



February 21, 2011

HOUSE BILL No. 1001

DIGEST OF HB 1001 (Updated February 18, 2011 1:43 pm - DI 92)

Citations Affected: IC 4-10; IC 4-31; IC 4-35; IC 5-10; IC 6-2.5; IC 6-3; IC 6-7; IC 11-10; IC 11-12; IC 12-15; IC 12-17.6; IC 12-24; IC 16-28; IC 16-47; IC 20-20; IC 20-21; IC 20-22; IC 20-24; IC 20-26; IC 20-40; IC 20-43; IC 21-14; IC 21-33; IC 21-43; IC 27-8; IC 33-38; noncode

Synopsis: Budget bill. Appropriates money for capital expenditures, the operation of the state, the delivery of Medicaid and other services, and various other distributions and purposes. Provides for the return of a part of the state's year-end general revenue surplus to Indiana residents in the form of a refundable adjusted gross income tax credit. Establishes the income tax reduction reserve and procedures to implement the credit program. Permits the horse racing commission to pay operating costs from the breed development funds established by the commission. Terminates contributions to the retirement medical benefits account for the state police department, conservation officers of the department of natural resources, and the state excise police. Provides for a contribution to the separate health care benefit plan for these public safety officers. Changes the percentage of the revenues collected from: (1) gambling games at racetracks that must be deposited in the state general fund; (2) cigarette taxes that must be deposited in the state retiree health benefit trust fund; and (3) state gross retail taxes that must be deposited in the public mass transportation fund. Exempts meals served at a legislative meeting from gross retail tax. Requires recovery over three years of overpayments to counties of local income taxes. Limits hospital reimbursement for health services provided to offenders committed to the department of correction and eliminates the expiration of a hospital reimbursement limitation applicable to county sheriffs. Continues the quality assurance fee program. Changes the maximum income eligibility for the children's health insurance program. Makes changes
(Continued next page)

Effective: Upon passage; January 1, 2011 (retroactive); July 1, 2011; August 1, 2011; January 1, 2012.

Espich

January 18, 2011, read first time and referred to Committee on Ways and Means.
February 21, 2011, amended reported —Do Pass.



Digest Continued

in the drug utilization policies for the Medicaid program and the children's health insurance program. Establishes the council on Evansville state hospitals. Provides that the division of mental health and addiction shall maintain normal patient care at the Evansville state hospital and the Evansville state psychiatric treatment center for children unless a reduction or termination is authorized by statute or specifically recommended by the council on Evansville state hospitals. Provides that teachers at the Indiana School for the Deaf and the Indiana School for the blind accrue vacation leave in accordance with the policies set by Indianapolis Public Schools and are not eligible for vacation leave granted to other state employees. Makes changes related to scholarships. Subject to state budget committee review, makes tuition and mandatory fee targets set by the commission for higher education binding on state educational institutions. Permits the establishment of a mandatory student fee schedule for priority dual enrollment courses. Revises the eligibility requirements for an Indiana comprehensive health insurance association (ICHIA) policy to require applicants to first apply for the federal pre-existing condition insurance plan and the healthy Indiana program. Authorizes the ICHIA board to implement a reduced reimbursement rate program. Sets the ICHIA premium rates at 150% of the average commercial carrier rate. Freezes certain salaries. Provides a state tuition support funding formula.



February 21, 2011

First Regular Session 117th General Assembly (2011)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2010 Regular Session of the General Assembly.

HOUSE BILL No. 1001

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

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

1 **SECTION 1. [EFFECTIVE JULY 1, 2011]**

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, 2011, and ending June 30, 2013.
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 2010-2011 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
20 designated by the Health Resources Services Administration, Bureau of Primary Health
21 Care, as a Federally Qualified Health Center Look Alike under the FED 330 Consolidated



1 **Health Center Program authorization, including Community Health Center (330e), Migrant**
2 **Health Center (330g), Health Care for the Homeless (330h), Public Housing Primary**
3 **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 for**
42 **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 as**
48 **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**



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

SECTION 2. [EFFECTIVE JULY 1, 2011]

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

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

SECTION 3. [EFFECTIVE JULY 1, 2011]

GENERAL GOVERNMENT

A. LEGISLATIVE

FOR THE GENERAL ASSEMBLY

LEGISLATORS' SALARIES - HOUSE

Total Operating Expense	5,378,880	5,378,880
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HOUSE EXPENSES

Total Operating Expense	9,430,305	9,830,305
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LEGISLATORS' SALARIES - SENATE

Total Operating Expense	2,049,787	2,049,787
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SENATE EXPENSES

Total Operating Expense	8,856,335	10,056,335
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Included in the above appropriations for house and senate expenses are funds for a legislative business per diem allowance, meals, and other usual and customary expenses associated with legislative affairs. Except as provided below, this allowance is to be paid to each member of the general assembly for every day, including Sundays, during which the general assembly is convened in regular or special session, commencing with the day the session is officially convened and concluding with the day the session is adjourned sine die. However, after five (5) consecutive days of recess, the legislative business per diem allowance is to be made on an individual voucher basis until the recess concludes.

Each member of the general assembly is entitled, when authorized by the speaker of the house or the president pro tempore of the senate, to the legislative business per diem



1 allowance for every day the member is 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 the
5 executive branch of the federal government for subsistence expenses while away from
6 home in travel status in the Indianapolis area. The legislative business per diem changes
7 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 of
22 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 survey
24 committee or commission, or who attends any meetings authorized or convened under
25 the auspices of the Indiana legislative council, including pre-session conferences and
26 federal-state relations conferences, is entitled, when authorized by the legislative
27 council, to receive the legislative business per diem allowance for each day the
28 member is in actual attendance and is also entitled to a mileage allowance, at the
29 rate specified above, for each mile necessarily traveled from the member's usual
30 place of residence to the state capitol, or other in-state site of the committee,
31 commission, or conference. The per diem allowance and the mileage allowance
32 permitted under this paragraph shall be paid from the legislative council appropriation
33 for legislator and lay member travel unless the member is attending an out-of-state
34 meeting, as authorized by the speaker of the house of representatives or the president
35 pro tempore of the senate, 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, and
45 legislative services agency, or both members and staffs. The legislative council may
46 apply these travel policies and procedures to lay members serving on research, study,
47 or survey committees or commissions that are under the jurisdiction of the legislative
48 council. Notwithstanding any other law, rule, or policy, the state travel policies and
49 procedures established by the Indiana department of administration and approved



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

LEGISLATORS' SUBSISTENCE

LEGISLATORS' EXPENSES - HOUSE

Total Operating Expense	2,520,929	2,620,929
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LEGISLATORS' EXPENSES - SENATE

Total Operating Expense	1,054,277	932,277
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Each member of the general assembly is entitled to a subsistence allowance of forty percent (40%) of the maximum daily amount allowable to employees of the executive branch of the federal government for subsistence expenses while away from home in travel status in the Indianapolis area for:

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

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

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

The officers of the senate are entitled to the following amounts annually in addition to the subsistence allowance: president pro tempore, \$7,000; assistant president pro tempore, \$3,000; majority floor leader, \$5,500; assistant majority floor leaders, \$3,500; majority caucus chair, \$5,500; assistant majority caucus chairs, \$1,500; appropriations committee chair, \$5,500; tax and fiscal policy committee chair, \$5,500;



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

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

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

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

FOR THE LEGISLATIVE COUNCIL AND THE LEGISLATIVE SERVICES AGENCY

Total Operating Expense	9,989,200	10,388,768
LEGISLATOR AND LAY MEMBER TRAVEL		
Total Operating Expense	700,000	750,000



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

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

Any person other than a member of the general assembly who is appointed by the governor, speaker of the house, president or president pro tempore of the senate, house or senate minority floor leader, or legislative council to serve on any research, study, or survey committee or commission is entitled, when authorized by the legislative council, to a per diem instead of subsistence of \$75 per day during the 2011-2013 biennium. In addition to the per diem, such a person is entitled to mileage reimbursement, at the rate specified for members of the general assembly, for each mile necessarily traveled from the person's usual place of residence to the state capitol or other in-state site of the committee, commission, or conference. However, reimbursement for any out-of-state travel expenses claimed by lay members serving on research, study, or survey committees or commissions under the jurisdiction of the legislative council shall be based on SECTION 14 of this act, until the legislative council applies those travel policies and procedures that govern legislators and their staffs to such lay members as authorized elsewhere in this SECTION. The allowance and reimbursement permitted in this paragraph shall be paid from the legislative council appropriations for legislative and lay member travel unless otherwise provided for by a specific appropriation.

LEGISLATIVE COUNCIL CONTINGENCY FUND

Total Operating Expense	225,000
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Disbursements from the fund may be made only for purposes approved by the chairman and vice chairman of the legislative council.

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

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

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

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

Annual charge for interim calendar: \$10

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

PRINTING AND DISTRIBUTION



1 **Total Operating Expense** **939,400** **975,000**

2

3 The above funds are appropriated for the printing and distribution of documents

4 published by the legislative council. These documents include journals, bills,

5 resolutions, enrolled documents, the acts of the first and second regular sessions

6 of the 117th general assembly, the supplements to the Indiana Code for fiscal years

7 2011-2012 and 2012-2013, and the publication of the Indiana Administrative Code

8 and the Indiana Register. Upon completion of the distribution of the Acts and the

9 supplements to the Indiana Code, as provided in IC 2-6-1.5, remaining copies may

10 be sold at a price or prices periodically determined by the legislative council. If

11 the above appropriations for the printing and distribution of documents published

12 by the legislative council are insufficient to pay all of the necessary expenses

13 incurred, there are hereby appropriated such sums as may be necessary to pay such

14 expenses.

15

16 **COUNCIL OF STATE GOVERNMENTS ANNUAL DUES**

17 Other Operating Expense **143,944** **143,944**

18 **NATIONAL CONFERENCE OF STATE LEGISLATURES ANNUAL DUES**

19 Other Operating Expense **190,337** **190,337**

20 **NATIONAL CONFERENCE OF INSURANCE LEGISLATORS ANNUAL DUES**

21 Other Operating Expense **10,000** **10,000**

22

23 **FOR THE INDIANA LOBBY REGISTRATION COMMISSION**

24 Total Operating Expense **271,910** **271,910**

25

26 **FOR THE PUBLIC EMPLOYEES' RETIREMENT FUND**

27 **LEGISLATORS' RETIREMENT FUND**

28 Other Operating Expense **113,099** **150,000**

29

30 **B. JUDICIAL**

31

32 **FOR THE SUPREME COURT**

33 Personal Services **7,519,219** **7,519,219**

34 Other Operating Expense **2,047,015** **2,047,015**

35

36 The above appropriation for the supreme court personal services includes the subsistence

37 allowance as provided by IC 33-38-5-8.

38

39 **LOCAL JUDGES' SALARIES**

40 Personal Services **56,979,814** **56,979,814**

41 Other Operating Expense **61,441** **61,441**

42 **COUNTY PROSECUTORS' SALARIES**

43 Personal Services **24,468,828** **24,468,828**

44 Other Operating Expense **1** **1**

45

46 The above appropriations for county prosecutors' salaries represent the amounts authorized

47 by IC 33-39-6-5 and that are to be paid from the state general fund.

48

49 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 117th general assembly.

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	12,850,000	12,850,000
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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

Total Operating Expense	149,000	149,000
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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.



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COMMISSION ON RACE AND GENDER FAIRNESS

Total Operating Expense	380,996	380,996
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FOR THE COURT OF APPEALS

Personal Services	9,133,964	9,133,964
Other Operating Expense	1,032,777	1,032,777

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

FOR THE TAX COURT

Personal Services	547,228	547,228
Other Operating Expense	125,785	125,785

FOR THE JUDICIAL CENTER

Personal Services	1,790,512	1,790,512
Other Operating Expense	1,030,670	1,030,670

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

DRUG AND ALCOHOL PROGRAMS FUND

Total Operating Expense	100,000	100,000
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The above funds are appropriated notwithstanding the distribution under IC 33-37-7-9 for the purpose of administering, certifying, and supporting alcohol and drug services programs under IC 12-23-14. However, if additional funds are needed to carry out the purpose of the program, existing revenues in the fund may be allotted.

INTERSTATE COMPACT FOR ADULT OFFENDER SUPERVISION

Total Operating Expense	200,000	200,000
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FOR THE PUBLIC DEFENDER

Personal Services	5,691,079	5,691,079
Other Operating Expense	973,837	973,837

FOR THE PUBLIC DEFENDER COUNCIL

Personal Services	850,195	850,195
Other Operating Expense	513,902	513,902

FOR THE PROSECUTING ATTORNEYS' COUNCIL

Personal Services	627,685	627,685
Other Operating Expense	587,591	587,591

DRUG PROSECUTION

Drug Prosecution Fund (IC 33-39-8-6)

Total Operating Expense	105,328	105,328
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Augmentation allowed.



FOR THE PUBLIC EMPLOYEES' RETIREMENT FUND

JUDGES' RETIREMENT FUND

Other Operating Expense	11,757,357	14,077,436
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PROSECUTORS' RETIREMENT FUND

Other Operating Expense	1,838,908	2,080,000
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C. EXECUTIVE

FOR THE GOVERNOR'S OFFICE

Personal Services	1,891,818	1,891,818
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Other Operating Expense	59,063	59,063
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GOVERNOR'S RESIDENCE

Total Operating Expense	115,207	115,207
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GOVERNOR'S CONTINGENCY FUND

Total Operating Expense		11,850
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Direct disbursements from the above contingency fund are not subject to the provisions of IC 5-22.

GOVERNOR'S FELLOWSHIP PROGRAM

Total Operating Expense	167,457	167,457
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FOR THE WASHINGTON LIAISON OFFICE

Total Operating Expense	36,781	36,781
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FOR THE LIEUTENANT GOVERNOR

Personal Services	1,535,765	1,535,765
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Other Operating Expense	398,262	398,262
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CONTINGENCY FUND

Total Operating Expense		10,530
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Direct disbursements from the above contingency fund are not subject to the provisions of IC 5-22.

FOR THE SECRETARY OF STATE

ADMINISTRATION

Personal Services	1,632,839	1,632,839
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Other Operating Expense	176,410	176,410
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FOR THE ATTORNEY GENERAL

ATTORNEY GENERAL

From the General Fund

13,529,845	13,529,845
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From the Homeowner Protection Unit (IC 4-6-12-9)

67,252	67,252
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Augmentation allowed.

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

488,078	488,078
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Augmentation allowed.



1	From the Unclaimed Property Litigation		
2		116,000	116,000
3	Augmentation allowed.		
4	From the Consumer Fees and Settlements Fund		
5		665,682	665,682
6	Augmentation allowed.		
7	From the Real Estate Appraiser Investigative Fund (IC 25-34.1-8-7.5)		
8		70,132	70,132
9	Augmentation allowed.		
10	From the Telephone Solicitation Fund (IC 24-4.7-3-6)		
11		215,682	215,682
12	Augmentation allowed.		
13	From the Non-Consumer Settlements Fund		
14		216,680	216,680
15	Augmentation allowed.		
16	From the Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
17		497,494	497,494
18	Augmentation allowed.		
19	From the Abandoned Property Fund (IC 32-34-1-33)		
20		390,662	390,662
21	Augmentation allowed.		

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

29	Personal Services	15,126,721	15,136,148
30	Other Operating Expense	1,130,786	1,121,359
31			
32	HOMEOWNER PROTECTION UNIT		
33	Homeowner Protection Unit Account (IC 4-6-12-9)		
34	Total Operating Expense	1,668,644	1,668,644
35	MEDICAID FRAUD UNIT		
36	Total Operating Expense	829,789	829,789

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

42	UNCLAIMED PROPERTY		
43	Abandoned Property Fund (IC 32-34-1-33)		
44	Personal Services	1,171,950	1,171,950
45	Other Operating Expense	3,230,452	3,230,452
46	Augmentation allowed.		

D. FINANCIAL MANAGEMENT



FOR THE AUDITOR OF STATE

Personal Services	3,906,887	3,906,887
Other Operating Expense	1,180,338	1,180,338
GOVERNORS' AND GOVERNORS' SURVIVING SPOUSES' PENSIONS		
Total Operating Expense	156,428	156,428

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

FOR THE STATE BOARD OF ACCOUNTS

Personal Services	17,960,445	17,960,445
Other Operating Expense	535,718	535,718
GOVERNOR ELECT		
Total Operating Expense	0	40,000

FOR THE STATE BUDGET COMMITTEE

Total Operating Expense	46,007	46,007
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Notwithstanding IC 4-12-1-11(b), the salary per diem of the legislative members of the budget committee is an amount equal to one hundred fifty percent (150%) of the legislative business per diem allowance. If the above appropriations are insufficient to carry out the necessary operations of the budget committee, there are hereby appropriated such further sums as may be necessary.

FOR THE OFFICE OF MANAGEMENT AND BUDGET

Personal Services	896,949	896,949
Other Operating Expense	83,375	83,375

FOR THE STATE BUDGET AGENCY

Personal Services	2,358,520	2,358,520
Other Operating Expense	504,395	504,395

The agency may establish an internal service fund to perform central accounting operations.

DEPARTMENTAL AND INSTITUTIONAL EMERGENCY CONTINGENCY FUND

Total Operating Expense		2,000,000
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The foregoing departmental and institutional emergency contingency fund appropriation is subject to allotment to departments, institutions, and all state agencies by the budget agency with the approval of the governor. These allocations may be made upon written request of proper officials, showing that contingencies exist that require additional funds for meeting necessary expenses. The budget committee shall be advised of each transfer request and allotment.

OUTSIDE BILL CONTINGENCY

Total Operating Expense	0	15,000,000
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PERSONAL SERVICESFRINGE BENEFITS CONTINGENCY FUND



1	Total Operating Expense			89,000,000
2				
3	The foregoing personal services/fringe benefits contingency fund appropriation is			
4	subject to allotment to departments, institutions, and all state agencies by the budget			
5	agency with the approval of the governor.			
6				
7	The foregoing personal services/fringe benefits contingency fund appropriation may			
8	be used only for salary increases, fringe benefit increases, an employee leave conversion			
9	program, or a state retiree health program for state employees and may not be used for			
10	any other purpose.			
11				
12	The foregoing personal services/fringe benefits contingency fund appropriation does			
13	not revert at the end of the biennium but remains in the personal services/fringe			
14	benefits contingency fund.			
15				
16	RETIREE HEALTH BENEFIT TRUST FUND			
17	Retiree Health Benefit Trust Fund (IC 5-10-8-8.5)			
18	Total Operating Expense			42,400,000
19	Augmentation Allowed.			
20				
21	The foregoing appropriation for the retiree health plan:			
22	(1) is to fund employer contributions and benefits provided under IC 5-10-8.5;			
23	(2) does not revert at the end of any state fiscal year but remains available for			
24	the purposes of the appropriation in subsequent state fiscal years; and			
25	(3) is not subject to transfer to any other fund or to transfer, assignment,			
26	or reassignment for any other use or purpose by the state board of finance			
27	notwithstanding IC 4-9.1-1-7 and IC 4-13-2-23 or by the budget agency			
28	notwithstanding IC 4-12-1-12 or any other law.			
29				
30	The budget agency may transfer appropriations from federal or dedicated funds to			
31	the trust fund to accrue funds to pay benefits to employees that are not paid from the			
32	general fund.			
33				
34	COMPREHENSIVE HEALTH INSURANCE ASSOCIATION STATE SHARE			
35	Total Operating Expense			97,700,000
36	Augmentation Allowed.			
37				
38	SCHOOL AND LIBRARY INTERNET CONNECTION (IC 4-34-3-2)			
39	Build Indiana Fund (IC 4-30-17)			
40	Total Operating Expense	2,650,000	2,650,000	
41				
42	Of the foregoing appropriations, \$1,800,000 each year shall be used for schools under			
43	IC 4-34-3-4, and \$850,000 each year shall be used for libraries under IC 4-34-3-2.			
44				
45	INSPIRE (IC 4-34-3-2)			
46	Build Indiana Fund (IC 4-30-17)			
47	Other Operating Expense			2,850,000
48				
49	FOR THE PUBLIC EMPLOYEES' RETIREMENT FUND			



1 **PUBLIC SAFETY PENSION**

2 **Total Operating Expense** **131,000,000** **180,000,000**

3 **Augmentation Allowed.**

4

5 **FOR THE TREASURER OF STATE**

6 **Personal Services** **744,980** **744,980**

7 **Other Operating Expense** **38,115** **38,115**

8

9 The treasurer of state, the board for depositories, the Indiana commission for higher

10 education, and the state student assistance commission shall cooperate and provide

11 to the Indiana education savings authority the following:

12 (1) Clerical and professional staff and related support.

13 (2) Office space and services.

14 (3) Reasonable financial support for the development of rules, policies,

15 programs, and guidelines, including authority operations and travel.

16

17 **E. TAX ADMINISTRATION**

18

19 **FOR THE DEPARTMENT OF REVENUE**

20 **COLLECTION AND ADMINISTRATION**

21 **From the General Fund**

22 **45,845,804** **45,845,804**

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

24 **752,284** **752,284**

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

26 **2,319,981** **2,319,981**

27 **Augmentation allowed from the Motor Carrier Regulation Fund and the Motor**

28 **Vehicle Highway Account.**

29

30 **The amounts specified from the General Fund, Motor Carrier Regulation Fund,**

31 **and the Motor Vehicle Highway Account are for the following purposes:**

32

33 **Personal Services** **34,536,465** **34,536,465**

34 **Other Operating Expense** **14,381,604** **14,381,604**

35

36 **With the approval of the governor and the budget agency, the department shall annually**

37 **reimburse the state general fund for expenses incurred in support of the collection of**

38 **dedicated fund revenue according to the department's cost allocation plan.**

39

40 **With the approval of the governor and the budget agency, the foregoing sums for the**

41 **department of state revenue may be augmented to an amount not exceeding in total,**

42 **together with the above specific amounts, one and one-tenth percent (1.1%) of the**

43 **amount of money collected by the department of state revenue from taxes and fees.**

44

45 **OUTSIDE COLLECTIONS**

46 **Total Operating Expense** **4,500,000** **4,500,000**

47

48 **With the approval of the governor and the budget agency, the foregoing sums for the**

49 **department of state revenue's outside collections may be augmented to an amount not**



exceeding in total, together with the above specific amounts, one and one-tenth percent (1.1%) of the amount of money collected by the department from taxes and fees.

MOTOR CARRIER REGULATION

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

Personal Services	1,591,561	1,591,561
Other Operating Expense	2,619,734	2,619,734

Augmentation allowed from the Motor Carrier Regulation Fund.

MOTOR FUEL TAX DIVISION

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

Personal Services	6,624,160	6,624,160
Other Operating Expense	738,777	738,777

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)

2,883,092	2,883,092
-----------	-----------

From the Gaming Investigations Fund (IC 4-33-4.5)

600,000	600,000
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The amounts specified from the state gaming fund and gaming investigations fund are for the following purposes:

Personal Services	2,961,359	2,961,359
Other Operating Expense	521,733	521,733

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	86,841	86,841
Other Operating Expense	104,158	104,158

Augmentation allowed from fees accruing under IC 4-33-18-8.

FOR THE INDIANA HORSE RACING COMMISSION



1	Indiana Horse Racing Commission Operating Fund (IC 4-31-10-2)		
2	Personal Services	1,951,137	1,951,137
3	Other Operating Expense	282,499	282,499
4			
5	The foregoing appropriations to the Indiana horse racing commission are made from		
6	revenues accruing to the Indiana horse racing commission before any distribution		
7	is made under IC 4-31-9.		
8	Augmentation allowed.		
9			
10	STANDARD BRED ADVISORY BOARD		
11	Standardbred Horse Fund (IC 15-19-2-10)		
12	Total Operating Expense	193,500	193,500
13			
14	The foregoing appropriations to the standardbred advisory board are made from		
15	revenues accruing to the Indiana horse racing commission before any distribution		
16	is made under IC 4-31-9.		
17	Augmentation allowed.		
18			
19	STANDARD BRED BREED DEVELOPMENT		
20	Indiana Horse Racing Commission Operating Fund (IC 4-31-10-2)		
21	Total Operating Expense	6,210,000	6,210,000
22	Augmentation allowed.		
23	THOROUGHBRED BREED DEVELOPMENT		
24	Indiana Horse Racing Commission Operating Fund (IC 4-31-10-2)		
25	Total Operating Expense	4,968,000	4,968,000
26	Augmentation allowed.		
27	QUARTER HORSE BREED DEVELOPMENT		
28	Indiana Horse Racing Commission Operating Fund (IC 4-31-10-2)		
29	Total Operating Expense	648,000	648,000
30	Augmentation allowed.		
31	FINGERPRINT FEES		
32	Indiana Horse Racing Commission Operating Fund (IC 4-31-10-2)		
33	Total Operating Expense	72,144	72,144
34	Augmentation allowed.		
35	GAMING INTEGRITY FUND - IHRC		
36	Gaming Integrity Fund - IHRC (IC 4-35-8.7-3)		
37	Total Operating Expense	1,000,000	1,000,000
38	Augmentation allowed.		
39			
40	FOR THE DEPARTMENT OF LOCAL GOVERNMENT FINANCE		
41	Personal Services	2,993,946	2,993,946
42	Other Operating Expense	867,399	867,399
43			
44	FOR THE INDIANA BOARD OF TAX REVIEW		
45	Personal Services	1,056,898	1,056,898
46	Other Operating Expense	61,689	61,689
47			
48	F. ADMINISTRATION		
49			



FOR THE DEPARTMENT OF ADMINISTRATION

Personal Services	8,739,579	8,739,579
Other Operating Expense	15,871,101	15,871,101

FOR THE STATE PERSONNEL DEPARTMENT

Personal Services	2,933,745	2,933,745
Other Operating Expense	233,258	233,258

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

FOR THE STATE EMPLOYEES APPEALS COMMISSION

Personal Services	153,848	153,848
Other Operating Expense	10,435	10,435

FOR THE OFFICE OF TECHNOLOGY

Pay Phone Fund		
Total Operating Expense	1,600,000	1,600,000

Augmentation allowed.

The pay phone fund is established for the procurement of hardware, software, and related equipment and services needed to expand and enhance the state campus backbone and other central information technology initiatives. Such procurements may include, but are not limited to, wiring and rewiring of state offices, Internet services, video conferencing, telecommunications, application software, and related services. Notwithstanding IC 5-22-23-5, the fund consists of the net proceeds received from contracts with companies providing phone services at state institutions and other state properties. The fund shall be administered by the budget agency. Money in the fund may be spent by the office in compliance with a plan approved by the budget agency. Any money remaining in the fund at the end of any fiscal year does not revert to the general fund or any other fund but remains in the pay phone fund.

FOR THE COMMISSION ON PUBLIC RECORDS

Personal Services	1,297,667	1,297,667
Other Operating Expense	91,837	91,837

FOR THE OFFICE OF THE PUBLIC ACCESS COUNSELOR

Personal Services	135,937	135,937
Other Operating Expense	2,652	2,652

FOR THE OFFICE OF FEDERAL GRANTS AND PROCUREMENT

Total Operating Expense	82,578	82,578
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G. OTHER

FOR THE COMMISSION ON UNIFORM STATE LAWS

Total Operating Expense	43,584	43,584
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FOR THE OFFICE OF INSPECTOR GENERAL



		<i>FY 2011-2012 Appropriation</i>	<i>FY 2012-2013 Appropriation</i>	<i>Biennial Appropriation</i>
1	Personal Services	1,136,347	1,136,347	
2	Other Operating Expense	89,790	89,790	
3				
4	STATE ETHICS COMMISSION			
5	Personal Services	200	200	
6	Other Operating Expense	6,100	6,100	
7				
8	FOR THE SECRETARY OF STATE			
9	ELECTION DIVISION			
10	Personal Services	757,218	757,218	
11	Other Operating Expense	140,534	140,534	
12	VOTER LIST MAINTENANCE			
13	Total Operating Expense	1,000,000	1,000,000	
14				
15	The above appropriation includes state HAVA matching funds.			
16				
17	H. COMMUNITY SERVICES			
18				
19	FOR THE GOVERNOR'S OFFICE OF FAITH BASED AND COMMUNITY INITIATIVES			
20	Personal Services	169,611	169,611	
21	Other Operating Expense	77,358	77,358	
22				
23	SECTION 4. [EFFECTIVE JULY 1, 2011]			
24				
25	PUBLIC SAFETY			
26				
27	A. CORRECTION			
28				
29	FOR THE DEPARTMENT OF CORRECTION			
30	CENTRAL OFFICE			
31	Personal Services	8,796,428	8,796,428	
32	Other Operating Expense	12,724,840	14,024,840	
33	ESCAPEE COUNSEL AND TRIAL EXPENSE			
34	Other Operating Expense	300,000	300,000	
35	COUNTY JAIL MISDEMEANANT HOUSING			
36	Total Operating Expense	4,281,071	4,281,071	
37	ADULT CONTRACT BEDS			
38	Total Operating Expense	7,622,125	7,622,125	
39	STAFF DEVELOPMENT AND TRAINING			
40	Personal Services	863,181	863,181	
41	Other Operating Expense	97,785	97,785	
42	PAROLE DIVISION			
43	Personal Services	8,418,932	8,418,932	
44	Other Operating Expense	803,544	803,544	
45	PAROLE BOARD			
46	Personal Services	631,427	631,427	
47	Other Operating Expense	23,000	23,000	
48	INFORMATION MANAGEMENT SERVICES			
49	Personal Services	644,815	644,815	



1	Other Operating Expense	380,185	380,185
2	JUVENILE TRANSITION		
3	Personal Services	647,819	647,819
4	Other Operating Expense	1,079,981	1,079,981
5	COMMUNITY CORRECTIONS PROGRAMS		
6	Total Operating Expense	34,018,114	34,018,114

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

12
13 Notwithstanding IC 4-13-2-19 and any other law, the above appropriation for community
14 corrections programs does not revert to the general fund or another fund at the close
15 of a state fiscal year but remains available in subsequent state fiscal years for the
16 purposes of the appropriation.

17
18 **DRUG PREVENTION AND OFFENDER TRANSITION**

19	Total Operating Expense	122,945	122,945
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20
21 The above appropriation shall be used for minimum security release programs, transition
22 programs, mentoring programs, and supervision of and assistance to adult and juvenile
23 offenders to promote the successful integration of the offender into the community.

24
25 **CENTRAL EMERGENCY RESPONSE**

26	Personal Services	651,931	651,931
27	Other Operating Expense	94,841	94,841

28 **MEDICAL SERVICES**

29	Other Operating Expense	77,263,235	81,581,396
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30
31 The above appropriations for medical services shall be used only for services that
32 are determined to be medically necessary.

33
34 **DRUG ABUSE PREVENTION**

35 Drug Abuse Fund (IC 11-8-2-11)

36	Total Operating Expense	150,000	150,000
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37
38 Augmentation allowed.

39 **COUNTY JAIL MAINTENANCE CONTINGENCY FUND**

40	Other Operating Expense	24,515,225	24,515,225
----	-------------------------	------------	------------

41
42 Disbursements from the fund shall be made for the purpose of reimbursing sheriffs
43 for the cost of incarcerating in county jails persons convicted of felonies to the
44 extent that such persons are incarcerated for more than five (5) days after the
45 day of sentencing or the date upon which the department of correction receives the
46 abstract of judgment and sentencing order, whichever occurs later, at a rate to
47 be determined by the department of correction and approved by the state budget agency.
48 The rate shall be based upon programming provided, and shall be no less than \$35
49 per day and no more than \$40 per day. In addition to the per diem, the state shall



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

Augmentation allowed.

FOOD SERVICES

Total Operating Expense	37,646,381	39,241,198
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EDUCATIONAL SERVICES

Other Operating Expense	7,483,219	7,483,219
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POSTSECONDARY CORRECTIONAL EDUCATION

Other Operating Expense	3,915,000	3,915,000
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The above appropriations for postsecondary correctional education shall be used by the department of correction to offer associate's degrees, workforce certificates, or other vocational programs to incarcerated persons.

FOR THE STATE BUDGET AGENCY

MEDICAL SERVICE PAYMENTS

Total Operating Expense	25,000,000	25,000,000
-------------------------	------------	------------

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

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

FOR THE DEPARTMENT OF ADMINISTRATION

DEPARTMENT OF CORRECTION OMBUDSMAN BUREAU

Personal Services	130,664	130,664
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	<i>FY 2011-2012 Appropriation</i>	<i>FY 2012-2013 Appropriation</i>	<i>Biennial Appropriation</i>
1	Other Operating Expense	2,330	2,330
2			
3	FOR THE DEPARTMENT OF CORRECTION		
4	INDIANA STATE PRISON		
5	Personal Services	28,981,488	28,981,488
6	Other Operating Expense	5,683,472	5,683,472
7	PENDLETON CORRECTIONAL FACILITY		
8	Personal Services	24,824,581	24,824,581
9	Other Operating Expense	6,334,262	6,334,262
10	CORRECTIONAL INDUSTRIAL FACILITY		
11	Personal Services	18,553,360	18,553,360
12	Other Operating Expense	1,217,007	1,217,007
13	INDIANA WOMEN'S PRISON		
14	Personal Services	7,593,390	7,593,390
15	Other Operating Expense	1,105,819	1,105,819
16	PUTNAMVILLE CORRECTIONAL FACILITY		
17	Personal Services	26,805,320	26,805,320
18	Other Operating Expense	4,274,416	4,274,416
19	WABASH VALLEY CORRECTIONAL FACILITY		
20	Personal Services	33,123,957	33,123,957
21	Other Operating Expense	4,173,619	4,173,619
22	INDIANAPOLIS RE-ENTRY EDUCATION FACILITY		
23	Personal Services	7,774,721	7,774,721
24	Other Operating Expense	3,036,574	3,036,574
25	BRANCHVILLE CORRECTIONAL FACILITY		
26	Personal Services	15,758,202	15,758,202
27	Other Operating Expense	2,801,571	2,801,571
28	WESTVILLE CORRECTIONAL FACILITY		
29	Personal Services	40,012,355	40,012,355
30	Other Operating Expense	6,037,799	6,037,799
31	ROCKVILLE CORRECTIONAL FACILITY FOR WOMEN		
32	Personal Services	13,240,372	13,240,372
33	Other Operating Expense	1,835,299	1,835,299
34	PLAINFIELD CORRECTIONAL FACILITY		
35	Personal Services	18,676,247	18,676,247
36	Other Operating Expense	1,969,839	1,969,839
37	RECEPTION AND DIAGNOSTIC CENTER		
38	Personal Services	11,479,798	11,479,798
39	Other Operating Expense	585,216	585,216
40	MIAMI CORRECTIONAL FACILITY		
41	Personal Services	27,662,927	27,662,927
42	Other Operating Expense	4,578,473	4,578,473
43	NEW CASTLE CORRECTIONAL FACILITY		
44	Other Operating Expense	34,150,948	34,833,967
45	TITLE XX WR - SOUTH BEND WORK RELEASE CENTER		
46	General Fund		
47	Total Operating Expense	1,163,599	1,163,599
48	Work Release - Study Release Special Revenue Fund (IC 11-10-8-6.5)		
49	Total Operating Expense	350,000	350,000



and the Motor Carrier Regulation Fund are for the following purposes:

Personal Services	103,652,441	103,652,441
Other Operating Expense	20,920,241	20,920,241

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

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

INDIANA INTELLIGENCE FUSION CENTER

Total Operating Expense	823,864	823,864
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ODOMETER FRAUD INVESTIGATION

Motor Vehicle Odometer Fund (IC 9-29-1-5)

Total Operating Expense	50,000	50,000
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Augmentation allowed.

STATE POLICE TRAINING

State Police Training Fund (IC 5-2-8-5)

Total Operating Expense	500,698	500,698
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Augmentation allowed.

FORENSIC AND HEALTH SCIENCES LABORATORIES

From the General Fund

3,616,706	3,616,706
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From the Motor Carrier Regulation Fund (IC 8-2.1-23)

349,341	349,341
---------	---------

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

6,308,687	6,308,687
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Augmentation allowed from the general fund, the motor vehicle highway account, and the motor carrier regulation fund.

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

Personal Services	9,677,503	9,677,503
Other Operating Expense	597,231	597,231

ENFORCEMENT AID

General Fund

Total Operating Expense	38,536	38,536
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Motor Vehicle Highway Account (IC 8-14-1)

Total Operating Expense	38,537	38,537
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The above appropriations for enforcement aid are to meet unforeseen emergencies of a



confidential nature. They are to be expended under the direction of the superintendent and to be accounted for solely on the superintendent's authority.

PENSION FUND

General Fund

Total Operating Expense	6,184,606	6,184,606
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Motor Vehicle Highway Account (IC 8-14-1)

Total Operating Expense	6,184,608	6,184,608
--------------------------------	------------------	------------------

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

BENEFIT FUND

General Fund

Total Operating Expense	1,713,151	1,713,151
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Augmentation allowed.

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

Total Operating Expense	1,713,151	1,713,151
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Augmentation allowed.

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

SUPPLEMENTAL PENSION

General Fund

Total Operating Expense	2,171,723	2,171,723
--------------------------------	------------------	------------------

Augmentation allowed.

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

Total Operating Expense	2,171,723	2,171,723
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Augmentation allowed.

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

ACCIDENT REPORTING

Accident Report Account (IC 9-29-11-1)

Total Operating Expense	25,500	25,500
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Augmentation allowed.

DRUG INTERDICTION

Drug Interdiction Fund (IC 10-11-7)

Total Operating Expense	215,000	215,000
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Augmentation allowed.

DNA SAMPLE PROCESSING FUND



1	DNA Sample Processing Fund (IC 10-13-6-9.5)		
2	Total Operating Expense	1,327,777	1,327,777
3	Augmentation allowed.		
4			
5	FOR THE INTEGRATED PUBLIC SAFETY COMMISSION		
6	PROJECT SAFE-T		
7	Integrated Public Safety Communications Fund (IC 5-26-4-1)		
8	Total Operating Expense	12,042,700	12,042,700
9	Augmentation allowed.		
10			
11	FOR THE ADJUTANT GENERAL		
12	Personal Services	5,114,386	5,114,386
13	Other Operating Expense	3,666,380	3,666,380
14	CAMP ATTERBURY MUSCATATUCK CENTER FOR COMPLEX OPERATIONS		
15	Personal Services	543,775	543,775
16	Other Operating Expense	319,476	319,476
17	DISABLED SOLDIERS' PENSION		
18	Total Operating Expense	1	1
19	Augmentation allowed.		
20	MUTC - MUSCATATUCK URBAN TRAINING CENTER		
21	Total Operating Expense	1,178,870	1,178,870
22	HOOSIER YOUTH CHALLENGE ACADEMY		
23	General Fund		
24	Total Operating Expense	1,800,000	1,800,000
25	State Armory Board Fund (IC 10-16-3-2)		
26	Total Operating Expense	300,000	300,000
27	Augmentation allowed.		
28	GOVERNOR'S CIVIL AND MILITARY CONTINGENCY FUND		
29	Total Operating Expense		245,370
30			
31	The above appropriations for the governor's civil and military contingency fund are		
32	made under IC 10-16-11-1.		
33			
34	FOR THE CRIMINAL JUSTICE INSTITUTE		
35	ADMINISTRATIVE MATCH		
36	Total Operating Expense	427,253	427,253
37	DRUG ENFORCEMENT MATCH		
38	Total Operating Expense	1,003,664	1,003,664
39	SSBG - CRIMINAL JUSTICE INSTITUTE		
40	Total Operating Expense	636,763	636,763
41	VICTIM AND WITNESS ASSISTANCE FUND		
42	Victim and Witness Assistance Fund (IC 5-2-6-14)		
43	Total Operating Expense	798,828	798,828
44	Augmentation allowed.		
45	ALCOHOL AND DRUG COUNTERMEASURES		
46	Alcohol and Drug Countermeasures Fund (IC 9-27-2-11)		
47	Total Operating Expense	348,211	348,211
48	Augmentation allowed.		
49	STATE DRUG FREE COMMUNITIES FUND		



1	State Drug Free Communities Fund (IC 5-2-10-2)		
2	Total Operating Expense	526,585	526,585
3	Augmentation allowed.		
4	INDIANA SAFE SCHOOLS		
5	General Fund		
6	Total Operating Expense	1,129,216	1,129,216
7	Indiana Safe Schools Fund (IC 5-2-10.1-2)		
8	Total Operating Expense	692,100	692,100
9	Augmentation allowed from Indiana Safe Schools Fund.		

