirty (30) days prior to a regular session of the general assembly the budget report and budget bill or bills have been completed and printed and are available for distribution, upon the request of a member of the general assembly an informal distribution of one (1) copy of each such document shall be made by the budget committee to such members. During business

hours, and as may be otherwise required during sessions of the general assembly, the budget agency shall make available to the members of the general assembly so much as they shall require of its accumulated staff information, analyses and reports concerning the fiscal affairs of the state and the current budget report and budget bill or bills.

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

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

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

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

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

(5) The budget bills.

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

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

SECTION 64. IC 4-12-1-12, AS AMENDED BY P.L.146-2008, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 12. (a) Within forty-five (45) days following the adjournment of the regular session of the general assembly, the budget agency shall examine the acts of such general assembly and, with the aid of its own records and those of the budget committee, shall prepare a complete list of all appropriations made by law for the budget period beginning on July 1 following such regular session, or so made for such other period as is provided in the appropriation. While such list is being made by it the budget agency shall review and analyze the fiscal status and affairs of the state as affected by such appropriations. A written report thereof shall be made and signed by the budget director and shall be transmitted to the governor and the auditor of state. The report shall be transmitted in an electronic format under IC 5-14-6 to the general assembly.

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

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

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

(e) The budget agency may transfer, assign, and reassign any appropriation or appropriations, or parts of them, excepting those appropriations made to the Indiana state teacher's retirement fund established by IC 5-10.4-2, made **from a fund and identified** for one **(1)** specific use or purpose **of that fund** to

another use or purpose ~~of the agency of state to which the appropriation is made, but only when the uses and purposes to which the funds transferred, assigned and reassigned are uses and purposes the agency of state is by law required or authorized to perform.~~ **of that fund.** No transfer **for another use or purpose** may be made as in this subsection authorized unless upon the request of and with the consent of the agency of state whose appropriations are involved. Except to the extent otherwise specifically provided, every appropriation made and hereafter made **from a fund** and provided for any specific use or purpose of an agency of the state is and shall be construed to be an appropriation to the agency, for all other necessary and lawful uses and purposes **of only that fund** of the agency, subject to the aforesaid request and consent of the agency and concurrence of the budget agency. **The budget agency may not transfer, assign, or reassign any appropriation or appropriations, or parts of them, from one (1) dedicated fund to another dedicated fund or to the state general fund.**

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

SECTION 65. IC 4-12-1-13, AS AMENDED BY P.L.100-2012, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 13. (a) During the interval between sessions of the general assembly, the budget agency shall make regular or, at the request of the governor, special inspections of the respective institutions of the state supported by public funds. The budget agency shall report regularly to the governor relative to the physical condition of such institutions, and any contemplated action of the institution on a new or important matter, and on any other subject which such agency may deem pertinent or on which the governor may require information. The budget agency shall likewise familiarize itself with the best and approved practices in each of such institutions and supply such information to other institutions to make their operation more efficient and economical.

(b) Except as to officers and employees of state educational institutions, the executive secretary of the governor, the administrative assistants to the governor, the elected officials, and persons whose salaries or compensation are fixed by the governor pursuant to law, the annual compensation of all persons employed by agencies of the state shall be subject to the approval of the budget agency. Except as otherwise provided by IC 4-15-2.2, the budget agency shall establish classifications and schedules for fixing compensation, salaries and wages of all classes and types of employees of any state agency or state agencies, and any and all other such classifications affecting compensation as the budget agency shall deem necessary or desirable. The classifications and schedules thus established shall be filed in the office of the budget agency. Requests by an appointing authority for salary and wage adjustments or personal service payments coming within such classifications and schedules shall become effective when approved by, and upon the terms of approval fixed by, the budget agency. All personnel requests pertaining to the staffing of programs or agencies supported in whole or in part by federal funds are subject to review and approval by the state personnel department under IC 4-15-2.2.

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

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

(1) a state educational institution; or

(2) an agency of the state if the contract is not required to be approved by the budget agency under

IC 4-13-2-14.1.

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

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

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

(1) The judicial department of the state.

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

(3) The attorney general.

(4) The auditor of state.

(5) The secretary of state.

(6) The superintendent of public instruction.

(7) The treasurer of state.

SECTION 66. IC 4-13-1-26 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 26. (a) The following amounts are appropriated to the department for the state fiscal year ending June 30, 2013:**

(1) Seventy million dollars ($70,000,000) to defease any remaining bonds on the state museum.

(2) Fifty-eight million dollars ($58,000,000) to defease any remaining bonds on the forensics and health sciences lab.

(b) Money appropriated under this section may not be used for any other purpose.

SECTION 67. IC 4-31-11-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 11. Each development fund consists of:

(1) breakage and outs paid into the fund under IC 4-31-9-10;

(2) appropriations by the general assembly;

(3) gifts;

(4) stakes payments;

(5) entry fees; and

(6) money paid into the fund under ~~IC 4-33-12-6.~~ **IC 4-35-7-12.**

SECTION 68. IC 4-33-12-6, AS AMENDED BY P.L.119-2012, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 6. (a) The department shall place in the state general fund the tax revenue collected under this chapter.

(b) Except as provided by subsections (c) and (d) and IC 6-3.1-20-7, the treasurer of state shall quarterly pay the following amounts:

(1) Except as provided in subsection (k), one dollar ($1) of the admissions tax collected by the licensed owner for each person embarking on a gambling excursion during the quarter or admitted to a riverboat that has implemented flexible scheduling under IC 4-33-6-21 during the quarter shall be paid to:

(A) the city in which the riverboat is docked, if the city:

(i) is located in a county having a population of more than one hundred eleven thousand (111,000) but less than one hundred fifteen thousand (115,000); or

(ii) is contiguous to the Ohio River and is the largest city in the county; and

(B) the county in which the riverboat is docked, if the riverboat is not docked in a city described

in clause (A).

(2) Except as provided in subsection (k), one dollar ($1) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the county in which the riverboat is docked. In the case of a county described in subdivision (1)(B), this one dollar ($1) is in addition to the one dollar ($1) received under subdivision (1)(B).

(3) Except as provided in subsection (k), ten cents ($0.10) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the county convention and visitors bureau or promotion fund for the county in which the riverboat is docked.

(4) Except as provided in subsection (k), fifteen cents ($0.15) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during a quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the state fair commission, for use in any activity that the commission is authorized to carry out under IC 15-13-3.

(5) Except as provided in subsection (k), ten cents ($0.10) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the division of mental health and addiction. The division shall allocate at least twenty-five percent (25%) of the funds derived from the admissions tax to the prevention and treatment of compulsive gambling.

(6) Except as provided in subsection (k) and section 7 of this chapter, sixty-five cents ($0.65) of the admissions tax collected by the licensed owner for each person embarking on a gambling excursion during the quarter or admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21 shall be paid to the Indiana horse racing commission to be distributed as follows, in amounts determined by the Indiana horse racing commission, for the promotion and operation of horse racing in Indiana:

(A) To one (1) or more breed development funds established by the Indiana horse racing commission under IC 4-31-11-10.

(B) To a racetrack that was approved by the Indiana horse racing commission under IC 4-31. The commission may make a grant under this clause only for purses, promotions, and routine operations of the racetrack. No grants shall be made for long term capital investment or construction, and no grants shall be made before the racetrack becomes operational and is offering a racing schedule.

(c) With respect to tax revenue collected from a riverboat located in a historic hotel district, the treasurer of state shall quarterly pay the following:

(1) With respect to admissions taxes collected for a person admitted to the riverboat before July 1, 2010, the following amounts:

(A) Twenty-two percent (22%) of the admissions tax collected during the quarter shall be paid

to the county treasurer of the county in which the riverboat is located. The county treasurer shall distribute the money received under this clause as follows:

(i) Twenty-two and seventy-five hundredths percent (22.75%) shall be quarterly distributed to the county treasurer of a county having a population of more than forty thousand (40,000) but less than forty-two thousand (42,000) 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 item 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.

(ii) Twenty-two and seventy-five hundredths percent (22.75%) 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. The county fiscal body for the receiving county shall provide for the distribution of the money received under this item 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.

(iii) Fifty-four and five-tenths percent (54.5%) shall be retained by the county where the riverboat is located for appropriation by the county fiscal body after receiving a recommendation from the county executive.

(B) Five percent (5%) of the admissions tax collected during the quarter shall be paid to a town having a population of more than two thousand (2,000) but less than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand five hundred (19,500) but less than twenty thousand (20,000). At least twenty percent (20%) of the taxes received by a town under this clause must be transferred to the school corporation in which the town is located.

(C) Five percent (5%) of the admissions tax collected during the quarter shall be paid to 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 five hundred (19,500) but less than twenty thousand (20,000). At least twenty percent (20%) of the taxes received by a town under this clause must be transferred to the school corporation in which the town is located.

(D) Twenty percent (20%) of the admissions tax collected during the quarter shall be paid in equal amounts to each town that:

(i) is located in the county in which the riverboat is located; and

(ii) contains a historic hotel.

At least twenty percent (20%) of the taxes received by a town under this clause must be transferred to the school corporation in which the town is located.

(E) Ten percent (10%) of the admissions tax collected during the quarter shall be paid to the Orange County development commission established under IC 36-7-11.5. At least one-third (1/3) of the taxes paid to the Orange County development commission under this clause must be transferred to the Orange County convention and visitors bureau.

(F) Thirteen percent (13%) of the admissions tax collected during the quarter shall be paid to the West Baden Springs historic hotel preservation and maintenance fund established by IC 36-7-11.5-11(b).

(G) Twenty-five percent (25%) of the admissions tax collected during the quarter shall be paid to the Indiana economic development corporation to be used by the corporation for the development and implementation of a regional economic development strategy to assist the residents of the county in which the riverboat is located and residents of contiguous counties in improving their quality of life and to help promote successful and sustainable communities. The regional economic development strategy must include goals concerning the following issues:

(i) Job creation and retention.
(ii) Infrastructure, including water, wastewater, and storm water infrastructure needs.
(iii) Housing.
(iv) Workforce training.
(v) Health care.
(vi) Local planning.
(vii) Land use.
(viii) Assistance to regional economic development groups.
(ix) Other regional development issues as determined by the Indiana economic development corporation.

(2) With respect to admissions taxes collected for a person admitted to the riverboat after June 30, 2010, the following amounts:

(A) Twenty-nine and thirty-three hundredths percent (29.33%) to the county treasurer of Orange County. The county treasurer shall distribute the money received under this clause as follows:

(i) Twenty-two and seventy-five hundredths percent (22.75%) to the county treasurer of Dubois County for distribution in the manner described in subdivision (1)(A)(i).

(ii) Twenty-two and seventy-five hundredths percent (22.75%) to the county treasurer of Crawford County for distribution in the manner described in subdivision (1)(A)(ii).

(iii) Fifty-four and five-tenths percent (54.5%) to be retained by the county treasurer of Orange County for appropriation by the county fiscal body after receiving a recommendation from the county executive.

(B) Six and sixty-seven hundredths percent (6.67%) to the fiscal officer of the town of Orleans. At least twenty percent (20%) of the taxes received by the town under this clause must be transferred to Orleans Community Schools.

(C) Six and sixty-seven hundredths percent (6.67%) to the fiscal officer of the town of Paoli. At least twenty percent (20%) of the taxes received by the town under this clause must be transferred to the Paoli Community School Corporation.

(D) Twenty-six and sixty-seven hundredths percent (26.67%) to be paid in equal amounts to the fiscal officers of the towns of French Lick and West Baden Springs. At least twenty percent (20%) of the taxes received by a town under this clause must be transferred to the Springs Valley Community School Corporation.

(E) Thirty and sixty-six hundredths percent (30.66%) to the Indiana economic development corporation to be used in the manner described in subdivision (1)(G).

(d) With respect to tax revenue collected from a riverboat that operates from a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000), the treasurer of state shall quarterly pay the following amounts:

(1) Except as provided in subsection (k), one dollar ($1) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the city in which the riverboat is docked.

(2) Except as provided in subsection (k), one dollar ($1) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the county in which the riverboat is docked.

(3) Except as provided in subsection (k), nine cents ($0.09) of the admissions tax collected by the

licensed owner for each person:
(A) embarking on a gambling excursion during the quarter; or
(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;
shall be paid to the county convention and visitors bureau or promotion fund for the county in which the riverboat is docked.
(4) Except as provided in subsection (k), one cent ($0.01) of the admissions tax collected by the licensed owner for each person:
(A) embarking on a gambling excursion during the quarter; or
(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;
shall be paid to the northwest Indiana law enforcement training center.
(5) Except as provided in subsection (k), fifteen cents ($0.15) of the admissions tax collected by the licensed owner for each person:
(A) embarking on a gambling excursion during the quarter; or
(B) admitted to a riverboat during a quarter that has implemented flexible scheduling under IC 4-33-6-21;
shall be paid to the state fair commission for use in any activity that the commission is authorized to carry out under IC 15-13-3.
(6) Except as provided in subsection (k), ten cents ($0.10) of the admissions tax collected by the licensed owner for each person:
(A) embarking on a gambling excursion during the quarter; or
(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;
shall be paid to the division of mental health and addiction. The division shall allocate at least twenty-five percent (25%) of the funds derived from the admissions tax to the prevention and treatment of compulsive gambling.
(7) Except as provided in subsection (k) and section 7 of this chapter, sixty-five cents ($0.65) of the admissions tax collected by the licensed owner for each person embarking on a gambling excursion during the quarter or admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21 shall be paid to the Indiana horse racing commission to be distributed as follows, in amounts determined by the Indiana horse racing commission, for the promotion and operation of horse racing in Indiana:
(A) To one (1) or more breed development funds established by the Indiana horse racing commission under IC 4-31-11-10.
(B) To a racetrack that was approved by the Indiana horse racing commission under IC 4-31. The commission may make a grant under this clause only for purses, promotions, and routine operations of the racetrack. No grants shall be made for long term capital investment or construction, and no grants shall be made before the racetrack becomes operational and is offering a racing schedule.
(e) Money paid to a unit of local government under subsection (b), (c), or (d):
(1) must be paid to the fiscal officer of the unit and may be deposited in the unit's general fund or riverboat fund established under IC 36-1-8-9, or both;
(2) may not be used to reduce the unit's maximum levy under IC 6-1.1-18.5 but may be used at the discretion of the unit to reduce the property tax levy of the unit for a particular year;
(3) may be used for any legal or corporate purpose of the unit, including the pledge of money to bonds, leases, or other obligations under IC 5-1-14-4; and
(4) is considered miscellaneous revenue.
(f) Money paid by the treasurer of state under subsection (b)(3) or (d)(3) shall be:

(1) deposited in:
(A) the county convention and visitor promotion fund; or
(B) the county's general fund if the county does not have a convention and visitor promotion fund; and
(2) used only for the tourism promotion, advertising, and economic development activities of the county and community.

(g) Money received by the division of mental health and addiction under subsections (b)(5) and (d)(6):
(1) is annually appropriated to the division of mental health and addiction;
(2) shall be distributed to the division of mental health and addiction at times during each state fiscal year determined by the budget agency; and
(3) shall be used by the division of mental health and addiction for programs and facilities for the prevention and treatment of addictions to drugs, alcohol, and compulsive gambling, including the creation and maintenance of a toll free telephone line to provide the public with information about these addictions. The division shall allocate at least twenty-five percent (25%) of the money received to the prevention and treatment of compulsive gambling.

(h) This subsection applies to the following:
(1) Each entity receiving money under subsection (b).
(2) Each entity receiving money under subsection (d)(1) through (d)(2).
(3) Each entity receiving money under subsection (d)(5) through (d)(7).

The treasurer of state shall determine the total amount of money paid by the treasurer of state to an entity subject to this subsection during the state fiscal year 2002. The amount determined under this subsection is the base year revenue for each entity subject to this subsection. The treasurer of state shall certify the base year revenue determined under this subsection to each entity subject to this subsection.

(i) This subsection applies to an entity receiving money under subsection (d)(3) or (d)(4). The treasurer of state shall determine the total amount of money paid by the treasurer of state to the entity described in subsection (d)(3) during state fiscal year 2002. The amount determined under this subsection multiplied by nine-tenths (0.9) is the base year revenue for the entity described in subsection (d)(3). The amount determined under this subsection multiplied by one-tenth (0.1) is the base year revenue for the entity described in subsection (d)(4). The treasurer of state shall certify the base year revenue determined under this subsection to each entity subject to this subsection.

(j) This subsection does not apply to an entity receiving money under subsection (c). For state fiscal years beginning after June 30, 2002, the total amount of money distributed to an entity under this section during a state fiscal year may not exceed the entity's base year revenue as determined under subsection (h) or (i). If the treasurer of state determines that the total amount of money distributed to an entity under this section during a state fiscal year is less than the entity's base year revenue, the treasurer of state shall make a supplemental distribution to the entity under ~~IC 4-33-13-5(g).~~ **IC 4-33-13-5.**

(k) This subsection does not apply to an entity receiving money under subsection (c). For state fiscal years beginning after June 30, 2002, the treasurer of state shall pay that part of the riverboat admissions taxes that:
(1) exceeds a particular entity's base year revenue; and
(2) would otherwise be due to the entity under this section;
to the state general fund instead of to the entity.

SECTION 69. IC 4-33-12.5-6, AS ADDED BY P.L.214-2005, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 6. (a) The county described in IC 4-33-12-6(d) shall distribute twenty-five percent (25%) of the:
(1) admissions tax revenue received by the county under IC 4-33-12-6(d)(2); and
(2) supplemental distributions received under ~~IC 4-33-13-5(g);~~ **IC 4-33-13-5;**
to the eligible municipalities.

(b) The amount that shall be distributed by the county to each eligible municipality under subsection

(a) is based on the eligible municipality's proportionate share of the total population of all eligible municipalities. The most current certified census information available shall be used to determine an eligible municipality's proportionate share under this subsection. The determination of proportionate shares under this subsection shall be modified under the following conditions:

(1) The certification from any decennial census completed by the United States Bureau of the Census.

(2) Submission by one (1) or more eligible municipalities of a certified special census commissioned by an eligible municipality and performed by the United States Bureau of the Census.

(c) If proportionate shares are modified under subsection (b), distribution to eligible municipalities shall change with the:

(1) payments beginning April 1 of the year following the certification of a special census under subsection (b)(2); and

(2) the next quarterly payment following the certification of a decennial census under subsection (b)(1).

SECTION 70. IC 4-33-12.5-7, AS ADDED BY P.L.214-2005, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 7. The county shall make payments under this chapter directly to each eligible municipality. The county shall make payments to the eligible municipalities not more than thirty (30) days after the county receives the quarterly distribution of admission tax revenue under IC 4-33-12-6 or the supplemental distributions received under ~~IC 4-33-13-5(g)~~ **IC 4-33-13-5** from the state.

SECTION 71. IC 4-33-13-5, AS AMENDED BY P.L.119-2012, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: 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 state general fund. In each state fiscal year, 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 state general 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 remitted by the operating agent under this chapter as follows:

(1) Thirty-seven and one-half percent (37.5%) shall be paid to the state general fund.

(2) Nineteen percent (19%) 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 state general fund.

(3) Eight percent (8%) shall be paid to the Orange County development commission established under IC 36-7-11.5.

(4) Sixteen percent (16%) shall be paid in equal amounts to each town that is located in the county in which the riverboat is located and contains a historic hotel. The following apply to taxes received by a town under this subdivision:

(A) At least twenty-five percent (25%) of the taxes must be transferred to the school corporation in which the town is located.

(B) At least twelve and five-tenths percent (12.5%) of the taxes imposed on adjusted gross receipts received after June 30, 2010, must be transferred to the Orange County development commission established by IC 36-7-11.5-3.5.

(5) Nine percent (9%) shall be paid to the county treasurer of the county in which the riverboat is located. The county treasurer shall distribute the money received under this subdivision as follows:

(A) Twenty-two and twenty-five hundredths percent (22.25%) shall be quarterly distributed to the county treasurer of a county having a population of more than forty thousand (40,000) but less than forty-two thousand (42,000) 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-two and twenty-five hundredths percent (22.25%) 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) Fifty-five and five-tenths percent (55.5%) shall be retained by the county in which the riverboat is located for appropriation by the county fiscal body after receiving a recommendation from the county executive.

(6) Five percent (5%) shall be paid to a town having a population of more than two thousand (2,000) but less than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand five hundred (19,500) but less than twenty thousand (20,000). At least forty percent (40%) of the taxes received by a town under this subdivision must be transferred to the school corporation in which the town is located.

(7) Five percent (5%) shall be paid to 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 five hundred (19,500) but less than twenty thousand (20,000). At least forty percent (40%) of the taxes received by a town under this subdivision must be transferred to the school corporation in which the town is located.

(8) Five-tenths percent (0.5%) of the taxes imposed on adjusted gross receipts received after June 30, 2010, shall be paid to the Indiana economic development corporation established by IC 5-28-3-1.

(c) For each city and county receiving money under subsection (a)(2), 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, the treasurer of state shall pay that part

of the riverboat wagering taxes that:

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

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

to the state general 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 state general 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 4-32.2-7-7.

(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 state general 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 state general fund from the transfers under subsection (a)(3) for the state fiscal year.

(e) Before August 15 of each year, 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 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 each year, 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 state general fund. Except as provided in subsection (i) **or (j),** the amount of an entity's supplemental distribution is equal to:

(1) the entity's base year revenue (as determined under IC 4-33-12-6); 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 (e) 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.

(i) This subsection applies only to the Indiana horse racing commission. For each state fiscal year the amount of the Indiana horse racing commission's supplemental distribution under subsection (g) must be reduced by the amount required to comply with IC 4-33-12-7(a).

(j) This subsection applies to a supplemental distribution made after June 30, 2013. The maximum amount of money that may be distributed under subsection (g) in a state fiscal year is forty-eight million dollars ($48,000,000). If the total amount determined under subsection (g) exceeds forty-eight million dollars ($48,000,000), the amount distributed to an entity under subsection (g) must be reduced according to the ratio that the amount distributed to the entity under IC 4-33-12-6 bears to the total amount distributed under IC 4-33-12-6 to all entities receiving a supplemental distribution.

SECTION 72. IC 4-35-2-2, AS ADDED BY P.L.233-2007, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 2. "Adjusted gross receipts" means:

(1) the total of all cash and property (including checks received by a licensee, whether collected or not) received by a licensee from gambling games, **including amounts that are distributed by a licensee under IC 4-35-7-12;** minus

(2) the total of:

(A) all cash paid out to patrons as winnings for gambling games; and

(B) uncollectible gambling game receivables, not to exceed the lesser of:

(i) a reasonable provision for uncollectible patron checks received from gambling games; or

(ii) two percent (2%) of the total of all sums, including checks, whether collected or not, less the amount paid out to patrons as winnings for gambling games.

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

SECTION 73. IC 4-35-8-1, AS AMENDED BY P.L.172-2011, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 1. (a) A graduated slot machine wagering tax is imposed as follows ~~on one hundred percent (100%) of the adjusted gross receipts received before July 1, 2012, and~~ on ninety-nine percent (99%) of the adjusted gross receipts received after June 30, 2012, **and before July 1, 2013, and on ninety-one and five-tenths percent (91.5%) of the adjusted gross receipts received after June 30, 2013,** from wagering on gambling games authorized by this article:

(1) Twenty-five percent (25%) of the first one hundred million dollars ($100,000,000) of adjusted gross receipts received during the period beginning July 1 of each year and ending June 30 of the following year.

(2) Thirty percent (30%) of the adjusted gross receipts in excess of one hundred million dollars ($100,000,000) but not exceeding two hundred million dollars ($200,000,000) received during the period beginning July 1 of each year and ending June 30 of the following year.

(3) Thirty-five percent (35%) of the adjusted gross receipts in excess of two hundred million dollars ($200,000,000) received during the period beginning July 1 of each year and ending June 30 of the following year.

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

(c) The department may require payment under this section to be made by electronic funds transfer (as defined in IC 4-8.1-2-7(f)).

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

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

SECTION 74. IC 5-2-1-9, AS AMENDED BY HEA 1044-2013, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 9. (a) The board shall adopt in accordance with IC 4-22-2 all necessary rules to carry out the provisions of this chapter. The rules, which shall be adopted only after necessary and proper investigation and inquiry by the board, shall include the establishment of the following:

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

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

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

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

(5) Minimum qualifications for instructors at approved law enforcement training schools.

(6) Minimum basic training requirements which law enforcement officers appointed to probationary terms shall complete before being eligible for continued or permanent employment.

(7) Minimum basic training requirements which law enforcement officers appointed on other than a permanent basis shall complete in order to be eligible for continued employment or permanent appointment.

(8) Minimum basic training requirements which law enforcement officers appointed on a permanent basis shall complete in order to be eligible for continued employment.

(9) Minimum basic training requirements for each person accepted for training at a law enforcement training school or academy that include six (6) hours of training in interacting with:

(A) persons with autism, mental illness, addictive disorders, mental retardation, and developmental disabilities;

(B) missing endangered adults (as defined in IC 12-7-2-131.3); and

(C) persons with Alzheimer's disease or related senile dementia;

to be provided by persons approved by the secretary of family and social services and the board.

(10) Minimum standards for a course of study on human and sexual trafficking that must be required for each person accepted for training at a law enforcement training school or academy and for inservice training programs for law enforcement officers. The course must cover the following topics:

(A) Examination of the human and sexual trafficking laws (IC 35-42-3.5).

(B) Identification of human and sexual trafficking.

(C) Communicating with traumatized persons.

(D) Therapeutically appropriate investigative techniques.

(E) Collaboration with federal law enforcement officials.

(F) Rights of and protections afforded to victims.

(G) Providing documentation that satisfies the Declaration of Law Enforcement Officer for

Victim of Trafficking in Persons (Form I-914, Supplement B) requirements established under federal law.

(H) The availability of community resources to assist human and sexual trafficking victims.

(b) A law enforcement officer appointed after July 5, 1972, and before July 1, 1993, may not enforce the laws or ordinances of the state or any political subdivision unless the officer has, within one (1) year from the date of appointment, successfully completed the minimum basic training requirements established under this chapter by the board. If a person fails to successfully complete the basic training requirements within one (1) year from the date of employment, the officer may not perform any of the duties of a law enforcement officer involving control or direction of members of the public or exercising the power of arrest until the officer has successfully completed the training requirements. This subsection does not apply to any law enforcement officer appointed before July 6, 1972, or after June 30, 1993.

(c) Military leave or other authorized leave of absence from law enforcement duty during the first year of employment after July 6, 1972, shall toll the running of the first year, which shall be calculated by the aggregate of the time before and after the leave, for the purposes of this chapter.

(d) Except as provided in subsections (e), (l), (r), and (s), a law enforcement officer appointed to a law enforcement department or agency after June 30, 1993, may not:

(1) make an arrest;

(2) conduct a search or a seizure of a person or property; or

(3) carry a firearm;

unless the law enforcement officer successfully completes, at a board certified law enforcement academy or at a law enforcement training center under section 10.5 or 15.2 of this chapter, the basic training requirements established by the board under this chapter.

(e) This subsection does not apply to:

(1) a gaming agent employed as a law enforcement officer by the Indiana gaming commission; or

(2) an:

(A) attorney; or

(B) investigator;

designated by the securities commissioner as a police officer of the state under ~~IC 23-19-6-1(i).~~ **IC 23-19-6-1(k).**

Before a law enforcement officer appointed after June 30, 1993, completes the basic training requirements, the law enforcement officer may exercise the police powers described in subsection (d) if the officer successfully completes the pre-basic course established in subsection (f). Successful completion of the pre-basic course authorizes a law enforcement officer to exercise the police powers described in subsection (d) for one (1) year after the date the law enforcement officer is appointed.

(f) The board shall adopt rules under IC 4-22-2 to establish a pre-basic course for the purpose of training:

(1) law enforcement officers;

(2) police reserve officers (as described in IC 36-8-3-20); and

(3) conservation reserve officers (as described in IC 14-9-8-27);

regarding the subjects of arrest, search and seizure, the lawful use of force, interacting with individuals with autism, and the operation of an emergency vehicle. The pre-basic course must be offered on a periodic basis throughout the year at regional sites statewide. The pre-basic course must consist of at least forty (40) hours of course work. The board may prepare the classroom part of the pre-basic course using available technology in conjunction with live instruction. The board shall provide the course material, the instructors, and the facilities at the regional sites throughout the state that are used for the pre-basic course. In addition, the board may certify pre-basic courses that may be conducted by other public or private training entities, including postsecondary educational institutions.

(g) The board shall adopt rules under IC 4-22-2 to establish a mandatory inservice training program for police officers. After June 30, 1993, a law enforcement officer who has satisfactorily completed basic

training and has been appointed to a law enforcement department or agency on either a full-time or part-time basis is not eligible for continued employment unless the officer satisfactorily completes the mandatory inservice training requirements established by rules adopted by the board. Inservice training must include training in interacting with persons with mental illness, addictive disorders, mental retardation, autism, developmental disabilities, and Alzheimer's disease or related senile dementia, to be provided by persons approved by the secretary of family and social services and the board, and training concerning human and sexual trafficking and high risk missing persons (as defined in IC 5-2-17-1). The board may approve courses offered by other public or private training entities, including postsecondary educational institutions, as necessary in order to ensure the availability of an adequate number of inservice training programs. The board may waive an officer's inservice training requirements if the board determines that the officer's reason for lacking the required amount of inservice training hours is due to either of the following:

(1) An emergency situation.

(2) The unavailability of courses.

(h) The board shall also adopt rules establishing a town marshal basic training program, subject to the following:

(1) The program must require fewer hours of instruction and class attendance and fewer courses of study than are required for the mandated basic training program.

(2) Certain parts of the course materials may be studied by a candidate at the candidate's home in order to fulfill requirements of the program.

(3) Law enforcement officers successfully completing the requirements of the program are eligible for appointment only in towns employing the town marshal system (IC 36-5-7) and having not more than one (1) marshal and two (2) deputies.

(4) The limitation imposed by subdivision (3) does not apply to an officer who has successfully completed the mandated basic training program.

(5) The time limitations imposed by subsections (b) and (c) for completing the training are also applicable to the town marshal basic training program.

(6) The program must require training in interacting with individuals with autism.

(i) The board shall adopt rules under IC 4-22-2 to establish an executive training program. The executive training program must include training in the following areas:

(1) Liability.

(2) Media relations.

(3) Accounting and administration.

(4) Discipline.

(5) Department policy making.

(6) Lawful use of force.

(7) Department programs.

(8) Emergency vehicle operation.

(9) Cultural diversity.

(j) A police chief shall apply for admission to the executive training program within two (2) months of the date the police chief initially takes office. A police chief must successfully complete the executive training program within six (6) months of the date the police chief initially takes office. However, if space in the executive training program is not available at a time that will allow completion of the executive training program within six (6) months of the date the police chief initially takes office, the police chief must successfully complete the next available executive training program that is offered after the police chief initially takes office.

(k) A police chief who fails to comply with subsection (j) may not continue to serve as the police chief until completion of the executive training program. For the purposes of this subsection and subsection (j), "police chief" refers to:

(1) the police chief of any city;
(2) the police chief of any town having a metropolitan police department; and
(3) the chief of a consolidated law enforcement department established under IC 36-3-1-5.1.

A town marshal is not considered to be a police chief for these purposes, but a town marshal may enroll in the executive training program.

(l) A fire investigator in the division of fire and building safety appointed after December 31, 1993, is required to comply with the basic training standards established under this chapter.

(m) The board shall adopt rules under IC 4-22-2 to establish a program to certify handgun safety courses, including courses offered in the private sector, that meet standards approved by the board for training probation officers in handgun safety as required by IC 11-13-1-3.5(3).

(n) The board shall adopt rules under IC 4-22-2 to establish a refresher course for an officer who:
(1) is hired by an Indiana law enforcement department or agency as a law enforcement officer;
(2) has not been employed as a law enforcement officer for at least two (2) years and less than six (6) years before the officer is hired under subdivision (1) due to the officer's resignation or retirement; and
(3) completed at any time a basic training course certified by the board before the officer is hired under subdivision (1).

(o) The board shall adopt rules under IC 4-22-2 to establish a refresher course for an officer who:
(1) is hired by an Indiana law enforcement department or agency as a law enforcement officer;
(2) has not been employed as a law enforcement officer for at least six (6) years and less than ten (10) years before the officer is hired under subdivision (1) due to the officer's resignation or retirement;
(3) is hired under subdivision (1) in an upper level policymaking position; and
(4) completed at any time a basic training course certified by the board before the officer is hired under subdivision (1).

A refresher course established under this subsection may not exceed one hundred twenty (120) hours of course work. All credit hours received for successfully completing the police chief executive training program under subsection (i) shall be applied toward the refresher course credit hour requirements.

(p) Subject to subsection (q), an officer to whom subsection (n) or (o) applies must successfully complete the refresher course described in subsection (n) or (o) not later than six (6) months after the officer's date of hire, or the officer loses the officer's powers of:
(1) arrest;
(2) search; and
(3) seizure.

(q) A law enforcement officer who has worked as a law enforcement officer for less than twenty-five (25) years before being hired under subsection (n)(1) or (o)(1) is not eligible to attend the refresher course described in subsection (n) or (o) and must repeat the full basic training course to regain law enforcement powers. However, a law enforcement officer who has worked as a law enforcement officer for at least twenty-five (25) years before being hired under subsection (n)(1) or (o)(1) and who otherwise satisfies the requirements of subsection (n) or (o) is not required to repeat the full basic training course to regain law enforcement power but shall attend the refresher course described in subsection (n) or (o) and the pre-basic training course established under subsection (f).

(r) This subsection applies only to a gaming agent employed as a law enforcement officer by the Indiana gaming commission. A gaming agent appointed after June 30, 2005, may exercise the police powers described in subsection (d) if:
(1) the agent successfully completes the pre-basic course established in subsection (f); and
(2) the agent successfully completes any other training courses established by the Indiana gaming commission in conjunction with the board.

(s) This subsection applies only to a securities enforcement officer designated as a law enforcement

officer by the securities commissioner. A securities enforcement officer may exercise the police powers described in subsection (d) if:

(1) the securities enforcement officer successfully completes the pre-basic course established in subsection (f); and

(2) the securities enforcement officer successfully completes any other training courses established by the securities commissioner in conjunction with the board.

(t) As used in this section, "upper level policymaking position" refers to the following:

(1) If the authorized size of the department or town marshal system is not more than ten (10) members, the term refers to the position held by the police chief or town marshal.

(2) If the authorized size of the department or town marshal system is more than ten (10) members but less than fifty-one (51) members, the term refers to:

(A) the position held by the police chief or town marshal; and

(B) each position held by the members of the police department or town marshal system in the next rank and pay grade immediately below the police chief or town marshal.

(3) If the authorized size of the department or town marshal system is more than fifty (50) members, the term refers to:

(A) the position held by the police chief or town marshal; and

(B) each position held by the members of the police department or town marshal system in the next two (2) ranks and pay grades immediately below the police chief or town marshal.

(u) This subsection applies only to a correctional police officer employed by the department of correction. A correctional police officer may exercise the police powers described in subsection (d) if:

(1) the officer successfully completes the pre-basic course described in subsection (f); and

(2) the officer successfully completes any other training courses established by the department of correction in conjunction with the board.

SECTION 75. IC 5-2-10.1-10, AS AMENDED BY P.L.2-2006, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 10. (a) A county may establish a county school safety commission.

(b) The members of the commission are as follows:

(1) The school safety specialist for each school corporation located in whole or in part in the county.

(2) The judge of the court having juvenile jurisdiction in the county or the judge's designee.

(3) The sheriff of the county or the sheriff's designee.

(4) The chief officer of every other law enforcement agency in the county, or the chief officer's designee.

(5) A representative of the juvenile probation system, appointed by the judge described under subdivision (2).

(6) Representatives of community agencies that work with children within the county.

(7) A representative of the Indiana state police district that serves the county.

(8) A representative of the Prosecuting Attorneys Council of Indiana who specializes in the prosecution of juveniles.

(9) Other appropriate individuals selected by the commission.

(c) If a commission is established, the school safety specialist of the school corporation having the largest ADM (as defined in IC 20-18-2-2), **as determined in the fall count of ADM in the school year ending in the current calendar year,** in the county shall convene the initial meeting of the commission.

(d) The members shall annually elect a chairperson.

(e) A commission shall perform the following duties:

(1) Perform a cumulative analysis of school safety needs within the county.

(2) Coordinate and make recommendations for the following:

(A) Prevention of juvenile offenses and improving the reporting of juvenile offenses within the schools.

(B) Proposals for identifying and assessing children who are at high risk of becoming juvenile offenders.
(C) Methods to meet the educational needs of children who have been detained as juvenile offenders.
(D) Methods to improve communications among agencies that work with children.
(E) Methods to improve security and emergency preparedness.
(F) Additional equipment or personnel that are necessary to carry out safety plans.
(G) Any other topic the commission considers necessary to improve school safety within the school corporations within the commission's jurisdiction.
(3) Provide assistance to the school safety specialists on the commission in developing and requesting grants for safety plans.
(4) Provide assistance to the school safety specialists on the commission and the participating school corporations in developing and requesting grants for school safe haven programs under section 7 of this chapter.
(5) Assist each participating school corporation in carrying out the school corporation's safety plans.
(f) The affirmative votes of a majority of the voting members of the commission are required for the commission to take action on a measure.
SECTION 76. IC 5-10-8.5-9, AS ADDED BY P.L.44-2007, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 9. (a) As used in this chapter, "retired participant" means:
(1) A participant who is eligible for and has applied to receive a normal, unreduced or disability retirement benefit (as determined by the Indiana public employee retirement fund of which the participant is a member) on the participant's last day of service.
(2) A participant who has completed at least ten (10) years of service as an elected or appointed officer on the participant's last day of service as an elected or appointed officer. **For purposes of determining whether a participant has completed at least ten (10) years of service on the participant's last day of service for purposes of this subdivision, any partial year of service completed by the participant in the year in which the participant is appointed to fill a vacant elected office shall be considered to be one (1) complete year of service.**
(b) For a participant described in subsection (a)(2) who has service with more than one (1) employer, the participant's years of service is the sum of all of the participant's years of service.
SECTION 77. IC 5-10.2-2-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2014]: Sec. 7. (a) **This subsection applies to a member who retires or dies before January 1, 2014.** When a member retires or dies in service under conditions which entitle a beneficiary or spouse to survivor benefits and if the member or survivor chooses to receive an annuity from the fund, the annuity savings account shall be charged with the amount credited to ~~him~~ **the member** in the account. This amount shall be credited to the retirement allowance account, and the annuity shall be paid from this account.
(b) When:
(1) a member of the public employees' retirement fund who is an employee of a participating political subdivision; or
(2) a member of the Indiana state teachers' retirement fund who is covered by the 1996 account and is an employee of a school corporation or other institution;
retires or dies in service under conditions which entitle a beneficiary or spouse to survivor benefits, the political subdivision's, school corporation's, or other institution's account in the retirement allowance account shall be charged with an amount equal to the actuarial reserve of the member's retirement pension or the survivor benefit. The amount charged shall be credited to the retirement allowance account, and the retirement pension or survivor benefit shall be paid from this account.
SECTION 78. IC 5-10.2-2-8, AS AMENDED BY P.L.115-2008, SECTION 5, IS AMENDED TO

READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2014]: Sec. 8. (a) For a member who retires after June 30, 2008, with service in more than one (1) retirement fund, the member may choose at the time the member files an application for retirement benefits whether to retire from the Indiana state teachers' retirement fund or from the public employees' retirement fund. The fund that the member chooses shall pay the retirement benefits to the member. The pension shall be computed and vested status shall be determined on the basis of combined creditable service. **For a member who retires before January 1, 2014,** the annuity, if any, shall be computed on the basis of amounts credited to the member in annuity savings accounts in all funds minus any amount withdrawn by the member under IC 5-10.2-3-6.5. The funds in which the employee was a member shall pay to the fund responsible for payment of benefits:

(1) the amount credited to the member in the annuity savings account; and

(2) the proportionate actuarial cost of the member's pension.

(b) A member of the Indiana state teachers' retirement fund who has served as a member of the general assembly and who retires after June 30, 1980, may choose at the member's retirement date whether to retire from the Indiana state teachers' retirement fund or from the public employees' retirement fund. If the member chooses to retire from the public employees' retirement fund, that fund is responsible for the payment of benefits provided in IC 5-10.2-4, and the Indiana state teachers' retirement fund shall pay to the public employees' retirement fund:

(1) the amount credited to that member in the annuity savings account in the Indiana state teachers' retirement fund; and

(2) the proportionate actuarial cost of the member's pension.

SECTION 79. IC 5-10.2-3-7.5, AS AMENDED BY P.L.99-2010, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2014]: Sec. 7.5. (a) This subsection applies to members who die after March 31, 1990, and before January 1, 2007. A surviving dependent or surviving spouse of a member who dies in service is entitled to a survivor benefit if:

(1) the member has:

(A) at least ten (10) years of creditable service, if the member died in service as a member of the general assembly;

(B) at least fifteen (15) years of creditable service, if the member died in service in any other position covered by the retirement fund; or

(C) at least ten (10) years but not more than fourteen (14) years of creditable service if the member:

(i) was at least sixty-five (65) years of age; and

(ii) died in service in a position covered by the teachers' retirement fund; and

(2) the surviving dependent or surviving spouse qualifies for a survivor benefit under subsection (c) or (d).

(b) This subsection applies to members who die after December 31, 2006. A surviving dependent or surviving spouse of a member who dies is entitled to a survivor benefit if:

(1) the member has:

(A) at least ten (10) years of creditable service, if the member died in service as a member of the general assembly;

(B) at least ten (10) years but not more than fourteen (14) years of creditable service if the member was at least sixty-five (65) years of age and died in service in a position covered by the fund (other than a position described in clause (A)); or

(C) at least fifteen (15) years of creditable service, if the member died in service in a position covered by the fund (other than a position described in clause (A)); and

(2) the surviving dependent or surviving spouse qualifies for a survivor benefit under subsection (c) or (d).

(c) If a member described in subsection (a) or (b) dies with a surviving spouse who was married to the member for at least two (2) years, the surviving spouse is entitled to a survivor benefit equal to the

monthly pension benefit that would have been payable to the spouse under the joint and survivor option of IC 5-10.2-4-7 upon the member's death following retirement at:

(1) fifty (50) years of age; or

(2) the actual date of death;

whichever is later. However, benefits payable under this subsection are subject to subsections ~~(f)~~ **(g)** and ~~(h).~~ **(i).**

(d) If a member described in subsection (a) or (b) dies without a surviving spouse who was married to the member for at least two (2) years, but with a surviving dependent, the surviving dependent is entitled to a survivor benefit in a monthly amount equal to the actuarial equivalent of the monthly pension benefit that would have been payable to the spouse (assuming the spouse would have had the same birth date as the member) under the joint and survivor option of IC 5-10.2-4-7 upon the member's death following retirement at:

(1) fifty (50) years of age; or

(2) the actual date of death;

whichever is later. If there are two (2) or more surviving dependents, the actuarial equivalent of the benefit described in this subsection shall be calculated and, considering the dependents' attained ages, an equal dollar amount shall be determined as the monthly pension benefit to be paid to each dependent. Monthly pension benefits under this subsection are payable until the date the dependent becomes eighteen (18) years of age or dies, whichever is earlier. However, if a dependent has a permanent and total disability (using disability guidelines established by the Social Security Administration) at the date the dependent reaches eighteen (18) years of age, the monthly pension benefit is payable until the date the dependent no longer has a disability (using disability guidelines established by the Social Security Administration) or dies, whichever is earlier. Benefits payable under this subsection are subject to subsections ~~(f)~~ **(g)** and ~~(h).~~ **(i).**

(e) This subsection applies **to a member who dies before January 1, 2014,** if ~~a~~ **the** member did not designate a beneficiary or the designated beneficiary does not survive the member. Except as provided in subsections ~~(f)~~ **(g)** and ~~(i),~~ **(j),** the surviving spouse or surviving dependent of a member who is entitled to a survivor benefit under subsection (c) or (d) or section 7.6 of this chapter may elect to receive a lump sum payment of the total amount credited to the member in the member's annuity savings account or an amount equal to the member's federal income tax basis in the member's annuity savings account as of December 31, 1986. A surviving spouse or surviving dependent who makes such an election is not entitled to an annuity as part of the survivor benefit under subsection (c) or (d) or section 7.6 of this chapter to the extent of the lump sum payment.

(f) This subsection applies to a member who dies after December 31, 2013, if the member did not designate a beneficiary or the designated beneficiary does not survive the member. Except as provided in subsections (g) and (j), the surviving spouse or surviving dependent of a member who is entitled to a survivor benefit under subsection (c) or (d) or section 7.6 of this chapter shall receive the amount credited to the member in the member's annuity savings account. The amount payable shall be paid in a lump sum or a series of monthly installment payments over sixty (60) months, as elected by the recipient.

~~(f)~~ **(g)** If a member is survived by a designated beneficiary, the following provisions apply:

(1) If the member is survived by one (1) designated beneficiary, the designated beneficiary is entitled to receive in a lump sum or over a period of up to five (5) years, as elected by the designated beneficiary, the amount credited to the member's annuity savings account, less any disability benefits paid to the member.

(2) If the member is survived by two (2) or more designated beneficiaries, the designated beneficiaries are entitled to receive in a lump sum or over a period of up to five (5) years, as elected by the designated beneficiary, equal shares of the amount credited to the member's annuity savings account unless the member has allocated the shares among the designated beneficiaries in a manner

authorized under IC 5-10.3-8-15 or IC 5-10.4-4-10, less any disability benefits paid to the member.

(3) **This subdivision applies to a member who dies before January 1, 2014.** If the member is also survived by a spouse or dependent who is entitled to a survivor benefit under subsection (c) or (d) or section 7.6 of this chapter, the surviving spouse or dependent is not entitled to an annuity or a lump sum payment as part of the survivor benefit, unless the surviving spouse or dependent is also a designated beneficiary.

(4) This subdivision applies to a member who dies after December 31, 2013. If the member is also survived by a spouse or dependent who is entitled to a survivor benefit under subsection (c) or (d) or section 7.6 of this chapter, the surviving spouse or dependent is not entitled to payment of the amount credited to the member in the member's annuity savings account as part of the survivor benefit, unless the surviving spouse or dependent is also a designated beneficiary.

~~(g)~~ **(h)** If a member dies:

(1) without a surviving spouse or surviving dependent who qualifies for survivor benefits under subsection (c) or (d) or section 7.6 of this chapter; and

(2) without a surviving designated beneficiary who is entitled to receive the member's annuity savings account under subsection ~~(f);~~ **(g);**

the amount credited to the member's annuity savings account, less any disability benefits paid to the member, shall be paid to the member's estate.

~~(h)~~ **(i)** Survivor benefits payable under this section or section 7.6 of this chapter shall be reduced by any disability benefits paid to the member.

~~(i)~~ **(j)** Additional annuity contributions, if any, shall not be included in determining survivor benefits under subsection (c) or (d) or section 7.6 of this chapter, but are payable in a lump sum payment to:

(1) the member's surviving designated beneficiary; or

(2) the member's estate, if there is no surviving designated beneficiary.

~~(j)~~ **(k)** Survivor benefits provided under this section or section 7.6 of this chapter are subject to IC 5-10.2-2-1.5.

~~(k)~~ **(l)** A benefit specified in this section shall be forfeited and credited to the member's retirement fund if no person entitled to the benefit claims it within three (3) years after the member's death. However, the board may honor a claim that is made more than three (3) years after the member's death if the board finds, in the board's discretion, that:

(1) the delay in making the claim was reasonable or other extenuating circumstances justify the award of the benefit to the claimant; and

(2) paying the claim would not cause a violation of the applicable Internal Revenue Service rules.

SECTION 80. IC 5-10.2-3-7.6, AS AMENDED BY P.L.113-2009, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2014]: Sec. 7.6. (a) This section applies to the surviving spouse and the surviving dependent of a member who:

(1) dies after June 30, 1996;

(2) has at least thirty (30) years of creditable service; and

(3) dies in service in a position covered by the fund.

(b) If a member described in subsection (a) dies with a surviving spouse who was married to the member for at least two (2) years, the board may determine that the surviving spouse is entitled to a survivor benefit equal to the monthly benefit that would have been payable to the spouse under the joint and survivor option of IC 5-10.2-4-7 upon the member's death following retirement at:

(1) fifty-five (55) years of age; or

(2) the actual date of death;

whichever is later. However, benefits payable under this section are subject to section ~~7.5(f)~~ **7.5(g)** and ~~7.5(h)~~ **7.5(i)** of this chapter.

(c) If a member described in subsection (a) dies without a surviving spouse who was married to the

member for at least two (2) years, but with a surviving dependent, the board may determine that the surviving dependent is entitled to a survivor benefit in a monthly amount equal to the actuarial equivalent of the monthly benefit that would have been payable to the spouse (assuming the spouse would have had the same birth date as the member) under the joint and survivor option of IC 5-10.2-4-7 upon the member's death following retirement at:

(1) fifty-five (55) years of age; or

(2) the actual date of death;

whichever is later. If there are two (2) or more surviving dependents, the actuarial equivalent of the benefit described in this subsection shall be calculated and, considering the dependents' attained ages, an equal dollar amount shall be determined as the monthly benefit to be paid to each dependent. Monthly benefits under this subsection are payable until the date the dependent becomes eighteen (18) years of age or dies, whichever is earlier. However, if a dependent has a permanent and total disability (using disability guidelines established by the Social Security Administration) on the date the dependent becomes eighteen (18) years of age, the monthly benefit is payable until the date the dependent no longer has a disability (using disability guidelines established by the Social Security Administration) or dies, whichever is earlier. Benefits payable under this section are subject to section ~~7.5(f)~~ **7.5(g)** and ~~7.5(h)~~ **7.5(i)** of this chapter.

SECTION 81. IC 5-10.2-4-1.3, AS AMENDED BY P.L.35-2012, SECTION 41, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2014]: Sec. 1.3. (a) A member who files an application for retirement benefits must provide the following information on the application form:

(1) The retirement date chosen by the member.

(2) **This subdivision applies to a member who retires before January 1, 2014.** If the member has not elected to withdraw the entire amount in the member's annuity savings account under IC 5-10.2-3-6.5, whether the member chooses:

(A) an annuity purchased from the amount credited to the member in the annuity savings account;

(B) a total or partial distribution from the annuity savings account under section ~~2(b)~~ **2(c)** this chapter; or

(C) a deferral of the payment of any benefits from the annuity savings account under section ~~2(c)~~ **2(d)** of this chapter.

(3) This subdivision applies to a member who retires after December 31, 2013. If the member has not elected to withdraw the entire amount in the member's annuity savings account under IC 5-10.2-3-6.5, whether the member chooses:

(A) a total distribution from the annuity savings account under section 2.5(c)(1) of this chapter; or

(B) a deferral of the payment of any benefits from the annuity savings account under section 2.5(c)(2) of this chapter.

~~(3)~~ **(4)** The name of the beneficiary or beneficiaries designated by the member with respect to the pension portion of the member's retirement benefit.

~~(4)~~ **(5)** The name of the beneficiary or beneficiaries designated by the member with respect to the annuity portion of the member's retirement benefit, unless the member chooses total distribution under section 2 of this chapter.

(b) A member's designation of beneficiaries in the application for retirement benefits supersedes any previous designation of beneficiaries by the member.

(c) A member must indicate the name, address, date of birth, and Social Security number of each designated beneficiary and provide proof of birth of each designated beneficiary.

(d) The board shall adopt a form for the application for retirement benefits that meets the requirements of this section.

SECTION 82. IC 5-10.2-4-2, AS AMENDED BY P.L.35-2012, SECTION 42, IS AMENDED TO

READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2014]: Sec. 2. **(a) This section applies to a member who retires before January 1, 2014.**

~~(a)~~ **(b)** Unless a member elects otherwise under this section or has elected to withdraw the member's annuity savings account under IC 5-10.2-3-6.5, the retirement benefit for each member consists of the sum of a pension provided by employer contributions plus an annuity provided by the amount credited to the member in the annuity savings account. If a member has elected to withdraw the member's annuity savings account under IC 5-10.2-3-6.5, the member's retirement benefit is equal to the pension provided by employer contributions, unless the member has transferred the creditable service earned under the public employees' retirement fund to another governmental retirement plan under IC 5-10.2-3-1(i). Regardless of a member's election under this section, contributions totaling not more than one thousand dollars ($1,000) that are posted to a member's annuity savings account after the final date on which the member's retirement benefit is processed may be distributed to the member as a lump sum payment.

~~(b)~~ **(c)** If a member has not elected to withdraw the entire amount in the member's annuity savings account under IC 5-10.2-3-6.5, a member may choose at retirement or upon a disability retirement to receive a distribution of:

(1) the entire amount credited to the member in the annuity savings account; or

(2) an amount equal to the member's federal income tax basis in the member's annuity savings account balance as it existed on December 31, 1986.

If the member chooses to receive the distribution under subdivision (1), the member is not entitled to an annuity as part of the retirement or disability benefit. If the member chooses to receive the distribution under subdivision (2), the member is entitled to an annuity purchasable by the amount remaining in the member's annuity savings account after the payment under subdivision (2).

~~(c)~~ **(d)** Instead of choosing to receive the benefits described in subsection ~~(a)~~ **(b)** or ~~(b),~~ **(c),** if a member has not elected to withdraw the entire amount in the member's annuity savings account under IC 5-10.2-3-6.5, a member may choose upon retirement or upon disability retirement to begin receiving a pension provided by employer contributions and to defer receiving in any form the member's annuity savings account. If a member chooses this option, the member:

(1) is not entitled to an annuity as part of the member's retirement or disability benefit, and the member's annuity savings account will continue to be invested according to the member's direction under IC 5-10.2-2-3; and

(2) may later choose, as of the first day of a month, or an alternate date established by the rules of the board, to receive a distribution of:

(A) the entire amount credited to the member in the annuity savings account; or

(B) an amount equal to the member's federal income tax basis in the member's annuity savings account balance as it existed on December 31, 1986.

If the member chooses to receive the distribution under subdivision (2)(A), the member is not entitled to an annuity as part of the member's retirement or disability benefit. If the member chooses to receive the distribution under subdivision (2)(B), the member is entitled to an annuity purchasable by the amount remaining in the member's annuity savings account after the payment under subdivision (2)(B). If the member does not choose to receive a distribution under this subsection, the member is entitled to an annuity purchasable by the entire amount in the member's annuity savings account, and the form of the annuity shall be as described in subsection ~~(d)~~ **(e)** unless the member elects an option described in section 7(b)(1), 7(b)(2), or 7(b)(4) of this chapter. The amount to be paid under this section shall be determined in the manner described in IC 5-10.2-2-3. However, the board may by rule provide for an alternate valuation date.

~~(d)~~ **(e)** Retirement benefits must be distributed in a manner that complies with Section 401(a)(9) of the Internal Revenue Code, as specified in IC 5-10.2-2-1.5.

SECTION 83. IC 5-10.2-4-2.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2014]: **Sec. 2.5. (a) This section applies to a**

member who retires after December 31, 2013.

(b) The retirement benefit for each member consists of the pension provided by employer contributions plus payment of the amount credited to the member in the annuity savings account as provided in this section, unless the member has:

(1) elected to withdraw the member's annuity savings account under IC 5-10.2-3-6.5; or

(2) transferred the creditable service earned under the public employees' retirement fund to another governmental retirement plan under IC 5-10.2-3-1(i).

(c) If a member has not elected to withdraw the entire amount in the member's annuity savings account under IC 5-10.2-3-6.5, a member may choose at retirement or upon a disability retirement to:

(1) receive a distribution of the entire amount credited to the member in the annuity savings account; or

(2) defer receiving distribution of the member's annuity savings account.

(d) If the member chooses to receive a distribution under subsection (c)(1), the member may elect to have the amount paid:

(1) in a lump sum or a series of monthly installment payments over sixty (60) months; or

(2) as a direct rollover to another eligible retirement plan.

(e) If a member chooses to defer receiving a distribution under subsection (c)(2):

(1) the member's annuity savings account will continue to be invested according to the member's direction under IC 5-10.2-2-3; and

(2) the member may later choose, as of the first day of a month, or an alternate date established by the rules of the board, to receive a distribution of the entire amount credited to the member in the annuity savings account paid as the member elects under subsection (d).

If the member does not choose to receive a distribution under this subsection, the member's annuity savings account shall be paid as required by the applicable sections of the Internal Revenue Code and any amendments or regulations for those sections. The amount to be paid under this section shall be determined in the manner described in IC 5-10.2-2-3. However, the board may by rule provide for an alternate valuation date.

(f) Retirement benefits must be distributed in a manner that complies with Section 401(a)(9) of the Internal Revenue Code, as specified in IC 5-10.2-2-1.5.

SECTION 84. IC 5-10.2-4-4, AS AMENDED BY P.L.115-2008, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2014]: Sec. 4. (a) The computation of benefits under this section is subject to IC 5-10.2-2-1.5.

(b) For retirement benefits payable on and after July 1, 1975, for a member retired on and after January 1, 1956, the pension (p) is computed as follows:

STEP ONE: Multiply one and one-tenths percent (1.1%) times the average of the annual compensation (aac) and obtain a product.

STEP TWO: To obtain the pension, multiply the STEP ONE product by the total creditable service (scr) completed by the member on the member's retirement date.

Expressed mathematically:

p = (.011) times (aac) times (scr)

(c) **This subsection applies to a member who retires before January 1, 2014.** Unless the member:

(1) has chosen a lump sum payment under section ~~2(b)~~ **2(c)** of this chapter;

(2) has elected to withdraw the entire amount in the member's annuity savings account under IC 5-10.2-3-6.5; or

(3) elects to defer receiving in any form the member's annuity savings account under section ~~2(c)~~ **2(d)** of this chapter;

the annuity is the amount purchasable on the member's retirement date by the amount credited to the member in the annuity savings account. The amount purchasable is based on actuarial tables adopted by the board under IC 5-10.2-2-10 at an interest rate determined by the board.

SECTION 85. IC 5-10.2-4-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2014]: Sec. 5. **(a)** The retirement benefit (rb) payable on and after July 1, 1975, for a member who retired on and after January 1, 1956, **and before January 1, 2014,** before age sixty-five (65) is the sum of the pension (P), as specified in section 4 of this chapter and computed on the basis of the total creditable service and the average of the annual compensation at retirement, multiplied by a percent (p), plus the annuity (A), if any, purchasable by the amount credited to the member in the annuity savings account. This sum is obtained by the following STEPS:

STEP ONE: From seven hundred eighty (780) months, which equals sixty-five (65) years, subtract the age of the member at ~~his~~ **the member's** retirement date expressed in whole months (retirement age in months) and obtain a remainder (X).

STEP TWO:

(i) If the remainder (X) is less than or equal to sixty (60), then multiply the remainder (X) times one-tenth percent (0.1%) and obtain a product (Y).

(ii) If the remainder (X) is greater than sixty (60), then multiply five-twelfths percent (5/12%) times the difference obtained by subtracting sixty (60) from the remainder (X) and obtain a product. Add to this six percent (6%) and obtain a sum (Y).

STEP THREE: From one hundred percent (100%) subtract the appropriate (Y) and obtain the percent (p).

STEP FOUR: The early retirement benefit equals (p) times (P) plus the annuity (A).

Expressed mathematically:

If "≤" means "less than or equal to" and if ">" means "greater than"; then:

(I) 780 - (retire age in months) = X;

(II) if X ≤ 60, (X) times (0.1%) = Y; or

if X > 60, (5/12%) times (X-60) + 6% = Y

(III) 100% - Y = p

(IV) rb = pP + A

(b) The retirement benefit (rb) payable on and after January 1, 2014, for a member who retires after December 31, 2013, before age sixty-five (65) is the product of the pension (P), as specified in section 4 of this chapter and computed on the basis of the total creditable service and the average of the annual compensation at retirement, multiplied by a percent (p). This product is obtained by the following STEPS:

STEP ONE: From seven hundred eighty (780) months, which equals sixty-five (65) years, subtract the age of the member at the member's retirement date expressed in whole months (retirement age in months) and obtain a remainder (X).

