

**CONFERENCE COMMITTEE REPORT
DIGEST FOR EHB 1376**

Citations Affected: Numerous citations throughout the Indiana Code.

Synopsis: State and local administration. Provides that for purposes of the automatic taxpayer refund statutes, the amount of the refund for qualifying taxpayers is determined on a per capita basis by dividing the total amount of excess state reserves available to provide automatic taxpayer refunds by the total number of qualifying taxpayers. Provides that a taxpayer qualifies for the refund if the taxpayer filed a resident tax return in the preceding year. Effective January 1, 2013, makes the threshold for use of excess reserves 12.5% (rather than 10%, under current law) of general revenue appropriations for the state fiscal year. Specifies that: (1) if the amount of the excess reserves, including any carryover amounts, are less than \$50,000,000, the excess reserves shall be carried over to the next year; and (2) if the excess reserves are \$50,000,000 or more, 50% of the excess reserves shall be transferred to certain pension funds and 50% of the excess reserves shall be used for the purposes of providing an automatic taxpayer refund. Provides that beginning in 2013, the office of management and budget shall calculate, after the end of each odd-numbered state fiscal year, the total amount of state reserves. Reestablishes the office of the secretary of family and social services and other divisions and offices within FSSA. Specifies that the authority of the secretary of family and social services or the office of Medicaid policy and planning to adopt an emergency rule concerning federal Medicaid waiver program provisions or federal programs administered by the office of the secretary expires on December 31, 2012. Provides for the expiration of rules adopted before January 1, 2013. Defines "parcel" for purposes of the statute allowing Little Calumet River basin development commission (commission) to levy a special assessment on parcels of land within the Little Calumet River and Burns Waterway watershed in Lake County. Specifies areas in which the commission may operate. Specifies the total amount of the loan repayment by the commission to the Northwest Indiana RDA. Provides that none of the four members from a unit that borders the Little Calumet River may be from the same municipality. Provides that the attorney general shall attempt to resolve before January 1, 2013, all claims and suits brought against the state or its employees for a death or injury occurring as the result of an accident at the 2011 state fair for an amount that, in the aggregate, does not exceed \$11,000,000. Specifies the amount of relief that victims of the accident at the state fair may receive. Authorizes the attorney general to establish a process for determining the amount of compensation for persons who suffered physical injuries involving permanent paralysis or permanent physical trauma or requiring major and ongoing long-term care. Establishes the supplemental state fair relief fund for the purpose of providing additional

relief to the victims of the accident. Appropriates \$6,000,000 from the state general fund to the supplemental state fair relief fund. Caps attorney's fees for representation of an eligible person regarding compensation from the supplemental fund at 10% of the total compensation paid to the eligible person from the supplemental fund. Provides that an eligible person may assign to the attorney general the eligible person's right to pursue a cause of action for the tortious breach of an insurer's duty to deal with an insured person in good faith. Provides that if the insurance commissioner determines after a hearing that a person has committed an act that is listed as an unfair claim settlement practice and is related to a death or injury resulting from the accident at the 2011 state fair, the insurance commissioner may order certain remedies. Specifies that the insurance commissioner may take such action without having to demonstrate that the act or practice occurs with such frequency as to indicate a general practice by the person. Provides that neither a hospital nor an ambulance may place a lien on a distribution made from the supplemental state fair relief fund to a victim of the state fair accident. Prohibits an insurer from claiming subrogation or reimbursement rights with respect to a distribution made from the supplemental state fair relief fund. Requires a person who intends to challenge the constitutionality of the prohibition against asserting subrogation or other reimbursement rights to file written notice of the person's intent to challenge this prohibition not later than 40 days after a distribution is made from the supplemental state fair relief fund. Provides that distributions to the estates of persons whose death was caused by the accident at the state fair are exempt from inheritance tax. Permits augmentation of the appropriation for full-day kindergarten. Changes the amount distributed per child. Establishes the select commission on education to study: (1) the process of adoption and content of rules adopted by the Indiana state board of education concerning categories or designations of school improvement including the matrices used for the A-F designations; and (2) proposed rules, adopted rules, and policies of the department of education and the Indiana state board of education to implement the provisions of P.L.90-2011, concerning teacher evaluations and licensing. Makes changes to the process in which a school corporation may modify the department's model staff performance evaluation plan. Makes changes to the definition of a turnaround academy. Provides that if the state board assigns a special management team to a school, the state board shall enter into a contract with a special management team that includes: (1) a requirement that the special management team and the governing body conduct a public meeting two times each year to provide a report concerning student achievement of affected students; and the condition of the school property and to address issues related to the school property; and (2) a requirement that the student instruction must be provided by teachers licensed under IC 20-28-5. Provides that individual employed by the special management team are entitled to participate in either PERF or TRF. Provides that a employees are not required to collectively bargain. Returns IC 20-26-11-8, as amended by SEA 283-2012, to law existing before the enactment of SEA 283-2012. **(This conference committee report retains all of the Senate passed version of EHB 1376 with the following changes: (1) Changes the percentage of excess reserves that triggers an automatic tax refund, makes the refund a refundable credit, indicates that a taxpayer qualifies if the taxpayer filed a resident tax return in the preceding year and has tax liability in the current year, and provides for a distribution in 2012 of 50% of the excess reserves to the pension plans for the state police, conservation officers, judges, and prosecuting attorneys. (2) Replaces language that specified that FSSA emergency rules that are effective for more than one year must be adopted under the regular rulemaking procedures with language that specifies when the emergency rules expire. (3) Makes changes in the formula for distributing money to victims of the accident at the state fair and provides that money distributed to the estates of persons whose death resulted from the accident is exempt from inheritance tax. (4) Fixes a conflict with SEA 330-2012. (5) Adds language concerning education matters.)**

Effective: Upon passage; July 1, 2012; January 1, 2013.

CONFERENCE COMMITTEE REPORT

MADAM PRESIDENT:

Your Conference Committee appointed to confer with a like committee from the House upon Engrossed Senate Amendments to Engrossed House Bill No. 1376 respectfully reports that said two committees have conferred and agreed as follows to wit:

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

- 1 Delete everything after the enacting clause and insert the following:
- 2 SECTION 1. IC 2-5-26-2 IS AMENDED TO READ AS FOLLOWS
- 3 [EFFECTIVE UPON PASSAGE]: Sec. 2. As used in this chapter,
- 4 "office" refers to the office of Medicaid policy and planning established
- 5 by ~~IC 12-8-6-1~~ **IC 12-8-6.5-1**.
- 6 SECTION 2. IC 4-10-22-1, AS ADDED BY P.L.229-2011,
- 7 SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 8 JANUARY 1, 2013]: Sec. 1. After the end of each **odd-numbered**
- 9 state fiscal year, the office of management and budget shall calculate
- 10 in the customary manner the total amount of state reserves as of the end
- 11 of the state fiscal year. The office of management and budget shall
- 12 make the calculation not later than July 31 of each **odd-numbered**
- 13 year.
- 14 SECTION 3. IC 4-10-22-2, AS ADDED BY P.L.229-2011,
- 15 SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 16 JANUARY 1, 2013]: Sec. 2. If:
- 17 (1) the total amount of state reserves calculated by the office of
- 18 management and budget exceeds ~~ten percent (10%)~~ **twelve and**
- 19 **five-tenths percent (12.5%)** of the general revenue
- 20 appropriations for the current state fiscal year; and if
- 21 (2) the accounts payable by the state at the end of the preceding
- 22 state fiscal year are not unusually large as a percentage of the total

1 amount of state reserves (as compared to recent history);
 2 the governor shall make a presentation to the state budget committee
 3 regarding the disposition of excess state reserves under section 3 of this
 4 chapter. The presentation must be made not later than September 30 of
 5 ~~the each odd-numbered~~ year.

6 SECTION 4. IC 4-10-22-3, AS ADDED BY P.L.229-2011,
 7 SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 8 UPON PASSAGE]: Sec. 3. After completing the presentation to the
 9 state budget committee described in section 2 of this chapter, the
 10 governor shall **do the following**:

11 **(1) If the amount of excess reserves on June 30 of any year is**
 12 **less than fifty million dollars (\$50,000,000), the governor shall**
 13 **carry over the excess reserves to each subsequent year until**
 14 **the total excess reserves, including any carryover amount,**
 15 **equal at least fifty million dollars (\$50,000,000). In the year**
 16 **that the total excess reserves equal at least fifty million dollars**
 17 **(\$50,000,000), the excess reserves shall be used as provided in**
 18 **subdivision (2).**

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

22 **(+) (A) If the year is calendar year 2012, transfer fifty**
 23 **percent (50%) of the excess reserves as follows:**

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

36 **(ii) To the pension stabilization fund established by**
 37 **IC 5-10.4-2-5 for the purposes of the pension**
 38 **stabilization fund, if money remains after satisfying item**
 39 **(i).**

40 **If the year begins after December 31, 2012, transfer fifty**
 41 **percent (50%) of any excess reserves to the pension**
 42 **stabilization fund established by IC 5-10.4-2-5 for the**
 43 **purposes of the pension stabilization fund. and**

44 **(-) (B) Use fifty percent (50%) of any excess reserves for the**
 45 **purposes of providing an automatic taxpayer refund under**
 46 **section 4 of this chapter.**

47 SECTION 5. IC 4-10-22-4, AS ADDED BY P.L.229-2011,
 48 SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 49 UPON PASSAGE]: Sec. 4. The following apply if sufficient excess
 50 state reserves are available to provide an automatic taxpayer refund to
 51 each taxpayer eligible for a refund:

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- (1) To qualify for a refund, a taxpayer:
 - (A) must have filed an Indiana resident individual adjusted gross income tax return for the **taxpayer's taxable year ending in the calendar year immediately preceding two (2) taxable years; the calendar year in which a determination is made under section 1 of this chapter that the state has excess reserves;** and
 - (B) must have ~~paid individual~~ adjusted gross income tax to the **state liability** for the ~~preceding taxpayer's~~ taxable year **ending in the calendar year in which a determination is made under section 1 of this chapter that the state has excess reserves.**

Individuals who file a tax return but do not pay any individual adjusted gross income tax to the state are not entitled to a refund.

