



PRELIMINARY DRAFT
No. 3017(ss)

PREPARED BY
LEGISLATIVE SERVICES AGENCY
2009 GENERAL ASSEMBLY

DIGEST

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

Synopsis: Budget bill. Makes appropriations for the operation of state government and the delivery of Medicaid and other services. Authorizes capital projects. Provides a school funding formula. Updates references to the Internal Revenue Code and requires certain adjustments for the purposes of calculating adjusted gross income. Provides that the budget agency with the approval of the governor may withhold allotments of appropriations for the 2009-2011 biennium if it is considered necessary to do so in order to prevent a deficit financial situation or if the probable receipts from taxes or other sources for any fund will be less than were anticipated. Provides that if the budget agency withholds an allotment of an appropriation from a particular fund, any provision in a statute or act specifying that the balance in that fund does not revert to the state general fund is suspended and does not apply during the period during which the allotment is withheld. Allows capital appropriations to revert if the appropriation has not been allotted or encumbered before the expiration of two years and the budget director and the entity to which the appropriation was made agree that the project will not be undertaken. Specifies that certain statutory provisions concerning transfer of appropriations and withholding of allotments apply to all appropriations made in the
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Effective: July 1, 2009.



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

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Digest Continued

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

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

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Digest Continued

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



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

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

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

1 **SECTION 1. [EFFECTIVE JULY 1, 2009]**

2

3 **(a) The following definitions apply throughout this act:**

4 **(1) "Augmentation allowed" means the governor and the budget agency are**
5 **authorized to add to an appropriation in this act from revenues accruing to the**
6 **fund from which the appropriation was made.**

7 **(2) "Biennium" means the period beginning July 1, 2009, and ending June 30, 2011.**
8 **Appropriations appearing in the biennial column for construction or other permanent**
9 **improvements do not revert under IC 4-13-2-19 and may be allotted.**

10 **(3) "Deficiency appropriation" or "special claim" means an appropriation available**
11 **during the 2008-2009 fiscal year.**

12 **(4) "Equipment" includes machinery, implements, tools, furniture,**
13 **furnishings, vehicles, and other articles that have a calculable period of service**
14 **that exceeds twelve (12) calendar months.**

15 **(5) "Fee replacement" includes payments to universities to be used to pay indebtedness**
16 **resulting from financing the cost of planning, purchasing, rehabilitation, construction,**
17 **repair, leasing, lease-purchasing, or otherwise acquiring land, buildings, facilities,**
18 **and equipment to be used for academic and instructional purposes.**

19 **(6) "Federally qualified health center" means a community health center that is designated**
20 **by the Health Resources Services Administration, Bureau of Primary Health Care, as a**
21 **Federally Qualified Health Center Look Alike under the FED 330 Consolidated**



1 Health Center Program authorization, including Community Health Center (330e),
2 Migrant Health Center (330g), Health Care for the Homeless (330h), Public Housing
3 Primary Care (330i), and School Based Health Centers (330).

4 (7) "Other operating expense" includes payments for "services other than personal",
5 "services by contract", "supplies, materials, and parts", "grants, subsidies, refunds,
6 and awards", "in-state travel", "out-of-state travel", and "equipment".

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

9 (9) "Personal services" includes payments for salaries and wages to officers and
10 employees of the state (either regular or temporary), payments for compensation
11 awards, and the employer's share of Social Security, health insurance, life insurance,
12 dental insurance, vision insurance, deferred compensation - state match, leave
13 conversion, disability, and retirement fund contributions.

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

16 (11) "State agency" means:

17 (A) each office, officer, board, commission, department, division, bureau, committee,
18 fund, agency, authority, council, or other instrumentality of the state;

19 (B) each hospital, penal institution, and other institutional enterprise of the
20 state;

21 (C) the judicial department of the state; and

22 (D) the legislative department of the state.

23 However, this term does not include cities, towns, townships, school cities, school
24 townships, school districts, other municipal corporations or political subdivisions
25 of the state, or universities and colleges supported in whole or in part by state
26 funds.

27 (12) "State funded community health center" means a public or private not for profit
28 (501(c)(3)) organization that provides comprehensive primary health care services to
29 all age groups.

30 (13) "Total operating expense" includes payments for both "personal services" and
31 "other operating expense".

32 (b) The state board of finance may authorize advances to boards or persons having
33 control of the funds of any institution or department of the state of a sum of
34 money out of any appropriation available at such time for the purpose of establishing
35 working capital to provide for payment of expenses in the case of emergency when
36 immediate payment is necessary or expedient. Advance payments shall be made by
37 warrant by the auditor of state, and properly itemized and receipted bills or invoices
38 shall be filed by the board or persons receiving the advance payments.

39 (c) All money appropriated by this act shall be considered either a direct appropriation
40 or an appropriation from a rotary or revolving fund.

41 (1) Direct appropriations are subject to withdrawal from the state treasury and
42 for expenditure for such purposes, at such time, and in such manner as may be prescribed
43 by law. Direct appropriations are not subject to return and rewithdrawal from the
44 state treasury, except for the correction of an error which may have occurred in
45 any transaction or for reimbursement of expenditures which have occurred in the
46 same fiscal year.

47 (2) A rotary or revolving fund is any designated part of a fund that is set apart
48 as working capital in a manner prescribed by law and devoted to a specific purpose
49 or purposes. The fund consists of earnings and income only from certain sources



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

10
 11 **SECTION 2. [EFFECTIVE JULY 1, 2009]**

12
 13 For the conduct of state government, its offices, funds, boards, commissions, departments,
 14 societies, associations, services, agencies, and undertakings, and for other appropriations
 15 not otherwise provided by statute, the following sums in SECTIONS 3 through 10 are
 16 appropriated for the periods of time designated from the general fund of the state
 17 of Indiana or other specifically designated funds.

18
 19 In this act, whenever there is no specific fund or account designated, the appropriation
 20 is from the general fund.

21
 22 **SECTION 3. [EFFECTIVE JULY 1, 2009]**

23
 24 **GENERAL GOVERNMENT**

25
 26 **A. LEGISLATIVE**

27
 28 **FOR THE GENERAL ASSEMBLY**

29 **LEGISLATORS' SALARIES - HOUSE**

Total Operating Expense	6,198,756	6,198,756
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31 **HOUSE EXPENSES**

Total Operating Expense	9,332,831	9,697,001
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33 **LEGISLATORS' SALARIES - SENATE**

Total Operating Expense	2,247,345	2,247,345
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35 **SENATE EXPENSES**

Total Operating Expense	9,729,727	10,305,831
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37
 38 Included in the above appropriations for house and senate expenses are funds for
 39 a legislative business per diem allowance, meals, and other usual and customary expenses
 40 associated with legislative affairs. Except as provided below, this allowance is
 41 to be paid to each member of the general assembly for every day, including Sundays,
 42 during which the general assembly is convened in regular or special session, commencing
 43 with the day the session is officially convened and concluding with the day the session
 44 is adjourned sine die. However, after five (5) consecutive days of recess, the legislative
 45 business per diem allowance is to be made on an individual voucher basis until the
 46 recess concludes.

47
 48 Members of the general assembly are entitled, when authorized by the speaker of the
 49 house or the president pro tempore of the senate, to the legislative business per



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

2
3 The legislative business per diem allowance that each member of the general assembly
4 is entitled to receive equals the maximum daily amount allowable to employees of
5 the executive branch of the federal government for subsistence expenses while away
6 from home in travel status in the Indianapolis area. The legislative business per
7 diem changes each time there is a change in that maximum daily amount.

8
9 In addition to the legislative business per diem allowance, each member of the general
10 assembly shall receive the mileage allowance in an amount equal to the standard mileage
11 rates for personally owned transportation equipment established by the federal Internal
12 Revenue Service for each mile necessarily traveled from the member's usual place
13 of residence to the state capitol. However, if the member traveled by a means other
14 than by motor vehicle, and the member's usual place of residence is more than one
15 hundred (100) miles from the state capitol, the member is entitled to reimbursement
16 in an amount equal to the lowest air travel cost incurred in traveling from the usual
17 place of residence to the state capitol. During the period the general assembly is
18 convened in regular or special session, the mileage allowance shall be limited to
19 one (1) round trip each week per member.

20
21 Any member of the general assembly who is appointed, by the governor, speaker
22 of the house, president or president pro tempore of the senate, house or senate minority
23 floor leader, or Indiana legislative council to serve on any research, study, or
24 survey committee or commission, or who attends any meetings authorized or convened
25 under the auspices of the Indiana legislative council, including pre-session conferences
26 and federal-state relations conferences, is entitled, when authorized by the legislative
27 council, to receive the legislative business per diem allowance for each day in actual
28 attendance and is also entitled to a mileage allowance, at the rate specified above,
29 for each mile necessarily traveled from the member's usual place of residence to
30 the state capitol, or other in-state site of the committee, commission, or conference.
31 The per diem allowance and the mileage allowance permitted under this paragraph shall
32 be paid from the legislative council appropriation for legislator and lay member
33 travel unless the member is attending an out-of-state meeting, as authorized by the
34 speaker of the house of representatives or the president pro tempore of the senate,
35 in which case the member is entitled to receive:

- 36 (1) the legislative business per diem allowance for each day the member is engaged
37 in approved out-of-state travel; and
38 (2) reimbursement for traveling expenses actually incurred in connection with the
39 member's duties, as provided in the state travel policies and procedures established
40 by the legislative council.

41
42 Notwithstanding the provisions of this or any other statute, the legislative council
43 may adopt, by resolution, travel policies and procedures that apply only to members
44 of the general assembly or to the staffs of the house of representatives, senate,
45 and legislative services agency, or both members and staffs. The legislative council
46 may apply these travel policies and procedures to lay members serving on research,
47 study, or survey committees or commissions that are under the jurisdiction of the
48 legislative council. Notwithstanding any other law, rule, or policy, the state travel
49 policies and procedures established by the Indiana department of administration and



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

23

24 **LEGISLATORS' SUBSISTENCE**

25 **LEGISLATORS' EXPENSES - HOUSE**

Total Operating Expense	2,424,801	2,432,543
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27 **LEGISLATORS' EXPENSES - SENATE**

Total Operating Expense	1,126,579	1,004,601
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29

30 Each member of the general assembly is entitled to a subsistence allowance of forty
 31 percent (40%) of the maximum daily amount allowable to employees of the executive
 32 branch of the federal government for subsistence expenses while away from home in
 33 travel status in the Indianapolis area:

34 (1) each day that the general assembly is not convened in regular or special session;
 35 and

36 (2) each day after the first session day held in November and before the first session
 37 day held in January.

38

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

43

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

45

46 The officers of the senate are entitled to the following amounts annually in addition
 47 to the subsistence allowance: president pro tempore, \$7,000; assistant president
 48 pro tempore, \$3,000; majority floor leader, \$5,500; assistant majority floor leaders,
 49 \$3,500; majority caucus chair, \$5,500; assistant majority caucus chairs, \$1,500;



1 appropriations committee chair, \$5,500; tax and fiscal policy committee chair, \$5,500;
 2 appropriations committee ranking majority member, \$2,000; tax and fiscal policy committee
 3 ranking majority member, \$2,000; majority whip, \$4,000; assistant majority whip,
 4 \$2,000; minority floor leader, \$6,000; minority leader emeritus, \$1,500; minority
 5 caucus chair, \$5,000; minority assistant floor leader, \$5,000; appropriations committee
 6 ranking minority member, \$2,000; tax and fiscal policy committee ranking minority
 7 member, \$2,000; minority whip(s), \$2,000; assistant minority caucus chair(s), \$1,000;
 8 agriculture and small business committee chair, \$1,000; commerce, public policy,
 9 and interstate cooperation committee chair, \$1,000; corrections, criminal, and civil
 10 matters committee chair, \$1,000; education and career development chair, \$1,000;
 11 elections committee chair, \$1,000; energy and environmental affairs committee chair,
 12 \$1,000; pensions and labor committee chair, \$1,000; health and provider services
 13 committee chair, \$1,000; homeland security, transportation, and veterans affairs
 14 committee chair, \$1,000; insurance and financial institutions committee chair, \$1,000;
 15 judiciary committee chair, \$1,000; local government committee chair, \$1,000; utilities
 16 and technology committee chair, \$1,000; and natural resources committee chair, \$1,000.
 17 If an officer fills more than one leadership position, the officer shall be paid for
 18 the higher paid position.

19
 20 Officers of the house of representatives are entitled to the following amounts annually
 21 in addition to the subsistence allowance: speaker of the house, \$6,500; speaker pro
 22 tempore, \$5,000; deputy speaker pro tempore, \$1,500; majority leader, \$5,000; majority
 23 caucus chair, \$5,000; assistant majority caucus chair, \$1,000; ways and means committee
 24 chair, \$5,000; ways and means committee ranking majority member, \$3,000; ways and
 25 means committee, chairman of the education subcommittee, \$1,500; speaker pro tempore
 26 emeritus, \$1,500; budget subcommittee chair, \$3,000; majority whip, \$3,500; assistant
 27 majority whip, \$1,000; assistant majority leader, \$1,000; minority leader, \$5,500;
 28 minority caucus chair, \$4,500; ways and means committee ranking minority member,
 29 \$3,500; minority whip, \$2,500; assistant minority leader, \$4,500; second assistant
 30 minority leader, \$1,500; and deputy assistant minority leader, \$1,000.

31
 32 If the senate or house of representatives eliminates a committee or officer referenced
 33 in this SECTION and replaces the committee or officer with a new committee or position,
 34 the foregoing appropriations for subsistence shall be used to pay for the new committee
 35 or officer. However, this does not permit any additional amounts to be paid under
 36 this SECTION for a replacement committee or officer than would have been spent for
 37 the eliminated committee or officer. If the senate or house of representatives creates
 38 a new additional committee or officer, or assigns additional duties to an existing
 39 officer, the foregoing appropriations for subsistence shall be used to pay for the
 40 new committee or officer, or to adjust the annual payments made to the existing officer,
 41 in amounts determined by the legislative council.

42
 43 If the funds appropriated for legislators' subsistence are insufficient to pay all
 44 the subsistence incurred, there are hereby appropriated such further sums as may
 45 be necessary to pay such subsistence.

46
 47 **FOR THE LEGISLATIVE COUNCIL AND THE LEGISLATIVE SERVICES AGENCY**
 48 **Total Operating Expense** **8,961,833** **9,355,000**
 49 **LEGISLATOR AND LAY MEMBER TRAVEL**



1	Total Operating Expense	560,128	500,000
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2
3 **Included in the above appropriations for the legislative council and legislative**
4 **services agency expenses are funds for usual and customary expenses associated with**
5 **legislative services.**

6
7 **If the funds above appropriated for the legislative council and the legislative services**
8 **agency and legislator and lay member travel are insufficient to pay all the necessary**
9 **expenses incurred, there are hereby appropriated such further sums as may be necessary**
10 **to pay those expenses.**

11
12 **Any person other than a member of the general assembly who is appointed by the governor,**
13 **speaker of the house, president or president pro tempore of the senate, house or**
14 **senate minority floor leader, or legislative council to serve on any research, study,**
15 **or survey committee or commission is entitled, when authorized by the legislative**
16 **council, to a per diem instead of subsistence of \$75 per day during the 2009-2011**
17 **biennium. In addition to the per diem, such a person is entitled to mileage reimbursement,**
18 **at the rate specified for members of the general assembly, for each mile necessarily**
19 **traveled from the person's usual place of residence to the state capitol or other**
20 **in-state site of the committee, commission, or conference. However, reimbursement**
21 **for any out-of-state travel expenses claimed by lay members serving on research,**
22 **study, or survey committees or commissions under the jurisdiction of the legislative**
23 **council shall be based on SECTION 14 of this act, until the legislative council applies**
24 **those travel policies and procedures that govern legislators and their staffs to**
25 **such lay members as authorized elsewhere in this SECTION. The allowance and reimbursement**
26 **permitted in this paragraph shall be paid from the legislative council appropriations**
27 **for legislative and lay member travel unless otherwise provided for by a specific**
28 **appropriation.**

30	LEGISLATIVE COUNCIL CONTINGENCY FUND		
31	Total Operating Expense		125,000

32
33 **Disbursements from the fund may be made only for purposes approved by the chairman**
34 **and vice chairman of the legislative council.**

35
36 **The legislative services agency shall charge the following fees, unless the legislative**
37 **council sets these or other fees at different rates:**

38
39 **Annual subscription to the session document service for sessions ending in odd-numbered**
40 **years: \$900**

41
42 **Annual subscription to the session document service for sessions ending in even-numbered**
43 **years: \$500**

44
45 **Per page charge for copies of legislative documents: \$0.15**

46
47 **Annual charge for interim calendar: \$10**

48
49 **Daily charge for the journal of either house: \$2**



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PRINTING AND DISTRIBUTION

Total Operating Expense	560,278	760,000
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The above funds are appropriated for the printing and distribution of documents published by the legislative council. These documents include journals, bills, resolutions, enrolled documents, the acts of the first and second regular sessions of the 116th general assembly, the supplements to the Indiana Code for fiscal years 2009-2010 and 2010-2011, and the publication of the Indiana Administrative Code and the Indiana Register. Upon completion of the distribution of the Acts and the supplements to the Indiana Code, as provided in IC 2-6-1.5, remaining copies may be sold at a price or prices periodically determined by the legislative council. If the above appropriations for the printing and distribution of documents published by the legislative council are insufficient to pay all of the necessary expenses incurred, there are hereby appropriated such sums as may be necessary to pay such expenses.

COUNCIL OF STATE GOVERNMENTS ANNUAL DUES

Other Operating Expense	143,944	143,944
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NATIONAL CONFERENCE OF STATE LEGISLATURES ANNUAL DUES

Other Operating Expense	190,337	190,337
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NATIONAL CONFERENCE OF INSURANCE LEGISLATORS ANNUAL DUES

Other Operating Expense	10,000	10,000
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FOR THE INDIANA LOBBY REGISTRATION COMMISSION

Total Operating Expense	271,910	271,910
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B. JUDICIAL

FOR THE SUPREME COURT

Personal Services	7,564,269	7,564,269
Other Operating Expense	2,001,965	2,001,965

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

LOCAL JUDGES' SALARIES

Personal Services	57,146,053	57,146,053
Other Operating Expense	39,000	39,000

COUNTY PROSECUTORS' SALARIES

Personal Services	24,785,126	24,785,126
Other Operating Expense	31,000	31,000

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

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



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TRIAL COURT OPERATIONS

Total Operating Expense	596,075	596,075
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INDIANA CONFERENCE FOR LEGAL EDUCATION OPPORTUNITY

Total Operating Expense	778,750	778,750
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The above funds are appropriated to the division of state court administration in compliance with the provisions of IC 33-24-13-7.

PUBLIC DEFENDER COMMISSION

Total Operating Expense	9,850,000	9,850,000
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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
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The division of state court administration shall use the foregoing appropriation to administer an office of guardian ad litem and court appointed special advocate services and to provide matching funds to counties that are required to implement, in courts with juvenile jurisdiction, a guardian ad litem and court appointed special advocate program for children who are alleged to be victims of child abuse or neglect under IC 31-33 and to administer the program. A county may use these matching funds to supplement amounts collected as fees under IC 31-40-3 to be used for the operation of guardian ad litem and court appointed special advocate programs. The county fiscal body shall appropriate adequate funds for the county to be eligible for these matching funds.

CIVIL LEGAL AID

Total Operating Expense	1,500,000	1,500,000
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The above funds include the appropriation provided in IC 33-24-12-7.

SPECIAL JUDGES - COUNTY COURTS

Personal Services	15,000	15,000
Other Operating Expense	134,000	134,000

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

COMMISSION ON RACE AND GENDER FAIRNESS



	<i>FY 2009-2010</i>	<i>FY 2010-2011</i>	<i>Biennial</i>
	<i>Appropriation</i>	<i>Appropriation</i>	<i>Appropriation</i>
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		<i>FY 2009-2010 Appropriation</i>	<i>FY 2010-2011 Appropriation</i>	<i>Biennial Appropriation</i>
1	Other Operating Expense	11,474,961	12,048,709	
2	PROSECUTORS' RETIREMENT FUND			
3	Other Operating Expense	170,000	170,000	
4				
5	C. EXECUTIVE			
6				
7	FOR THE GOVERNOR'S OFFICE			
8	Personal Services	1,902,269	1,902,269	
9	Other Operating Expense	153,976	153,976	
10	GOVERNOR'S RESIDENCE			
11	Total Operating Expense	136,858	136,858	
12	GOVERNOR'S CONTINGENCY FUND			
13	Total Operating Expense			153,358
14				
15	Direct disbursements from the above contingency fund are not subject to the provisions			
16	of IC 5-22.			
17				
18	GOVERNOR'S FELLOWSHIP PROGRAM			
19	Total Operating Expense	265,205	265,205	
20				
21	FOR THE WASHINGTON LIAISON OFFICE			
22	Total Operating Expense	242,500	242,500	
23				
24	FOR THE LIEUTENANT GOVERNOR			
25	Personal Services	1,725,210	1,725,210	
26	Other Operating Expense	550,115	550,115	
27	CONTINGENCY FUND			
28	Total Operating Expense			12,388
29				
30	Direct disbursements from the above contingency fund are not subject to the provisions			
31	of IC 5-22.			
32				
33	FOR THE SECRETARY OF STATE			
34	ADMINISTRATION			
35	Personal Services	2,197,658	2,197,658	
36	Other Operating Expense	150,500	150,500	
37				
38	FOR THE ATTORNEY GENERAL			
39	ATTORNEY GENERAL			
40	From the General Fund			
41		15,128,969	15,128,969	
42	From the Motor Vehicle Odometer Fund (IC 9-29-1-5)			
43		90,000	90,000	
44	Augmentation allowed.			
45	From the Medicaid Fraud Control Unit Fund (IC 4-6-10-1)			
46		542,447	542,447	
47	Augmentation allowed.			
48	From the Victims' Assistance Address Confidentiality Fund (IC 5-26.5-3-6)			
49		59,929	59,929	



1	Augmentation allowed.		
2	From the Real Estate Appraiser Investigative Fund (IC 25-34.1-8-7.5)		
3		64,230	64,230
4	Augmentation allowed.		
5	From the Non-Consumer Settlements Fund		
6		116,678	116,678
7	Augmentation allowed.		
8	From the Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
9		494,467	494,467
10	Augmentation allowed.		
11	From the Abandoned Property Fund (IC 32-34-1-33)		
12		318,968	318,968
13	Augmentation allowed.		

14
 15 The amounts specified from the General Fund, motor vehicle odometer fund, medicaid
 16 fraud control unit fund, victims' assistance address confidentiality fund, non-consumer
 17 settlements fund, real estate appraiser investigative fund, tobacco master settlement
 18 fund, and abandoned property fund are for the following purposes:

19			
20	Personal Services	15,690,686	15,690,686
21	Other Operating Expense	1,125,002	1,125,002
22			
23	HOMEOWNER PROTECTION UNIT		
24	Homeowner Protection Unit Account (IC 4-6-12-9)		
25	Total Operating Expense	422,000	422,000
26	MEDICAID FRAUD UNIT		
27	Total Operating Expense	235,473	235,473

28
 29 The above appropriations to the Medicaid fraud unit are the state's matching share
 30 of the state Medicaid fraud control unit under IC 4-6-10 as prescribed by 42 U.S.C.
 31 1396b(q). Augmentation allowed from collections.

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

38
 39 **D. FINANCIAL MANAGEMENT**

40			
41	FOR THE AUDITOR OF STATE		
42	Personal Services	4,587,218	4,587,218
43	Other Operating Expense	1,388,632	1,388,632
44	GOVERNORS' AND GOVERNORS' SURVIVING SPOUSES' PENSIONS		
45	Total Operating Expense	140,246	140,246

46
 47 The above appropriations for governors' and governors' surviving spouses' pensions
 48 are made under IC 4-3-3.



1 **FOR THE STATE BOARD OF ACCOUNTS**

2 Personal Services	20,581,483	20,581,483
3 Other Operating Expense	1,178,717	1,178,717

4
5 **FOR THE STATE BUDGET COMMITTEE**

6 Total Operating Expense	54,126	54,126
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7
8 Notwithstanding IC 4-12-1-11(b), the salary per diem of the legislative members of
9 the budget committee is an amount equal to one hundred fifty percent (150%) of the
10 legislative business per diem allowance. If the above appropriations are insufficient
11 to carry out the necessary operations of the budget committee, there are hereby
12 appropriated such further sums as may be necessary.

13
14 **FOR THE OFFICE OF MANAGEMENT AND BUDGET**

15 Personal Services	1,000,227	1,000,227
16 Other Operating Expense	153,095	153,095

17
18 **FOR THE STATE BUDGET AGENCY**

19 Personal Services	2,729,047	2,729,047
20 Other Operating Expense	639,093	639,093

21
22 **DEPARTMENTAL AND INSTITUTIONAL EMERGENCY CONTINGENCY FUND**

23 Total Operating Expense	10,000,000
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24
25 The foregoing departmental and institutional emergency contingency fund appropriation
26 is subject to allotment to departments, institutions, and all state agencies by the
27 budget agency with the approval of the governor. These allocations may be made upon
28 written request of proper officials, showing that contingencies exist that require
29 additional funds for meeting necessary expenses. The budget committee shall be advised
30 of each transfer request and allotment.

31
32 **OUTSIDE BILL CONTINGENCY**

33 Total Operating Expense	9,354,228
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34
35 **PERSONAL SERVICES/FRINGE BENEFITS CONTINGENCY FUND**

36 Total Operating Expense	55,625,000
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37
38 The foregoing personal services/fringe benefits contingency fund appropriation is
39 subject to allotment to departments, institutions, and all state agencies by the
40 budget agency with the approval of the governor.

41
42 The foregoing personal services/fringe benefits contingency fund appropriation may
43 be used only for salary increases, fringe benefit increases, an employee leave conversion
44 program, or a state retiree health program for state employees and may not be used
45 for any other purpose.

46
47 The foregoing personal services/fringe benefits contingency fund appropriation does
48 not revert at the end of the biennium but remains in the personal services/fringe
49 benefits contingency fund.



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MOTOR CARRIER REGULATION

Motor Carrier Regulation Fund (IC 8-2.1-23)		
Personal Services	1,744,843	1,744,843
Other Operating Expense	3,797,857	3,797,857
Augmentation allowed from the Motor Carrier Regulation Fund.		

MOTOR FUEL TAX DIVISION

Motor Vehicle Highway Account (IC 8-14-1)		
Personal Services	7,041,830	7,041,830
Other Operating Expense	2,561,625	2,561,625
Augmentation allowed from the Motor Vehicle Highway Account.		

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

FOR THE INDIANA GAMING COMMISSION

From the State Gaming Fund (IC 4-33-13-3)		
	3,501,183	3,501,183
From the Gaming Investigations Fund (IC 4-33-4.5)		
	600,000	600,000

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

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

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

Augmentation allowed.

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

FOR THE INDIANA DEPARTMENT OF GAMING RESEARCH

Personal Services	120,394	120,394
Other Operating Expense	104,312	104,312
Augmentation allowed from fees accruing under IC 4-33-18-8.		

FOR THE INDIANA HORSE RACING COMMISSION

Indiana Horse Racing Commission Operating Fund (IC 4-31-10-2)		
Personal Services	2,126,562	2,126,562



1	Other Operating Expense	627,890	627,890
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2

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

6 **Augmentation allowed.**

7

8 **STANDARD BRED ADVISORY BOARD**

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

10	Total Operating Expense	193,500	193,500
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11

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

15 **Augmentation allowed.**

16

17 **STANDARD BRED BREED DEVELOPMENT**

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

19	Total Operating Expense	4,049,719	4,049,719
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20 **Augmentation allowed.**

21 **THOROUGHBRED BREED DEVELOPMENT**

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

23	Total Operating Expense	2,904,012	2,904,012
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24 **Augmentation allowed.**

25 **QUARTER HORSE BREED DEVELOPMENT**

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

27	Total Operating Expense	228,896	228,896
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28 **Augmentation allowed.**

29 **FINGERPRINT FEES**

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

31	Total Operating Expense	52,110	52,110
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32 **Augmentation allowed.**

33 **GAMING INTEGRITY FUND - IHRC**

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

35	Total Operating Expense	500,000	500,000
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36 **Augmentation allowed.**

37

38 **FOR THE DEPARTMENT OF LOCAL GOVERNMENT FINANCE**

39	Personal Services	3,927,361	3,926,359
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40	Other Operating Expense	722,957	722,957
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41

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

46

47 **DISTRESSED UNIT APPEAL BOARD**

48	Total Operating Expense	20,600	20,600
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49



1	FOR THE INDIANA BOARD OF TAX REVIEW		
2	Personal Services	1,209,019	1,209,019
3	Other Operating Expense	63,510	63,510
4			

5 **F. ADMINISTRATION**

6			
7	FOR THE DEPARTMENT OF ADMINISTRATION		
8	Personal Services	11,562,865	11,562,865
9	Other Operating Expense	14,718,815	14,718,815

10			
11	FOR THE STATE PERSONNEL DEPARTMENT		
12	Personal Services	3,405,686	3,405,686
13	Other Operating Expense	320,200	320,200

14

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

16 **department.**

17			
18	FOR THE STATE EMPLOYEES APPEALS COMMISSION		
19	Personal Services	169,653	169,653
20	Other Operating Expense	10,086	10,086

21			
22	FOR THE OFFICE OF TECHNOLOGY		
23	Pay Phone Fund (IC 5-22-23-7)		
24	Total Operating Expense	1,900,000	1,900,000
25	Augmentation allowed.		

26

27 **The pay phone fund is established for the procurement of hardware, software, and**

28 **related equipment and services needed to expand and enhance the state campus backbone**

29 **and other central information technology initiatives. Such procurements may include,**

30 **but are not limited to, wiring and rewiring of state offices, Internet services,**

31 **video conferencing, telecommunications, application software, and related services.**

32 **The fund consists of the net proceeds received from contracts with companies providing**

33 **phone services at state institutions and other state properties. The fund shall**

34 **be administered by the budget agency. Money in the fund may be spent by the office**

35 **in compliance with a plan approved by the budget agency. Any money remaining in**

36 **the fund at the end of any fiscal year does not revert to the general fund or any**

37 **other fund but remains in the pay phone fund.**

38			
39	FOR THE COMMISSION ON PUBLIC RECORDS		
40	Personal Services	1,325,220	1,325,220
41	Other Operating Expense	141,446	141,446

42			
43	FOR THE OFFICE OF THE PUBLIC ACCESS COUNSELOR		
44	Personal Services	153,041	153,041
45	Other Operating Expense	3,688	3,688

46			
47	FOR THE OFFICE OF FEDERAL GRANTS AND PROCUREMENT		
48	Total Operating Expense	95,039	95,039

49



1	G. OTHER		
2			
3	FOR THE COMMISSION ON UNIFORM STATE LAWS		
4	Total Operating Expense	43,584	43,584
5			
6	FOR THE OFFICE OF INSPECTOR GENERAL		
7	Personal Services	1,212,488	1,212,488
8	Other Operating Expense	229,383	229,383
9			
10	STATE ETHICS COMMISSION		
11	Personal Services	2,668	2,668
12	Other Operating Expense	6,297	6,297
13			
14	FOR THE SECRETARY OF STATE		
15	ELECTION DIVISION		
16	Personal Services	701,510	701,510
17	Other Operating Expense	196,242	196,242
18	VOTER LIST MAINTENANCE		
19	Total Operating Expense	512,500	512,500
20			
21	H. COMMUNITY SERVICES		
22			
23	FOR THE GOVERNOR'S OFFICE OF FAITH BASED & COMMUNITY INITIATIVES		
24	Personal Services	240,327	240,327
25	Other Operating Expense	50,225	50,225
26			
27	SECTION 4. [EFFECTIVE JULY 1, 2009]		
28			
29	PUBLIC SAFETY		
30			
31	A. CORRECTION		
32			
33	FOR THE DEPARTMENT OF CORRECTION		
34	CENTRAL OFFICE		
35	Personal Services	9,376,633	9,376,633
36	Other Operating Expense	6,158,981	6,158,981
37	ESCAPEE COUNSEL AND TRIAL EXPENSE		
38	Other Operating Expense	198,000	198,000
39	COUNTY JAIL MISDEMEANANT HOUSING		
40	Total Operating Expense	4,281,101	4,281,101
41	ADULT CONTRACT BEDS		
42	Total Operating Expense	2,831,443	2,831,443
43	STAFF DEVELOPMENT AND TRAINING		
44	Personal Services	1,084,457	1,084,457
45	Other Operating Expense	132,885	132,885
46	PAROLE DIVISION		
47	Personal Services	8,337,627	8,337,627
48	Other Operating Expense	905,405	905,405
49	PAROLE BOARD		



	<i>FY 2009-2010</i>	<i>FY 2010-2011</i>	<i>Biennial</i>
	<i>Appropriation</i>	<i>Appropriation</i>	<i>Appropriation</i>
1	Personal Services	657,976	657,976
2	Other Operating Expense	23,741	23,741
3	INFORMATION MANAGEMENT SERVICES		
4	Personal Services	1,048,752	1,048,752
5	Other Operating Expense	432,534	432,534
6	JUVENILE TRANSITION		
7	Personal Services	662,692	662,692
8	Other Operating Expense	908,545	908,545
9	COMMUNITY CORRECTIONS PROGRAMS		
10	Total Operating Expense	34,018,114	34,018,114

11
12 The above appropriation for community corrections programs is not subject to transfer
13 to any other fund or to transfer, assignment, or reassignment for any other use or
14 purpose by the state board of finance notwithstanding IC 4-9.1-1-7 and IC 4-13-2-23
15 or by the budget agency notwithstanding IC 4-12-1-12 or any other law.

16
17 Notwithstanding IC 4-13-2-19 and any other law, the above appropriation for community
18 corrections programs does not revert to the general fund or another fund at the close
19 of a state fiscal year but remains available in subsequent state fiscal years for
20 the purposes of the appropriation.

21	DRUG PREVENTION AND OFFENDER TRANSITION		
22			
23	Total Operating Expense	206,824	206,824

24
25 The above appropriation shall be used for minimum security release programs, transition
26 programs, mentoring programs, and supervision of and assistance to adult and juvenile
27 offenders to promote the successful integration of the offender into the community.

28	CENTRAL EMERGENCY RESPONSE		
29			
30	Personal Services	1,159,005	1,159,005
31	Other Operating Expense	120,174	120,174
32	MEDICAL SERVICES		
33	Other Operating Expense	76,130,153	86,032,783

34
35 The above appropriations for medical services shall be used only for services that are determined
36 to be medically necessary.

37	DRUG ABUSE PREVENTION		
38			
39	Drug Abuse Fund (IC 11-8-2-11)		
40	Personal Services	740,000	740,000
41	Other Operating Expense	2,600	2,600
42	Augmentation allowed.		

43	COUNTY JAIL MAINTENANCE CONTINGENCY FUND		
44	Other Operating Expense	20,000,000	20,000,000

45
46 Disbursements from the fund shall be made for the purpose of reimbursing sheriffs
47 for the cost of incarcerating in county jails persons convicted of felonies to the
48 extent that such persons are incarcerated for more than five (5) days after the day
49 of sentencing, at the rate of \$35 per day. In addition to the per diem, the state



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

9

10 **Augmentation allowed.**

11

12 **FOOD SERVICES**

Total Operating Expense	36,652,458	40,281,856
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14

15 **FOR THE STATE BUDGET AGENCY**

16 **MEDICAL SERVICE PAYMENTS**

Total Operating Expense	25,000,000	25,000,000
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18

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

34

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

37

38 **FOR THE DEPARTMENT OF ADMINISTRATION**

39 **DEPARTMENT OF CORRECTION OMBUDSMAN BUREAU**

Personal Services	134,554	134,554
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Other Operating Expense	7,328	7,328
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42

43 **FOR THE DEPARTMENT OF CORRECTION**

44 **INDIANA STATE PRISON**

Personal Services	32,867,370	32,867,370
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Other Operating Expense	6,751,252	6,751,252
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47

47 **PENDLETON CORRECTIONAL FACILITY**

Personal Services	27,299,395	27,299,395
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Other Operating Expense	7,070,626	7,070,626
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49



1	CORRECTIONAL INDUSTRIAL FACILITY		
2	Personal Services	20,245,770	20,245,770
3	Other Operating Expense	997,243	997,243
4	INDIANA WOMEN'S PRISON		
5	Personal Services	8,612,523	8,612,523
6	Other Operating Expense	1,059,099	1,059,099
7	PUTNAMVILLE CORRECTIONAL FACILITY		
8	Personal Services	30,333,741	30,333,741
9	Other Operating Expense	4,329,691	4,329,691
10	WABASH VALLEY CORRECTIONAL FACILITY		
11	Personal Services	35,452,554	35,452,554
12	Other Operating Expense	5,409,888	5,409,888
13	PLAINFIELD EDUCATION RE-ENTRY FACILITY		
14	Personal Services	7,055,354	7,055,354
15	Other Operating Expense	3,235,412	3,235,412
16	INDIANAPOLIS JUVENILE CORRECTIONAL FACILITY		
17	Personal Services	10,906,670	10,906,670
18	Other Operating Expense	1,090,070	1,090,070
19	BRANCHVILLE CORRECTIONAL FACILITY		
20	Personal Services	16,560,275	16,560,275
21	Other Operating Expense	2,361,080	2,361,080
22	WESTVILLE CORRECTIONAL FACILITY		
23	Personal Services	42,786,893	42,786,893
24	Other Operating Expense	5,980,703	5,980,703
25	ROCKVILLE CORRECTIONAL FACILITY FOR WOMEN		
26	Personal Services	14,998,655	14,998,655
27	Other Operating Expense	1,927,015	1,927,015
28	PLAINFIELD CORRECTIONAL FACILITY		
29	Personal Services	22,950,007	22,950,007
30	Other Operating Expense	2,619,303	2,619,303
31	RECEPTION AND DIAGNOSTIC CENTER		
32	Personal Services	11,799,385	11,799,385
33	Other Operating Expense	695,865	695,865
34	MIAMI CORRECTIONAL FACILITY		
35	Personal Services	28,891,409	28,891,409
36	Other Operating Expense	5,231,704	5,231,704
37	NEW CASTLE CORRECTIONAL FACILITY		
38	Other Operating Expense	31,587,079	32,328,736
39	SOCIAL SERVICES BLOCK GRANT		
40	General Fund		
41	Total Operating Expense	5,029,318	5,029,318
42	Work Release - Study Release Special Revenue Fund (IC 11-10-8-6.5)		
43	Total Operating Expense	1,328,704	1,328,704
44	Augmentation allowed from Work Release - Study Release Special Revenue Fund		
45	and Social Services Block Grant.		
46	HENRYVILLE CORRECTIONAL FACILITY		
47	Personal Services	2,355,124	2,355,124
48	Other Operating Expense	271,599	271,599
49	CHAIN O' LAKES CORRECTIONAL FACILITY		



	<i>FY 2009-2010 Appropriation</i>	<i>FY 2010-2011 Appropriation</i>	<i>Biennial Appropriation</i>
1	Personal Services	1,743,782	1,743,782
2	Other Operating Expense	261,355	261,355
3	MADISON CORRECTIONAL FACILITY		
4	Personal Services	4,835,168	4,835,168
5	Other Operating Expense	962,558	962,558
6	EDINBURGH CORRECTIONAL FACILITY		
7	Personal Services	3,614,415	3,614,415
8	Other Operating Expense	388,295	388,295
9	SOUTH BEND JUVENILE CORRECTIONAL FACILITY		
10	Personal Services	4,739,483	4,739,483
11	Other Operating Expense	2,826,481	2,826,481
12	NORTH CENTRAL JUVENILE CORRECTIONAL FACILITY		
13	Personal Services	9,213,446	9,213,446
14	Other Operating Expense	1,243,603	1,243,603
15	CAMP SUMMIT		
16	Personal Services	2,258,110	2,258,110
17	Other Operating Expense	217,833	217,833
18	PENDLETON JUVENILE CORRECTIONAL FACILITY		
19	Personal Services	15,807,771	15,807,771
20	Other Operating Expense	1,633,941	1,633,941

21
22 **B. LAW ENFORCEMENT**

23
24 **FOR THE INDIANA STATE POLICE AND MOTOR CARRIER INSPECTION**

25 **From the General Fund**

26 45,469,876 45,469,876

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

28 79,313,933 79,313,933

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

30 4,391,978 4,391,978

31 **Augmentation allowed from the general fund, the motor vehicle highway account,**
32 **and the motor carrier regulation fund.**

33
34 **The amounts specified from the General Fund, the Motor Vehicle Highway Account, and the**
35 **Motor Carrier Regulation Fund are for the following purposes:**

36
37 **Personal Services 115,028,075 115,028,075**

38 **Other Operating Expense 14,147,712 14,147,712**

39
40 **The above appropriations for personal services and other operating expense include**
41 **funds to continue the state police minority recruiting program.**

42
43 **The foregoing appropriations for the Indiana state police and motor carrier inspection**
44 **include funds for the police security detail to be provided to the Indiana state**
45 **fair board. However, amounts actually expended to provide security for the Indiana state**
46 **fair board as determined by the budget agency shall be reimbursed by the Indiana**
47 **state fair board to the state general fund.**

48
49 **ODOMETER FRAUD INVESTIGATION**



1	Motor Vehicle Odometer Fund (IC 9-29-1-5)		
2	Total Operating Expense	25,000	25,000
3	Augmentation allowed.		
4			
5	STATE POLICE TRAINING		
6	State Police Training Fund (IC 5-2-8-5)		
7	Total Operating Expense	502,875	502,875
8	Augmentation allowed.		
9			
10	FORENSIC AND HEALTH SCIENCES LABORATORIES		
11	From the General Fund		
12	3,888,671	3,888,671	
13	From the Motor Carrier Regulation Fund (IC 8-2.1-23)		
14	375,611	375,611	
15	From the Motor Vehicle Highway Account (IC 8-14-1)		
16	6,783,078	6,783,078	
17	Augmentation allowed from the general fund, the motor vehicle highway account,		
18	and the motor carrier regulation fund.		

19

20 **The amounts specified from the General Fund, the Motor Vehicle Highway Account, and the**

21 **Motor Carrier Regulation Fund are for the following purposes:**

22			
23	Personal Services	10,572,562	10,572,562
24	Other Operating Expense	474,798	474,798

25			
26	ENFORCEMENT AID		
27	General Fund		
28	Total Operating Expense	40,000	40,000
29	Motor Vehicle Highway Account (IC 8-14-1)		
30	Total Operating Expense	40,000	40,000

31

32 **The above appropriations for enforcement aid are to meet unforeseen emergencies**

33 **of a confidential nature. They are to be expended under the direction of the superintendent**

34 **and to be accounted for solely on the superintendent's authority.**

35			
36	PENSION FUND		
37	General Fund		
38	Total Operating Expense	4,736,247	4,736,247
39	Motor Vehicle Highway Account (IC 8-14-1)		
40	Total Operating Expense	4,736,246	4,736,246

41

42 **The above appropriations shall be paid into the state police pension fund provided**

43 **for in IC 10-12-2 in twelve (12) equal installments on or before July 30 and on or**

44 **before the 30th of each succeeding month thereafter.**

45			
46	BENEFIT FUND		
47	General Fund		
48	Total Operating Expense	1,713,151	1,713,151
49	Augmentation allowed.		



1 **Motor Vehicle Highway Account (IC 8-14-1)**
2 **Total Operating Expense** **1,713,151** **1,713,151**
3 **Augmentation allowed.**

4
5 **All benefits to members shall be paid by warrant drawn on the treasurer**
6 **of state by the auditor of state on the basis of claims filed and approved by the**
7 **trustees of the state police pension and benefit funds created by IC 10-12-2.**

8
9 **SUPPLEMENTAL PENSION**
10 **General Fund**
11 **Total Operating Expense** **1,900,753** **1,900,753**
12 **Augmentation allowed.**
13 **Motor Vehicle Highway Account (IC 8-14-1)**
14 **Total Operating Expense** **1,900,753** **1,900,753**
15 **Augmentation allowed.**

16
17 **If the above appropriations for supplemental pension for any one (1) year are greater**
18 **than the amount actually required under the provisions of IC 10-12-5, then the excess**
19 **shall be returned proportionately to the funds from which the appropriations were**
20 **made. If the amount actually required under IC 10-12-5 is greater than the above**
21 **appropriations, then, with the approval of the governor and the budget agency, those**
22 **sums may be augmented from the general fund and the motor vehicle highway account.**

23
24 **ACCIDENT REPORTING**
25 **Accident Report Account (IC 9-29-11-1)**
26 **Total Operating Expense** **30,000** **30,000**
27 **Augmentation allowed.**

28 **DRUG INTERDICTION**
29 **Drug Interdiction Fund (IC 10-11-7)**
30 **Total Operating Expense** **273,420** **273,420**
31 **Augmentation allowed.**

32 **DNA SAMPLE PROCESSING FUND**
33 **DNA Sample Processing Fund (IC 10-13-6-9.5)**
34 **Total Operating Expense** **1,327,777** **1,327,777**
35 **Augmentation allowed.**

36
37 **FOR THE INTEGRATED PUBLIC SAFETY COMMISSION**
38 **PROJECT SAFE-T**
39 **Integrated Public Safety Communications Fund (IC 5-26-4-1)**
40 **Total Operating Expense** **13,000,000** **13,000,000**
41 **Augmentation allowed.**

42
43 **FOR THE ADJUTANT GENERAL**
44 **CAMP ATTERBURY MUSCATATUCK CENTER FOR COMPLEX OPERATIONS**
45 **Personal Services** **653,456** **653,456**
46 **Other Operating Expense** **362,134** **362,134**
47 **ADJUTANT GENERAL FEDERAL COOP AGREEMENT**
48 **Total Operating Expense** **9,653,699** **9,653,699**
49 **BAER FIELD FEDERAL COOP AGREEMENT**



	<i>FY 2009-2010 Appropriation</i>	<i>FY 2010-2011 Appropriation</i>	<i>Biennial Appropriation</i>
1	Total Operating Expense	370,161	370,161
2	HULMAN FIELD FEDERAL COOP AGREEMENT		
3	Total Operating Expense	306,453	306,453
4	DISABLED SOLDIERS' PENSION		
5	Other Operating Expense	1	1
6	Augmentation allowed.		
7	MUTC - MUSCATATUCK URBAN TRAINING CENTER		
8	Total Operating Expense	1,386,906	1,386,906
9	HOOSIER YOUTH CHALLENGE ACADEMY		
10	Total Operating Expense	1,148,948	1,800,000
11	GOVERNOR'S CIVIL AND MILITARY CONTINGENCY FUND		
12	Total Operating Expense		288,672

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

16
17 **FOR THE CRIMINAL JUSTICE INSTITUTE**

18 **ADMINISTRATIVE MATCH**

19 **Total Operating Expense** 427,253 427,253

20 **DRUG ENFORCEMENT MATCH**

21 **Total Operating Expense** 1,571,760 1,571,760

22 **VICTIM AND WITNESS ASSISTANCE FUND**

23 **Victim and Witness Assistance Fund (IC 5-2-6-14)**

24 **Total Operating Expense** 629,689 629,689

25 **Augmentation allowed.**

26 **ALCOHOL AND DRUG COUNTERMEASURES**

27 **Alcohol and Drug Countermeasures Fund (IC 9-27-2-11)**

28 **Total Operating Expense** 348,211 348,211

29 **Augmentation allowed.**

30 **STATE DRUG FREE COMMUNITIES FUND**

31 **State Drug Free Communities Fund (IC 5-2-10-2)**

32 **Total Operating Expense** 526,585 526,585

33 **Augmentation allowed.**

34 **INDIANA SAFE SCHOOLS**

35 **General Fund**

36 **Total Operating Expense** 1,247,756 1,247,756

37 **Indiana Safe Schools Fund (IC 5-2-10.1-2)**

38 **Total Operating Expense** 764,397 764,397

39 **Augmentation allowed from Indiana Safe Schools Fund.**

40
41 **Of the above appropriations for the Indiana safe schools program, \$1,262,153 is appropriated**
42 **annually to provide grants to school corporations for school safe haven programs,**
43 **emergency preparedness programs, and school safety programs, and \$750,000 is appropriated**
44 **annually for use in providing training to school safety specialists.**

45
46 **CHILD RESTRAINT SYSTEM FUND**

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

48 **COMMUNITY DRIVER TRAINING SCHOOLS & INSTRUCTION**

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



1	Total Operating Expense	63,359	63,359
2	Augmentation allowed.		
3	OFFICE OF TRAFFIC SAFETY		
4	Motor Vehicle Highway Account (IC 8-14-1)		
5	Personal Services	575,778	575,778
6	Other Operating Expense	13,211,355	13,211,355
7	Augmentation allowed.		

8
9
10 The above appropriation for the office of traffic safety is from the motor vehicle
11 highway account and may be used to fund traffic safety projects that are included
12 in a current highway safety plan approved by the governor and the budget agency.
13 The department shall apply to the national highway traffic safety administration
14 for reimbursement of all eligible project costs. Any federal reimbursement received
15 by the department for the highway safety plan shall be deposited into the motor vehicle
16 highway account.

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

20
21 Augmentation allowed. The full amount of the above appropriations shall be distributed
22 to rape crisis centers in Indiana without any deduction of personal services or other
23 operating expenses of any state agency.