10
11 **Of the above appropriations for the Indiana safe schools program, \$1,071,316 is**
12 **appropriated annually to provide grants to school corporations for school safe haven**
13 **programs, emergency preparedness programs, and school safety programs, and**
14 **\$750,000 is appropriated annually for use in providing training to school safety**
15 **specialists.**

16
17 **CHILD RESTRAINT SYSTEM FUND**

18	Child Restraint System Account (IC 9-19-11-9)		
19	Total Operating Expense	100,000	100,000

20 **COMMUNITY DRIVER TRAINING SCHOOLS & INSTRUCTION**

21	Motor Vehicle Highway Account (IC 8-14-1)		
22	Total Operating Expense	63,675	63,675

23 **Augmentation allowed.**
24 **OFFICE OF TRAFFIC SAFETY**

25	Motor Vehicle Highway Account (IC 8-14-1)		
26	Total Operating Expense	523,333	523,333

27 **Augmentation allowed.**

28
29 **The above appropriation for the office of traffic safety is from the motor vehicle**
30 **highway account and may be used to cover the state match requirement for this**
31 **program according to the current highway safety plan approved by the governor**
32 **and the budget agency.**

33
34 **SEXUAL ASSAULT VICTIMS' ASSISTANCE**

35	Sexual Assault Victims' Assistance Account (IC 5-2-6-23(h))		
36	Total Operating Expense	49,000	49,000

37
38 **Augmentation allowed. The full amount of the above appropriations shall be distributed**
39 **to rape crisis centers in Indiana without any deduction of personal services or other**
40 **operating expenses of any state agency.**

41
42 **VICTIMS OF VIOLENT CRIME ADMINISTRATION**

43	Violent Crime Victims Compensation Fund (IC 5-2-6.1-40)		
44	Personal Services	61,586	61,586

45	Other Operating Expense	2,500,414	2,500,414
46	Augmentation allowed.		

47 **DOMESTIC VIOLENCE PREVENTION AND TREATMENT**

48	General Fund		
49	Total Operating Expense	837,148	837,148



1	Domestic Violence Prevention and Treatment Fund (IC 5-2-6.7-4)		
2	Total Operating Expense	1,107,795	1,107,795
3	Augmentation allowed.		
4			
5	FOR THE CORONERS TRAINING BOARD		
6	Coroners Training and Continuing Education Fund (IC 4-23-6.5-8)		
7	Total Operating Expense	400,000	400,000
8	Augmentation allowed.		
9			
10	FOR THE LAW ENFORCEMENT TRAINING ACADEMY		
11	From the General Fund		
12	1,862,289	1,862,289	
13	From the Law Enforcement Training Fund (IC 5-2-1-13(b))		
14	2,220,052	2,220,052	
15	Augmentation allowed from the Law Enforcement Training Fund.		
16			
17	The amounts specified from the General Fund and the Law Enforcement Training Fund		
18	are for the following purposes:		
19			
20	Personal Services	3,026,606	3,026,606
21	Other Operating Expense	1,055,735	1,055,735
22			
23	C. REGULATORY AND LICENSING		
24			
25	FOR THE BUREAU OF MOTOR VEHICLES		
26	Motor Vehicle Highway Account (IC 8-14-1)		
27	Personal Services	15,143,709	15,143,709
28	Other Operating Expense	15,795,694	15,795,694
29	Augmentation allowed.		
30	LICENSE PLATES		
31	Motor Vehicle Highway Account (IC 8-14-1)		
32	Total Operating Expense	9,210,000	14,059,500
33	Augmentation allowed.		
34	FINANCIAL RESPONSIBILITY COMPLIANCE VERIFICATION		
35	Financial Responsibility Compliance Verification Fund (IC 9-25-9-7)		
36	Total Operating Expense	6,571,932	6,571,932
37	Augmentation allowed.		
38	STATE MOTOR VEHICLE TECHNOLOGY		
39	State Motor Vehicle Technology Fund (IC 9-29-16-1)		
40	Total Operating Expense	5,261,692	5,261,692
41	Augmentation allowed.		
42			
43	FOR THE DEPARTMENT OF LABOR		
44	Personal Services	700,954	700,954
45	Other Operating Expense	77,241	77,241
46	BUREAU OF MINES AND MINING		
47	Personal Services	92,074	157,130
48	Other Operating Expense	17,692	24,542
49	M.I.S. RESEARCH AND STATISTICS		



1	Total Operating Expense	98,663	98,663
2	OCCUPATIONAL SAFETY AND HEALTH		
3	Total Operating Expense	1,920,000	1,920,000
4			
5	The above appropriations for occupational safety and health and M.I.S. research and		
6	statistics reflect only the general fund portion of the total program costs of the		
7	Indiana occupational safety and health plan as approved by the U.S. Department of		
8	Labor. It is the intention of the General Assembly that the Indiana department of		
9	labor make application to the federal government for the federal share of the total		
10	program costs.		
11			
12	EMPLOYMENT OF YOUTH		
13	Employment of Youth Fund (IC 20-33-3-42)		
14	Total Operating Expense	167,826	167,826
15	Augmentation allowed.		
16	INSAFE		
17	Special Fund for Safety and Health Consultation Services (IC 22-8-1.1-48)		
18	Total Operating Expense	182,206	182,206
19	Augmentation allowed.		
20			
21	FOR THE DEPARTMENT OF INSURANCE		
22	Department of Insurance Fund (IC 27-1-3-28)		
23	Personal Services	4,524,795	4,524,795
24	Other Operating Expense	1,011,813	1,011,813
25	Augmentation allowed.		
26	BAIL BOND DIVISION		
27	Bail Bond Enforcement and Administration Fund (IC 27-10-5-1)		
28	Personal Services	178,008	178,008
29	Other Operating Expense	2,421	2,421
30	Augmentation allowed.		
31	PATIENT'S COMPENSATION AUTHORITY		
32	Patient's Compensation Fund (IC 34-18-6-1)		
33	Personal Services	560,123	560,123
34	Other Operating Expense	1,001,331	1,001,331
35	Augmentation allowed.		
36	POLITICAL SUBDIVISION RISK MANAGEMENT		
37	Political Subdivision Risk Management Fund (IC 27-1-29-10)		
38	Personal Services	7,200	7,200
39	Other Operating Expense	61,814	61,814
40	Augmentation allowed.		
41	MINE SUBSIDENCE INSURANCE		
42	Mine Subsidence Insurance Fund (IC 27-7-9-7)		
43	Personal Services	43,271	43,271
44	Other Operating Expense	630,260	630,260
45	Augmentation allowed.		
46	TITLE INSURANCE ENFORCEMENT OPERATING		
47	Title Insurance Enforcement Fund (IC 27-7-3.6-1)		
48	Personal Services	321,355	321,355
49	Other Operating Expense	47,936	47,936



1 **Augmentation allowed.**

2

3 **FOR THE ALCOHOL AND TOBACCO COMMISSION**

4 **Enforcement and Administration Fund (IC 7.1-4-10-1)**

5 **Personal Services** **8,536,701** **8,536,701**

6 **Other Operating Expense** **1,470,857** **1,470,857**

7 **Augmentation allowed.**

8

9 **ALCOHOLIC BEVERAGE ENFORCEMENT OFFICERS' TRAINING**

10 **Alcoholic Beverage Enforcement Officers' Training Fund (IC 5-2-8-8)**

11 **Total Operating Expense** **1,645** **1,645**

12 **Augmentation allowed.**

13 **YOUTH TOBACCO EDUCATION AND ENFORCEMENT**

14 **Youth Tobacco Education and Enforcement Fund (IC 7.1-6-2-6)**

15 **Total Operating Expense** **147,000** **147,000**

16 **Augmentation allowed.**

17

18 **FOR THE DEPARTMENT OF FINANCIAL INSTITUTIONS**

19 **Financial Institutions Fund (IC 28-11-2-9)**

20 **Personal Services** **6,273,866** **6,273,866**

21 **Other Operating Expense** **1,368,083** **1,408,083**

22 **Augmentation allowed.**

23

24 **FOR THE PROFESSIONAL LICENSING AGENCY**

25 **Personal Services** **4,456,461** **4,456,461**

26 **Other Operating Expense** **526,517** **526,517**

27 **PRENEED CONSUMER PROTECTION**

28 **Preneed Consumer Protection Fund (IC 30-2-13-28)**

29 **Total Operating Expense** **50,000** **50,000**

30 **Augmentation allowed.**

31 **BOARD OF FUNERAL AND CEMETERY SERVICE**

32 **Funeral Service Education Fund (IC 25-15-9-13)**

33 **Total Operating Expense** **4,250** **4,250**

34 **Augmentation allowed.**

35

36 **FOR THE CIVIL RIGHTS COMMISSION**

37 **Personal Services** **1,651,850** **1,651,850**

38 **Other Operating Expense** **207,036** **207,036**

39

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

45

46 **MARTIN LUTHER KING JR. HOLIDAY COMMISSION**

47 **Total Operating Expense** **20,000** **20,000**

48

49 **FOR THE UTILITY CONSUMER COUNSELOR**



1	Public Utility Fund (IC 8-1-6-1)		
2	Personal Services	4,705,037	4,705,037
3	Other Operating Expense	718,125	720,831
4	Augmentation allowed.		
5			
6	EXPERT WITNESS FEES AND AUDIT		
7	Public Utility Fund (IC 8-1-6-1)		
8	Total Operating Expense		1,704,000
9	Augmentation allowed.		
10			
11	FOR THE UTILITY REGULATORY COMMISSION		
12	Public Utility Fund (IC 8-1-6-1)		
13	Personal Services	6,541,453	6,541,453
14	Other Operating Expense	1,800,652	1,800,652
15	Augmentation allowed.		
16			
17	FOR THE WORKER'S COMPENSATION BOARD		
18	From the General Fund		
19	1,801,538	1,801,538	
20	From the Worker's Compensation Supplemental Administrative Fund (IC 22-3-5-6)		
21	145,007	145,007	
22	Augmentation allowed.		
23			
24	The amounts specified from the general fund and the workers' compensation supplemental		
25	administrative fund are for the following purposes:		
26			
27	Personal Services	1,853,570	1,853,570
28	Other Operating Expense	92,975	92,975
29			
30	FOR THE STATE BOARD OF ANIMAL HEALTH		
31	Personal Services	3,854,067	3,854,067
32	Other Operating Expense	438,694	438,694
33	INDEMNITY FUND		
34	Total Operating Expense		4,000
35	Augmentation allowed.		
36	MEAT & POULTRY INSPECTION		
37	Total Operating Expense	1,545,698	1,545,698
38			
39	FOR THE DEPARTMENT OF HOMELAND SECURITY		
40	FIRE AND BUILDING SERVICES		
41	Fire and Building Services Fund (IC 22-12-6-1)		
42	Personal Services	12,153,762	12,153,762
43	Other Operating Expense	1,084,450	1,084,450
44	Augmentation allowed.		
45	REGIONAL PUBLIC SAFETY TRAINING		
46	Regional Public Safety Training Fund (IC 10-15-3-12)		
47	Total Operating Expense	1,617,274	1,617,274
48	Augmentation allowed.		
49	EMERGENCY MANAGEMENT CONTINGENCY FUND		



1 **Total Operating Expense**

121,645

121,645

2

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

5

6 **PUBLIC ASSISTANCE**

7 **Total Operating Expense**

1

1

8 **Augmentation allowed.**

9 **HOMELAND SECURITY FUND - FOUNDATION**

10 **Homeland Security Fund (IC 10-15-3-1)**

11 **Total Operating Expense**

329,956

329,956

12 **Augmentation allowed.**

13 **INDIANA EMERGENCY RESPONSE COMMISSION**

14 **Emergency Planning and Right to Know Fund (IC 6-6-10-5)**

15 **Total Operating Expense**

75,892

75,892

16 **Augmentation allowed.**

17 **STATE DISASTER RELIEF FUND**

18 **State Disaster Relief Fund (IC 10-14-4-5)**

19 **Total Operating Expense**

500,000

500,000

20 **Augmentation allowed, not to exceed revenues collected from the public safety**
21 **fee imposed by IC 22-11-14-12.**

22

23 **Augmentation allowed from the general fund to match federal disaster relief funds.**

24

25 **REDUCED IGNITION PROPENSITY STANDARDS FOR CIGARETTES FUND**

26 **Reduced Ignition Propensity Standards for Cigarettes Fund (IC 22-14-7-22(a))**

27 **Total Operating Expense**

32,547

32,547

28 **Augmentation allowed.**

29 **STATEWIDE FIRE AND BUILDING SAFETY EDUCATION FUND**

30 **Statewide Fire and Building Safety Education Fund (IC 22-12-6-3)**

31 **Total Operating Expense**

104,250

104,250

32 **Augmentation allowed.**

33

34 **SECTION 5. [EFFECTIVE JULY 1, 2011]**

35

36 **CONSERVATION AND ENVIRONMENT**

37

38 **A. NATURAL RESOURCES**

39

40 **FOR THE DEPARTMENT OF NATURAL RESOURCES - ADMINISTRATION**

41 **Personal Services**

6,708,757

6,708,757

42 **Other Operating Expense**

1,335,828

1,335,828

43 **ENTOMOLOGY AND PLANT PATHOLOGY DIVISION**

44 **Personal Services**

357,973

357,973

45 **Other Operating Expense**

78,835

78,835

46 **ENTOMOLOGY AND PLANT PATHOLOGY FUND**

47 **Entomology and Plant Pathology Fund (IC 14-24-10-3)**

48 **Total Operating Expense**

658,660

49 **Augmentation allowed.**



		<i>FY 2011-2012 Appropriation</i>	<i>FY 2012-2013 Appropriation</i>	<i>Biennial Appropriation</i>
1	ENGINEERING DIVISION			
2	Personal Services	1,522,685	1,522,685	
3	Other Operating Expense	76,711	76,711	
4	STATE MUSEUM			
5	Personal Services	4,414,195	4,414,195	
6	Other Operating Expense	881,643	881,643	
7	HISTORIC PRESERVATION DIVISION			
8	Personal Services	420,037	420,037	
9	Other Operating Expense	54,640	54,640	
10	HISTORIC PRESERVATION - FEDERAL			
11	Total Operating Expense	227,076	227,076	
12	DHPA DEDICATED			
13	Total Operating Expense	27,675	27,675	
14	STATE HISTORIC SITES			
15	Personal Services	2,241,939	2,241,939	
16	Other Operating Expense	223,332	223,332	
17	LINCOLN PRODUCTION			
18	Total Operating Expense	220,000	220,000	
19	WABASH RIVER HERITAGE CORRIDOR			
20	Wabash River Heritage Corridor Fund (IC 14-13-6-23)			
21	Total Operating Expense	21,950	21,950	
22	OUTDOOR RECREATION DIVISION			
23	Personal Services	450,382	450,382	
24	Other Operating Expense	22,980	22,980	
25	OUTDOOR RECREATION DISTRIBUTION			
26	Total Operating Expense	86,511	86,511	
27	NATURE PRESERVES DIVISION			
28	Personal Services	767,313	767,313	
29	Other Operating Expense	21,789	21,789	
30	NATURE PRESERVES - FEDERAL			
31	Total Operating Expense	10,000	10,000	
32	WATER DIVISION			
33	Personal Services	3,684,274	3,684,274	
34	Other Operating Expense	347,634	347,634	
35				
36	All revenues accruing from state and local units of government and from private			
37	utilities and industrial concerns as a result of water resources study projects,			
38	and as a result of topographic and other mapping projects, shall be deposited into			
39	the state general fund, and such receipts are hereby appropriated, in addition to			
40	the foregoing amounts, for water resources studies.			
41				
42	WATER - FEDERAL			
43	Total Operating Expense	67,500	67,500	
44	DEER RESEARCH AND MANAGEMENT			
45	Deer Research and Management Fund (IC 14-22-5-2)			
46	Total Operating Expense	131,458	131,458	
47	Augmentation allowed.			
48	OIL AND GAS DIVISION			
49	Oil and Gas Fund (IC 6-8-1-27)			



		<i>FY 2011-2012 Appropriation</i>	<i>FY 2012-2013 Appropriation</i>	<i>Biennial Appropriation</i>
1	Personal Services	1,181,127	1,181,127	
2	Other Operating Expense	149,485	149,485	
3	Augmentation allowed.			
4	ENVIRONMENTAL PROTECTION AGENCY - INDIANA DEPT. OF NATURAL RESOURCES			
5	Oil and Gas Fund (IC 6-8-1-27)			
6	Total Operating Expense	309,016	309,016	
7	Augmentation allowed.			
8	STATE PARKS AND RESERVOIRS			
9	From the General Fund			
10		9,622,431	9,622,431	
11	From the State Parks and Reservoirs Special Revenue Fund (IC 14-19-8-2)			
12		23,884,975	23,884,975	
13	Augmentation allowed from the State Parks and Reservoirs Special Revenue Fund.			
14				
15	The amounts specified from the General Fund and the State Parks and Reservoirs			
16	Special Revenue Fund are for the following purposes:			
17				
18	Personal Services	23,515,587	23,515,587	
19	Other Operating Expense	9,991,819	9,991,819	
20				
21	OFF-ROAD VEHICLE AND SNOWMOBILE FUND			
22	Off-Road Vehicle and Snowmobile Fund (IC 14-16-1-30)			
23	Total Operating Expense	330,176	330,176	
24	Augmentation allowed.			
25	NATURAL RECREATION TRAILS			
26	Off-Road Vehicle and Snowmobile Fund (IC 14-16-1-30)			
27	Total Operating Expense	100,000	100,000	
28	Augmentation allowed.			
29	LAW ENFORCEMENT DIVISION			
30	From the General Fund			
31		8,446,236	8,446,236	
32	From the Fish and Wildlife Fund (IC 14-22-3-2)			
33		11,967,270	11,967,270	
34	Augmentation allowed from the Fish and Wildlife Fund.			
35				
36	The amounts specified from the General Fund and the Fish and Wildlife Fund are for			
37	the following purposes:			
38				
39	Personal Services	17,741,091	17,741,091	
40	Other Operating Expense	2,672,415	2,672,415	
41				
42	FISH AND WILDLIFE DIVISION			
43	Fish and Wildlife Fund (IC 14-22-3-2)			
44	Personal Services	6,274,299	6,274,299	
45	Other Operating Expense	2,551,967	2,551,967	
46	Augmentation allowed.			
47	DEPARTMENT OF THE INTERIOR - FISH AND WILDLIFE			
48	Deer Research and Management Fund (IC 14-22-5-2)			
49	Total Operating Expense	39,000	39,000	



1	Fish and Wildlife Fund (IC 14-22-3-2)		
2	Total Operating Expense	1,183,772	1,183,772
3	Augmentation allowed.		
4	NONGAME FUND - FEDERAL		
5	Nongame Fund (IC 14-22-34-20)		
6	Total Operating Expense	168,750	168,750
7	Augmentation allowed.		
8	FORESTRY DIVISION		
9	From the General Fund		
10	4,114,649	4,114,649	
11	From the State Forestry Fund (IC 14-23-3-2)		
12	4,874,334	4,874,334	
13	Augmentation allowed from the State Forestry Fund.		
14			
15	The amounts specified from the General Fund and the State Forestry Fund are for		
16	the following purposes:		
17			
18	Personal Services	7,288,922	7,288,922
19	Other Operating Expense	1,700,061	1,700,061
20	FORESTRY GRANTS		
21	General Fund		
22	Total Operating Expense	100,000	100,000
23	Entomology and Plant Pathology Fund (IC 14-24-10-3)		
24	Total Operating Expense	50,000	50,000
25	Augmentation allowed.		
26	State Forestry Fund (IC 14-23-3-2)		
27	Total Operating Expense	500,000	500,000
28	Augmentation allowed.		
29	RECLAMATION DIVISION		
30	Natural Resources Reclamation Division Fund (IC 14-34-14-2)		
31	Total Operating Expense	47,653	47,653
32	Augmentation allowed.		
33			
34	In addition to any of the foregoing appropriations for the department of natural		
35	resources, any federal funds received by the state of Indiana for support of approved		
36	outdoor recreation projects for planning, acquisition, and development under the		
37	provisions of the federal Land and Water Conservation Fund Act, P.L.88-578, are		
38	appropriated for the uses and purposes for which the funds were paid to the state,		
39	and shall be distributed by the department of natural resources to state agencies		
40	and other governmental units in accordance with the provisions under which the		
41	funds were received.		
42			
43	DEPARTMENT OF THE INTERIOR - INDIANA DEPARTMENT OF NATURAL RESOURCES		
44	General Fund		
45	Total Operating Expense	70,000	70,000
46	Natural Resources Reclamation Division Fund (IC 14-34-14-2)		
47	Total Operating Expense	1,554,488	1,554,488
48	Augmentation allowed.		
49	LAKE MICHIGAN COASTAL PROGRAM		



1	Cigarette Tax Fund (IC 6-7-1-29.1)		
2	Total Operating Expense	3,879	3,879
3	Augmentation allowed.		
4	LAKE MICHIGAN COASTAL PROGRAM - FEDERAL		
5	Cigarette Tax Fund (IC 6-7-1-29.1)		
6	Total Operating Expense	117,062	117,062
7	Augmentation allowed.		
8	LAKE AND RIVER ENHANCEMENT		
9	Lake and River Enhancement Fund (IC 6-6-11-12.5)		
10	Total Operating Expense		4,587,938
11	Augmentation allowed.		
12	HERITAGE TRUST		
13	Indiana Heritage Trust Fund (IC 14-12-2-25)		
14	Total Operating Expense	1,000,000	1,000,000
15	Augmentation allowed.		
16	INSTITUTIONAL ROAD CONSTRUCTION		
17	State Highway Fund (IC 8-23-9-54)		
18	Total Operating Expense	2,500,000	2,500,000
19			
20	The above appropriation for institutional road construction may be used for road		
21	and bridge construction, relocation, and other related improvement projects at state-owned		
22	properties managed by the department of natural resources.		
23			
24	B. OTHER NATURAL RESOURCES		
25			
26	FOR THE WORLD WAR MEMORIAL COMMISSION		
27	Personal Services	635,632	635,632
28	Other Operating Expense	246,513	246,513
29			
30	All revenues received as rent for space in the buildings located at 777 North Meridian		
31	Street and 700 North Pennsylvania Street, in the city of Indianapolis, that exceed the		
32	costs of operation and maintenance of the space rented, shall be paid into the general		
33	fund. The American Legion shall provide for the complete maintenance of the interior		
34	of these buildings.		
35			
36	FOR THE WHITE RIVER PARK COMMISSION		
37	Total Operating Expense	814,445	814,445
38			
39	FOR THE MAUMEE RIVER BASIN COMMISSION		
40	Total Operating Expense	57,509	57,509
41			
42	FOR THE ST. JOSEPH RIVER BASIN COMMISSION		
43	Total Operating Expense	49,938	49,938
44			
45	FOR THE KANKAKEE RIVER BASIN COMMISSION		
46	Total Operating Expense	57,509	57,509
47			
48	C. ENVIRONMENTAL MANAGEMENT		
49			



**FOR THE DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
ADMINISTRATION**

From the General Fund

3,038,302	3,038,302
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From the State Solid Waste Management Fund (IC 13-20-22-2)

67,347	67,347
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From the Indiana Recycling Promotion and Assistance Fund (IC 4-23-5.5-14)

58,226	58,226
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From the Waste Tire Management Fund (IC 13-20-13-8)

102,842	102,842
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From the Title V Operating Permit Program Trust Fund (IC 13-17-8-1)

648,285	648,285
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From the Environmental Management Permit Operation Fund (IC 13-15-11-1)

616,683	616,683
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From the Environmental Management Special Fund (IC 13-14-12-1)

89,272	89,272
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From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)

181,422	181,422
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From the Asbestos Trust Fund (IC 13-17-6-3)

23,393	23,393
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From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)

52,290	52,290
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From the Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)

1,784,032	1,784,032
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Augmentation allowed from the State Solid Waste Management Fund, Indiana Recycling Promotion and Assistance Fund, Waste Tire Management Fund, Title V Operating Permit Program Trust Fund, Environmental Management Permit Operation Fund, Environmental Management Special Fund, Hazardous Substances Response Trust Fund, Asbestos Trust Fund, Underground Petroleum Storage Tank Trust Fund, and Underground Petroleum Storage Tank Excess Liability Trust Fund.

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

Personal Services	4,853,930	4,853,930
Other Operating Expense	1,808,164	1,808,164

LABORATORY CONTRACTS

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

Total Operating Expense	392,236	392,236
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Augmentation allowed.

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

Total Operating Expense	170,609	170,609
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1	From the General Fund		
2		178,684	178,684
3	From the State Solid Waste Management Fund (IC 13-20-22-2)		
4		7,559	7,559
5	From the Indiana Recycling Promotion and Assistance Fund (IC 4-23-5.5-14)		
6		6,533	6,533
7	From the Waste Tire Management Fund (IC 13-20-13-8)		
8		11,378	11,378
9	From the Title V Operating Permit Program Trust Fund (IC 13-17-8-1)		
10		111,458	111,458
11	From the Environmental Management Permit Operation Fund (IC 13-15-11-1)		
12		69,472	69,472
13	From the Environmental Management Special Fund (IC 13-14-12-1)		
14		10,677	10,677
15	From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)		
16		19,993	19,993
17	From the Asbestos Trust Fund (IC 13-17-6-3)		
18		4,021	4,021
19	From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)		
20		5,669	5,669
21	Augmentation allowed from the State Solid Waste Management Fund, Indiana		
22	Recycling Promotion and Assistance Fund, Waste Tire Management Fund, Title		
23	V Operating Permit Program Trust Fund, Environmental Management Permit		
24	Operation Fund, Environmental Management Special Fund, Hazardous Substances		
25	Response Trust Fund, Asbestos Trust Fund, and Underground Petroleum Storage		
26	Tank Trust Fund.		

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

Personal Services	218,829	218,829
Other Operating Expense	206,615	206,615

SOUTHEAST REGIONAL OFFICE

39	From the General Fund		
40		109,321	109,321
41	From the State Solid Waste Management Fund (IC 13-20-22-2)		
42		11,879	11,879
43	From the Indiana Recycling Promotion and Assistance Fund (IC 4-23-5.5-14)		
44		10,269	10,269
45	From the Waste Tire Management Fund (IC 13-20-13-8)		
46		14,406	14,406
47	From the Title V Operating Permit Program Trust Fund (IC 13-17-8-1)		
48		49,392	49,392
49	From the Environmental Management Permit Operation Fund (IC 13-15-11-1)		



1	46,757	46,757
2	From the Environmental Management Special Fund (IC 13-14-12-1)	
3	8,517	8,517
4	From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)	
5	16,297	16,297
6	From the Asbestos Trust Fund (IC 13-17-6-3)	
7	1,780	1,780
8	From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)	
9	4,693	4,693
10	Augmentation allowed from the State Solid Waste Management Fund, Indiana	
11	Recycling Promotion and Assistance Fund, Waste Tire Management Fund, Title	
12	V Operating Permit Program Trust Fund, Environmental Management Permit	
13	Operation Fund, Environmental Management Special Fund, Hazardous Substances	
14	Response Trust Fund, Asbestos Trust Fund, and Underground Petroleum Storage	
15	Tank Trust Fund.	

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

Personal Services	207,235	207,235
Other Operating Expense	66,076	66,076

SOUTHWEST REGIONAL OFFICE

From the General Fund

134,215	134,215
From the State Solid Waste Management Fund (IC 13-20-22-2)	
14,583	14,583
From the Indiana Recycling Promotion and Assistance Fund (IC 4-23-5.5-14)	
12,608	12,608
From the Waste Tire Management Fund (IC 13-20-13-8)	
17,686	17,686
From the Title V Operating Permit Program Trust Fund (IC 13-17-8-1)	
60,639	60,639
From the Environmental Management Permit Operation Fund (IC 13-15-11-1)	
57,406	57,406
From the Environmental Management Special Fund (IC 13-14-12-1)	
10,456	10,456
From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)	
20,008	20,008
From the Asbestos Trust Fund (IC 13-17-6-3)	
2,185	2,185
From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)	
5,764	5,764
Augmentation allowed from the State Solid Waste Management Fund, Indiana	
Recycling Promotion and Assistance Fund, Waste Tire Management Fund, Title	



1 **V Operating Permit Program Trust Fund, Environmental Management Permit**
2 **Operation Fund, Environmental Management Special Fund, Hazardous Substances**
3 **Response Trust Fund, Asbestos Trust Fund, and Underground Petroleum Storage**
4 **Tank Trust Fund.**

5

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

12

13 Personal Services	201,928	201,928
14 Other Operating Expense	133,622	133,622

15

16 **LEGAL AFFAIRS**

17 **From the General Fund**

18 561,625	561,625
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19 **From the Waste Tire Management Fund (IC 13-20-13-8)**

20 9,302	9,302
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21 **From the Title V Operating Permit Program Trust Fund (IC 13-17-8-1)**

22 247,167	247,167
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23 **From the Environmental Management Permit Operation Fund (IC 13-15-11-1)**

24 181,134	181,134
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25 **From the Environmental Management Special Fund (IC 13-14-12-1)**

26 22,230	22,230
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27 **From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)**

28 41,995	41,995
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29 **From the Asbestos Trust Fund (IC 13-17-6-3)**

30 8,917	8,917
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31 **From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)**

32 11,284	11,284
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33 **From the Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)**

34 384,939	384,939
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35 **Augmentation allowed from the Waste Tire Management Fund, Title V Operating**
36 **Permit Program Trust Fund, Environmental Management Permit Operation Fund,**
37 **Environmental Management Special Fund, Hazardous Substances Response Trust**
38 **Fund, Asbestos Trust Fund, Underground Petroleum Storage Tank Trust Fund,**
39 **and Underground Petroleum Storage Tank Excess Liability Trust Fund.**

40

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

47

48 Personal Services	1,106,236	1,106,236
49 Other Operating Expense	362,357	362,357



INVESTIGATIONS

From the General Fund

154,870	154,870
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From the State Solid Waste Management Fund (IC 13-20-22-2)

5,924	5,924
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From the Indiana Recycling Promotion and Assistance Fund (IC 4-23-5.5-14)

5,122	5,122
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From the Waste Tire Management Fund (IC 13-20-13-8)

13,926	13,926
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From the Title V Operating Permit Program Trust Fund (IC 13-17-8-1)

51,790	51,790
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From the Environmental Management Permit Operation Fund (IC 13-15-11-1)

74,615	74,615
--------	--------

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

9,311	9,311
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From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)

29,944	29,944
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From the Asbestos Trust Fund (IC 13-17-6-3)

1,868	1,868
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From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)

10,517	10,517
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Augmentation allowed from the State Solid Waste Management Fund, Indiana Recycling Promotion and Assistance Fund, Waste Tire Management Fund, Title V Operating Permit Program Trust Fund, Environmental Management Permit Operation Fund, Environmental Management Special Fund, Hazardous Substances Response Trust Fund, Asbestos Trust Fund, and Underground Petroleum Storage Tank Trust Fund.

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

Personal Services	327,498	327,498
Other Operating Expense	30,389	30,389

MEDIA AND COMMUNICATIONS

From the General Fund

499,452	499,452
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From the State Solid Waste Management Fund (IC 13-20-22-2)

10,083	10,083
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From the Indiana Recycling Promotion and Assistance Fund (IC 4-23-5.5-14)

8,721	8,721
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From the Waste Tire Management Fund (IC 13-20-13-8)

15,058	15,058
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From the Title V Operating Permit Program Trust Fund (IC 13-17-8-1)



1		88,137	88,137
2	From the Environmental Management Permit Operation Fund (IC 13-15-11-1)		
3		77,426	77,426
4	From the Environmental Management Special Fund (IC 13-14-12-1)		
5		11,664	11,664
6	From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)		
7		24,738	24,738
8	From the Asbestos Trust Fund (IC 13-17-6-3)		
9		3,176	3,176
10	From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)		
11		7,422	7,422
12	From the Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)		
13		253,029	253,029
14	Augmentation allowed from the State Solid Waste Management Fund, Indiana		
15	Recycling Promotion and Assistance Fund, Waste Tire Management Fund, Title V		
16	Operating Permit Program Trust Fund, Environmental Management Permit Operation		
17	Fund, Environmental Management Special Fund, Hazardous Substances Response		
18	Trust Fund, Asbestos Trust Fund, Underground Petroleum Storage Tank Trust		
19	Fund, and Underground Petroleum Storage Tank Excess Liability Trust Fund.		
20			
21	The amounts specified from the General Fund, State Solid Waste Management Fund,		
22	Indiana Recycling Promotion and Assistance Fund, Waste Tire Management Fund,		
23	Title V Operating Permit Program Trust Fund, Environmental Management Permit		
24	Operation Fund, Environmental Management Special Fund, Hazardous Substances		
25	Response Trust Fund, Asbestos Trust Fund, Underground Petroleum Storage Tank		
26	Trust Fund, and Underground Petroleum Storage Tank Excess Liability Trust Fund,		
27	are for the following purposes:		
28			
29	Personal Services	909,456	909,456
30	Other Operating Expense	89,450	89,450
31			
32	PLANNING AND ASSESSMENT		
33	From the General Fund		
34		404,184	404,184
35	From the State Solid Waste Management Fund (IC 13-20-22-2)		
36		11,837	11,837
37	From the Indiana Recycling Promotion and Assistance Fund (IC 4-23-5.5-14)		
38		10,154	10,154
39	From the Waste Tire Management Fund (IC 13-20-13-8)		
40		17,536	17,536
41	From the Title V Operating Permit Program Trust Fund (IC 13-17-8-1)		
42		102,641	102,641
43	From the Environmental Management Permit Operation Fund (IC 13-15-11-1)		
44		90,171	90,171
45	From the Environmental Management Special Fund (IC 13-14-12-1)		
46		13,574	13,574
47	From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)		
48		28,806	28,806
49	From the Asbestos Trust Fund (IC 13-17-6-3)		



1	3,703	3,703
2	From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)	
3	8,639	8,639
4	From the Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)	
5	294,574	294,574
6	Augmentation allowed from the State Solid Waste Management Fund, Indiana	
7	Recycling Promotion and Assistance Fund, Waste Tire Management Fund, Title V	
8	Operating Permit Program Trust Fund, Environmental Management Permit Operation	
9	Fund, Environmental Management Special Fund, Hazardous Substances Response	
10	Trust Fund, Asbestos Trust Fund, Underground Petroleum Storage Tank Trust	
11	Fund, and Underground Petroleum Storage Tank Excess Liability Trust Fund.	

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

21	Personal Services	931,869	931,869
22	Other Operating Expense	53,950	53,950

OHIO RIVER VALLEY WATER SANITATION COMMISSION

25	Environmental Management Special Fund (IC 13-14-12-1)		
26	Total Operating Expense	281,318	281,318
27	Augmentation allowed.		

OFFICE OF ENVIRONMENTAL RESPONSE

29	Personal Services	2,642,731	2,642,731
30	Other Operating Expense	328,006	328,006

POLLUTION PREVENTION AND TECHNICAL ASSISTANCE

32	Personal Services	1,001,866	1,001,866
33	Other Operating Expense	151,354	151,354

PCB INSPECTIONS

35	Environmental Management Permit Operation Fund (IC 13-15-11-1)		
36	Total Operating Expense	19,420	19,420
37	Augmentation allowed.		

U.S. GEOLOGICAL SURVEY CONTRACTS

39	Environmental Management Special Fund (IC 13-14-12-1)		
40	Total Operating Expense	54,738	54,738
41	Augmentation allowed.		

STATE SOLID WASTE GRANTS MANAGEMENT

43	State Solid Waste Management Fund (IC 13-20-22-2)		
44	Personal Services	226,352	226,352
45	Other Operating Expense	229,429	229,429
46	Augmentation allowed.		

RECYCLING OPERATING

48	Indiana Recycling Promotion and Assistance Fund (IC 4-23-5.5-14)		
49	Personal Services	283,598	283,598



1	Other Operating Expense	292,020	292,020
2	Augmentation allowed.		
3	RECYCLING PROMOTION AND ASSISTANCE PROGRAM		
4	Indiana Recycling Promotion and Assistance Fund (IC 4-23-5.5-14)		
5	Total Operating Expense	524,000	524,000
6	Augmentation allowed.		
7	VOLUNTARY CLEAN-UP PROGRAM		
8	Voluntary Remediation Fund (IC 13-25-5-21)		
9	Personal Services	827,047	827,047
10	Other Operating Expense	68,121	68,121
11	Augmentation allowed.		
12	TITLE V AIR PERMIT PROGRAM		
13	Title V Operating Permit Program Trust Fund (IC 13-17-8-1)		
14	Personal Services	10,375,485	10,375,485
15	Other Operating Expense	1,938,006	1,938,006
16	Augmentation allowed.		
17	WATER MANAGEMENT PERMITTING		
18	From the General Fund		
19	1,660,170	1,660,170	
20	From the Environmental Management Permit Operation Fund (IC 13-15-11-1)		
21	4,751,106	4,751,106	
22	Augmentation allowed from the Environmental Management Permit Operation Fund.		
23			
24	The amounts specified from the General Fund and the Environmental Management Permit		
25	Operation Fund are for the following purposes:		
26			
27	Personal Services	5,939,557	5,939,557
28	Other Operating Expense	471,719	471,719
29			
30	SOLID WASTE MANAGEMENT PERMITTING		
31	From the General Fund		
32	1,768,784	1,768,784	
33	From the Environmental Management Permit Operation Fund (IC 13-15-11-1)		
34	3,012,230	3,012,230	
35	Augmentation allowed from the Environmental Management Permit Operation		
36	Fund.		
37			
38	The amounts specified from the General Fund and the Environmental Management		
39	Permit Operation Fund are for the following purposes:		
40			
41	Personal Services	4,453,339	4,453,339
42	Other Operating Expense	327,675	327,675
43			
44	CFO/CAFO INSPECTIONS		
45	Total Operating Expense	282,500	282,500
46	HAZARDOUS WASTE MANAGEMENT PERMITTING - FEDERAL		
47	Total Operating Expense	1,316,311	1,316,311
48	HAZARDOUS WASTE MANAGEMENT PERMITTING		
49	Environmental Management Permit Operation Fund (IC 13-15-11-1)		



		<i>FY 2011-2012 Appropriation</i>	<i>FY 2012-2013 Appropriation</i>	<i>Biennial Appropriation</i>
1	Personal Services	3,686,772	3,686,772	
2	Other Operating Expense	356,212	356,212	
3	Augmentation allowed.			
4	ELECTRONIC WASTE			
5	Electronic Waste Fund (IC 13-20.5-2-3)			
6	Total Operating Expense	131,473	131,473	
7	SAFE DRINKING WATER PROGRAM			
8	From the General Fund			
9	215,599	215,599		
10	From the Environmental Management Permit Operation Fund (IC 13-15-11-1)			
11	2,692,762	2,692,762		
12	Augmentation allowed from the Environmental Management Permit Operation			
13	Fund.			
14				
15	The amounts specified from the General Fund and the Environmental Management			
16	Permit Operation Fund are for the following purposes:			
17				
18	Personal Services	2,034,100	2,034,100	
19	Other Operating Expense	874,261	874,261	
20				
21	CLEAN VESSEL PUMPOUT			
22	Environmental Management Special Fund (IC 13-14-12-1)			
23	Total Operating Expense	28,288	28,288	
24	Augmentation allowed.			
25	GROUNDWATER PROGRAM			
26	Environmental Management Special Fund (IC 13-14-12-1)			
27	Total Operating Expense	111,269	111,269	
28	Augmentation allowed.			
29	UNDERGROUND STORAGE TANK PROGRAM			
30	Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)			
31	Total Operating Expense	306,234	306,234	
32	Augmentation allowed.			
33	AIR MANAGEMENT OPERATING			
34	From the General Fund			
35	604,576	604,576		
36	From the Environmental Management Special Fund (IC 13-14-12-1)			
37	264,324	264,324		
38	Augmentation allowed from the Environmental Management Special Fund.			
39				
40	The amounts specified from the General Fund and the Environmental Management			
41	Special Fund are for the following purposes:			
42				
43	Personal Services	582,889	582,889	
44	Other Operating Expense	286,011	286,011	
45				
46	WATER MANAGEMENT NONPERMITTING			
47	Personal Services	2,758,985	2,758,985	
48	Other Operating Expense	802,379	802,379	
49	GREAT LAKES INITIATIVE			



1	Environmental Management Special Fund (IC 13-14-12-1)		
2	Total Operating Expense	57,385	57,385
3	Augmentation allowed.		
4	LEAKING UNDERGROUND STORAGE TANKS		
5	Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)		
6	Personal Services	147,745	147,745
7	Other Operating Expense	23,686	23,686
8	Augmentation allowed.		
9	CORE SUPERFUND		
10	Hazardous Substances Response Trust Fund (IC 13-25-4-1)		
11	Total Operating Expense	16,538	16,538
12	Augmentation allowed.		
13	AUTO EMISSIONS TESTING PROGRAM		
14	Personal Services	70,319	70,319
15	Other Operating Expense	5,370,180	5,370,180
16			
17	The above appropriations for auto emissions testing are the maximum amounts available		
18	for this purpose. If it becomes necessary to conduct additional tests in other locations,		
19	the above appropriations shall be prorated among all locations.		
20			
21	HAZARDOUS WASTE SITE - STATE CLEAN-UP		
22	Hazardous Substances Response Trust Fund (IC 13-25-4-1)		
23	Personal Services	1,796,779	1,796,779
24	Other Operating Expense	210,315	210,315
25	Augmentation allowed.		
26	HAZARDOUS WASTE SITES - NATURAL RESOURCE DAMAGES		
27	Hazardous Substances Response Trust Fund (IC 13-25-4-1)		
28	Personal Services	227,541	227,541
29	Other Operating Expense	186,395	186,395
30	Augmentation allowed.		
31	SUPERFUND MATCH		
32	Hazardous Substances Response Trust Fund (IC 13-25-4-1)		
33	Total Operating Expense	152,983	152,983
34	Augmentation allowed.		
35	HOUSEHOLD HAZARDOUS WASTE		
36	Hazardous Substances Response Trust Fund (IC 13-25-4-1)		
37	Other Operating Expense	38,293	38,293
38	Augmentation allowed.		
39	ASBESTOS TRUST - OPERATING		
40	Asbestos Trust Fund (IC 13-17-6-3)		
41	Personal Services	416,068	416,068
42	Other Operating Expense	56,095	56,095
43	Augmentation allowed.		
44	UNDERGROUND PETROLEUM STORAGE TANK - OPERATING		
45	Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)		
46	Personal Services	1,354,197	1,354,197
47	Other Operating Expense	40,263,150	40,263,150
48	Augmentation allowed.		
49	WASTE TIRE MANAGEMENT		



1	Waste Tire Management Fund (IC 13-20-13-8)		
2	Total Operating Expense	417,147	417,147
3	Augmentation allowed.		

4 **WASTE TIRE RE-USE**

5	Waste Tire Management Fund (IC 13-20-13-8)		
6	Total Operating Expense	33,796	33,796
7	Augmentation allowed.		

8 **VOLUNTARY COMPLIANCE**

9	Environmental Management Special Fund (IC 13-14-12-1)		
10	Personal Services	553,595	553,595
11	Other Operating Expense	178,178	178,178
12	Augmentation allowed.		

13 **ENVIRONMENTAL MANAGEMENT SPECIAL FUND - OPERATING**

14	Environmental Management Special Fund (IC 13-14-12-1)		
15	Total Operating Expense	661,315	661,315
16	Augmentation allowed.		

17 **WETLANDS PROTECTION**

18	Environmental Management Special Fund (IC 13-14-12-1)		
19	Total Operating Expense	11,062	11,062
20	Augmentation allowed.		

21 **PETROLEUM TRUST - OPERATING**

22	Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)		
23	Personal Services	136,157	136,157
24	Other Operating Expense	189,777	189,777
25	Augmentation allowed.		

26

27 **Notwithstanding any other law, with the approval of the governor and the budget**
28 **agency, the above appropriations for hazardous waste management permitting,**
29 **wetlands protection, groundwater program, underground storage tank program,**
30 **air management operating, asbestos trust operating, water management nonpermitting,**
31 **safe drinking water program, and any other appropriation eligible to be included in a**
32 **performance partnership grant may be used to fund activities incorporated into a**
33 **performance partnership grant between the United States Environmental Protection**
34 **Agency and the department of environmental management.**

35

36 **FOR THE OFFICE OF ENVIRONMENTAL ADJUDICATION**

37	Personal Services	296,578	296,578
38	Other Operating Expense	32,380	32,380

39

40 **SECTION 6. [EFFECTIVE JULY 1, 2011]**

41

42 **ECONOMIC DEVELOPMENT**

43

44 **A. AGRICULTURE**

45

46 **FOR THE DEPARTMENT OF AGRICULTURE**

47	Personal Services	1,615,208	1,615,208
48	Other Operating Expense	413,462	413,462



1	CLEAN WATER INDIANA		
2	Cigarette Tax Fund (IC 6-7-1-29.1)		
3	Total Operating Expense	3,116,462	3,116,462
4	Augmentation allowed.		
5	SOIL CONSERVATION DIVISION		
6	Cigarette Tax Fund (IC 6-7-1-29.1)		
7	Total Operating Expense	1,582,884	1,582,884
8	Augmentation allowed.		
9	GRAIN BUYERS AND WAREHOUSE LICENSING		
10	Grain Buyers and Warehouse Licensing Agency License Fee Fund (IC 26-3-7-6.3)		
11	Total Operating Expense	172,000	172,000
12	Augmentation allowed.		
13			
14	B. COMMERCE		
15			
16	FOR THE LIEUTENANT GOVERNOR		
17	RURAL ECONOMIC DEVELOPMENT FUND		
18	Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
19	Total Operating Expense	1,273,035	1,273,035
20	OFFICE OF TOURISM		
21	Total Operating Expense	1,970,681	1,970,681
22	STATE ENERGY PROGRAM		
23	Total Operating Expense	202,269	202,269
24	FOOD ASSISTANCE PROGRAM		
25	Total Operating Expense	111,572	111,572
26			
27	FOR THE INDIANA ECONOMIC DEVELOPMENT CORPORATION		
28	ADMINISTRATIVE AND FINANCIAL SERVICES		
29	General Fund		
30	Total Operating Expense	6,423,392	6,423,392
31	Training 2000 Fund (IC 5-28-7-5)		
32	Total Operating Expense	185,630	185,630
33	Industrial Development Grant Fund (IC 5-28-25-4)		
34	Total Operating Expense	52,139	52,139
35	21ST CENTURY RESEARCH & TECHNOLOGY FUND		
36	Indiana Twenty-First Century Research and Technology Fund (IC 5-28-16-2)		
37	Total Operating Expense	15,262,500	15,262,500
38	INTERNATIONAL TRADE		
39	Total Operating Expense	1,232,197	1,232,197
40	ENTERPRISE ZONE PROGRAM		
41	Enterprise Zone Fund (IC 5-28-15-6)		
42	Total Operating Expense	85,000	85,000
43	Augmentation allowed.		
44	LOCAL ECONOMIC DEVELOPMENT ORGANIZATION/		
45	REGIONAL ECONOMIC DEVELOPMENT ORGANIZATION		
46	(LEDO/REDO) MATCHING GRANT PROGRAM		
47	Total Operating Expense		600,000
48	TRAINING 2000		
49	Total Operating Expense		18,468,918



1	BUSINESS PROMOTION PROGRAM		
2	Total Operating Expense		1,741,758
3	ECONOMIC DEVELOPMENT GRANT AND LOAN PROGRAM		
4	Total Operating Expense		855,732
5	INDUSTRIAL DEVELOPMENT GRANT PROGRAM		
6	Total Operating Expense		6,500,000

7

8 **FOR THE HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY**

9 **INDIANA INDIVIDUAL DEVELOPMENT ACCOUNTS**

10	Affordable Housing and Community Development Fund (IC 5-20-4)		
11	Total Operating Expense	1,000,000	1,000,000

12

13 The housing and community development authority shall collect and report to the

14 family and social services administration (FSSA) all data required for FSSA to meet

15 the data collection and reporting requirements in 45 CFR Part 265.

16

17 Family and social services administration, division of family resources shall apply

18 all qualifying expenditures for individual development accounts deposits toward Indiana's

19 maintenance of effort under the federal Temporary Assistance to Needy Families (TANF)

20 program (45 CFR 260 et seq.).

21			
22	MORTGAGE FORECLOSURE COUNSELING		
23	Home Ownership Education Fund (IC 5-20-1-27)		
24	Total Operating Expense	1,693,924	1,693,924
25	Augmentation Allowed.		

26

27 **C. EMPLOYMENT SERVICES**

28

29 **FOR THE DEPARTMENT OF WORKFORCE DEVELOPMENT**

30 **ADMINISTRATION**

31	Total Operating Expense	855,000	855,000
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32	WOMEN'S COMMISSION		
33	Personal Services	83,899	83,899
34	Other Operating Expense	17,250	17,250

35	NATIVE AMERICAN INDIAN AFFAIRS COMMISSION		
36	Total Operating Expense	76,679	76,679

37	COMMISSION ON HISPANIC/LATINO AFFAIRS		
38	Total Operating Expense	105,600	105,600

39

40 The above appropriations are in addition to any funding for the commission derived

41 from funds appropriated to the department of workforce development.

42

43 **D. OTHER ECONOMIC DEVELOPMENT**

44

45 **FOR THE INDIANA STATE FAIR BOARD**

46 **STATE FAIR**

47	Total Operating Expense	600,000	600,000
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48

49 **SECTION 7. [EFFECTIVE JULY 1, 2011]**



TRANSPORTATION

FOR THE DEPARTMENT OF TRANSPORTATION

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

INTERMODAL GRANT PROGRAM

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

Total Operating Expense	50,000	50,000
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Augmentation allowed.

RAILROAD GRADE CROSSING IMPROVEMENT

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

Total Operating Expense	500,000	500,000
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HIGH SPEED RAIL

Industrial Rail Service Fund (IC 8-3-1.7-2)

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	35,031,051	36,628,678
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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)		
	270,724,355	263,724,355
Public Mass Transportation Fund (IC 8-23-3-8)		
	170,000	170,000
Industrial Rail Service Fund		
	305,000	305,000

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

Personal Services	214,386,249	207,386,249
Other Operating Expense	56,813,106	56,813,106

HIGHWAY VEHICLE AND ROAD MAINTENANCE EQUIPMENT

State Highway Fund (IC 8-23-9-54)		
Other Operating Expense	15,300,000	15,300,000

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

HIGHWAY MAINTENANCE WORK PROGRAM

State Highway Fund (IC 8-23-9-54)		
Other Operating Expense	67,000,000	67,000,000

The above appropriations for the highway maintenance work program may be used for:

- (1) materials for patching roadways and shoulders;
- (2) repairing and painting bridges;
- (3) installing signs and signals and painting roadways for traffic control;
- (4) mowing, herbicide application, and brush control;
- (5) drainage control;
- (6) maintenance of rest areas, public roads on properties of the department of natural resources, and driveways on the premises of all state facilities;
- (7) materials for snow and ice removal;
- (8) utility costs for roadway lighting; and
- (9) other special maintenance and support activities consistent with the highway maintenance work program.

HIGHWAY CAPITAL IMPROVEMENTS

State Highway Fund (IC 8-23-9-54)		
Right-of-Way Expense	16,880,000	8,640,000
Formal Contracts Expense	80,484,822	99,090,903
Consulting Services Expense	12,340,000	10,000,000
Institutional Road Construction	2,500,000	2,500,000

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

- (1) bridge rehabilitation and replacement;



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

The appropriations for highway operating, highway vehicle and road maintenance equipment, highway buildings and grounds, the highway planning and research program, the highway maintenance work program, and highway capital improvements are appropriated from estimated revenues, which include the following:

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

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

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

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

HIGHWAY PLANNING AND RESEARCH PROGRAM

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



1	Total Operating Expense	2,500,000	2,500,000
2			
3	STATE HIGHWAY ROAD CONSTRUCTION AND IMPROVEMENT PROGRAM		
4	State Highway Road Construction Improvement Fund (IC 8-14-10-5)		
5	Lease Rental Payments Expense	61,400,000	62,300,000
6	Augmentation allowed.		
7			
8	The above appropriations for the state highway road construction and improvement		
9	program are appropriated from the state highway road construction and improvement		
10	fund provided in IC 8-14-10-5 and may include any unencumbered funds carried		
11	forward from any previous fiscal year. The funds shall be first used for payment		
12	of rentals and leases relating to projects under IC 8-14.5. If any funds remain, the		
13	funds may be used for the following purposes:		
14	(1) road and bridge construction, reconstruction, or replacement;		
15	(2) construction, reconstruction, or replacement of travel lanes, intersections,		
16	and grade separations;		
17	(3) relocation and modernization of existing roads; and		
18	(4) right-of-way, relocation, and engineering and consulting expenses associated		
19	with any of the above types of projects.		
20			
21	CROSSROADS 2000 PROGRAM		
22	State Highway Fund (IC 8-23-9-54)		
23	Lease Rental Payment Expense	3,995,823	10,269,742
24	Augmentation allowed.		
25	Crossroads 2000 Fund (IC 8-14-10-9)		
26	Lease Rental Payment Expense	35,700,000	36,200,000
27	Augmentation allowed.		
28			
29	The above appropriations for the crossroads 2000 program are appropriated from the		
30	crossroads 2000 fund provided in IC 8-14-10-9 and may include any unencumbered		
31	funds carried forward from any previous fiscal year. The funds shall be first used		
32	for payment of rentals and leases relating to projects under IC 8-14-10-9. If any		
33	funds remain, the funds may be used for the following purposes:		
34	(1) road and bridge construction, reconstruction, or replacement;		
35	(2) construction, reconstruction, or replacement of travel lanes, intersections, and		
36	grade separations;		
37	(3) relocation and modernization of existing roads; and		
38	(4) right-of-way, relocation, and engineering and consulting expenses associated		
39	with any of the above types of projects.		
40			
41	MAJOR MOVES CONSTRUCTION PROGRAM		
42	Major Moves Construction Fund (IC 8-14-14-5)		
43	Formal Contracts Expense	530,000,000	50,000,000
44	Augmentation allowed.		
45	FEDERAL APPORTIONMENT		
46	Right-of-Way Expense	82,420,000	42,160,000
47	Formal Contracts Expense	531,612,292	624,532,292
48	Consulting Engineers Expense	60,260,000	48,800,000
49	Highway Planning and Research	12,807,708	12,807,708



1	Local Government Revolving Acct.	229,030,000	242,770,000
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2

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

7

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

12

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

15

16 The department may let contracts and enter into agreements for construction and
17 preliminary engineering during each year of the 2011-2013 biennium that obligate
18 not more than one-third (1/3) of the amount of state funds estimated by the department
19 to be available for appropriation in the following year for formal contracts and consulting
20 engineers for the capital improvements program.