- (2) The amount of the refund is determined for each qualifying taxpayer on a pro rata basis, based on the qualifying taxpayer's portion of the total individual adjusted gross income tax liability paid by all qualifying taxpayers in the preceding taxable year. as follows:

STEP ONE: Determine the total amount of excess state reserves that under section 3 of this chapter are available to provide automatic taxpayer refunds.

STEP TWO: Determine the total number of taxpayers that qualify for a refund under subdivision (1).

STEP THREE: Determine the result of:

(A) the STEP ONE result; divided by

(B) the STEP TWO result;

as rounded to the nearest dollar.

- (3) The refund is a refundable credit that shall first be applied as a credit against adjusted gross income tax liability in the taxpayer's taxable year in which a refund is provided. **Any remaining unused credit shall be refunded to the taxpayer.** The credit may not be carried forward.

- (4) **If an individual and the individual's spouse are both qualifying taxpayers for purposes of this section for a taxable year and file a joint Indiana resident individual adjusted gross income tax return for the taxable year:**

(A) the individual and the individual's spouse are considered two (2) taxpayers for purposes of determining the amount of the refund under subdivision (2) for a qualifying taxpayer; and

(B) the amount of the refund that the individual and the individual's spouse are entitled to claim is equal to the amount of any refund determined under subdivision (2) for a qualifying taxpayer, multiplied by two (2).

SECTION 6. IC 4-22-2-37.1, AS AMENDED BY SEA 330-2012, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 37.1. (a) This section applies to a rulemaking action resulting in any of the following rules:

- (1) An order adopted by the commissioner of the Indiana department of transportation under IC 9-20-1-3(d) or

- 1 IC 9-21-4-7(a) and designated by the commissioner as an
 2 emergency rule.
- 3 (2) An action taken by the director of the department of natural
 4 resources under IC 14-22-2-6(d) or IC 14-22-6-13.
- 5 (3) An emergency temporary standard adopted by the
 6 occupational safety standards commission under
 7 IC 22-8-1.1-16.1.
- 8 (4) An emergency rule adopted by the solid waste management
 9 board under IC 13-22-2-3 and classifying a waste as hazardous.
- 10 (5) A rule, other than a rule described in subdivision (6), adopted
 11 by the department of financial institutions under IC 24-4.5-6-107
 12 and declared necessary to meet an emergency.
- 13 (6) A rule required under IC 24-4.5-1-106 that is adopted by the
 14 department of financial institutions and declared necessary to
 15 meet an emergency under IC 24-4.5-6-107.
- 16 (7) A rule adopted by the Indiana utility regulatory commission to
 17 address an emergency under IC 8-1-2-113.
- 18 (8) An emergency rule adopted by the state lottery commission
 19 under IC 4-30-3-9.
- 20 (9) A rule adopted under IC 16-19-3-5 or IC 16-41-2-1 that the
 21 executive board of the state department of health declares is
 22 necessary to meet an emergency.
- 23 (10) An emergency rule adopted by the Indiana finance authority
 24 under IC 8-21-12.
- 25 (11) An emergency rule adopted by the insurance commissioner
 26 under IC 27-1-23-7 or IC 27-1-12.1.
- 27 (12) An emergency rule adopted by the Indiana horse racing
 28 commission under IC 4-31-3-9.
- 29 (13) An emergency rule adopted by the air pollution control
 30 board, the solid waste management board, or the water pollution
 31 control board under IC 13-15-4-10(4) or to comply with a
 32 deadline required by or other date provided by federal law,
 33 provided:
- 34 (A) the variance procedures are included in the rules; and
 35 (B) permits or licenses granted during the period the
 36 emergency rule is in effect are reviewed after the emergency
 37 rule expires.
- 38 (14) An emergency rule adopted by the Indiana election
 39 commission under IC 3-6-4.1-14.
- 40 (15) An emergency rule adopted by the department of natural
 41 resources under IC 14-10-2-5.
- 42 (16) An emergency rule adopted by the Indiana gaming
 43 commission under IC 4-32.2-3-3(b), IC 4-33-4-2, IC 4-33-4-3,
 44 IC 4-33-4-14, IC 4-33-22-12, or IC 4-35-4-2.
- 45 (17) An emergency rule adopted by the alcohol and tobacco
 46 commission under IC 7.1-3-17.5, IC 7.1-3-17.7, or
 47 IC 7.1-3-20-24.4.
- 48 (18) An emergency rule adopted by the department of financial
 49 institutions under IC 28-15-11.
- 50 (19) An emergency rule adopted by the office of the secretary of

- 1 family and social services under ~~IC 12-8-1-12~~ **IC 12-8-1.5-11**.
- 2 (20) An emergency rule adopted by the office of the children's
- 3 health insurance program under IC 12-17.6-2-11.
- 4 (21) An emergency rule adopted by the office of Medicaid policy
- 5 and planning under IC 12-15-41-15.
- 6 (22) An emergency rule adopted by the Indiana state board of
- 7 animal health under IC 15-17-10-9.
- 8 (23) An emergency rule adopted by the board of directors of the
- 9 Indiana education savings authority under IC 21-9-4-7.
- 10 (24) An emergency rule adopted by the Indiana board of tax
- 11 review under IC 6-1.1-4-34 (repealed).
- 12 (25) An emergency rule adopted by the department of local
- 13 government finance under IC 6-1.1-4-33 (repealed).
- 14 (26) An emergency rule adopted by the boiler and pressure vessel
- 15 rules board under IC 22-13-2-8(c).
- 16 (27) An emergency rule adopted by the Indiana board of tax
- 17 review under IC 6-1.1-4-37(l) (repealed) or an emergency rule
- 18 adopted by the department of local government finance under
- 19 IC 6-1.1-4-36(j) (repealed) or IC 6-1.1-22.5-20.
- 20 (28) An emergency rule adopted by the board of the Indiana
- 21 economic development corporation under IC 5-28-5-8.
- 22 (29) A rule adopted by the department of financial institutions
- 23 under IC 34-55-10-2.5.
- 24 (30) A rule adopted by the Indiana finance authority:
- 25 (A) under IC 8-15.5-7 approving user fees (as defined in
- 26 IC 8-15.5-2-10) provided for in a public-private agreement
- 27 under IC 8-15.5;
- 28 (B) under IC 8-15-2-17.2(a)(10):
- 29 (i) establishing enforcement procedures; and
- 30 (ii) making assessments for failure to pay required tolls;
- 31 (C) under IC 8-15-2-14(a)(3) authorizing the use of and
- 32 establishing procedures for the implementation of the
- 33 collection of user fees by electronic or other nonmanual
- 34 means; or
- 35 (D) to make other changes to existing rules related to a toll
- 36 road project to accommodate the provisions of a public-private
- 37 agreement under IC 8-15.5.
- 38 (31) An emergency rule adopted by the board of the Indiana
- 39 health informatics corporation under IC 5-31-5-8.
- 40 (32) An emergency rule adopted by the department of child
- 41 services under IC 31-25-2-21, IC 31-27-2-4, IC 31-27-4-2, or
- 42 IC 31-27-4-3.
- 43 (33) An emergency rule adopted by the Indiana real estate
- 44 commission under IC 25-34.1-2-5(15).
- 45 (34) A rule adopted by the department of financial institutions
- 46 under IC 24-4.4-1-101 and determined necessary to meet an
- 47 emergency.
- 48 (35) An emergency rule adopted by the state board of pharmacy
- 49 regarding returning unused medication under IC 25-26-23.
- 50 (36) An emergency rule adopted by the department of local

1 government finance under IC 6-1.1-12.6 or IC 6-1.1-12.8.

2 (37) An emergency rule adopted by the office of the secretary of
3 family and social services or the office of Medicaid policy and
4 planning concerning the following:

5 (A) Federal Medicaid waiver program provisions.

6 (B) Federal programs administered by the office of the
7 secretary.

8 **The authority of the office of the secretary of family and**
9 **social services and the office of Medicaid policy and planning**
10 **to adopt a rule described in this subdivision expires December**
11 **31, 2012.**

12 (38) An emergency rule adopted by the Indiana board of
13 accountancy or the executive director of the Indiana professional
14 licensing agency under IC 25-2.1-2-16.

15 (b) The following do not apply to rules described in subsection (a):

16 (1) Sections 24 through 36 of this chapter.

17 (2) IC 13-14-9.

18 (c) After a rule described in subsection (a) has been adopted by the
19 agency, the agency shall submit the rule to the publisher for the
20 assignment of a document control number. The agency shall submit the
21 rule in the form required by section 20 of this chapter and with the
22 documents required by section 21 of this chapter. The publisher shall
23 determine the format of the rule and other documents to be submitted
24 under this subsection.

25 (d) After the document control number has been assigned, the
26 agency shall submit the rule to the publisher for filing. The agency
27 shall submit the rule in the form required by section 20 of this chapter
28 and with the documents required by section 21 of this chapter. The
29 publisher shall determine the format of the rule and other documents
30 to be submitted under this subsection.

31 (e) Subject to section 39 of this chapter, the publisher shall:

32 (1) accept the rule for filing; and

33 (2) electronically record the date and time that the rule is
34 accepted.

35 (f) A rule described in subsection (a) takes effect on the latest of the
36 following dates:

37 (1) The effective date of the statute delegating authority to the
38 agency to adopt the rule.

39 (2) The date and time that the rule is accepted for filing under
40 subsection (e).

41 (3) The effective date stated by the adopting agency in the rule.