24	VICTIMS OF VIOLENT CRIME ADMINISTRATION		
25	Violent Crime Victims Compensation Fund (IC 5-2-6.1-40)		
26	Personal Services	112,122	112,122
27	Other Operating Expense	2,407,402	2,407,402
28	Augmentation allowed.		

29	DOMESTIC VIOLENCE PREVENTION AND TREATMENT		
30	General Fund		
31	Total Operating Expense	1,734,014	1,734,014
32	Domestic Violence Prevention and Treatment Fund (IC 12-18-4)		
33	Total Operating Expense	1,115,590	1,115,590
34	Augmentation allowed.		

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

39	FOR THE LAW ENFORCEMENT TRAINING ACADEMY		
40	From the General Fund		
41	2,190,933	2,190,933	
42	From the Law Enforcement Training Fund (IC 5-2-1-13(b))		
43	2,220,048	2,220,048	
44	Augmentation allowed from the Law Enforcement Training Fund.		

45
46
47
48
49 The amounts specified from the General Fund and the Law Enforcement Training Fund



1 are for the following purposes:

	2		
3	Personal Services	3,608,441	3,608,441
4	Other Operating Expense	802,540	802,540

5

6 **C. REGULATORY AND LICENSING**

7

8 **FOR THE BUREAU OF MOTOR VEHICLES**

9	Motor Vehicle Highway Account (IC 8-14-1)		
10	Personal Services	17,446,403	17,446,403
11	Other Operating Expense	13,493,000	13,493,000

12 Augmentation allowed.

13 **LICENSE PLATES**

14	Motor Vehicle Highway Account (IC 8-14-1)		
15	Total Operating Expense	5,600,000	5,600,000

16 Augmentation allowed.

17 **FINANCIAL RESPONSIBILITY COMPLIANCE VERIFICATION**

18	Financial Responsibility Compliance Verification Fund (IC 9-25-9-7)		
19	Total Operating Expense	6,571,932	6,571,932

20 Augmentation allowed.

21 **STATE MOTOR VEHICLE TECHNOLOGY**

22	State Motor Vehicle Technology Fund (IC 9-29-16-1)		
23	Total Operating Expense	5,261,692	5,261,692

24 Augmentation allowed.

25

26 **FOR THE DEPARTMENT OF LABOR**

27	Personal Services	871,619	871,619
28	Other Operating Expense	141,615	141,615

29 **BUREAU OF MINES AND MINING**

30	Personal Services	150,554	150,554
31	Other Operating Expense	20,104	20,104

32 **M.I.S. RESEARCH AND STATISTICS**

33	Personal Services	207,354	207,354
34	Other Operating Expense	22,360	22,360

35 **OCCUPATIONAL SAFETY AND HEALTH**

36	Personal Services	3,237,073	3,237,073
37	Other Operating Expense	568,548	568,548

38

39 **The above funds are appropriated to occupational safety and health**

40 **and management information services research and statistics to provide the total**

41 **program cost of the Indiana occupational safety and health plan as approved by the**

42 **United States Department of Labor. Inasmuch as the state is eligible to receive**

43 **from the federal government partial reimbursement of the state's total Indiana occupational**

44 **safety and health plan program cost, it is the intention of the general assembly**

45 **that the department of labor make application to the federal government for the federal**

46 **share of the total program cost.**

47

48 **EMPLOYMENT OF YOUTH**

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



	<i>FY 2009-2010 Appropriation</i>	<i>FY 2010-2011 Appropriation</i>	<i>Biennial Appropriation</i>
1	Total Operating Expense	183,555	183,555
2	Augmentation allowed.		
3	INSAFE		
4	Special Fund for Safety and Health Consultation Services (IC 22-8-1.1-48)		
5	Personal Services	874,587	874,587
6	Other Operating Expense	217,752	217,752
7	Augmentation allowed.		
8			
9	FOR THE DEPARTMENT OF INSURANCE		
10	Department of Insurance Fund (IC 27-1-3-28)		
11	Personal Services	5,318,138	5,318,138
12	Other Operating Expense	1,195,519	1,195,519
13	Augmentation allowed.		
14	BAIL BOND DIVISION		
15	Bail Bond Enforcement and Administration Fund (IC 27-10-5-1)		
16	Personal Services	171,597	171,597
17	Other Operating Expense	8,832	8,832
18	Augmentation allowed.		
19	PATIENTS' COMPENSATION AUTHORITY		
20	Patients' Compensation Fund (IC 34-18-6-1)		
21	Personal Services	490,135	490,135
22	Other Operating Expense	1,346,870	1,346,870
23	Augmentation allowed.		
24	POLITICAL SUBDIVISION RISK MANAGEMENT		
25	Political Subdivision Risk Management Fund (IC 27-1-29-10)		
26	Personal Services	44,195	44,195
27	Other Operating Expense	782,960	782,960
28	Augmentation allowed.		
29	MINE SUBSIDENCE INSURANCE		
30	Mine Subsidence Insurance Fund (IC 27-7-9-7)		
31	Personal Services	62,116	62,116
32	Other Operating Expense	827,283	827,283
33	Augmentation allowed.		
34	TITLE INSURANCE ENFORCEMENT OPERATING		
35	Title Insurance Enforcement Fund (IC 27-7-3.6-1)		
36	Personal Services	288,370	288,370
37	Other Operating Expense	80,921	80,921
38	Augmentation allowed.		
39			
40	FOR THE ALCOHOL AND TOBACCO COMMISSION		
41	Enforcement and Administration Fund (IC 7.1-4-10-1)		
42	Personal Services	8,612,469	8,612,469
43	Other Operating Expense	1,780,699	1,780,699
44	Augmentation allowed.		
45			
46	ALCOHOLIC BEVERAGE ENFORCEMENT OFFICERS' TRAINING		
47	Alcoholic Beverage Commission Enforcement Officers' Training Fund (IC 5-2-8-8)		
48	Total Operating Expense	4,200	4,200
49	Augmentation allowed.		



	<i>FY 2009-2010</i>	<i>FY 2010-2011</i>	<i>Biennial</i>
	<i>Appropriation</i>	<i>Appropriation</i>	<i>Appropriation</i>
1	Personal Services	6,729,019	6,729,019
2	Other Operating Expense	1,917,752	1,917,752
3	Augmentation allowed.		
4			
5	FOR THE WORKERS' COMPENSATION BOARD		
6	From the General Fund		
7	1,918,782	1,918,782	
8	From the Workers' Compensation Supplemental Administration Fund (IC 22-3-5-6)		
9	145,007	145,007	
10	Augmentation allowed.		
11			
12	The amounts specified from the general fund and the workers' compensation supplemental		
13	administrative fund are for the following purposes:		
14			
15	Personal Services	1,927,761	1,927,761
16	Other Operating Expense	136,028	136,028
17			
18	FOR THE STATE BOARD OF ANIMAL HEALTH		
19	Personal Services	4,021,557	4,021,557
20	Other Operating Expense	865,228	865,228
21	INDEMNITY FUND		
22	Total Operating Expense		9,700
23	Augmentation allowed.		
24	MEAT & POULTRY INSPECTION		
25	Total Operating Expense	1,884,049	1,884,049
26			
27	FOR THE DEPARTMENT OF HOMELAND SECURITY		
28	FIRE AND BUILDING SERVICES		
29	From the Fire and Building Services Fund (IC 22-12-6-1)		
30	15,251,362	15,251,362	
31	From the Medical Services Education Fund (IC 16-31-7-1)		
32	23,437	23,437	
33	Augmentation allowed from the fire and building services fund and medical services		
34	education fund.		
35			
36	The amounts specified from the fire and building services fund and medical services		
37	education fund are for the following purposes:		
38			
39	Personal Services	12,467,711	12,467,711
40	Other Operating Expense	2,807,088	2,807,088
41			
42	REGIONAL PUBLIC SAFETY TRAINING		
43	Regional Public Safety Training Fund (IC 10-15-3-12)		
44	Total Operating Expense	1,902,047	1,902,047
45	Augmentation allowed.		
46			
47	EMERGENCY MANAGEMENT CONTINGENCY FUND		
48	Total Operating Expense	121,645	121,645
49			



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

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PUBLIC ASSISTANCE		
Total Operating Expense	1	1
HOMELAND SECURITY FUND - FOUNDATION		
Homeland Security Fund - Foundation (IC 10-15-3-1)		
Total Operating Expense	224,423	224,423
Augmentation allowed.		
INDIANA EMERGENCY RESPONSE COMMISSION		
Emergency Planning and Right to Know Fund (IC 6-6-10-5)		
Total Operating Expense	40,962	40,962
Augmentation allowed.		
STATE DISASTER RELIEF FUND		
State Disaster Relief Fund (IC 10-14-4-5)		
Total Operating Expense	500,000	500,000
Augmentation allowed, not to exceed revenues collected from the public safety fee imposed by IC 22-11-14-12.		
Augmentation allowed from the general fund to match federal disaster relief funds.		
REDUCED IGNITION PROPENSITY STANDARDS FOR CIGARETTES FUND		
Reduced Ignition Propensity Standards for Cigarettes Fund (IC 22-14-7-22(a))		
Total Operating Expense	80,000	80,000
Augmentation allowed.		
INDIANA INTELLIGENCE FUSION CENTER		
Total Operating Expense	969,252	969,252
STATEWIDE FIRE AND BUILDING SAFETY EDUCATION FUND		
Statewide Fire and Building Safety Education Fund (IC 22-12-6-3)		
Total Operating Expense	117,162	117,162
Augmentation allowed.		
SECTION 5. [EFFECTIVE JULY 1, 2009]		
CONSERVATION AND ENVIRONMENT		
A. NATURAL RESOURCES		
FOR THE DEPARTMENT OF NATURAL RESOURCES - ADMINISTRATION		
Personal Services	8,179,372	8,179,372
Other Operating Expense	1,358,733	1,358,733
ENTOMOLOGY AND PLANT PATHOLOGY DIVISION		
Personal Services	588,850	588,850
Other Operating Expense	151,997	151,997
ENTOMOLOGY AND PLANT PATHOLOGY FUND		
Entomology and Plant Pathology Fund (IC 14-24-10-3)		
Total Operating Expense		662,868
Augmentation allowed.		
ENGINEERING DIVISION		



	<i>FY 2009-2010 Appropriation</i>	<i>FY 2010-2011 Appropriation</i>	<i>Biennial Appropriation</i>
1	Personal Services	1,728,557	1,728,557
2	Other Operating Expense	99,232	99,232
3	STATE MUSEUM		
4	Personal Services	5,020,180	5,020,180
5	Other Operating Expense	1,251,406	1,251,406
6	HISTORIC PRESERVATION DIVISION		
7	Personal Services	755,246	755,246
8	Other Operating Expense	70,346	70,346
9	HISTORIC PRESERVATION - FEDERAL		
10	Total Operating Expense	32,559	32,559
11	STATE HISTORIC SITES		
12	Personal Services	2,400,530	2,400,530
13	Other Operating Expense	499,789	499,789
14	WABASH RIVER HERITAGE CORRIDOR		
15	Total Operating Expense	80,246	80,246
16	OUTDOOR RECREATION DIVISION		
17	Personal Services	615,004	615,004
18	Other Operating Expense	41,931	41,931
19	NATURE PRESERVES DIVISION		
20	Personal Services	923,068	923,068
21	Other Operating Expense	46,569	46,569
22	WATER DIVISION		
23	Personal Services	4,417,754	4,417,754
24	Other Operating Expense	405,079	405,079

25
26 **All revenues accruing from state and local units of government and from private utilities**
27 **and industrial concerns as a result of water resources study projects, and as a result**
28 **of topographic and other mapping projects, shall be deposited into the state general**
29 **fund, and such receipts are hereby appropriated, in addition to the foregoing amounts,**
30 **for water resources studies.**

31
32 **DEER RESEARCH AND MANAGEMENT**

33 **Deer Research and Management Fund (IC 14-22-5-2)**

34 **Total Operating Expense** 189,160 189,160

35 **Augmentation allowed.**

36 **OIL AND GAS DIVISION**

37 **Oil and Gas Fund (IC 6-8-1-27)**

38 **Personal Services** 1,300,410 1,300,410

39 **Other Operating Expense** 322,789 322,789

40 **Augmentation allowed.**

41
42 **STATE PARKS AND RESERVOIRS**

43 **From the General Fund**

44 11,343,213 11,343,213

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

46 20,644,742 20,644,742

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

48
49 **The amounts specified from the General Fund and the State Parks and Reservoirs**



1 **Special Revenue Fund are for the following purposes:**

2			
3	Personal Services	23,781,129	23,781,129
4	Other Operating Expense	8,206,826	8,206,826

5			
6	OFF-ROAD VEHICLE AND SNOWMOBILE FUND		
7	Off-Road Vehicle and Snowmobile Fund (IC 14-16-1-30)		
8	Total Operating Expense	291,001	291,001

9 **Augmentation allowed.**

10 **LAW ENFORCEMENT DIVISION**

11	From the General Fund		
12		9,936,748	9,936,748
13	From the Fish and Wildlife Fund (IC 14-22-3-2)		
14		13,381,894	13,381,894

15 **Augmentation allowed from the Fish and Wildlife Fund.**

16

17 **The amounts specified from the General Fund and the Fish and Wildlife Fund are for**

18 **the following purposes:**

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

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

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

27 **Augmentation allowed.**

28 **FORESTRY DIVISION**

29	From the General Fund		
30		4,494,586	4,494,586
31	From the State Forestry Fund (IC 14-23-3-2)		
32		7,492,186	7,492,186

33 **Augmentation allowed from the State Forestry Fund.**

34

35 **The amounts specified from the General Fund and the State Forestry Fund are**

36 **for the following purposes:**

37			
38	Personal Services	7,796,996	7,796,996
39	Other Operating Expense	4,189,776	4,189,776

40			
41	RECLAMATION DIVISION		
42	Natural Resources Reclamation Division Fund (IC 14-34-14-2)		

43	Personal Services	1,496,777	1,496,777
44	Other Operating Expense	393,565	393,565

45 **Augmentation allowed.**

46

47 **In addition to any of the foregoing appropriations for the department of natural**

48 **resources, any federal funds received by the state of Indiana for support of approved**

49 **outdoor recreation projects for planning, acquisition, and development under the**



1		66,480	66,480	
2	From the Indiana Recycling Promotion and Assistance Fund (IC 4-23-5.5-14)			
3		57,475	57,475	
4	From the Waste Tire Management Fund (IC 13-20-13-8)			
5		101,519	101,519	
6	From the Title V Operating Permit Program Trust Fund (IC 13-17-8-1)			
7		639,953	639,953	
8	From the Environmental Management Permit Operation Fund (IC 13-15-11-1)			
9		608,752	608,752	
10	From the Environmental Management Special Fund (IC 13-14-12-1)			
11		88,128	88,128	
12	From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)			
13		179,093	179,093	
14	From the Asbestos Trust Fund (IC 13-17-6-3)			
15		23,089	23,089	
16	From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)			
17		51,616	51,616	
18	From the Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)			
19		1,761,099	1,761,099	
20	Augmentation allowed from the State Solid Waste Management Fund, Indiana			
21	Recycling Promotion and Assistance Fund, Waste Tire Management Fund, Title			
22	V Operating Permit Program Trust Fund, Environmental Management Permit			
23	Operation Fund, Environmental Management Special Fund, Hazardous			
24	Substances Response Trust Fund, Asbestos Trust Fund, Underground Petroleum			
25	Storage Tank Trust Fund, and Underground Petroleum Storage Tank Excess			
26	Liability Trust Fund.			

27
28 The amounts specified from the General Fund, State Solid Waste Management Fund,
29 Indiana Recycling Promotion and Assistance Fund, Waste Tire Management Fund,
30 Title V Operating Permit Program Trust Fund, Environmental Management Permit
31 Operation Fund, Environmental Management Special Fund, Hazardous Substances
32 Response Trust Fund, Asbestos Trust Fund, Underground Petroleum Storage Tank
33 Trust Fund, and Underground Petroleum Storage Tank Excess Liability Trust Fund
34 are for the following purposes:

35				
36	Personal Services	5,241,508		5,241,508
37	Other Operating Expense	1,699,153		1,699,153
38				
39	LABORATORY CONTRACTS			
40	Environmental Management Special Fund (IC 13-14-12-1)			
41	Total Operating Expense	461,424		461,424
42	Augmentation allowed.			
43	Hazardous Substances Response Trust Fund (IC 13-25-4-1)			
44	Total Operating Expense	200,747		200,747
45	Augmentation allowed.			
46				
47	OWQ LABORATORY CONTRACTS			
48	Environmental Management Special Fund (IC 13-14-12-1)			
49	Total Operating Expense	340,470		340,470



1	Augmentation allowed.		
2	Hazardous Substances Response Trust Fund (IC 13-25-4-1)		
3	Total Operating Expense	794,430	794,430
4	Augmentation allowed.		
5			
6	NORTHWEST REGIONAL OFFICE		
7	From the General Fund		
8	308,229	308,229	
9	From the State Solid Waste Management Fund (IC 13-20-22-2)		
10	6,760	6,760	
11	From the Indiana Recycling Promotion and Assistance Fund (IC 4-23-5.5-14)		
12	5,844	5,844	
13	From the Waste Tire Management Fund (IC 13-20-13-8)		
14	12,094	12,094	
15	From the Title V Operating Permit Program Trust Fund (IC 13-17-8-1)		
16	143,845	143,845	
17	From the Environmental Management Permit Operation Fund (IC 13-15-11-1)		
18	69,339	69,339	
19	From the Environmental Management Special Fund (IC 13-14-12-1)		
20	10,760	10,760	
21	From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)		
22	23,294	23,294	
23	From the Asbestos Trust Fund (IC 13-17-6-3)		
24	5,190	5,190	
25	From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)		
26	7,396	7,396	
27	Augmentation allowed from the State Solid Waste Management Fund, Indiana		
28	Recycling Promotion and Assistance Fund, Waste Tire Management Fund, Title		
29	V Operating Permit Program Trust Fund, Environmental Management Permit		
30	Operation Fund, Environmental Management Special Fund, Hazardous Substances		
31	Response Trust Fund, Asbestos Trust Fund, and Underground Petroleum Storage		
32	Tank Trust Fund.		
33			

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

41	Personal Services	255,609	255,609
42	Other Operating Expense	337,142	337,142

44	NORTHERN REGIONAL OFFICE		
45	From the General Fund		
46	190,702	190,702	
47	From the State Solid Waste Management Fund (IC 13-20-22-2)		
48	8,067	8,067	
49	From the Indiana Recycling Promotion and Assistance Fund (IC 4-23-5.5-14)		



1	6,972	6,972
2	From the Waste Tire Management Fund (IC 13-20-13-8)	
3	12,143	12,143
4	From the Title V Operating Permit Program Trust Fund (IC 13-17-8-1)	
5	118,951	118,951
6	From the Environmental Management Permit Operation Fund (IC 13-15-11-1)	
7	74,143	74,143
8	From the Environmental Management Special Fund (IC 13-14-12-1)	
9	11,395	11,395
10	From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)	
11	21,336	21,336
12	From the Asbestos Trust Fund (IC 13-17-6-3)	
13	4,290	4,290
14	From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)	
15	6,050	6,050
16	Augmentation allowed from the State Solid Waste Management Fund, Indiana	
17	Recycling Promotion and Assistance Fund, Waste Tire Management Fund, Title	
18	V Operating Permit Program Trust Fund, Environmental Management Permit	
19	Operation Fund, Environmental Management Special Fund, Hazardous Substances	
20	Response Trust Fund, Asbestos Trust Fund, and Underground Petroleum Storage	
21	Tank Trust Fund.	

22
 23 **The amounts specified from the General Fund, State Solid Waste Management Fund,**
 24 **Indiana Recycling Promotion and Assistance Fund, Waste Tire Management Fund,**
 25 **Title V Operating Permit Program Trust Fund, Environmental Management Permit**
 26 **Operation Fund, Environmental Management Special Fund, Hazardous Substances**
 27 **Response Trust Fund, Asbestos Trust Fund, and Underground Petroleum Storage**
 28 **Tank Trust Fund are for the following purposes:**

29			
30	Personal Services	204,566	204,566
31	Other Operating Expense	249,483	249,483

32			
33	SOUTHWEST REGIONAL OFFICE		
34	From the General Fund		
35	152,909	152,909	
36	From the State Solid Waste Management Fund (IC 13-20-22-2)		
37	16,615	16,615	
38	From the Indiana Recycling Promotion and Assistance Fund (IC 4-23-5.5-14)		
39	14,363	14,363	
40	From the Waste Tire Management Fund (IC 13-20-13-8)		
41	20,150	20,150	
42	From the Title V Operating Permit Program Trust Fund (IC 13-17-8-1)		
43	69,085	69,085	
44	From the Environmental Management Permit Operation Fund (IC 13-15-11-1)		
45	65,400	65,400	
46	From the Environmental Management Special Fund (IC 13-14-12-1)		
47	11,913	11,913	
48	From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)		
49	22,794	22,794	



1		10,405	10,405	
2	From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)			
3		33,468	33,468	
4	From the Asbestos Trust Fund (IC 13-17-6-3)			
5		2,088	2,088	
6	From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)			
7		11,753	11,753	
8	Augmentation allowed from the State Solid Waste Management Fund, Indiana			
9	Recycling Promotion and Assistance Fund, Waste Tire Management Fund, Title V			
10	Operating Permit Program Trust Fund, Environmental Management Permit Operation			
11	Fund, Environmental Management Special Fund, Hazardous Substances Response Trust			
12	Fund, Asbestos Trust Fund, and Underground Petroleum Storage Tank Trust Fund.			

13
14 The amounts specified from the General Fund, State Solid Waste Management Fund,
15 Indiana Recycling Promotion and Assistance Fund, Waste Tire Management Fund,
16 Title V Operating Permit Program Trust Fund, Environmental Management Permit
17 Operation Fund, Environmental Management Special Fund, Hazardous Substances
18 Response Trust Fund, Asbestos Trust Fund, and Underground Petroleum Storage Tank
19 Trust Fund are for the following purposes:

20				
21	Personal Services	330,556	330,556	
22	Other Operating Expense	69,447	69,447	

23
24 **MEDIA AND COMMUNICATIONS**

25	From the General Fund			
26		417,794	417,794	
27	From the State Solid Waste Management Fund (IC 13-20-22-2)			
28		8,437	8,437	
29	From the Indiana Recycling Promotion and Assistance Fund (IC 4-23-5.5-14)			
30		7,294	7,294	
31	From the Waste Tire Management Fund (IC 13-20-13-8)			
32		12,595	12,595	
33	From the Title V Operating Permit Program Trust Fund (IC 13-17-8-1)			
34		73,727	73,727	
35	From the Environmental Management Permit Operation Fund (IC 13-15-11-1)			
36		64,768	64,768	
37	From the Environmental Management Special Fund (IC 13-14-12-1)			
38		9,757	9,757	
39	From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)			
40		20,693	20,693	
41	From the Asbestos Trust Fund (IC 13-17-6-3)			
42		2,657	2,657	
43	From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)			
44		6,208	6,208	
45	From the Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)			
46		211,660	211,660	
47	Augmentation allowed from the State Solid Waste Management Fund, Indiana			
48	Recycling Promotion and Assistance Fund, Waste Tire Management Fund, Title V			
49	Operating Permit Program Trust Fund, Environmental Management Permit Operation			



1 **Fund, Environmental Management Special Fund, Hazardous Substances Response**
2 **Trust Fund, Asbestos Trust Fund, Underground Petroleum Storage Tank Trust**
3 **Fund, and Underground Petroleum Storage Tank Excess Liability Trust Fund.**
4

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

	780,640	780,640
13 Personal Services		
14 Other Operating Expense	54,950	54,950

15

16 **COMMUNITY RELATIONS**

17 From the General Fund		
	18 480,081	18 480,081
19 From the State Solid Waste Management Fund (IC 13-20-22-2)		
	20 13,954	20 13,954
21 From the Indiana Recycling Promotion and Assistance Fund (IC 4-23-5.5-14)		
	22 12,061	22 12,061
23 From the Waste Tire Management Fund (IC 13-20-13-8)		
	24 20,830	24 20,830
25 From the Title V Operating Permit Program Trust Fund (IC 13-17-8-1)		
	26 121,916	26 121,916
27 From the Environmental Management Permit Operation Fund (IC 13-15-11-1)		
	28 107,104	28 107,104
29 From the Environmental Management Special Fund (IC 13-14-12-1)		
	30 16,124	30 16,124
31 From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)		
	32 34,215	32 34,215
33 From the Asbestos Trust Fund (IC 13-17-6-3)		
	34 4,398	34 4,398
35 From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)		
	36 10,260	36 10,260
37 From the Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)		
	38 349,996	38 349,996
39 Augmentation allowed from the State Solid Waste Management Fund, Indiana 40 Recycling Promotion and Assistance Fund, Waste Tire Management Fund, Title V 41 Operating Permit Program Trust Fund, Environmental Management Permit Operation 42 Fund, Environmental Management Special Fund, Hazardous Substances Response 43 Trust Fund, Asbestos Trust Fund, Underground Petroleum Storage Tank Trust 44 Fund, and Underground Petroleum Storage Tank Excess Liability Trust Fund. 45		

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



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

	4		
5	Personal Services	1,080,148	1,080,148
6	Other Operating Expense	90,791	90,791

7

8 **OHIO RIVER VALLEY WATER SANITATION COMMISSION**

	9		
10	Environmental Management Special Fund (IC 13-14-12-1)		
	Total Operating Expense	270,242	270,242

11 **Augmentation allowed.**

12 **OFFICE OF ENVIRONMENTAL RESPONSE**

	13		
14	Personal Services	3,000,468	3,000,468
	Other Operating Expense	319,013	319,013

15 **POLLUTION PREVENTION AND TECHNICAL ASSISTANCE**

	16		
17	Personal Services	1,456,036	1,456,036
	Other Operating Expense	437,489	437,489

18 **PCB INSPECTIONS**

	19		
20	Environmental Management Permit Operation Fund (IC 13-15-11-1)		
	Total Operating Expense	30,562	30,562

21 **Augmentation allowed.**

22 **U.S. GEOLOGICAL SURVEY CONTRACTS**

	23		
24	Environmental Management Special Fund (IC 13-14-12-1)		
	Total Operating Expense	64,398	64,398

25 **Augmentation allowed.**

26 **STATE SOLID WASTE GRANTS MANAGEMENT**

	27		
28	State Solid Waste Management Fund (IC 13-20-22-2)		
	Personal Services	391,814	391,814
29	Other Operating Expense	337,443	337,443

30 **Augmentation allowed.**

31 **RECYCLING OPERATING**

	32		
33	Indiana Recycling Promotion and Assistance Fund (IC 4-23-5.5-14)		
	Personal Services	325,931	325,931
34	Other Operating Expense	312,525	312,525

35 **Augmentation allowed.**

36 **RECYCLING PROMOTION AND ASSISTANCE PROGRAM**

	37		
38	Indiana Recycling Promotion and Assistance Fund (IC 4-23-5.5-14)		
	Total Operating Expense	770,000	770,000

39 **Augmentation allowed.**

40 **VOLUNTARY CLEAN-UP PROGRAM**

	41		
42	Voluntary Remediation Fund (IC 13-25-5-21)		
	Personal Services	739,322	739,322
43	Other Operating Expense	179,935	179,935

44 **Augmentation allowed.**

45 **TITLE V AIR PERMIT PROGRAM**

	46		
47	Title V Operating Permit Program Trust Fund (IC 13-17-8-1)		
	Personal Services	12,041,882	12,041,882
48	Other Operating Expense	2,798,196	2,798,196

49 **Augmentation allowed.**



1 **WATER MANAGEMENT PERMITTING**
2 **From the General Fund**
3 1,923,612 1,923,612
4 **From the Environmental Management Permit Operation Fund (IC 13-15-11-1)**
5 4,867,843 4,867,843
6 **Augmentation allowed from the Environmental Management Permit Operation Fund.**

7
8 **The amounts specified from the General Fund and the Environmental Management Permit**
9 **Operation Fund are for the following purposes:**

11 Personal Services	6,136,065	6,136,065
12 Other Operating Expense	655,390	655,390

13
14 **SOLID WASTE MANAGEMENT PERMITTING**
15 **From the General Fund**
16 2,221,388 2,221,388
17 **From the Environmental Management Permit Operation Fund (IC 13-15-11-1)**
18 3,409,461 3,409,461
19 **Augmentation allowed from the Environmental Management Permit Operation Fund.**

20
21 **The amounts specified from the General Fund and the Environmental Management Permit**
22 **Operation Fund are for the following purposes:**

24 Personal Services	5,310,601	5,310,601
25 Other Operating Expense	320,248	320,248

26
27 **CFO/CAFO INSPECTIONS**
28 **Total Operating Expense** 450,000 450,000
29
30 **HAZARDOUS WASTE MANAGEMENT PERMITTING**
31 **From the General Fund**
32 2,319,283 2,319,283
33 **From the Environmental Management Permit Operation Fund (IC 13-15-11-1)**
34 2,762,897 2,762,897
35 **Augmentation allowed from the Environmental Management Permit Operation Fund.**

36
37 **The amounts specified from the General Fund and the Environmental Management Permit**
38 **Operation Fund are for the following purposes:**

40 Personal Services	4,156,730	4,156,730
41 Other Operating Expense	925,450	925,450

42
43 **SAFE DRINKING WATER PROGRAM**
44 **From the General Fund**
45 371,290 371,290
46 **From the Environmental Management Permit Operation Fund (IC 13-15-11-1)**
47 2,421,272 2,421,272
48 **Augmentation allowed from the Environmental Management Permit Operation Fund.**
49



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

3			
4	Personal Services	2,301,996	2,301,996
5	Other Operating Expense	490,566	490,566
6			
7	CLEAN VESSEL PUMPOUT		
8	Environmental Management Special Fund (IC 13-14-12-1)		
9	Total Operating Expense	77,588	77,588
10	Augmentation allowed.		
11	GROUNDWATER PROGRAM		
12	Environmental Management Special Fund (IC 13-14-12-1)		
13	Total Operating Expense	122,150	122,150
14	Augmentation allowed.		
15	UNDERGROUND STORAGE TANK PROGRAM		
16	Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)		
17	Total Operating Expense	656,973	656,973
18	Augmentation allowed.		
19	Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)		
20	Total Operating Expense	282,669	282,669
21	Augmentation allowed.		
22	AIR MANAGEMENT OPERATING		
23	From the General Fund		
24		620,477	620,477
25	From the Environmental Management Special Fund (IC 13-14-12-1)		
26		248,424	248,424
27	Augmentation allowed from the Environmental Management Special Fund.		

28
 29 The amounts specified from the General Fund and the Environmental Management Special
 30 Fund are for the following purposes:

31			
32	Personal Services	518,018	518,018
33	Other Operating Expense	350,883	350,883
34			
35	WATER MANAGEMENT NONPERMITTING		
36	Personal Services	3,291,009	3,291,009
37	Other Operating Expense	719,538	719,538
38	GREAT LAKES INITIATIVE		
39	Environmental Management Special Fund (IC 13-14-12-1)		
40	Total Operating Expense	57,207	57,207
41	Augmentation allowed.		
42	OUTREACH OPERATOR TRAINING		
43	General Fund		
44	Total Operating Expense	2,963	2,963
45	Environmental Management Special Fund (IC 13-14-12-1)		
46	Total Operating Expense	5,924	5,924
47	Augmentation allowed.		
48	LEAKING UNDERGROUND STORAGE TANKS		
49	Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)		



	<i>FY 2009-2010 Appropriation</i>	<i>FY 2010-2011 Appropriation</i>	<i>Biennial Appropriation</i>
1	Personal Services	161,311	161,311
2	Other Operating Expense	31,718	31,718
3	Augmentation allowed.		
4	CORE SUPERFUND		
5	Hazardous Substances Response Trust Fund (IC 13-25-4-1)		
6	Total Operating Expense	12,967	12,967
7	Augmentation allowed.		
8	AUTO EMISSIONS TESTING PROGRAM		
9	Personal Services	86,983	86,983
10	Other Operating Expense	5,672,829	5,672,829
11			
12	The above appropriations for auto emissions testing are the maximum amounts available		
13	for this purpose. If it becomes necessary to conduct additional tests in other locations, the		
14	above appropriations shall be prorated among all locations.		
15			
16	HAZARDOUS WASTE SITE - STATE CLEAN-UP		
17	Hazardous Substances Response Trust Fund (IC 13-25-4-1)		
18	Personal Services	1,425,495	1,425,495
19	Other Operating Expense	515,152	515,152
20	Augmentation allowed.		
21	HAZARDOUS WASTE SITES - NATURAL RESOURCE DAMAGES		
22	Hazardous Substances Response Trust Fund (IC 13-25-4-1)		
23	Personal Services	141,408	141,408
24	Other Operating Expense	289,544	289,544
25	Augmentation allowed.		
26	SUPERFUND MATCH		
27	Hazardous Substances Response Trust Fund (IC 13-25-4-1)		
28	Total Operating Expense	511,675	511,675
29	Augmentation allowed.		
30	HOUSEHOLD HAZARDOUS WASTE		
31	Hazardous Substances Response Trust Fund (IC 13-25-4-1)		
32	Other Operating Expense	278,293	278,293
33	Augmentation allowed.		
34	ASBESTOS TRUST - OPERATING		
35	Asbestos Trust Fund (IC 13-17-6-3)		
36	Personal Services	415,391	415,391
37	Other Operating Expense	132,292	132,292
38	Augmentation allowed.		
39	UNDERGROUND PETROLEUM STORAGE TANK - OPERATING		
40	Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)		
41	Personal Services	874,215	874,215
42	Other Operating Expense	42,446,857	42,446,857
43	Augmentation allowed.		
44	WASTE TIRE MANAGEMENT		
45	Waste Tire Management Fund (IC 13-20-13-8)		
46	Total Operating Expense	563,887	563,887
47	Augmentation allowed.		
48	WASTE TIRE RE-USE		
49	Waste Tire Management Fund (IC 13-20-13-8)		



	<i>FY 2009-2010</i>	<i>FY 2010-2011</i>	<i>Biennial</i>
	<i>Appropriation</i>	<i>Appropriation</i>	<i>Appropriation</i>
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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.

SECTION 6. [EFFECTIVE JULY 1, 2009]

ECONOMIC DEVELOPMENT

A. AGRICULTURE

FOR THE DEPARTMENT OF AGRICULTURE

Personal Services	1,930,284	1,930,284
Other Operating Expense	456,387	456,387

CLEAN WATER INDIANA



	<i>FY 2009-2010</i>	<i>FY 2010-2011</i>	<i>Biennial</i>
	<i>Appropriation</i>	<i>Appropriation</i>	<i>Appropriation</i>
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	<i>FY 2009-2010</i>	<i>FY 2010-2011</i>	<i>Biennial</i>
	<i>Appropriation</i>	<i>Appropriation</i>	<i>Appropriation</i>
1			3,858,206
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4			2,049,126
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6	167,791	167,791	
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8	838,953	838,953	
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11	200,000	200,000	
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15			1,006,744
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17			448,256
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21			6,500,000
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23			4,500,000
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26	1,894,410	1,894,410	
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30	500,000	500,000	
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34	1,000,000	1,000,000	
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47	2,700,000	2,700,000	
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FOR THE INDIANA FINANCE AUTHORITY (IFA)

ENVIRONMENTAL REMEDIATION REVOLVING LOAN PROGRAM

Total Operating Expense 500,000 500,000

FOR THE HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY

INDIANA INDIVIDUAL DEVELOPMENT ACCOUNTS

Total Operating Expense 1,000,000 1,000,000

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

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

MORTGAGE FORECLOSURE COUNSELING

Home Ownership Education Fund (IC 5-20-1-27)

Total Operating Expense 2,700,000 2,700,000

Augmentation Allowed.



1 **FOR THE STATE BUDGET AGENCY**
2 **MIDWEST INSTITUTE FOR NANOELECTRONICS DISCOVERY (MIND)**
3 **ARRA State Fiscal Stabilization Fund (Section 14002(b))**
4 **Total Operating Expense** **10,000,000**

5
6 **C. EMPLOYMENT SERVICES**

7
8 **FOR THE DEPARTMENT OF WORKFORCE DEVELOPMENT**

9 **ADMINISTRATION**
10 **Total Operating Expense** **855,000** **855,000**
11 **WOMEN'S COMMISSION**
12 **Personal Services** **106,824** **106,824**
13 **Other Operating Expense** **12,175** **12,175**
14 **NATIVE AMERICAN INDIAN AFFAIRS COMMISSION**
15 **Total Operating Expense** **90,211** **90,211**
16 **COMMISSION ON HISPANIC/LATINO AFFAIRS**
17 **Total Operating Expense** **124,235** **124,235**

18
19 **The above appropriations are in addition to any funding for the commission derived**
20 **from funds appropriated to the department of workforce development.**

21
22 **D. OTHER ECONOMIC DEVELOPMENT**

23
24 **FOR THE INDIANA STATE FAIR BOARD**
25 **STATE FAIR**
26 **Total Operating Expense** **2,119,124** **1,619,124**

27
28 **SECTION 7. [EFFECTIVE JULY 1, 2009]**

29
30 **TRANSPORTATION**

31
32 **FOR THE DEPARTMENT OF TRANSPORTATION**

33
34 **For the conduct and operation of the department of transportation, the following**
35 **sums are appropriated for the periods designated from the public mass transportation**
36 **fund, the industrial rail service fund, the state highway fund, the motor vehicle**
37 **highway account, the distressed road fund, the state highway road construction and**
38 **improvement fund, the motor carrier regulation fund, and the crossroads 2000 fund.**

39
40 **INTERMODAL GRANT PROGRAM**

41 **Public Mass Transportation Fund (IC 8-23-3-8)**
42 **Total Operating Expense** **50,000** **50,000**
43 **Augmentation allowed.**

44 **RAILROAD GRADE CROSSING IMPROVEMENT**

45 **Motor Vehicle Highway Account (IC 8-14-1)**
46 **Total Operating Expense** **500,000** **500,000**

47 **HIGH SPEED RAIL**

48 **Industrial Rail Service Fund (IC 8-3-1.7-2)**
49 **Matching Funds** **40,000**



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Augmentation allowed.

PUBLIC MASS TRANSPORTATION

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

Total Operating Expense	42,300,000	44,400,000
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Augmentation allowed.

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

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

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

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

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

HIGHWAY OPERATING

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

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

HIGHWAY VEHICLE AND ROAD MAINTENANCE EQUIPMENT

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

Other Operating Expense	8,800,000	18,000,000
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The above appropriations for highway operating and highway vehicle and road maintenance equipment may be used for personal services, equipment, and other operating expense, including the cost of transportation for the governor.

HIGHWAY MAINTENANCE WORK PROGRAM

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

Other Operating Expense	63,000,000	70,000,000
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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;



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

8

9 **HIGHWAY CAPITAL IMPROVEMENTS**

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

11 Right-of-Way Expense	38,250,000	24,800,000
12 Formal Contracts Expense	47,181,225	72,307,207
13 Consulting Services Expense	18,600,000	24,736,741
14 Institutional Road Construction	5,000,000	5,000,000

15

16 **The above appropriations for the capital improvements program may be used for:**

- 17 **(1) bridge rehabilitation and replacement;**
- 18 **(2) road construction, reconstruction, or replacement;**
- 19 **(3) construction, reconstruction, or replacement of travel lanes, intersections,**
- 20 **grade separations, rest parks, and weigh stations;**
- 21 **(4) relocation and modernization of existing roads;**
- 22 **(5) resurfacing;**
- 23 **(6) erosion and slide control;**
- 24 **(7) construction and improvement of railroad grade crossings, including the use of**
- 25 **the appropriations to match federal funds for projects;**
- 26 **(8) small structure replacements;**
- 27 **(9) safety and spot improvements; and**
- 28 **(10) right-of-way, relocation, and engineering and consulting expenses associated**
- 29 **with any of the above types of projects.**

30

31 **The appropriations for highway operating, highway vehicle and road maintenance**

32 **equipment, highway buildings and grounds, the highway planning and research program,**

33 **the highway maintenance work program, and highway capital improvements are appropriated**

34 **from estimated revenues, which include the following:**

- 35 **(1) Funds distributed to the state highway fund from the motor vehicle highway account**
- 36 **under IC 8-14-1-3(4).**
- 37 **(2) Funds distributed to the state highway fund from the highway, road and street**
- 38 **fund under IC 8-14-2-3.**
- 39 **(3) All fees and miscellaneous revenues deposited in or accruing to the state highway**
- 40 **fund under IC 8-23-9-54.**
- 41 **(4) Any unencumbered funds carried forward in the state highway fund from any previous**
- 42 **fiscal year.**
- 43 **(5) All other funds appropriated or made available to the department of transportation**
- 44 **by the general assembly.**

45

46 **If funds from sources set out above for the department of transportation exceed appropriations**

47 **from those sources to the department, the excess amount is hereby appropriated to**

48 **be used for formal contracts with approval of the governor and the budget agency.**

49



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

6
7 **If the department of transportation finds that an emergency exists or that an appropriation**
8 **will be insufficient to cover expenses incurred in the normal operation of the department,**
9 **the budget agency may, upon request of the department, and with the approval of the**
10 **governor, transfer funds from revenue sources set out above from one (1) appropriation**
11 **to the deficient appropriation. No appropriation from the state highway fund may**
12 **be used to fund any toll road or toll bridge project except as specifically provided**
13 **for under IC 8-15-2-20.**

14
15 **HIGHWAY PLANNING AND RESEARCH PROGRAM**

16 State Highway Fund (IC 8-23-9-54)		
17 Total Operating Expense	2,500,000	2,500,000

18
19 **STATE HIGHWAY ROAD CONSTRUCTION AND IMPROVEMENT PROGRAM**

20 State Highway Road Construction Improvement Fund (IC 8-14-10-5)		
21 Lease Rental Payments Expense	61,524,711	62,139,958
22 Augmentation allowed.		

23
24 **The above appropriations for the state highway road construction and improvement**
25 **program are appropriated from the state highway road construction and improvement**
26 **fund provided in IC 8-14-10-5 and may include any unencumbered funds carried forward**
27 **from any previous fiscal year. The funds shall be first used for payment of rentals**
28 **and leases relating to projects under IC 8-14.5. If any funds remain, the funds may**
29 **be used for the following purposes.**

- 30 **(1) road and bridge construction, reconstruction, or replacement;**
31 **(2) construction, reconstruction, or replacement of travel lanes, intersections,**
32 **and grade separations;**
33 **(3) relocation and modernization of existing roads; and**
34 **(4) right-of-way, relocation, and engineering and consulting expenses associated**
35 **with any of the above types of projects.**

36
37 **CROSSROADS 2000 PROGRAM**

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

41
42 **The above appropriations for the crossroads 2000 program are appropriated from the**
43 **crossroads 2000 fund provided in IC 8-14-10-9 and may include any unencumbered funds**
44 **carried forward from any previous fiscal year. The funds shall be first used for**
45 **payment of rentals and leases relating to projects under IC 8-14-10-9. If any funds**
46 **remain, the funds may be used for the following purposes:**

- 47 **(1) road and bridge construction, reconstruction, or replacement;**
48 **(2) construction, reconstruction, or replacement of travel lanes, intersections, and**
49 **grade separations;**



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

4
5 **MAJOR MOVES CONSTRUCTION PROGRAM**

6 **Major Moves Construction Fund (IC 8-14-14-5)**
7 **Formal Contracts Expense 545,000,000 535,000,000**
8 **Augmentation allowed.**

9 **FEDERAL APPORTIONMENT**

10 **Right-of-Way Expense 174,250,000 113,100,000**
11 **Formal Contracts Expense 426,642,292 502,792,291**
12 **Consulting Engineers Expense 84,500,000 69,500,000**
13 **Highway Planning and Research 12,807,708 12,807,709**
14 **Local Government Revolving Acct. 266,000,000 266,000,000**

15
16 **The department may establish an account to be known as the "local government revolving**
17 **account". The account is to be used to administer the federal-local highway construction**
18 **program. All contracts issued and all funds received for federal-local projects under**
19 **this program shall be entered into this account.**

20
21 **If the federal apportionments for the fiscal years covered by this act exceed the**
22 **above estimated appropriations for the department or for local governments, the excess**
23 **federal apportionment is hereby appropriated for use by the department with the approval**
24 **of the governor and the budget agency.**

25
26 **The department shall bill, in a timely manner, the federal government for all department**
27 **payments that are eligible for total or partial reimbursement.**

28
29 **The department may let contracts and enter into agreements for construction and preliminary**
30 **engineering during each year of the 2009-2011 biennium that obligate not more than**
31 **one-third (1/3) of the amount of state funds estimated by the department to be available**
32 **for appropriation in the following year for formal contracts and consulting engineers**
33 **for the capital improvements program.**

34
35 **Under IC 8-23-5-7(a), the department, with the approval of the governor, may construct**
36 **and maintain roadside parks and highways where highways will connect any state highway**
37 **now existing, or hereafter constructed, with any state park, state forest preserve,**
38 **state game preserve, or the grounds of any state institution. There is appropriated**
39 **to the department of transportation an amount sufficient to carry out the provisions**
40 **of this paragraph. Under IC 8-23-5-7(d), such appropriations shall be made from**
41 **the motor vehicle highway account before distribution to local units of government.**

42
43 **LOCAL TECHNICAL ASSISTANCE AND RESEARCH**

44
45 **Under IC 8-14-1-3(6), there is appropriated to the department of transportation an**
46 **amount sufficient for:**
47 **(1) the program of technical assistance under IC 8-23-2-5(6); and**
48 **(2) the research and highway extension program conducted for local government under**
49 **IC 8-17-7-4.**



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

Under IC 8-14-1-3(7) there is hereby appropriated such sums as are necessary to maintain a sufficient working balance in accounts established to match federal and local money for highway projects. These funds are appropriated from the following sources in the proportion specified:

- (1) one-half (1/2) from the forty-seven percent (47%) set aside of the motor vehicle highway account under IC 8-14-1-3(7); and
- (2) for counties and for those cities and towns with a population greater than five thousand (5,000), one-half (1/2) from the distressed road fund under IC 8-14-8-2.

AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA)

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

FOR THE DEPARTMENT OF TRANSPORTATION

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

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

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



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

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

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

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

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



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

8
9 **The department with the approval of the governor may adjust the above appropriations**
10 **for Highway Capital Improvements, Transportation Enhancements, Highway Capital Improvements**
11 **- Metropolitan Planning Organizations, Cities, Towns, and Counties as necessary to**
12 **comply with federal law, policies, or direction established to ensure continuing**
13 **eligibility for federal funding.**

14
15 **The department shall submit reports to the budget committee and legislative council**
16 **by December 31 of 2009, 2010, and 2011 detailing the status of the appropriations**
17 **and projects funded under the plan. The department may submit copies of reports required**
18 **to be submitted to the federal government to fulfill this requirement.**

19
20 **The above appropriations do not revert but remain in effect until obligated.**

21
22 **SECTION 8. [EFFECTIVE JULY 1, 2009]**

23
24 **FAMILY AND SOCIAL SERVICES, HEALTH, AND VETERANS' AFFAIRS**

25
26 **A. FAMILY AND SOCIAL SERVICES**

27
28 **FOR THE FAMILY AND SOCIAL SERVICES ADMINISTRATION**

29
30 **INDIANA PRESCRIPTION DRUG PROGRAM**

Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
Total Operating Expense	1,117,830	1,117,830

31
32
33 **CHILDREN'S HEALTH INSURANCE PROGRAM**

Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
Total Operating Expense	34,918,921	36,984,511

34
35
36 **FAMILY AND SOCIAL SERVICES ADMINISTRATION**

Total Operating Expense	19,764,734	19,764,734
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37
38 **OFFICE OF MEDICAID POLICY AND PLANNING - ADMINISTRATION**

Total Operating Expense	6,061,868	6,062,487
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39
40 **MEDICAID ADMINISTRATION**

Total Operating Expense	36,427,564	36,427,564
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41
42 **MEDICAID - CURRENT OBLIGATIONS**

General Fund		
Total Operating Expense	1,116,000,000	1,428,800,000

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44
45
46 **The foregoing appropriations for Medicaid current obligations and for Medicaid administration**
47 **are for the purpose of enabling the office of Medicaid policy and planning to carry**
48 **out all services as provided in IC 12-8-6. In addition to the above appropriations,**
49 **all money received from the federal government and paid into the state treasury as**



1 a grant or allowance is appropriated and shall be expended by the office of Medicaid
 2 policy and planning for the respective purposes for which the money was allocated
 3 and paid to the state. Subject to the provisions of P.L.46-1995, if the sums herein
 4 appropriated for Medicaid current obligations and for Medicaid administration are
 5 insufficient to enable the office of Medicaid policy and planning to meet its obligations,
 6 then there is appropriated from the general fund such further sums as may be
 7 necessary for that purpose, subject to the approval of the governor and the budget
 8 agency.
 9

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

23
 24 Two hundred seventy-five thousand dollars (\$275,000) of the above appropriation for
 25 the state fiscal year beginning July 1, 2009, and ending June 30, 2010, and two hundred
 26 seventy-five thousand dollars (\$275,000) of the above appropriation for the state
 27 fiscal year beginning July 1, 2010, and ending June 30, 2011, shall be distributed in
 28 the state fiscal year to neighborhood based community service programs.
 29

30	CHILD PSYCHIATRIC SERVICES FUND		
31	Total Operating Expense	20,423,760	20,423,760
32	SERIOUSLY EMOTIONALLY DISTURBED		
33	Total Operating Expense	15,975,408	15,975,408
34	SERIOUSLY MENTALLY ILL		
35	General Fund		
36	Total Operating Expense	91,046,702	91,046,702
37	Mental Health Centers Fund (IC 6-7-1-32.1)		
38	Total Operating Expense	4,311,650	4,311,650
39	Augmentation allowed.		
40	COMMUNITY MENTAL HEALTH CENTERS		
41	Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
42	Total Operating Expense	7,000,000	7,000,000

43
 44 The above appropriation from the Tobacco Master Settlement Agreement Fund is in addition
 45 to other funds. The above appropriations for comprehensive community mental health
 46 services include the intragovernmental transfers necessary to provide the nonfederal
 47 share of reimbursement under the Medicaid rehabilitation option.
 48

49 The comprehensive community mental health centers shall submit their proposed annual



1 budgets (including income and operating statements) to the budget agency on or before
 2 August 1 of each year. All federal funds shall be applied in augmentation of the
 3 foregoing funds rather than in place of any part of the funds. The office of the
 4 secretary, with the approval of the budget agency, shall determine an equitable allocation
 5 of the appropriation among the mental health centers.
 6

7	GAMBLERS' ASSISTANCE		
8	Gamblers' Assistance Fund (IC 4-33-12-6)		
9	Total Operating Expense	4,490,809	4,490,809
10	MVOV CONFERENCE		
11	Gamblers' Assistance Fund (IC 4-33-12-6)		
12	Total Operating Expense	199,763	199,763
13	SUBSTANCE ABUSE TREATMENT		
14	Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
15	Total Operating Expense	4,855,820	4,855,820
16	QUALITY ASSURANCE/RESEARCH		
17	Total Operating Expense	812,860	812,860
18	PREVENTION		
19	Gamblers' Assistance Fund (IC 4-33-12-6)		
20	Total Operating Expense	2,858,528	2,858,528
21	Augmentation allowed.		
22	METHADONE DIVERSION CONTROL AND OVERSIGHT (MDCO) PROGRAM		
23	MDCO Fund (IC 12-23-18)		
24	Total Operating Expense	243,486	243,486
25	Augmentation allowed.		
26	DMHA YOUTH TOBACCO REDUCTION SUPPORT PROGRAM		
27	DMHA Youth Tobacco Reduction Support Program (IC 4-33-12-6)		
28	Total Operating Expense	250,000	250,000
29	Augmentation allowed.		
30	EVANSVILLE PSYCHIATRIC CHILDREN'S CENTER		
31	Personal Services	496,318	473,948
32	Other Operating Expense	123,252	123,252
33	EVANSVILLE STATE HOSPITAL		
34	From the General Fund		
35		20,276,654	20,340,477
36	From the Mental Health Fund (IC 12-24-14-4)		
37		677,943	678,778
38	Augmentation allowed.		