21

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

29

30 **LOCAL TECHNICAL ASSISTANCE AND RESEARCH**

31

32 Under IC 8-14-1-3(6), there is appropriated to the department of transportation an amount
33 sufficient for:

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

SECTION 8. [EFFECTIVE JULY 1, 2011]

FAMILY AND SOCIAL SERVICES, HEALTH, AND VETERANS' AFFAIRS

A. FAMILY AND SOCIAL SERVICES

FOR THE FAMILY AND SOCIAL SERVICES ADMINISTRATION

INDIANA PRESCRIPTION DRUG PROGRAM

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

Total Operating Expense	1,117,830	1,117,830
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CHILDREN'S HEALTH INSURANCE PROGRAM

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

Total Operating Expense	36,984,504	36,984,504
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FAMILY AND SOCIAL SERVICES ADMINISTRATION - CENTRAL OFFICE

Total Operating Expense	16,764,735	16,764,735
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OFFICE OF MEDICAID POLICY AND PLANNING - ADMINISTRATION

Total Operating Expense	100,000	100,000
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MEDICAID ADMINISTRATION

Total Operating Expense	33,103,064	33,103,064
-------------------------	------------	------------

MEDICAID - CURRENT OBLIGATIONS

General Fund

Total Operating Expense	1,747,200,000	1,892,900,000
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The foregoing appropriations for Medicaid current obligations and for Medicaid administration are for the purpose of enabling the office of Medicaid policy and planning to carry out all services as provided in IC 12-8-6. In addition to the above appropriations, all money received from the federal government and paid into the state treasury as a grant or allowance is appropriated and shall be expended by the office of Medicaid policy and planning for the respective purposes for which the money was allocated and paid to the state. Subject to the provisions of IC 12-8-1-12, if the sums herein appropriated for Medicaid current obligations and for Medicaid administration are insufficient to enable the office of Medicaid policy and planning to meet its obligations, then there is appropriated from the general fund such further sums as may be necessary for that purpose, subject to the approval of the governor and the budget agency.

INDIANA CHECK-UP PLAN (EXCLUDING IMMUNIZATION)

Indiana Check-Up Plan Trust Fund (IC 12-15-44.2-17)

Total Operating Expense	157,766,043	157,766,043
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HOSPITAL CARE FOR THE INDIGENT FUND

Total Operating Expense	57,000,000	57,000,000
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MEDICAL ASSISTANCE TO WARDS (MAW)

Total Operating Expense	13,100,000	13,100,000
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MARION COUNTY HEALTH AND HOSPITAL CORPORATION

Total Operating Expense	38,000,000	38,000,000
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MENTAL HEALTH ADMINISTRATION

Other Operating Expense	3,859,047	3,859,047
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Two hundred seventy-five thousand dollars (\$275,000) of the above appropriation for the state fiscal year beginning July 1, 2011, and ending June 30, 2012, and two hundred seventy-five thousand dollars (\$275,000) of the above appropriation for the state fiscal year beginning July 1, 2012, and ending June 30, 2013, shall be distributed in the state fiscal year to neighborhood based community service programs.

CHILD PSYCHIATRIC SERVICES FUND

Total Operating Expense	17,023,760	17,023,760
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SERIOUSLY EMOTIONALLY DISTURBED

Total Operating Expense	15,075,408	15,075,408
--------------------------------	-------------------	-------------------

SERIOUSLY MENTALLY ILL

General Fund

Total Operating Expense	94,302,551	94,302,551
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Mental Health Centers Fund (IC 6-7-1-32.1)

Total Operating Expense	4,311,650	4,311,650
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Augmentation allowed.

COMMUNITY MENTAL HEALTH CENTERS

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

Total Operating Expense	7,000,000	7,000,000
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The above appropriation from the Tobacco Master Settlement Agreement Fund is in addition to other funds. The above appropriations for comprehensive community mental health services include the intragovernmental transfers necessary to provide the nonfederal share of reimbursement under the Medicaid rehabilitation option.

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

GAMBLERS' ASSISTANCE

Gamblers' Assistance Fund (IC 4-33-12-6)

Total Operating Expense	4,041,728	4,041,728
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SUBSTANCE ABUSE TREATMENT

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

Total Operating Expense	4,855,820	4,855,820
--------------------------------	------------------	------------------

QUALITY ASSURANCE/RESEARCH

Total Operating Expense	562,860	562,860
--------------------------------	----------------	----------------

PREVENTION

Gamblers' Assistance Fund (IC 4-33-12-6)

Total Operating Expense	2,572,675	2,572,675
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1 **Augmentation allowed.**
2 **METHADONE DIVERSION CONTROL AND OVERSIGHT (MDCO) PROGRAM**
3 **Opioid Treatment Program Fund (IC 12-23-18-4)**

4 Total Operating Expense	380,566	380,566
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5 **Augmentation allowed.**

6 **DMHA YOUTH TOBACCO REDUCTION SUPPORT PROGRAM**

7 **DMHA Youth Tobacco Reduction Support Program (IC 4-33-12-6)**

8 Total Operating Expense	250,000	250,000
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9 **Augmentation allowed.**

10 **EVANSVILLE PSYCHIATRIC CHILDREN'S CENTER**

11 **From the General Fund**

12 97,100	97,100	
--	--------	--

13 **From the Mental Health Fund (IC 12-24-14-4)**

14 1,496,038	1,496,038	
---	-----------	--

15 **Augmentation allowed.**

16

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

19

20 Personal Services	1,279,699	1,279,699
-----------------------------	------------------	------------------

21 Other Operating Expense	313,439	313,439
-----------------------------------	----------------	----------------

22

23 **EVANSVILLE STATE HOSPITAL**

24 **From the General Fund**

25 20,156,185	20,156,185	
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26 **From the Mental Health Fund (IC 12-24-14-4)**

27 3,971,008	3,971,008	
---	-----------	--

28 **Augmentation allowed.**

29

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

32

33 Personal Services	17,977,966	17,977,966
-----------------------------	-------------------	-------------------

34 Other Operating Expense	6,149,227	6,149,227
-----------------------------------	------------------	------------------

35

36 **LARUE CARTER MEMORIAL HOSPITAL**

37 **From the General Fund**

38 19,946,791	19,946,791	
--	------------	--

39 **From the Mental Health Fund (IC 12-24-14-4)**

40 2,765,060	2,765,060	
---	-----------	--

41 **Augmentation allowed.**

42

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

45

46 Personal Services	16,034,506	16,034,506
-----------------------------	-------------------	-------------------

47 Other Operating Expense	6,677,345	6,677,345
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48

49 **LOGANSPOUT STATE HOSPITAL**



1 **From the General Fund**
2 22,092,775 22,092,775
3 **From the Mental Health Fund (IC 12-24-14-4)**
4 6,318,370 6,318,370
5 **Augmentation allowed.**

6
7 **The amounts specified from the general fund and the mental health fund are for the**
8 **following purposes:**

9
10 **Personal Services** 24,528,698 24,528,698
11 **Other Operating Expense** 3,882,447 3,882,447

12
13 **MADISON STATE HOSPITAL**
14 **From the General Fund**
15 21,633,735 21,633,735
16 **From the Mental Health Fund (IC 12-24-14-4)**
17 5,754,681 5,754,681
18 **Augmentation allowed.**

19
20 **The amounts specified from the general fund and the mental health fund are for the**
21 **following purposes:**

22
23 **Personal Services** 21,339,985 21,339,985
24 **Other Operating Expense** 6,048,431 6,048,431

25
26 **RICHMOND STATE HOSPITAL**
27 **From the General Fund**
28 30,556,566 30,556,566
29 **From the Mental Health Fund (IC 12-24-14-4)**
30 2,261,464 2,261,464
31 **Augmentation allowed.**

32
33 **The amounts specified from the general fund and the mental health fund are for the**
34 **following purposes:**

35
36 **Personal Services** 25,399,821 25,399,821
37 **Other Operating Expense** 7,418,209 7,418,209

38
39 **PATIENT PAYROLL**
40 **Total Operating Expense** 257,206 257,206

41
42 **The federal share of revenue accruing to the state mental health institutions under**
43 **IC 12-15, based on the applicable Federal Medical Assistance Percentage (FMAP),**
44 **shall be deposited in the mental health fund established by IC 12-24-14-1, and the**
45 **remainder shall be deposited in the general fund.**

46
47 **In addition to the above appropriations, each institution may qualify for an additional**
48 **appropriation, or allotment, subject to approval of the governor and the budget agency,**
49 **from the mental health fund of up to twenty percent (20%), but not to exceed \$50,000**



in each fiscal year, of the amount by which actual net collections exceed an amount specified in writing by the division of mental health and addiction before July 1 of each year beginning July 1, 2011.

DIVISION OF FAMILY RESOURCES ADMINISTRATION

Personal Services	1,325,447	1,325,447
Other Operating Expense	1,670,322	1,670,322

COMMISSION ON THE SOCIAL STATUS OF BLACK MALES

Total Operating Expense	139,620	139,620
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SSBG - DIVISION OF FAMILY RESOURCES

Total Operating Expense	1,100,000	1,100,000
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CHILD CARE LICENSING FUND

Child Care Fund (IC 12-17.2-2-3)

Total Operating Expense	100,000	100,000
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Augmentation allowed.

ELECTRONIC BENEFIT TRANSFER PROGRAM

Total Operating Expense	2,278,565	2,278,565
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The foregoing appropriations for the division of family resources Title IV-D of the federal Social Security Act are made under, and not in addition to, IC 31-25-4-28.

DFR - COUNTY ADMINISTRATION

Total Operating Expense	89,154,386	90,229,853
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INDIANA CLIENT ELIGIBILITY SYSTEM (ICES)

Total Operating Expense	7,292,497	7,292,497
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IMPACT PROGRAM

Total Operating Expense	3,016,665	3,016,665
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TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF)

Total Operating Expense	31,776,757	31,776,757
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SNAP ADMINISTRATION

Total Operating Expense	2,182,125	2,182,125
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CHILD CARE & DEVELOPMENT FUND

Total Operating Expense	34,316,109	34,316,109
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The foregoing appropriations for information systems/technology, education and training, Temporary Assistance to Needy Families (TANF), and child care services are for the purpose of enabling the division of family resources to carry out all services as provided in IC 12-14. In addition to the above appropriations, all money received from the federal government and paid into the state treasury as a grant or allowance is appropriated and shall be expended by the division of family resources for the respective purposes for which such money was allocated and paid to the state.

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	812,413	812,413
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HEADSTART - FEDERAL



1	Total Operating Expense	43,750	43,750
2	DIVISION OF AGING ADMINISTRATION		
3	Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
4	Personal Services	327,983	327,983
5	Other Operating Expense	637,395	637,395

6
7 The above appropriations for the division of aging administration are for administrative
8 expenses. Any federal fund reimbursements received for such purposes are to be deposited
9 in the general fund.

10
11 **ROOM AND BOARD ASSISTANCE (R-CAP)**

12	Total Operating Expense	10,481,788	10,481,788
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13 **C.H.O.I.C.E. IN-HOME SERVICES**

14	Total Operating Expense	44,053,605	48,765,643
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15
16 The foregoing appropriations for C.H.O.I.C.E. In-Home Services include intragovernmental
17 transfers to provide the nonfederal share of the Medicaid aged and disabled waiver.
18 The intragovernmental transfers for use in the Medicaid aged and disabled waiver
19 may not exceed in the state fiscal year beginning July 1, 2011, and ending June
20 30, 2012, twenty-five million eight hundred thousand dollars (\$25,800,000) and in
21 the state fiscal year beginning July 1, 2012, and ending June 30, 2013, twenty-five
22 million eight hundred thousand dollars (\$25,800,000).
23

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

- 30 (1) the number and demographic characteristics of the recipients of home and
31 community-based services during the preceding fiscal year, including a separate
32 count of individuals who received no services other than case management services
33 (as defined in 460 IAC 1.2-4-10) during the preceding fiscal year;
34 (2) the total cost and per recipient cost of providing home and community-based
35 services during the preceding fiscal year, including a separate calculation of the
36 average annual per recipient cost of individuals who received no services other
37 than case management services (as defined in 460 IAC 1.2-4-10) during the preceding
38 fiscal year;
39 (3) a comparative analysis of the average annual per recipient cost to the state
40 during the preceding fiscal year of providing home and community based services
41 to individuals receiving services through the C.H.O.I.C.E. program and to individuals
42 receiving services through the Medicaid aged and disabled waiver program;
43 (4) an estimate of the number of recipients of home and community based services
44 who would have been placed in long term care facilities during the preceding fiscal
45 year had they not received home and community based services; and
46 (5) an estimate of the total cost savings during the preceding fiscal year realized
47 by the state due to recipients of home and community based services (including
48 Medicaid) being diverted from long term care facilities.
49



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

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

STATE SUPPLEMENT TO SSBG - AGING

Total Operating Expense	687,396	687,396
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OLDER HOOSIERS ACT

Total Operating Expense	1,573,446	1,573,446
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ADULT PROTECTIVE SERVICES

General Fund

Total Operating Expense	1,956,528	1,956,528
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Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)

Total Operating Expense	495,420	495,420
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Augmentation allowed.

ADULT GUARDIANSHIP SERVICES

Total Operating Expense	405,565	405,565
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MEDICAID WAIVER

Total Operating Expense	1,062,895	1,062,895
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TITLE III ADMINISTRATION GRANT

Total Operating Expense	310,000	310,000
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OMBUDSMAN

Total Operating Expense	310,124	310,124
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DIVISION OF DISABILITY AND REHABILITATIVE SERVICES ADMINISTRATION

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

Total Operating Expense	360,764	360,764
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BUREAU OF REHABILITATIVE SERVICES

- VOCATIONAL REHABILITATION OPERATING

Personal Services	3,448,621	3,448,621
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Other Operating Expense	12,425,093	12,425,093
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AID TO INDEPENDENT LIVING

Total Operating Expense	46,927	46,927
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accessABILITY CENTER FOR INDEPENDENT LIVING

Total Operating Expense	87,665	87,665
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SOUTHERN INDIANA CENTER FOR INDEPENDENT LIVING

Total Operating Expense	87,665	87,665
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ATTIC, INCORPORATED

Total Operating Expense	87,665	87,665
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LEAGUE FOR THE BLIND AND DISABLED

Total Operating Expense	87,665	87,665
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FUTURE CHOICES, INC.

Total Operating Expense	158,113	158,113
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1	THE WABASH INDEPENDENT LIVING AND LEARNING CENTER, INC.		
2	Total Operating Expense	158,113	158,113
3	INDEPENDENT LIVING CENTER OF EASTERN INDIANA		
4	Total Operating Expense	158,113	158,113
5	STATE SUPPLEMENT TO SSBG - DDRS		
6	Total Operating Expense	343,481	343,481
7	BUREAU OF REHABILITATIVE SERVICES - DEAF AND HARD OF HEARING SERVICES		
8	Personal Services	114,542	114,542
9	Other Operating Expense	202,232	202,232
10	BUREAU OF REHABILITATIVE SERVICES - BLIND VENDING OPERATIONS		
11	Total Operating Expense	129,905	129,905
12	BUREAU OF DEVELOPMENTAL DISABILITIES SERVICES		
13	- RESIDENTIAL FACILITIES COUNCIL		
14	Total Operating Expense	5,008	5,008
15	BUREAU OF REHABILITATIVE SERVICES		
16	- OFFICE OF SERVICES FOR THE BLIND AND VISUALLY IMPAIRED		
17	Personal Services	58,156	58,156
18	Other Operating Expense	23,580	23,580
19	BUREAU OF REHABILITATIVE SERVICES - EMPLOYEE TRAINING		
20	Total Operating Expense	6,112	6,112
21	BUREAU OF QUALITY IMPROVEMENT SERVICES - BQIS		
22	Total Operating Expense	3,636,983	3,636,983
23	BUREAU OF DEVELOPMENTAL DISABILITIES SERVICES - DAY SERVICES		
24	Other Operating Expense	3,159,384	3,159,384
25	BUREAU OF DEVELOPMENTAL DISABILITIES SERVICES		
26	- DIAGNOSIS AND EVALUATION		
27	Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
28	Other Operating Expense	400,125	400,125
29	FIRST STEPS		
30	Total Operating Expense	6,149,513	6,149,513
31	BUREAU OF DEVELOPMENTAL DISABILITIES SERVICES - EPILEPSY PROGRAM		
32	Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
33	Other Operating Expense	463,758	463,758
34	BUREAU OF DEVELOPMENTAL DISABILITIES SERVICES - CAREGIVER SUPPORT		
35	Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
36	Other Operating Expense	509,500	509,500
37	BUREAU OF DEVELOPMENTAL DISABILITIES SERVICES - OPERATING		
38	General Fund		
39	Total Operating Expense	5,286,696	5,286,696
40	Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
41	Total Operating Expense	2,458,936	2,458,936
42	Augmentation allowed.		
43	BUREAU OF DEVELOPMENTAL DISABILITIES SERVICES CASE MANAGEMENT - OASIS		
44	Total Operating Expense	2,516,000	2,516,000
45	BUREAU OF DEVELOPMENTAL DISABILITIES SERVICES - RESIDENTIAL SERVICES		
46	General Fund		
47	Total Operating Expense	91,996,290	91,996,290
48	Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
49	Total Operating Expense	10,229,000	10,229,000



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

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

FOR THE DEPARTMENT OF CHILD SERVICES

DEPARTMENT OF CHILD SERVICES - CASE MANAGEMENT

Personal Services	22,337,394	22,337,394
Other Operating Expense	4,313,127	4,313,127

CASE MANAGEMENT SERVICES APPROPRIATION

Total Operating Expense	59,711,491	59,711,491
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DEPARTMENT OF CHILD SERVICES - COUNTY ADMINISTRATION

- STATE APPROPRIATION

Personal Services	19,660,436	19,660,436
Other Operating Expense	13,249,977	13,249,977

DEPARTMENT OF CHILD SERVICES - COUNTY ADMINISTRATION

Total Operating Expense	11,808,523	11,808,523
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DEPARTMENT OF CHILD SERVICES - STATE ADMINISTRATION

Personal Services	7,327,026	7,327,026
Other Operating Expense	1,930,543	1,930,543

CHILD WELFARE ADMINISTRATION - STATE APPROPRIATION

Total Operating Expense	9,573,607	9,573,607
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CHILD WELFARE SERVICES STATE GRANTS

Total Operating Expense	7,500,000	7,500,000
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TITLE IV-D OF THE FEDERAL SOCIAL SECURITY ACT (STATE MATCH)

Total Operating Expense	7,475,179	7,475,179
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The foregoing appropriations for the department of child services Title IV-D of the federal Social Security Act are made under, and not in addition to, IC 31-25-4-28.

FAMILY AND CHILDREN FUND

General Fund

Total Operating Expense	282,977,440	282,977,440
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Augmentation allowed.

Family and Children Reimbursement (IC 31-40-1-3)

Total Operating Expense	6,536,332	6,536,332
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Augmentation allowed.

FAMILY AND CHILDREN SERVICES

Total Operating Expense	25,438,882	25,438,882
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ADOPTION SERVICES GRANTS

Total Operating Expense	26,983,440	26,983,440
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INDEPENDENT LIVING

Total Operating Expense	811,525	811,525
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		<i>FY 2011-2012 Appropriation</i>	<i>FY 2012-2013 Appropriation</i>	<i>Biennial Appropriation</i>
1	YOUTH SERVICE BUREAU			
2	Total Operating Expense	1,303,699	1,303,699	
3	PROJECT SAFEPLACE			
4	Total Operating Expense	112,500	112,500	
5	HEALTHY FAMILIES INDIANA			
6	Total Operating Expense	1,093,165	1,093,165	
7	CHILD WELFARE TRAINING			
8	Total Operating Expense	1,884,030	1,884,030	
9	SPECIAL NEEDS ADOPTION II			
10	Personal Services	228,975	228,975	
11	Other Operating Expense	470,625	470,625	
12	ADOPTION SERVICES			
13	Total Operating Expense	15,606,117	15,606,117	
14	NONRECURRING ADOPTION ASSISTANCE			
15	Total Operating Expense	921,500	921,500	
16	INDIANA SUPPORT ENFORCEMENT TRACKING (ISETS)			
17	Total Operating Expense	4,806,636	4,806,636	
18	CHILD PROTECTION AUTOMATION PROJECT (ICWIS)			
19	Total Operating Expense	1,421,375	1,421,375	
20				
21	FOR THE DEPARTMENT OF ADMINISTRATION			
22	DEPARTMENT OF CHILD SERVICES OMBUDSMAN BUREAU			
23	Total Operating Expense	123,726	123,726	
24				
25	B. PUBLIC HEALTH			
26				
27	FOR THE STATE DEPARTMENT OF HEALTH			
28	Personal Services	18,798,345	18,798,345	
29	Other Operating Expense	5,619,468	5,619,468	
30				
31	All receipts to the state department of health from licenses or permit fees shall			
32	be deposited in the state general fund.			
33				
34	AREA HEALTH EDUCATION CENTERS			
35	Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
36	Total Operating Expense	1,179,375	1,179,375	
37	CANCER REGISTRY			
38	Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
39	Total Operating Expense	519,050	519,050	
40	MINORITY HEALTH INITIATIVE			
41	Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
42	Total Operating Expense	2,550,000	2,550,000	
43				
44	The foregoing appropriations shall be allocated to the Indiana Minority Health Coalition			
45	to work with the state department on the implementation of IC 16-46-11.			
46				
47	SICKLE CELL			
48	Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
49	Total Operating Expense	250,000	250,000	



AID TO COUNTY TUBERCULOSIS HOSPITALS

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

Total Operating Expense	82,351	82,351
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These funds shall be used for eligible expenses according to IC 16-21-7-3 for tuberculosis patients for whom there are no other sources of reimbursement, including patient resources, health insurance, medical assistance payments, and hospital care for the indigent.

MEDICARE-MEDICAID CERTIFICATION

Total Operating Expense	5,329,012	5,329,012
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Personal services augmentation allowed in amounts not to exceed revenue from health facilities license fees or from health care providers (as defined in IC 16-18-2-163) fee increases or those adopted by the Executive Board of the Indiana State Department of health under IC 16-19-3.

AIDS EDUCATION

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

Personal Services	248,082	248,082
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Other Operating Expense	446,576	446,576
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HIV/AIDS SERVICES

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

Total Operating Expense	2,054,141	2,054,141
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SSBG - AIDS CARE COORDINATION

Total Operating Expense	296,504	296,504
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TEST FOR DRUG AFFLICTED BABIES

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

Total Operating Expense	49,403	49,403
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STATE CHRONIC DISEASES

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

Personal Services	81,007	81,007
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Other Operating Expense	835,656	835,656
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At least \$82,560 of the above appropriations shall be for grants to community groups and organizations as provided in IC 16-46-7-8.

WOMEN, INFANTS, AND CHILDREN SUPPLEMENT

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

Total Operating Expense	190,000	190,000
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SSBG - MATERNAL AND CHILD HEALTH - HEALTHY FAMILIES (MCHHF)

Total Operating Expense	289,352	289,352
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MATERNAL AND CHILD HEALTH SUPPLEMENT

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

Total Operating Expense	190,000	190,000
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CANCER EDUCATION AND DIAGNOSIS - BREAST CANCER

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

Total Operating Expense	73,516	73,516
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CANCER EDUCATION AND DIAGNOSIS - PROSTATE CANCER



1	Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
2	Total Operating Expense	79,050	79,050
3	ADOPTION HISTORY		
4	Adoption History Fund (IC 31-19-18-6)		
5	Total Operating Expense	183,212	183,212
6	Augmentation allowed.		
7	CHILDREN WITH SPECIAL HEALTH CARE NEEDS		
8	Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
9	Total Operating Expense	11,782,759	11,782,759
10	Augmentation allowed.		
11	NEWBORN SCREENING PROGRAM		
12	Newborn Screening Fund (IC 16-41-17-11)		
13	Personal Services	500,697	500,697
14	Other Operating Expense	1,724,200	1,724,200
15	Augmentation allowed.		
16	RADON GAS TRUST FUND		
17	Radon Gas Trust Fund (IC 16-41-38-8)		
18	Total Operating Expense	9,739	9,739
19	Augmentation allowed.		
20	BIRTH PROBLEMS REGISTRY		
21	Birth Problems Registry Fund (IC 16-38-4-17)		
22	Personal Services	62,853	62,853
23	Other Operating Expense	42,938	42,938
24	Augmentation allowed.		
25	MOTOR FUEL INSPECTION PROGRAM		
26	Motor Fuel Inspection Fund (IC 16-44-3-10)		
27	Total Operating Expense	148,294	148,294
28	Augmentation allowed.		
29	PROJECT RESPECT		
30	Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
31	Total Operating Expense	457,218	457,218
32	DONATED DENTAL SERVICES		
33	Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
34	Total Operating Expense	36,492	36,492
35			
36	The above appropriation shall be used by the Indiana foundation for dentistry for		
37	the handicapped.		
38			
39	OFFICE OF WOMEN'S HEALTH		
40	Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
41	Total Operating Expense	103,061	103,061
42	SPINAL CORD AND BRAIN INJURY		
43	Spinal Cord and Brain Injury Fund (IC 16-41-42.2-3)		
44	Total Operating Expense	999,404	999,404
45	INDIANA CHECK-UP PLAN - IMMUNIZATIONS		
46	Indiana Check-Up Plan Trust Fund (IC 12-15-44.2-17)		
47	Total Operating Expense	11,000,000	11,000,000
48	WEIGHTS AND MEASURES FUND		
49	Weights and Measures Fund (IC 16-19-5-4)		



1	Total Operating Expense	19,400	19,400
2	Augmentation allowed.		
3	MINORITY EPIDEMIOLOGY		
4	Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
5	Total Operating Expense	637,500	637,500
6	COMMUNITY HEALTH CENTERS		
7	Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
8	Total Operating Expense	15,000,000	15,000,000
9	PRENATAL SUBSTANCE USE & PREVENTION		
10	Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
11	Total Operating Expense	127,500	127,500
12	LOCAL HEALTH MAINTENANCE FUND		
13	Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
14	Total Operating Expense	3,860,000	3,860,000
15	Augmentation allowed.		

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

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

LOCAL HEALTH DEPARTMENT ACCOUNT

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

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

**FOR THE TOBACCO USE PREVENTION AND CESSATION BOARD
TOBACCO USE PREVENTION AND CESSATION PROGRAM**

Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
Total Operating Expense	8,051,037	8,051,037

A minimum of 85% of the above appropriations shall be used for grants to local agencies and other entities with programs designed to reduce smoking.

FOR THE INDIANA SCHOOL FOR THE BLIND AND VISUALLY IMPAIRED

Personal Services	9,664,722	9,664,722
Other Operating Expense	965,000	965,000



FOR THE INDIANA SCHOOL FOR THE DEAF

Personal Services	14,608,440	14,608,440
Other Operating Expense	1,731,367	1,731,367

C. VETERANS' AFFAIRS

FOR THE INDIANA DEPARTMENT OF VETERANS' AFFAIRS

Personal Services	446,086	446,086
Other Operating Expense	80,108	80,108

DISABLED AMERICAN VETERANS OF WORLD WARS

Total Operating Expense	40,000	40,000
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AMERICAN VETERANS OF WORLD WAR II, KOREA, AND VIETNAM

Total Operating Expense	30,000	30,000
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VETERANS OF FOREIGN WARS

Total Operating Expense	30,000	30,000
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VIETNAM VETERANS OF AMERICA

Total Operating Expense		20,000
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MILITARY FAMILY RELIEF FUND

Military Family Relief Fund (IC 10-17-12-8)

Total Operating Expense	450,000	450,000
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INDIANA VETERANS' HOME

From the General Fund

10,893,256	10,893,256
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From the Veterans' Home Comfort and Welfare Fund (IC 10-17-9-7(d))

9,381,362	9,381,362
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Augmentation allowed from the Comfort and Welfare Fund in amounts not to exceed revenue collected for Medicaid and Medicare reimbursement.

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

Personal Services	13,552,779	13,552,779
Other Operating Expense	6,721,839	6,721,839

COMFORT AND WELFARE PROGRAM

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

Total Operating Expense	1,031,223	1,031,223
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Augmentation allowed.

SECTION 9. [EFFECTIVE JULY 1, 2011]

EDUCATION

A. HIGHER EDUCATION

FOR INDIANA UNIVERSITY



1 BLOOMINGTON CAMPUS

2 Total Operating Expense	179,823,196	179,823,196
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3 Fee Replacement	22,984,251	15,668,143
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5 FOR INDIANA UNIVERSITY REGIONAL CAMPUSES

6 EAST

7 Total Operating Expense	8,330,921	8,330,921
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8 Fee Replacement	1,399,673	1,399,262
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10 KOKOMO

11 Total Operating Expense	11,354,682	11,354,682
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12 Fee Replacement	1,819,808	1,818,053
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14 NORTHWEST

15 Total Operating Expense	16,275,368	16,275,368
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16 Fee Replacement	2,595,769	2,801,821
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18 SOUTH BEND

19 Total Operating Expense	21,756,890	21,756,890
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20 Fee Replacement	4,263,191	4,263,860
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22 SOUTHEAST

23 Total Operating Expense	18,976,859	18,976,859
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24 Fee Replacement	3,046,340	3,052,964
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26 TOTAL APPROPRIATION - INDIANA UNIVERSITY REGIONAL CAMPUSES

27	89,819,501	90,030,680
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29 FOR INDIANA UNIVERSITY - PURDUE UNIVERSITY

30 AT INDIANAPOLIS (IUPUI)

31 HEALTH DIVISIONS

32 Total Operating Expense	100,291,194	100,291,194
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33 Fee Replacement	2,919,493	3,405,551
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35 FOR INDIANA UNIVERSITY SCHOOL OF MEDICINE ON

36 THE CAMPUS OF THE UNIVERSITY OF SOUTHERN INDIANA

37 Total Operating Expense	1,603,670	1,603,670
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39 THE CAMPUS OF INDIANA UNIVERSITY-PURDUE UNIVERSITY FORT WAYNE

40 Total Operating Expense	1,475,274	1,475,274
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42 THE CAMPUS OF INDIANA UNIVERSITY-NORTHWEST

43 Total Operating Expense	2,095,829	2,095,829
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45 THE CAMPUS OF PURDUE UNIVERSITY

46 Total Operating Expense	1,870,823	1,870,823
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48 THE CAMPUS OF BALL STATE UNIVERSITY

49 Total Operating Expense	1,682,175	1,682,175
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THE CAMPUS OF THE UNIVERSITY OF NOTRE DAME

Total Operating Expense	1,560,016	1,560,016
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THE CAMPUS OF INDIANA STATE UNIVERSITY

Total Operating Expense	1,859,876	1,859,876
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The Indiana University School of Medicine - Indianapolis shall submit to the Indiana commission for higher education before May 15 of each year an accountability report containing data on the number of medical school graduates who entered primary care physician residencies in Indiana from the school's most recent graduating class.

**FOR INDIANA UNIVERSITY - PURDUE UNIVERSITY AT INDIANAPOLIS (IUPUI)
GENERAL ACADEMIC DIVISIONS**

Total Operating Expense	84,389,612	84,389,612
Fee Replacement	12,609,727	14,709,082

TOTAL APPROPRIATIONS - IUPUI
212,357,689 214,943,102

Transfers of allocations between campuses to correct for errors in allocation among the campuses of Indiana University can be made by the institution with the approval of the commission for higher education and the budget agency. Indiana University shall maintain current operations at all statewide medical education sites.

**FOR INDIANA UNIVERSITY
ABILENE NETWORK OPERATIONS CENTER**

Total Operating Expense	707,707	707,707
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SPINAL CORD AND HEAD INJURY RESEARCH CENTER

Spinal Cord and Brain Injury Fund (IC 16-41-42.2-3)		
Total Operating Expense	524,230	524,230

MEDICAL EDUCATION CENTER EXPANSION

Total Operating Expense	2,000,000	2,000,000
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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 and to provide clinical instruction. The funds shall be distributed to the nine (9) existing medical education centers in proportion to the increase in enrollment for each center.

STATE DEPARTMENT OF TOXICOLOGY

Total Operating Expense	2,093,873	2,093,873
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INSTITUTE FOR THE STUDY OF DEVELOPMENTAL DISABILITIES

Total Operating Expense	2,105,824	2,105,824
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GEOLOGICAL SURVEY



	<i>FY 2011-2012 Appropriation</i>	<i>FY 2012-2013 Appropriation</i>	<i>Biennial Appropriation</i>
1	Total Operating Expense	2,636,907	2,636,907
2			
3	LOCAL GOVERNMENT ADVISORY COMMISSION		
4	Total Operating Expense	48,062	48,062
5			
6	I-LIGHT NETWORK OPERATIONS		
7	Build Indiana Fund (IC 4-30-17)		
8	Total Operating Expense	1,471,833	1,471,833
9			
10	FOR PURDUE UNIVERSITY		
11	WEST LAFAYETTE		
12	Total Operating Expense	234,479,193	234,479,193
13	Fee Replacement	25,150,230	25,971,198
14			
15	FOR PURDUE UNIVERSITY - REGIONAL CAMPUSES		
16	CALUMET		
17	Total Operating Expense	26,844,940	26,844,940
18	Fee Replacement	1,490,058	1,489,772
19			
20	NORTH CENTRAL		
21	Total Operating Expense	13,073,588	13,073,588
22			
23	TOTAL APPROPRIATION - PURDUE UNIVERSITY REGIONAL CAMPUSES		
24	41,408,586 41,408,300		
25			
26	FOR INDIANA UNIVERSITY - PURDUE UNIVERSITY		
27	AT FORT WAYNE (IPFW)		
28	Total Operating Expense	38,563,050	38,563,050
29	Fee Replacement	5,412,164	5,420,037
30			
31	Transfers of allocations between campuses to correct for errors in allocation among		
32	the campuses of Purdue University can be made by the institution with the approval of		
33	the commission for higher education and the budget agency.		
34			
35	FOR PURDUE UNIVERSITY		
36	ANIMAL DISEASE DIAGNOSTIC LABORATORY SYSTEM		
37	Total Operating Expense	2,932,250	2,932,250
38			
39	The above appropriations shall be used to fund the animal disease diagnostic laboratory		
40	system (ADDL), which consists of the main ADDL at West Lafayette, the bangs disease		
41	testing service at West Lafayette, and the southern branch of ADDL Southern Indiana		
42	Purdue Agricultural Center (SIPAC) in Dubois County. The above appropriations are		
43	in addition to any user charges that may be established and collected under IC 21-46-3-5.		
44	Notwithstanding IC 21-46-3-4, the trustees of Purdue University may approve reasonable		
45	charges for testing for pseudorabies.		
46			
47	STATEWIDE TECHNOLOGY		
48	Total Operating Expense	5,468,848	5,468,848
49			



1	COUNTY AGRICULTURAL EXTENSION EDUCATORS		
2	Total Operating Expense	6,692,010	6,692,010
3			
4	AGRICULTURAL RESEARCH AND EXTENSION - CROSSROADS		
5	Total Operating Expense	6,696,039	6,696,039
6			
7	CENTER FOR PARALYSIS RESEARCH		
8	Total Operating Expense	444,174	444,174
9			
10	UNIVERSITY-BASED BUSINESS ASSISTANCE		
11	Total Operating Expense	1,747,361	1,747,361
12			
13	FOR INDIANA STATE UNIVERSITY		
14	Total Operating Expense	67,650,483	67,650,483
15	Fee Replacement	8,887,196	8,906,871
16			
17	NURSING PROGRAM		
18	Total Operating Expense	204,000	204,000
19			
20	FOR UNIVERSITY OF SOUTHERN INDIANA		
21	Total Operating Expense	40,109,493	40,109,493
22	Fee Replacement	10,998,767	11,567,417
23			
24	HISTORIC NEW HARMONY		
25	Total Operating Expense	470,414	470,414
26			
27	FOR BALL STATE UNIVERSITY		
28	Total Operating Expense	118,723,016	118,723,016
29	Fee Replacement	14,418,557	14,731,545
30			
31	ENTREPRENEURIAL COLLEGE		
32	Total Operating Expense	1,666,000	1,666,000
33			
34	ACADEMY FOR SCIENCE, MATHEMATICS, AND HUMANITIES		
35	Total Operating Expense	3,953,298	3,953,298
36			
37	FOR VINCENNES UNIVERSITY		
38	Total Operating Expense	36,492,378	36,492,378
39	Fee Replacement	4,176,639	4,172,015
40			
41	FOR IVY TECH COMMUNITY COLLEGE		
42	Total Operating Expense	186,417,941	186,417,941
43	Fee Replacement	29,817,924	30,877,963
44			
45	VALPO NURSING PARTNERSHIP		
46	Total Operating Expense	85,411	85,411
47			
48	FT. WAYNE PUBLIC SAFETY TRAINING CENTER		
49	Total Operating Expense	1,000,000	1,000,000



FOR THE INDIANA HIGHER EDUCATION TELECOMMUNICATIONS SYSTEM (IHETS)

Build Indiana Fund (IC 4-30-17)

Total Operating Expense	491,438	491,438
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The above appropriations do not include funds for the course development grant program.

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

All such income and all such fees, earnings, and receipts on hand June 30, 2011, and all such income and fees, earnings, and receipts accruing thereafter are hereby appropriated to the boards of trustees or directors of the aforementioned institutions and IHETS and may be expended for any necessary expenses of the respective institutions and IHETS, including university hospitals, schools of medicine, nurses' training schools, schools of dentistry, and agricultural extension and experimental stations. However, such income, fees, earnings, and receipts may be used for land and structures only if approved by the governor and the budget agency.

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

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

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

All such treasurers' reports are matters of public record and shall include without



limitation a record of the purposes of any and all gifts and trusts with the sole exception of the names of those donors who request to remain anonymous.

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

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

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

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

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

**FOR THE MEDICAL EDUCATION BOARD
FAMILY PRACTICE RESIDENCY FUND**

Total Operating Expense	1,909,998	1,909,998
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Of the foregoing appropriations for the medical education board-family practice residency fund, \$1,000,000 each year shall be used for grants for the purpose of improving family practice residency programs serving medically underserved areas.

FOR THE COMMISSION FOR HIGHER EDUCATION

Total Operating Expense	1,255,225	1,255,225
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STATEWIDE TRANSFER WEB SITE

Total Operating Expense	1,047,649	1,047,649
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FOR THE DEPARTMENT OF ADMINISTRATION

ANIMAL DISEASE DIAGNOSTIC LABORATORY LEASE RENTAL

Total Operating Expense	523,363	0
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COLUMBUS LEARNING CENTER LEASE PAYMENT

Total Operating Expense	4,959,000	5,048,000
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FOR THE STATE BUDGET AGENCY

GIGAPOP PROJECT

Build Indiana Fund (IC 4-30-17)

Total Operating Expense	656,158	656,158
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SOUTHERN INDIANA EDUCATIONAL ALLIANCE

Build Indiana Fund (IC 4-30-17)

Total Operating Expense	1,090,452	1,090,452
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DEGREE LINK

Build Indiana Fund (IC 4-30-17)

Total Operating Expense	460,245	460,245
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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	732,794	732,794
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MIDWEST HIGHER EDUCATION COMPACT

Build Indiana Fund (IC 4-30-17)

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

Total Operating Expense	912,336	912,336
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FREEDOM OF CHOICE GRANTS

Total Operating Expense	50,350,913	50,350,913
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HIGHER EDUCATION AWARD PROGRAM

Total Operating Expense	147,666,658	147,666,658
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NURSING SCHOLARSHIP PROGRAM

Total Operating Expense	377,179	377,179
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For the higher education awards and freedom of choice grants made for the 2011-2013 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 \$400.

(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.

STATUTORY FEE REMISSION

Total Operating Expense	20,557,932	20,557,932
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PART-TIME STUDENT GRANT DISTRIBUTION

Total Operating Expense	7,851,835	7,851,835
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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	207,000	207,000
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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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1 **21ST CENTURY ADMINISTRATION**

2 **Total Operating Expense** **1,892,383** **1,892,383**

3 **21ST CENTURY SCHOLAR AWARDS**

4 **Total Operating Expense** **29,109,298** **29,109,298**

5

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

9

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

14

15 **NATIONAL GUARD SCHOLARSHIP**

16 **Total Operating Expense** **2,806,588** **2,806,588**

17

18 **The above appropriations for national guard scholarship and any program reserves**
19 **existing on June 30, 2011, shall be the total allowable state expenditure for the**
20 **program in the 2011-2013 biennium. If the dollar amounts of eligible awards exceed**
21 **appropriations and program reserves, the state student assistance commission shall**
22 **develop a plan to ensure that the total dollar amount does not exceed the above appropriations**
23 **and any program reserves.**

24

25 **B. ELEMENTARY AND SECONDARY EDUCATION**

26

27 **FOR THE DEPARTMENT OF EDUCATION**

28 **STATE BOARD OF EDUCATION**

29 **Total Operating Expense** **3,700,716** **3,700,716**

30

31 **The foregoing appropriations for the Indiana state board of education are for the**
32 **education roundtable established by IC 20-19-4-2; for the academic standards project**
33 **to distribute copies of the academic standards and provide teachers with curriculum**
34 **frameworks; for special evaluation and research projects including national and**
35 **international assessments; and for state board and roundtable administrative expenses.**

36

37 **SUPERINTENDENT'S OFFICE**

38 **From the General Fund**

39 **8,495,125 8,495,125**

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

41 **395,000 395,000**

42 **Augmentation allowed from the Professional Standards Fund.**

43

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

46

47 **Personal Services** **7,260,090** **7,260,090**

48 **Other Operating Expense** **1,630,035** **1,630,035**

49



1 PUBLIC TELEVISION DISTRIBUTION

2 Total Operating Expense	1,610,000	1,610,000
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3

4 The above appropriations are for grants for public television. The Indiana Public
5 Broadcasting Stations, Inc., shall submit a distribution plan for the eight Indiana
6 public education television stations that shall be approved by the budget agency
7 after review by the budget committee. Of the above appropriations, \$184,000 each
8 year shall be distributed equally among all of the public radio stations.

9

10 RILEY HOSPITAL

11 Total Operating Expense	23,715	23,715
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12 BEST BUDDIES

13 Total Operating Expense	212,500	212,500
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14 MOTORCYCLE OPERATOR SAFETY EDUCATION FUND

15 Safety Education Fund (IC 20-30-13-11)

16 Personal Services	69,015	69,015
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17 Other Operating Expense	915,015	915,015
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18 Augmentation allowed.

19

20 The foregoing appropriations for the motorcycle operator safety education fund are
21 from the motorcycle operator safety education fund created by IC 20-30-13-11.

22

23 SCHOOL TRAFFIC SAFETY

24 Motor Vehicle Highway Account (IC 8-14-1)

25 Personal Services	146,750	146,750
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26 Other Operating Expense	105,733	105,733
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27 Augmentation allowed.

28 EDUCATION LICENSE PLATE FEES

29 Education License Plate Fees Fund (IC 9-18-31)

30 Total Operating Expense	115,569	115,569
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31 ACCREDITATION SYSTEM

32 Personal Services	327,512	327,512
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33 Other Operating Expense	395,352	395,352
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34 SPECIAL EDUCATION (S-5)

35 Total Operating Expense	24,750,000	24,750,000
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36

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

38

39 SPECIAL EDUCATION EXCISE

40 Alcoholic Beverage Excise Tax Funds (IC 20-35-4-4)

41 Personal Services	137,962	137,962
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42 Other Operating Expense	248,565	248,565
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43 Augmentation allowed.

44 CAREER AND TECHNICAL EDUCATION

45 Personal Services	1,084,381	1,084,381
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46 Other Operating Expense	128,522	128,522
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47

48 TRANSFER TUITION (STATE EMPLOYEES' CHILDREN AND ELIGIBLE
49 CHILDREN IN MENTAL HEALTH FACILITIES)



1	Total Operating Expense	7,000	7,000
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2

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

6

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

8	Total Operating Expense	2,403,792	2,403,792
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9

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

20

21 **DISTRIBUTION FOR TUITION SUPPORT**

22	Total Operating Expense	6,247,700,000	6,247,700,000
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23

24 The foregoing appropriations for distribution for tuition support are to be distributed
25 for tuition support, special education programs, career and technical education
26 programs, honors grants, and the primetime program in accordance with a statute
27 enacted for this purpose during the 2011 session of the general assembly.

28

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

31

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

38

39 **DISTRIBUTION FOR SUMMER SCHOOL**

40	Other Operating Expense	18,360,000	18,360,000
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41

42 It is the intent of the 2011 general assembly that the above appropriations for summer
43 school shall be the total allowable state expenditure for such program. Therefore, if
44 the expected disbursements are anticipated to exceed the total appropriation for that
45 state fiscal year, then the department of education shall reduce the distributions
46 proportionately.

47

48 **EARLY INTERVENTION PROGRAM AND READING DIAGNOSTIC ASSESSMENT**

49	Total Operating Expense	4,012,000	4,012,000
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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.

ADULT EDUCATION DISTRIBUTION

Total Operating Expense	12,600,000	12,600,000
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It is the intent of the 2011 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	5,125,000	5,125,000
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MARION COUNTY DESEGREGATION COURT ORDER

Total Operating Expense	14,000,000	10,000,000
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The foregoing appropriations for court ordered desegregation costs are made under order No. IP 68-C-225-S of the United States District Court for the Southern District of Indiana. If the sums herein appropriated are insufficient to enable the state to meet its obligations, then there are hereby appropriated from the state general fund such further sums as may be necessary for such purpose.

TEXTBOOK REIMBURSEMENT

Total Operating Expense	39,000,000	39,000,000
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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 school shall provide to the department the requirements established in IC 20-33-5-2.

The department shall provide to the family and social services administration (FSSA) all data required for FSSA to meet the data collection reporting requirement in 45 CFR 265. Family and social services administration, division of family resources, shall apply all qualifying expenditures for the textbook reimbursement program toward Indiana's maintenance of effort under the federal Temporary Assistance to Needy Families (TANF) program (45 CFR 260 et seq.).

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



FULL-DAY KINDERGARTEN

Total Operating Expense	58,500,000	58,500,000
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The above appropriations for full-day kindergarten are available to school corporations and charter schools that apply to the department of education for funding of full-day kindergarten. The amount available to a school corporation or charter school equals the amount appropriated divided by the total full day kindergarten enrollment of all participating school corporations and charter schools (as defined in IC 20-43-1-4) for the current year, and then multiplied by the school corporation's or charter school's full day kindergarten enrollment of eligible pupils (as defined in IC 20-43-1-11) for the current year. However, a school corporation or charter school may not receive more than \$2,500 dollars per student for full day kindergarten. A school corporation or charter school that is awarded a grant must provide to the department of education a financial report stating how the funds were spent. Any unspent funds at the end of the biennium must be returned to the state by the school corporation or charter school.

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

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

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

The state board and department shall provide support to school corporations and charter schools in the development and implementation of child centered and learning focused programs using the following methods:

- (1) Targeting professional development funds to provide teachers in kindergarten through grade 3 education in:
 - (A) scientifically proven methods of teaching reading;
 - (B) the use of data to guide instruction; and
 - (C) the use of age appropriate literacy and mathematics assessments.
- (2) Making uniform, predictively valid, observational assessments that:
 - (A) provide frequent information concerning the student's progress to the student's teacher; and



1 (B) measure the student's progress in literacy;
 2 available to teachers in kindergarten through grade 3. Teachers shall monitor
 3 students participating in a program, and the school corporation or charter school
 4 shall report the results of the assessments to the parents of a child completing
 5 an assessment and to the department.