42 (4) The date of compliance with every requirement established by
43 law as a prerequisite to the adoption or effectiveness of the rule.

44 (g) Subject to subsection (h), **(n)**, IC 14-10-2-5, IC 14-22-2-6,
45 IC 22-8-1.1-16.1, ~~and~~ IC 22-13-2-8(c), **and IC 25-2.1-2-16(c) (as**
46 **added by SEA 330-2012)**, and except as provided in subsections (j),
47 (k), and (l), a rule adopted under this section expires not later than
48 ninety (90) days after the rule is accepted for filing under subsection
49 (e). Except for a rule adopted under subsection (a)(13), (a)(24), (a)(25),
50 or (a)(27), the rule may be extended by adopting another rule under this

1 section, but only for one (1) extension period. The extension period for
 2 a rule adopted under subsection (a)(28) may not exceed the period for
 3 which the original rule was in effect. A rule adopted under subsection
 4 (a)(13) may be extended for two (2) extension periods. Subject to
 5 subsection (j), a rule adopted under subsection (a)(24), (a)(25), or
 6 (a)(27) may be extended for an unlimited number of extension periods.
 7 Except for a rule adopted under subsection (a)(13), for a rule adopted
 8 under this section to be effective after one (1) extension period, the rule
 9 must be adopted under:

10 (1) sections 24 through 36 of this chapter; or

11 (2) IC 13-14-9;

12 as applicable.

13 (h) A rule described in subsection (a)(8), (a)(12), ~~(a)(19)~~, ~~(a)(20)~~,
 14 ~~(a)(21)~~, (a)(29), ~~(a)(37)~~, or (a)(38) expires on the earlier of the
 15 following dates:

16 (1) The expiration date stated by the adopting agency in the rule.

17 (2) The date that the rule is amended or repealed by a later rule
 18 adopted under sections 24 through 36 of this chapter or this
 19 section.

20 (i) This section may not be used to readopt a rule under IC 4-22-2.5.

21 (j) A rule described in subsection (a)(24) or (a)(25) expires not later
 22 than January 1, 2006.

23 (k) A rule described in subsection (a)(28) expires on the expiration
 24 date stated by the board of the Indiana economic development
 25 corporation in the rule.

26 (l) A rule described in subsection (a)(30) expires on the expiration
 27 date stated by the Indiana finance authority in the rule.

28 (m) A rule described in subsection (a)(5) or (a)(6) expires on the
 29 date the department is next required to issue a rule under the statute
 30 authorizing or requiring the rule.

31 **(n) This subsection applies to a rule described in subsection**
 32 **(a)(37). A rule adopted before January 1, 2013, expires on the**
 33 **earliest of the following:**

34 **(1) The expiration date stated by the adopting agency in the**
 35 **rule.**

36 **(2) The date that the rule is amended or repealed by a later**
 37 **rule adopted under sections 24 through 36 of this chapter or**
 38 **this section.**

39 **(3) June 30, 2013, at 11:59 p.m.**

40 SECTION 7. IC 12-7-1-5, AS ADDED BY P.L.220-2011,
 41 SECTION 252, IS AMENDED TO READ AS FOLLOWS
 42 [EFFECTIVE JULY 1, 2012]: Sec. 5. Actions taken under IC 12-8-1
 43 **(expired)**, IC 12-8-2 **(expired)**, IC 12-8-6 **(expired)**, and IC 12-8-8
 44 **(expired)** after June 30, 1999, and before December 1, 1999, are
 45 legalized and validated to the extent that those actions would have been
 46 legal and valid if P.L.7-2000 had been enacted before July 1, 1999.

47 SECTION 8. IC 12-7-2-23 IS AMENDED TO READ AS
 48 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 23. "Body", for
 49 purposes of ~~IC 12-8-2~~, **IC 12-8-2.5**, has the meaning set forth in
 50 ~~IC 12-8-2-1~~. **IC 12-8-2.5-1.**

51 SECTION 9. IC 12-7-2-99, AS AMENDED BY P.L.141-2006,

1 SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 UPON PASSAGE]: Sec. 99. "A person with a disability" means, for
3 purposes of the following statutes, an individual who has a physical or
4 mental disability and meets the program eligibility requirements of the
5 division of disability and rehabilitative services:

6 (1) ~~IC 12-8-1-11~~; **IC 12-8-1.5-10.**

7 (2) IC 12-12-1.

8 (3) IC 12-12-6.

9 SECTION 10. IC 12-7-2-129 IS AMENDED TO READ AS
10 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 129. "Member", for
11 purposes of ~~IC 12-8-2~~; **IC 12-8-2.5**, has the meaning set forth in
12 ~~IC 12-8-2-2~~; **IC 12-8-2.5-2.**

13 SECTION 11. IC 12-7-2-134, AS AMENDED BY P.L.117-2008,
14 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
15 UPON PASSAGE]: Sec. 134. "Office" means the following:

16 (1) Except as provided in subdivisions (2) through (4), the office
17 of Medicaid policy and planning established by ~~IC 12-8-6-1~~;
18 **IC 12-8-6.5-1.**

19 (2) For purposes of IC 12-10-13, the meaning set forth in
20 IC 12-10-13-4.

21 (3) For purposes of IC 12-15-13, the meaning set forth in
22 IC 12-15-13-0.4.

23 (4) For purposes of IC 12-17.6, the meaning set forth in
24 IC 12-17.6-1-4.

25 SECTION 12. IC 12-7-2-135 IS AMENDED TO READ AS
26 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 135. "Office of the
27 secretary" refers to the office of the secretary of family and social
28 services established by ~~IC 12-8-1-1~~; **IC 12-8-1.5-1.**

29 SECTION 13. IC 12-7-2-160 IS AMENDED TO READ AS
30 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 160. (a)
31 "Rehabilitation", for purposes of the statutes listed in subsection (b),
32 means a process of providing services to meet the current and future
33 needs of persons with disabilities so that the individuals may prepare
34 for and engage in gainful employment to the extent of their capabilities,
35 as provided in 29 U.S.C. 720.

36 (b) This section applies to the following statutes:

37 (1) ~~IC 12-8-1-11~~; **IC 12-8-1.5-10.**

38 (2) IC 12-12-1.

39 (3) IC 12-12-3.

40 (4) IC 12-12-6.

41 SECTION 14. IC 12-7-2-172 IS AMENDED TO READ AS
42 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 172. (a) Except as
43 provided in subsection (b), "secretary" refers to the secretary of family
44 and social services appointed under ~~IC 12-8-1-2~~; **IC 12-8-1.5-2.**

45 (b) "Secretary", for purposes of IC 12-13-14, has the meaning set
46 forth in IC 12-13-14-1.

47 SECTION 15. IC 12-7-2-186 IS AMENDED TO READ AS
48 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 186. "State plan",
49 for purposes of ~~IC 12-8-6~~; **IC 12-8-6.5**, refers to the state Medicaid
50 plan for the Medicaid program.

1 SECTION 16. IC 12-8-1.5 IS ADDED TO THE INDIANA CODE
 2 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 3 UPON PASSAGE]:

4 **Chapter 1.5. Office of Secretary of Family and Social Services**

5 **Sec. 0.3. (a) Actions taken under IC 12-8-1 (expired), after**
 6 **December 31, 2007, and before March 24, 2008, are legalized and**
 7 **validated to the extent that those actions would have been legal and**
 8 **valid if P.L.113-2008 had been enacted before January 1, 2008.**

9 **(b) Actions taken under IC 12-8-1 (expired) after June 30, 2011,**
 10 **are legalized and validated to the extent that those actions would**
 11 **have been legal and valid if IC 12-8-1 had not expired on June 30,**
 12 **2011.**

13 **Sec. 1. (a) The office of the secretary of family and social**
 14 **services is established.**

15 **(b) The office of the secretary includes the following:**

- 16 **(1) The secretary.**
 17 **(2) Each office.**

18 **Sec. 2. The governor shall appoint the secretary of family and**
 19 **social services to coordinate family and social service programs**
 20 **among the divisions.**

21 **Sec. 3. (a) The secretary has administrative responsibility for**
 22 **the office of the secretary.**

23 **(b) Subject to this article, the secretary may organize an office**
 24 **to perform the duties of the office.**

25 **Sec. 4. The secretary may hire personnel necessary to perform**
 26 **the duties of each office.**

27 **Sec. 5. (a) The secretary, through the offices, is responsible for**
 28 **coordinating the provision of technical assistance to each division**
 29 **for the following:**

- 30 **(1) Compiling program budgets for each division.**
 31 **(2) Fiscal performance of each division.**
 32 **(3) Management and administrative performance of each**
 33 **division.**
 34 **(4) Program performance of each division.**

35 **(b) The secretary, through the offices, is accountable for the**
 36 **following:**

- 37 **(1) Resolution of administrative, jurisdictional, or policy**
 38 **conflicts among the divisions.**
 39 **(2) The coordination of the activities of each division with**
 40 **other entities, including the general assembly and other state**
 41 **agencies.**
 42 **(3) Coordination of communication with the federal**
 43 **government and the governments of other states.**
 44 **(4) Development and ongoing monitoring of a centralized**
 45 **management information system and a centralized training**
 46 **system for orientation and cross-training.**
 47 **(5) The overall policy development and management of the**
 48 **state Medicaid plan under IC 12-15.**
 49 **(6) Liaison activities with other governmental entities and**
 50 **private sector agencies.**

51 **Sec. 6. (a) The secretary and the commissioner of the state**

1 department of health shall cooperate to coordinate family and
 2 social services programs with related programs administered by
 3 the state department of health.

4 (b) The secretary, in cooperation with the commissioner of the
 5 state department of health, is accountable for the following:

6 (1) Resolving administrative, jurisdictional, or policy conflicts
 7 between a division and the state department of health.