39
 40 The amounts specified from the general fund and the mental health fund are for the
 41 following purposes:
 42

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

45	LARUE CARTER MEMORIAL HOSPITAL		
46	From the General Fund		
47		22,483,147	22,534,726
48	From the Mental Health Fund (IC 12-24-14-4)		
49			



1 **Total Operating Expense** **285,785** **285,785**
 2

3 **The federal share of revenue accruing to the state mental health institutions under**
 4 **IC 12-15, based on the applicable Federal Medical Assistance Percentage (FMAP),**
 5 **shall be deposited in the mental health fund established by IC 12-24-14-1, and the**
 6 **remainder shall be deposited in the general fund.**
 7

8 **In addition to the above appropriations, each institution may qualify for an additional**
 9 **appropriation, or allotment, subject to approval of the governor and the budget agency,**
 10 **from the mental health fund of up to twenty percent (20%), but not to exceed \$50,000**
 11 **in each fiscal year, of the amount by which actual net collections exceed an amount**
 12 **specified in writing by the division of mental health and addiction before July 1**
 13 **of each year beginning July 1, 2009.**
 14

15 **DIVISION OF FAMILY RESOURCES ADMINISTRATION**

16 **Personal Services** **6,061,903** **6,061,903**
 17 **Other Operating Expense** **1,963,063** **1,963,063**

18 **COMMISSION ON THE SOCIAL STATUS OF BLACK MALES**

19 **Total Operating Expense** **173,179** **173,179**

20 **CHILD CARE LICENSING FUND**

21 **Child Care Fund (IC 12-17.2-2-3)**
 22 **Total Operating Expense** **100,000** **100,000**

23 **Augmentation allowed.**

24 **ELECTRONIC BENEFIT TRANSFER PROGRAM**

25 **Total Operating Expense** **2,529,915** **2,529,915**

26
 27 **The foregoing appropriations for the division of family resources Title IV-D of**
 28 **the federal Social Security Act are made under, and not in addition to, IC 31-25-4-28.**
 29

30 **STATE WELFARE - COUNTY ADMINISTRATION**

31 **Total Operating Expense** **56,464,688** **56,464,688**

32 **INDIANA CLIENT ELIGIBILITY SYSTEM (ICES)**

33 **Total Operating Expense** **7,402,387** **7,402,387**

34 **IMPACT PROGRAM**

35 **Total Operating Expense** **689,001** **689,001**

36 **TEMPORARY ASSISTANCE TO NEEDY FAMILIES (TANF)**

37 **Total Operating Expense** **31,776,757** **31,776,757**

38 **IMPACT - TANF**

39 **Total Operating Expense** **1,880,252** **1,880,252**

40 **CHILD CARE & DEVELOPMENT FUND**

41 **Total Operating Expense** **34,418,255** **34,418,255**
 42

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



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BURIAL EXPENSES

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

Total Operating Expense	1,607,219	1,607,219
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SCHOOL AGE CHILD CARE PROJECT FUND

Total Operating Expense	955,780	955,780
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DIVISION OF AGING ADMINISTRATION

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

Personal Services	594,659	594,659
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Other Operating Expense	852,751	852,751
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The above appropriations for the division of aging administration are for administrative expenses. Any federal fund reimbursements received for such purposes are to be deposited in the general fund.

ROOM AND BOARD ASSISTANCE (R-CAP)

Total Operating Expense	13,477,844	13,477,844
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C.H.O.I.C.E. IN-HOME SERVICES

Total Operating Expense	44,765,643	44,765,643
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The foregoing appropriations for C.H.O.I.C.E. In-Home Services include intragovernmental transfers to provide the nonfederal share of the Medicaid aged and disabled waiver. The intragovernmental transfers for use in the Medicaid aged and disabled waiver may not exceed in the state fiscal year beginning July 1, 2009, and ending June 30, 2010, \$12,900,000. The intragovernmental transfers for use in the Medicaid aged and disabled waiver may not exceed in the state fiscal year beginning July 1, 2010, and ending June 30, 2011, \$12,900,000. After July 1, 2009, and before August 1, 2010, the office of the secretary (as defined in IC 12-7-2-135) shall submit a report to the legislative council in an electronic format under IC 5-14-6 and the governor in each July, October, January, and April specifying the number of persons on the waiting list for C.H.O.I.C.E. In-Home Services at the end of the month preceding the date of the report, a schedule indicating the length of time persons have been on the waiting list, a description of the conditions or problems that contribute to the waiting list, the plan in the next six (6) months after the end of the reporting period to reduce the waiting list, and any other information that is necessary or appropriate to interpret the information provided in the report.

The division of aging shall conduct an annual evaluation of the cost effectiveness of providing home care. Before January of each year, the division shall submit a report to the budget committee, the budget agency, and the legislative council that covers all aspects of the division's evaluation and such other information pertaining thereto as may be requested by the budget committee, the budget agency, or the legislative council, including the following:

- (1) the number and demographic characteristics of the recipients of home care during the preceding fiscal year;
- (2) the total cost and per recipient cost of providing home care services during the preceding fiscal year;
- (3) the number of recipients of home care services who would have been placed in long term care facilities had they not received home care services; and



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

4
5 **The division shall obtain from providers of services data on their costs and expenditures**
6 **regarding implementation of the program and report the findings to the budget committee,**
7 **the budget agency, and the legislative council. The report to the legislative council**
8 **must be in an electronic format under IC 5-14-6.**

9
10 **The foregoing appropriations for C.H.O.I.C.E. In-Home Services do not revert to the**
11 **state general fund or any other fund at the close of any state fiscal year but remain**
12 **available for the purposes of C.H.O.I.C.E. In-Home Services in subsequent state fiscal**
13 **years.**

14
15 **OLDER HOOSIERS ACT**

16 **Total Operating Expense** **1,573,446** **1,573,446**

17 **ADULT PROTECTIVE SERVICES**

18 **Total Operating Expense** **1,956,528** **1,956,528**

19 **ADULT GUARDIANSHIP SERVICES**

20 **Total Operating Expense** **477,135** **477,135**

21 **TITLE V EMPLOYMENT GRANT (OLDER WORKERS)**

22 **Total Operating Expense** **229,034** **229,034**

23 **MEDICAID WAIVER**

24 **Total Operating Expense** **322,275** **322,275**

25 **OBRA/PASSARR**

26 **Total Operating Expense** **91,108** **91,108**

27 **TITLE III ADMINISTRATION GRANT**

28 **Total Operating Expense** **252,163** **252,163**

29 **OMBUDSMAN**

30 **Total Operating Expense** **310,124** **310,124**

31
32 **DIVISION OF DISABILITY AND REHABILITATIVE SERVICES ADMINISTRATION**

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

34 **Total Operating Expense** **360,764** **360,764**

35
36 **VOCATIONAL REHABILITATION SERVICES**

37 **Personal Services** **3,525,457** **3,525,457**

38 **Other Operating Expense** **12,348,257** **12,348,257**

39 **AID TO INDEPENDENT LIVING**

40 **Total Operating Expense** **46,927** **46,927**

41
42 **INDIANAPOLIS RESOURCE CENTER FOR INDEPENDENT LIVING**

43 **Total Operating Expense** **87,665** **87,665**

44 **SOUTHERN INDIANA CENTER FOR INDEPENDENT LIVING**

45 **Total Operating Expense** **87,665** **87,665**

46 **ATTIC, INCORPORATED**

47 **Total Operating Expense** **87,665** **87,665**

48 **LEAGUE FOR THE BLIND AND DISABLED**

49 **Total Operating Expense** **87,665** **87,665**



1	FUTURE CHOICES, INC.		
2	Total Operating Expense	158,113	158,113
3	THE WABASH INDEPENDENT LIVING AND LEARNING CENTER, INC.		
4	Total Operating Expense	158,113	158,113
5	INDEPENDENT LIVING CENTER OF EASTERN INDIANA		
6	Total Operating Expense	158,113	158,113
7			
8	OFFICE OF DEAF AND HEARING IMPAIRED		
9	Personal Services	185,104	185,104
10	Other Operating Expense	131,670	131,670
11	BLIND VENDING OPERATIONS		
12	Total Operating Expense	129,905	129,905
13	DEVELOPMENTAL DISABILITY RESIDENTIAL FACILITIES COUNCIL		
14	Personal Services	2,970	2,970
15	Other Operating Expense	12,038	12,038
16	OFFICE OF SERVICES FOR THE BLIND AND VISUALLY IMPAIRED		
17	Personal Services	56,751	56,751
18	Other Operating Expense	24,985	24,985
19	EMPLOYEE TRAINING		
20	Total Operating Expense	6,112	6,112
21	BUREAU OF QUALITY IMPROVEMENT SERVICES - BQIS		
22	Total Operating Expense	3,936,983	3,936,983
23	DAY SERVICES - DEVELOPMENTALLY DISABLED		
24	Other Operating Expense	11,759,384	11,759,384
25	DIAGNOSIS AND EVALUATION		
26	Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
27	Other Operating Expense	400,125	400,125
28	FEDERAL EARLY INTERVENTION		
29	Total Operating Expense	6,149,513	6,149,513
30	SUPPORTED EMPLOYMENT		
31	Other Operating Expense	3,880,000	3,880,000
32	EPILEPSY PROGRAM		
33	Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
34	Other Operating Expense	463,758	463,758
35	CAREGIVER SUPPORT		
36	Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
37	Other Operating Expense	809,500	809,500
38	BDDS OPERATING		
39	General Fund		
40	Total Operating Expense	5,286,709	5,286,709
41	Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
42	Total Operating Expense	1,869,887	1,869,887
43	Augmentation allowed.		
44	OASIS - OBJECTIVE ASSISTANCE SYSTEM FROM INDEPENDENT SERVICES		
45	Total Operating Expense	5,529,000	5,529,000
46	CRISIS MANAGEMENT		
47	Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
48	Total Operating Expense	4,136,080	4,136,080
49	Augmentation allowed.		



1	OUTREACH - STATE OPERATING SERVICES		
2	Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
3	Total Operating Expense	2,232,973	2,232,973
4	Augmentation allowed.		
5	RESIDENTIAL SERVICES FOR DEVELOPMENTALLY DISABLED PERSONS		
6	General Fund		
7	Total Operating Expense	93,996,290	93,996,290
8	Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
9	Total Operating Expense	15,229,000	15,229,000

10
11 **The above appropriations for client services include the intragovernmental transfers**
12 **necessary to provide the nonfederal share of reimbursement under the Medicaid program**
13 **for day services provided to residents of group homes and nursing facilities.**

14
15 **In the development of new community residential settings for persons with developmental**
16 **disabilities, the division of disability and rehabilitative services must give priority**
17 **to the appropriate placement of such persons who are eligible for Medicaid and currently**
18 **residing in intermediate care or skilled nursing facilities and, to the extent permitted**
19 **by law, such persons who reside with aged parents or guardians or families in crisis.**

20
21 **FOR THE DEPARTMENT OF CHILD SERVICES**

22	DEPARTMENT OF CHILD SERVICES - ADMINISTRATION		
23	Personal Services	89,445,563	89,445,563
24	Other Operating Expense	20,582,245	20,582,245

25	DEPARTMENT OF CHILD SERVICES - STATE ADMINISTRATION		
26	Personal Services	14,689,383	14,689,383
27	Other Operating Expense	3,636,219	3,636,219

28	CHILD WELFARE SERVICES STATE GRANTS		
29	General Fund		
30	Total Operating Expense	7,500,000	7,500,000
31	Excise and Financial Institution Taxes		
32	Total Operating Expense	6,275,000	6,275,000

33	Augmentation allowed.		
34	TITLE IV-D OF THE FEDERAL SOCIAL SECURITY ACT (STATE MATCH)		
35	Total Operating Expense	5,598,019	5,598,019

36
37
38 **The foregoing appropriations for the department of child services Title IV-D of**
39 **the federal Social Security Act are made under, and not in addition to, IC 31-25-4-28.**

40	FAMILY AND CHILDREN FUND		
41	General Fund		
42	Total Operating Expense	445,406,171	445,406,171
43	Augmentation allowed.		
44	Family and Children Reimbursement (IC 31-40-1-3)		
45	Total Operating Expense	8,782,173	8,782,173
46	Augmentation allowed.		
47	YOUTH SERVICE BUREAU		
48	Total Operating Expense	1,250,000	1,250,000
49			



	<i>FY 2009-2010</i>	<i>FY 2010-2011</i>	<i>Biennial</i>
	<i>Appropriation</i>	<i>Appropriation</i>	<i>Appropriation</i>
1	PROJECT SAFEPLACE		
2	125,000	125,000	
3	HEALTHY FAMILIES INDIANA		
4	6,826,935	6,826,935	
5	CHILD WELFARE TRAINING		
6	1,729,473	1,729,473	
7	SPECIAL NEEDS ADOPTION II		
8	243,060	243,060	
9	456,540	456,540	
10	ADOPTION ASSISTANCE		
11	14,307,971	14,307,971	
12	NON-RECURRING ADOPTION ASSISTANCE		
13	921,500	921,500	
14	INDIANA SUPPORT ENFORCEMENT TRACKING (ISETS)		
15	4,804,602	4,804,602	
16	CHILD PROTECTION AUTOMATION PROJECT (ICWIS)		
17	4,224,334	4,224,334	
18			
19	SOCIAL SERVICES BLOCK GRANT (SSBG)		
20	4,012,083	4,012,083	

21
22 **The funds appropriated above to the social services block grant are allocated in**
23 **the following manner during the biennium:**

24			
25	Division of Disability and Rehabilitative Services		
26	343,481	343,481	
27	Division of Family Resources		
28	1,100,000	1,100,000	
29	Division of Aging		
30	687,396	687,396	
31	Department of Child Services		
32	289,352	289,352	
33	Department of Health		
34	296,504	296,504	
35	Department of Correction		
36	1,295,350	1,295,350	

37			
38	FOR THE DEPARTMENT OF ADMINISTRATION		
39	DEPARTMENT OF CHILD SERVICES OMBUDSMAN BUREAU		
40	445,400	445,400	

41
42 **B. PUBLIC HEALTH**

43			
44	FOR THE STATE DEPARTMENT OF HEALTH		
45	21,315,999	21,315,999	
46	7,410,840	7,410,840	

47
48 **All receipts to the state department of health from licenses or permit fees shall be deposited**
49 **in the state general fund. Augmentation allowed in amounts not to exceed revenue from**



1 **penalties or fees collected by the state department of health.**

2

3

CANCER REGISTRY

4

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

5

Total Operating Expense **610,647** **610,647**

6

MINORITY HEALTH INITIATIVE

7

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

8

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

9

10

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.

11

12

13

SICKLE CELL

14

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

15

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

16

AID TO COUNTY TUBERCULOSIS HOSPITALS

17

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

18

Total Operating Expense **96,883** **96,883**

19

20

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.

21

22

23

24

25

MEDICARE-MEDICAID CERTIFICATION

26

Total Operating Expense **6,269,426** **6,269,426**

27

28

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

29

30

31

32

33

AIDS EDUCATION

34

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

35

Personal Services **286,161** **286,161**

36

Other Operating Expense **531,084** **531,084**

37

HIV/AIDS SERVICES

38

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

39

Total Operating Expense **2,162,254** **2,162,254**

40

TEST FOR DRUG AFFLICTED BABIES

41

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

42

Total Operating Expense **58,121** **58,121**

43

44

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

45

46

(1) All newborn infants shall be tested for the presence of a controlled substance in the infant's meconium if they meet the criteria established by the state department of health. These criteria will, at a minimum, include all newborns, if at birth:

47

48

49

(A) the infant's weight is less than two thousand five hundred (2,500) grams;



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

STATE CHRONIC DISEASES

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

Personal Services	120,459	120,459
Other Operating Expense	957,968	957,968

48
49 **At least \$82,560 of the above appropriations shall be for grants to community groups**



1	and organizations as provided in IC 16-46-7-8.		
2			
3	WOMEN, INFANTS, AND CHILDREN SUPPLEMENT		
4	Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
5	Total Operating Expense	190,000	190,000
6			
7	MATERNAL AND CHILD HEALTH SUPPLEMENT		
8	Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
9	Total Operating Expense	190,000	190,000
10			
11	CANCER EDUCATION AND DIAGNOSIS - BREAST CANCER		
12	Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
13	Total Operating Expense	86,490	86,490
14	CANCER EDUCATION AND DIAGNOSIS - PROSTATE CANCER		
15	Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
16	Total Operating Expense	93,000	93,000
17	ADOPTION HISTORY		
18	Adoption History Fund (IC 31-19-18-6)		
19	Total Operating Expense	215,543	215,543
20	Augmentation allowed.		
21	CHILDREN WITH SPECIAL HEALTH CARE NEEDS		
22	Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
23	Total Operating Expense	13,862,070	13,862,070
24	Augmentation allowed.		
25	NEWBORN SCREENING PROGRAM		
26	Newborn Screening Fund (IC 16-41-17-11)		
27	Personal Services	366,971	366,971
28	Other Operating Expense	2,294,672	2,294,672
29	Augmentation allowed.		
30	RADON GAS TRUST FUND		
31	Radon Gas Trust Fund (IC 16-41-38-8)		
32	Total Operating Expense	11,458	11,458
33	Augmentation allowed.		
34	BIRTH PROBLEMS REGISTRY		
35	Birth Problems Registry Fund (IC 16-38-4-17)		
36	Personal Services	62,071	62,071
37	Other Operating Expense	62,389	62,389
38	Augmentation allowed.		
39	MOTOR FUEL INSPECTION PROGRAM		
40	Motor Fuel Inspection Fund (IC 16-44-3-10)		
41	Total Operating Expense	174,464	174,464
42	Augmentation allowed.		
43	PROJECT RESPECT		
44	Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
45	Total Operating Expense	537,904	537,904
46	DONATED DENTAL SERVICES		
47	Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
48	Total Operating Expense	42,932	42,932
49			



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

3
4 **OFFICE OF WOMEN'S HEALTH**

5 **Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)**
6 **Total Operating Expense** **121,248** **121,248**

7 **SPINAL CORD AND BRAIN INJURY**

8 **Spinal Cord and Brain Injury Fund (IC 16-41-42.2-3)**
9 **Total Operating Expense** **1,175,770** **1,175,770**

37 **INDIANA CHECK-UP PLAN - IMMUNIZATIONS**

38 **Indiana Check-Up Plan Trust Fund (IC 12-15-44.2-17)**
39 **Total Operating Expense** **11,000,000** **11,000,000**

13 **WEIGHTS AND MEASURES FUND**

14 **Weights and Measures Fund (IC 16-19-5-4)**
15 **Total Operating Expense** **22,824** **22,824**

16 **Augmentation allowed.**

17 **MINORITY EPIDEMIOLOGY**

18 **Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)**
19 **Total Operating Expense** **750,000** **750,000**

20 **COMMUNITY HEALTH CENTERS**

21 **Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)**
22 **Total Operating Expense** **15,000,000** **15,000,000**

23 **PRENATAL SUBSTANCE USE & PREVENTION**

24 **Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)**
25 **Total Operating Expense** **150,000** **150,000**

26 **LOCAL HEALTH MAINTENANCE FUND**

27 **Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)**
28 **Total Operating Expense** **3,860,000** **3,860,000**

29 **Augmentation allowed.**

30

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

38

39 COUNTY POPULATION	AMOUNT OF GRANT
40 over 499,999	94,112
41 100,000 - 499,999	72,672
42 50,000 - 99,999	48,859
43 under 50,000	33,139

44

45 **LOCAL HEALTH DEPARTMENT ACCOUNT**

46 **Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)**
47 **Total Operating Expense** **3,000,000** **3,000,000**

48

49 **The foregoing appropriations for the local health department account are statutory**



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COMFORT AND WELFARE PROGRAM

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

Total Operating Expense	10,127,221	10,127,221
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Augmentation allowed.

SECTION 9. [EFFECTIVE JULY 1, 2009]

EDUCATION

A. HIGHER EDUCATION

FOR INDIANA UNIVERSITY

BLOOMINGTON CAMPUS

Total Operating Expense	195,535,456	192,765,711
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Fee Replacement	26,901,091	38,643,685
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FOR INDIANA UNIVERSITY REGIONAL CAMPUSES

EAST

Total Operating Expense	7,935,371	7,814,060
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Fee Replacement	1,896,844	1,400,591
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KOKOMO

Total Operating Expense	10,333,991	10,205,737
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Fee Replacement	2,103,973	1,553,532
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NORTHWEST

Total Operating Expense	17,185,841	16,845,708
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Fee Replacement	3,899,173	2,879,072
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SOUTH BEND

Total Operating Expense	22,096,237	21,654,708
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Fee Replacement	5,658,917	4,178,432
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SOUTHEAST

Total Operating Expense	19,886,796	19,617,352
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Fee Replacement	5,048,022	3,727,359
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TOTAL APPROPRIATION - INDIANA UNIVERSITY REGIONAL CAMPUSES

96,045,165	89,876,551
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FOR INDIANA UNIVERSITY - PURDUE UNIVERSITY

AT INDIANAPOLIS (IUPUI)

HEALTH DIVISIONS

Total Operating Expense	106,341,230	108,940,726
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Fee Replacement	4,189,020	2,821,231
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FOR INDIANA UNIVERSITY SCHOOL OF MEDICINE ON

THE CAMPUS OF THE UNIVERSITY OF SOUTHERN INDIANA



1	Total Operating Expense	1,565,404	1,603,670
2			
3	THE CAMPUS OF INDIANA UNIVERSITY-PURDUE UNIVERSITY FORT WAYNE		
4	Total Operating Expense	1,440,072	1,475,274
5			
6	THE CAMPUS OF INDIANA UNIVERSITY-NORTHWEST		
7	Total Operating Expense	2,045,819	2,095,829
8			
9	THE CAMPUS OF PURDUE UNIVERSITY		
10	Total Operating Expense	1,826,182	1,870,823
11			
12	THE CAMPUS OF BALL STATE UNIVERSITY		
13	Total Operating Expense	1,642,036	1,682,175
14			
15	THE CAMPUS OF THE UNIVERSITY OF NOTRE DAME		
16	Total Operating Expense	1,522,791	1,560,016
17			
18	THE CAMPUS OF INDIANA STATE UNIVERSITY		
19	Total Operating Expense	1,815,496	1,859,876
20			
21	The Indiana University School of Medicine - Indianapolis shall submit to the Indiana		
22	commission for higher education before May 15 of each year an accountability report		
23	containing data on the number of medical school graduates who entered primary care		
24	physician residencies in Indiana from the school's most recent graduating class.		
25			
26	FOR INDIANA UNIVERSITY - PURDUE UNIVERSITY AT INDIANAPOLIS (IUPUI)		
27	GENERAL ACADEMIC DIVISIONS		
28	Total Operating Expense	80,117,958	80,306,167
29	Fee Replacement	20,004,544	13,472,705
30			
31	TOTAL APPROPRIATIONS - IUPUI		
32		222,510,552	217,688,492
33			
34	Transfers of allocations between campuses to correct for errors in allocation among		
35	the campuses of Indiana University can be made by the institution with the approval		
36	of the commission for higher education and the budget agency. Indiana University		
37	shall maintain current operations at all statewide medical education sites.		
38			
39	FOR INDIANA UNIVERSITY		
40	ABILENE NETWORK OPERATIONS CENTER		
41	Total Operating Expense	832,596	832,596
42			
43	SPINAL CORD AND HEAD INJURY RESEARCH CENTER		
44	Spinal Cord and Brain Injury Fund (IC 16-41-42.2-3)		
45	Total Operating Expense	524,230	524,230
46			
47	STATE DEPARTMENT OF TOXICOLOGY		
48	Total Operating Expense	2,463,380	2,463,380
49			



1	INSTITUTE FOR THE STUDY OF DEVELOPMENTAL DISABILITIES		
2	Total Operating Expense	2,477,440	2,477,440
3			
4	GEOLOGICAL SURVEY		
5	Total Operating Expense	3,102,244	3,102,244
6			
7	LOCAL GOVERNMENT ADVISORY COMMISSION		
8	Total Operating Expense	56,543	56,543
9			
10	I-LIGHT NETWORK OPERATIONS		
11	Build Indiana Fund (IC 4-30-17)		
12	Total Operating Expense	2,000,000	2,000,000
13			
14	FOR PURDUE UNIVERSITY		
15	WEST LAFAYETTE		
16	Total Operating Expense	250,646,837	248,614,954
17	Fee Replacement	26,722,911	26,777,731
18			
19	FOR PURDUE UNIVERSITY - REGIONAL CAMPUSES		
20	CALUMET		
21	Total Operating Expense	26,891,493	26,482,025
22	Fee Replacement	1,491,261	1,491,824
23			
24	NORTH CENTRAL		
25	Total Operating Expense	11,599,490	11,806,851
26			
27	TOTAL APPROPRIATION - PURDUE UNIVERSITY REGIONAL CAMPUSES		
28	39,982,244	39,780,700	
29			
30	FOR INDIANA UNIVERSITY - PURDUE UNIVERSITY		
31	AT FORT WAYNE (IPFW)		
32	Total Operating Expense	36,920,732	36,909,156
33	Fee Replacement	5,995,241	5,980,642
34			

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

38			
39	FOR PURDUE UNIVERSITY		
40	ANIMAL DISEASE DIAGNOSTIC LABORATORY SYSTEM		
41	Total Operating Expense	3,449,706	3,449,706
42			

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



1			
2	STATEWIDE TECHNOLOGY		
3	Total Operating Expense	6,433,939	6,433,939
4			
5	COUNTY AGRICULTURAL EXTENSION EDUCATORS		
6	Total Operating Expense	7,234,605	7,234,605
7			
8	AGRICULTURAL RESEARCH AND EXTENSION - CROSSROADS		
9	Total Operating Expense	7,238,961	7,238,961
10			
11	CENTER FOR PARALYSIS RESEARCH		
12	Total Operating Expense	522,558	522,558
13			
14	UNIVERSITY-BASED BUSINESS ASSISTANCE		
15	Total Operating Expense	1,889,039	1,889,039
16			
17	FOR INDIANA STATE UNIVERSITY		
18	Total Operating Expense	72,689,609	71,468,078
19	Fee Replacement	8,231,452	8,216,569
20			
21	NURSING PROGRAM		
22	Total Operating Expense	240,000	240,000
23			
24	FOR UNIVERSITY OF SOUTHERN INDIANA		
25	Total Operating Expense	38,672,234	38,437,801
26	Fee Replacement	11,920,469	11,119,519
27			
28	HISTORIC NEW HARMONY		
29	Total Operating Expense	553,428	553,428
30			
31	FOR BALL STATE UNIVERSITY		
32	Total Operating Expense	124,586,362	123,320,507
33	Fee Replacement	11,543,674	11,535,537
34			
35	ENTREPRENEURIAL COLLEGE		
36	Total Operating Expense	960,000	960,000
37			
38	ACADEMY FOR SCIENCE, MATHEMATICS, AND HUMANITIES		
39	Total Operating Expense	4,273,836	4,273,836
40			
41	FOR VINCENNES UNIVERSITY		
42	Total Operating Expense	37,186,934	36,723,948
43	Fee Replacement	5,275,650	5,282,662
44			
45	FOR IVY TECH COMMUNITY COLLEGE		
46	Total Operating Expense	159,220,386	165,580,643
47	Fee Replacement	26,656,511	26,651,916
48			
49	VALPO NURSING PARTNERSHIP		



1 **Total Operating Expense** **100,484** **100,484**

2
3 **FT. WAYNE PUBLIC SAFETY TRAINING CENTER**

4 **Total Operating Expense** **1,000,000** **1,000,000**

5
6 **FOR THE INDIANA HIGHER EDUCATION TELECOMMUNICATIONS SYSTEM (IHETS)**

7 **Build Indiana Fund (IC 4-30-17)**

8 **Total Operating Expense** **600,000** **600,000**

9
10 **The above appropriations do not include funds for the course development grant program.**

11
12 **The sums herein appropriated to Indiana University, Purdue University, Indiana State**
13 **University, University of Southern Indiana, Ball State University, Vincennes University,**
14 **Ivy Tech Community College, and the Indiana Higher Education Telecommunications System**
15 **(IHETS) are in addition to all income of said institutions and IHETS, respectively,**
16 **from all permanent fees and endowments and from all land grants, fees, earnings,**
17 **and receipts, including gifts, grants, bequests, and devises, and receipts from any**
18 **miscellaneous sales from whatever source derived.**

19
20 **All such income and all such fees, earnings, and receipts on hand June 30, 2009,**
21 **and all such income and fees, earnings, and receipts accruing thereafter are hereby**
22 **appropriated to the boards of trustees or directors of the aforementioned institutions**
23 **and IHETS and may be expended for any necessary expenses of the respective institutions**
24 **and IHETS, including university hospitals, schools of medicine, nurses' training**
25 **schools, schools of dentistry, and agricultural extension and experimental stations.**
26 **However, such income, fees, earnings, and receipts may be used for land and structures**
27 **only if approved by the governor and the budget agency.**

28
29 **The foregoing appropriations to Indiana University, Purdue University, Indiana State**
30 **University, University of Southern Indiana, Ball State University, Vincennes University,**
31 **Ivy Tech Community College, and IHETS include the employers' share of Social Security**
32 **payments for university and IHETS employees under the public employees' retirement**
33 **fund, or institutions covered by the Indiana state teachers' retirement fund. The**
34 **funds appropriated also include funding for the employers' share of payments to the**
35 **public employees' retirement fund and to the Indiana state teachers' retirement fund**
36 **at a rate to be established by the retirement funds for both fiscal years for each**
37 **institution and for IHETS employees covered by these retirement plans.**

38
39 **The treasurers of Indiana University, Purdue University, Indiana State University,**
40 **University of Southern Indiana, Ball State University, Vincennes University, and**
41 **Ivy Tech Community College shall, at the end of each three (3) month period, prepare**
42 **and file with the auditor of state a financial statement that shall show in total**
43 **all revenues received from any source, together with a consolidated statement of**
44 **disbursements for the same period. The budget director shall establish the requirements**
45 **for the form and substance of the reports.**

46
47 **The reports of the treasurer also shall contain in such form and in such detail as**
48 **the governor and the budget agency may specify, complete information concerning receipts**
49 **from all sources, together with any contracts, agreements, or arrangements with any**



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

3
 4 All such treasurers' reports are matters of public record and shall include without
 5 limitation a record of the purposes of any and all gifts and trusts with the sole
 6 exception of the names of those donors who request to remain anonymous.

7
 8 Notwithstanding IC 4-10-11, the auditor of state shall draw warrants to the treasurers
 9 of Indiana University, Purdue University, Indiana State University, University of
 10 Southern Indiana, Ball State University, Vincennes University, and Ivy Tech Community
 11 College on the basis of vouchers stating the total amount claimed against each fund
 12 or account, or both, but not to exceed the legally made appropriations.

13
 14 Notwithstanding IC 4-12-1-14, for universities and colleges supported in whole or
 15 in part by state funds, grant applications and lists of applications need only be
 16 submitted upon request to the budget agency for review and approval or disapproval
 17 and, unless disapproved by the budget agency, federal grant funds may be requested
 18 and spent without approval by the budget agency. Each institution shall retain the
 19 applications for a reasonable period of time and submit a list of all grant applications,
 20 at least monthly, to the commission for higher education for informational purposes.

21
 22 For all university special appropriations, an itemized list of intended expenditures,
 23 in such form as the governor and the budget agency may specify, shall be submitted
 24 to support the allotment request. All budget requests for university special appropriations
 25 shall be furnished in a like manner and as a part of the operating budgets of the
 26 state universities.

27
 28 The trustees of Indiana University, the trustees of Purdue University, the trustees
 29 of Indiana State University, the trustees of University of Southern Indiana, the
 30 trustees of Ball State University, the trustees of Vincennes University, the trustees
 31 of Ivy Tech Community College and the directors of IHETS are hereby authorized to
 32 accept federal grants, subject to IC 4-12-1.

33
 34 Fee replacement funds are to be distributed as requested by each institution, on
 35 payment due dates, subject to available appropriations.

36
 37 **FOR THE MEDICAL EDUCATION BOARD**
 38 **FAMILY PRACTICE RESIDENCY FUND**

Total Operating Expense	2,247,056	2,247,056
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40
 41 Of the foregoing appropriations for the medical education board-family practice residency
 42 fund, \$1,000,000 each year shall be used for grants for the purpose of improving
 43 family practice residency programs serving medically underserved areas.

44
 45 **FOR THE COMMISSION FOR HIGHER EDUCATION**

Total Operating Expense	1,476,735	1,476,735
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46
 47
 48 **STATEWIDE TRANSFER WEB SITE**

Total Operating Expense	644,293	644,293
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FOR THE DEPARTMENT OF ADMINISTRATION

ANIMAL DISEASE DIAGNOSTIC LABORATORY LEASE RENTAL

Total Operating Expense	1,045,098	1,046,630
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COLUMBUS LEARNING CENTER LEASE PAYMENT

Total Operating Expense	4,988,000	4,934,000
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FOR THE STATE BUDGET AGENCY

MEDICAL EDUCATION CENTER EXPANSION

Total Operating Expense	3,000,000	3,000,000
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The above appropriations for medical education center expansion are intended to help increase medical school class size on a statewide basis. The funds shall be used to help increase enrollment for years 1 and 2 and to provide clinical instruction for years 3 and 4. The funds shall be distributed to the nine existing medical education centers in proportion to the increase in enrollment for each center. The budget agency shall release the funds after a plan is submitted and favorably reviewed by the budget committee.

GIGAPOP PROJECT

Build Indiana Fund (IC 4-30-17)

Total Operating Expense	771,951	771,951
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SOUTH CENTRAL EDUCATIONAL ALLIANCE - BEDFORD SERVICE AREA

Build Indiana Fund (IC 4-30-17)

Total Operating Expense	395,266	395,266
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SOUTHEAST INDIANA EDUCATION SERVICES

Build Indiana Fund (IC 4-30-17)

Total Operating Expense	695,226	695,226
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DEGREE LINK

Build Indiana Fund (IC 4-30-17)

Total Operating Expense	541,465	541,465
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The above appropriations shall be used for the delivery of Indiana State University baccalaureate degree programs at Ivy Tech Community College and Vincennes University locations through Degree Link.

WORKFORCE CENTERS

Build Indiana Fund (IC 4-30-17)

Total Operating Expense	862,110	862,110
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MIDWEST HIGHER EDUCATION COMMISSION

Build Indiana Fund (IC 4-30-17)

Total Operating Expense	95,000	95,000
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FOR THE STATE STUDENT ASSISTANCE COMMISSION



	<i>FY 2009-2010</i>	<i>FY 2010-2011</i>	<i>Biennial</i>
	<i>Appropriation</i>	<i>Appropriation</i>	<i>Appropriation</i>
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For the higher education awards and freedom of choice grants made for the 2009-2011 biennium, the following guidelines shall be used, notwithstanding current administrative rule or practice:

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

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

48	STATUTORY FEE REMISSION		
49	Total Operating Expense	20,557,932	20,557,932



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PART-TIME STUDENT GRANT DISTRIBUTION

Total Operating Expense	5,462,100	5,462,100
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Priority for awards made from the above appropriation shall be given first to eligible students meeting TANF income eligibility guidelines as determined by the family and social services administration and second to eligible students who received awards from the part-time grant fund during the school year associated with the biennial budget year. Funds remaining shall be distributed according to procedures established by the commission. The maximum grant that an applicant may receive for a particular academic term shall be established by the commission but shall in no case be greater than a grant for which an applicant would be eligible under IC 21-12-3 if the applicant were a full-time student. The commission shall collect and report to the family and social services administration (FSSA) all data required for FSSA to meet the data collection and reporting requirements in 45 CFR Part 265.

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

CONTRACT FOR INSTRUCTIONAL OPPORTUNITIES IN SOUTHEASTERN INDIANA

Total Operating Expense	458,253	458,253
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MINORITY TEACHER SCHOLARSHIP FUND

Total Operating Expense	415,919	415,919
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COLLEGE WORK STUDY PROGRAM

Total Operating Expense	837,719	837,719
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21ST CENTURY ADMINISTRATION

Total Operating Expense	2,102,648	2,102,648
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21ST CENTURY SCHOLAR AWARDS

Total Operating Expense	27,314,852	28,134,298
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Augmentation for 21st Century Scholar Awards allowed from the general fund.

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

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

NATIONAL GUARD SCHOLARSHIP

Total Operating Expense	2,874,264	2,874,264
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The above appropriations for national guard scholarship and any program reserves existing on June 30, 2009, shall be the total allowable state expenditure for the program in the 2009-2011 biennium. If the dollar amounts of eligible awards exceed appropriations and program reserves, the state student assistance commission shall



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

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INSURANCE EDUCATION SCHOLARSHIPS

Insurance Education Scholarship Fund (IC 21-12-9-5)		
Total Operating Expense	100,000	100,000
Augmentation allowed.		

B. ELEMENTARY AND SECONDARY EDUCATION

**FOR THE DEPARTMENT OF EDUCATION
STATE BOARD OF EDUCATION**

Total Operating Expense	3,144,762	3,144,762
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The foregoing appropriations for the Indiana state board of education are for the education roundtable established by IC 20-19-4; for the academic standards project to distribute copies of the academic standards and provide teachers with curriculum frameworks; for special evaluation and research projects including national and international assessments; and for state board and roundtable administrative expenses.

SUPERINTENDENT'S OFFICE

From the General Fund		
	8,495,125	8,495,125
From the Professional Standards Fund (IC 20-28-2-8)		
	395,000	395,000
Augmentation allowed from the Professional Standards Fund.		

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

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

WOODROW WILSON TEACHING FELLOWSHIP PROGRAM

ARRA State Fiscal Stabilization Fund (Section 14002(b))		
Total Operating Expense	10,000,000	0

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

RILEY HOSPITAL

Total Operating Expense	27,900	27,900
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BEST BUDDIES

Total Operating Expense	250,000	250,000
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MOTORCYCLE OPERATOR SAFETY EDUCATION FUND

Safety Education Fund (IC 20-30-13-11)		
Personal Services	154,388	154,388
Other Operating Expense	829,642	829,642



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

3

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

6 Total Operating Expense 25,000 25,000

7

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

11

12 **TEACHERS' SOCIAL SECURITY AND RETIREMENT DISTRIBUTION**

13 Total Operating Expense 2,403,792 2,403,792

14

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

25

26 **DISTRIBUTION FOR TUITION SUPPORT**

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

28

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

32

33 The foregoing appropriations for distribution for tuition support are to be distributed
 34 for tuition support, special education programs, career and technical education programs,
 35 honors grants, and the primetime program in accordance with a statute enacted
 36 for this purpose during the 2009 session of the general assembly.

37

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

40

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

47

48 **DISTRIBUTION FOR SUMMER SCHOOL**

49 Other Operating Expense 18,360,000 18,360,000



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

EARLY INTERVENTION PROGRAM AND READING DIAGNOSTIC ASSESSMENT

Total Operating Expense	4,720,000	4,720,000
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The above appropriation for the early intervention program may be used for grants to local school corporations for grant proposals for early intervention programs.

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

SCHOOL CIRCUIT BREAKER REPLACEMENT CREDITS

Total Operating Expense	60,000,000	35,000,000
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ADULT EDUCATION DISTRIBUTION

Total Operating Expense	13,000,000	13,000,000
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It is the intent of the 2009 general assembly that the above appropriations for adult education shall be the total allowable state expenditure for such program. Therefore, if the expected disbursements are anticipated to exceed the total appropriation for a state fiscal year, the department of education shall reduce the distributions proportionately.

NATIONAL SCHOOL LUNCH PROGRAM

Total Operating Expense	5,400,000	5,400,000
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MARION COUNTY DESEGREGATION COURT ORDER

Total Operating Expense	18,000,000	18,000,000
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The foregoing appropriations for court ordered desegregation costs are made pursuant to order No. IP 68-C-225-S of the United States District Court for the Southern District of Indiana. If the sums herein appropriated are insufficient to enable the state to meet its obligations, then there are hereby appropriated from the state general fund such further sums as may be necessary for such purpose.

TEXTBOOK REIMBURSEMENT

Total Operating Expense	39,000,000	39,000,000
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Before a school corporation or an accredited nonpublic school may receive a distribution under the textbook reimbursement program, the school corporation or accredited nonpublic



1 school shall provide to the department the requirements established in IC 20-33-5-2.
 2 The department shall provide to the family and social services administration (FSSA)
 3 all data required for FSSA to meet the data collection reporting requirement in 45
 4 CFR 265. Family and social services administration, division of family resources,
 5 shall apply all qualifying expenditures for the textbook reimbursement program toward
 6 Indiana's maintenance of effort under the federal Temporary Assistance to Needy Families
 7 (TANF) program (45 CFR 260 et seq.).
 8

9 The foregoing appropriations for textbook reimbursement include the appropriation of the
 10 common school fund interest balance. The remainder of the above appropriations are
 11 provided from the state general fund.
 12

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

16 The above appropriations for full day kindergarten are available to school corporations
 17 and charter schools that apply to the department of education for funding of full day
 18 kindergarten. The amount available to a school corporation or charter school equals
 19 the amount appropriated divided by the total full day kindergarten enrollment of
 20 all participating school corporations and charter schools (as defined in IC 20-43-1-11)
 21 for the current year, and then multiplied by the school corporation's or charter
 22 school's full day kindergarten enrollment (as defined in IC 20-43-1-11) for the
 23 current year. However, a school corporation or charter school may not receive more
 24 than \$2,500 dollars per student for full day kindergarten. A school corporation or
 25 charter school that is awarded a grant must provide to the department of education
 26 a financial report stating how the funds were spent. Any unspent funds at the end
 27 of the biennium must be returned to the state by the school corporation or charter
 28 school.
 29

30 To provide full day kindergarten programs, a school corporation or charter school
 31 that determines there is inadequate space to offer a program in the school corporation's
 32 or charter school's existing facilities may offer the program in any suitable space
 33 located within the geographic boundaries of the school corporation or, in the case
 34 of a charter school, a location that is in the general vicinity of the charter school's
 35 existing facilities. A full day kindergarten program offered by a school corporation
 36 or charter school must meet the academic standards and other requirements of IC 20.
 37

38 A school corporation or charter school that receives a grant must meet the academic standards
 39 and other requirements of IC 20.
 40

41 In awarding grants from the above appropriations, the department of education may
 42 not refuse to make a grant to a school corporation or reduce the award that would
 43 otherwise be made to the school corporation because the school corporation used federal
 44 grants or loans, including Title I grants, to fund part or all of the school corporation's
 45 full day kindergarten program in a school year before the school year in which the
 46 grant will be given or because the school corporation intends to use federal grants
 47 or loans, including Title I grants, to fund part of the school corporation's full
 48 day kindergarten program in a school year in which the grant will be given.
 49



1 be the total allowable expenditure for such program. Therefore, if the expected
2 disbursements are anticipated to exceed the total appropriation for that state fiscal
3 year, then the department of education shall reduce the distributions proportionately.
4

5 **NON-ENGLISH SPEAKING PROGRAM**

6 Other Operating Expense	3,000,000	3,000,000
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7
8 The above appropriations for the Non-English Speaking Program are for pupils who
9 have a primary language other than English and limited English proficiency, as determined
10 by using a standard proficiency examination that has been approved by the department
11 of education.
12

13 The grant amount is two hundred dollars (\$200) per pupil. It is the intent of the
14 2009 general assembly that the above appropriations for the Non-English Speaking
15 Program shall be the total allowable state expenditure for the program. If the expected
16 distributions are anticipated to exceed the total appropriations for the state fiscal
17 year, the department of education shall reduce each school corporation's distribution
18 proportionately.
19

20 **GIFTED AND TALENTED EDUCATION PROGRAM**

21 Personal Services	148,024	148,024
22 Other Operating Expense	12,788,157	12,788,157

23
24 **DISTRIBUTION FOR ADULT VOCATIONAL EDUCATION**

25 Total Operating Expense	250,000	250,000
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26
27 The distribution for adult career and technical education programs shall be made
28 in accordance with the state plan for vocational education.
29

30 **PRIMETIME**

31 Personal Services	202,136	202,136
32 Other Operating Expense	32,053	32,053

33 **DRUG FREE SCHOOLS**

34 Personal Services	46,203	46,203
35 Other Operating Expense	20,451	20,451

36
37 **ALTERNATIVE EDUCATION**

38 Total Operating Expense	6,318,205	6,318,205
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39
40 The above appropriation includes funding to provide \$5,000 for each child attending
41 a charter school operated by an accredited hospital specializing in the treatment
42 of alcohol or drug abuse. This funding is in addition to tuition support for the
43 charter school.
44

45 The foregoing appropriation for alternative education may be used for dropout prevention.
46

47 **SENATOR DAVID C. FORD EDUCATIONAL TECHNOLOGY PROGRAM (IC 20-20-13)**

48 **ARRA State Fiscal Stabilization Fund (Section 14002(b))**

49 Total Operating Expense	5,000,000	0
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1 **Build Indiana Fund (IC 4-30-17)**
2 **Total Operating Expense** **3,809,965** **3,809,965**

3
4 **Of the foregoing appropriation, five million dollars (\$5,000,000) shall be used to**
5 **support start-up costs to establish New Tech High Schools in Indiana.**

6
7 **The department shall use the funds to make grants to school corporations to promote**
8 **student learning through the use of technology. Notwithstanding distribution guidelines**
9 **in IC 20-20-13, the department shall develop guidelines for distribution of the grants.**
10 **Up to \$200,000 may be used each year to support the operation of the office of the**
11 **special assistant to the superintendent of public instruction for technology.**

12
13 **PROFESSIONAL STANDARDS DIVISION**
14 **From the General Fund**
15 2,882,513 2,882,513
16 **From the Professional Standards Fund (IC 20-28-2-8)**
17 1,000,000 1,000,000
18 **Augmentation allowed.**

19
20 **The amounts specified from the General Fund and the Professional Standards Fund are for**
21 **the following purposes:**

22
23 **Personal Services** 2,243,571 2,243,571
24 **Other Operating Expense** 1,638,942 1,638,942

25
26 **The above appropriations for the Professional Standards Division do not include funds**
27 **to pay stipends for mentor teachers.**

28
29 **FOR THE INDIANA STATE TEACHERS' RETIREMENT FUND**
30 **POSTRETIREMENT PENSION INCREASES**
31 **Other Operating Expense** 58,190,084 60,517,687

32
33 **The appropriations for postretirement pension increases are made for those benefits**
34 **and adjustments provided in IC 5-10.4 and IC 5-10.2-5.**

35
36 **TEACHERS' RETIREMENT FUND DISTRIBUTION**
37 **Other Operating Expense** 629,116,164 654,280,810
38 **Augmentation allowed.**

39
40 **If the amount actually required under the pre-1996 account of the teachers' retirement**
41 **fund for actual benefits for the Post Retirement Pension Increases that are funded**
42 **on a "pay as you go" basis plus the base benefits under the pre-1996 account of the**
43 **teachers' retirement fund is:**

- 44 **(1) greater than the above appropriations for a year, after notice to the**
45 **governor and the budget agency of the deficiency, the above appropriation for**
46 **the year shall be augmented from the general fund. Any augmentation shall**
47 **be included in the required pension stabilization calculation under IC 5-10.4; or**
48 **(2) less than the above appropriations for a year, the excess shall be retained**
49 **in the general fund. The portion of the benefit funded by the annuity account**



1 and the actuarially funded Post Retirement Pension Increases shall not be part
 2 of this calculation.