6 (3) Undertaking a longitudinal study of students in programs in Indiana to
 7 determine the achievement levels of the students in kindergarten and later
 8 grades.
 9

10 The school corporation or charter school may use any funds otherwise allowable
 11 under state and federal law, including the school corporation's general fund, any
 12 funds available to the charter school, or voluntary parent fees, to provide full day
 13 kindergarten programs.
 14

15 **TESTING AND REMEDIATION**

16	Total Operating Expense	46,229,643	46,229,643
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17
 18 The above appropriations for testing and remediation include funds for graduation
 19 exam remediation, the advanced placement program, and the PSAT program. The
 20 appropriations for the advanced placement program and PSAT program are to provide
 21 funding for students of accredited public and nonpublic schools.
 22

23 Prior to notification of local school corporations of the formula and components
 24 of the formula for distributing funds for remediation and graduation exam remediation,
 25 review and approval of the formula and components shall be made by the budget agency.
 26

27 The above appropriation for testing and remediation shall be used by school
 28 corporations to provide remediation programs for students who attend public and
 29 nonpublic schools. For purposes of tuition support, these students are not to be
 30 counted in the average daily membership. Of the above appropriation for testing
 31 and remediation, \$500,000 each year shall be used for ACT/SAT test preparation.
 32

33 **NON-ENGLISH SPEAKING PROGRAM**

34	Other Operating Expense	5,000,000	5,000,000
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35
 36 The above appropriations for the Non-English Speaking Program are for pupils
 37 who have a primary language other than English and limited English proficiency,
 38 as determined by using a standard proficiency examination that has been approved
 39 by the department of education.
 40

41 The grant amount is two hundred dollars (\$200) per pupil. It is the intent of the
 42 2011 general assembly that the above appropriations for the Non-English Speaking
 43 Program shall be the total allowable state expenditure for the program. If the expected
 44 distributions are anticipated to exceed the total appropriations for the state fiscal
 45 year, the department of education shall reduce each school corporation's distribution
 46 proportionately.
 47

48 **GIFTED AND TALENTED EDUCATION PROGRAM**

49	Personal Services	63,349	63,349
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1	Other Operating Expense	12,484,747	12,484,747
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2

3 **DISTRIBUTION FOR ADULT VOCATIONAL EDUCATION**

4	Total Operating Expense	212,500	212,500
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5

6 The distribution for adult career and technical education programs shall be made

7 in accordance with the state plan for vocational education.

8

9 **PRIMETIME**

10	Personal Services	94,115	94,115
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11	Other Operating Expense	70,415	70,415
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12 **DRUG FREE SCHOOLS**

13	Total Operating Expense	56,656	56,656
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14 **INNOVATION FUND**

15	Other Operating Expense	2,500,000	2,500,000
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16

17 The foregoing appropriation may be used for the Woodrow Wilson teaching fellowship

18 program for new math and science teachers in underserved areas and to support start-up

19 costs to establish New Tech high schools in Indiana. In addition, the above appropriation

20 includes \$50,000 each state fiscal year for the Center for Evaluation and Education Policy.

21

22 **ALTERNATIVE EDUCATION**

23	Total Operating Expense	6,382,909	6,382,909
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24

25 The above appropriation includes funding to provide \$5,000 for each child attending

26 a charter school operated by an accredited hospital specializing in the treatment of

27 alcohol or drug abuse. This funding is in addition to tuition support for the charter

28 school.

29

30 The foregoing appropriation for alternative education may be used for dropout prevention

31 defined under IC 20-20-37.

32

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

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

35	Total Operating Expense	3,428,969	3,428,969
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36

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

38 student learning through the use of technology. Notwithstanding distribution guidelines

39 in IC 20-20-13, the department shall develop guidelines for distribution of the grants.

40 Up to \$200,000 may be used each year to support the operation of the office of the

41 special assistant to the superintendent of public instruction for technology.

42

43 **PROFESSIONAL STANDARDS DIVISION**

44 **From the General Fund**

45	2,766,038	2,766,038
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46 **From the Professional Standards Fund (IC 20-28-2-10)**

47	86,159	86,159
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48 **Augmentation allowed.**



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

Personal Services	1,566,944	1,566,944
Other Operating Expense	1,285,253	1,285,253

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

**FOR THE INDIANA STATE TEACHERS' RETIREMENT FUND
POSTRETIREMENT PENSION INCREASES**

Other Operating Expense	65,286,000	67,248,000
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The appropriations for postretirement pension increases are made for those benefits and adjustments provided in IC 5-10.4 and IC 5-10.2-5.

TEACHERS' RETIREMENT FUND DISTRIBUTION

Other Operating Expense	660,114,000	679,952,000
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Augmentation allowed.

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

- (1) greater than the above appropriations for a year, after notice to the governor and the budget agency of the deficiency, the above appropriation for the year shall be augmented from the general fund. Any augmentation shall be included in the required pension stabilization calculation under IC 5-10.4; or
- (2) less than the above appropriations for a year, the excess shall be retained in the general fund. The portion of the benefit funded by the annuity account and the actuarially funded Post Retirement Pension Increases shall not be part of this calculation.

C. OTHER EDUCATION

FOR THE EDUCATION EMPLOYMENT RELATIONS BOARD

Personal Services	497,479	497,479
Other Operating Expense	46,868	46,868

FOR THE STATE LIBRARY

Personal Services	2,465,118	2,465,118
Other Operating Expense	459,140	459,140

STATEWIDE LIBRARY SERVICES

Total Operating Expense	1,354,478	1,354,478
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The foregoing appropriations for statewide library services will be used to provide services to libraries across the state. These services may include, but will not be limited to, programs including Wheels, I*Ask, and professional development. The state library shall identify statewide library services that are to be provided by a vendor. Those



services identified by the library shall be procured through a competitive process using one (1) or more requests for proposals covering the service.

LIBRARY SERVICES FOR THE BLIND - ELECTRONIC NEWSLINES

Other Operating Expense	30,940	30,940
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ACADEMY OF SCIENCE

Total Operating Expense	7,489	7,489
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FOR THE ARTS COMMISSION

Personal Services	429,822	429,822
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Other Operating Expense	2,292,191	2,292,191
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The foregoing appropriation to the arts commission includes \$325,000 each year to provide grants under IC 4-23-2.5 to:

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

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

FOR THE HISTORICAL BUREAU

Personal Services	307,336	307,336
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Other Operating Expense	8,468	8,468
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HISTORICAL MARKER PROGRAM

Total Operating Expense		21,628
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FOR THE COMMISSION ON PROPRIETARY EDUCATION

Personal Services	250,622	250,622
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Other Operating Expense	22,928	22,928
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SECTION 10. [EFFECTIVE JULY 1, 2011]

DISTRIBUTIONS

FOR THE AUDITOR OF STATE

GAMING TAX

Total Operating Expense	161,500,000	161,500,000
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SECTION 11. [EFFECTIVE JULY 1, 2011]

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

2,543,246	2,533,482
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SECONDARY VOCATIONAL PROGRAMS

14,238,694	14,182,825
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POSTSECONDARY VOCATIONAL PROGRAMS

8,156,232	8,124,229
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TECHNOLOGY - PREPARATION EDUCATION

2,463,650	2,463,650
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SECTION 12. [EFFECTIVE JULY 1, 2011]

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, 2011]

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, 2011]

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

All appropriations provided by this act or any other statute, for traveling and hotel expenses for any department, officer, agent, employee, person, trustee, or commissioner, are to be used only for travel within the state of Indiana, unless those expenses are incurred in traveling outside the state of Indiana on trips that previously have received approval as required by the state travel policies and procedures established by the Indiana department of administration and the budget agency. With the required approval, a reimbursement for out-of-state travel expenses may be granted in an amount not to exceed actual lodging and miscellaneous expenses incurred. A person in travel status is entitled to a meal allowance not to exceed during any twenty-four (24) hour period the standard meal allowances established by the



1 federal Internal Revenue Service for properly approved travel within the continental
 2 United States and a minimum of \$50 during any twenty-four (24) hour period for
 3 properly approved travel outside the continental United States. However, while
 4 traveling in Japan, the minimum meal allowance shall not be less than \$90 for any
 5 twenty-four (24) hour period. While traveling in Korea and Taiwan, the minimum
 6 meal allowance shall not be less than \$85 for any twenty-four (24) hour period.
 7 While traveling in Singapore, China, Great Britain, Germany, the Netherlands, and
 8 France, the minimum meal allowance shall not be less than \$65 for any twenty-four
 9 (24) hour period.

10
 11 In the case of the state supported institutions of postsecondary education, approval
 12 for out-of-state travel may be given by the chief executive officer of the institution,
 13 or the chief executive officer's authorized designee, for the chief executive officer's
 14 respective personnel.

15
 16 Before reimbursing overnight travel expenses, the auditor of state shall require
 17 documentation as prescribed in the state travel policies and procedures established
 18 by the Indiana department of administration and the budget agency. No appropriation
 19 from any fund may be construed as authorizing the payment of any sum in excess of
 20 the standard mileage rates for personally owned transportation equipment established
 21 by the federal Internal Revenue Service when used in the discharge of state business.
 22 The Indiana department of administration and the budget agency may adopt policies
 23 and procedures relative to the reimbursement of travel and moving expenses of new
 24 state employees and the reimbursement of travel expenses of prospective employees
 25 who are invited to interview with the state.

26
 27 **SECTION 15. [EFFECTIVE JULY 1, 2011]**

28
 29 Notwithstanding IC 4-10-11-2.1, the salary per diem of members of boards, commissions,
 30 and councils who are entitled to a salary per diem is \$50 per day. However, members of
 31 boards, commissions, or councils who receive an annual or a monthly salary paid by the
 32 state are not entitled to the salary per diem provided in IC 4-10-11-2.1.

33
 34 **SECTION 16. [EFFECTIVE JULY 1, 2011]**

35
 36 No payment for personal services shall be made by the auditor of state unless the
 37 payment has been approved by the budget agency or the designee of the budget agency.

38
 39 **SECTION 17. [EFFECTIVE JULY 1, 2011]**

40
 41 No warrant for operating expenses, capital outlay, or fixed charges shall be issued to
 42 any department or an institution unless the receipts of the department or institution
 43 have been deposited into the state treasury for the month. However, if a department or
 44 an institution has more than \$10,000 in daily receipts, the receipts shall be deposited
 45 into the state treasury daily.

46
 47 **SECTION 18. [EFFECTIVE JULY 1, 2011]**

48
 49 In case of loss by fire or any other cause involving any state institution or department,



1 the proceeds derived from the settlement of any claim for the loss shall be deposited in
2 the state treasury, and the amount deposited is hereby reappropriated to the institution
3 or department for the purpose of replacing the loss. If it is determined that the loss shall
4 not be replaced, any funds received from the settlement of a claim shall be deposited
5 into the state general fund.

6
7 **SECTION 19. [EFFECTIVE JULY 1, 2011]**
8

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

14
15 **SECTION 20. [EFFECTIVE JULY 1, 2011]**
16

17 If any state penal or benevolent institution other than the Indiana state prison,
18 Pendleton correctional facility, or Putnamville correctional facility shall, in the
19 operation of its farms, produce products or commodities in excess of the needs of
20 the institution, the surplus may be sold through the division of industries and farms,
21 the director of the supply division of the Indiana department of administration, or both.
22 The proceeds of any such sale or sales shall be deposited in the state treasury. The
23 amount deposited is hereby reappropriated to the institution for expenses of the
24 then current year if approved by the director of the budget agency. The exchange
25 between state penal and benevolent institutions of livestock for breeding purposes
26 only is hereby authorized at valuations agreed upon between the superintendents or
27 wardens of the institutions. Capital outlay expenditures may be made from the
28 institutional industries and farms revolving fund if approved by the budget agency
29 and the governor.

30
31 **SECTION 21. [EFFECTIVE JULY 1, 2011]**
32

33 This act does not authorize any rehabilitation and repairs to any state buildings,
34 nor does it allow that any obligations be incurred for lands and structures, without
35 the prior approval of the budget director or the director's designee. This SECTION
36 does not apply to contracts for the state universities supported in whole or in part
37 by state funds.

38
39 **SECTION 22. [EFFECTIVE JULY 1, 2011]**
40

41 If an agency has an annual appropriation fixed by law, and if the agency also receives
42 an appropriation in this act for the same function or program, the appropriation in
43 this act supersedes any other appropriations and is the total appropriation for the
44 agency for that program or function.

45
46 **SECTION 23. [EFFECTIVE JULY 1, 2011]**
47

48 The balance of any appropriation or funds heretofore placed or remaining to the
49 credit of any division of the state of Indiana, and any appropriation or funds provided



1 in this act placed to the credit of any division of the state of Indiana, the powers,
2 duties, and functions whereof are assigned and transferred to any department for
3 salaries, maintenance, operation, construction, or other expenses in the exercise
4 of such powers, duties, and functions, shall be transferred to the credit of the
5 department to which such assignment and transfer is made, and the same shall be
6 available for the objects and purposes for which appropriated originally.

7
8 **SECTION 24. [EFFECTIVE JULY 1, 2011]**
9

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

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

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

22 (3) In the case of employees, it shall be shown that the major portion of the duties
23 assigned to the employee require travel on state business in excess of one thousand
24 (1,000) miles each month, or that the vehicle is identified by the agency as an integral
25 part of the job assignment.

26
27 In computing the number of miles required to be driven by a department head or an
28 employee, the distance between the individual's home and office or designated official
29 station is not to be considered as a part of the total. Department heads shall annually
30 submit justification for the continued assignment of each vehicle in their department,
31 which shall be reviewed by the commissioner of the Indiana department of administration,
32 or the commissioner's designee. There shall be an insignia permanently affixed on
33 each side of all state owned cars, designating the cars as being state owned. However,
34 this requirement does not apply to state owned cars driven by elected state officials
35 or to cases where the commissioner of the Indiana department of administration or
36 the commissioner's designee determines that affixing insignia on state owned cars
37 would hinder or handicap the persons driving the cars in the performance of their
38 official duties.

39
40 **SECTION 25. [EFFECTIVE JULY 1, 2011]**
41

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

47
48 **SECTION 26. [EFFECTIVE JULY 1, 2011]**
49



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

SECTION 27. [EFFECTIVE JULY 1, 2011]

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

SECTION 28. [EFFECTIVE JULY 1, 2011]

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

SECTION 29. [EFFECTIVE JULY 1, 2011]

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

SECTION 30. [EFFECTIVE JULY 1, 2011]

Subject to SECTION 25 of this act as it relates to the budget committee, the budget agency with the approval of the governor may withhold allotments of any or all appropriations contained in this act for the 2011-2013 biennium, if it is considered necessary to do so in order to prevent a deficit financial situation.

SECTION 31. [EFFECTIVE JULY 1, 2011]

CONSTRUCTION

For the 2011-2013 biennium, the following amounts, from the funds listed as follows, are hereby appropriated to provide for the construction, reconstruction, rehabilitation, repair, purchase, rental, and sale of state properties, capital lease rentals, and the purchase and sale of land, including equipment for such properties and other projects as specified.

State General Fund - Lease Rentals
465,097,245



1	State General Fund - Construction	
2	65,950,840	
3	State Police Building Commission Fund (IC 9-29-1-4)	
4	5,012,998	
5	Law Enforcement Academy Building Fund (IC 5-2-1-13(a))	
6	830,727	
7	Cigarette Tax Fund (IC 6-7-1-29.1)	
8	3,600,000	
9	Veterans' Home Building Fund (IC 10-17-9-7)	
10	6,739,557	
11	Postwar Construction Fund (IC 7.1-4-8-1)	
12	34,798,599	
13	Regional Health Care Construction Account (IC 4-12-8.5)	
14	21,861,105	
15	Build Indiana Fund (IC 4-30-17)	
16	2,400,000	
17	State Highway Fund (IC 8-23-9-54)	
18	25,000,000	
19		
20	TOTAL	631,291,071

21
22 The allocations provided under this SECTION are made from the state general fund,
23 unless specifically authorized from other designated funds by this act. The budget
24 agency, with the approval of the governor, in approving the allocation of funds pursuant
25 to this SECTION, shall consider, as funds are available, allocations for the following
26 specific uses, purposes, and projects:
27

28 **A. GENERAL GOVERNMENT**

29
30 **FOR THE STATE BUDGET AGENCY**

31	Health and Safety Contingency Fund	5,000,000
32	Aviation Technology Center	2,222,863
33	Airport Facilities Lease	43,778,704
34	Stadium Lease Rental	172,762,732
35	Convention Center Lease Rental	50,323,534

36
37 **DEPARTMENT OF ADMINISTRATION - PROJECTS**

38	Preventive Maintenance	7,841,835
39	Repair and Rehabilitation	1,121,250

40 **DEPARTMENT OF ADMINISTRATION - LEASES**

41 **General Fund**

42	Lease - Government Center North	33,875,765
43	Lease - Government Center South	25,923,323
44	Lease - State Museum	16,037,296
45	Lease - McCarty Street Warehouse	1,564,000
46	Lease - Parking Garages	7,367,193
47	Lease - Toxicology Lab	10,424,212
48	Lease - Wabash Valley Correctional	16,879,348
49	Lease - Miami Correctional	47,549,595



1	Lease - Pendleton Juvenile Correctional	9,679,060
2	Lease - New Castle Correctional	26,709,620
3	Postwar Construction Fund (IC 7.1-4-8-1)	
4	Lease - Rockville Correctional	11,160,288
5	Regional Health Care Construction Account (IC 4-12-8.5)	
6	Lease - Evansville State Hospital	6,067,971
7	Lease - Southeast Regional Treatment	9,412,548
8	Lease - Logansport State Hospital	6,380,586
9		
10	B. PUBLIC SAFETY	
11		
12	(1) LAW ENFORCEMENT	
13		
14	INDIANA STATE POLICE	
15	State Police Building Commission Fund (IC 9-29-1-4)	
16	Preventive Maintenance	1,266,998
17	Patrol Vehicles	3,000,000
18	Repair and Rehabilitation	746,000
19	LAW ENFORCEMENT TRAINING BOARD	
20	Law Enforcement Academy Building Fund (IC 5-2-1-13(a))	
21	Preventive Maintenance	330,727
22	Repair and Rehabilitation	500,000
23	ADJUTANT GENERAL	
24	Preventive Maintenance	250,000
25		
26	(2) CORRECTIONS	
27		
28	DEPARTMENT OF CORRECTION - PROJECTS	
29	Preventive Maintenance	76,828
30	STATE PRISON	
31	Preventive Maintenance	954,492
32	Postwar Construction Fund (IC 7.1-4-8-1)	
33	Repair and Rehabilitation	3,498,000
34	PENDLETON CORRECTIONAL FACILITY	
35	Preventive Maintenance	1,257,064
36	Postwar Construction Fund (IC 7.1-4-8-1)	
37	Repair and Rehabilitation	3,715,000
38	WOMEN'S PRISON	
39	Preventive Maintenance	322,804
40	Postwar Construction Fund (IC 7.1-4-8-1)	
41	Repair and Rehabilitation	212,500
42	NEW CASTLE CORRECTIONAL FACILITY	
43	Preventive Maintenance	350,388
44	Postwar Construction Fund (IC 7.1-4-8-1)	
45	Repair and Rehabilitation	365,000
46	PUTNAMVILLE CORRECTIONAL FACILITY	
47	Preventive Maintenance	864,822
48	Postwar Construction Fund (IC 7.1-4-8-1)	
49	Construct New Fire Station	250,000



1	Repair and Rehabilitation	1,570,000
2	INDIANAPOLIS RE-ENTRY EDUCATION FACILITY	
3	Preventive Maintenance	538,832
4	Postwar Construction Fund (IC 7.1-4-8-1)	
5	Repair and Rehabilitation	291,000
6	BRANCHVILLE CORRECTIONAL FACILITY	
7	Preventive Maintenance	272,932
8	WESTVILLE CORRECTIONAL FACILITY	
9	Preventive Maintenance	806,330
10	Postwar Construction Fund (IC 7.1-4-8-1)	
11	Repair and Rehabilitation	2,300,000
12	ROCKVILLE CORRECTIONAL FACILITY	
13	Preventive Maintenance	357,296
14	PLAINFIELD CORRECTIONAL FACILITY	
15	Preventive Maintenance	663,704
16	Postwar Construction Fund (IC 7.1-4-8-1)	
17	Repair and Rehabilitation	966,000
18	RECEPTION AND DIAGNOSTIC CENTER	
19	Preventive Maintenance	214,464
20	Postwar Construction Fund (IC 7.1-4-8-1)	
21	Fire Egress Stairwells	400,000
22	Repair and Rehabilitation	342,000
23	CORRECTIONAL INDUSTRIAL FACILITY	
24	Preventive Maintenance	584,172
25	Postwar Construction Fund (IC 7.1-4-8-1)	
26	Repair and Rehabilitation	1,026,000
27	WABASH VALLEY CORRECTIONAL FACILITY	
28	Preventive Maintenance	608,820
29	Postwar Construction Fund (IC 7.1-4-8-1)	
30	Repair and Rehabilitation	160,000
31	CHAIN O' LAKES CORRECTIONAL FACILITY	
32	Preventive Maintenance	76,828
33	Postwar Construction Fund (IC 7.1-4-8-1)	
34	Construct New Maintenance Building	180,000
35	Construct New Dormitory	320,000
36	MADISON CORRECTIONAL FACILITY	
37	Preventive Maintenance	1,000,000
38	Postwar Construction Fund (IC 7.1-4-8-1)	
39	Repair and Rehabilitation	90,000
40	MIAMI CORRECTIONAL FACILITY	
41	Preventive Maintenance	664,560
42	CAMP SUMMIT CORRECTIONAL FACILITY	
43	Preventive Maintenance	200,000
44	EDINBURGH CORRECTIONAL FACILITY	
45	Preventive Maintenance	200,000
46	HENRYVILLE CORRECTIONAL FACILITY	
47	Preventive Maintenance	100,000
48	PENDLETON JUVENILE CORRECTIONAL FACILITY	
49	Preventive Maintenance	228,738



1	NORTH CENTRAL JUVENILE CORRECTIONAL FACILITY	
2	Preventive Maintenance	200,000
3	SOUTH BEND JUVENILE CORRECTIONAL FACILITY	
4	Preventive Maintenance	134,280
5		
6	C. CONSERVATION AND ENVIRONMENT	
7		
8	DEPARTMENT OF NATURAL RESOURCES - GENERAL ADMINISTRATION	
9	Preventive Maintenance	206,400
10	Repair and Rehabilitation	697,500
11	FISH AND WILDLIFE	
12	Preventive Maintenance	2,679,158
13	Repair and Rehabilitation	1,020,000
14	FORESTRY	
15	Preventive Maintenance	2,087,400
16	Repair and Rehabilitation	1,636,000
17	MUSEUMS AND HISTORIC SITES	
18	Preventive Maintenance	881,650
19	Repair and Rehabilitation	1,117,317
20	NATURE PRESERVES	
21	Preventive Maintenance	229,500
22	Repair and Rehabilitation	818,972
23	OUTDOOR RECREATION	
24	Preventive Maintenance	52,000
25	Repair and Rehabilitation	238,645
26	STATE PARKS AND RESERVOIR MANAGEMENT	
27	Preventive Maintenance	3,079,350
28	Repair and Rehabilitation	9,574,996
29	State Parks Bond Payments	941,028
30	Falls of the Ohio Lease	364,000
31	Cigarette Tax Fund (IC 6-7-1-29.1)	
32	Preventive Maintenance	3,600,000
33	DIVISION OF WATER	
34	Preventive Maintenance	155,000
35	Repair and Rehabilitation	4,064,000
36	ENFORCEMENT	
37	Preventive Maintenance	457,660
38	Repair and Rehabilitation	435,574
39	STATE MUSEUM	
40	Preventive Maintenance	763,428
41	ENTOMOLOGY	
42	Repair and Rehabilitation	500,000
43	WAR MEMORIALS COMMISSION	
44	Preventive Maintenance	1,234,000
45	Repair and Rehabilitation	1,142,000
46		
47	D. TRANSPORTATION	
48		
49	DEPARTMENT OF TRANSPORTATION	



1	State Highway Fund (IC 8-23-9-54)	
2	Buildings and Grounds	25,000,000
3		
4	The above appropriations for highway buildings and grounds may be used for land	
5	acquisition, site development, construction and equipping of new highway facilities	
6	and for maintenance, repair, and rehabilitation of existing state highway facilities	
7	after review by the budget committee.	
8		
9	AIRPORT DEVELOPMENT	
10	Build Indiana Fund (IC 4-30-17)	
11	Airport Development	2,400,000
12		
13	The foregoing allocation for the Indiana department of transportation is for airport	
14	development and shall be used for the purpose of assisting local airport authorities	
15	and local units of governments in matching available federal funds under the airport	
16	improvement program and for matching federal grants for airport planning and for	
17	the other airport studies. Matching grants of aid shall be made in accordance with	
18	the approved annual capital improvements program of the Indiana department of	
19	transportation and with the approval of the governor and the budget agency.	
20		
21	E. FAMILY AND SOCIAL SERVICES, HEALTH, AND VETERANS' AFFAIRS	
22		
23	(1) FAMILY AND SOCIAL SERVICES ADMINISTRATION	
24		
25	FSSA - DIVISION OF MENTAL HEALTH	
26	Postwar Construction Fund (IC 7.1-4-8-1)	
27	Repair and Rehabilitation	1,800,000
28	EVANSVILLE PSYCHIATRIC CHILDREN'S CENTER	
29	Preventive Maintenance	45,000
30	Postwar Construction Fund (IC 7.1-4-8-1)	
31	Generator	121,000
32	Sprinkler System	96,800
33	Repair and Rehabilitation	102,916
34	EVANSVILLE STATE HOSPITAL	
35	Preventive Maintenance	783,925
36	Postwar Construction Fund (IC 7.1-4-8-1)	
37	Security/Surveillance Cameras	680,000
38	Repair and Rehabilitation	245,500
39	MADISON STATE HOSPITAL	
40	Preventive Maintenance	928,208
41	LOGANSPOUT STATE HOSPITAL	
42	Preventive Maintenance	863,144
43	Postwar Construction Fund (IC 7.1-4-8-1)	
44	Repair and Rehabilitation	591,700
45	RICHMOND STATE HOSPITAL	
46	Preventive Maintenance	1,100,000
47	Postwar Construction Fund (IC 7.1-4-8-1)	
48	Repair and Rehabilitation	1,681,852
49	LARUE CARTER MEMORIAL HOSPITAL	



1	Preventive Maintenance	1,833,118
2	Postwar Construction Fund (IC 7.1-4-8-1)	
3	Repair and Rehabilitation	1,010,000
4		
5	(2) PUBLIC HEALTH	
6		
7	SCHOOL FOR THE BLIND AND VISUALLY IMPAIRED	
8	Preventive Maintenance	565,714
9	Postwar Construction Fund (IC 7.1-4-8-1)	
10	Repair and Rehabilitation	750,320
11	SCHOOL FOR THE DEAF	
12	Preventive Maintenance	565,714
13	Postwar Construction Fund (IC 7.1-4-8-1)	
14	Repair and Rehabilitation	872,723
15		
16	(3) VETERANS' AFFAIRS	
17		
18	INDIANA VETERANS' HOME	
19	Veterans' Home Building Fund (IC 10-17-9-7)	
20	Preventive Maintenance	1,500,000
21	Repair and Rehabilitation	5,239,557
22		

23 SECTION 32. [EFFECTIVE JULY 1, 2011]

24
25 The budget agency may employ one (1) or more architects or engineers to inspect
26 construction, rehabilitation, and repair projects covered by the appropriations in
27 this act or previous acts.
28

29 SECTION 33. [EFFECTIVE UPON PASSAGE]

30
31 If any part of a construction or rehabilitation and repair appropriation made by this
32 act or any previous acts has not been allotted or encumbered before the expiration
33 of the two-year budget period (as defined in IC 4-12-1-2), the budget agency may
34 determine that the balance of the appropriation is not available for allotment.
35 The appropriation may be terminated, and the balance may revert to the fund from
36 which the original appropriation was made.
37

38 SECTION 34. [EFFECTIVE JULY 1, 2011]

39
40 The budget agency may retain balances in the mental health fund at the end of any
41 fiscal year to ensure there are sufficient funds to meet the service needs of the
42 developmentally disabled and the mentally ill in any year.
43

44 SECTION 35. [EFFECTIVE JULY 1, 2011]

45
46 If the budget director determines at any time during the biennium that the executive
47 branch of state government cannot meet its statutory obligations due to insufficient
48 funds in the general fund, then notwithstanding IC 4-10-18, the budget agency, with
49 the approval of the governor and after review by the budget committee, may transfer



1 from the counter-cyclical revenue and economic stabilization fund to the general
2 fund any additional amount necessary to maintain a positive balance in the general
3 fund.

4 SECTION 36. IC 4-10-22 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ
5 AS FOLLOWS [EFFECTIVE JULY 1, 2011]:

6 **Chapter 22. Income Tax Reduction Reserve Fund**

7 **Sec. 1.** As used in this chapter, "budget bill" refers to a budget bill (as defined in IC 4-12-1-2)
8 that is enacted in an odd-numbered year.

9 **Sec. 2.** As used in this chapter, "fund" refers to the income tax reduction reserve fund
10 established by section 8 of this chapter.

11 **Sec. 3.** As used in this chapter, "state general fund appropriations" refers to the sum of the
12 specific amounts appropriated by a budget bill from the state general fund for expenditure in a
13 particular state fiscal year, excluding transfers to the income tax reduction reserve fund. The term
14 includes any amount appropriated in a budget bill for a period exceeding one (1) state fiscal year
15 that is allocated by the budget agency to a particular state fiscal year in a list of appropriations
16 prepared under IC 4-12-1-12.

17 **Sec. 4.** As used in this chapter, "general revenue fund" refers to the following:

18 (1) Counter-cyclical revenue and economic stabilization fund (IC 4-10-18-2).

19 (2) State general fund, including the Medicaid contingency and reserve account of the state
20 general fund (IC 4-12-1-15.5).

21 (3) State tuition reserve fund (IC 4-12-1-15.7).

22 **Sec. 5.** As used in this chapter, "resident" refers to an individual who resides in Indiana on
23 January 1 of the calendar year in which the individual's taxable year commences.

24 **Sec. 6.** As used in this chapter, "state fiscal year" means a period beginning July 1 in one (1)
25 calendar year and ending on June 30 in the immediately succeeding calendar year.

26 **Sec. 7.** As used in this chapter, "taxable year" has the meaning set forth in IC 6-3-1-16.

27 **Sec. 8.** (a) An income tax reduction reserve fund is established. The fund is established to:

28 (1) replace revenue lost from granting credits under IC 6-3-3-13; and

29 (2) pay or reimburse other funds for refunds paid under IC 6-3-3-13.

30 (b) The budget agency shall administer the fund.

31 (c) The fund consists of money transferred to the fund under section 9 of this chapter.

32 (d) The treasurer of state shall invest the money in the fund not currently needed to meet the
33 obligations of the fund in the same manner as other public funds may be invested.

34 (e) The money in the fund at the end of a state fiscal year does not revert to the general revenue
35 fund but remains in the fund to be used exclusively for the purposes of the fund.

36 **Sec. 9.** Not later than July 31, 2012, and thirty-one (31) days after the end of each state fiscal year
37 that begins after June 30, 2012, the auditor of state, after reviewing the recommendation of the
38 budget agency, shall transfer an amount from the general revenue fund to the fund. The total
39 amount transferred under this section must equal the amount by which the year-end general
40 revenue fund balance for the immediately preceding state fiscal year exceeds ten percent (10%) of
41 the general revenue fund appropriations for the current state fiscal year.

42 **Sec. 10.** In each state fiscal year beginning after June 30, 2012, the budget agency shall calculate
43 the tax reduction amount that will apply under IC 6-3-3-13 to taxable years ending in that state
44 fiscal year. The tax reduction amount for a state fiscal year must equal the amount determined
45 under STEP THREE of the following formula:

46 **STEP ONE:** Determine the amount transferred in the state fiscal year to the fund under
47 section 9 of this chapter.

48 **STEP TWO:** Determine the sum of the following:



1 (A) The number of individual tax returns that are likely to be filed under IC 6-3 for a
2 taxable year that ends in the state fiscal year described in STEP ONE on which the
3 individual filing the return is an Indiana resident.

4 (B) The number of joint tax returns that are likely to be filed under IC 6-3 for a taxable
5 year that ends in the state fiscal year described in STEP ONE on which only an individual
6 filing the return or the individual's spouse is a resident of Indiana.

7 (C) The product of:

8 (i) the number of joint tax returns that are likely to be filed under IC 6-3 for a taxable
9 year that ends in the state fiscal year described in STEP ONE on which both an individual
10 filing the return and the individual's spouse are residents of Indiana; multiplied by

11 (ii) two (2).

12 **STEP THREE: Determine the result of:**

13 (A) the STEP ONE amount; divided by

14 (B) the STEP TWO amount.

15 The budget agency shall certify the tax reduction amount to the department of state revenue.

16 **Sec. 11.** The department of state revenue shall report to the auditor of state and the budget
17 agency the total amount of credits granted under IC 6-3-3-13 on returns processed by the
18 department of state revenue. The information shall be reported in the manner and on the schedule
19 specified by the budget agency.

20 **Sec. 12.** The auditor of state shall transfer amounts equal to the credits granted under
21 IC 6-3-3-13 from the fund to the general revenue fund on the schedule designated by the budget
22 agency.

23 **Sec. 13.** There is continuously appropriated a sufficient amount from the fund and the general
24 revenue fund to make the transfers required by this chapter.

25 **SECTION 37.** IC 4-31-11-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]:

26 **Sec. 15.** The commission shall use the development funds to provide purses and other funding for the
27 activities described in section 9 of this chapter. **The commission may pay:**

28 (1) the operating costs of the development programs; and

29 (2) other costs of administering this chapter;

30 from one (1) or more of the development funds.

31 **SECTION 38.** IC 4-35-7-12, AS AMENDED BY P.L.142-2009, SECTION 25, IS AMENDED TO
32 READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: **Sec. 12.** (a) The Indiana horse racing commission
33 shall enforce the requirements of this section.

34 (b) ~~Except as provided in subsections (j) and (k); A licensee shall before the fifteenth day of each~~
35 ~~month devote to the gaming integrity fund, horse racing purses, and to horsemen's associations an amount~~
36 ~~equal to distribute~~ fifteen percent (15%) of the adjusted gross receipts of the slot machine wagering ~~from~~
37 ~~the previous month at the licensee's racetrack in conformity with this section.~~ The Indiana horse racing
38 commission may not use any of ~~this the~~ money ~~it receives under this section~~ for any administrative
39 purpose or other purpose of the Indiana horse racing commission, and the entire amount of the money
40 shall be distributed as provided in this section. A licensee shall pay the first two hundred fifty thousand
41 dollars (\$250,000) distributed under this section in a state fiscal year to the Indiana horse racing
42 commission for deposit in the gaming integrity fund established by IC 4-35-8.7-3. After this money has
43 been distributed to the Indiana horse racing commission, a licensee shall distribute the remaining money
44 devoted to horse racing purses and to horsemen's associations under this subsection as follows:

45 (1) Five-tenths percent (0.5%) shall be transferred to horsemen's associations for equine promotion
46 or welfare according to the ratios specified in subsection (e).

47 (2) Two and five-tenths percent (2.5%) shall be transferred to horsemen's associations for backside
48 benevolence according to the ratios specified in subsection (e).



1 (3) ~~Ninety-seven~~ **Thirty-nine and five-tenths** percent ~~(97%)~~ **(39.5%)** shall be distributed to
2 promote horses and horse racing as provided in subsection (d). **However, the total amount of**
3 **money that may be distributed under this subdivision in a particular state fiscal year to**
4 **promote horses and horse racing may not exceed twenty-seven million dollars (\$27,000,000).**
5 **Any amounts otherwise distributable under this subdivision that exceed twenty-seven million**
6 **dollars (\$27,000,000) shall be remitted to the department for deposit in the state general fund.**

7 (4) **Fifty-seven and five-tenths percent (57.5%) shall be remitted to the department for deposit**
8 **as follows:**

9 (A) **Fifteen million two hundred fifty thousand dollars (\$15,250,000) available for**
10 **distribution under this subdivision in a state fiscal year shall be distributed to the**
11 **twenty-first century research and technology fund established by IC 5-28-16-2 for the**
12 **purposes of the fund. Deposits in the twenty-first century research and technology fund**
13 **under this clause shall be made during the state fiscal year on the schedule determined by**
14 **the budget agency.**

15 (B) **The amount not needed to make the deposits required under clause (A) shall be**
16 **deposited in the state general fund.**

17 **The amount to be distributed from wagers made in a month under subdivisions (1) and (2) and (to**
18 **the extent the distributions are to promote horses and horse racing) under subdivision (3) shall be**
19 **distributed before the fifteenth day of the immediately following month. A licensee shall make the**
20 **distributions to the state general fund and the twenty-first century research and technology fund**
21 **before the close of the business day following the day the wagers are made. The department may**
22 **require that daily distributions be remitted by electronic funds transfer (as defined in**
23 **IC 4-8.1-2-7(f)). If the department requires the money to be remitted through electronic funds**
24 **transfer, the department may allow the licensee to file a monthly report to reconcile the amounts**
25 **remitted to the department.**

26 (c) **A horsemen's association shall expend the amounts distributed to the horsemen's association under**
27 **subsection (b)(1) through (b)(2) for a purpose promoting the equine industry or equine welfare or for a**
28 **benevolent purpose that the horsemen's association determines is in the best interests of horse racing in**
29 **Indiana for the breed represented by the horsemen's association. Expenditures under this subsection are**
30 **subject to the regulatory requirements of subsection (f).**

31 (d) **A licensee shall distribute the amounts described in subsection (b)(3) as follows:**

32 (1) **Forty-six percent (46%) for thoroughbred purposes as follows:**

33 (A) **Sixty percent (60%) for the following purposes:**

34 (i) **Ninety-seven percent (97%) for thoroughbred purses.**

35 (ii) **Two and four-tenths percent (2.4%) to the horsemen's association representing**
36 **thoroughbred owners and trainers.**

37 (iii) **Six-tenths percent (0.6%) to the horsemen's association representing thoroughbred owners**
38 **and breeders.**

39 (B) **Forty percent (40%) to the breed development fund established for thoroughbreds under**
40 **IC 4-31-11-10.**

41 (2) **Forty-six percent (46%) for standardbred purposes as follows:**

42 (A) **Fifty percent (50%) for the following purposes:**

43 (i) **Ninety-six and five-tenths percent (96.5%) for standardbred purses.**

44 (ii) **Three and five-tenths percent (3.5%) to the horsemen's association representing**
45 **standardbred owners and trainers.**

46 (B) **Fifty percent (50%) to the breed development fund established for standardbreds under**
47 **IC 4-31-11-10.**

48 (3) **Eight percent (8%) for quarter horse purposes as follows:**



1 (A) Seventy percent (70%) for the following purposes:
 2 (i) Ninety-five percent (95%) for quarter horse purses.
 3 (ii) Five percent (5%) to the horsemen's association representing quarter horse owners and
 4 trainers.
 5 (B) Thirty percent (30%) to the breed development fund established for quarter horses under
 6 IC 4-31-11-10.
 7 Expenditures under this subsection are subject to the regulatory requirements of subsection (f).
 8 (e) Money distributed under subsection (b)(1) and (b)(2) shall be allocated as follows:
 9 (1) Forty-six percent (46%) to the horsemen's association representing thoroughbred owners and
 10 trainers.
 11 (2) Forty-six percent (46%) to the horsemen's association representing standardbred owners and
 12 trainers.
 13 (3) Eight percent (8%) to the horsemen's association representing quarter horse owners and trainers.
 14 (f) Money distributed under ~~this section~~ **subsection (b)(1) or (b)(2) and, to the extent the**
 15 **distributions are to promote horses and horse racing, subsection (b)(3)** may not be expended unless
 16 the expenditure is for a purpose authorized in this section and is either for a purpose promoting the equine
 17 industry or equine welfare or is for a benevolent purpose that is in the best interests of horse racing in
 18 Indiana or the necessary expenditures for the operations of the horsemen's association required to
 19 implement and fulfill the purposes of this section. The Indiana horse racing commission may review any
 20 expenditure of money distributed under this section to ensure that the requirements of this section are
 21 satisfied. The Indiana horse racing commission shall adopt rules concerning the review and oversight of
 22 money distributed under this section and shall adopt rules concerning the enforcement of this section. The
 23 following apply to a horsemen's association receiving a distribution of money under this section:
 24 (1) The horsemen's association must annually file a report with the Indiana horse racing commission
 25 concerning the use of the money by the horsemen's association. The report must include information
 26 as required by the commission.
 27 (2) The horsemen's association must register with the Indiana horse racing commission.
 28 (g) The commission shall provide the Indiana horse racing commission with the information necessary
 29 to enforce this section.
 30 (h) The Indiana horse racing commission shall investigate any complaint that a licensee has failed to
 31 comply with the horse racing purse requirements set forth in this section. If, after notice and a hearing,
 32 the Indiana horse racing commission finds that a licensee has failed to comply with the purse
 33 requirements set forth in this section, the Indiana horse racing commission may:
 34 (1) issue a warning to the licensee;
 35 (2) impose a civil penalty that may not exceed one million dollars (\$1,000,000); or
 36 (3) suspend a meeting permit issued under IC 4-31-5 to conduct a pari-mutuel wagering horse racing
 37 meeting in Indiana.
 38 (i) A civil penalty collected under this section must be deposited in the state general fund.
 39 (j) ~~For a state fiscal year beginning after June 30, 2008, and ending before July 1, 2009, the amount~~
 40 ~~of money dedicated to the purposes described in subsection (b) for a particular state fiscal year is equal~~
 41 ~~to the lesser of:~~
 42 ~~(1) fifteen percent (15%) of the licensee's adjusted gross receipts for the state fiscal year; or~~
 43 ~~(2) eighty-five million dollars (\$85,000,000);~~
 44 ~~If fifteen percent (15%) of a licensee's adjusted gross receipts for the state fiscal year exceeds the amount~~
 45 ~~specified in subdivision (2), the licensee shall transfer the amount of the excess to the commission for~~
 46 ~~deposit in the state general fund. The licensee shall adjust the transfers required under this section in the~~
 47 ~~final month of the state fiscal year to comply with the requirements of this subsection.~~



(k) For a state fiscal year beginning after June 30, 2009, the amount of money dedicated to the purposes described in subsection (b) for a particular state fiscal year is equal to the lesser of:

- (1) fifteen percent (15%) of the licensee's adjusted gross receipts for the state fiscal year; or
- (2) the amount dedicated to the purposes described in subsection (b) in the previous state fiscal year increased by a percentage that does not exceed the percent of increase in the United States Department of Labor Consumer Price Index during the year preceding the year in which an increase is established.

If fifteen percent (15%) of a licensee's adjusted gross receipts for the state fiscal year exceeds the amount specified in subdivision (2), the licensee shall transfer the amount of the excess to the commission for deposit in the state general fund. The licensee shall adjust the transfers required under this section in the final month of the state fiscal year to comply with the requirements of this subsection.

(j) Notwithstanding subsections (a) through (d), an amount collected from the adjusted gross receipts from slot machine wagers made in June 2011 at a licensee's racetrack shall be distributed on the schedule and in the manner specified in this section as it was effective on June 30, 2011.

SECTION 39. IC 4-35-8-1, AS ADDED BY P.L.233-2007, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 1. (a) A graduated slot machine wagering tax is imposed as follows on the **adjusted gross taxable** receipts received from wagering on gambling games authorized by this article:

(1) Twenty-five percent (25%) of the first one hundred million dollars (\$100,000,000) of **adjusted gross taxable** receipts received during the period beginning July 1 of each year and ending June 30 of the following year.

(2) Thirty percent (30%) of the **adjusted gross taxable** receipts in excess of one hundred million dollars (\$100,000,000) but not exceeding two hundred million dollars (\$200,000,000) received during the period beginning July 1 of each year and ending June 30 of the following year.

(3) Thirty-five percent (35%) of the **adjusted gross taxable** receipts in excess of two hundred million dollars (\$200,000,000) received during the period beginning July 1 of each year and ending June 30 of the following year.

(b) A licensee shall remit the tax imposed by this section to the department before the close of the business day following the day the wagers are made. **With respect to slot machine wagers made before June 30, 2011, the amount of a licensee's taxable receipts is equal to the licensee's adjusted gross receipts. With respect to slot machine wagers made after June 30, 2011, the amount of a licensee's taxable receipts for a particular day is equal to the result determined under STEP THREE of the following formula:**

STEP ONE: Determine the amount of adjusted gross receipts received by the licensee during that day.

STEP TWO: Determine the sum of:

- (A) the licensee's deduction amount determined for that day under subsection (f); and**
- (B) the licensee's supplemental deduction amount determined for that day under subsection (g).**

STEP THREE: Determine the result of the STEP ONE amount minus the STEP TWO amount.

(c) The department may require payment under this section to be made by electronic funds transfer (as defined in IC 4-8.1-2-7(f)).

(d) If the department requires taxes to be remitted under this chapter through electronic funds transfer, the department may allow the licensee to file a monthly report to reconcile the amounts remitted to the department.

(e) The payment of the tax under this section must be on a form prescribed by the department.

(f) This section applies to slot machine wagers made under this article after June 30, 2011. A licensee's deduction amount for a particular day is equal to fifty-seven and five-tenths percent



(57.5%) of the amount that the licensee distributed under IC 4-35-7-12 from wagers made for that day.

(g) This section applies to slot machine wagers made under this article after June 30, 2011. A licensee's supplemental deduction amount for the period beginning July 1 of each year and ending June 30 of the following year is equal to the amount that the licensee distributed under IC 4-35-7-12(b)(3) to the state general fund, as determined by the budget agency, from wagers made for the period beginning July 1 of each year and ending June 30 of the following year. A licensee's supplemental deduction amount for a particular day is equal to the amount that the licensee distributed under IC 4-35-7-12(b)(3) to the state general fund, as determined by the budget agency, from wagers made for that day.

SECTION 40. IC 4-35-8.7-3, AS AMENDED BY P.L.142-2009, SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 3. (a) The gaming integrity fund is established.

(b) The fund shall be administered by the Indiana horse racing commission.

(c) The fund consists of gaming integrity fees deposited in the fund under this chapter and money distributed to the fund under IC 4-35-7-12. **Fifteen percent (15%) of the money deposited in the fund shall be transferred to the Indiana state board of animal health to be used by the state board to pay the costs associated with equine health and equine care programs under IC 15-17.**

(d) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested.

(e) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

(f) Money in the fund may be used by the Indiana horse racing commission only for the following purposes:

(1) To pay the cost of **taking and** analyzing equine specimens under IC 4-31-12-6(b) **or another law or rule and the cost of any supplies related to the taking or analysis of specimens.**

(2) To pay dues to the Drug Testing Standards and Practices (DTSP) Committee of the Association of Racing Commissioners International.

(3) To provide grants for research for the advancement of equine drug testing. Grants under this subdivision must be approved by the Drug Testing Standards and Practices (DTSP) Committee of the Association of Racing Commissioners International or by the Racing Mediation and Testing Consortium.