8 (2) Formulating overall policy for family, health, and social
 9 services in Indiana.

10 (3) Coordinating activities between the programs of the
 11 division of family resources and the maternal and child health
 12 programs of the state department of health.

13 (4) Coordinating activities concerning long term care between
 14 the division of disability and rehabilitative services and the
 15 state department of health.

16 (5) Developing and implementing a statewide family, health,
 17 and social services plan that includes a set of goals and
 18 priorities.

19 Sec. 7. The secretary, through the offices, may do the following:

20 (1) Employ experts and consultants to carry out the duties of
 21 the secretary and the offices.

22 (2) Utilize, with the consent of the other state agencies, the
 23 services and facilities of other state agencies without
 24 reimbursement.

25 (3) Accept in the name of the state, for use in carrying out the
 26 purposes of this article, any money or other property received
 27 as a gift, by bequest, or otherwise.

28 (4) Accept voluntary and uncompensated services.

29 (5) Expend money made available according to policies
 30 enforced by the budget agency.

31 (6) Establish and implement the policies and procedures
 32 necessary to implement this article.

33 (7) Advise the governor concerning rules adopted by a
 34 division.

35 (8) Create advisory bodies to advise the secretary about any
 36 matter relating to the implementation of this article.

37 (9) Perform other acts necessary to implement this article.

38 Sec. 8. (a) The secretary shall cooperate with the federal Social
 39 Security Administration and with any other agency of the federal
 40 government in any reasonable manner that may be necessary to
 41 qualify for federal aid for assistance to persons who are entitled to
 42 assistance under the provisions of the federal Social Security Act.

43 (b) The secretary shall do the following:

44 (1) Make reports in the form and containing the information
 45 required by the federal Social Security Administration Board
 46 or any other agency of the federal government.

47 (2) Comply with the requirements that the federal Social
 48 Security Administration Board or other agency of the federal
 49 government finds necessary to assure the correctness and
 50 verification of reports.

51 (c) The secretary shall act as the agent to the federal

1 government in the following:

2 (1) Welfare matters of mutual concern.

3 (2) The administration of federal money granted to Indiana to
4 aid the welfare functions of the state.

5 Sec. 9. (a) Consistent with the powers and duties of the secretary
6 under this article, the secretary may adopt rules under IC 4-22-2
7 relating to the exercise of those powers and duties.

8 (b) The secretary may adopt emergency rules under
9 IC 4-22-2-37.1(a)(37) for the following:

10 (1) Federal Medicaid waiver program provisions.

11 (2) Federal programs administered by the office of the
12 secretary.

13 This subsection expires December 31, 2012.

14 Sec. 10. The office of the secretary is designated as the sole state
15 agency responsible for administering programs concerning the
16 vocational rehabilitation of individuals with a disability under 29
17 U.S.C. 701 et seq.

18 Sec. 11. (a) If:

19 (1) the sums appropriated by the general assembly in the
20 biennial budget to the family and social services
21 administration for the Medicaid assistance, Medicaid
22 administration, public assistance (TANF), and the IMPACT
23 (JOBS) work program are insufficient to enable the office of
24 the secretary to meet its obligations; and

25 (2) the failure to appropriate additional funds would:

26 (A) violate a provision of federal law; or

27 (B) jeopardize the state's share of federal financial
28 participation applicable to the state appropriations
29 contained in the biennial budget for Medicaid assistance,
30 Medicaid administration, public assistance (TANF), or the
31 IMPACT (JOBS) work program;

32 then there are appropriated further sums as may be necessary to
33 remedy a situation described in this subsection, subject to the
34 approval of the budget director and the unanimous
35 recommendation of the members of the budget committee.
36 However, before approving a further appropriation under this
37 subsection, the budget director shall explain to the budget
38 committee the factors indicating that a condition described in
39 subdivision (2) would be met.

40 (b) If:

41 (1) the sums appropriated by the general assembly in the
42 biennial budget to the family and social services
43 administration for Medicaid assistance, Medicaid
44 administration, public assistance (TANF), and the IMPACT
45 (JOBS) work program are insufficient to enable the family
46 and social services administration to meet its obligations; and
47 (2) neither of the conditions in subsection (a)(2) would result
48 from a failure to appropriate additional funds;

49 then there are appropriated further sums as may be necessary to
50 remedy a situation described in this subsection, subject to the
51 approval of the budget director and the unanimous

1 recommendation of the members of the budget committee.
 2 However, before approving a further appropriation under this
 3 subsection, the budget director shall explain to the budget
 4 committee the factors indicating that a condition described in
 5 subdivision (2) would be met.

6 (c) Notwithstanding IC 12-14 and IC 12-15 (except for a clinical
 7 advisory panel established under IC 12-15), and except as provided
 8 in subsection (d), the office of the secretary may by rule adjust
 9 programs, eligibility standards, and benefit levels to limit
 10 expenditures from Medicaid assistance, Medicaid administration,
 11 public assistance (TANF), and the IMPACT (JOBS) work
 12 program. The office of the secretary may adopt emergency rules
 13 under IC 4-22-2-37.1 to make an adjustment authorized by this
 14 subsection. However, adjustments under this subsection may not:

- 15 (1) violate a provision of federal law; or
- 16 (2) jeopardize the state's share of federal financial
 17 participation applicable to the state appropriations contained
 18 in the biennial budget for Medicaid assistance, Medicaid
 19 administration, public assistance (TANF), and the IMPACT
 20 (JOBS) work program.

21 (d) Subject to IC 12-15-21-3, any adjustments made under
 22 subsection (c) must:

- 23 (1) allow for a licensed provider under IC 12-15 to deliver
 24 services within the scope of the provider's license if the benefit
 25 is covered under IC 12-15; and
- 26 (2) provide access to services under IC 12-15 from a provider
 27 under IC 12-15-12.

28 Sec. 12. (a) Subject to the appropriation limits established by the
 29 state's biennial budget for the office of the secretary and its
 30 divisions, and after assistance, including assistance under TANF
 31 (IC 12-14), medical assistance (IC 12-15), and food stamps (7
 32 U.S.C. 2016(i)), is distributed to persons eligible to receive
 33 assistance, the secretary may adopt rules under IC 4-22-2 to offer
 34 programs on a pilot or statewide basis to encourage recipients of
 35 assistance under IC 12-14 to become self-sufficient and discontinue
 36 dependence on public assistance programs. Programs offered
 37 under this subsection may do the following:

- 38 (1) Develop welfare-to-work programs.
- 39 (2) Develop home child care training programs that will
 40 enable recipients to work by providing child care for other
 41 recipients.
- 42 (3) Provide case management and supportive services.
- 43 (4) Develop a system to provide for public service
 44 opportunities for recipients.
- 45 (5) Provide plans to implement the personal responsibility
 46 agreement under IC 12-14-2-21.
- 47 (6) Develop programs to implement the school attendance
 48 requirement under IC 12-14-2-17.
- 49 (7) Provide funds for county planning council activities under
 50 IC 12-14-22-13 (repealed).
- 51 (8) Provide that a recipient may earn up to the federal income

1 poverty level (as defined in IC 12-15-2-1) before assistance
2 under this title is reduced or eliminated.

3 (9) Provide for child care assistance, with the recipient paying
4 fifty percent (50%) of the local market rate as established
5 under 45 CFR 256 for child care.

6 (10) Provide for medical care assistance under IC 12-15, if the
7 recipient's employer does not offer the recipient health care
8 coverage.

9 (b) If the secretary offers a program described in subsection (a),
10 the secretary shall annually report the results and other relevant
11 data regarding the program to the legislative council in an
12 electronic format under IC 5-14-6.

13 Sec. 13. The office of the secretary shall implement methods to
14 facilitate the payment of providers under IC 12-15.

15 Sec. 14. The office of the secretary shall improve its system
16 through the use of technology and training of staff to do the
17 following:

18 (1) Simplify, streamline, and destigmatize the eligibility and
19 enrollment processes in all health programs serving children.

20 (2) Ensure an efficient provider payment system.

21 (3) Improve service to families.

22 (4) Improve data quality for program assessment and
23 evaluation.

24 Sec. 15. (a) The office of the secretary shall:

25 (1) cooperate with; and

26 (2) assist;

27 a nonprofit organization with the purpose to implement and
28 administer a program to provide health care to uninsured Indiana
29 residents.

30 (b) The office of the secretary shall assist a nonprofit
31 organization that has the purpose described in subsection (a) with
32 the following:

33 (1) Determining eligibility of potential participants who have
34 an income of not more than one hundred percent (100%) of
35 the federal poverty level for a program described in this
36 section.

37 (2) Issuing a plan card that is valid for one (1) year to an
38 individual if:

39 (A) the office of the secretary has determined the
40 individual is eligible for the program; and

41 (B) the individual has paid the office of the secretary a
42 registration fee determined by the office.

43 (3) Operating a toll free telephone number that provides
44 provider referral services for participants in the program.

45 (4) Implementing the program described in this section to
46 combine the resources of the office of the secretary and the
47 nonprofit organization in a manner that would not result in
48 the additional expenditure of state funds.