3
 4 **C. OTHER EDUCATION**

5
 6 **FOR THE EDUCATION EMPLOYMENT RELATIONS BOARD**

7 Personal Services	587,688	587,688
8 Other Operating Expense	52,720	52,720

9
 10 **FOR THE STATE LIBRARY**

11 Personal Services	2,589,615	2,589,615
12 Other Operating Expense	850,689	850,689

13 **STATEWIDE LIBRARY SERVICES**

14 Total Operating Expense	1,593,503	1,593,503
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15 **LIBRARY SERVICES FOR THE BLIND - ELECTRONIC NEWSLINES**

16 Other Operating Expense	36,400	36,400
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17 **ACADEMY OF SCIENCE**

18 Total Operating Expense	8,811	8,811
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19
 20 **FOR THE ARTS COMMISSION**

21 Personal Services	418,557	418,557
22 Other Operating Expense	1,582,922	1,582,922

23
 24 The foregoing appropriation to the arts commission includes \$325,000 each year to
 25 provide grants under IC 4-23-2.5 to:

26 (1) the arts organizations that have most recently qualified for general operating
 27 support as major arts organizations as determined by the arts commission;
 28 and

29 (2) the significant regional organizations that have most recently qualified for
 30 general operating support as mid-major arts organizations, as determined by the
 31 arts commission and its regional re-granting partners.

32
 33 **FOR THE HISTORICAL BUREAU**

34 Personal Services	361,055	361,055
35 Other Operating Expense	10,479	10,479

36 **HISTORICAL MARKER PROGRAM**

37 Total Operating Expense		25,444
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38
 39 **FOR THE COMMISSION ON PROPRIETARY EDUCATION**

40 Personal Services	299,783	299,783
41 Other Operating Expense	22,040	22,040

42
 43 **SECTION 10. [EFFECTIVE JULY 1, 2009]**

44
 45 **DISTRIBUTIONS**

46
 47 **FOR THE AUDITOR OF STATE**

48 **HEA 1001 (2008) HOMESTEAD CREDITS**

49 Total Operating Expense	110,000,000	40,000,000
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The above appropriations are for additional homestead credits for property taxes paid in 2009 and 2010.

GAMING TAX

Total Operating Expense	139,753,902	139,753,902
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SECTION 11. [EFFECTIVE JULY 1, 2009]

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

STATE PROGRAMS AND LEADERSHIP

2,557,290	2,557,290
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SECONDARY VOCATIONAL PROGRAMS

14,318,661	14,318,661
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POSTSECONDARY VOCATIONAL PROGRAMS

8,202,039	8,202,039
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TECHNOLOGY - PREPARATION EDUCATION

2,463,650	2,463,650
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SECTION 12. [EFFECTIVE JULY 1, 2009]

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

SECTION 13. [EFFECTIVE JULY 1, 2009]

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

SECTION 14. [EFFECTIVE JULY 1, 2009]

The budget agency, under IC 4-10-11, IC 4-12-1-13, and IC 4-13-1, in cooperation with the Indiana department of administration, may fix the amount of reimbursement for traveling expenses (other than transportation) for travel within the limits of



1 **Indiana. This amount may not exceed actual lodging and miscellaneous expenses incurred.**
2 **A person in travel status, as defined by the state travel policies and procedures**
3 **established by the Indiana department of administration and the budget agency, is**
4 **entitled to a meal allowance not to exceed during any twenty-four (24) hour period**
5 **the standard meal allowances established by the federal Internal Revenue Service.**

6
7 **All appropriations provided by this act or any other statute, for traveling and hotel**
8 **expenses for any department, officer, agent, employee, person, trustee, or commissioner,**
9 **are to be used only for travel within the state of Indiana, unless those expenses**
10 **are incurred in traveling outside the state of Indiana on trips that previously have**
11 **received approval as required by the state travel policies and procedures established**
12 **by the Indiana department of administration and the budget agency. With the required**
13 **approval, a reimbursement for out-of-state travel expenses may be granted in an amount**
14 **not to exceed actual lodging and miscellaneous expenses incurred. A person in travel**
15 **status is entitled to a meal allowance not to exceed during any twenty-four (24)**
16 **hour period the standard meal allowances established by the federal Internal Revenue**
17 **Service for properly approved travel within the continental United States and a minimum**
18 **of \$50 during any twenty-four (24) hour period for properly approved travel outside**
19 **the continental United States. However, while traveling in Japan, the minimum meal**
20 **allowance shall not be less than \$90 for any twenty-four (24) hour period. While**
21 **traveling in Korea and Taiwan, the minimum meal allowance shall not be less than**
22 **\$85 for any twenty-four (24) hour period. While traveling in Singapore, China, Great**
23 **Britain, Germany, the Netherlands, and France, the minimum meal allowance shall not**
24 **be less than \$65 for any twenty-four (24) hour period.**

25
26 **In the case of the state supported institutions of postsecondary education, approval**
27 **for out-of-state travel may be given by the chief executive officer of the institution,**
28 **or the chief executive officer's authorized designee, for the chief executive officer's**
29 **respective personnel.**

30
31 **Before reimbursing overnight travel expenses, the auditor of state shall require**
32 **documentation as prescribed in the state travel policies and procedures established**
33 **by the Indiana department of administration and the budget agency. No appropriation**
34 **from any fund may be construed as authorizing the payment of any sum in excess of**
35 **the standard mileage rates for personally owned transportation equipment established**
36 **by the federal Internal Revenue Service when used in the discharge of state business.**
37 **The Indiana department of administration and the budget agency may adopt policies**
38 **and procedures relative to the reimbursement of travel and moving expenses of new**
39 **state employees and the reimbursement of travel expenses of prospective employees**
40 **who are invited to interview with the state.**

41
42 **SECTION 15. [EFFECTIVE JULY 1, 2009]**

43
44 **Notwithstanding IC 4-10-11-2.1, the salary per diem of members of boards, commissions,**
45 **and councils who are entitled to a salary per diem is \$50 per day. However, members**
46 **of boards, commissions, or councils who receive an annual or a monthly salary paid**
47 **by the state are not entitled to the salary per diem provided in IC 4-10-11-2.1.**

48
49 **SECTION 16. [EFFECTIVE JULY 1, 2009]**



1
2 **No payment for personal services shall be made by the auditor of state unless the**
3 **payment has been approved by the budget agency or the designee of the budget agency.**
4

5 **SECTION 17. [EFFECTIVE JULY 1, 2009]**
6

7 **No warrant for operating expenses, capital outlay, or fixed charges shall be issued**
8 **to any department or an institution unless the receipts of the department or institution**
9 **have been deposited into the state treasury for the month. However, if a department**
10 **or an institution has more than \$10,000 in daily receipts, the receipts shall be**
11 **deposited into the state treasury daily.**
12

13 **SECTION 18. [EFFECTIVE JULY 1, 2009]**
14

15 **In case of loss by fire or any other cause involving any state institution or department,**
16 **the proceeds derived from the settlement of any claim for the loss shall be deposited**
17 **in the state treasury, and the amount deposited is hereby reappropriated to the institution**
18 **or department for the purpose of replacing the loss. If it is determined that the**
19 **loss shall not be replaced, any funds received from the settlement of a claim shall**
20 **be deposited into the state general fund.**
21

22 **SECTION 19. [EFFECTIVE JULY 1, 2009]**
23

24 **If an agency has computer equipment in excess of the needs of that agency, then the**
25 **excess computer equipment may be sold under the provisions of surplus property sales,**
26 **and the proceeds of the sale or sales shall be deposited in the state treasury. The**
27 **amount so deposited is hereby reappropriated to that agency for other operating expenses**
28 **of the then current year, if approved by the director of the budget agency.**
29

30 **SECTION 20. [EFFECTIVE JULY 1, 2009]**
31

32 **If any state penal or benevolent institution other than the Indiana state prison,**
33 **Pendleton correctional facility, or Putnamville correctional facility shall, in the**
34 **operation of its farms, produce products or commodities in excess of the needs of**
35 **the institution, the surplus may be sold through the division of industries and farms,**
36 **the director of the supply division of the Indiana department of administration,**
37 **or both. The proceeds of any such sale or sales shall be deposited in the state treasury.**
38 **The amount deposited is hereby reappropriated to the institution for expenses of**
39 **the then current year if approved by the director of the budget agency. The exchange**
40 **between state penal and benevolent institutions of livestock for breeding purposes**
41 **only is hereby authorized at valuations agreed upon between the superintendents or**
42 **wardens of the institutions. Capital outlay expenditures may be made from the institutional**
43 **industries and farms revolving fund if approved by the budget agency and the governor.**
44

45 **SECTION 21. [EFFECTIVE JULY 1, 2009]**
46

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



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

3

4 SECTION 22. [EFFECTIVE JULY 1, 2009]

5

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

10

11 SECTION 23. [EFFECTIVE JULY 1, 2009]

12

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

21

22 SECTION 24. [EFFECTIVE JULY 1, 2009]

23

24 The director of the division of procurement of the Indiana department of administration,
25 or any other person or agency authorized to make purchases of equipment, shall not
26 honor any requisition for the purchase of an automobile that is to be paid for from
27 any appropriation made by this act or any other act, unless the following facts are
28 shown to the satisfaction of the commissioner of the Indiana department of administration
29 or the commissioner's designee:

30

31 (1) In the case of an elected state officer, it shall be shown that the duties of
32 the office require driving about the state of Indiana in the performance of official
33 duty.

33

34 (2) In the case of department or commission heads, it shall be shown that the statutory
35 duties imposed in the discharge of the office require traveling a greater distance
36 than one thousand (1,000) miles each month or that they are subject to official duty
37 call at all times.

37

38 (3) In the case of employees, it shall be shown that the major portion of the duties
39 assigned to the employee require travel on state business in excess of one thousand
40 (1,000) miles each month, or that the vehicle is identified by the agency as an integral
41 part of the job assignment.

41

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



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

5

6 SECTION 25. [EFFECTIVE JULY 1, 2009]

7

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

12

13 SECTION 26. [EFFECTIVE JULY 1, 2009]

14

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

23

24 SECTION 27. [EFFECTIVE JULY 1, 2009]

25

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

29

30 SECTION 28. [EFFECTIVE JULY 1, 2009]

31

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

35

36 SECTION 29. [EFFECTIVE JULY 1, 2009]

37

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

43

44 SECTION 30. [EFFECTIVE JULY 1, 2009]

45

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



1 receipts from taxes or other sources for any fund will be less than were anticipated.
 2 (b) Notwithstanding any other law, if the budget agency withholds under subsection (a)
 3 an allotment of an appropriation that is contained in this act and made from
 4 a particular fund, any provision in a statute or act (including this act) specifying
 5 that some or all of the balance in that fund does not revert to the state general
 6 fund is suspended and does not apply during the period during which the allotment
 7 is withheld under subsection (a).
 8

9 SECTION 31. [EFFECTIVE JULY 1, 2009]

10
11 CONSTRUCTION

12
 13 For the 2009-2011 biennium, the following amounts, from the funds listed as follows,
 14 are hereby appropriated to provide for the construction, reconstruction, rehabilitation,
 15 repair, purchase, rental, and sale of state properties, capital lease rentals, and
 16 the purchase and sale of land, including equipment for such properties and other
 17 projects as specified.
 18

19	State General Fund - Lease Rentals	
20		328,620,484
21	State General Fund - Construction	
22		250,314,276
23	State Police Building Commission Fund (IC 9-29-1-4)	
24		3,200,000
25	Law Enforcement Academy Building Fund (IC 5-2-1-13(a))	
26		330,727
27	Cigarette Tax Fund (IC 6-7-1-29.1)	
28		3,600,000
29	Veterans' Home Building Fund (IC 10-17-9-7)	
30		5,449,777
31	Postwar Construction Fund (IC 7.1-4-8-1)	
32		34,411,484
33	Regional Health Care Construction Account (IC 4-12-8.5)	
34		21,489,259
35	Build Indiana Fund (IC 4-30-17)	
36		2,400,000
37	State Highway Fund (IC 8-23-9-54)	
38		25,000,000
39	ARRA State Fiscal Stabilization Fund (Section 14002(a))	
40		62,070,098
41		
42	TOTAL	736,886,105

43
 44 The allocations provided under this SECTION are made from the state general fund,
 45 unless specifically authorized from other designated funds by this act. The budget
 46 agency, with the approval of the governor, in approving the allocation of funds pursuant
 47 to this SECTION, shall consider, as funds are available, allocations for the following
 48 specific uses, purposes, and projects:
 49



1	A. GENERAL GOVERNMENT	
2		
3	FOR THE SENATE	
4	Remodeling	260,000
5		
6	FOR THE STATE BUDGET AGENCY	
7	Health and Safety Contingency Fund	5,000,000
8	Aviation Technology Center	2,471,771
9	Airport Facilities Lease	45,301,441
10	Stadium Lease Rental	82,000,000
11		
12	DEPARTMENT OF ADMINISTRATION - PROJECTS	
13	Preventive Maintenance	7,841,835
14	Repair and Rehabilitation	2,935,000
15	DEPARTMENT OF ADMINISTRATION - LEASES	
16	General Fund	
17	Lease - Government Center North	27,872,783
18	Lease - Government Center South	34,073,925
19	Lease - State Museum	14,579,033
20	Lease - McCarty Street Warehouse	1,509,375
21	Lease - Parking Garages	10,428,265
22	Lease - Toxicology Lab	10,593,099
23	Lease - Wabash Valley Correctional	36,517,566
24	Lease - Miami Correctional	29,364,180
25	Lease - Pendleton Juvenile Correctional	10,217,237
26	Lease - New Castle Correctional	23,691,809
27	Postwar Construction Fund (IC 7.1-4-8-1)	
28	Lease - Rockville Correctional	10,783,470
29	Regional Health Care Construction Account (IC 4-12-8.5)	
30	Lease - Evansville State Hospital	5,462,562
31	Lease - Southeast Regional Treatment	10,358,654
32	Lease - Logansport State Hospital	5,668,043
33		
34	INDIANA FINANCE AUTHORITY	
35	ARRA State Fiscal Stabilization Fund (Section 14002(b))	
36	Muscatatuck Urban Training Center Infrastructure	2,000,000
37		
38	B. PUBLIC SAFETY	
39		
40	(1) LAW ENFORCEMENT	
41		
42	INDIANA STATE POLICE	
43	State Police Building Commission Fund (IC 9-29-1-4)	
44	Preventive Maintenance	1,015,000
45	Repair and Rehabilitation	2,185,000
46	LAW ENFORCEMENT TRAINING BOARD	
47	Law Enforcement Academy Building Fund (IC 5-2-1-13(a))	
48	Preventive Maintenance	330,727
49	ADJUTANT GENERAL	



1	Preventive Maintenance	250,000
2	Land Acquisition	4,000,000
3	ARRA State Fiscal Stabilization Fund (Section 14002(b))	
4	Renovation for Youth Challenge Program	2,000,000
5		
6	(2) CORRECTIONS	
7		
8	DEPARTMENT OF CORRECTION - PROJECTS	
9	Preventive Maintenance	76,828
10	CORRECTIONAL UNITS	
11	Preventive Maintenance	1,438,770
12	STATE PRISON	
13	Preventive Maintenance	954,492
14	Postwar Construction Fund (IC 7.1-4-8-1)	
15	Repair and Rehabilitation	2,298,000
16	PENDLETON CORRECTIONAL FACILITY	
17	Preventive Maintenance	1,257,064
18	Postwar Construction Fund (IC 7.1-4-8-1)	
19	Repair and Rehabilitation	3,465,000
20	WOMEN'S PRISON	
21	Preventive Maintenance	538,832
22	Postwar Construction Fund (IC 7.1-4-8-1)	
23	Repair and Rehabilitation	291,000
24	NEW CASTLE CORRECTIONAL FACILITY	
25	Preventive Maintenance	350,388
26	Postwar Construction Fund (IC 7.1-4-8-1)	
27	Repair and Rehabilitation	365,000
28	PUTNAMVILLE CORRECTIONAL FACILITY	
29	Preventive Maintenance	864,822
30	Postwar Construction Fund (IC 7.1-4-8-1)	
31	Construct New Fire Station	250,000
32	Repair and Rehabilitation	1,570,000
33	PLAINFIELD EDUCATION RE-ENTRY FACILITY	
34	Preventive Maintenance	322,804
35	Postwar Construction Fund (IC 7.1-4-8-1)	
36	Repair and Rehabilitation	740,000
37	INDIANAPOLIS JUVENILE CORRECTIONAL FACILITY	
38	Preventive Maintenance	395,510
39	Postwar Construction Fund (IC 7.1-4-8-1)	
40	Repair and Rehabilitation	212,500
41	BRANCHVILLE CORRECTIONAL FACILITY	
42	Preventive Maintenance	272,932
43	WESTVILLE CORRECTIONAL FACILITY	
44	Preventive Maintenance	806,330
45	Postwar Construction Fund (IC 7.1-4-8-1)	
46	Repair and Rehabilitation	2,300,000
47	ROCKVILLE CORRECTIONAL FACILITY	
48	Preventive Maintenance	357,296
49	PLAINFIELD CORRECTIONAL FACILITY	



	<i>FY 2009-2010 Appropriation</i>	<i>FY 2010-2011 Appropriation</i>	<i>Biennial Appropriation</i>
1	Preventive Maintenance		663,704
2	Postwar Construction Fund (IC 7.1-4-8-1)		
3	Repair and Rehabilitation		1,054,000
4	RECEPTION-DIAGNOSTIC CENTER		
5	Preventive Maintenance		214,464
6	Postwar Construction Fund (IC 7.1-4-8-1)		
7	Repair and Rehabilitation		692,000
8	CORRECTIONAL INDUSTRIAL FACILITY		
9	Preventive Maintenance		584,172
10	Postwar Construction Fund (IC 7.1-4-8-1)		
11	Repair and Rehabilitation		1,853,000
12	WABASH VALLEY CORRECTIONAL FACILITY		
13	Preventive Maintenance		608,820
14	Postwar Construction Fund (IC 7.1-4-8-1)		
15	Repair and Rehabilitation		160,000
16	CHAIN O' LAKES CORRECTIONAL FACILITY		
17	Preventive Maintenance		76,828
18	Postwar Construction Fund (IC 7.1-4-8-1)		
19	Construct New Maintenance Building		180,000
20	Construct New Dormitory		320,000
21	MADISON CORRECTIONAL FACILITY		
22	Postwar Construction Fund (IC 7.1-4-8-1)		
23	Repair and Rehabilitation		90,000
24	MIAMI CORRECTIONAL FACILITY		
25	Preventive Maintenance		664,560
26	CAMP SUMMIT CORRECTIONAL FACILITY		
27	Postwar Construction Fund (IC 7.1-4-8-1)		
28	Repair and Rehabilitation		470,000
29	PENDLETON JUVENILE CORRECTIONAL FACILITY		
30	Preventive Maintenance		228,738
31			
32	C. CONSERVATION AND ENVIRONMENT		
33			
34	DEPARTMENT OF NATURAL RESOURCES - GENERAL ADMINISTRATION		
35	Preventive Maintenance		150,000
36	Repair and Rehabilitation		1,000,000
37	FISH AND WILDLIFE		
38	Preventive Maintenance		2,000,000
39	Repair and Rehabilitation		3,650,000
40	FORESTRY		
41	Preventive Maintenance		2,000,000
42	Repair and Rehabilitation		4,000,000
43	MUSEUMS AND HISTORIC SITES		
44	Preventive Maintenance		475,000
45	Historic Sites Exhibits		650,000
46	Repair and Rehabilitation		2,000,000
47	NATURE PRESERVES		
48	Preventive Maintenance		230,000
49	Repair and Rehabilitation		1,268,542



1	OUTDOOR RECREATION	
2	Preventive Maintenance	50,000
3	Outdoor Rec. SCORP	40,000
4	Repair and Rehabilitation	473,645
5	STATE PARKS AND RESERVOIR MANAGEMENT	
6	Preventive Maintenance	2,900,000
7	Repair and Rehabilitation	20,063,689
8	State Parks Bond Payments	917,028
9	Falls of the Ohio Lease	364,000
10	Cigarette Tax Fund (IC 6-7-1-29.1)	
11	Preventive Maintenance	3,600,000
12	DIVISION OF WATER	
13	Preventive Maintenance	125,000
14	Div. of Water Flood Plain Mapping	400,000
15	Repair and Rehabilitation	2,425,000
16	ENFORCEMENT	
17	Preventive Maintenance	250,000
18	STATE MUSEUM	
19	Preventive Maintenance	762,500
20	ENTOMOLOGY	
21	Repair and Rehabilitation	1,000,000
22	WAR MEMORIALS COMMISSION	
23	Preventive Maintenance	1,234,000
24	IWM Fire Suppression/Material Abatement	300,000
25	Indiana War Memorial ADA Access	250,000
26	Repair and Rehabilitation	192,000
27	LITTLE CALUMET RIVER BASIN COMMISSION	
28	ARRA State Fiscal Stabilization Fund (Section 14002(b))	
29	Repair and Rehabilitation	14,000,000
30		
31	D. TRANSPORTATION	
32		
33	DEPARTMENT OF TRANSPORTATION	
34	State Highway Fund (IC 8-23-9-54)	
35	Buildings and Grounds	25,000,000
36		
37	The above appropriations for highway buildings and grounds may be used for land acquisition,	
38	site development, construction and equipping of new highway facilities and for maintenance,	
39	repair, and rehabilitation of existing state highway facilities after review by the	
40	budget committee.	
41		
42	AIRPORT DEVELOPMENT	
43	Build Indiana Fund (IC 4-30-17)	
44	Airport Development	2,400,000
45		
46	The foregoing allocation for the Indiana department of transportation is for airport	
47	development and shall be used for the purpose of assisting local airport authorities and	
48	local units of governments in matching available federal funds under the airport	
49	improvement program and for matching federal grants for airport planning and for the	



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

4
 5 **E. FAMILY AND SOCIAL SERVICES, HEALTH, AND VETERANS' AFFAIRS**

6
 7 **(1) FAMILY AND SOCIAL SERVICES ADMINISTRATION**

8
 9 **EVANSVILLE PSYCHIATRIC CHILDREN'S CENTER**

10 Preventive Maintenance 45,000

11 Repair and Rehabilitation 287,660

12 **EVANSVILLE STATE HOSPITAL**

13 Preventive Maintenance 500,000

14 Repair and Rehabilitation 360,000

15 **MADISON STATE HOSPITAL**

16 Preventive Maintenance 971,409

17 Repair and Rehabilitation 956,800

18 **LOGANSPOUT STATE HOSPITAL**

19 Preventive Maintenance 963,144

20 Repair and Rehabilitation 1,486,700

21 **Postwar Construction Fund (IC 7.1-4-8-1)**

22 Repair and Rehabilitation 3,000,000

23 **RICHMOND STATE HOSPITAL**

24 Preventive Maintenance 1,210,724

25 Repair and Rehabilitation 2,403,700

26 **LARUE CARTER MEMORIAL HOSPITAL**

27 Preventive Maintenance 1,863,118

28
 29 **(2) PUBLIC HEALTH**

30
 31 **SCHOOL FOR THE BLIND AND VISUALLY IMPAIRED**

32 Preventive Maintenance 565,714

33 **Postwar Construction Fund (IC 7.1-4-8-1)**

34 Repair and Rehabilitation 2,288,013

35 **SCHOOL FOR THE DEAF**

36 Preventive Maintenance 565,714

37 **Postwar Construction Fund (IC 7.1-4-8-1)**

38 Repair and Rehabilitation 2,029,501

39
 40 **(3) VETERANS' AFFAIRS**

41
 42 **INDIANA VETERANS' HOME**

43 **Veterans' Home Building Fund (IC 10-17-9-7)**

44 Preventive Maintenance 1,500,000

45 Repair and Rehabilitation 3,949,777

46 **ARRA State Fiscal Stabilization Fund (Section 14002(b))**

47 Repair and Rehabilitation 3,000,000

48
 49 **F. EDUCATION**



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HIGHER EDUCATION

INDIANA UNIVERSITY - TOTAL SYSTEM

ARRA State Fiscal Stabilization Fund (Section 14002(a))	
General Repair and Rehab	25,202,564
ARRA State Fiscal Stabilization Fund (Section 14002(b))	
IU Bloomington Life and Health Sciences Lab Renovations	10,000,000
IUPUI Life and Health Sciences Lab Renovations	10,000,000

PURDUE UNIVERSITY - TOTAL SYSTEM

ARRA State Fiscal Stabilization Fund (Section 14002(a))	
General Repair and Rehab	19,777,318
ARRA State Fiscal Stabilization Fund (Section 14002(b))	
PU West Lafayette Life Sciences Lab Renovations	10,000,000
PU West Lafayette Medical School Renovations	6,000,000

INDIANA STATE UNIVERSITY

ARRA State Fiscal Stabilization Fund (Section 14002(a))	
General Repair and Rehab	4,681,980
ARRA State Fiscal Stabilization Fund (Section 14002(b))	
Life Sciences/Chemistry Lab Renovations & Chiller	14,000,000

UNIVERSITY OF SOUTHERN INDIANA

ARRA State Fiscal Stabilization Fund (Section 14002(a))	
General Repair and Rehab	1,121,926

BALL STATE UNIVERSITY

ARRA State Fiscal Stabilization Fund (Section 14002(a))	
General Repair and Rehab	6,726,300
ARRA State Fiscal Stabilization Fund (Section 14002(b))	
Central Campus Academic Project Phase I and Utilities	33,000,000

VINCENNES UNIVERSITY

ARRA State Fiscal Stabilization Fund (Section 14002(a))	
General Repair and Rehab	2,272,968

IVY TECH COMMUNITY COLLEGE

ARRA State Fiscal Stabilization Fund (Section 14002(a))	
General Repair and Rehab	2,287,042
ARRA State Fiscal Stabilization Fund (Section 14002(b))	
ITCC Anderson Campus	20,000,000
ITCC Warsaw Campus	10,000,000
ITCC Elkhart Campus	4,000,000
ITCC Bloomington Campus	20,000,000

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



1 SECTION 32. [EFFECTIVE JULY 1, 2009]

2
3 The budget agency may employ one (1) or more architects or engineers to inspect
4 construction, rehabilitation, and repair projects covered by the appropriations in
5 this act or previous acts.
6

7 SECTION 33. [EFFECTIVE UPON PASSAGE]

8
9 (a) Except as provided in subsection (b), if any part of a construction or rehabilitation
10 and repair appropriation made by this act or any previous acts has not been allotted
11 or encumbered before the expiration of two (2) biennia, the budget agency may determine
12 that the balance of the appropriation is not available for allotment. The appropriation
13 may be terminated, and the balance may revert to the fund from which the original
14 appropriation was made.

15 (b) If any part of a construction or rehabilitation and repair appropriation made
16 by this act or any previous acts has not been allotted or encumbered before the expiration
17 of two (2) years and both the budget director and the entity to which the appropriation
18 was made agree that the project will not be undertaken, the budget agency may determine
19 that the balance of the appropriation is not available for allotment. The appropriation
20 may be terminated, and the balance may revert to the fund from which the original
21 appropriation was made.
22

23 SECTION 34. [EFFECTIVE UPON PASSAGE]

24
25 The budget agency may retain balances in the mental health fund at the end of any
26 fiscal year to ensure there are sufficient funds to meet the service needs of the
27 developmentally disabled and the mentally ill in any year.
28

29 SECTION 35. [EFFECTIVE JULY 1, 2009]

30
31 If the budget director determines at any time during the biennium that the executive
32 branch of state government cannot meet its statutory obligations due to insufficient
33 funds in the general fund, then notwithstanding IC 4-10-18, the budget agency, with
34 the approval of the governor and after review by the budget committee, may transfer
35 from the counter-cyclical revenue and economic stabilization fund to the general
36 fund any additional amount necessary to maintain a positive balance in the general
37 fund.

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

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



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

3 (b) This SECTION expires June 30, 2011.

4 SECTION 38. [EFFECTIVE JULY 1, 2009] Funds distributed to Indiana University, Purdue
5 University, Indiana State University, University of Southern Indiana, Ball State University,
6 Vincennes University, and Ivy Tech Community College as required by and pursuant to Section
7 14002(a)(2)(A)(ii) of the American Recovery and Reinvestment Act of 2009 to restore state
8 support for fiscal year 2009, fiscal year 2010, and fiscal year 2011 shall be treated as a special
9 one (1) time distribution and shall be used only for general repair and rehabilitation of facilities
10 for instruction or research or for repair and rehabilitation of dormitories or other student
11 housing. Funds shall be distributed in one (1) or more installments after June 30, 2009, and
12 before July 1, 2011, on the schedule determined by the budget agency after review by the budget
13 committee. The review and approval requirements contained in IC 21-33-3-6 shall apply to the
14 use of funds authorized under this section.

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

22	Purdue University	
23	Lafayette Campus	
24	Student Fitness and Wellness Center	98,000,000
25	Indiana University Purdue University at Fort Wayne	
26	Parking Garage	16,800,000

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

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

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

32 SECTION 41. IC 4-4-11.5-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE OCTOBER
33 1, 2008 (RETROACTIVE)]: Sec. 1. As used in this chapter, "bond" means any:

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

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

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

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

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



1 chapter, do the following:

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

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

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

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

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

12 (A) Central duplicating.

13 (B) Printing.

14 (C) Machine tabulating.

15 (D) Mailing services.

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

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

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

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

28 (A) Per diem.

29 (B) For expenses necessarily and actually incurred.

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

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

33 (8) Administer IC 4-13.6.

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

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

37 (A) not needed for public use; or

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

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

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

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



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

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

7 (A) inspect;

8 (B) regulate their operation; and

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

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

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

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

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

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

20 **Chapter 19. Department of Child Services Ombudsman**

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



1 services ombudsman may not disclose to:

2 (1) a complainant;

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

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

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

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

14 (1) consider the matter further;

15 (2) modify or cancel its actions;

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

17 (4) explain more fully the action in question.

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

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

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

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

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

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

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

43 (c) A person is immune from:

44 (1) civil or criminal liability; and

45 (2) actions taken under:

46 (A) a professional disciplinary procedure; or

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



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

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

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

8 (1) Establish procedures to receive and investigate complaints.

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

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

13 (A) the complainant's written consent; or

14 (B) a court order.

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

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

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

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

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

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

25 (A) the health and education of children; and

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

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

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

29 (1) The governor.

30 (2) The legislative council.

31 (3) The Indiana department of administration.

32 (4) The department of child services.

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

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

38 Sec. 11. (a) A person who:

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

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

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

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

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



1 misdemeanor.

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

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

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

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

- 16 (1) self-insurance program established under section 7(b) of this chapter; or
17 (2) contract with a prepaid health care delivery plan entered into under section 7(c) of this
18 chapter;

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

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

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

- 28 (1) The state shall not pay any part of the cost of the coverage.
29 (2) The coverage provided to an active or retired school corporation employee under this
30 section must be the same as the coverage provided to an active or retired state employee
31 under the state employee health plan.
32 (3) Notwithstanding sections 2.2 and 2.6 of this chapter:

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

24 SECTION 48. IC 5-10-8.5-1, AS ADDED BY P.L.44-2007, SECTION 1, IS AMENDED TO
25 READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 1. (a) This chapter applies to an individual
26 who is one (1) of the following:

27 (1) An employee of the ~~executive~~, legislative or judicial branch of state government.

28 (2) ~~A state elected or appointed officer.~~

29 (3) ~~(2)~~ A member of the general assembly.

30 (4) ~~(3)~~ An elected **judicial** officer paid by the state.

31 (5) ~~(4)~~ An officer paid by the state under IC 33-23-5-10, IC 33-38-5-7, or IC 33-39-6-2.

32 (b) An individual described in subsection (a) is a participant in the retirement medical benefits
33 account.

34 (c) **In the case of an employee of the executive branch of state government or a state elected
35 or appointed officer for whom contributions were made to a subaccount under this chapter
36 before July 1, 2009:**

37 (1) **no additional contributions may be made after June 30, 2009, to any subaccount
38 established for the individual; and**

39 (2) **the individual may receive a benefit from the account if the individual otherwise satisfies
40 the requirements under this chapter to receive a benefit from the account.**

41 SECTION 49. IC 5-10-8.5-5, AS ADDED BY P.L.44-2007, SECTION 1, IS AMENDED TO
42 READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 5. As used in this chapter, "employer"
43 means the following:

44 (1) For an elected officer, appointed officer, or employee of the executive branch of state
45 government, the state, including any board, commission, department, division, authority,
46 institution, establishment, facility, or governmental unit under the supervision of the state, having
47 a payroll in relation to persons it immediately employs.

48 (2) (1) For a member of the general assembly or an employee of the legislative branch of state



1 government:

- 2 (A) the president pro tempore of the senate, for a member or an employee of the senate;
- 3 (B) the speaker of the house, for a member or an employee of the house of representatives; or
- 4 (C) the personnel subcommittee of the legislative council, for an employee of the legislative
- 5 services agency.

6 (3) (2) For:

- 7 (A) a justice;
- 8 (B) a judge;
- 9 (C) a prosecuting attorney;
- 10 (D) an officer described under section ~~1(a)(5)~~ **1(a)(4)** of this chapter; or
- 11 (E) an employee of the judicial branch of state government, including an employee of any
- 12 board, commission, department, division, authority, institution, establishment, facility, or
- 13 governmental unit under the supervision of the judicial branch, having a payroll in relation to
- 14 persons it immediately employs;
- 15 the Indiana supreme court.

16 SECTION 50. IC 5-22-17-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,

17 2009]: Sec. 9. **(a) The general assembly finds:**

18 **(1) that there is a public need and benefit for the most efficient and effective purchasing**

19 **systems and methods to be available to serve the interests of the public; and**

20 **(2) that the purchasing resources and savings available to the state and other cooperative**

21 **purchasing entities or efforts should be encouraged and extended to all political**

22 **subdivisions.**

23 **(b) A contract entered into by a state agency may require the contractor to offer to political**

24 **subdivisions the services, or supplies, or transportation equipment, including buses, that are the**

25 **subject of the contract under conditions specified in the contract.**

26 **(c) Before making a procurement decision, a political subdivision must consult:**

27 **(1) at least two (2) cooperative purchasing organizations that offer; or**

28 **(2) if only one (1) cooperative purchasing organization exists, one (1) cooperative**

29 **purchasing organization that offers;**

30 **the same or similar services, supplies, or equipment for purchase. A political subdivision shall**

31 **maintain records of the cooperative purchasing organizations consulted, including the price of**

32 **the same or similar service, supply, or equipment, with other relevant documents that support**

33 **the procurement determination. The records and documents are public records and subject to**

34 **review by the state board of accounts.**

35 **(d) The Indiana department of administration may adopt rules to regulate purchases by**

36 **political subdivisions. A rule adopted under this subsection may supplement this article and may**

37 **not be inconsistent with this article.**

38 **(e) The Indiana department of administration may establish written policies for purchases**

39 **by political subdivisions to ensure that political subdivisions secure the best available price and**

40 **quality of an item purchased under this article. A written policy established under this**

41 **subsection:**

42 **(1) may apply to all purchases generally or to a specific purchase as stated in the solicitation**

43 **for that purchase;**

44 **(2) must provide for evaluation criteria and selection criteria appropriate for each type or**

45 **quantity of purchase; and**

46 **(3) may supplement this article or a policy, guideline, or ordinance adopted by a political**

47 **subdivision.**

48 SECTION 51. IC 6-1.1-4-4, AS AMENDED BY P.L.136-2009, SECTION 1, IS AMENDED TO



1 READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. ~~(a)~~ A general reassessment,
2 involving a physical inspection of all real property in Indiana, shall begin July 1, 2000, and be the
3 basis for taxes payable in 2003:

4 ~~(b)~~ **(a)** A general reassessment, involving a physical inspection of all real property in Indiana, shall
5 begin July 1, ~~2009~~, **2010**, and each fifth year thereafter. Each reassessment under this subsection:

6 (1) shall be completed on or before March 1 of the year that succeeds by two (2) years the year
7 in which the general reassessment begins; and

8 (2) shall be the basis for taxes payable in the year following the year in which the general
9 assessment is to be completed.

10 ~~(c)~~ **(b)** In order to ensure that assessing officials are prepared for a general reassessment of real
11 property, the department of local government finance shall give adequate advance notice of the general
12 reassessment to the assessing officials of each county.

13 ~~(d)~~ **(c)** For a general reassessment that begins on or after July 1, ~~2009~~, **2010**, the assessed value of
14 real property shall be based on the estimated true tax value of the property on the assessment date that
15 is the basis for taxes payable in the year following the year in which the general reassessment is to be
16 completed.

17 SECTION 52. IC 6-1.1-17-5, AS AMENDED BY P.L.146-2008, SECTION 149, IS AMENDED
18 TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) The officers of political
19 subdivisions shall meet each year to fix the budget, tax rate, and tax levy of their respective
20 subdivisions for the ensuing budget year as follows:

21 (1) The board of school trustees of a school corporation that is located in a city having a
22 population of more than one hundred five thousand (105,000) but less than one hundred twenty
23 thousand (120,000), not later than:

24 (A) the time required in section 5.6(b) of this chapter; or

25 (B) for budget years beginning before July 1, ~~2010~~, **2011**, September 30 if a resolution
26 adopted under section 5.6(d) of this chapter is in effect.

27 (2) The proper officers of all other political subdivisions, not later than September 30.

28 (3) The governing body of each school corporation (including a school corporation described in
29 subdivision (1)), not later than the time required under section 5.6(b) of this chapter for budget
30 years beginning after June 30, ~~2010~~, **2011**.

31 Except in a consolidated city and county and in a second class city, the public hearing required by
32 section 3 of this chapter must be completed at least ten (10) days before the proper officers of the
33 political subdivision meet to fix the budget, tax rate, and tax levy. In a consolidated city and county
34 and in a second class city, that public hearing, by any committee or by the entire fiscal body, may be
35 held at any time after introduction of the budget.

36 (b) Ten (10) or more taxpayers may object to a budget, tax rate, or tax levy of a political subdivision
37 fixed under subsection (a) by filing an objection petition with the proper officers of the political
38 subdivision not more than seven (7) days after the hearing. The objection petition must specifically
39 identify the provisions of the budget, tax rate, and tax levy to which the taxpayers object.

40 (c) If a petition is filed under subsection (b), the fiscal body of the political subdivision shall adopt
41 with its budget a finding concerning the objections in the petition and any testimony presented at the
42 adoption hearing.

43 (d) This subsection does not apply to a school corporation. Each year at least two (2) days before
44 the first meeting after September 20 of the county board of tax adjustment held under IC 6-1.1-29-4,
45 a political subdivision shall file with the county auditor:

46 (1) a statement of the tax rate and levy fixed by the political subdivision for the ensuing budget
47 year;

48 (2) two (2) copies of the budget adopted by the political subdivision for the ensuing budget year;



1 and

2 (3) two (2) copies of any findings adopted under subsection (c).

3 Each year the county auditor shall present these items to the county board of tax adjustment at the
4 board's first meeting under IC 6-1.1-29-4 after September 20 of that year.

5 (e) In a consolidated city and county and in a second class city, the clerk of the fiscal body shall,
6 notwithstanding subsection (d), file the adopted budget and tax ordinances with the county board of
7 tax adjustment within two (2) days after the ordinances are signed by the executive, or within two (2)
8 days after action is taken by the fiscal body to override a veto of the ordinances, whichever is later.

9 (f) If a fiscal body does not fix the budget, tax rate, and tax levy of the political subdivisions for the
10 ensuing budget year as required under this section, the most recent annual appropriations and annual
11 tax levy are continued for the ensuing budget year.

12 SECTION 53. IC 6-1.1-17-5.6, AS AMENDED BY P.L.146-2008, SECTION 150, IS AMENDED
13 TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5.6. (a) For budget years beginning
14 before July 1, ~~2010~~, **2011**, this section applies only to a school corporation that is located in a city
15 having a population of more than one hundred five thousand (105,000) but less than one hundred
16 twenty thousand (120,000). For budget years beginning after June 30, ~~2010~~, **2011**, this section applies
17 to all school corporations. Beginning in ~~2010~~, **2011**, each school corporation shall adopt a budget
18 under this section that applies from July 1 of the year through June 30 of the following year. In the
19 initial budget adopted by a school corporation in ~~2010~~ **2011** under this section, the first six (6) months
20 of that initial budget must be consistent with the last six (6) months of the budget adopted by the
21 school corporation for calendar year ~~2010~~. **2011**.

22 (b) Before February 1 of each year, the officers of the school corporation shall meet to fix the
23 budget for the school corporation for the ensuing budget year, with notice given by the same officers.
24 However, if a resolution adopted under subsection (d) is in effect, the officers shall meet to fix the
25 budget for the ensuing budget year before September 30.

26 (c) Each year, at least two (2) days before the first meeting after September 20 of the county board
27 of tax adjustment held under IC 6-1.1-29-4, the school corporation shall file with the county auditor:

28 (1) a statement of the tax rate and tax levy fixed by the school corporation for the ensuing budget
29 year;

30 (2) two (2) copies of the budget adopted by the school corporation for the ensuing budget year;
31 and

32 (3) any written notification from the department of local government finance under section 16(i)
33 of this chapter that specifies a proposed revision, reduction, or increase in the budget adopted by
34 the school corporation for the ensuing budget year.

35 Each year the county auditor shall present these items to the county board of tax adjustment at the
36 board's first meeting after September 20 of that year.

37 (d) This subsection does not apply to budget years after June 30, ~~2010~~. **2011**. The governing body
38 of the school corporation may adopt a resolution to cease using a school year budget year and return
39 to using a calendar year budget year. A resolution adopted under this subsection must be adopted after
40 January 1 and before July 1. The school corporation's initial calendar year budget year following the
41 adoption of a resolution under this subsection begins on January 1 of the year following the year the
42 resolution is adopted. The first six (6) months of the initial calendar year budget for the school
43 corporation must be consistent with the last six (6) months of the final school year budget fixed by the
44 department of local government finance before the adoption of a resolution under this subsection.
45 Notwithstanding any resolution adopted under this subsection, beginning in ~~2010~~, **2011**, each school
46 corporation shall adopt a budget under this section that applies from July 1 of the year through June
47 30 of the following year.

48 (e) A resolution adopted under subsection (d) may be rescinded by a subsequent resolution adopted



1 by the governing body. If the governing body of the school corporation rescinds a resolution adopted
2 under subsection (d) and returns to a school year budget year, the school corporation's initial school
3 year budget year begins on July 1 following the adoption of the rescinding resolution and ends on June
4 30 of the following year. The first six (6) months of the initial school year budget for the school
5 corporation must be consistent with the last six (6) months of the last calendar year budget fixed by
6 the department of local government finance before the adoption of a rescinding resolution under this
7 subsection.

8 SECTION 54. IC 6-2.5-1-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON
9 PASSAGE]: Sec. 5. (a) Except as provided in subsection (b), "gross retail income" means the total
10 ~~gross receipts, of any kind or character, received in a retail transaction,~~ **amount of consideration,**
11 including cash, credit, property, and services, for which tangible personal property is sold, leased, or
12 rented, valued in money, whether received in money or otherwise, without any deduction for:

- 13 (1) the seller's cost of the property sold;
- 14 (2) the cost of materials used, labor or service cost, interest, losses, all costs of transportation to
15 the seller, all taxes imposed on the seller, and any other expense of the seller;
- 16 (3) charges by the seller for any services necessary to complete the sale, other than delivery and
17 installation charges;
- 18 (4) delivery charges; or
- 19 ~~(5) the value of exempt personal property given to the purchaser where taxable and exempt~~
20 ~~personal property have been bundled together and sold by the seller as a single product or piece~~
21 ~~of merchandise.~~

- 22 **(5) consideration received by the seller from a third party if:**
 - 23 **(A) the seller actually receives consideration from a party other than the purchaser and**
24 **the consideration is directly related to a price reduction or discount on the sale;**
 - 25 **(B) the seller has an obligation to pass the price reduction or discount through to the**
26 **purchaser;**
 - 27 **(C) the amount of the consideration attributable to the sale is fixed and determinable by**
28 **the seller at the time of the sale of the item to the purchaser; and**
 - 29 **(D) the price reduction or discount is identified as a third party price reduction or**
30 **discount on the invoice received by the purchaser or on a coupon, certificate, or other**
31 **documentation presented by the purchaser.**

32 For purposes of subdivision (4), delivery charges are charges by the seller for preparation and delivery
33 of the property to a location designated by the purchaser of property, including but not limited to
34 transportation, shipping, postage, handling, crating, and packing.

- 35 (b) "Gross retail income" does not include that part of the gross receipts attributable to:
 - 36 (1) the value of any tangible personal property received in a like kind exchange in the retail
37 transaction, if the value of the property given in exchange is separately stated on the invoice, bill
38 of sale, or similar document given to the purchaser;
 - 39 (2) the receipts received in a retail transaction which constitute interest, finance charges, or
40 insurance premiums on either a promissory note or an installment sales contract;
 - 41 (3) discounts, including cash, terms, or coupons that are not reimbursed by a third party that are
42 allowed by a seller and taken by a purchaser on a sale;
 - 43 (4) interest, financing, and carrying charges from credit extended on the sale of personal property
44 if the amount is separately stated on the invoice, bill of sale, or similar document given to the
45 purchaser;
 - 46 (5) any taxes legally imposed directly on the consumer that are separately stated on the invoice,
47 bill of sale, or similar document given to the purchaser; or
 - 48 (6) installation charges that are separately stated on the invoice, bill of sale, or similar document



1 given to the purchaser.

2 (c) A public utility's or a power subsidiary's gross retail income includes all gross retail income
3 received by the public utility or power subsidiary, including any minimum charge, flat charge,
4 membership fee, or any other form of charge or billing.

5 SECTION 55. IC 6-2.5-6-1, AS AMENDED BY P.L.131-2008, SECTION 10, IS AMENDED TO
6 READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 1. (a) Except as otherwise provided
7 in this section, each person liable for collecting the state gross retail or use tax shall file a return for
8 each calendar month and pay the state gross retail and use taxes that the person collects during that
9 month. A person shall file the person's return for a particular month with the department and make the
10 person's tax payment for that month to the department not more than thirty (30) days after the end of
11 that month, if that person's average monthly liability for collections of state gross retail and use taxes
12 under this section as determined by the department for the preceding calendar year did not exceed one
13 thousand dollars (\$1,000). If a person's average monthly liability for collections of state gross retail
14 and use taxes under this section as determined by the department for the preceding calendar year
15 exceeded one thousand dollars (\$1,000), that person shall file the person's return for a particular month
16 and make the person's tax payment for that month to the department not more than twenty (20) days
17 after the end of that month.

18 (b) If a person files a combined sales and withholding tax report and either this section or
19 IC 6-3-4-8.1 requires sales or withholding tax reports to be filed and remittances to be made within
20 twenty (20) days after the end of each month, then the person shall file the combined report and remit
21 the sales and withholding taxes due within twenty (20) days after the end of each month.

22 (c) Instead of the twelve (12) monthly reporting periods required by subsection (a), the department
23 may permit a person to divide a year into a different number of reporting periods. The return and
24 payment for each reporting period is due not more than twenty (20) days after the end of the period.

25 (d) Instead of the reporting periods required under subsection (a), the department may permit a
26 retail merchant to report and pay the merchant's state gross retail and use taxes for a period covering
27 a calendar year, if the retail merchant's state gross retail and use tax liability in the previous calendar
28 year does not exceed one thousand dollars (\$1,000). A retail merchant using a reporting period allowed
29 under this subsection must file the merchant's return and pay the merchant's tax for a reporting period
30 not later than the last day of the month immediately following the close of that reporting period.

31 (e) If a retail merchant reports the merchant's adjusted gross income tax, or the tax the merchant
32 pays in place of the adjusted gross income tax, over a fiscal year not corresponding to the calendar
33 year, the merchant may, without prior departmental approval, report and pay the merchant's state gross
34 retail and use taxes over the merchant's fiscal year that corresponds to the calendar year the merchant
35 is permitted to use under subsection (d). However, the department may, at any time, require the retail
36 merchant to stop using the fiscal reporting period.

37 (f) If a retail merchant files a combined sales and withholding tax report, the reporting period for
38 the combined report is the shortest period required under:

- 39 (1) this section;
- 40 (2) IC 6-3-4-8; or
- 41 (3) IC 6-3-4-8.1.

42 (g) If the department determines that a person's:

- 43 (1) estimated monthly gross retail and use tax liability for the current year; or
 - 44 (2) average monthly gross retail and use tax liability for the preceding year;
- 45 exceeds five thousand dollars (\$5,000), the person shall pay the monthly gross retail and use taxes due
46 by electronic funds transfer (as defined in IC 4-8.1-2-7) or by delivering in person or by overnight
47 courier a payment by cashier's check, certified check, or money order to the department. The transfer
48 or payment shall be made on or before the date the tax is due.