(4) **To pay the costs of post-mortem examinations under IC 4-31-12-10.**

(5) **To pay other costs incurred by the commission to maintain the integrity of pari-mutuel racing.**

SECTION 41. IC 5-10-8-6, AS AMENDED BY P.L.227-2007, SECTION 55, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 6. (a) The state police department, conservation officers of the department of natural resources, ~~gaming agents of the Indiana gaming commission; gaming control officers of the Indiana gaming commission;~~ and the state excise police may establish common and unified plans of self-insurance for their employees, including retired employees, as separate entities of state government. These plans may be administered by a private agency, business firm, limited liability company, or corporation.

(b) Except as provided in **this section and** IC 5-10-14, the state agencies listed in subsection (a) may not pay as the employer part of benefits for any employee or retiree an amount greater than that paid for other state employees for group insurance.

(c) **This subsection applies to a health benefit plan for an individual described in subsection (a). After June 30, 2011, at least one (1) time in each state fiscal year, the budget agency shall determine the average amount of contributions made under IC 5-10-8.5-15 and IC 5-10-8.5-16 to participants in a health reimbursement arrangement or other separate fund under IC 5-10-8.5 in the immediately preceding state fiscal year. In the state fiscal year beginning July 1, 2011, the amount**



1 determined under this section must exclude contributions made to persons described in
2 IC 5-10-8.5-15(c) and IC 5-10-8.5-16(f). An amount equal to the average amount determined under
3 this subsection multiplied by the number of participants (other than retired participants) in the
4 plans described in subsection (a) shall be transferred to the plans described in subsection (a). The
5 amount transferred under this subsection shall be proportionally allocated to each plan relative to
6 the number of members in each plan. The amount allocated to a plan under this subsection shall
7 be allocated among the participants in the plan in the same manner as other employer
8 contributions. Funds shall be used only to reduce unfunded other post-employment benefit (OPEB)
9 liability and not to increase benefits or reduce premiums.

10 SECTION 42. IC 5-10-8.5-1, AS ADDED BY P.L.44-2007, SECTION 1, IS AMENDED TO READ
11 AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 1. (a) **Except as provided in this section**, this chapter
12 applies to an individual who is one (1) of the following:

- 13 (1) An employee of the executive, legislative, or judicial branch of state government.
- 14 (2) A state elected or appointed officer.
- 15 (3) A member of the general assembly.
- 16 (4) An elected officer paid by the state.
- 17 (5) An officer paid by the state under IC 33-23-5-10, IC 33-38-5-7, or IC 33-39-6-2.

18 (b) An individual described in subsection (a) **other than the following** is a participant in the
19 retirement medical benefits account:

- 20 **(1) A member of the state excise police and conservation enforcement officers' retirement plan**
21 **established under IC 5-10-5.5 who was not a participant before July 1, 2011.**
- 22 **(2) A member of the trust fund and pension trust of the department of state police established**
23 **under IC 10-12-2 who was not a participant before July 1, 2011.**

24 SECTION 43. IC 5-10-8.5-5, AS ADDED BY P.L.44-2007, SECTION 1, IS AMENDED TO READ
25 AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 5. As used in this chapter, "employer" means the
26 following:

- 27 (1) For an elected officer, appointed officer, or employee of the executive branch of state
28 government **who is a participant in the retirement medical benefits account**, the state, including
29 any board, commission, department, division, authority, institution, establishment, facility, or
30 governmental unit under the supervision of the state, having a payroll in relation to persons it
31 immediately employs.
- 32 (2) For a member of the general assembly or an employee of the legislative branch of state
33 government:
 - 34 (A) the president pro tempore of the senate, for a member or an employee of the senate;
 - 35 (B) the speaker of the house, for a member or an employee of the house of representatives; or
 - 36 (C) the personnel subcommittee of the legislative council, for an employee of the legislative
37 services agency.
- 38 (3) For:
 - 39 (A) a justice;
 - 40 (B) a judge;
 - 41 (C) a prosecuting attorney;
 - 42 (D) an officer described under section 1(a)(5) of this chapter; or
 - 43 (E) an employee of the judicial branch of state government, including an employee of any board,
44 commission, department, division, authority, institution, establishment, facility, or governmental
45 unit under the supervision of the judicial branch, having a payroll in relation to persons it
46 immediately employs;
- 47 the Indiana supreme court.

48 SECTION 44. IC 5-10-8.5-15, AS AMENDED BY P.L.182-2009(ss), SECTION 69, AND AS



1 AMENDED BY P.L.182-2009(ss), SECTION 517, IS AMENDED TO READ AS FOLLOWS
2 [EFFECTIVE JULY 1, 2011]: Sec. 15. (a) **Except as provided in subsection (c)**, a participant's employer
3 shall make contributions annually to the account on behalf of the participant. The amount of the
4 contribution each fiscal year must equal the following, based on the participant's age on the last day of
5 the calendar year that is in the fiscal year in which the contribution is made:

Participant's Age in Years	Annual Contribution
	Amount
Less than 30	\$ 500
At least 30, but less than 40	\$ 800
At least 40, but less than 50	\$1,100
At least 50	\$1,400

12 (b) The budget agency shall determine by rule the date on which the contributions are credited to
13 participants' subaccounts.

14 (c) **A contribution under this section shall not be made after June 30, 2011, to any of the**
15 **following participants:**

16 (1) **A member of the state excise police and conservation enforcement officers' retirement plan**
17 **established under IC 5-10-5.5 who became a participant before July 1, 2011.**

18 (2) **A member of the trust fund and pension trust of the department of state police established**
19 **under IC 10-12-2 who became a participant before July 1, 2011.**

20 SECTION 45. IC 5-10-8.5-16, AS AMENDED BY P.L.3-2008, SECTION 25, IS AMENDED TO
21 READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 16. (a) **Except as provided in subsection (f)**,
22 if a participant meets all of the following conditions, the participant is entitled to receive an additional
23 contribution credited to the participant's subaccount and computed as described in subsection (b):

24 (1) The participant is:

25 (A) on the participant's last day of service with the participant's employer, eligible for and has
26 applied to receive a normal, unreduced retirement benefit from the public employee retirement
27 fund of which the participant is a member; or

28 (B) on the participant's last day of service, an elected or appointed officer.

29 (2) After June 30, 2007, and before July 1, 2017, the participant terminates service:

30 (A) from the employer; or

31 (B) as an elected or appointed officer.

32 (3) By the participant's last day of service, the participant has completed:

33 (A) fifteen (15) years of service with the employer; or

34 (B) ten (10) years of service as an elected or appointed officer.

35 (b) The amount of the contribution to a participant's subaccount under this section is the product of:

36 (1) the participant's years of service (rounded down to the nearest whole year):

37 (A) with the participant's employer, determined on the participant's last day of service with the
38 participant's employer; or

39 (B) as an elected or appointed officer, determined on the participant's last day of service as an
40 elected or appointed officer; multiplied by

41 (2) one thousand dollars (\$1,000).

42 (c) For a participant who has service with more than one (1) employer, the participant's years of service
43 used in the computation under subsection (b)(1) is the sum of all of the participant's years of service.

44 (d) The participant's employer must credit the additional contribution made under this section to the
45 participant's subaccount not later than sixty (60) days after the participant's last day of service.

46 (e) A participant who meets the requirements to receive an additional contribution under this section
47 may receive the additional contribution only once, regardless of the participant's employment after the
48 payment of the additional contribution.



1 (f) An additional contribution under this section shall not be made after June 30, 2011, to any
2 of the following participants:

3 (1) A member of the state excise police and conservation enforcement officers' retirement plan
4 established under IC 5-10-5.5 who became a participant before July 1, 2011.

5 (2) A member of the trust fund and pension trust of the department of state police established
6 under IC 10-12-2 who became a participant before July 1, 2011.

7 ~~(f)~~ (g) This section expires July 1, 2017.

8 SECTION 46. IC 6-2.5-10-1, AS AMENDED BY P.L.146-2008, SECTION 317, IS AMENDED TO
9 READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 1. (a) The department shall account for all state
10 gross retail and use taxes that it collects.

11 (b) The department shall deposit those collections in the following manner:

12 (1) Ninety-nine and ~~one hundred seventy-eight~~ **two hundred ninety-seven** thousandths percent
13 ~~(99.178%)~~ **(99.297%)** of the collections shall be paid into the state general fund.

14 (2) ~~Sixty-seven hundredths of one~~ **Five hundred fifty-one thousandths** percent ~~(0.67%)~~ **(0.551%)**
15 of the collections shall be paid into the public mass transportation fund established by IC 8-23-3-8.

16 (3) Twenty-nine thousandths of one percent (0.029%) of the collections shall be deposited into the
17 industrial rail service fund established under IC 8-3-1.7-2.

18 (4) One hundred twenty-three thousandths of one percent (0.123%) of the collections shall be
19 deposited into the commuter rail service fund established under IC 8-3-1.5-20.5.

20 SECTION 47. IC 6-3-3-13 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ
21 AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 13. (a) This section applies to taxable years that
22 end in a state fiscal year beginning after June 30, 2012.

23 (b) An individual who qualifies as a resident (as defined in IC 4-10-22-5) in a taxable year is
24 entitled to a credit against the individual's adjusted gross income tax (IC 6-3) liability imposed for
25 the taxable year.

26 (c) The amount of the credit is equal to the tax reduction amount determined for the taxable year
27 under IC 4-10-22-10 multiplied by the following:

28 (1) One (1), if the individual files an individual return.

29 (2) One (1), if the individual files a joint return with a spouse who is not a resident.

30 (3) Two (2), if the individual files a joint return with a spouse who is a resident.

31 (d) A credit granted under this section shall be applied after the application of all other allowable
32 deductions and credits.

33 (e) If the credit determined for a taxpayer in a taxable year exceeds the taxpayer's adjusted gross
34 income tax (IC 6-3) liability for that taxable year, the taxpayer is entitled to a refund of the excess.
35 A taxpayer is not entitled to a carryforward or carryback of any unused credit.

36 (f) To qualify for a credit, an individual must apply for the credit in the manner prescribed by
37 the department. The individual must provide the department with the information that the
38 department determines necessary to determine the individual's eligibility for the credit.

39 SECTION 48. IC 6-7-1-28.1, AS AMENDED BY P.L.182-2009(ss), SECTION 246, IS AMENDED
40 TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 28.1. The taxes, registration fees, fines,
41 or penalties collected under this chapter shall be deposited in the following manner:

42 (1) Four and twenty-two hundredths percent (4.22%) of the money shall be deposited in a fund to
43 be known as the cigarette tax fund.

44 (2) Six-tenths percent (0.6%) of the money shall be deposited in a fund to be known as the mental
45 health centers fund.

46 (3) ~~Fifty-four and five-tenths percent (54.5%)~~ **The following amount** of the money shall be
47 deposited in the state general fund:

48 (A) After June 30, 2011, and before July 1, 2013, sixty-two and seven-tenths percent



1 (62.7%).

2 (B) After June 30, 2013, fifty-six and ninety-six hundredths percent (56.96%).

3 (4) Five and forty-three hundredths percent (5.43%) of the money shall be deposited into the pension
4 relief fund established in IC 5-10.3-11.

5 (5) Twenty-seven and five hundredths percent (27.05%) of the money shall be deposited in the
6 Indiana check-up plan trust fund established by IC 12-15-44.2-17.

7 (6) Two and forty-six hundredths percent (2.46%) of the money shall be deposited in the state
8 general fund for the purpose of paying appropriations for Medicaid—Current Obligations; for
9 provider reimbursements.

10 (7) (6) Five and seventy-four hundredths percent (5.74%) The following amount of the money shall
11 be deposited in the state retiree health benefit trust fund established by IC 5-10-8-8.5 as follows:

12 (A) Before July 1, 2011, five and seventy-four hundredths percent (5.74%).

13 (B) After June 30, 2011, and before July 1, 2013, zero percent (0%).

14 (C) After June 30, 2013, five and seventy-four hundredths percent (5.74%).

15 The money in the cigarette tax fund, the mental health centers fund, the Indiana check-up plan trust fund,
16 or the pension relief fund at the end of a fiscal year does not revert to the state general fund. However,
17 if in any fiscal year, the amount allocated to a fund under subdivision (1) or (2) is less than the amount
18 received in fiscal year 1977, then that fund shall be credited with the difference between the amount
19 allocated and the amount received in fiscal year 1977, and the allocation for the fiscal year to the fund
20 under subdivision (3) shall be reduced by the amount of that difference. Money deposited under
21 subdivisions (6) through (7) may not be used for any purpose other than the purpose stated in the
22 subdivision.

23 SECTION 49. IC 11-10-3-6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ
24 AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) This section:

25 (1) does not apply in the case of a person who is subject to lawful detention by a county sheriff
26 and is:

27 (A) covered under private health coverage for health care services; or

28 (B) willing to pay for the person's own health care services; and

29 (2) does not affect copayments required under section 5 of this chapter.

30 (b) The following definitions apply throughout this section:

31 (1) "Charge description master" means a listing of the amount charged by a hospital for each
32 service, item, and procedure:

33 (A) provided by the hospital; and

34 (B) for which a separate charge exists.

35 (2) "Health care service" means:

36 (A) Medical care.

37 (B) Dental care.

38 (C) Eye care.

39 (D) Any other health care related service.

40 The term includes health care items and procedures.

41 (c) Except as provided in subsection (d), when the department or a county is responsible for
42 payment for health care services provided to a person who is committed to the department, the
43 department shall reimburse:

44 (1) a physician licensed under IC 25-22.5;

45 (2) a hospital licensed under IC 16-21-2; or

46 (3) another health care provider;

47 for the cost of a health care service at the federal Medicare reimbursement rate for the health care
48 service provided plus four percent (4%).



(d) If there is no federal Medicare reimbursement rate for a health care service described in subsection (c), the department shall do the following:

(1) If the health care service is provided by a hospital, the department shall reimburse the hospital an amount equal to sixty-five percent (65%) of the amount charged by the hospital according to the hospital's charge description master.

(2) If the health care service is provided by a physician or another health care provider, the department shall reimburse the physician or health care provider an amount equal to sixty-five percent (65%) of the amount charged by the physician or health care provider.

SECTION 50. IC 11-10-5-6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 6. The department may provide financial assistance for tuition, books, and supplies for an offender who:

(1) is:

(A) convicted of a felony;

(B) sentenced to a term of imprisonment for that felony; and

(C) confined for that felony by the department; and

(2) enrolls in a degree program at an eligible institution (as defined in IC 21-12-1-8(2)) of higher education.

SECTION 51. IC 11-12-5-5.5, AS ADDED BY P.L.80-2009, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5.5. (a) As used in this section, "charge description master" means a listing of the amount charged by a hospital for each service, item, and procedure:

(1) provided by the hospital; and

(2) for which a separate charge exists.

(b) As used in this section, "health care services" includes health care items and procedures.

(c) As used in this section, "lawful detention" means the following:

(1) Arrest.

(2) Custody following surrender in lieu of arrest.

(3) Detention in a penal facility.

(4) Detention for extradition or deportation.

(5) Custody for purposes incident to any of the above, including transportation, medical diagnosis or treatment, court appearances, work, or recreation.

The term does not include supervision of a person on probation or parole or constraint incidental to release with or without bail.

(d) This section:

(1) does not apply in the case of a person who is subject to lawful detention by a county sheriff and is:

(A) covered under private health coverage for health care services; or

(B) willing to pay for the person's own health care services; and

(2) does not affect copayments required under section 5 of this chapter.

(e) Except as provided in subsection (f), a county that is responsible for payment for health care services provided to a person who is subject to lawful detention by the county's sheriff shall reimburse:

(1) a physician licensed under IC 25-22.5;

(2) a hospital licensed under IC 16-21-2; or

(3) another health care provider;

for the cost of a health care service at the federal Medicare reimbursement rate for the health care service provided plus four percent (4%).

(f) If there is no federal Medicare reimbursement rate for a health care service described in subsection (e), the county shall do the following:



1 (1) If the health care service is provided by a hospital, the county shall reimburse the hospital an
2 amount equal to sixty-five percent (65%) of the amount charged by the hospital according to the
3 hospital's charge description master.

4 (2) If the health care service is provided by a physician or another health care provider, the county
5 shall reimburse the physician or health care provider an amount equal to sixty-five percent (65%)
6 of the amount charged by the physician or health care provider.

7 ~~(g) This section expires June 30, 2011.~~

8 SECTION 52. IC 12-15-35-28, AS AMENDED BY P.L.101-2005, SECTION 3, IS AMENDED TO
9 READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 28. (a) The board has the following duties:

10 (1) The adoption of rules to carry out this chapter, in accordance with the provisions of IC 4-22-2
11 and subject to any office approval that is required by the federal Omnibus Budget Reconciliation Act
12 of 1990 under Public Law 101-508 and its implementing regulations.

13 (2) The implementation of a Medicaid retrospective and prospective DUR program as outlined in
14 this chapter, including the approval of software programs to be used by the pharmacist for
15 prospective DUR and recommendations concerning the provisions of the contractual agreement
16 between the state and any other entity that will be processing and reviewing Medicaid drug claims
17 and profiles for the DUR program under this chapter.

18 (3) The development and application of the predetermined criteria and standards for appropriate
19 prescribing to be used in retrospective and prospective DUR to ensure that such criteria and
20 standards for appropriate prescribing are based on the compendia and developed with professional
21 input with provisions for timely revisions and assessments as necessary.

22 (4) The development, selection, application, and assessment of interventions for physicians,
23 pharmacists, and patients that are educational and not punitive in nature.

24 (5) The publication of an annual report that must be subject to public comment before issuance to
25 the federal Department of Health and Human Services and to the Indiana legislative council by
26 December 1 of each year. The report issued to the legislative council must be in an electronic format
27 under IC 5-14-6.

28 (6) The development of a working agreement for the board to clarify the areas of responsibility with
29 related boards or agencies, including the following:

30 (A) The Indiana board of pharmacy.

31 (B) The medical licensing board of Indiana.

32 (C) The SURS staff.

33 (7) The establishment of a grievance and appeals process for physicians or pharmacists under this
34 chapter.

35 (8) The publication and dissemination of educational information to physicians and pharmacists
36 regarding the board and the DUR program, including information on the following:

37 (A) Identifying and reducing the frequency of patterns of fraud, abuse, gross overuse, or
38 inappropriate or medically unnecessary care among physicians, pharmacists, and recipients.

39 (B) Potential or actual severe or adverse reactions to drugs.

40 (C) Therapeutic appropriateness.

41 (D) Overutilization or underutilization.

42 (E) Appropriate use of generic drugs.

43 (F) Therapeutic duplication.

44 (G) Drug-disease contraindications.

45 (H) Drug-drug interactions.

46 (I) Incorrect drug dosage and duration of drug treatment.

47 (J) Drug allergy interactions.



- 1 (K) Clinical abuse and misuse.
- 2 (9) The adoption and implementation of procedures designed to ensure the confidentiality of any
- 3 information collected, stored, retrieved, assessed, or analyzed by the board, staff to the board, or
- 4 contractors to the DUR program that identifies individual physicians, pharmacists, or recipients.
- 5 (10) The implementation of additional drug utilization review with respect to drugs dispensed to
- 6 residents of nursing facilities shall not be required if the nursing facility is in compliance with the
- 7 drug regimen procedures under 410 IAC 16.2-3.1 and 42 CFR 483.60.
- 8 (11) The research, development, and approval of a preferred drug list for:
- 9 (A) Medicaid's fee for service program;
- 10 (B) Medicaid's primary care case management program;
- 11 (C) Medicaid's risk based managed care program, if the office provides a prescription drug
- 12 benefit and subject to IC 12-15-5; and
- 13 (D) the children's health insurance program under IC 12-17.6;
- 14 in consultation with the therapeutics committee.
- 15 (12) The approval of the review and maintenance of the preferred drug list at least two (2) times per
- 16 year.
- 17 (13) The preparation and submission of a report concerning the preferred drug list at least two (2)
- 18 times per year to the select joint commission on Medicaid oversight established by IC 2-5-26-3.
- 19 (14) The collection of data reflecting prescribing patterns related to treatment of children diagnosed
- 20 with attention deficit disorder or attention deficit hyperactivity disorder.
- 21 (15) Advising the Indiana comprehensive health insurance association established by IC 27-8-10-2.1
- 22 concerning implementation of chronic disease management and pharmaceutical management
- 23 programs under IC 27-8-10-3.5.
- 24 (b) The board shall use the clinical expertise of the therapeutics committee in developing a preferred
- 25 drug list. The board shall also consider expert testimony in the development of a preferred drug list.
- 26 (c) In researching and developing a preferred drug list under subsection (a)(11), the board shall do the
- 27 following:
- 28 (1) Use literature abstracting technology.
- 29 (2) Use commonly accepted guidance principles of disease management.
- 30 (3) Develop therapeutic classifications for the preferred drug list.
- 31 (4) Give primary consideration to the clinical efficacy or appropriateness of a particular drug in
- 32 treating a specific medical condition.
- 33 (5) Include in any cost effectiveness considerations the cost implications of other components of the
- 34 state's Medicaid program and other state funded programs.
- 35 ~~(d) Prior authorization is required for coverage under a program described in subsection (a)(11) of a~~
- 36 ~~drug that is not included on the preferred drug list.~~
- 37 ~~(e)~~ (d) The board shall determine whether to include a single source covered outpatient drug that is
- 38 newly approved by the federal Food and Drug Administration on the preferred drug list not later than sixty
- 39 (60) days after the date on which the manufacturer notifies the board in writing of the drug's approval.
- 40 However, if the board determines that there is inadequate information about the drug available to the
- 41 board to make a determination, the board may have an additional sixty (60) days to make a determination
- 42 from the date that the board receives adequate information to perform the board's review. Prior
- 43 authorization may not be automatically required for a single source drug that is newly approved by the
- 44 federal Food and Drug Administration, and that is:
- 45 (1) in a therapeutic classification:
- 46 (A) that has not been reviewed by the board; and
- 47 (B) for which prior authorization is not required; or



(2) the sole drug in a new therapeutic classification that has not been reviewed by the board.

~~(f)~~ (e) The board may not exclude a drug from the preferred drug list based solely on price.

~~(g)~~ (f) The following requirements apply to a preferred drug list developed under subsection (a)(11):

(1) **Except as provided by In accordance with IC 12-15-35.5-3(b), and ~~IC 12-15-35.5-3(c)~~, the** office or the board may require prior authorization for a drug that is included on the preferred drug list under the following circumstances:

(A) To override a prospective drug utilization review alert.

(B) To permit reimbursement for a medically necessary brand name drug that is subject to generic substitution under IC 16-42-22-10.

(C) To prevent fraud, abuse, waste, overutilization, or inappropriate utilization.

(D) To permit implementation of a disease management program.

(E) To implement other initiatives permitted by state or federal law.

(F) A psychiatrist licensed under IC 25-22.5 may not be required to receive prior authorization to prescribe a drug included on the preferred drug list.

(G) A provider may not be required to obtain prior authorization for a mental health prescription that is for a Medicaid recipient who:

(i) was enrolled in the Medicaid program before July 1, 2011, and who has continuously been enrolled in the Medicaid program; and

(ii) has been prescribed and taking the mental health drug since before July 1, 2011.

(2) All drugs described in IC 12-15-35.5-3(b) ~~must be included on the preferred drug list.~~ **may be considered:**

(A) preferred or nonpreferred; or

(B) not subject to the preferred drug list (PDL) process.

(3) The office may add a drug that has been approved by the federal Food and Drug Administration to the preferred drug list without prior approval from the board.

(4) The board may add a drug that has been approved by the federal Food and Drug Administration to the preferred drug list.

~~(h)~~ (g) At least two (2) times each year, the board shall provide a report to the select joint commission on Medicaid oversight established by IC 2-5-26-3. The report must contain the following information:

(1) The cost of administering the preferred drug list.

(2) Any increase in Medicaid physician, laboratory, or hospital costs or in other state funded programs as a result of the preferred drug list.

(3) The impact of the preferred drug list on the ability of a Medicaid recipient to obtain prescription drugs.

(4) The number of times prior authorization was requested, and the number of times prior authorization was:

(A) approved; and

(B) disapproved.

~~(i)~~ (h) The board shall provide the first report required under subsection ~~(h)~~ (g) not later than six (6) months after the board submits an initial preferred drug list to the office.

SECTION 53. IC 12-15-35-28.7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 28.7. (a) The board shall submit the initial approved preferred drug list to the office not later than August 1, 2002.

(b) Except as permitted under subsection (g), the office may not further restrict the status of a drug in the Medicaid program or the children's health insurance program until the board reviews a therapeutic classification and the office implements the therapeutic classification on the preferred drug list.

(c) The office shall provide advance notice to providers of the contents of the preferred drug list submitted by the board under subsection (a).



(d) Notwithstanding IC 12-15-13-6, the office shall implement any change in the preferred drug list not later than thirty (30) days after the date the board submits the amended list to the office.

(e) Except as provided by section ~~28(g)(3)~~ **28(f)(3)** of this chapter, the office may not implement a preferred drug list or an amendment to the preferred drug list that has not been approved by the board.

(f) The office may not require prior authorization for a drug that is excluded from the preferred drug list unless the board has made the determinations required under section 35 of this chapter.

(g) The office may adopt rules under IC 4-22-2 necessary to carry out this chapter.

SECTION 54. IC 12-15-35.5-3, AS AMENDED BY P.L.1-2009, SECTION 104, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 3. (a) ~~Except as provided in subsection (b),~~ The office may establish prior authorization requirements for drugs covered under a program described in section 1 of this chapter.

(b) The office may ~~not~~ require prior authorization for the following single source or brand name multisource drugs:

(1) A drug that is classified as an antianxiety, antidepressant, or antipsychotic central nervous system drug in the most recent publication of Drug Facts and Comparisons (published by the Facts and Comparisons Division of J.B. Lippincott Company).

(2) A drug that, according to:

(A) the American Psychiatric Press Textbook of Psychopharmacology;

(B) Current Clinical Strategies for Psychiatry;

(C) Drug Facts and Comparisons; or

(D) a publication with a focus and content similar to the publications described in clauses (A) through (C);

is a cross-indicated drug for a central nervous system drug classification described in subdivision (1).

(3) A drug that is:

(A) classified in a central nervous system drug category or classification (according to Drug Facts and Comparisons) that is created after March 12, 2002; and

(B) prescribed for the treatment of a mental illness (as defined in the most recent publication of the American Psychiatric Association's Diagnostic and Statistical Manual of Mental Disorders).

~~(c) Except as provided under section 7 of this chapter, a recipient enrolled in a program described in section 1 of this chapter shall have unrestricted access to a drug described in subsection (b).~~

SECTION 55. IC 12-17.6-3-2, AS AMENDED BY P.L.117-2008, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) To be eligible to enroll in the program, a child must meet the following requirements:

(1) The child is less than nineteen (19) years of age.

(2) The child is a member of a family with an annual income of:

(A) more than one hundred fifty percent (150%); and

(B) not more than:

(i) ~~three two hundred fifty percent (300%);~~ **(250%)**; or

(ii) the maximum percentage approved by the federal Centers for Medicare and Medicaid Services if the approved amount is less than ~~three two hundred fifty percent (300%);~~ **(250%)**; of the federal income poverty level.

(3) The child is a resident of Indiana.

(4) The child meets all eligibility requirements under Title XXI of the federal Social Security Act.

(5) The child's family agrees to pay any cost sharing amounts required by the office.

(b) The office may adjust eligibility requirements based on available program resources under rules adopted under IC 4-22-2.



SECTION 56. IC 12-24-1-3, AS AMENDED BY P.L.141-2006, SECTION 62, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 3. (a) The director of the division of mental health and addiction has administrative control of and responsibility for the following state institutions:

- (1) Evansville State Hospital.
- (2) Evansville State Psychiatric Treatment Center for Children.
- (3) Larue D. Carter Memorial Hospital.
- (4) Logansport State Hospital.
- (5) Madison State Hospital.
- (6) Richmond State Hospital.
- (7) Any other state owned or operated mental health institution.

(b) Subject to the approval of the director of the budget agency and the governor, the director of the division of mental health and addiction may contract for the management and clinical operation of Larue D. Carter Memorial Hospital.

(c) The following applies only to the institutions described in subsection (a)(1) and (a)(2):

~~(1) Notwithstanding any other statute or policy, the division of mental health and addiction may not do the following after December 31, 2001, unless specifically authorized by a statute enacted by the general assembly:~~

~~(A) Terminate, in whole or in part, normal patient care or other operations at the facility;~~

~~(B) Reduce the staffing levels and classifications below those in effect at the facility on January 1, 2002;~~

~~(C) Terminate the employment of an employee of the facility except in accordance with IC 4-15-2.~~

~~(2) The division of mental health and addiction shall fill a vacancy created by a termination described in subdivision (1)(C) so that the staffing levels at the facility are not reduced below the staffing levels in effect on January 1, 2002.~~

~~(3) Notwithstanding any other statute or policy, the division of mental health and addiction may not remove, transfer, or discharge any patient at the facility unless the removal, transfer, or discharge is in the patient's best interest and is approved by:~~

~~(A) the patient or the patient's parent or guardian;~~

~~(B) the individual's gatekeeper; and~~

~~(C) the patient's attending physician.~~

(c) The division of mental health and addiction shall maintain normal patient care, including maintaining the Joint Commission on Accreditation of Healthcare Organizations (JCAHO) standards for clinical care, at the facilities described in subsection (a)(1) and (a)(2) unless a reduction or the termination of normal patient care is specifically authorized by a statute enacted by the general assembly or is specifically recommended by the council established by section 3.5 of this chapter.

(d) The Evansville State Psychiatric Treatment Center for Children shall remain independent of Evansville State Hospital and the southwestern Indiana community mental health center, and the Evansville State Psychiatric Treatment Center for Children shall continue to function autonomously unless a change in administration is specifically:

(1) authorized by an enactment of the general assembly; or

(2) recommended by the council established by section 3.5 of this chapter before January 1, 2014.

SECTION 57. IC 12-24-1-3.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: **Sec. 3.5. (a) The council on Evansville state hospitals is established.**

(b) The council consists of the following members:



1 (1) One (1) superior court judge having exclusive juvenile jurisdiction in Vanderburgh County,
 2 who shall act as chairperson of the council.
 3 (2) The director of the division of mental health and addiction or the director's designee.
 4 (3) Two (2) members of the senate, appointed by the president pro tempore of the senate. The
 5 members appointed under this subdivision:
 6 (A) may not be members of the same political party; and
 7 (B) must represent Evansville or a surrounding area.
 8 (4) Two (2) members of the house of representatives, appointed by the speaker of the house of
 9 representatives. The members appointed under this subdivision:
 10 (A) may not be members of the same political party; and
 11 (B) must represent Evansville or a surrounding area.
 12 (5) Two (2) mental health providers that provide mental health services in the Evansville area.
 13 (6) One (1) member who:
 14 (A) resides in the Evansville area; and
 15 (B) provides services in the community, including:
 16 (i) law enforcement services; or
 17 (ii) children's services.
 18 (7) The superintendent of the Evansville State Psychiatric Treatment Center for Children, or
 19 the superintendent's designee.
 20 (8) The superintendent of the Evansville State Hospital, or the superintendent's designee.
 21 (9) One (1) representative of a statewide mental health association.
 22 (10) One (1) parent of a child who has received services at the Evansville State Psychiatric
 23 Treatment Center for Children and who is not associated with the Evansville State Psychiatric
 24 Treatment Center for Children or the Evansville State Hospital except as a consumer.
 25 (c) The president pro tempore of the senate shall appoint the members under subsection (b)(1)
 26 and (b)(9) and one (1) member under subsection (b)(5). The speaker of the house of representatives
 27 shall appoint the members under subsection (b)(6) and (b)(10) and one (1) member under
 28 subsection (b)(5).
 29 (d) The council has the following duties:
 30 (1) Review the following:
 31 (A) The mental health and addiction services available to children in the Evansville area.
 32 (B) The quality of the care provided to patients in the facilities described in section 3(a)(1)
 33 and 3(a)(2) of this chapter.
 34 (C) The utilization of the facilities described in section 3(a)(1) and 3(a)(2) of this chapter
 35 and the cause for any underutilization.
 36 (2) Determine the viability and need for the facilities described in section 3(a)(1) and 3(a)(2)
 37 of this chapter.
 38 (3) Provide recommendations to:
 39 (A) the office of the secretary; and
 40 (B) the general assembly, in electronic format under IC 5-14-6;
 41 concerning the council's findings under this subsection, including whether the council is
 42 making a recommendation under section 3 of this chapter.
 43 (e) The division of mental health and addiction shall staff the council.
 44 (f) The expenses of the council shall be paid by the division of mental health and addiction.
 45 (g) A member of the council is not entitled to a salary per diem or traveling expenses.
 46 (h) The members described in subsection (b)(7) and (b)(8) shall serve as nonvoting members. The
 47 affirmative votes of a majority of the voting members of the council are required for the council
 48 to take action on any recommendation.



1 (i) This section expires December 31, 2013.

2 SECTION 58. IC 16-28-15 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ
3 AS FOLLOWS [EFFECTIVE AUGUST 1, 2011]:

4 **Chapter 15. Health Facility Quality Assessment Fee**

5 **Sec. 1.** The imposition of a quality assessment fee under this chapter occurs after July 31, 2011.

6 **Sec. 2.** As used in this chapter, "continuing care retirement community" means a health care
7 facility that:

8 (1) provides independent living services and health facility services in a campus setting with
9 common areas;

10 (2) holds continuing care agreements with at least twenty-five percent (25%) of its residents
11 (as defined in IC 23-2-4-1);

12 (3) uses the money from the agreements described in subdivision (2) to provide services to a
13 resident before the resident may be eligible for Medicaid under IC 12-15; and

14 (4) meets the requirements of IC 23-2-4.

15 **Sec. 3.** As used in this chapter, "health facility" refers to a health facility that is licensed under
16 this article as a comprehensive care facility.

17 **Sec. 4.** As used in this chapter, "nursing facility" means a health facility that is certified for
18 participation in the federal Medicaid program under Title XIX of the federal Social Security Act
19 (42 U.S.C. 1396 et seq.).

20 **Sec. 5.** As used in this chapter, "office" refers to the office of Medicaid policy and planning
21 established by IC 12-8-6-1.

22 **Sec. 6. (a)** After July 31, 2011, the office shall collect a quality assessment fee from each health
23 facility under this chapter.

24 (b) The quality assessment fee must apply to all non-Medicare patient days of the health facility.
25 The office shall determine the quality assessment rate per non-Medicare patient day in a manner
26 that collects the maximum amount permitted by federal law as of July 1, 2011, based on the latest
27 nursing facility financial reports and nursing facility quality assessment data collection forms as
28 of July 28, 2010.

29 (c) The office shall offset the collection of the assessment fee for a health facility:

30 (1) against a Medicaid payment to the health facility;

31 (2) against a Medicaid payment to another health facility that is related to the health facility
32 through common ownership or control; or

33 (3) in another manner determined by the office.

34 **Sec. 7.** The office shall implement the waiver approved by the United States Centers for
35 Medicare and Medicaid Services under 42 CFR 433.68(e)(2) that provides for the following:

36 (1) Nonuniform quality assessment fee rates.

37 (2) An exemption from collection of a quality assessment fee from the following:

38 (A) A continuing care retirement community as follows:

39 (i) A continuing care retirement community that was registered with the securities
40 commissioner as a continuing care retirement community on January 1, 2007, is not
41 required to meet the definition of a continuing care retirement community in section 2
42 of this chapter.

43 (ii) A continuing care retirement community that, for the period January 1, 2007, through
44 June 30, 2009, operated independent living units, at least twenty-five percent (25%) of
45 which are provided under contracts that require the payment of a minimum entrance fee
46 of at least twenty-five thousand dollars (\$25,000).

47 (iii) An organization registered under IC 23-2-4 before July 1, 2009, that provides housing
48 in an independent living unit for a religious order.



1 (iv) A continuing care retirement community that meets the definition set forth in section
2 2 of this chapter.

3 (B) A hospital based health facility.

4 (C) The Indiana Veterans' Home.

5 Any revision to the state plan amendment or waiver request under this section is subject to and
6 must comply with this chapter.

7 Sec. 8. (a) The money collected from the quality assessment fee may be used only as follows:

8 (1) Seventy percent (70%) to pay the state's share of costs for Medicaid nursing facility
9 services provided under Title XIX of the federal Social Security Act (42 U.S.C. 1396 et seq.).

10 (2) Thirty percent (30%) to pay the state's share of costs for other Medicaid services provided
11 under Title XIX of the federal Social Security Act (42 U.S.C. 1396 et seq.).

12 (b) Any increase in reimbursement for Medicaid nursing facility services resulting from
13 maximizing the quality assessment under section 6(b) of this chapter shall be directed exclusively
14 to initiatives determined by the office to promote and enhance improvements in quality of care to
15 nursing facility residents.

16 (c) The office may establish a method to allow a health facility to enter into an agreement to pay
17 the quality assessment fee collected under this chapter under an installment plan.

18 Sec. 9. If federal financial participation becomes unavailable to match money collected from the
19 quality assessment fees for the purpose of enhancing reimbursement to nursing facilities for
20 Medicaid services provided under Title XIX of the federal Social Security Act (42 U.S.C. 1396 et
21 seq.), the office shall cease collection of the quality assessment fee under this chapter.

22 Sec. 10. The office shall adopt rules under IC 4-22-2 necessary to implement this chapter.

23 Sec. 11. (a) If a health facility fails to pay the quality assessment fee under this chapter not later
24 than ten (10) days after the date the payment is due, the health facility shall pay interest on the
25 quality assessment fee at the same rate as determined under IC 12-15-21-3(6)(A).

26 (b) The office shall report to the state department each nursing facility and each health facility
27 that fails to pay the quality assessment fee under this chapter not later than one hundred twenty
28 (120) days after payment of the quality assessment fee is due.

29 Sec. 12. (a) The state department shall do the following:

30 (1) Notify each nursing facility and each health facility reported under section 11 of this
31 chapter that the nursing facility's license or health facility's license under IC 16-28 will be
32 revoked if the quality assessment fee is not paid.

33 (2) Revoke the nursing facility's license or health facility's license under IC 16-28 if the nursing
34 facility or the health facility fails to pay the quality assessment fee.

35 (b) An action taken under subsection (a)(2) is governed by:

36 (1) IC 4-21.5-3-8; or

37 (2) IC 4-21.5-4.

38 Sec. 13. The select joint commission on Medicaid oversight established by IC 2-5-26-3 shall
39 review the implementation of this chapter.

40 Sec. 14. This chapter expires June 30, 2014.

41 SECTION 59. IC 16-47-1-5, AS AMENDED BY P.L.173-2007, SECTION 3, IS AMENDED TO
42 READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 5. (a) The ~~department~~ following shall
43 participate in the program:

44 (1) The ~~department~~, for a health benefit plan:

45 (†) (A) described in section 2(1), 2(2), or 2(3) of this chapter; and

46 (‡) (B) that provides coverage for prescription drugs.

47 (2) After June 30, 2011, a state educational institution, for a health benefit plan:

48 (A) described in section 2(4) of this chapter; and



1 **(B) that provides coverage for prescription drugs;**
2 **unless the budget agency determines that the state educational institution's participation in**
3 **the program would not result in an overall financial benefit to the state educational institution.**
4 **The budget agency may delay compliance with this subdivision to a date after July 1, 2011,**
5 **that is determined by the budget agency to allow for the orderly transition from another**
6 **program.**

7 (b) The following may participate in the program:

8 (1) A state agency other than the department that:

9 (A) purchases prescription drugs; or

10 (B) arranges for the payment of the cost of prescription drugs.

11 (2) A local unit (as defined in IC 5-10-8-1).

12 (3) The Indiana comprehensive health insurance association established under IC 27-8-10.

13 ~~(4) A state educational institution for a health benefit plan:~~

14 ~~(A) described in section 2(4) of this chapter; and~~

15 ~~(B) that provides coverage for prescription drugs.~~

16 (c) The state Medicaid program may not participate in the program under this chapter.

17 SECTION 60. IC 20-21-4-3, AS ADDED BY P.L.1-2005, SECTION 5, IS AMENDED TO READ AS
18 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) The board shall prescribe, subject to the
19 approval of the state personnel department and the budget agency, a salary schedule for the school, using
20 a daily rate of pay for each teacher that must be equal to that of the largest school corporation in the
21 county in which the school is located.

22 (b) The board shall prescribe the terms of the annual contract awarded to licensed teachers qualifying
23 for payment under the salary schedule as described in subsection (a).

24 (c) The hours of work for all teachers shall be set in accordance with IC 4-15-2.

25 **(d) Each teacher accrues vacation leave in accordance with the vacation leave policy of the**
26 **largest school corporation in the county in which the school is located. A teacher is not eligible for**
27 **additional vacation leave days set for state employees under IC 4-15-2-29 or another provision of**
28 **IC 4-15.**

29 SECTION 61. IC 20-22-4-3, AS ADDED BY P.L.1-2005, SECTION 6, IS AMENDED TO READ AS
30 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) The board shall prescribe, subject to the
31 approval of the state personnel department and the budget agency, a salary schedule for the school, using
32 a daily rate of pay for each teacher, that must be equal to that of the largest school corporation in the
33 county in which the school is located.

34 (b) The board shall prescribe the terms of the annual contract awarded to licensed teachers qualifying
35 for payment under the salary schedule as described in subsection (a).

36 (c) The hours of work for all teachers shall be set in accordance with IC 4-15-2.

37 **(d) Each teacher accrues vacation leave in accordance with the vacation leave policy of the**
38 **largest school corporation in the county in which the school is located. A teacher is not eligible for**
39 **additional vacation leave days set for state employees under IC 4-15-2-29 or another provision of**
40 **IC 4-15.**

41 SECTION 62. IC 20-24-7-6.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO
42 READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: **Sec. 6.5. (a) Subject to subsection (b) and with**
43 **the approval of a majority of the members of the governing body, a school corporation may**
44 **distribute any part of the following to a conversion school sponsored by the school corporation in**
45 **the amount and under the terms and conditions adopted by a majority of the members of the**
46 **governing body:**

47 **(1) State tuition support and other state distributions to the school corporation.**

48 **(2) Any other amount deposited in the school corporation's general fund.**



(b) The total amount that may be transferred under subsection (a) in a calendar year to a particular conversion charter school may not exceed the result determined under STEP FOUR of the following formula:

STEP ONE: Determine the result of:

(A) the amount of state tuition support that the school corporation is eligible to receive in the calendar year; divided by

(B) the current ADM of the school corporation for the calendar year.

STEP TWO: Determine the result of:

(A) the amount of state tuition support that the conversion charter school is eligible to receive in the calendar year; divided by

(B) the current ADM of the conversion charter school for the calendar year.

STEP THREE: Determine the greater of zero (0) or result of:

(A) the STEP ONE amount; minus

(B) the STEP TWO amount.

STEP FOUR: Determine the result of:

(A) the STEP THREE amount; multiplied by

(B) the current ADM of the conversion charter school for the calendar year.

SECTION 63. IC 20-26-11-13, AS AMENDED BY P.L.146-2008, SECTION 471, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2012]: Sec. 13. (a) As used in this section, the following terms have the following meanings:

(1) "Class of school" refers to a classification of each school or program in the transferee corporation by the grades or special programs taught at the school. Generally, these classifications are denominated as kindergarten, elementary school, middle school or junior high school, high school, and special schools or classes, such as schools or classes for special education, career and technical education, or career education.

(2) "Special equipment" means equipment that during a school year:

(A) is used only when a child with disabilities is attending school;

(B) is not used to transport a child to or from a place where the child is attending school;

(C) is necessary for the education of each child with disabilities that uses the equipment, as determined under the individualized education program for the child; and

(D) is not used for or by any child who is not a child with disabilities.

(3) "Student enrollment" means the following:

(A) The total number of students in kindergarten through grade 12 who are enrolled in a transferee school corporation on a date determined by the state board.

(B) The total number of students enrolled in a class of school in a transferee school corporation on a date determined by the state board.

However, a kindergarten student shall be counted under clauses (A) and (B) as one-half (1/2) student. The state board may select a different date for counts under this subdivision. However, the same date shall be used for all school corporations making a count for the same class of school.

(b) Each transferee corporation is entitled to receive for each school year on account of each transferred student, except a student transferred under section 6 of this chapter, transfer tuition from the transferor corporation or the state as provided in this chapter. Transfer tuition equals the amount determined under STEP THREE of the following formula:

STEP ONE: Allocate to each transfer student the capital expenditures for any special equipment used by the transfer student and a proportionate share of the operating costs incurred by the transferee school for the class of school where the transfer student is enrolled.

STEP TWO: If the transferee school included the transfer student in the transferee school's ADM for a school year, allocate to the transfer student a proportionate share of the following general fund



revenues of the transferee school for, except as provided in clause (C), the calendar year in which the school year ends:

(A) State tuition support distributions.

(B) Property tax levies under IC 20-45-7 and IC 20-45-8.

(C) **The sum of the following** excise tax revenue (~~as defined in IC 20-43-1-12~~) received for deposit in the calendar year in which the school year begins:

(i) **Financial institution excise tax revenue (IC 6-5.5).**

(ii) **Motor vehicle excise taxes (IC 6-6-5).**

(iii) **Commercial vehicle excise taxes (IC 6-6-5.5).**

(iv) **Boat excise tax (IC 6-6-11).**

(v) **Aircraft license excise tax (IC 6-6-6.5).**

(D) Allocations to the transferee school under IC 6-3.5.

STEP THREE: Determine the greater of:

(A) zero (0); or

(B) the result of subtracting the STEP TWO amount from the STEP ONE amount.

If a child is placed in an institution or facility in Indiana by or with the approval of the department of child services, the institution or facility shall charge the department of child services for the use of the space within the institution or facility (commonly called capital costs) that is used to provide educational services to the child based upon a prorated per student cost.

(c) Operating costs shall be determined for each class of school where a transfer student is enrolled. The operating cost for each class of school is based on the total expenditures of the transferee corporation for the class of school from its general fund expenditures as specified in the classified budget forms prescribed by the state board of accounts. This calculation excludes:

(1) capital outlay;

(2) debt service;

(3) costs of transportation;

(4) salaries of board members;

(5) contracted service for legal expenses; and

(6) any expenditure that is made from extracurricular account receipts;

for the school year.

(d) The capital cost of special equipment for a school year is equal to:

(1) the cost of the special equipment; divided by

(2) the product of:

(A) the useful life of the special equipment, as determined under the rules adopted by the state board; multiplied by

(B) the number of students using the special equipment during at least part of the school year.

(e) When an item of expense or cost described in subsection (c) cannot be allocated to a class of school, it shall be prorated to all classes of schools on the basis of the student enrollment of each class in the transferee corporation compared with the total student enrollment in the school corporation.

(f) Operating costs shall be allocated to a transfer student for each school year by dividing:

(1) the transferee school corporation's operating costs for the class of school in which the transfer student is enrolled; by

(2) the student enrollment of the class of school in which the transfer student is enrolled.

When a transferred student is enrolled in a transferee corporation for less than the full school year of student attendance, the transfer tuition shall be calculated by the part of the school year for which the transferred student is enrolled. A school year of student attendance consists of the number of days school is in session for student attendance. A student, regardless of the student's attendance, is enrolled in a transferee school unless the student is no longer entitled to be transferred because of a change of



1 residence, the student has been excluded or expelled from school for the balance of the school year or for
2 an indefinite period, or the student has been confirmed to have withdrawn from school. The transferor and
3 the transferee corporation may enter into written agreements concerning the amount of transfer tuition
4 due in any school year. If an agreement cannot be reached, the amount shall be determined by the state
5 board, and costs may be established, when in dispute, by the state board of accounts.