49 SECTION 17. IC 12-8-2.5 IS ADDED TO THE INDIANA CODE
50 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
51 UPON PASSAGE]:

1 **Chapter 2.5. Family and Social Services Bodies**

2 **Sec. 0.3. (a) Actions taken under IC 12-8-2 (expired), after**
 3 **December 31, 2007, and before March 24, 2008, are legalized and**
 4 **validated to the extent that those actions would have been legal and**
 5 **valid if P.L.113-2008 had been enacted before January 1, 2008.**

6 **(b) Actions taken under IC 12-8-2 (expired) after June 30, 2011,**
 7 **are legalized and validated to the extent that those actions would**
 8 **have been legal and valid if IC 12-8-2 had not expired on June 30,**
 9 **2011.**

10 **Sec. 1. As used in this chapter, "body" refers to an entity**
 11 **described in section 3 of this chapter.**

12 **Sec. 2. As used in this chapter, "member" refers to a member of**
 13 **a body.**

14 **Sec. 3. Unless otherwise provided by a statute, this chapter**
 15 **applies to the following:**

16 **(1) The following advisory councils:**

17 **(A) The division of disability and rehabilitative services**
 18 **advisory council.**

19 **(B) The division of family resources advisory council.**

20 **(C) The division of mental health and addiction advisory**
 21 **council.**

22 **(2) A body:**

23 **(A) established by statute for a division; and**

24 **(B) whose enabling statute makes this chapter applicable**
 25 **to the body.**

26 **Sec. 3.5. Up to five (5) individuals appointed by the secretary to**
 27 **serve on an entity not described in section 3(1) of this chapter may**
 28 **be appointed to serve concurrently on an advisory council**
 29 **described in section 3(1) of this chapter. However, an individual**
 30 **may not serve concurrently on more than one (1) advisory council**
 31 **described in section 3(1) of this chapter.**

32 **Sec. 4. (a) This section applies only to a member who by statute**
 33 **is appointed to a fixed term.**

34 **(b) The term of an individual serving as a member begins on the**
 35 **latter of the following:**

36 **(1) The day the term of the member whom the individual is**
 37 **appointed to succeed expires. If the individual does not**
 38 **succeed a member, the member's term begins as provided in**
 39 **subdivision (2).**

40 **(2) The day the individual is appointed.**

41 **(c) The term of a member expires on July 1 of the second year**
 42 **after the expiration of the term of the member's immediate**
 43 **predecessor. If the member has no immediate predecessor, the**
 44 **term of the member expires on July 1 of the second year after the**
 45 **member's term began.**

46 **(d) A member may be reappointed for a new term. A**
 47 **reappointed member is the member's own:**

48 **(1) successor for purposes of subsection (b); and**

49 **(2) immediate predecessor for purposes of subsection (c).**

50 **Sec. 5. (a) This section applies only to an individual who serves**
 51 **as a member because of an office the individual holds.**

1 **(b) The individual serves as a member until the individual no**
 2 **longer holds the office.**

3 **Sec. 6. The appointing authority of a member shall appoint an**
 4 **individual to fill a vacancy in the office of the member.**

5 **Sec. 7. Except as provided in another statute, the governor shall**
 6 **appoint a voting member of the body to be the presiding officer of**
 7 **the body.**

8 **Sec. 8. Unless otherwise provided by a statute, a member is a**
 9 **voting member.**

10 **Sec. 9. A majority of the voting members of the body constitutes**
 11 **a quorum.**

12 **Sec. 10. The affirmative vote of a majority of the voting**
 13 **members of the body is required for the body to take any action.**

14 **Sec. 11. (a) A member who is not a state employee is entitled to**
 15 **both of the following:**

16 **(1) The minimum salary per diem provided by**
 17 **IC 4-10-11-2.1(b).**

18 **(2) Reimbursement for travel expenses and other expenses**
 19 **actually incurred in connection with the member's duties, as**
 20 **provided in the state travel policies and procedures**
 21 **established by the Indiana department of administration and**
 22 **approved by the budget agency.**

23 **(b) A member who is a state employee is entitled to**
 24 **reimbursement for travel expenses and other expenses actually**
 25 **incurred in connection with the member's duties, as provided in the**
 26 **state travel policies and procedures established by the Indiana**
 27 **department of administration and approved by the budget agency.**

28 **(c) A member who is a member of the general assembly is**
 29 **entitled to receive the same per diem, mileage, and travel**
 30 **allowances paid to members of the general assembly serving on**
 31 **interim study committees established by the legislative council.**

32 **Sec. 11.5. In addition to the requirements of IC 5-14-1.5, the**
 33 **office of the secretary or a division will make a good faith effort to**
 34 **ensure that members of any body subject to this chapter receive a**
 35 **copy of an agenda at least forty-eight (48) hours before any**
 36 **meeting of the body.**

37 **SECTION 18. IC 12-8-6.5 IS ADDED TO THE INDIANA CODE**
 38 **AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE**
 39 **UPON PASSAGE]:**

40 **Chapter 6.5. Office of Medicaid Policy and Planning**

41 **Sec. 0.3. (a) Actions taken under IC 12-8-6 (expired), after**
 42 **December 31, 2007, and before March 24, 2008, are legalized and**
 43 **validated to the extent that those actions would have been legal and**
 44 **valid if P.L.113-2008 had been enacted before January 1, 2008.**

45 **(b) Actions taken under IC 12-8-6 (expired) after June 30, 2011,**
 46 **are legalized and validated to the extent that those actions would**
 47 **have been legal and valid if IC 12-8-6 had not expired on June 30,**
 48 **2011.**

49 **Sec. 1. The office of Medicaid policy and planning is established.**

50 **Sec. 2. The secretary shall appoint an administrator responsible**
 51 **for management of the office.**

1 **Sec. 3.** The office is designated as the single state agency for
2 administration of the state Medicaid program under IC 12-15.

3 **Sec. 4.** The office shall develop and coordinate Medicaid policy
4 for the state.

5 **Sec. 5.** The secretary may adopt rules under IC 4-22-2 to
6 implement this chapter and the state Medicaid program.

7 **Sec. 6. (a)** For purposes of IC 4-21.5, the secretary is the
8 ultimate authority for the state Medicaid program.

9 **(b)** The secretary shall adopt rules under IC 4-22-2 to specify
10 any additional necessary procedures for administrative review of
11 an agency action under IC 4-21.5 and the state Medicaid program.

12 **Sec. 7.** The office and the division of mental health and addiction
13 shall develop a written memorandum of understanding that
14 provides the following:

15 **(1)** Program responsibilities for the provision of care and
16 treatment for individuals with a mental illness.

17 **(2)** Responsibilities to educate and inform vendors of the
18 proper billing procedures.

19 **(3)** Responsibilities in administering the state plan.

20 **(4)** Responsibilities for Medicaid fiscal and quality
21 accountability and audits for mental health services.

22 **(5)** That the division shall recommend options and services to
23 be reimbursed under the state plan.

24 **(6)** That the office and the division agree that, within the
25 limits of 42 U.S.C. 1396 et seq., individuals with a mental
26 illness cannot be excluded from services on the basis of
27 diagnosis unless these services are otherwise provided and
28 reimbursed under the state plan.

29 **(7)** That the office shall seek review and comment from the
30 division before the adoption of rules or standards that may
31 affect the service, programs, or providers of medical
32 assistance services for individuals with a mental illness.

33 **(8)** That the division shall develop rate setting policies for
34 medical assistance services for individuals with a mental
35 illness.

36 **(9)** Policies to facilitate communication between the office and
37 the division.

38 **(10)** Any additional provisions that enhance communication
39 between the office and the division or facilitate more efficient
40 or effective delivery of mental health services.

41 **Sec. 8.** The office and the division of disability and rehabilitative
42 services shall develop a written memorandum of understanding
43 that provides the following:

44 **(1)** Program responsibilities for the provision of care and
45 treatment for individuals with a developmental disability and
46 long term care recipients.

47 **(2)** Responsibilities to educate and inform vendors of the
48 proper billing procedures.

49 **(3)** Responsibilities in administering the state plan.

50 **(4)** Responsibilities for Medicaid fiscal and quality
51 accountability and audits for developmental disability and

- 1 long term care services.
- 2 (5) That the division shall recommend options and services to
3 be reimbursed under the state plan.
- 4 (6) That the office and the division agree that, within the
5 limits of 42 U.S.C. 1396 et seq., individuals with a
6 developmental disability and long term care recipients cannot
7 be excluded from services on the basis of diagnosis unless
8 these services are otherwise provided and reimbursed under
9 the state plan.
- 10 (7) That the office shall seek review and comment from the
11 division before the adoption of rules or standards that may
12 affect the service, programs, or providers of medical
13 assistance services for individuals with a developmental
14 disability and long term care recipients.
- 15 (8) That the division shall develop rate setting policies for
16 medical assistance services for individuals with a
17 developmental disability and long term care recipients.
- 18 (9) That the office, with the assistance of the division, shall
19 apply for waivers from the United States Department of
20 Health and Human Services to fund community and home
21 based long term care services as alternatives to
22 institutionalization.
- 23 (10) Policies to facilitate communication between the office
24 and the division.
- 25 (11) Any additional provisions that enhance communication
26 between the office and the division or facilitate more efficient
27 or effective delivery of developmental disability or long term
28 care services.
- 29 **Sec. 9. The office, the division of family resources, and the**
30 **department of child services shall develop a written memorandum**
31 **of understanding that provides the following:**
- 32 (1) Program responsibilities for the provision of care and
33 treatment for recipients served by the division.
- 34 (2) Responsibilities to educate and inform vendors of the
35 proper billing procedures.
- 36 (3) Responsibilities in administering the state plan.
- 37 (4) Responsibilities for Medicaid fiscal and quality
38 accountability and audits for services administered by the
39 division.
- 40 (5) That the division shall recommend options and services to
41 be reimbursed under the Medicaid state plan.
- 42 (6) That the office and the division agree that, within the
43 limits of 42 U.S.C. 1396 et seq., recipients served by the
44 division cannot be excluded from services on the basis of
45 diagnosis unless these services are otherwise provided and
46 reimbursed under the state plan.
- 47 (7) That the office shall seek review and comment from the
48 division before the adoption of rules or standards that may
49 affect the service, programs, or providers of medical
50 assistance services for recipients served by the division.
- 51 (8) That the division shall develop rate setting policies for

1 **medical assistance services administered by the division.**

2 **(9) Policies to facilitate communication between the office and**
3 **the division.**

4 **(10) Any additional provisions that enhance communication**
5 **between the office and the division or facilitate more efficient**
6 **or effective delivery of services.**