1 (h) A person that registers as a retail merchant after December 31, 2009, shall report and
2 remit state gross retail and use taxes through the department's online tax filing program. This
3 subsection does not apply to a retail merchant that was a registered retail merchant before
4 January 1, 2010, but adds an additional place of business in accordance with IC 6-2.5-8-1(e)
5 after December 31, 2009.

6 (h) (i) A person:

7 (1) who has voluntarily registered as a seller under the Streamlined Sales and Use Tax
8 Agreement;

9 (2) who is not a Model 1, Model 2, or Model 3 seller (as defined in the Streamlined Sales and
10 Use Tax Agreement); and

11 (3) whose liability for collections of state gross retail and use taxes under this section for the
12 preceding calendar year as determined by the department does not exceed one thousand dollars
13 (\$1,000);

14 is not required to file a monthly gross retail and use tax return.

15 SECTION 56. IC 6-2.5-7-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY
16 1, 2010]: Sec. 10. (a) Each refiner or terminal operator and each qualified distributor that has received
17 a prepayment of the state gross retail tax under this chapter shall remit the tax received to the
18 department semimonthly, **through the department's online tax filing system**, according to the
19 following schedule:

20 (1) On or before the tenth day of each month for prepayments received after the fifteenth day and
21 before the end of the preceding month.

22 (2) On or before the twenty-fifth day of each month for prepayments received after the end of the
23 preceding month and before the sixteenth day of the month in which the prepayments are made.

24 (b) Before the end of each month, each refiner or terminal operator and each qualified distributor
25 shall file a report covering the prepaid taxes received and the gallons of gasoline sold or shipped
26 during the preceding month. The report must include the following:

27 (1) The number of gallons of gasoline sold or shipped during the preceding month, identifying
28 each purchaser or receiver as required by the department.

29 (2) The amount of tax prepaid by each purchaser or receiver.

30 (3) Any other information reasonably required by the department.

31 SECTION 57. IC 6-2.5-7-14, AS AMENDED BY P.L.176-2006, SECTION 2, IS AMENDED TO
32 READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 14. (a) Before **March 10**, June 10,
33 **September 10**, and December 10 of each year, the department shall determine and provide to:

34 (1) each refiner and terminal operator and each qualified distributor known to the department to
35 be required to collect prepayments of the state gross retail tax under this chapter; and

36 (2) any other person that makes a request;

37 a notice of the prepayment rate to be used during the following ~~six (6)~~ **three (3)** month period. The
38 department shall also have the prepayment rate published in the June and December issues of the
39 Indiana Register. **The department, after approval by the office of management and budget, may
40 determine a new prepayment rate if the department finds that the statewide average retail price
41 per gallon of gasoline, excluding the Indiana and federal gasoline taxes and the Indiana gross
42 retail tax, has changed by at least twenty-five percent (25%) since the most recent
43 determination.**

44 (b) In determining the prepayment rate under this section, the department shall use the most recent
45 retail price of gasoline available to the department.

46 (c) The prepayment rate per gallon of gasoline determined by the department under this section is
47 the amount per gallon of gasoline determined under STEP FOUR of the following formula:

48 STEP ONE: Determine the statewide average retail price per gallon of gasoline, excluding the



1 Indiana and federal gasoline taxes and the Indiana gross retail tax.

2 STEP TWO: Determine the product of the following:

3 (A) The STEP ONE amount.

4 (B) The Indiana gross retail tax rate.

5 (C) ~~Ninety~~ **Eighty** percent (~~90%~~): **(80%)**.

6 STEP THREE: Determine the lesser of:

7 (A) the STEP TWO result; or

8 (B) the product of:

9 (i) the prepayment rate in effect on the day immediately preceding the day on which the
10 prepayment rate is redetermined under this section; multiplied by

11 (ii) one hundred twenty-five percent (125%).

12 STEP FOUR: Round the STEP THREE result to the nearest one-tenth of one cent (\$0.001).

13 SECTION 58. IC 6-2.5-11-10, AS AMENDED BY P.L.145-2007, SECTION 9, IS AMENDED TO
14 READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 10. (a) A certified service provider is the
15 agent of a seller, with whom the certified service provider has contracted, for the collection and
16 remittance of sales and use taxes. As the seller's agent, the certified service provider is liable for sales
17 and use tax due each member state on all sales transactions it processes for the seller except as set out
18 in this section. A seller that contracts with a certified service provider is not liable to the state for sales
19 or use tax due on transactions processed by the certified service provider unless the seller
20 misrepresented the type of items it sells or committed fraud. In the absence of probable cause to
21 believe that the seller has committed fraud or made a material misrepresentation, the seller is not
22 subject to audit on the transactions processed by the certified service provider. A seller is subject to
23 audit for transactions not processed by the certified service provider. The member states acting jointly
24 may perform a system check of the seller and review the seller's procedures to determine if the
25 certified service provider's system is functioning properly and the extent to which the seller's
26 transactions are being processed by the certified service provider.

27 (b) A person that provides a certified automated system is responsible for the proper functioning
28 of that system and is liable to the state for underpayments of tax attributable to errors in the
29 functioning of the certified automated system. A seller that uses a certified automated system remains
30 responsible and is liable to the state for reporting and remitting tax.

31 (c) A seller that has a proprietary system for determining the amount of tax due on transactions and
32 has signed an agreement establishing a performance standard for that system is liable for the failure
33 of the system to meet the performance standard.

34 (d) A certified service provider or a seller using a certified automated system that obtains a
35 certification from the department is not liable for sales or use tax collection errors that result from
36 reliance on the department's certification. If the department determines that an item or transaction is
37 incorrectly classified as to the taxability of the item or transaction, the department shall notify the
38 certified service provider or the seller using a certified automated system of the incorrect
39 classification. The certified service provider or the seller using a certified automated system must
40 revise the incorrect classification within ten (10) days after receiving notice of the determination from
41 the department. If the classification error is not corrected within ten (10) days after receiving the
42 department's notice, the certified service provider or the seller using a certified automated system is
43 liable for failure to collect the correct amount of sales or use tax due and owing.

44 **(e) If at least thirty (30) days is not provided between the enactment of a statute changing the**
45 **rate set forth in IC 6-2.5-2-2 and the effective date of the rate change, the department shall**
46 **relieve the seller of liability for failing to collect tax at the new rate if:**

47 **(1) the seller collected the tax at the immediately preceding effective rate; and**

48 **(2) the seller's failure to collect at the current rate does not extend beyond thirty (30) days**



1 after the effective date of the rate change.
2 A seller is not eligible for the relief provided for in this subsection if the seller fraudulently fails
3 to collect at the current rate or solicits purchases based on the immediately preceding effective
4 rate.

5 (e) (f) The department shall allow any monetary allowances that are provided by the member states
6 to sellers or certified service providers in exchange for collecting the sales and use taxes as provided
7 in article VI of the agreement.

8 SECTION 59. IC 6-2.5-12-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,
9 2009]: Sec. 15. Except for the telecommunications services listed in section 16 of this chapter, a sale
10 of:

11 (1) telecommunications services sold on a basis other than a call by call basis;

12 (2) Internet access service; or

13 (3) an ancillary service;

14 is sourced to the customer's place of primary use.

15 SECTION 60. IC 6-2.5-13-1, AS AMENDED BY P.L.19-2008, SECTION 7, IS AMENDED TO
16 READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 1. (a) As used in this section, the
17 terms "receive" and "receipt" mean:

18 (1) taking possession of tangible personal property;

19 (2) making first use of services; or

20 (3) taking possession or making first use of digital goods;

21 whichever comes first. The terms "receive" and "receipt" do not include possession by a shipping
22 company on behalf of the purchaser.

23 (b) This section:

24 (1) applies regardless of the characterization of a product as tangible personal property, a digital
25 good, or a service;

26 (2) applies only to the determination of a seller's obligation to pay or collect and remit a sales or
27 use tax with respect to the seller's retail sale of a product; and

28 (3) does not affect the obligation of a purchaser or lessee to remit tax on the use of the product
29 to the taxing jurisdictions of that use.

30 (c) This section does not apply to sales or use taxes levied on the following:

31 (1) The retail sale or transfer of watercraft, modular homes, manufactured homes, or mobile
32 homes. These items must be sourced according to the requirements of this article.

33 (2) The retail sale, excluding lease or rental, of motor vehicles, trailers, semitrailers, or aircraft
34 that do not qualify as transportation equipment, as defined in subsection (g). The retail sale of
35 these items shall be sourced according to the requirements of this article, and the lease or rental
36 of these items must be sourced according to subsection (f).

37 (3) Telecommunications services, ancillary services, and Internet access service shall be sourced
38 in accordance with IC 6-2.5-12.

39 (d) The retail sale, excluding lease or rental, of a product shall be sourced as follows:

40 (1) When the product is received by the purchaser at a business location of the seller, the sale is
41 sourced to that business location.

42 (2) When the product is not received by the purchaser at a business location of the seller, the sale
43 is sourced to the location where receipt by the purchaser (or the purchaser's donee, designated
44 as such by the purchaser) occurs, including the location indicated by instructions for delivery to
45 the purchaser (or donee), known to the seller.

46 (3) When subdivisions (1) and (2) do not apply, the sale is sourced to the location indicated by
47 an address for the purchaser that is available from the business records of the seller that are
48 maintained in the ordinary course of the seller's business when use of this address does not



1 constitute bad faith.

2 (4) When subdivisions (1), (2), and (3) do not apply, the sale is sourced to the location indicated
3 by an address for the purchaser obtained during the consummation of the sale, including the
4 address of a purchaser's payment instrument, if no other address is available, when use of this
5 address does not constitute bad faith.

6 (5) When none of the previous rules of subdivision (1), (2), (3), or (4) apply, including the
7 circumstance in which the seller is without sufficient information to apply the previous rules, then
8 the location will be determined by the address from which tangible personal property was
9 shipped, from which the digital good or the computer software delivered electronically was first
10 available for transmission by the seller, or from which the service was provided (disregarding for
11 these purposes any location that merely provided the digital transfer of the product sold).

12 (e) The lease or rental of tangible personal property, other than property identified in subsection
13 (f) or (g), shall be sourced as follows:

14 (1) For a lease or rental that requires recurring periodic payments, the first periodic payment is
15 sourced the same as a retail sale in accordance with the provisions of subsection (d). Periodic
16 payments made subsequent to the first payment are sourced to the primary property location for
17 each period covered by the payment. The primary property location shall be as indicated by an
18 address for the property provided by the lessee that is available to the lessor from its records
19 maintained in the ordinary course of business, when use of this address does not constitute bad
20 faith. The property location shall not be altered by intermittent use at different locations, such as
21 use of business property that accompanies employees on business trips and service calls.

22 (2) For a lease or rental that does not require recurring periodic payments, the payment is sourced
23 the same as a retail sale in accordance with the provisions of subsection (d).

24 This subsection does not affect the imposition or computation of sales or use tax on leases or rentals
25 based on a lump sum or an accelerated basis, or on the acquisition of property for lease.

26 (f) The lease or rental of motor vehicles, trailers, semitrailers, or aircraft that do not qualify as
27 transportation equipment, as defined in subsection (g), shall be sourced as follows:

28 (1) For a lease or rental that requires recurring periodic payments, each periodic payment is
29 sourced to the primary property location. The primary property location shall be as indicated by
30 an address for the property provided by the lessee that is available to the lessor from its records
31 maintained in the ordinary course of business, when use of this address does not constitute bad
32 faith. This location shall not be altered by intermittent use at different locations.

33 (2) For a lease or rental that does not require recurring periodic payments, the payment is sourced
34 the same as a retail sale in accordance with the provisions of subsection (d).

35 This subsection does not affect the imposition or computation of sales or use tax on leases or rentals
36 based on a lump sum or accelerated basis, or on the acquisition of property for lease.

37 (g) The retail sale, including lease or rental, of transportation equipment shall be sourced the same
38 as a retail sale in accordance with the provisions of subsection (d), notwithstanding the exclusion of
39 lease or rental in subsection (d). As used in this subsection, "transportation equipment" means any of
40 the following:

41 (1) Locomotives and railcars that are used for the carriage of persons or property in interstate
42 commerce.

43 (2) Trucks and truck-tractors with a gross vehicle weight rating (GVWR) of ten thousand one
44 (10,001) pounds or greater, trailers, semitrailers, or passenger buses that are:

45 (A) registered through the International Registration Plan; and

46 (B) operated under authority of a carrier authorized and certificated by the U.S. Department
47 of Transportation or another federal authority to engage in the carriage of persons or property
48 in interstate commerce.



1 (3) Aircraft that are operated by air carriers authorized and certificated by the U.S. Department
2 of Transportation or another federal or a foreign authority to engage in the carriage of persons
3 or property in interstate or foreign commerce.

4 (4) Containers designed for use on and component parts attached or secured on the items set forth
5 in subdivisions (1) through (3).

6 (h) ~~This subsection applies to retail sales of floral products that occur before January 1, 2010.~~
7 Notwithstanding subsection (d), a retail sale of floral products in which a florist or floral business:

8 (1) takes a floral order from a purchaser; and

9 (2) transmits the floral order by telegraph, telephone, or other means of communication to another
10 florist or floral business for delivery;

11 is sourced to the location of the florist or floral business that originally takes the floral order from the
12 purchaser.

13 SECTION 61. IC 6-3-1-3.5, AS AMENDED BY P.L.1-2009, SECTION 49, IS AMENDED TO
14 READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 3.5. When used
15 in this article, the term "adjusted gross income" shall mean the following:

16 (a) In the case of all individuals, "adjusted gross income" (as defined in Section 62 of the Internal
17 Revenue Code), modified as follows:

18 (1) Subtract income that is exempt from taxation under this article by the Constitution and
19 statutes of the United States.

20 (2) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section
21 62 of the Internal Revenue Code for taxes based on or measured by income and levied at the state
22 level by any state of the United States.

23 (3) Subtract one thousand dollars (\$1,000), or in the case of a joint return filed by a husband and
24 wife, subtract for each spouse one thousand dollars (\$1,000).

25 (4) Subtract one thousand dollars (\$1,000) for:

26 (A) each of the exemptions provided by Section 151(c) of the Internal Revenue Code;

27 (B) each additional amount allowable under Section 63(f) of the Internal Revenue Code; and

28 (C) the spouse of the taxpayer if a separate return is made by the taxpayer and if the spouse,
29 for the calendar year in which the taxable year of the taxpayer begins, has no gross income and
30 is not the dependent of another taxpayer.

31 (5) Subtract:

32 (A) for taxable years beginning after December 31, 2004, one thousand five hundred dollars
33 (\$1,500) for each of the exemptions allowed under Section 151(c)(1)(B) of the Internal
34 Revenue Code (as effective January 1, 2004); and

35 (B) five hundred dollars (\$500) for each additional amount allowable under Section 63(f)(1)
36 of the Internal Revenue Code if the adjusted gross income of the taxpayer, or the taxpayer and
37 the taxpayer's spouse in the case of a joint return, is less than forty thousand dollars (\$40,000).

38 This amount is in addition to the amount subtracted under subdivision (4).

39 (6) Subtract an amount equal to the lesser of:

40 (A) that part of the individual's adjusted gross income (as defined in Section 62 of the Internal
41 Revenue Code) for that taxable year that is subject to a tax that is imposed by a political
42 subdivision of another state and that is imposed on or measured by income; or

43 (B) two thousand dollars (\$2,000).

44 (7) Add an amount equal to the total capital gain portion of a lump sum distribution (as defined
45 in Section 402(e)(4)(D) of the Internal Revenue Code) if the lump sum distribution is received
46 by the individual during the taxable year and if the capital gain portion of the distribution is taxed
47 in the manner provided in Section 402 of the Internal Revenue Code.

48 (8) Subtract any amounts included in federal adjusted gross income under Section 111 of the



1 Internal Revenue Code as a recovery of items previously deducted as an itemized deduction from
2 adjusted gross income.

3 (9) Subtract any amounts included in federal adjusted gross income under the Internal Revenue
4 Code which amounts were received by the individual as supplemental railroad retirement
5 annuities under 45 U.S.C. 231 and which are not deductible under subdivision (1).

6 (10) Add an amount equal to the deduction allowed under Section 221 of the Internal Revenue
7 Code for married couples filing joint returns if the taxable year began before January 1, 1987.

8 (11) Add an amount equal to the interest excluded from federal gross income by the individual
9 for the taxable year under Section 128 of the Internal Revenue Code if the taxable year began
10 before January 1, 1985.

11 (12) Subtract an amount equal to the amount of federal Social Security and Railroad Retirement
12 benefits included in a taxpayer's federal gross income by Section 86 of the Internal Revenue
13 Code.

14 (13) In the case of a nonresident taxpayer or a resident taxpayer residing in Indiana for a period
15 of less than the taxpayer's entire taxable year, the total amount of the deductions allowed pursuant
16 to subdivisions (3), (4), (5), and (6) shall be reduced to an amount which bears the same ratio to
17 the total as the taxpayer's income taxable in Indiana bears to the taxpayer's total income.

18 (14) In the case of an individual who is a recipient of assistance under IC 12-10-6-1,
19 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
20 individual's adjusted gross income with respect to which the individual is not allowed under
21 federal law to retain an amount to pay state and local income taxes.

22 (15) In the case of an eligible individual, subtract the amount of a Holocaust victim's settlement
23 payment included in the individual's federal adjusted gross income.

24 (16) For taxable years beginning after December 31, 1999, subtract an amount equal to the
25 portion of any premiums paid during the taxable year by the taxpayer for a qualified long term
26 care policy (as defined in IC 12-15-39.6-5) for the taxpayer or the taxpayer's spouse, or both.

27 (17) Subtract an amount equal to the lesser of:

28 (A) for a taxable year:

29 (i) including any part of 2004, the amount determined under subsection (f); and

30 (ii) beginning after December 31, 2004, two thousand five hundred dollars (\$2,500); or

31 (B) the amount of property taxes that are paid during the taxable year in Indiana by the
32 individual on the individual's principal place of residence.

33 (18) Subtract an amount equal to the amount of a September 11 terrorist attack settlement
34 payment included in the individual's federal adjusted gross income.

35 (19) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that
36 owns property for which bonus depreciation was allowed in the current taxable year or in an
37 earlier taxable year equal to the amount of adjusted gross income that would have been computed
38 had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus
39 depreciation to the property in the year that it was placed in service.

40 (20) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue
41 Code.

42 (21) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that
43 placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service
44 in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross
45 income that would have been computed had an election for federal income tax purposes not been
46 made for the year in which the property was placed in service to take deductions under Section
47 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars
48 (\$25,000).



1 (22) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic
2 production activities for the taxable year under Section 199 of the Internal Revenue Code for
3 federal income tax purposes.

4 (23) Subtract an amount equal to the amount of the taxpayer's qualified military income that was
5 not excluded from the taxpayer's gross income for federal income tax purposes under Section 112
6 of the Internal Revenue Code.

7 (24) Subtract income that is:

8 (A) exempt from taxation under IC 6-3-2-21.7; and

9 (B) included in the individual's federal adjusted gross income under the Internal Revenue
10 Code.

11 (25) Subtract any amount of a credit (including an advance refund of the credit) that is provided
12 to an individual under 26 U.S.C. 6428 (federal Economic Stimulus Act of 2008) and included in
13 the individual's federal adjusted gross income.

14 **(26) Add any amount of unemployment compensation excluded from federal gross income,**
15 **as defined in Section 61 of the Internal Revenue Code, under Section 85(c) of the Internal**
16 **Revenue Code.**

17 **(27) Add the amount excluded from gross income under Section 108(a)(1)(e) of the Internal**
18 **Revenue Code for the discharge of debt on a qualified principal residence.**

19 **(28) Add an amount equal to any income not included in gross income as a result of the**
20 **deferral of income arising from business indebtedness discharged in connection with the**
21 **reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt**
22 **instrument, as provided in Section 108(i) of the Internal Revenue Code. Subtract the**
23 **amount necessary from the adjusted gross income of any taxpayer that added an amount**
24 **to adjusted gross income in a previous year to offset the amount included in federal gross**
25 **income as a result of the deferral of income arising from business indebtedness discharged**
26 **in connection with the reacquisition after December 31, 2008, and before January 1, 2011,**
27 **of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue**
28 **Code.**

29 **(29) Add the amount necessary to make the adjusted gross income of any taxpayer that**
30 **placed qualified restaurant property in service during the taxable year and that was**
31 **classified as 15-year property under Section 168(e)(3)(E)(v) of the Internal Revenue Code**
32 **equal to the amount of adjusted gross income that would have been computed had the**
33 **classification not applied to the property in the year that it was placed in service.**

34 **(30) Add the amount necessary to make the adjusted gross income of any taxpayer that**
35 **placed qualified retail improvement property in service during the taxable year and that**
36 **was classified as 15-year property under Section 168(e)(3)(E)(ix) of the Internal Revenue**
37 **Code equal to the amount of adjusted gross income that would have been computed had the**
38 **classification not applied to the property in the year that it was placed in service.**

39 **(31) Add or subtract the amount necessary to make the adjusted gross income of any**
40 **taxpayer that claimed the special allowance for qualified disaster assistance property under**
41 **Section 168(n) of the Internal Revenue Code equal to the amount of adjusted gross income**
42 **that would have been computed had the special allowance not been claimed for the**
43 **property.**

44 **(32) Add or subtract the amount necessary to make the adjusted gross income of any**
45 **taxpayer that made an election under Section 179C of the Internal Revenue Code to expense**
46 **costs for qualified refinery property equal to the amount of adjusted gross income that**
47 **would have been computed had an election for federal income tax purposes not been made**
48 **for the year.**



1 (33) Add or subtract the amount necessary to make the adjusted gross income of any
2 taxpayer that made an election under Section 181 of the Internal Revenue Code to expense
3 costs for a qualified film or television production equal to the amount of adjusted gross
4 income that would have been computed had an election for federal income tax purposes not
5 been made for the year.

6 (34) Add an amount equal to any loss that is treated under Section 301 of the Emergency
7 Economic Stabilization Act of 2008 as an ordinary loss from the sale or exchange of
8 preferred stock in:

9 (A) the Federal National Mortgage Association, established under the Federal National
10 Mortgage Association Charter Act (12 U.S.C. 1716 et seq.); or

11 (B) the Federal Home Loan Mortgage Corporation, established under the Federal Home
12 Loan Mortgage Corporation Act (12 U.S.C. 1451 et seq.).

13 Subtract from the adjusted gross income of any taxpayer that added an amount to adjusted
14 gross income in a previous year the amount necessary to offset the amount included in
15 federal gross income as a result of any loss that is treated under Section 301 of the
16 Emergency Economic Stabilization Act of 2008 as an ordinary loss from the sale or
17 exchange of preferred stock described in clause (A) or (B).

18 (b) In the case of corporations, the same as "taxable income" (as defined in Section 63 of the
19 Internal Revenue Code) adjusted as follows:

20 (1) Subtract income that is exempt from taxation under this article by the Constitution and
21 statutes of the United States.

22 (2) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section
23 170 of the Internal Revenue Code.

24 (3) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section
25 63 of the Internal Revenue Code for taxes based on or measured by income and levied at the state
26 level by any state of the United States.

27 (4) Subtract an amount equal to the amount included in the corporation's taxable income under
28 Section 78 of the Internal Revenue Code.

29 (5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that
30 owns property for which bonus depreciation was allowed in the current taxable year or in an
31 earlier taxable year equal to the amount of adjusted gross income that would have been computed
32 had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus
33 depreciation to the property in the year that it was placed in service.

34 (6) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue
35 Code.

36 (7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that
37 placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service
38 in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross
39 income that would have been computed had an election for federal income tax purposes not been
40 made for the year in which the property was placed in service to take deductions under Section
41 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars
42 (\$25,000).

43 (8) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic
44 production activities for the taxable year under Section 199 of the Internal Revenue Code for
45 federal income tax purposes.

46 (9) Add to the extent required by IC 6-3-2-20 the amount of intangible expenses (as defined in
47 IC 6-3-2-20) and any directly related intangible interest expenses (as defined in IC 6-3-2-20) for
48 the taxable year that reduced the corporation's taxable income (as defined in Section 63 of the



Internal Revenue Code) for federal income tax purposes.

(10) Add an amount equal to any deduction for dividends paid (as defined in Section 561 of the Internal Revenue Code) to shareholders of a captive real estate investment trust (as defined in section 34.5 of this chapter).

(11) Subtract income that is:

- (A) exempt from taxation under IC 6-3-2-21.7; and
- (B) included in the corporation's taxable income under the Internal Revenue Code.

(12) Add an amount equal to any income not included in gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code. Subtract from the adjusted gross income of any taxpayer that added an amount to adjusted gross income in a previous year the amount necessary to offset the amount included in federal gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code.

(13) Add the amount necessary to make the adjusted gross income of any taxpayer that placed qualified restaurant property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(v) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed in service.

(14) Add the amount necessary to make the adjusted gross income of any taxpayer that placed qualified retail improvement property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(ix) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed in service.

(15) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that claimed the special allowance for qualified disaster assistance property under Section 168(n) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the special allowance not been claimed for the property.

(16) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that made an election under Section 179C of the Internal Revenue Code to expense costs for qualified refinery property equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year.

(17) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that made an election under Section 181 of the Internal Revenue Code to expense costs for a qualified film or television production equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year.

(18) Add an amount equal to any loss that is treated under Section 301 of the Emergency Economic Stabilization Act of 2008 as an ordinary loss from the sale or exchange of preferred stock in:

- (A) the Federal National Mortgage Association, established under the Federal National Mortgage Association Charter Act (12 U.S.C. 1716 et seq.); or**
- (B) the Federal Home Loan Mortgage Corporation, established under the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1451 et seq.).**



1 **Subtract from the adjusted gross income of any taxpayer that added an amount to adjusted**
2 **gross income in a previous year the amount necessary to offset the amount included in**
3 **federal gross income as a result of any loss that is treated under Section 301 of the**
4 **Emergency Economic Stabilization Act of 2008 as an ordinary loss from the sale or**
5 **exchange of preferred stock described in clause (A) or (B).**

6 (c) In the case of life insurance companies (as defined in Section 816(a) of the Internal Revenue
7 Code) that are organized under Indiana law, the same as "life insurance company taxable income" (as
8 defined in Section 801 of the Internal Revenue Code), adjusted as follows:

9 (1) Subtract income that is exempt from taxation under this article by the Constitution and
10 statutes of the United States.

11 (2) Add an amount equal to any deduction allowed or allowable under Section 170 of the Internal
12 Revenue Code.

13 (3) Add an amount equal to a deduction allowed or allowable under Section 805 or Section
14 831(c) of the Internal Revenue Code for taxes based on or measured by income and levied at the
15 state level by any state.

16 (4) Subtract an amount equal to the amount included in the company's taxable income under
17 Section 78 of the Internal Revenue Code.

18 (5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that
19 owns property for which bonus depreciation was allowed in the current taxable year or in an
20 earlier taxable year equal to the amount of adjusted gross income that would have been computed
21 had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus
22 depreciation to the property in the year that it was placed in service.

23 (6) Add an amount equal to any deduction allowed under Section 172 or Section 810 of the
24 Internal Revenue Code.

25 (7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that
26 placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service
27 in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross
28 income that would have been computed had an election for federal income tax purposes not been
29 made for the year in which the property was placed in service to take deductions under Section
30 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars
31 (\$25,000).

32 (8) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic
33 production activities for the taxable year under Section 199 of the Internal Revenue Code for
34 federal income tax purposes.

35 (9) Subtract income that is:

36 (A) exempt from taxation under IC 6-3-2-21.7; and

37 (B) included in the insurance company's taxable income under the Internal Revenue Code.

38 **(10) Add an amount equal to any income not included in gross income as a result of the**
39 **deferral of income arising from business indebtedness discharged in connection with the**
40 **reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt**
41 **instrument, as provided in Section 108(i) of the Internal Revenue Code. Subtract from the**
42 **adjusted gross income of any taxpayer that added an amount to adjusted gross income in**
43 **a previous year the amount necessary to offset the amount included in federal gross income**
44 **as a result of the deferral of income arising from business indebtedness discharged in**
45 **connection with the reacquisition after December 31, 2008, and before January 1, 2011, of**
46 **an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code.**

47 (11) Add the amount necessary to make the adjusted gross income of any taxpayer that
48 placed qualified restaurant property in service during the taxable year and that was



1 classified as 15-year property under Section 168(e)(3)(E)(v) of the Internal Revenue Code
2 equal to the amount of adjusted gross income that would have been computed had the
3 classification not applied to the property in the year that it was placed in service.

4 (12) Add the amount necessary to make the adjusted gross income of any taxpayer that
5 placed qualified retail improvement property in service during the taxable year and that
6 was classified as 15-year property under Section 168(e)(3)(E)(ix) of the Internal Revenue
7 Code equal to the amount of adjusted gross income that would have been computed had the
8 classification not applied to the property in the year that it was placed in service.

9 (13) Add or subtract the amount necessary to make the adjusted gross income of any
10 taxpayer that claimed the special allowance for qualified disaster assistance property under
11 Section 168(n) of the Internal Revenue Code equal to the amount of adjusted gross income
12 that would have been computed had the special allowance not been claimed for the
13 property.

14 (14) Add or subtract the amount necessary to make the adjusted gross income of any
15 taxpayer that made an election under Section 179C of the Internal Revenue Code to expense
16 costs for qualified refinery property equal to the amount of adjusted gross income that
17 would have been computed had an election for federal income tax purposes not been made
18 for the year.

19 (15) Add or subtract the amount necessary to make the adjusted gross income of any
20 taxpayer that made an election under Section 181 of the Internal Revenue Code to expense
21 costs for a qualified film or television production equal to the amount of adjusted gross
22 income that would have been computed had an election for federal income tax purposes not
23 been made for the year.

24 (16) Add an amount equal to any loss that is treated under Section 301 of the Emergency
25 Economic Stabilization Act of 2008 as an ordinary loss from the sale or exchange of
26 preferred stock in:

27 (A) the Federal National Mortgage Association, established under the Federal National
28 Mortgage Association Charter Act (12 U.S.C. 1716 et seq.); or

29 (B) the Federal Home Loan Mortgage Corporation, established under the Federal Home
30 Loan Mortgage Corporation Act (12 U.S.C. 1451 et seq.).

31 Subtract from the adjusted gross income of any taxpayer that added an amount to adjusted
32 gross income in a previous year the amount necessary to offset the amount included in
33 federal gross income as a result of any loss that is treated under Section 301 of the
34 Emergency Economic Stabilization Act of 2008 as an ordinary loss from the sale or
35 exchange of preferred stock described in clause (A) or (B).

36 (17) Add an amount equal to any exempt insurance income under Section 953(e) of the
37 Internal Revenue Code that is active financing income under Subpart F of Subtitle A,
38 Chapter 1, Subchapter N of the Internal Revenue Code.

39 (d) In the case of insurance companies subject to tax under Section 831 of the Internal Revenue
40 Code and organized under Indiana law, the same as "taxable income" (as defined in Section 832 of the
41 Internal Revenue Code), adjusted as follows:

42 (1) Subtract income that is exempt from taxation under this article by the Constitution and
43 statutes of the United States.

44 (2) Add an amount equal to any deduction allowed or allowable under Section 170 of the Internal
45 Revenue Code.

46 (3) Add an amount equal to a deduction allowed or allowable under Section 805 or Section
47 831(c) of the Internal Revenue Code for taxes based on or measured by income and levied at the
48 state level by any state.



1 (4) Subtract an amount equal to the amount included in the company's taxable income under
2 Section 78 of the Internal Revenue Code.

3 (5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that
4 owns property for which bonus depreciation was allowed in the current taxable year or in an
5 earlier taxable year equal to the amount of adjusted gross income that would have been computed
6 had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus
7 depreciation to the property in the year that it was placed in service.

8 (6) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue
9 Code.

10 (7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that
11 placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service
12 in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross
13 income that would have been computed had an election for federal income tax purposes not been
14 made for the year in which the property was placed in service to take deductions under Section
15 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars
16 (\$25,000).

17 (8) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic
18 production activities for the taxable year under Section 199 of the Internal Revenue Code for
19 federal income tax purposes.

20 (9) Subtract income that is:

21 (A) exempt from taxation under IC 6-3-2-21.7; and

22 (B) included in the insurance company's taxable income under the Internal Revenue Code.

23 **(10) Add an amount equal to any income not included in gross income as a result of the**
24 **deferral of income arising from business indebtedness discharged in connection with the**
25 **reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt**
26 **instrument, as provided in Section 108(i) of the Internal Revenue Code. Subtract from the**
27 **adjusted gross income of any taxpayer that added an amount to adjusted gross income in**
28 **a previous year the amount necessary to offset the amount included in federal gross income**
29 **as a result of the deferral of income arising from business indebtedness discharged in**
30 **connection with the reacquisition after December 31, 2008, and before January 1, 2011, of**
31 **an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code.**

32 **(11) Add the amount necessary to make the adjusted gross income of any taxpayer that**
33 **placed qualified restaurant property in service during the taxable year and that was**
34 **classified as 15-year property under Section 168(e)(3)(E)(v) of the Internal Revenue Code**
35 **equal to the amount of adjusted gross income that would have been computed had the**
36 **classification not applied to the property in the year that it was placed in service.**

37 **(12) Add the amount necessary to make the adjusted gross income of any taxpayer that**
38 **placed qualified retail improvement property in service during the taxable year and that**
39 **was classified as 15-year property under Section 168(e)(3)(E)(ix) of the Internal Revenue**
40 **Code equal to the amount of adjusted gross income that would have been computed had the**
41 **classification not applied to the property in the year that it was placed in service.**

42 **(13) Add or subtract the amount necessary to make the adjusted gross income of any**
43 **taxpayer that claimed the special allowance for qualified disaster assistance property under**
44 **Section 168(n) of the Internal Revenue Code equal to the amount of adjusted gross income**
45 **that would have been computed had the special allowance not been claimed for the**
46 **property.**

47 **(14) Add or subtract the amount necessary to make the adjusted gross income of any**
48 **taxpayer that made an election under Section 179C of the Internal Revenue Code to expense**



1 costs for qualified refinery property equal to the amount of adjusted gross income that
2 would have been computed had an election for federal income tax purposes not been made
3 for the year.

4 (15) Add or subtract the amount necessary to make the adjusted gross income of any
5 taxpayer that made an election under Section 181 of the Internal Revenue Code to expense
6 costs for a qualified film or television production equal to the amount of adjusted gross
7 income that would have been computed had an election for federal income tax purposes not
8 been made for the year.

9 (16) Add an amount equal to any loss that is treated under Section 301 of the Emergency
10 Economic Stabilization Act of 2008 as an ordinary loss from the sale or exchange of
11 preferred stock in:

12 (A) the Federal National Mortgage Association, established under the Federal National
13 Mortgage Association Charter Act (12 U.S.C. 1716 et seq.); or

14 (B) the Federal Home Loan Mortgage Corporation, established under the Federal Home
15 Loan Mortgage Corporation Act (12 U.S.C. 1451 et seq.).

16 Subtract from the adjusted gross income of any taxpayer that added an amount to adjusted
17 gross income in a previous year the amount necessary to offset the amount included in
18 federal gross income as a result of any loss that is treated under Section 301 of the
19 Emergency Economic Stabilization Act of 2008 as an ordinary loss from the sale or
20 exchange of preferred stock described in clause (A) or (B).

21 (17) Add an amount equal to any exempt insurance income under Section 953(e) of the
22 Internal Revenue Code that is active financing income under Subpart F of Subtitle A,
23 Chapter 1, Subchapter N of the Internal Revenue Code.

24 (e) In the case of trusts and estates, "taxable income" (as defined for trusts and estates in Section
25 641(b) of the Internal Revenue Code) adjusted as follows:

26 (1) Subtract income that is exempt from taxation under this article by the Constitution and
27 statutes of the United States.

28 (2) Subtract an amount equal to the amount of a September 11 terrorist attack settlement payment
29 included in the federal adjusted gross income of the estate of a victim of the September 11
30 terrorist attack or a trust to the extent the trust benefits a victim of the September 11 terrorist
31 attack.

32 (3) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that
33 owns property for which bonus depreciation was allowed in the current taxable year or in an
34 earlier taxable year equal to the amount of adjusted gross income that would have been computed
35 had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus
36 depreciation to the property in the year that it was placed in service.

37 (4) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue
38 Code.

39 (5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that
40 placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service
41 in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross
42 income that would have been computed had an election for federal income tax purposes not been
43 made for the year in which the property was placed in service to take deductions under Section
44 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars
45 (\$25,000).

46 (6) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic
47 production activities for the taxable year under Section 199 of the Internal Revenue Code for
48 federal income tax purposes.



- 1 (7) Subtract income that is:
2 (A) exempt from taxation under IC 6-3-2-21.7; and
3 (B) included in the taxpayer's taxable income under the Internal Revenue Code.
- 4 (8) Add an amount equal to any income not included in gross income as a result of the
5 deferral of income arising from business indebtedness discharged in connection with the
6 reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt
7 instrument, as provided in Section 108(i) of the Internal Revenue Code. Subtract from the
8 adjusted gross income of any taxpayer that added an amount to adjusted gross income in
9 a previous year the amount necessary to offset the amount included in federal gross income
10 as a result of the deferral of income arising from business indebtedness discharged in
11 connection with the reacquisition after December 31, 2008, and before January 1, 2011, of
12 an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code.
- 13 (9) Add the amount necessary to make the adjusted gross income of any taxpayer that
14 placed qualified restaurant property in service during the taxable year and that was
15 classified as 15-year property under Section 168(e)(3)(E)(v) of the Internal Revenue Code
16 equal to the amount of adjusted gross income that would have been computed had the
17 classification not applied to the property in the year that it was placed in service.
- 18 (10) Add the amount necessary to make the adjusted gross income of any taxpayer that
19 placed qualified retail improvement property in service during the taxable year and that
20 was classified as 15-year property under Section 168(e)(3)(E)(ix) of the Internal Revenue
21 Code equal to the amount of adjusted gross income that would have been computed had the
22 classification not applied to the property in the year that it was placed in service.
- 23 (11) Add or subtract the amount necessary to make the adjusted gross income of any
24 taxpayer that claimed the special allowance for qualified disaster assistance property under
25 Section 168(n) of the Internal Revenue Code equal to the amount of adjusted gross income
26 that would have been computed had the special allowance not been claimed for the
27 property.
- 28 (12) Add or subtract the amount necessary to make the adjusted gross income of any
29 taxpayer that made an election under Section 179C of the Internal Revenue Code to expense
30 costs for qualified refinery property equal to the amount of adjusted gross income that
31 would have been computed had an election for federal income tax purposes not been made
32 for the year.
- 33 (13) Add or subtract the amount necessary to make the adjusted gross income of any
34 taxpayer that made an election under Section 181 of the Internal Revenue Code to expense
35 costs for a qualified film or television production equal to the amount of adjusted gross
36 income that would have been computed had an election for federal income tax purposes not
37 been made for the year.
- 38 (14) Add an amount equal to any loss that is treated under Section 301 of the Emergency
39 Economic Stabilization Act of 2008 as an ordinary loss from the sale or exchange of
40 preferred stock in:
41 (A) the Federal National Mortgage Association, established under the Federal National
42 Mortgage Association Charter Act (12 U.S.C. 1716 et seq.); or
43 (B) the Federal Home Loan Mortgage Corporation, established under the Federal Home
44 Loan Mortgage Corporation Act (12 U.S.C. 1451 et seq.).
- 45 Subtract from the adjusted gross income of any taxpayer that added an amount to adjusted
46 gross income in a previous year the amount necessary to offset the amount included in
47 federal gross income as a result of any loss that is treated under Section 301 of the
48 Emergency Economic Stabilization Act of 2008 as an ordinary loss from the sale or



1 **exchange of preferred stock described in clause (A) or (B).**

2 (f) This subsection applies only to the extent that an individual paid property taxes in 2004 that
3 were imposed for the March 1, 2002, assessment date or the January 15, 2003, assessment date. The
4 maximum amount of the deduction under subsection (a)(17) is equal to the amount determined under
5 STEP FIVE of the following formula:

6 STEP ONE: Determine the amount of property taxes that the taxpayer paid after December 31,
7 2003, in the taxable year for property taxes imposed for the March 1, 2002, assessment date and
8 the January 15, 2003, assessment date.

9 STEP TWO: Determine the amount of property taxes that the taxpayer paid in the taxable year
10 for the March 1, 2003, assessment date and the January 15, 2004, assessment date.

11 STEP THREE: Determine the result of the STEP ONE amount divided by the STEP TWO
12 amount.

13 STEP FOUR: Multiply the STEP THREE amount by two thousand five hundred dollars (\$2,500).

14 STEP FIVE: Determine the sum of the STEP FOUR amount and two thousand five hundred
15 dollars (\$2,500).

16 SECTION 62. IC 6-3-1-3.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO
17 READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: **Sec. 3.7. (a) This**
18 **section applies only to an individual who in 2009 paid property taxes that:**

19 **(1) were imposed on the individual's principal place of residence for the March 1, 2007,**
20 **assessment date or the January 15, 2008, assessment date;**

21 **(2) are due after December 31, 2008; and**

22 **(3) are paid on or before the due date for the property taxes.**

23 **(b) An individual described in subsection (a) is entitled to a deduction from adjusted gross**
24 **income for a taxable year beginning after December 31, 2008, and before January 1, 2010, in an**
25 **amount equal to the amount determined in the following STEPS:**

26 **STEP ONE: Determine the lesser of:**

27 **(A) two thousand five hundred dollars (\$2,500); or**

28 **(B) the total amount of property taxes imposed on the individual's principal place of**
29 **residence for the March 1, 2007, assessment date or the January 15, 2008, assessment**
30 **date and paid in 2008 or 2009.**

31 **STEP TWO: Determine the greater of zero (0) or the result of:**

32 **(A) the STEP ONE result; minus**

33 **(B) the total amount of property taxes that:**

34 **(i) were imposed on the individual's principal place of residence for the March 1, 2007,**
35 **assessment date or the January 15, 2008, assessment date;**

36 **(ii) were paid in 2008; and**

37 **(iii) were deducted from adjusted gross income under section 3.5(a)(17) of this chapter**
38 **by the individual on the individual's state income tax return for a taxable year**
39 **beginning before January 1, 2009.**

40 **(c) The deduction under this section is in addition to any deduction that an individual is**
41 **otherwise entitled to claim under section 3.5(a)(17) of this chapter. However, an individual may**
42 **not deduct under section 3.5(a)(17) of this chapter any property taxes deducted under this**
43 **section.**

44 **(d) This section expires January 1, 2014.**

45 SECTION 63. IC 6-3-1-11, AS AMENDED BY P.L.131-2008, SECTION 12, IS AMENDED TO
46 READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: **Sec. 11. (a) The term**
47 **"Internal Revenue Code" means the Internal Revenue Code of 1986 of the United States as amended**
48 **and in effect on January 1, 2008: February 17, 2009.**



1 (b) Whenever the Internal Revenue Code is mentioned in this article, the particular provisions that
2 are referred to, together with all the other provisions of the Internal Revenue Code in effect on ~~January~~
3 ~~1, 2008; February 17, 2009~~, that pertain to the provisions specifically mentioned, shall be regarded
4 as incorporated in this article by reference and have the same force and effect as though fully set forth
5 in this article. To the extent the provisions apply to this article, regulations adopted under Section
6 7805(a) of the Internal Revenue Code and in effect on ~~January 1, 2008; February 17, 2009~~, shall be
7 regarded as rules adopted by the department under this article, unless the department adopts specific
8 rules that supersede the regulation.

9 (c) An amendment to the Internal Revenue Code made by an act passed by Congress before ~~January~~
10 ~~1, 2008; February 17, 2009~~, that is effective for any taxable year that began before January 1, ~~2008;~~
11 ~~2009~~, and that affects:

- 12 (1) individual adjusted gross income (as defined in Section 62 of the Internal Revenue Code);
- 13 (2) corporate taxable income (as defined in Section 63 of the Internal Revenue Code);
- 14 (3) trust and estate taxable income (as defined in Section 641(b) of the Internal Revenue Code);
- 15 (4) life insurance company taxable income (as defined in Section 801(b) of the Internal Revenue
- 16 Code);
- 17 (5) mutual insurance company taxable income (as defined in Section 821(b) of the Internal
- 18 Revenue Code); or
- 19 (6) taxable income (as defined in Section 832 of the Internal Revenue Code);

20 is also effective for that same taxable year for purposes of determining adjusted gross income under
21 section 3.5 of this chapter.

22 SECTION 64. IC 6-3-1-35 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO
23 READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: **Sec. 35. As used in**
24 **this article, "pass through entity" means:**

- 25 **(1) a corporation that is exempt from the adjusted gross income tax under IC 6-3-2-2.8(2);**
- 26 **(2) a partnership;**
- 27 **(3) a trust;**
- 28 **(4) a limited liability company; or**
- 29 **(5) a limited liability partnership.**

30 SECTION 65. IC 6-3-2-2, AS AMENDED BY P.L.162-2006, SECTION 25, IS AMENDED TO
31 READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 2. (a) With regard
32 to corporations and nonresident persons, "adjusted gross income derived from sources within Indiana",
33 for the purposes of this article, shall mean and include:

- 34 (1) income from real or tangible personal property located in this state;
- 35 (2) income from doing business in this state;
- 36 (3) income from a trade or profession conducted in this state;
- 37 (4) compensation for labor or services rendered within this state; and
- 38 (5) income from stocks, bonds, notes, bank deposits, patents, copyrights, secret processes and
- 39 formulas, good will, trademarks, trade brands, franchises, and other intangible personal property
- 40 if the receipt from the intangible is attributable to Indiana under section 2.2 of this chapter.

41 **Income from a pass through entity shall be characterized in a manner consistent with the**
42 **income's characterization for federal income tax purposes and shall be considered Indiana**
43 **source income as if the person, corporation, or pass through entity that received the income had**
44 **directly engaged in the income producing activity. Income that is derived from one (1) pass**
45 **through entity and is considered to pass through to another pass through entity does not change**
46 **these characteristics or attribution provisions.** In the case of nonbusiness income described in
47 subsection (g), only so much of such income as is allocated to this state under the provisions of
48 subsections (h) through (k) shall be deemed to be derived from sources within Indiana. In the case of



1 business income, only so much of such income as is apportioned to this state under the provision of
2 subsection (b) shall be deemed to be derived from sources within the state of Indiana. In the case of
3 compensation of a team member (as defined in section 2.7 of this chapter), only the portion of income
4 determined to be Indiana income under section 2.7 of this chapter is considered derived from sources
5 within Indiana. In the case of a corporation that is a life insurance company (as defined in Section
6 816(a) of the Internal Revenue Code) or an insurance company that is subject to tax under Section 831
7 of the Internal Revenue Code, only so much of the income as is apportioned to Indiana under
8 subsection (r) is considered derived from sources within Indiana.

9 (b) Except as provided in subsection (l), if business income of a corporation or a nonresident person
10 is derived from sources within the state of Indiana and from sources without the state of Indiana, the
11 business income derived from sources within this state shall be determined by multiplying the business
12 income derived from sources both within and without the state of Indiana by the following:

13 (1) For all taxable years that begin after December 31, 2006, and before January 1, 2008, a
14 fraction. The:

15 (A) numerator of the fraction is the sum of the property factor plus the payroll factor plus the
16 product of the sales factor multiplied by three (3); and

17 (B) denominator of the fraction is five (5).

18 (2) For all taxable years that begin after December 31, 2007, and before January 1, 2009, a
19 fraction. The:

20 (A) numerator of the fraction is the property factor plus the payroll factor plus the product of
21 the sales factor multiplied by four and sixty-seven hundredths (4.67); and

22 (B) denominator of the fraction is six and sixty-seven hundredths (6.67).

23 (3) For all taxable years beginning after December 31, 2008, and before January 1, 2010, a
24 fraction. The:

25 (A) numerator of the fraction is the property factor plus the payroll factor plus the product of
26 the sales factor multiplied by eight (8); and

27 (B) denominator of the fraction is ten (10).

28 (4) For all taxable years beginning after December 31, 2009, and before January 1, 2011, a
29 fraction. The:

30 (A) numerator of the fraction is the property factor plus the payroll factor plus the product of
31 the sales factor multiplied by eighteen (18); and

32 (B) denominator of the fraction is twenty (20).

33 (5) For all taxable years beginning after December 31, 2010, the sales factor.

34 (c) The property factor is a fraction, the numerator of which is the average value of the taxpayer's
35 real and tangible personal property owned or rented and used in this state during the taxable year and
36 the denominator of which is the average value of all the taxpayer's real and tangible personal property
37 owned or rented and used during the taxable year. However, with respect to a foreign corporation, the
38 denominator does not include the average value of real or tangible personal property owned or rented
39 and used in a place that is outside the United States. Property owned by the taxpayer is valued at its
40 original cost. Property rented by the taxpayer is valued at eight (8) times the net annual rental rate. Net
41 annual rental rate is the annual rental rate paid by the taxpayer less any annual rental rate received by
42 the taxpayer from subrentals. The average of property shall be determined by averaging the values at
43 the beginning and ending of the taxable year, but the department may require the averaging of monthly
44 values during the taxable year if reasonably required to reflect properly the average value of the
45 taxpayer's property.