6 (g) A transferee school shall allocate revenues described in subsection (b) STEP TWO to a transfer
7 student by dividing:

8 (1) the total amount of revenues received; by

9 (2) the ADM of the transferee school for the school year that ends in the calendar year in which the
10 revenues are received.

11 However, for state tuition support distributions or any other state distribution computed using less than
12 the total ADM of the transferee school, the transferee school shall allocate the revenues to the transfer
13 student by dividing the revenues that the transferee school is eligible to receive in a calendar year by the
14 student count used to compute the state distribution.

15 (h) Instead of the payments provided in subsection (b), the transferor corporation or state owing
16 transfer tuition may enter into a long term contract with the transferee corporation governing the transfer
17 of students. The contract may:

18 (1) be entered into for a period of not more than five (5) years with an option to renew;

19 (2) specify a maximum number of students to be transferred; and

20 (3) fix a method for determining the amount of transfer tuition and the time of payment, which may
21 be different from that provided in section 14 of this chapter.

22 (i) A school corporation may negotiate transfer tuition agreements with a neighboring school
23 corporation that can accommodate additional students. Agreements under this section may:

24 (1) be for one (1) year or longer; and

25 (2) fix a method for determining the amount of transfer tuition or time of payment that is different
26 from the method, amount, or time of payment that is provided in this section or section 14 of this
27 chapter.

28 A school corporation may not transfer a student under this section without the prior approval of the child's
29 parent.

30 SECTION 64. IC 20-40-8-1, AS AMENDED BY P.L.146-2008, SECTION 477, IS AMENDED TO
31 READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2012]: Sec. 1. As used in this chapter, "calendar year
32 distribution" means the sum of the following:

33 (1) A school corporation's:

34 (A) state tuition support; and

35 (B) maximum permissible tuition support levy (as defined in IC 20-45-1-15 before its repeal);
36 for the calendar year.

37 (2) The ~~school corporation's sum of the following~~ excise tax revenue ~~(as defined in IC 20-43-1-12)~~
38 **of the school corporation** for the immediately preceding calendar year:

39 **(A) Financial institution excise tax revenue (IC 6-5.5).**

40 **(B) Motor vehicle excise taxes (IC 6-6-5).**

41 **(C) Commercial vehicle excise taxes (IC 6-6-5.5).**

42 **(D) Boat excise tax (IC 6-6-11).**

43 **(E) Aircraft license excise tax (IC 6-6-6.5).**

44 SECTION 65. IC 20-43-1-1, AS AMENDED BY P.L.182-2009(ss), SECTION 323, IS AMENDED
45 TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 1. This article expires January 1, ~~2012~~
46 **2014.**

47 SECTION 66. IC 20-43-1-25, AS AMENDED BY P.L.182-2009(ss), SECTION 325, IS AMENDED
48 TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2012]: Sec. 25. "State tuition support" means the



1 amount of state funds to be distributed to:

2 (1) a school corporation other than a virtual charter school in any calendar year under this article for
3 all grants, distributions, and awards described in IC 20-43-2-3; and

4 (2) a virtual charter school in any calendar year under ~~IC 20-24-7-13~~; **IC 20-43-6-3**.

5 SECTION 67. IC 20-43-2-2, AS AMENDED BY P.L.182-2009(ss), SECTION 329, IS AMENDED
6 TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2011 (RETROACTIVE)]: Sec. 2. The maximum
7 state distribution for a calendar year for all school corporations for the purposes described in section 3
8 of this chapter is:

9 (1) ~~five billion eight hundred twenty-nine million nine hundred thousand dollars (\$5,829,900,000)~~
10 ~~in 2009;~~

11 (2) ~~six billion five hundred forty-eight million nine hundred thousand dollars (\$6,548,900,000) in~~
12 ~~2010; and~~

13 (3) (1) ~~six billion five two hundred sixty-eight forty-seven million five seven hundred thousand~~
14 ~~dollars (\$6,568,500,000) (\$6,247,700,000) in 2011;~~

15 (2) ~~six billion two hundred forty-seven million seven hundred thousand dollars~~
16 ~~(\$6,247,700,000) in 2012; and~~

17 (3) ~~six billion two hundred forty-seven million seven hundred thousand dollars~~
18 ~~(\$6,247,700,000) in 2013.~~

19 SECTION 68. IC 20-43-2-3, AS AMENDED BY P.L.182-2009(ss), SECTION 330, IS AMENDED
20 TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2012]: Sec. 3. If the total amount to be
21 distributed:

22 (1) as basic tuition support;

23 (2) for academic honors diploma awards;

24 (3) for primetime distributions;

25 (4) for special education grants; **and**

26 (5) for career and technical education grants;

27 (6) ~~for restoration grants; and~~

28 (7) ~~for small school grants;~~

29 for a particular year exceeds the maximum state distribution for a calendar year, the amount to be
30 distributed for state tuition support under this article to each school corporation during each of the last
31 six (6) months of the year shall be proportionately reduced so that the total reductions equal the amount
32 of the excess.

33 SECTION 69. IC 20-43-3-4, AS AMENDED BY P.L.182-2009(ss), SECTION 331, IS AMENDED
34 TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2012]: Sec. 4. (a) ~~This subsection applies to~~
35 ~~calendar year 2009. A school corporation's previous year revenue equals the amount determined under~~
36 ~~STEP TWO of the following formula:~~

37 ~~STEP ONE: Determine the sum of the following:~~

38 (A) ~~The school corporation's basic tuition support for the year that precedes the current year.~~

39 (B) ~~The school corporation's maximum permissible tuition support levy for calendar year 2008.~~

40 (C) ~~The school corporation's excise tax revenue for calendar year 2007.~~

41 ~~STEP TWO: Subtract from the STEP ONE result an amount equal to the reduction in the school~~
42 ~~corporation's state tuition support under any combination of subsection (c), subsection (d),~~
43 ~~IC 20-10-1-2-1 (before its repeal), or IC 20-30-2-4.~~

44 (b) ~~This subsection applies to calendar years 2010 and 2011. A school corporation's previous year~~
45 ~~revenue equals the amount determined under STEP TWO of the following formula:~~

46 ~~STEP ONE: Determine the sum of the following:~~

47 (A) The school corporation's basic tuition support **actually received** for the year that precedes



the current year.

(B) For calendar year 2010, the amount of education stabilization funds received by the school corporation in calendar year 2009 under Section 14002(a) of the federal American Recovery and Reinvestment Act of 2009 (ARRA).

(C) The amount of the annual decrease in federal aid to impacted areas from the year preceding the ensuing calendar year by three (3) years to the year preceding the ensuing calendar year by two (2) years.

(B) For 2012, the restoration grant (IC 20-43-12 (repealed)) actually received for 2011.

(C) For 2012, the small school grant (IC 20-43-12.2 (repealed)) actually received for 2011.

STEP TWO: Subtract from the STEP ONE result an amount equal to the reduction in the school corporation's state tuition support under any combination of subsection (c) (b) or IC 20-30-2-4.

(c) (b) A school corporation's previous year revenue must be reduced if:

(1) the school corporation's state tuition support for special education or career and technical education is reduced as a result of a complaint being filed with the department after December 31, 1988, because the school program overstated the number of children enrolled in special education programs or career and technical education programs; and

(2) the school corporation's previous year revenue has not been reduced under this subsection more than one (1) time because of a given overstatement.

The amount of the reduction equals the amount the school corporation would have received in state tuition support for special education and career and technical education because of the overstatement.

(d) This section applies only to 2009. A school corporation's previous year revenue must be reduced if an existing elementary or secondary school located in the school corporation converts to a charter school under IC 20-24-11. The amount of the reduction equals the product of:

(1) the sum of the amounts distributed to the conversion charter school under IC 20-24-7-3(c) and IC 20-24-7-3(d) (as effective December 31, 2008); multiplied by

(2) two (2).

SECTION 70. IC 20-43-4-7, AS AMENDED BY P.L.182-2009(ss), SECTION 332, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2012]: Sec. 7. (a) This subsection does not apply to a charter school. When calculating adjusted ADM for 2010 2012 distributions, this subsection, as effective after December 31, 2009; 2011, shall be used to calculate the adjusted ADM for the previous year rather than the calculation used to calculate adjusted ADM for 2009 2011 distributions. For purposes of this article, a school corporation's "adjusted ADM" for the current year is the result determined under the following formula:

STEP ONE: Determine the sum of the following:

(A) The school corporation's ADM for the year preceding the current year by two (2) years divided by three (3);

(B) The school corporation's ADM for the year preceding the current year by one (1) year divided by three (3);

(C) The school corporation's ADM for the current year divided by three (3);

STEP TWO: Determine the school corporation's ADM for the current year.

STEP THREE: Determine the greater of the following:

(A) The STEP ONE result.

(B) The STEP TWO result.

(b) A charter school's adjusted ADM for purposes of this article is the charter school's current ADM: school corporation's current ADM.

SECTION 71. IC 20-43-5-3, AS AMENDED BY P.L.182-2009(ss), SECTION 333, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2012]: Sec. 3. A school corporation's complexity



index is determined under the following formula:

STEP ONE: Determine the greater of zero (0) or the result of the following:

(1) Determine the percentage of the school corporation's students who were eligible for free or reduced price lunches in the school year ending in the later of:

(A) ~~2007~~ for purposes of determining the complexity index in 2009; and ~~2009~~ **2011** for the purposes of determining the complexity index in ~~2010~~ **2012** and ~~2011~~; **2013**; or

(B) the first year of operation of the school corporation.

(2) Determine the quotient of:

~~(A) in 2009:~~

~~(i) two thousand four hundred dollars (\$2,400); divided by~~

~~(ii) four thousand eight hundred twenty-five dollars (\$4,825);~~

~~(B) in 2010:~~

~~(i) two thousand two hundred sixty-three dollars (\$2,263); divided by~~

~~(ii) four thousand five hundred fifty dollars (\$4,550); and~~

~~(C) in 2011:~~

~~(i) two thousand two hundred forty-one dollars (\$2,241); divided by~~

~~(ii) four thousand five hundred five dollars (\$4,505);~~

(A) in 2012:

(i) two thousand one hundred thirteen dollars (\$2,113); divided by

(ii) four thousand two hundred forty-seven dollars (\$4,247); and

(B) in 2013:

(i) two thousand one hundred twenty-two dollars (\$2,122); divided by

(ii) four thousand two hundred sixty-six dollars (\$4,266).

(3) Determine the product of:

(A) the subdivision (1) amount; multiplied by

(B) the subdivision (2) amount.

STEP TWO: Determine the result of one (1) plus the STEP ONE result.

STEP THREE: This STEP applies if the STEP TWO result **in 2012** is equal to or greater than at least one and ~~twenty-five~~ **twenty-eight** hundredths ~~(1.25)~~; **(1.28)** and applies if the STEP TWO result **in 2013 is at least one and thirty-one hundredths (1.31)**. Determine the result of the following:

(1) **In 2012**, subtract one and ~~twenty-five~~ **twenty-eight** hundredths ~~(1.25)~~ **(1.28)** and **in 2013**, subtract one and thirty-one hundredths **(1.31)** from the STEP TWO result.

(2) Determine the result of:

(A) the STEP TWO result; plus

(B) the subdivision (1) result.

The data to be used in making the calculations under STEP ONE must be the data collected in the annual pupil enrollment count by the department.

SECTION 72. IC 20-43-5-4, AS AMENDED BY P.L.182-2009(ss), SECTION 334, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2012]: Sec. 4. A school corporation's foundation amount for a calendar year is the result determined under STEP TWO of the following formula:

STEP ONE: The STEP ONE amount is:

~~(A) in 2009; four thousand eight hundred twenty-five dollars (\$4,825);~~

~~(B) in 2010; four thousand five hundred fifty dollars (\$4,550); and~~

~~(C) in 2011; four thousand five hundred five dollars (\$4,505);~~

(A) in 2012, four thousand two hundred forty-seven dollars (\$4,247); and

(B) in 2013, four thousand two hundred sixty-six dollars (\$4,266).

STEP TWO: Multiply the STEP ONE amount by the school corporation's complexity index.



SECTION 73. IC 20-43-5-6, AS AMENDED BY P.L.182-2009(ss), SECTION 336, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2012]: Sec. 6. (a) A school corporation's transition to foundation amount for a calendar year is equal to the result determined under STEP ~~THREE~~ **TWO** of the following formula:

STEP ONE: Determine the difference of:

(A) the school corporation's foundation amount; minus

(B) the lesser of:

(i) the school corporation's previous year revenue foundation amount; or

(ii) the result of the school corporation's foundation amount multiplied by one and two-tenths (1.2).

STEP TWO: Divide the STEP ONE result by:

(A) ~~three (3) in 2009;~~

(B) ~~two (2) in 2010; and~~

(C) ~~one (1) in 2011.~~

STEP ~~THREE~~ **TWO**: A school corporation's STEP ~~THREE~~ **TWO** amount is the following:

(A) For a charter school located outside Marion County that has previous year revenue that is not greater than zero (0), the charter school's STEP ~~THREE~~ **TWO** amount is the quotient of:

(i) the school corporation's transition to foundation revenue for the calendar year where the charter school is located; divided by

(ii) the school corporation's current ADM.

(B) For a charter school located in Marion County that has previous year revenue that is not greater than zero (0), the charter school's STEP ~~THREE~~ **TWO** amount is the weighted average of the transition to foundation revenue for the school corporations where the students counted in the current ADM of the charter school have legal settlement, as determined under item (iv) of the following formula:

(i) Determine the transition to foundation revenue for each school corporation where a student counted in the current ADM of the charter school has legal settlement.

(ii) For each school corporation identified in item (i), divide the item (i) amount by the school corporation's current ADM.

(iii) For each school corporation identified in item (i), multiply the item (ii) amount by the number of students counted in the current ADM of the charter school that have legal settlement in the particular school corporation.

(iv) Determine the sum of the item (iii) amounts for the charter school.

(C) The STEP ~~THREE~~ **TWO** amount for a school corporation that is not a charter school described in clause (A) or (B) is the following:

(i) The school corporation's foundation amount for the calendar year if the STEP ONE amount is at least negative one hundred fifty dollars (-\$150) and not more than fifty dollars (\$50);

(ii) The sum of the school corporation's previous year revenue foundation amount and the greater of the school corporation's STEP TWO amount or fifty dollars (\$50); if the school corporation's STEP ONE amount is greater than fifty dollars (\$50); zero (0) or greater.

(iii) (ii) The amount determined under subsection (b), if the school corporation's STEP ONE amount is less than negative one hundred fifty dollars (-\$150); zero (0).

(b) For the purposes of STEP ~~THREE~~ (C)(iii) **TWO** (C)(ii) in subsection (a), determine the result of:

(1) the result determined for the school corporation's previous year revenue foundation amount; corporation under STEP ONE (B) of subsection (a); minus

(2) the greater of:

(A) one hundred fifty dollars (\$150); or



(B) the result of:

(i) (A) the absolute value of the STEP ONE amount; divided by

(ii) ~~nine (9) in 2010; and eight (8) in 2011.~~ **(B) nine (9) in 2012 and eight (8) in 2013.**

SECTION 74. IC 20-43-5-7, AS AMENDED BY P.L.182-2009(ss), SECTION 337, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2012]: Sec. 7. A school corporation's transition to foundation revenue for a calendar year is equal to the product of:

(1) the school corporation's transition to foundation amount for the calendar year; multiplied by

(2) the school corporation's

(A) current ADM. if the current ADM for the school corporation is less than one hundred ~~(100); and~~

(B) current adjusted ADM; if clause (A) does not apply.

SECTION 75. IC 20-43-6-3, AS AMENDED BY P.L.182-2009(ss), SECTION 339, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2012]: Sec. 3. (a) A school corporation's basic tuition support for a year is the amount determined under the applicable provision of this section.

(b) This subsection applies to a school corporation that has transition to foundation revenue per adjusted ADM for a year that is not equal to the foundation amount for the year. The school corporation's basic tuition support for a year is equal to the school corporation's transition to foundation revenue for the year.

(c) This subsection applies to a school corporation that has transition to foundation revenue per adjusted ADM for a year that is equal to the foundation amount for the year. The school corporation's basic tuition support for a year is the sum of the following:

(1) The foundation amount for the year multiplied by the school corporation's adjusted ADM;

(2) The amount of the annual decrease in federal aid to impacted areas from the year preceding the ensuing calendar year by three (3) years to the year preceding the ensuing calendar year by two (2) years.

(d) (c) This subsection applies to students of a virtual charter school. ~~who are participating in the pilot program under IC 20-24-7-13.~~ A virtual charter school's basic tuition support for a year for those students is the amount determined under IC 20-24-7-13.

SECTION 76. IC 20-43-7-0.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2012]: **Sec. 0.5. This chapter does not apply to a virtual charter school.**

SECTION 77. IC 20-43-8-0.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2012]: **Sec. 0.5. This chapter does not apply to a virtual charter school.**

SECTION 78. IC 20-43-9-0.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2012]: **Sec. 0.5. This chapter does not apply to a virtual charter school.**

SECTION 79. IC 20-43-9-6, AS AMENDED BY P.L.182-2009(ss), SECTION 342, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2012]: Sec. 6. A school corporation's primetime distribution for a calendar year under this chapter is the amount determined by the following formula:

STEP ONE: Determine the applicable target pupil/teacher ratio for the school corporation as follows:

(A) If the school corporation's complexity index is less than one and one-tenth (1.1), the school corporation's target pupil/teacher ratio is eighteen to one (18:1).

(B) If the school corporation's complexity index is at least one and one-tenth (1.1) but less than one and ~~two-tenths (1.2); three-tenths (1.3),~~ the school corporation's target pupil/teacher ratio is fifteen (15) plus the result determined in item (iii) to one (1):



1 (i) Determine the result of one and ~~two-tenths (1.2)~~, **three-tenths (1.3)** minus the school
2 corporation's complexity index.
3 (ii) Determine the item (i) result divided by ~~one-tenth (0.1)~~: **two-tenths (0.2)**.
4 (iii) Determine the item (ii) result multiplied by three (3).
5 (C) If the school corporation's complexity index is at least one and ~~two-tenths (1.2)~~, **three-tenths**
6 **(1.3)**, the school corporation's target pupil/teacher ratio is fifteen to one (15:1).
7 STEP TWO: Determine the result of:
8 (A) the ADM of the school corporation in kindergarten through grade 3 for the current school
9 year; divided by
10 (B) the school corporation's applicable target pupil/teacher ratio, as determined in STEP ONE.
11 STEP THREE: Determine the result of:
12 (A) the basic tuition support for the year multiplied by seventy-five hundredths (0.75); divided
13 by
14 (B) the school corporation's ~~total~~ ADM.
15 STEP FOUR: Determine the result of:
16 (A) the STEP THREE result; multiplied by
17 (B) the ADM of the school corporation in kindergarten through grade 3 for the current school
18 year.
19 STEP FIVE: Determine the result of:
20 (A) the STEP FOUR result; divided by
21 (B) the staff cost amount.
22 STEP SIX: Determine the greater of zero (0) or the result of:
23 (A) the STEP TWO amount; minus
24 (B) the STEP FIVE amount.
25 STEP SEVEN: Determine the result of:
26 (A) the STEP SIX amount; multiplied by
27 (B) the staff cost amount.
28 ~~STEP EIGHT: Determine the greater of the STEP SEVEN amount or the school corporation's~~
29 ~~guaranteed primetime amount.~~
30 ~~STEP NINE:~~ **EIGHT:** A school corporation's amount under this STEP is the following:
31 (A) If the amount the school corporation received under this chapter in the previous calendar year
32 is greater than zero (0), the amount under this STEP is the lesser of:
33 (i) the STEP ~~EIGHT SEVEN~~ **SEVEN** amount; or
34 (ii) the amount the school corporation received under this chapter for the previous calendar
35 year multiplied by one hundred seven and one-half percent (107.5%).
36 (B) If the amount the school corporation received under this chapter in the previous calendar year
37 is not greater than zero (0), the amount under this STEP is the STEP ~~EIGHT SEVEN~~ **SEVEN** amount.
38 **SECTION 80. IC 20-43-10-0.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO**
39 **READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2012]: Sec. 0.5. This chapter does not apply to a**
40 **virtual charter school.**
41 **SECTION 81. IC 21-12-3-13, AS ADDED BY P.L.2-2007, SECTION 253, IS AMENDED TO READ**
42 **AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 13. The commission may ~~deny~~ not provide assistance**
43 **under this chapter to a higher education award applicant or recipient who is:**
44 (1) convicted of a felony;
45 (2) sentenced to a term of imprisonment for that felony; and
46 (3) confined for that felony at a penal facility (as defined in IC 35-41-1-21).
47 **SECTION 82. IC 21-14-2-12.5, AS ADDED BY P.L.224-2007, SECTION 136, IS AMENDED TO**



1 READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12.5. This section applies to tuition and
2 mandatory fees that a board of trustees of a state educational institution votes to increase after June 30;
3 2007.

4 ~~(b)~~ (a) After the enactment of a state budget, the commission for higher education shall ~~recommend~~
5 ~~nonbinding establish~~ tuition and mandatory fee increase targets for each state educational institution for
6 each school year in the ensuing biennium. State educational institutions may not adopt tuition and
7 mandatory fee increases that exceed the tuition and mandatory fee targets established by the
8 commission under this subsection unless the budget director authorizes a modification under
9 subsection (c).

10 ~~(c)~~ (b) The state educational institution shall submit a report to the state budget committee concerning
11 the financial and budgetary factors considered by the board of trustees in determining the amount of the
12 increase.

13 ~~(d)~~ (c) The state budget committee ~~shall~~ may review the targets ~~recommended established~~ under
14 subsection ~~(b)~~ (a) and reports received under subsection ~~(c)~~ and (b) for one (1) or more state
15 educational institutions. To facilitate a review, the budget committee may request that a state
16 educational institution appear at a public meeting of the state budget committee concerning the report.
17 Upon recommendation by the budget committee, the budget director may increase or decrease one
18 (1) or more tuition and mandatory fee increase targets established by the commission. A tuition and
19 mandatory fee increase target established under this subsection replaces the target established by
20 the commission. State educational institutions may not adopt tuition and mandatory fee increases
21 that exceed the tuition and mandatory fee targets established by the budget director under this
22 subsection.

23 (d) If a state educational institution implements a tuition and mandatory fee increase that
24 exceeds the applicable tuition and mandatory fee increase target set under this section, the budget
25 director may withhold from the operating appropriation to the state educational institution an
26 amount equal to the amount by which revenue generated by the tuition and mandatory fee increases
27 adopted by the state educational institution exceed the revenue that would have been generated by
28 imposing tuition and mandatory fee increases equal to the applicable tuition and mandatory fee
29 increase target set under this section.

30 SECTION 83. IC 21-33-3-3, AS AMENDED BY P.L.31-2010, SECTION 3, IS AMENDED TO
31 READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. The commission for higher education
32 shall complete a review of a project approved or authorized by the general assembly. ~~within ninety (90)~~
33 days after the project is submitted for review. If the review is not completed within ninety (90) days, the
34 budget agency or the budget committee may proceed without the commission's review.

35 SECTION 84. IC 21-43-1-5, AS ADDED BY P.L.234-2007, SECTION 111, IS AMENDED TO
36 READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. "Postsecondary credit":

37 (1) for purposes of section 5.5 of this chapter and IC 21-43-1.5, means credit toward:

38 (A) an associate degree;

39 (B) a baccalaureate degree; or

40 (C) a career and technical education certification;

41 that is granted by a state educational institution upon the successful completion of a course
42 taken in a high school setting in a program established under IC 21-43-4 or IC 21-43-5;

43 ~~(+)~~ (2) for purposes of IC 21-43-2, means credit toward:

44 (A) an associate degree;

45 (B) a baccalaureate degree; or

46 (C) a career and technical education certification;

47 granted by a state educational institution upon the successful completion of a course taken under a
48 program established under IC 21-43-2; and



1 ~~(2)~~ (3) for purposes of IC 21-43-5, means credit toward:

2 (A) an associate degree;

3 (B) a baccalaureate degree; or

4 (C) a career and technical education certification;

5 granted by a state educational institution upon the successful completion of a course taken under a
6 program established under IC 21-43-5.

7 SECTION 85. IC 21-43-1-5.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO
8 READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 5.5. "Priority dual credit course" refers**
9 **to a course of study for postsecondary credit that the commission designates as a priority dual**
10 **credit course under IC 21-43-1.5-1.**

11 SECTION 86. IC 21-43-1.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ
12 AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

13 **Chapter 1.5. Priority Dual Credit Courses**

14 **Sec. 1. The commission may identify a set of courses that:**

15 (1) are offered in the high school setting for postsecondary credit; and

16 (2) receive state funding;

17 **as priority dual credit courses.**

18 **Sec. 2. The rate charged to a student for a priority dual credit course shall be set by the**
19 **commission.**

20 SECTION 87. IC 27-8-10-2.1, AS AMENDED BY P.L.1-2007, SECTION 186, IS AMENDED TO
21 READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 2.1. (a) There is established a nonprofit legal
22 entity to be referred to as the Indiana comprehensive health insurance association, which must assure that
23 health insurance is made available throughout the year to each eligible Indiana resident applying to the
24 association for coverage. All carriers, health maintenance organizations, limited service health
25 maintenance organizations, and self-insurers providing health insurance or health care services in Indiana
26 must be members of the association. The association shall operate under a plan of operation established
27 and approved under subsection (c) and shall exercise its powers through a board of directors established
28 under this section.

29 (b) The board of directors of the association consists of nine (9) members whose principal residence
30 is in Indiana selected as follows:

31 (1) Four (4) members to be appointed by the commissioner from the members of the association, one
32 (1) of which must be a representative of a health maintenance organization.

33 (2) Two (2) members to be appointed by the commissioner shall be consumers representing
34 policyholders.

35 (3) Two (2) members shall be the state budget director or designee and the commissioner of the
36 department of insurance or designee.

37 (4) One (1) member to be appointed by the commissioner must be a representative of health care
38 providers.

39 The commissioner shall appoint the chairman of the board, and the board shall elect a secretary from its
40 membership. The term of office of each appointed member is three (3) years, subject to eligibility for
41 reappointment. Members of the board who are not state employees may be reimbursed from the
42 association's funds for expenses incurred in attending meetings. The board shall meet at least
43 semiannually, with the first meeting to be held not later than May 15 of each year.

44 (c) The association shall submit to the commissioner a plan of operation for the association and any
45 amendments to the plan necessary or suitable to assure the fair, reasonable, and equitable administration
46 of the association. The plan of operation becomes effective upon approval in writing by the commissioner
47 consistent with the date on which the coverage under this chapter must be made available. The
48 commissioner shall, after notice and hearing, approve the plan of operation if the plan is determined to



1 be suitable to assure the fair, reasonable, and equitable administration of the association and provides for
2 the sharing of association losses on an equitable, proportionate basis among the member carriers, health
3 maintenance organizations, limited service health maintenance organizations, and self-insurers. If the
4 association fails to submit a suitable plan of operation within one hundred eighty (180) days after the
5 appointment of the board of directors, or at any time thereafter the association fails to submit suitable
6 amendments to the plan, the commissioner shall adopt rules under IC 4-22-2 necessary or advisable to
7 implement this section. These rules are effective until modified by the commissioner or superseded by
8 a plan submitted by the association and approved by the commissioner. The plan of operation must:

- 9 (1) establish procedures for the handling and accounting of assets and money of the association;
- 10 (2) establish the amount and method of reimbursing members of the board;
- 11 (3) establish regular times and places for meetings of the board of directors;
- 12 (4) establish procedures for records to be kept of all financial transactions and for the annual fiscal
- 13 reporting to the commissioner;
- 14 (5) establish procedures whereby selections for the board of directors will be made and submitted
- 15 to the commissioner for approval;
- 16 (6) contain additional provisions necessary or proper for the execution of the powers and duties of
- 17 the association; and
- 18 (7) establish procedures for the periodic advertising of the general availability of the health
- 19 insurance coverages from the association.

20 (d) The plan of operation may provide that any of the powers and duties of the association be delegated
21 to a person who will perform functions similar to those of this association. A delegation under this section
22 takes effect only with the approval of both the board of directors and the commissioner. The
23 commissioner may not approve a delegation unless the protections afforded to the insured are
24 substantially equivalent to or greater than those provided under this chapter.

25 (e) The association has the general powers and authority enumerated by this subsection in accordance
26 with the plan of operation approved by the commissioner under subsection (c). The association has the
27 general powers and authority granted under the laws of Indiana to carriers licensed to transact the kinds
28 of health care services or health insurance described in section 1 of this chapter and also has the specific
29 authority to do the following:

- 30 (1) Enter into contracts as are necessary or proper to carry out this chapter, subject to the approval
- 31 of the commissioner.
- 32 (2) Subject to section 2.6 of this chapter, sue or be sued, including taking any legal actions necessary
- 33 or proper for recovery of any assessments for, on behalf of, or against participating carriers.
- 34 (3) Take legal action necessary to avoid the payment of improper claims against the association or
- 35 the coverage provided by or through the association.
- 36 (4) Establish a medical review committee to determine the reasonably appropriate level and extent
- 37 of health care services in each instance.
- 38 (5) Establish appropriate rates, scales of rates, rate classifications and rating adjustments, such rates
- 39 not to be unreasonable in relation to the coverage provided and the reasonable operational expenses
- 40 of the association.
- 41 (6) Pool risks among members.
- 42 (7) Issue policies of insurance on an indemnity or provision of service basis providing the coverage
- 43 required by this chapter.
- 44 (8) Administer separate pools, separate accounts, or other plans or arrangements considered
- 45 appropriate for separate members or groups of members.
- 46 (9) Operate and administer any combination of plans, pools, or other mechanisms considered
- 47 appropriate to best accomplish the fair and equitable operation of the association.



(10) Appoint from among members appropriate legal, actuarial, and other committees as necessary to provide technical assistance in the operation of the association, policy and other contract design, and any other function within the authority of the association.

(11) Hire an independent consultant.

(12) Develop a method of advising applicants of the availability of other coverages outside the association.

(13) Provide for the use of managed care plans for insureds, including the use of:

- (A) health maintenance organizations; and
- (B) preferred provider plans.

(14) Solicit bids directly from providers for coverage under this chapter.

(15) Subject to section 3 of this chapter, negotiate reimbursement rates and enter into contracts with individual health care providers and health care provider groups.

(f) Rates for coverages issued by the association may not be unreasonable in relation to the benefits provided, the risk experience, and the reasonable expenses of providing the coverage. Separate scales of premium rates based on age apply for individual risks. Premium rates must take into consideration the extra morbidity and administration expenses, if any, for risks insured in the association. The rates for a given classification ~~may~~ **must** be equal to

- ~~(1) not more than~~ one hundred fifty percent (150%) of the average premium rate for that class charged by the five (5) carriers with the largest premium volume in the state during the preceding calendar year. ~~for an insured whose family income is less than three hundred fifty-one percent (351%) of the federal income poverty level for the same size family; and~~
- ~~(2) an amount equal to:~~
 - ~~(A) not less than one hundred fifty-one percent (151%); and~~
 - ~~(B) not more than two hundred percent (200%);~~

~~of the average premium rate for that class charged by the five (5) carriers with the largest premium volume in the state during the preceding calendar year; for an insured whose family income is more than three hundred fifty percent (350%) of the federal income poverty level for the same size family.~~

In determining the average rate of the five (5) largest carriers, the rates charged by the carriers shall be actuarially adjusted to determine the rate that would have been charged for benefits substantially identical to those issued by the association. All rates adopted by the association must be submitted to the commissioner for approval.

(g) Following the close of the association's fiscal year, the association shall determine the net premiums, the expenses of administration, and the incurred losses for the year. Twenty-five percent (25%) of any net loss shall be assessed by the association to all members in proportion to their respective shares of total health insurance premiums as reported to the department of insurance, excluding premiums for Medicaid contracts with the state of Indiana, received in Indiana during the calendar year (or with paid losses in the year) coinciding with or ending during the fiscal year of the association. Seventy-five percent (75%) of any net loss shall be paid by the state. In sharing losses, the association may abate or defer in any part the assessment of a member, if, in the opinion of the board, payment of the assessment would endanger the ability of the member to fulfill its contractual obligations. The association may also provide for interim assessments against members of the association if necessary to assure the financial capability of the association to meet the incurred or estimated claims expenses or operating expenses of the association until the association's next fiscal year is completed. Net gains, if any, must be held at interest to offset future losses or allocated to reduce future premiums. Assessments must be determined by the board members specified in subsection (b)(1), subject to final approval by the commissioner.

(h) The association shall conduct periodic audits to assure the general accuracy of the financial data submitted to the association, and the association shall have an annual audit of its operations by an



1 independent certified public accountant.

2 (i) The association is subject to examination by the department of insurance under IC 27-1-3.1. The
3 board of directors shall submit, not later than March 30 of each year, a financial report for the preceding
4 calendar year in a form approved by the commissioner.

5 (j) All policy forms issued by the association must conform in substance to prototype forms developed
6 by the association, must in all other respects conform to the requirements of this chapter, and must be
7 filed with and approved by the commissioner before their use.

8 (k) The association may not issue an association policy to any individual who, on the effective date
9 of the coverage applied for, does not meet the eligibility requirements of section 5.1 of this chapter.

10 (l) The association and the premium collected by the association shall be exempt from the premium
11 tax, the adjusted gross income tax, or any combination of these upon revenues or income that may be
12 imposed by the state.

13 (m) Members who, during any calendar year, have paid one (1) or more assessments levied under this
14 chapter may include in the rates for premiums charged for insurance policies to which this chapter applies
15 amounts sufficient to recoup a sum equal to the amounts paid to the association by the member less any
16 amounts returned to the member insurer by the association, and the rates shall not be deemed excessive
17 by virtue of including an amount reasonably calculated to recoup assessments paid by the member.

18 (n) The association shall provide for the option of monthly collection of premiums.

19 (o) The association shall periodically certify to the budget agency the amount necessary to pay
20 seventy-five percent (75%) of any net loss as specified in subsection (g).

21 SECTION 88. IC 27-8-10-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]:
22 Sec. 3. (a) An association policy issued under this chapter may pay an amount for medically necessary
23 eligible expenses related to the diagnosis or treatment of illness or injury that exceed the deductible and
24 coinsurance amounts applicable under section 4 of this chapter. Payment under an association policy must
25 be based on one (1) or a combination of the following reimbursement methods, as determined by the
26 board of directors:

27 (1) The association's usual and customary fee schedule in effect on January 1, 2004. If payment is
28 based on the usual and customary fee schedule in effect on January 1, 2004, the rates of
29 reimbursement under the fee schedule must be adjusted annually by a percentage equal to the
30 percentage change in the Indiana medical care component of the Consumer Price Index for all Urban
31 Consumers, as published by the United States Bureau of Labor Statistics during the preceding
32 calendar year.

33 (2) A health care provider network arrangement. If payment is based on a health care provider
34 network arrangement, reimbursement under an association policy must be made according to:

35 (A) a network fee schedule for network health care providers and nonnetwork health care
36 providers; and

37 (B) any additional coinsurance that applies to the insured under the association policy if the
38 insured obtains health care services from a nonnetwork health care provider.

39 **(3) Reimbursement for an eligible expense in an amount equal to not less than the federal**
40 **Medicare reimbursement rate for the eligible expense plus ten percent (10%).**

41 (b) Eligible expenses are the charges for the following health care services and articles to the extent
42 furnished by a health care provider in an emergency situation or furnished or prescribed by a physician:

43 (1) Hospital services, including charges for the institution's most common semiprivate room, and
44 for private room only when medically necessary, but limited to a total of one hundred eighty (180)
45 days in a year.

46 (2) Professional services for the diagnosis or treatment of injuries, illnesses, or conditions, other than
47 mental or dental, that are rendered by a physician or, at the physician's direction, by the physician's
48 staff of registered or licensed nurses, and allied health professionals.



- (3) The first twenty (20) professional visits for the diagnosis or treatment of one (1) or more mental conditions rendered during the year by one (1) or more physicians or, at their direction, by their staff of registered or licensed nurses, and allied health professionals.
 - (4) Drugs and contraceptive devices requiring a physician's prescription.
 - (5) Services of a skilled nursing facility for not more than one hundred eighty (180) days in a year.
 - (6) Services of a home health agency up to two hundred seventy (270) days of service a year.
 - (7) Use of radium or other radioactive materials.
 - (8) Oxygen.
 - (9) Anesthetics.
 - (10) Prostheses, other than dental.
 - (11) Rental of durable medical equipment which has no personal use in the absence of the condition for which prescribed.
 - (12) Diagnostic X-rays and laboratory tests.
 - (13) Oral surgery for:
 - (A) excision of partially or completely erupted impacted teeth;
 - (B) excision of a tooth root without the extraction of the entire tooth; or
 - (C) the gums and tissues of the mouth when not performed in connection with the extraction or repair of teeth.
 - (14) Services of a physical therapist and services of a speech therapist.
 - (15) Professional ambulance services to the nearest health care facility qualified to treat the illness or injury.
 - (16) Other medical supplies required by a physician's orders.
- An association policy may also include comparable benefits for those who rely upon spiritual means through prayer alone for healing upon such conditions, limitations, and requirements as may be determined by the board of directors.
- (c) A managed care organization that issues an association policy may not refuse to enter into an agreement with a hospital solely because the hospital has not obtained accreditation from an accreditation organization that:
- (1) establishes standards for the organization and operation of hospitals;
 - (2) requires the hospital to undergo a survey process for a fee paid by the hospital; and
 - (3) was organized and formed in 1951.
- (d) This section does not prohibit a managed care organization from using performance indicators or quality standards that:
- (1) are developed by private organizations; and
 - (2) do not rely upon a survey process for a fee charged to the hospital to evaluate performance.
- (e) For purposes of this section, if benefits are provided in the form of services rather than cash payments, their value shall be determined on the basis of their monetary equivalency.
- (f) The following are not eligible expenses in any association policy within the scope of this chapter:
- (1) Services for which a charge is not made in the absence of insurance or for which there is no legal obligation on the part of the patient to pay.
 - (2) Services and charges made for benefits provided under the laws of the United States, including Medicare and Medicaid, military service connected disabilities, medical services provided for members of the armed forces and their dependents or for employees of the armed forces of the United States, medical services financed in the future on behalf of all citizens by the United States.
 - (3) Benefits which would duplicate the provision of services or payment of charges for any care for injury or disease either:
 - (A) arising out of and in the course of an employment subject to a worker's compensation or



1 similar law; or

2 (B) for which benefits are payable without regard to fault under a coverage statutorily required
3 to be contained in any motor vehicle or other liability insurance policy or equivalent
4 self-insurance.

5 However, this subdivision does not authorize exclusion of charges that exceed the benefits payable
6 under the applicable worker's compensation or no-fault coverage.

7 (4) Care which is primarily for a custodial or domiciliary purpose.

8 (5) Cosmetic surgery unless provided as a result of an injury or medically necessary surgical
9 procedure.

10 (6) Any charge for services or articles the provision of which is not within the scope of the license
11 or certificate of the institution or individual rendering the services.

12 (g) The coverage and benefit requirements of this section for association policies may not be altered
13 by any other inconsistent state law without specific reference to this chapter indicating a legislative intent
14 to add or delete from the coverage requirements of this chapter.

15 (h) This chapter does not prohibit the association from issuing additional types of health insurance
16 policies with different types of benefits that, in the opinion of the board of directors, may be of benefit
17 to the citizens of Indiana.

18 (i) This chapter does not prohibit the association or its administrator from implementing uniform
19 procedures to review the medical necessity and cost effectiveness of proposed treatment, confinement,
20 tests, or other medical procedures. Those procedures may take the form of preadmission review for
21 nonemergency hospitalization, case management review to verify that covered individuals are aware of
22 treatment alternatives, or other forms of utilization review. Any cost containment techniques of this type
23 must be adopted by the board of directors and approved by the commissioner.

24 SECTION 89. IC 27-8-10-5.1, AS AMENDED BY P.L.3-2008, SECTION 213, IS AMENDED TO
25 READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 5.1. (a) A person is not eligible for an
26 association policy if the person is eligible for ~~Medicaid~~; **any of the coverage described in subdivisions**
27 **(1) and (2).** A person other than a federally eligible individual may not apply for an association policy
28 unless the person has applied for:

29 (1) Medicaid; and

30 (2) coverage under the:

31 (A) preexisting condition insurance plan program established by the Secretary of Health
32 and Human Services under Section 1101 of Title I of the federal Patient Protection and
33 Affordable Care Act (P.L. 111-148); and

34 (B) Indiana check-up plan under IC 12-15-44.2;

35 not more than sixty (60) days before applying for the association policy.

36 (b) Except as provided in subsection (c), a person is not eligible for an association policy if, at the
37 effective date of coverage, the person has or is eligible for coverage under any insurance plan that equals
38 or exceeds the minimum requirements for accident and sickness insurance policies issued in Indiana as
39 set forth in IC 27. However, an offer of coverage described in IC 27-8-5-2.5(e) (expired July 1, 2007, and
40 removed), IC 27-8-5-2.7, IC 27-8-5-19.2(e) (expired July 1, 2007, and repealed), or IC 27-8-5-19.3 does
41 not affect an individual's eligibility for an association policy under this subsection. Coverage under any
42 association policy is in excess of, and may not duplicate, coverage under any other form of health
43 insurance.

44 (c) Except as provided in IC 27-13-16-4 and subsection (a), a person is eligible for an association
45 policy upon a showing that:

46 (1) the person has been rejected by one (1) carrier for coverage under any insurance plan that equals
47 or exceeds the minimum requirements for accident and sickness insurance policies issued in Indiana,
48 as set forth in IC 27, without material underwriting restrictions;



(2) an insurer has refused to issue insurance except at a rate exceeding the association plan rate; or
(3) the person is a federally eligible individual.

For the purposes of this subsection, eligibility for Medicare coverage does not disqualify a person who is less than sixty-five (65) years of age from eligibility for an association policy.

(d) Coverage under an association policy terminates as follows:

(1) On the first date on which an insured is no longer a resident of Indiana.

(2) On the date on which an insured requests cancellation of the association policy.

(3) On the date of the death of an insured.

(4) At the end of the policy period for which the premium has been paid.

(5) On the first date on which the insured no longer meets the eligibility requirements under this section.

(e) An association policy must provide that coverage of a dependent unmarried child terminates when the child becomes nineteen (19) years of age (or twenty-five (25) years of age if the child is enrolled full time in an accredited educational institution). The policy must also provide in substance that attainment of the limiting age does not operate to terminate a dependent unmarried child's coverage while the dependent is and continues to be both:

(1) incapable of self-sustaining employment by reason of mental retardation or mental or physical disability; and

(2) chiefly dependent upon the person in whose name the contract is issued for support and maintenance.

However, proof of such incapacity and dependency must be furnished to the carrier within one hundred twenty (120) days of the child's attainment of the limiting age, and subsequently as may be required by the carrier, but not more frequently than annually after the two (2) year period following the child's attainment of the limiting age.

(f) An association policy that provides coverage for a family member of the person in whose name the contract is issued must, as to the family member's coverage, also provide that the health insurance benefits applicable for children are payable with respect to a newly born child of the person in whose name the contract is issued from the moment of birth. The coverage for newly born children must consist of coverage of injury or illness, including the necessary care and treatment of medically diagnosed congenital defects and birth abnormalities. If payment of a specific premium is required to provide coverage for the child, the contract may require that notification of the birth of a child and payment of the required premium must be furnished to the carrier within thirty-one (31) days after the date of birth in order to have the coverage continued beyond the thirty-one (31) day period.

(g) Except as provided in subsection (h), an association policy may contain provisions under which coverage is excluded during a period of three (3) months following the effective date of coverage as to a given covered individual for preexisting conditions, as long as medical advice or treatment was recommended or received within a period of three (3) months before the effective date of coverage. This subsection may not be construed to prohibit preexisting condition provisions in an insurance policy that are more favorable to the insured.

(h) If a person applies for an association policy within six (6) months after termination of the person's coverage under a health insurance arrangement and the person meets the eligibility requirements of subsection (c), then an association policy may not contain provisions under which:

(1) coverage as to a given individual is delayed to a date after the effective date or excluded from the policy; or

(2) coverage as to a given condition is denied;

on the basis of a preexisting health condition. This subsection may not be construed to prohibit preexisting condition provisions in an insurance policy that are more favorable to the insured.



(i) For purposes of this section, coverage under a health insurance arrangement includes, but is not limited to, coverage pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985.

SECTION 90. IC 33-38-5-8.1, AS ADDED BY P.L.159-2005, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8.1. (a) ~~Beginning July 1, 2006, Subject to subsection (f),~~ the part of the total salary of an official:

(1) paid by the state; and

(2) set under section 6 or 8 of this chapter;

is increased in each state fiscal year in which the general assembly does not amend the section of law under which the salary is determined to provide a salary increase for the state fiscal year.

(b) The percentage by which salaries are increased in a state fiscal year under this section is equal to the statewide average percentage, as determined by the budget director, by which the salaries of state employees in the executive branch who are in the same or a similar salary bracket exceed, for the state fiscal year, the salaries of executive branch state employees in the same or a similar salary bracket that were in effect on July 1 of the immediately preceding state fiscal year.

(c) The amount of a salary increase under this section is equal to the amount determined by applying the percentage increase for the particular state fiscal year to the salary payable by the state, as previously adjusted under this section, that is in effect on June 30 of the immediately preceding state fiscal year.

(d) An official is not entitled to receive a salary increase under this section in a state fiscal year in which state employees described in subsection (b) do not receive a statewide average salary increase.

(e) If a salary increase is required under this section, the budget director shall augment judicial appropriations, including the line items for personal services for the supreme court, local judges' salaries, and county prosecutors' salaries, in the state biennial budget in an amount sufficient to pay for the salary increase from the sources of funds determined by the budget director.

(f) An individual is not entitled to receive a salary or benefit increase under this section in a state fiscal year beginning after June 30, 2011, and ending before July 1, 2013, regardless of whether state employees described in subsection (b) received a statewide average salary increase. The salaries and benefits to which this subsection applies include the following:

(1) The annual salary of members of the general assembly (IC 2-3-1-1).

(2) The annual salary of a magistrate (IC 33-23-5-10).

(3) The annual salary of the tax court judge (IC 33-26-2-5).

(4) The annual salary of each full-time judge of a circuit, superior, municipal, county, or probate court (section 6 of this chapter).

(5) The annual salary for each justice of the supreme court and each justice of the court of appeals (section 8 of this chapter).

(6) A salary payable to a prosecuting attorney or deputy prosecuting attorney (IC 33-39-6).

(7) Any other salary or benefit that is computed based on a salary described in subdivisions (1) through (6).

SECTION 91. THE FOLLOWING ARE REPEALED [EFFECTIVE JANUARY 1, 2012]: IC 20-20-36.2; IC 20-40-16; IC 20-43-1-12; IC 20-43-1-17; IC 20-43-1-21.5; IC 20-43-3-2; IC 20-43-12; IC 20-43-12.2.

SECTION 92. P.L.182-2009(ss), SECTION 486, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: SEC. 486. (a) As used in this SECTION, "continuing care retirement community" means a health care facility that:

(1) provides independent living services and health facility services in a campus setting with common areas;

(2) holds continuing care agreements with at least twenty-five percent (25%) of its residents (as defined in IC 23-2-4-1);

(3) uses the money from the agreements described in subdivision (2) to provide services to the



1 resident before the resident may be eligible for Medicaid under IC 12-15; and
2 (4) meets the requirements of IC 23-2-4.