STEP TWO:

(i) If the remainder (X) is less than or equal to sixty (60), then multiply the remainder (X) times one-tenth percent (0.1%) and obtain a product (Y).

(ii) If the remainder (X) is greater than sixty (60), then multiply five-twelfths percent (5/12%) times the difference obtained by subtracting sixty (60) from the remainder (X) and obtain a product. Add to this six percent (6%) and obtain a sum (Y).

STEP THREE: From one hundred percent (100%) subtract the appropriate (Y) and obtain the percent (p).

STEP FOUR: The early retirement benefit equals (p) times (P).

Expressed mathematically:

If "≤" means "less than or equal to" and if ">" means "greater than"; then:

(I) 780 - (retire age in months) = X;

(II) if X ≤ 60, (X) times (0.1%) = Y; or

if X > 60, (5/12%) times (X-60) + 6% = Y

(III) 100% - Y = p

(IV) rb = pP

SECTION 86. IC 5-10.2-4-7, AS AMENDED BY P.L.15-2013, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2014]: Sec. 7. (a) Benefits provided under this section are subject to IC 5-10.2-2-1.5.

(b) A member who retires is entitled to receive monthly retirement benefits, which are guaranteed for five (5) years or until the member's death, whichever is later. A member may select in writing any of the following nonconflicting options for the payment of the member's retirement benefits instead of the five (5) year guaranteed retirement benefit payments. The amount of the optional payments shall be determined under rules of the board and shall be the actuarial equivalent of the benefit payable under sections 4, 5, and 6 of this chapter. A member who **retires before January 1, 2014, and** has elected to withdraw the entire amount in the member's annuity savings account under IC 5-10.2-3-6.5 may not select the cash refund annuity option.

(1) Joint and Survivor Option.

(A) The member receives a decreased retirement benefit during the member's lifetime, and there is a benefit payable after the member's death to a designated beneficiary during the lifetime of the beneficiary, which benefit equals, at the option of the member, either the full decreased retirement benefit or two-thirds (2/3) or one-half (1/2) of that benefit.

(B) If the member dies before retirement, the designated beneficiary may receive only the amount credited to the member in the annuity savings account unless the designated beneficiary is entitled to survivor benefits under IC 5-10.2-3.

(C) If the designated beneficiary dies before the member retires, the selection is automatically canceled and the member may make a new beneficiary election and may elect a different form of benefit under this subsection.

(2) Benefit with No Guarantee. The member receives an increased lifetime retirement benefit without the five (5) year guarantee specified in this subsection.

(3) Integration with Social Security. If the member retires before the age of eligibility for Social Security benefits, in order to provide a level benefit during the member's retirement the member receives an increased retirement benefit until the age of Social Security eligibility and decreased retirement benefits after that age.

(4) **This subdivision applies only to a member who retires before January 1, 2014.** Cash Refund Annuity. The member receives a lifetime annuity purchasable by the amount credited to the member in the annuity savings account, and the member's designated beneficiary receives a refund payment equal to:

(A) the total amount used in computing the annuity at the retirement date; minus

(B) the total annuity payments paid and due to the member before the member's death.

(c) This subsection does not apply to a member of the Indiana state teachers' retirement fund after June 30, 2007, or to a member of the public employees' retirement fund after June 30, 2008. If:

(1) the designated beneficiary dies while the member is receiving benefits; or

(2) the member is receiving benefits, the member marries, either for the first time or following the death of the member's spouse, after the member's first benefit payment is made, and the member's designated beneficiary is not the member's current spouse or the member has not designated a beneficiary;

the member may elect to change the member's designated beneficiary or form of benefit under subsection (b) and to receive an actuarially adjusted and recalculated benefit for the remainder of the member's life or for the remainder of the member's life and the life of the newly designated beneficiary. The member may not elect to change to a five (5) year guaranteed form of benefit. If the member's new election is the joint and survivor option, the member shall indicate whether the designated beneficiary's benefit shall equal, at the option of the member, either the member's full recalculated retirement benefit or two-thirds (2/3) or one-half (1/2) of this benefit. The cost of recalculating the benefit shall be borne by the member and shall be included in the actuarial adjustment.

(d) Except as provided in subsection (c) or section 7.2 of this chapter, a member who files for regular or disability retirement may not change:

(1) the member's retirement option under subsection (b);

(2) the selection of a lump sum payment under section 2 of this chapter; or

(3) the beneficiary designated on the member's application for benefits if the member selects the joint and survivor option under subsection (b)(1);

after the first day of the month in which benefit payments are scheduled to begin. For purposes of this subsection, it is immaterial whether a benefit check has been sent, received, or negotiated.

(e) A member may direct that the member's retirement benefits be paid to a revocable trust that permits the member unrestricted access to the amounts held in the revocable trust. The member's direction is not an assignment or transfer of benefits under IC 5-10.3-8-10 or IC 5-10.4-5-14.5.

(f) The board may adopt a policy to permit annual payment of a member's retirement benefit whenever the amount of the monthly retirement benefit to be paid to the member is not more than five dollars ($5).

SECTION 87. IC 5-10.3-8-14, AS AMENDED BY SEA 499-2013, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 14. (a) Except as provided in subsection (c), this section applies to employees of the state (as defined in IC 5-10.3-7-1(d)) who are:

(1) members of the fund; and

(2) paid by the auditor of state by salary warrants.

(b) Except as provided in subsection (c), this section does not apply to the employees of the state (as defined in IC 5-10.3-7-1(d)) employed by:

(1) a body corporate and politic of the state created by state statute; or

(2) a state educational institution (as defined in IC 21-7-13-32).

(c) The chief executive officer of a body or institution described in subsection (b) may elect to have this section apply to the employees of the state (as defined in IC 5-10.3-7-1(d)) employed by the body or institution by submitting a written notice of the election to the director. An election under this subsection is effective on the later of:

(1) the date the notice of the election is received by the director; or

(2) July 1, 2013.

(d) The board shall adopt provisions to establish a retirement medical benefits account within the fund under Section 401(h) or as a separate fund under another applicable section of the Internal Revenue Code for the purpose of converting unused excess accrued leave to a monetary contribution for an employee of the state to fund on a pretax basis benefits for sickness, accident, hospitalization, and medical expenses for the employee and the spouse and dependents of the employee after the employee's retirement. The state may match all or a portion of an employee's contributions to the retirement medical benefits account established under this section.

(e) The board is the trustee of the account described in subsection (d). 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 retirement benefits provided by the fund.

(f) The board may adopt rules under IC 5-10.5-4-2 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 federal and state law that applies to:

(A) the account described in subsection (d); and

(B) the fund; and

(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.

(g) 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.
(h) The account described in subsection (d) 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.
(i) 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.
(j) To the extent allowed by the Internal Revenue Code, the account described in subsection (d) must include provisions that:
(1) require an employee of the state to convert to a monetary contribution to the account at retirement the balance, but not more than thirty (30) days, of unused vacation leave for which the state would otherwise pay an employee in good standing at separation from service (as determined by state personnel department rule); and
(2) allow the state to contribute to the account on the employee's behalf an amount not to exceed two (2) times the amount of the employee's contribution under subdivision (1).
(k) The account described in subsection (d) must be implemented on July 1, 2014.
SECTION 88. IC 5-10.3-12-26, AS AMENDED BY P.L.66-2013, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2014]: Sec. 26. (a) Subject to the provisions of the Internal Revenue Code applicable to qualified plan distributions, a member who:
(1) terminates service in a covered position; and
(2) does not perform any service in a position covered by the fund for at least thirty (30) days after the date on which the member terminates service;
is entitled to withdraw amounts in the member's account to the extent the member is vested in the account. A member must make a required withdrawal from the member's account not later than the required beginning date under the Internal Revenue Code.
(b) The member may elect to have withdrawals paid as:
(1) a lump sum; **or**
(2) a direct rollover to another eligible retirement plan. ~~or~~
~~(3) if the member has attained normal retirement age, a monthly annuity in accordance with the rules of the board.~~
~~(c) The board may establish a minimum account balance or a minimum monthly payment amount in order for a member to select the monthly annuity option. The board shall establish the forms of annuity by rule, in consultation with the board's actuary. The board shall give members information about these forms of payment and any information required by federal law to accompany such distributions.~~
~~(d)~~ **(c)** Unless otherwise required by federal or state law, the requirements and rules that apply to the distribution of the annuity savings account apply to distributions from a member's account.
SECTION 89. IC 5-10.5-4-2, AS ADDED BY P.L.23-2011, SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2014]: Sec. 2. (a) The board may do any of the following:
(1) Establish and amend rules and regulations:
(A) for the administration and regulation of the fund and the board's affairs; and
(B) to effectuate the powers and purposes of the board;

without adopting a rule under IC 4-22-2.
(2) Make contracts and sue and be sued as the board of trustees of the Indiana public retirement system.
(3) Delegate duties to its employees.
(4) Enter into agreements with one (1) or more insurance companies to provide life, hospitalization, surgical, medical, dental, vision, long term care, or supplemental Medicare insurance, utilizing individual or group insurance policies for retired members of the fund, and, upon authorization of the respective member, deduct premium payments for such policies from the members' retirement benefits and remit the payments to the insurance companies.
(5) Enter into agreements with one (1) or more insurance companies to provide annuities for retired members of the fund, and, upon a member's authorization, transfer the amount credited to the member in the annuity savings account to the insurance companies. **The authority under this subdivision to provide an annuity to a retired member of the public employees' retirement fund or the teachers' retirement fund using the member's annuity savings account is limited to a member who retires before January 1, 2014.**
(6) For the 1977 police officers' and firefighters' pension and disability fund, deduct from benefits paid and remit to the appropriate entities amounts authorized by IC 36-8-8-17.2.
(7) Whenever the fund's membership is sufficiently large for actuarial valuation, establish an employer's contribution rate for all employers, including employers with special benefit provisions for certain employees.
(8) Amortize prior service liability over a period of forty (40) years or less.
(9) Recover payments made under false or fraudulent representation.
(10) Give bond for an employee for the fund's protection.
(11) Receive the state's share of the cost of the pension contribution from the federal government for a member on leave of absence in order to work in a federally supported educational project.
(12) Summon and examine witnesses when adjusting claims.
(13) When adjusting disability claims, require medical examinations by doctors approved or appointed by the board. Not more than two (2) examinations may be conducted in one (1) year.
(14) Conduct investigations to help determine the merit of a claim.
(15) Meet an emergency that may arise in the administration of the board's trust.
(16) Determine other matters regarding the board's trust that are not specified.
(17) Exercise all powers necessary, convenient, or appropriate to carry out and effectuate its public and corporate purposes and to conduct its business.

(b) This subsection does not apply to investments of the board. A contract under subsection (a)(2) may be for a term of not more than five (5) years, with an ability to renew thereafter.

(c) An agreement under subsection (a)(4) may be for a duration of three (3) years.

SECTION 90. IC 6-1.1-20.6-7.5, AS ADDED BY P.L.146-2008, SECTION 223, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2014]: Sec. 7.5. (a) A person is entitled to a credit against the person's property tax liability for property taxes first due and payable after 2009. The amount of the credit is the amount by which the person's property tax liability attributable to the person's:
(1) homestead exceeds one percent (1%);
(2) residential property exceeds two percent (2%);
(3) long term care property exceeds two percent (2%);
(4) agricultural land exceeds two percent (2%);
(5) nonresidential real property exceeds three percent (3%); or
(6) personal property exceeds three percent (3%);
of the gross assessed value of the property that is the basis for determination of property taxes for that calendar year.

(b) This subsection applies to property taxes first due and payable after 2009. Property taxes imposed

after being approved by the voters in a referendum or local public question shall not be considered for purposes of calculating a person's credit under this section.

(c) This subsection applies to property taxes first due and payable after 2009. As used in this subsection, "eligible county" means only a county for which the general assembly determines in 2008 that limits to property tax liability under this chapter are expected to reduce in 2010 the aggregate property tax revenue that would otherwise be collected by all units of local government and school corporations in the county by at least twenty percent (20%). Property taxes imposed in an eligible county:

(1) to pay debt service:

(A) on bonds issued before July 1, 2008; or

(B) on bonds that:

(i) are issued to refund bonds originally issued before July 1, 2008; and

(ii) have a maturity date that is not later than the maturity date of the bonds refunded;

(2) to make lease payments ~~for bonds or~~ **on** leases ~~issued or~~ entered into before July 1, 2008, **to secure bonds;**

(3) to make lease payments on leases:

(A) that are amended to refund bonds secured by leases entered into before July 1, 2008; and

(B) that have a term that is not longer than the term of the leases amended; or

(4) to make lease payments on leases:

(A) that secure bonds:

(i) issued to refund bonds originally issued before July 1, 2008; and

(ii) that have a maturity date that is not later than the maturity date of the bonds refunded; and

(B) that have a term that ends not later than the maturity date of the bonds refunded;

shall not be considered for purposes of calculating a person's credit under this section.

SECTION 91. IC 6-2.5-10-1, AS AMENDED BY P.L.229-2011, SECTION 82, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 1. (a) The department shall account for all state gross retail and use taxes that it collects.

(b) The department shall deposit those collections in the following manner:

(1) ~~Ninety-nine~~ **Ninety-eight** and eight hundred forty-eight thousandths percent ~~(99.848%)~~ **(98.848%)** of the collections shall be paid into the state general fund.

(2) One percent (1%) of the collections shall be deposited in the motor vehicle highway account established under IC 8-14-1.

~~(2)~~ **(3)** Twenty-nine thousandths of one percent (0.029%) of the collections shall be deposited into the industrial rail service fund established under IC 8-3-1.7-2.

~~(3)~~ **(4)** One hundred twenty-three thousandths of one percent (0.123%) of the collections shall be deposited into the commuter rail service fund established under IC 8-3-1.5-20.5.

SECTION 92. IC 6-2.5-14 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]:

Chapter 14. Amnesty Program for Unpaid Use Tax on Claimed Race Horses

Sec. 1. The department shall establish an amnesty program for taxpayers having an unpaid use tax liability for a claiming transaction occurring before June 1, 2012. This chapter does not apply to a taxpayer's state gross retail or use tax liability from any other type of transaction.

Sec. 2. The time in which a voluntary payment of tax liability may be made (or the taxpayer may enter into a payment program acceptable to the department for the payment of the unpaid use taxes in full in the manner and time established in a written payment program agreement between the department and the taxpayer) under the amnesty program is limited to the period ending before January 1, 2014.

Sec. 3. The amnesty program established under this chapter must require the following:

(1) That a taxpayer who enters an agreement described in section 2 of this chapter is not

eligible for any other amnesty program that may be established.

(2) That the taxpayer shall comply with all other amnesty conditions adopted under a rule of the department in effect on the date the voluntary payment is made.

Sec. 4. Upon payment by a taxpayer to the department of all use taxes due from the taxpayer for a tax period (or payment of the unpaid use taxes in full in the manner and time established in a written payment program agreement between the department and the taxpayer), the department:

(1) shall abate and not seek to collect any interest, penalties, collection fees, or costs that would otherwise be applicable;

(2) shall release any liens imposed;

(3) shall not seek civil or criminal prosecution against any individual or entity; and

(4) shall not issue, or, if issued, shall withdraw, an assessment, a demand notice, or a warrant for payment under IC 6-8.1-5-3, IC 6-8.1-8-2, or another law against any individual or entity;

for use taxes due from the taxpayer for the tax period for which amnesty has been granted to the taxpayer.

Sec. 5. Amnesty granted under this chapter is binding on the state and its agents. However, failure to pay the department all use taxes due for a tax period invalidates any amnesty granted under this chapter for that tax period.

Sec. 6. The department shall enforce an agreement with a taxpayer that prohibits the taxpayer from receiving amnesty in another amnesty program.

SECTION 93. IC 6-3-1-3.5, AS AMENDED BY P.L.137-2012, SECTION 52, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013 (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 (as effective January 1, 2004); and

(B) five hundred dollars ($500) for each additional amount allowable under Section 63(f)(1) of the Internal Revenue Code if the adjusted gross income of the taxpayer, or the taxpayer and the taxpayer's spouse in the case of a joint return, is less than forty thousand dollars ($40,000).

This amount is in addition to the amount subtracted under subdivision (4).

(6) Subtract an amount equal to the lesser of:

(A) that part of the individual's adjusted gross income (as defined in Section 62 of the Internal Revenue Code) for that taxable year that is subject to a tax that is imposed by a political subdivision of another state and that is imposed on or measured by income; or

(B) two thousand dollars ($2,000).

(7) Add an amount equal to the total capital gain portion of a lump sum distribution (as defined in

Section 402(e)(4)(D) of the Internal Revenue Code) if the lump sum distribution is received by the individual during the taxable year and if the capital gain portion of the distribution is taxed in the manner provided in Section 402 of the Internal Revenue Code.

(8) Subtract any amounts included in federal adjusted gross income under Section 111 of the Internal Revenue Code as a recovery of items previously deducted as an itemized deduction from adjusted gross income.

(9) Subtract any amounts included in federal adjusted gross income under the Internal Revenue Code which amounts were received by the individual as supplemental railroad retirement annuities under 45 U.S.C. 231 and which are not deductible under subdivision (1).

(10) 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.

(11) 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.

(12) 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.

(13) 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.

(14) 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.

(15) Subtract an amount equal to the lesser of:

(A) 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.

(16) Subtract an amount equal to the amount of a September 11 terrorist attack settlement payment included in the individual's federal adjusted gross income.

(17) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(18) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

(19) 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).

(20) 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.

(21) Subtract an amount equal to the amount of the taxpayer's qualified military income that was not excluded from the taxpayer's gross income for federal income tax purposes under Section 112 of the Internal Revenue Code.

(22) Subtract income that is:

(A) exempt from taxation under IC 6-3-2-21.7; and

(B) included in the individual's federal adjusted gross income under the Internal Revenue Code.

(23) Subtract any amount of a credit (including an advance refund of the credit) that is provided to an individual under 26 U.S.C. 6428 (federal Economic Stimulus Act of 2008) and included in the individual's federal adjusted gross income.

(24) Add any amount of unemployment compensation excluded from federal gross income, as defined in Section 61 of the Internal Revenue Code, under Section 85(c) of the Internal Revenue Code.

(25) Add the amount excluded from gross income under Section 108(a)(1)(e) of the Internal Revenue Code for the discharge of debt on a qualified principal residence.

(26) Add an amount equal to any income not included in gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code. Subtract the amount necessary from the adjusted gross income of any taxpayer that added an amount to adjusted gross income in a previous year to offset the amount included in federal gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code.

~~(27) Add the amount necessary to make the adjusted gross income of any taxpayer that placed qualified restaurant property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(v) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed in service.~~

~~(28) Add the amount necessary to make the adjusted gross income of any taxpayer that placed qualified retail improvement property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(ix) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed in service.~~

~~(29)~~ **(27)** Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that claimed the special allowance for qualified disaster assistance property under Section 168(n) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the special allowance not been claimed for the property.

~~(30)~~ **(28)** Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that made an election under Section 179C of the Internal Revenue Code to expense costs for qualified refinery property equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year.

~~(31)~~ **(29)** Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that made an election under Section 181 of the Internal Revenue Code to expense costs for a qualified film or television production equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year.

~~(32)~~ **(30)** Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that treated a loss from the sale or exchange of preferred stock in:

(A) the Federal National Mortgage Association, established under the Federal National Mortgage Association Charter Act (12 U.S.C. 1716 et seq.); or

(B) the Federal Home Loan Mortgage Corporation, established under the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1451 et seq.);

as an ordinary loss under Section 301 of the Emergency Economic Stabilization Act of 2008 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 the loss not been treated as an ordinary loss.

~~(33)~~ **(31)** Add the amount excluded from federal gross income under Section 103 of the Internal Revenue Code for interest received on an obligation of a state other than Indiana, or a political subdivision of such a state, that is acquired by the taxpayer after December 31, 2011.

~~(34) Add the amount deducted from gross income under Section 198 of the Internal Revenue Code for the expensing of environmental remediation costs.~~

~~(35) Add the amount excluded from gross income under Section 408(d)(8) of the Internal Revenue Code for a charitable distribution from an individual retirement plan.~~

~~(36) Add the amount deducted from gross income under Section 222 of the Internal Revenue Code for qualified tuition and related expenses.~~

~~(37) Add the amount deducted from gross income under Section 62(a)(2)(D) of the Internal Revenue Code for certain expenses of elementary and secondary school teachers.~~

~~(38) Add the amount excluded from gross income under Section 127 of the Internal Revenue Code as annual employer provided education expenses.~~

~~(39) Add the amount deducted from gross income under Section 179E of the Internal Revenue Code for any qualified advanced mine safety equipment property.~~

~~(40) Add the monthly amount excluded from gross income under Section 132(f)(1)(A) and 132(f)(1)(B) of the Internal Revenue Code that exceeds one hundred dollars ($100) a month for a qualified transportation fringe.~~

~~(41) Add the amount deducted from gross income under Section 221 of the Internal Revenue Code that exceeds the amount the taxpayer could deduct under Section 221 of the Internal Revenue Code before it was amended by the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 (P.L. 111-312).~~

~~(42) Add the amount necessary to make the adjusted gross income of any taxpayer that placed any qualified leasehold improvement property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(iv) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed into service.~~

~~(43) Add the amount necessary to make the adjusted gross income of any taxpayer that placed a motorsports entertainment complex in service during the taxable year and that was classified as 7-year property under Section 168(e)(3)(C)(ii) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed into service.~~

~~(44) Add the amount deducted under Section 195 of the Internal Revenue Code for start-up expenditures that exceeds the amount the taxpayer could deduct under Section 195 of the Internal Revenue Code before it was amended by the Small Business Jobs Act of 2010 (P.L. 111-240).~~

~~(45) Add the amount necessary to make the adjusted gross income of any taxpayer for which tax was not imposed on the net recognized built-in gain of an S corporation under Section 1374(d)(7) of the Internal Revenue Code as amended by the Small Business Jobs Act of 2010 (P.L. 111-240) equal to the amount of adjusted gross income that would have been computed before Section 1374(d)(7) of the Internal Revenue Code as amended by the Small Business Jobs Act of 2010 (P.L. 111-240).~~

~~(46)~~ **(32)** This subdivision does not apply to payments made for services provided to a business that was enrolled and participated in the E-Verify program (as defined in IC 22-5-1.7-3) during the time the taxpayer conducted business in Indiana in the taxable year. For a taxable year beginning after June 30, 2011, add the amount of any trade or business deduction allowed under the Internal Revenue Code for wages, reimbursements, or other payments made for services provided in Indiana by an individual for services as an employee, if the individual was, during the period of service, prohibited from being hired as an employee under 8 U.S.C. 1324a.

(b) In the case of corporations, the same as "taxable income" (as defined in Section 63 of the Internal Revenue Code) adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 170 of the Internal Revenue Code.

(3) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 63 of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state of the United States.

(4) Subtract an amount equal to the amount included in the corporation's taxable income under Section 78 of the Internal Revenue Code.

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(6) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

(7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars ($25,000).

(8) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(9) Add to the extent required by IC 6-3-2-20 the amount of intangible expenses (as defined in IC 6-3-2-20) and any directly related intangible interest expenses (as defined in IC 6-3-2-20) for the taxable year that reduced the corporation's taxable income (as defined in Section 63 of the Internal Revenue Code) for federal income tax purposes.

(10) Add an amount equal to any deduction for dividends paid (as defined in Section 561 of the Internal Revenue Code) to shareholders of a captive real estate investment trust (as defined in section 34.5 of this chapter).

(11) Subtract income that is:

(A) exempt from taxation under IC 6-3-2-21.7; and

(B) included in the corporation's taxable income under the Internal Revenue Code.

(12) Add an amount equal to any income not included in gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code. Subtract from the adjusted gross income of any taxpayer that added an amount to adjusted gross income in a previous year the amount necessary to offset the amount included in federal gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code.

~~(13) Add the amount necessary to make the adjusted gross income of any taxpayer that placed qualified restaurant property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(v) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in~~

~~the year that it was placed in service.~~
~~(14) Add the amount necessary to make the adjusted gross income of any taxpayer that placed qualified retail improvement property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(ix) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed in service.~~
~~(15)~~ **(13)** Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that claimed the special allowance for qualified disaster assistance property under Section 168(n) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the special allowance not been claimed for the property.
~~(16)~~ **(14)** Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that made an election under Section 179C of the Internal Revenue Code to expense costs for qualified refinery property equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year.
~~(17)~~ **(15)** Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that made an election under Section 181 of the Internal Revenue Code to expense costs for a qualified film or television production equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year.
~~(18)~~ **(16)** Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that treated a loss from the sale or exchange of preferred stock in:
(A) the Federal National Mortgage Association, established under the Federal National Mortgage Association Charter Act (12 U.S.C. 1716 et seq.); or
(B) the Federal Home Loan Mortgage Corporation, established under the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1451 et seq.);
as an ordinary loss under Section 301 of the Emergency Economic Stabilization Act of 2008 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 the loss not been treated as an ordinary loss.
~~(19) Add the amount deducted from gross income under Section 198 of the Internal Revenue Code for the expensing of environmental remediation costs.~~
~~(20) Add the amount deducted from gross income under Section 179E of the Internal Revenue Code for any qualified advanced mine safety equipment property.~~
~~(21) Add the amount necessary to make the adjusted gross income of any taxpayer that placed any qualified leasehold improvement property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(iv) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed into service.~~
~~(22) Add the amount necessary to make the adjusted gross income of any taxpayer that placed a motorsports entertainment complex in service during the taxable year and that was classified as 7-year property under Section 168(e)(3)(C)(ii) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed into service.~~
~~(23) Add the amount deducted under Section 195 of the Internal Revenue Code for start-up expenditures that exceeds the amount the taxpayer could deduct under Section 195 of the Internal Revenue Code before it was amended by the Small Business Jobs Act of 2010 (P.L. 111-240).~~
~~(24)~~ **(17)** This subdivision does not apply to payments made for services provided to a business that was enrolled and participated in the E-Verify program (as defined in IC 22-5-1.7-3) during the time the taxpayer conducted business in Indiana in the taxable year. For a taxable year beginning after June 30, 2011, add the amount of any trade or business deduction allowed under the Internal Revenue Code for wages, reimbursements, or other payments made for services provided in Indiana

by an individual for services as an employee, if the individual was, during the period of service, prohibited from being hired as an employee under 8 U.S.C. 1324a.

~~(25)~~ **(18)** Add the amount excluded from federal gross income under Section 103 of the Internal Revenue Code for interest received on an obligation of a state other than Indiana, or a political subdivision of such a state, that is acquired by the taxpayer after December 31, 2011.

(c) In the case of life insurance companies (as defined in Section 816(a) of the Internal Revenue Code) that are organized under Indiana law, the same as "life insurance company taxable income" (as defined in Section 801 of the Internal Revenue Code), adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction allowed or allowable under Section 170 of the Internal Revenue Code.

(3) Add an amount equal to a deduction allowed or allowable under Section 805 or Section 831(c) of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state.

(4) Subtract an amount equal to the amount included in the company's taxable income under Section 78 of the Internal Revenue Code.

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(6) Add an amount equal to any deduction allowed under Section 172 or Section 810 of the Internal Revenue Code.

(7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars ($25,000).

(8) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(9) Subtract income that is:

(A) exempt from taxation under IC 6-3-2-21.7; and

(B) included in the insurance company's taxable income under the Internal Revenue Code.

(10) Add an amount equal to any income not included in gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code. Subtract from the adjusted gross income of any taxpayer that added an amount to adjusted gross income in a previous year the amount necessary to offset the amount included in federal gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code.

~~(11) Add the amount necessary to make the adjusted gross income of any taxpayer that placed qualified restaurant property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(v) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in~~

~~the year that it was placed in service.~~
~~(12) Add the amount necessary to make the adjusted gross income of any taxpayer that placed qualified retail improvement property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(ix) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed in service.~~
~~(13)~~ **(11)** Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that claimed the special allowance for qualified disaster assistance property under Section 168(n) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the special allowance not been claimed for the property.
~~(14)~~ **(12)** Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that made an election under Section 179C of the Internal Revenue Code to expense costs for qualified refinery property equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year.
~~(15)~~ **(13)** Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that made an election under Section 181 of the Internal Revenue Code to expense costs for a qualified film or television production equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year.
~~(16)~~ **(14)** Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that treated a loss from the sale or exchange of preferred stock in:
(A) the Federal National Mortgage Association, established under the Federal National Mortgage Association Charter Act (12 U.S.C. 1716 et seq.); or
(B) the Federal Home Loan Mortgage Corporation, established under the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1451 et seq.);
as an ordinary loss under Section 301 of the Emergency Economic Stabilization Act of 2008 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 the loss not been treated as an ordinary loss.
~~(17)~~ **(15)** Add an amount equal to any exempt insurance income under Section 953(e) of the Internal Revenue Code that is active financing income under Subpart F of Subtitle A, Chapter 1, Subchapter N of the Internal Revenue Code.
~~(18) Add the amount necessary to make the adjusted gross income of any taxpayer that placed any qualified leasehold improvement property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(iv) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed into service.~~
~~(19) Add the amount necessary to make the adjusted gross income of any taxpayer that placed a motorsports entertainment complex in service during the taxable year and that was classified as 7-year property under Section 168(e)(3)(C)(ii) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed into service.~~
~~(20) Add the amount deducted under Section 195 of the Internal Revenue Code for start-up expenditures that exceeds the amount the taxpayer could deduct under Section 195 of the Internal Revenue Code before it was amended by the Small Business Jobs Act of 2010 (P.L. 111-240).~~
~~(21) Add the amount deducted from gross income under Section 198 of the Internal Revenue Code for the expensing of environmental remediation costs.~~
~~(22) Add the amount deducted from gross income under Section 179E of the Internal Revenue Code for any qualified advanced mine safety equipment property.~~
~~(23)~~ **(16)** This subdivision does not apply to payments made for services provided to a business that was enrolled and participated in the E-Verify program (as defined in IC 22-5-1.7-3) during the time

the taxpayer conducted business in Indiana in the taxable year. For a taxable year beginning after June 30, 2011, add the amount of any trade or business deduction allowed under the Internal Revenue Code for wages, reimbursements, or other payments made for services provided in Indiana by an individual for services as an employee, if the individual was, during the period of service, prohibited from being hired as an employee under 8 U.S.C. 1324a.

~~(24)~~ **(17)** Add the amount excluded from federal gross income under Section 103 of the Internal Revenue Code for interest received on an obligation of a state other than Indiana, or a political subdivision of such a state, that is acquired by the taxpayer after December 31, 2011.

(d) In the case of insurance companies subject to tax under Section 831 of the Internal Revenue Code and organized under Indiana law, the same as "taxable income" (as defined in Section 832 of the Internal Revenue Code), adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction allowed or allowable under Section 170 of the Internal Revenue Code.

(3) Add an amount equal to a deduction allowed or allowable under Section 805 or Section 831(c) of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state.

(4) Subtract an amount equal to the amount included in the company's taxable income under Section 78 of the Internal Revenue Code.

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(6) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

(7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars ($25,000).

(8) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(9) Subtract income that is:

(A) exempt from taxation under IC 6-3-2-21.7; and

(B) included in the insurance company's taxable income under the Internal Revenue Code.

(10) Add an amount equal to any income not included in gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code. Subtract from the adjusted gross income of any taxpayer that added an amount to adjusted gross income in a previous year the amount necessary to offset the amount included in federal gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code.

~~(11) Add the amount necessary to make the adjusted gross income of any taxpayer that placed qualified restaurant property in service during the taxable year and that was classified as 15-year~~

~~property under Section 168(e)(3)(E)(v) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed in service.~~

~~(12) Add the amount necessary to make the adjusted gross income of any taxpayer that placed qualified retail improvement property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(ix) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed in service.~~

~~(13)~~ **(11)** Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that claimed the special allowance for qualified disaster assistance property under Section 168(n) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the special allowance not been claimed for the property.

~~(14)~~ **(12)** Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that made an election under Section 179C of the Internal Revenue Code to expense costs for qualified refinery property equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year.

~~(15)~~ **(13)** Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that made an election under Section 181 of the Internal Revenue Code to expense costs for a qualified film or television production equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year.

~~(16)~~ **(14)** Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that treated a loss from the sale or exchange of preferred stock in:

(A) the Federal National Mortgage Association, established under the Federal National Mortgage Association Charter Act (12 U.S.C. 1716 et seq.); or

(B) the Federal Home Loan Mortgage Corporation, established under the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1451 et seq.);

as an ordinary loss under Section 301 of the Emergency Economic Stabilization Act of 2008 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 the loss not been treated as an ordinary loss.

~~(17)~~ **(15)** Add an amount equal to any exempt insurance income under Section 953(e) of the Internal Revenue Code that is active financing income under Subpart F of Subtitle A, Chapter 1, Subchapter N of the Internal Revenue Code.

~~(18) Add the amount necessary to make the adjusted gross income of any taxpayer that placed any qualified leasehold improvement property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(iv) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed into service.~~

~~(19) Add the amount necessary to make the adjusted gross income of any taxpayer that placed a motorsports entertainment complex in service during the taxable year and that was classified as 7-year property under Section 168(e)(3)(C)(ii) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed into service.~~

~~(20) Add the amount deducted under Section 195 of the Internal Revenue Code for start-up expenditures that exceeds the amount the taxpayer could deduct under Section 195 of the Internal Revenue Code before it was amended by the Small Business Jobs Act of 2010 (P.L. 111-240).~~

~~(21) Add the amount deducted from gross income under Section 198 of the Internal Revenue Code for the expensing of environmental remediation costs.~~

~~(22) Add the amount deducted from gross income under Section 179E of the Internal Revenue Code for any qualified advanced mine safety equipment property.~~

~~(23)~~ **(16)** This subdivision does not apply to payments made for services provided to a business that was enrolled and participated in the E-Verify program (as defined in IC 22-5-1.7-3) during the time the taxpayer conducted business in Indiana in the taxable year. For a taxable year beginning after June 30, 2011, add the amount of any trade or business deduction allowed under the Internal Revenue Code for wages, reimbursements, or other payments made for services provided in Indiana by an individual for services as an employee, if the individual was, during the period of service, prohibited from being hired as an employee under 8 U.S.C. 1324a.

~~(24)~~ **(17)** Add the amount excluded from federal gross income under Section 103 of the Internal Revenue Code for interest received on an obligation of a state other than Indiana, or a political subdivision of such a state, that is acquired by the taxpayer after December 31, 2011.

(e) In the case of trusts and estates, "taxable income" (as defined for trusts and estates in Section 641(b) of the Internal Revenue Code) adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Subtract an amount equal to the amount of a September 11 terrorist attack settlement payment included in the federal adjusted gross income of the estate of a victim of the September 11 terrorist attack or a trust to the extent the trust benefits a victim of the September 11 terrorist attack.

(3) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(4) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars ($25,000).

(6) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(7) Subtract income that is:

(A) exempt from taxation under IC 6-3-2-21.7; and

(B) included in the taxpayer's taxable income under the Internal Revenue Code.

(8) Add an amount equal to any income not included in gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code. Subtract from the adjusted gross income of any taxpayer that added an amount to adjusted gross income in a previous year the amount necessary to offset the amount included in federal gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code.

~~(9) Add the amount necessary to make the adjusted gross income of any taxpayer that placed qualified restaurant property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(v) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed in service.~~

~~(10) Add the amount necessary to make the adjusted gross income of any taxpayer that placed qualified retail improvement property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(ix) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed in service.~~

~~(11)~~ **(9)** Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that claimed the special allowance for qualified disaster assistance property under Section 168(n) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the special allowance not been claimed for the property.

~~(12)~~ **(10)** Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that made an election under Section 179C of the Internal Revenue Code to expense costs for qualified refinery property equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year.

~~(13)~~ **(11)** Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that made an election under Section 181 of the Internal Revenue Code to expense costs for a qualified film or television production equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year.

~~(14)~~ **(12)** Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that treated a loss from the sale or exchange of preferred stock in:

(A) the Federal National Mortgage Association, established under the Federal National Mortgage Association Charter Act (12 U.S.C. 1716 et seq.); or

(B) the Federal Home Loan Mortgage Corporation, established under the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1451 et seq.);

as an ordinary loss under Section 301 of the Emergency Economic Stabilization Act of 2008 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 the loss not been treated as an ordinary loss.

~~(15)~~ **(13)** Add the amount excluded from gross income under Section 108(a)(1)(e) of the Internal Revenue Code for the discharge of debt on a qualified principal residence.

~~(16) Add the amount necessary to make the adjusted gross income of any taxpayer that placed any qualified leasehold improvement property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(iv) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed into service.~~

~~(17) Add the amount necessary to make the adjusted gross income of any taxpayer that placed a motorsports entertainment complex in service during the taxable year and that was classified as 7-year property under Section 168(e)(3)(C)(ii) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed into service.~~

~~(18) Add the amount deducted under Section 195 of the Internal Revenue Code for start-up expenditures that exceeds the amount the taxpayer could deduct under Section 195 of the Internal Revenue Code before it was amended by the Small Business Jobs Act of 2010 (P.L. 111-240).~~

~~(19) Add the amount deducted from gross income under Section 198 of the Internal Revenue Code for the expensing of environmental remediation costs.~~

~~(20) Add the amount deducted from gross income under Section 179E of the Internal Revenue Code for any qualified advanced mine safety equipment property.~~

~~(21) Add the amount necessary to make the adjusted gross income of any taxpayer for which tax was not imposed on the net recognized built-in gain of an S corporation under Section 1374(d)(7) of the Internal Revenue Code as amended by the Small Business Jobs Act of 2010 (P.L. 111-240) equal to the amount of adjusted gross income that would have been computed before Section 1374(d)(7)~~

~~of the Internal Revenue Code as amended by the Small Business Jobs Act of 2010 (P.L. 111-240).~~
~~(22)~~ **(14)** This subdivision does not apply to payments made for services provided to a business that was enrolled and participated in the E-Verify program (as defined in IC 22-5-1.7-3) during the time the taxpayer conducted business in Indiana in the taxable year. For a taxable year beginning after June 30, 2011, add the amount of any trade or business deduction allowed under the Internal Revenue Code for wages, reimbursements, or other payments made for services provided in Indiana by an individual for services as an employee, if the individual was, during the period of service, prohibited from being hired as an employee under 8 U.S.C. 1324a.
~~(23)~~ **(15)** Add the amount excluded from federal gross income under Section 103 of the Internal Revenue Code for interest received on an obligation of a state other than Indiana, or a political subdivision of such a state, that is acquired by the taxpayer after December 31, 2011.

SECTION 94. IC 6-3-1-11, AS AMENDED BY P.L.137-2012, SECTION 53, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013 (RETROACTIVE)]: Sec. 11. (a) ~~Except as provided in subsection (d),~~ The term "Internal Revenue Code" means the Internal Revenue Code of 1986 of the United States as amended and in effect on January 1, ~~2011.~~ **2013.**

(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, 2011, 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, 2011, 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, ~~2011,~~ **2013,** that is effective for any taxable year that began before January 1, ~~2011,~~ **2013,** 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.

(d) **This subsection applies to a taxable year ending before January 1, 2013.** The following provisions of the Internal Revenue Code that were amended by the Tax Relief Act, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 (P.L. 111-312) are treated as though they were not amended by the Tax Relief Act, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 (P.L. 111-312):

(1) Section 1367(a)(2) of the Internal Revenue Code pertaining to an adjustment of basis of the stock of shareholders.
(2) Section 871(k)(1)(C) and 871(k)(2)(C) of the Internal Revenue Code pertaining the treatment of certain dividends of regulated investment companies.
(3) Section 897(h)(4)(A)(ii) of the Internal Revenue Code pertaining to regulated investment companies qualified entity treatment.
(4) Section 512(b)(13)(E)(iv) of the Internal Revenue Code pertaining to the modification of tax treatment of certain payments to controlling exempt organizations.
(5) Section 613A(c)(6)(H)(ii) of the Internal Revenue Code pertaining to the limitations on

percentage depletion in the case of oil and gas wells.

(6) Section 451(i)(3) of the Internal Revenue Code pertaining to special rule for sales or dispositions to implement Federal Energy Regulatory Commission or state electric restructuring policy for qualified electric utilities.

(7) Section 954(c)(6) of the Internal Revenue Code pertaining to the look-through treatment of payments between related controlled foreign corporation under foreign personal holding company rules.

The department shall develop forms and adopt any necessary rules under IC 4-22-2 to implement this subsection.

SECTION 95. IC 6-3-2-1, AS AMENDED BY P.L.172-2011, SECTION 54, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 1. (a) Each taxable year, a tax at the ~~rate of three and four-tenths percent (3.4%)~~ **following rate** of adjusted gross income is imposed upon the adjusted gross income of every resident person, and on that part of the adjusted gross income derived from sources within Indiana of every nonresident person:

(1) For taxable years beginning before January 1, 2015, three and four-tenths percent (3.4%).

(2) For taxable years beginning after December 31, 2014, and before January 1, 2017, three and three-tenths percent (3.3%).

(3) For taxable years beginning after December 31, 2016, three and twenty-three hundredths percent (3.23%).

(b) Except as provided in section 1.5 of this chapter, each taxable year, a tax at the following rate of adjusted gross income is imposed on that part of the adjusted gross income derived from sources within Indiana of every corporation:

(1) Before July 1, 2012, eight and five-tenths percent (8.5%).

(2) After June 30, 2012, and before July 1, 2013, eight percent (8.0%).

(3) After June 30, 2013, and before July 1, 2014, seven and five-tenths percent (7.5%).

(4) After June 30, 2014, and before July 1, 2015, seven percent (7.0%).

(5) After June 30, 2015, six and five-tenths percent (6.5%).

(c) If for any taxable year a taxpayer is subject to different tax rates under subsection (b), the taxpayer's tax rate for that taxable year is the rate determined in the last STEP of the following STEPS:

STEP ONE: Multiply the number of months in the taxpayer's taxable year that precede the month the rate changed by the rate in effect before the rate change.

STEP TWO: Multiply the number of months in the taxpayer's taxable year that follow the month before the rate changed by the rate in effect after the rate change.

STEP THREE: Divide the sum of the amounts determined under STEPS ONE and TWO by twelve (12).

However, the rate determined under this subsection shall be rounded to the nearest one-hundredth of one percent (0.01%).

SECTION 96. IC 6-3.1-13-28 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 28. The corporation shall, not later than August 1 each year, submit to the budget committee a report specifying the amount of credits granted under this chapter during the immediately preceding state fiscal year.**

SECTION 97. IC 6-3.1-30.5-13, AS AMENDED BY P.L.92-2011, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 13. The total amount of tax credits awarded under this chapter may not exceed ~~five~~ **seven** million **five hundred thousand** dollars ~~($5,000,000)~~ **($7,500,000)** in a state fiscal year.

SECTION 98. IC 6-3.5-4-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JUNE 1, 2013]: Sec. 1. As used in this chapter:

"Adopting entity" means either the county council or the county income tax council established by IC 6-3.5-6-2 for the county, whichever adopts an ordinance to impose a surtax first.

"Branch office" means a branch office of the bureau of motor vehicles.

"County council" includes the city-county council of a county that contains a consolidated city of the first class.

"Motor vehicle" means a vehicle which is subject to the annual license excise tax imposed under IC 6-6-5.

"Net annual license excise tax" means the tax due under IC 6-6-5 after the application of the adjustments and credits provided by that chapter.

"Surtax" means the annual license excise surtax imposed by ~~a county council~~ **an adopting entity** under this chapter.

SECTION 99. IC 6-3.5-4-1.1 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JUNE 1, 2013]: **Sec. 1.1. For purposes of acting as the adopting entity under this chapter, a county income tax council is comprised of the same members as the county income tax council that is established by IC 6-3.5-6-2 for the county (regardless of the income tax that may be in effect in the county). The county income tax council shall use the same procedures that apply under IC 6-3.5-6 when acting as an adopting entity under this chapter.**

SECTION 100. IC 6-3.5-4-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JUNE 1, 2013]: Sec. 2. (a) ~~The county council~~ **An adopting entity** of any county may, subject to the limitation imposed by subsection (c), adopt an ordinance to impose an annual license excise surtax at the same rate or amount on each motor vehicle listed in subsection (b) that is registered in the county. The ~~county council~~ **adopting entity** may impose the surtax either:

(1) at a rate of not less than two percent (2%) nor more than ten percent (10%); or

(2) at a specific amount of at least seven dollars and fifty cents ($7.50) and not more than twenty-five dollars ($25).

However, the surtax on a vehicle may not be less than seven dollars and fifty cents ($7.50). The ~~county council~~ **adopting entity** shall state the surtax rate or amount in the ordinance which imposes the tax.

(b) The license excise surtax applies to the following vehicles:

(1) Passenger vehicles.

(2) Motorcycles.

(3) Trucks with a declared gross weight that does not exceed eleven thousand (11,000) pounds.

(c) The ~~county council~~ **adopting entity** may not adopt an ordinance to impose the surtax unless it concurrently adopts an ordinance under IC 6-3.5-5 to impose the wheel tax.

(d) Notwithstanding any other provision of this chapter or IC 6-3.5-5, ordinances adopted by a county council before ~~June 1, 1983,~~ **June 1, 2013,** to impose or change the annual license excise surtax and the annual wheel tax in the county remain in effect until the ordinances are amended or repealed under this chapter or IC 6-3.5-5.

SECTION 101. IC 6-3.5-4-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JUNE 1, 2013]: Sec. 3. If ~~a county council~~ **an adopting entity** adopts an ordinance imposing the surtax after December 31 but before July 1 of the following year, a motor vehicle is subject to the tax if it is registered in the county after December 31 of the year in which the ordinance is adopted. If ~~a county council~~ **an adopting entity** adopts an ordinance imposing the surtax after June 30 but before the following January 1, a motor vehicle is subject to the tax if it is registered in the county after December 31 of the year following the year in which the ordinance is adopted. However, in the first year the surtax is effective, the surtax does not apply to the registration of a motor vehicle for the registration year that commenced in the calendar year preceding the year the surtax is first effective.

SECTION 102. IC 6-3.5-4-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JUNE 1, 2013]: Sec. 4. (a) After January 1 but before July 1 of any year, the ~~county council~~ **adopting entity** may, subject to the limitations imposed by subsection (b), adopt an ordinance to rescind the surtax. If the ~~county council~~ **adopting entity** adopts such an ordinance, the surtax does not apply to a motor vehicle registered after December 31 of the year the ordinance is adopted.

(b) The ~~county council~~ **adopting entity** may not adopt an ordinance to rescind the surtax unless it concurrently adopts an ordinance under IC 6-3.5-5 to rescind the wheel tax. In addition, the ~~county council~~ **adopting entity** may not adopt an ordinance to rescind the surtax if:

(1) any portion of a loan obtained by the county under IC 8-14-8 is unpaid; or ~~if~~

(2) any bonds issued by the county under IC 8-14-9 are outstanding.

SECTION 103. IC 6-3.5-4-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JUNE 1, 2013]: Sec. 5. (a) The ~~county council~~ **adopting entity** may, subject to the limitations imposed by subsection (b), adopt an ordinance to increase or decrease the surtax rate or amount. The new surtax rate or amount must be within the range of rates or amounts prescribed by section 2 of this chapter. A new rate or amount that is established by an ordinance that is adopted after December 31 but before July 1 of the following year applies to motor vehicles registered after December 31 of the year in which the ordinance to change the rate or amount is adopted. A new rate or amount that is established by an ordinance that is adopted after June 30 but before January 1 of the following year applies to motor vehicles registered after December 31 of the year following the year in which the ordinance is adopted.

(b) The ~~county council~~ **adopting entity** may not adopt an ordinance to decrease the surtax rate or amount under this section if:

(1) any portion of a loan obtained by the county under IC 8-14-8 is unpaid; or ~~if~~

(2) any bonds issued by the county under IC 8-14-9 are outstanding.

SECTION 104. IC 6-3.5-4-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JUNE 1, 2013]: Sec. 6. If ~~a county council~~ **an adopting entity** adopts an ordinance to impose, rescind, or change the rate or amount of the surtax, the ~~county council~~ **adopting entity** shall send a copy of the ordinance to the commissioner of the bureau of motor vehicles.

SECTION 105. IC 6-3.5-5-1, AS AMENDED BY P.L.211-2007, SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JUNE 1, 2013]: Sec. 1. As used in this chapter:

"Adopting entity" means either the county council or the county income tax council established by IC 6-3.5-6-2 for the county, whichever adopts an ordinance to impose a wheel tax first.

"Branch office" means a branch office of the bureau of motor vehicles.

"Bus" has the meaning set forth in IC 9-13-2-17(a).

"Commercial motor vehicle" has the meaning set forth in IC 6-6-5.5-1(c).

"County council" includes the city-county council of a county that contains a consolidated city of the first class.

"In-state miles" has the meaning set forth in IC 6-6-5.5-1(i).

"Political subdivision" has the meaning set forth in IC 34-6-2-110.

"Recreational vehicle" has the meaning set forth in IC 9-13-2-150.

"Semitrailer" has the meaning set forth in IC 9-13-2-164(a).

"State agency" has the meaning set forth in IC 34-6-2-141.

"Tractor" has the meaning set forth in IC 9-13-2-180.

"Trailer" has the meaning set forth in IC 9-13-2-184(a).

"Truck" has the meaning set forth in IC 9-13-2-188(a).

"Wheel tax" means the tax imposed under this chapter.

SECTION 106. IC 6-3.5-5-1.1 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JUNE 1, 2013]: **Sec. 1.1. For purposes of acting as the adopting entity under this chapter, a county income tax council is comprised of the same members as the county income tax council that is established by IC 6-3.5-6-2 for the county (regardless of the income tax that may be in effect in the county). The county income tax council shall use the same procedures that apply under IC 6-3.5-6 when acting as an adopting entity under this chapter.**

SECTION 107. IC 6-3.5-5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JUNE 1, 2013]: Sec. 2. (a) The ~~county council~~ **adopting entity** of any county may, subject to the limitation imposed by subsection (b), adopt an ordinance to impose an annual wheel tax on each vehicle ~~which:~~ **that:**

(1) is included in one (1) of the classes of vehicles listed in section 3 of this chapter;
(2) is not exempt from the wheel tax under section 4 of this chapter; and
(3) is registered in the county.

(b) The ~~county council~~ **adopting entity** of a county may not adopt an ordinance to impose the wheel tax unless it concurrently adopts an ordinance under IC 6-3.5-4 to impose the annual license excise surtax.

(c) The ~~county council~~ **adopting entity** may impose the wheel tax at a different rate for each of the classes of vehicles listed in section 3 of this chapter. In addition, the ~~county council~~ **adopting entity** may establish different rates within the classes of buses, semitrailers, trailers, tractors, and trucks based on weight classifications of those vehicles that are established by the bureau of motor vehicles for use throughout Indiana. However, the wheel tax rate for a particular class or weight classification of vehicles may not be less than five dollars ($5) and may not exceed forty dollars ($40). The ~~county council~~ **adopting entity** shall state the initial wheel tax rates in the ordinance that imposes the tax.

SECTION 108. IC 6-3.5-5-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JUNE 1, 2013]: Sec. 5. If ~~a county council~~ **an adopting entity** adopts an ordinance imposing the wheel tax after December 31 but before July 1 of the following year, a vehicle described in section 2(a) of this chapter is subject to the tax if it is registered in the county after December 31 of the year in which the ordinance is adopted. If ~~a county council~~ **an adopting entity** adopts an ordinance imposing the wheel tax after June 30 but before the following January 1, a vehicle described in section 2(a) of this chapter is subject to the tax if it is registered in the county after December 31 of the year following the year in which the ordinance is adopted. However, in the first year the tax is effective, the tax does not apply to the registration of a motor vehicle for the registration year that commenced in the calendar year preceding the year the tax is first effective.

SECTION 109. IC 6-3.5-5-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JUNE 1, 2013]: Sec. 6. (a) After January 1 but before July 1 of any year, the ~~county council~~ **adopting entity** may, subject to the limitations imposed by subsection (b), adopt an ordinance to rescind the wheel tax. If the ~~county council~~ **adopting entity** adopts such an ordinance, the wheel tax does not apply to a vehicle registered after December 31 of the year the ordinance is adopted.

(b) The ~~county council~~ **adopting entity** may not adopt an ordinance to rescind the wheel tax unless it concurrently adopts an ordinance under IC 6-3.5-4 to rescind the annual license excise surtax. In addition, the ~~county council~~ **adopting entity** may not adopt an ordinance to rescind the wheel tax if:

(1) any portion of a loan obtained by the county under IC 8-14-8 is unpaid; or ~~if~~
(2) any bonds issued by the county under IC 8-14-9 are outstanding.

SECTION 110. IC 6-3.5-5-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JUNE 1, 2013]: Sec. 7. (a) The ~~county council~~ **adopting entity** may, subject to the limitations imposed by subsection (b), adopt an ordinance to increase or decrease the wheel tax rates. The new wheel tax rates must be within the range of rates prescribed by section 2 of this chapter. New rates that are established by an ordinance that is adopted after December 31 but before July 1 of the following year apply to vehicles registered after December 31 of the year in which the ordinance to change the rates is adopted. New rates that are established by an ordinance that is adopted after June 30 but before July 1 of the following year apply to motor vehicles registered after December 31 of the year following the year in which the ordinance is adopted.

(b) The ~~county council~~ **adopting entity** may not adopt an ordinance to decrease the wheel tax rate under this section if:

(1) any portion of a loan obtained by the county under IC 8-14-8 is unpaid; or ~~if~~
(2) any bonds issued by the county under IC 8-14-9 are outstanding.

SECTION 111. IC 6-3.5-5-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JUNE 1, 2013]: Sec. 8. If ~~a county council~~ **an adopting entity** adopts an ordinance to impose, rescind, or change the rates of the wheel tax, the ~~county council~~ **adopting entity** shall send a copy of the ordinance to the commissioner of the bureau of motor vehicles.

SECTION 112. IC 6-4.1-1-0.5, AS ADDED BY P.L.157-2012, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013 (RETROACTIVE)]: Sec. 0.5. This chapter does not apply to a property interest transferred by a decedent whose death occurs after December 31, ~~2021.~~ **2012.**

SECTION 113. IC 6-4.1-1-4 IS REPEALED [EFFECTIVE JANUARY 1, 2013 (RETROACTIVE)]. ~~Sec. 4. "Federal death tax credit" means the maximum federal estate tax credit provided, with respect to estate, inheritance, legacy, or succession taxes, under Section 2011 or Section 2102 of the Internal Revenue Code.~~

SECTION 114. IC 6-4.1-2-0.5, AS ADDED BY P.L.157-2012, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013 (RETROACTIVE)]: Sec. 0.5. This chapter does not apply to a property interest transferred by a decedent whose death occurs after December 31, ~~2021.~~ **2012.**

SECTION 115. IC 6-4.1-3-0.5, AS ADDED BY P.L.157-2012, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013 (RETROACTIVE)]: Sec. 0.5. This chapter does not apply to a property interest transferred by a decedent whose death occurs after December 31, ~~2021.~~ **2012.**

SECTION 116. IC 6-4.1-4-0.2, AS ADDED BY P.L.157-2012, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013 (RETROACTIVE)]: Sec. 0.2. This chapter does not apply to a property interest transferred by a decedent whose death occurs after December 31, ~~2021.~~ **2012.**

SECTION 117. IC 6-4.1-5-0.5, AS ADDED BY P.L.157-2012, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013 (RETROACTIVE)]: Sec. 0.5. This chapter does not apply to a property interest transferred by a decedent whose death occurs after December 31, ~~2021.~~ **2012.**

SECTION 118. IC 6-4.1-5-1.1 IS REPEALED [EFFECTIVE JANUARY 1, 2013 (RETROACTIVE)]. ~~Sec. 1.1. (a) This section applies to a property interest transferred by a decedent whose death occurs after December 31, 2012.~~

~~(b) For purposes of determining the amount of inheritance tax imposed under this article, a credit is allowed against the tax imposed under section 1 of this chapter on a decedent's transfer of property interests. The amount of the credit equals the inheritance tax imposed under section 1 of this chapter multiplied by the percentage prescribed in the following table:~~

~~YEAR OF INDIVIDUAL'S DEATH~~	~~PERCENTAGE OF CREDIT~~
~~2013~~	~~10%~~
~~2014~~	~~20%~~
~~2015~~	~~30%~~
~~2016~~	~~40%~~
~~2017~~	~~50%~~
~~2018~~	~~60%~~
~~2019~~	~~70%~~
~~2020~~	~~80%~~
~~2021~~	~~90%~~

~~(c) A person who is liable for inheritance tax imposed under this article may claim the credit allowed under this section at the time the person pays the tax. When the payment is made, the person collecting the tax shall reduce the inheritance tax due by the amount of the credit specified in subsection (b).~~

SECTION 119. IC 6-4.1-6-0.5, AS ADDED BY P.L.157-2012, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013 (RETROACTIVE)]: Sec. 0.5. This chapter does not apply to a property interest transferred by a decedent whose death occurs after December 31, ~~2021.~~ **2012.**

SECTION 120. IC 6-4.1-7-0.5, AS ADDED BY P.L.157-2012, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013 (RETROACTIVE)]: Sec. 0.5. This chapter does not apply to a property interest transferred by a decedent whose death occurs after December 31, ~~2021.~~ **2012.**

SECTION 121. IC 6-4.1-8-0.5, AS ADDED BY P.L.157-2012, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013 (RETROACTIVE)]: Sec. 0.5. This chapter does not apply to a property interest transferred by a decedent whose death occurs after December 31, ~~2021.~~ **2012.**

SECTION 122. IC 6-4.1-8-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 4. (a) A person who has possession of or control over personal property held jointly by a resident decedent and another person may not transfer the property to the surviving joint tenant, unless:

(1) the surviving joint tenant is the decedent's surviving spouse; or

(2) the property is money held in a joint checking account;

without the written consent of the department of state revenue or the county assessor of the county in which the resident decedent was domiciled at the time of the decedent's death.

(b) Except as provided in subsection (c), a person who has possession of or control over personal property held in a trust that is subject to the Indiana inheritance **tax** or estate tax **(before its repeal)** at the time of a resident decedent's death may not transfer the property to a beneficiary or any other person, unless the beneficiary or other person is the decedent's surviving spouse, without the written consent of the department of state revenue or the county assessor of the county in which the resident decedent was domiciled at the time of the decedent's death.

(c) A person who has possession of or control over personal property held in trust may transfer the property without the written consent of the department of state revenue or the county assessor of the county in which the resident decedent was domiciled at the time of the decedent's death under the following conditions:

(1) The transferee is domiciled in Indiana.

(2) The transferee completes a sworn affidavit on a form prescribed by the department of state revenue that states:

(A) the transfer of the personal property is not subject to Indiana inheritance **tax** or estate tax **(before its repeal);** and

(B) the reasons the transfer is not subject to tax.

(3) A copy of the affidavit required under subdivision (2) is immediately filed with the department of state revenue.

(d) A person who has possession of or control over a resident decedent's personal property (except proceeds payable under a life insurance policy) may not transfer the property to any other person, unless:

(1) the other person is the decedent's surviving spouse; or

(2) the property is money held in a checking account;

without the written consent of the department of state revenue or the county assessor of the county in which the resident decedent was domiciled at the time of the decedent's death.

(e) The department of state revenue or the appropriate county assessor may consent to a transfer if the department or the county assessor believes that the transfer will not jeopardize the collection of inheritance tax.

(f) The department of state revenue shall send a copy of any consent to transfer that it issues under this section to the county assessor of the county in which the resident decedent was domiciled at the time of the decedent's death.

SECTION 123. IC 6-4.1-9-0.5, AS ADDED BY P.L.157-2012, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013 (RETROACTIVE)]: Sec. 0.5. This chapter does not apply to a property interest transferred by a decedent whose death occurs after December 31, ~~2021.~~ **2012.**

SECTION 124. IC 6-4.1-10-1, AS AMENDED BY P.L.182-2009(ss), SECTION 232, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013 (RETROACTIVE)]: Sec. 1. (a) A person may file with the department of state revenue a claim for the refund of inheritance **tax** or Indiana estate tax **(paid before its repeal)** which has been erroneously or illegally collected. Except as provided in section 2 of this chapter, the person must file the claim within:

(1) three (3) years after the tax is paid; or

~~within~~ **(2)** one (1) year after the tax is finally determined **under IC 6-4.1-5-10;**

whichever is later.