46 (d) The payroll factor is a fraction, the numerator of which is the total amount paid in this state
47 during the taxable year by the taxpayer for compensation, and the denominator of which is the total
48 compensation paid everywhere during the taxable year. However, with respect to a foreign



1 corporation, the denominator does not include compensation paid in a place that is outside the United
2 States. Compensation is paid in this state if:

- 3 (1) the individual's service is performed entirely within the state;
- 4 (2) the individual's service is performed both within and without this state, but the service
5 performed without this state is incidental to the individual's service within this state; or
- 6 (3) some of the service is performed in this state and:
 - 7 (A) the base of operations or, if there is no base of operations, the place from which the
8 service is directed or controlled is in this state; or
 - 9 (B) the base of operations or the place from which the service is directed or controlled is not
10 in any state in which some part of the service is performed, but the individual is a resident of
11 this state.

12 (e) The sales factor is a fraction, the numerator of which is the total sales of the taxpayer in this
13 state during the taxable year, and the denominator of which is the total sales of the taxpayer
14 everywhere during the taxable year. Sales include receipts from intangible property and receipts from
15 the sale or exchange of intangible property. However, with respect to a foreign corporation, the
16 denominator does not include sales made in a place that is outside the United States. Receipts from
17 intangible personal property are derived from sources within Indiana if the receipts from the intangible
18 personal property are attributable to Indiana under section 2.2 of this chapter. Regardless of the f.o.b.
19 point or other conditions of the sale, sales of tangible personal property are in this state if:

- 20 (1) the property is delivered or shipped to a purchaser that is within Indiana, other than the United
21 States government; or
- 22 (2) the property is shipped from an office, a store, a warehouse, a factory, or other place of
23 storage in this state and:
 - 24 (A) the purchaser is the United States government; or
 - 25 (B) the taxpayer is not taxable in the state of the purchaser.

26 Gross receipts derived from commercial printing as described in IC 6-2.5-1-10 shall be treated as sales
27 of tangible personal property for purposes of this chapter.

28 (f) Sales, other than receipts from intangible property covered by subsection (e) and sales of
29 tangible personal property, are in this state if:

- 30 (1) the income-producing activity is performed in this state; or
- 31 (2) the income-producing activity is performed both within and without this state and a greater
32 proportion of the income-producing activity is performed in this state than in any other state,
33 based on costs of performance.

34 (g) Rents and royalties from real or tangible personal property, capital gains, interest, dividends,
35 or patent or copyright royalties, to the extent that they constitute nonbusiness income, shall be
36 allocated as provided in subsections (h) through (k).

37 (h)(1) Net rents and royalties from real property located in this state are allocable to this state.

38 (2) Net rents and royalties from tangible personal property are allocated to this state:

- 39 (i) if and to the extent that the property is utilized in this state; or
- 40 (ii) in their entirety if the taxpayer's commercial domicile is in this state and the taxpayer is not
41 organized under the laws of or taxable in the state in which the property is utilized.

42 (3) The extent of utilization of tangible personal property in a state is determined by multiplying
43 the rents and royalties by a fraction, the numerator of which is the number of days of physical location
44 of the property in the state during the rental or royalty period in the taxable year, and the denominator
45 of which is the number of days of physical location of the property everywhere during all rental or
46 royalty periods in the taxable year. If the physical location of the property during the rental or royalty
47 period is unknown or unascertainable by the taxpayer, tangible personal property is utilized in the state
48 in which the property was located at the time the rental or royalty payer obtained possession.



- 1 (i)(1) Capital gains and losses from sales of real property located in this state are allocable to this
2 state.
- 3 (2) Capital gains and losses from sales of tangible personal property are allocable to this state if:
4 (i) the property had a situs in this state at the time of the sale; or
5 (ii) the taxpayer's commercial domicile is in this state and the taxpayer is not taxable in the state
6 in which the property had a situs.
- 7 (3) Capital gains and losses from sales of intangible personal property are allocable to this state if
8 the taxpayer's commercial domicile is in this state.
- 9 (j) Interest and dividends are allocable to this state if the taxpayer's commercial domicile is in this
10 state.
- 11 (k)(1) Patent and copyright royalties are allocable to this state:
12 (i) if and to the extent that the patent or copyright is utilized by the taxpayer in this state; or
13 (ii) if and to the extent that the patent or copyright is utilized by the taxpayer in a state in which
14 the taxpayer is not taxable and the taxpayer's commercial domicile is in this state.
- 15 (2) A patent is utilized in a state to the extent that it is employed in production, fabrication,
16 manufacturing, or other processing in the state or to the extent that a patented product is produced
17 in the state. If the basis of receipts from patent royalties does not permit allocation to states or
18 if the accounting procedures do not reflect states of utilization, the patent is utilized in the state
19 in which the taxpayer's commercial domicile is located.
- 20 (3) A copyright is utilized in a state to the extent that printing or other publication originates in
21 the state. If the basis of receipts from copyright royalties does not permit allocation to states or
22 if the accounting procedures do not reflect states of utilization, the copyright is utilized in the
23 state in which the taxpayer's commercial domicile is located.
- 24 (l) If the allocation and apportionment provisions of this article do not fairly represent the taxpayer's
25 income derived from sources within the state of Indiana, the taxpayer may petition for or the
26 department may require, in respect to all or any part of the taxpayer's business activity, if reasonable:
27 (1) separate accounting;
28 (2) for a taxable year beginning before January 1, 2011, the exclusion of any one (1) or more of
29 the factors, except the sales factor;
30 (3) the inclusion of one (1) or more additional factors which will fairly represent the taxpayer's
31 income derived from sources within the state of Indiana; or
32 (4) the employment of any other method to effectuate an equitable allocation and apportionment
33 of the taxpayer's income.
- 34 (m) In the case of two (2) or more organizations, trades, or businesses owned or controlled directly
35 or indirectly by the same interests, the department shall distribute, apportion, or allocate the income
36 derived from sources within the state of Indiana between and among those organizations, trades, or
37 businesses in order to fairly reflect and report the income derived from sources within the state of
38 Indiana by various taxpayers.
- 39 (n) For purposes of allocation and apportionment of income under this article, a taxpayer is taxable
40 in another state if:
41 (1) in that state the taxpayer is subject to a net income tax, a franchise tax measured by net
42 income, a franchise tax for the privilege of doing business, or a corporate stock tax; or
43 (2) that state has jurisdiction to subject the taxpayer to a net income tax regardless of whether,
44 in fact, the state does or does not.
- 45 (o) Notwithstanding subsections (l) and (m), the department may not, under any circumstances,
46 require that income, deductions, and credits attributable to a taxpayer and another entity be reported
47 in a combined income tax return for any taxable year, if the other entity is:
48 (1) a foreign corporation; or



1 (2) a corporation that is classified as a foreign operating corporation for the taxable year by
2 section 2.4 of this chapter.

3 (p) Notwithstanding subsections (l) and (m), the department may not require that income,
4 deductions, and credits attributable to a taxpayer and another entity not described in subsection (o)(1)
5 or (o)(2) be reported in a combined income tax return for any taxable year, unless the department is
6 unable to fairly reflect the taxpayer's adjusted gross income for the taxable year through use of other
7 powers granted to the department by subsections (l) and (m).

8 (q) Notwithstanding subsections (o) and (p), one (1) or more taxpayers may petition the department
9 under subsection (l) for permission to file a combined income tax return for a taxable year. The
10 petition to file a combined income tax return must be completed and filed with the department not
11 more than thirty (30) days after the end of the taxpayer's taxable year. A taxpayer filing a combined
12 income tax return must petition the department within thirty (30) days after the end of the taxpayer's
13 taxable year to discontinue filing a combined income tax return.

14 (r) This subsection applies to a corporation that is a life insurance company (as defined in Section
15 816(a) of the Internal Revenue Code) or an insurance company that is subject to tax under Section 831
16 of the Internal Revenue Code. The corporation's adjusted gross income that is derived from sources
17 within Indiana is determined by multiplying the corporation's adjusted gross income by a fraction:

18 (1) the numerator of which is the direct premiums and annuity considerations received during the
19 taxable year for insurance upon property or risks in the state; and

20 (2) the denominator of which is the direct premiums and annuity considerations received during
21 the taxable year for insurance upon property or risks everywhere.

22 The term "direct premiums and annuity considerations" means the gross premiums received from
23 direct business as reported in the corporation's annual statement filed with the department of insurance.

24 SECTION 66. IC 6-3-2-2.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY
25 1, 2009 (RETROACTIVE)]: Sec. 2.5. (a) This section applies to a resident person.

26 (b) Resident persons are entitled to a net operating loss deduction. The amount of the deduction
27 taken in a taxable year may not exceed the taxpayer's unused Indiana net operating losses carried back
28 or carried over to that year.

29 (c) An Indiana net operating loss equals the taxpayer's federal net operating loss for a taxable year
30 as calculated under Section 172 of the Internal Revenue Code, adjusted for the modifications required
31 by IC 6-3-1-3.5.

32 (d) The following provisions apply for purposes of subsection (c):

33 (1) The modifications that are to be applied are those modifications required under IC 6-3-1-3.5
34 for the same taxable year in which each net operating loss was incurred.

35 (2) An Indiana net operating loss includes a net operating loss that arises when the modifications
36 required by IC 6-3-1-3.5 exceed the taxpayer's federal adjusted gross income (as defined in
37 Section 62 of the Internal Revenue Code) for the taxable year in which the Indiana net operating
38 loss is determined.

39 (e) Subject to the limitations contained in subsection (g), an Indiana net operating loss carryback
40 or carryover shall be available as a deduction from the taxpayer's adjusted gross income (as defined
41 in IC 6-3-1-3.5) in the carryback or carryover year provided in subsection (f).

42 (f) Carrybacks and carryovers shall be determined under this subsection as follows:

43 (1) An Indiana net operating loss shall be an Indiana net operating loss carryback to each of the
44 carryback years preceding the taxable year of the loss.

45 (2) An Indiana net operating loss shall be an Indiana net operating loss carryover to each of the
46 carryover years following the taxable year of the loss.

47 (3) Carryback years shall be determined by reference to the number of years allowed for carrying
48 back a net operating loss under Section 172(b) of the Internal Revenue Code. **However, with**



1 **respect to the carryback period for a net operating loss:**

2 **(A) for which an eligible small business, as defined in Section 172(b)(1)(H)(iv) of the**
3 **Internal Revenue Code, made an election to use five (5) years instead of two (2) years**
4 **under Section 172(b)(1)(H) of the Internal Revenue Code, two (2) years shall be used**
5 **instead of five (5) years; or**

6 **(B) that is a qualified disaster loss for which the taxpayer elected to have the net**
7 **operating loss carryback period with respect to the loss year determined without regard**
8 **to Section 172(b)(1)(J) of the Internal Revenue Code, five (5) years shall be used.**

9 (4) Carryover years shall be determined by reference to the number of years allowed for carrying
10 over net operating losses under Section 172(b) of the Internal Revenue Code.

11 (5) A taxpayer who makes an election under Section 172(b)(3) of the Internal Revenue Code to
12 relinquish the carryback period with respect to a net operating loss for any taxable year shall be
13 considered to have also relinquished the carryback of the Indiana net operating loss for purposes
14 of this section.

15 (g) The entire amount of the Indiana net operating loss for any taxable year shall be carried to the
16 earliest of the taxable years to which (as determined under subsection (f)) the loss may be carried. The
17 amount of the Indiana net operating loss remaining after the deduction is taken under this section in
18 a taxable year may be carried back or carried over as provided in subsection (f). The amount of the
19 Indiana net operating loss carried back or carried over from year to year shall be reduced to the extent
20 that the Indiana net operating loss carryback or carryover is used by the taxpayer to obtain a deduction
21 in a taxable year until the occurrence of the earlier of the following:

22 (1) The entire amount of the Indiana net operating loss has been used as a deduction.

23 (2) The Indiana net operating loss has been carried over to each of the carryover years provided
24 by subsection (f).

25 SECTION 67. IC 6-3-2-2.6, AS AMENDED BY P.L.2-2005, SECTION 21, IS AMENDED TO
26 READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 2.6. (a) This
27 section applies to a corporation or a nonresident person.

28 (b) Corporations and nonresident persons are entitled to a net operating loss deduction. The amount
29 of the deduction taken in a taxable year may not exceed the taxpayer's unused Indiana net operating
30 losses carried back or carried over to that year.

31 (c) An Indiana net operating loss equals the taxpayer's federal net operating loss for a taxable year
32 as calculated under Section 172 of the Internal Revenue Code, derived from sources within Indiana
33 and adjusted for the modifications required by IC 6-3-1-3.5.

34 (d) The following provisions apply for purposes of subsection (c):

35 (1) The modifications that are to be applied are those modifications required under IC 6-3-1-3.5
36 for the same taxable year in which each net operating loss was incurred.

37 (2) The amount of the taxpayer's net operating loss that is derived from sources within Indiana
38 shall be determined in the same manner that the amount of the taxpayer's adjusted income derived
39 from sources within Indiana is determined under section 2 of this chapter for the same taxable
40 year during which each loss was incurred.

41 (3) An Indiana net operating loss includes a net operating loss that arises when the modifications
42 required by IC 6-3-1-3.5 exceed the taxpayer's federal taxable income (as defined in Section 63
43 of the Internal Revenue Code), if the taxpayer is a corporation, or when the modifications
44 required by IC 6-3-1-3.5 exceed the taxpayer's federal adjusted gross income (as defined by
45 Section 62 of the Internal Revenue Code), if the taxpayer is a nonresident person, for the taxable
46 year in which the Indiana net operating loss is determined.

47 (e) Subject to the limitations contained in subsection (g), an Indiana net operating loss carryback
48 or carryover shall be available as a deduction from the taxpayer's adjusted gross income derived from



1 sources within Indiana (as defined in section 2 of this chapter) in the carryback or carryover year
2 provided in subsection (f).

3 (f) Carrybacks and carryovers shall be determined under this subsection as follows:

4 (1) An Indiana net operating loss shall be an Indiana net operating loss carryback to each of the
5 carryback years preceding the taxable year of the loss.

6 (2) An Indiana net operating loss shall be an Indiana net operating loss carryover to each of the
7 carryover years following the taxable year of the loss.

8 (3) Carryback years shall be determined by reference to the number of years allowed for carrying
9 back a net operating loss under Section 172(b) of the Internal Revenue Code. **However, with
10 respect to the carryback period for a net operating loss:**

11 **(A) for which an eligible small business, as defined in Section 172(b)(1)(H)(iv) of the**
12 **Internal Revenue Code, made an election to use five (5) years instead of two (2) years**
13 **under Section 172(b)(1)(H) of the Internal Revenue Code, two (2) years shall be used**
14 **instead of five (5) years; or**

15 **(B) that is a qualified disaster loss for which the taxpayer elected to have the net**
16 **operating loss carryback period with respect to the loss year determined without regard**
17 **to Section 172(b)(1)(J) of the Internal Revenue Code, five (5) years shall be used.**

18 (4) Carryover years shall be determined by reference to the number of years allowed for carrying
19 over net operating losses under Section 172(b) of the Internal Revenue Code.

20 (5) A taxpayer who makes an election under Section 172(b)(3) of the Internal Revenue Code to
21 relinquish the carryback period with respect to a net operating loss for any taxable year shall be
22 considered to have also relinquished the carryback of the Indiana net operating loss for purposes
23 of this section.

24 (g) The entire amount of the Indiana net operating loss for any taxable year shall be carried to the
25 earliest of the taxable years to which (as determined under subsection (f)) the loss may be carried. The
26 amount of the Indiana net operating loss remaining after the deduction is taken under this section in
27 a taxable year may be carried back or carried over as provided in subsection (f). The amount of the
28 Indiana net operating loss carried back or carried over from year to year shall be reduced to the extent
29 that the Indiana net operating loss carryback or carryover is used by the taxpayer to obtain a deduction
30 in a taxable year until the occurrence of the earlier of the following:

31 (1) The entire amount of the Indiana net operating loss has been used as a deduction.

32 (2) The Indiana net operating loss has been carried over to each of the carryover years provided
33 by subsection (f).

34 (h) An Indiana net operating loss deduction determined under this section shall be allowed
35 notwithstanding the fact that in the year the taxpayer incurred the net operating loss the taxpayer was
36 not subject to the tax imposed under section 1 of this chapter because the taxpayer was:

37 (1) a life insurance company (as defined in Section 816(a) of the Internal Revenue Code); or

38 (2) an insurance company subject to tax under Section 831 of the Internal Revenue Code.

39 (i) In the case of a life insurance company that claims an operations loss deduction under Section
40 810 of the Internal Revenue Code, this section shall be applied by:

41 (1) substituting the corresponding provisions of Section 810 of the Internal Revenue Code in
42 place of references to Section 172 of the Internal Revenue Code; and

43 (2) substituting life insurance company taxable income (as defined in Section 801 the Internal
44 Revenue Code) in place of references to taxable income (as defined in Section 63 of the Internal
45 Revenue Code).

46 (j) For purposes of an amended return filed to carry back an Indiana net operating loss:

47 (1) the term "due date of the return", as used in IC 6-8.1-9-1(a)(1), means the due date of the
48 return for the taxable year in which the net operating loss was incurred; and



1 (2) the term "date the payment was due", as used in IC 6-8.1-9-2(c), means the due date of the
2 return for the taxable year in which the net operating loss was incurred.

3 SECTION 68. IC 6-3-2-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1,
4 2009 (RETROACTIVE)]: Sec. 8. (a) For purposes of this section, "qualified employee" means an
5 individual who is employed by a taxpayer, a pass through entity, an employer exempt from adjusted
6 gross income tax (IC 6-3-1 through IC 6-3-7) under IC 6-3-2-2.8(3), IC 6-3-2-2.8(4), or
7 IC 6-3-2-2.8(5), a nonprofit entity, the state, a political subdivision of the state, or the United States
8 government and who:

9 (1) has the employee's principal place of residence in the enterprise zone in which the employee
10 is employed;

11 (2) performs services for the taxpayer, the employer, the nonprofit entity, the state, the political
12 subdivision, or the United States government, ninety percent (90%) of which are directly related
13 to:

14 (A) the conduct of the taxpayer's or employer's trade or business; or

15 (B) the activities of the nonprofit entity, the state, the political subdivision, or the United
16 States government;

17 that is located in an enterprise zone; and

18 (3) performs at least fifty percent (50%) of the employee's service for the taxpayer or employer
19 during the taxable year in the enterprise zone.

20 ~~(b)~~ For purposes of this section, "pass through entity" means a:

21 ~~(1)~~ corporation that is exempt from the adjusted gross income tax under IC 6-3-2-2.8(2);

22 ~~(2)~~ partnership;

23 ~~(3)~~ trust;

24 ~~(4)~~ limited liability company; or

25 ~~(5)~~ limited liability partnership.

26 ~~(c)~~ ~~(b)~~ Except as provided in subsection ~~(d)~~, ~~(c)~~, a qualified employee is entitled to a deduction
27 from ~~his~~ **the employee's** adjusted gross income in each taxable year in the amount of the lesser of:

28 (1) one-half (1/2) of ~~his~~ **the employee's** adjusted gross income for the taxable year that ~~he~~ **the**
29 **employee** earns as a qualified employee; or

30 (2) seven thousand five hundred dollars (\$7,500).

31 ~~(d)~~ ~~(c)~~ No qualified employee is entitled to a deduction under this section for a taxable year that
32 begins after the termination of the enterprise zone in which ~~he~~ **the employee** resides.

33 SECTION 69. IC 6-3-2-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY
34 1, 2009 (RETROACTIVE)]: Sec. 10. (a) An individual who received unemployment compensation,
35 as defined in subsection (c), during the taxable year is entitled to a deduction from the individual's
36 adjusted gross income for that taxable year in the amount determined using the following formula:

37 STEP ONE: Determine the **greater of zero (0) or the** difference between:

38 (A) the **sum of:**

39 **(i) the** federal adjusted gross income of the individual (or the individual and the individual's
40 spouse, in the case of a joint return), as defined in Section 62 of the Internal Revenue Code;

41 **plus**

42 **(ii) the amount of unemployment compensation excluded from federal gross income,**
43 **as defined in Section 61 of the Internal Revenue Code, under Section 85(c) of the**
44 **Internal Revenue Code;** minus

45 (B) the base amount as defined in subsection (b).

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

47 (A) the individual's unemployment compensation for the taxable year; minus

48 (B) one-half (1/2) of the amount determined under STEP ONE.



- 1 (b) As used in this section, "base amount" means:
2 (1) twelve thousand dollars (\$12,000) in all cases not covered by subdivision (2) or (3);
3 (2) eighteen thousand dollars (\$18,000) in the case of an individual who files a joint return for
4 the taxable year; or
5 (3) zero (0), in the case of an individual who:
6 (A) is married at the close of the taxable year, as determined under Section 143 of the Internal
7 Revenue Code;
8 (B) does not file a joint return for the taxable year; and
9 (C) does not live apart from the individual's spouse at all times during the taxable year.

10 (c) As used in this section, "unemployment compensation" means the amount of unemployment
11 compensation that is included in the individual's federal gross income under Section 85 of the Internal
12 Revenue Code.

13 SECTION 70. IC 6-3-3-10, AS AMENDED BY P.L.4-2005, SECTION 50, IS AMENDED TO
14 READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 10. (a) As used
15 in this section:

16 "Base period wages" means the following:

17 (1) In the case of a taxpayer other than a pass through entity, wages paid or payable by a taxpayer
18 to its employees during the year that ends on the last day of the month that immediately precedes
19 the month in which an enterprise zone is established, to the extent that the wages would have
20 been qualified wages if the enterprise zone had been in effect for that year. If the taxpayer did not
21 engage in an active trade or business during that year in the area that is later designated as an
22 enterprise zone, then the base period wages equal zero (0). If the taxpayer engaged in an active
23 trade or business during only part of that year in an area that is later designated as an enterprise
24 zone, then the department shall determine the amount of base period wages.

25 (2) In the case of a taxpayer that is a pass through entity, base period wages equal zero (0).

26 "Enterprise zone" means an enterprise zone created under IC 5-28-15.

27 "Enterprise zone adjusted gross income" means adjusted gross income of a taxpayer that is derived
28 from sources within an enterprise zone. Sources of adjusted gross income shall be determined with
29 respect to an enterprise zone, to the extent possible, in the same manner that sources of adjusted gross
30 income are determined with respect to the state of Indiana under IC 6-3-2-2.

31 "Enterprise zone gross income" means gross income of a taxpayer that is derived from sources
32 within an enterprise zone.

33 "Enterprise zone insurance premiums" means insurance premiums derived from sources within an
34 enterprise zone.

35 "Monthly base period wages" means base period wages divided by twelve (12).

36 "Pass through entity" means a:

37 (1) corporation that is exempt from the adjusted gross income tax under IC 6-3-2-2.8(2);

38 (2) partnership;

39 (3) trust;

40 (4) limited liability company; or

41 (5) limited liability partnership.

42 "Qualified employee" means an individual who is employed by a taxpayer and who:

43 (1) has the individual's principal place of residence in the enterprise zone in which the individual
44 is employed;

45 (2) performs services for the taxpayer, ninety percent (90%) of which are directly related to the
46 conduct of the taxpayer's trade or business that is located in an enterprise zone;

47 (3) performs at least fifty percent (50%) of the individual's services for the taxpayer during the
48 taxable year in the enterprise zone; and



1 (4) in the case of an individual who is employed by a taxpayer that is a pass through entity, was
2 first employed by the taxpayer after December 31, 1998.

3 "Qualified increased employment expenditures" means the following:

4 (1) For a taxpayer's taxable year other than the taxpayer's taxable year in which the enterprise
5 zone is established, the amount by which qualified wages paid or payable by the taxpayer during
6 the taxable year to qualified employees exceeds the taxpayer's base period wages.

7 (2) For the taxpayer's taxable year in which the enterprise zone is established, the amount by
8 which qualified wages paid or payable by the taxpayer during all of the full calendar months in
9 the taxpayer's taxable year that succeed the date on which the enterprise zone was established
10 exceed the taxpayer's monthly base period wages multiplied by that same number of full calendar
11 months.

12 "Qualified state tax liability" means a taxpayer's total income tax liability incurred under:

13 (1) IC 6-3-1 through IC 6-3-7 (adjusted gross income tax) with respect to enterprise zone adjusted
14 gross income;

15 (2) IC 27-1-18-2 (insurance premiums tax) with respect to enterprise zone insurance premiums;
16 and

17 (3) IC 6-5.5 (the financial institutions tax);

18 as computed after the application of the credits that, under IC 6-3.1-1-2, are to be applied before the
19 credit provided by this section.

20 "Qualified wages" means the wages paid or payable to qualified employees during a taxable year.

21 "Taxpayer" includes a pass through entity.

22 (b) A taxpayer is entitled to a credit against the taxpayer's qualified state tax liability for a taxable
23 year in the amount of the lesser of:

24 (1) the product of ten percent (10%) multiplied by the qualified increased employment
25 expenditures of the taxpayer for the taxable year; or

26 (2) one thousand five hundred dollars (\$1,500) multiplied by the number of qualified employees
27 employed by the taxpayer during the taxable year.

28 (c) The amount of the credit provided by this section that a taxpayer uses during a particular taxable
29 year may not exceed the taxpayer's qualified state tax liability for the taxable year. If the credit
30 provided by this section exceeds the amount of that tax liability for the taxable year it is first claimed,
31 then the excess may be carried back to preceding taxable years or carried over to succeeding taxable
32 years and used as a credit against the taxpayer's qualified state tax liability for those taxable years.
33 Each time that the credit is carried back to a preceding taxable year or carried over to a succeeding
34 taxable year, the amount of the carryover is reduced by the amount used as a credit for that taxable
35 year. Except as provided in subsection (e), the credit provided by this section may be carried forward
36 and applied in the ten (10) taxable years that succeed the taxable year in which the credit accrues. The
37 credit provided by this section may be carried back and applied in the three (3) taxable years that
38 precede the taxable year in which the credit accrues.

39 (d) A credit earned by a taxpayer in a particular taxable year shall be applied against the taxpayer's
40 qualified state tax liability for that taxable year before any credit carryover or carryback is applied
41 against that liability under subsection (c).

42 (e) Notwithstanding subsection (c), if a credit under this section results from wages paid in a
43 particular enterprise zone, and if that enterprise zone terminates in a taxable year that succeeds the last
44 taxable year in which a taxpayer is entitled to use the credit carryover that results from those wages
45 under subsection (c), then the taxpayer may use the credit carryover for any taxable year up to and
46 including the taxable year in which the enterprise zone terminates.

47 (f) A taxpayer is not entitled to a refund of any unused credit.

48 (g) A taxpayer that:



1 (1) does not own, rent, or lease real property outside of an enterprise zone that is an integral part
2 of its trade or business; and

3 (2) is not owned or controlled directly or indirectly by a taxpayer that owns, rents, or leases real
4 property outside of an enterprise zone;

5 is exempt from the allocation and apportionment provisions of this section.

6 (h) If a pass through entity is entitled to a credit under subsection (b) but does not have state tax
7 liability against which the tax credit may be applied, an individual who is a shareholder, partner,
8 beneficiary, or member of the pass through entity is entitled to a tax credit equal to:

9 (1) the tax credit determined for the pass through entity for the taxable year; multiplied by

10 (2) the percentage of the pass through entity's distributive income to which the shareholder,
11 partner, beneficiary, or member is entitled.

12 The credit provided under this subsection is in addition to a tax credit to which a shareholder, partner,
13 beneficiary, or member of a pass through entity is entitled. However, a pass through entity and an
14 individual who is a shareholder, partner, beneficiary, or member of a pass through entity may not claim
15 more than one (1) credit for the qualified expenditure.

16 SECTION 71. IC 6-3-4-8.1, AS AMENDED BY P.L.211-2007, SECTION 25, IS AMENDED TO
17 READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 8.1. (a) Any entity that is required
18 to file a monthly return and make a monthly remittance of taxes under sections 8, 12, 13, and 15 of this
19 chapter shall file those returns and make those remittances twenty (20) days (rather than thirty (30)
20 days) after the end of each month for which those returns and remittances are filed, if that entity's
21 average monthly remittance for the immediately preceding calendar year exceeds one thousand dollars
22 (\$1,000).

23 (b) The department may require any entity to make the entity's monthly remittance and file the
24 entity's monthly return twenty (20) days (rather than thirty (30) days) after the end of each month for
25 which a return and payment are made if the department estimates that the entity's average monthly
26 payment for the current calendar year will exceed one thousand dollars (\$1,000).

27 (c) If the department determines that a withholding agent is not withholding, reporting, or remitting
28 an amount of tax in accordance with this chapter, the department may require the withholding agent:

29 (1) to make periodic deposits during the reporting period; and

30 (2) to file an informational return with each periodic deposit.

31 (d) If a person files a combined sales and withholding tax report and either this section or
32 IC 6-2.5-6-1 requires the sales or withholding tax report to be filed and remittances to be made within
33 twenty (20) days after the end of each month, then the person shall file the combined report and remit
34 the sales and withholding taxes due within twenty (20) days after the end of each month.

35 (e) If the department determines that an entity's:

36 (1) estimated monthly withholding tax remittance for the current year; or

37 (2) average monthly withholding tax remittance for the preceding year;

38 exceeds five thousand dollars (\$5,000), the entity shall remit the monthly withholding taxes due by
39 electronic fund transfer (as defined in IC 4-8.1-2-7) or by delivering in person or by overnight courier
40 a payment by cashier's check, certified check, or money order to the department. The transfer or
41 payment shall be made on or before the date the remittance is due.

42 ~~(f) If an entity's withholding tax remittance is made by electronic fund transfer, the entity is not
43 required to file a monthly withholding tax return.~~

44 **(f) An entity that registers to withhold taxes after December 31, 2009, shall file the
45 withholding tax report and remit withholding taxes electronically through the department's
46 online tax filing program.**

47 SECTION 72. IC 6-3.1-4-2, AS AMENDED BY P.L.193-2005, SECTION 13, IS AMENDED TO
48 READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 2. (a) A taxpayer who incurs Indiana



1 qualified research expense in a particular taxable year is entitled to a research expense tax credit for
2 the taxable year.

3 (b) For Indiana qualified research expense incurred before January 1, 2008, the amount of the
4 research expense tax credit is equal to the product of ten percent (10%) multiplied by the remainder
5 of:

- 6 (1) the taxpayer's Indiana qualified research expenses for the taxable year; minus
- 7 (2) the taxpayer's base amount.

8 (c) **Except as provided in subsection (d)**, for Indiana qualified research expense incurred after
9 December 31, 2007, the amount of the research expense tax credit is determined under STEP FOUR
10 of the following formula:

11 STEP ONE: Subtract the taxpayer's base amount from the taxpayer's Indiana qualified research
12 expense for the taxable year.

13 STEP TWO: Multiply the lesser of:

- 14 (A) one million dollars (\$1,000,000); or
- 15 (B) the STEP ONE remainder;

16 by fifteen percent (15%).

17 STEP THREE: If the STEP ONE remainder exceeds one million dollars (\$1,000,000), multiply
18 the amount of that excess by ten percent (10%).

19 STEP FOUR: Add the STEP TWO and STEP THREE products.

20 (d) **For Indiana qualified research expense incurred after December 31, 2009, a taxpayer may**
21 **choose to have the amount of the research expense tax credit determined under this subsection**
22 **rather than under subsection (c). At the election of the taxpayer, the amount of the taxpayer's**
23 **research expense tax credit is equal to ten percent (10%) of the part of the taxpayer's Indiana**
24 **qualified research expense for the taxable year that exceeds fifty percent (50%) of the taxpayer's**
25 **average Indiana qualified research expense for the three (3) taxable years preceding the taxable**
26 **year for which the credit is being determined. However, if the taxpayer did not have Indiana**
27 **qualified research expense in any one (1) of the three (3) taxable years preceding the taxable year**
28 **for which the credit is being determined, the amount of the research expense tax credit is equal**
29 **to five percent (5%) of the taxpayer's Indiana qualified research expense for the taxable year.**

30 SECTION 73. IC 6-3.1-30.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO
31 READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]:

32 **Chapter 30.5. School Scholarship Tax Credit**

33 **Sec. 1. As used in this chapter, "credit" refers to a credit granted under this chapter.**

34 **Sec. 2. As used in this chapter, "pass through entity" has the meaning set forth in IC 6-3-1-35.**

35 **Sec. 3. As used in this chapter, "scholarship granting organization" refers to an organization**
36 **that:**

37 (1) is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue
38 Code; and

39 (2) conducts a school scholarship program.

40 **Sec. 4. As used in this chapter, "school scholarship program" refers to a scholarship program**
41 **certified by the department of education under IC 20-51.**

42 **Sec. 5. As used in this chapter, "state tax liability" means a taxpayer's total tax liability that**
43 **is incurred under:**

44 (1) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax);

45 (2) IC 6-5.5 (the financial institutions tax); and

46 (3) IC 27-1-18-2 (the insurance premiums tax);

47 **as computed after the application of the credits that under IC 6-3.1-1-2 are to be applied before**
48 **the credit provided by this chapter.**



1 **Sec. 6.** As used in this chapter, "taxpayer" means an individual or entity that has any state
2 tax liability.

3 **Sec. 7.** A taxpayer that makes a contribution to a scholarship granting organization for use
4 by the scholarship granting organization in a school scholarship program is entitled to a credit
5 against the taxpayer's state tax liability in the taxable year in which the taxpayer makes the
6 contribution.

7 **Sec. 8.** The amount of a taxpayer's credit is equal to fifty percent (50%) of the amount of the
8 contribution made to the scholarship granting organization for a school scholarship program.

9 **Sec. 9.** A taxpayer is not entitled to a carryover, carryback, or refund of an unused credit.

10 **Sec. 10.** If a pass through entity is entitled to a credit under section 7 of this chapter but does
11 not have state tax liability against which the tax credit may be applied, a shareholder, partner,
12 or member of the pass through entity is entitled to a tax credit equal to:

13 (1) the tax credit determined for the pass through entity for the taxable year; multiplied by

14 (2) the percentage of the pass through entity's distributive income to which the shareholder,
15 partner, or member is entitled.

16 **Sec. 11.** To apply a credit against the taxpayer's state tax liability, a taxpayer must claim the
17 credit on the taxpayer's annual state tax return or returns in the manner prescribed by the
18 department. The taxpayer shall submit to the department the information that the department
19 determines is necessary for the department to determine whether the taxpayer is eligible for the
20 credit.

21 **Sec. 12.** A contribution shall be treated as having been made for use in a school scholarship
22 program if:

23 (1) the contribution is made directly to a scholarship granting organization; and

24 (2) either:

25 (A) not later than the date of the contribution, the taxpayer designates in writing to the
26 scholarship granting organization that the contribution is to be used only for a school
27 scholarship program; or

28 (B) the scholarship granting organization provides the taxpayer with written
29 confirmation that the contribution will be dedicated solely for use in a school scholarship
30 program.

31 **Sec. 13.** The total amount of tax credits awarded under this chapter may not exceed five
32 million dollars (\$5,000,000) in any state fiscal year.

33 **Sec. 14.** The department, on an Internet web site used by the department to provide
34 information to the public, shall provide the following information:

35 (1) The application for the credit provided in this chapter.

36 (2) A timeline for receiving the credit provided in this chapter.

37 (3) The total amount of credits awarded under this chapter during the current state fiscal
38 year.

39 **Sec. 15.** The department shall adopt rules under IC 4-22-2 to implement this chapter.

40 SECTION 74. IC 6-3.1-31.9-1, AS ADDED BY P.L.223-2007, SECTION 4, IS AMENDED TO
41 READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. As used in this chapter, "alternative
42 fuel" means:

43 (1) methanol, denatured ethanol, and other alcohols;

44 (2) mixtures containing eighty-five percent (85%) or more by volume of methanol, denatured
45 ethanol, and other alcohols with gasoline or other fuel;

46 (3) natural gas;

47 (4) liquefied petroleum gas;

48 (5) hydrogen;



- 1 (6) coal-derived liquid fuels;
- 2 (7) non-alcohol fuels derived from biological material;
- 3 (8) P-Series fuels; or
- 4 (9) electricity; or
- 5 **(10) biodiesel or diesel fuel.**

6 SECTION 75. IC 6-3.1-32-17, AS ADDED BY P.L.235-2007, SECTION 2, IS AMENDED TO
 7 READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 17. A qualified applicant is not entitled to
 8 a tax credit under this chapter for tangible personal property:

- 9 (1) that is a qualified production expenditure; and
- 10 (2) for which the qualified applicant claims an exemption under IC 6-2.5-5-41 **(before its**
 11 **repeal).**

12 SECTION 76. IC 6-3.1-32-20, AS ADDED BY P.L.235-2007, SECTION 2, IS AMENDED TO
 13 READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 20. (a) A tax credit may not be awarded
 14 under this chapter for a ~~taxable year ending after December 31, 2011:~~ **qualified production**
 15 **expenditure made after June 30, 2009.**

16 (b) This chapter expires January 1, ~~2012:~~ **2010.**

17 SECTION 77. IC 6-3.5-1.1-14, AS AMENDED BY P.L.146-2008, SECTION 328, IS AMENDED
 18 TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 14. (a) In
 19 determining the amount of property tax replacement credits civil taxing units and school corporations
 20 of a county are entitled to receive during a calendar year, the department of local government finance
 21 shall consider only property taxes imposed on tangible property that was assessed in that county.

22 (b) If a civil taxing unit or a school corporation is located in more than one (1) county and receives
 23 property tax replacement credits from one (1) or more of the counties, then the property tax
 24 replacement credits received from each county shall be used only to reduce the property tax rates that
 25 are imposed within the county that distributed the property tax replacement credits.

26 (c) A civil taxing unit shall treat any property tax replacement credits that it receives or is to receive
 27 during a particular calendar year as a part of its property tax levy for that same calendar year for
 28 purposes of fixing its budget and for purposes of the property tax levy limits imposed by IC 6-1.1-18.5.

29 (d) Subject to subsection (e), if a civil taxing unit or school corporation of an adopting county does
 30 not impose a property tax levy that is first due and payable in a calendar year in which property tax
 31 replacement credits are being distributed, the civil taxing unit or school corporation is entitled to use
 32 the property tax replacement credits distributed to the civil taxing unit or school corporation for any
 33 purpose for which a property tax levy could be used.

34 (e) A school corporation shall treat any property tax replacement credits that the school corporation
 35 receives or is to receive during a particular calendar year as a part of its property tax levy for its debt
 36 service fund, capital projects fund, transportation fund, **and** school bus replacement fund **and special**
 37 **education preschool fund** in proportion to the levy for each of these funds for that same calendar year
 38 for purposes of fixing its budget. A school corporation shall allocate the property tax replacement
 39 credits described in this subsection to all ~~five (5)~~ **four (4)** funds in proportion to the levy for each fund.

40 SECTION 78. IC 6-5.5-1-2, AS AMENDED BY P.L.223-2007, SECTION 5, IS AMENDED TO
 41 READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 2. (a) Except as
 42 provided in subsections (b) through (d), "adjusted gross income" means taxable income as defined in
 43 Section 63 of the Internal Revenue Code, adjusted as follows:

- 44 (1) Add the following amounts:
- 45 (A) An amount equal to a deduction allowed or allowable under Section 166, Section 585, or
- 46 Section 593 of the Internal Revenue Code.
- 47 (B) An amount equal to a deduction allowed or allowable under Section 170 of the Internal
- 48 Revenue Code.



1 (C) An amount equal to a deduction or deductions allowed or allowable under Section 63 of
2 the Internal Revenue Code for taxes based on or measured by income and levied at the state
3 level by a state of the United States or levied at the local level by any subdivision of a state
4 of the United States.

5 (D) The amount of interest excluded under Section 103 of the Internal Revenue Code or under
6 any other federal law, minus the associated expenses disallowed in the computation of taxable
7 income under Section 265 of the Internal Revenue Code.

8 (E) An amount equal to the deduction allowed under Section 172 or 1212 of the Internal
9 Revenue Code for net operating losses or net capital losses.

10 (F) For a taxpayer that is not a large bank (as defined in Section 585(c)(2) of the Internal
11 Revenue Code), an amount equal to the recovery of a debt, or part of a debt, that becomes
12 worthless to the extent a deduction was allowed from gross income in a prior taxable year
13 under Section 166(a) of the Internal Revenue Code.

14 (G) Add the amount necessary to make the adjusted gross income of any taxpayer that owns
15 property for which bonus depreciation was allowed in the current taxable year or in an earlier
16 taxable year equal to the amount of adjusted gross income that would have been computed had
17 an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus
18 depreciation to the property in the year that it was placed in service.

19 (H) Add the amount necessary to make the adjusted gross income of any taxpayer that placed
20 Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in
21 the current taxable year or in an earlier taxable year equal to the amount of adjusted gross
22 income that would have been computed had an election for federal income tax purposes not
23 been made for the year in which the property was placed in service to take deductions under
24 Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand
25 dollars (\$25,000).

26 (I) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic
27 production activities for the taxable year under Section 199 of the Internal Revenue Code for
28 federal income tax purposes.

29 **(J) Add an amount equal to any income not included in gross income as a result of the**
30 **deferral of income arising from business indebtedness discharged in connection with the**
31 **reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt**
32 **instrument, as provided in Section 108(i) of the Internal Revenue Code. Subtract from**
33 **the adjusted gross income of any taxpayer that added an amount to adjusted gross**
34 **income in a previous year the amount necessary to offset the amount included in federal**
35 **gross income as a result of the deferral of income arising from business indebtedness**
36 **discharged in connection with the reacquisition after December 31, 2008, and before**
37 **January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the**
38 **Internal Revenue Code.**

39 **(K) Add the amount necessary to make the adjusted gross income of any taxpayer that**
40 **placed qualified restaurant property in service during the taxable year and that was**
41 **classified as 15-year property under Section 168(e)(3)(E)(v) of the Internal Revenue**
42 **Code equal to the amount of adjusted gross income that would have been computed had**
43 **the classification not applied to the property in the year that it was placed in service.**

44 **(L) Add the amount necessary to make the adjusted gross income of any taxpayer that**
45 **placed qualified retail improvement property in service during the taxable year and that**
46 **was classified as 15-year property under Section 168(e)(3)(E)(ix) of the Internal Revenue**
47 **Code equal to the amount of adjusted gross income that would have been computed had**
48 **the classification not applied to the property in the year that it was placed in service.**



1 (M) Add or subtract the amount necessary to make the adjusted gross income of any
2 taxpayer that claimed the special allowance for qualified disaster assistance property
3 under Section 168(n) of the Internal Revenue Code equal to the amount of adjusted gross
4 income that would have been computed had the special allowance not been claimed for
5 the property.

6 (N) Add or subtract the amount necessary to make the adjusted gross income of any
7 taxpayer that made an election under Section 179C of the Internal Revenue Code to
8 expense costs for qualified refinery property equal to the amount of adjusted gross
9 income that would have been computed had an election for federal income tax purposes
10 not been made for the year.

11 (O) Add or subtract the amount necessary to make the adjusted gross income of any
12 taxpayer that made an election under Section 181 of the Internal Revenue Code to
13 expense costs for a qualified film or television production equal to the amount of
14 adjusted gross income that would have been computed had an election for federal
15 income tax purposes not been made for the year.

16 (P) Add an amount equal to any loss that is treated under Section 301 of the Emergency
17 Economic Stabilization Act of 2008 as an ordinary loss from the sale or exchange of
18 preferred stock in:

19 (i) the Federal National Mortgage Association, established under the Federal National
20 Mortgage Association Charter Act (12 U.S.C. 1716 et seq.); or

21 (ii) the Federal Home Loan Mortgage Corporation, established under the Federal
22 Home Loan Mortgage Corporation Act (12 U.S.C. 1451 et seq.).

23 Subtract from the adjusted gross income of any taxpayer that added an amount to
24 adjusted gross income in a previous year the amount necessary to offset the amount
25 included in federal gross income as a result of any loss that is treated under Section 301
26 of the Emergency Economic Stabilization Act of 2008 as an ordinary loss from the sale
27 or exchange of preferred stock described in item (i) or (ii).

28 (Q) Add an amount equal to any exempt insurance income under Section 953(e) of the
29 Internal Revenue Code for active financing income under Subpart F, Subtitle A,
30 Chapter 1, Subchapter N of the Internal Revenue Code.

31 (2) Subtract the following amounts:

32 (A) Income that the United States Constitution or any statute of the United States prohibits
33 from being used to measure the tax imposed by this chapter.

34 (B) Income that is derived from sources outside the United States, as defined by the Internal
35 Revenue Code.

36 (C) An amount equal to a debt or part of a debt that becomes worthless, as permitted under
37 Section 166(a) of the Internal Revenue Code.

38 (D) An amount equal to any bad debt reserves that are included in federal income because of
39 accounting method changes required by Section 585(c)(3)(A) or Section 593 of the Internal
40 Revenue Code.

41 (E) The amount necessary to make the adjusted gross income of any taxpayer that owns
42 property for which bonus depreciation was allowed in the current taxable year or in an earlier
43 taxable year equal to the amount of adjusted gross income that would have been computed had
44 an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus
45 depreciation.

46 (F) The amount necessary to make the adjusted gross income of any taxpayer that placed
47 Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in
48 the current taxable year or in an earlier taxable year equal to the amount of adjusted gross



1 income that would have been computed had an election for federal income tax purposes not
2 been made for the year in which the property was placed in service to take deductions under
3 Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand
4 dollars (\$25,000).

5 (G) Income that is:

6 (i) exempt from taxation under IC 6-3-2-21.7; and

7 (ii) included in the taxpayer's taxable income under the Internal Revenue Code.

8 (b) In the case of a credit union, "adjusted gross income" for a taxable year means the total transfers
9 to undivided earnings minus dividends for that taxable year after statutory reserves are set aside under
10 IC 28-7-1-24.

11 (c) In the case of an investment company, "adjusted gross income" means the company's federal
12 taxable income multiplied by the quotient of:

13 (1) the aggregate of the gross payments collected by the company during the taxable year from
14 old and new business upon investment contracts issued by the company and held by residents of
15 Indiana; divided by

16 (2) the total amount of gross payments collected during the taxable year by the company from the
17 business upon investment contracts issued by the company and held by persons residing within
18 Indiana and elsewhere.

19 (d) As used in subsection (c), "investment company" means a person, copartnership, association,
20 limited liability company, or corporation, whether domestic or foreign, that:

21 (1) is registered under the Investment Company Act of 1940 (15 U.S.C. 80a-1 et seq.); and

22 (2) solicits or receives a payment to be made to itself and issues in exchange for the payment:

23 (A) a so-called bond;

24 (B) a share;

25 (C) a coupon;

26 (D) a certificate of membership;

27 (E) an agreement;

28 (F) a pretended agreement; or

29 (G) other evidences of obligation;

30 entitling the holder to anything of value at some future date, if the gross payments received by
31 the company during the taxable year on outstanding investment contracts, plus interest and
32 dividends earned on those contracts (by prorating the interest and dividends earned on investment
33 contracts by the same proportion that certificate reserves (as defined by the Investment Company
34 Act of 1940) is to the company's total assets) is at least fifty percent (50%) of the company's gross
35 payments upon investment contracts plus gross income from all other sources except dividends
36 from subsidiaries for the taxable year. The term "investment contract" means an instrument listed
37 in clauses (A) through (G).

38 SECTION 79. IC 6-7-1-28.1, AS AMENDED BY P.L.3-2008, SECTION 66, IS AMENDED TO
39 READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 28.1. The taxes, registration fees, fines, or
40 penalties collected under this chapter shall be deposited in the following manner:

41 (1) Four and twenty-two hundredths percent (4.22%) of the money shall be deposited in a fund
42 to be known as the cigarette tax fund.

43 (2) Six-tenths percent (0.6%) of the money shall be deposited in a fund to be known as the mental
44 health centers fund.

45 (3) ~~Fifty-three~~ **Fifty-seven** and ~~sixty-eight~~ **twenty-eight** hundredths percent (~~53.68%~~) (**57.28%**)
46 of the money shall be deposited in the state general fund.

47 (4) Five and forty-three hundredths percent (5.43%) of the money shall be deposited into the
48 pension relief fund established in IC 5-10.3-11.



1 (5) Twenty-seven and five hundredths percent (27.05%) of the money shall be deposited in the
2 Indiana check-up plan trust fund established by IC 12-15-44.2-17.

3 (6) Two and forty-six hundredths percent (2.46%) of the money shall be deposited in the state
4 general fund for the purpose of paying appropriations for Medicaid—Current Obligations, for
5 provider reimbursements.

6 (7) ~~Four and one-tenth~~ **Five-tenths** percent ~~(4.1%)~~ **(0.5%)** of the money shall be deposited in the
7 ~~state general fund for the purpose of paying any appropriation for a health initiative;~~ **retiree**
8 **health benefit trust fund established by IC 5-10-8-8.5 for the purpose of paying any**
9 **appropriation for a health initiative.**

10 (8) Two and forty-six hundredths percent (2.46%) of the money shall be deposited in the state
11 general fund for the purpose of reimbursing the state general fund for a tax credit provided under
12 IC 6-3.1-31.

13 The money in the cigarette tax fund, the mental health centers fund, the Indiana check-up plan trust
14 fund, or the pension relief fund at the end of a fiscal year does not revert to the state general fund.
15 However, if in any fiscal year, the amount allocated to a fund under subdivision (1) or (2) is less than
16 the amount received in fiscal year 1977, then that fund shall be credited with the difference between
17 the amount allocated and the amount received in fiscal year 1977, and the allocation for the fiscal year
18 to the fund under subdivision (3) shall be reduced by the amount of that difference. Money deposited
19 under subdivisions (6) through ~~(8)~~ **(7)** may not be used for any purpose other than the purpose stated
20 in the subdivision.