7 **Sec. 10. (a) The office shall reduce reimbursement rates for**
8 **over-the-counter drugs by ten percent (10%) not later than July 1,**
9 **2001.**

10 **(b) The office shall implement a Maximum Allowable Cost**
11 **schedule for off-patent drugs not later than November 1, 2001.**

12 **(c) Not later than January 1, 2002, the office shall implement an**
13 **information strategy directed to high volume prescribers.**

14 **(d) Beginning July 1, 2002, the office shall phase in case**
15 **management for aged, blind, and disabled Medicaid recipients.**

16 **Sec. 11. The office shall adopt emergency rules under**
17 **IC 4-22-2-37.1 to achieve the reductions needed to avoid**
18 **expenditures exceeding the Medicaid appropriation made by**
19 **P.L.224-2003 in the line item appropriation to the FAMILY AND**
20 **SOCIAL SERVICES ADMINISTRATION, MEDICAID -**
21 **CURRENT OBLIGATIONS. To the extent that reductions are**
22 **made to optional Medicaid services as set forth in 42 U.S.C. 1396**
23 **et seq., the reductions may be accomplished on a pro rata basis**
24 **with each optional service being reduced by a proportionate**
25 **amount. However, the reductions may not be made in a manner**
26 **that results in the elimination of any optional Medicaid service.**

27 **SECTION 19. IC 12-8-8.5 IS ADDED TO THE INDIANA CODE**
28 **AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE**
29 **UPON PASSAGE]:**

30 **Chapter 8.5. Divisions and Directors**

31 **Sec. 0.3. (a) Actions taken under IC 12-8-8 (expired), after**
32 **December 31, 2007, and before March 24, 2008, are legalized and**
33 **validated to the extent that those actions would have been legal and**
34 **valid if P.L.113-2008 had been enacted before January 1, 2008.**

35 **(b) Actions taken under IC 12-8-8 (expired) after June 30, 2011,**
36 **are legalized and validated to the extent that those actions would**
37 **have been legal and valid if IC 12-8-8 had not expired on June 30,**
38 **2011.**

39 **Sec. 1. Subject to the approval of the governor, the secretary:**

40 **(1) shall appoint each director; and**

41 **(2) may terminate the employment of a director.**

42 **Sec. 2. (a) A director is the chief administrator of the director's**
43 **division.**

44 **(b) A director is responsible to the secretary for the operation**
45 **and performance of the director's division.**

46 **Sec. 3. A director is the appointing authority for the director's**
47 **division.**

48 **Sec. 4. (a) A director may adopt rules under IC 4-22-2 relating**
49 **to the operation of the director's division and to implement the**
50 **programs of the director's division.**

51 **(b) Whenever a division is required to adopt rules under**

1 **IC 4-22-2, the director of the division is the statutory authority that**
 2 **adopts the rules.**

3 **Sec. 5. (a) A director is the ultimate authority under IC 4-21.5**
 4 **for purposes of the operation of the director's division and the**
 5 **programs of the director's division.**

6 **(b) The director shall consult with the secretary on issues of**
 7 **family, social services, or health policy arising in a proceeding**
 8 **under IC 4-21.5.**

9 **Sec. 6. A director is responsible for development and**
 10 **presentation of the budget of the director's division.**

11 SECTION 20. IC 12-9-1-2 IS AMENDED TO READ AS
 12 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. ~~IC 12-8-8~~
 13 **IC 12-8-8.5** applies to the division.

14 SECTION 21. IC 12-9-2-1 IS AMENDED TO READ AS
 15 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. The division
 16 shall be administered by a director appointed under ~~IC 12-8-8-1~~.
 17 **IC 12-8-8.5-1.**

18 SECTION 22. IC 12-9-2-2 IS AMENDED TO READ AS
 19 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. ~~IC 12-8-8~~
 20 **IC 12-8-8.5** applies to the director.

21 SECTION 23. IC 12-9-4-4 IS AMENDED TO READ AS
 22 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. Each member of
 23 the council appointed under section 3(2) of this chapter has a fixed
 24 term as provided in ~~IC 12-8-2-4~~. **IC 12-8-2.5-4.**

25 SECTION 24. IC 12-9-4-7 IS AMENDED TO READ AS
 26 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. ~~IC 12-8-2~~
 27 **IC 12-8-2.5** applies to the council.

28 SECTION 25. IC 12-9.1-1-2, AS ADDED BY P.L.141-2006,
 29 SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 30 UPON PASSAGE]: Sec. 2. ~~IC 12-8-8~~ **IC 12-8-8.5** applies to the
 31 division.

32 SECTION 26. IC 12-9.1-2-1, AS ADDED BY P.L.141-2006,
 33 SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 34 UPON PASSAGE]: Sec. 1. The division shall be administered by a
 35 director appointed under ~~IC 12-8-8-1~~. **IC 12-8-8.5-1.**

36 SECTION 27. IC 12-9.1-2-2, AS ADDED BY P.L.141-2006,
 37 SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 38 UPON PASSAGE]: Sec. 2. ~~IC 12-8-8~~ **IC 12-8-8.5** applies to the
 39 director.

40 SECTION 28. IC 12-10-12-4 IS AMENDED TO READ AS
 41 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. As used in this
 42 chapter, "office" refers to the office of Medicaid policy and planning
 43 established by ~~IC 12-8-6-1~~. **IC 12-8-6.5-1.**

44 SECTION 29. IC 12-12-1-4.1 IS AMENDED TO READ AS
 45 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4.1. (a) The bureau
 46 may do the following:

47 (1) Establish vocational rehabilitation centers separately or in
 48 conjunction with community rehabilitation centers.

49 (2) Contract with governmental units and other public or private
 50 organizations to provide any of the vocational rehabilitation
 51 services permitted or required by this article, ~~IC 12-8-1-11~~;

1 **IC 12-8-1.5-10**, IC 12-9-6, and IC 12-11-6.
 2 (3) Provide or contract for the provision of other services that are
 3 consistent with the purposes of this article, ~~IC 12-8-1-11~~,
 4 **IC 12-8-1.5-10**, IC 12-9-6, and IC 12-11-6.

5 (b) When entering into contracts for job development, placement,
 6 or retention services, the bureau shall contract with governmental units
 7 and other public or private organizations or individuals that are
 8 accredited by one (1) of the following organizations:

9 (1) The Commission on Accreditation of Rehabilitation Facilities
 10 (CARF), or its successor.

11 (2) The Council on Quality and Leadership in Supports for People
 12 with Disabilities, or its successor.

13 (3) The Joint Commission on Accreditation of Healthcare
 14 Organizations (JCAHO), or its successor.

15 (4) The National Commission on Quality Assurance, or its
 16 successor.

17 (5) An independent national accreditation organization approved
 18 by the secretary.

19 (c) To the extent that the accreditation requirements of an
 20 accrediting organization listed in subsection (b) do not cover a specific
 21 requirement determined by the bureau to be necessary for a contracted
 22 service under subsection (a), the bureau shall include these specific
 23 requirements as part of the bureau's contract for job development,
 24 placement, or retention services.

25 SECTION 30. IC 12-12.7-2-8, AS ADDED BY P.L.93-2006,
 26 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 27 UPON PASSAGE]: Sec. 8. (a) The council consists of at least fifteen
 28 (15) but not more than twenty-five (25) members appointed by the
 29 governor as follows:

30 (1) At least twenty percent (20%) of the members must be
 31 individuals who:

32 (A) are parents, including minority parents, of infants or
 33 toddlers with disabilities or of children who are less than
 34 thirteen (13) years of age with disabilities; and

35 (B) have knowledge of or experience with programs for infants
 36 and toddlers with disabilities.

37 At least one (1) of the members described in this subdivision must
 38 be a parent of an infant or toddler with a disability or of a child
 39 less than seven (7) years of age with a disability.

40 (2) At least twenty percent (20%) of the members must be public
 41 or private providers of early intervention services.

42 (3) At least one (1) member must be a member of the general
 43 assembly.

44 (4) Each of the state agencies involved in the provision of or
 45 payment for early intervention services to infants and toddlers
 46 with disabilities and their families must be represented by at least
 47 one (1) member. The members described in this subdivision must
 48 have sufficient authority to engage in policy planning and
 49 implementation on behalf of the state agency the member
 50 represents.

- 1 (5) At least one (1) member must be involved in personnel
 2 preparation.
- 3 (6) At least one (1) member must:
- 4 (A) represent a state educational agency responsible for
 5 preschool services to children with disabilities; and
- 6 (B) have sufficient authority to engage in policy planning and
 7 implementation on behalf of the agency.
- 8 (7) At least one (1) member must represent the department of
 9 insurance created by IC 27-1-1-1.
- 10 (8) At least one (1) member must represent an agency or program
 11 that is:
- 12 (A) located in Indiana; and
- 13 (B) authorized to participate in the Head Start program under
 14 42 U.S.C. 9831 et seq.
- 15 (9) At least one (1) member must represent a state agency
 16 responsible for child care.
- 17 (10) At least one (1) member must represent the office of
 18 Medicaid policy and ~~planning~~ **planning** established by
 19 ~~IC 12-8-6-1~~ **IC 12-8-6.5-1**.
- 20 (11) At least one (1) member must be a representative designated
 21 by the office of coordinator for education of homeless children
 22 and youths.
- 23 (12) At least one (1) member must be a state foster care
 24 representative from the department of child services established
 25 by ~~IC 31-33-1.5-2~~ **IC 31-25-1-1**.
- 26 (13) At least one (1) member must represent the division of
 27 mental health and addiction established by IC 12-21-1-1.
- 28 (b) To the extent possible, the governor shall ensure that the
 29 membership of the council reasonably represents the population of
 30 Indiana.
- 31 SECTION 31. IC 12-13-1-2 IS AMENDED TO READ AS
 32 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. ~~IC 12-8-8~~
 33 **IC 12-8-8.5** applies to the division.
- 34 SECTION 32. IC 12-13-2-1 IS AMENDED TO READ AS
 35 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. The division
 36 shall be administered by a director appointed under ~~IC 12-8-8-2~~.
 37 **IC 12-8-8.5-1**.
- 38 SECTION 33. IC 12-13-4-4 IS AMENDED TO READ AS
 39 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. Each member of
 40 the council appointed under section 3(2) of this chapter has a fixed
 41 term as provided in ~~IC 12-8-2-4~~ **IC 12-8-2.5-4**.
- 42 SECTION 34. IC 12-13-4-7 IS AMENDED TO READ AS
 43 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. ~~IC 12-8-2~~
 44 **IC 12-8-2.5** applies to the council.
- 45 SECTION 35. IC 12-13-15.2-2 IS AMENDED TO READ AS
 46 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. The division
 47 shall collaborate with the office of Medicaid policy and planning
 48 established by ~~IC 12-8-6-1~~ **IC 12-8-6.5-1** and the state department of
 49 health established by IC 16-19-1-1 to establish programs that facilitate
 50 children's access to oral health services.