(b) A person must file a claim for a refund on a form prescribed by the department of state revenue. The claim must include:

(1) the amount of the refund claimed; and

(2) the reason the person is entitled to a refund.

~~(b)~~ **(c)** The amount of the refund that a person is entitled to receive under this chapter equals the amount of the erroneously or illegally collected tax, plus interest calculated as specified in subsection ~~(c).~~ **(d).**

~~(c)~~ **(d)** If a tax payment that has been erroneously or illegally collected is not refunded within ninety (90) days after the later of the date on which:

(1) the refund claim is filed with the department of state revenue; or

(2) **the department of state revenue receives:**

(A) the inheritance tax return ~~is received by the department of state revenue;~~ **and order required under IC 6-4.1-5-10, in the case of a resident decedent; or**

(B) the inheritance tax return, in the case of a nonresident decedent;

interest accrues at the rate of six percent (6%) per annum computed from the date under subdivision (1) or (2), whichever applies, until the tax payment is refunded.

SECTION 125. IC 6-4.1-10-1.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013 (RETROACTIVE)]: **Sec. 1.5. (a) This section applies to a refund of inheritance taxes paid with respect to an individual whose death occurs in 2013.**

(b) The entire amount of a refund must be paid by the department, including any amounts retained by a county under IC 6-4.1-9-6.

(c) If a county is eligible to receive an inheritance tax replacement amount under IC 6-4.1-11-6 in 2013, the amount of the replacement amount must be reduced by the amount of any inheritance taxes retained by the county under IC 6-4.1-9-6 with respect to an individual whose death occurs in 2013.

(d) If a county is not eligible to receive an inheritance tax replacement amount under IC 6-4.1-11-6 in 2013, the department may deduct the amount of any inheritance taxes retained by the county under IC 6-4.1-9-6 with respect to an individual whose death occurs in 2013 from any distribution of revenue to the county.

SECTION 126. IC 6-4.1-10-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013 (RETROACTIVE)]: Sec. 4. (a) A person who files a claim for the refund of inheritance **tax** or Indiana estate tax **(paid before its repeal)** may appeal any refund order which the department of state revenue enters with respect to ~~his~~ **the person's** claim. To initiate the appeal, the person must, within ninety (90) days after the department enters the order, file a complaint in which the department is named as the defendant.

(b) The court which has jurisdiction over an appeal initiated under this section is:

(1) the probate court of the county in which administration of the estate is pending, if the appeal involves either a resident or a nonresident decedent's estate and administration of the estate is pending;

(2) the probate court of the county in which the decedent was domiciled at the time of ~~his~~ **the**

decedent's death, if the appeal involves a resident decedent's estate and no administration of the estate is pending in Indiana; or

(3) the probate court of any county in which any of the decedent's property was located at the time of ~~his~~ **the decedent's** death, if the appeal involves a nonresident decedent's estate and no administration of the estate is pending in Indiana.

SECTION 127. IC 6-4.1-11-0.1 IS REPEALED [EFFECTIVE JANUARY 1, 2013 (RETROACTIVE)].

~~Sec. 0.1. The following amendments to this chapter apply as follows:~~

~~(1) The amendments made to section 2 of this chapter by P.L.78-1993 do not apply to individuals who die before July 1, 1993.~~

~~(2) The amendments made to section 3 of this chapter by P.L.252-2001 apply to the estate of an individual who dies after June 30, 2001.~~

SECTION 128. IC 6-4.1-11-1 IS REPEALED [EFFECTIVE JANUARY 1, 2013 (RETROACTIVE)].

~~Sec. 1. A tax to be known as the "Indiana estate tax" is imposed upon a resident or nonresident decedent's estate.~~

SECTION 129. IC 6-4.1-11-2 IS REPEALED [EFFECTIVE JANUARY 1, 2013 (RETROACTIVE)].

~~Sec. 2. (a) The Indiana estate tax is the amount determined in STEP FOUR of the following formula:~~

~~STEP ONE: Divide:~~

~~(A) the value of the decedent's Indiana gross estate; by~~

~~(B) the value of the decedent's total gross estate for federal estate tax purposes.~~

~~STEP TWO: Multiply:~~

~~(A) the quotient determined under STEP ONE; by~~

~~(B) the federal state death tax credit allowable against the decedent's federal estate tax.~~

~~The product is the Indiana portion of the federal state death tax credit.~~

~~STEP THREE: Subtract:~~

~~(A) the amount of all Indiana inheritance taxes actually paid as a result of the decedent's death; from~~

~~(B) the product determined under STEP TWO.~~

~~STEP FOUR: Determine the greater of the following:~~

~~(A) The remainder determined under STEP THREE.~~

~~(B) Zero (0).~~

~~(b) For purposes of this section, the value of a nonresident decedent's Indiana gross estate equals the total fair market value on the appraisal date of tangible personal property and real estate which had an actual situs in Indiana at the time of the decedent's death and which is included in the decedent's gross estate for federal estate tax purposes under Sections 2031 through 2044 of the Internal Revenue Code.~~

~~(c) For purposes of this section, the value of a resident decedent's Indiana gross estate equals the total fair market value on the appraisal date of personal property and real estate that had an actual situs in Indiana at the time of the decedent's death and all intangible personal property wherever located that is included in the decedent's gross estate for federal estate tax purposes.~~

~~(d) For purposes of this section, the value of a resident or nonresident decedent's total gross estate for federal estate tax purposes equals the total fair market value on the appraisal date of the property included in the decedent's gross estate for federal estate tax purposes under Sections 2031 through 2044 of the Internal Revenue Code.~~

~~(e) For purposes of determining the value of a decedent's Indiana gross estate and the decedent's total gross estate, the appraisal date for each property interest is the date on which the property interest is valued for federal estate tax purposes.~~

~~(f) The estate tax does not apply to a property interest transfer made by a resident decedent if the interest transferred is in:~~

~~(1) real property located outside Indiana, regardless of whether the property is held in a trust or whether the trustee is required to distribute the property in-kind; or~~

~~(2) real property located in Indiana, if:~~

~~(A) the real property was transferred to an irrevocable trust during the decedent's lifetime;~~

~~(B) the transfer to the trust was not made in contemplation of the transferor's death, as determined under IC 6-4.1-2-4; and~~

~~(C) the decedent does not have a retained interest in the trust.~~

SECTION 130. IC 6-4.1-11-3 IS REPEALED [EFFECTIVE JANUARY 1, 2013 (RETROACTIVE)]. ~~Sec. 3. (a) The Indiana estate tax accrues at the time of the decedent's death. Except as provided in subsection (b) of this section, the Indiana estate tax is due twelve (12) months after the date of the decedent's death.~~

~~(b) Any Indiana estate tax that results from a final change in the amount of federal estate tax is due:~~

~~(1) eighteen (18) months after the date of the decedent's death; or~~

~~(2) one (1) month after final notice of the federal estate tax due is given to the person liable for the tax;~~

~~whichever is later.~~

SECTION 131. IC 6-4.1-11-4 IS REPEALED [EFFECTIVE JANUARY 1, 2013 (RETROACTIVE)]. ~~Sec. 4. If Indiana estate tax is not paid on or before the due date, the person liable for the tax shall pay interest on the delinquent portion of the tax from the due date until it is paid at the rate of six percent (6%) per year.~~

SECTION 132. IC 6-4.1-11-5 IS REPEALED [EFFECTIVE JANUARY 1, 2013 (RETROACTIVE)]. ~~Sec. 5. A person is entitled to claim the amount of Indiana estate tax paid under this chapter as a credit against inheritance tax imposed under this article if:~~

~~(1) the inheritance tax is imposed after the Indiana estate tax is paid; and~~

~~(2) both taxes are imposed as a result of the same decedent's death.~~

SECTION 133. IC 6-4.1-11-6, AS AMENDED BY P.L.157-2012, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013 (RETROACTIVE)]: Sec. 6. (a) The department of state revenue shall collect the Indiana estate tax and the interest charges imposed under this chapter. The department shall remit the money which it collects under this chapter to the state treasurer, and the state treasurer shall deposit the money in the state general fund.

(b) ~~Except as provided in subsection (c), the treasurer of state shall annually distribute to each county the amount determined under subsection (c) or (d) for the county. The distribution for a particular state fiscal year must be made before August 15 of the following state fiscal year.~~ **Before August 15, 2013, the treasurer of state shall distribute an inheritance tax replacement amount to each county eligible to receive a distribution as determined under this subsection with respect to inheritance tax collections in the state fiscal year that began on July 1, 2012. The amount of the inheritance tax replacement amount, if any, for each county is determined as follows:**

STEP ONE: Determine the inheritance tax replacement amount distributed to the county in 2012, if any, with respect to inheritance tax collections in the state fiscal year that began on July 1, 2011.

STEP TWO: Multiply the STEP ONE amount by ninety-one percent (91%).

STEP THREE: Determine the difference between:

(A) the STEP TWO result; minus

(B) the amount of any inheritance taxes retained by the county under IC 6-4.1-9-6 with respect to a resident decedent's death occurring in 2013.

There is appropriated from the state general fund the amount necessary to make the distributions under this subsection.

~~(c) For a state fiscal year ending before July 1, 2012, the department of state revenue shall determine the inheritance tax replacement amount for each county using the following formula:~~

~~STEP ONE: Determine the amount of inheritance tax revenue retained by each county in each state fiscal year beginning with the state fiscal year that began July 1, 1990, and ending with the state fiscal year that ends June 30, 1997.~~

~~STEP TWO: Determine the average annual amount of inheritance tax revenue retained by each county using five (5) of the seven (7) state fiscal years described in STEP ONE after excluding the two (2) years in which each county retained its highest and lowest totals of inheritance tax revenue.~~

~~STEP THREE: Determine the remainder of the STEP TWO amount minus the amount of inheritance taxes retained by the county during the immediately preceding state fiscal year.~~

~~(d) For a state fiscal year beginning after June 30, 2012, and ending before July 1, 2022, the department of state revenue shall determine the inheritance tax replacement amount for each county using the following formula:~~

~~STEP ONE: Determine the inheritance tax replacement amount distributed to the county for the state fiscal year that began on July 1, 2011.~~

~~STEP TWO: Multiply the amount determined under STEP ONE by the appropriate percentage as follows:~~

~~(A) ninety-one percent (91%) for the state fiscal year beginning July 1, 2012.~~

~~(B) Eighty-two percent (82%) for the state fiscal year beginning July 1, 2013.~~

~~(C) Seventy-three percent (73%) for the state fiscal year beginning July 1, 2014.~~

~~(D) Sixty-four percent (64%) for the state fiscal year beginning July 1, 2015.~~

~~(E) Fifty-five percent (55%) for the state fiscal year beginning July 1, 2016.~~

~~(F) Forty-five percent (45%) for the state fiscal year beginning July 1, 2017.~~

~~(G) Thirty-six percent (36%) for the state fiscal year beginning July 1, 2018.~~

~~(H) Twenty-seven percent (27%) for the state fiscal year beginning July 1, 2019.~~

~~(I) Eighteen percent (18%) for the state fiscal year beginning July 1, 2020.~~

~~(J) Nine percent (9%) for the state fiscal year beginning July 1, 2021.~~

~~(c)~~ **(c)** A county is not entitled to a distribution under subsection (b) for a state fiscal year beginning after June 30, ~~2022.~~ **2013.**

SECTION 134. IC 6-4.1-11-7 IS REPEALED [EFFECTIVE JANUARY 1, 2013 (RETROACTIVE)]. ~~Sec. 7. A probate court's final determination concerning the amount of Indiana estate tax owing under this chapter may be appealed to the tax court in accordance with the rules of appellate procedure.~~

SECTION 135. IC 6-4.1-11.5 IS REPEALED [EFFECTIVE JANUARY 1, 2013 (RETROACTIVE)]. (Indiana Generation-Skipping Transfer Tax).

SECTION 136. IC 6-4.1-12-0.5, AS ADDED BY P.L.157-2012, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013 (RETROACTIVE)]: Sec. 0.5. (a) For an individual who dies after December 31, ~~2021,~~ **2012,** there is no inheritance tax imposed on the decedent's transfer of property interests.

(b) Sections 1 through 12 of this chapter do not apply to a property interest transferred by a decedent whose death occurs after December 31, ~~2021.~~ **2012.**

SECTION 137. IC 6-5.5-1-2, AS AMENDED BY P.L.6-2012, SECTION 56, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013 (RETROACTIVE)]: Sec. 2. (a) Except as provided in subsections (b) through (d), "adjusted gross income" means taxable income as defined in Section 63 of the Internal Revenue Code, adjusted as follows:

(1) Add the following amounts:

(A) An amount equal to a deduction allowed or allowable under Section 166, Section 585, or Section 593 of the Internal Revenue Code.

(B) An amount equal to a deduction allowed or allowable under Section 170 of the Internal Revenue Code.

(C) An amount equal to a deduction or deductions allowed or allowable under Section 63 of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by a state of the United States or levied at the local level by any subdivision of a state of the United States.

(D) The amount of interest excluded under Section 103 of the Internal Revenue Code or under

any other federal law, minus the associated expenses disallowed in the computation of taxable income under Section 265 of the Internal Revenue Code.

(E) An amount equal to the deduction allowed under Section 172 or 1212 of the Internal Revenue Code for net operating losses or net capital losses.

(F) For a taxpayer that is not a large bank (as defined in Section 585(c)(2) of the Internal Revenue Code), an amount equal to the recovery of a debt, or part of a debt, that becomes worthless to the extent a deduction was allowed from gross income in a prior taxable year under Section 166(a) of the Internal Revenue Code.

(G) Add the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(H) Add the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars ($25,000).

(I) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(J) Add an amount equal to any income not included in gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code. Subtract from the adjusted gross income of any taxpayer that added an amount to adjusted gross income in a previous year the amount necessary to offset the amount included in federal gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code.

~~(K) Add the amount necessary to make the adjusted gross income of any taxpayer that placed qualified restaurant property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(v) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed in service.~~

~~(L) Add the amount necessary to make the adjusted gross income of any taxpayer that placed qualified retail improvement property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(ix) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed in service.~~

~~(M)~~ **(K)** Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that claimed the special allowance for qualified disaster assistance property under Section 168(n) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the special allowance not been claimed for the property.

~~(N)~~ **(L)** Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that made an election under Section 179C of the Internal Revenue Code to expense costs for qualified refinery property equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year.

~~(O)~~ **(M)** Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that made an election under Section 181 of the Internal Revenue Code to expense costs for a qualified film or television production equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year.

~~(P)~~ **(N)** Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that treated a loss from the sale or exchange of preferred stock in:

(i) the Federal National Mortgage Association, established under the Federal National Mortgage Association Charter Act (12 U.S.C. 1716 et seq.); or

(ii) the Federal Home Loan Mortgage Corporation, established under the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1451 et seq.);

as an ordinary loss under Section 301 of the Emergency Economic Stabilization Act of 2008 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 the loss not been treated as an ordinary loss.

~~(Q)~~ **(O)** Add an amount equal to any exempt insurance income under Section 953(e) of the Internal Revenue Code for active financing income under Subpart F, Subtitle A, Chapter 1, Subchapter N of the Internal Revenue Code.

~~(R) Add the amount necessary to make the adjusted gross income of any taxpayer that placed any qualified leasehold improvement property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(iv) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed into service.~~

~~(S) Add the amount deducted from gross income under Section 198 of the Internal Revenue Code for the expensing of environmental remediation costs.~~

~~(T) Add the amount deducted from gross income under Section 179E of the Internal Revenue Code for any qualified advanced mine safety equipment property.~~

~~(U) Add the amount necessary to make the adjusted gross income of any taxpayer that placed a motorsports entertainment complex in service during the taxable year and that was classified as 7-year property under Section 168(e)(3)(C)(ii) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed into service.~~

~~(V) Add the amount deducted under Section 195 of the Internal Revenue Code for start-up expenditures that exceeds the amount the taxpayer could deduct under Section 195 of the Internal Revenue Code before it was amended by the Small Business Jobs Act of 2010 (P.L. 111-240).~~

~~(W) Add the amount necessary to make the adjusted gross income of any taxpayer for which tax was not imposed on the net recognized built-in gain of an S corporation under Section 1374(d)(7) of the Internal Revenue Code as amended by the Small Business Jobs Act of 2010 (P.L. 111-240) equal to the amount of adjusted gross income that would have been computed before Section 1374(d)(7) of the Internal Revenue Code as amended by the Small Business Jobs Act of 2010 (P.L. 111-240).~~

(2) Subtract the following amounts:

(A) Income that the United States Constitution or any statute of the United States prohibits from being used to measure the tax imposed by this chapter.

(B) Income that is derived from sources outside the United States, as defined by the Internal Revenue Code.

(C) An amount equal to a debt or part of a debt that becomes worthless, as permitted under Section 166(a) of the Internal Revenue Code.

(D) An amount equal to any bad debt reserves that are included in federal income because of accounting method changes required by Section 585(c)(3)(A) or Section 593 of the Internal Revenue Code.

(E) The amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation.

(F) The amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars ($25,000).

(G) Income that is:

(i) exempt from taxation under IC 6-3-2-21.7; and

(ii) included in the taxpayer's taxable income under the Internal Revenue Code.

(H) This clause does not apply to payments made for services provided to a business that was enrolled and participated in the E-Verify program (as defined in IC 22-5-1.7-3) during the time the taxpayer conducted business in Indiana in the taxable year. For a taxable year beginning after June 30, 2011, add the amount of any trade or business deduction allowed under the Internal Revenue Code for wages, reimbursements, or other payments made for services provided in Indiana by an individual for services as an employee, if the individual was, during the period of service, prohibited from being hired as an employee under 8 U.S.C. 1324a.

(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 plus the amount excluded from federal gross income under Section 103 of the Internal Revenue Code for interest received on an obligation of a state other than Indiana, or a political subdivision of such a state, that is acquired by the taxpayer after December 31, 2011, 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 138. IC 6-5.5-8-2, AS AMENDED BY P.L.146-2008, SECTION 351, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 2. (a) On or before ~~February 1, May 1, August 1, and~~ December 1 **and June 1** of each year the auditor of state shall transfer **from the financial institutions tax fund** to each county auditor for distribution to the taxing units (as defined in IC 6-1.1-1-21) in the county, an amount equal to ~~one-fourth (1/4)~~ **fifty percent (50%)** of the sum of the ~~guaranteed amounts~~ **distributions under this section** for all the taxing units of the county ~~On or before August 1 of each year the auditor of state shall transfer to each county auditor the supplemental distribution for the county for the year.~~ **for the state fiscal year. The amount of a taxing unit's distribution for the state fiscal year is equal to the result of:**

(1) an amount equal to forty percent (40%) of the total financial institutions tax revenue collected during the preceding state fiscal year; multiplied by

(2) a fraction equal to:

(A) the amount of the guaranteed distributions received by the taxing unit under this chapter during calendar year 2012 (based on the best information available to the department); divided by

(B) the total amount of all guaranteed distributions received by all taxing units under this chapter during calendar year 2012 (based on the best information available to the department).

~~(b) For purposes of determining distributions under subsection (c), the department of local government finance shall determine a state welfare allocation and tuition support allocation for each county calculated as follows:~~

~~(1) The state welfare allocation for each county equals the greater of zero (0) or the amount determined under the following formula:~~

~~STEP ONE: For 1997, 1998, and 1999, determine the result of:~~

~~(i) the amounts appropriated by the county in the year for the county's county welfare fund and county welfare administration fund; divided by~~

~~(ii) the amounts appropriated by all the taxing units in the county in the year.~~

~~STEP TWO: Determine the sum of the results determined in STEP ONE.~~

~~STEP THREE: Divide the STEP TWO result by three (3).~~

~~STEP FOUR: Determine the amount that would otherwise be distributed to the county under subsection (c) without regard to this subdivision.~~

~~STEP FIVE: Determine the result of:~~

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

~~(ii) the STEP THREE result.~~

~~STEP SIX: For 2006, 2007, and 2008, determine the result of:~~

~~(i) the tax rate imposed by the county in the year for the county's county medical assistance to wards fund, family and children's fund, children's psychiatric residential treatment services fund, county hospital care for the indigent fund, and children with special health care needs county fund, plus, in the case of Marion County, the tax rate imposed by the health and hospital corporation that was necessary to raise thirty-five million dollars ($35,000,000) from all taxing districts in the county; divided by~~

~~(ii) the aggregate tax rate imposed by the county unit in the year plus, in the case of Marion County, the aggregate tax rate imposed by the health and hospital corporation in the year.~~

~~STEP SEVEN: Determine the sum of the STEP SIX amounts.~~

~~STEP EIGHT: Divide the STEP SEVEN result by three (3).~~

~~STEP NINE: Determine the amount that would otherwise be distributed to the county under subsection (c) without regard to this subdivision.~~

~~STEP TEN: Determine the result of:~~

~~(i) the STEP EIGHT amount; multiplied by~~

~~(ii) the STEP NINE result.~~

~~STEP ELEVEN: Determine the sum of the STEP FIVE amount and the STEP TEN amount.~~

~~(2) The tuition support allocation for each school corporation equals the greater of zero (0) or the amount determined under the following formula:~~

~~STEP ONE: For 2006, 2007, and 2008, determine the result of:~~

~~(i) the tax rate imposed by the school corporation in the year for the tuition support levy under IC 6-1.1-19-1.5 (repealed) or IC 20-45-3-11 (repealed) for the school corporation's general fund plus the tax rate imposed by the school corporation for the school corporation's special education preschool fund; divided by~~

~~(ii) the aggregate tax rate imposed by the school corporation in the year.~~

~~STEP TWO: Determine the sum of the results determined under STEP ONE.~~

~~STEP THREE: Divide the STEP TWO result by three (3).~~

~~STEP FOUR: Determine the amount that would otherwise be distributed to the school corporation under subsection (c) without regard to this subdivision.~~

~~STEP FIVE: Determine the result of:~~

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

~~(ii) the STEP THREE result.~~

~~(3) The state welfare allocation and tuition support allocation shall be deducted from the distributions otherwise payable under subsection (c) to the county taxing unit and school corporations in the county and shall be deposited in a fund, as directed by the budget agency.~~

~~(c) A taxing unit's guaranteed distribution for a year is the greater of zero (0) or an amount equal to:~~

~~(1) the amount received by the taxing unit under IC 6-5-10 (repealed) and IC 6-5-11 (repealed) in 1989; minus~~

~~(2) the amount to be received by the taxing unit in the year of the distribution, as determined by the department of local government finance, from property taxes attributable to the personal property of banks, exclusive of the property taxes attributable to personal property leased by banks as the lessor where the possession of the personal property is transferred to the lessee; minus~~

~~(3) in the case of a taxing unit that is a county, the amount that would have been received by the taxing unit in the year of the distribution, as determined by the department of local government finance from property taxes that:~~

~~(A) were calculated for the county's county welfare fund and county welfare administration fund for 2000 but were not imposed because of the repeal of IC 12-19-3 and IC 12-19-4; and~~

~~(B) would have been attributable to the personal property of banks, exclusive of the property taxes attributable to personal property leased by banks as the lessor where the possession of the personal property is transferred to the lessee.~~

~~(d) The amount of the supplemental distribution for a county for a year shall be determined using the following formula:~~

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

~~(A) one-half (1/2) of the taxes that the department estimates will be paid under this article during the year; minus~~

~~(B) the sum of all the guaranteed distributions, before the subtraction of all state welfare allocations and tuition support allocations under subsection (b), for all taxing units in all counties plus the bank personal property taxes to be received by all taxing units in all counties, as determined under subsection (c)(2) for the year.~~

~~STEP TWO: Determine the quotient of:~~

~~(A) the amount received under IC 6-5-10 (repealed) and IC 6-5-11 (repealed) in 1989 by all taxing units in the county; divided by~~

~~(B) the sum of the amounts received under IC 6-5-10 (repealed) and IC 6-5-11 (repealed) in 1989 by all taxing units in all counties.~~

~~STEP THREE: Determine the product of:~~

~~(A) the amount determined in STEP ONE; multiplied by~~

~~(B) the amount determined in STEP TWO.~~

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

~~(A) the amount of supplemental distribution determined in STEP THREE for the county; minus~~

~~(B) the amount of refunds granted under IC 6-5-10-7 (repealed) that have yet to be reimbursed to the state by the county treasurer under IC 6-5-10-13 (repealed).~~

~~For the supplemental distribution made on or before August 1 of each year, the department shall adjust the amount of each county's supplemental distribution to reflect the actual taxes paid under this article for the preceding year.~~

~~(e) Except as provided in subsections (g) and (h), the amount of the supplemental distribution for each taxing unit shall be determined using the following formula:~~

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

~~(A) the amount received by the taxing unit under IC 6-5-10 (repealed) and IC 6-5-11 (repealed) in 1989; divided by~~

~~(B) the sum of the amounts used in STEP ONE (A) for all taxing units located in the county.~~

~~STEP TWO: Determine the product of:~~

~~(A) the amount determined in STEP ONE; multiplied by~~

~~(B) the supplemental distribution for the county, as determined in subsection (d), STEP FOUR.~~

~~(f)~~ **(b)** The county auditor shall distribute the ~~guaranteed and supplemental~~ distributions received under subsection (a) to the taxing units in the county at the same time that the county auditor makes the semiannual distribution of real property taxes to the taxing units.

~~(g) The amount of a supplemental distribution paid to a taxing unit that is a county shall be reduced by an amount equal to:~~

~~(1) an amount equal to:~~

~~(A) the amount the county would receive under subsection (e) without regard to this subsection; multiplied by~~

~~(B) the result of the following:~~

~~(i) Determine the amounts appropriated by the county in 1997, 1998, and 1999 for the county's county welfare fund and county welfare administration fund, divided by the otal amounts appropriated by all the taxing units in the county in the year.~~

~~(ii) Divide the amount determined in item (i) by three (3); plus~~

~~(2) the amount the county would receive under subsection (e) without regard to this subsection multiplied by the result determined under the following formula:~~

~~(A) Determine the result of:~~

~~(i) the tax rate imposed by the county in 2006, 2007, and 2008 for the county's county medical assistance to wards fund, family and children's fund, children's psychiatric residential treatment services fund, county hospital care for the indigent fund, children with special health care needs county fund, plus, in the case of Marion County, the tax rate imposed by the health and hospital corporation that was necessary to raise thirty-five million dollars ($35,000,000) from all taxing districts in the county; divided by~~

~~(ii) the aggregate tax rate imposed by the county in the year plus, in the case of Marion County, the aggregate tax rate imposed by the health and hospital corporation in the year.~~

~~(B) Divide the clause (A) amount by three (3).~~

~~(h) The amount of a supplemental distribution paid to a school corporation shall be reduced by an~~

~~amount equal to:~~

~~(1) the amount the school corporation would receive under subsection (c) without regard to this subsection; minus~~

~~(2) an amount equal to:~~

~~(A) the amount described in subdivision (1); multiplied by~~

~~(B) the result of the following formula:~~

~~(i) Determine the tax rate imposed by the school corporation in 2006, 2007, and 2008 for the tuition support levy under IC 6-1.1-19-1.5 (repealed) or IC 20-45-3-11 (repealed) for the school corporation's general fund plus the tax rate imposed by the school corporation for the school corporation's special education preschool fund, divided by the aggregate tax rate imposed by the school corporation in the year.~~

~~(ii) Divide the item (i) amount by three (3).~~

~~(i) The amounts deducted under subsections (g) and (h) shall be deposited in a state fund, as directed by the budget agency.~~

SECTION 139. IC 6-5.5-8-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2014]: Sec. 3. (a) Before ~~January 15,~~ April 15 ~~July 15, and November 15~~ **and October 15** of each year, ~~the department shall certify to~~ the auditor of state **shall determine** the amount of the next ~~quarterly guaranteed~~ **semiannual** distribution **under section 2 of this chapter** for counties. ~~Before July 15 of each year, the department shall certify to the auditor of state the amount of the August 1 supplemental distribution for counties.~~ The ~~certified~~ amounts **determined by the auditor of state** shall be based on the best information available to the department.

(b) In order to make the distributions required by this chapter, the auditor of state shall draw warrants on the financial institutions tax fund payable to the county, and the treasurer of state shall pay the warrants.

SECTION 140. IC 6-6-9.7-7, AS AMENDED BY P.L.182-2009(ss), SECTION 244, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 7. (a) The city-county council of a county that contains a consolidated city may adopt an ordinance to impose an excise tax, known as the county supplemental auto rental excise tax, upon the rental of passenger motor vehicles and trucks in the county for periods of less than thirty (30) days. The ordinance must specify that the tax expires December 31, 2027.

(b) Except as provided in subsection (c), the county supplemental auto rental excise tax that may be imposed upon the rental of a passenger motor vehicle or truck equals two percent (2%) of the gross retail income received by the retail merchant for the rental.

(c) On or before June 30, 2005, the city-county council may, by ordinance adopted by a majority of the members elected to the city-county council, increase the tax imposed under subsection (a) from two percent (2%) to four percent (4%). The ordinance must specify that:

(1) if on December 31, 2027, there are obligations owed by the capital improvement board of managers to the Indiana stadium and convention building authority or any state agency under IC 5-1-17-26, the original two percent (2%) rate imposed under subsection (a) continues to be levied after its original expiration date set forth in subsection (a) and through December 31, 2040; and

(2) the additional rate authorized under this subsection expires on:

(A) January 1, 2041;

(B) January 1, 2010, if on that date there are no obligations owed by the capital improvement board of managers to the Indiana stadium and convention building authority or to any state agency under IC 5-1-17-26; or

(C) October 1, 2005, if on that date there are no obligations owed by the capital improvement board of managers to the Indiana stadium and convention building authority or to any state agency under a lease or a sublease of an existing capital improvement entered into under IC 5-1-17, unless waived by the budget director.

(d) The amount collected from that portion of county supplemental auto rental excise tax imposed under:

(1) subsection (b) and collected after December 31, 2027; and

(2) under subsection (c);

shall, in the manner provided by section 11 of this chapter, be distributed to the capital improvement board of managers operating in a consolidated city or its designee. So long as there are any current or future obligations owed by the capital improvement board of managers to the Indiana stadium and convention building authority created by IC 5-1-17 or any state agency pursuant to a lease or other agreement entered into between the capital improvement board of managers and the Indiana stadium and convention building authority or any state agency under IC 5-1-17-26, the capital improvement board of managers or its designee shall deposit the revenues received under this subsection in a special fund, which may be used only for the payment of the obligations described in this subsection.

(e) After January 1, 2013, and before March 1, 2013, the city-county council may, by ordinance adopted by a majority of the members elected to the city-county council, increase the tax rate imposed under subsection (a) by not more than two percent (2%). The amount collected from an increase adopted under this subsection shall be deposited in the sports and convention facilities operating fund established by IC 36-7-31-16. **An increase in the tax rate under this subsection continues in effect unless the increase is rescinded. However, any increase in the tax rate under this subsection may not continue in effect after February 28, 2023.**

(f) If a city-county council adopts an ordinance under subsection (a), (c), or (e), the city-county council shall immediately send a certified copy of the ordinance to the commissioner of the department of state revenue.

(g) If a city-county council adopts an ordinance under subsection (a), (c), or (e) on or before the fifteenth day of a month, the county supplemental auto rental excise tax applies to auto rentals after the last day of the month in which the ordinance is adopted. If the city-county council adopts an ordinance under subsection (a), (c), or (e) after the fifteenth day of a month, the county supplemental auto rental excise tax applies to auto rentals after the last day of the month following the month in which the ordinance is adopted.

SECTION 141. IC 6-7-1-28.1, AS AMENDED BY P.L.229-2011, SECTION 95, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 28.1. The taxes, registration fees, fines, or penalties collected under this chapter shall be deposited in the following manner:

(1) Four and twenty-two hundredths percent (4.22%) of the money shall be deposited in a fund to be known as the cigarette tax fund.

(2) Six-tenths percent (0.6%) of the money shall be deposited in a fund to be known as the mental health centers fund.

(3) The following amount of the money shall be deposited in the state general fund:

(A) After June 30, 2011, and before July 1, 2013, sixty and twenty-four hundredths percent (60.24%).

(B) After June 30, 2013, ~~fifty-four and five-tenths~~ **fifty-six and twenty-four hundredths** percent ~~(54.5%).~~ **(56.24%).**

(4) Five and forty-three hundredths percent (5.43%) of the money shall be deposited into the pension relief fund established in IC 5-10.3-11.

(5) Twenty-seven and five hundredths percent (27.05%) of the money shall be deposited in the Indiana check-up plan trust fund established by IC 12-15-44.2-17.

(6) Two and forty-six hundredths percent (2.46%) of the money shall be deposited in the state general fund for the purpose of paying appropriations for Medicaid—Current Obligations, for provider reimbursements.

(7) The following amount of the money shall be deposited in the state retiree health benefit trust fund established by IC 5-10-8-8.5 as follows:

(A) Before July 1, 2011, five and seventy-four hundredths percent (5.74%).
(B) After June 30, 2011, and before July 1, 2013, zero percent (0%).
(C) After June 30, 2013, ~~five and seventy-four hundredths~~ **four** percent ~~(5.74%).~~ **(4%).**
The money in the cigarette tax fund, the mental health centers fund, the Indiana check-up plan trust fund, or the pension relief fund at the end of a fiscal year does not revert to the state general fund. However, if in any fiscal year, the amount allocated to a fund under subdivision (1) or (2) is less than the amount received in fiscal year 1977, then that fund shall be credited with the difference between the amount allocated and the amount received in fiscal year 1977, and the allocation for the fiscal year to the fund under subdivision (3) shall be reduced by the amount of that difference. Money deposited under subdivisions (6) through (7) may not be used for any purpose other than the purpose stated in the subdivision.

SECTION 142. IC 6-7-2-7, AS AMENDED BY P.L.172-2011, SECTION 83, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 7. (a) A tax is imposed on the distribution of tobacco products in Indiana at the rate of:

(1) twenty-four percent (24%) of the wholesale price of tobacco products other than moist snuff; or
(2) for moist snuff, forty cents ($0.40) per ounce, and a proportionate tax at the same rate on all fractional parts of an ounce. If the tax calculated for a fractional part of an ounce carried to the third decimal place results in the numeral in the third decimal place being greater than four (4), the amount of the tax shall be rounded to the next additional cent.

(b) The distributor of the tobacco products, **including a person that sells tobacco products through an Internet web site,** is liable for the tax imposed under subsection (a). The tax is imposed at the time the distributor:

(1) brings or causes tobacco products to be brought into Indiana for distribution;
(2) manufactures tobacco products in Indiana for distribution; or
(3) transports tobacco products to retail dealers in Indiana for resale by those retail dealers.

(c) The Indiana general assembly finds that the tax rate on smokeless tobacco should reflect the relative risk between such products and cigarettes.

SECTION 143. IC 6-7-2-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 8. (a) A distributor, **including a person that sells tobacco products through an Internet web site,** must obtain a license under this section before it distributes tobacco products in Indiana. The department shall issue licenses to applicants that qualify under this section. A license issued under this section is valid for one (1) year unless revoked or suspended by the department and is not transferable.

(b) An applicant for a license under this section must submit proof to the department of the appointment of an agent for service of process in Indiana if the applicant is:

(1) an individual whose principal place of residence is outside Indiana; or
(2) a person, other than an individual, that has its principal place of business outside Indiana.

(c) To obtain or renew a license under this section, a person must:

(1) submit, for each location where it intends to distribute tobacco products, an application that includes all information required by the department;
(2) pay a fee of twenty-five dollars ($25) at the time of application; and
(3) at the time of application, post a bond, issued by a surety company approved by the department, in an amount not less than one thousand dollars ($1,000) and conditioned on the applicant's compliance with this chapter.

(d) If business is transacted at two (2) or more places by one (1) distributor, a separate license must be obtained for each place of business.

(e) Each license must be numbered, show the name and address of the distributor, and be posted in a conspicuous place at the place of business for which it is issued.

(f) If the department determines that a bond provided by a licensee is inadequate, the department may require a new bond in the amount necessary to fully protect the state.

SECTION 144. IC 6-8.1-7-1, AS AMENDED BY P.L.182-2009(ss), SECTION 254, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 1. (a) This subsection does not apply to the disclosure of information concerning a conviction on a tax evasion charge. Unless in accordance with a judicial order or as otherwise provided in this chapter, the department, its employees, former employees, counsel, agents, or any other person may not divulge the amount of tax paid by any taxpayer, terms of a settlement agreement executed between a taxpayer and the department, investigation records, investigation reports, or any other information disclosed by the reports filed under the provisions of the law relating to any of the listed taxes, including required information derived from a federal return, except to:

(1) members and employees of the department;

(2) the governor;

(3) the attorney general or any other legal representative of the state in any action in respect to the amount of tax due under the provisions of the law relating to any of the listed taxes; or

(4) any authorized officers of the United States;

when it is agreed that the information is to be confidential and to be used solely for official purposes.

(b) The information described in subsection (a) may be revealed upon the receipt of a certified request of any designated officer of the state tax department of any other state, district, territory, or possession of the United States when:

(1) the state, district, territory, or possession permits the exchange of like information with the taxing officials of the state; and

(2) it is agreed that the information is to be confidential and to be used solely for tax collection purposes.

(c) The information described in subsection (a) relating to a person on public welfare or a person who has made application for public welfare may be revealed to the director of the division of family resources, and to any director of a county office of the division of family resources located in Indiana, upon receipt of a written request from either director for the information. The information shall be treated as confidential by the directors. In addition, the information described in subsection (a) relating to a person who has been designated as an absent parent by the state Title IV-D agency shall be made available to the state Title IV-D agency upon request. The information shall be subject to the information safeguarding provisions of the state and federal Title IV-D programs.

(d) The name, address, Social Security number, and place of employment relating to any individual who is delinquent in paying educational loans owed to a postsecondary educational institution may be revealed to that institution if it provides proof to the department that the individual is delinquent in paying for educational loans. This information shall be provided free of charge to approved postsecondary educational institutions (as defined by IC 21-7-13-6(a)). The department shall establish fees that all other institutions must pay to the department to obtain information under this subsection. However, these fees may not exceed the department's administrative costs in providing the information to the institution.

(e) The information described in subsection (a) relating to reports submitted under IC 6-6-1.1-502 concerning the number of gallons of gasoline sold by a distributor and IC 6-6-2.5 concerning the number of gallons of special fuel sold by a supplier and the number of gallons of special fuel exported by a licensed exporter or imported by a licensed transporter may be released by the commissioner upon receipt of a written request for the information.

(f) The information described in subsection (a) may be revealed upon the receipt of a written request from the administrative head of a state agency of Indiana when:

(1) the state agency shows an official need for the information; and

(2) the administrative head of the state agency agrees that any information released will be kept confidential and will be used solely for official purposes.

(g) The information described in subsection (a) may be revealed upon the receipt of a written request from the chief law enforcement officer of a state or local law enforcement agency in Indiana when it is

agreed that the information is to be confidential and to be used solely for official purposes.

(h) The name and address of retail merchants, including township, as specified in IC 6-2.5-8-1(j) may be released solely for tax collection purposes to township assessors and county assessors.

(i) The department shall notify the appropriate innkeepers' tax board, bureau, or commission that a taxpayer is delinquent in remitting innkeepers' taxes under IC 6-9.

(j) All information relating to the delinquency or evasion of the motor vehicle excise tax may be disclosed to the bureau of motor vehicles in Indiana and may be disclosed to another state, if the information is disclosed for the purpose of the enforcement and collection of the taxes imposed by IC 6-6-5.

(k) All information relating to the delinquency or evasion of commercial vehicle excise taxes payable to the bureau of motor vehicles in Indiana may be disclosed to the bureau and may be disclosed to another state, if the information is disclosed for the purpose of the enforcement and collection of the taxes imposed by IC 6-6-5.5.

(l) All information relating to the delinquency or evasion of commercial vehicle excise taxes payable under the International Registration Plan may be disclosed to another state, if the information is disclosed for the purpose of the enforcement and collection of the taxes imposed by IC 6-6-5.5.

(m) All information relating to the delinquency or evasion of the excise taxes imposed on recreational vehicles and truck campers that are payable to the bureau of motor vehicles in Indiana may be disclosed to the bureau and may be disclosed to another state if the information is disclosed for the purpose of the enforcement and collection of the taxes imposed by IC 6-6-5.1.

(n) This section does not apply to:

(1) the beer excise tax, including brand and packaged type (IC 7.1-4-2);
(2) the liquor excise tax (IC 7.1-4-3);
(3) the wine excise tax (IC 7.1-4-4);
(4) the hard cider excise tax (IC 7.1-4-4.5);
(5) the malt excise tax (IC 7.1-4-5);
(6) the motor vehicle excise tax (IC 6-6-5);
(7) the commercial vehicle excise tax (IC 6-6-5.5); and
(8) the fees under IC 13-23.

(o) The name and business address of retail merchants within each county that sell tobacco products may be released to the division of mental health and addiction and the alcohol and tobacco commission solely for the purpose of the list prepared under IC 6-2.5-6-14.2.

(p) The name and business address of a person licensed by the department under IC 6-6 or IC 6-7 may be disclosed for the purpose of reporting the status of the person's license.

SECTION 145. IC 6-8.1-8-17 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 17. If the department determines that a person does not necessarily have sufficient nexus with the state for the state to require the collection of the state gross retail or use tax by the person without the likelihood of litigation on the nexus issue, the department may enter into an agreement with the person specifying that the person is exempt from collecting the state gross retail or use tax. The general assembly supports and recognizes such an agreement as binding on the state through the term of the agreement and that it will not add, amend, or repeal any law that would impair such an agreement. This section applies regardless of the date of the agreement, including agreements entered before July 1, 2013.**

SECTION 146. IC 6-9-13-2, AS AMENDED BY P.L.182-2009(ss), SECTION 261, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 2. (a) Except as provided in subsection (b), the county admissions tax equals five percent (5%) of the price for admission to any event described in section 1 of this chapter.

(b) On or before June 30, 2005, the city-county council may, by ordinance adopted by a majority of the members elected to the city-county council, increase the county admissions tax from five percent (5%) to six percent (6%) of the price for admission to any event described in section 1 of this chapter.

(c) After January 1, 2013, and before March 1, 2013, the city-county council may, by ordinance adopted by a majority of the members elected to the city-county council, increase the county admissions tax rate by not more than four percent (4%) of the price for admission to any event described in section 1 of this chapter. If the city-county council adopts an ordinance under this subsection:

(1) the city-county council shall immediately send a certified copy of the ordinance to the commissioner of the department of state revenue; and

(2) the tax applies to transactions after the last day of the month in which the ordinance is adopted, if the city-county council adopts the ordinance on or before the fifteenth day of a month. If the city-county council adopts the ordinance after the fifteenth day of a month, the tax applies to transactions after the last day of the month following the month in which the ordinance is adopted.

The increase in the tax imposed under this subsection continues in effect unless the increase is rescinded. **However, any increase in the tax rate under this subsection may not continue in effect after February 28, 2023.**

(d) The amount collected from that portion of the county admissions tax imposed under:

(1) subsection (a) and collected after December 31, 2027; and

(2) subsection (b);

shall be distributed to the capital improvement board of managers or its designee. So long as there are any current or future obligations owed by the capital improvement board of managers to the Indiana stadium and convention building authority created by IC 5-1-17 or any state agency pursuant to a lease or other agreement entered into between the capital improvement board of managers and the Indiana stadium and convention building authority or any state agency under IC 5-1-17-26, the capital improvement board of managers or its designee shall deposit the revenues received from that portion of the county admissions tax imposed under subsection (b) in a special fund, which may be used only for the payment of the obligations described in this subsection.

(e) The amount collected from an increase adopted under subsection (c) shall be deposited in the sports and convention facilities operating fund established by IC 36-7-31-16.

SECTION 147. IC 8-14-1-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 2. It is hereby declared to be the policy of the state of Indiana that:

(1) the net amount in the motor vehicle highway account shall be budgeted for programs of traffic safety and for the construction, reconstruction, improvement, **and** maintenance ~~and policing~~ of the highways of the state;

(2) a fair distribution thereof shall be made between the department and subordinate political subdivisions having jurisdiction of highways of the state;

(3) the funds allotted shall be used in accordance with the policy herein declared and the provisions of this chapter; and

(4) the funds allocated to counties, cities, and towns from such motor vehicle highway account shall be budgeted as provided by law, and such county budgets shall be referred to the county council for approval, revision, or reduction.

SECTION 148. IC 8-14-1-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 3. The money collected for the motor vehicle highway account fund and remaining after refunds and the payment of all expenses incurred in the collection thereof, and after the deduction of the amount appropriated to the department for traffic safety, ~~and after the deduction of one-half (1/2) of the amount appropriated for the state police department,~~ shall be allocated to and distributed among the department and subdivisions designated as follows:

(1) Of the net amount in the motor vehicle highway account the auditor of state shall set aside for the cities and towns of the state fifteen percent (15%) thereof. This sum shall be allocated to the cities and towns upon the basis that the population of each city and town bears to the total population of all the cities and towns and shall be used for the construction or reconstruction and maintenance of streets and alleys and shall be annually budgeted as now provided by law. However, no part of

such sum shall be used for any other purpose than for the purposes defined in this chapter. If any funds allocated to any city or town shall be used by any officer or officers of such city or town for any purpose or purposes other than for the purposes as defined in this chapter, such officer or officers shall be liable upon their official bonds to such city or town in such amount so used for other purposes than for the purposes as defined in this chapter, together with the costs of said action and reasonable attorney fees, recoverable in an action or suit instituted in the name of the state of Indiana on the relation of any taxpayer or taxpayers resident of such city or town. A monthly distribution thereof of funds accumulated during the preceding month shall be made by the auditor of state.

(2) Of the net amount in the motor vehicle highway account, the auditor of state shall set aside for the counties of the state thirty-two percent (32%) thereof. However, as to the allocation to cities and towns under subdivision (1) and as to the allocation to counties under this subdivision, in the event that the amount in the motor vehicle highway account fund remaining after refunds and **after** the payment of all expenses incurred in the collection thereof ~~and after deduction of any amount appropriated by the general assembly for public safety and policing~~ shall be less than twenty-two million six hundred and fifty thousand dollars ($22,650,000) in any fiscal year, then the amount so set aside in the next calendar year for distributions to counties shall be reduced fifty-four percent (54%) of such deficit and the amount so set aside for distribution in the next calendar year to cities and towns shall be reduced thirteen percent (13%) of such deficit. Such reduced distributions shall begin with the distribution January 1 of each year.

(3) The amount set aside for the counties of the state under the provisions of subdivision (2) shall be allocated monthly upon the following basis:

(A) Five percent (5%) of the amount allocated to the counties to be divided equally among the ninety-two (92) counties.

(B) Sixty-five percent (65%) of the amount allocated to the counties to be divided on the basis of the ratio of the actual miles, now traveled and in use, of county roads in each county to the total mileage of county roads in the state, which shall be annually determined, accurately, by the department.

(C) Thirty percent (30%) of the amount allocated to the counties to be divided on the basis of the ratio of the motor vehicle registrations of each county to the total motor vehicle registration of the state.

All money so distributed to the several counties of the state shall constitute a special road fund for each of the respective counties and shall be under the exclusive supervision and direction of the board of county commissioners in the construction, reconstruction, maintenance, or repair of the county highways or bridges on such county highways within such county.

(4) Each month the remainder of the net amount in the motor vehicle highway account shall be credited to the state highway fund for the use of the department.

(5) Money in the fund may not be used for any toll road or toll bridge project.

(6) Notwithstanding any other provisions of this section, money in the motor vehicle highway account fund may be appropriated to the Indiana department of transportation from the forty-seven percent (47%) distributed to the political subdivisions of the state to pay the costs incurred by the department in providing services to those subdivisions.

(7) Notwithstanding any other provisions of this section or of IC 8-14-8, for the purpose of maintaining a sufficient working balance in accounts established primarily to facilitate the matching of federal and local money for highway projects, money may be appropriated to the Indiana department of transportation as follows:

(A) One-half (1/2) from the forty-seven percent (47%) set aside under subdivisions (1) and (2) for counties and for those cities and towns with a population greater than five thousand (5,000).

(B) One-half (1/2) from the distressed road fund under IC 8-14-8.

SECTION 149. IC 8-14-14.1 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO

READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]:

Chapter 14.1. Major Moves 2020 Trust Fund

Sec. 1. As used in this chapter, "department" refers to the Indiana department of transportation.

Sec. 2. As used in this chapter, "fund" refers to the major moves 2020 trust fund established by section 3 of this chapter.

Sec. 3. (a) The major moves 2020 trust fund is established, to be used exclusively for major highway expansion projects that enhance the ability of goods to be transported in and through Indiana.

(b) The fund shall be administered by the department.

(c) Notwithstanding IC 5-13, the treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as money is invested by the Indiana public retirement system under IC 5-10.3-5. However, the treasurer of state may not invest the money in the fund in equity securities. The treasurer of state may contract with investment management professionals, investment advisors, and legal counsel to assist in the investment of the fund and may pay the state expenses incurred under those contracts from the fund. Interest that accrues from these investments shall be deposited in the fund.

(d) The fund consists of:

(1) money transferred to the fund under subsection (h); and

(2) any interest or other earnings on money in the fund.

(e) The fund is considered a trust fund for purposes of IC 4-9.1-1-7. Money may not be transferred, assigned, or otherwise removed from the fund by the state board of finance, the budget agency, or any other state agency. IC 4-9.1-1-8 and IC 4-9.1-1-9 do not apply to the fund.

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

(g) Money in the fund must be appropriated by the general assembly to be available for expenditure.

(h) On July 1, 2013, and on July 1, 2014, the auditor of state shall transfer two hundred million dollars ($200,000,000) to the fund from the state general fund. There is annually appropriated from the state general fund an amount sufficient to make the transfer under this subsection.

SECTION 150. IC 8-15.5-1-2, AS AMENDED BY P.L.119-2012, SECTION 94, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MAY 15, 2013]: Sec. 2. (a) This article contains full and complete authority for public-private agreements between the authority and a private entity. Except as provided in this article, no law, procedure, proceeding, publication, notice, consent, approval, order, or act by the authority or any other officer, department, agency, or instrumentality of the state or any political subdivision is required for the authority to enter into a public-private agreement with a private entity under this article, or for a ~~toll road~~ project that is the subject of a public-private agreement to be constructed, acquired, maintained, repaired, operated, financed, transferred, or conveyed.

(b) Before the authority or the department may issue a request for proposals for or enter into a public-private agreement under this article that would authorize an operator to impose tolls for the operation of motor vehicles on all or part of a **toll road** project, the general assembly must adopt a statute authorizing the imposition of tolls. However, during the period beginning July 1, 2011, and ending June 30, 2021, and notwithstanding subsection (c), the general assembly is not required to enact a statute authorizing the authority or the department to issue a request for proposals or enter into a public-private agreement to authorize an operator to impose tolls for the operation of motor vehicles on all or part of the following projects:

(1) A project on which construction begins after June 30, 2011, not including any part of Interstate Highway 69 other than a part described in subdivision (4).

(2) The addition of toll lanes, including high occupancy toll lanes, to a highway, roadway, or other facility in existence on July 1, 2011, if the number of nontolled lanes on the highway, roadway, or facility as of July 1, 2011, does not decrease due to the addition of the toll lanes.

(3) The Illiana Expressway, a limited access facility connecting Interstate Highway 65 in

northwestern Indiana with an interstate highway in Illinois.

(4) A project that is located within a metropolitan planning area (as defined by 23 U.S.C. 134) and that connects the state of Indiana with the commonwealth of Kentucky.

(c) Before the authority or an operator may carry out any of the following activities under this article, the general assembly must enact a statute authorizing that activity:

(1) Carrying out construction for Interstate Highway 69 in a township having a population of more than one hundred thousand (100,000) and less than one hundred ten thousand (110,000) located in a county having a consolidated city.

(2) Imposing tolls on motor vehicles for use of Interstate Highway 69.

(3) Imposing tolls on motor vehicles for use of a nontolled highway, roadway, or other facility in existence or under construction on July 1, 2011, including nontolled interstate highways, U.S. routes, and state routes.

(d) Except as provided in subsection (c)(1), the general assembly is not required to enact a statute authorizing the authority or the department to issue a request for proposals or enter into a public-private agreement for a freeway project.

SECTION 151. IC 8-15.5-2-3.3 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE MAY 15, 2013]: **Sec. 3.3. (a) "Freeway project" means any nontolled, new or existing road, street, express highway, limited access facility, superhighway, or motorway for which a public-private agreement is entered into, including all bridges, tunnels, overpasses, interchanges, entrance plazas, approaches, other public ways, and administration, storage, and other buildings and facilities considered necessary or desirable by the authority for the operation of the freeway project.**

(b) The term includes the following:

(1) All property, rights, easements, and interests that may be acquired by the authority for the construction or the operation of the freeway project.

(2) Any subsequent improvement, betterment, enlargement, extension, or reconstruction of an existing freeway project.

(3) A project connecting Indiana to an adjacent state.

SECTION 152. IC 8-15.5-2-7, AS ADDED BY P.L.47-2006, SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MAY 15, 2013]: Sec. 7. "Project" ~~or~~ **means either of the following:**

(1) A toll road project. ~~has the meaning set forth in IC 8-15-2-4(4).~~

(2) A freeway project.

SECTION 153. IC 8-15.5-2-8, AS ADDED BY P.L.47-2006, SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MAY 15, 2013]: Sec. 8. "Public-private agreement" means an agreement under this article between a private entity and the authority under which the private entity, acting on behalf of the authority as lessee, licensee, or franchisee, will plan, design, acquire, construct, reconstruct, improve, extend, expand, lease, operate, repair, manage, maintain, or finance a ~~toll road~~ project.

SECTION 154. IC 8-15.5-2-9.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE MAY 15, 2013]: **Sec. 9.5. "Toll road project" has the meaning set forth in IC 8-15-2-4(4).**

SECTION 155. IC 8-15.5-3-0.3, AS ADDED BY P.L.220-2011, SECTION 202, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MAY 15, 2013]: Sec. 0.3. **(a)** Actions taken with respect to:

(1) the issuance of a request for proposals;

(2) the determination of responsible and eligible offerors; and

(3) the preliminary selection of an operator by the authority;

for a public-private agreement before March 15, 2006, that would have been valid under this article, as added by P.L.47-2006, are legalized and validated.

(b) All agreements relating to a project that:

(1) is located within a metropolitan planning area (as defined by 23 U.S.C. 134); and

(2) connects the state of Indiana with the commonwealth of Kentucky;

are hereby legalized and declared valid if entered into before April 15, 2013.

(c) All proceedings and any action taken at a proceeding concerning the making, execution, or approval of an agreement described in subsection (b) are fully legalized and validated.

SECTION 156. IC 8-15.5-3-1, AS ADDED BY P.L.47-2006, SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MAY 15, 2013]: Sec. 1. Subject to the other provisions of this article, the authority and a private entity may enter into a public-private agreement with respect to a ~~toll road~~ project. Subject to the requirements of this article, a public-private agreement may provide that the private entity is partially or entirely responsible for any combination of the following activities with respect to the project:

(1) Planning.
(2) Design.
(3) Acquisition.
(4) Construction.
(5) Reconstruction.
(6) Improvement.
(7) Extension or expansion.
(8) Operation.
(9) Repair.
(10) Management.
(11) Maintenance.
(12) Financing.

SECTION 157. IC 8-15.5-4-1, AS ADDED BY P.L.47-2006, SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MAY 15, 2013]: Sec. 1. Before entering into a public-private agreement under this article, the authority must issue a request for proposals as set forth in this chapter. A request for proposals for a ~~toll road~~ project may be issued by the authority in one (1) or more phases and may include a request for qualifications.

SECTION 158. IC 8-15.5-4-1.5, AS ADDED BY P.L.85-2010, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MAY 15, 2013]: Sec. 1.5. (a) **This section does not apply to a freeway project.**

(b) The authority may not issue a request for proposals for a toll road project under this article unless the authority has received a preliminary feasibility study and an economic impact study for the project from the department, prepared in the same manner as required by IC 8-15.7-4-1.

~~(b)~~ **(c)** The economic impact study must, at a minimum, include an analysis of the following matters with respect to the proposed project:

(1) Economic impacts on existing commercial and industrial development.
(2) Potential impacts on employment.
(3) Potential for future development near the project area, including consideration of locations for interchanges that will maximize opportunities for development.
(4) Fiscal impacts on revenues to local units of government.
(5) Demands on government services, such as public safety, public works, education, zoning and building, and local airports.

The authority shall post a copy of the economic impact study on the authority's Internet web site and shall also provide copies of the study to the governor and the legislative council (in an electronic format under IC 5-14-6).

~~(c)~~ **(d)** After completion of the economic impact study, the authority must conduct a public hearing on the results of the study in the county seat of the county in which the proposed project would be located. At least ten (10) days before each public hearing, the authority shall:

(1) post notice of the public hearing on the authority's Internet web site;
(2) publish notice of the public hearing one (1) time in accordance with IC 5-3-1 in two (2)

newspapers of general circulation in the county; and

(3) include in the notices under subdivisions (1) and (2):

(A) the date, time, and place of the hearing;

(B) the subject matter of the hearing;

(C) a description of the purpose of the economic impact study;

(D) a description of the proposed project and its location; and

(E) a statement concerning the availability of the study on the authority's Internet web site.

At the hearing, the authority shall allow the public to be heard on the economic impact study and the proposed project.

SECTION 159. IC 8-15.5-4-7, AS ADDED BY P.L.47-2006, SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MAY 15, 2013]: Sec. 7. (a) The authority shall negotiate with one (1) or more responsible offerors who submit proposals that are determined to be reasonably capable of being selected for a public-private agreement and may seek to obtain a final offer from one (1) or more responsible offerors.

(b) In determining whether one (1) or more responsible offerors are reasonably capable of being selected for a public-private agreement, the authority must consider all the following:

(1) The responsible offeror's expertise, qualifications, competence, skills, and know-how to perform its obligations under the proposed public-private agreement in accordance with the public-private agreement.

(2) The financial strength of the responsible offeror, including its capitalization.

(3) The experience of the responsible offeror in ~~operating toll roads and highways and~~ other similar projects and the quality of the responsible offeror's past or present performance on other similar or equivalent projects.

(4) The integrity, background, and reputation of the responsible offeror, including the absence of criminal, civil, or regulatory claims or actions against the responsible offeror.

(c) The requirements set forth in subsection (b) also apply to the approval by the authority of any successor or replacement operator under the public-private agreement after the execution of the public-private agreement under section 11 of this chapter.

(d) In making its determination under subsection (b) or (c), the authority shall consider the offeror or operator as well as any private entity that controls the actions of the offeror or operator.

SECTION 160. IC 8-15.5-4-8, AS ADDED BY P.L.47-2006, SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MAY 15, 2013]: Sec. 8. After the final offers from responsible offerors have been negotiated under section 7 of this chapter, the authority shall:

(1) make a preliminary selection of an offeror as the operator for the ~~related toll road~~ project, whose final offer is referred to in this article as the "selected offer"; or

(2) terminate the request for proposal process.

SECTION 161. IC 8-15.5-4-9, AS AMENDED BY P.L.85-2010, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MAY 15, 2013]: Sec. 9. (a) If the authority makes a preliminary selection of an operator under section 8 of this chapter, the authority shall schedule a public hearing on the preliminary selection and the terms of the public-private agreement for the project. The hearing shall be conducted in the county seat of the county in which the proposed project is to be located.

(b) At least ten (10) days before the public hearing, the authority shall post on its Internet web site:

(1) the proposal submitted by the offeror that has been preliminarily selected as the operator for the project, except for those parts of the proposal that are confidential under this article; and

(2) the proposed public-private agreement for the project.