21 SECTION 80. IC 12-8-1-10, AS AMENDED BY P.L.113-2008, SECTION 2, IS AMENDED TO
22 READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 10. This chapter expires ~~January 1, 2010;~~
23 **June 30, 2011.**

24 SECTION 81. IC 12-8-2-12, AS AMENDED BY P.L.113-2008, SECTION 3, IS AMENDED TO
25 READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 12. This chapter expires ~~January 1, 2010;~~
26 **June 30, 2011.**

27 SECTION 82. IC 12-8-6-10, AS AMENDED BY P.L.113-2008, SECTION 4, IS AMENDED TO
28 READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 10. This chapter expires ~~January 1, 2010;~~
29 **June 30, 2011.**

30 SECTION 83. IC 12-8-8-8, AS AMENDED BY P.L.113-2008, SECTION 5, IS AMENDED TO
31 READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 8. This chapter expires ~~January 1, 2010;~~
32 **June 30, 2011.**

33 SECTION 84. IC 20-19-3-9 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO
34 READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 9. Beginning with the school year**
35 **beginning July 1, 2009, the department shall obtain and maintain student test number**
36 **information in a manner and form that permits any person who is authorized to review the**
37 **information, to:**

38 (1) **access the information at any time; and**

39 (2) **accurately determine:**

40 (A) **where each student is enrolled and attending classes; and**

41 (B) **the number of students enrolled in a school corporation or charter school and**
42 **residing in the area served by a school corporation;**

43 **as of any date after June 30, 2009, occurring before two (2) regular instructional days**
44 **before the date of the inquiry.**

45 **Each school corporation and charter school shall provide the information to the department in**
46 **the form and on a schedule that permits the department to comply with this section. The**
47 **department shall provide technical assistance to school corporations and charter schools to assist**
48 **school corporations and charter schools in complying with this section.**



1 SECTION 85. IC 20-20-13-3, AS ADDED BY P.L.218-2005, SECTION 45, IS AMENDED TO
2 READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 3. As used in sections 13 through 24 of this
3 chapter, "school corporation" includes, except as otherwise provided in this chapter, the Indiana
4 School for the Blind and Visually Impaired established by IC 20-21-2-1, ~~and~~ the Indiana School for
5 the Deaf established by IC 20-22-2-1, **and a charter school established under IC 20-24.**

6 SECTION 86. IC 20-20-36.2-5, AS ADDED BY P.L.1-2009, SECTION 120, IS AMENDED TO
7 READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 5. (a) An eligible
8 school corporation's circuit breaker replacement amount for 2009 is equal to the result determined
9 under STEP FOUR of the following formula:

10 STEP ONE: Determine the amount of credits granted against the eligible school corporation's
11 combined levy for the eligible school corporation's debt service fund, capital projects fund,
12 transportation fund, school bus replacement fund, and racial balance fund.

13 STEP TWO: Determine the sum of the STEP ONE amounts for all eligible school corporations
14 in Indiana.

15 STEP THREE: Divide **the lesser of the STEP TWO amount or** fifty million dollars
16 (\$50,000,000) by the STEP TWO amount, rounding to the nearest ten thousandth (0.0001).

17 STEP FOUR: Multiply the STEP THREE result by the STEP ONE amount, rounding to the
18 nearest dollar (\$1).

19 (b) An eligible school corporation's circuit breaker replacement amount for 2010 is equal to the
20 result determined under STEP FOUR of the following formula:

21 STEP ONE: Determine the amount of credits granted against the eligible school corporation's
22 combined levy for the school corporation's debt service fund, capital projects fund, transportation
23 fund, school bus replacement fund, and racial balance fund.

24 STEP TWO: Determine the sum of the STEP ONE amounts for all eligible school corporations
25 in Indiana.

26 STEP THREE: Divide **the lesser of the STEP TWO amount or** seventy million dollars
27 (\$70,000,000) by the STEP TWO amount, rounding to the nearest ten thousandth (0.0001).

28 STEP FOUR: Multiply the STEP THREE result by the STEP ONE amount, rounding to the
29 nearest dollar (\$1).

30 SECTION 87. IC 20-20-36.2-7, AS ADDED BY P.L.1-2009, SECTION 120, IS AMENDED TO
31 READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 7. (a) Not later
32 than ~~May~~ **July 30** of a calendar year, the budget agency shall certify to the department an initial
33 estimate of the circuit breaker replacement amount attributable to each school corporation for the
34 calendar year.

35 (b) Not later than November 1 of a calendar year, the budget agency shall certify to the department
36 a final estimate of the circuit breaker replacement amount attributable to each eligible school
37 corporation for the calendar year.

38 (c) The budget agency shall compute an amount certified under this section using the best
39 information available to the budget agency at the time the certification is made.

40 SECTION 88. IC 20-20-36.2-8, AS ADDED BY P.L.1-2009, SECTION 120, IS AMENDED TO
41 READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 8. Subject to
42 section 9 of this chapter, the department shall distribute a grant to an eligible school corporation equal
43 to fifty percent (50%) of the eligible school corporation's estimated circuit breaker replacement amount
44 for the calendar year in two (2) installments. ~~An installment shall be paid not later than:~~

45 ~~(1) June 20; and~~

46 ~~(2) December 20;~~

47 ~~of the calendar year.~~

48 SECTION 89. IC 20-23-6-18 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO



1 READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: **Sec. 18. (a) This section applies to a school**
2 **corporation with an ADM on June 30, 2009, of less than one hundred (100) students.**

3 **(b) Before July 1, 2010, a school corporation to which this section applies shall reorganize by**
4 **consolidating with an adjacent school corporation under this chapter.**

5 **(c) If the governing body of a school corporation to which this section applies does not comply**
6 **with this section before July 1, 2010, the state board shall, after June 30, 2010, develop a**
7 **reorganization plan for the school corporation and require the governing body to implement the**
8 **plan.**

9 SECTION 90. IC 20-24-7-11, AS ADDED BY P.L.246-2005, SECTION 129, IS CORRECTED
10 AND IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 11. (a) If the**
11 **United States Department of Education approves a new competition for states to receive matching**
12 **funds for charter school facilities, the department shall pursue this federal funding.**

13 *(b) There is appropriated to the department of education ten million dollars (\$10,000,000) from*
14 *the common school fund interest balance in the state general fund to provide state matching funds for*
15 *the federal funding described in subsection (a) for the benefit of charter schools, beginning July 1,*
16 *2005, and ending June 30, 2007.*

17 *(b) The department shall use the common school fund interest balance to provide state matching*
18 *funds for the federal funding described in subsection (a) for the benefit of charter schools.*

19 **(c) The department shall develop guidelines and the state board shall adopt rules under IC 4-22-2**
20 **necessary to implement this section.**

21 **(c) To increase the state's opportunity to receive matching funds from the United States**
22 **Department of Education, the department shall develop a facilities incentive grants program**
23 **before January 1, 2010.**

24 **(d) The department shall use the priority criteria set forth in 21 U.S.C. 7221d(b) and 34 CFR**
25 **226.12 through 34 CFR 226.14 to develop the facilities incentive grants program.**

26 SECTION 91. IC 20-24-7-13 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO
27 READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: **Sec. 13. (a) As used in this SECTION,**
28 **"virtual charter school" means any charter school, including a conversion charter school, that**
29 **provides for the delivery of more than fifty percent (50%) of instruction to students through:**

- 30 **(1) virtual distance learning;**
- 31 **(2) online technologies; or**
- 32 **(3) computer based instruction.**

33 **(b) The department shall establish a program for virtual charter schools. The department**
34 **may choose an entity or entities to operate the virtual charter schools.**

35 **(c) A virtual charter school is entitled to a state tuition support distribution determined under**
36 **the following formula:**

37 **STEP ONE: Determine the number of students included in the virtual charter school's**
38 **ADM.**

39 **STEP TWO: Determine fifty percent (50%) of the students included in the virtual charter**
40 **school's ADM who were not previously enrolled in a public or charter school on the prior**
41 **count day.**

42 **STEP THREE: Subtract the STEP TWO amount from the STEP ONE amount.**

43 **STEP FOUR: Multiply the STEP THREE amount by eighty percent (80%) of the statewide**
44 **average basic tuition support for the current year.**

45 SECTION 92. IC 20-26-5-4, AS AMENDED BY P.L.168-2006, SECTION 1, IS AMENDED TO
46 READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: **Sec. 4. In carrying out the school purposes of**
47 **a school corporation, the governing body acting on the school corporation's behalf has the following**
48 **specific powers:**



1 (1) In the name of the school corporation, to sue and be sued and to enter into contracts in matters
2 permitted by applicable law.

3 (2) To take charge of, manage, and conduct the educational affairs of the school corporation and
4 to establish, locate, and provide the necessary schools, school libraries, other libraries where
5 permitted by law, other buildings, facilities, property, and equipment.

6 (3) To appropriate from the school corporation's general fund an amount, not to exceed the
7 greater of three thousand dollars (\$3,000) per budget year or one dollar (\$1) per pupil, not to
8 exceed twelve thousand five hundred dollars (\$12,500), based on the school corporation's
9 previous year's ADM, to promote the best interests of the school corporation through:

10 (A) the purchase of meals, decorations, memorabilia, or awards;

11 (B) provision for expenses incurred in interviewing job applicants; or

12 (C) developing relations with other governmental units.

13 (4) To:

14 (A) Acquire, construct, erect, maintain, hold, and contract for construction, erection, or
15 maintenance of real estate, real estate improvements, or an interest in real estate or real estate
16 improvements, as the governing body considers necessary for school purposes, including
17 buildings, parts of buildings, additions to buildings, rooms, gymnasiums, auditoriums,
18 playgrounds, playing and athletic fields, facilities for physical training, buildings for
19 administrative, office, warehouse, repair activities, or housing school owned buses,
20 landscaping, walks, drives, parking areas, roadways, easements and facilities for power, sewer,
21 water, roadway, access, storm and surface water, drinking water, gas, electricity, other utilities
22 and similar purposes, by purchase, either outright for cash (or under conditional sales or
23 purchase money contracts providing for a retention of a security interest by the seller until
24 payment is made or by notes where the contract, security retention, or note is permitted by
25 applicable law), by exchange, by gift, by devise, by eminent domain, by lease with or without
26 option to purchase, or by lease under IC 20-47-2, IC 20-47-3, or IC 20-47-5.

27 (B) Repair, remodel, remove, or demolish, or to contract for the repair, remodeling, removal,
28 or demolition of the real estate, real estate improvements, or interest in the real estate or real
29 estate improvements, as the governing body considers necessary for school purposes.

30 (C) Provide for conservation measures through utility efficiency programs or under a
31 guaranteed savings contract as described in IC 36-1-12.5.

32 (5) To acquire personal property or an interest in personal property as the governing body
33 considers necessary for school purposes, including buses, motor vehicles, equipment, apparatus,
34 appliances, books, furniture, and supplies, either by cash purchase or under conditional sales or
35 purchase money contracts providing for a security interest by the seller until payment is made or
36 by notes where the contract, security, retention, or note is permitted by applicable law, by gift,
37 by devise, by loan, or by lease with or without option to purchase and to repair, remodel, remove,
38 relocate, and demolish the personal property. All purchases and contracts specified under the
39 powers authorized under subdivision (4) and this subdivision are subject solely to applicable law
40 relating to purchases and contracting by municipal corporations in general and to the supervisory
41 control of state agencies as provided in section 6 of this chapter.

42 (6) To sell or exchange real or personal property or interest in real or personal property that, in
43 the opinion of the governing body, is not necessary for school purposes, in accordance with
44 IC 20-26-7, to demolish or otherwise dispose of the property if, in the opinion of the governing
45 body, the property is not necessary for school purposes and is worthless, and to pay the expenses
46 for the demolition or disposition.

47 (7) To lease any school property for a rental that the governing body considers reasonable or to
48 permit the free use of school property for:



- 1 (A) civic or public purposes; or
- 2 (B) the operation of a school age child care program for children who are at least five (5) years
- 3 of age and less than fifteen (15) years of age that operates before or after the school day, or
- 4 both, and during periods when school is not in session;

5 if the property is not needed for school purposes. Under this subdivision, the governing body may
6 enter into a long term lease with a nonprofit corporation, community service organization, or
7 other governmental entity, if the corporation, organization, or other governmental entity will use
8 the property to be leased for civic or public purposes or for a school age child care program.
9 However, if payment for the property subject to a long term lease is made from money in the
10 school corporation's debt service fund, all proceeds from the long term lease must be deposited
11 in the school corporation's debt service fund so long as payment for the property has not been
12 made. The governing body may, at the governing body's option, use the procedure specified in
13 IC 36-1-11-10 in leasing property under this subdivision.

14 (8) To:

15 (A) Employ, contract for, and discharge superintendents, supervisors, principals, teachers,
16 librarians, athletic coaches (whether or not they are otherwise employed by the school
17 corporation and whether or not they are licensed under IC 20-28-5), business managers,
18 superintendents of buildings and grounds, janitors, engineers, architects, physicians, dentists,
19 nurses, accountants, teacher aides performing noninstructional duties, educational and other
20 professional consultants, data processing and computer service for school purposes, including
21 the making of schedules, the keeping and analyzing of grades and other student data, the
22 keeping and preparing of warrants, payroll, and similar data where approved by the state board
23 of accounts as provided below, and other personnel or services as the governing body
24 considers necessary for school purposes.

25 (B) Fix and pay the salaries and compensation of persons and services described in this
26 subdivision.

27 (C) Classify persons or services described in this subdivision and to adopt schedules of
28 salaries or compensation.

29 (D) Determine the number of the persons or the amount of the services employed or
30 contracted for as provided in this subdivision.

31 (E) Determine the nature and extent of the duties of the persons described in this subdivision.

32 The compensation, terms of employment, and discharge of teachers are, however, subject to and
33 governed by the laws relating to employment, contracting, compensation, and discharge of
34 teachers. The compensation, terms of employment, and discharge of bus drivers are subject to
35 and governed by laws relating to employment, contracting, compensation, and discharge of bus
36 drivers. The forms and procedures relating to the use of computer and data processing equipment
37 in handling the financial affairs of the school corporation must be submitted to the state board
38 of accounts for approval so that the services are used by the school corporation when the
39 governing body determines that it is in the best interest of the school corporation while at the
40 same time providing reasonable accountability for the funds expended.

41 (9) Notwithstanding the appropriation limitation in subdivision (3), when the governing body by
42 resolution considers a trip by an employee of the school corporation or by a member of the
43 governing body to be in the interest of the school corporation, including attending meetings,
44 conferences, or examining equipment, buildings, and installation in other areas, to permit the
45 employee to be absent in connection with the trip without any loss in pay and to reimburse the
46 employee or the member the employee's or member's reasonable lodging and meal expenses and
47 necessary transportation expenses. To pay teaching personnel for time spent in sponsoring and
48 working with school related trips or activities.



1 (10) To transport children to and from school, when in the opinion of the governing body the
2 transportation is necessary, including considerations for the safety of the children and without
3 regard to the distance the children live from the school. The transportation must be otherwise in
4 accordance with applicable law.

5 (11) To provide a lunch program for a part or all of the students attending the schools of the
6 school corporation, including the establishment of kitchens, kitchen facilities, kitchen equipment,
7 lunch rooms, the hiring of the necessary personnel to operate the lunch program, and the purchase
8 of material and supplies for the lunch program, charging students for the operational costs of the
9 lunch program, fixing the price per meal or per food item. To operate the lunch program as an
10 extracurricular activity, subject to the supervision of the governing body. To participate in a
11 surplus commodity or lunch aid program.

12 (12) To purchase textbooks, to furnish textbooks without cost or to rent textbooks to students,
13 to participate in a textbook aid program, all in accordance with applicable law.

14 (13) To accept students transferred from other school corporations and to transfer students to
15 other school corporations in accordance with applicable law.

16 (14) To make budgets, to appropriate funds, and to disburse the money of the school corporation
17 in accordance with applicable law. To borrow money against current tax collections and
18 otherwise to borrow money, in accordance with IC 20-48-1.

19 (15) To purchase insurance or to establish and maintain a program of self-insurance relating to
20 the liability of the school corporation or the school corporation's employees in connection with
21 motor vehicles or property and for additional coverage to the extent permitted and in accordance
22 with IC 34-13-3-20. To purchase additional insurance or to establish and maintain a program of
23 self-insurance protecting the school corporation and members of the governing body, employees,
24 contractors, or agents of the school corporation from liability, risk, accident, or loss related to
25 school property, school contract, school or school related activity, including the purchase of
26 insurance or the establishment and maintenance of a self-insurance program protecting persons
27 described in this subdivision against false imprisonment, false arrest, libel, or slander for acts
28 committed in the course of the persons' employment, protecting the school corporation for fire
29 and extended coverage and other casualty risks to the extent of replacement cost, loss of use, and
30 other insurable risks relating to property owned, leased, or held by the school corporation. To:

31 (A) participate in a state employee health plan under IC 5-10-8-6.6;

32 (B) purchase insurance; or

33 (C) establish and maintain a program of self-insurance;

34 to benefit school corporation employees, including accident, sickness, health (**before July 1,**
35 **2012**) or dental coverage (**before July 1, 2012**), provided that a plan of self-insurance must
36 include an aggregate stop-loss provision.

37 (16) To make all applications, to enter into all contracts, and to sign all documents necessary for
38 the receipt of aid, money, or property from the state, the federal government, or from any other
39 source.

40 (17) To defend a member of the governing body or any employee of the school corporation in any
41 suit arising out of the performance of the member's or employee's duties for or employment with,
42 the school corporation, if the governing body by resolution determined that the action was taken
43 in good faith. To save any member or employee harmless from any liability, cost, or damage in
44 connection with the performance, including the payment of legal fees, except where the liability,
45 cost, or damage is predicated on or arises out of the bad faith of the member or employee, or is
46 a claim or judgment based on the member's or employee's malfeasance in office or employment.

47 (18) To prepare, make, enforce, amend, or repeal rules, regulations, and procedures:

48 (A) for the government and management of the schools, property, facilities, and activities of



1 the school corporation, the school corporation's agents, employees, and pupils and for the
2 operation of the governing body; and

3 (B) that may be designated by an appropriate title such as "policy handbook", "bylaws", or
4 "rules and regulations".

5 (19) To ratify and approve any action taken by a member of the governing body, an officer of the
6 governing body, or an employee of the school corporation after the action is taken, if the action
7 could have been approved in advance, and in connection with the action to pay the expense or
8 compensation permitted under IC 20-26-1 through IC 20-26-5, IC 20-26-7, IC 20-40-12, and
9 IC 20-48-1 or any other law.

10 (20) To exercise any other power and make any expenditure in carrying out the governing body's
11 general powers and purposes provided in this chapter or in carrying out the powers delineated in
12 this section which is reasonable from a business or educational standpoint in carrying out school
13 purposes of the school corporation, including the acquisition of property or the employment or
14 contracting for services, even though the power or expenditure is not specifically set out in this
15 chapter. The specific powers set out in this section do not limit the general grant of powers
16 provided in this chapter except where a limitation is set out in IC 20-26-1 through IC 20-26-5,
17 IC 20-26-7, IC 20-40-12, and IC 20-48-1 by specific language or by reference to other law.

18 SECTION 93. IC 20-28-6-2.5 IS ADDED TO THE INDIANA CODE AS A **NEW**
19 SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: **Sec. 2.5. A contract**
20 **entered into or renewed under this chapter after June 30, 2009, may not extend beyond**
21 **June 30 of the next odd-numbered year occurring after the contract is entered into or**
22 **renewed.**

23 SECTION 94. IC 20-28-7-9, AS AMENDED BY P.L.38-2007, SECTION 1, IS AMENDED TO
24 READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 9. (a) Before a teacher is refused
25 continuation of the contract under section 8 of this chapter, the teacher has the following rights, which
26 shall be strictly construed:

27 (1) The principal of the school at which the teacher teaches must provide the teacher with an
28 annual written evaluation of the teacher's performance before January 1 of each year. Upon the
29 request of a nonpermanent teacher, delivered in writing to the principal not later than thirty (30)
30 days after the teacher receives the evaluation required by this section, the principal shall provide
31 the teacher with an additional written evaluation.

32 (2) ~~On or before May 1,~~ The school corporation shall **at least sixty (60) days before the**
33 **beginning of the next school term** notify the teacher that the governing body will consider
34 nonrenewal of the contract for the next school term. The notification must be:

35 (A) written; and

36 (B) delivered in person or mailed by registered or certified mail to the teacher at the teacher's
37 last known address.

38 (b) The notice in subsection (a)(2) must include a written statement, which:

39 (1) may be developed in executive session; and

40 (2) is not a public document;

41 giving the reasons for the consideration of the nonrenewal of the teacher's contract.

42 (c) For reasons other than a reduction in force, the notice in subsection (a)(2) must inform the
43 teacher that, not later than ten (10) days after the teacher's receipt of the notice, the teacher may
44 request a conference under section 10 of this chapter.

45 (d) If the reason for nonrenewal is reduction in force, the teacher may request a conference as
46 provided in section 10 of this chapter.

47 SECTION 95. IC 20-29-6-4.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO



1 READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: **Sec. 4.5. Any health, vision, or dental benefits**
2 **that are:**

3 (1) **provided to school employees after June 30, 2012; and**

4 (2) **negotiated under this chapter;**

5 **must be provided under a state employee health plan as provided in IC 5-10-8-6.7.**

6 SECTION 96. IC 20-30-6-1, AS ADDED BY P.L.1-2005, SECTION 14, IS AMENDED TO READ
7 AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 1. (a) **As used in this section, "qualified**
8 **provider" means any of the following:**

9 (1) **A school corporation.**

10 (2) **An eligible provider (as defined in 20 U.S.C. 9202).**

11 ~~(a)~~ (b) **The state board and the state superintendent may prescribe a program of adult education**
12 **under this section and the federal Adult Education and Family Literacy Act (20 U.S.C. 9201 et**
13 **seq.). The state board shall adopt rules under IC 4-22-2 to provide for this program and to provide for**
14 **the state distribution formula for money appropriated by the general assembly for adult education.**
15 **Money appropriated by the general assembly for adult education may be used only to reimburse a**
16 **school corporation qualified provider for adult education that is provided to individuals who:**

17 (1) **need the education to master a skill that leads to:**

18 (A) **the completion of grade 8; or**

19 (B) **a state of Indiana general educational development (GED) diploma under IC 20-20-6;**

20 (2) **need the education to receive high school credit to obtain a high school diploma; or**

21 (3) **have graduated from high school (or received a high school equivalency certificate or a state**
22 **of Indiana general educational development (GED) diploma) but who demonstrate basic skill**
23 **deficiencies in mathematics or English/language arts.**

24 **For purposes of reimbursement under this section, ~~the school corporation a qualified provider~~ may**
25 **not count an individual who is also enrolled in ~~the school corporation's~~ a kindergarten through grade**
26 **12 educational program. An individual described in subdivision (3) may be counted for reimbursement**
27 **by ~~the school corporation a qualified provider~~ only for classes taken in mathematics and**
28 **English/language arts.**

29 ~~(b)~~ (c) **The state board shall provide for reimbursement to a ~~school corporation qualified provider~~**
30 **under this section for instructor salaries and administrative and support costs. However, the state board**
31 **may not allocate more than fifteen percent (15%) of the total appropriation under subsection ~~(a)~~ (b)**
32 **for administrative and support costs.**

33 ~~(c)~~ (d) **A ~~school corporation qualified provider~~ may conduct a program of adult education.**

34 ~~(d)~~ (e) **A school corporation may require an individual who:**

35 (1) **is at least sixteen (16) years of age; and**

36 (2) **wishes to enroll in a school following the student's expulsion from school under IC 20-33-8**
37 **on the grounds that the student was:**

38 (A) **disorderly; or**

39 (B) **dangerous to persons or property;**

40 **to attend evening classes or classes established for students who are at least sixteen (16) years of age.**
41 **However, the school corporation shall provide a child with a disability (as defined in IC 20-35-1-2)**
42 **who is at least eighteen (18) years of age and whom the school corporation elects to educate with an**
43 **appropriate special educational program.**

44 SECTION 97. IC 20-33-8.5-5, AS AMENDED BY P.L.234-2007, SECTION 228, IS AMENDED
45 TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 5. **The agreement must provide**
46 **how the expenses of supervising a student who has been suspended or expelled are funded. A school**
47 **corporation may not be required to expend more than the transition to foundation revenue per adjusted**
48 **ADM amount (as defined in IC 20-43-1-29.3) determined under IC 20-43-5-6) for each student**



1 referred under the agreement.

2 SECTION 98. IC 20-43-1-1, AS AMENDED BY P.L.234-2007, SECTION 232, IS AMENDED
3 TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 1. This article expires January 1, ~~2010~~
4 **2012.**

5 SECTION 99. IC 20-43-1-8, AS ADDED BY P.L.2-2006, SECTION 166, IS AMENDED TO
6 READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 8. "Basic tuition support" means the
7 part of a school corporation's state tuition support for basic programs determined under ~~IC 20-43-6-5.~~
8 **IC 20-43-6-3.**

9 SECTION 100. IC 20-43-1-25, AS ADDED BY P.L.2-2006, SECTION 166, IS AMENDED TO
10 READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 25. "State tuition support" means the
11 amount of state funds to be distributed to:

12 (1) a school corporation **other than a virtual charter school** in any calendar year under this
13 article for all grants, distributions, and awards described in IC 20-43-2-3; and

14 (2) a **virtual charter school in any calendar year under IC 20-24-7-13.**

15 SECTION 101. IC 20-43-1-31 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO
16 READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: **Sec. 31. "Virtual charter school" has the**
17 **meaning set forth in IC 20-24-7-13.**

18 SECTION 102. IC 20-43-1-32 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO
19 READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: **Sec. 32. For purposes**
20 **of the calculation of state tuition support under this article and for purposes of federal state**
21 **fiscal stabilization funds, a school corporation's fiscal year is the calendar year.**

22 SECTION 103. IC 20-43-2-2, AS AMENDED BY P.L.146-2008, SECTION 482, IS AMENDED
23 TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 2. The
24 maximum state distribution (**excluding federal funds under the American Recovery and**
25 **Reinvestment Act of 2009**) for a calendar year for all school corporations for the purposes described
26 in section 3 of this chapter is:

27 (1) ~~three billion eight hundred twelve million five hundred thousand dollars (\$3,812,500,000) in~~
28 ~~2007;~~

29 (2) ~~three billion nine hundred sixty million nine hundred thousand dollars (\$3,960,900,000) in~~
30 ~~2008; and~~

31 (3) (1) ~~six five billion five eight hundred nine sixty-one million dollars (\$6,509,000,000)~~
32 ~~(\$5,861,000,000) in 2009;~~

33 (2) ~~six billion four hundred ninety-seven million one hundred thousand dollars~~
34 ~~(\$6,497,100,000) in 2010; and~~

35 (3) ~~six billion five hundred twelve million dollars (\$6,512,000,000) in 2011.~~

36 SECTION 104. IC 20-43-5-3, AS AMENDED BY P.L.3-2008, SECTION 125, IS AMENDED TO
37 READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 3. A school corporation's complexity
38 index is determined under the following formula:

39 STEP ONE: Determine the greater of zero (0) or the result of the following:

40 (1) Determine the percentage of the school corporation's students who were eligible for free
41 or reduced price lunches in the school year ending in the later of ~~2007~~ **2009** or the first year
42 of operation of the school corporation.

43 (2) Determine the quotient of:

44 (A) ~~in 2008:~~

45 (i) ~~two thousand two hundred fifty dollars (\$2,250); divided by~~

46 (ii) ~~four thousand seven hundred ninety dollars (\$4,790); and~~

47 (B) ~~in 2009:~~

48 (i) (A) ~~two thousand four hundred dollars (\$2,400); divided by~~



- 1 (ii) **(B)** four thousand eight hundred twenty-five dollars (\$4,825).
- 2 (3) Determine the product of:
- 3 (A) the subdivision (1) amount; multiplied by
- 4 (B) the subdivision (2) amount.
- 5 STEP TWO: Determine the result of one (1) plus the STEP ONE result.
- 6 STEP THREE: This STEP applies if the STEP TWO result is equal to or greater than at least one
- 7 and twenty-five hundredths (1.25). Determine the result of the following:
- 8 (1) Subtract one and twenty-five hundredths (1.25) from the STEP TWO result.
- 9 (2) Determine the result of:
- 10 (A) the STEP TWO result; plus
- 11 (B) the subdivision (1) result.

12 The data to be used in making the calculations under STEP ONE must be the data collected in the
13 annual pupil enrollment count by the department.

14 SECTION 105. IC 20-43-5-4, AS AMENDED BY P.L.234-2007, SECTION 244, IS AMENDED
15 TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 4. A school corporation's
16 foundation amount for a calendar year is the result determined under STEP TWO of the following
17 formula:

18 STEP ONE: Determine

- 19 (A) in 2008; four thousand seven hundred ninety dollars (\$4,790); or
- 20 (B) in 2009; **The STEP ONE amount is** four thousand eight hundred twenty-five dollars
- 21 (\$4,825).

22 STEP TWO: Multiply the STEP ONE amount by the school corporation's complexity index.

23 SECTION 106. IC 20-43-5-6, AS AMENDED BY P.L.234-2007, SECTION 245, IS AMENDED
24 TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 6. **(a) This subsection applies**
25 **to a charter school with an ADM for 2009 that is not greater than zero (0). A charter school's**
26 **transition to foundation amount for a year is equal to the foundation amount for the year.**

27 **(b) This subsection applies to a school corporation that is not described in subsection (a). A**
28 **school corporation's transition to foundation amount for a calendar year is equal to the result**
29 **determined under STEP THREE TWO of the following formula:**

30 STEP ONE: Determine the difference of:

- 31 (A) the school corporation's foundation amount; minus
- 32 (B) the school corporation's previous year revenue foundation amount.

33 STEP TWO: Divide the STEP ONE result by:

- 34 (A) four (4) in 2008; or
- 35 (B) three (3) in 2009.

36 STEP THREE: A school corporation's STEP THREE amount is the following:

37 (A) For a charter school located outside Marion County that has previous year revenue that
38 is not greater than zero (0); the charter school's STEP THREE amount is the quotient of:

- 39 (i) the school corporation's transition to foundation revenue for the calendar year where the
- 40 charter school is located; divided by
- 41 (ii) the school corporation's current ADM.

42 (B) For a charter school located in Marion County that has previous year revenue that is not
43 greater than zero (0); the charter school's STEP THREE amount is the weighted average of
44 the transition to foundation revenue for the school corporations where the students counted
45 in the current ADM of the charter school have legal settlement; as determined under item (iv)
46 of the following formula:

- 47 (i) Determine the transition to foundation revenue for each school corporation where a
- 48 student counted in the current ADM of the charter school has legal settlement.



- 1 (ii) For each school corporation identified in item (i); divide the item (i) amount by the
 2 school corporation's current ADM.
 3 (iii) For each school corporation identified in item (i); multiply the item (ii) amount by the
 4 number of students counted in the current ADM of the charter school that have legal
 5 settlement in the particular school corporation.
 6 (iv) Determine the sum of the item (iii) amounts for the charter school.
 7 (C) The STEP THREE amount for a school corporation that is not a charter school described
 8 in clause (A) or (B) is the following:
 9 (i) The school corporation's foundation amount for the calendar year; if the STEP ONE
 10 amount is at least negative fifty dollars (-\$50) and not more than one hundred dollars
 11 (\$100).
 12 (ii) For 2009; the school corporation's foundation amount for the calendar year; if the
 13 foundation amount in 2008 equaled the school corporation's transition to foundation revenue
 14 per adjusted ADM in 2008.
 15 (iii) The sum of the school corporation's previous year revenue foundation amount and the
 16 greater of the school corporation's STEP TWO amount or one hundred dollars (\$100); if the
 17 school corporation's STEP ONE amount is greater than one hundred dollars (\$100).
 18 (iv) The difference determined by subtracting fifty dollars (\$50) from the school
 19 corporation's previous year revenue foundation amount; if the school corporation's STEP
 20 ONE amount is less than negative fifty dollars (-\$50).

21 **STEP ONE: Determine the amount of basic tuition support to which the school corporation**
 22 **would have been entitled for the 2009 calendar year if:**

- 23 (A) the school corporation's basic tuition support had been computed using the formula
 24 for computing basic tuition support for 2009 as that formula existed after the
 25 amendments made by P.L.146-2008; and
 26 (B) the changes made to this article in the 2009 session of the general assembly were not
 27 applied.

28 **STEP TWO: Divide the STEP ONE amount by the school corporation's 2009 ADM.**

29 SECTION 107. IC 20-43-6-1, AS ADDED BY P.L.2-2006, SECTION 166, IS AMENDED TO
 30 READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 1. Subject to the amount appropriated
 31 by the general assembly for state tuition support and IC 20-43-2, the amount that a school corporation
 32 is entitled to receive in basic tuition support for a year is the amount determined in section 5 3 of this
 33 chapter.

34 SECTION 108. IC 20-43-6-3, AS AMENDED BY P.L.146-2008, SECTION 488, IS AMENDED
 35 TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 3. (a) ~~A school corporation's total~~
 36 ~~regular program tuition support for a calendar year is the amount determined under the applicable~~
 37 ~~provision of this section. This subsection applies to a virtual charter school. A virtual charter~~
 38 ~~school's basic tuition support for a year is the amount determined under IC 20-24-7-13.~~

39 (b) This subsection applies to a school corporation that has transition to foundation revenue per
 40 adjusted ADM for a calendar year that is not equal to the school corporation's foundation amount for
 41 the calendar year. ~~The is not described in subsection (a).~~ A school corporation's total regular program
 42 basic tuition support for a calendar year is equal to the school corporation's transition to foundation
 43 revenue amount for the calendar year **determined under IC 20-43-5-6 multiplied by the school**
 44 **corporation's current ADM.**

45 (c) This subsection applies to a school corporation that has transition to foundation revenue per
 46 adjusted ADM for a calendar year that is equal to the school corporation's foundation amount for the
 47 calendar year. The school corporation's total regular program tuition support for a calendar year is the
 48 sum of the following:



1 (1) The school corporation's foundation amount for the calendar year multiplied by the school
2 corporation's adjusted ADM for the current year.

3 (2) The amount of the annual decrease in federal aid to impacted areas from the year preceding
4 the ensuing calendar year by three (3) years to the year preceding the ensuing calendar year by
5 two (2) years.

6 SECTION 109. IC 20-43-7-6, AS AMENDED BY P.L.234-2007, SECTION 252, IS AMENDED
7 TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 6. A school corporation's special
8 education grant for a calendar year is equal to the sum of the following:

9 (1) The nonduplicated count of pupils in programs for severe disabilities multiplied by

10 (A) in 2008; eight thousand three hundred dollars (\$8,300); and

11 (B) in 2009; eight thousand three hundred fifty dollars (\$8,350).

12 (2) The nonduplicated count of pupils in programs of mild and moderate disabilities multiplied
13 by

14 (A) in 2008; two thousand two hundred fifty dollars (\$2,250); and

15 (B) in 2009; two thousand two hundred sixty-five dollars (\$2,265).

16 (3) The duplicated count of pupils in programs for communication disorders multiplied by

17 (A) in 2008; five hundred thirty-one dollars (\$531); and

18 (B) in 2009; five hundred thirty-three dollars (\$533).

19 (4) The cumulative count of pupils in homebound programs multiplied by

20 (A) in 2008; five hundred thirty-one dollars (\$531); and

21 (B) in 2009; five hundred thirty-three dollars (\$533).

22 **(5) The nonduplicated count of pupils in special preschool education programs multiplied**
23 **by two thousand seven hundred fifty dollars (\$2,750).**

24 SECTION 110. IC 20-43-9-4, AS AMENDED BY P.L.234-2007, SECTION 253, IS AMENDED
25 TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 4. For purposes of computation
26 under this chapter, the following shall be used:

27 (1) The staff cost amount for a school corporation

28 (A) in 2008; is seventy-two thousand dollars (\$72,000); and

29 (B) in 2009; is seventy-four thousand five hundred dollars (\$74,500).

30 (2) The guaranteed primetime amount for a school corporation is the primetime allocation, before
31 any penalty is assessed under this chapter, that the school corporation would have received under
32 this chapter for the 1999 calendar year or the first year of participation in the program, whichever
33 is later.

34 (3) The following apply to determine whether amounts received under this chapter have been
35 devoted to reducing class size in kindergarten through grade 3 as required by section 2 of this
36 chapter:

37 (A) Except as permitted under section 8 of this chapter, only a licensed teacher who is an
38 actual classroom teacher in a regular instructional program is counted as a teacher.

39 (B) If a school corporation is granted approval under section 8 of this chapter, the school
40 corporation may include as one-third (1/3) of a teacher each classroom instructional aide who
41 meets qualifications and performs duties prescribed by the state board.

42 SECTION 111. IC 20-43-9-6, AS AMENDED BY P.L.234-2007, SECTION 254, IS AMENDED
43 TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 6. A school corporation's
44 primetime distribution for a calendar year under this chapter is the amount determined by the
45 following formula:

46 STEP ONE: Determine the applicable target pupil/teacher ratio for the school corporation as
47 follows:

48 (A) If the school corporation's complexity index is less than one and one-tenth (1.1), the



1 school corporation's target pupil/teacher ratio is eighteen to one (18:1).
2 (B) If the school corporation's complexity index is at least one and one-tenth (1.1) but less
3 than one and two-tenths (1.2), the school corporation's target pupil/teacher ratio is fifteen (15)
4 plus the result determined in item (iii) to one (1):
5 (i) Determine the result of one and two-tenths (1.2) minus the school corporation's
6 complexity index.
7 (ii) Determine the item (i) result divided by one-tenth (0.1).
8 (iii) Determine the item (ii) result multiplied by three (3).
9 (C) If the school corporation's complexity index is at least one and two-tenths (1.2), the school
10 corporation's target pupil/teacher ratio is fifteen to one (15:1).
11 STEP TWO: Determine the result of:
12 (A) the ADM of the school corporation in kindergarten through grade 3 for the current school
13 year; divided by
14 (B) the school corporation's applicable target pupil/teacher ratio, as determined in STEP ONE.
15 STEP THREE: Determine the result of:
16 (A) the ~~total regular program~~ **basic** tuition support for the year multiplied by seventy-five
17 hundredths (0.75); divided by
18 (B) the school corporation's total ADM.
19 STEP FOUR: Determine the result of:
20 (A) the STEP THREE result; multiplied by
21 (B) the ADM of the school corporation in kindergarten through grade 3 for the current school
22 year.
23 STEP FIVE: Determine the result of:
24 (A) the STEP FOUR result; divided by
25 (B) the staff cost amount.
26 STEP SIX: Determine the greater of zero (0) or the result of:
27 (A) the STEP TWO amount; minus
28 (B) the STEP FIVE amount.
29 STEP SEVEN: Determine the result of:
30 (A) the STEP SIX amount; multiplied by
31 (B) the staff cost amount.
32 STEP EIGHT: Determine the greater of the STEP SEVEN amount or the school corporation's
33 guaranteed primetime amount.
34 STEP NINE: A school corporation's amount under this STEP is the following:
35 (A) If the amount the school corporation received under this chapter in the previous calendar
36 year is greater than zero (0), the amount under this STEP is the lesser of:
37 (i) the STEP EIGHT amount; or
38 (ii) the amount the school corporation received under this chapter for the previous calendar
39 year multiplied by one hundred seven and one-half percent (107.5%).
40 (B) If the amount the school corporation received under this chapter in the previous calendar
41 year is not greater than zero (0), the amount under this STEP is the STEP EIGHT amount.
42 SECTION 112. IC 20-46-5-6.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO
43 READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 6.1. (a) This section does not apply**
44 **to a school corporation located in South Bend, unless a resolution adopted under**
45 **IC 6-1.1-17-5.6(d) by the governing body of the school corporation is in effect.**
46 **(b) Before a governing body may collect property taxes for the fund in a particular calendar**
47 **year, the governing body must, after January 1 and not later than September 20 of the**
48 **immediately preceding year:**



- 1 **(1) conduct a public hearing on; and**
2 **(2) pass a resolution to adopt;**
3 **a plan.**

4 **(c) This section expires January 1, 2011.**

5 SECTION 113. IC 20-46-5-7, AS AMENDED BY P.L.146-2008, SECTION 505, IS AMENDED
6 TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) Except as provided in
7 subsection (b), this section applies only to a school corporation located in South Bend.

8 (b) After December 31, ~~2009~~, **2010**, this section applies to all school corporations.

9 (c) This subsection expires January 1, ~~2010~~: **2011**. This section does not apply to the school
10 corporation if a resolution adopted under IC 6-1.1-17-5.6(d) by the governing body of the school
11 corporation is in effect.

12 (d) Before the governing body of the school corporation may collect property taxes for the fund in
13 a particular calendar year, the governing body must, after January 1 and on or before February 1 of
14 the immediately preceding year:

15 (1) conduct a public hearing on; and

16 (2) pass a resolution to adopt;

17 **a plan.**

18 SECTION 114. IC 20-46-5-10, AS ADDED BY P.L.2-2006, SECTION 169, IS AMENDED TO
19 READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. (a) A governing body may amend
20 a plan. When an amendment to a plan is required, the governing body must:

21 (1) declare the nature of and the need for the amendment; and

22 (2) show cause as to why the original plan no longer meets the needs of the school corporation.

23 (b) The governing body must then conduct a public hearing on and pass a resolution to adopt the
24 amendment to the plan.

25 (c) The plan, as proposed to be amended, must comply with the requirements for a plan under
26 section 8 of this chapter.

27 (d) An amendment to the plan is not subject to the deadlines for adoption described in section ~~6~~ **6.1**
28 or 7 of this chapter. However, the amendment to the plan must be submitted to the department of local
29 government finance for its consideration and is subject to approval, disapproval, or modification in
30 accordance with the procedures for adopting a plan set forth in this chapter.

31 SECTION 115. IC 20-46-6-8.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO
32 READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 8.1. (a) This section does not apply**
33 **to a school corporation that is located in South Bend, unless a resolution adopted under**
34 **IC 6-1.1-17-5.6(d) by the governing body of the school corporation is in effect.**

35 **(b) Before a governing body may collect property taxes for a capital projects fund in a**
36 **particular year, the governing body must:**

37 **(1) after January 1; and**

38 **(2) not later than September 20;**

39 **of the immediately preceding year, hold a public hearing on a proposed or amended plan and**
40 **pass a resolution to adopt the proposed or amended plan.**

41 **(c) This section expires January 1, 2011.**

42 SECTION 116. IC 20-46-6-9, AS AMENDED BY P.L.146-2008, SECTION 508, IS AMENDED
43 TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) Except as provided in
44 subsection (b), this section applies only to a school corporation that is located in South Bend.

45 (b) After December 31, ~~2009~~, **2010**, this section applies to all school corporations.

46 (c) This subsection expires January 1, ~~2010~~: **2011**. This section does not apply to the school
47 corporation if a resolution adopted under IC 6-1.1-17-5.6(d) by the governing body of the school
48 corporation is in effect.



1 (d) Before the governing body of the school corporation may collect property taxes for a fund in
2 a particular year, the governing body must:

- 3 (1) after January 1; and
- 4 (2) before February 2;

5 of the immediately preceding year, hold a public hearing on a proposed or amended plan and pass a
6 resolution to adopt the proposed or amended plan.

7 SECTION 117. IC 20-46-6-18, AS ADDED BY P.L.2-2006, SECTION 169, IS AMENDED TO
8 READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 18. (a) This section applies to an
9 amendment to a plan that is required by a reason other than an emergency.

10 (b) The governing body must hold a public hearing on the proposed amendment. At the hearing,
11 the governing body must declare the nature of and the need for the amendment and pass a resolution
12 to adopt the amendment to the plan.

13 (c) The plan, as proposed to be amended, must comply with the requirements for a plan under
14 section 10 of this chapter. The governing body must publish the proposed amendment to the plan and
15 notice of the hearing in accordance with IC 5-3-1-2(b).

16 (d) An amendment to the plan:

- 17 (1) is not subject to the deadline for adoption described in section 8 8.1 or 9 of this chapter;
- 18 (2) must be submitted to the department of local government finance for its consideration; and
- 19 (3) is subject to approval, disapproval, or modification in accordance with the procedures for
20 adopting a plan.

21 SECTION 118. IC 20-46-6-19, AS ADDED BY P.L.2-2006, SECTION 169, IS AMENDED TO
22 READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 19. (a) This section applies to an
23 amendment to a plan that is required by reason of an emergency that results in costs that exceed the
24 amount accumulated in the fund for repair, replacement, or site acquisition that is necessitated by an
25 emergency.

26 (b) The governing body is not required to comply with section 18 of this chapter.

27 (c) The governing body must immediately apply to the department of local government finance for
28 a determination that an emergency exists. If the department of local government finance determines
29 that an emergency exists, the governing body may adopt a resolution to amend the plan.

30 (d) An amendment to the plan is not subject to the deadline and the procedures for adoption
31 described in section 8 8.1 or 9 of this chapter. However, the amendment is subject to modification by
32 the department of local government finance.

33 SECTION 119. IC 20-49-1-3, AS AMENDED BY P.L.234-2007, SECTION 265, IS AMENDED
34 TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 3. "~~Transition to foundation~~
35 ~~revenue per adjusted ADM~~" has the meaning set forth in IC 20-43-1-29.3: **amount**" refers to the
36 **amount determined under IC 20-43-5-6.**

37 SECTION 120. IC 20-49-7-10, AS AMENDED BY P.L.234-2007, SECTION 266, IS AMENDED
38 TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 10. The amount of an advance
39 for operational costs may not exceed the amount determined under STEP THREE of the following
40 formula:

41 STEP ONE: Determine the product of:

- 42 (A) the charter school's enrollment reported under IC 20-24-7-2(a); multiplied by
- 43 (B) the charter school's transition to foundation ~~revenue per adjusted ADM~~: **amount**.

44 STEP TWO: Determine the quotient of:

- 45 (A) the STEP ONE amount; divided by
- 46 (B) two (2).

47 STEP THREE: Determine the product of:

- 48 (A) the STEP TWO amount; multiplied by



1 (B) one and fifteen-hundredths (1.15).
2 SECTION 121. IC 20-49-7-11, AS AMENDED BY P.L.234-2007, SECTION 267, IS AMENDED
3 TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 11. The amount of an advance
4 for operational costs may not exceed the amount determined under STEP FOUR of the following
5 formula:

- 6 STEP ONE: Determine the quotient of:
7 (A) the charter school's transition to foundation revenue per adjusted ADM; amount; divided
8 by
9 (B) two (2).
10 STEP TWO: Determine the difference between:
11 (A) the charter school's current ADM; minus
12 (B) the charter school's ADM of the previous year.
13 STEP THREE: Determine the product of:
14 (A) the STEP ONE amount; multiplied by
15 (B) the STEP TWO amount.
16 STEP FOUR: Determine the product of:
17 (A) the STEP THREE amount; multiplied by
18 (B) one and fifteen-hundredths (1.15).

19 SECTION 122. IC 20-49-7-21 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO
20 READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: **Sec. 21. (a) A charter school, including a**
21 **conversion charter school, that has received an advance for operational costs from the common**
22 **school fund under this chapter does not have to make principal or interest payments during the**
23 **state fiscal years beginning:**

- 24 (1) July 1, 2009; and
25 (2) July 1, 2010;
26 notwithstanding contrary terms in the charter school and state board advance agreement.
27 (b) The repayment term of the advance shall be extended by two (2) years to provide for the
28 waiver described in subsection (a) even though it may make the repayment term for the advance
29 longer than twenty (20) years.

30 SECTION 123. IC 20-51 IS ADDED TO THE INDIANA CODE AS A NEW ARTICLE TO READ
31 AS FOLLOWS [EFFECTIVE JULY 1, 2009]:

32 **ARTICLE 51. SCHOOL SCHOLARSHIPS**

33 **Chapter 1. Definitions**

34 **Sec. 1. The definitions in this chapter apply throughout this article.**

35 **Sec. 2. "Agreement" refers to an agreement between the department and an applicant that**
36 **applies for certification of a school scholarship program.**

37 **Sec. 3. "Contribution" refers to a contribution to a scholarship granting organization for use**
38 **in a school scholarship program.**

39 **Sec. 4. (a) "Cost of education" means the tuition and fees that would otherwise be charged**
40 **by a participating school to:**

- 41 (1) an eligible student; or
42 (2) a parent of an eligible student.
43 (b) In the case of an eligible pupil who attends a public school, the term includes any transfer
44 tuition charged to the eligible student or a parent of the eligible student.