1 SECTION 36. IC 12-14-2-21, AS AMENDED BY P.L.161-2007,
 2 SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 3 UPON PASSAGE]: Sec. 21. (a) A TANF recipient or the parent or
 4 essential person of a TANF recipient, if the TANF recipient is less than
 5 eighteen (18) years of age, must sign a personal responsibility
 6 agreement to do the following:

7 (1) Develop an individual self-sufficiency plan with other family
 8 members and a caseworker.

9 (2) Accept any reasonable employment as soon as it becomes
 10 available.

11 (3) Agree to a loss of assistance, including TANF assistance
 12 under this article, if convicted of a felony under IC 35-43-5-7 or
 13 IC 35-43-5-7.1 for ten (10) years after the conviction.

14 (4) Subject to section 5.3 of this chapter, understand that
 15 additional TANF assistance under this article will not be available
 16 for a child born more than ten (10) months after the person
 17 qualifies for assistance.

18 (5) Accept responsibility for ensuring that each child of the
 19 person receives all appropriate vaccinations against disease at an
 20 appropriate age.

21 (6) If the person is less than eighteen (18) years of age and is a
 22 parent, live with the person's parents, legal guardian, or an adult
 23 relative other than a parent or legal guardian in order to receive
 24 public assistance.

25 (7) Subject to ~~IC 12-8-1-12~~ **IC 12-8-1.5-11** and section 5.1 of this
 26 chapter, agree to accept assistance for not more than twenty-four
 27 (24) months under the TANF program (IC 12-14).

28 (8) Be available for and actively seek and maintain employment.

29 (9) Participate in any training program required by the division.

30 (10) Accept responsibility for ensuring that the person and each
 31 child of the person attend school until the person and each child
 32 of the person graduate from high school or attain a high school
 33 equivalency certificate (as defined in IC 12-14-5-2).

34 (11) Raise the person's children in a safe, secure home.

35 (12) Agree not to abuse illegal drugs or other substances that
 36 would interfere with the person's ability to attain self-sufficiency.

37 (b) Except as provided in subsection (c), assistance under the TANF
 38 program shall be withheld or denied to a person who does not fulfill the
 39 requirements of the personal responsibility agreement under subsection
 40 (a).

41 (c) A person who is granted an exemption under section 23 of this
 42 chapter may be excused from specific provisions of the personal
 43 responsibility agreement as determined by the director.

44 SECTION 37. IC 12-15-2-0.5, AS AMENDED BY P.L.1-2010,
 45 SECTION 58, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 46 UPON PASSAGE]: Sec. 0.5. (a) This section applies to a person who
 47 qualifies for assistance:

48 (1) under sections 13 through 16 of this chapter;

49 (2) under section 6 of this chapter when the person becomes
 50 ineligible for medical assistance under IC 12-14-2-5.1 or

- 1 IC 12-14-2-5.3; or
 2 (3) as an individual with a disability if the person is less than
 3 eighteen (18) years of age and otherwise qualifies for assistance.
 4 (b) Notwithstanding any other law, the following may not be
 5 construed to limit health care assistance to a person described in
 6 subsection (a):
 7 (1) ~~IC 12-8-1-13~~; **IC 12-8-1.5-12.**
 8 (2) IC 12-14-1-1.
 9 (3) IC 12-14-1-1.5.
 10 (4) IC 12-14-2-5.1.
 11 (5) IC 12-14-2-5.2.
 12 (6) IC 12-14-2-5.3.
 13 (7) IC 12-14-2-17.
 14 (8) IC 12-14-2-18.
 15 (9) IC 12-14-2-20.
 16 (10) IC 12-14-2-21.
 17 (11) IC 12-14-2-24.
 18 (12) IC 12-14-2-25.
 19 (13) IC 12-14-2-26.
 20 (14) IC 12-14-2.5.
 21 (15) IC 12-14-5.5.
 22 (16) Section 21 of this chapter.
 23 SECTION 38. IC 12-21-1-2 IS AMENDED TO READ AS
 24 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. ~~IC 12-8-8~~
 25 **IC 12-8-8.5** applies to the division.
 26 SECTION 39. IC 12-21-2-1 IS AMENDED TO READ AS
 27 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. The division
 28 shall be administered by a director appointed under ~~IC 12-8-8-1~~.
 29 **IC 12-8-8.5-1.**
 30 SECTION 40. IC 12-21-2-2 IS AMENDED TO READ AS
 31 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. ~~IC 12-8-8~~
 32 **IC 12-8-8.5** applies to the director.
 33 SECTION 41. IC 12-21-2-3, AS AMENDED BY P.L.143-2011,
 34 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 35 UPON PASSAGE]: Sec. 3. In addition to the general authority granted
 36 to the director under ~~IC 12-8-8~~, **IC 12-8-8.5**, the director shall do the
 37 following:
 38 (1) Organize the division, create the appropriate personnel
 39 positions, and employ personnel necessary to discharge the
 40 statutory duties and powers of the division or a bureau of the
 41 division.
 42 (2) Subject to the approval of the state personnel department,
 43 establish personnel qualifications for all deputy directors,
 44 assistant directors, bureau heads, and superintendents.
 45 (3) Subject to the approval of the budget director and the
 46 governor, establish the compensation of all deputy directors,
 47 assistant directors, bureau heads, and superintendents.
 48 (4) Study the entire problem of mental health, mental illness, and
 49 addictions existing in Indiana.
 50 (5) Adopt rules under IC 4-22-2 for the following:

- 1 (A) Standards for the operation of private institutions that are
2 licensed under IC 12-25 for the diagnosis, treatment, and care
3 of individuals with psychiatric disorders, addictions, or other
4 abnormal mental conditions.
- 5 (B) Licensing or certifying community residential programs
6 described in IC 12-22-2-3.5 for individuals with serious
7 mental illness (SMI), serious emotional disturbance (SED), or
8 chronic addiction (CA) with the exception of psychiatric
9 residential treatment facilities.
- 10 (C) Certifying community mental health centers to operate in
11 Indiana.
- 12 (D) Establish exclusive geographic primary service areas for
13 community mental health centers. The rules must include the
14 following:
- 15 (i) Criteria and procedures to justify the change to the
16 boundaries of a community mental health center's primary
17 service area.
- 18 (ii) Criteria and procedures to justify the change of an
19 assignment of a community mental health center to a
20 primary service area.
- 21 (iii) A provision specifying that the criteria and procedures
22 determined in items (i) and (ii) must include an option for
23 the county and the community mental health center to
24 initiate a request for a change in primary service area or
25 provider assignment.
- 26 (iv) A provision specifying the criteria and procedures
27 determined in items (i) and (ii) may not limit an eligible
28 consumer's right to choose or access the services of any
29 provider who is certified by the division of mental health
30 and addiction to provide public supported mental health
31 services.
- 32 (6) Institute programs, in conjunction with an accredited college
33 or university and with the approval, if required by law, of the
34 commission for higher education, for the instruction of students
35 of mental health and other related occupations. The programs may
36 be designed to meet requirements for undergraduate and
37 postgraduate degrees and to provide continuing education and
38 research.
- 39 (7) Develop programs to educate the public in regard to the
40 prevention, diagnosis, treatment, and care of all abnormal mental
41 conditions.
- 42 (8) Make the facilities of the Larue D. Carter Memorial Hospital
43 available for the instruction of medical students, student nurses,
44 interns, and resident physicians under the supervision of the
45 faculty of the Indiana University School of Medicine for use by
46 the school in connection with research and instruction in
47 psychiatric disorders.
- 48 (9) Institute a stipend program designed to improve the quality
49 and quantity of staff that state institutions employ.
- 50 (10) Establish, supervise, and conduct community programs,

1 either directly or by contract, for the diagnosis, treatment, and
2 prevention of psychiatric disorders.

3 (11) Adopt rules under IC 4-22-2 concerning the records and data
4 to be kept concerning individuals admitted to state institutions,
5 community mental health centers, or other providers.

6 (12) Compile information and statistics concerning the ethnicity
7 and gender of a program or service recipient.

8 (13) Establish standards for services described in IC 12-7-2-40.6
9 for community mental health centers and other providers.