(c) At least ten (10) days before the public hearing, the authority shall:

(1) post notice of the public hearing on the authority's Internet web site; and

(2) publish notice of the hearing one (1) time in accordance with IC 5-3-1 in two (2) newspapers of general circulation in the county in which the proposed project is to be located.

(d) The notices required by subsection (c) must include the following:

(1) The date, time, and place of the hearing.

(2) The subject matter of the hearing.

(3) A description of the ~~related toll road~~ project and of the public-private agreement to be awarded.

(4) The identity of the offeror that has been preliminarily selected as the operator for the project.

(5) The address and telephone number of the authority.

(6) A statement indicating that, subject to section 6 of this chapter, and except for those portions that are confidential under this chapter, the following are available on the authority's Internet web site and are also available for public inspection and copying at the principal office of the authority during regular business hours:

(A) The selected offer.

(B) An explanation of the basis upon which the preliminary selection was made.

(C) The proposed public-private agreement for the project.

(e) At the hearing, the authority shall allow the public to be heard on the preliminary selection of the operator for the proposed project and the terms of the public-private agreement for the proposed project.

SECTION 162. IC 8-15.5-4-11, AS AMENDED BY P.L.163-2011, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MAY 15, 2013]: Sec. 11. (a) After the procedures required in this chapter have been completed, the authority shall make a determination as to whether the offeror that submitted the selected offer should be designated as the operator for the ~~related toll road~~ project and shall submit the authority's determination to the governor and the budget committee.

(b) After review of the authority's determination by the budget committee, the governor may accept or reject the determination of the authority. If the governor accepts the determination of the authority, the governor shall designate the offeror who submitted the selected offer as the operator for the ~~related toll road~~ project. The authority shall publish notice of the designation of the operator for the ~~related toll road~~ project one (1) time, in accordance with IC 5-3-1.

(c) After the designation of the operator for the ~~related toll road~~ project, the authority may execute the public-private agreement with that operator.

(d) The budget committee shall hold a meeting and conduct a review of the determination not later than ninety (90) days after the date the authority's determination is submitted for review.

SECTION 163. IC 8-15.5-5-1, AS ADDED BY P.L.47-2006, SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MAY 15, 2013]: Sec. 1. (a) Before developing or operating a ~~toll road~~ project, a private entity that has been selected as the operator of a ~~toll road~~ project under this article shall enter into a public-private agreement with the authority setting forth the rights and duties of the operator under this article.

(b) A public-private agreement entered into under this article must be approved by the governor before its execution.

SECTION 164. IC 8-15.5-5-2, AS AMENDED BY P.L.85-2010, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MAY 15, 2013]: Sec. 2. A public-private agreement entered into under this article must provide for the following:

(1) The original term of the public-private agreement, which may not exceed seventy-five (75) years.

(2) Provisions for a:

(A) lease, franchise, or license of the ~~toll road~~ project and the real property owned by the authority upon which the ~~toll road~~ project is located or is to be located; or

(B) management agreement or other contract to operate the ~~toll road~~ project and the real property owned by the authority upon which the ~~toll road~~ project is located or is to be located;

for a predetermined period. The public-private agreement must provide for ownership of all improvements and real property by the authority in the name of the state.

(3) Monitoring of the operator's maintenance practices by the authority and the taking of actions by the authority that it considers appropriate to ensure that the ~~toll road~~ project is properly maintained.

(4) The basis upon which user fees that may be collected by the operator, as determined under this article, are established.
(5) Compliance with applicable state and federal laws and local ordinances.
(6) Grounds for termination of the public-private agreement by the authority or the operator.
(7) The date of termination of the operator's authority and duties under this article.
(8) Procedures for amendment of the agreement.
(9) Provisions requiring the completion of all environmental analyses of the ~~toll road~~ project required by state and federal law in the manner and at the times required by the appropriate state and federal agencies.
(10) An expedited method for resolving disputes between or among the authority, the parties to the public-private agreement, and units of local government that contain any part of the ~~toll road~~ project, as required by IC 8-15.5-10-8.

SECTION 165. IC 8-15.5-5-3, AS ADDED BY P.L.47-2006, SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MAY 15, 2013]: Sec. 3. In addition to the requirements of section 2 of this chapter, a public-private agreement may include additional provisions concerning the following:
(1) Review and approval by the authority of the operator's plans for the development and operation of the ~~toll road~~ project.
(2) Inspection by the authority of construction of or improvements to the ~~toll road~~ project.
(3) Maintenance by the operator of a policy or policies of public liability insurance (copies of which shall be filed with the authority, accompanied by proofs of coverage) or self-insurance, each in a form and amount satisfactory to the authority to insure coverage of tort liability to the public and employees and to enable the continued operation of the ~~toll road~~ project.
(4) Filing by the operator, on a periodic basis, of appropriate financial statements in a form acceptable to the authority.
(5) Filing by the operator, on a periodic basis, of appropriate traffic reports in a form acceptable to the authority.
(6) Payments to the operator. These payments may consist of one (1) or more of the following:
(A) The retention by the operator of the revenues collected by the operator in the operation and management of ~~the~~ **a** toll road project, **if applicable.**
(B) Payments made to the operator by the authority.
(C) Other sources of payment or revenue to the operator, if any.
(7) Financing obligations of the operator and the authority, including entering into agreements for the benefit of the financing parties.
(8) Apportionment of expenses between the operator and the authority.
(9) The rights and duties of the operator, the authority, and other state and local governmental entities with respect to use of the ~~toll road~~ project, including the state police department and other law enforcement and public safety agencies.
(10) Arbitration or other dispute resolution mechanisms or remedies for the settlement of claims and other disputes arising under the agreement.
(11) Payment of money to either party upon default or delay, or upon termination of the public-private agreement, with the payments to be used:
(A) in the form of liquidated damages to compensate the operator for demonstrated unamortized costs, lost profits, or other amounts as provided in the agreement;
(B) to retire or refinance indebtedness related to the ~~toll road~~ project or the public-private agreement; or
(C) for any other purpose mutually agreeable to the operator and the authority.
(12) Indemnification of the operator by the authority under conditions specified in the agreement.
(13) Assignment, subcontracting, or other delegation of responsibilities of the operator or the authority under the agreement to third parties, including other private entities, the department, and

other state agencies.

(14) Sale or lease to the operator of personal property related to the ~~toll road~~ project.

(15) Other lawful terms and conditions to which the operator and the authority mutually agree.

SECTION 166. IC 8-15.5-5-4, AS ADDED BY P.L.47-2006, SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MAY 15, 2013]: Sec. 4. (a) The operator may finance its obligations with respect to the ~~toll road~~ project and the public-private agreement in the amounts and upon the terms and conditions determined by the operator.

(b) The operator may:

(1) issue debt, equity, or other securities or obligations;

(2) enter into sale and leaseback transactions; and

(3) secure any financing with a pledge of, security interest in, or lien on any user fees charged and collected for the use of ~~the~~ **a** toll road project and any property interest of the operator in ~~the~~ **a** toll road project.

However, any bonds, debt, other securities, or other financing issued for the purposes of this article shall not be considered to constitute a debt of the state or any political subdivision of the state or a pledge of the faith and credit of the state or any political subdivision.

(c) The operator may deposit ~~the~~ **any** user fees charged and collected for the use of ~~the~~ **a** toll road project in a separate account held by a trustee or escrow agent for the benefit of the secured parties of the operator.

SECTION 167. IC 8-15.5-5-7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE MAY 15, 2013]: **Sec. 7. A freeway project may be constructed or extended in sections as determined by the authority. Each separate section must be separately designated by a name or number, which must also apply to any freeway project to subsequently improve, better, enlarge, extend, or reconstruct the section.**

SECTION 168. IC 8-15.5-5-8 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE MAY 15, 2013]: **Sec. 8. Neither:**

(1) the construction, maintenance, or operation of transient lodging facilities on or adjacent to a freeway project; nor

(2) a contract for any purpose described in subdivision (1);

is considered a freeway project.

SECTION 169. IC 8-15.5-5-9 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE MAY 15, 2013]: **Sec. 9. A freeway project is not subject to user fees otherwise authorized by this article.**

SECTION 170. IC 8-15.5-6-1, AS ADDED BY P.L.47-2006, SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MAY 15, 2013]: Sec. 1. The plans and specifications for each ~~toll road~~ project constructed under this article must comply with:

(1) the authority's standards for other projects of a similar nature, except as otherwise provided in the public-private agreement; and

(2) any other applicable state or federal standards.

SECTION 171. IC 8-15.5-6-2, AS AMENDED BY P.L.163-2011, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MAY 15, 2013]: Sec. 2. (a) Unless otherwise provided by federal law or this section, the operator or any contractor or subcontractor of the operator engaged in the construction of a ~~toll road~~ project is not required to comply with IC 4-13.6 or IC 5-16 concerning state public works, IC 5-17 concerning purchases of materials and supplies, or other statutes concerning procedures for procurement of public works or personal property as a condition of being awarded and performing work on the project.

(b) IC 5-16-7 concerning the common construction wage applies to the following:

(1) The operator or any contractor or subcontractor of the operator engaged in a project for the construction of the Illiana Expressway, a limited access facility connecting Interstate Highway 65

in northwestern Indiana with an interstate highway in Illinois.

(2) The operator or any contractor or subcontractor of the operator engaged in the construction of a project that is the subject of a public-private agreement entered into after April 30, 2011.

SECTION 172. IC 8-15.5-6-3, AS ADDED BY P.L.47-2006, SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MAY 15, 2013]: Sec. 3. The operator or any contractor or subcontractor of the operator engaged in the construction of a ~~toll road~~ project is subject to:

(1) the provisions of 25 IAC 5 concerning equal opportunities for minority business enterprises and women's business enterprises to participate in procurement and contracting processes; and

(2) the provisions that may be established by the authority in a public-private agreement with respect to awarding contracts to Indiana businesses (as defined in IC 5-22-15-20.5).

SECTION 173. IC 8-15.5-6-4, AS ADDED BY P.L.47-2006, SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MAY 15, 2013]: Sec. 4. Each ~~toll road~~ project constructed or operated under this article is considered to be part of the state highway system designated under IC 8-23-4-2 for purposes of identification, maintenance standards, and enforcement of traffic laws.

SECTION 174. IC 8-15.5-6-5, AS ADDED BY P.L.47-2006, SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MAY 15, 2013]: Sec. 5. An operator may enter into agreements for maintenance or other services under this article with the authority, the department, or other state agencies. The authority may:

(1) with the assistance of all applicable state agencies, establish a unified permitting and licensing process for the processing and issuance of all necessary permits and licenses for ~~toll road~~ projects under this article, including, but not limited to, all environmental permits and business and tax licenses; and

(2) provide other services for which the authority is reimbursed, including, but not limited to, preliminary planning, environmental certification (including the procurement of all necessary environmental permits), and preliminary design of ~~toll road~~ projects under this article.

SECTION 175. IC 8-15.5-8-1, AS ADDED BY P.L.47-2006, SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MAY 15, 2013]: Sec. 1. A ~~toll road~~ project and tangible personal property used exclusively in connection with a ~~toll road~~ project that are:

(1) owned by the authority and leased, franchised, licensed, or otherwise conveyed to an operator; or

(2) acquired, constructed, or otherwise provided by an operator in connection with the ~~toll road~~ project;

under the terms of a public-private agreement are considered to be public property devoted to an essential public and governmental function and purpose and the property, and an operator's leasehold estate, franchise, license, and other interests in the property, are exempt from all ad valorem property taxes and special assessments levied against property by the state or any political subdivision of the state.

SECTION 176. IC 8-15.5-8-3, AS ADDED BY P.L.47-2006, SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MAY 15, 2013]: Sec. 3. An operator or any other person purchasing tangible personal property for incorporation into or improvement of a structure or facility constituting or becoming part of the land included in the ~~toll road~~ project is not exempt from the application of the gross retail or use tax under IC 6-2.5 with respect to such a purchase.

SECTION 177. IC 8-15.5-10-3, AS AMENDED BY P.L.163-2011, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MAY 15, 2013]: Sec. 3. (a) The authority may pay any amounts owed by the authority under a public-private agreement entered into under this article from any funds available to the authority under this article or any other statute.

(b) Subject to review by the budget committee established by IC 4-12-1-3 and approval by the budget director appointed under IC 4-12-1-3, a public-private agreement entered into under this article may:

(1) establish a procedure for the authority or a person acting on behalf of the authority to certify to the general assembly the amount needed to pay any amounts owed by the authority under a

public-private agreement; or

(2) otherwise create a moral obligation of the state to pay any amounts owed by the authority under the public-private agreement.

(c) The authority may issue bonds **or refunding bonds** under IC 4-4-11 or IC 8-15-2 to provide funds for any amounts identified under this ~~section without complying~~ **article but is not required to comply** with IC 8-9.5-8-10.

(d) If the agreement that is submitted for review provides for any tolls, the budget committee shall hold a meeting and conduct a review of the agreement not later than ninety (90) days after the date the agreement is submitted for review.

SECTION 178. IC 8-15.5-10-7, AS ADDED BY P.L.47-2006, SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MAY 15, 2013]: Sec. 7. (a) The authority shall enter into an agreement between and among the operator, the authority, and the state police department concerning the provision of law enforcement assistance with respect to a toll road project that is the subject of a public-private agreement under this article.

(b) The authority shall enter into arrangements with the state police department related to costs incurred in providing law enforcement assistance **with respect to a toll road project** under this article.

(c) All law enforcement officers of the state and any political subdivision have the same powers and jurisdiction within the limits of a ~~toll road~~ project as they have in their respective areas of jurisdiction, including the roads and highways of the state. These law enforcement officers shall have access to a ~~toll road~~ project that is the subject of a public-private agreement to exercise their powers and jurisdiction.

SECTION 179. IC 8-15.7-1-5, AS AMENDED BY P.L.119-2012, SECTION 95, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MAY 15, 2013]: Sec. 5. (a) This article contains full and complete authority for agreements and leases with private entities to carry out the activities described in this article. Except as provided in this article, no procedure, proceeding, publication, notice, consent, approval, order, or act by the authority, the department, or any other state or local agency or official is required to enter into an agreement or lease, and no law to the contrary affects, limits, or diminishes the authority for agreements and leases with private entities, except as provided by this article. **However, this article may not be construed to:**

(1) limit the power of the authority, the department, or a private entity to enter an agreement; or

(2) impose any procedural or substantive requirements on the authority, the department, or a private entity;

concerning a project (as defined by IC 8-15.5-2-7) carried out under IC 8-15.5.

(b) Notwithstanding any other law, before the department, the authority, or an operator may carry out any of the following activities under this article, the general assembly must enact a statute authorizing that activity:

(1) Subject to subsection (d), and after June 30, 2011, issuing a request for proposals for, or entering into, a public-private agreement concerning a project.

(2) Carrying out construction for Interstate Highway 69 in a township having a population of more than one hundred thousand (100,000) and less than one hundred ten thousand (110,000) located in a county having a consolidated city.

(3) Imposing user fees on motor vehicles for use of Interstate Highway 69.

(c) Notwithstanding subsection (b) or any other law, the department or the authority may enter into a public-private agreement concerning a project consisting of a passenger or freight railroad system described in IC 8-15.7-2-14(a)(4). Such an agreement is subject to review and appropriation by the general assembly. However, this subsection does not prohibit the department from:

(1) conducting preliminary studies that the department considers necessary to determine the feasibility of such a project; or

(2) issuing a request for qualifications or a request for proposals, or both, under IC 8-15.7-4 for such

a project.

(d) Notwithstanding subsection (b), during the period beginning July 1, 2011, and ending June 30, 2021, the general assembly is not required to enact a statute authorizing the department, the authority, or an operator to issue a request for proposals for, or enter into, a public-private agreement for the following projects:

(1) A project on which construction begins after June 30, 2011, not including any part of Interstate Highway 69 other than a part described in subdivision (4).

(2) The addition of toll lanes, including high occupancy toll lanes, to a highway, roadway, or other facility in existence on July 1, 2011, if the number of nontolled lanes on the highway, roadway, or facility as of July 1, 2011, does not decrease due to the addition of the toll lanes.

(3) The Illiana Expressway, a limited access facility connecting Interstate Highway 65 in northwestern Indiana with an interstate highway in Illinois.

(4) A project that is located within a metropolitan planning area (as defined by 23 U.S.C. 134) and that connects the state of Indiana with the commonwealth of Kentucky.

SECTION 180. IC 8-23-8-10, AS AMENDED BY P.L.69-2010, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 10. (a) As used in this section, "designated highway" refers to the highway designated as a limited access facility under subsection (b).

(b) The department shall designate and do all acts necessary to establish the part of State Road 331 in St. Joseph County from the U.S. Highway 20 bypass to State Road 23 as a limited access facility. The designated highway shall be in operation as a limited access facility beginning not later than January 1, 2009.

(c) Neither the department nor any political subdivision may authorize any additional curb cuts or intersections after January 1, 2009, on the designated highway. The department shall limit intersections on the designated highway to the following locations:

(1) U.S. Highway 20 bypass.

(2) Ireland Road.

(3) Dragoon Trail.

(4) Twelfth Street (also known as Harrison Road).

(5) Indiana 933 (also known as Lincoln Way).

(6) Jefferson Boulevard.

(7) McKinley Highway.

(8) Day Road.

(9) Douglas Road.

(10) Cleveland Road.

(11) ~~Joseph D. Zappia Boulevard directly across from~~ The Indiana Toll Road interchange **and the street or road directly across from the Indiana Toll Road Interchange.**

(12) State Road 23.

(d) No traffic signal may be erected at the intersection described in subsection (c)(2).

SECTION 181. IC 8-23-27 IS REPEALED [EFFECTIVE JULY 1, 2013]. (Illiana Expressway).

SECTION 182. IC 10-13-3-27.5, AS AMENDED BY P.L.138-2007, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 27.5. (a) If:

(1) exigent circumstances require the emergency placement of a child; and

(2) the department will be unable to obtain criminal history information from the Interstate Identification Index before the emergency placement is scheduled to occur;

upon request of the department of child services established by IC 31-25-1-1, a caseworker, or a juvenile probation officer, the department may conduct a national name based criminal history record check of each individual who is at least eighteen (18) years of age and who is currently residing in the location designated as the out-of-home placement at the time the child will reside in the location. The department shall promptly transmit a copy of the report it receives from the Interstate Identification Index to the

agency or person that submitted a request under this section.

(b) ~~Not later than seventy-two (72) hours~~ After the department of child services, the caseworker, or the juvenile probation officer receives the results of the national name based criminal history record check **and before the maximum period allowed under federal law has elapsed,** the department of child services, the caseworker, or the juvenile probation officer shall provide the department with a complete set of fingerprints for each individual who is at least eighteen (18) years of age and who is currently residing in the location designated as the out-of-home placement at the time the child will be placed in the location. The department shall:

(1) use fingerprint identification to positively identify each individual whose fingerprints are provided to the department under this subsection; or

(2) submit the fingerprints to the Federal Bureau of Investigation not later than fifteen (15) calendar days after the date on which the national name based criminal history record check was conducted.

The child shall be removed from the location designated as the out-of-home placement if an individual who is at least eighteen (18) years of age and who is currently residing in the location designated as the out-of-home placement at the time the child will reside in the location fails to provide a complete set of fingerprints to the department of child services, the caseworker, or the juvenile probation officer.

(c) The department and the person or agency that provided fingerprints shall comply with all requirements of 42 U.S.C. 5119a and any other applicable federal law or regulation regarding:

(1) notification to the subject of the check; and

(2) the use of the results obtained based on the check of the person's fingerprints.

(d) If an out-of-home placement is denied as the result of a national name based criminal history record check, an individual who is the subject of the name based criminal history record check may contest the denial by submitting to the department of child services, the caseworker, or the juvenile probation officer:

(1) a complete set of the individual's fingerprints; and

(2) written authorization permitting the department of child services, the caseworker, or the juvenile probation officer to forward the fingerprints to the department for submission to the Federal Bureau of Investigation;

not later than five (5) days after the out-of-home placement is denied.

(e) The:

(1) department; and

(2) Federal Bureau of Investigation;

may charge a reasonable fee for processing a national name based criminal history record check. The department shall adopt rules under IC 4-22-2 to establish a reasonable fee for processing a national name based criminal history record check and for collecting fees owed under this subsection.

(f) The:

(1) department of child services, for an out-of-home placement arranged by a caseworker or the department of child services; or

(2) juvenile court, for an out-of-home placement ordered by the juvenile court;

shall pay the fee described in subsection (e), arrange for fingerprinting, and pay the costs of fingerprinting, if any.

SECTION 183. IC 11-10-3-6, AS ADDED BY P.L.229-2011, SECTION 102, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) This section:

(1) does not apply in the case of a person who is subject to lawful detention by a county sheriff and is:

(A) covered under private health coverage for health care services; or

(B) willing to pay for the person's own health care services; and

(2) does not affect copayments required under section 5 of this chapter.

(b) The following definitions apply throughout this section:

(1) "Charge description master" means a listing of the amount charged by a hospital for each service,

item, and procedure:
(A) provided by the hospital; and
(B) for which a separate charge exists.
(2) "Health care service" means the following:
(A) Medical care.
(B) Dental care.
(C) Eye care.
(D) Any other health care related service.
The term includes health care items and procedures.
(c) Except as provided in subsection (d), when the department or a county is responsible for payment for health care services provided to a person who is committed to the department, the department shall reimburse:
(1) a physician licensed under IC 25-22.5;
(2) a hospital licensed under IC 16-21-2; or
(3) another health care provider;
for the cost of a health care service at the federal Medicare reimbursement rate for the health care service provided plus four percent (4%).
(d) If there is no federal Medicare reimbursement rate for a health care service described in subsection (c), the department shall do the following:
(1) If the health care service is provided by a hospital, the department shall reimburse the hospital an amount equal to sixty-five percent (65%) of the amount charged by the hospital according to the hospital's charge description master.
(2) If the health care service is provided by a physician or another health care provider, the department shall reimburse the physician or health care provider an amount equal to sixty-five percent (65%) of the amount charged by the physician or health care provider.
~~(e) This section expires July 1, 2013.~~
SECTION 184. IC 11-10-3-7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 7. If the department or a county incurs medical care expenses in providing medical care to an inmate who is committed to the department and the medical care expenses are not reimbursed, the department or the county shall attempt to determine the amount, if any, of the medical care expenses that may be paid:**
(1) by a policy of insurance that is maintained by the inmate and that covers medical care, dental care, eye care, or any other health care related service; or
(2) by Medicaid.
SECTION 185. IC 11-12-5-7, AS ADDED BY P.L.213-2005, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 7. (a) As used in this section, "medical care expenses" refers to expenses relating to the following services provided to a county jail inmate:
(1) Medical care.
(2) Dental care.
(3) Eye care.
(4) Any other health care related service.
(b) Notwithstanding section 6 of this chapter and subject to subsection (c), as a term of a sentence, a court may order a county jail inmate to reimburse a county for all or a portion of medical care expenses incurred by the county in providing medical care to the inmate.
(c) A county jail inmate may not be required to reimburse a county for medical care expenses under this section if:
(1) all the charges for which the inmate was detained in the county jail are dismissed; or
(2) the inmate is acquitted of all charges for which the inmate was detained in the county jail.
(d) In determining the amount of reimbursement that an inmate may be required to pay under

subsection (b), the court shall consider the inmate's ability to pay.

(e) If a court orders a county jail inmate to reimburse a county for medical care expenses under subsection (b), the amount of the medical care expenses shall be reduced by the amount of any copayment the inmate was required to make for the medical care expenses under IC 11-10-3-5 or section 5 of this chapter.

(f) Subject to subsection (c), if a county incurs medical care expenses in providing medical care to an inmate and the medical care expenses are not reimbursed, the county shall attempt to determine the amount, if any, of the medical care expenses that may be paid:

(1) by a policy of insurance that is maintained by the inmate and that covers medical care, dental care, eye care, or any other health care related service; or

(2) by Medicaid.

SECTION 186. IC 12-7-2-35, AS AMENDED BY P.L.229-2011, SECTION 105, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 35. "Committee" means the following:

(1) For purposes of IC 12-15-33, the meaning set forth in IC 12-15-33-1.

(2) For purposes of IC 12-17.2-3.3, the meaning set forth in IC 12-17.2-3.3-1.

(3) For the purposes of IC 12-17.2-3.7, has the meaning set forth in IC 12-17.2-3.7-1.

SECTION 187. IC 12-7-2-75.7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 75.7. "Eligible child", for purposes of IC 12-17.2-3.7, has the meaning set forth in IC 12-17.2-3.7-2.**

SECTION 188. IC 12-7-2-76.2 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 76.2. "Eligible provider", for purposes of IC 12-17.2-3.7, has the meaning set forth in IC 12-17.2-3.7-3.**

SECTION 189. IC 12-7-2-76.3 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 76.3. "Eligible services", for purposes of IC 12-17.2-3.7, has the meaning set forth in IC 12-17.2-3.7-4.**

SECTION 190. IC 12-7-2-91, AS AMENDED BY P.L.130-2009, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 91. "Fund" means the following:

(1) For purposes of IC 12-12-1-9, the fund described in IC 12-12-1-9.

(2) For purposes of IC 12-15-20, the meaning set forth in IC 12-15-20-1.

(3) For purposes of IC 12-17-12, the meaning set forth in IC 12-17-12-4.

(4) For purposes of IC 12-17.2-3.7, the meaning set forth in IC 12-17.2-3.7-5.

~~(4)~~ **(5)** For purposes of IC 12-17.6, the meaning set forth in IC 12-17.6-1-3.

~~(5)~~ **(6)** For purposes of IC 12-23-2, the meaning set forth in IC 12-23-2-1.

~~(6)~~ **(7)** For purposes of IC 12-23-18, the meaning set forth in IC 12-23-18-4.

~~(7)~~ **(8)** For purposes of IC 12-24-6, the meaning set forth in IC 12-24-6-1.

~~(8)~~ **(9)** For purposes of IC 12-24-14, the meaning set forth in IC 12-24-14-1.

~~(9)~~ **(10)** For purposes of IC 12-30-7, the meaning set forth in IC 12-30-7-3.

SECTION 191. IC 12-7-2-93.7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 93.7. "Grant", for purposes of IC 12-17.2-5, has the meaning set forth in IC 12-17.2-3.7-6.**

SECTION 192. IC 12-7-2-135.8 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 135.8. "Paths to QUALITY program", for purposes of IC 12-17.2-2-14 and IC 12-17.2-3.7, refers to the paths to QUALITY program described in IC 12-17-2-14.**

SECTION 193. IC 12-7-2-146, AS AMENDED BY P.L.110-2010, SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 146. "Program" refers to the following:

(1) For purposes of IC 12-8-12.5, the meaning set forth in IC 12-8-12.5-1.

(2) For purposes of IC 12-10-7, the adult guardianship services program established by IC 12-10-7-5.

(3) For purposes of IC 12-10-10, the meaning set forth in IC 12-10-10-5.
(4) For purposes of IC 12-17.2-2-14, the meaning set forth in IC 12-17.2-2-14.
(5) For purposes of IC 12-17.2-3.7, the meaning set forth in IC 12-17.2-3.7-7.
~~(4)~~ **(6)** For purposes of IC 12-17.6, the meaning set forth in IC 12-17.6-1-5.

SECTION 194. IC 12-8-1.5-9.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 9.5. (a) This subsection applies to an emergency rule adopted under section 9(b) of this chapter (before section 9(b) of this chapter expired on December 31, 2012). An emergency rule adopted under section 9(b) of this chapter expires December 31, 2013, regardless of any expiration date set forth in the rule.**

(b) This subsection applies to a rule added or amended in LSA Document #10-792 or LSA Document #10-793 in 2011. The policies set forth in the following remain in effect through December 31, 2013, regardless of the effective date set forth in the rule:
(1) 405 IAC 1-11.5-2(g).
(2) 405 IAC 5-30-1.5(c).

(c) This subsection applies to an emergency rule adopted under IC 12-8-1-9(b) (before IC 12-8-1-9(b) expired on June 30, 2011). An emergency rule adopted under IC 12-8-1-9(b) expires December 31, 2013, regardless of any expiration date set forth in the rule.

SECTION 195. IC 12-8-6.5-12 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 12. (a) As used in this section, "SECTION 281" refers to P.L.229-2011, SECTION 281.**

(b) Notwithstanding the expiration of SECTION 281, the office of Medicaid policy and planning may:
(1) collect an unpaid hospital assessment fee under SECTION 281 owed by a hospital;
(2) refund a hospital assessment fee paid by the hospital under SECTION 281;
(3) make payments for programs described in subsection (f) of SECTION 281;
(4) make payments to hospitals in accordance with subsection (m) of SECTION 281; and
(5) make payments to private psychiatric institutions in accordance with subsection (o) of SECTION 281;
at any time, including after the expiration of SECTION 281.

(c) The office of Medicaid policy and planning may:
(1) collect an unpaid hospital assessment fee under IC 16-21-10 owed by a hospital;
(2) refund a hospital assessment fee paid by a hospital under IC 16-21-10;
(3) make payments for programs described in IC 16-21-10-8(a);
(4) make payments under IC 16-21-10-11; and
(5) make payments under IC 16-21-10-13;
at any time, including after the hospital assessment fee ceases to be collected under IC 16-21-10.

SECTION 196. IC 12-10-11.5-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) The office of the secretary of family and social services shall annually determine any state savings generated by home and community based services under this chapter by reducing the use of institutional care.

(b) The secretary shall annually report to the governor, the budget agency, the budget committee, the ~~select joint commission on Medicaid oversight,~~ **health finance commission,** and the executive director of the legislative services agency the savings determined under subsection (a). A report under this subsection to the executive director of the legislative services agency must be in an electronic format under IC 5-14-6.

(c) Savings determined under subsection (a) may be used to fund the state's share of additional home and community based Medicaid waiver slots.

SECTION 197. IC 12-13-5-14, AS ADDED BY P.L.153-2009, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14. (a) As used in this section, "commission" refers to the ~~select joint commission on Medicaid oversight (IC 2-5-26-3).~~ **health finance**

commission (IC 2-5-23).

(b) A contractor for the division, office, or secretary that has responsibility for processing eligibility intake for the federal Supplemental Nutrition Assistance program (SNAP), the Temporary Assistance for Needy Families (TANF) program, and the Medicaid program shall do the following:

(1) Review the eligibility intake process for:

(A) document management issues, including:

(i) unattached documents;

(ii) number of documents received by facsimile;

(iii) number of documents received by mail;

(iv) number of documents incorrectly classified;

(v) number of documents that are not indexed or not correctly attached to cases;

(vi) number of complaints from clients regarding lost documents; and

(vii) number of complaints from clients resolved regarding lost documents;

(B) direct client assistance at county offices, including the:

(i) number of clients helped directly in completing eligibility application forms;

(ii) wait times at local offices;

(iii) amount of time an applicant is given as notice before a scheduled applicant appointment;

(iv) amount of time an applicant waits for a scheduled appointment; and

(v) timeliness of the tasks sent by the contractor to the state for further action, as specified through contracted performance standards; and

(C) call wait times and abandonment rates.

(2) Provide an update on employee training programs.

(3) Provide a copy of the monthly key performance indicator report.

(4) Provide information on error reports and contractor compliance with the contract.

(5) Provide oral and written reports to the commission concerning matters described in subdivision (1):

(A) in a manner and format to be agreed upon with the commission; and

(B) whenever the commission requests.

(6) Report on information concerning assistance provided by voluntary community assistance networks (V-CANs).

(7) Report on the independent performance audit conducted on the contract.

(c) Solely referring an individual to a computer or telephone does not constitute the direct client assistance referred to in subsection (b)(1)(B).

SECTION 198. IC 12-14-6-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 1. (a) This section applies upon the death of either of the following:

(1) A recipient who is receiving assistance as a dependent child.

(2) A parent of the recipient.

(b) Unless otherwise determined by the director, the division shall pay ~~six hundred~~ **one thousand two hundred** dollars ~~($600)~~ **($1,200)** 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 person legally responsible for the burial of the deceased is unable to pay the funeral director's expenses.

SECTION 199. IC 12-14-6-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 2. Unless otherwise determined by the director, in addition to the amount paid under section 1 of this chapter, not more than ~~four~~ **eight** hundred dollars ~~($400)~~ **($800)** shall be paid for the cemetery's expenses for the following:

(1) To cover provision of burial rights if necessary.

(2) Opening and closing a burial plot and provision of an outer container.

(3) Service required by the cemetery authorities.

SECTION 200. IC 12-14-17-2, AS AMENDED BY P.L.99-2007, SECTION 92, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 2. (a) This section applies upon the death of either of the following:

(1) A recipient who is receiving supplemental assistance.

(2) An individual who had a disability, was aged, or was blind who, at the time of death, was certified as eligible to receive medical assistance under Medicaid.

(b) Except as provided in subsection (c), the division shall pay ~~six hundred~~ **one thousand two hundred** dollars ~~($600)~~ **($1,200)** 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~~ **one thousand two hundred** dollars ~~($600)~~ **($1,200)** 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 201. IC 12-14-17-3, AS AMENDED BY P.L.9-2006, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 3. (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~~ **eight** hundred dollars ~~($400)~~ **($800)** 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~~ **eight** hundred dollars ~~($400)~~ **($800)** 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 202. IC 12-15-1.3-17.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 17.5. The office may not implement any Medicaid state plan amendments, any Medicaid waiver requests, or any revisions to any Medicaid state plan amendments or Medicaid waiver requests unless the office has submitted a written report to the budget committee concerning the implementation of the amendment, waiver, or revision and the budget committee has reviewed the amendment, waiver, or revision.**

SECTION 203. IC 12-15-12-19, AS AMENDED BY P.L.18-2007, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 19. (a) This section applies to an individual who is a Medicaid recipient.

(b) Subject to subsection (c), the office shall develop the following programs regarding individuals described in subsection (a):

(1) A disease management program for recipients with any of the following chronic diseases:

(A) Asthma.

(B) Diabetes.

(C) Congestive heart failure or coronary heart disease.

(D) Hypertension.

(E) Kidney disease.

(2) A case management program for recipients described in subsection (a) who are at high risk of chronic disease, that is based on a combination of cost measures, clinical measures, and health outcomes identified and developed by the office with input and guidance from the state department of health and other experts in health care case management or disease management programs.

(c) The office shall implement:

(1) a pilot program for at least two (2) of the diseases listed in subsection (b) not later than July 1, 2003; and

(2) a statewide chronic disease program as soon as practicable after the office has done the following:

(A) Evaluated a pilot program described in subdivision (1).

(B) Made any necessary changes in the program based on the evaluation performed under clause (A).

(d) The office shall develop and implement a program required under this section in cooperation with the state department of health and shall use the following persons to the extent possible:

(1) Community health centers.

(2) Federally qualified health centers (as defined in 42 U.S.C. 1396d(l)(2)(B)).

(3) Rural health clinics (as defined in 42 U.S.C. 1396d(l)(1)).

(4) Local health departments.

(5) Hospitals.

(6) Public and private third party payers.

(e) The office may contract with an outside vendor or vendors to assist in the development and implementation of the programs required under this section.

(f) The office and the state department of health shall provide the ~~select joint commission on Medicaid oversight established by IC 2-5-26-3~~ **health finance commission established by IC 2-5-23-3** with an evaluation and recommendations on the costs, benefits, and health outcomes of the pilot programs required under this section. The evaluations required under this subsection must be provided not more than twelve (12) months after the implementation date of the pilot programs.

(g) The office and the state department of health shall report to the ~~select joint commission on Medicaid oversight established by IC 2-5-26-3~~ **health finance commission established by IC 2-5-23-3** not later than November 1 of each year regarding the programs developed under this section.

(h) The disease management program services for a recipient diagnosed with diabetes or hypertension must include education for the recipient on kidney disease and the benefits of having evaluations and treatment for chronic kidney disease according to accepted practice guidelines.

SECTION 204. IC 12-15-15-1.1, AS AMENDED BY P.L.229-2011, SECTION 128, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1.1. (a) This section applies to a hospital that is:

(1) licensed under IC 16-21; and

(2) established and operated under IC 16-22-2, IC 16-22-8, or IC 16-23.

This section does not apply during the period that the office is assessing a hospital fee authorized by ~~HEA 1001-2011.~~ **IC 16-21-10.**

(b) For a state fiscal year ending after June 30, 2003, in addition to reimbursement received under section 1 of this chapter, a hospital is entitled to reimbursement in an amount calculated as follows:

STEP ONE: The office shall identify the aggregate inpatient hospital services, reimbursable under this article and under the state Medicaid plan, that were provided during the state fiscal year by hospitals established and operated under IC 16-22-2, IC 16-22-8, or IC 16-23.

STEP TWO: For the aggregate inpatient hospital services identified under STEP ONE, the office shall calculate the aggregate payments made under this article and under the state Medicaid plan to hospitals established and operated under IC 16-22-2, IC 16-22-8, or IC 16-23, excluding payments

under IC 12-15-16, IC 12-15-17, and IC 12-15-19.

STEP THREE: The office shall calculate a reasonable estimate of the amount that would have been paid in the aggregate by the office for the inpatient hospital services described in STEP ONE under Medicare payment principles.

STEP FOUR: Subtract the amount calculated under STEP TWO from the amount calculated under STEP THREE.

STEP FIVE: Subject to subsection (g), from the amount calculated under STEP FOUR, allocate to a hospital established and operated under IC 16-22-8 an amount not to exceed one hundred percent (100%) of the difference between:

(A) the total cost for the hospital's provision of inpatient services covered under this article for the hospital's fiscal year ending during the state fiscal year; and

(B) the total payment to the hospital for its provision of inpatient services covered under this article for the hospital's fiscal year ending during the state fiscal year, excluding payments under IC 12-15-16, IC 12-15-17, and IC 12-15-19.

STEP SIX: Subtract the amount calculated under STEP FIVE from the amount calculated under STEP FOUR.

STEP SEVEN: Distribute an amount equal to the amount calculated under STEP SIX to the eligible hospitals established and operated under IC 16-22-2 or IC 16-23 described in subsection (c) in an amount not to exceed each hospital's Medicaid shortfall as defined in subsection (f).

(c) Subject to subsection (e), reimbursement for a state fiscal year under this section consists of payments made after the close of each state fiscal year. A hospital is not eligible for a payment described in this subsection unless an intergovernmental transfer or certification of expenditures is made under subsection (d).

(d) Subject to subsection (e):

(1) an intergovernmental transfer may be made by or on behalf of the hospital; or

(2) a certification of expenditures as eligible for federal financial participation may be made;

after the close of each state fiscal year. An intergovernmental transfer under this subsection must be made to the Medicaid indigent care trust fund in an amount equal to a percentage, as determined by the office, of the amount to be distributed to the hospital under this section. The office shall use the intergovernmental transfer to fund payments made under this section.

(e) A hospital that makes a certification of expenditures or makes or has an intergovernmental transfer made on the hospital's behalf under this section may appeal under IC 4-21.5 the amount determined by the office to be paid the hospital under subsection (b). The periods described in subsections (c) and (d) for the hospital or another entity to make an intergovernmental transfer or certification of expenditures are tolled pending the administrative appeal and any judicial review initiated by the hospital under IC 4-21.5. The distribution to other hospitals under subsection (b) may not be delayed due to an administrative appeal or judicial review instituted by a hospital under this subsection. If necessary, the office may make a partial distribution to the other eligible hospitals under subsection (b) pending the completion of a hospital's administrative appeal or judicial review, at which time the remaining portion of the payments due to the eligible hospitals shall be made. A partial distribution may be based upon estimates and trends calculated by the office.

(f) For purposes of this section:

(1) the Medicaid shortfall of a hospital established and operated under IC 16-22-2 or IC 16-23 is calculated as follows:

STEP ONE: The office shall identify the inpatient hospital services, reimbursable under this article and under the state Medicaid plan, that were provided during the state fiscal year by the hospital.

STEP TWO: For the inpatient hospital services identified under STEP ONE, the office shall calculate the payments made under this article and under the state Medicaid plan to the hospital,

excluding payments under IC 12-15-16, IC 12-15-17, and IC 12-15-19.

STEP THREE: The office shall calculate a reasonable estimate of the amount that would have been paid by the office for the inpatient hospital services described in STEP ONE under Medicare payment principles; and

(2) a hospital's Medicaid shortfall is equal to the amount by which the amount calculated in STEP THREE of subdivision (1) is greater than the amount calculated in STEP TWO of subdivision (1).

(g) The actual distribution of the amount calculated under STEP FIVE of subsection (b) to a hospital established and operated under IC 16-22-8 shall be made under the terms and conditions provided for the hospital in the state plan for medical assistance. Payment to a hospital under STEP FIVE of subsection (b) is not a condition precedent to the tender of payments to hospitals under STEP SEVEN of subsection (b).

SECTION 205. IC 12-15-15-1.3, AS AMENDED BY P.L.229-2011, SECTION 129, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1.3. (a) This section applies to a hospital that is:

(1) licensed under IC 16-21; and

(2) established and operated under IC 16-22-2, IC 16-22-8, or IC 16-23.

This section does not apply during the period that the office is assessing a hospital fee authorized by ~~HEA 1001-2011.~~ **IC 16-21-10.**

(b) For a state fiscal year ending after June 30, 2003, in addition to reimbursement received under section 1 of this chapter, a hospital is entitled to reimbursement in an amount calculated as follows:

STEP ONE: The office shall identify the aggregate outpatient hospital services, reimbursable under this article and under the state Medicaid plan, that were provided during the state fiscal year by hospitals established and operated under IC 16-22-2, IC 16-22-8, or IC 16-23.

STEP TWO: For the aggregate outpatient hospital services identified under STEP ONE, the office shall calculate the aggregate payments made under this article and under the state Medicaid plan to hospitals established and operated under IC 16-22-2, IC 16-22-8, or IC 16-23, excluding payments under IC 12-15-16, IC 12-15-17, and IC 12-15-19.

STEP THREE: The office shall calculate a reasonable estimate of the amount that would have been paid in the aggregate by the office under Medicare payment principles for the outpatient hospital services described in STEP ONE.

STEP FOUR: Subtract the amount calculated under STEP TWO from the amount calculated under STEP THREE.

STEP FIVE: Subject to subsection (g), from the amount calculated under STEP FOUR, allocate to a hospital established and operated under IC 16-22-8 an amount not to exceed one hundred percent (100%) of the difference between:

(A) the total cost for the hospital's provision of outpatient services covered under this article for the hospital's fiscal year ending during the state fiscal year; and

(B) the total payment to the hospital for its provision of outpatient services covered under this article for the hospital's fiscal year ending during the state fiscal year, excluding payments under IC 12-15-16, IC 12-15-17, and IC 12-15-19.

STEP SIX: Subtract the amount calculated under STEP FIVE from the amount calculated under STEP FOUR.

STEP SEVEN: Distribute an amount equal to the amount calculated under STEP SIX to the eligible hospitals established and operated under IC 16-22-2 or IC 16-23 described in subsection (c) in an amount not to exceed each hospital's Medicaid shortfall as defined in subsection (f).

(c) A hospital is not eligible for a payment described in this section unless:

(1) an intergovernmental transfer is made by the hospital or on behalf of the hospital; or

(2) the hospital or another entity certifies the hospital's expenditures as eligible for federal financial participation.

(d) Subject to subsection (e):

(1) an intergovernmental transfer may be made by or on behalf of the hospital; or

(2) a certification of expenditures as eligible for federal financial participation may be made;

after the close of each state fiscal year. An intergovernmental transfer under this subsection must be made to the Medicaid indigent care trust fund in an amount equal to a percentage, as determined by the office, of the amount to be distributed to the hospital under subsection (b). The office shall use the intergovernmental transfer to fund payments made under this section.

(e) A hospital that makes a certification of expenditures or makes or has an intergovernmental transfer made on the hospital's behalf under this section may appeal under IC 4-21.5 the amount determined by the office to be paid by the hospital under subsection (b). The periods described in subsections (c) and (d) for the hospital or other entity to make an intergovernmental transfer or certification of expenditures are tolled pending the administrative appeal and any judicial review initiated by the hospital under IC 4-21.5. The distribution to other hospitals under subsection (b) may not be delayed due to an administrative appeal or judicial review instituted by a hospital under this subsection. If necessary, the office may make a partial distribution to the other eligible hospitals under subsection (b) pending the completion of a hospital's administrative appeal or judicial review, at which time the remaining portion of the payments due to the eligible hospitals must be made. A partial distribution may be calculated by the office based upon estimates and trends.

(f) For purposes of this section:

(1) the Medicaid shortfall of a hospital established and operated under IC 16-22-2 or IC 16-23 is calculated as follows:

STEP ONE: The office shall identify the outpatient hospital services, reimbursable under this article and under the state Medicaid plan, that were provided during the state fiscal year by the hospital.

STEP TWO: For the outpatient hospital services identified under STEP ONE, the office shall calculate the payments made under this article and under the state Medicaid plan to the hospital, excluding payments under IC 12-15-16, IC 12-15-17, and IC 12-15-19.

STEP THREE: The office shall calculate a reasonable estimate of the amount that would have been paid by the office for the outpatient hospital services described in STEP ONE under Medicare payment principles; and

(2) a hospital's Medicaid shortfall is equal to the amount by which the amount calculated in STEP THREE of subdivision (1) is greater than the amount calculated in STEP TWO of subdivision (1).

(g) The actual distribution of the amount calculated under STEP FIVE of subsection (b) to a hospital established and operated under IC 16-22-8 shall be made under the terms and conditions provided for the hospital in the state plan for medical assistance. Payment to a hospital under STEP FIVE of subsection (b) is not a condition precedent to the tender of payments to hospitals under STEP SEVEN of subsection (b).

SECTION 206. IC 12-15-15-1.5, AS AMENDED BY P.L.229-2011, SECTION 130, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1.5. (a) This section applies to a hospital that:

(1) is licensed under IC 16-21;

(2) is not a unit of state or local government; and

(3) is not owned or operated by a unit of state or local government.

This section does not apply during the period that the office is assessing a hospital fee authorized by ~~HEA 1001-2011.~~ **IC 16-21-10.**

(b) For a state fiscal year ending after June 30, 2003, and before July 1, 2007, in addition to reimbursement received under section 1 of this chapter, a hospital eligible under this section is entitled to reimbursement in an amount calculated as follows:

STEP ONE: The office shall identify the total inpatient hospital services and the total outpatient

hospital services, reimbursable under this article and under the state Medicaid plan, that were provided during the state fiscal year by the hospitals described in subsection (a).

STEP TWO: For the total inpatient hospital services and the total outpatient hospital services identified under STEP ONE, the office shall calculate the aggregate payments made under this article and under the state Medicaid plan to hospitals described in subsection (a), excluding payments under IC 12-15-16, IC 12-15-17, and IC 12-15-19.

STEP THREE: The office shall calculate a reasonable estimate of the amount that would have been paid in the aggregate by the office for the inpatient hospital services and the outpatient hospital services identified in STEP ONE under Medicare payment principles.

STEP FOUR: Subtract the amount calculated under STEP TWO from the amount calculated under STEP THREE.

STEP FIVE: Distribute an amount equal to the amount calculated under STEP FOUR to the eligible hospitals described in subsection (a) as follows:

(A) Subject to the availability of funds under IC 12-15-20-2(8)(D) to serve as the nonfederal share of such payment, the first ten million dollars ($10,000,000) of the amount calculated under STEP FOUR for a state fiscal year shall be paid to a hospital described in subsection (a) that has more than sixty thousand (60,000) Medicaid inpatient days.

(B) Following the payment to the hospital under clause (A) and subject to the availability of funds under IC 12-15-20-2(8)(D) to serve as the nonfederal share of such payments, the remaining amount calculated under STEP FOUR for a state fiscal year shall be paid to all hospitals described in subsection (a). The payments shall be made on a pro rata basis based on the hospitals' Medicaid inpatient days or other payment methodology approved by the Centers for Medicare and Medicaid Services. For purposes of this clause, a hospital's Medicaid inpatient days are the hospital's in-state and paid Medicaid fee for service and managed care days for the state fiscal year for which services are identified under STEP ONE, as determined by the office.

(C) Subject to IC 12-15-20.7, in the event the entirety of the amount calculated under STEP FOUR is not distributed following the payments made under clauses (A) and (B), the remaining amount may be paid to hospitals described in subsection (a) that are eligible under this clause. A hospital is eligible for a payment under this clause only if the nonfederal share of the hospital's payment is provided by or on behalf of the hospital. The remaining amount shall be paid to those eligible hospitals:

(i) on a pro rata basis in relation to all hospitals eligible under this clause based on the hospitals' Medicaid inpatient days; or

(ii) other payment methodology determined by the office and approved by the Centers for Medicare and Medicaid Services.

(c) As used in this subsection, "Medicaid supplemental payments" means Medicaid payments for hospitals that are in addition to Medicaid fee-for-service payments, Medicaid risk-based managed care payments, and Medicaid disproportionate share payments, and that are included in the Medicaid state plan, including Medicaid safety-net payments, and payments made under this section and sections 1.1, 1.3, 9, and 9.5 of this chapter. For a state fiscal year ending after June 30, 2007, in addition to the reimbursement received under section 1 of this chapter, a hospital eligible under this section is entitled to reimbursement in an amount calculated as follows:

STEP ONE: The office shall identify the total inpatient hospital services and the total outpatient hospital services reimbursable under this article and under the state Medicaid plan that were provided during the state fiscal year for all hospitals described in subsection (a).

STEP TWO: For the total inpatient hospital services and the total outpatient hospital services identified in STEP ONE, the office shall calculate the total payments made under this article and under the state Medicaid plan to all hospitals described in subsection (a). A calculation under this STEP excludes a payment made under the following:

(A) IC 12-15-16.
(B) IC 12-15-17.
(C) IC 12-15-19.

STEP THREE: The office shall calculate, under Medicare payment principles, a reasonable estimate of the total amount that would have been paid by the office for the inpatient hospital services and the outpatient hospital services identified in STEP ONE.

STEP FOUR: Subtract the amount calculated under STEP TWO from the amount calculated under STEP THREE.

STEP FIVE: Distribute an amount equal to the amount calculated under STEP FOUR to the eligible hospitals described in subsection (a) as follows:

(A) As used in this clause, "Medicaid inpatient days" are the hospital's in-state paid Medicaid fee for service and risk-based managed care days for the state fiscal year for which services are identified under STEP ONE, as determined by the office. Subject to the availability of funds transferred to the Medicaid indigent care trust fund under STEP FOUR of IC 12-16-7.5-4.5(c) and remaining in the Medicaid indigent care trust fund under IC 12-15-20-2(8)(G) to serve as the nonfederal share of the payments, the amount calculated under STEP FOUR for a state fiscal year shall be paid to all hospitals described in subsection (a). The payments shall be made on a pro rata basis, based on the hospitals' Medicaid inpatient days or in accordance with another payment methodology determined by the office and approved by the Centers for Medicare and Medicaid Services.

(B) Subject to IC 12-15-20.7, if the entire amount calculated under STEP FOUR is not distributed following the payments made under clause (A), the remaining amount shall be paid as described in clauses (C) and (D) to a hospital that is described in subsection (a) and that is described as eligible under this clause. A hospital is eligible for a payment under clause (C) only if the hospital:

(i) has less than sixty thousand (60,000) Medicaid inpatient days annually;

(ii) was eligible for Medicaid disproportionate share hospital payments in the state fiscal year ending June 30, 1998, or the hospital met the office's Medicaid disproportionate share payment criteria based upon state fiscal year 1998 data and received a Medicaid disproportionate share payment for the state fiscal year ending June 30, 2001; and

(iii) received a Medicaid disproportionate share payment under IC 12-15-19-2.1 for state fiscal years 2001, 2002, 2003, and 2004.

The payment amount under clause (C) for an eligible hospital is subject to the availability of the nonfederal share of the hospital's payment being provided by the hospital or on behalf of the hospital.

(C) For state fiscal years ending after June 30, 2007, but before July 1, 2009, payments to eligible hospitals described in clause (B) shall be made as follows:

(i) The payment to an eligible hospital that merged two (2) hospitals under a single Medicaid provider number effective January 1, 2004, shall equal one hundred percent (100%) of the hospital's hospital-specific limit for the state fiscal year ending June 30, 2005, when the payment is combined with any Medicaid disproportionate share payment made under IC 12-15-19-2.1, Medicaid, and other Medicaid supplemental payments, paid or to be paid to the hospital for a state fiscal year.

(ii) The payment to an eligible hospital described in clause (B) other than a hospital described in item (i) shall equal one hundred percent (100%) of the hospital's hospital specific limit for the state fiscal year ending June 30, 2004, when the payment is combined with any Medicaid disproportionate share payment made under IC 12-15-19-2.1, Medicaid, and other Medicaid supplemental payments, paid or to be paid to the hospital for a state fiscal year.

(D) For state fiscal years beginning after June 30, 2009, payments to an eligible hospital

described in clause (B) shall be made in a manner determined by the office.

(E) Subject to IC 12-15-20.7, if the entire amount calculated under STEP FOUR is not distributed following the payments made under clause (A) and clauses (C) or (D), the remaining amount may be paid as described in clause (F) to a hospital described in subsection (a) that is described as eligible under this clause. A hospital is eligible for a payment for a state fiscal year under clause (F) if the hospital:

(i) is eligible to receive Medicaid disproportionate share payments for the state fiscal year for which the Medicaid disproportionate share payment is attributable under IC 12-15-19-2.1, for a state fiscal year ending after June 30, 2007; and

(ii) does not receive a payment under clauses (C) or (D) for the state fiscal year.

A payment to a hospital under this clause is subject to the availability of nonfederal matching funds.

(F) Payments to eligible hospitals described in clause (E) shall be made:

(i) to best use federal matching funds available for hospitals that are eligible for Medicaid disproportionate share payments under IC 12-15-19-2.1; and

(ii) by using a methodology that allocates available funding under this clause, Medicaid supplemental payments, and payments under IC 12-15-19-2.1, in a manner in which all hospitals eligible under clause (E) receive payments in a manner that takes into account the situation of eligible hospitals that have historically qualified for Medicaid disproportionate share payments and ensures that payments for eligible hospitals are equitable.

(G) If the Centers for Medicare and Medicaid Services does not approve the payment methodologies in clauses (A) through (F), the office may implement alternative payment methodologies that are eligible for federal financial participation to implement a program consistent with the payments for hospitals described in clauses (A) through (F).

(d) A hospital described in subsection (a) may appeal under IC 4-21.5 the amount determined by the office to be paid to the hospital under STEP FIVE of subsections (b) or (c). The distribution to other hospitals under STEP FIVE of subsection (b) or (c) may not be delayed due to an administrative appeal or judicial review instituted by a hospital under this subsection. If necessary, the office may make a partial distribution to the other eligible hospitals under STEP FIVE of subsection (b) or (c) pending the completion of a hospital's administrative appeal or judicial review, at which time the remaining portion of the payments due to the eligible hospitals shall be made. A partial distribution may be based on estimates and trends calculated by the office.

SECTION 207. IC 12-15-15-1.6, AS AMENDED BY P.L.229-2011, SECTION 131, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1.6. (a) This section applies only if the office determines, based on information received from the United States Centers for Medicare and Medicaid Services, that payments made under section 1.5(b) STEP FIVE (A), (B), or (C) of this chapter will not be approved for federal financial participation. This section does not apply during the period that the office is assessing a hospital fee authorized by ~~HEA 1001-2011.~~ **IC 16-21-10.**

(b) If the office determines that payments made under section 1.5(b) STEP FIVE (A) of this chapter will not be approved for federal financial participation, the office may make alternative payments to payments under section 1.5(b) STEP FIVE (A) of this chapter if:

(1) the payments for a state fiscal year are made only to a hospital that would have been eligible for a payment for that state fiscal year under section 1.5(b) STEP FIVE (A) of this chapter; and

(2) the payments for a state fiscal year to each hospital are an amount that is as equal as possible to the amount each hospital would have received under section 1.5(b) STEP FIVE (A) of this chapter for that state fiscal year.

(c) If the office determines that payments made under section 1.5(b) STEP FIVE (B) of this chapter will not be approved for federal financial participation, the office may make alternative payments to payments under section 1.5(b) STEP FIVE (B) of this chapter if:

(1) the payments for a state fiscal year are made only to a hospital that would have been eligible for a payment for that state fiscal year under section 1.5(b) STEP FIVE (B) of this chapter; and

(2) the payments for a state fiscal year to each hospital are an amount that is as equal as possible to the amount each hospital would have received under section 1.5(b) STEP FIVE (B) of this chapter for that state fiscal year.

(d) If the office determines that payments made under section 1.5(b) STEP FIVE (C) of this chapter will not be approved for federal financial participation, the office may make alternative payments to payments under section 1.5(b) STEP FIVE (C) of this chapter if:

(1) the payments for a state fiscal year are made only to a hospital that would have been eligible for a payment for that state fiscal year under section 1.5(b) STEP FIVE (C) of this chapter; and

(2) the payments for a state fiscal year to each hospital are an amount that is as equal as possible to the amount each hospital would have received under section 1.5(b) STEP FIVE (C) of this chapter for that state fiscal year.

(e) If the office determines, based on information received from the United States Centers for Medicare and Medicaid Services, that payments made under subsection (b), (c), or (d) will not be approved for federal financial participation, the office shall use the funds that would have served as the nonfederal share of these payments for a state fiscal year to serve as the nonfederal share of a payment program for hospitals to be established by the office. The payment program must distribute payments to hospitals for a state fiscal year based upon a methodology determined by the office to be equitable under the circumstances.

SECTION 208. IC 12-15-15-9, AS AMENDED BY P.L.229-2011, SECTION 132, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) For purposes of this section and IC 12-16-7.5-4.5, a payable claim is attributed to a county if the payable claim is submitted to the division by a hospital licensed under IC 16-21-2 for payment under IC 12-16-7.5 for care provided by the hospital to an individual who qualifies for the hospital care for the indigent program under IC 12-16-3.5-1 or IC 12-16-3.5-2 and:

(1) who is a resident of the county;

(2) who is not a resident of the county and for whom the onset of the medical condition that necessitated the care occurred in the county; or

(3) whose residence cannot be determined by the division and for whom the onset of the medical condition that necessitated the care occurred in the county.

This section does not apply during the period that the office is assessing a hospital fee authorized by ~~HEA 1001-2011.~~ **IC 16-21-10.**

(b) For each state fiscal year ending after June 30, 2003, and before July 1, 2007, a hospital licensed under IC 16-21-2 that submits to the division during the state fiscal year a payable claim under IC 12-16-7.5 is entitled to a payment under subsection (c).

(c) Except as provided in section 9.8 of this chapter and subject to section 9.6 of this chapter, for a state fiscal year, the office shall pay to a hospital referred to in subsection (b) an amount equal to the amount, based on information obtained from the division and the calculations and allocations made under IC 12-16-7.5-4.5, that the office determines for the hospital under STEP SIX of the following STEPS:

STEP ONE: Identify:

(A) each hospital that submitted to the division one (1) or more payable claims under IC 12-16-7.5 during the state fiscal year; and

(B) the county to which each payable claim is attributed.

STEP TWO: For each county identified in STEP ONE, identify:

(A) each hospital that submitted to the division one (1) or more payable claims under IC 12-16-7.5 attributed to the county during the state fiscal year; and

(B) the total amount of all hospital payable claims submitted to the division under IC 12-16-7.5 attributed to the county during the state fiscal year.

STEP THREE: For each county identified in STEP ONE, identify the amount of county funds transferred to the Medicaid indigent care trust fund under IC 12-16-7.5-4.5.

STEP FOUR: For each hospital identified in STEP ONE, with respect to each county identified in STEP ONE, calculate the hospital's percentage share of the county's funds transferred to the Medicaid indigent care trust fund under IC 12-16-7.5-4.5. Each hospital's percentage share is based on the total amount of the hospital's payable claims submitted to the division under IC 12-16-7.5 attributed to the county during the state fiscal year, calculated as a percentage of the total amount of all hospital payable claims submitted to the division under IC 12-16-7.5 attributed to the county during the state fiscal year.