45 **Sec. 5. "Eligible student" refers to an individual who:**

- 46 (1) has legal settlement in Indiana;
47 (2) is at least five (5) years of age and less than twenty-two (22) years of age on the date in
48 the school year specified in IC 20-33-2-7;



- 1 (3) either has been or is currently enrolled in a participating school;
- 2 (4) either:
 - 3 (A) is a member of a household with an annual income of not more than two hundred
 - 4 percent (200%) of the amount required for the individual to qualify for the federal free
 - 5 or reduced price lunch program; or
 - 6 (B) received a scholarship under this article in the immediately preceding school year
 - 7 or the immediately preceding term of the current school year and qualified under clause
 - 8 (A) in the first year that the individual received a scholarship under this article; and
- 9 (5) meets at least one (1) of the following conditions:
 - 10 (A) The individual is enrolling in kindergarten.
 - 11 (B) The individual was enrolled in a public school during the school year preceding the
 - 12 first school year for which a scholarship granting organization provides a scholarship
 - 13 to the individual.
 - 14 (C) The individual received a scholarship in the previous year from a nonprofit
 - 15 scholarship granting organization that qualifies for certification as a school scholarship
 - 16 program.
 - 17 (D) The individual received a school scholarship for the previous school year.

18 Sec. 6. (a) "Participating school" refers to a public or nonpublic school that:

- 19 (1) an eligible student is required to pay tuition or transfer tuition to attend;
- 20 (2) voluntarily agrees to enroll an eligible student;
- 21 (3) is accredited by either the state board or a national or regional accreditation agency that
- 22 is recognized by the state board; and
- 23 (4) administers the tests under the Indiana statewide testing for educational progress
- 24 (ISTEP) program or administers another nationally recognized and norm-referenced
- 25 assessment of the school's students.

26 (b) The term does not include a public school in a school corporation where the eligible

27 student has legal settlement under IC 20-26-11.

28 Sec. 7. "Scholarship granting organization" refers to an organization that:

- 29 (1) is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue
- 30 Code; and
- 31 (2) is organized at least in part to grant school scholarships.

32 Sec. 8. "School scholarship" refers to a grant to pay only the cost of education for an eligible

33 student as determined for the school year (as defined in IC 20-18-2-17) for which the scholarship

34 will be granted.

35 Chapter 2. Exchange of Information; Rules

36 Sec. 1. The department shall maintain a publicly available list of the school scholarship

37 programs certified by the department. The list must contain names, addresses, and any other

38 information that the department determines is necessary for the public to determine which

39 scholarship granting organizations conduct school scholarship programs. A current list must be

40 posted on an Internet web site used by the department to provide information to the public.

41 Chapter 3. Scholarship Granting Organizations; Certification; Administration of

42 Contributions

43 Sec. 1. (a) A program qualifies for certification as a school scholarship program if:

- 44 (1) the program:
 - 45 (A) is administered by a scholarship granting organization; and
 - 46 (B) has the primary purpose of providing school scholarships to eligible students; and
- 47 (2) the scholarship granting organization administering the program:
 - 48 (A) applies to the department on the form and in the manner prescribed by the



1 department; and

2 (B) enters into an agreement with the department to comply with this article.

3 (b) A program may not be certified as a school scholarship program if the program:

4 (1) limits a recipient of a school scholarship to attending specific participating schools; or

5 (2) limits the ability of a recipient of a school scholarship to change attendance from one

6 (1) participating school to another participating school.

7 Sec. 2. The department shall certify all programs that meet the qualifications under section
8 1 of this chapter as school scholarship programs.

9 Sec. 3. An agreement entered into under section 1 of this chapter between the department and
10 a scholarship granting organization must require the scholarship granting organization to do
11 the following:

12 (1) Provide a receipt to taxpayers for contributions made to the scholarship granting
13 organization that will be used in a school scholarship program. The department of state
14 revenue shall prescribe a standardized form for the receipt issued under this subdivision.
15 The receipt must indicate the value of the contribution and portion of the contribution
16 being designated for use in a school scholarship program.

17 (2) Distribute at least ninety percent (90%) of the total amount of contributions as school
18 scholarships to eligible students.

19 (3) Distribute one hundred percent (100%) of any income earned on contributions as school
20 scholarships to eligible students.

21 (4) Conduct criminal background checks on all the scholarship granting organization's
22 employees and board members and exclude from employment or governance any individual
23 who might reasonably pose a risk to the appropriate use of contributed funds.

24 (5) Make the reports required by this chapter.

25 Sec. 4. An agreement entered into under section 1 of this chapter may not prohibit a
26 scholarship granting organization from receiving contributions other than contributions
27 described in section 3(1) of this chapter.

28 Sec. 5. An agreement entered into under section 1 of this chapter must prohibit a scholarship
29 granting organization from distributing school scholarships for use by an eligible student to:

30 (1) enroll in a school that has:

31 (A) paid staff or board members; or

32 (B) relatives of paid staff or board members;

33 in common with the scholarship granting support organization;

34 (2) enroll in a school that the scholarship granting organization knows does not qualify as
35 a participating school; or

36 (3) pay for the cost of education for a public school where the eligible student is entitled to
37 enroll without the payment of tuition.

38 Sec. 6. (a) A scholarship granting organization certified under this chapter must publicly
39 report to the department by August 1 of each year the following information regarding the
40 organization's scholarships awarded in the previous school year:

41 (1) The name and address of the scholarship granting organization.

42 (2) The total number and total dollar amount of contributions received during the previous
43 school year.

44 (3) The:

45 (A) total number and total dollar amount of scholarships awarded during the previous
46 school year; and

47 (B) total number and total dollar amount of school scholarships awarded during the
48 previous school year.



1 The report must be certified under penalties of perjury by the chief executive officer of the
2 scholarship granting organization.

3 (b) A scholarship granting organization certified under this chapter shall contract with an
4 independent certified public accountant for an annual financial audit of the scholarship granting
5 organization. The scholarship granting organization must provide a copy of the annual financial
6 audit to the department and must make the annual financial audit available to a member of the
7 public upon request.

8 Sec. 7. The department shall prescribe a standardized form for scholarship granting
9 organizations to report information required under this chapter.

10 Sec. 8. The department may, in a proceeding under IC 4-21.5, suspend or terminate the
11 certification of an organization as a scholarship granting organization if the department
12 establishes that the scholarship granting organization has intentionally and substantially failed
13 to comply with the requirements of this article or an agreement entered into under this article.

14 Sec. 9. If the department suspends or terminates the certification of an organization as a
15 scholarship granting organization, the department shall notify affected eligible students and
16 their parents of the decision as quickly as possible. An eligible student affected by a suspension
17 or termination of a scholarship granting organization's certification remains an eligible student
18 under this article until the end of the school year after the school year in which the scholarship
19 granting organization's certification is suspended or terminated, regardless of whether the
20 scholarship student currently meets the definition of an eligible student.

21 Sec. 10. The department may conduct either a financial review or an audit of a scholarship
22 granting organization certified under this chapter if the department of state revenue has
23 evidence of fraud.

24 Sec. 11. The department shall adopt rules under IC 4-22-2 to implement this article.

25 SECTION 124. IC 21-12-6-6, AS ADDED BY P.L.2-2007, SECTION 253, IS AMENDED TO
26 READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 6. A student may apply to the commission
27 for a scholarship. To qualify for a scholarship, the student must meet the following requirements:

- 28 (1) Be an eligible student who qualified to participate in the program under section 5 of this
29 chapter.
- 30 (2) Be a resident of Indiana.
- 31 (3) Be a graduate from a secondary school located in Indiana that meets the admission criteria
32 of an eligible institution.
- 33 (4) Have applied to attend and be accepted to attend as a full-time student at an eligible
34 institution.
- 35 (5) Certify in writing that the student has:
 - 36 (A) not illegally used controlled substances (as defined in IC 35-48-1-9);
 - 37 (B) not illegally consumed alcoholic beverages;
 - 38 (C) not committed any other crime or a delinquent act (as described in IC 31-37-1-2 or
39 IC 31-37-2-2 through IC 31-37-2-5 (or IC 31-6-4-1(a)(1) through IC 31-6-4-1(a)(5) before
40 their repeal)); and
 - 41 (D) timely filed an application for other types of financial assistance available to the student
42 from the state or federal government.
- 43 (6) Submit to the commission all the information and evidence required by the commission to
44 determine eligibility as a scholarship applicant.
- 45 (7) Demonstrate financial need at the time of applying for state financial aid as required
46 under section 5(a)(4)(E) of this chapter using a methodology consistent with the
47 methodology used to determine eligibility for programs under IC 21-12-3 and IC 21-12-4.
- 48 (7) (8) Meet any other minimum criteria established by the commission.



1 SECTION 125. IC 21-12-6-7, AS ADDED BY P.L.2-2007, SECTION 253, IS AMENDED TO
2 READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 7. A scholarship may be renewed. To
3 qualify for a scholarship renewal, a scholarship recipient must do the following:

- 4 (1) Submit to the commission a renewal application that contains all the information and evidence
5 required by the commission to determine eligibility for the scholarship renewal.
- 6 (2) Continue to be enrolled as a full-time student in good standing at an eligible institution.
- 7 (3) Continue to meet any other minimum criteria established by the commission.
- 8 **(4) Continue to demonstrate need as determined by the commission.**

9 SECTION 126. IC 21-14-10-4, AS ADDED BY P.L.141-2008, SECTION 4, IS AMENDED TO
10 READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 4. If an eligible applicant:

- 11 (1) is permitted to matriculate in a state educational institution;
- 12 (2) qualifies under this chapter; and
- 13 (3) has earned or has been awarded a ~~cash scholarship~~ **nonstate tuition based gift aid** that is
14 paid or payable to the state educational institution, from any source;

15 the amount paid shall be applied to the credit of the eligible applicant in the payment of ~~incidental~~
16 ~~expenses~~ **tuition and regularly assessed fees** of the eligible applicant's attendance at the state
17 educational institution ~~The balance, if the terms of the scholarship permit, must be returned to the~~
18 ~~eligible applicant. before the application of state tuition based aid from any source. The amount~~
19 ~~of state aid the student may receive in total from any source or fund may not exceed eight (8)~~
20 ~~semesters (or the equivalent).~~

21 SECTION 127. IC 21-29-3-3, AS ADDED BY P.L.2-2007, SECTION 270, IS AMENDED TO
22 READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 3. (a) Subject to subsections (b) through
23 (d), any state educational institution may enter into and modify, amend, or terminate one (1) or more
24 swap agreements that the state educational institution determines to be necessary or desirable in
25 connection with or incidental to the issuance, carrying, or securing of obligations. Swap agreements
26 entered into by a state educational institution must:

- 27 (1) contain the provisions (including payment, term, security, default, and remedy provisions);
28 and
- 29 (2) be with the parties;

30 that the state educational institution determines are necessary or desirable after due consideration is
31 given to the creditworthiness of the parties.

32 (b) A state educational institution may not:

- 33 **(1) enter into, modify, amend, or terminate any swap agreement without the specific**
34 **approval of the public finance director appointed under IC 4-4-11-9;**
- 35 ~~(2)~~ **(2)** enter into any swap agreement under this section other than for the purpose of managing
36 an interest rate or similar risk that arises in connection with or incidental to the issuance,
37 carrying, or securing of obligations by the state educational institution; or
- 38 ~~(3)~~ **(3)** carry on a business of acting as a dealer in swap agreements.

39 (c) A swap agreement is considered as being entered into in connection with or incidental to the
40 issuance, carrying, or securing of obligations if:

- 41 (1) the swap agreement is entered into not more than one hundred eighty (180) days after the
42 issuance of the obligations and specifically indicates the agreement's relationship to the
43 obligations;
- 44 (2) the board of trustees of the state educational institution specifically designates the swap
45 agreement as having a relationship to the particular obligations;
- 46 (3) the swap agreement amends, modifies, or reverses a swap agreement described in subdivision
47 (1) or (2); or
- 48 (4) the terms of the swap agreement bear a reasonable relationship to the terms of the obligations.



1 (d) Payments to be made by a state educational institution to any other party under a swap
2 agreement are payable only from the same source or sources of funds from which the related
3 obligations are payable.

4 SECTION 128. IC 21-32-4 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO
5 READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

6 **Chapter 4. Revenue Bonds**

7 **Sec. 1. (a) As used in this section, "research" means research described in IC 21-35-3-2(2).**

8 **(b) Notwithstanding IC 21-33-3 and IC 21-34-10 regarding requirements for approval by the**
9 **general assembly, the trustees of Purdue University and the trustees of Indiana University, upon**
10 **receiving the approvals required under IC 21-34-10-1, may issue general revenue bonds.**

11 **(c) The general revenue bonds may be issued under the procedures set forth in IC 21-34-6**
12 **through IC 21-34-10 (except as provided in subsection (b)).**

13 **(d) The general revenue bonds may be secured by, and shall be payable from, the general**
14 **revenues of the university issuing the bonds, including mandatory student fees and state**
15 **appropriations for fee replacement purposes, but specifically excluding gift, grant, or investment**
16 **revenues specifically dedicated under law to other purposes. The general revenue bonds are in**
17 **all cases subject to any prior lien granted for existing bondholders.**

18 **(e) In addition to the purposes for which bonds may be issued under IC 21-34-6-1, the general**
19 **revenue bonds may be issued to fund the costs of the following purposes (excluding**
20 **compensation costs in the case of the purposes specified in subdivisions (3) through (4)):**

21 **(1) To create or enhance endowments used to establish, attract, and retain faculty or to**
22 **establish distinguished professorships or similar designations.**

23 **(2) To build or acquire research equipment or facilities.**

24 **(3) To establish and invest in research centers in partnerships with federal, state, industrial,**
25 **and university sponsors.**

26 **(4) To provide bridge funding for research support.**

27 **(f) The maximum principal amount of bonds issued by Purdue University under this section**
28 **that may be outstanding at any one (1) time is one hundred million dollars (\$100,000,000).**

29 **(g) The maximum principal amount of bonds issued by Indiana University under this section**
30 **that may be outstanding at any one (1) time is one hundred million dollars (\$100,000,000).**

31 **(h) The authority to issue general revenue bonds under this section:**

32 **(1) is supplemental to all existing authority; and**

33 **(2) expires July 1, 2011.**

34 SECTION 129. IC 31-25-5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO
35 READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]:

36 **Chapter 5. Cooperation With Department of Child Services Ombudsman**

37 **Sec. 1. As used in this chapter, "ombudsman" refers to the office of the department of child**
38 **services ombudsman established within the Indiana department of administration by**
39 **IC 4-13-19-3. The term includes an employee of the office of the department of child services**
40 **ombudsman or an individual approved by the office of the department of child services**
41 **ombudsman to investigate and resolve complaints regarding the health and safety of a child.**

42 **Sec. 2. The department and the juvenile court with jurisdiction over a child shall provide the**
43 **ombudsman with:**

44 **(1) appropriate access to all records of the department concerning the child, excluding**
45 **adoption records, but including all records of the department related to vendors and**
46 **contractors; and**

47 **(2) immediate access, without prior notice, to any facility in which the child is placed or is**
48 **receiving services funded by the department.**



1 SECTION 130. IC 31-27-3-18, AS AMENDED BY P.L.138-2007, SECTION 49, IS AMENDED
2 TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 18. (a) A licensee shall keep records
3 regarding each child in the control and care of the licensee as the department requires and shall report
4 to the department upon request the facts the department requires with reference to children.

5 (b) The department shall keep records regarding children and facts learned about children and the
6 children's parents or relatives confidential.

7 (c) The following have access to records regarding children and facts learned about children:

8 (1) A state agency involved in the licensing of the child caring institution.

9 (2) A legally mandated child protection agency.

10 (3) A law enforcement agency.

11 (4) An agency having the legal responsibility to care for a child placed at the child caring
12 institution.

13 (5) The parent, guardian, or custodian of the child at the child caring institution.

14 (6) A citizen review panel established under IC 31-25-2-20.4.

15 **(7) The department of child services ombudsman established by IC 4-13-19-3.**

16 SECTION 131. IC 31-27-4-21, AS AMENDED BY P.L.138-2007, SECTION 54, IS AMENDED
17 TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 21. (a) A licensee shall keep records
18 required by the department regarding each child in the control and care of the licensee and shall report
19 to the department upon request the facts the department requires with reference to children.

20 (b) The department shall keep records regarding children and facts learned about children and the
21 children's parents or relatives confidential.

22 (c) The following have access to records regarding children and facts learned about children:

23 (1) A state agency involved in the licensing of the foster family home.

24 (2) A legally mandated child protection agency.

25 (3) A law enforcement agency.

26 (4) An agency having the legal responsibility to care for a child placed at the foster family home.

27 (5) The parent, guardian, or custodian of the child at the foster family home.

28 (6) A citizen review panel established under IC 31-25-2-20.4.

29 **(7) The department of child services ombudsman established by IC 4-13-19-3.**

30 SECTION 132. IC 31-27-5-18, AS AMENDED BY P.L.138-2007, SECTION 58, IS AMENDED
31 TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 18. (a) A licensee shall keep records
32 required by the department regarding each child in the control and care of the licensee and shall report
33 to the department, upon request, the facts the department requires with reference to children.

34 (b) The department shall keep records regarding children and facts learned about children and the
35 children's parents or relatives confidential.

36 (c) The following have access to records regarding children and facts learned about children:

37 (1) A state agency involved in the licensing of the group home.

38 (2) A legally mandated child protection agency.

39 (3) A law enforcement agency.

40 (4) An agency having the legal responsibility to care for a child placed at the group home.

41 (5) The parent, guardian, or custodian of the child at the group home.

42 (6) A citizen review panel established under IC 31-25-2-20.4.

43 **(7) The department of child services ombudsman established by IC 4-13-19-3.**

44 SECTION 133. IC 31-27-6-15, AS AMENDED BY P.L.138-2007, SECTION 62, IS AMENDED
45 TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 15. (a) A licensee shall keep records
46 required by the department regarding each child in the control and care of the licensee and shall report
47 to the department upon request the facts the department requires with reference to children.

48 (b) The department shall keep records regarding children and facts learned about children and the



1 children's parents or relatives confidential.

2 (c) The following have access to records regarding children and facts learned about children:

3 (1) A state agency involved in the licensing of the child placing agency.

4 (2) A legally mandated child protection agency.

5 (3) A law enforcement agency.

6 (4) A citizen review panel established under IC 31-25-2-20.4.

7 **(5) The department of child services ombudsman established by IC 4-13-19-3.**

8 SECTION 134. IC 31-33-18-1, AS AMENDED BY P.L.145-2006, SECTION 283, IS AMENDED
9 TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 1. (a) Except as provided in section 1.5
10 of this chapter, the following are confidential:

11 (1) Reports made under this article (or IC 31-6-11 before its repeal).

12 (2) Any other information obtained, reports written, or photographs taken concerning the reports
13 in the possession of:

14 (A) the division of family resources;

15 (B) the county office; **or**

16 (C) the department; **or**

17 **(D) the department of child services ombudsman established by IC 4-13-19-3.**

18 (b) Except as provided in section 1.5 of this chapter, all records held by:

19 (1) the division of family resources;

20 (2) a county office;

21 (3) the department;

22 (4) a local child fatality review team established under IC 31-33-24; **or**

23 (5) the statewide child fatality review committee established under IC 31-33-25; **or**

24 **(6) the department of child services ombudsman established by IC 4-13-19-3;**

25 regarding the death of a child determined to be a result of abuse, abandonment, or neglect are
26 confidential and may not be disclosed.

27 SECTION 135. IC 31-33-18-1.5, AS AMENDED BY P.L.131-2009, SECTION 52, IS AMENDED
28 TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 1.5. (a) This section applies to records
29 held by:

30 (1) the division of family resources;

31 (2) a county office;

32 (3) the department;

33 (4) a local child fatality review team established under IC 31-33-24; **or**

34 (5) the statewide child fatality review committee established under IC 31-33-25; **or**

35 **(6) the department of child services ombudsman established by IC 4-13-19-3;**

36 regarding a child whose death or near fatality may have been the result of abuse, abandonment, or
37 neglect.

38 (b) For purposes of subsection (a), a child's death or near fatality may have been the result of abuse,
39 abandonment, or neglect if:

40 (1) an entity described in subsection (a) determines that the child's death or near fatality is the
41 result of abuse, abandonment, or neglect; or

42 (2) a prosecuting attorney files:

43 (A) an indictment or information; or

44 (B) a complaint alleging the commission of a delinquent act;

45 that, if proven, would cause a reasonable person to believe that the child's death or near fatality
46 may have been the result of abuse, abandonment, or neglect.

47 Upon the request of any person, or upon its own motion, the court exercising juvenile jurisdiction in
48 the county in which the child's death or near fatality occurred shall determine whether the allegations



1 contained in the indictment, information, or complaint described in subdivision (2), if proven, would
2 cause a reasonable person to believe that the child's death or near fatality may have been the result of
3 abuse, abandonment, or neglect.

4 (c) As used in this section:

5 (1) "identifying information" means information that identifies an individual, including an
6 individual's:

7 (A) name, address, date of birth, occupation, place of employment, and telephone number;

8 (B) employer identification number, mother's maiden name, Social Security number, or any
9 identification number issued by a governmental entity;

10 (C) unique biometric data, including the individual's fingerprint, voice print, or retina or iris
11 image;

12 (D) unique electronic identification number, address, or routing code;

13 (E) telecommunication identifying information; or

14 (F) telecommunication access device, including a card, a plate, a code, an account number, a
15 personal identification number, an electronic serial number, a mobile identification number,
16 or another telecommunications service or device or means of account access; and

17 (2) "near fatality" has the meaning set forth in 42 U.S.C. 5106a.

18 (d) Unless information in a record is otherwise confidential under state or federal law, a record
19 described in subsection (a) that has been redacted in accordance with this section is not confidential
20 and may be disclosed to any person who requests the record. The person requesting the record may
21 be required to pay the reasonable expenses of copying the record.

22 (e) When a person requests a record described in subsection (a), the entity having control of the
23 record shall immediately transmit a copy of the record to the court exercising juvenile jurisdiction in
24 the county in which the death or near fatality of the child occurred. However, if the court requests that
25 the entity having control of a record transmit the original record, the entity shall transmit the original
26 record.

27 (f) Upon receipt of the record described in subsection (a), the court shall, within thirty (30) days,
28 redact the record to exclude:

29 (1) identifying information described in subsection (c)(1)(B) through (c)(1)(F) of a person; and

30 (2) all identifying information of a child less than eighteen (18) years of age.

31 (g) The court shall disclose the record redacted in accordance with subsection (f) to any person who
32 requests the record, if the person has paid:

33 (1) to the entity having control of the record, the reasonable expenses of copying under
34 IC 5-14-3-8; and

35 (2) to the court, the reasonable expenses of copying the record.

36 (h) The data and information in a record disclosed under this section must include the following:

37 (1) A summary of the report of abuse or neglect and a factual description of the contents of the
38 report.

39 (2) The date of birth and gender of the child.

40 (3) The cause of the fatality or near fatality, if the cause has been determined.

41 (4) Whether the department or the office of the secretary of family and social services had any
42 contact with the child or a member of the child's family or household before the fatality or near
43 fatality, and, if the department or the office of the secretary of family and social services had
44 contact, the following:

45 (A) The frequency of the contact or communication with the child or a member of the child's
46 family or household before the fatality or near fatality and the date on which the last contact
47 or communication occurred before the fatality or near fatality.

48 (B) A summary of the status of the child's case at the time of the fatality or near fatality,



1 including:

2 (i) whether the child's case was closed by the department or the office of the secretary of
3 family and social services before the fatality or near fatality; and

4 (ii) if the child's case was closed as described under item (i), the reasons that the case was
5 closed.

6 (i) The court's determination under subsection (f) that certain identifying information or other
7 information is not relevant to establishing the facts and circumstances leading to the death or near
8 fatality of a child is not admissible in a criminal proceeding or civil action.

9 SECTION 136. IC 31-33-18-2, AS AMENDED BY P.L.138-2007, SECTION 66, IS AMENDED
10 TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 2. The reports and other material
11 described in section 1(a) of this chapter and the unredacted reports and other material described in
12 section 1(b) of this chapter shall be made available only to the following:

13 (1) Persons authorized by this article.

14 (2) A legally mandated public or private child protective agency investigating a report of child
15 abuse or neglect or treating a child or family that is the subject of a report or record.

16 (3) A police or other law enforcement agency, prosecuting attorney, or coroner in the case of the
17 death of a child who is investigating a report of a child who may be a victim of child abuse or
18 neglect.

19 (4) A physician who has before the physician a child whom the physician reasonably suspects
20 may be a victim of child abuse or neglect.

21 (5) An individual legally authorized to place a child in protective custody if:

22 (A) the individual has before the individual a child whom the individual reasonably suspects
23 may be a victim of abuse or neglect; and

24 (B) the individual requires the information in the report or record to determine whether to
25 place the child in protective custody.

26 (6) An agency having the legal responsibility or authorization to care for, treat, or supervise a
27 child who is the subject of a report or record or a parent, guardian, custodian, or other person who
28 is responsible for the child's welfare.

29 (7) An individual named in the report or record who is alleged to be abused or neglected or, if
30 the individual named in the report is a child or is otherwise incompetent, the individual's guardian
31 ad litem or the individual's court appointed special advocate, or both.

32 (8) Each parent, guardian, custodian, or other person responsible for the welfare of a child named
33 in a report or record and an attorney of the person described under this subdivision, with
34 protection for the identity of reporters and other appropriate individuals.

35 (9) A court, for redaction of the record in accordance with section 1.5 of this chapter, or upon the
36 court's finding that access to the records may be necessary for determination of an issue before
37 the court. However, except for disclosure of a redacted record in accordance with section 1.5 of
38 this chapter, access is limited to in camera inspection unless the court determines that public
39 disclosure of the information contained in the records is necessary for the resolution of an issue
40 then pending before the court.

41 (10) A grand jury upon the grand jury's determination that access to the records is necessary in
42 the conduct of the grand jury's official business.

43 (11) An appropriate state or local official responsible for child protection services or legislation
44 carrying out the official's official functions.

45 (12) A foster care review board established by a juvenile court under IC 31-34-21-9 (or
46 IC 31-6-4-19 before its repeal) upon the court's determination that access to the records is
47 necessary to enable the foster care review board to carry out the board's purpose under
48 IC 31-34-21.



1 (13) The community child protection team appointed under IC 31-33-3 (or IC 31-6-11-14 before
2 its repeal), upon request, to enable the team to carry out the team's purpose under IC 31-33-3.

3 (14) A person about whom a report has been made, with protection for the identity of:

4 (A) any person reporting known or suspected child abuse or neglect; and

5 (B) any other person if the person or agency making the information available finds that
6 disclosure of the information would be likely to endanger the life or safety of the person.

7 (15) An employee of the department, a caseworker, or a juvenile probation officer conducting a
8 criminal history check under IC 31-26-5, IC 31-34, or IC 31-37 to determine the appropriateness
9 of an out-of-home placement for a:

10 (A) child at imminent risk of placement;

11 (B) child in need of services; or

12 (C) delinquent child.

13 The results of a criminal history check conducted under this subdivision must be disclosed to a
14 court determining the placement of a child described in clauses (A) through (C).

15 (16) A local child fatality review team established under IC 31-33-24-6.

16 (17) The statewide child fatality review committee established by IC 31-33-25-6.

17 (18) The department.

18 (19) The division of family resources, if the investigation report:

19 (A) is classified as substantiated; and

20 (B) concerns:

21 (i) an applicant for a license to operate;

22 (ii) a person licensed to operate;

23 (iii) an employee of; or

24 (iv) a volunteer providing services at;

25 a child care center licensed under IC 12-17.2-4 or a child care home licensed under IC 12-17.2-5.

26 (20) A citizen review panel established under IC 31-25-2-20.4.

27 **(21) The department of child services ombudsman established by IC 4-13-19-3.**

28 SECTION 137. IC 31-33-25-6, AS ADDED BY P.L.145-2006, SECTION 288, IS AMENDED TO
29 READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 6. (a) The statewide child fatality review
30 committee is established to review a child's death that is:

31 (1) sudden;

32 (2) unexpected; or

33 (3) unexplained;

34 if the county where the child died does not have a local child fatality review team or if the local child
35 fatality review team requests a review of the child's death by the statewide committee.

36 (b) The statewide child fatality review committee may also review the death of a child upon request
37 by an individual **or the department of child services ombudsman established by IC 4-13-19-3.**

38 (c) A request submitted under subsection (b) must set forth:

39 (1) the name of the child;

40 (2) the age of the child;

41 (3) the county where the child died;

42 (4) whether a local child fatality review team reviewed the death; and

43 (5) the cause of death of the deceased child.

44 SECTION 138. IC 31-33-25-8, AS AMENDED BY P.L.225-2007, SECTION 8, IS AMENDED
45 TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 8. The statewide child fatality review
46 committee consists of the following members appointed by the governor:

47 (1) a coroner or deputy coroner;

48 (2) a representative from:



- 1 (A) the state department of health established by IC 16-19-1-1;
- 2 (B) a local health department established under IC 16-20-2; or
- 3 (C) a multiple county health department established under IC 16-20-3;
- 4 (3) a pediatrician;
- 5 (4) a representative of law enforcement;
- 6 (5) a representative from an emergency medical services provider;
- 7 (6) the director or a representative of the department;
- 8 (7) a representative of a prosecuting attorney;
- 9 (8) a pathologist who is:
 - 10 (A) certified by the American Board of Pathology in forensic pathology; and
 - 11 (B) licensed to practice medicine in Indiana;
- 12 (9) a mental health provider;
- 13 (10) a representative of a child abuse prevention program; **and**
- 14 (11) a representative of the department of education; **and**
- 15 **(12) at the discretion of the department of child services ombudsman, a representative of**
- 16 **the department of child services ombudsman established by IC 4-13-19-3.**

17 SECTION 139. IC 31-33-26-5, AS ADDED BY P.L.138-2007, SECTION 67, IS AMENDED TO
 18 READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 5. (a) Subject to the accessibility to files
 19 provided in subsection (b), at least ten (10) levels of security for confidentiality in the index must be
 20 maintained.

- 21 (b) The index must have a comprehensive system of limited access to information as follows:
 - 22 (1) The index must be accessed only by the entry of an operator identification number and a
 23 password.
 - 24 (2) A child welfare caseworker must be allowed to access only:
 - 25 (A) cases that are assigned to the caseworker; and
 - 26 (B) other cases or investigations that involve:
 - 27 (i) a family member of a child; or
 - 28 (ii) a child;
 - 29 who is the subject of a case described in clause (A).
 - 30 (3) A child welfare supervisor may access only the following:
 - 31 (A) Cases assigned to the supervisor.
 - 32 (B) Cases assigned to a caseworker who reports to the supervisor.
 - 33 (C) Other cases or investigations that involve:
 - 34 (i) a family member of a child; or
 - 35 (ii) a child;
 - 36 who is the subject of a case described in clause (A) or (B).
 - 37 (D) Cases that are unassigned.
 - 38 (4) To preserve confidentiality in the workplace, child welfare managers, as designated by the
 39 department, may access any case, except restricted cases involving:
 - 40 (A) a state employee; or
 - 41 (B) the immediate family member of a state employee;
 - 42 who has access to the index. Access to restricted information under this subdivision may be
 43 obtained only if an additional level of security is implemented.
 - 44 (5) Access to records of authorized users, including passwords, is restricted to:
 - 45 (A) users designated by the department as administrators; and
 - 46 (B) the administrator's level of access as determined by the department.
 - 47 (6) Ancillary programs that may be designed for the index may not be executed in a manner that
 48 would circumvent the index's log-on security measures.



1 (7) Certain index functions must be accessible only to index operators with specified levels of
2 authorization as determined by the department.

3 (8) Files containing passwords must be encrypted.

4 (9) There must be two (2) additional levels of security for confidentiality as determined by the
5 department.

6 **(10) The department of child services ombudsman established by IC 4-13-19-3 shall have**
7 **read only access to the index concerning:**

8 (A) children who are the subject of complaints filed with; or

9 (B) cases being investigated by;

10 **the department of child services ombudsman. The office of the department of child services**
11 **ombudsman shall not have access to any information related to cases or information that**
12 **involves the ombudsman or any member of the ombudsman's immediate family.**

13 SECTION 140. IC 31-39-2-6, AS AMENDED BY P.L.145-2006, SECTION 359, IS AMENDED
14 TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 6. The records of the juvenile court are
15 available without a court order to:

16 (1) the attorney for the department of child services; or

17 (2) any authorized staff member of:

18 (A) the county office;

19 (B) the department of child services; or

20 (C) the department of correction; or

21 **(D) the department of child services ombudsman established by IC 4-13-19-3.**

22 SECTION 141. IC 31-39-4-7, AS AMENDED BY P.L.145-2006, SECTION 361, IS AMENDED
23 TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 7. The records of a law enforcement
24 agency are available, without specific permission from the head of the agency, to: ~~the:~~

25 **(1) the attorney for the department of child services or any authorized staff member; or**

26 **(2) any authorized staff member of the department of child services ombudsman**
27 **established by IC 4-13-19-3.**

28 SECTION 142. IC 31-39-9-1, AS ADDED BY P.L.67-2007, SECTION 6, IS AMENDED TO
29 READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 1. The following entities and agencies may
30 exchange records of a child who is a child in need of services or has been determined to be a
31 delinquent child under IC 31-37-1-2, if the information or records are not confidential under state or
32 federal law:

33 (1) A court.

34 (2) A law enforcement agency.

35 (3) The department of correction.

36 (4) The department of child services.

37 (5) The office of the secretary of family and social services.

38 (6) A primary or secondary school, including a public or nonpublic school.

39 **(7) The department of child services ombudsman established by IC 4-13-19-3.**

40 SECTION 143. IC 34-30-2-39.6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION
41 TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: **Sec. 39.6. IC 4-13-19-6 (Concerning a**
42 **person who releases information to the department of child services ombudsman).**

43 SECTION 144. IC 34-30-2-39.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION
44 TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: **Sec. 39.7. IC 4-13-19-9 (Concerning the**
45 **department of child services ombudsman for the good faith performance of official duties).**

46 SECTION 145. THE FOLLOWING ARE REPEALED [EFFECTIVE JULY 1, 2009]:
47 P.L.131-2008, SECTION 70; P.L.146-2008, SECTION 857.

48 SECTION 146. IC 6-2.5-5-41 IS REPEALED [EFFECTIVE JULY 1, 2009].



1 SECTION 147. IC 20-35-4-10 IS REPEALED [EFFECTIVE JULY 1, 2009].

2 SECTION 148. THE FOLLOWING ARE REPEALED [EFFECTIVE JANUARY 1, 2010]:
3 IC 20-20-34; IC 20-40-4; IC 20-43-1-4; IC 20-43-1-19; IC 20-43-1-20; IC 20-43-1-27; IC 20-43-1-29;
4 IC 20-43-1-29.3; IC 20-43-3-4; IC 20-43-4-7; IC 20-43-5-1; IC 20-43-5-2; IC 20-43-5-5; IC 20-43-5-7;
5 IC 20-43-5-9; IC 20-43-6-5; IC 20-43-11.5; IC 20-45-1-2; IC 20-45-1-6; IC 20-45-1-12;
6 IC 20-45-1-21.3; IC 20-45-1-21.5; IC 20-45-1-21.7.

7 SECTION 149. [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)] **Notwithstanding the**
8 **effective date of IC 6-3-2-2, as amended by this act, the amendments made to IC 6-3-2-2 by this**
9 **act apply to taxable years beginning after December 31, 2004, and are intended to be a**
10 **clarification of the law and not a substantive change in the law.**

11 SECTION 150. [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)] **(a) A prepayment rate**
12 **determined by the department under IC 6-2.5-7-14, as amended by this act, that took effect after**
13 **December 31, 2008, is legalized and validated.**

14 **(b) This SECTION expires December 31, 2009.**

15 SECTION 151. [EFFECTIVE JANUARY 1, 2010] **IC 6-3.1-4-2, as amended by this act, applies**
16 **to taxable years beginning after December 31, 2009.**

17 SECTION 152. P.L.3-2007, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
18 OCTOBER 1, 2008 (RETROACTIVE)]: SECTION 1. **(a) As used in this SECTION, "continuing**
19 **care retirement community" means a health care facility that:**

20 **(1) provides independent living services and health facility services in a campus setting with**
21 **common areas;**

22 **(2) holds continuing care agreements with at least twenty-five percent (25%) of its residents**
23 **(as defined in IC 23-2-4-1);**

24 **(3) uses the money described in subdivision (2) to provide services to the resident before the**
25 **resident may be eligible for Medicaid under IC 12-15; and**

26 **(4) meets the requirements of IC 23-2-4.**

27 **(a) (b) As used in this SECTION, "health facility" refers to a health facility that is licensed under**
28 **IC 16-28 as a comprehensive care facility.**

29 **(b) (c) As used in this SECTION, "nursing facility" means a health facility that is certified for**
30 **participation in the federal Medicaid program under Title XIX of the federal Social Security Act (42**
31 **U.S.C. 1396 et seq.).**

32 **(c) (d) As used in this SECTION, "office" refers to the office of Medicaid policy and planning**
33 **established by IC 12-8-6-1.**

34 **(d) As used in this SECTION, "total annual revenue" does not include revenue from Medicare**
35 **services provided under Title XVIII of the federal Social Security Act (42 U.S.C. 1395 et seq.).**

36 **(e) Effective August 1, ~~2003~~, 2009, the office shall collect a quality assessment from each nursing**
37 **health facility. that has:**

38 **(1) a Medicaid utilization rate of at least twenty-five percent (25%); and**

39 **(2) at least seven hundred thousand dollars (\$700,000) in annual Medicaid revenue, adjusted**
40 **annually by the average annual percentage increase in Medicaid rates.**

41 **The office shall offset the collection of the assessment for a health facility:**

42 **(1) against a Medicaid payment to the health facility by the office; or**

43 **(2) in another manner determined by the office.**

44 **(f) If The office shall implement the waiver approved by the United States Centers for Medicare**
45 **and Medicaid Services determines not to approve payments under this SECTION using the**
46 **methodology described in subsection (e); the office shall revise the state plan amendment and waiver**
47 **request submitted under subsection (f) as soon as possible to demonstrate compliance with 42 CFR**
48 **433.68(e)(2)(ii). The revised state plan amendment and waiver request must provide that provides**



1 for the following:

2 (1) Effective August 1, 2003, collection of a quality assessment by the office from each nursing
3 facility.

4 (2) Effective August 1, 2003, collection of a quality assessment by the department of state
5 revenue from each health facility that is not a nursing facility.

6 (3) An exemption from collection of a quality assessment from the following:

7 (A)

8 (1) A continuing care retirement community as follows:

9 (A) A continuing care retirement community that was registered with the securities
10 commissioner as a continuing care retirement community on January 1, 2007, is not
11 required to meet the definition of a continuing care retirement community in subsection
12 (a).

13 (B) A continuing care retirement community that, for the period January 1, 2007,
14 through June 30, 2009, operates independent living units, at least twenty-five percent
15 (25%) of which are provided under contracts that require the payment of a minimum
16 entrance fee of at least twenty-five thousand dollars (\$25,000).

17 (C) An organization registered under IC 23-2-4 before July 1, 2009, that provides
18 housing in an independent living unit for a religious order.

19 (D) A continuing care retirement community that meets the definition set forth in
20 subsection (a).

21 (B) A health facility that only receives revenue from Medicare services provided under 42
22 U.S.C. 1395 et seq.

23 (E)

24 (2) A hospital based health facility. that has less than seven hundred fifty thousand dollars
25 (\$750,000) in total annual revenue, adjusted annually by the average annual percentage increase
26 in Medicaid rates.

27 (D)

28 (3) The Indiana Veterans' Home.

29 Any revision to the state plan amendment or waiver request under this subsection is subject to and
30 must comply with the provisions of this SECTION.

31 (g) If the United States Centers for Medicare and Medicaid Services determines not to approve
32 payments under this SECTION using the methodology described in subsections (d) and (e), and (f);
33 the office shall revise the state plan amendment and waiver request submitted under subsection (f) this
34 SECTION as soon as possible to demonstrate compliance with 42 CFR 433.68(e)(2)(ii) and to provide
35 for collection of a quality assessment from health facilities effective August 1, 2003. In amending the
36 state plan amendment and waiver request under this subsection, the office may modify the parameters
37 described in subsection (f)(3). However, if the office determines a need to modify the parameters
38 described in subsection (f)(3); the office shall modify the parameters in order to achieve a
39 methodology and result as similar as possible to the methodology and result described in subsection
40 (f). Any revision of the state plan amendment and waiver request under this subsection is subject to
41 and must comply with the provisions of this SECTION. 2009.

42 (h) The money collected from the quality assessment may be used only to pay the state's share of
43 the costs for Medicaid services provided under Title XIX of the federal Social Security Act (42 U.S.C.
44 1396 et seq.) as follows:

45 (1) At the following percentages when the state's regular federal medical assistance
46 percentage (FMAP) applies, excluding the time frame in which the adjusted FMAP is
47 provided to the state by the federal American Recovery and Reinvestment Act of 2009:

48 (A) Twenty percent (20%) as determined by the office.



- 1 ~~(2)~~ **(B)** Eighty percent (80%) to nursing facilities.
2 **(2) At the following percentages when the state's federal medical assistance percentage**
3 **(FMAP) is adjusted by the federal American Recovery and Reinvestment Act of 2009:**
4 **(A) Forty percent (40%) as determined by the office.**
5 **(B) Sixty percent (60%) to nursing facilities.**

- 6 (i) After:
7 (1) the amendment to the state plan and waiver request submitted under this SECTION is
8 approved by the United States Centers for Medicare and Medicaid Services; and
9 (2) the office calculates and begins paying enhanced reimbursement rates set forth in this
10 SECTION;

11 the office ~~and the department of state revenue~~ shall begin the collection of the quality assessment set
12 under this SECTION. The office ~~and the department of state revenue shall may~~ establish a method to
13 allow a facility to enter into an agreement to pay the quality assessment collected under this SECTION
14 subject to an installment plan.

15 (j) If federal financial participation becomes unavailable to match money collected from the quality
16 assessments for the purpose of enhancing reimbursement to nursing facilities for Medicaid services
17 provided under Title XIX of the federal Social Security Act (42 U.S.C. 1396 et seq.), the office ~~and~~
18 ~~department of state revenue~~ shall cease collection of the quality assessment under this SECTION.

- 19 (k) To implement this SECTION, the
20 ~~(1)~~ office shall adopt rules under IC 4-22-2. ~~and~~
21 ~~(2)~~ office ~~and department of state revenue shall adopt joint rules under IC 4-22-2.~~

- 22 (l) Not later than ~~July 1, 2003~~, **August 1, 2009**, the office shall do the following:
23 (1) Request the United States Department of Health and Human Services under 42 CFR 433.72
24 to approve waivers of 42 CFR 433.68(c) and 42 CFR 433.68(d) by demonstrating compliance
25 with 42 CFR 433.68(e)(2)(ii).
26 (2) Submit any state Medicaid plan amendments to the United States Department of Health and
27 Human Services that are necessary to implement this SECTION.

28 (m) After approval of the waivers and state Medicaid plan amendment applied for under ~~subsection~~
29 ~~(f)~~, **this SECTION**, the office ~~and the department of state revenue~~ shall implement this SECTION
30 effective ~~July 1, 2003~~. **August 1, 2009**.

31 (n) The select joint commission on Medicaid oversight, established by IC 2-5-26-3, shall review
32 the implementation of this SECTION. The office may not make any change to the reimbursement for
33 nursing facilities unless the select joint commission on Medicaid oversight recommends the
34 reimbursement change.

35 (o) A nursing facility or a health facility may not charge the facility's residents for the amount of
36 the quality assessment that the facility pays under this SECTION.

37 (p) The office may withdraw a state plan amendment **submitted** under ~~subsection (e); (f); or (g)~~
38 **this SECTION** only if the office determines that failure to withdraw the state plan amendment will
39 result in the expenditure of state funds not funded by the quality assessment.

40 (q) If a health facility fails to pay the quality assessment under this SECTION not later than ten (10)
41 days after the date the payment is due, the health facility shall pay interest on the quality assessment
42 at the same rate as determined under IC 12-15-21-3(6)(A).

- 43 (r) The following shall be provided to the state department of health:
44 ~~(1)~~ The office shall report **to the state department of health** each nursing facility **and each**
45 **health** facility that fails to pay the quality assessment under this SECTION not later than one
46 hundred twenty (120) days after payment of the quality assessment is due.
47 ~~(2)~~ The department of state revenue shall report each health facility that is not a nursing facility
48 that fails to pay the quality assessment under this SECTION not later than one hundred twenty



- 1 ~~(120)~~ days after payment of the quality assessment is due.
- 2 (s) The state department of health shall do the following:
- 3 (1) Notify each nursing facility and each health facility reported under subsection (r) that the
- 4 nursing facility's or health facility's license under IC 16-28 will be revoked if the quality
- 5 assessment is not paid.
- 6 (2) Revoke the nursing facility's or health facility's license under IC 16-28 if the nursing facility
- 7 or the health facility fails to pay the quality assessment.
- 8 (t) An action taken under subsection (s)(2) is governed by:
- 9 (1) IC 4-21.5-3-8; or
- 10 (2) IC 4-21.5-4.
- 11 (u) The office shall report the following information to the select joint commission on Medicaid
- 12 oversight established by IC 2-5-26-3 at every meeting of the commission:
- 13 (1) Before the quality assessment is approved by the United States Centers for Medicare and
- 14 Medicaid Services:
- 15 (A) an update on the progress in receiving approval for the quality assessment; and
- 16 (B) a summary of any discussions with the United States Centers for Medicare and Medicaid
- 17 Services.
- 18 (2) After the quality assessment has been approved by the United States Centers for Medicare and
- 19 Medicaid Services:
- 20 (A) an update on the collection of the quality assessment;
- 21 (B) a summary of the quality assessment payments owed by a nursing facility or a health
- 22 facility; and
- 23 (C) any other relevant information related to the implementation of the quality assessment.
- 24 (v) This SECTION expires August 1, ~~2009~~: **2011**.

25 **SECTION 153. [EFFECTIVE UPON PASSAGE] The department of education may adopt**

26 **temporary rules in the manner provided in IC 4-22-2-37.1 for the adoption of emergency rules**

27 **to implement IC 20-51, as added by this act. A temporary rule adopted under this SECTION**

28 **expires on the earliest of the following:**

- 29 (1) **The date another temporary rule is adopted under this SECTION that supersedes or**
- 30 **repeals the previously adopted temporary rule.**
- 31 (2) **The date that a permanent rule adopted under IC 4-22-2 supersedes or repeals a**
- 32 **temporary rule adopted under this SECTION.**
- 33 (3) **The date specified in the temporary rule.**
- 34 (4) **June 30, 2011.**

35 **SECTION 154. [EFFECTIVE UPON PASSAGE] IC 6-3.1-30.5, as added by this act, applies to**

36 **contributions made in taxable years beginning after December 31, 2009.**

37 **SECTION 155. [EFFECTIVE UPON PASSAGE] Notwithstanding IC 21-12-4, the state student**

38 **assistance commission may transfer funds among freedom of choice awards, higher education**

39 **awards, and twenty-first century scholars awards to ensure maximum use of the funds and the**

40 **awards.**

41 **SECTION 156. [EFFECTIVE JULY 1, 2009] (a) The commission for higher education, with the**

42 **assistance of the state student assistance commission, shall study the funding of college**

43 **scholarship programs provided by the state student assistance commission and the state's public**

44 **universities. The study must examine the following issues:**

- 45 (1) **The limits established for awards and the differences between the limits established for**
- 46 **private and public universities.**
- 47 (2) **The extent to which criteria for establishing the eligibility of an applicant should**
- 48 **consider receipt of Pell Grants, other wrap-around assistance provided by a university, tax**



- 1 credits, and other assistance.
2 (3) The relative amounts of assistance provided on the basis of merit and on the basis of
3 need.
4 (4) Whether means tests should be required for students participating in the twenty-first
5 century scholars program as those students enter college.
6 (5) Scholarships and awards provided for members of the military and national guard.
7 (6) Scholarships and awards provided to individuals being held in state correctional
8 facilities.

9 (b) The state's public universities shall provide the commission for higher education with the
10 data necessary to complete the study. The commission shall before June 30, 2010, provide a
11 report and recommendations to the budget committee for modernizing and improving
12 scholarship programs.

13 (c) This SECTION expires January 1, 2011.

14 SECTION 157. [EFFECTIVE UPON PASSAGE] (a) The Indiana finance authority shall study
15 the mission, organization, and management structure of the I-Light fiber optic network. The
16 study must include the following issues:

17 (1) Whether the capabilities of the network are being used in a manner that maximizes
18 benefits to the state, public and private universities, and other existing and potential
19 consortium members.

20 (2) Whether an alternate provider could provide comparable service levels at a lower cost
21 to the state.

22 (3) Whether there are opportunities for increased use of the network to support electronic
23 learning, worker training, and workforce development.

24 (b) A public university that uses or benefits from the I-Light fiber optic network shall provide
25 to the Indiana finance authority any information concerning the network that is requested by
26 the Indiana finance authority.

27 (c) The Indiana finance authority shall before November 1, 2009, submit a report of its
28 findings and any recommendations to the governor and (in an electronic format under
29 IC 5-14-6) to the legislative council.

30 (d) This SECTION expires July 1, 2010.

31 SECTION 158. [EFFECTIVE UPON PASSAGE] (a) A financial and operational management
32 plan to address the operating budget deficits for the facilities operated by the capital
33 improvement board of managers of Marion County shall be presented by the governor (in
34 concurrence with the mayor of the city of Indianapolis) on or before June 4, 2009, and shall be
35 included in the governor's budget bill for consideration by the general assembly during its
36 special session in June 2009. When the contents of the plan are made publicly available, the
37 contents of the plan shall be included in the budget bill.

38 (b) This SECTION expires January 1, 2010.

39 SECTION 159. An emergency is declared for this act.