3 (b) As used in this SECTION, "health facility" refers to a health facility that is licensed under IC 16-28
4 as a comprehensive care facility.

5 (c) As used in this SECTION, "nursing facility" means a health facility that is certified for participation
6 in the federal Medicaid program under Title XIX of the federal Social Security Act (42 U.S.C. 1396 et
7 seq.).

8 (d) As used in this SECTION, "office" refers to the office of Medicaid policy and planning established
9 by IC 12-8-6-1.

10 (e) ~~Effective August 1, 2003, and before August 1, 2011,~~ **After July 31, 2003, and before August 1, 2011,** the office shall collect a
11 quality assessment from each health facility **under this SECTION.** The office shall offset the collection
12 of the assessment for a health facility:

13 (1) against a Medicaid payment to the health facility by the office; or
14 (2) in another manner determined by the office.

15 (f) The office shall implement the waiver approved by the United States Centers for Medicare and
16 Medicaid Services that provides for an exemption from collection of a quality assessment from the
17 following:

18 (1) A continuing care retirement community as follows:

19 (A) A continuing care retirement community that was registered with the securities commissioner
20 as a continuing care retirement community on January 1, 2007, is not required to meet the
21 definition of a continuing care retirement community in subsection (a).
22 (B) A continuing care retirement community that, for the period January 1, 2007, through June
23 30, 2009, operates independent living units, at least twenty-five percent (25%) of which are
24 provided under contracts that require the payment of a minimum entrance fee of at least
25 twenty-five thousand dollars (\$25,000).
26 (C) An organization registered under IC 23-2-4 before July 1, 2009, that provides housing in an
27 independent living unit for a religious order.
28 (D) A continuing care retirement community that meets the definition set forth in subsection (a).

29 (2) A hospital based health facility.
30 (3) The Indiana Veterans' Home.

31 Any revision to the state plan amendment or waiver request under this subsection is subject to and must
32 comply with the provisions of this SECTION.

33 (g) If the United States Centers for Medicare and Medicaid Services determines not to approve
34 payments under this SECTION using the methodology described in subsections (d) and (e), the office
35 shall revise the state plan amendment and waiver request submitted under this SECTION as soon as
36 possible to demonstrate compliance with 42 CFR 433.68(e)(2)(ii) and to provide for collection of a quality
37 assessment from health facilities effective August 1, 2003.

38 (h) The money collected from the quality assessment may be used only to pay the state's share of the
39 costs for Medicaid services provided under Title XIX of the federal Social Security Act (42 U.S.C. 1396
40 et seq.) as follows:

41 (1) At the following percentages when the state's regular federal medical assistance percentage
42 (FMAP) applies, excluding the time frame in which the adjusted FMAP is provided to the state by
43 the federal American Recovery and Reinvestment Act of 2009:

44 (A) Twenty percent (20%) as determined by the office.
45 (B) Eighty percent (80%) to nursing facilities.

46 (2) At the following percentages when the state's federal medical assistance percentage (FMAP) is
47 adjusted by the federal American Recovery and Reinvestment Act of 2009:



- 1 (A) Forty percent (40%) as determined by the office.
2 (B) Sixty percent (60%) to nursing facilities.
- 3 (i) After:
4 (1) the amendment to the state plan and waiver request submitted under this SECTION is approved
5 by the United States Centers for Medicare and Medicaid Services; and
6 (2) the office calculates and begins paying enhanced reimbursement rates set forth in this SECTION;
7 the office shall begin the collection of the quality assessment set under this SECTION. The office may
8 establish a method to allow a facility to enter into an agreement to pay the quality assessment collected
9 under this SECTION subject to an installment plan.
- 10 (j) If federal financial participation becomes unavailable to match money collected from the quality
11 assessments for the purpose of enhancing reimbursement to nursing facilities for Medicaid services
12 provided under Title XIX of the federal Social Security Act (42 U.S.C. 1396 et seq.), the office shall cease
13 collection of the quality assessment under this SECTION.
- 14 (k) To implement this SECTION, the office shall adopt rules under IC 4-22-2.
- 15 (l) Not later than July 1, 2003, the office shall do the following:
16 (1) Request the United States Department of Health and Human Services under 42 CFR 433.72 to
17 approve waivers of 42 CFR 433.68(c) and 42 CFR 433.68(d) by demonstrating compliance with 42
18 CFR 433.68(e)(2)(ii).
19 (2) Submit any state Medicaid plan amendments to the United States Department of Health and
20 Human Services that are necessary to implement this SECTION.
- 21 (m) After approval of the waivers and state Medicaid plan amendment applied for under this
22 SECTION, the office shall implement this SECTION effective July 1, 2003.
- 23 (n) The select joint commission on Medicaid oversight, established by IC 2-5-26-3, shall review the
24 implementation of this SECTION. ~~The office may not make any change to the reimbursement for nursing~~
25 ~~facilities unless the select joint commission on Medicaid oversight recommends the reimbursement~~
26 ~~change.~~
- 27 (o) A nursing facility or a health facility may not charge the facility's residents for the amount of the
28 quality assessment that the facility pays under this SECTION.
- 29 (p) The office may withdraw a state plan amendment submitted under this SECTION only if the office
30 determines that failure to withdraw the state plan amendment will result in the expenditure of state funds
31 not funded by the quality assessment.
- 32 (q) If a health facility fails to pay the quality assessment under this SECTION not later than ten (10)
33 days after the date the payment is due, the health facility shall pay interest on the quality assessment at
34 the same rate as determined under IC 12-15-21-3(6)(A).
- 35 (r) The office shall report to the state department of health each nursing facility and each health facility
36 that fails to pay the quality assessment under this SECTION not later than one hundred twenty (120) days
37 after payment of the quality assessment is due.
- 38 (s) The state department of health shall do the following:
39 (1) Notify each nursing facility and each health facility reported under subsection (r) that the nursing
40 facility's or health facility's license under IC 16-28 will be revoked if the quality assessment is not
41 paid.
42 (2) Revoke the nursing facility's or health facility's license under IC 16-28 if the nursing facility or
43 the health facility fails to pay the quality assessment.
- 44 (t) An action taken under subsection (s)(2) is governed by:
45 (1) IC 4-21.5-3-8; or
46 (2) IC 4-21.5-4.
- 47 (u) The office shall report the following information to the select joint commission on Medicaid



oversight established by IC 2-5-26-3 at every meeting of the commission:

(1) Before the quality assessment is approved by the United States Centers for Medicare and Medicaid Services:

(A) an update on the progress in receiving approval for the quality assessment; and

(B) a summary of any discussions with the United States Centers for Medicare and Medicaid Services.

(2) After the quality assessment has been approved by the United States Centers for Medicare and Medicaid Services:

(A) an update on the collection of the quality assessment;

(B) a summary of the quality assessment payments owed by a nursing facility or a health facility; and

(C) any other relevant information related to the implementation of the quality assessment.

(v) This SECTION expires August 1, 2011.

SECTION 93. [EFFECTIVE UPON PASSAGE] (a) The Council of State Governments is exempt from the gross retail and use taxes imposed under IC 6-2.5 for any transaction in which food or beverage is furnished, prepared, or served to any person under a contract with the Council of State Governments in connection with the sixty-sixth annual meeting of the Midwestern Legislative Conference to be held in July 2011. A caterer or other contractor is not required to collect or remit taxes under IC 6-2.5 or IC 6-9 for a transaction that is exempt under this SECTION. If the Council of State Governments provides an exemption certificate issued under IC 6-2.5 to a caterer or other contractor for a transaction that is exempt under this SECTION, the caterer or other contractor shall not collect or remit any taxes that would otherwise be imposed under IC 6-2.5 or IC 6-9 for the transaction.

(b) The exemption provided under this SECTION does not apply to any purchase by attendees that is not paid for directly by the Council of State Governments.

(c) The general assembly finds that:

(1) the general assembly is a member of the Council of State Governments and the host for the Midwestern Legislative Conference to be held in July 2011;

(2) notwithstanding the exemptions provided in this SECTION, the sixty-sixth annual meeting of the Midwestern Legislative Conference will generate a significant economic impact for Indiana and additional revenues from taxes affected by this SECTION; and

(3) the exemptions provided in this SECTION will not reduce or adversely affect the levy and collection of taxes pledged to the payment of bonds, notes, leases, or subleases payable from those taxes.

(d) This SECTION expires September 1, 2011.

SECTION 94. [EFFECTIVE JULY 1, 2011] (a) As used in this SECTION, "combined state reserves" means the sum of the unencumbered balances in the following funds:

(1) The state general fund, including the Medicaid contingency and reserve account of the state general fund.

(2) The counter-cyclical revenue and economic stabilization fund.

(3) The state tuition reserve fund.

(b) This subsection applies if the combined state reserves on June 30, 2012, exceed three percent (3%) of the sum of the amount appropriated for the immediately following state fiscal year. Before August 1, 2012, the budget agency shall transfer fifty million dollars (\$50,000,000) from the state general fund to the state tuition reserve fund established by IC 4-12-1-15.7 for purposes of the state tuition reserve fund.

(c) This subsection applies if the combined state reserves on June 30, 2013, exceed three percent (3%) of the sum of the amount appropriated for the immediately following state fiscal year. Before



1 August 1, 2013, the budget agency shall transfer fifty million dollars (\$50,000,000) from the state
2 general fund to the state tuition reserve fund established by IC 4-12-1-15.7 for purposes of the state
3 tuition reserve fund.

4 (d) This SECTION expires August 1, 2013.

5 SECTION 95. [EFFECTIVE JULY 1, 2011] (a) The general assembly finds that the revenue
6 forecast technical committee, using the best information available, estimates that the amount
7 certified for distribution to counties under IC 6-3.5-1.1, IC 6-3.5-6, and IC 6-3.5-7 in state fiscal
8 years 2009, 2010, and 2011 will have exceeded the amount of adjusted gross income taxes, county
9 option income taxes, and county economic development income taxes collected from county
10 taxpayers by six hundred nine million seven hundred thousand dollars (\$609,700,000). Under
11 IC 6-3.5-1.1-9(c), IC 6-3.5-6-17(c), and IC 6-3.5-7-11(d), the budget agency is directed to reduce
12 certified distributions in calendar years 2012, 2013, and 2014 by a total of four hundred eight
13 million two hundred seventy-six thousand dollars (\$408,276,000) to those counties to which
14 overpayments were made. The amount shall be recovered and allocated among the various
15 purposes for which taxes were imposed, as determined by the budget agency. The budget agency
16 may not make a supplemental distribution under IC 6-3.5-1.1-21.1, IC 6-3.5-6-17.3, or
17 IC 6-3.5-7-17.3 while the county's certified distribution is being reduced under this SECTION.

18 (b) This SECTION expires July 1, 2015.

19 SECTION 96. An emergency is declared for this act.



COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1001, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 8, delete line 40, begin a new line and insert:

"Personal Services 56,979,814 56,979,814".

Page 8, delete line 43, begin a new line and insert:

"Personal Services 24,468,828 24,468,828".

Page 13, delete line 37, begin a new line and insert:

"Total Operating Expense 2,000,000".

Page 13, delete line 47, begin a new line and insert:

"Total Operating Expense 0 15,000,000".

Page 17, delete line 21, begin a new line and insert:

"Total Operating Expense 6,210,000 6,210,000".

Page 17, delete line 25, begin a new line and insert:

"Total Operating Expense 4,968,000 4,968,000".

Page 17, delete line 29, begin a new line and insert:

"Total Operating Expense 648,000 648,000".

Page 19, delete line 13, begin a new line and insert:

"Total Operating Expense 1,000,000 1,000,000".

Page 19, delete line 32, begin a new line and insert:

"Other Operating Expense 12,724,840 14,024,840".

Page 20, line 48, delete "\$30" and insert "\$35".

Page 21, between lines 15 and 16, begin a new line and insert:

"POSTSECONDARY CORRECTIONAL EDUCATION

Other Operating Expense 3,915,000 3,915,000

The above appropriations for postsecondary correctional education shall be used by the department of correction to offer associate's degrees, workforce certificates, or other vocational programs to incarcerated persons."

Page 33, between lines 10 and 11, begin a new line and insert:

"LINCOLN PRODUCTION

Total Operating Expense 220,000 220,000".

Page 36, between lines 6 and 7, begin a new line and insert:

"Augmentation allowed."

Page 49, between lines 26 and 27, begin a new line and insert:

"Indiana Twenty-First Century Research and Technology Fund (IC 5-28-16-2)".

Page 51, delete line 15, begin a new line and insert:

"Total Operating Expense 35,031,051 36,628,678".

Page 54, delete line 33, begin a new line and insert:

"Formal Contracts Expense 530,000,000 50,000,000".

Page 56, delete line 18, begin a new line and insert:

"Total Operating Expense 1,747,200,000 1,892,900,000".

Page 61, delete line 4, begin a new line and insert:

"Total Operating Expense 44,053,605 48,765,643".



Page 61, line 7, after "waiver." insert **"The intragovernmental transfers for use in the Medicaid aged and disabled waiver may not exceed in the state fiscal year beginning July 1, 2011, and ending June 30, 2012, twenty-five million eight hundred thousand dollars (\$25,800,000) and in the state fiscal year beginning July 1, 2012, and ending June 30, 2013, twenty-five million eight hundred thousand dollars (\$25,800,000)."**

Page 61, line 16, delete "year; and" and insert **"year, including a separate count of individuals who received no services other than case management services (as defined in 460 IAC 1.2-4-10) during the preceding fiscal year;"**.

Page 61, line 18, delete "year." and insert **"year, including a separate calculation of the average annual per recipient cost of individuals who received no services other than case management services (as defined in 460 IAC 1.2-4-10) during the preceding fiscal year;**

(3) a comparative analysis of the average annual per recipient cost to the state during the preceding fiscal year of providing home and community based services to individuals receiving services through the C.H.O.I.C.E. program and to individuals receiving services through the Medicaid aged and disabled waiver program;

(4) an estimate of the number of recipients of home and community based services who would have been placed in long term care facilities during the preceding fiscal year had they not received home and community based services; and

(5) an estimate of the total cost savings during the preceding fiscal year realized by the state due to recipients of home and community based services (including Medicaid) being diverted from long term care facilities."

Page 62, delete line 11, begin a new line and insert:

"accessABILITY CENTER FOR INDEPENDENT LIVING".

Page 65, between lines 5 and 6, begin a new line and insert:

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

Page 68, delete line 12, begin a new line and insert:

"Total Operating Expense 8,051,037 8,051,037".

Page 68, line 14, delete "75%" and insert **"85%"**.

Page 69, delete line 21, begin a new line and insert:

"Total Operating Expense 179,823,196 179,823,196".

Page 69, delete line 26, begin a new line and insert:

"Total Operating Expense 8,330,921 8,330,921".

Page 69, delete line 30, begin a new line and insert:

"Total Operating Expense 11,354,682 11,354,682".

Page 69, delete line 34, begin a new line and insert:

"Total Operating Expense 16,275,368 16,275,368".

Page 69, delete line 38, begin a new line and insert:

"Total Operating Expense 21,756,890 21,756,890".

Page 69, delete line 42, begin a new line and insert:



"Total Operating Expense 18,976,859 18,976,859".

Page 69, delete line 46, begin a new line and insert:

"89,819,501 90,030,680".

Page 70, delete lines 2 through 3, begin a new line and insert:

"Total Operating Expense 100,291,194 100,291,194

Fee Replacement 2,919,493 3,405,551".

Page 70, delete lines 34 through 35, begin a new line and insert:

"Total Operating Expense 84,389,612 84,389,612

Fee Replacement 12,609,727 14,709,082".

Page 70, delete line 38, begin a new line and insert:

"212,357,689 214,943,102"

Page 71, between lines 2 and 3, begin a new line and insert:

"MEDICAL EDUCATION CENTER EXPANSION

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

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

Page 71, delete lines 22 through 23, begin a new line and insert:

"Total Operating Expense 234,479,193 234,479,193

Fee Replacement 25,150,230 25,971,198".

Page 71, delete line 27, begin a new line and insert:

"Total Operating Expense 26,844,940 26,844,940".

Page 71, delete line 31, begin a new line and insert:

"Total Operating Expense 13,073,588 13,073,588".

Page 71, delete line 34, begin a new line and insert:

"41,408,586 41,408,300".

Page 71, delete line 38, begin a new line and insert:

"Total Operating Expense 38,563,050 38,563,050".

Page 72, delete line 12, begin a new line and insert:

"Total Operating Expense 6,692,010 6,692,010".

Page 72, delete line 15, begin a new line and insert:

"Total Operating Expense 6,696,039 6,696,039".

Page 72, delete line 21, begin a new line and insert:

"Total Operating Expense 1,747,361 1,747,361".

Page 72, delete line 24, begin a new line and insert:

"Total Operating Expense 67,650,483 67,650,483".

Page 72, delete lines 31 through 32, begin a new line and insert:

"Total Operating Expense 40,109,493 40,109,493

Fee Replacement 10,998,767 11,567,417".

Page 72, delete lines 38 through 39, begin a new line and insert:

"Total Operating Expense 118,723,016 118,723,016

Fee Replacement 14,418,557 14,731,545".

Page 72, delete line 42, begin a new line and insert:

"Total Operating Expense 1,666,000 1,666,000".



Page 72, delete line 45, begin a new line and insert:

"Total Operating Expense 3,953,298 3,953,298".

Page 72, delete line 48, begin a new line and insert:

"Total Operating Expense 36,492,378 36,492,378".

Page 73, delete lines 3 through 4, begin a new line and insert:

**"Total Operating Expense 186,417,941 186,417,941
Fee Replacement 29,817,924 30,877,963".**

Page 75, delete lines 20 through 26, begin a new line and insert:

**"SOUTHERN INDIANA EDUCATIONAL ALLIANCE
Build Indiana Fund (IC 4-30-17)**

Total Operating Expense 1,090,452 1,090,452".

Page 75, delete line 47, begin a new line and insert:

"Total Operating Expense 50,350,913 50,350,913".

Page 75, delete line 49, begin a new line and insert:

"Total Operating Expense 147,666,658 147,666,658".

Page 76, delete line 39, begin a new line and insert:

"Total Operating Expense 7,851,835 7,851,835".

Page 78, between lines 13 and 14, begin a new line and insert:

"PUBLIC TELEVISION DISTRIBUTION

Total Operating Expense 1,610,000 1,610,000

The above appropriations are for grants for public television. The Indiana Public Broadcasting Stations, Inc., shall submit a distribution plan for the eight Indiana public education television stations that shall be approved by the budget agency after review by the budget committee. Of the above appropriations, \$184,000 each year shall be distributed equally among all of the public radio stations."

Page 79, delete line 27, begin a new line and insert:

"Total Operating Expense 6,247,700,000 6,247,700,000".

Page 83, delete line 20, begin a new line and insert:

"Other Operating Expense 2,500,000 2,500,000".

Page 83, line 24, after "Indiana." insert "In addition, the above appropriation includes \$50,000 each state fiscal year for the Center for Evaluation and Education Policy."

Page 91, delete line 6, begin a new line and insert:

"65,950,840".

Page 91, delete line 24, begin a new line and insert:

"TOTAL 631,291,071".

Page 96, delete lines 27 through 44.

Page 98, line 11, after "than" insert **"July 31, 2012, and"**.

Page 98, line 11, delete "a" and insert **"each"**.

Page 98, line 11, delete "year," and insert "year that begins after June 30, 2012,".

Page 98, line 17, delete "year," and insert "year beginning after June 30, 2012,".

Page 98, line 36, beginning with "(A)" begin a new line double block indented.



Page 98, line 37, beginning with "(B)" begin a new line double block indented.

Page 99, delete lines 6 through 47, begin a new paragraph and insert:

"SECTION 38. IC 4-35-7-12, AS AMENDED BY P.L.142-2009, SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 12. (a) The Indiana horse racing commission shall enforce the requirements of this section.

(b) ~~Except as provided in subsections (j) and (k);~~ A licensee shall before the fifteenth day of each month devote to the gaming integrity fund; horse racing purses; and to horsemen's associations an amount equal to **distribute** fifteen percent (15%) of the adjusted gross receipts of the slot machine wagering ~~from the previous month~~ at the licensee's racetrack **in conformity with this section.** The Indiana horse racing commission may not use any of ~~this the money it receives under this section~~ for any administrative purpose or other purpose of the Indiana horse racing commission, and the entire amount of the money shall be distributed as provided in this section. A licensee shall pay the first two hundred fifty thousand dollars (\$250,000) distributed under this section in a state fiscal year to the Indiana horse racing commission for deposit in the gaming integrity fund established by IC 4-35-8.7-3. After this money has been distributed to the Indiana horse racing commission, a licensee shall distribute the remaining money ~~devoted to horse racing purses and to horsemen's associations under this subsection~~ as follows:

(1) Five-tenths percent (0.5%) shall be transferred to horsemen's associations for equine promotion or welfare according to the ratios specified in subsection (e).

(2) Two and five-tenths percent (2.5%) shall be transferred to horsemen's associations for backside benevolence according to the ratios specified in subsection (e).

(3) ~~Ninety-seven~~ **Thirty-nine and five-tenths percent (97%) (39.5%)** shall be distributed to promote horses and horse racing as provided in subsection (d). **However, the total amount of money that may be distributed under this subdivision in a particular state fiscal year to promote horses and horse racing may not exceed twenty-seven million dollars (\$27,000,000). Any amounts otherwise distributable under this subdivision that exceed twenty-seven million dollars (\$27,000,000) shall be remitted to the department for deposit in the state general fund.**

(4) **Fifty-seven and five-tenths percent (57.5%) shall be remitted to the department for deposit as follows:**

(A) **Fifteen million two hundred fifty thousand dollars (\$15,250,000) available for distribution under this subdivision in a state fiscal year shall be distributed to the twenty-first century research and technology fund established by IC 5-28-16-2 for the purposes of the fund. Deposits in the twenty-first century research and**



technology fund under this clause shall be made during the state fiscal year on the schedule determined by the budget agency.

(B) The amount not needed to make the deposits required under clause (A) shall be deposited in the state general fund.

The amount to be distributed from wagers made in a month under subdivisions (1) and (2) and (to the extent the distributions are to promote horses and horse racing) under subdivision (3) shall be distributed before the fifteenth day of the immediately following month. A licensee shall make the distributions to the state general fund and the twenty-first century research and technology fund before the close of the business day following the day the wagers are made. The department may require that daily distributions be remitted by electronic funds transfer (as defined in IC 4-8.1-2-7(f)). If the department requires the money to be remitted through electronic funds transfer, the department may allow the licensee to file a monthly report to reconcile the amounts remitted to the department.

(c) A horsemen's association shall expend the amounts distributed to the horsemen's association under subsection (b)(1) through (b)(2) for a purpose promoting the equine industry or equine welfare or for a benevolent purpose that the horsemen's association determines is in the best interests of horse racing in Indiana for the breed represented by the horsemen's association. Expenditures under this subsection are subject to the regulatory requirements of subsection (f).

(d) A licensee shall distribute the amounts described in subsection (b)(3) as follows:

(1) Forty-six percent (46%) for thoroughbred purposes as follows:

(A) Sixty percent (60%) for the following purposes:

(i) Ninety-seven percent (97%) for thoroughbred purses.

(ii) Two and four-tenths percent (2.4%) to the horsemen's association representing thoroughbred owners and trainers.

(iii) Six-tenths percent (0.6%) to the horsemen's association representing thoroughbred owners and breeders.

(B) Forty percent (40%) to the breed development fund established for thoroughbreds under IC 4-31-11-10.

(2) Forty-six percent (46%) for standardbred purposes as follows:

(A) Fifty percent (50%) for the following purposes:

(i) Ninety-six and five-tenths percent (96.5%) for standardbred purses.

(ii) Three and five-tenths percent (3.5%) to the horsemen's association representing standardbred owners and trainers.

(B) Fifty percent (50%) to the breed development fund established for standardbreds under IC 4-31-11-10.

(3) Eight percent (8%) for quarter horse purposes as follows:

(A) Seventy percent (70%) for the following purposes:

(i) Ninety-five percent (95%) for quarter horse purses.



(ii) Five percent (5%) to the horsemen's association representing quarter horse owners and trainers.

(B) Thirty percent (30%) to the breed development fund established for quarter horses under IC 4-31-11-10.

Expenditures under this subsection are subject to the regulatory requirements of subsection (f).

(e) Money distributed under subsection (b)(1) and (b)(2) shall be allocated as follows:

(1) Forty-six percent (46%) to the horsemen's association representing thoroughbred owners and trainers.

(2) Forty-six percent (46%) to the horsemen's association representing standardbred owners and trainers.

(3) Eight percent (8%) to the horsemen's association representing quarter horse owners and trainers.

(f) Money distributed under ~~this section~~ **subsection (b)(1) or (b)(2) and, to the extent the distributions are to promote horses and horse racing, subsection (b)(3)** may not be expended unless the expenditure is for a purpose authorized in this section and is either for a purpose promoting the equine industry or equine welfare or is for a benevolent purpose that is in the best interests of horse racing in Indiana or the necessary expenditures for the operations of the horsemen's association required to implement and fulfill the purposes of this section. The Indiana horse racing commission may review any expenditure of money distributed under this section to ensure that the requirements of this section are satisfied. The Indiana horse racing commission shall adopt rules concerning the review and oversight of money distributed under this section and shall adopt rules concerning the enforcement of this section. The following apply to a horsemen's association receiving a distribution of money under this section:

(1) The horsemen's association must annually file a report with the Indiana horse racing commission concerning the use of the money by the horsemen's association. The report must include information as required by the commission.

(2) The horsemen's association must register with the Indiana horse racing commission.

(g) The commission shall provide the Indiana horse racing commission with the information necessary to enforce this section.

(h) The Indiana horse racing commission shall investigate any complaint that a licensee has failed to comply with the horse racing purse requirements set forth in this section. If, after notice and a hearing, the Indiana horse racing commission finds that a licensee has failed to comply with the purse requirements set forth in this section, the Indiana horse racing commission may:

(1) issue a warning to the licensee;

(2) impose a civil penalty that may not exceed one million dollars (\$1,000,000); or

(3) suspend a meeting permit issued under IC 4-31-5 to conduct



a pari-mutuel wagering horse racing meeting in Indiana.

(i) A civil penalty collected under this section must be deposited in the state general fund.

(j) For a state fiscal year beginning after June 30, 2008, and ending before July 1, 2009, the amount of money dedicated to the purposes described in subsection (b) for a particular state fiscal year is equal to the lesser of:

(1) fifteen percent (15%) of the licensee's adjusted gross receipts for the state fiscal year; or

(2) eighty-five million dollars (\$85,000,000).

If fifteen percent (15%) of a licensee's adjusted gross receipts for the state fiscal year exceeds the amount specified in subdivision (2), the licensee shall transfer the amount of the excess to the commission for deposit in the state general fund. The licensee shall adjust the transfers required under this section in the final month of the state fiscal year to comply with the requirements of this subsection.

(k) For a state fiscal year beginning after June 30, 2009, the amount of money dedicated to the purposes described in subsection (b) for a particular state fiscal year is equal to the lesser of:

(1) fifteen percent (15%) of the licensee's adjusted gross receipts for the state fiscal year; or

(2) the amount dedicated to the purposes described in subsection (b) in the previous state fiscal year increased by a percentage that does not exceed the percent of increase in the United States Department of Labor Consumer Price Index during the year preceding the year in which an increase is established.

If fifteen percent (15%) of a licensee's adjusted gross receipts for the state fiscal year exceeds the amount specified in subdivision (2), the licensee shall transfer the amount of the excess to the commission for deposit in the state general fund. The licensee shall adjust the transfers required under this section in the final month of the state fiscal year to comply with the requirements of this subsection.

(j) Notwithstanding subsections (a) through (d), an amount collected from the adjusted gross receipts from slot machine wagers made in June 2011 at a licensee's racetrack shall be distributed on the schedule and in the manner specified in this section as it was effective on June 30, 2011.

SECTION 39. IC 4-35-8-1, AS ADDED BY P.L.233-2007, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 1. (a) A graduated slot machine wagering tax is imposed as follows on the ~~adjusted gross taxable~~ receipts received from wagering on gambling games authorized by this article:

(1) Twenty-five percent (25%) of the first one hundred million dollars (\$100,000,000) of ~~adjusted gross taxable~~ receipts received during the period beginning July 1 of each year and ending June 30 of the following year.

(2) Thirty percent (30%) of the ~~adjusted gross taxable~~ receipts in excess of one hundred million dollars (\$100,000,000) but not



exceeding two hundred million dollars (\$200,000,000) received during the period beginning July 1 of each year and ending June 30 of the following year.

(3) Thirty-five percent (35%) of the ~~adjusted gross taxable~~ receipts in excess of two hundred million dollars (\$200,000,000) received during the period beginning July 1 of each year and ending June 30 of the following year.

(b) A licensee shall remit the tax imposed by this section to the department before the close of the business day following the day the wagers are made. **With respect to slot machine wagers made before June 30, 2011, the amount of a licensee's taxable receipts is equal to the licensee's adjusted gross receipts. With respect to slot machine wagers made after June 30, 2011, the amount of a licensee's taxable receipts for a particular day is equal to the result determined under STEP THREE of the following formula:**

STEP ONE: Determine the amount of adjusted gross receipts received by the licensee during that day.

STEP TWO: Determine the sum of:

(A) the licensee's deduction amount determined for that day under subsection (f); and

(B) the licensee's supplemental deduction amount determined for that day under subsection (g).

STEP THREE: Determine the result of the STEP ONE amount minus the STEP TWO amount.

(c) The department may require payment under this section to be made by electronic funds transfer (as defined in IC 4-8.1-2-7(f)).

(d) If the department requires taxes to be remitted under this chapter through electronic funds transfer, the department may allow the licensee to file a monthly report to reconcile the amounts remitted to the department.

(e) The payment of the tax under this section must be on a form prescribed by the department.

(f) This section applies to slot machine wagers made under this article after June 30, 2011. A licensee's deduction amount for a particular day is equal to fifty-seven and five-tenths percent (57.5%) of the amount that the licensee distributed under IC 4-35-7-12 from wagers made for that day.

(g) This section applies to slot machine wagers made under this article after June 30, 2011. A licensee's supplemental deduction amount for the period beginning July 1 of each year and ending June 30 of the following year is equal to the amount that the licensee distributed under IC 4-35-7-12(b)(3) to the state general fund, as determined by the budget agency, from wagers made for the period beginning July 1 of each year and ending June 30 of the following year. A licensee's supplemental deduction amount for a particular day is equal to the amount that the licensee distributed under IC 4-35-7-12(b)(3) to the state general fund, as determined by the budget agency, from wagers made for that day."



Delete page 100.

Page 101, delete lines 1 through 15.

Page 101, line 20, after "IC 4-35-7-12." insert "**Fifteen percent (15%) of the money deposited in the fund shall be transferred to the Indiana state board of animal health to be used by the state board to pay the costs associated with equine health and equine care programs under IC 15-17.**".

Page 104, between lines 13 and 14, begin a new paragraph and insert:

"SECTION 45. IC 6-2.5-10-1, AS AMENDED BY P.L.146-2008, SECTION 317, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 1. (a) The department shall account for all state gross retail and use taxes that it collects.

(b) The department shall deposit those collections in the following manner:

(1) Ninety-nine and ~~one hundred seventy-eight two hundred ninety-seven~~ thousandths percent (~~99.178%~~) (**99.297%**) of the collections shall be paid into the state general fund.

(2) ~~Sixty-seven hundredths of one~~ **Five hundred fifty-one thousandths** percent (~~0.67%~~) (**0.551%**) of the collections shall be paid into the public mass transportation fund established by IC 8-23-3-8.

(3) Twenty-nine thousandths of one percent (0.029%) of the collections shall be deposited into the industrial rail service fund established under IC 8-3-1.7-2.

(4) One hundred twenty-three thousandths of one percent (0.123%) of the collections shall be deposited into the commuter rail service fund established under IC 8-3-1.5-20.5."

Page 104, line 15, after "(a)" insert "**This section applies to taxable years that end in a state fiscal year beginning after June 30, 2012. (b)**".

Page 104, line 18, delete "(b)" and insert "**(c)**".

Page 104, line 23, delete "(c)" and insert "**(d)**".

Page 104, line 25, delete "(d)" and insert "**(e)**".

Page 104, line 28, delete "(e)" and insert "**(f)**".

Page 104, delete line 40.

Page 104, line 41, delete "(B)" and insert "**(A)**".

Page 104, line 41, delete "sixty and twenty-four hundredths" and insert "**sixty-two and seven-tenths**".

Page 104, line 42, delete "(60.24%)." and insert "**(62.7%).**".

Page 104, line 43, delete "(C)" and insert "**(B)**".

Page 104, line 43, delete "fifty-four and five-tenths" and insert "**fifty-six and ninety-six hundredths**".

Page 104, line 43, delete "(54.5%)." and insert "**(56.96%).**".

Page 104, strike line 48.

Page 105, strike lines 1 through 2.

Page 105, line 3, strike "(7)" and insert "**(6)**".



Page 106, between lines 1 and 2, begin a new paragraph and insert:
"SECTION 48. IC 11-10-5-6 IS ADDED TO THE INDIANA CODE
AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
1, 2011]: **Sec. 6. The department may provide financial assistance
for tuition, books, and supplies for an offender who:**

(1) is:

(A) convicted of a felony;

**(B) sentenced to a term of imprisonment for that felony;
and**

(C) confined for that felony by the department; and

**(2) enrolls in a degree program at an eligible institution (as
defined in IC 21-12-1-8(2)) of higher education."**

Page 106, delete lines 40 through 47.

Delete pages 107 through 108, begin a new paragraph and insert:
"SECTION 50. IC 12-15-35-28, AS AMENDED BY P.L.101-2005,
SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
JULY 1, 2011]: **Sec. 28. (a) The board has the following duties:**

**(1) The adoption of rules to carry out this chapter, in accordance
with the provisions of IC 4-22-2 and subject to any office
approval that is required by the federal Omnibus Budget
Reconciliation Act of 1990 under Public Law 101-508 and its
implementing regulations.**

**(2) The implementation of a Medicaid retrospective and
prospective DUR program as outlined in this chapter, including
the approval of software programs to be used by the pharmacist
for prospective DUR and recommendations concerning the
provisions of the contractual agreement between the state and any
other entity that will be processing and reviewing Medicaid drug
claims and profiles for the DUR program under this chapter.**

**(3) The development and application of the predetermined criteria
and standards for appropriate prescribing to be used in
retrospective and prospective DUR to ensure that such criteria
and standards for appropriate prescribing are based on the
compendia and developed with professional input with provisions
for timely revisions and assessments as necessary.**

**(4) The development, selection, application, and assessment of
interventions for physicians, pharmacists, and patients that are
educational and not punitive in nature.**

**(5) The publication of an annual report that must be subject to
public comment before issuance to the federal Department of
Health and Human Services and to the Indiana legislative council
by December 1 of each year. The report issued to the legislative
council must be in an electronic format under IC 5-14-6.**

**(6) The development of a working agreement for the board to
clarify the areas of responsibility with related boards or agencies,
including the following:**

(A) The Indiana board of pharmacy.

(B) The medical licensing board of Indiana.



- (C) The SURS staff.
- (7) The establishment of a grievance and appeals process for physicians or pharmacists under this chapter.
- (8) The publication and dissemination of educational information to physicians and pharmacists regarding the board and the DUR program, including information on the following:
 - (A) Identifying and reducing the frequency of patterns of fraud, abuse, gross overuse, or inappropriate or medically unnecessary care among physicians, pharmacists, and recipients.
 - (B) Potential or actual severe or adverse reactions to drugs.
 - (C) Therapeutic appropriateness.
 - (D) Overutilization or underutilization.
 - (E) Appropriate use of generic drugs.
 - (F) Therapeutic duplication.
 - (G) Drug-disease contraindications.
 - (H) Drug-drug interactions.
 - (I) Incorrect drug dosage and duration of drug treatment.
 - (J) Drug allergy interactions.
 - (K) Clinical abuse and misuse.
- (9) The adoption and implementation of procedures designed to ensure the confidentiality of any information collected, stored, retrieved, assessed, or analyzed by the board, staff to the board, or contractors to the DUR program that identifies individual physicians, pharmacists, or recipients.
- (10) The implementation of additional drug utilization review with respect to drugs dispensed to residents of nursing facilities shall not be required if the nursing facility is in compliance with the drug regimen procedures under 410 IAC 16.2-3.1 and 42 CFR 483.60.
- (11) The research, development, and approval of a preferred drug list for:
 - (A) Medicaid's fee for service program;
 - (B) Medicaid's primary care case management program;
 - (C) Medicaid's risk based managed care program, if the office provides a prescription drug benefit and subject to IC 12-15-5; and
 - (D) the children's health insurance program under IC 12-17.6; in consultation with the therapeutics committee.
- (12) The approval of the review and maintenance of the preferred drug list at least two (2) times per year.
- (13) The preparation and submission of a report concerning the preferred drug list at least two (2) times per year to the select joint commission on Medicaid oversight established by IC 2-5-26-3.
- (14) The collection of data reflecting prescribing patterns related to treatment of children diagnosed with attention deficit disorder or attention deficit hyperactivity disorder.



(15) Advising the Indiana comprehensive health insurance association established by IC 27-8-10-2.1 concerning implementation of chronic disease management and pharmaceutical management programs under IC 27-8-10-3.5.

(b) The board shall use the clinical expertise of the therapeutics committee in developing a preferred drug list. The board shall also consider expert testimony in the development of a preferred drug list.

(c) In researching and developing a preferred drug list under subsection (a)(11), the board shall do the following:

- (1) Use literature abstracting technology.
- (2) Use commonly accepted guidance principles of disease management.
- (3) Develop therapeutic classifications for the preferred drug list.
- (4) Give primary consideration to the clinical efficacy or appropriateness of a particular drug in treating a specific medical condition.
- (5) Include in any cost effectiveness considerations the cost implications of other components of the state's Medicaid program and other state funded programs.

~~(d) Prior authorization is required for coverage under a program described in subsection (a)(11) of a drug that is not included on the preferred drug list.~~

~~(e)~~ **(d)** The board shall determine whether to include a single source covered outpatient drug that is newly approved by the federal Food and Drug Administration on the preferred drug list not later than sixty (60) days after the date on which the manufacturer notifies the board in writing of the drug's approval. However, if the board determines that there is inadequate information about the drug available to the board to make a determination, the board may have an additional sixty (60) days to make a determination from the date that the board receives adequate information to perform the board's review. Prior authorization may not be automatically required for a single source drug that is newly approved by the federal Food and Drug Administration, and that is:

- (1) in a therapeutic classification:
 - (A) that has not been reviewed by the board; and
 - (B) for which prior authorization is not required; or
- (2) the sole drug in a new therapeutic classification that has not been reviewed by the board.

~~(f)~~ **(e)** The board may not exclude a drug from the preferred drug list based solely on price.

~~(g)~~ **(f)** The following requirements apply to a preferred drug list developed under subsection (a)(11):

- (1) ~~Except as provided by~~ **In accordance with** IC 12-15-35.5-3(b), ~~and IC 12-15-35.5-3(c);~~ the office or the board may require prior authorization for a drug that is included on the preferred drug list under the following circumstances:

- (A) To override a prospective drug utilization review alert.



(B) To permit reimbursement for a medically necessary brand name drug that is subject to generic substitution under IC 16-42-22-10.

(C) To prevent fraud, abuse, waste, overutilization, or inappropriate utilization.

(D) To permit implementation of a disease management program.

(E) To implement other initiatives permitted by state or federal law.

(F) A psychiatrist licensed under IC 25-22.5 may not be required to receive prior authorization to prescribe a drug included on the preferred drug list.

(G) A provider may not be required to obtain prior authorization for a mental health prescription that is for a Medicaid recipient who:

(i) was enrolled in the Medicaid program before July 1, 2011, and who has continuously been enrolled in the Medicaid program; and

(ii) has been prescribed and taking the mental health drug since before July 1, 2011.

(2) All drugs described in IC 12-15-35.5-3(b) ~~must be included on the preferred drug list.~~ **may be considered:**

(A) preferred or nonpreferred; or

(B) not subject to the preferred drug list (PDL) process.

(3) The office may add a drug that has been approved by the federal Food and Drug Administration to the preferred drug list without prior approval from the board.

(4) The board may add a drug that has been approved by the federal Food and Drug Administration to the preferred drug list.

~~(h)~~ **(g)** At least two (2) times each year, the board shall provide a report to the select joint commission on Medicaid oversight established by IC 2-5-26-3. The report must contain the following information:

(1) The cost of administering the preferred drug list.

(2) Any increase in Medicaid physician, laboratory, or hospital costs or in other state funded programs as a result of the preferred drug list.

(3) The impact of the preferred drug list on the ability of a Medicaid recipient to obtain prescription drugs.

(4) The number of times prior authorization was requested, and the number of times prior authorization was:

(A) approved; and

(B) disapproved.

~~(h)~~ **(h)** The board shall provide the first report required under subsection ~~(h)~~ **(g)** not later than six (6) months after the board submits an initial preferred drug list to the office."

Page 109, delete lines 1 through 27.

Page 109, delete lines 43 through 47.

Delete pages 110 through 111.



- Page 112, delete lines 1 through 21.
- Page 112, delete lines 46 through 47.
- Page 113, delete lines 1 through 33.
- Page 114, delete lines 3 through 37, begin a new paragraph and insert:

"SECTION 56. IC 12-24-1-3, AS AMENDED BY P.L.141-2006, SECTION 62, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 3. (a) The director of the division of mental health and addiction has administrative control of and responsibility for the following state institutions:

- (1) Evansville State Hospital.
- (2) Evansville State Psychiatric Treatment Center for Children.
- (3) Larue D. Carter Memorial Hospital.
- (4) Logansport State Hospital.
- (5) Madison State Hospital.
- (6) Richmond State Hospital.
- (7) Any other state owned or operated mental health institution.

(b) Subject to the approval of the director of the budget agency and the governor, the director of the division of mental health and addiction may contract for the management and clinical operation of Larue D. Carter Memorial Hospital.

(c) The following applies only to the institutions described in subsection (a)(1) and (a)(2):

(1) Notwithstanding any other statute or policy, the division of mental health and addiction may not do the following after December 31, 2001, unless specifically authorized by a statute enacted by the general assembly:

(A) Terminate, in whole or in part, normal patient care or other operations at the facility.

(B) Reduce the staffing levels and classifications below those in effect at the facility on January 1, 2002.

(C) Terminate the employment of an employee of the facility except in accordance with IC 4-15-2.

(2) The division of mental health and addiction shall fill a vacancy created by a termination described in subdivision (1)(C) so that the staffing levels at the facility are not reduced below the staffing levels in effect on January 1, 2002.

(3) Notwithstanding any other statute or policy, the division of mental health and addiction may not remove, transfer, or discharge any patient at the facility unless the removal, transfer, or discharge is in the patient's best interest and is approved by:

(A) the patient or the patient's parent or guardian;

(B) the individual's gatekeeper; and

(C) the patient's attending physician.

(c) The division of mental health and addiction shall maintain normal patient care, including maintaining the Joint Commission on Accreditation of Healthcare Organizations (JCAHO) standards for clinical care, at the facilities described in subsection (a)(1) and



(a)(2) unless a reduction or the termination of normal patient care is specifically authorized by a statute enacted by the general assembly or is specifically recommended by the council established by section 3.5 of this chapter.

(d) The Evansville State Psychiatric Treatment Center for Children shall remain independent of Evansville State Hospital and the southwestern Indiana community mental health center, and the Evansville State Psychiatric Treatment Center for Children shall continue to function autonomously unless a change in administration is specifically:

- (1) authorized by an enactment of the general assembly; or**
- (2) recommended by the council established by section 3.5 of this chapter before January 1, 2014.**

SECTION 57. IC 12-24-1-3.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: **Sec. 3.5. (a) The council on Evansville state hospitals is established.**

(b) The council consists of the following members:

(1) One (1) superior court judge having exclusive juvenile jurisdiction in Vanderburgh County, who shall act as chairperson of the council.

(2) The director of the division of mental health and addiction or the director's designee.

(3) Two (2) members of the senate, appointed by the president pro tempore of the senate. The members appointed under this subdivision:

(A) may not be members of the same political party; and

(B) must represent Evansville or a surrounding area.

(4) Two (2) members of the house of representatives, appointed by the speaker of the house of representatives. The members appointed under this subdivision:

(A) may not be members of the same political party; and

(B) must represent Evansville or a surrounding area.

(5) Two (2) mental health providers that provide mental health services in the Evansville area.

(6) One (1) member who:

(A) resides in the Evansville area; and

(B) provides services in the community, including:

(i) law enforcement services; or

(ii) children's services.

(7) The superintendent of the Evansville State Psychiatric Treatment Center for Children, or the superintendent's designee.

(8) The superintendent of the Evansville State Hospital, or the superintendent's designee.

(9) One (1) representative of a statewide mental health association.

(10) One (1) parent of a child who has received services at the



Evansville State Psychiatric Treatment Center for Children and who is not associated with the Evansville State Psychiatric Treatment Center for Children or the Evansville State Hospital except as a consumer.

(c) The president pro tempore of the senate shall appoint the members under subsection (b)(1) and (b)(9) and one (1) member under subsection (b)(5). The speaker of the house of representatives shall appoint the members under subsection (b)(6) and (b)(10) and one (1) member under subsection (b)(5).

(d) The council has the following duties:

(1) Review the following:

(A) The mental health and addiction services available to children in the Evansville area.

(B) The quality of the care provided to patients in the facilities described in section 3(a)(1) and 3(a)(2) of this chapter.

(C) The utilization of the facilities described in section 3(a)(1) and 3(a)(2) of this chapter and the cause for any underutilization.

(2) Determine the viability and need for the facilities described in section 3(a)(1) and 3(a)(2) of this chapter.

(3) Provide recommendations to:

(A) the office of the secretary; and

(B) the general assembly, in electronic format under IC 5-14-6;

concerning the council's findings under this subsection, including whether the council is making a recommendation under section 3 of this chapter.

(e) The division of mental health and addiction shall staff the council.

(f) The expenses of the council shall be paid by the division of mental health and addiction.

(g) A member of the council is not entitled to a salary per diem or traveling expenses.

(h) The members described in subsection (b)(7) and (b)(8) shall serve as nonvoting members. The affirmative votes of a majority of the voting members of the council are required for the council to take action on any recommendation.

(i) This section expires December 31, 2013.

SECTION 58. IC 16-28-15 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE AUGUST 1, 2011]:

Chapter 15. Health Facility Quality Assessment Fee

Sec. 1. The imposition of a quality assessment fee under this chapter occurs after July 31, 2011.

Sec. 2. As used in this chapter, "continuing care retirement community" means a health care facility that:

(1) provides independent living services and health facility



- services in a campus setting with common areas;
- (2) holds continuing care agreements with at least twenty-five percent (25%) of its residents (as defined in IC 23-2-4-1);
- (3) uses the money from the agreements described in subdivision (2) to provide services to a resident before the resident may be eligible for Medicaid under IC 12-15; and
- (4) meets the requirements of IC 23-2-4.

Sec. 3. As used in this chapter, "health facility" refers to a health facility that is licensed under this article as a comprehensive care facility.

Sec. 4. As used in this chapter, "nursing facility" means a health facility that is certified for participation in the federal Medicaid program under Title XIX of the federal Social Security Act (42 U.S.C. 1396 et seq.).