STEP FIVE: Subject to subsection (j), for each hospital identified in STEP ONE, with respect to each county identified in STEP ONE, multiply the hospital's percentage share calculated under STEP FOUR by the amount of the county's funds transferred to the Medicaid indigent care trust fund under IC 12-16-7.5-4.5.

STEP SIX: Determine the sum of all amounts calculated under STEP FIVE for each hospital identified in STEP ONE with respect to each county identified in STEP ONE.

(d) For state fiscal years beginning after June 30, 2007, a hospital that received a payment determined under STEP SIX of subsection (c) for the state fiscal year ending June 30, 2007, shall be paid in an amount equal to the amount determined for the hospital under STEP SIX of subsection (c) for the state fiscal year ending June 30, 2007.

(e) A hospital's payment under subsection (c) or (d) is in the form of a Medicaid supplemental payment. The amount of a hospital's Medicaid supplemental payment is subject to the availability of funding for the non-federal share of the payment under subsection (f). The office shall make the payments under subsection (c) and (d) before December 15 that next succeeds the end of the state fiscal year.

(f) The non-federal share of a payment to a hospital under subsection (c) or (d) is funded from the funds transferred to the Medicaid indigent care trust fund under IC 12-16-7.5-4.5.

(g) The amount of a county's transferred funds available to be used to fund the non-federal share of a payment to a hospital under subsection (c) is an amount that bears the same proportion to the total amount of funds of the county transferred to the Medicaid indigent care trust fund under IC 12-16-7.5-4.5 that the total amount of the hospital's payable claims under IC 12-16-7.5 attributed to the county submitted to the division during the state fiscal year bears to the total amount of all hospital payable claims under IC 12-16-7.5 attributed to the county submitted to the division during the state fiscal year.

(h) Any county's funds identified in subsection (g) that remain after the non-federal share of a hospital's payment has been funded are available to serve as the non-federal share of a payment to a hospital under section 9.5 of this chapter.

(i) For purposes of this section, "payable claim" has the meaning set forth in IC 12-16-7.5-2.5(b)(1).

(j) For purposes of subsection (c):

(1) the amount of a payable claim is an amount equal to the amount the hospital would have received under the state's fee-for-service Medicaid reimbursement principles for the hospital care for which the payable claim is submitted under IC 12-16-7.5 if the individual receiving the hospital care had been a Medicaid enrollee; and

(2) a payable hospital claim under IC 12-16-7.5 includes a payable claim under IC 12-16-7.5 for the hospital's care submitted by an individual or entity other than the hospital, to the extent permitted under the hospital care for the indigent program.

(k) The amount calculated under STEP FIVE of subsection (c) for a hospital with respect to a county may not exceed the total amount of the hospital's payable claims attributed to the county during the state fiscal year.

SECTION 209. IC 12-15-15-9.5, AS AMENDED BY P.L.229-2011, SECTION 133, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9.5. (a) For purposes of this section and IC 12-16-7.5-4.5, a payable claim is attributed to a county if the payable claim is submitted to the

division by a hospital licensed under IC 16-21-2 for payment under IC 12-16-7.5 for care provided by the hospital to an individual who qualifies for the hospital care for the indigent program under IC 12-16-3.5-1 or IC 12-16-3.5-2 and:

(1) who is a resident of the county;

(2) who is not a resident of the county and for whom the onset of the medical condition that necessitated the care occurred in the county; or

(3) whose residence cannot be determined by the division and for whom the onset of the medical condition that necessitated the care occurred in the county.

This section does not apply during the period that the office is assessing a hospital fee authorized by ~~HEA 1001-2011.~~ **IC 16-21-10.**

(b) For each state fiscal year ending after June 30, 2003, but before July 1, 2007, a hospital licensed under IC 16-21-2:

(1) that submits to the division during the state fiscal year a payable claim under IC 12-16-7.5; and

(2) whose payment under section 9(c) of this chapter was less than the total amount of the hospital's payable claims under IC 12-16-7.5 submitted by the hospital to the division during the state fiscal year;

is entitled to a payment under subsection (c).

(c) Subject to section 9.6 of this chapter, for a state fiscal year, the office shall pay to a hospital referred to in subsection (b) an amount equal to the amount, based on information obtained from the division and the calculations and allocations made under IC 12-16-7.5-4.5, that the office determines for the hospital under STEP EIGHT of the following STEPS:

STEP ONE: Identify each county whose transfer of funds to the Medicaid indigent care trust fund under IC 12-16-7.5-4.5 for the state fiscal year was less than the total amount of all hospital payable claims attributed to the county and submitted to the division during the state fiscal year.

STEP TWO: For each county identified in STEP ONE, calculate the difference between the amount of funds of the county transferred to the Medicaid indigent care trust fund under IC 12-16-7.5-4.5 and the total amount of all hospital payable claims attributed to the county and submitted to the division during the state fiscal year.

STEP THREE: Calculate the sum of the amounts calculated for the counties under STEP TWO.

STEP FOUR: Identify each hospital whose payment under section 9(c) of this chapter was less than the total amount of the hospital's payable claims under IC 12-16-7.5 submitted by the hospital to the division during the state fiscal year.

STEP FIVE: Calculate for each hospital identified in STEP FOUR the difference between the hospital's payment under section 9(c) of this chapter and the total amount of the hospital's payable claims under IC 12-16-7.5 submitted by the hospital to the division during the state fiscal year.

STEP SIX: Calculate the sum of the amounts calculated for each of the hospitals under STEP FIVE.

STEP SEVEN: For each hospital identified in STEP FOUR, calculate the hospital's percentage share of the amount calculated under STEP SIX. Each hospital's percentage share is based on the amount calculated for the hospital under STEP FIVE calculated as a percentage of the sum calculated under STEP SIX.

STEP EIGHT: For each hospital identified in STEP FOUR, multiply the hospital's percentage share calculated under STEP SEVEN by the sum calculated under STEP THREE. The amount calculated under this STEP for a hospital may not exceed the amount by which the hospital's total payable claims under IC 12-16-7.5 submitted during the state fiscal year exceeded the amount of the hospital's payment under section 9(c) of this chapter.

(d) For state fiscal years beginning after June 30, 2007, a hospital that received a payment determined under STEP EIGHT of subsection (c) for the state fiscal year ending June 30, 2007, shall be paid an amount equal to the amount determined for the hospital under STEP EIGHT of subsection (c) for the state fiscal year ending June 30, 2007.

(e) A hospital's payment under subsection (c) or (d) is in the form of a Medicaid supplemental payment. The amount of the hospital's add-on payment is subject to the availability of funding for the nonfederal share of the payment under subsection (f). The office shall make the payments under subsection (c) or (d) before December 15 that next succeeds the end of the state fiscal year.

(f) The nonfederal share of a payment to a hospital under subsection (c) or (d) is derived from funds transferred to the Medicaid indigent care trust fund under IC 12-16-7.5-4.5 and not expended under section 9 of this chapter.

(g) Except as provided in subsection (h), the office may not make a payment under this section until the payments due under section 9 of this chapter for the state fiscal year have been made.

(h) If a hospital appeals a decision by the office regarding the hospital's payment under section 9 of this chapter, the office may make payments under this section before all payments due under section 9 of this chapter are made if:

(1) a delay in one (1) or more payments under section 9 of this chapter resulted from the appeal; and

(2) the office determines that making payments under this section while the appeal is pending will not unreasonably affect the interests of hospitals eligible for a payment under this section.

(i) Any funds transferred to the Medicaid indigent care trust fund under IC 12-16-7.5-4.5 remaining after payments are made under this section shall be used as provided in IC 12-15-20-2(8).

(j) For purposes of subsection (c):

(1) "payable claim" has the meaning set forth in IC 12-16-7.5-2.5(b);

(2) the amount of a payable claim is an amount equal to the amount the hospital would have received under the state's fee-for-service Medicaid reimbursement principles for the hospital care for which the payable claim is submitted under IC 12-16-7.5 if the individual receiving the hospital care had been a Medicaid enrollee; and

(3) a payable hospital claim under IC 12-16-7.5 includes a payable claim under IC 12-16-7.5 for the hospital's care submitted by an individual or entity other than the hospital, to the extent permitted under the hospital care for the indigent program.

SECTION 210. IC 12-15-16-6, AS AMENDED BY P.L.229-2011, SECTION 134, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) As used in this section, "low income utilization rate" refers to the low income utilization rate described in section 3 of this chapter.

(b) Hospitals that qualify for basic disproportionate share under section 1(a) of this chapter shall receive disproportionate share payments as follows:

(1) For the state fiscal year ending June 30, 1999, a pool not exceeding twenty-one million dollars ($21,000,000) shall be distributed to all hospitals licensed under IC 16-21 that qualify under section 1(a)(1) of this chapter. The funds in the pool must be distributed to qualifying hospitals in proportion to each hospital's Medicaid day utilization rate and Medicaid discharges, as determined based on data from the most recent audited cost report on file with the office. Any funds remaining in the pool referred to in this subdivision following distribution to all qualifying hospitals shall be transferred to the pool distributed under subdivision (3).

(2) Hospitals licensed under IC 16-21 that qualify under both section 1(a)(1) and 1(a)(2) of this chapter shall receive a disproportionate share payment in accordance with subdivision (1).

(3) For the state fiscal year ending June 30, 1999, a pool not exceeding five million dollars ($5,000,000), subject to adjustment by the transfer of any funds remaining in the pool referred to in subdivision (1), following distribution to all qualifying hospitals, shall be distributed to all hospitals licensed under IC 16-21 that:

(A) qualify under section 1(a)(1) or 1(a)(2) of this chapter; and

(B) have at least twenty-five thousand (25,000) Medicaid inpatient days per year, based on data from each hospital's Medicaid cost report for the fiscal year ended during state fiscal year 1996.

The funds in the pool must be distributed to qualifying hospitals in proportion to each hospital's Medicaid day utilization rate and total Medicaid patient days, as determined based on data from the most recent

audited cost report on file with the office. Payments under this subdivision are in place of the payments made under subdivisions (1) and (2).

(c) This subsection does not apply during the period that the office is assessing a hospital fee authorized by ~~HEA 1001-2011.~~ **IC 16-21-10.** Other institutions that qualify as disproportionate share providers under section 1 of this chapter, in each state fiscal year, shall receive disproportionate share payments as follows:

(1) For each of the state fiscal years ending after June 30, 1995, a pool not exceeding two million dollars ($2,000,000) shall be distributed to all private psychiatric institutions licensed under IC 12-25 that qualify under section 1(a)(1) or 1(a)(2) of this chapter. The funds in the pool must be distributed to the qualifying institutions in proportion to each institution's Medicaid day utilization rate as determined based on data from the most recent audited cost report on file with the office.

(2) A pool not exceeding one hundred ninety-one million dollars ($191,000,000) for all state fiscal years ending after June 30, 1995, shall be distributed to all state mental health institutions under IC 12-24-1-3 that qualify under either section 1(a)(1) or 1(a)(2) of this chapter. The funds in the pool must be distributed to each qualifying institution in proportion to each institution's low income utilization rate, as determined based on the most recent data on file with the office.

(d) This subsection does not apply during the period that the office is assessing a hospital fee authorized by ~~HEA 1001-2011.~~ **IC 16-21-10.** Disproportionate share payments described in this section shall be made on an interim basis throughout the year, as provided by the office.

SECTION 211. IC 12-15-16-7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 7. (a) This section applies to Medicaid disproportionate share payments for the state fiscal year beginning:**

(1) July 1, 2012, if hospital fees authorized under P.L.229-2011, SECTION 281 or authorized to be transferred and used for payments are used as state share dollars for the payments; and

(2) July 1, 2013, and for each state fiscal year after, for which hospital fees authorized under IC 16-21-10 are used as state share dollars for the payments.

(b) As used in this section, "hospital assessment fee committee" refers to the committee established by IC 16-21-10-7.

(c) As used in this section, "hospital specific limit" refers to the hospital specific limit provided under 42 U.S.C. 1396r-4(g).

(d) As used in this section, "municipal hospital payment amount" means, concerning a hospital established and operated under IC 16-22-2 or IC 16-23, an amount equal to the lesser of:

(1) the hospital specific limit for the hospital for the state fiscal year; or

(2) the hospital's net 2009 supplemental payment amount.

(e) As used in this section, "nongovernmental hospital" refers to a hospital that is licensed under IC 16-21-2 that is not a unit of state or local government and is not owned or operated by a unit of state or local government.

(f) As used in this section, "SECTION 281 hospital assessment fee committee" refers to the hospital assessment fee committee established by P.L.229-2011, SECTION 281, subsection (e).

(g) The following providers are eligible for Medicaid disproportionate share payments under this section:

(1) A hospital or psychiatric institution described in Attachment 4.19-A, Section III, page 6.1(a) of the Medicaid state plan in effect July 1, 2011.

(2) A hospital that satisfies the following for the state fiscal year for which Medicaid disproportionate share payments are made under this section:

(A) A nongovernmental hospital that:

(i) has a Medicaid inpatient utilization rate for the state fiscal year that is at least equal to the mean Medicaid inpatient utilization rate as calculated for purposes of determining Medicaid disproportionate share eligibility, but does not equal or exceed one (1) standard deviation above the mean Medicaid inpatient utilization rate; and

(ii) satisfies the obstetric service provisions of 42 U.S.C. 1396r-4(d).

(B) A hospital established and operated under IC 16-22-2 or IC 16-23 that:

(i) has a Medicaid inpatient utilization rate for the state fiscal year greater than one percent (1%); and

(ii) satisfies the obstetric service provisions of 42 U.S.C. 1396r-4(d).

(3) A nongovernmental hospital that satisfies the following for the state fiscal year for which Medicaid disproportionate share payments are made under this section:

(A) The hospital has a Medicaid inpatient utilization rate for the state fiscal year that is less than the mean Medicaid inpatient utilization rate, as calculated for purposes of determining Medicaid disproportionate share eligibility, but is at least greater than one percent (1%).

(B) The hospital satisfies the obstetric service provisions of 42 U.S.C. 1396r-4(d).

(h) This subsection applies to a payment of Medicaid disproportionate share payments, if any, to hospitals described in subsection (g)(2) and (g)(3). For Medicaid disproportionate share payments for the state fiscal year beginning July 1, 2012, the office, subject to approval by the SECTION 281 hospital assessment fee committee, may develop and implement a Medicaid state plan amendment that provides Medicaid disproportionate share payments for the hospitals described in:

(1) subsection (g)(2), as long as each hospital and psychiatric institution described in subsection (g)(1) has received a Medicaid disproportionate share payment for the state fiscal year in an amount equal to either:

(A) the hospital specific limit; or

(B) the municipal hospital payment amount;

for the hospital or psychiatric institution for the state fiscal year; and

(2) subsection (g)(3), as long as each hospital described in subsection (g)(2) has received a Medicaid disproportionate share payment for the state fiscal year in an amount equal to the hospital specific limit for the hospital for the state fiscal year.

(i) This subsection applies to a payment of Medicaid disproportionate share payments, if any, to hospitals described in subsection (g)(2) and (g)(3). For Medicaid disproportionate share payments for the state fiscal year beginning July 1, 2013, and each state fiscal year thereafter under this section, the office, subject to the approval by the hospital assessment fee committee, may develop and implement a Medicaid state plan amendment that:

(1) renews, for state fiscal year beginning July 1, 2013, and each state fiscal year thereafter under this section, the Medicaid disproportionate share provisions of Attachment 4.19-A, Section III, page 6.1(a) of the Medicaid state plan in effect on July 1, 2011;

(2) provides Medicaid disproportionate share payments for the hospitals described in subsection (g)(2), as long as each hospital and psychiatric institution described in subsection (g)(1) has received a Medicaid disproportionate share payment for the state fiscal year in an amount equal to the:

(A) hospital specific limit; or

(B) municipal hospital payment amount;

for the hospital or psychiatric institution for the state fiscal year; and

(3) provides Medicaid disproportionate share payments for the hospitals described in subsection (g)(3), as long as each hospital described in subsection (g)(2) has received a Medicaid disproportionate share payment for the state fiscal year in an amount equal to the hospital specific limit of the hospital for the state fiscal year.

(j) This subsection does not apply to Medicaid disproportionate share payments made to hospitals described in subsection (g)(2)(B) under Attachment 4.19-A, Section III, page 6.1(a) of the Medicaid state plan in effect on July 1, 2011, or any renewal. Nothing in this section:

(1) requires that the hospitals described in subsection (g)(2) or (g)(3) receive Medicaid disproportionate share payments for a state fiscal year;

(2) requires that the hospital described in subsection (g)(2) or (g)(3) receive Medicaid disproportionate share payments for a state fiscal year in an amount equal to the respective hospital specific limits for the state fiscal year; or

(3) prescribes how Medicaid disproportionate share payments are to be distributed among the hospitals described in:

(A) subsection (g)(2); or

(B) subsection (g)(3).

(k) Nothing in this section prohibits the use of unexpended federal Medicaid disproportionate share allotments for a state fiscal year under a program authorized by the SECTION 281 hospital assessment fee committee or the hospital assessment fee committee, as long as each hospital listed in subsection (g)(1), (g)(2), and (g)(3) has received Medicaid disproportionate share payments for the state fiscal year equal to the hospital specific limit for the hospital for the state fiscal year.

SECTION 212. IC 12-15-17-1, AS AMENDED BY P.L.229-2011, SECTION 135, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. A disproportionate share payment shall be made to:

(1) a hospital licensed under IC 16-21;

(2) a state mental health institution under IC 12-24-1-3; and

(3) a private psychiatric institution licensed under IC 12-25;

that serves a disproportionate share of Medicaid recipients and other low income patients as determined under IC 12-15-16-1. However, a provider may not be defined as a disproportionate share provider under IC 12-15-16-1 unless the provider has a Medicaid inpatient utilization rate (as defined in 42 U.S.C. 1396r-4(b)(2)) of at least one percent (1%). Subdivisions (2) and (3) do not apply during the period that the office is assessing a hospital fee authorized by ~~HEA 1001-2011.~~ **IC 16-21-10.**

SECTION 213. IC 12-15-19-2.1, AS AMENDED BY P.L.229-2011, SECTION 136, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2.1. (a) This section does not apply during the period that the office is assessing a hospital fee authorized by ~~HEA 1001-2011.~~ **IC 16-21-10.** For each state fiscal year ending on or after June 30, 2000, the office shall develop a disproportionate share payment methodology that ensures that each hospital qualifying for disproportionate share payments under IC 12-15-16-1(a) timely receives total disproportionate share payments that do not exceed the hospital's hospital specific limit provided under 42 U.S.C. 1396r-4(g). The payment methodology as developed by the office must:

(1) maximize disproportionate share hospital payments to qualifying hospitals to the extent practicable;

(2) take into account the situation of those qualifying hospitals that have historically qualified for Medicaid disproportionate share payments; and

(3) ensure that payments for qualifying hospitals are equitable.

(b) Total disproportionate share payments to a hospital under this chapter shall not exceed the hospital specific limit provided under 42 U.S.C. 1396r-4(g). The hospital specific limit for a state fiscal year shall be determined by the office taking into account data provided by each hospital that is considered reliable by the office based on a system of periodic audits, the use of trending factors, and an appropriate base year determined by the office. The office may require independent certification of data provided by a hospital to determine the hospital's hospital specific limit.

(c) The office shall include a provision in each amendment to the state plan regarding Medicaid disproportionate share payments that the office submits to the federal Centers for Medicare and Medicaid Services that, as provided in 42 CFR 447.297(d)(3), allows the state to make additional disproportionate share expenditures after the end of each federal fiscal year that relate back to a prior federal fiscal year. However, the total disproportionate share payments to:

(1) each individual hospital; and

(2) all qualifying hospitals in the aggregate;

may not exceed the limits provided by federal law and regulation.

SECTION 214. IC 12-15-19-6, AS AMENDED BY P.L.229-2011, SECTION 137, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) This section does not apply during the period that the office is assessing a hospital fee authorized by ~~HEA 1001-2011.~~ **IC 16-21-10.** The office is not required to make disproportionate share payments under this chapter from the Medicaid indigent care trust fund established by IC 12-15-20-1 until the fund has received sufficient deposits, including intergovernmental transfers of funds and certifications of expenditures, to permit the office to make the state's share of the required disproportionate share payments.

(b) For state fiscal years beginning after June 30, 2006, if:

(1) sufficient deposits have not been received; or

(2) the statewide Medicaid disproportionate share allocation is insufficient to provide federal financial participation for the entirety of all eligible disproportionate share hospitals' hospital-specific limits;

the office shall reduce disproportionate share payments made under IC 12-15-19-2.1 and Medicaid safety-net payments made in accordance with the Medicaid state plan to eligible institutions using an equitable methodology consistent with subsection (c).

(c) For state fiscal years beginning after June 30, 2006, payments reduced under this section shall, in accordance with the Medicaid state plan, be made:

(1) to best utilize federal matching funds available for hospitals eligible for Medicaid disproportionate share payments under IC 12-15-19-2.1; and

(2) by utilizing a methodology that allocates available funding under this subdivision, and Medicaid supplemental payments as defined in IC 12-15-15-1.5, in a manner that all hospitals eligible for Medicaid disproportionate share payments under IC 12-15-19-2.1 receive payments using a methodology that:

(A) takes into account the situation of the eligible hospitals that have historically qualified for Medicaid disproportionate share payments; and

(B) ensures that payments for eligible hospitals are equitable.

(d) The percentage reduction shall be sufficient to ensure that payments do not exceed the statewide Medicaid disproportionate share allocation or the amounts that can be financed with:

(1) the amount transferred from the hospital care for the indigent trust fund;

(2) other intergovernmental transfers;

(3) certifications of public expenditures; or

(4) any other permissible sources of non-federal match.

SECTION 215. IC 12-15-19-8, AS AMENDED BY P.L.229-2011, SECTION 138, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) This section does not apply during the period that the office is assessing a hospital fee authorized by ~~HEA 1001-2011.~~ **IC 16-21-10.** A provider that qualifies as a municipal disproportionate share provider under IC 12-15-16-1 shall receive a disproportionate share adjustment, subject to the provider's hospital specific limits described in subsection (b), as follows:

(1) For each state fiscal year ending on or after June 30, 1998, an amount shall be distributed to each provider qualifying as a municipal disproportionate share provider under IC 12-15-16-1. The total amount distributed shall not exceed the sum of all hospital specific limits for all qualifying providers.

(2) For each municipal disproportionate share provider qualifying under IC 12-15-16-1 to receive disproportionate share payments, the amount in subdivision (1) shall be reduced by the amount of disproportionate share payments received by the provider under IC 12-15-16-6 or sections 1 or 2.1 of this chapter. The office shall develop a disproportionate share provider payment methodology that ensures that each municipal disproportionate share provider receives disproportionate share payments that do not exceed the provider's hospital specific limit specified in subsection (b). The methodology developed by the office shall ensure that a municipal disproportionate share provider

receives, to the extent possible, disproportionate share payments that, when combined with any other disproportionate share payments owed to the provider, equals the provider's hospital specific limits.

(b) Total disproportionate share payments to a provider under this chapter and IC 12-15-16 shall not exceed the hospital specific limit provided under 42 U.S.C. 1396r-4(g). The hospital specific limit for state fiscal years ending on or before June 30, 1999, shall be determined by the office taking into account data provided by each hospital for the hospital's most recent fiscal year or, if a change in fiscal year causes the most recent fiscal period to be less than twelve (12) months, twelve (12) months of data compiled to the end of the provider's fiscal year that ends within the most recent state fiscal year, as certified to the office by an independent certified public accounting firm. The hospital specific limit for all state fiscal years ending on or after June 30, 2000, shall be determined by the office taking into account data provided by each hospital that is deemed reliable by the office based on a system of periodic audits, the use of trending factors, and an appropriate base year determined by the office. The office may require independent certification of data provided by a hospital to determine the hospital's hospital specific limit.

(c) For each of the state fiscal years:

(1) beginning July 1, 1998, and ending June 30, 1999; and

(2) beginning July 1, 1999, and ending June 30, 2000;

the total municipal disproportionate share payments available under this section to qualifying municipal disproportionate share providers is twenty-two million dollars ($22,000,000).

SECTION 216. IC 12-15-19-10, AS AMENDED BY P.L.229-2011, SECTION 139, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. This section does not apply during the period that the office is assessing a hospital fee authorized by ~~HEA 1001-2011.~~ **IC 16-21-10.** For state fiscal years beginning after June 30, 2000, the state shall pay providers as follows:

(1) The state shall make municipal disproportionate share provider payments to providers qualifying under IC 12-15-16-1(b) until the state exceeds the state disproportionate share allocation (as defined in 42 U.S.C. 1396r-4(f)(2)).

(2) After the state makes all payments under subdivision (1), if the state fails to exceed the state disproportionate share allocation (as defined in 42 U.S.C. 1396r-4(f)(2)), the state shall make disproportionate share provider payments to providers qualifying under IC 12-15-16-1(a).

(3) After the state makes all payments under subdivision (2), if the state fails to exceed the state disproportionate share allocation (as defined in 42 U.S.C. 1396r-4(f)(2)), or the state limit on disproportionate share expenditures for institutions for mental diseases (as defined in 42 U.S.C. 1396r-4(h)), the state shall make community mental health center disproportionate share provider payments to providers qualifying under IC 12-15-16-1(c).

SECTION 217. IC 12-15-20-2, AS AMENDED BY P.L.229-2011, SECTION 140, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. The Medicaid indigent care trust fund is established to pay the non-federal share of the following:

(1) Enhanced disproportionate share payments to providers under IC 12-15-19-1.

(2) Subject to subdivision (8), disproportionate share payments to providers under IC 12-15-19-2.1.

(3) Medicaid payments for pregnant women described in IC 12-15-2-13 and infants and children described in IC 12-15-2-14.

(4) Municipal disproportionate share payments to providers under IC 12-15-19-8.

(5) Payments to hospitals under IC 12-15-15-9.

(6) Payments to hospitals under IC 12-15-15-9.5.

(7) Payments, funding, and transfers as otherwise provided in clauses (8)(D), (8)(F), and (8)(G).

(8) Of the intergovernmental transfers deposited into the Medicaid indigent care trust fund, the following apply:

(A) The entirety of the intergovernmental transfers deposited into the Medicaid indigent care trust fund for state fiscal years ending on or before June 30, 2000, shall be used to fund the state's share of the disproportionate share payments to providers under IC 12-15-19-2.1.

(B) Of the intergovernmental transfers deposited into the Medicaid indigent care trust fund for the state fiscal year ending June 30, 2001, an amount equal to one hundred percent (100%) of the total intergovernmental transfers deposited into the Medicaid indigent care trust fund for the state fiscal year beginning July 1, 1998, and ending June 30, 1999, shall be used to fund the state's share of disproportionate share payments to providers under IC 12-15-19-2.1. The remainder of the intergovernmental transfers, if any, for the state fiscal year shall be used to fund the state's share of additional Medicaid payments to hospitals licensed under IC 16-21 pursuant to a methodology adopted by the office.

(C) Of the intergovernmental transfers deposited into the Medicaid indigent care trust fund, for state fiscal years beginning July 1, 2001, and July 1, 2002, an amount equal to:

(i) one hundred percent (100%) of the total intergovernmental transfers deposited into the Medicaid indigent care trust fund for the state fiscal year beginning July 1, 1998; minus

(ii) an amount equal to the amount deposited into the Medicaid indigent care trust fund under IC 12-15-15-9(d) for the state fiscal years beginning July 1, 2001, and July 1, 2002;

shall be used to fund the state's share of disproportionate share payments to providers under IC 12-15-19-2.1. The remainder of the intergovernmental transfers, if any, must be used to fund the state's share of additional Medicaid payments to hospitals licensed under IC 16-21 pursuant to a methodology adopted by the office.

(D) The intergovernmental transfers, which shall include amounts transferred under IC 12-16-7.5-4.5, deposited into the Medicaid indigent care trust fund and the certifications of public expenditures deemed to be made to the medicaid indigent care trust fund, for the state fiscal years ending after June 30, 2005, but before July 1, 2007, shall be used, in descending order of priority, as follows:

(i) As provided in clause (B) of STEP THREE of IC 12-16-7.5-4.5(b)(1) and clause (B) of STEP THREE of IC 12-16-7.5-4.5(b)(2), to fund the amount to be transferred to the office.

(ii) As provided in clause (C) of STEP THREE of IC 12-16-7.5-4.5(b)(1) and clause (C) of STEP THREE of IC 12-16-7.5-4.5(b)(2), to fund the non-federal share of the payments made under IC 12-15-15-9 and IC 12-15-15-9.5.

(iii) To fund the non-federal share of the payments made under IC 12-15-15-1.1, IC 12-15-15-1.3, and IC 12-15-19-8.

(iv) As provided under clause (A) of STEP THREE of IC 12-16-7.5-4.5(b)(1) and clause (A) of STEP THREE of IC 12-16-7.5-4.5(b)(2), for the payment to be made under clause (A) of STEP FIVE of IC 12-15-15-1.5(b).

(v) As provided under STEP FOUR of IC 12-16-7.5-4.5(b)(1) and STEP FOUR of IC 12-16-7.5-4.5(b)(2), to fund the payments to be made under clause (B) of STEP FIVE of IC 12-15-15-1.5(b).

(vi) To fund, in an order of priority determined by the office to best use the available non-federal share, the programs listed in clause (H).

(E) For state fiscal years ending after June 30, 2007, the total amount of intergovernmental transfers used to fund the non-federal share of payments to hospitals under IC 12-15-15-9 and IC 12-15-15-9.5 shall not exceed the amount provided in clause (G)(ii).

(F) As provided in clause (D), for the following:

(i) Each state fiscal year ending after June 30, 2003, but before July 1, 2005, an amount equal to the amount calculated under STEP THREE of the following formula shall be transferred to the office:

STEP ONE: Calculate the product of thirty-five million dollars ($35,000,000) multiplied by the federal medical assistance percentage for federal fiscal year 2003.

STEP TWO: Calculate the sum of the amounts, if any, reasonably estimated by the office to be transferred or otherwise made available to the office for the state fiscal year, and the amounts,

if any, actually transferred or otherwise made available to the office for the state fiscal year, under arrangements whereby the office and a hospital licensed under IC 16-21-2 agree that an amount transferred or otherwise made available to the office by the hospital or on behalf of the hospital shall be included in the calculation under this STEP.

STEP THREE: Calculate the amount by which the product calculated under STEP ONE exceeds the sum calculated under STEP TWO.

(ii) The state fiscal years ending after June 30, 2005, but before July 1, 2007, an amount equal to thirty million dollars ($30,000,000) shall be transferred to the office.

(G) Subject to IC 12-15-20.7-2(b), for each state fiscal year ending after June 30, 2007, the total amount in the Medicaid indigent care trust fund, including the amount of intergovernmental transfers of funds transferred, and the amounts of certifications of expenditures eligible for federal financial participation deemed to be transferred, to the Medicaid indigent care trust fund, shall be used to fund the following:

(i) Thirty million dollars ($30,000,000) transferred to the office for the Medicaid budget.

(ii) An amount not to exceed the non-federal share of payments to hospitals under IC 12-15-15-9 and IC 12-15-15-9.5.

(iii) An amount not to exceed the non-federal share of payments to hospitals made under IC 12-15-15-1.1 and IC 12-15-15-1.3.

(iv) An amount not to exceed the non-federal share of disproportionate share payments to hospitals under IC 12-15-19-8.

(v) An amount not to exceed the non-federal share of payments to hospitals under clause (A) of STEP FIVE of IC 12-15-15-1.5(c).

(vi) An amount not to exceed the non-federal share of Medicaid safety-net payments.

(vii) An amount not to exceed the non-federal share of payments to hospitals made under clauses (C) or (D) of STEP FIVE of IC 12-15-15-1.5(c).

(viii) An amount not to exceed the non-federal share of payments to hospitals made under clause (F) of STEP FIVE of IC 12-15-15-1.5(c).

(ix) An amount not to exceed the non-federal share of disproportionate share payments to hospitals under IC 12-15-19-2.1.

(x) If additional funds are available after making payments under items (i) through (ix), to fund other Medicaid supplemental payments for hospitals approved by the office and included in the Medicaid state plan.

Items (ii) through (x) do not apply during the period that the office is assessing a hospital fee authorized by ~~HEA 1001-2011.~~ **IC 16-21-10.**

(H) This clause does not apply during the period that the office is assessing a hospital fee authorized by ~~HEA 1001-2011.~~ **IC 16-21-10.** For purposes of clause (D)(vi), the office shall fund the following:

(i) An amount equal to the non-federal share of the payments to the hospital that is eligible under this item, for payments made under clause (C) of STEP FIVE of IC 12-15-15-1.5(b) under an agreement with the office, Medicaid safety-net payments and any payment made under IC 12-15-19-2.1. The amount of the payments to the hospital under this item shall be equal to one hundred percent (100%) of the hospital's hospital-specific limit for state fiscal year 2005, when the payments are combined with payments made under IC 12-15-15-9, IC 12-15-15-9.5, and clause (B) of STEP FIVE of IC 12-15-15-1.5(b) for a state fiscal year. A hospital is eligible under this item if the hospital was eligible for Medicaid disproportionate share hospital payments for the state fiscal year ending June 30, 1998, the hospital received a Medicaid disproportionate share payment under IC 12-15-19-2.1 for state fiscal years 2001, 2002, 2003, and 2004, and the hospital merged two (2) hospitals under a single Medicaid provider number, effective January 1, 2004.

(ii) An amount equal to the non-federal share of payments to hospitals that are eligible under this item, for payments made under clause (C) of STEP FIVE of IC 12-15-15-1.5(b) under an agreement with the office, Medicaid safety-net payments, and any payment made under IC 12-15-19-2.1. The amount of payments to each hospital under this item shall be equal to one hundred percent (100%) of the hospital's hospital-specific limit for state fiscal year 2004, when the payments are combined with payments made to the hospital under IC 12-15-15-9, IC 12-15-15-9.5, and clause (B) of STEP FIVE of IC 12-15-15-1.5(b) for a state fiscal year. A hospital is eligible under this item if the hospital did not receive a payment under item (i), the hospital has less than sixty thousand (60,000) Medicaid inpatient days annually, the hospital either was eligible for Medicaid disproportionate share hospital payments for the state fiscal year ending June 30, 1998, or the hospital met the office's Medicaid disproportionate share payment criteria based on state fiscal year 1998 data and received a Medicaid disproportionate share payment for the state fiscal year ending June 30, 2001, and the hospital received a Medicaid disproportionate share payment under IC 12-15-19-2.1 for state fiscal years 2001, 2002, 2003, and 2004.

(iii) Subject to IC 12-15-19-6, an amount not less than the non-federal share of Medicaid safety-net payments in accordance with the Medicaid state plan.

(iv) An amount not less than the non-federal share of payments made under clause (C) of STEP FIVE of IC 12-15-15-1.5(b) under an agreement with the office to a hospital having sixty thousand (60,000) Medicaid inpatient days annually.

(v) An amount not less than the non-federal share of Medicaid disproportionate share payments for hospitals eligible under this item, and made under IC 12-15-19-6 and the approved Medicaid state plan. A hospital is eligible for a payment under this item if the hospital is eligible for payments under IC 12-15-19-2.1.

(vi) If additional funds remain after the payments made under (i) through (v), payments approved by the office and under the Medicaid state plan, to fund the non-federal share of other Medicaid supplemental payments for hospitals.

SECTION 218. IC 12-15-20.7-2, AS AMENDED BY P.L.6-2012, SECTION 92, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) This section does not apply during the period that the office is assessing a hospital fee authorized by ~~HEA 1001-2011.~~ **IC 16-21-10.** For each state fiscal year ending before July 1, 2005, and subject to section 3 of this chapter (repealed), the office shall make the payments identified in this section in the following order:

(1) First, payments under IC 12-15-15-9 and IC 12-15-15-9.5.

(2) Second, payments under clauses (A) and (B) of STEP FIVE of IC 12-15-15-1.5(b).

(3) Third, Medicaid inpatient payments for safety-net hospitals and Medicaid outpatient payments for safety-net hospitals.

(4) Fourth, payments under IC 12-15-15-1.1 and IC 12-15-15-1.3.

(5) Fifth, payments under IC 12-15-19-8 for municipal disproportionate share hospitals.

(6) Sixth, payments under IC 12-15-19-2.1 for disproportionate share hospitals.

(7) Seventh, payments under clause (C) of STEP FIVE of IC 12-15-15-1.5(b).

(b) For each state fiscal year ending after June 30, 2007, the office shall make the payments for the programs identified in IC 12-15-20-2(8)(G) in the order of priority that best utilizes available non-federal share, Medicaid supplemental payments, and Medicaid disproportionate share payments, and may change the order or priority at any time as necessary for the proper administration of one (1) or more of the payment programs listed in IC 12-15-20-2(8)(G).

SECTION 219. IC 12-15-35-28, AS AMENDED BY P.L.3-2012, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: 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 16.2-3.1 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;
(C) Medicaid's risk based managed care program, if the office provides a prescription drug benefit and subject to IC 12-15-5; and
(D) 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 one (1) time per year to the ~~select joint commission on Medicaid oversight established by IC 2-5-26-3.~~ **health finance commission established by IC 2-5-23-3.**

(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 one (1) time each year, the board shall provide a report to the ~~select joint commission on Medicaid oversight established by IC 2-5-26-3.~~ **health finance commission established by IC 2-5-23-3.** 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 220. IC 12-15-35-48 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 48. (a) The board shall review the prescription drug program of a managed care organization that participates in the state's risk-based managed care program at least one (1) time per year. The board's review of a prescription drug program must include the following:

(1) An analysis of the single source drugs requiring prior authorization, including the number of drugs requiring prior authorization in comparison to other managed care organizations' prescription drug programs that participate in the state's Medicaid program.

(2) A determination and analysis of the number and the type of drugs subject to a restriction.

(3) A review of the rationale for:

(A) the prior authorization of a drug described in subdivision (1); and

(B) a restriction on a drug.

(4) A review of the number of requests a managed care organization received for prior authorization, including the number of times prior authorization was approved and the number of times prior authorization was disapproved.

(5) A review of:

(A) patient and provider satisfaction survey reports; and

(B) pharmacy-related grievance data for a twelve (12) month period.

(b) A managed care organization described in subsection (a) shall provide the board with the information necessary for the board to conduct its review under subsection (a).

(c) The board shall report to the ~~select joint commission on Medicaid oversight established by IC 2-5-26-3~~ **health finance commission established by IC 2-5-23-3** at least one (1) time per year on the board's review under subsection (a).

SECTION 221. IC 12-15-35-51, AS ADDED BY P.L.36-2009, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 51. (a) As used in this section, "advisory committee" refers to the mental health Medicaid quality advisory committee established by subsection (b).

(b) The mental health Medicaid quality advisory committee is established. The advisory committee consists of the following members:

(1) The director of the office or the director's designee, who shall serve as chairperson of the advisory 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.
(8) The commissioner of the department of correction or the commissioner's designee.

The governor shall make the appointments for a term of four (4) years under subdivisions (3) through (7) and fill any vacancy on the advisory committee.

(c) The office shall staff the advisory committee. The expenses of the advisory committee shall be paid by the office.

(d) Each member of the advisory 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.

(e) Each member of the advisory 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.

(f) The affirmative votes of a majority of the voting members appointed to the advisory committee are required by the advisory committee to take action on any measure.

(g) The advisory committee shall advise the office and make recommendations concerning the clinical use of mental health and addiction medications, including 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 advisory committee to be appropriate.

(h) The office shall report recommendations made by the advisory committee to the drug utilization review board established by section 19 of this chapter.

(i) The office shall report the following information to the ~~select joint commission on Medicaid oversight established by IC 2-5-26-3:~~ **health finance commission established by IC 2-5-23-3:**
(1) The advisory committee's advice and recommendations made under this section.
(2) The number of restrictions implemented under IC 12-15-35.5-7(c) and the outcome of each restriction.
(3) The transition of individuals who are aged, blind, or disabled 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.

(j) Notwithstanding subsection (b), the initial members appointed to the advisory committee under this section are appointed for the following terms:
(1) Individuals appointed under subsection (b)(3) and (b)(4) are appointed for a term of four (4) years.
(2) An individual appointed under subsection (b)(5) is appointed for a term of three (3) years.
(3) An individual appointed under subsection (b)(6) is appointed for a term of two (2) years.
(4) An individual appointed under subsection (b)(7) is appointed for a term of one (1) year.

This subsection expires December 31, 2013.

SECTION 222. IC 12-15-46-1, AS ADDED BY P.L.6-2012, SECTION 95, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) As used in this section, "family planning services" does not include the performance of abortions or the use of a drug or device intended to terminate fertilization.

(b) As used in this section, "fertilization" means the joining of a human egg cell with a human sperm cell.

(c) As used in this section, "state plan amendment" refers to an amendment to Indiana's Medicaid State Plan as authorized by Section 1902(a)(10)(A)(ii)(XXI) of the federal Social Security Act (42 U.S.C. 1315).

(d) Before January 1, 2012, the office shall do the following:

(1) Apply to the United States Department of Health and Human Services for approval of a state plan amendment to expand the population eligible for family planning services and supplies as permitted by Section 1902(a)(10)(A)(ii)(XXI) of the federal Social Security Act (42 U.S.C. 1315). In determining what population is eligible for this expansion, the state must incorporate the following:

(A) Inclusion of women and men.

(B) Setting income eligibility at one hundred thirty-three percent (133%) of the federal income poverty level.

(C) Adopting presumptive eligibility for services to this population.

(2) Consider the inclusion of additional:

(A) medical diagnosis; and

(B) treatment services;

that are provided for family planning services in a family planning setting for the population designated in subdivision (1) in the state plan amendment.

~~(e) The office shall report concerning its proposed state plan amendment to the select joint commission on Medicaid oversight established by IC 2-5-26-3 during the commission's 2011 interim meetings. The select joint commission on Medicaid oversight shall review the proposed state plan amendment and may make an advisory recommendation to the office concerning the proposed state plan amendment.~~

~~(f)~~ **(e)** The office may adopt rules under IC 4-22-2 to implement this section.

~~(g)~~ **(f)** This section expires January 1, 2016.

SECTION 223. IC 12-15-46-2, AS ADDED BY P.L.6-2012, SECTION 95, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) As used in this section, "commission" refers to the select joint commission on Medicaid oversight established by IC 2-5-26-3 **(before its repeal).**

(b) As used in this section, "division" refers to the division of disability and rehabilitative services established by IC 12-9-1-1.

(c) As used in this chapter, "waiver" refers to the federal Medicaid developmental disabilities home and community based services waiver program that is administered by the office and the division.

(d) Before July 1, 2012, the division shall report orally and in writing to the commission for review of a plan to reduce the aggregate and per capita cost of the waiver by implementing changes to the waiver, which may include the following:

(1) Calculating budget neutrality on an individual rather than an aggregate basis.

(2) Instituting a family care program to provide recipients with another option for receiving services.

(3) Evaluating the current system to determine whether a group home or a waiver home is the most appropriate use of resources for placement of the individual.

(4) Evaluating alternative placements for high cost individuals to ensure individuals are served in the most integrated setting appropriate to the individual's needs and within the resources available to the state.

(5) Migrating individuals from the waiver to a redesigned waiver that provides options to individuals for receiving services and supports appropriate to meet the individual's needs and that are cost effective and high quality and focus on social and health outcomes.

(6) Requiring cost participation by a recipient whose family income exceeds five hundred percent (500%) of the federal income poverty level, factoring in medical expenses and personal care needs expenses of the recipient.

(e) After the division makes the report required under subsection (d), the division may consult with the office and take any action necessary to carry out the requirements of this section, including applying to the federal Department of Health and Human Services for approval to amend the waiver.

SECTION 224. IC 12-17.2-2-14 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 14. (a) As used in this section, "program" refers to the paths to QUALITY program established by subsection (b).**

(b) The paths to QUALITY program is established. The program is a voluntary child care facility quality rating and improvement system implemented by the division in partnership with the following organizations under the trademark "Paths to QUALITY":

(1) Indiana Association for the Education of Young Children.

(2) Indiana Association for Child Care Resource and Referral.

(3) Indiana Head Start Collaboration Office.

(4) Department of education established by IC 20-19-3-1.

(5) Early Childhood Alliance.

(6) 4C of Southern Indiana.

(c) The program shall use four (4) levels at which a child care facility participating in the program may be rated, with level 4 indicating the highest level of quality child care.

(d) The office of the secretary shall adopt rules under IC 4-22-2 to administer the paths to QUALITY program rating system. The rules must include procedures that outline eligibility and application procedures for the program, the establishment of procedures relating to the rating process, and the establishment or alteration of standards used in the rating process.

(e) The office of the secretary shall adopt rules under IC 4-22-2 to establish the steering council of the program to make recommendations to the division on program issues and resources. Rules adopted under this subsection must require that council members be appointed from partner organizations that assist in the implementation of the program and serve to coordinate the program plan.

SECTION 225. IC 12-17.2-3.7 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 3.7. Early Learning Advisory Committee; Early Education Matching Grant Program

Sec. 1. As used in this chapter, "committee" refers to the early learning advisory committee established by section 8 of this chapter.

Sec. 2. As used in this chapter, "eligible child" refers to a child who qualifies as an eligible child under section 15 of this chapter.

Sec. 3. As used in this chapter, "eligible provider" refers to an entity that qualifies as an eligible provider under section 16 of this chapter.

Sec. 4. As used in this chapter, "eligible services" refers to a program of early education services that meets the standards of quality recognized by a Level 3 or Level 4 paths to QUALITY program rating.

Sec. 5. As used in this chapter, "fund" refers to the early education matching grant program fund established by section 11 of this chapter.

Sec. 6. As used in this chapter, "grant" refers to a matching grant from the fund.

Sec. 7. As used in this chapter, "program" refers to the early education matching grant program established by this chapter.

Sec. 8. (a) The early learning advisory committee is established.

(b) The committee consists of six (6) members appointed by the governor as follows:

(1) A representative of the department of education.

(2) A representative of the division.

(3) A representative of a Head Start program under 42 U.S.C. 9831 et seq.
(4) A representative of a family advocacy group that has an interest in early childhood education.
(5) An early childhood education provider.
(6) A representative of business with an interest in early childhood education.
(c) The governor shall appoint the chairperson of the committee.
(d) The division shall staff the committee.
(e) The expenses of the committee shall be paid from the funds of the division.
(f) 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.
(g) Each member of the committee who is a state employee but who is not a member of the general assembly 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.
(h) Each member of the committee who is a member of the general assembly is entitled to receive the same per diem, mileage, and travel allowances paid to legislative members of interim study committees established by the legislative council. Per diem, mileage, and travel allowances paid under this section shall be paid from appropriations made to the legislative council or the legislative services agency.
(i) The affirmative votes of a majority of the voting members appointed to the committee are required for the committee to take action on any measure, including final reports.
Sec. 9. (a) The committee shall do the following:
(1) Conduct periodic statewide needs assessments concerning the quality and availability of early education programs for children from birth to the age of school entry, including the availability of high quality prekindergarten education for low income children in Indiana.
(2) Identify opportunities for, and barriers to, collaboration and coordination among federally and state funded child development, child care, and early childhood education programs and services, including governmental agencies that administer the programs and services.
(3) Assess the capacity and effectiveness of two (2) and four (4) year public and private higher education institutions in Indiana for the support of development of early educators, including:
(A) professional development and career advancement plans; and
(B) practice or internships with Head Start or prekindergarten programs.
(4) Recommend to the division procedures, policies, and eligibility criteria for the program.
(5) Other duties as determined necessary by the chairperson of the committee.
(b) Not later than June 30 of each year, the committee shall develop and make recommendations to the governor and, in an electronic format under IC 5-14-6, to the legislative council concerning the results of the committee's work under this section.
Sec. 10. The division shall administer an early education matching grant program in compliance with this chapter. The division may establish procedures, forms, and standards to carry out this chapter. The office of the secretary may adopt rules under IC 4-22-2 to carry out this chapter.
Sec. 11. (a) The early education matching grant program fund is established for the purpose of providing matching grants to providers of eligible services. The fund shall be administered by the division.
(b) The fund consists of the following:
(1) Appropriations by the general assembly.
(2) Grants and gifts that the state receives for the fund under terms, obligations, and liabilities

that the division considers appropriate.

(c) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public money may be invested. Interest that accrues from these investments shall be deposited in the fund.

(d) Money in the fund at the end of a state fiscal year does not revert to the state general fund. The fund is a trust fund and may not be transferred to another fund under IC 4-9.1-1-7.

Sec. 12. The division shall establish an application process for grants from the fund.

Sec. 13. The division may award a grant from the fund to an applicant that:

(1) agrees to operate as an eligible provider;

(2) either:

(A) has obtained a matching gift or grant; or

(B) has a commitment for a matching gift or grant;

from any combination of foundations, other nonprofit entities, individuals, or for-profit entities for the purposes of the applicant's program of eligible services;

(3) provides the division with a plan for use of the grant and any related matching funds that demonstrates to the satisfaction of the division that use of the grant and related matching funds will increase the number of eligible children receiving eligible services;

(4) enters into a written agreement with the division concerning the delivery of eligible services and the use of a grant provided under this chapter, which incorporates the plan approved by the division under subdivision (3); and

(5) provides to the division any other information that the division determines necessary or appropriate for the grant.

Sec. 14. Foundations, nonprofit entities, individuals, and for-profit entities may contribute an amount to the fund:

(1) for the purposes of providing a matching gift or grant described in section 13(2) of this chapter; or

(2) as unrestricted funds.

Sec. 15. To qualify as an eligible child, the child must be:

(1) a member of a household with an annual income that does not exceed one hundred percent (100%) of the federal poverty level;

(2) at least four (4) years of age and less than five (5) years of age when the child receives eligible services; and

(3) a resident of Indiana or otherwise have legal settlement in Indiana, as determined under IC 20-26-11.

Sec. 16. To qualify as an eligible provider, an applicant must:

(1) be an entity other than an individual;

(2) provide eligible services to individuals for at least one hundred eighty (180) days per year;

(3) administer the kindergarten readiness assessment (ISTAR-KR) adopted by the department of education to children receiving eligible services as required by the division;

(4) include a parental involvement component in the delivery of eligible services that is based on the requirements and guidelines established by the division;

(5) comply with the agreement with the division concerning the delivery of eligible services and the use of a grant provided under this chapter; and

(6) comply with any other standards and procedures established under this chapter.

Sec. 17. The division shall monitor for compliance of a recipient of a grant with the terms of the grant.

Sec. 18. (a) The division shall monitor the educational outcomes resulting from the delivery of eligible services by eligible providers that receive a grant under this chapter over the period established by the division to evaluate the contribution eligible services makes toward improved education outcomes.

(b) The division shall provide the department of education with information necessary for the department of education to assign a child who receives early education services from a provider that participates in the program under this chapter a student testing number. Upon receipt of the information, the department of education shall assign the child a student testing number to track the child's educational growth and development.

(c) The department of education shall cooperate with the division as necessary or appropriate to assist the division to carry out this section, including the sharing of information related to the educational outcomes assigned a student testing number under subsection (b) to the extent permitted by the laws governing the disclosure of student information.

(d) Beginning in 2015, the division shall annually provide the committee, the governor, and (in an electronic format under IC 5-14-6) the legislative council a report of the findings of the division under this section in a form that complies with all laws governing the disclosure of student information.

SECTION 226. IC 12-17.6-2-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) The office shall contract with an independent organization to evaluate the program.

(b) The office shall report the results of each evaluation to the:

(1) children's health policy board established by IC 4-23-27-2; and

(2) ~~select joint commission on Medicaid oversight established by IC 2-5-26-3.~~ **health finance commission established by IC 2-5-23-3.**

(c) This section does not modify the requirements of other statutes relating to the confidentiality of medical records.

SECTION 227. IC 12-17.6-2-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. Not later than April 1, the office shall provide a report describing the program's activities during the preceding calendar year to the:

(1) budget committee;

(2) legislative council;

(3) children's health policy board established by IC 4-23-27-2; and

(4) ~~select joint commission on Medicaid oversight established by IC 2-5-26-3.~~ **health finance commission established by IC 2-5-23-3.**

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

SECTION 228. IC 16-21-10 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 10. Hospital Assessment Fee

Sec. 1. As used in this chapter, "committee" refers to the hospital assessment fee committee established by section 7 of this chapter.

Sec. 2. As used in this chapter, "fee" refers to the hospital assessment fee authorized by this chapter.

Sec. 3. As used in this chapter, "fee period" means the period during which a fee is collected under this chapter.

Sec. 4. (a) As used in this chapter, "hospital" means either of the following:

(1) A hospital (as defined in IC 16-18-2-179(b)) licensed under this article.

(2) A private psychiatric hospital licensed under IC 12-25.

(b) The term does not include the following:

(1) A state mental health institution operated under IC 12-24-1-3.

(2) A hospital:

(A) designated by the Medicaid program as a long term care hospital;

(B) that has an average inpatient length of stay that is greater than twenty-five (25) days, as determined by the office of Medicaid policy and planning under the Medicaid program;

(C) that is a Medicare certified, freestanding rehabilitation hospital; or
(D) that is a hospital operated by the federal government.

Sec. 5. As used in this chapter, "office" refers to the office of Medicaid policy and planning established by IC 12-8-6.5-1.

Sec. 6. (a) Subject to subsection (b) and section 8(b) of this chapter, the office may assess a hospital assessment fee to hospitals during the fee period if the following conditions are met:

(1) The fee may be used only for the purposes described in the following:
(A) Section 8(c)(1) of this chapter.
(B) Section 9 of this chapter.
(C) Section 11 of this chapter.
(D) Section 14 of this chapter.

(2) The Medicaid state plan amendments and waiver requests required for the implementation of this chapter are submitted by the office to the United States Department of Health and Human Services before October 1, 2013.

(3) The United States Department of Health and Human Services approves the Medicaid state plan amendments and waiver requests, or revisions of the Medicaid state plan amendments and waiver requests, described in subdivision (2):
(A) not later than October 1, 2014; or
(B) after October 1, 2014, if a date is established by the committee.

(4) The funds generated from the fee do not revert to the state general fund.

(b) The office shall stop collecting a fee, the programs described in section 8(a) of this chapter shall be reconciled and terminated subject to section 9(c) of this chapter, and the operation of section 11 of this chapter ends subject to section 9(c) of this chapter, if any of the following occurs:

(1) An appellate court makes a final determination that either:
(A) the fee; or
(B) any of the programs described in section 8(a) of this chapter;
cannot be implemented or maintained.

(2) The United States Department of Health and Human Services makes a final determination that the Medicaid state plan amendments or waivers submitted under this chapter are not approved or cannot be validly implemented.

(3) The fee is not collected because of circumstances described in section 8(d) of this chapter.

(c) The office shall keep records of the fees collected by the office and report the amount of fees collected under this chapter to the budget committee.

Sec. 7. (a) The hospital assessment fee committee is established. The committee consists of the following four (4) voting members:

(1) The secretary of family and social services established by IC 12-8-1.5-1, or the secretary's designee, who shall serve as the chair of the committee.

(2) The budget director or the budget director's designee.

(3) Two (2) individuals appointed by the governor from a list of at least four (4) individuals submitted by the Indiana Hospital Association.

If a vacancy occurs among the members appointed under subdivision (3), the governor shall appoint a replacement committee member from a list of at least two (2) individuals submitted by the Indiana Hospital Association.

(b) The committee shall review any Medicaid state plan amendments, waiver requests, or revisions to any Medicaid state plan amendments or waiver requests, to implement or continue the implementation of this chapter for the purpose of establishing favorable review of the amendments, requests, and revisions by the United States Department of Health and Human Services.

(c) The committee shall meet at the call of the chair. The members serve without compensation.

(d) A quorum consists of at least three (3) members. An affirmative vote of at least three (3) members of the committee is necessary to approve Medicaid state plan amendments, waiver

requests, or revisions to the Medicaid state plan or waiver requests.

Sec. 8. (a) Subject to subsection (b), the office shall develop the following programs designed to increase, to the extent allowable under federal law, Medicaid reimbursement for inpatient and outpatient hospital services provided by a hospital to Medicaid recipients:

(1) A program concerning reimbursement for the Medicaid fee-for-service program that, in the aggregate, will result in payments equivalent to the level of payment that would be paid under federal Medicare payment principles.

(2) A program concerning reimbursement for the Medicaid risk based managed care program that, in the aggregate, will result in payments equivalent to the level of payment that would be paid under federal Medicare payment principles.

(b) The office shall not submit to the United States Department of Health and Human Services any Medicaid state plan amendments, waiver requests, or revisions to any Medicaid state plan amendments or waiver requests, to implement or continue the implementation of this chapter until the committee has reviewed and approved the amendments, waivers, or revisions described in this subsection and has submitted a written report to the budget committee concerning the amendments, waivers, or revisions described in this subsection, including the following:

(1) The methodology to be used by the office in calculating the increased Medicaid reimbursement under the programs described in subsection (a).

(2) The methodology to be used by the office in calculating, imposing, or collecting the fee, or any other matter relating to the fee.

(3) The determination of Medicaid disproportionate share allotments under section 11 of this chapter that are to be funded by the fee, including the formula for distributing the Medicaid disproportionate share allotments.

(4) The distribution to private psychiatric institutions under section 13 of this chapter.

(c) This subsection applies to the programs described in subsection (a). The state share dollars for the programs must consist of the following:

(1) Fees paid under this chapter.

(2) The hospital care for the indigent funds allocated under section 10 of this chapter.

(3) Other sources of state share dollars available to the office, excluding intergovernmental transfers of funds made by or on behalf of a hospital.

The money described in subdivisions (1) and (2) may be used only to fund the part of the payments that exceed the Medicaid reimbursement rates in effect on June 30, 2011.

(d) This subsection applies to the programs described in subsection (a). If the state is unable to maintain the funding under subsection (c)(3) for the payments at Medicaid reimbursement levels in effect on June 30, 2011, because of budgetary constraints, the office shall reduce inpatient and outpatient hospital Medicaid reimbursement rates under subsection (a)(1) or (a)(2) or request approval from the committee and the United States Department of Health and Human Services to increase the fee to prevent a decrease in Medicaid reimbursement for hospital services. If:

(1) the committee:

(A) does not approve a reimbursement reduction; or

(B) does not approve an increase in the fee; or

(2) the United States Department of Health and Human Services does not approve an increase in the fee;

the office shall cease to collect the fee and the programs described in subsection (a) are terminated.

Sec. 9. (a) This section is effective upon implementation of the fee. The hospital Medicaid fee fund is established for the purpose of holding fees collected under this chapter that are not necessary to match federal funds.

(b) The office shall administer the fund.

(c) Money in the fund at the end of a state fiscal year does not revert to the state general fund. However, money remaining in the fund after the cessation of the collection of the fee under section

6(b) of this chapter shall be used for the payments described in sections 8(a) and 11 of this chapter. Any money not required for the payments described in sections 8(a) and 11 of this chapter after the cessation of the collection of the fee under section 6(b) of this chapter shall be distributed to the hospitals on a pro rata basis based upon the fees paid by each hospital for the state fiscal year that ended immediately before the cessation of the collection of the fee under section 6(b) of this chapter.

Sec. 10. This section:

(1) is effective upon implementation of the fee; and

(2) does not apply to funds under IC 12-16-17.

Notwithstanding any other law, the part of the amounts appropriated for or transferred to the hospital care for the indigent program for the state fiscal year beginning July 1, 2013, and each state fiscal year thereafter that are not required to be paid to the office by law shall be used exclusively as state share dollars for the payments described in sections 8(a) and 11 of this chapter. Any hospital care for the indigent funds that are not required for the payments described in sections 8(a) and 11 of this chapter after the cessation of the collection of the fee under section 6(b) of this chapter shall be used for the state share dollars of the payments in IC 12-15-20-2(8)(G)(ii) through IC 12-15-20-2(8)(G)(x).

Sec. 11. (a) This section:

(1) is effective upon the implementation of the fee; and

(2) applies to the Medicaid disproportionate share payments for the state fiscal year beginning July 1, 2013, and each state fiscal year thereafter.

(b) The state share dollars used to fund disproportionate share payments to acute care hospitals licensed under IC 16-21-2 that qualify as disproportionate share providers or municipal disproportionate share providers under IC 12-15-16-1(a) or IC 12-15-16-1(b) shall be paid with money collected through the fee and the hospital care for the indigent dollars described in section 10 of this chapter.

(c) Subject to section 12 of this chapter and except as provided in section 12 of this chapter, the federal Medicaid disproportionate share allotments for the state fiscal years beginning July 1, 2013, and each state fiscal year thereafter shall be allocated in their entirety to acute care hospitals licensed under IC 16-21-2 that qualify as disproportionate share providers or municipal disproportionate share providers under IC 12-15-16-1(a) or IC 12-15-16-1(b). No part of the federal disproportionate share allotments applicable for disproportionate share payments for the state fiscal year beginning July 1, 2013, and each state fiscal year thereafter may be allocated to institutions for mental disease or other mental health facilities, as defined by applicable federal law.

Sec. 12. For purposes of this chapter, the entire federal Medicaid disproportionate share allotment for Indiana does not include the part of allotments that are required to be diverted under the following:

(1) The federally approved Indiana "Special Terms and Conditions" Medicaid demonstration project (Number 11-W-00237/5).

(2) Any extension after December 31, 2012, of the Indiana check-up plan established under IC 12-15-44.2.

The office shall inform the committee and the budget committee concerning any extension of the Indiana check-up plan after December 31, 2013.

Sec. 13. Notwithstanding IC 12-15-16-6(c), the annual two million dollar ($2,000,000) pool of disproportionate share dollars under IC 12-15-16-6(c) shall not be available to eligible private psychiatric institutions. The office shall annually distribute two million dollars ($2,000,000) to eligible private psychiatric institutions that would have been eligible for payment under IC 12-15-16-6(c).

Sec. 14. The fees collected under this chapter may be used only as described in this chapter or to pay the state's share of the cost for Medicaid services provided under the federal Medicaid program (42 U.S.C. 1396 et seq.) as follows:

(1) Twenty-eight and five-tenths percent (28.5%) may be used by the office for Medicaid expenses.

(2) Seventy-one and five-tenths percent (71.5%) to hospitals.

Sec. 15. This chapter may not be construed to authorize any county, municipality, district, or authority to impose a fee, tax, or assessment on a hospital.

Sec. 16. Subject to section 8(b) of this chapter, the office may adopt rules, including emergency rules adopted in the manner provided under IC 4-22-2-37.1, necessary to implement this chapter. Rules adopted under this section may be retroactive to the effective date of the Medicaid state plan amendments or waivers approved under this chapter.

Sec. 17. The office may enter into an agreement with a hospital to pay the fee in installments.

Sec. 18. (a) A hospital shall pay to the office interest on any fee that is paid eleven (11) or more days after the payment date. The interest must be applied at the same rate as the rate determined under IC 12-15-21-3(6)(A).

(b) The office shall report to the state department of health each hospital that fails to pay the fee within one hundred twenty (120) days after the payment date. The state department shall do the following concerning a hospital described in this subsection:

(1) Notify the hospital that the hospital's license under IC 16-21 will be revoked if the fee is not paid.

(2) Revoke the hospital's license under IC 16-21 if the hospital fails to pay the fee. IC 4-21.5-3-8 and IC 4-21.5-4 apply to this subdivision.

Sec. 19. Payments for the programs described in section 8(a) of this chapter are limited to claims for dates of services provided during the fee period and that are timely filed with the office or a contractor of the office. Payments for the programs described in section 8(a) of this chapter and payments to hospitals in accordance with section 11 of this chapter may occur at any time, including after collection of the fee is stopped under section 6(b) of this chapter, to the extent the funding provided for the payments by this chapter is available under section 9(c) of this chapter. Payments for the program described in section 13 of this chapter may occur at any time, including after the collection of the fee is stopped under section 6(b) of this chapter, subject to the reconciliation and termination of the program required by section 6(b) of this chapter.

Sec. 20. The office may collect unpaid fees owed by a hospital under this chapter and may refund fees paid by a hospital under this chapter at any time, including after the cessation of the collection of a fee under this chapter.

Sec. 21. This chapter expires June 30, 2017.

SECTION 229. IC 16-28-15-8, AS ADDED BY P.L.229-2011, SECTION 162, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) The money collected from the quality assessment fee during ~~the first year following the enactment~~ **state fiscal year 2012** may be used only as follows:

(1) Sixty-seven and one-tenth percent (67.1%) to pay the state's share of costs for Medicaid nursing facility services provided under Title XIX of the federal Social Security Act (42 U.S.C. 1396 et seq.).

(2) Twenty-three and eight-tenths percent (23.8%) to pay the state's share of costs for other Medicaid services provided under Title XIX of the federal Social Security Act (42 U.S.C. 1396 et seq.).

(3) Nine and one-tenth percent (9.1%) to pay prior year state nursing facility expenditures.

(b) The money collected from the quality assessment fee during ~~the second year following enactment~~ **state fiscal year 2013** may be used only as follows:

(1) Sixty-six and five-tenths percent (66.5%) to pay the state's share of costs for Medicaid nursing facility services provided under Title XIX of the federal Social Security Act (42 U.S.C. 1396 et seq.).

(2) Twenty-nine and four-tenths percent (29.4%) to pay the state's share of costs for other Medicaid services provided under Title XIX of the federal Social Security Act (42 U.S.C. 1396 et seq.).

(3) Four and one-tenth percent (4.1%) to pay prior year state nursing facility expenditures.

(c) The money collected from the quality assessment fee after ~~the second year following enactment~~

state fiscal year 2013 may be used only as follows:

(1) Seventy and six-tenths percent (70.6%) to pay the state's share of the costs for Medicaid nursing facility services provided under Title XIX of the federal Social Security Act (42 U.S.C. 1396 et seq.).

(2) Twenty-nine and four-tenths percent (29.4%) to pay the state's share of costs for other Medicaid services provided under Title XIX of the federal Social Security Act (42 U.S.C. 1396 et seq.).

(3) The office may decrease the percentage specified in subdivision (1) to pay state fiscal year 2011 and prior year state nursing facility expenditures only if the amounts collected in subsections (a)(3) and (b)(3) are insufficient to pay the expenditures. Once the expenditures described in this subdivision have been collected, the percentage specified in subdivision (1) shall be restored.

(d) Any increase in reimbursement for Medicaid nursing facility services resulting from maximizing the quality assessment rate under section 6(b) of this chapter shall be directed exclusively to initiatives determined by the office to promote and enhance improvements in quality of care to nursing facility residents.

(e) The office may establish a method to allow a health facility to enter into an agreement to pay the quality assessment fee collected under this chapter under an installment plan.

SECTION 230. IC 16-28-15-13, AS ADDED BY P.L.229-2011, SECTION 162, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. The ~~select joint commission on Medicaid oversight established by IC 2-5-26-3~~ **health finance commission established by IC 2-5-23-3** shall review the implementation of this chapter.

SECTION 231. IC 16-28-15-14, AS ADDED BY P.L.229-2011, SECTION 162, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14. This chapter expires June 30, ~~2014.~~ **2017.**

SECTION 232. IC 16-29-6-8, AS ADDED BY P.L.229-2011, SECTION 164, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. Not later than October 31, 2013, the office of the secretary of family and social services shall report to the ~~select joint commission on Medicaid oversight~~ **health finance commission** established by ~~IC 2-5-26-3~~ **IC 2-5-23-3** with a five (5) year plan to steadily reduce the number of Medicaid certified comprehensive care beds and health facility patients.

SECTION 233. IC 21-13-9 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]:

Chapter 9. Primary Care Shortage Area Scholarship

Sec. 1. As used in this chapter, "licensed physician" means an individual:

(1) who holds an unlimited license to practice medicine in Indiana under IC 25-22.5, including an osteopathic physician; and

(2) who practices primary care.

Sec. 2. As used in this chapter, "primary care" means the practice of medicine in any of the following areas:

(1) Family practice.

(2) Pediatrics.

(3) Obstetrics and gynecology.

(4) Internal medicine.

(5) Psychiatric.

Sec. 3. (a) The Marian University College of Osteopathic Medicine shall administer a student scholarship program to increase the availability of primary care for residents in primary care shortage areas by providing incentives to medical students who agree to provide primary care in a shortage area immediately after becoming a licensed physician.

(b) A scholarship awarded under this chapter must be used to provide supplemental support to a medical student enrolled at the Marian University College of Osteopathic Medicine and may not be used to reduce any other financial aid, grant, or scholarship the student may otherwise receive.

Sec. 4. Before providing a scholarship to a student, the Marian University College of Osteopathic

Medicine must find that the applicant satisfies all the following conditions:

(1) The applicant is and remains an Indiana resident.

(2) The applicant is enrolled full time in the first year class at the Marian University College of Osteopathic Medicine in a program that will prepare the applicant to provide primary care as a licensed physician.

(3) If the applicant is receiving a scholarship for the second through fourth year of the program, the applicant successfully completed the academic work required for the previous school year.

(4) The applicant remains in good standing with the Marian University College of Osteopathic Medicine program.

(5) The applicant agrees to execute a written primary care practice agreement with the Marian University College of Osteopathic Medicine as required by section 6 of this chapter.

Sec. 5. (a) The Marian University College of Osteopathic Medicine shall select from among the qualified students who will receive a scholarship under this chapter. The Marian University College of Osteopathic Medicine may not create or use a waiting list for scholarships under this chapter.

(b) The amount of the scholarship that may be awarded to a qualified student for a particular school year shall be determined by the Marian University College of Osteopathic Medicine and may not exceed ten thousand dollars ($10,000). A qualified student may not qualify for a scholarship for more than four (4) school years.

Sec. 6. A scholarship recipient must execute a written primary care practice agreement with the Marian University College of Osteopathic Medicine, with the terms and conditions and in the form and manner required by the Marian University College of Osteopathic Medicine. The agreement must provide that the scholarship recipient shall do at least the following:

(1) Continually satisfy the requirements of section 4 of this chapter during the school year.

(2) Complete the requirements of the Marian University College of Osteopathic Medicine program by the end of the fourth year after receiving the first scholarship under this chapter.

(3) Will practice primary care in a primary care shortage area for four (4) years. This requirement includes the time spent in any residency program that is located in a primary care shortage area.

(4) Return the amount specified in the agreement, not to exceed the total of all scholarships received, to the commission for higher education if the scholarship recipient fails to comply with all the terms and conditions of the agreement. If the noncompliance is because the scholarship recipient did not comply with subdivision (3), the minimum amount that must be returned is the highest scholarship amount received for a school year multiplied by the number of years the scholarship recipient did not comply with subdivision (3).

Sec. 7. (a) To receive a distribution under this chapter, the Marian University College of Osteopathic Medicine shall make a written request for the distribution to the commission on higher education specifying the amount of the distribution requested. The commission on higher education shall review the request and determine the amount of the request that should be approved for distribution.

(b) The budget agency may not allot money appropriated for scholarship distributions under this chapter until after the distribution request by the Marian University College of Osteopathic Medicine is approved by the commission on higher education, after review by the budget committee.

SECTION 234. IC 20-18-2-2, AS AMENDED BY P.L.2-2006, SECTION 73, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 2. "ADM", ~~has the meaning set forth in IC 20-43-1-6.~~ **except as otherwise provided by law, refers to the fall count of eligible pupils under IC 20-43-4-3 conducted in the school year ending in the current calendar year.**

SECTION 235. IC 20-18-2-2.9 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 2.9. "Current ADM" has the meaning set**

forth in IC 20-43-1-10.

SECTION 236. IC 20-18-2-4.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 4.5. "Fall count" has the meaning set forth in IC 20-43-1-12.3.**

SECTION 237. IC 20-18-2-18.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 18.5. "Spring count" has the meaning set forth in IC 20-43-1-24.5.**

SECTION 238. IC 20-20-13-17, AS AMENDED BY P.L.133-2012, SECTION 190, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 17. The total technology plan grant amount to a qualifying school corporation is the amount determined by the department multiplied by the school corporation's **current** ADM, **as determined:**

(1) for a calendar year ending before January 1, 2014, in the fall count of students in the school year ending in the current calendar year; and

(2) for a calendar year ending after December 31, 2013, in the spring count of students in the school year ending in the current calendar year.

The amount is one hundred dollars ($100). However, for the purposes of determining the **current** ADM of a school corporation, students who are transferred under IC 20-33-4 or IC 20-26-11 shall be counted as students having legal settlement in the transferee corporation and not having legal settlement in the transferor corporation.

SECTION 239. IC 20-20-13-19, AS ADDED BY P.L.218-2005, SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 19. (a) The department shall list all school corporations in Indiana according to assessed valuation for property tax purposes per student in **current** ADM, **as determined in section 17 of this chapter,** beginning with the school corporation having the lowest assessed valuation for property tax purposes per student in **current** ADM. For purposes of the list made under this section, the Indiana School for the Blind and Visually Impaired established by IC 20-21-2-1 and the Indiana School for the Deaf established by IC 20-22-2-1 shall be considered to have the lowest assessed valuation for property tax purposes per student in **current** ADM during the six (6) year period beginning July 1, 2001.

(b) The department must prepare a revised list under subsection (a) before a new series of grants may begin.

(c) The department shall determine those school corporations to be placed in a group to receive a grant in a fiscal year under sections 13 through 24 of this chapter as follows:

(1) Beginning with the school corporation that is first on the list developed under subsection (a), the department shall continue sequentially through the list and place school corporations that qualify for a grant under section 15 of this chapter in a group until the cumulative total **current** ADM of all school corporations in the group depletes the money that is available for grants in the fiscal year.

(2) Each fiscal year the department shall develop a new group by continuing sequentially through the list beginning with the first qualifying school corporation on the list that was not placed in a group in the prior fiscal year.

(3) If the final group developed from the list contains substantially fewer students in **current** ADM than available money, the department shall:

(A) prepare a revised list of school corporations under subsection (a); and

(B) place in the group qualifying school corporations from the top of the revised list.

(4) The department shall label the groups with sequential numbers beginning with "group one".

SECTION 240. IC 20-23-7-12, AS AMENDED BY P.L.179-2011, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 12. (a) As used in this section, "county" means the county in which the school township is located.

(b) As used in this section, "school township" means a school township in Indiana that:

(1) for the last full school semester immediately preceding:

(A) the adoption of a preliminary resolution by the township trustee and the township board under subsection (f); or

(B) the adoption of a resolution of disapproval by the township trustee and the township board under subsection (g);

had ~~an~~ **a current** ADM of at least six hundred (600) students in kindergarten through grade 12 in the public schools of the school township; or

(2) is part of a township in which there were more votes cast for township trustee outside the school township than inside the school township in the general election at which the trustee was elected and that preceded the adoption of the preliminary or disapproving resolution.

(c) As used in this section, "township board" means the township board of a township in which the school township is located.

(d) As used in this section, "township trustee" means the township trustee of the township in which the school township is located.

(e) In a school township, a metropolitan school district may be created by complying with this section. A metropolitan school district created under this section shall have the same boundaries as the school township. After a district has been created under this section, the school township that preceded the metropolitan school district is abolished. The procedures or provisions governing the creation of a metropolitan school district under another section of this chapter do not apply to the creation of a district under this section. After a metropolitan school district is created under this section, the district shall, except as otherwise provided in this section, be governed by and operate in accordance with this chapter governing the operation of a metropolitan school district as established under section 2 of this chapter.

(f) Except as provided in subsection (g), a metropolitan school district provided for in subsection (e) may be created in the following manner:

(1) The township trustee shall call a meeting of the township board. At the meeting, the township trustee and a majority of the township board shall adopt a resolution that a metropolitan school district shall be created in the school township. The township trustee shall then give notice:

(A) by two (2) publications one (1) week apart in a newspaper of general circulation published in the school township; or

(B) if there is no newspaper as described in clause (A), in a newspaper of general circulation in the county;

of the adoption of the resolution setting forth the text of the resolution.

(2) On the thirtieth day after the date of the last publication of the notice under subdivision (1) and if a protest has not been filed, the township trustee and a majority of the township board shall confirm their preliminary resolution. If, however, on or before the twenty-ninth day after the date of the last publication of the notice, a number of registered voters of the school township, equal to five percent (5%) or more of the number of votes cast in the school township for secretary of state at the last preceding general election for that office, sign and file with the township trustee a petition requesting an election in the school township to determine whether or not a metropolitan school district must be created in the township in accordance with the preliminary resolution, then an election must be held as provided in subsection (h). The preliminary resolution and confirming resolution provided in this subsection shall both be adopted at a meeting of the township trustee and township board in which the township trustee and each member of the township board received or waived a written notice of the date, time, place, and purpose of the meeting. The resolution and the proof of service or waiver of the notice shall be made a part of the records of the township board.

(g) Except as provided in subsection (f), a metropolitan school district may also be created in the following manner:

(1) A number of registered voters of the school township, equal to five percent (5%) or more of the votes cast in the school township for secretary of state at the last general election for that office, shall sign and file with the township trustee a petition requesting the creation of a metropolitan school

district under this section.

(2) The township trustee and a majority of the township board shall, not more than ten (10) days after the filing of a petition:

(A) adopt a preliminary resolution that a metropolitan school district shall be created in the school township and proceed as provided in subsection (f); or

(B) adopt a resolution disapproving the creation of the district.

(3) If either the township trustee or a majority of township board members vote in favor of disapproving the resolution, an election must be held to determine whether or not a metropolitan school district shall be created in the school township in the same manner as is provided in subsection (f) if an election is requested by petition.

(h) An election required under subsection (f) or (g) may, at the option of the township trustee, be held either as a special election or in conjunction with a primary or general election to be held not more than one hundred twenty (120) days after the filing of a petition under subsection (f) or the adoption of the disapproving resolution under subsection (g). The township trustee shall certify the question to the county election board under IC 3-10-9-3 and give notice of an election:

(1) by two (2) publications one (1) week apart in a newspaper of general circulation in the school township; or

(2) if a newspaper described in subdivision (1) does not exist, in a newspaper of general circulation published in the county.

The notice must provide that on a day and time named in the notice, the polls shall be opened at the usual voting places in the various precincts in the school township for the purpose of taking the vote of the registered voters of the school township regarding whether a metropolitan school district shall be created in the township. The election shall be held not less than twenty (20) days and not more than thirty (30) days after the last publication of the notice unless a primary or general election will be conducted not more than six (6) months after the publication. In that case, the county election board shall place the public question on the ballot at the primary or general election. If the election is to be a special election, the township trustee shall give notice not more than thirty (30) days after the filing of the petition or the adoption of the disapproving resolution.

(i) On the day and time named in the notice, the polls shall be opened and the votes of the voters shall be taken regarding whether a metropolitan school district shall be created in the school township. IC 3 governs the election except as otherwise provided in this chapter. The county election board shall conduct the election. The public question shall be placed on the ballot in the form prescribed by IC 3-10-9-4 and must state, "Shall a metropolitan school district under IC 20-23-7 be formed in the _____ School Township of _____ County, Indiana?". The name of the school township shall be inserted in the blanks.

(j) The votes cast in the election shall be canvassed at a place in the school township determined by the county election board. The certificate of the votes cast for and against the creation of a metropolitan school district shall be filed in the records of the township board and recorded with the county recorder. If the special election is not conducted at a primary or general election, the school township shall pay the expense of holding the election out of the school general fund that is appropriated for this purpose.

(k) A metropolitan school district shall, subject to section 7 of this chapter, be created on the thirtieth day after the date of the adoption of the confirming resolution under subsection (f) or an election held under subsection (h). If a public official fails to do the official's duty within the time prescribed in this section, the failure does not invalidate the proceedings taken under this section. An action to contest the validity of the creation of a metropolitan school district under this section or to enjoin the operation of a metropolitan school district may not be instituted later than the thirtieth day following the date of the adoption of the confirming resolution under subsection (f) or of the election held under subsection (h). Except as provided in this section, an election under this subsection may not be held sooner than twelve (12) months after another election held under subsection (h).

(l) A metropolitan school district is known as "The Metropolitan School District of _____ Township, _____ County, Indiana". The first metropolitan board of education in a metropolitan school district created under this section consists of five (5) members. The township trustee and the township board members are ex officio members of the first board, subject to the laws concerning length of their respective terms of office, manner of election or appointment, and the filling of vacancies applicable to their respective offices. The ex officio members serve without compensation or reimbursement for expenses, other than that which they may receive from their respective offices. The township board shall, by a resolution recorded in its records, appoint the fifth member of the metropolitan board of education. The fifth member shall meet the qualifications of a member of a metropolitan board of education under this chapter, with the exception of the board member district requirements provided in sections 4, 5, and 8.1 of this chapter.

(m) A fifth board member shall be appointed not more than fifteen (15) days after the date of the adoption of the confirming resolution under subsection (f)(2) or an election held under subsection (h). The first board shall hold its first meeting not more than fifteen (15) days after the date when the fifth board member is appointed or elected, on a date established by the township board in the resolution in which it appoints the fifth board member. The first board shall serve until January 1 following the election of a metropolitan school board at the first general election held more than sixty (60) days following the creation of the metropolitan school district.

(n) After the creation of a metropolitan school district under this section, the president of the metropolitan school board of the district shall serve as a member of the county board of education and perform the duties on the county board of education that were previously performed by the township trustee. The metropolitan school board and superintendent of the district may call upon the assistance of and use the services provided by the county superintendent of schools. This subsection does not limit or take away the powers, rights, privileges, or duties of the metropolitan school district or the board or superintendent of the district provided in this chapter.

SECTION 241. IC 20-24-2.1-5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 5. (a) Except as provided in subsection (b), a charter may not be granted after the effective date of this section by the charter board or any other sponsor or authorizer for a charter school that will serve students who:**

(1) are at least twenty (20) years of age; and

(2) have dropped out of high school before receiving a diploma.

(b) A charter may not be granted after June 30, 2013, for the Christel House Academy DOR II center by any sponsor or authorizer.

SECTION 242. IC 20-24-7-2, AS AMENDED BY P.L.146-2008, SECTION 460, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 2. (a) Not later than **each of** the ~~date~~ **dates** established by the department for determining ADM ~~and after May 31 each year,~~ **under IC 20-43-4-3,** 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 **state tuition support distributions** to the organizer. ~~the state tuition support distribution.~~ The department shall make a distribution under this subsection at the same time and in the same manner as the department makes a distribution of state tuition support

under IC 20-43-2 to other school corporations.

SECTION 243. IC 20-24-7-3, AS AMENDED BY P.L.146-2008, SECTION 461, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 3. (a) This section applies to a conversion charter school.

(b) Beginning not more than sixty (60) days after the department receives the information reported under section 2(a) of this chapter, the department shall distribute to the organizer:

(1) tuition support and other state funding for any purpose for students enrolled in the conversion charter school;

(2) a proportionate share of state and federal funds received:

(A) for students with disabilities; or

(B) for staff services for students with disabilities;

enrolled in the conversion charter school; and

(3) a proportionate share of funds received under federal or state categorical aid programs for students who are eligible for the federal or state categorical aid and are enrolled in the conversion charter school;

for the second six (6) months of the calendar year in which the conversion charter school is established. The department shall make a distribution under this subsection at the same time and in the same manner as the department makes a distribution to the governing body of the school corporation in which the conversion charter school is located. A distribution to the governing body of the school corporation in which the conversion charter school is located is reduced by the amount distributed to the conversion charter school. This subsection does not apply to a conversion charter school after December 31 of the calendar year in which the conversion charter school is established.

~~(c) This subsection applies during the second six (6) months of the calendar year in which a conversion charter school is established. A conversion charter school may apply for an advance from the charter school advancement account under IC 20-49-7 in the amount determined under STEP FOUR of the following formula:~~

~~STEP ONE: Determine the result under subsection (d) STEP ONE (A).~~

~~STEP TWO: Determine the difference between:~~

~~(A) the conversion charter school's current ADM; minus~~

~~(B) the STEP ONE amount.~~

~~STEP THREE: Determine the quotient of:~~

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

~~(B) the conversion charter school's current ADM.~~

~~STEP FOUR: Determine the product of:~~

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

~~(B) the quotient of:~~

~~(i) the subsection (d) STEP TWO amount; divided by~~

~~(ii) two (2).~~

SECTION 244. IC 20-24-7-4, AS AMENDED BY P.L.91-2011, SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 4. (a) Services that a school corporation provides to a charter school, including transportation, may be provided at not more than one hundred three percent (103%) of the actual cost of the services.

(b) This subsection applies to a sponsor that is a state educational institution described in ~~IC 20-24-1-7(2).~~ **IC 20-24-1-9(2).** In a ~~calendar~~ **state fiscal** year, a state educational institution may receive from the organizer of a charter school sponsored by the state educational institution an administrative fee equal to not more than three percent (3%) of the total amount the organizer receives during the ~~calendar~~ **state fiscal** year from basic tuition support (as defined in IC 20-43-1-8).

(c) This subsection applies to the executive of a consolidated city that sponsors a charter school. In a ~~calendar~~ **state fiscal** year, the executive may collect from the organizer of a charter school sponsored by

the executive an administrative fee equal to not more than three percent (3%) of the total amount the organizer receives during the ~~calendar~~ **state fiscal** year for basic tuition support.

(d) This subsection applies to a sponsor that is a nonprofit college or university that is approved by the state board of education. In a ~~calendar~~ **state fiscal** year, a private college or university may collect from the organizer of a charter school sponsored by the private college or university an administrative fee equal to not more than three percent (3%) of the total amount the organizer receives during the ~~calendar~~ **state fiscal** year for basic tuition support.

(e) This subsection applies to the charter board. In a ~~calendar~~ **state fiscal** year, the charter school board may collect from the organizer of a charter school sponsored by the charter board an administrative fee equal to not more than three percent (3%) of the total amount the organizer receives during the ~~calendar~~ **state fiscal** year for basic tuition support.

(f) A sponsor's administrative fee may not include any costs incurred in delivering services that a charter school may purchase at its discretion from the sponsor. The sponsor shall use its funding provided under this section exclusively for the purpose of fulfilling sponsoring obligations.

(g) Except for oversight services, a charter school may not be required to purchase services from its sponsor as a condition of charter approval or of executing a charter contract, nor may any such condition be implied.

(h) A charter school may choose to purchase services from its sponsor. In that event, the charter school and sponsor shall execute an annual service contract, separate from the charter contract, stating the parties' mutual agreement concerning the services to be provided by the sponsor and any service fees to be charged to the charter school. A sponsor may not charge more than market rates for services provided to a charter school.

(i) Not later than ninety (90) days after the end of each fiscal year, each sponsor shall provide to each charter school it sponsors an itemized accounting of the actual costs of services purchased by the charter school from the sponsor. Any difference between the amount initially charged to the charter school and the actual cost shall be reconciled and paid to the owed party. If either party disputes the itemized accounting, any charges included in the accounting, or charges to either party, either party may request a review by the department. The requesting party shall pay the costs of the review.

SECTION 245. IC 20-24-7-6.5 IS REPEALED [EFFECTIVE JULY 1, 2013]. ~~Sec. 6.5. (a) Subject to subsection (b) and with the approval of a majority of the members of the governing body, a school corporation may distribute any part of the following to a conversion school sponsored by the school corporation in the amount and under the terms and conditions adopted by a majority of the members of the governing body:~~

~~(1) State tuition support and other state distributions to the school corporation.~~

~~(2) Any other amount deposited in the school corporation's general fund.~~

~~(b) The total amount that may be transferred under subsection (a) in a calendar year to a particular conversion charter school may not exceed the result determined under STEP FOUR of the following formula:~~

~~STEP ONE: Determine the result of:~~

~~(A) the amount of state tuition support that the school corporation is eligible to receive in the calendar year; divided by~~

~~(B) the current ADM of the school corporation for the calendar year.~~

~~STEP TWO: Determine the result of:~~

~~(A) the amount of state tuition support that the conversion charter school is eligible to receive in the calendar year; divided by~~

~~(B) the current ADM of the conversion charter school for the calendar year.~~

~~STEP THREE: Determine the greater of zero (0) or the result of:~~

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

~~(B) the STEP TWO amount.~~

~~STEP FOUR: Determine the result of:~~

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

~~(B) the current ADM of the conversion charter school for the calendar year.~~

SECTION 246. IC 20-24-7-9, AS AMENDED BY P.L.146-2008, SECTION 463, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 9. (a) This section applies if:

(1) a sponsor:

(A) revokes a charter before the end of the term for which the charter is granted; or

(B) does not renew a charter; or

(2) a charter school otherwise terminates its charter before the end of the term for which the charter is granted.

(b) Any state funds that remain to be distributed to the charter school in the ~~calendar~~ **state fiscal** year in which an event described in subsection (a) occurs shall be distributed as follows:

(1) First, to the common school loan fund to repay any existing obligations of the charter school under IC 20-49-7 **(repealed).**

(2) Second, to the entities that distributed the funds to the charter school. A distribution under this subdivision shall be on a pro rata basis.

(c) If the funds described in subsection (b) are insufficient to repay all existing obligations of the charter school under IC 20-49-7 **(repealed),** the state shall repay any remaining obligations of the charter school under IC 20-49-7 **(repealed)** from the amount appropriated for state tuition support distributions.

SECTION 247. IC 20-24-7-13, AS AMENDED BY P.L.229-2011, SECTION 171, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 13. (a) As used in this section, "virtual charter school" means any charter school, including a conversion charter school, that provides for the delivery of more than fifty percent (50%) of instruction to students through:

(1) virtual distance learning;

(2) online technologies; or

(3) computer based instruction.

(b) ~~Beginning with the 2011-2012 school year,~~ A virtual charter school may apply for sponsorship with any statewide sponsor in accordance with the sponsor's guidelines.

~~(c) Before January 1, 2012, a virtual charter school is entitled to receive funding from the state in an amount equal to the sum of:~~

~~(1) the product of:~~

~~(A) the number of students included in the virtual charter school's ADM; multiplied by~~

~~(B) eighty percent (80%) of statewide average basic tuition support.~~

~~(d)~~ **(c)** ~~After December 31, 2011,~~ **For state fiscal years beginning after June 30, 2013,** a virtual charter school is entitled to receive funding **in a month** from the state in an amount equal to the sum of:

(1) the product of:

(A) the number of students included in the virtual charter school's **current** ADM; multiplied by

(B) **the result of:**

(i) ~~eighty-seven and five-tenths~~ **ninety** percent ~~(87.5%)~~ **(90%)** of the school's foundation amount determined under IC 20-43-5-4; **divided by**

(ii) twelve (12); plus

(2) the total of any:

(A) special education grants under IC 20-43-7;

(B) career and technical education grants under IC 20-43-8;

(C) honor grants under IC 20-43-10;

(D) complexity grants under IC 20-43-13; and

(E) full-day kindergarten grants under IC 20-43-14;

to which the virtual charter school is entitled **for the month.**

~~After December 31, 2011,~~ **For state fiscal years beginning after June 30, 2013,** a virtual charter school

is entitled to receive special education grants under IC 20-43-7 calculated in the same manner as special education grants are calculated for other school corporations.

(d) The department shall adopt rules under IC 4-22-2 to govern the operation of virtual charter schools.

(e) Beginning in 2009, the department shall before December 1 of each year submit an annual report to the budget committee concerning the program under this section.

(f) ~~This subsection does not apply to students who were enrolled in a virtual charter school during the 2010-2011 school year.~~ Each school year, at least sixty percent (60%) of the students who are enrolled in virtual charter schools under this section for the first time must have been included in the state's **fall count of** ADM ~~count for~~ **conducted in** the previous school year.

SECTION 248. IC 20-24-7-13.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 13.5. (a) This section applies to the following charter schools:**

(1) The Excel Centers for Adult Learners located in Indianapolis and sponsored or authorized by the mayor of Indianapolis.

(2) The Anderson Excel Center and sponsored or authorized by the charter board.

(3) Each Christel House Academy DOR center located in Indianapolis and sponsored or authorized by the mayor of Indianapolis.

(4) The Excel Centers for Adult Learners located in Kokomo, Lafayette, and Richmond and sponsored or authorized by the charter board.

(5) The charter school at the Gary Middle College that is sponsored or authorized by Ball State University and that includes students who are twenty-two (22) years of age and older.

(b) Notwithstanding any other law, for state fiscal years beginning after June 30, 2013, a charter school described in subsection (a) is entitled to receive funding from the state in an amount equal to the product of:

(1) the number of students included in the charter school's ADM; multiplied by

(2) six thousand six hundred dollars ($6,600).

However, in the case of the charter school described in subsection (a)(5), the funding under this section applies only for those students who are twenty-two (22) years of age and older.

(c) The state funding under this section shall be paid each state fiscal year under a schedule set by the budget agency and approved by the governor. However, the schedule shall provide for at least twelve (12) payments, that one (1) payment shall be made at least every forty (40) days, and the aggregate of the payments in each state fiscal year shall equal the amount required under this section. However, if the appropriations for this purpose are insufficient, the distributions to each recipient shall be reduced proportionately.

SECTION 249. IC 20-24-7.5 IS REPEALED [EFFECTIVE JULY 1, 2013]. (New Charter School Startup Grant).

SECTION 250. IC 20-24.5-2-10, AS AMENDED BY P.L.146-2008, SECTION 464, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 10. A laboratory school that:

(1) is operated without an agreement; and

(2) has an ADM **in the fall count of a school year** of not more than seven hundred fifty (750);

must be treated as a charter school for purposes of funding under IC 20-20-33 and IC 20-43.

SECTION 251. IC 20-24.5-2-11, AS ADDED BY P.L.2-2007, SECTION 209, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 11. A student who attends a laboratory school full time may not be counted in **current** ADM or ADA by any school corporation when the student's attendance is not regulated under an agreement.

SECTION 252. IC 20-25-12-5, AS ADDED BY P.L.1-2005, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 5. The **initial** approved general fund budget for each school for a school year must be, as nearly as is reasonable and practicable, proportionate to the total general fund budget for the school city in the same ratio as the school's estimated **current** ADM **for the fall count in the school year** compares to the school city's estimated **current** ADM for **the fall count**

for that school year.

SECTION 253. IC 20-26-5-4, AS AMENDED BY P.L.145-2012, SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 4. In carrying out the school purposes of a school corporation, the governing body acting on the school corporation's behalf has the following specific powers:

(1) In the name of the school corporation, to sue and be sued and to enter into contracts in matters permitted by applicable law. However, a governing body may not use funds received from the state to bring or join in an action against the state, unless the governing body is challenging an adverse decision by a state agency, board, or commission.

(2) To take charge of, manage, and conduct the educational affairs of the school corporation and to establish, locate, and provide the necessary schools, school libraries, other libraries where permitted by law, other buildings, facilities, property, and equipment.

(3) To appropriate from the school corporation's general fund an amount, not to exceed the greater of three thousand dollars ($3,000) per budget year or one dollar ($1) per pupil, not to exceed twelve thousand five hundred dollars ($12,500), based on the school corporation's **ADM of the** previous ~~year's ADM,~~ **year (as defined in IC 20-43-1-7)** to promote the best interests of the school corporation through:

(A) the purchase of meals, decorations, memorabilia, or awards;

(B) provision for expenses incurred in interviewing job applicants; or

(C) developing relations with other governmental units.

(4) To:

(A) Acquire, construct, erect, maintain, hold, and contract for construction, erection, or maintenance of real estate, real estate improvements, or an interest in real estate or real estate improvements, as the governing body considers necessary for school purposes, including buildings, parts of buildings, additions to buildings, rooms, gymnasiums, auditoriums, playgrounds, playing and athletic fields, facilities for physical training, buildings for administrative, office, warehouse, repair activities, or housing school owned buses, landscaping, walks, drives, parking areas, roadways, easements and facilities for power, sewer, water, roadway, access, storm and surface water, drinking water, gas, electricity, other utilities and similar purposes, by purchase, either outright for cash (or under conditional sales or purchase money contracts providing for a retention of a security interest by the seller until payment is made or by notes where the contract, security retention, or note is permitted by applicable law), by exchange, by gift, by devise, by eminent domain, by lease with or without option to purchase, or by lease under IC 20-47-2, IC 20-47-3, or IC 20-47-5.

(B) Repair, remodel, remove, or demolish, or to contract for the repair, remodeling, removal, or demolition of the real estate, real estate improvements, or interest in the real estate or real estate improvements, as the governing body considers necessary for school purposes.

(C) Provide for conservation measures through utility efficiency programs or under a guaranteed savings contract as described in IC 36-1-12.5.

(5) To acquire personal property or an interest in personal property as the governing body considers necessary for school purposes, including buses, motor vehicles, equipment, apparatus, appliances, books, furniture, and supplies, either by cash purchase or under conditional sales or purchase money contracts providing for a security interest by the seller until payment is made or by notes where the contract, security, retention, or note is permitted by applicable law, by gift, by devise, by loan, or by lease with or without option to purchase and to repair, remodel, remove, relocate, and demolish the personal property. All purchases and contracts specified under the powers authorized under subdivision (4) and this subdivision are subject solely to applicable law relating to purchases and contracting by municipal corporations in general and to the supervisory control of state agencies as provided in section 6 of this chapter.

(6) To sell or exchange real or personal property or interest in real or personal property that, in the opinion of the governing body, is not necessary for school purposes, in accordance with IC 20-26-7, to demolish or otherwise dispose of the property if, in the opinion of the governing body, the property is not necessary for school purposes and is worthless, and to pay the expenses for the demolition or disposition.

(7) To lease any school property for a rental that the governing body considers reasonable or to permit the free use of school property for:

(A) civic or public purposes; or

(B) the operation of a school age child care program for children who are at least five (5) years of age and less than fifteen (15) years of age that operates before or after the school day, or both, and during periods when school is not in session;

if the property is not needed for school purposes. Under this subdivision, the governing body may enter into a long term lease with a nonprofit corporation, community service organization, or other governmental entity, if the corporation, organization, or other governmental entity will use the property to be leased for civic or public purposes or for a school age child care program. However, if payment for the property subject to a long term lease is made from money in the school corporation's debt service fund, all proceeds from the long term lease must be deposited in the school corporation's debt service fund so long as payment for the property has not been made. The governing body may, at the governing body's option, use the procedure specified in IC 36-1-11-10 in leasing property under this subdivision.

(8) To:

(A) Employ, contract for, and discharge superintendents, supervisors, principals, teachers, librarians, athletic coaches (whether or not they are otherwise employed by the school corporation and whether or not they are licensed under IC 20-28-5), business managers, superintendents of buildings and grounds, janitors, engineers, architects, physicians, dentists, nurses, accountants, teacher aides performing noninstructional duties, educational and other professional consultants, data processing and computer service for school purposes, including the making of schedules, the keeping and analyzing of grades and other student data, the keeping and preparing of warrants, payroll, and similar data where approved by the state board of accounts as provided below, and other personnel or services as the governing body considers necessary for school purposes.

(B) Fix and pay the salaries and compensation of persons and services described in this subdivision that are consistent with IC 20-28-9-1.

(C) Classify persons or services described in this subdivision and to adopt schedules of salaries or compensation that are consistent with IC 20-28-9-1.

(D) Determine the number of the persons or the amount of the services employed or contracted for as provided in this subdivision.

(E) Determine the nature and extent of the duties of the persons described in this subdivision.

The compensation, terms of employment, and discharge of teachers are, however, subject to and governed by the laws relating to employment, contracting, compensation, and discharge of teachers. The compensation, terms of employment, and discharge of bus drivers are subject to and governed by laws relating to employment, contracting, compensation, and discharge of bus drivers. The forms and procedures relating to the use of computer and data processing equipment in handling the financial affairs of the school corporation must be submitted to the state board of accounts for approval so that the services are used by the school corporation when the governing body determines that it is in the best interest of the school corporation while at the same time providing reasonable accountability for the funds expended.

(9) Notwithstanding the appropriation limitation in subdivision (3), when the governing body by resolution considers a trip by an employee of the school corporation or by a member of the

governing body to be in the interest of the school corporation, including attending meetings, conferences, or examining equipment, buildings, and installation in other areas, to permit the employee to be absent in connection with the trip without any loss in pay and to reimburse the employee or the member the employee's or member's reasonable lodging and meal expenses and necessary transportation expenses. To pay teaching personnel for time spent in sponsoring and working with school related trips or activities.

(10) Subject to IC 20-27-13, to transport children to and from school, when in the opinion of the governing body the transportation is necessary, including considerations for the safety of the children and without regard to the distance the children live from the school. The transportation must be otherwise in accordance with applicable law.

(11) To provide a lunch program for a part or all of the students attending the schools of the school corporation, including the establishment of kitchens, kitchen facilities, kitchen equipment, lunch rooms, the hiring of the necessary personnel to operate the lunch program, and the purchase of material and supplies for the lunch program, charging students for the operational costs of the lunch program, fixing the price per meal or per food item. To operate the lunch program as an extracurricular activity, subject to the supervision of the governing body. To participate in a surplus commodity or lunch aid program.

(12) To purchase textbooks, to furnish textbooks without cost or to rent textbooks to students, to participate in a textbook aid program, all in accordance with applicable law.

(13) To accept students transferred from other school corporations and to transfer students to other school corporations in accordance with applicable law.

(14) To make budgets, to appropriate funds, and to disburse the money of the school corporation in accordance with applicable law. To borrow money against current tax collections and otherwise to borrow money, in accordance with IC 20-48-1.

(15) To purchase insurance or to establish and maintain a program of self-insurance relating to the liability of the school corporation or the school corporation's employees in connection with motor vehicles or property and for additional coverage to the extent permitted and in accordance with IC 34-13-3-20. To purchase additional insurance or to establish and maintain a program of self-insurance protecting the school corporation and members of the governing body, employees, contractors, or agents of the school corporation from liability, risk, accident, or loss related to school property, school contract, school or school related activity, including the purchase of insurance or the establishment and maintenance of a self-insurance program protecting persons described in this subdivision against false imprisonment, false arrest, libel, or slander for acts committed in the course of the persons' employment, protecting the school corporation for fire and extended coverage and other casualty risks to the extent of replacement cost, loss of use, and other insurable risks relating to property owned, leased, or held by the school corporation. In accordance with IC 20-26-17, to:

(A) participate in a state employee health plan under IC 5-10-8-6.6 or IC 5-10-8-6.7;

(B) purchase insurance; or

(C) establish and maintain a program of self-insurance;

to benefit school corporation employees, including accident, sickness, health, or dental coverage, provided that a plan of self-insurance must include an aggregate stop-loss provision.

(16) To make all applications, to enter into all contracts, and to sign all documents necessary for the receipt of aid, money, or property from the state, the federal government, or from any other source.

(17) To defend a member of the governing body or any employee of the school corporation in any suit arising out of the performance of the member's or employee's duties for or employment with, the school corporation, if the governing body by resolution determined that the action was taken in good faith. To save any member or employee harmless from any liability, cost, or damage in connection with the performance, including the payment of legal fees, except where the liability, cost, or damage is predicated on or arises out of the bad faith of the member or employee, or is a

claim or judgment based on the member's or employee's malfeasance in office or employment.

(18) To prepare, make, enforce, amend, or repeal rules, regulations, and procedures:

(A) for the government and management of the schools, property, facilities, and activities of the school corporation, the school corporation's agents, employees, and pupils and for the operation of the governing body; and

(B) that may be designated by an appropriate title such as "policy handbook", "bylaws", or "rules and regulations".

(19) To ratify and approve any action taken by a member of the governing body, an officer of the governing body, or an employee of the school corporation after the action is taken, if the action could have been approved in advance, and in connection with the action to pay the expense or compensation permitted under IC 20-26-1 through IC 20-26-5, IC 20-26-7, IC 20-40-12, and IC 20-48-1 or any other law.

(20) To exercise any other power and make any expenditure in carrying out the governing body's general powers and purposes provided in this chapter or in carrying out the powers delineated in this section which is reasonable from a business or educational standpoint in carrying out school purposes of the school corporation, including the acquisition of property or the employment or contracting for services, even though the power or expenditure is not specifically set out in this chapter. The specific powers set out in this section do not limit the general grant of powers provided in this chapter except where a limitation is set out in IC 20-26-1 through IC 20-26-5, IC 20-26-7, IC 20-40-12, and IC 20-48-1 by specific language or by reference to other law.

SECTION 254. IC 20-26-11-11, AS AMENDED BY P.L.159-2007, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 11. (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 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 have an emotional disturbance;

(ii) have been placed with the nonprofit corporation by court order;

(iii) have been referred by a local health department;

(iv) have been placed in a state licensed private or public health care or child care facility as described in section 8 of this chapter; or

(v) have been placed by or with the consent of the department under IC 20-35-6-2;

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 that may not exceed the total of:

(1) the transfer tuition costs for the student that otherwise would be payable to the transferee corporation; and

(2) a proportionate amount of any state or local distributions to the transferee corporation that are computed in any part using **current** ADM or any other student count in which the student is included, if the transferee corporation includes the student in the transferee corporation's **current** ADM for ~~a school year.~~ **the period in which the student is being educated by the nonprofit 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 total of:

(1) the transfer tuition costs that otherwise would be payable to a transferee school corporation; and

(2) a proportionate amount of any state or local distributions to the transferor corporation that are computed in any part using **current** ADM or any other student count in which the student is included, if the transferor corporation includes the student in the transferor corporation's ADM for ~~a school year.~~ **the period in which the student is being educated by the nonprofit corporation.**

SECTION 255. IC 20-26-11-13, AS AMENDED BY P.L.229-2011, SECTION 173, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 13. (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, career and technical education, or career education.

(2) "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 education program for the child; and

(D) is not used for or by any child who is not a child with disabilities.

(3) "Student 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 state board.

(B) The total number of students enrolled in a class of school in a transferee school corporation on a date determined by the state board.

However, a kindergarten student shall be counted under clauses (A) and (B) as one-half (1/2) student. The state board may select a different date for counts under this subdivision. 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 6 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 **current** 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) State tuition support distributions **received during the calendar year in which the school year ends.**

(B) Property tax levies under IC 20-45-7 and IC 20-45-8 **for the calendar year in which the school year ends.**

(C) The sum of the following excise tax revenue received for deposit in the calendar year in which the school year begins:

(i) Financial institution excise tax revenue (IC 6-5.5).

(ii) Motor vehicle excise taxes (IC 6-6-5).

(iii) Commercial vehicle excise taxes (IC 6-6-5.5).
(iv) Boat excise tax (IC 6-6-11).
(v) Aircraft license excise tax (IC 6-6-6.5).
(D) Allocations to the transferee school under IC 6-3.5.
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 by or with the approval of the department of child services, the institution or facility shall charge the department of child services 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 that is made 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 state board; 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 student enrollment of each class in the transferee corporation compared with the total student 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 student 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 student attendance, the transfer tuition shall be calculated by the part of the school year for which the transferred student is enrolled. A school year of student attendance consists of the number of days school is in session for student 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. If an agreement cannot be reached, the amount shall be determined by the state board, 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 **during a period;** by
(2) the **current** ADM of the transferee school for the ~~school year that ends in the calendar year~~

period in which the revenues are received.

However, for state tuition support distributions or any other state distribution computed using less than the total **current** 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~~ **during the period** by the student count used to compute the state distribution.

(h) Instead 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. The contract may:

(1) be entered into for a period of not more than five (5) years with an option to renew;

(2) specify a maximum number of students to be transferred; and

(3) fix a method for determining the amount of transfer tuition and the time of payment, which may be different from that provided in section 14 of this chapter.

(i) A school corporation may negotiate transfer tuition agreements with a neighboring school corporation that can accommodate additional students. Agreements under this section may:

(1) be for one (1) year or longer; and

(2) 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 14 of this chapter.

A school corporation may not transfer a student under this section without the prior approval of the child's parent.

SECTION 256. IC 20-26-11-22, AS ADDED BY P.L.1-2005, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 22. (a) The transferee corporation is entitled to receive from the transferor corporation transfer tuition for each transferred student for each school year calculated in two (2) parts:

(1) operating cost; and

(2) capital cost.

These costs must be allocated on a per student basis separately for each class of school.

(b) The operating cost for each class of school must be based on the total expenditures of the transferee corporation for the class from its general fund expenditures as set out on the classified budget forms prescribed by the state board of accounts, excluding from the calculation capital outlay, debt service, costs of transportation, salaries of board members, contracted service for legal expenses, and any expenditure that is made out of the general fund from extracurricular account receipts, for the school year.

(c) The capital cost for each class of school must consist of the lesser of the following alternatives:

(1) The capital cost must be based on an amount equal to five percent (5%) of the cost of transferee corporation's physical plant, equipment, and all items connected to the physical plant or equipment, including:

(A) buildings, additions, and remodeling to the buildings, excluding ordinary maintenance; and

(B) on-site and off-site improvements such as walks, sewers, waterlines, drives, and playgrounds;

that have been paid or are obligated to be paid in the future out of the general fund, capital projects fund, or debt service fund, including principal and interest, lease rental payments, and funds that were legal predecessors to these funds. If an item of the physical plant, equipment, appurtenances, or part of the item is more than twenty (20) years old at the beginning of the school year, the capital cost of the item shall be disregarded in making the capital cost computation.

(2) The capital cost must be based on the amount budgeted from the general fund for capital outlay for physical plant, equipment, and appurtenances and the amounts levied for the debt service fund and the capital projects fund for the calendar year in which the school year ends.

(d) If an item of expense or cost cannot be allocated to a class of school, the item shall be prorated to all classes of schools on the basis of the ADM of each class in the transferee corporation, **as determined in the fall count of ADM in the school year,** compared to the total **current** ADM therein, **as**

determined in the fall count of ADM in the school year.

(e) The transfer tuition for each student transferred for each school year shall be calculated by dividing the transferee school corporation's total operating costs and the total capital costs for the class of school in which the student is enrolled by the ADM of students therein, **as determined in the fall count of ADM in the school year.** If a transferred student is enrolled in a transferee corporation for less than the full school year, the transfer tuition shall be calculated by the proportion of such school year for which the transferred student is enrolled. A school year for this purpose consists of the number of days school is in session for student attendance. A student shall be enrolled in a transferee school, whether or not the student is in attendance, unless the:

(1) student's residence is outside the area of students transferred to the transferee corporation;

(2) student has been excluded or expelled from school; or

(3) student has been confirmed as a school dropout.

The transferor and transferee corporations may enter into written agreements concerning the amount of transfer tuition. If an agreement cannot be reached, the amount shall be determined by the state superintendent, with costs to be established, where in dispute, by the state board of accounts.

(f) The transferor corporation shall pay the transferee corporation, when billed, the amount of book rental due from transferred students who are unable to pay the book rental amount. The transferor corporation is entitled to collect the amount of the book rental from the appropriate township trustee, from its own funds, or from any other source, in the amounts and manner provided by law.

SECTION 257. IC 20-26-11-23, AS AMENDED BY P.L.182-2009(ss), SECTION 317, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 23. (a) If a transfer is ordered to commence in a school year, where the transferor corporation has net additional costs over savings (on account of any transfer ordered) allocable to the ~~calendar~~ **state fiscal** year in which the school year begins, and where the transferee corporation does not have budgeted funds for the net additional costs, the net additional costs may be recovered by one (1) or more of the following methods in addition to any other methods provided by applicable law:

(1) An emergency loan made under IC 20-48-1-7 to be paid, out of the debt service levy and fund, or a loan from any state fund made available for the net additional costs.

(2) An advance in the ~~calendar~~ **state fiscal** year of state funds, which would otherwise become payable to the transferee corporation after such ~~calendar~~ **state fiscal** year under law.

(3) A grant or grants in the calendar year from any funds of the state made available for the net additional costs.

(b) The net additional costs must be certified by the department of local government finance. Repayment of any advance or loan from the state shall be made from state tuition support distributions or other money available to the school corporation.

SECTION 258. IC 20-26-11-30, AS ADDED BY P.L.133-2008, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 30. (a) This section applies to a student who resided in a school corporation where the student had legal settlement for at least two (2) consecutive school years immediately before moving to an adjacent school corporation.

(b) A school corporation in which a student had legal settlement for at least two (2) consecutive years as described in subsection (a):

(1) shall allow the student to attend an appropriate school within the school corporation in which the student formerly resided;

(2) may not request the payment of transfer tuition for the student from the school corporation in which the student currently resides and has legal settlement or from the student's parent; and

(3) shall include the student in the school corporation's **current** ADM;

if the principal and superintendent in both school corporations jointly agree to enroll the student in the school.

(c) If a student enrolls under this section in a school described in subsection (b)(1), the student's parent

must provide for the student's transportation to school.

(d) A student to whom this section applies may not enroll primarily for athletic reasons in a school in a school corporation in which the student does not have legal settlement. However, a decision to allow a student to enroll in a school corporation in which the student does not have legal settlement is not considered a determination that the student did not enroll primarily for athletic reasons.

SECTION 259. IC 20-27-14 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]:

Chapter 14. Science, Technology, Engineering, and Mathematics Teacher Recruitment Fund

Sec. 1. As used in this chapter, "fund" refers to the science, technology, engineering, and mathematics teacher recruitment fund established by section 3 of this chapter.

Sec. 2. As used in this chapter, "roundtable" refers to the education roundtable established by IC 20-19-4-2.

Sec. 3. The science, technology, engineering, and mathematics teacher recruitment fund is established. The roundtable shall administer the fund.

Sec. 4. The fund consists of:

(1) appropriations made to the fund by the general assembly; and

(2) grants, gifts, and donations intended for deposit in the fund.

Sec. 5. Expenses of administering the fund must be paid from money in the fund.

Sec. 6. The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public money may be invested. Interest that accrues from these investments must be deposited in the fund.

Sec. 7. Money in the fund at the end of a fiscal year does not revert to the state general fund.

Sec. 8. The roundtable may use money in the fund to provide grants to Indiana organizations that recruit science, technology, engineering, and mathematics teachers for employment by Indiana school corporations.

Sec. 9. The roundtable shall establish two (2) grant programs as follows:

(1) A grant program to encourage the growth of existing organizations that recruit science, technology, engineering, and mathematics teachers.

(2) A grant program to support the establishment of programs that increase the pool of high-quality science, technology, engineering, and mathematics teachers in Indiana.

Sec. 10. The roundtable shall develop an application process for grants under this chapter that identifies recruiting organizations and programs:

(1) that produce high student achievement and effective and highly effective teachers; and

(2) that match science, technology, engineering, and mathematics teachers with Indiana school corporations that would otherwise encounter a shortage of qualified teachers in science, technology, engineering, and mathematics.

Sec. 11. The roundtable shall develop standards for evaluating recipients of grants under this chapter.

Sec. 12. A recipient of a grant under this chapter shall submit to the roundtable a written report concerning the recipient's compliance with the evaluation standards developed under section 11 of this chapter on the following dates:

(1) December 1 of each year.

(2) July 1 of each year.

Sec. 13. The roundtable shall consider the information submitted under section 12 of this chapter when evaluating a subsequent application from a recruiting organization or program. An applicant may be denied a grant under this chapter based on the information submitted under section 12 of this chapter.

SECTION 260. IC 20-28-1-2, AS AMENDED BY P.L.150-2006, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 2. "Applicant" refers to an applicant for:

(1) a new license;

(2) a renewal license;
(3) a substitute teacher certificate; or
(4) a transition to teaching ~~permit;~~ **license;**
issued by the department.

SECTION 261. IC 20-28-4-2, AS ADDED BY P.L.1-2005, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 2. The transition to teaching program is established to accomplish the following:

(1) Facilitate the transition into the teaching profession of competent professionals **and recent college graduates** in fields other than teaching.

(2) Allow competent professionals ~~who do not hold a teaching license to earn~~ and **recent college graduates to** be issued a teaching license through participation in and satisfactory completion of the program.

SECTION 262. IC 20-28-4-5, AS AMENDED BY P.L.90-2011, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 5. An individual 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 grades 5 through 12, one (1) of the following:

(A) A bachelor's degree or the equivalent with a grade point average of at least three (3.0) on a four (4.0) point scale from an accredited postsecondary educational institution in the subject area that the individual intends to teach.

(B) A graduate degree from an accredited postsecondary educational institution in the subject area or a related field that the individual intends to teach.

(C) Both:

(i) a bachelor's degree from an accredited postsecondary educational institution with a grade point average of at least two and five-tenths (2.5) on a four (4.0) point scale; and

(ii) five (5) years professional experience;

in the subject or a related area that the individual intends to teach.

(D) Both:

(i) a bachelor's degree from an accredited postsecondary educational institution; and

(ii) proof that the individual has passed the state approved content area examination in the subject area that the individual intends to teach.

(2) For a program participant who seeks to obtain a license to teach in kindergarten through grade 6, one (1) of the following:

(A) A bachelor's degree or the equivalent with a grade point average of at least three (3.0) on a four (4.0) point scale from an accredited institution of higher education.

(B) Both:

(i) a bachelor's degree from an accredited postsecondary educational institution with a grade point average of at least two and five-tenths (2.5) on a four (4.0) point scale; and

(ii) five (5) years professional experience in an education related field, as determined by the department.

(C) Both:

(i) a bachelor's degree from an accredited postsecondary educational institution; and

(ii) proof that the individual has passed the state approved content area examination in the subject area that the individual intends to teach.

SECTION 263. IC 20-28-4-7, AS AMENDED BY P.L.90-2011, SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 7. This section applies to a program participant who has a degree or related experience described in section 5 of this chapter that does not include all the content areas of a proficient practitioner license issued by the department. The department shall issue an initial practitioner license that is restricted to ~~only~~ the content areas in which the program participant:

(1) has a degree; **or**

(2) has passed the state approved content area examination in the content area;

unless the program participant demonstrates sufficient knowledge in other content areas of the license.

SECTION 264. IC 20-28-4-10, AS AMENDED BY P.L.90-2011, SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 10. (a) The state board may adopt rules under IC 4-22-2 to administer this chapter.

(b) Rules adopted under this section must include a requirement that entities approved to offer the program submit an annual report to the department of the number of individuals who:

(1) enroll in; and

(2) complete;

the program.

(c) Rules adopted under this section may not require that there be a shortage of other licensed teachers in order for the governing body of a school corporation, including a charter school, or the appointing authority of an accredited nonpublic school to employ a program participant.

(d) Rules adopted under this section may not impose program requirements, participant qualification requirements, or licensing requirements that are in addition to the requirements set forth in this chapter.

SECTION 265. IC 20-28-4-11, AS AMENDED BY P.L.90-2011, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 11. ~~(a) This section applies only to:~~

~~(1) a school corporation; or~~

~~(2) a subject area;~~

~~that is designated by the state board as having an insufficient supply of licensed teachers.~~

~~(b) The governing body of a school corporation or the appointing authority of an accredited nonpublic school may employ a program participant if the program participant is hired to teach in a subject area or a school corporation to which this section applies.~~

~~(c) Before employing a program participant under subsection (b), the superintendent of the school corporation must make a determination that one (1) of the following conditions exists:~~

~~(1) There is no fully certified and highly effective teacher available for the position.~~

~~(2) The program participant is the best qualified candidate for the position.~~

~~(d)~~ **(a)** A program participant who is employed under this section is eligible to receive a transition to teaching ~~permit.~~ **license.** The transition to teaching ~~permit~~ **license** is valid for three (3) years, and may not be renewed.

~~(e)~~ **(b)** A program participant who is employed under this section:

(1) shall enter into either:

(A) a regular teacher's contract under IC 20-28-6-5; or

(B) a temporary teacher's contract under IC 20-28-6-6, if replacing a teacher on a leave of absence;

(2) is eligible to participate in a mentor teacher program; and

(3) satisfies the field or classroom experience component of the program under section 4(3) of this chapter.

~~(f) The state board:~~

~~(1) shall review; and~~

~~(2) may renew;~~

~~the designation of a school corporation or a subject area as having an insufficient supply of licensed teachers not more than two (2) years following the initial designation under subsection (a).~~

SECTION 266. IC 20-28-5-16, AS ADDED BY P.L.91-2011, SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 16. **(a)** The department shall establish a program under which an individual ~~who:~~ **may obtain a license that allows the individual to teach in a charter school if the individual:**

(1) wishes to teach in a charter school in Indiana; and

(2) **satisfies either of the following requirements:**

(A) The individual holds at least a bachelor's degree with a grade point average of at least 3.0 on a 4.0 point scale from an accredited postsecondary institution in the content or a related area in which the individual wishes to teach.