Sec. 5. As used in this chapter, "office" refers to the office of Medicaid policy and planning established by IC 12-8-6-1.

Sec. 6. (a) After July 31, 2011, the office shall collect a quality assessment fee from each health facility under this chapter.

(b) The quality assessment fee must apply to all non-Medicare patient days of the health facility. The office shall determine the quality assessment rate per non-Medicare patient day in a manner that collects the maximum amount permitted by federal law as of July 1, 2011, based on the latest nursing facility financial reports and nursing facility quality assessment data collection forms as of July 28, 2010.

(c) The office shall offset the collection of the assessment fee for a health facility:

- (1) against a Medicaid payment to the health facility;
- (2) against a Medicaid payment to another health facility that is related to the health facility through common ownership or control; or
- (3) in another manner determined by the office.

Sec. 7. The office shall implement the waiver approved by the United States Centers for Medicare and Medicaid Services under 42 CFR 433.68(e)(2) that provides for the following:

- (1) Nonuniform quality assessment fee rates.
- (2) An exemption from collection of a quality assessment fee from the following:
 - (A) A continuing care retirement community as follows:
 - (i) A continuing care retirement community that was registered with the securities commissioner as a continuing care retirement community on January 1, 2007, is not required to meet the definition of a continuing care retirement community in section 2 of this chapter.
 - (ii) A continuing care retirement community that, for the period January 1, 2007, through June 30, 2009, operated independent living units, at least twenty-five percent



(25%) of which are provided under contracts that require the payment of a minimum entrance fee of at least twenty-five thousand dollars (\$25,000).

(iii) An organization registered under IC 23-2-4 before July 1, 2009, that provides housing in an independent living unit for a religious order.

(iv) A continuing care retirement community that meets the definition set forth in section 2 of this chapter.

(B) A hospital based health facility.

(C) The Indiana Veterans' Home.

Any revision to the state plan amendment or waiver request under this section is subject to and must comply with this chapter.

Sec. 8. (a) The money collected from the quality assessment fee may be used only as follows:

(1) Seventy percent (70%) to pay the state's share of costs for Medicaid nursing facility services provided under Title XIX of the federal Social Security Act (42 U.S.C. 1396 et seq.).

(2) Thirty percent (30%) to pay the state's share of costs for other Medicaid services provided under Title XIX of the federal Social Security Act (42 U.S.C. 1396 et seq.).

(b) Any increase in reimbursement for Medicaid nursing facility services resulting from maximizing the quality assessment under section 6(b) of this chapter shall be directed exclusively to initiatives determined by the office to promote and enhance improvements in quality of care to nursing facility residents.

(c) The office may establish a method to allow a health facility to enter into an agreement to pay the quality assessment fee collected under this chapter under an installment plan.

Sec. 9. If federal financial participation becomes unavailable to match money collected from the quality assessment fees for the purpose of enhancing reimbursement to nursing facilities for Medicaid services provided under Title XIX of the federal Social Security Act (42 U.S.C. 1396 et seq.), the office shall cease collection of the quality assessment fee under this chapter.

Sec. 10. The office shall adopt rules under IC 4-22-2 necessary to implement this chapter.

Sec. 11. (a) If a health facility fails to pay the quality assessment fee under this chapter not later than ten (10) days after the date the payment is due, the health facility shall pay interest on the quality assessment fee at the same rate as determined under IC 12-15-21-3(6)(A).

(b) The office shall report to the state department each nursing facility and each health facility that fails to pay the quality assessment fee under this chapter not later than one hundred twenty (120) days after payment of the quality assessment fee is due.

Sec. 12. (a) The state department shall do the following:

(1) Notify each nursing facility and each health facility



reported under section 11 of this chapter that the nursing facility's license or health facility's license under IC 16-28 will be revoked if the quality assessment fee is not paid.

(2) Revoke the nursing facility's license or health facility's license under IC 16-28 if the nursing facility or the health facility fails to pay the quality assessment fee.

(b) An action taken under subsection (a)(2) is governed by:

(1) IC 4-21.5-3-8; or

(2) IC 4-21.5-4.

Sec. 13. The select joint commission on Medicaid oversight established by IC 2-5-26-3 shall review the implementation of this chapter.

Sec. 14. This chapter expires June 30, 2014."

Page 115, delete lines 39 through 47, begin a new paragraph and insert:

"SECTION 60. IC 20-24-7-6.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: **Sec. 6.5.** (a) Subject to subsection (b) and with the approval of a majority of the members of the governing body, a school corporation may distribute any part of the following to a conversion school sponsored by the school corporation in the amount and under the terms and conditions adopted by a majority of the members of the governing body:

(1) State tuition support and other state distributions to the school corporation.

(2) Any other amount deposited in the school corporation's general fund.

(b) The total amount that may be transferred under subsection (a) in a calendar year to a particular conversion charter school may not exceed the result determined under STEP FOUR of the following formula:

STEP ONE: Determine the result of:

(A) the amount of state tuition support that the school corporation is eligible to receive in the calendar year; divided by

(B) the current ADM of the school corporation for the calendar year.

STEP TWO: Determine the result of:

(A) the amount of state tuition support that the conversion charter school is eligible to receive in the calendar year; divided by

(B) the current ADM of the conversion charter school for the calendar year.

STEP THREE: Determine the greater of zero (0) or result of:

(A) the STEP ONE amount; minus

(B) the STEP TWO amount.

STEP FOUR: Determine the result of:

(A) the STEP THREE amount; multiplied by



(B) the current ADM of the conversion charter school for the calendar year.

SECTION 61. IC 20-26-11-13, AS AMENDED BY P.L.146-2008, SECTION 471, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2012]: Sec. 13. (a) As used in this section, the following terms have the following meanings:

(1) "Class of school" refers to a classification of each school or program in the transferee corporation by the grades or special programs taught at the school. Generally, these classifications are denominated as kindergarten, elementary school, middle school or junior high school, high school, and special schools or classes, such as schools or classes for special education, career and technical education, or career education.

(2) "Special equipment" means equipment that during a school year:

(A) is used only when a child with disabilities is attending school;

(B) is not used to transport a child to or from a place where the child is attending school;

(C) is necessary for the education of each child with disabilities that uses the equipment, as determined under the individualized education program for the child; and

(D) is not used for or by any child who is not a child with disabilities.

(3) "Student enrollment" means the following:

(A) The total number of students in kindergarten through grade 12 who are enrolled in a transferee school corporation on a date determined by the state board.

(B) The total number of students enrolled in a class of school in a transferee school corporation on a date determined by the state board.

However, a kindergarten student shall be counted under clauses (A) and (B) as one-half (1/2) student. The state board may select a different date for counts under this subdivision. However, the same date shall be used for all school corporations making a count for the same class of school.

(b) Each transferee corporation is entitled to receive for each school year on account of each transferred student, except a student transferred under section 6 of this chapter, transfer tuition from the transferor corporation or the state as provided in this chapter. Transfer tuition equals the amount determined under STEP THREE of the following formula:

STEP ONE: Allocate to each transfer student the capital expenditures for any special equipment used by the transfer student and a proportionate share of the operating costs incurred by the transferee school for the class of school where the transfer student is enrolled.



STEP TWO: If the transferee school included the transfer student in the transferee school's ADM for a school year, allocate to the transfer student a proportionate share of the following general fund revenues of the transferee school for, except as provided in clause (C), the calendar year in which the school year ends:

- (A) State tuition support distributions.
- (B) Property tax levies under IC 20-45-7 and IC 20-45-8.
- (C) **The sum of the following** excise tax revenue ~~(as defined in IC 20-43-1-12)~~ received for deposit in the calendar year in which the school year begins:
 - (i) Financial institution excise tax revenue (IC 6-5.5).**
 - (ii) Motor vehicle excise taxes (IC 6-6-5).**
 - (iii) Commercial vehicle excise taxes (IC 6-6-5.5).**
 - (iv) Boat excise tax (IC 6-6-11).**
 - (v) Aircraft license excise tax (IC 6-6-6.5).**
- (D) Allocations to the transferee school under IC 6-3.5.

STEP THREE: Determine the greater of:

- (A) zero (0); or
- (B) the result of subtracting the STEP TWO amount from the STEP ONE amount.

If a child is placed in an institution or facility in Indiana by or with the approval of the department of child services, the institution or facility shall charge the department of child services for the use of the space within the institution or facility (commonly called capital costs) that is used to provide educational services to the child based upon a prorated per student cost.

(c) Operating costs shall be determined for each class of school where a transfer student is enrolled. The operating cost for each class of school is based on the total expenditures of the transferee corporation for the class of school from its general fund expenditures as specified in the classified budget forms prescribed by the state board of accounts. This calculation excludes:

- (1) capital outlay;
- (2) debt service;
- (3) costs of transportation;
- (4) salaries of board members;
- (5) contracted service for legal expenses; and
- (6) any expenditure that is made from extracurricular account receipts;

for the school year.

(d) The capital cost of special equipment for a school year is equal to:

- (1) the cost of the special equipment; divided by
- (2) the product of:
 - (A) the useful life of the special equipment, as determined under the rules adopted by the state board; multiplied by
 - (B) the number of students using the special equipment during at least part of the school year.



(e) When an item of expense or cost described in subsection (c) cannot be allocated to a class of school, it shall be prorated to all classes of schools on the basis of the student enrollment of each class in the transferee corporation compared with the total student enrollment in the school corporation.

(f) Operating costs shall be allocated to a transfer student for each school year by dividing:

- (1) the transferee school corporation's operating costs for the class of school in which the transfer student is enrolled; by
- (2) the student enrollment of the class of school in which the transfer student is enrolled.

When a transferred student is enrolled in a transferee corporation for less than the full school year of student attendance, the transfer tuition shall be calculated by the part of the school year for which the transferred student is enrolled. A school year of student attendance consists of the number of days school is in session for student attendance. A student, regardless of the student's attendance, is enrolled in a transferee school unless the student is no longer entitled to be transferred because of a change of residence, the student has been excluded or expelled from school for the balance of the school year or for an indefinite period, or the student has been confirmed to have withdrawn from school. The transferor and the transferee corporation may enter into written agreements concerning the amount of transfer tuition due in any school year. If an agreement cannot be reached, the amount shall be determined by the state board, and costs may be established, when in dispute, by the state board of accounts.

(g) A transferee school shall allocate revenues described in subsection (b) STEP TWO to a transfer student by dividing:

- (1) the total amount of revenues received; by
- (2) the ADM of the transferee school for the school year that ends in the calendar year in which the revenues are received.

However, for state tuition support distributions or any other state distribution computed using less than the total ADM of the transferee school, the transferee school shall allocate the revenues to the transfer student by dividing the revenues that the transferee school is eligible to receive in a calendar year by the student count used to compute the state distribution.

(h) Instead of the payments provided in subsection (b), the transferor corporation or state owing transfer tuition may enter into a long term contract with the transferee corporation governing the transfer of students. The contract may:

- (1) be entered into for a period of not more than five (5) years with an option to renew;
- (2) specify a maximum number of students to be transferred; and
- (3) fix a method for determining the amount of transfer tuition and the time of payment, which may be different from that provided in section 14 of this chapter.



(i) A school corporation may negotiate transfer tuition agreements with a neighboring school corporation that can accommodate additional students. Agreements under this section may:

- (1) be for one (1) year or longer; and
- (2) fix a method for determining the amount of transfer tuition or time of payment that is different from the method, amount, or time of payment that is provided in this section or section 14 of this chapter.

A school corporation may not transfer a student under this section without the prior approval of the child's parent.

SECTION 62. IC 20-40-8-1, AS AMENDED BY P.L.146-2008, SECTION 477, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2012]: Sec. 1. As used in this chapter, "calendar year distribution" means the sum of the following:

- (1) A school corporation's:
 - (A) state tuition support; and
 - (B) maximum permissible tuition support levy (as defined in IC 20-45-1-15 before its repeal);for the calendar year.
- (2) The ~~school corporation's~~ **sum of the following** excise tax revenue ~~(as defined in IC 20-43-1-12)~~ **of the school corporation** for the immediately preceding calendar year:
 - (A) Financial institution excise tax revenue (IC 6-5.5).**
 - (B) Motor vehicle excise taxes (IC 6-6-5).**
 - (C) Commercial vehicle excise taxes (IC 6-6-5.5).**
 - (D) Boat excise tax (IC 6-6-11).**
 - (E) Aircraft license excise tax (IC 6-6-6.5).**

SECTION 63. IC 20-43-1-1, AS AMENDED BY P.L.182-2009(ss), SECTION 323, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 1. This article expires January 1, ~~2012~~ **2014**.

SECTION 64. IC 20-43-1-25, AS AMENDED BY P.L.182-2009(ss), SECTION 325, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2012]: Sec. 25. "State tuition support" means the amount of state funds to be distributed to:

- (1) a school corporation other than a virtual charter school in any calendar year under this article for all grants, distributions, and awards described in IC 20-43-2-3; and
- (2) a virtual charter school in any calendar year under ~~IC 20-24-7-13~~ **IC 20-43-6-3**.

SECTION 65. IC 20-43-2-2, AS AMENDED BY P.L.182-2009(ss), SECTION 329, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2011 (RETROACTIVE)]: Sec. 2. The maximum state distribution for a calendar year for all school corporations for the purposes described in section 3 of this chapter is:

- ~~(1) five billion eight hundred twenty-nine million nine hundred thousand dollars (\$5,829,900,000) in 2009;~~
- ~~(2) six billion five hundred forty-eight million nine hundred~~



thousand dollars (\$6,548,900,000) in 2010; and

~~(3) (1) six billion five two hundred sixty-eight forty-seven million five seven hundred thousand dollars (\$6,568,500,000) (\$6,247,700,000) in 2011;~~

~~(2) six billion two hundred forty-seven million seven hundred thousand dollars (\$6,247,700,000) in 2012; and~~

~~(3) six billion two hundred forty-seven million seven hundred thousand dollars (\$6,247,700,000) in 2013.~~

SECTION 66. IC 20-43-2-3, AS AMENDED BY P.L.182-2009(ss), SECTION 330, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2012]: Sec. 3. If the total amount to be distributed:

- (1) as basic tuition support;
- (2) for academic honors diploma awards;
- (3) for primetime distributions;
- (4) for special education grants; **and**
- (5) for career and technical education grants;
- ~~(6) for restoration grants; and~~
- ~~(7) for small school grants;~~

for a particular year exceeds the maximum state distribution for a calendar year, the amount to be distributed for state tuition support under this article to each school corporation during each of the last six (6) months of the year shall be proportionately reduced so that the total reductions equal the amount of the excess.

SECTION 67. IC 20-43-3-4, AS AMENDED BY P.L.182-2009(ss), SECTION 331, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2012]: Sec. 4. (a) ~~This subsection applies to calendar year 2009. A school corporation's previous year revenue equals the amount determined under STEP TWO of the following formula:~~

~~STEP ONE: Determine the sum of the following:~~

- ~~(A) The school corporation's basic tuition support for the year that precedes the current year.~~
- ~~(B) The school corporation's maximum permissible tuition support levy for calendar year 2008.~~
- ~~(C) The school corporation's excise tax revenue for calendar year 2007.~~

~~STEP TWO: Subtract from the STEP ONE result an amount equal to the reduction in the school corporation's state tuition support under any combination of subsection (c), subsection (d), IC 20-10.1-2-1 (before its repeal), or IC 20-30-2-4.~~

~~(b) This subsection applies to calendar years 2010 and 2011. A school corporation's previous year revenue equals the amount determined under STEP TWO of the following formula:~~

~~STEP ONE: Determine the sum of the following:~~

- ~~(A) The school corporation's basic tuition support **actually received** for the year that precedes the current year.~~



~~(B)~~ For calendar year 2010, the amount of education stabilization funds received by the school corporation in calendar year 2009 under Section 14002(a) of the federal American Recovery and Reinvestment Act of 2009 (ARRA).

~~(C)~~ The amount of the annual decrease in federal aid to impacted areas from the year preceding the ensuing calendar year by three (3) years to the year preceding the ensuing calendar year by two (2) years.

(B) For 2012, the restoration grant (IC 20-43-12 (repealed)) actually received for 2011.

(C) For 2012, the small school grant (IC 20-43-12.2 (repealed)) actually received for 2011.

STEP TWO: Subtract from the STEP ONE result an amount equal to the reduction in the school corporation's state tuition support under any combination of subsection ~~(c)~~ **(b)** or IC 20-30-2-4.

~~(c)~~ **(b)** A school corporation's previous year revenue must be reduced if:

(1) the school corporation's state tuition support for special education or career and technical education is reduced as a result of a complaint being filed with the department after December 31, 1988, because the school program overstated the number of children enrolled in special education programs or career and technical education programs; and

(2) the school corporation's previous year revenue has not been reduced under this subsection more than one (1) time because of a given overstatement.

The amount of the reduction equals the amount the school corporation would have received in state tuition support for special education and career and technical education because of the overstatement.

~~(d) This section applies only to 2009. A school corporation's previous year revenue must be reduced if an existing elementary or secondary school located in the school corporation converts to a charter school under IC 20-24-11. The amount of the reduction equals the product of:~~

~~(1) the sum of the amounts distributed to the conversion charter school under IC 20-24-7-3(c) and IC 20-24-7-3(d) (as effective December 31, 2008); multiplied by~~

~~(2) two (2);~~

SECTION 68. IC 20-43-4-7, AS AMENDED BY P.L.182-2009(ss), SECTION 332, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2012]: Sec. 7. ~~(a) This subsection does not apply to a charter school.~~ When calculating adjusted ADM for 2010 **2012** distributions, this subsection, as effective after December 31, 2009, **2011**, shall be used to calculate the adjusted ADM for the previous year rather than the calculation used to calculate adjusted ADM for 2009 **2011** distributions. For purposes of this article, a school corporation's "adjusted ADM" for the current year is the ~~result~~



determined under the following formula:

STEP ONE: Determine the sum of the following:

- (A) The school corporation's ADM for the year preceding the current year by two (2) years divided by three (3);
- (B) The school corporation's ADM for the year preceding the current year by one (1) year divided by three (3);
- (C) The school corporation's ADM for the current year divided by three (3);

STEP TWO: Determine the school corporation's ADM for the current year.

STEP THREE: Determine the greater of the following:

- (A) The STEP ONE result;
- (B) The STEP TWO result;

(b) A charter school's adjusted ADM for purposes of this article is the charter school's current ADM. **school corporation's current ADM.**

SECTION 69. IC 20-43-5-3, AS AMENDED BY P.L.182-2009(ss), SECTION 333, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2012]: Sec. 3. A school corporation's complexity index is determined under the following formula:

STEP ONE: Determine the greater of zero (0) or the result of the following:

- (1) Determine the percentage of the school corporation's students who were eligible for free or reduced price lunches in the school year ending in the later of:

- (A) ~~2007~~ for purposes of determining the complexity index in ~~2009~~; and ~~2009~~ **2011** for the purposes of determining the complexity index in ~~2010~~ **2012** and ~~2011~~; **2013**; or
- (B) the first year of operation of the school corporation.

- (2) Determine the quotient of:

(A) ~~in 2009:~~

- (i) ~~two thousand four hundred dollars (\$2,400); divided by~~
- (ii) ~~four thousand eight hundred twenty-five dollars (\$4,825);~~

(B) ~~in 2010:~~

- (i) ~~two thousand two hundred sixty-three dollars (\$2,263); divided by~~
- (ii) ~~four thousand five hundred fifty dollars (\$4,550); and~~

(C) ~~in 2011:~~

- (i) ~~two thousand two hundred forty-one dollars (\$2,241); divided by~~
- (ii) ~~four thousand five hundred five dollars (\$4,505);~~

(A) **in 2012:**

- (i) **two thousand one hundred thirteen dollars (\$2,113); divided by**

- (ii) **four thousand two hundred forty-seven dollars (\$4,247); and**



(B) in 2013:

(i) two thousand one hundred twenty-two dollars (\$2,122); divided by

(ii) four thousand two hundred sixty-six dollars (\$4,266).

(3) Determine the product of:

(A) the subdivision (1) amount; multiplied by

(B) the subdivision (2) amount.

STEP TWO: Determine the result of one (1) plus the STEP ONE result.

STEP THREE: This STEP applies if the STEP TWO result in **2012** is equal to or greater than at least one and ~~twenty-five~~ **twenty-eight** hundredths ~~(1.25)~~ **(1.28)** and applies if the STEP TWO result in **2013** is at least one and **thirty-one** hundredths **(1.31)**. Determine the result of the following:

(1) **In 2012**, subtract one and ~~twenty-five~~ **twenty-eight** hundredths ~~(1.25)~~ **(1.28)** and in **2013**, subtract one and **thirty-one** hundredths **(1.31)** from the STEP TWO result.

(2) Determine the result of:

(A) the STEP TWO result; plus

(B) the subdivision (1) result.

The data to be used in making the calculations under STEP ONE must be the data collected in the annual pupil enrollment count by the department.

SECTION 70. IC 20-43-5-4, AS AMENDED BY P.L.182-2009(ss), SECTION 334, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2012]: Sec. 4. A school corporation's foundation amount for a calendar year is the result determined under STEP TWO of the following formula:

STEP ONE: The STEP ONE amount is:

~~(A) in 2009, four thousand eight hundred twenty-five dollars (\$4,825);~~

~~(B) in 2010, four thousand five hundred fifty dollars (\$4,550);~~
and

~~(C) in 2011, four thousand five hundred five dollars (\$4,505);~~

(A) in 2012, four thousand two hundred forty-seven dollars (\$4,247); and

(B) in 2013, four thousand two hundred sixty-six dollars (\$4,266).

STEP TWO: Multiply the STEP ONE amount by the school corporation's complexity index.

SECTION 71. IC 20-43-5-6, AS AMENDED BY P.L.182-2009(ss), SECTION 336, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2012]: Sec. 6. (a) A school corporation's transition to foundation amount for a calendar year is equal to the result determined under STEP ~~THREE~~ **TWO** of the following formula:

STEP ONE: Determine the difference of:

(A) the school corporation's foundation amount; minus



(B) the lesser of:

- (i) the school corporation's previous year revenue foundation amount; or
- (ii) the result of the school corporation's foundation amount multiplied by one and two-tenths (1.2).

STEP TWO: Divide the STEP ONE result by:

- (A) three (3) in 2009;
- (B) two (2) in 2010; and
- (C) one (1) in 2011.

STEP THREE: **TWO:** A school corporation's STEP ~~THREE~~ **TWO** amount is the following:

(A) For a charter school located outside Marion County that has previous year revenue that is not greater than zero (0), the charter school's STEP ~~THREE~~ **TWO** amount is the quotient of:

- (i) the school corporation's transition to foundation revenue for the calendar year where the charter school is located; divided by
- (ii) the school corporation's current ADM.

(B) For a charter school located in Marion County that has previous year revenue that is not greater than zero (0), the charter school's STEP ~~THREE~~ amount is the weighted average of the transition to foundation revenue for the school corporations where the students counted in the current ADM of the charter school have legal settlement, as determined under item (iv) of the following formula:

- (i) Determine the transition to foundation revenue for each school corporation where a student counted in the current ADM of the charter school has legal settlement.
- (ii) For each school corporation identified in item (i), divide the item (i) amount by the school corporation's current ADM.
- (iii) For each school corporation identified in item (i), multiply the item (ii) amount by the number of students counted in the current ADM of the charter school that have legal settlement in the particular school corporation.
- (iv) Determine the sum of the item (iii) amounts for the charter school.

(C) The STEP ~~THREE~~ **TWO** amount for a school corporation that is not a charter school described in clause (A) or (B) is the following:

- (i) The school corporation's foundation amount for the calendar year if the STEP ONE amount is at least negative one hundred fifty dollars (-\$150) and not more than fifty dollars (\$50);
- (ii) The sum of the school corporation's previous year revenue foundation amount and the greater of the school



corporation's STEP TWO amount or fifty dollars (\$50); if the school corporation's STEP ONE amount is greater than fifty dollars (\$50): **zero (0) or greater.**

~~(iii)~~ **(ii)** The amount determined under subsection (b), if the school corporation's STEP ONE amount is less than ~~negative: one hundred fifty dollars (-\$150):~~ **zero (0).**

(b) For the purposes of STEP ~~THREE (C)~~~~(iii)~~ **TWO (C)**(ii) in subsection (a), determine the result of:

(1) the **result determined for the** school corporation's previous year revenue foundation amount; ~~corporation under STEP ONE~~ **(B) of subsection (a);** minus

(2) the greater of:

~~(A)~~ one hundred fifty dollars (\$150); or

~~(B)~~ the result of:

~~(i)~~ **(A)** the absolute value of the STEP ONE amount; divided by

~~(ii) nine (9) in 2010; and eight (8) in 2011:~~ **(B) nine (9) in 2012 and eight (8) in 2013.**

SECTION 72. IC 20-43-5-7, AS AMENDED BY P.L.182-2009(ss), SECTION 337, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2012]: Sec. 7. A school corporation's transition to foundation revenue for a calendar year is equal to the product of:

(1) the school corporation's transition to foundation amount for the calendar year; multiplied by

(2) the school corporation's

~~(A)~~ current ADM. if the current ADM for the school corporation is less than one hundred (~~100~~); and

~~(B)~~ current adjusted ADM; if clause (A) does not apply.

SECTION 73. IC 20-43-6-3, AS AMENDED BY P.L.182-2009(ss), SECTION 339, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2012]: Sec. 3. (a) A school corporation's basic tuition support for a year is the amount determined under the applicable provision of this section.

(b) ~~This subsection applies to a school corporation that has transition to foundation revenue per adjusted ADM for a year that is not equal to the foundation amount for the year. The school corporation's basic tuition support for a year is equal to the school corporation's transition to foundation revenue for the year.~~

~~(c) This subsection applies to a school corporation that has transition to foundation revenue per adjusted ADM for a year that is equal to the foundation amount for the year. The school corporation's basic tuition support for a year is the sum of the following:~~

~~(1) The foundation amount for the year multiplied by the school corporation's adjusted ADM;~~

~~(2) The amount of the annual decrease in federal aid to impacted areas from the year preceding the ensuing calendar year by three~~



~~(3)~~ years to the year preceding the ensuing calendar year by two
~~(2)~~ years.

~~(d)~~ (c) This subsection applies to students of a virtual charter school who are participating in the pilot program under ~~IC 20-24-7-13~~. A virtual charter school's basic tuition support for a year for those students is the amount determined under IC 20-24-7-13.

SECTION 74. IC 20-43-7-0.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2012]: **Sec. 0.5. This chapter does not apply to a virtual charter school.**

SECTION 75. IC 20-43-8-0.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2012]: **Sec. 0.5. This chapter does not apply to a virtual charter school.**

SECTION 76. IC 20-43-9-0.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2012]: **Sec. 0.5. This chapter does not apply to a virtual charter school.**

SECTION 77. IC 20-43-9-6, AS AMENDED BY P.L.182-2009(ss), SECTION 342, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2012]: Sec. 6. A school corporation's primetime distribution for a calendar year under this chapter is the amount determined by the following formula:

STEP ONE: Determine the applicable target pupil/teacher ratio for the school corporation as follows:

(A) If the school corporation's complexity index is less than one and one-tenth (1.1), the school corporation's target pupil/teacher ratio is eighteen to one (18:1).

(B) If the school corporation's complexity index is at least one and one-tenth (1.1) but less than one and ~~two-tenths (1.2)~~; **three-tenths (1.3)**, the school corporation's target pupil/teacher ratio is fifteen (15) plus the result determined in item (iii) to one (1):

(i) Determine the result of one and ~~two-tenths (1.2)~~; **three-tenths (1.3)** minus the school corporation's complexity index.

(ii) Determine the item (i) result divided by ~~one-tenth (0.1)~~; **two-tenths (0.2)**.

(iii) Determine the item (ii) result multiplied by three (3).

(C) If the school corporation's complexity index is at least one and ~~two-tenths (1.2)~~; **three-tenths (1.3)**, the school corporation's target pupil/teacher ratio is fifteen to one (15:1).

STEP TWO: Determine the result of:

(A) the ADM of the school corporation in kindergarten through grade 3 for the current school year; divided by

(B) the school corporation's applicable target pupil/teacher ratio, as determined in STEP ONE.



STEP THREE: Determine the result of:

- (A) the basic tuition support for the year multiplied by seventy-five hundredths (0.75); divided by
- (B) the school corporation's ~~total~~ ADM.

STEP FOUR: Determine the result of:

- (A) the STEP THREE result; multiplied by
- (B) the ADM of the school corporation in kindergarten through grade 3 for the current school year.

STEP FIVE: Determine the result of:

- (A) the STEP FOUR result; divided by
- (B) the staff cost amount.

STEP SIX: Determine the greater of zero (0) or the result of:

- (A) the STEP TWO amount; minus
- (B) the STEP FIVE amount.

STEP SEVEN: Determine the result of:

- (A) the STEP SIX amount; multiplied by
- (B) the staff cost amount.

~~STEP EIGHT: Determine the greater of the STEP SEVEN amount or the school corporation's guaranteed primetime amount.~~

~~STEP NINE:~~ **EIGHT:** A school corporation's amount under this STEP is the following:

- (A) If the amount the school corporation received under this chapter in the previous calendar year is greater than zero (0), the amount under this STEP is the lesser of:
 - (i) the STEP ~~EIGHT~~ **SEVEN** amount; or
 - (ii) the amount the school corporation received under this chapter for the previous calendar year multiplied by one hundred seven and one-half percent (107.5%).
- (B) If the amount the school corporation received under this chapter in the previous calendar year is not greater than zero (0), the amount under this STEP is the STEP ~~EIGHT~~ **SEVEN** amount.

SECTION 78. IC 20-43-10-0.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2012]: **Sec. 0.5. This chapter does not apply to a virtual charter school.**

SECTION 79. IC 21-12-3-13, AS ADDED BY P.L.2-2007, SECTION 253, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 13. The commission may ~~deny~~ **not provide** assistance under this chapter to a higher education award applicant or recipient who is:

- (1) convicted of a felony;
- (2) sentenced to a term of imprisonment for that felony; and
- (3) confined for that felony at a penal facility (as defined in IC 35-41-1-21).

SECTION 80. IC 21-14-2-12.5, AS ADDED BY P.L.224-2007, SECTION 136, IS AMENDED TO READ AS FOLLOWS



[EFFECTIVE UPON PASSAGE]: Sec. 12.5. This section applies to tuition and mandatory fees that a board of trustees of a state educational institution votes to increase after June 30, 2007.

~~(b)~~ **(a)** After the enactment of a state budget, the commission for higher education shall ~~recommend nonbinding~~ **establish** tuition and mandatory fee increase targets for each state educational institution **for each school year in the ensuing biennium. State educational institutions may not adopt tuition and mandatory fee increases that exceed the tuition and mandatory fee targets established by the commission under this subsection unless the budget director authorizes a modification under subsection (c).**

~~(c)~~ **(b)** The state educational institution shall submit a report to the state budget committee concerning the financial and budgetary factors considered by the board of trustees in determining the amount of the increase.

~~(d)~~ **(c)** The state budget committee ~~shall~~ **may** review ~~the~~ **recommended established** under subsection ~~(b)~~ **(a)** and reports received under subsection ~~(c)~~ **and (b) for one (1) or more state educational institutions. To facilitate a review, the budget committee** may request that a state educational institution appear at a public meeting of the ~~state~~ budget committee concerning the report. **Upon recommendation by the budget committee, the budget director may increase or decrease one (1) or more tuition and mandatory fee increase targets established by the commission. A tuition and mandatory fee increase target established under this subsection replaces the target established by the commission. State educational institutions may not adopt tuition and mandatory fee increases that exceed the tuition and mandatory fee targets established by the budget director under this subsection.**

(d) If a state educational institution implements a tuition and mandatory fee increase that exceeds the applicable tuition and mandatory fee increase target set under this section, the budget director may withhold from the operating appropriation to the state educational institution an amount equal to the amount by which revenue generated by the tuition and mandatory fee increases adopted by the state educational institution exceed the revenue that would have been generated by imposing tuition and mandatory fee increases equal to the applicable tuition and mandatory fee increase target set under this section.

SECTION 81. IC 21-33-3-3, AS AMENDED BY P.L.31-2010, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. The commission for higher education shall complete a review of a project approved or authorized by the general assembly. ~~within ninety (90) days after the project is submitted for review. If the review is not completed within ninety (90) days, the budget agency or the budget committee may proceed without the commission's review.~~

SECTION 82. IC 21-43-1-5, AS ADDED BY P.L.234-2007,



SECTION 111, IS AMENDED TO READ AS FOLLOWS
[EFFECTIVE UPON PASSAGE]: Sec. 5. "Postsecondary credit":

**(1) for purposes of section 5.5 of this chapter and
IC 21-43-1.5, means credit toward:**

- (A) an associate degree;**
- (B) a baccalaureate degree; or**
- (C) a career and technical education certification;**

**that is granted by a state educational institution upon the
successful completion of a course taken in a high school
setting in a program established under IC 21-43-4 or
IC 21-43-5;**

(+) (2) for purposes of IC 21-43-2, means credit toward:

- (A) an associate degree;**
- (B) a baccalaureate degree; or**
- (C) a career and technical education certification;**

**granted by a state educational institution upon the successful
completion of a course taken under a program established under
IC 21-43-2; and**

(-) (3) for purposes of IC 21-43-5, means credit toward:

- (A) an associate degree;**
- (B) a baccalaureate degree; or**
- (C) a career and technical education certification;**

**granted by a state educational institution upon the successful
completion of a course taken under a program established under
IC 21-43-5.**

SECTION 83. IC 21-43-1-5.5 IS ADDED TO THE INDIANA
CODE AS A **NEW** SECTION TO READ AS FOLLOWS
[EFFECTIVE UPON PASSAGE]: **Sec. 5.5. "Priority dual credit
course" refers to a course of study for postsecondary credit that
the commission designates as a priority dual credit course under
IC 21-43-1.5-1.**

SECTION 84. IC 21-43-1.5 IS ADDED TO THE INDIANA CODE
AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
UPON PASSAGE]:

Chapter 1.5. Priority Dual Credit Courses

Sec. 1. The commission may identify a set of courses that:

- (1) are offered in the high school setting for postsecondary
credit; and**
- (2) receive state funding;**

as priority dual credit courses.

**Sec. 2. The rate charged to a student for a priority dual credit
course shall be set by the commission."**

Page 116, delete lines 1 through 8.

Page 122, delete lines 42 through 45, begin a new paragraph and
insert:

"SECTION 66. IC 33-38-5-8.1, AS ADDED BY P.L.159-2005,
SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
UPON PASSAGE]: Sec. 8.1. (a) ~~Beginning July 1, 2006, Subject to~~



subsection (f), the part of the total salary of an official:

- (1) paid by the state; and
- (2) set under section 6 or 8 of this chapter;

is increased in each state fiscal year in which the general assembly does not amend the section of law under which the salary is determined to provide a salary increase for the state fiscal year.

(b) The percentage by which salaries are increased in a state fiscal year under this section is equal to the statewide average percentage, as determined by the budget director, by which the salaries of state employees in the executive branch who are in the same or a similar salary bracket exceed, for the state fiscal year, the salaries of executive branch state employees in the same or a similar salary bracket that were in effect on July 1 of the immediately preceding state fiscal year.

(c) The amount of a salary increase under this section is equal to the amount determined by applying the percentage increase for the particular state fiscal year to the salary payable by the state, as previously adjusted under this section, that is in effect on June 30 of the immediately preceding state fiscal year.

(d) An official is not entitled to receive a salary increase under this section in a state fiscal year in which state employees described in subsection (b) do not receive a statewide average salary increase.

(e) If a salary increase is required under this section, the budget director shall augment judicial appropriations, including the line items for personal services for the supreme court, local judges' salaries, and county prosecutors' salaries, in the state biennial budget in an amount sufficient to pay for the salary increase from the sources of funds determined by the budget director.

(f) An individual is not entitled to receive a salary or benefit increase under this section in a state fiscal year beginning after June 30, 2011, and ending before July 1, 2013, regardless of whether state employees described in subsection (b) received a statewide average salary increase. The salaries and benefits to which this subsection applies include the following:

- (1) The annual salary of members of the general assembly (IC 2-3-1-1).**
- (2) The annual salary of a magistrate (IC 33-23-5-10).**
- (3) The annual salary of the tax court judge (IC 33-26-2-5).**
- (4) The annual salary of each full-time judge of a circuit, superior, municipal, county, or probate court (section 6 of this chapter).**
- (5) The annual salary for each justice of the supreme court and each justice of the court of appeals (section 8 of this chapter).**
- (6) A salary payable to a prosecuting attorney or deputy prosecuting attorney (IC 33-39-6).**
- (7) Any other salary or benefit that is computed based on a salary described in subdivisions (1) through (6).**

SECTION 68. THE FOLLOWING ARE REPEALED [EFFECTIVE



JANUARY 1, 2012]: IC 20-20-36.2; IC 20-40-16; IC 20-43-1-12; IC 20-43-1-17; IC 20-43-1-21.5; IC 20-43-3-2; IC 20-43-12; IC 20-43-12.2.

SECTION 69. P.L.182-2009(ss), SECTION 486, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: SEC. 486.

(a) As used in this SECTION, "continuing care retirement community" means a health care facility that:

- (1) provides independent living services and health facility services in a campus setting with common areas;
- (2) holds continuing care agreements with at least twenty-five percent (25%) of its residents (as defined in IC 23-2-4-1);
- (3) uses the money from the agreements described in subdivision (2) to provide services to the resident before the resident may be eligible for Medicaid under IC 12-15; and
- (4) meets the requirements of IC 23-2-4.

(b) As used in this SECTION, "health facility" refers to a health facility that is licensed under IC 16-28 as a comprehensive care facility.

(c) As used in this SECTION, "nursing facility" means a health facility that is certified for participation in the federal Medicaid program under Title XIX of the federal Social Security Act (42 U.S.C. 1396 et seq.).

(d) As used in this SECTION, "office" refers to the office of Medicaid policy and planning established by IC 12-8-6-1.

(e) ~~Effective August 1, 2003, and before August 1, 2011,~~ **After July 31, 2003, and before August 1, 2011,** the office shall collect a quality assessment from each health facility **under this SECTION**. The office shall offset the collection of the assessment for a health facility:

- (1) against a Medicaid payment to the health facility by the office; or
- (2) in another manner determined by the office.

(f) The office shall implement the waiver approved by the United States Centers for Medicare and Medicaid Services that provides for an exemption from collection of a quality assessment from the following:

- (1) A continuing care retirement community as follows:
 - (A) A continuing care retirement community that was registered with the securities commissioner as a continuing care retirement community on January 1, 2007, is not required to meet the definition of a continuing care retirement community in subsection (a).
 - (B) A continuing care retirement community that, for the period January 1, 2007, through June 30, 2009, operates independent living units, at least twenty-five percent (25%) of which are provided under contracts that require the payment of a minimum entrance fee of at least twenty-five thousand dollars (\$25,000).
 - (C) An organization registered under IC 23-2-4 before July 1, 2009, that provides housing in an independent living unit for



a religious order.

(D) A continuing care retirement community that meets the definition set forth in subsection (a).

(2) A hospital based health facility.

(3) The Indiana Veterans' Home.

Any revision to the state plan amendment or waiver request under this subsection is subject to and must comply with the provisions of this SECTION.

(g) If the United States Centers for Medicare and Medicaid Services determines not to approve payments under this SECTION using the methodology described in subsections (d) and (e), the office shall revise the state plan amendment and waiver request submitted under this SECTION as soon as possible to demonstrate compliance with 42 CFR 433.68(e)(2)(ii) and to provide for collection of a quality assessment from health facilities effective August 1, 2003.

(h) The money collected from the quality assessment may be used only to pay the state's share of the costs for Medicaid services provided under Title XIX of the federal Social Security Act (42 U.S.C. 1396 et seq.) as follows:

(1) At the following percentages when the state's regular federal medical assistance percentage (FMAP) applies, excluding the time frame in which the adjusted FMAP is provided to the state by the federal American Recovery and Reinvestment Act of 2009:

(A) Twenty percent (20%) as determined by the office.

(B) Eighty percent (80%) to nursing facilities.

(2) At the following percentages when the state's federal medical assistance percentage (FMAP) is adjusted by the federal American Recovery and Reinvestment Act of 2009:

(A) Forty percent (40%) as determined by the office.

(B) Sixty percent (60%) to nursing facilities.

(i) After:

(1) the amendment to the state plan and waiver request submitted under this SECTION is approved by the United States Centers for Medicare and Medicaid Services; and

(2) the office calculates and begins paying enhanced reimbursement rates set forth in this SECTION;

the office shall begin the collection of the quality assessment set under this SECTION. The office may establish a method to allow a facility to enter into an agreement to pay the quality assessment collected under this SECTION subject to an installment plan.

(j) If federal financial participation becomes unavailable to match money collected from the quality assessments for the purpose of enhancing reimbursement to nursing facilities for Medicaid services provided under Title XIX of the federal Social Security Act (42 U.S.C. 1396 et seq.), the office shall cease collection of the quality assessment under this SECTION.

(k) To implement this SECTION, the office shall adopt rules under



IC 4-22-2.

(l) Not later than July 1, 2003, the office shall do the following:

(1) Request the United States Department of Health and Human Services under 42 CFR 433.72 to approve waivers of 42 CFR 433.68(c) and 42 CFR 433.68(d) by demonstrating compliance with 42 CFR 433.68(e)(2)(ii).

(2) Submit any state Medicaid plan amendments to the United States Department of Health and Human Services that are necessary to implement this SECTION.

(m) After approval of the waivers and state Medicaid plan amendment applied for under this SECTION, the office shall implement this SECTION effective July 1, 2003.

(n) The select joint commission on Medicaid oversight, established by IC 2-5-26-3, shall review the implementation of this SECTION. ~~The office may not make any change to the reimbursement for nursing facilities unless the select joint commission on Medicaid oversight recommends the reimbursement change.~~

(o) A nursing facility or a health facility may not charge the facility's residents for the amount of the quality assessment that the facility pays under this SECTION.

(p) The office may withdraw a state plan amendment submitted under this SECTION only if the office determines that failure to withdraw the state plan amendment will result in the expenditure of state funds not funded by the quality assessment.

(q) If a health facility fails to pay the quality assessment under this SECTION not later than ten (10) days after the date the payment is due, the health facility shall pay interest on the quality assessment at the same rate as determined under IC 12-15-21-3(6)(A).

(r) The office shall report to the state department of health each nursing facility and each health facility that fails to pay the quality assessment under this SECTION not later than one hundred twenty (120) days after payment of the quality assessment is due.

(s) The state department of health shall do the following:

(1) Notify each nursing facility and each health facility reported under subsection (r) that the nursing facility's or health facility's license under IC 16-28 will be revoked if the quality assessment is not paid.

(2) Revoke the nursing facility's or health facility's license under IC 16-28 if the nursing facility or the health facility fails to pay the quality assessment.

(t) An action taken under subsection (s)(2) is governed by:

(1) IC 4-21.5-3-8; or

(2) IC 4-21.5-4.

(u) The office shall report the following information to the select joint commission on Medicaid oversight established by IC 2-5-26-3 at every meeting of the commission:

(1) Before the quality assessment is approved by the United States



Centers for Medicare and Medicaid Services:

- (A) an update on the progress in receiving approval for the quality assessment; and
- (B) a summary of any discussions with the United States Centers for Medicare and Medicaid Services.

(2) After the quality assessment has been approved by the United States Centers for Medicare and Medicaid Services:

- (A) an update on the collection of the quality assessment;
- (B) a summary of the quality assessment payments owed by a nursing facility or a health facility; and
- (C) any other relevant information related to the implementation of the quality assessment.

(v) This SECTION expires August 1, 2011.

SECTION 70. [EFFECTIVE UPON PASSAGE] (a) The Council of State Governments is exempt from the gross retail and use taxes imposed under IC 6-2.5 for any transaction in which food or beverage is furnished, prepared, or served to any person under a contract with the Council of State Governments in connection with the sixty-sixth annual meeting of the Midwestern Legislative Conference to be held in July 2011. A caterer or other contractor is not required to collect or remit taxes under IC 6-2.5 or IC 6-9 for a transaction that is exempt under this SECTION. If the Council of State Governments provides an exemption certificate issued under IC 6-2.5 to a caterer or other contractor for a transaction that is exempt under this SECTION, the caterer or other contractor shall not collect or remit any taxes that would otherwise be imposed under IC 6-2.5 or IC 6-9 for the transaction.

(b) The exemption provided under this SECTION does not apply to any purchase by attendees that is not paid for directly by the Council of State Governments.

(c) The general assembly finds that:

- (1) the general assembly is a member of the Council of State Governments and the host for the Midwestern Legislative Conference to be held in July 2011;**
- (2) notwithstanding the exemptions provided in this SECTION, the sixty-sixth annual meeting of the Midwestern Legislative Conference will generate a significant economic impact for Indiana and additional revenues from taxes affected by this SECTION; and**
- (3) the exemptions provided in this SECTION will not reduce or adversely affect the levy and collection of taxes pledged to the payment of bonds, notes, leases, or subleases payable from those taxes.**

(d) This SECTION expires September 1, 2011.

SECTION 71. [EFFECTIVE JULY 1, 2011] (a) As used in this SECTION, "combined state reserves" means the sum of the unencumbered balances in the following funds:

- (1) The state general fund, including the Medicaid**



contingency and reserve account of the state general fund.

(2) The counter-cyclical revenue and economic stabilization fund.

(3) The state tuition reserve fund.

(b) This subsection applies if the combined state reserves on June 30, 2012, exceed three percent (3%) of the sum of the amount appropriated for the immediately following state fiscal year. Before August 1, 2012, the budget agency shall transfer fifty million dollars (\$50,000,000) from the state general fund to the state tuition reserve fund established by IC 4-12-1-15.7 for purposes of the state tuition reserve fund.

(c) This subsection applies if the combined state reserves on June 30, 2013, exceed three percent (3%) of the sum of the amount appropriated for the immediately following state fiscal year. Before August 1, 2013, the budget agency shall transfer fifty million dollars (\$50,000,000) from the state general fund to the state tuition reserve fund established by IC 4-12-1-15.7 for purposes of the state tuition reserve fund.

(d) This SECTION expires August 1, 2013.

SECTION 72. [EFFECTIVE JULY 1, 2011] (a) The general assembly finds that the revenue forecast technical committee, using the best information available, estimates that the amount certified for distribution to counties under IC 6-3.5-1.1, IC 6-3.5-6, and IC 6-3.5-7 in state fiscal years 2009, 2010, and 2011 will have exceeded the amount of adjusted gross income taxes, county option income taxes, and county economic development income taxes collected from county taxpayers by six hundred nine million seven hundred thousand dollars (\$609,700,000). Under IC 6-3.5-1.1-9(c), IC 6-3.5-6-17(c), and IC 6-3.5-7-11(d), the budget agency is directed to reduce certified distributions in calendar years 2012, 2013, and 2014 by a total of four hundred eight million two hundred seventy-six thousand dollars (\$408,276,000) to those counties to which overpayments were made. The amount shall be recovered and allocated among the various purposes for which taxes were imposed, as determined by the budget agency. The budget agency may not make a supplemental distribution under IC 6-3.5-1.1-21.1, IC 6-3.5-6-17.3, or IC 6-3.5-7-17.3 while the county's certified distribution is being reduced under this SECTION.

(b) This SECTION expires July 1, 2015."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1001 as introduced.)

ESPICH, Chair

Committee Vote: yeas 15, nays 8.