(B) The individual holds at least a bachelor's degree and proof that the individual has passed the state approved content area examination in the subject area that the individual intends to teach.

~~may obtain a license that allows the individual to teach in a charter school.~~

(b) The program **established under subsection (a)** must allow the individual to teach in a charter school while the individual is in the process of obtaining the license.

SECTION 267. IC 20-29-6-12.5, AS ADDED BY P.L.229-2011, SECTION 179, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 12.5. (a) Before August 1 of the first year of the state budget biennium, the department shall provide the parties with an estimate of the general fund revenue available for bargaining in the school corporation from the school funding formula.

(b) Within thirty (30) days after the date of the ~~first state~~ **fall count of** ADM ~~count date~~ of the school year in the first year of the state budget biennium, the department shall provide the parties with a certification of estimated general fund revenue available for bargaining from the school funding formula. A school employer that has passed a general fund operating referendum under IC 20-46-1 must have that amount certified by the department of local government finance. The school corporation must obtain the certification before the commencement of bargaining. These certifications must be the basis for determinations throughout impasse proceedings under this chapter.

SECTION 268. IC 20-31-8-4.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 4.5. In addition to other benchmarks, performance indicators, and accountability standards developed under this article, the state board shall develop alternative benchmarks, performance indicators, and accountability standards to be used in the assessment of schools that focus exclusively on providing an academic program for students with developmental, intellectual, or behavioral challenges.**

SECTION 269. IC 20-31-8-5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 5. The state board shall establish an alternative accountability system to assess the performance of a charter school that is sponsored by the Indiana charter school board established by IC 20-24-2.1-1 and designated as a recovery school or an accelerated learning center.**

SECTION 270. IC 20-31-9.5-8 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 8. (a) If the state board, upon remand of the Marion County Circuit Court case of Board of School Commissioners of the City of Indianapolis v. Indiana State Board of Education and Indiana Department of Education (cause number 49D03-1206-MI-023257), determines that the Indianapolis public school corporation or any other school corporation is entitled to a distribution to correct the amount that was withheld under IC 20-31-9.5 during July through December 2012 from state tuition support and federal funds otherwise to be distributed to the school corporation, the following apply:**

(1) The state board shall make distributions to the following:

(A) The Indianapolis public school corporation.

(B) Any other school corporation affected by a redetermination of the amount that was withheld under IC 20-31-9.5 during July through December 2012.

(2) Before making a distribution to a school corporation under this section, the state board must obtain from the recipient school corporation an agreement that the school corporation will dismiss and not pursue any claims against the state or any state officer or entity, the special management team, or the turnaround academy with regard to distributions received by the special management team or turnaround academy under IC 20-31-9.5 during July

through December 2012.

(b) There is appropriated from the state general fund to the state board for the 2012-2013 state fiscal year, seven million four hundred five thousand eight hundred ninety-two dollars ($7,405,892) to make distributions as provided in subsection (a).

SECTION 271. IC 20-33-5-4, AS ADDED BY P.L.1-2005, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 4. **(a)** The department shall provide each school corporation with sufficient application forms for assistance under this chapter. **The department, in consultation with the department of state revenue, shall prescribe the application form to be used.** The state board of accounts shall ~~prescribe the forms to be used.~~ **approve the application form. The application form must require at least the following information:**

(1) Personal identification information for the applicant and student, including a copy of either a:

(A) current and valid photo identification; or

(B) current utility bill, bank statement, government check, paycheck, or government document;

that shows the name and residence address of the applicant as stated on the application.

(2) Sufficient documentation verifying the applicant's income.

(3) A notice to the applicant:

(A) that the information in the application and supporting documentation will be shared with the department of state revenue for income verification purposes; and

(B) that the applicant is verifying, under penalties for perjury, that the information in the application and supporting documentation is true, accurate, and complete.

(4) A place for the applicant to acknowledge that the applicant understands the content of the notice required by subdivision (3).

(b) The school corporation shall:

(1) retain each application and the supporting documentation; and

(2) submit to the department a copy of all applications and the supporting documentation along with the school corporation's request for a textbook fee reimbursement under this chapter.

SECTION 272. IC 20-33-5-7, AS AMENDED BY P.L.229-2011, SECTION 192, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 7. (a) If a determination is made that the applicant is eligible for assistance, the school corporation shall pay the cost of the student's required fees.

(b) A school corporation shall receive a reimbursement from the department for some or all of the costs incurred by a school corporation during a school year in providing textbook assistance to students who are eligible under section 2 of this chapter.

(c) To be guaranteed some level of reimbursement from the department, the governing body of a school corporation shall request the reimbursement before ~~November~~ **October** 1 of a school year.

(d) In its request, the governing body shall certify to the department:

(1) the number of students who are enrolled in that school corporation and who are eligible for assistance under this chapter;

(2) the costs incurred by the school corporation in providing:

(A) textbooks (including textbooks used in special education and high ability classes) to these students;

(B) workbooks, digital content, and consumable textbooks (including workbooks, consumable textbooks, and other consumable instructional materials that are used in special education and high ability classes) that are used by students for not more than one (1) school year;

(C) instead of the purchase of textbooks, developmentally appropriate material for instruction in kindergarten through the grade 3 level, laboratories, and children's literature programs; and

(D) curricular materials (as defined in IC 20-20-5.5-1);

(3) that each textbook described in subdivision (2)(A) (except those textbooks used in special

education classes and high ability classes) has been adopted by the governing body; and

(4) any other information required by the department.

(e) Each school within a school corporation **and the department** shall maintain complete and accurate information concerning the number of students determined to be eligible for assistance under this chapter. ~~This information shall be provided to the department upon request.~~

(f) Parents receiving other governmental assistance or aid that considers educational needs in computing the entire amount of assistance granted may not be denied assistance if the applicant's total family income does not exceed the standards established by this chapter.

(g) The amount of reimbursement that a school corporation is entitled to receive shall be determined as provided in section 9.5 of this chapter.

SECTION 273. IC 20-33-5-9, AS AMENDED BY P.L.229-2011, SECTION 193, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 9. (a) If a parent of a child or an emancipated minor who is enrolled in an accredited nonpublic school meets the financial eligibility standard under section 2 of this chapter, the parent or the emancipated minor may receive a reimbursement from the department as provided in this chapter for the costs or some of the costs incurred by the parent or emancipated minor in fees that are reimbursable under section 7 of this chapter.

(b) The department shall provide each accredited nonpublic school with sufficient application forms for assistance, **as** prescribed **by the department under section 4 of this chapter and approved** by the state board of accounts.

(c) Each accredited nonpublic school shall provide the parents or emancipated minors who wish to apply for assistance with:

(1) the appropriate application forms; and

(2) any assistance needed in completing the application form.

(d) The parent or emancipated minor shall submit the application to the accredited nonpublic school. The accredited nonpublic school shall make a determination of financial eligibility subject to appeal by the parent or emancipated minor. **The accredited nonpublic school shall:**

(1) retain each application and the supporting documentation; and

(2) submit to the department a copy of all applications and the supporting documentation along with the accredited nonpublic school's request for a textbook fee reimbursement under this section.

(e) If a determination is made that the applicant is eligible for assistance, subsection (a) applies.

(f) To be guaranteed some level of reimbursement from the department, the principal or other designee shall submit the reimbursement request before ~~November~~ **October** 1 of a school year.

(g) In its request, the principal or other designee shall certify to the department:

(1) the number of students who are enrolled in the accredited nonpublic school and who are eligible for assistance under this chapter;

(2) the costs incurred in providing:

(A) textbooks (including textbooks used in special education and high ability classes);

(B) workbooks, digital content, and consumable textbooks (including workbooks, consumable textbooks, and other consumable teaching materials that are used in special education and high ability classes) that are used by students for not more than one (1) school year; and

(C) curricular materials (as defined in IC 20-20-5.5-1);

(3) that each textbook described in subdivision (2)(A) (except those textbooks used in special education classes and high ability classes) has been adopted by the governing body; and

(4) any other information required by the department.

(h) The amount of reimbursement that a parent or emancipated minor is entitled to receive shall be determined as provided in section 9.5 of this chapter.

(i) The accredited nonpublic school shall distribute the money received under this chapter to the appropriate eligible parents or emancipated minors.

(j) Section ~~7(h)~~ **7(f)** of this chapter applies to parents or emancipated minors as described in this section.

(k) The accredited nonpublic school and the department shall maintain complete and accurate information concerning the number of applicants determined to be eligible for assistance under this section.

(l) The state board shall adopt rules under IC 4-22-2 to implement this section.

SECTION 274. IC 20-33-5-9.5, AS ADDED BY P.L.229-2011, SECTION 194, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 9.5. (a) This section applies to reimbursements made under this chapter in ~~calendar~~ **the state fiscal** year ~~2012 and thereafter.~~ **beginning after June 30, 2013.**

(b) The amount of reimbursement that a school corporation or an accredited nonpublic school is entitled to receive under section 7 of this chapter in a ~~calendar~~ **state fiscal** year is equal to the amount determined in the following STEPS:

STEP ONE: Determine the amount appropriated to make reimbursements under this chapter for the state fiscal year. ~~ending in the calendar year.~~

STEP TWO: Determine the total number of eligible students for which reimbursement was requested under either section 7 or 9 of this chapter before November 1 of the previous calendar year by all school corporations and accredited nonpublic schools.

STEP THREE: Divide the result determined in STEP ONE by the number determined in STEP TWO.

STEP FOUR: Multiply:

(A) the STEP THREE result; by

(B) the number of eligible students for which reimbursement was requested under section 7 or 9 of this chapter before ~~November~~ **October** 1 of the ~~previous calendar~~ **state fiscal** year by the school corporation or the accredited nonpublic school.

SECTION 275. IC 20-33-5-16 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 16. (a) Before December 1 each school year, the department shall submit to the department of state revenue a random sample of applications consisting of twenty-five percent (25%) of the applications submitted under this chapter for that school year.**

(b) The department of state revenue shall verify the accuracy of the income information submitted in these applications and report its findings to the department and to the office of management and budget before March 1 of the following year. In addition, if the department of state revenue finds that the income claimed on a particular application is less than the applicant's income as verified by the department of state revenue, the department of state revenue shall report that information to the attorney general and to the appropriate county prosecuting attorney.

SECTION 276. IC 20-43-1-1, AS AMENDED BY P.L.144-2012, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JUNE 30, 2013]: Sec. 1. This article expires July 1, ~~2013.~~ **2015.**

SECTION 277. IC 20-43-1-6, AS ADDED BY P.L.2-2006, SECTION 166, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 6. "ADM" refers to average daily membership determined under ~~IC 20-43-4-2.~~ **IC 20-43-4.**

SECTION 278. IC 20-43-1-7, AS ADDED BY P.L.2-2006, SECTION 166, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 7. "ADM of the previous year" means:

(1) for previous state fiscal years ending before July 1, 2013, the ~~initial computed~~ **fall count of** ADM; ~~for the school year ending in the preceding calendar year.~~

(2) for previous state fiscal years ending after June 30, 2013, and before July 1, 2014, the average of the fall 2012 adjusted ADM count and the fall 2013 adjusted ADM count; and

(3) for previous state fiscal years ending after June 30, 2014, the average of the previous year's fall and spring adjusted ADM counts.

SECTION 279. IC 20-43-1-7.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 7.5. "Attending" means physical or virtual presence of a student with the expectation of continued services in the education programs for which the student is registered.**

SECTION 280. IC 20-43-1-10, AS AMENDED BY P.L.144-2012, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 10. "Current ADM" means:

(1) for distributions made under this article before July 1, 2013, the fall count of ADM for the school year ending in the calendar year; **and**

(2) for distributions made under this article after June 30, 2013, the:

(A) spring count of ADM for distributions in the months of January through June of the calendar year in which the spring count is taken; and

(B) fall count of ADM for distributions in the months of July through December of the calendar year in which the fall count is taken.

SECTION 281. IC 20-43-1-11.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 11.5. "Enrolled" means to be:**

(1) registered with a school corporation to attend educational programs offered by or through the school corporation; and

(2) attending these educational programs or receiving educational services.

SECTION 282. IC 20-43-1-18 IS REPEALED [EFFECTIVE JULY 1, 2013]. ~~Sec. 18. "Maximum state distribution" refers to the amount determined under IC 20-43-2-2.~~

SECTION 283. IC 20-43-1-21 IS REPEALED [EFFECTIVE JULY 1, 2013]. ~~Sec. 21. "Primetime distribution" refers to the amount determined under IC 20-43-9-6.~~

SECTION 284. IC 20-43-1-25, AS AMENDED BY P.L.229-2011, SECTION 203, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 25. "State tuition support" means the amount of state funds to be distributed to:

(1) a school corporation other than a virtual charter school in any ~~calendar~~ **state fiscal** year under this article for all grants, distributions, and awards described in IC 20-43-2-3; and

(2) a virtual charter school in any ~~calendar~~ **state fiscal** year under IC 20-43-6-3.

SECTION 285. IC 20-43-2-1, AS AMENDED BY P.L.146-2008, SECTION 481, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 1. The department shall distribute the amount appropriated by the general assembly for distribution as state tuition support in accordance with this article. If the appropriations for distribution as state tuition support are more than required under this article, any excess shall revert to the state general fund. The appropriations for state tuition support shall be made each ~~calendar~~ **state fiscal** year under a schedule set by the budget agency and approved by the governor. However, the schedule must provide:

(1) for at least twelve (12) payments;

(2) that one (1) payment shall be made at least every forty (40) days; and

(3) the total of the payments in each ~~calendar~~ **state fiscal** year must equal the amount required under this article.

SECTION 286. IC 20-43-2-2, AS AMENDED BY P.L.229-2011, SECTION 204, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 2. The maximum state distribution for a ~~calendar~~ **state fiscal** year for all school corporations for the purposes described in section 3 of this chapter is

~~(1) six billion two hundred forty-seven million eight hundred thousand dollars ($6,247,800,000) in 2011;~~

~~(2) six billion two hundred seventy-seven million eight hundred thousand dollars ($6,277,800,000) in 2012; and~~

~~(3) six billion three hundred thirty-nine million six hundred thousand dollars ($6,339,600,000) in 2013.~~ **the amount appropriated by the general assembly for those purposes for that state fiscal**

year.

SECTION 287. IC 20-43-2-3, AS AMENDED BY P.L.229-2011, SECTION 205, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 3. If the total amount to be distributed:

(1) as basic tuition support;

(2) for honors diploma awards;

(3) for ~~primetime distributions;~~ **complexity grants;**

(4) for special education grants; ~~and~~

(5) for career and technical education grants;

(6) for choice scholarships;

(7) for Mitch Daniels early graduation scholarships; and

(8) for full-day kindergarten grants;

for a particular **state fiscal** year exceeds the ~~maximum state distribution~~ **amounts appropriated by the general assembly for those purposes** for ~~a calendar~~ **the state fiscal** year, the **total** amount to be distributed for ~~state tuition support under this article~~ **those purposes** to each ~~school corporation~~ **recipient** during ~~each of~~ the ~~last six (6)~~ **remaining** months of the **state fiscal** year shall be proportionately reduced so that the total reductions equal the amount of the excess.

SECTION 288. IC 20-43-2-7.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 7.5. (a) Before July 1 of each year, the budget agency, with the assistance of the department, shall estimate the amount of the distributions that will be made for choice scholarships for the following state fiscal year.**

(b) In the state fiscal year beginning July 1, 2013, the budget agency may transfer money from the state tuition reserve fund to the state general fund if the budget director, after review by the budget committee, makes a determination that the amount of the distribution for that state fiscal year for basic tuition support has been reduced under section 3 of this chapter because the amount of the distributions for the state fiscal year for choice scholarships has exceeded the estimated amount of the distributions for choice scholarships for the state fiscal year, as determined under subsection (a). The maximum amount that may be transferred to the state general fund under this subsection for the state fiscal year may not exceed the lesser of:

(1) the amount of the reduction in basic tuition support distributions described in this subsection; or

(2) twenty-five million dollars ($25,000,000).

Any amounts transferred under this subsection shall be used to augment the appropriation for state tuition support for the state fiscal year and shall be distributed to school corporations to restore the distributions for basic tuition support that are reduced under section 3 of this chapter.

(c) In the state fiscal year beginning July 1, 2014, the budget agency may transfer money from the state tuition reserve fund to the state general fund if the budget director, after review by the budget committee, makes a determination that the amount of the distribution for that state fiscal year for basic tuition support has been reduced under section 3 of this chapter because the amount of the distributions for the state fiscal year for choice scholarships has exceeded the estimated amount of the distributions for choice scholarships for the state fiscal year, as determined under subsection (a). The maximum amount that may be transferred to the state general fund under this subsection for the state fiscal year may not exceed the lesser of:

(1) the amount of the reduction in basic tuition support distributions described in this subsection; or

(2) twenty-five million dollars ($25,000,000).

Any amounts transferred under this subsection shall be used to augment the appropriation for state tuition support for the state fiscal year and shall be distributed to school corporations to restore the distributions for basic tuition support that are reduced under section 3 of this chapter.

(d) Transfers under this section are in addition to any transfers made from the state tuition reserve fund under IC 4-12-1-15.7 or any other law.

(e) This section expires June 30, 2015.

SECTION 289. IC 20-43-2-8 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 8. (a) Beginning July 1, 2013, distributions for basic tuition support, honors diploma awards, complexity grants, special education grants, career and technical education grants, choice scholarships, Mitch Daniels early graduation scholarships, and full-day kindergarten grants shall be made on a state fiscal year basis rather than a calendar year basis.**

(b) The following is the intent of the general assembly:

(1) The distributions for basic tuition support, honors diploma awards, special education grants, career and technical education grants, choice scholarships, and Mitch Daniels early graduation scholarships that are provided for under this article (as this article exists on January 1, 2013) for calendar year 2013 shall be made only during the first six (6) months of calendar year 2013.

(2) Except as otherwise provided, the distributions for basic tuition support, honors diploma awards, complexity grants, special education grants, career and technical education grants, choice scholarships, Mitch Daniels early graduation scholarships, and full-day kindergarten grants that are provided for under this article (as this article exists on July 1, 2013) shall be made during the state fiscal year beginning July 1, 2013.

(3) IC 20-43-3-7 applies to the distributions made after June 30, 2013.

(c) The department shall make any adjustments required to carry out the change from distributions made on a calendar year basis to distributions made on a state fiscal year basis.

SECTION 290. IC 20-43-3-4, AS AMENDED BY P.L.229-2011, SECTION 206, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) **This subsection applies to the determination of a school corporation's previous year's revenue for purposes of determining distributions under this article before July 1, 2013.** A school corporation's previous year revenue equals the amount determined under STEP TWO of the following formula:

STEP ONE: Determine ~~the sum of the following:~~

~~(A)~~ the school corporation's basic tuition support actually received for the year that precedes the current year.

~~(B) For 2012, the restoration grant (IC 20-43-12 (repealed)) actually received for 2011.~~

~~(C) For 2012, the small school grant (IC 20-43-12.2 (repealed)) actually received for 2011.~~

STEP TWO: Subtract from the STEP ONE result an amount equal to the reduction in the school corporation's state tuition support under any combination of subsection ~~(b)~~ **(d)** or IC 20-30-2-4.

(b) This subsection applies to the determination of a school corporation's previous year's revenue for purposes of determining distributions under this article after June 30, 2013, but before July 1, 2014. A school corporation's previous year revenue equals the amount determined under STEP THREE of the following formula:

STEP ONE: Determine the school corporation's basic tuition support actually received for the state fiscal year that precedes the current state fiscal year.

STEP TWO: After making the following calculations, subtract the amount determined under clause (H) from the STEP ONE result:

(A) Subtract one (1) from the school corporation's 2012 complexity index.

(B) Multiply the clause (A) result by the school corporation's 2012 ADM.

(C) Multiply the clause (B) result by four thousand two hundred eighty dollars ($4,280).

(D) Subtract one (1) from the school corporation's 2013 complexity index.

(E) Multiply the clause (D) result by the school corporation's 2013 ADM.

(F) Multiply the clause (E) result by four thousand four hundred five dollars ($4,405).

(G) Determine the sum of the clause (C) and clause (F) results.

(H) Divide the clause (G) result by two (2).

STEP THREE: Subtract from the STEP TWO result an amount equal to the reduction in the

school corporation's state tuition support under any combination of subsection (d) or IC 20-30-2-4.

(c) This subsection applies to the determination of a school corporation's previous year's revenue for purposes of determining distributions under this article after June 30, 2014. A school corporation's previous year revenue equals the amount determined under STEP TWO of the following formula:

STEP ONE: Determine the school corporation's basic tuition support actually received for the state fiscal year that immediately precedes the current state fiscal year.

STEP TWO: Subtract from the STEP ONE result an amount equal to the reduction in the school corporation's state tuition support under any combination of subsection (d) or IC 20-30-2-4.

~~(b)~~ **(d)** A school corporation's previous year revenue must be reduced if:

(1) the school corporation's state tuition support for special education or career and technical education is reduced as a result of a complaint being filed with the department after December 31, 1988, because the school program overstated the number of children enrolled in special education programs or career and technical 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 state tuition support for special education and career and technical education because of the overstatement.

SECTION 291. IC 20-43-3-7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 7. (a) This section applies to distributions under this article that:**

(1) are computed in any part based on a count of students under IC 20-43-4-2; and

(2) are made after June 30, 2013.

(b) If the state board subsequently adjusts under IC 20-43-4-2 a count used for a distribution under this article, the department shall adjust subsequent distributions to the school corporation that are affected by the adjusted count, on the schedule determined by the department, to reflect the differences between the distribution that the school corporation received and the distribution that the school corporation would have received if the adjusted count had been used.

SECTION 292. IC 20-43-4-2, AS ADDED BY P.L.2-2006, SECTION 166, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. **(a)** A school corporation's ADM is the number of eligible pupils enrolled in:

(1) the school corporation; or

(2) a transferee corporation;

on ~~a day to be~~ **the days** fixed ~~annually~~ **in September and in February** by the state board **for a count of students under section 3 of this chapter** and as subsequently adjusted not later than ~~January 30~~ **the date specified** under the rules adopted by the state board. **The state board may adjust the school's count of eligible pupils if the state board determines that the count is unrepresentative of the school corporation's enrollment. In addition, a school corporation may petition the state board to make an adjusted count of students enrolled in the school corportion if the corporation has reason to believe that the count is unrepresentative of the school corporation's enrollment.**

(b) Each school corporation shall in June of 2013 and in May of each year thereafter provide to the department an estimate of the school corporation's ADM that will result from the count of eligible pupils in the following September. The department may update and adjust the estimate as determined appropriate by the department.

SECTION 293. IC 20-43-4-4, AS ADDED BY P.L.2-2006, SECTION 166, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 4. **(a)** The state board shall monitor changes that occur after the fall **count of** ADM ~~count~~ in the number of students enrolled in programs for children with disabilities. The state board shall:

(1) before December 2 of that same year; and
(2) before April 2 of the following calendar year;
make an adjusted count of students enrolled in programs for children with disabilities. The state superintendent 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. **The state board may adjust the school's count of students enrolled in programs for children with disabilities if the state board determines that the count is unrepresentative of the school corporation's enrollment.**

(b) The department shall distribute special education grants under IC 20-43-7 using only the count specified in IC 20-43-7-1.

SECTION 294. IC 20-43-4-4.6 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 4.6. IC 20-43-8-1 applies to a count of students for career and technical education grants.**

SECTION 295. IC 20-43-4-6, AS AMENDED BY P.L.234-2007, SECTION 239, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 6. (a) In determining ADM, each pupil enrolled in a public school and a nonpublic school is to be counted on a full-time equivalency basis if the pupil:
(1) is enrolled in a public school and a nonpublic school;
(2) has legal settlement in a school corporation; and
(3) receives instructional services from the school corporation.

(b) For purposes of this section, full-time equivalency is calculated as follows:
STEP ONE: Determine the result of:
(A) the number of days instructional services will be provided to the pupil, not to exceed one hundred eighty (180); divided by
(B) one hundred eighty (180).
STEP TWO: Determine the result of:
(A) the pupil's public school instructional time (as defined in IC 20-30-2-1); divided by
(B) the actual public school regular instructional day (as defined in IC 20-30-2-2).
STEP THREE: Determine the result of:
(A) the STEP ONE result; multiplied by
(B) the STEP TWO result.
STEP FOUR: Determine the lesser of one (1) or the result of:
(A) the STEP THREE result; multiplied by
(B) one and five hundredths (1.05).
However, the state board may, by rules adopted under IC 4-22-2, specify an equivalent formula if the state board determines that the equivalent formula would more accurately reflect the instructional services provided by a school corporation during a period that a particular ADM count is in effect for the school corporation.

SECTION 296. IC 20-43-4-7, AS AMENDED BY P.L.229-2011, SECTION 207, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 7. ~~When calculating adjusted ADM for 2012 distributions, this section, as effective after December 31, 2011, shall be used to calculate the adjusted ADM for the previous year rather than the calculation used to calculate adjusted ADM for 2011 distributions.~~ For purposes of this article, a school corporation's "adjusted ADM" for the current year is the school corporation's current ADM. **However, for purposes of determining the adjusted ADM for distributions in the state fiscal year beginning July 1, 2013, and in the state fiscal year beginning July 1, 2014, the school corporation's February count of ADM may not be less than ninety percent (90%) of the school corporation's September count of ADM, regardless of the actual amount of the February count of ADM.**

SECTION 297. IC 20-43-4-9 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 9. (a) This subsection applies to the calculation of state tuition support distributions that are:**

(1) made before July 1, 2013; and

(2) based on the current ADM of a school corporation.

The fall count of ADM for the school year ending June 30, 2013, as adjusted by the state board under section 2 of this chapter, shall be used to compute state tuition support distributions.

(b) Subject to subsection (c), this subsection applies to the calculation of state tuition support distributions that are:

(1) made after June 30, 2013; and

(2) based on the current ADM of a school corporation.

The fall count of ADM, as adjusted by the state board under section 2 of this chapter, shall be used to compute state tuition support distributions made in the first six (6) months of the current state fiscal year, and the spring count of ADM, as adjusted by the state board under section 2 of this chapter, shall be used to compute state tuition support distributions made in the second six (6) months of the state fiscal year.

(c) If the state board adjusts a count of ADM after a distribution is made under this article, the adjusted count retroactively applies to the amount of state tuition support distributed to a school corporation affected by the adjusted count. The department shall settle any overpayment or underpayment of state tuition support resulting from an adjusted count of ADM on the schedule determined by the department and approved by the budget agency.

SECTION 298. IC 20-43-5-1, AS AMENDED BY P.L.234-2007, SECTION 241, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 1. A school corporation's transition to foundation revenue per adjusted ADM for a ~~calendar~~ **state fiscal** year is the amount determined under section 9 of this chapter.

SECTION 299. IC 20-43-5-2, AS AMENDED BY P.L.234-2007, SECTION 242, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 2. The following amounts must be determined under this chapter to calculate a school corporation's transition to foundation revenue per adjusted ADM for a ~~calendar~~ **state fiscal** year:

(1) The school corporation's complexity index for the ~~calendar~~ **state fiscal** year under section 3 of this chapter.

(2) The school corporation's foundation amount for the ~~calendar~~ **state fiscal** year under section 4 of this chapter.

(3) The school corporation's previous year revenue foundation amount for the ~~calendar~~ **state fiscal** year under section 5 of this chapter.

(4) The school corporation's transition to foundation amount for the ~~calendar~~ **state fiscal** year under section 6 of this chapter.

(5) The school corporation's transition to foundation revenue for the ~~calendar~~ **state fiscal** year under section 7 of this chapter.

SECTION 300. IC 20-43-5-4, AS AMENDED BY P.L.229-2011, SECTION 209, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. A school corporation's foundation amount ~~for a calendar year is the result determined under STEP THREE of the following formula:~~ **is the STEP ONE amount (for a state fiscal year beginning after June 30, 2013) or the STEP THREE amount (for the first six (6) months of 2013) determined as follows:**

STEP ONE: The STEP ONE amount is

~~(A) in 2012, four thousand two hundred eighty dollars ($4,280); and~~ **as follows:**

~~(B)~~ **(A)** In **the first six (6) months of** 2013, four thousand four hundred five dollars ($4,405).

(B) In the state fiscal year beginning July 1, 2013, four thousand five hundred sixty-nine dollars ($4,569).

(C) In the state fiscal year beginning July 1, 2014, four thousand five hundred eighty-seven dollars ($4,587).

STEP TWO: **For the first six (6) months of 2013,** multiply the STEP ONE amount by the school corporation's complexity index.

STEP THREE: **For the first six (6) months of 2013,** determine the sum of the STEP TWO amount and the following:

(A) Zero dollars ($0), if the school corporation's current ADM is less than five hundred (500).

(B) One hundred fifty dollars ($150), if the school corporation's current ADM is at least five hundred (500) and is not more than one thousand (1,000).

(C) The result of one hundred fifty thousand dollars ($150,000) divided by the school corporation's current ADM, if the school corporation's current ADM is more than one thousand (1,000).

SECTION 301. IC 20-43-5-5, AS AMENDED BY P.L.182-2009(ss), SECTION 335, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 5. A school corporation's previous year revenue foundation amount for a ~~calendar~~ **state fiscal** year is equal to the result of:

(1) the school corporation's previous year revenue; divided by

(2) the school corporation's ~~adjusted~~ ADM ~~for~~ **of** the previous year.

SECTION 302. IC 20-43-5-6, AS AMENDED BY P.L.229-2011, SECTION 210, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 6. (a) A school corporation's transition to foundation amount for a ~~calendar~~ **state fiscal** year is equal to the result determined under STEP TWO of the following formula:

STEP ONE: Determine the difference of:

(A) the school corporation's foundation amount; minus

(B) ~~the lesser of:~~

~~(i)~~ the school corporation's previous year revenue foundation amount. ~~or~~

~~(ii) the result of the school corporation's foundation amount multiplied by one and two-tenths (1.2).~~

STEP TWO: A school corporation's STEP TWO amount is the following:

(A) For a charter school located outside Marion County that has previous year revenue that is not greater than zero (0), the charter school's STEP TWO amount is the quotient of:

(i) the school corporation's transition to foundation revenue for the ~~calendar~~ **state fiscal** year where the charter school is located; divided by

(ii) the school corporation's current ADM.

(B) For a charter school located in Marion County that has previous year revenue that is not greater than zero (0), the charter school's STEP TWO amount is the weighted average of the transition to foundation revenue for the school corporations where the students counted in the current ADM of the charter school have legal settlement, as determined under item (iv) of the following formula:

(i) Determine the transition to foundation revenue for each school corporation where a student counted in the current ADM of the charter school has legal settlement.

(ii) For each school corporation identified in item (i), divide the item (i) amount by the school corporation's current ADM.

(iii) For each school corporation identified in item (i), multiply the item (ii) amount by the number of students counted in the current ADM of the charter school that have legal settlement in the particular school corporation.

(iv) Determine the sum of the item (iii) amounts for the charter school.

(C) The STEP TWO amount for a school corporation that is not a charter school described in clause (A) or (B) is the following:

(i) The school corporation's foundation amount for the ~~calendar~~ **state fiscal** year if the STEP ONE amount is zero (0) or greater.

(ii) The amount determined under subsection (b), if the school corporation's STEP ONE amount is less than zero (0).

(b) For the purposes of STEP TWO (C)(ii) in subsection (a), determine the result of:

(1) the result determined for the school corporation under STEP ONE (B) of subsection (a); minus
(2) the result of:
(A) the absolute value of the STEP ONE amount; divided by
(B) ~~seven (7) in 2012 and six (6) in 2013.~~ **the following:**
(i) Five (5) in the state fiscal year beginning July 1, 2013.
(ii) Four (4) in the state fiscal year beginning July 1, 2014.

SECTION 303. IC 20-43-5-7, AS AMENDED BY P.L.229-2011, SECTION 211, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 7. A school corporation's transition to foundation revenue for a ~~calendar~~ **state fiscal** year is equal to the product of:
(1) the school corporation's transition to foundation amount for the ~~calendar~~ **state fiscal** year; multiplied by
(2) the school corporation's current ADM.

SECTION 304. IC 20-43-5-9, AS AMENDED BY P.L.234-2007, SECTION 247, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 9. A school corporation's transition to foundation revenue per adjusted ADM for a ~~calendar~~ **state fiscal** year is the quotient of:
(1) the school corporation's transition to foundation revenue for the ~~calendar~~ **state fiscal** year; divided by
(2) the school corporation's current adjusted ADM.

SECTION 305. IC 20-43-6-1, AS AMENDED BY P.L.182-2009(ss), SECTION 338, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 1. Subject to the amount appropriated by the general assembly for state tuition support and IC 20-43-2, the amount that a school corporation is entitled to receive in basic tuition support for a **state fiscal** year is the amount determined in section 3 of this chapter.

SECTION 306. IC 20-43-6-3, AS AMENDED BY P.L.229-2011, SECTION 212, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 3. (a) A school corporation's basic tuition support for a **state fiscal** year is the amount determined under the applicable provision of this section.

(b) The school corporation's basic tuition support for a **state fiscal** year is equal to the school corporation's transition to foundation revenue for the year.

(c) This subsection applies to students of a virtual charter school. A virtual charter school's basic tuition support for a **state fiscal** year for those students is the amount determined under IC 20-24-7-13.

SECTION 307. IC 20-43-7-1, AS ADDED BY P.L.2-2006, SECTION 166, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 1. **(a)** In addition to the amount a school corporation is entitled to receive in basic tuition support, each school corporation is entitled to receive a grant for special education programs **for the state fiscal year. Subject to subsections (b) and (c),** the amount of the special education grant is based on the count of eligible pupils enrolled in special education programs on December 1 of the preceding **state fiscal** year in:
(1) the school corporation; or
(2) a transferee corporation.

(b) Before February 1 of each calendar year, the department shall determine the result of:
(1) the total amount of the special education grant that would have been received by the school corporation during the months of July, August, September, October, November, and December of the preceding calendar year and January of the current calendar year if the grant had been based on the count of students with disabilities that was made on the immediately preceding December 1; minus
(2) the total amount of the special education grant received by the school corporation during the months of July, August, September, October, November, and December of the preceding calendar year and January of the current calendar year.

If the result determined under this subsection is positive, the school corporation shall receive an additional special education grant distribution in February equal to the result determined under

this subsection. If the result determined under this subsection is negative, the special education grant distributions that otherwise would be received by the school corporation in February, March, April, and May shall be proportionately reduced so that the total reduction is equal to the result determined under this subsection.

(c) The special education grant distributions made in February, March, April, May, and June of a calendar year shall be based on the count of students with disabilities that was made on the immediately preceding December 1.

SECTION 308. IC 20-43-7-6, AS AMENDED BY P.L.182-2009(ss), SECTION 340, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 6. A school corporation's special education grant for a ~~calendar~~ **state fiscal** year is equal to the sum of the following:

(1) The nonduplicated count of pupils in programs for severe disabilities multiplied by eight thousand three hundred fifty dollars ($8,350).

(2) The nonduplicated count of pupils in programs of mild and moderate disabilities multiplied by two thousand two hundred sixty-five dollars ($2,265).

(3) The duplicated count of pupils in programs for communication disorders multiplied by five hundred thirty-three dollars ($533).

(4) The cumulative count of pupils in homebound programs multiplied by five hundred thirty-three dollars ($533).

(5) The nonduplicated count of pupils in special preschool education programs multiplied by two thousand seven hundred fifty dollars ($2,750).

SECTION 309. IC 20-43-8-0.5 IS REPEALED [EFFECTIVE JANUARY 1, 2014]. ~~Sec. 0.5. This chapter does not apply to a virtual charter school.~~

SECTION 310. IC 20-43-8-1, AS ADDED BY P.L.2-2006, SECTION 166, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 1. Pupil enrollment under this chapter shall be determined at the same time that a school corporation's **fall count of** ADM is determined.

SECTION 311. IC 20-43-8-2, AS AMENDED BY P.L.234-2007, SECTION 137, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 2. (a) Before December 1 of each year, the department of workforce development shall provide the department with a report, to be used to determine career and technical education grant amounts in the ~~second calendar~~ **state fiscal** year **beginning** after the year in which the report is provided, listing whether the labor market demand for each generally recognized labor category is more than moderate, moderate, or less than moderate. In the report, the department of workforce development shall categorize each of the career and technical education programs using the following four (4) categories:

(1) Programs that address employment demand for individuals in labor market categories that are projected to need more than a moderate number of individuals.

(2) Programs that address employment demand for individuals in labor market categories that are projected to need a moderate number of individuals.

(3) Programs that address employment demand for individuals in labor market categories that are projected to need less than a moderate number of individuals.

(4) All programs not covered by the employment demand categories of subdivisions (1) through (3).

(b) Before December 1 of each year, the department of workforce development shall provide the department with a report, to be used to determine grant amounts that will be distributed under this chapter in the ~~second calendar~~ **state fiscal** year **beginning** after the year in which the report is provided, listing whether the average wage level for each generally recognized labor category for which career and technical education programs are offered is a high wage, a moderate wage, or a less than moderate wage.

(c) In preparing the labor market demand report under subsection (a) and the average wage level report under subsection (b), the department of workforce development shall, if possible, list the labor market demand and the average wage level for specific regions, counties, and municipalities.

(d) If a new career and technical education program is created by rule of the state board, the

department of workforce development shall determine the category in which the program should be included.

SECTION 312. IC 20-43-8-9, AS AMENDED BY P.L.234-2007, SECTION 139, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 9. A school corporation's career and technical education grant for a ~~calendar~~ **state fiscal** year is the sum of the following amounts:

STEP ONE: For each career and technical education program provided by the school corporation:

(A) the number of credit hours of the program (either one (1) credit, two (2) credits, or three (3) credits); multiplied by

(B) the number of students enrolled in the program; multiplied by

(C) the following applicable amount:

(i) Four hundred fifty dollars ($450), in the case of a program described in section 5 of this chapter (more than a moderate labor market need) for which the average wage level determined under section 2(b) of this chapter is a high wage.

(ii) Three hundred seventy-five dollars ($375), in the case of a program described in section 5 of this chapter (more than a moderate labor market need) for which the average wage level determined under section 2(b) of this chapter is a moderate wage.

(iii) Three hundred dollars ($300), in the case of a program described in section 5 of this chapter (more than a moderate labor market need) for which the average wage level determined under section 2(b) of this chapter is a less than moderate wage.

(iv) Three hundred seventy-five dollars ($375), in the case of a program described in section 6 of this chapter (moderate labor market need) for which the average wage level determined under section 2(b) of this chapter is a high wage.

(v) Three hundred dollars ($300), in the case of a program described in section 6 of this chapter (moderate labor market need) for which the average wage level determined under section 2(b) of this chapter is a moderate wage.

(vi) Two hundred twenty-five dollars ($225), in the case of a program described in section 6 of this chapter (moderate labor market need) for which the average wage level determined under section 2(b) of this chapter is a less than moderate wage.

(vii) Three hundred dollars ($300), in the case of a program described in section 7 of this chapter (less than a moderate labor market need) for which the average wage level determined under section 2(b) of this chapter is a high wage.

(viii) Two hundred twenty-five dollars ($225), in the case of a program described in section 7 of this chapter (less than a moderate labor market need) for which the average wage level determined under section 2(b) of this chapter is a moderate wage.

(ix) One hundred fifty dollars ($150), in the case of a program described in section 7 of this chapter (less than a moderate labor market need) for which the average wage level determined under section 2(b) of this chapter is a less than moderate wage.

STEP TWO: The number of pupils described in section 8 of this chapter (all other programs) multiplied by two hundred fifty dollars ($250).

STEP THREE: The number of pupils participating in a career and technical education program in which pupils from multiple schools are served at a common location multiplied by one hundred fifty dollars ($150).

SECTION 313. IC 20-43-9-6 IS REPEALED [EFFECTIVE JULY 1, 2013]. ~~Sec. 6. A school corporation's primetime distribution for a calendar year under this chapter is the amount determined by the following formula:~~

~~STEP ONE: Determine the applicable target pupil/teacher ratio for the school corporation as follows:~~

~~(A) If the school corporation's complexity index is less than one and one-tenth (1.1), the school corporation's target pupil/teacher ratio is eighteen to one (18:1).~~

~~(B) If the school corporation's complexity index is at least one and one-tenth (1.1) but less than one and three-tenths (1.3), the school corporation's target pupil/teacher ratio is fifteen (15) plus the result determined in item (iii) to one (1):~~

~~(i) Determine the result of one and three-tenths (1.3) minus the school corporation's complexity index.~~

~~(ii) Determine the item (i) result divided by two-tenths (0.2).~~

~~(iii) Determine the item (ii) result multiplied by three (3).~~

~~(C) If the school corporation's complexity index is at least one and three-tenths (1.3), the school corporation's target pupil/teacher ratio is fifteen to one (15:1).~~

~~STEP TWO: Determine the result of:~~

~~(A) the ADM of the school corporation in kindergarten through grade 3 for the current school year; divided by~~

~~(B) the school corporation's applicable target pupil/teacher ratio, as determined in STEP ONE.~~

~~STEP THREE: Determine the result of:~~

~~(A) the basic tuition support for the year multiplied by seventy-five hundredths (0.75); divided by~~

~~(B) the school corporation's ADM.~~

~~STEP FOUR: Determine the result of:~~

~~(A) the STEP THREE result; multiplied by~~

~~(B) the ADM of the school corporation in kindergarten through grade 3 for the current school year.~~

~~STEP FIVE: Determine the result of:~~

~~(A) the STEP FOUR result; divided by~~

~~(B) the staff cost amount.~~

~~STEP SIX: Determine the greater of zero (0) or the result of:~~

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

~~(B) the STEP FIVE amount.~~

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

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

~~(B) the staff cost amount.~~

~~STEP EIGHT: Determine the greater of the STEP SEVEN amount or:~~

~~(A) for 2012, fifty percent (50%) of the school corporation's guaranteed primetime amount; or~~

~~(B) for 2013, zero (0).~~

~~STEP NINE: A school corporation's amount under this STEP is the following:~~

~~(A) If the amount the school corporation received under this chapter in the previous calendar year is greater than zero (0), the amount under this STEP is the lesser of:~~

~~(i) the STEP EIGHT amount; or~~

~~(ii) the amount the school corporation received under this chapter for the previous calendar year multiplied by one hundred seven and one-half percent (107.5%).~~

~~(B) If the amount the school corporation received under this chapter in the previous calendar year is not greater than zero (0), the amount under this STEP is the STEP EIGHT amount.~~

SECTION 314. IC 20-43-9-12 IS REPEALED [EFFECTIVE JULY 1, 2013]. ~~Sec. 12. (a) The department shall adjust distributions made to a school corporation, including a charter school, after May 13, 2005, 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, before its repeal, now codified in this chapter), 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 P.L.246-2005, before its repeal, now codified in this chapter).~~

~~(b) The adjustments required under this section shall be made on the schedule determined by the~~

~~department of education.~~

SECTION 315. IC 20-43-10-0.5 IS REPEALED [EFFECTIVE JANUARY 1, 2014]. ~~Sec. 0.5. This chapter does not apply to a virtual charter school.~~

SECTION 316. IC 20-43-10-2, AS AMENDED BY P.L.229-2011, SECTION 219, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 2. (a) A school corporation's honors diploma award for a ~~calendar~~ **state fiscal** year is the amount determined under STEP FOUR 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~~ **state fiscal** year.

STEP TWO: Determine the result of:

(A) the number of the school corporation's eligible pupils who successfully completed a Core 40 diploma with technical honors program in the school year ending in the previous ~~calendar~~ **state fiscal** year; minus

(B) the number of eligible pupils who would otherwise be double counted under both clause (A) and STEP ONE.

STEP THREE: Determine the sum of the number of eligible students determined under STEP ONE and the number of eligible students determined under STEP TWO.

STEP FOUR: Multiply the STEP THREE amount by ~~nine hundred dollars ($900).~~ **one thousand dollars ($1,000).**

(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 honors diploma program; and

(2) the school corporation's program for high ability students.

(c) A governing body that does not comply with this section for a school year is not eligible to receive an honors diploma award for the following school year.

SECTION 317. IC 20-43-10-3 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 3. (a) As used in this section, "achievement test" means a:**

(1) test required by the ISTEP program; or

(2) Core 40 end of course assessment for the following:

(A) Algebra I.

(B) English 10.

(C) Biology I.

(b) As used in this section, "graduation rate" means the percentage graduation rate for a high school in a school corporation as determined under IC 20-26-13-10 but adjusted to reflect the pupils who meet the requirements of graduation under subsection (d).

(c) As used in this section, "test" means either:

(1) a test required by the ISTEP program; or

(2) a Core 40 end of course assessment;

in the school year ending in the immediately preceding state fiscal year or, for purposes of a school year to school year comparison, in the school year immediately preceding that school year.

(d) A pupil meets the requirements of graduation for purposes of this section if the pupil successfully completed:

(1) a sufficient number of academic credits, or the equivalent of academic credits; and

(2) the graduation examination required under IC 20-32-3 through IC 20-32-6;

that resulted in the awarding of a high school diploma or an academic honors diploma to the pupil for the school year ending in the immediately preceding state fiscal year.

(e) Determinations for a school for a state fiscal year must be made using:

(1) the count of tests passed compared to the count of tests taken throughout the school;

(2) the graduation rate in the high school; and

(3) the count of pupils graduating in the high school.

(f) In determining grants under this section, a school corporation may qualify for the following each year:

(1) One (1) grant under subsection (h), (i), or (j).

(2) One (1) grant under subsection (k), (l), or (m).

(g) The sum of the grant amounts determined for a school corporation under this section constitutes an annual performance grant that is in addition to state tuition support. The annual performance grant for a state fiscal year shall be distributed to the school corporation before December 5 of that state fiscal year. The performance grant received by a school corporation may be used only to pay cash awards to teachers who are rated as effective or as highly effective.

(h) A school qualifies for a grant under this subsection if the school has more than seventy-two and five-tenths percent (72.5%) but less than ninety percent (90%) of the tests taken in the school year ending in the immediately preceding state fiscal year that receive passing scores. The grant amount for the state fiscal year is:

(1) the count of the school's passing scores on tests in the school year ending in the immediately preceding state fiscal year; multiplied by

(2) twenty-three dollars and fifty cents ($23.50).

(i) A school qualifies for a grant under this subsection if the school has at least ninety percent (90%) of the tests taken in the school year ending in the immediately preceding state fiscal year that receive passing scores. The grant amount for the state fiscal year is:

(1) the count of the school's passing scores on tests in the school year ending in the immediately preceding state fiscal year; multiplied by

(2) forty-seven dollars ($47).

(j) This subsection does not apply to a school corporation in its first year of operation. A school qualifies for a grant under this subsection if the school's school year over school year percentage growth rate of tests receiving passing scores was at least five percent (5%), comparing the school year ending in the immediately preceding state fiscal year to the school year immediately preceding that school year. The grant amount for the state fiscal year is:

(1) the count of the school corporation's pupils who had a passing score on their achievement test in the school year ending in the immediately preceding state fiscal year; multiplied by

(2) forty-seven dollars ($47).

(k) A school qualifies for a grant under this subsection if the school had a graduation rate of ninety percent (90%) or more for the school year ending in the immediately preceding state fiscal year. The grant amount for the state fiscal year is:

(1) the count of the school corporation's pupils who met the requirements for graduation for the school year ending in the immediately preceding state fiscal year; multiplied by

(2) one hundred seventy-six dollars ($176).

(l) A school qualifies for a grant under this subsection if the school had a graduation rate greater than seventy-five percent (75%) but less than ninety percent (90%) for the school year ending in the immediately preceding state fiscal year. The grant amount for the state fiscal year is:

(1) the count of the school corporation's pupils who met the requirements for graduation for the school year ending in the immediately preceding state fiscal year; multiplied by

(2) eighty-eight dollars ($88).

(m) This subsection does not apply to a school in its first year of operation. A school qualifies for a grant under this subsection if the school's school year over school year percentage growth in its

graduation rate is at least five percent (5%), comparing the graduation rate for the school year ending in the immediately preceding state fiscal year to the graduation rate for the school year immediately preceding that school year. The grant amount for the state fiscal year is:

(1) the count of the school corporation's pupils who met the requirements for graduation in the school year ending in the immediately preceding state fiscal year; multiplied by

(2) one hundred seventy-six dollars ($176).

(n) This section expires June 30, 2015.

SECTION 318. IC 20-43-13 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]:

Chapter 13. Complexity Grants

Sec. 1. This chapter applies to all school corporations, including virtual charter schools.

Sec. 2. The total amount to be distributed under this chapter to a school corporation or charter school for the state fiscal year beginning July 1, 2013, is the amount determined in STEP FOUR or STEP SIX (whichever is applicable) of the following formula:

STEP ONE: Determine the greater of zero (0) or the result determined under clause (B) after making the following determinations:

(A) Determine the percentage of the school corporation's students who were eligible for free or reduced price lunches in the school year ending in the later of:

(i) 2013; or

(ii) the first year of operation of the school corporation.

For a conversion charter school, the percentage determined under this clause is the percentage of the sponsor school corporation.

(B) Determine the quotient of:

(i) the percentage determined under clause (A); divided by

(ii) two (2).

STEP TWO: This STEP applies if the result determined under clause (B) of STEP ONE is greater than thirty-three hundredths (0.33). Determine the result of the following:

(A) Subtract thirty-three hundredths (0.33) from the result determined under clause (B) of STEP ONE.

(B) Determine the sum of:

(i) the result determined under clause (B) of STEP ONE; plus

(ii) the clause (A) result.

STEP THREE: This STEP applies if STEP TWO applies. Determine the product of:

(A) the STEP TWO result; multiplied by

(B) the school corporation's foundation amount for the state fiscal year.

STEP FOUR: This STEP applies if STEP TWO applies. Determine the product of:

(A) the STEP THREE result; multiplied by

(B) the school corporation's current ADM.

STEP FIVE: This STEP applies if the result determined under clause (B) of STEP ONE is less than or equal to thirty-three hundredths (0.33). Determine the product of:

(A) the result determined under clause (B) of STEP ONE; multiplied by

(B) the school corporation's foundation amount for the state fiscal year.

STEP SIX: This STEP applies if STEP FIVE applies. Determine the product of:

(A) the STEP FIVE result; multiplied by

(B) the school corporation's current ADM.

Sec. 3. The total amount to be distributed under this chapter to a school corporation or charter school for the state fiscal year beginning July 1, 2014, is the amount determined in STEP FOUR or STEP SIX (whichever is applicable) of the following formula:

STEP ONE: Determine the greater of zero (0) or the result determined under clause (B) after making the following determinations:

(A) Determine the percentage of the school corporation's students who were receiving financial assistance under IC 20-33-5 in the school year ending in the later of:
(i) 2014; or
(ii) the first year of operation of the school corporation.
For a conversion charter school, the percentage determined under this clause is the percentage of the sponsor school corporation.
(B) Determine the quotient of:
(i) the percentage determined under clause (A); divided by
(ii) two (2).
STEP TWO: This STEP applies if the result determined under clause (B) of STEP ONE is greater than thirty-five hundredths (0.35). Determine the result of the following:
(A) Subtract thirty-five hundredths (0.35) from the result determined under clause (B) of STEP ONE.
(B) Determine the sum of:
(i) the result determined under clause (B) of STEP ONE; plus
(ii) the clause (A) result.
STEP THREE: This STEP applies if STEP TWO applies. Determine the product of:
(A) the STEP TWO result; multiplied by
(B) the school corporation's foundation amount for the state fiscal year.
STEP FOUR: This STEP applies if STEP TWO applies. Determine the product of:
(A) the STEP THREE result; multiplied by
(B) the school corporation's current ADM.
STEP FIVE: This STEP applies if the result determined under clause (B) of STEP ONE is less than or equal to thirty-five hundredths (0.35). Determine the product of:
(A) the result determined under clause (B) of STEP ONE; multiplied by
(B) the school corporation's foundation amount for the state fiscal year.
STEP SIX: This STEP applies if STEP FIVE applies. Determine the product of:
(A) the STEP FIVE result; multiplied by
(B) the school corporation's current ADM.
Sec. 4. The complexity index is:
(1) the result determined under clause (B) of STEP ONE in section 2 of this chapter for the state fiscal year beginning July 1, 2013; and
(2) the result determined under clause (B) of STEP ONE in section 3 of this chapter for the state fiscal year beginning July 1, 2014.

SECTION 319. IC 20-43-14 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]:

Chapter 14. Full-Day Kindergarten Grants
Sec. 1. This chapter applies to all school corporations, including virtual charter schools.
Sec. 2. The total amount to be distributed under this chapter to a school corporation or charter school for the state fiscal year beginning July 1, 2013, equals the result of:
(1) two thousand four hundred forty-eight dollars ($2,448); multiplied by
(2) the number of eligible pupils who are:
(A) counted in the current ADM of the school; and
(B) enrolled in and attending full-day kindergarten on the count date on which the current ADM is determined.
Sec. 3. The total amount to be distributed under this chapter to a school corporation or charter school for the state fiscal year beginning July 1, 2014, equals the result of:
(1) two thousand four hundred seventy-two dollars ($2,472); multiplied by
(2) the number of eligible pupils who are:
(A) counted in the current ADM of the school; and

(B) enrolled in and attending full-day kindergarten on the count date on which the current ADM is determined.

Sec. 4. A school corporation or charter school that receives a distribution under this chapter may not charge a fee for enrolling in or attending full-day kindergarten in a school year:

(1) beginning July 1, 2013, and ending June 30, 2014; or

(2) beginning July 1, 2014, and ending June 30, 2015.

SECTION 320. IC 20-45-7-19, AS ADDED BY P.L.2-2006, SECTION 168, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 19. Before July 11 of each year, the state superintendent shall certify to the county auditor:

(1) the consolidated ADA ratio of the qualified school corporations;

(2) the number of pupils in **the current** ADM of each qualified school corporation for the immediately preceding school year, **as determined:**

(A) for a calendar year ending before January 1, 2013, in the fall count of ADM for the school year ending in the calendar year; and

(B) for a calendar year ending after December 31, 2012, in the spring count of ADM for the school year ending in the calendar year; and

(3) an estimate of these statistics for the succeeding school year.

SECTION 321. IC 20-45-7-26, AS ADDED BY P.L.2-2006, SECTION 168, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 26. The entitlement of each qualified school corporation from the fund for each calendar year is the greater of:

(1) the amount of its entitlement for calendar year 2000 from the tax levied under this chapter; or

(2) an amount equal to twenty-seven dollars and fifty cents ($27.50) times its **current** ADM **as determined in the fall count of ADM conducted in the school year ending in the current calendar year.**

SECTION 322. IC 20-45-8-18, AS ADDED BY P.L.2-2006, SECTION 168, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 18. (a) Before July 11 of each year, the state superintendent shall deliver to the county auditor a certified statement of:

(1) for a calendar year ending before January 1, 2013, the **fall count of** ADM in grades 1 through 12 residing in each qualified school corporation for the ~~immediately preceding~~ school year **ending in the calendar year; and**

(2) for a calendar year ending after December 31, 2012, the spring count of ADM in grades 1 through 12 residing in each qualified school corporation for the school year ending in the calendar year.

(b) Upon the receipt of the information, the county auditor shall compute the amount to be distributed to each of the qualified school corporations from the receipts of the tax levy, based on the formula set forth in this chapter.

(c) The county auditor shall annually issue a warrant to the county treasurer ordering the payment to the respective qualified school corporations the various amounts in the fund at each semiannual tax settlement period during the year in which the tax has been collected.

(d) The qualified school corporations and the proper officials and employees of the qualified school corporations shall receive the receipts distributed by the county treasurer in the same manner as other tax receipts are received.

SECTION 323. IC 20-45-8-22, AS ADDED BY P.L.2-2006, SECTION 168, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 22. (a) The amount to be raised by the tax shall be determined in any calendar year by the county auditor and certified to by the board of county commissioners before the time for making the county budgets in the year.

(b) The amount is the total of the entitlements of all qualified school corporations.

(c) The entitlement of each qualified school corporation calculated in a calendar year is an amount equal to the result determined under STEP TWO of the following formula:

STEP ONE: Calculate the quotient of:

(A) the total amount deposited in the fund in calendar year 1979 or the first year in which a deposit was made, whichever is later; divided by

(B) **for:**

(i) a calendar year ending before January 1, 2013, the total ADM of the immediately preceding school year of qualified school corporations that received money from the fund in 1979, **as determined in the fall count of ADM for the school year ending in the immediately preceding calendar year; and**

(ii) a calendar year beginning after December 31, 2012, the total ADM of the immediately preceding school year of qualified school corporations that received money from the fund in 1979, as determined in the spring count of ADM for the school year ending in the immediately preceding calendar year.

STEP TWO: Calculate the product of:

(A) the STEP ONE result; multiplied by

(B) **for:**

(i) a calendar year ending before January 1, 2013, the ADM of the immediately preceding school year of the qualified school corporation that received money from the fund in 1979, **as determined in the fall count of ADM for the school year ending in the immediately preceding calendar year; and**

(ii) a calendar year beginning after December 31, 2012, the total ADM of the immediately preceding school year of qualified school corporations that received money from the fund in 1979, as determined in the spring count of ADM for the school year ending in the immediately preceding calendar year.

SECTION 316. IC 20-49-3-8, AS AMENDED BY P.L.146-2008, SECTION 529, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 8. The fund may be used to make advances:

(1) to school corporations, including school townships, under IC 20-49-4 and IC 20-49-5; **and**

(2) under IC 20-49-6. ~~and~~

~~(3) to charter schools under IC 20-24-7-3(c) and IC 20-49-7.~~

SECTION 324. IC 20-49-4-7, AS AMENDED BY P.L.113-2010, SECTION 99, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 7. 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:

(1) that sustained a loss from a disaster;

(2) whose adjusted assessed valuation (as determined under IC 6-1.1-34-8) per **current** ADM is within the lowest forty percent (40%) of the assessed valuation per **current** ADM when compared with all school corporation adjusted assessed valuation (as adjusted (if applicable) under IC 6-1.1-34-8) per **current** ADM; or

(3) with an advance under this chapter outstanding on July 1, 1993, that bears interest of at least seven and one-half percent (7.5%).

The term does not include facilities used or to be used primarily for interscholastic or extracurricular activities.

SECTION 325. IC 20-49-7 IS REPEALED [EFFECTIVE JULY 1, 2013]. (Charter School Advancement Account).

SECTION 326. IC 20-51-1-4.3, AS ADDED BY HEA 1003-2013, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 4.3. "Eligible choice scholarship student" refers to an individual who:

(1) has legal settlement in Indiana;

(2) is at least five (5) years of age and less than twenty-two (22) years of age on the date in the

school year specified in IC 20-33-2-7; and

(3) meets at least one (1) of the following conditions:

(A) The individual is:

(i) a child with a disability who requires special education and for whom an individualized education program has been developed under IC 20-35 or a service plan developed under 511 IAC 7-34; and

(ii) a member of a household with an annual income of not more than two hundred percent (200%) of the amount required for the individual to qualify for the federal free or reduced price lunch program.

(B) The individual would be required to attend **in the next academic year** a public school that has been placed in either of the two (2) lowest categories or designations of school improvement under IC 20-31-8-4 and, except as provided in IC 20-51-4-2.5, the individual is a member of a household with an annual income of not more than one hundred fifty percent (150%) of the amount required for the individual to qualify for the federal free or reduced price lunch program. An individual to whom this clause applies is not required to attend the public school before becoming eligible for a choice scholarship, and may not be required to return to the public school if the public school is placed in higher categories or designations under IC 20-31-8-4.

(C) Except as provided in IC 20-51-4-2.5, the individual is a member of a household with an annual income of not more than one hundred fifty percent (150%) of the amount required for the individual to qualify for the federal free or reduced price lunch program and the individual was enrolled in kindergarten through grade 12, in a public school, including a charter school, in Indiana for at least two (2) semesters immediately preceding the first semester for which the individual receives a choice scholarship under IC 20-51-4.

(D) The individual or a sibling of the individual **who, except as provided in IC 20-51-4-2.5, is a member of a household with an annual income of not more than one hundred fifty percent (150%) of the amount required for the individual to qualify for the federal free or reduced price lunch program and satisfies either of the following:**

(i) **The individual or a sibling of the individual** received **before July 1, 2013,** a scholarship from a scholarship granting organization under IC 20-51-3 or a choice scholarship under IC 20-51-4 in a preceding school year, including a school year that does not immediately precede a school year in which the individual receives a scholarship from a scholarship granting organization under IC 20-51-3 or a choice scholarship under IC 20-51-4. ~~and~~

~~(ii) except as provided in IC 20-51-4-2.5, is a member of a household with an annual income of not more than one hundred fifty percent (150%) of the amount required for the individual to qualify for the federal free or reduced price lunch program.~~

(ii) The individual or a sibling of the individual receives for the first time after June 30, 2013, a scholarship of at least eight hundred dollars ($800) from a scholarship granting organization under IC 20-51-3 or a choice scholarship under IC 20-51-4 in a preceding school year, including a school year that does not immediately precede a school year in which the individual receives a scholarship from a scholarship granting organization under IC 20-51-3 or a choice scholarship under IC 20-51-4.

SECTION 327. IC 20-51-4-4, AS AMENDED BY HEA 1003-2013, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 4. The amount an eligible choice scholarship student is entitled to receive under this chapter for a school year is equal to the following:

(1) The least of the following:

(A) The sum of the tuition, transfer tuition, and fees required for enrollment or attendance of the eligible choice scholarship student at the eligible school selected by the eligible choice scholarship student for a school year that the eligible choice scholarship student (or the parent of the eligible choice scholarship student) would otherwise be obligated to pay to the eligible

school.

(B) An amount equal to:

(i) ninety percent (90%) of the state tuition support amount determined under section 5 of this chapter if the eligible choice scholarship student is a member of a household with an annual income of not more than the amount required for the eligible choice scholarship student to qualify for the federal free or reduced price lunch program; and

(ii) fifty percent (50%) of the state tuition support amount determined under section 5 of this chapter if the eligible choice scholarship student is a member of a household with an annual income of, in the case of an individual not described in section 2.5 of this chapter, not more than one hundred fifty percent (150%) of the amount required for the eligible choice scholarship student to qualify for the federal free or reduced price lunch program or, in the case of an individual described in section 2.5 of this chapter, not more than two hundred percent (200%) of the amount required for the eligible choice scholarship student to qualify for the federal free or reduced price lunch program.

(C) If the eligible choice scholarship student is enrolled in grade 1 through 8, the maximum choice scholarship that the eligible choice scholarship student may receive for a school year:

(i) beginning before July 1, 2013, is four thousand five hundred dollars ($4,500);

(ii) beginning after June 30, 2013, and before July 1, 2014, is four thousand seven hundred dollars ($4,700); and

(iii) beginning after June 30, 2014, is four thousand eight hundred dollars ($4,800).

(2) In addition, if applicable, any amount that a school corporation would receive under IC 20-43-7 for the student if the student attended the school corporation.

SECTION 328. IC 20-51-4-8, AS ADDED BY P.L.92-2011, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 8. **(a)** The department, ~~may~~ **in consultation with the department of state revenue, shall** prescribe ~~forms~~ **the application form** and **may prescribe additional** methods for demonstrating eligibility for a choice scholarship under this chapter. **The state board of accounts shall approve the application form. The application form must require at least the following information:**

(1) Personal identification information for the applicant and student, including a copy of either a:

(A) current and valid photo identification; or

(B) current utility bill, bank statement, government check, paycheck, or government document;

that shows the name and residence address of the applicant as stated on the application.

(2) Sufficient documentation verifying the applicant's income.

(3) A notice to the applicant:

(A) that the information in the application and supporting documentation will be shared with the department of state revenue for income verification purposes; and

(B) that the applicant is verifying, under penalties for perjury, that the information in the application and supporting documentation is true, accurate, and complete.

(4) A place for the applicant to acknowledge that the applicant understands the content of the notice required by subdivision (3).

(b) The eligible school shall:

(1) retain each application and the supporting documentation; and

(2) submit to the department a copy of all applications and the supporting documentation for each choice scholarship.

SECTION 329. IC 20-51-4-12 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 12. (a) Before December 1 each school year, the department shall submit to the department of state revenue a random sample of applications consisting of twenty-five percent (25%) of the applications submitted under this chapter for that**

school year.

(b) The department of state revenue shall verify the accuracy of the income information submitted in these applications and report its findings to the department and to the office of management and budget before March 1 of the following year. In addition, if the department of state revenue finds that the income claimed on a particular application is less than the applicant's income as verified by the department of state revenue, the department of state revenue shall report that information to the attorney general.

SECTION 330. IC 21-7-13-5, AS ADDED BY P.L.2-2007, SECTION 243, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 5. **"Current** ADM" has the meaning set forth in ~~IC 20-43-1-6.~~ **IC 20-43-1-10.**

SECTION 331. IC 21-9-7-2, AS AMENDED BY P.L.107-2012, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 2. The amount of money available in an account and the proposed use of money in an account on behalf of an account beneficiary may not be considered by the commission for higher education under IC 21-12-3, IC 21-12-4, IC 21-12-5, ~~or~~ IC 21-13-2, **IC 21-13-7, or IC 21-13-8** when determining award amounts under another program administered by the commission for higher education.

SECTION 332. IC 21-12-13-2, AS ADDED BY P.L.169-2011, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 2. (a) This section applies to the following scholarship, **stipend,** and fee remission statutes:

(1) IC 21-12-3.
(2) IC 21-12-4.
(3) IC 21-12-6.
(4) IC 21-12-8.
(5) IC 21-12-9.
(6) IC 21-13-2.
~~(7) IC 21-13-3.~~
(7) IC 21-13-7.
(8) IC 21-13-8.
~~(8)~~ **(9)** IC 21-13-4.
~~(9)~~ **(10)** IC 21-14-5.
~~(10)~~ **(11)** IC 21-14-6-2.

(b) Except as provided in sections 3 and 4 of this chapter, a grant or reduction in tuition or fees, including all renewals and extensions, under any of the laws listed in subsection (a) may not exceed eight (8) full-time undergraduate semesters or its equivalent, as determined by the commission and must be used within eight (8) years after the date the individual first applies and becomes eligible for benefits under the applicable law.

SECTION 333. IC 21-13-1-5, AS AMENDED BY P.L.170-2009, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 5. "Fund":

(1) for purposes of IC 21-13-2, refers to the minority teacher ~~or special education services~~ scholarship fund established by IC 21-13-2-1;
~~(2) for purposes of IC 21-13-3, refers to the nursing scholarship fund established by IC 21-13-3-1;~~
~~(3)~~ **(2)** for purposes of IC 21-13-4, refers to the National Guard tuition supplement program fund established by IC 21-13-4-1;
~~(4)~~ **(3)** for purposes of IC 21-13-5, refers to the National Guard scholarship extension fund established by IC 21-13-5-1; and
~~(5)~~ **(4)** for purposes of IC 21-13-6, refers to the primary care physician loan forgiveness fund established by IC 21-13-6-3.

SECTION 334. IC 21-13-2-1, AS ADDED BY P.L.2-2007, SECTION 254, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 1. The minority teacher ~~or special education services~~

scholarship fund is established:

(1) to encourage and promote qualified minority individuals to pursue a career in teaching in accredited schools in Indiana;

(2) to enhance the number of individuals who may serve as role models for the minority students in Indiana; and

(3) to rectify the shortage of minority teachers teaching in accredited schools in Indiana.

~~(4) to encourage and promote qualified individuals to pursue a career in:~~

~~(A) teaching special education in accredited schools in Indiana; or~~

~~(B) practicing occupational or physical therapy in accredited schools in Indiana, in vocational rehabilitation centers under IC 12-12-1-4.1(a)(1), or in community mental retardation or other developmental disabilities centers under IC 12-29 (except IC 12-29-3-6) as part of the special education program; and~~

~~(5) to rectify the shortage of individuals who:~~

~~(A) teach special education; or~~

~~(B) provide certain other special education services in accredited schools in Indiana.~~

SECTION 335. IC 21-13-2-3, AS ADDED BY P.L.2-2007, SECTION 254, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 3. Money in the fund shall be used to provide annual scholarships to individuals who qualify for a scholarship under

~~(1)~~ section 4 of this chapter. ~~or~~

~~(2) section 5 of this chapter.~~

SECTION 336. IC 21-13-2-4, AS ADDED BY P.L.2-2007, SECTION 254, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 4. An individual qualifies for an initial scholarship from the fund if the individual:

(1) is a minority student;

(2) is admitted to an eligible institution as a full-time student or already attends an eligible institution as a full-time student;

(3) either:

(A) intends to pursue; or

(B) in the case of a student who is already attending an eligible institution, pursues;

a course of study that would enable the student, upon graduation, to teach in an accredited school in Indiana;

(4) agrees, in writing, to ~~teach~~ **apply for a teaching position** in an accredited school in Indiana ~~for at least three (3) years of the first five (5) years~~ following that student's certification as a teacher, **and, if hired, to teach for at least three (3) years;** and

(5) meets any other minimum criteria established by the commission.

SECTION 337. IC 21-13-2-5 IS REPEALED [EFFECTIVE JULY 1, 2013]. ~~Sec. 5. An individual qualifies for an initial scholarship from the fund if the individual:~~

~~(1) is admitted to an eligible institution as a full-time student or is attending an eligible institution as a full-time student;~~

~~(2) either intends to pursue or, in the case of a student who is attending an eligible institution, pursues a course of study that would enable the student, upon graduation, to be:~~

~~(A) licensed to teach special education in an accredited school under rules adopted by the Indiana state board of education;~~

~~(B) licensed to practice occupational therapy:~~

~~(i) in an accredited school;~~

~~(ii) in a vocational rehabilitation center under IC 12-12-1-4.1(a)(1); or~~

~~(iii) in a community mental retardation or other developmental disabilities center under IC 12-29 except IC 12-29-3-6; or~~

~~(C) licensed to practice physical therapy:~~

~~(i) in an accredited school;~~
~~(ii) in a vocational rehabilitation center under IC 12-12-1-4.1(a)(1); or~~
~~(iii) in a community mental retardation or other developmental disabilities center under IC 12-29 except IC 12-29-3-6;~~
~~(3) agrees in writing to:~~
~~(A) teach in an accredited school; or~~
~~(B) practice occupational therapy or physical therapy, whichever applies:~~
~~(i) in an accredited school in Indiana;~~
~~(ii) in a vocational rehabilitation center under IC 12-12-1-4.1(a)(1); or~~
~~(iii) in a community mental retardation or other developmental disabilities center under IC 12-29 except IC 12-29-3-6;~~
~~for at least three (3) of the first five (5) years following the student's licensure as a teacher, licensure as an occupational therapist, or licensure as a physical therapist; and~~
~~(4) meets any other minimum criteria established by the commission.~~

SECTION 338. IC 21-13-2-6, AS ADDED BY P.L.2-2007, SECTION 254, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 6. Subject to section 12 of this chapter, a scholarship may be renewed under this chapter for a total scholarship award that does not exceed ~~eight (8) semesters (or its equivalent).~~ **the number of academic terms that constitutes four (4) academic years.** However, an eligible institution may not grant a scholarship renewal to a student for an academic year that ends later than six (6) years after the date the student received the initial scholarship under this chapter.

SECTION 339. IC 21-13-2-7, AS ADDED BY P.L.2-2007, SECTION 254, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 7. ~~(a)~~ To qualify for a scholarship renewal from the fund, a minority student that qualified for the initial scholarship under section 4 of this chapter must:

(1) comply with the criteria in section 4 of this chapter; and
(2) maintain at least the cumulative grade point average:
(A) that is required by an eligible institution for admission to the eligible institution's school of education; or
(B) of 2.0 on a 4.0 grading scale or its equivalent as established by the eligible institution if the eligible institution's school of education does not require a certain minimum cumulative grade point average.

~~(b) To qualify for a scholarship renewal from the fund, an individual that qualified for the initial scholarship under section 5 of this chapter must:~~
~~(1) comply with the criteria set forth in section 5 of this chapter; and~~
~~(2) maintain at least the cumulative grade point average:~~
~~(A) that is required by an eligible institution for admission to the eligible institution's school of education; or~~
~~(B) of 2.0 on a 4.0 grading scale or its equivalent as established by the eligible institution if the eligible institution's school of education does not require a certain minimum cumulative grade point average.~~

SECTION 340. IC 21-13-2-11 IS REPEALED [EFFECTIVE JULY 1, 2013]. ~~Sec. 11. The commission shall allocate the available money from the fund to each eligible institution in proportion to the number of minority students enrolled at each eligible institution based upon the most recent information concerning:~~
~~(1) the number of minority students enrolled at each eligible institution; and~~
~~(2) the number of individuals who are:~~
~~(A) enrolled at each eligible institution; and~~
~~(B) pursuing a course of study that would enable the student, upon graduation, to be:~~
~~(i) licensed to teach special education in an accredited school; or~~
~~(ii) licensed to practice occupational therapy or physical therapy in an accredited school, in a~~

~~vocational rehabilitation center under IC 12-12-1-4.1(a)(1), or in a community mental retardation or other developmental disabilities center under IC 12-29 as part of the special education program.~~

SECTION 341. IC 21-13-2-12, AS ADDED BY P.L.2-2007, SECTION 254, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 12. ~~Each eligible institution~~ **The commission** shall determine the scholarship recipients under this chapter:

(1) based upon:

(A) the criteria set forth in section 4 ~~or 5~~ of this chapter; and

(B) the rules adopted by the commission; and

(2) with a priority on granting scholarships in the following order:

(A) Minority students seeking a renewal scholarship.

(B) Newly enrolling minority students.

~~(C) Special education services students seeking a renewal scholarship.~~

~~(D) Newly enrolling special education services students.~~

SECTION 342. IC 21-13-2-13 IS REPEALED [EFFECTIVE JULY 1, 2013]. ~~Sec. 13. Any funds that:~~

~~(1) are allocated to an eligible institution; and~~

~~(2) are not used for scholarships under this chapter;~~

~~shall be returned to the commission for reallocation by the commission to any other eligible institution in need of additional funds.~~

SECTION 343. IC 21-13-2-15 IS REPEALED [EFFECTIVE JULY 1, 2013]. ~~Sec. 15. (a) The commission shall maintain complete and accurate records in implementing the program, including the following:~~

~~(1) The number of scholarships awarded under this chapter.~~

~~(2) The number of individuals who fulfilled the agreement described under section 5 of this chapter.~~

~~(3) The number of individuals who did not fulfill the agreement described under section 5 of this chapter.~~

~~(b) Each eligible institution shall provide the commission with information concerning the following:~~

~~(1) The awarding of scholarships under this chapter.~~

~~(2) The academic progress made by each recipient of a scholarship under this chapter.~~

~~(3) Other pertinent information requested by the commission.~~

SECTION 344. IC 21-13-2-16 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 16. Before January 1, 2015, the commission shall provide a report in an electronic format under IC 5-14-6 to the general assembly regarding the effectiveness of the program.**

SECTION 345. IC 21-13-3 IS REPEALED [EFFECTIVE JULY 1, 2013]. (Nursing Scholarship Fund.)

SECTION 346. IC 21-13-7 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]:

Chapter 7. Student Teaching Stipend for High-Need Fields

Sec. 1. An individual may apply for a stipend under this chapter if the individual:

(1) is a student who is enrolled in a course of study that would enable the student, upon graduation, to teach in an accredited school in Indiana in:

(A) special education; or

(B) a high-need field;

(2) will participate in student teaching as part of the student's degree requirements;

(3) has earned a cumulative grade point average upon entering student teaching of at least 3.0 on a 4.0 scale, or its equivalent as determined by the eligible institution; and

(4) meets any other minimum criteria established by the commission.

Sec. 2. (a) A student who has applied for the stipend under section 1 of this chapter and has been approved by the commission may request payment of the stipend after demonstrating that the student will engage in student teaching during the upcoming academic term.

(b) The stipend may not exceed:

(1) for a student with a cumulative grade point average of at least 3.5 on a 4.0 scale, or its equivalent as determined by the eligible institution, based on the most recently concluded academic term, five thousand dollars ($5,000); or

(2) for a student with a cumulative grade point average of at least 3.0 and less than 3.5 on a 4.0 scale, or its equivalent as determined by the eligible institution, based on the most recently concluded academic term, four thousand dollars ($4,000).

(c) The commission shall pay the stipend directly to the student.

Sec. 3. (a) The amount of a stipend awarded under this chapter may not be reduced because the student receives other scholarships or forms of financial aid.

(b) Except as otherwise permitted by law, the amount of any other state financial aid received by a student may not be reduced because the student receives a stipend under this chapter.

(c) A student may concurrently receive a stipend under this chapter and a stipend under IC 21-13-8.

Sec. 4. The commission may adopt rules under IC 4-22-2 to administer this chapter.

SECTION 347. IC 21-13-8 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]:

Chapter 8. Student Teaching Stipend for Minorities

Sec. 1. An individual may apply for a stipend under this chapter if the individual:

(1) is a minority student;

(2) will participate in student teaching as part of the student's degree requirements;

(3) has earned a cumulative grade point average upon entering student teaching of at least 3.0 on a 4.0 scale, or its equivalent as determined by the eligible institution; and

(4) meets any other minimum criteria established by the commission.

Sec. 2. (a) A student who has applied for the stipend under section 1 of this chapter and has been approved by the commission may request payment of the stipend after demonstrating that the student will engage in student teaching during the upcoming academic term.

(b) The stipend may not exceed:

(1) for a student with a cumulative grade point average of at least 3.5 on a 4.0 scale, or its equivalent as determined by the eligible institution, based on the most recently concluded academic term, five thousand dollars ($5,000); or

(2) for a student with a cumulative grade point average of at least 3.0 and less than 3.5 on a 4.0 scale, or its equivalent as determined by the eligible institution, based on the most recently concluded academic term, four thousand dollars ($4,000).

(c) The commission shall pay the stipend directly to the student.

Sec. 3. (a) The amount of a stipend awarded under this chapter may not be reduced because the student receives other scholarships or forms of financial aid.

(b) Except as otherwise permitted by law, the amount of any other state financial aid received by a student may not be reduced because the student receives a stipend under this chapter.

(c) A student may concurrently receive a stipend under this chapter and a stipend under IC 21-13-7.

Sec. 4. The commission may adopt rules under IC 4-22-2 to administer this chapter.

SECTION 348. IC 21-14-12 IS REPEALED [EFFECTIVE JULY 1, 2013]. (Resident Tuition for Veterans).

SECTION 349. IC 21-18.5-4-9, AS ADDED BY P.L.107-2012, SECTION 58, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 9. The commission shall adopt rules under IC 4-22-2:

(1) to develop standards that govern the denial of assistance to higher education award applicants and recipients under IC 21-12-3-13;

(2) to implement IC 21-12-6, including:

(A) rules regarding the establishment of appeals procedures for individuals who become disqualified from the program under IC 21-12-6-9;

(B) notwithstanding IC 21-12-6-5, rules that may include students who are in grades other than grade 6, 7, or 8 as eligible students; and

(C) rules that allow a student described in IC 21-12-6-5(b) to become an eligible student while the student is in high school, if the student agrees to comply with the requirements set forth in IC 21-12-6-5(a)(4)(B) through IC 21-12-6-5(a)(4)(D) for not less than six (6) months after graduating from high school;

(3) to implement IC 21-13-2; ~~including rules governing the enforcement of the agreements under IC 21-13-2-5;~~ **and**

~~(4) that are necessary to carry out IC 21-13-3, including rules governing the enforcement of the agreements made under IC 21-13-3-5; and~~

~~(5)~~ **(4)** to implement:

(A) IC 21-12-7; and

(B) IC 21-14-5.

SECTION 350. IC 21-35-7-2, AS ADDED BY P.L.2-2007, SECTION 276, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 2. This chapter applies to buildings and equipment located on or immediately adjacent to a campus of a state educational institution, the primary purpose of which is to make available or provide:

(1) offstreet parking;

(2) alternative transportation systems;

(3) office space;

(4) convenience, retail, and service establishments;

(5) bookstores;

(6) research;

(7) outpatient and extended care;

(8) food service;

(9) temporary lodging quarters or similar structures used by students, faculty, staff, patients, or visitors; or

(10) housing used by students in connection with hospitals, ~~or~~ health care units, **or hospitality facilities.**

The term does not include undergraduate dormitories.

SECTION 351. IC 21-35-7-7, AS AMENDED BY P.L.3-2008, SECTION 144, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 7. If the management and operation of the property are to be by a developer or user, the specifications for the property must require that the property will be generally available to:

(1) the students, faculty, staff, patients in hospitals or health care units; ~~and~~

(2) visitors to hospitals or health care units; **and**

(3) students, faculty, staff, or visitors to a hospitality facility;

without discrimination and at reasonable charges. These charges shall be reviewed and revised periodically by the board of trustees of the state educational institution to assure that the charges are at all times nondiscriminatory and reasonable.

SECTION 352. IC 21-36-3-1, AS ADDED BY P.L.2-2007, SECTION 277, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. This chapter applies to the following state educational institutions:

(1) Indiana University.

(2) Purdue University.

(3) Indiana State University.

(4) Ball State University.

(5) Ivy Tech Community College.
(6) University of Southern Indiana.
(7) Vincennes University.

SECTION 353. IC 21-36-4 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 4. Monetizing Capital Assets

Sec. 1. This chapter applies to all state educational institutions.

Sec. 2. This chapter shall be construed as supplemental to all other statutes governing an agreement regarding a capital asset entered into by a state educational institution.

Sec. 3. As used in this chapter, "monetize" refers to an exchange of part or all of the possession and control of a capital asset or security of a state educational institution, without a transfer of ownership, for a period of time in return for cash or future revenue as specified in a written agreement between the state educational institution and a third party.

Sec. 4. Before the board of trustees of a state educational institution may enter into an agreement with a third party to monetize a capital asset, the agreement must be submitted to the budget committee for review, if the agreement will have:

(1) an annual transactional value that exceeds one million dollars ($1,000,000);
(2) a total transactional value that exceeds five million dollars ($5,000,000); or
(3) a term, including the initial term and any renewal terms, that exceeds ten (10) years.

SECTION 354. IC 22-2-16-4 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 4. Nothing in this chapter shall be construed to prohibit a city, town, or county from adopting an ordinance under IC 22-9-1-12.1 relating to a category or class in addition to the categories and classes described in IC 22-9-1-2.**

SECTION 355. IC 22-4-26-5, AS AMENDED BY P.L.3-2008, SECTION 160, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) Money credited to the account of this state in the unemployment trust fund by the Secretary of the Treasury of the United States pursuant to 42 U.S.C. 1103, as amended, may be requisitioned and used for the payment of expenses incurred for the administration of this article and public employment offices pursuant to a specific appropriation by the general assembly, provided that the expenses are incurred and the money is requisitioned after the enactment of an appropriation statute which:

(1) specifies the purposes for which such money is appropriated and the amounts appropriated therefor;

(2) except as provided in subsection (i), limits the period within which such money may be obligated to a period ending not more than two (2) years after the date of the enactment of the appropriation statute; and

(3) limits the total amount which may be obligated during a twelve (12) month period beginning on July 1 and ending on the next June 30 to an amount which does not exceed the amount by which:

(A) the aggregate of the amounts credited to the account of this state pursuant to 42 U.S.C. 1103, as amended, during such twelve (12) month period and the twenty-four (24) preceding twelve (12) month periods; exceeds

(B) the aggregate of the amounts obligated by this state pursuant to this section and amounts paid out for benefits and charged against the amounts credited to the account of this state during such twenty-five (25) twelve (12) month periods.

(b) For the purposes of this section, amounts obligated by this state during any such twelve (12) month period shall be charged against equivalent amounts which were first credited and which have not previously been so charged, except that no amount obligated for administration of this article and public employment offices during any such twelve (12) month period may be charged against any amount credited during such twelve (12) month period earlier than the fourteenth preceding such twelve (12) month period.

(c) Amounts credited to the account of this state pursuant to 42 U.S.C. 1103, as amended, may not be

obligated except for the payment of cash benefits to individuals with respect to their unemployment and for the payment of expenses incurred for the administration of this article and public employment offices pursuant to this section.

(d) Money appropriated as provided in this section for the payment of expenses incurred for the administration of this article and public employment offices pursuant to this section shall be requisitioned as needed for payment of obligations incurred under such appropriation and upon requisition shall be deposited in the employment and training services administration fund but, until expended, shall remain a part of the unemployment insurance benefit fund. The commissioner shall maintain a separate record of the deposit, obligation, expenditure, and return of funds so deposited. If any money so deposited is for any reason not to be expended for the purpose for which it was appropriated, or if it remains unexpended at the end of the period specified by the statute appropriating such money, it shall be withdrawn and returned to the Secretary of the Treasury of the United States for credit to this state's account in the unemployment trust fund.

(e) There is appropriated out of the funds made available to Indiana under Section 903 of the Social Security Act, as amended by Section 209 of the Temporary Extended Unemployment Compensation Act of 2002 (which is Title II of the federal Jobs Creation and Worker Assistance Act of 2002, Pub.L107-147), seventy-two million two hundred thousand dollars ($72,200,000) to the department of workforce development. ~~The appropriation made by this subsection is available for ten (10) state fiscal years beginning with the state fiscal year beginning July 1, 2003.~~ Unencumbered money at the end of a state fiscal year does not revert to the state general fund.

(f) Money appropriated under subsection (e) is subject to the requirements of IC 22-4-37-1.

(g) Money appropriated under subsection (e) may be used only for the following purposes:

(1) The administration of the Unemployment Insurance (UI) program and the Wagner Peyser public employment office program.

(2) Acquiring land and erecting buildings for the use of the department of workforce development.

(3) Improvements, facilities, paving, landscaping, and equipment repair and maintenance that may be required by the department of workforce development.

(h) In accordance with the requirements of subsection (g), the department of workforce development may allocate up to the following amounts from the amount described in subsection (e) for the following purposes:

(1) Thirty-nine million two hundred thousand dollars ($39,200,000) to be used for the modernization of the Unemployment Insurance (UI) system beginning July 1, 2003, and ending June 30, 2013.

(2) For:

(A) the state fiscal year beginning after June 30, 2003, and ending before July 1, 2004, five million dollars ($5,000,000);

(B) the state fiscal year beginning after June 30, 2004, and ending before July 1, 2005, five million dollars ($5,000,000);

(C) the state fiscal year beginning after June 30, 2005, and ending before July 1, 2006, five million dollars ($5,000,000);

(D) the state fiscal year beginning after June 30, 2006, and ending before July 1, 2007, five million dollars ($5,000,000);

(E) the state fiscal year beginning after June 30, 2007, and ending before July 1, 2008, five million dollars ($5,000,000); and

(F) state fiscal years beginning after June 30, 2008, and ending before July 1, 2012, the unused part of any amount allocated in any year for any purpose under this subsection;

for the JOBS proposal to meet the workforce needs of Indiana employers in high wage, high skill, high demand occupations.

(3) For:

(A) the state fiscal year beginning after June 30, 2003, and ending before July 1, 2004, four

million dollars ($4,000,000); and

(B) the state fiscal year beginning after June 30, 2004, and ending before July 1, 2005, four million dollars ($4,000,000);

to be used by the workforce investment boards in the administration of Indiana's public employment offices.

(i) The amount appropriated under subsection (e) for the payment of expenses incurred in the administration of this article and public employment is not required to be obligated within the two (2) year period described in subsection (a)(2).

SECTION 356. IC 23-19-6-1, AS AMENDED BY P.L.85-2012, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 1. (a) This article shall be administered by a division of the office of the secretary of state. The secretary of state shall appoint a securities commissioner who shall be responsible for the direction and supervision of the division and the administration of this article under the direction and control of the secretary of state. The salary of the securities commissioner shall be paid out of the funds appropriated for the administration of this article. The commissioner shall serve at the will of the secretary of state.

(b) The secretary of state:

(1) shall employ a chief deputy, attorneys, a senior investigator, a senior accountant, and other deputies, investigators, accountants, clerks, stenographers, and other employees necessary for the administration of this article; and

(2) shall fix their compensation with the approval of the budget agency.

(c) It is unlawful for the commissioner or an officer, employee, or designee of the commissioner to use for personal benefit or the benefit of others records or other information obtained by or filed with the commissioner that are not public under section 7(b) of this chapter. This article does not authorize the commissioner or an officer, employee, or designee of the commissioner to disclose the record or information, except in accordance with section 2, 7(c), or 8 of this chapter.

(d) This article does not create or diminish a privilege or exemption that exists at common law, by statute or rule, or otherwise.

(e) Subject to IC 4-2-6-15, the commissioner may develop and implement investor education initiatives to inform the public about investing in securities, with particular emphasis on the prevention and detection of securities fraud. In developing and implementing these initiatives, the commissioner may collaborate with public and nonprofit organizations with an interest in investor education. The commissioner may accept a grant or donation from a person that is not affiliated with the securities industry or from a nonprofit organization, regardless of whether the organization is affiliated with the securities industry, to develop and implement investor education initiatives. This subsection does not authorize the commissioner to require participation or monetary contributions of a registrant in an investor education program.

(f) **The securities division enforcement account is established.** Fees and funds of whatever character accruing from the administration of this article shall be accounted for by the secretary of state and shall be deposited with the treasurer of state to be deposited by the treasurer of the state in either the state general fund or the **securities division** enforcement account. ~~referenced below.~~ Subject to IC 4-2-6-15, expenses incurred in the administration of this article shall be paid from the state general fund upon appropriation being made for the expenses in the manner provided by law for the making of those appropriations. ~~However, grants and donations received under subsection (e), costs of investigations recovered under section 4(e) of this chapter, and civil penalties recovered under sections 3(b) and 4(d) of this chapter~~ **The following** shall be deposited by the treasurer of state in ~~a separate account to be known as~~ the securities division enforcement account:

(1) Grants and donations received under subsection (e).

(2) Costs of investigations recovered under section 4(e) of this chapter.

(3) Fifty percent (50%) of the first two million dollars ($2,000,000):

(A) of a civil penalty recovered under section 3(b) or 4(d) of this chapter;
(B) recovered in a settlement of an action initiated to enforce this article; or
(C) awarded as a judgment in an action to enforce this article.

(g) The following shall be deposited by the treasurer of state in the state general fund:

(1) Fifty percent (50%) of the first two million dollars ($2,000,000):
(A) of a civil penalty recovered under section 3(b) or 4(d) of this chapter;
(B) recovered in a settlement of an action initiated to enforce this article; or
(C) awarded as a judgment in an action to enforce this article.

(2) Any amount exceeding two million dollars ($2,000,000):
(A) of a civil penalty recovered under section 3(b) or 4(d) of this chapter;
(B) recovered in a settlement of an action initiated to enforce this article; or
(C) awarded as a judgment in an action to enforce this article.

(3) Other fees and revenues that are not designated for deposit in the securities division enforcement account or the securities restitution fund.

(h) Notwithstanding IC 9-23-6-4, IC 23-2-2.5-34, IC 23-2-2.5-43, IC 23-2-5-7, IC 23-19-4-12, IC 25-11-1-15, and this chapter, five percent (5%) of funds received after June 30, 2010, for deposit in the **securities division** enforcement account shall instead be deposited in the securities restitution fund established by IC 23-20-1-25. Subject to IC 4-2-6-15, the funds deposited in the enforcement account shall be available, with the approval of the budget agency:

(1) to augment and supplement the funds appropriated for the administration of this article; and

(2) for grants and awards to nonprofit entities for programs and activities that will further investor education and financial literacy in the state.

The funds in the enforcement account do not revert to the state general fund at the end of any state fiscal year.

~~(g)~~ **(i)** In connection with the administration and enforcement of this article, the attorney general shall render all necessary assistance to the commissioner upon the commissioner's request, and to that end, the attorney general shall employ legal and other professional services as are necessary to adequately and fully perform the service under the direction of the commissioner as the demands of the securities division shall require. Expenses incurred by the attorney general for the purposes stated in this subsection shall be chargeable against and paid out of funds appropriated to the attorney general for the administration of the attorney general's office. The attorney general may authorize the commissioner and the commissioner's designee to represent the commissioner and the securities division in any proceeding involving enforcement or defense of this article.

~~(h)~~ **(j)** Neither the secretary of state, the commissioner, nor an employee of the securities division shall be liable in their individual capacity, except to the state, for an act done or omitted in connection with the performance of their respective duties under this article.

~~(i)~~ **(k)** The commissioner shall take, prescribe, and file the oath of office prescribed by law. The commissioner, chief deputy commissioner, and each attorney or investigator designated by the commissioner are police officers of the state and shall have all the powers and duties of police officers in making arrests for violations of this article, or in serving any process, notice, or order connected with the enforcement of this article by whatever officer, authority, or court issued and shall comprise the enforcement department of the division and are considered a criminal justice agency for purposes of IC 5-2-4 and IC 10-13-3.

~~(j)~~ **(l)** The provisions of this article delegating and granting power to the secretary of state, the securities division, and the commissioner shall be liberally construed to the end that:

(1) the practice or commission of fraud may be prohibited and prevented;

(2) disclosure of sufficient and reliable information in order to afford reasonable opportunity for the exercise of independent judgment of the persons involved may be assured; and

(3) the qualifications may be prescribed to assure availability of reliable broker-dealers, investment

advisers, and agents engaged in and in connection with the issuance, barter, sale, purchase, transfer, or disposition of securities in this state.

It is the intent and purpose of this article to delegate and grant to and vest in the secretary of state, the securities division, and the commissioner full and complete power to carry into effect and accomplish the purpose of this article and to charge them with full and complete responsibility for its effective administration.

~~(k)~~ **(m)** Copies of any statement and documents filed in the office of the secretary of state and of any records of the secretary of state certified by the commissioner shall be admissible in any prosecution, action, suit, or proceeding based upon, arising out of, or under this article to the same effect as the original of such statement, document, or record would be if actually produced.

~~(l)~~ **(n)** IC 4-21.5 is not applicable to any of the proceedings under this article.

SECTION 357. IC 31-33-8-1, AS ADDED BY P.L.131-2009, SECTION 43, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 1. (a) The department shall initiate an appropriately thorough child protection assessment of every report of known or suspected child abuse or neglect the department receives, whether in accordance with this article or otherwise.

(b) If a report of known or suspected child abuse or neglect is received from a judge requesting the department to initiate a child protection assessment, the department shall initiate an assessment in accordance with this section.

(c) If a report of known or suspected child abuse or neglect is received from:

(1) medical personnel;

(2) school personnel;

(3) a social worker;

(4) law enforcement personnel;

(5) judiciary personnel; or

(6) prosecuting attorney personnel;

the department shall forward the report to the local office to determine if the department will initiate an assessment in accordance with this section.

~~(b)~~ **(d)** If the department believes that a child is in imminent danger of serious bodily harm, the department shall initiate an onsite assessment immediately, but not later than one (1) hour, after receiving the report.

~~(c)~~ **(e)** If the report alleges a child may be a victim of child abuse, the assessment shall be initiated immediately, but not later than twenty-four (24) hours after receipt of the report.

~~(d)~~ **(f)** If reports of child neglect are received, the assessment shall be initiated within a reasonably prompt time, but not later than five (5) days, with the primary consideration being the well-being of the child who is the subject of the report.

~~(e)~~ **(g)** If the report alleges that a child lives with a parent, guardian, or custodian who is married to or lives with a person who:

(1) has been convicted of:

(A) neglect of a dependent under IC 35-46-1-4; or

(B) a battery offense under IC 35-42-4; or

(2) is required to register as a sex or violent offender under IC 11-8-8;

the department shall initiate an assessment within a reasonably prompt time, but not later than five (5) days after the department receives the report, with the primary consideration being the well-being of the child who is the subject of the report.

~~(f)~~ **(h)** If the safety or well-being of a child appears to be endangered or the facts otherwise warrant, the assessment shall be initiated regardless of the time of day.

~~(g)~~ **(i)** If a report alleges abuse or neglect and involves a child care ministry that is exempt from licensure under IC 12-17.2-6, the department and the appropriate law enforcement agency shall jointly conduct an investigation. The investigation shall be conducted under the requirements of this section and

section 2(b) of this chapter.

SECTION 358. IC 32-33-4-1, AS AMENDED BY SEA 5-2013, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 1. Subject to sections 3(c), 3(d), and 3.5 of this chapter, a person, a firm, a partnership, an association, a limited liability company, or a corporation maintaining a hospital in Indiana or a hospital owned, maintained, or operated by the state or a political subdivision of the state is entitled to hold a lien for the reasonable value of its services or expenses (including any amount designated as a copayment or deductible) on any judgment for personal injuries rendered in favor of any person, except:

(1) a person covered by the provisions of IC 22-3, the state worker's compensation laws;

(2) a person covered by the provisions of 5 U.S.C. 8101 et seq., the federal worker's compensation laws;

(3) a person covered by the provisions of 45 U.S.C. 51 et seq., the federal liability act;

(4) an eligible person (as defined in IC 34-13-8-1) with respect to a distribution paid from the supplemental state fair relief fund for an occurrence (as defined in IC 34-13-8-2); and

(5) a person

~~(A)~~ covered by the provisions of 42 U.S.C. 1395 et seq., the federal Medicare program; ~~or~~

~~(B) covered by the provisions of 42 U.S.C. 1396 et seq., the federal Medicaid program, administered by the state under IC 12-15;~~

who is admitted to the hospital and receives treatment, care, and maintenance on account of personal injuries received as a result of the negligence of any person or corporation. In order to claim the lien, the hospital must satisfy the conditions for perfecting the lien as set forth in section 4 of this chapter and, not later than the date on which the judgment is rendered, enter, in writing, upon the judgment docket where the judgment is recorded, the hospital's intention to hold a lien upon the judgment, together with the amount claimed.

SECTION 359. IC 32-33-4-3, AS AMENDED BY SEA 5-2013, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 3. (a) A person, a firm, a partnership, an association, a limited liability company, or a corporation maintaining a hospital in Indiana or a hospital owned, maintained, or operated by the state or a political subdivision has a lien for all reasonable and necessary charges for hospital care, treatment, and maintenance of a patient (including emergency ambulance services provided by the hospital and any amount designated as a copayment or deductible) upon any cause of action, suit, or claim accruing to the patient, or in the case of the patient's death, the patient's legal representative, because of the illness or injuries that:

(1) gave rise to the cause of action, suit, or claim; and

(2) necessitated the hospital care, treatment, and maintenance.

(b) The lien provided for in subsection (a):

(1) except as provided in subsection (c), applies to any amount obtained or recovered by the patient by settlement or compromise rendered or entered into by the patient or by the patient's legal representative;

(2) is subject and subordinate to any attorney's lien upon the claim or cause of action;

(3) is not applicable to a person covered by:

(A) the provisions of IC 22-3, the state worker's compensation laws;

(B) the provisions of 5 U.S.C. 8101 et seq., the federal worker's compensation laws;

(C) 45 U.S.C. 51 et seq., the federal liability act;

(D) IC 34-13-8 concerning a distribution paid from the supplemental state fair relief fund to an eligible person (as defined in IC 34-13-8-1) for an occurrence (as defined in IC 34-13-8-2); or

(E) the provisions of

~~(i)~~ 42 U.S.C. 1395 et seq., the federal Medicare program; ~~or~~

~~(ii) 42 U.S.C. 1396 et seq., the federal Medicaid program, administered by the state under IC 12-15;~~

(4) is not assignable; and
(5) must:
(A) first be reduced by the amount of any benefits to which the patient is entitled under the terms of any contract, health plan, or medical insurance; and
(B) reflect credits for all payments, contractual adjustments, write-offs, and any other benefit in favor of the patient;
after the hospital has made all reasonable efforts to pursue the insurance claims in cooperation with the patient.

(c) If a settlement or compromise that is subject to subsection (b)(1) is for an amount that would permit the patient to receive less than twenty percent (20%) of the full amount of the settlement or compromise if all the liens created under this chapter were paid in full, the liens must be reduced on a pro rata basis to the extent that will permit the patient to receive twenty percent (20%) of the full amount.

(d) A lien provided for in this chapter does not apply to a judgment, cause of action, suit, or claim accruing to the patient under:
(1) a policy of disability insurance; or
(2) automobile or homeowner's insurance that provides for medical payments.

SECTION 360. IC 32-33-4-3.5, AS AMENDED BY SEA 5-2013, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 3.5. (a) This section applies to any person who holds a lien under this chapter.

(b) As used in this section, "hospital lienholder" means:
(1) a person, firm, partnership, association, limited liability company, or corporation maintaining a hospital in Indiana; or
(2) a hospital owned, maintained, or operated by the state or a political subdivision;
that has a lien under this chapter.

(c) If a hospital lienholder settles or compromises a claim in an amount less than the amount of its lien, the hospital lienholder is barred from seeking any additional reimbursement from the patient or the patient's representative.

(d) A hospital lienholder is barred from seeking from the patient or the patient's representative payment for any amount of the hospital's charges that exceed the patient's financial obligation to the hospital under the terms of any ~~public or~~ private benefits to which the patient is entitled, including the terms of any health plan contract and medical insurance. The lien must reflect credits for all payments, contractual adjustments, write-offs, and any other benefit in favor of the patient.

(e) A hospital lienholder is barred from enforcing the collection of charges covered by this chapter until the cause of action, suit, or claim accruing to the patient has been resolved by compromise, settlement, or judgment.

SECTION 361. IC 35-32-2-7, AS ADDED BY SEA 224-2013, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 7. A person may be tried for a violation of ~~IC 2-8-3-6~~ **IC 2-8.2-4-6** in:
(1) Marion County; or
(2) the county where the person resides.

SECTION 362. IC 35-51-2-1, AS AMENDED BY SEA 224-2013, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 1. The following statutes define crimes in IC 2:
IC 2-4-1-4 (Concerning legislative investigations).
IC 2-7-6-2 (Concerning lobbying).
IC 2-7-6-3 (Concerning lobbying).
IC 2-7-6-4 (Concerning lobbying).
~~IC 2-8-3-6~~ **IC 2-8.2-4-6** (Concerning constitutional convention delegates).

SECTION 363. IC 36-1-8-17.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 17.5. (a) As used in this section, "OPEB"**

means a post-employment benefit that is considered to be an "other post employment benefit" under the standards of the Governmental Accounting Standards Board.

(b) Each political subdivision must, before February 1 of each year, report to the department of local government finance the political subdivision's:

(1) OPEB liability;

(2) unfunded OPEB liability;

(3) OPEB assets;

(4) OPEB contributions; and

(5) OPEB expenses and expenditures;

for the preceding year.

(c) A political subdivision must report the information required by subsection (b) in the manner specified by the department of local government finance.

SECTION 364. P.L.229-2011, SECTION 282, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: SECTION 282. (a) The definitions of "vacation leave", "sick leave", and other types of leave used on July 1, 2010, by the department apply to this SECTION.

(b) As used in this SECTION, "department" refers to the state personnel department established by IC 4-15-1.8-2 **(before its repeal).**

(c) As used in this SECTION, "pilot program" refers to the pilot program reestablished under subsection (d).

(d) The personnel committee of the legislative council for the legislative branch of state government or the Indiana supreme court for the judicial branch of state government, or both, may reestablish the pilot program established by P.L.220-2005, SECTION 8 (before its expiration), and P.L.220-2005, SECTION 10 (before its expiration), including provisions adopted by:

(1) the deferred compensation committee (established by IC 5-10-1.1-4) to govern the pilot program;

(2) the department under LSA Document #06-488(E) (before its expiration), filed with the publisher of the Indiana Register on October 16, 2006, to govern the pilot program; or

(3) the auditor of state to administer the pilot program.

~~(e) An individual who:~~

~~(1) was employed by the legislative or judicial branch of state government during the state's 2010 open enrollment period;~~

~~(2) would have been eligible during the state's 2010 open enrollment period to participate in the pilot program under the provisions of the program before the program's expiration; and~~

~~(3) continues to be employed by the legislative or judicial branch of state government;~~

~~is entitled to elect to participate in the pilot program and to make a leave conversion not later than June 30, 2011, based on the individual's leave balance on December 31, 2010. A leave conversion elected under this subsection by an eligible individual is in addition to any other leave conversion that the individual is otherwise authorized to make under the pilot program.~~

~~(f)~~ **(e)** Subject to the Internal Revenue Code and applicable regulations, the personnel committee of the legislative council or the Indiana supreme court, or both, may adopt procedures to implement and administer the pilot program, including provisions established or reestablished under ~~subsections~~ **subsection** (d). ~~and (e).~~

~~(g)~~ **(f)** The auditor of state shall provide for the administration of the pilot program.

~~(h)~~ **(g)** This SECTION expires June 30, ~~2013.~~ **2015.**

SECTION 365. P.L.234-2007, SECTION 179, AS AMENDED BY P.L.131-2008, SECTION 71, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: SECTION 71. (a) The trustees of the following institutions may issue and sell bonds under IC 21-34, subject to the approvals required by IC 21-33-3, 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 - Arts Building

Renovation	$27,000,000
Indiana University Bloomington - Cyber Infrastructure Building	18,300,000
Indiana University, Purdue University at Indianapolis - Neurosciences Research Building	20,000,000
Indiana University Southeast Medical Education Center A & E	1,000,000
Indiana State University - Life Sciences/Chemistry Laboratory Renovations and Satellite Chiller Capacity	14,800,000
Ball State University - Central Campus Academic Project, Phase I & Utilities	33,000,000
Ivy Tech-Fort Wayne Technology Center and Demolition Costs	26,700,000
Ivy Tech - Indianapolis Community College for the Fall Creek Expansion Project	69,370,000
~~Ivy Tech - Lamkin Center for Instructional Development and Leadership~~	~~1,000,000~~
Ivy Tech - Logansport	16,000,000
Ivy Tech - Sellersburg	20,000,000
~~Ivy Tech - Warsaw A & E~~	~~1,000,000~~
Ivy Tech - Muncie\Anderson A & E	4,800,000
Ivy Tech - Elkhart Phase I	16,000,000
Ivy Tech - Greencastle	8,000,000
Purdue University Calumet - Gyt Building A & E	2,400,000
Purdue University North Central - Student Services & Recreation Center A & E	1,000,000
University of Southern Indiana College of Business - General Classroom Building	29,900,000
Vincennes University - Health and Science Lab Rehabilitation	2,000,000
Indiana University, Purdue University at Fort Wayne Student Services and Library Complex	24,000,000

(b) The trustees of the following institution may issue and sell bonds under IC 21-34, subject to the approvals required by IC 21-33-3, for the following project 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:

Purdue University West Lafayette - Mechanical Engineering Addition	$33,000,000

The foregoing project is not eligible for fee replacement appropriations.

(c) The trustees of the following institution may issue and sell bonds under IC 21-34, subject to the approvals required by IC 21-33-3, for the following project 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:

Purdue University West Lafayette - Boiler No. 6	$53,000,000

The institution shall invite bids as provided under IC 21-37-3-3. The bids shall be open to inspection by

the public.

SECTION 366. P.L.182-2009(ss), SECTION 40, AS AMENDED BY P.L.182-2009(ss), SECTION 518, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: SECTION 40. The trustees of the following institutions may issue and sell bonds under IC 21-34, subject to the approvals required by IC 21-33-3, 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:

Purdue University	
Life Sciences Laboratory Renovations	10,000,000
Medical School Renovations	12,000,000
Vincennes University	
Davis Hall	850,000
P.E. Building	5,000,000
Indiana State University	
Federal Building	20,000,000
Indiana University	
Northwest Regional Campus	
Tamarack Hall	33,000,000
Ivy Tech Community College	
Gary Campus	20,000,000
University of Southern Indiana	
Teacher Theatre Replacement Project	15,000,000
Indiana University	
Life Sciences Laboratory Renovations	10,000,000
Indiana University Southeast	
Education and Technology Building	22,000,000
Indiana University Purdue University at Indianapolis	
Life Sciences Laboratory Renovations	10,000,000
Ivy Tech Community College	
Anderson Campus	20,000,000
Bloomington Campus	20,000,000
Warsaw Campus	10,100,000
Ball State University	
Central Campus Rehabilitation	19,700,000
~~Indiana University Purdue University Fort Wayne~~	
~~Northeast Indiana Innovation Center~~	~~10,000,000~~

Of the above authorization for medical school renovations, a maximum of six million dollars ($6,000,000) is eligible for fee replacement. Of the above authorization for the Indiana State University Federal Building project, only ten million dollars ($10,000,000) is eligible for fee replacement.

SECTION 367. P.L. 182-2009(ss), SECTION 46 IS REPEALED [EFFECTIVE JULY 1, 2013]. ~~SECTION 46. There is appropriated three million dollars ($3,000,000) to the Indiana finance authority from the tobacco master settlement agreement fund (IC 4-12-1-14.3) to carry out architectural and engineering work for a building for a trauma care center in the city of Gary, beginning July 1, 2009, and ending June 30, 2010. Any unencumbered amount remaining from this appropriation at the end of a state fiscal year remains available in subsequent state fiscal years for the purposes for which it is appropriated. Money appropriated under this SECTION may be released after review by the budget committee.~~

SECTION 368. [EFFECTIVE JULY 1, 2013] **(a) The auditor of state shall transfer one hundred fifty million dollars ($150,000,000) from the state general fund to the state tuition reserve fund established by IC 4-12-1-15.7 on each of the following dates:**

(1) July 1, 2013.
(2) July 1, 2014.
(b) This SECTION expires July 1, 2015.
SECTION 369. [EFFECTIVE JULY 1, 2013] **(a) On July 1, 2013, the auditor of state shall transfer the balance that remained on June 30, 2013, in the nursing scholarship fund established by IC 21-13-3-1 (before its repeal by this act) to the state general fund.**
(b) This SECTION expires July 1, 2014.
SECTION 370. [EFFECTIVE UPON PASSAGE] **(a) Before July 1, 2013, the auditor of state shall transfer one million nine hundred thousand dollars ($1,900,000) from the state general fund to the preneed consumer protection fund established by IC 30-2-13-28. The amount necessary to make the transfer required by this subsection is appropriated from the state general fund.**
(b) This SECTION expires June 30, 2014.
SECTION 371. [EFFECTIVE UPON PASSAGE] **(a) On July 1, 2013, the auditor of state shall transfer ten million dollars ($10,000,000) from the mine subsidence insurance fund established IC by 27-7-9-7 to the state general fund. The amount necessary to make the transfer required by this subsection is appropriated from the mine subsidence insurance fund.**
(b) Except as provided in subsection (a), no transfers may be made from the mine subsidence insurance fund to any other state fund or account.
(c) This SECTION expires June 30, 2015.
SECTION 372. [EFFECTIVE JULY 1, 2013] **(a) During state fiscal year 2013-2014, the budget agency shall direct the auditor of state to transfer two hundred fifty million dollars ($250,000,000) from the state general fund, general account, to the Medicaid contingency and reserve account established by IC 4-12-1-15.5. The amount necessary to make the transfer required by this subsection is appropriated from the state general fund, general account.**
(b) This SECTION expires June 30, 2015.
SECTION 373. [EFFECTIVE UPON PASSAGE] **Rules (as defined in IC 4-22-2-3) necessary or appropriate to carry out legislation enacted in the 2013 session of the general assembly shall be treated as permissible rules excluded from the suspension of rulemaking imposed by Executive Order 13-03, so long as the notice of intent to adopt a rule under IC 4-22-2 is filed by December 31, 2014, and the rule is otherwise adopted pursuant to IC 4-22.**
SECTION 374. [EFFECTIVE UPON PASSAGE] **(a) This SECTION applies if a provision of the Indiana Code is:**
(1) added, amended, or repealed by SEA 85-2013; and
(2) added, amended, or repealed by another act without recognizing the existence of the addition, amendment, or repeal made by SEA 85-2013 by an appropriate reference in the lead-in line of the SECTION of the other act adding, amending, or repealing the same provision of the Indiana Code.
(b) As used in this SECTION, "other act" refers to an act enacted in the 2013 session of the general assembly other than SEA 85-2013.
(c) Except as provided in subsections (d) and (e), the provision as added, amended, or repealed by the other act shall be considered the law in Indiana, regardless of whether there is a difference in the effective date of the provision added, amended, or repealed by SEA 85-2013 and the provision added, amended, or repealed by the other act. The lawful compilers of the Indiana Code, in publishing the affected Indiana Code provision, shall publish only the version of the Indiana Code provision that is amended by the other act. The history line for an Indiana Code provision that is added or amended by the other act must reference both acts.
(d) This subsection applies if a provision described in subsection (a) that is added, amended, or repealed by SEA 85-2013 takes effect before the corresponding provision in the other act. The lawful compilers of the Indiana Code, in publishing the provision in SEA 85-2013, shall publish that version of the provision and note that the provision is effective until the effective date of the

corresponding provision in the other act. On and after the effective date of the corresponding provision in the other act, the provision as added, amended, or repealed by the other act shall be considered the law in Indiana, regardless of whether there is a difference in the effective date of the provision added, amended, or repealed by SEA 85-2013 and the provision added, amended, or repealed by the other act. The lawful compilers of the Indiana Code, in publishing the corresponding Indiana Code provision, shall publish the version of the Indiana Code provision that is added, amended, or repealed by the other act, and shall note that this version of the provision is effective on the effective date of the provision in the other act. The history line for an Indiana Code provision that is added or amended by the other act must reference both acts.

(e) If SEA 85-2013 adds a provision at the same Indiana Code location as a provision added in the other act, the lawful compilers of the Indiana Code, in publishing the affected Indiana Code provisions, shall publish both the version of the Indiana Code provision that is added by SEA 85-2013 and the version that is added by the other act, unless the subject matter in both versions of the provision is substantially similar. If the subject matter is substantially similar, subject to subsection (d), the lawful compilers of the Indiana Code, in publishing the affected Indiana Code provision, shall publish the version of the Indiana Code provision that is amended by the other act, and shall note that this version of the provision is effective on the effective date of the provision in the other act. The history line for an Indiana Code provision that is added or amended by the other act must reference both acts.

(f) If, during the same year, two (2) or more other acts amend, add, or repeal the same Indiana Code provision as the Indiana Code provision amended, added, or repealed by SEA 85-2013, the lawful compilers of the Indiana Code, in publishing the Indiana Code provision, shall follow the principles set forth in this section.

SECTION 375. [EFFECTIVE UPON PASSAGE] **(a) The state personnel department shall do the following:**

(1) Study the employee benefits provided to state employees, including salaries and wages, paid time off, sick leave, short term and long term disability benefits, health insurance, and pension and other retirement benefits.

(2) Report the department's findings and any recommendations to the budget committee before December 1, 2013.

(b) This SECTION expires June 30, 2014.

SECTION 376. [EFFECTIVE UPON PASSAGE] **(a) The pension management oversight commission shall do the following:**

(1) Study issues related to the retiree health benefit system of the Indiana state police pre-1987 benefit system (IC 10-12-3) and the Indiana state police 1987 benefit system (IC 10-12-4).

(2) Report to the legislative council concerning the commission's findings and recommendations, including any recommended legislation concerning the topic, not later than November 1, 2013.

(b) This SECTION expires June 30, 2014.

SECTION 377. [EFFECTIVE JULY 1, 2013] **(a) In addition to the topics assigned under IC 2-5-31.8-3, the interim study committee on economic development shall study the following in 2013:**

(1) Fostering entrepreneurship in rural areas of Indiana.

(2) Attracting new businesses to rural areas of Indiana.

(3) Attracting venture capital to rural areas of Indiana.

(4) Expanding existing businesses in rural areas of Indiana.

(5) Promoting gainful employment opportunities and workforce development in rural areas of Indiana.

(b) The interim study committee on economic development shall submit its findings and recommendations, if any, on the topics assigned under subsection (a) to the legislative council in an

electronic format before November 1, 2013.

(c) This SECTION expires January 1, 2013.

SECTION 378. [EFFECTIVE JULY 1, 2013] **The general assembly recognizes that SEA 207-2013 added IC 21-14-12 and that HEA 1001-2013 repeals IC 21-14-12. The general assembly intends to repeal that chapter.**

SECTION 379. [EFFECTIVE JANUARY 1, 2013 (RETROACTIVE)] **(a) Except as provided in subsection (b), IC 6-3-1-3.5, as amended by this act, applies to taxable years beginning after December 31, 2012.**

(b) IC 6-3-1-3.5, as amended by this act, applies to taxable years beginning after December 31, 2011, with respect to the following:

(1) Amounts deducted from gross income under Section 222 of the Internal Revenue Code for qualified tuition and related expenses.

(2) Amounts excluded from gross income under Section 408(d) of the Internal Revenue Code.

(3) Amounts excluded from gross income under Section 132(f)(1)(A) and 132(f)(1)(B) of the Internal Revenue Code.

(4) The determination of the adjusted gross income of any taxpayer that placed in service during the taxable year a motorsports entertainment complex that was classified as 7-year property under Section 168(e)(3)(C)(ii) of the Internal Revenue Code.

(5) The determination of the adjusted gross income of any taxpayer that placed in service during the taxable year any qualified leasehold improvement property that was classified as 15-year property under Section 168(e)(3)(E)(iv) of the Internal Revenue Code.

(6) The determination of the adjusted gross income of any taxpayer that placed in service during the taxable year qualified retail improvement property that was classified as 15-year property under Section 168(e)(3)(E)(ix) of the Internal Revenue Code.

(7) The determination of the adjusted gross income of any taxpayer that placed in service during the taxable year qualified restaurant property that was classified as 15-year property under Section 168(e)(3)(E)(v) of the Internal Revenue Code.

(8) Amounts deducted from gross income under Section 179E of the Internal Revenue Code for any qualified advanced mine safety equipment property.

(9) The determination of the adjusted gross income of any taxpayer for which tax was not imposed on the net recognized built-in gain of an S corporation under Section 1374(d)(7) of the Internal Revenue Code as amended by the Small Business Jobs Act of 2010 (P.L. 111-240).

(c) The department of state revenue shall prescribe the forms necessary to implement subsection (b).

(d) This SECTION expires January 1, 2015.

SECTION 380. [EFFECTIVE JANUARY 1, 2013 (RETROACTIVE)] **(a) Except as provided in subsection (b), IC 6-5.5-1-2, as amended by this act, applies to taxable years beginning after December 31, 2012.**

(b) IC 6-5.5-1-2, as amended by this act, applies to taxable years beginning after December 31, 2011, with respect to the following:

(1) The determination of the adjusted gross income of any taxpayer that placed in service during the taxable year a motorsports entertainment complex that was classified as 7-year property under Section 168(e)(3)(C)(ii) of the Internal Revenue Code.

(2) The determination of the adjusted gross income of any taxpayer that placed in service during the taxable year any qualified leasehold improvement property that was classified as 15-year property under Section 168(e)(3)(E)(iv) of the Internal Revenue Code.

(3) The determination of the adjusted gross income of any taxpayer that placed in service during the taxable year qualified retail improvement property that was classified as 15-year property under Section 168(e)(3)(E)(ix) of the Internal Revenue Code.

(4) The determination of the adjusted gross income of any taxpayer that placed in service

during the taxable year qualified restaurant property that was classified as 15-year property under Section 168(e)(3)(E)(v) of the Internal Revenue Code.

(5) Amounts deducted from gross income under Section 179E of the Internal Revenue Code for any qualified advanced mine safety equipment property.

(6) The determination of the adjusted gross income of any taxpayer for which tax was not imposed on the net recognized built-in gain of an S corporation under Section 1374(d)(7) of the Internal Revenue Code as amended by the Small Business Jobs Act of 2010 (P.L. 111-240).

(c) The department of state revenue shall prescribe the forms necessary to implement subsection (b).

(d) This SECTION expires January 1, 2015.

SECTION 381. **An emergency is declared for this act.**

(Reference is to EHB 1001 as reprinted April 9, 2013.)

Conference Committee Report
on
Engrossed House Bill 1001

Signed by:

Representative Brown T Chairperson	Senator Kenley
Representative Porter	Senator Tallian
House Conferees	**Senate Conferees**