10 SECTION 42. IC 14-13-2-3.3 IS ADDED TO THE INDIANA
11 CODE AS A NEW SECTION TO READ AS FOLLOWS
12 [EFFECTIVE JULY 1, 2012]: **Sec. 3.3. As used in this chapter,**
13 **"parcel" has the meaning set forth in 50 IAC 26-2-31.**

14 SECTION 43. IC 14-13-2-6, AS AMENDED BY HEA 1264-2012,
15 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
16 JULY 1, 2012]: Sec. 6. (a) Except as provided in subsection (b) and
17 ~~section sections~~ **18.5 and 18.6** of this chapter, the commission may
18 operate in the manner provided in this chapter only in the geographic
19 area within and extending one (1) mile from the bank of the west arm
20 of the Little Calumet River and Burns Waterway in Lake County and
21 Porter County. **However, to address flooding issues within this**
22 **geographic area, the commission may operate in the manner**
23 **provided in this chapter in areas that include tributaries to the**
24 **Little Calumet River and Burns Waterway, including the Deep**
25 **River watershed, within Lake County.**

26 (b) The commission does not have the power of eminent domain for
27 the construction of marina facilities north of U.S. Highway 12 or south
28 of that point where the west arm of the Little Calumet River meets
29 Burns Waterway. The commission's activities north of U.S. Highway
30 12 and within and adjacent to Burns Waterway are restricted to those
31 activities that the commission determines to be necessary for the
32 following:

33 (1) Channeling and maintenance.

34 (2) Construction of breakwaters.

35 SECTION 44. IC 14-13-2-7, AS AMENDED BY HEA 1264-2012,
36 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
37 JULY 1, 2012]: Sec. 7. (a) The commission has:

38 (1) before July 1, 2012, five (5) members appointed by the
39 governor; and

40 (2) after June 30, 2012, nine (9) members appointed by the
41 governor.

42 (b) The following requirements apply to the governor's
43 appointments under subsection (a)(1):

44 (1) One (1) member must be a representative of the department of
45 natural resources. The member may not be an employee or elected
46 official of a city, town, or county governmental unit.

47 (2) The remaining four (4) members must meet the following
48 requirements:

49 (A) Four (4) members must reside in a:

50 (i) city;

- 1 (ii) town; or
 2 (iii) township (if the member resides in an unincorporated
 3 area of the county);
 4 that borders the Little Calumet River.
 5 (B) At least three (3) of the members must have a background
 6 in:
 7 (i) construction;
 8 (ii) project management; or
 9 (iii) flood control;
 10 or a similar professional background.
 11 (C) A member may not be an employee or elected official of
 12 a city, town, or county governmental unit.
 13 (c) The following apply to the membership of the commission after
 14 June 30, 2012:
 15 (1) Before August 1, 2012, the governor shall appoint four (4)
 16 additional members to the commission for four (4) year terms as
 17 follows:
 18 (A) One (1) member nominated by the mayor of a city having
 19 a population of more than eighty thousand five hundred
 20 (80,500) but less than one hundred thousand (100,000).
 21 (B) One (1) member nominated by the mayor of a city having
 22 a population of more than eighty thousand (80,000) but less
 23 than eighty thousand four hundred (80,400).
 24 (C) Two (2) members nominated by the board of county
 25 commissioners of Lake County.
 26 (2) Notwithstanding section 8 of this chapter, the term of the
 27 member described in subsection (b)(1) expires January 7, 2013.
 28 The governor shall appoint one (1) member nominated by the
 29 department of natural resources for a four (4) year term beginning
 30 January 7, 2013.
 31 (3) Notwithstanding section 8 of this chapter, the terms of the
 32 members described in subsection (b)(2) expire January 1, 2014.
 33 The governor shall appoint for four (4) year terms beginning
 34 January 1, 2014, four (4) members, each of whom must have been
 35 nominated by the executive of a municipality located in the
 36 watershed other than a city described in subdivision (1).
 37 (4) A member appointed to succeed a member appointed under
 38 subdivision (1) or (2) must be nominated by the nominating
 39 authority that nominated the member's predecessor, and a member
 40 appointed to succeed a member appointed under subdivision (3)
 41 must be nominated by the executive of a municipality located in
 42 the watershed other than a city described in subdivision (1).
 43 (d) The following apply to a member appointed under subsection (c)
 44 and to any member appointed to succeed a member appointed under
 45 subsection (c):
 46 (1) After July 31, 2012, not more than five (5) members of the
 47 commission may belong to the same political party.
 48 (2) Each member must have a background in:
 49 (A) construction;
 50 (B) project management;

- 1 (C) flood control; or
 2 (D) a similar professional background.
- 3 (3) A member may not be an employee or elected official of a
 4 city, town, or county governmental unit.
- 5 ~~(4) Neither the two (2) members appointed under subsection~~
 6 ~~(c)(3) nor any two (2) members appointed to succeed them may~~
 7 ~~be from the same municipality.~~
- 8 **(4) The members:**
 9 **(A) appointed under subsection (c)(3); or**
 10 **(B) appointed to succeed members appointed under**
 11 **subsection (c)(3);**
 12 **must be from different municipalities.**
- 13 (5) Neither the two (2) members appointed under subsection
 14 (c)(1)(C) nor any two (2) members appointed to succeed them
 15 may be from the same district created under IC 36-2-2-4(b).
- 16 SECTION 45. IC 14-13-2-18.6, AS ADDED BY HEA 1264-2012,
 17 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 18 JULY 1, 2012]: Sec. 18.6. (a) Each year, the county treasurer shall add
 19 to the property tax statements of a person owning the taxable parcel
 20 affected by a special assessment imposed under section 18.5 of this
 21 chapter, designating the special assessment in a manner distinct from
 22 general taxes, and indicating that the full annual assessment is due in
 23 the year the statement is sent.
- 24 (b) An assessment imposed under section 18.5 of this chapter shall
 25 be collected in the same manner as other special assessments are
 26 collected under IC 6-1.1, except for the following:
- 27 (1) An assessment is not the personal obligation of the owner of
 28 the taxable parcel affected by the assessment, and only the taxable
 29 parcel actually affected by an assessment shall be sold for
 30 delinquency.
- 31 (2) An annual assessment shall be paid in full on or before the
 32 date the first installment of property taxes is due.
- 33 (c) At the time of each annual tax settlement, the county treasurer
 34 shall certify to the county auditor the amount of the special assessments
 35 collected.
- 36 (d) The county auditor shall pay special assessments collected by
 37 the county treasurer under this section to the commission.
- 38 (e) Special assessments collected under this section shall be
 39 deposited into a segregated account within the fund. Special
 40 assessments deposited into the account may not be transferred into
 41 other accounts within the fund. Money in the account may be used only
 42 for the following purposes:
- 43 (1) To pay expenses directly related to the acquisition,
 44 construction, or improvement of real property, a facility, a
 45 betterment, or an improvement constituting part of a project of the
 46 commission, including acquisition of the site for a project.
- 47 (2) To pay expenses directly related to the operation, repair, and
 48 maintenance of flood protection systems within the watershed.
- 49 (3) To repay bonds issued for the purposes described in
 50 subdivision (1).
- 51 (4) To make the transfers required by subsection (f).

1 (f) Subject to subsection (g), the commission shall transfer money
 2 from the segregated account referred to in subsection (e) to the
 3 northwest Indiana regional development authority established by
 4 IC 36-7.5-2-1 as follows:

5 (1) Two million four hundred thirty thousand dollars (\$2,430,000)
 6 on July 1, 2013.

7 (2) One million four hundred sixty thousand dollars (\$1,460,000)
 8 on July 1, 2014.

9 (3) Nine hundred twenty thousand dollars (\$920,000) on July 1,
 10 2015.

11 (4) Six hundred ninety thousand dollars (\$690,000) on July 1,
 12 2016.

13 (5) Five hundred thousand dollars (\$500,000) on July 1, 2017.

14 (g) The commission may postpone or reduce the amount of a
 15 transfer required by subsection (f) by adopting a resolution, with at
 16 least two-thirds (2/3) of the members voting in the affirmative,
 17 declaring that an emergency exists. For purposes of this subsection, an
 18 emergency may include the following:

19 (1) A determination that the amount of assessments paid before
 20 July 1, 2013, is insufficient to make the transfer required under
 21 subsection (f)(1) on July 1, 2013.

22 (2) A demand from the Army Corps of Engineers for payment in
 23 an amount that would prevent the commission from complying
 24 with the transfer schedule set forth in subsection (f).

25 **(h) The total amount to be transferred to the northwest Indiana**
 26 **regional development authority under the schedule set forth in**
 27 **subsection (f), as amended for the reasons specified in subsection**
 28 **(g), is six million dollars (\$6,000,000).**

29 SECTION 46. IC 16-28-15-5, AS ADDED BY P.L.229-2011,
 30 SECTION 162, IS AMENDED TO READ AS FOLLOWS
 31 [EFFECTIVE UPON PASSAGE]: Sec. 5. As used in this chapter,
 32 "office" refers to the office of Medicaid policy and planning established
 33 by ~~IC 12-8-6-1~~ **IC 12-8-6.5-1**.

34 SECTION 47. IC 20-24-8-5, AS AMENDED BY P.L.90-2011,
 35 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 36 JULY 1, 2012]: Sec. 5. The following statutes and rules and guidelines
 37 adopted under the following statutes apply to a charter school:

38 (1) IC 5-11-1-9 (required audits by the state board of accounts).

39 (2) IC 20-39-1-1 (unified accounting system).

40 (3) IC 20-35 (special education).

41 (4) IC 20-26-5-10 (criminal history).

42 (5) IC 20-26-5-6 (subject to laws requiring regulation by state
 43 agencies).

44 (6) IC 20-28-10-12 (nondiscrimination for teacher marital status).

45 (7) IC 20-28-10-14 (teacher freedom of association).

46 (8) IC 20-28-10-17 (school counselor immunity).

47 (9) For conversion charter schools only, IC 20-28-6, IC 20-28-7.5,
 48 IC 20-28-8, IC 20-28-9, and IC 20-28-10.

49 (10) IC 20-33-2 (compulsory school attendance).

50 (11) IC 20-33-3 (limitations on employment of children).

51 (12) IC 20-33-8-19, IC 20-33-8-21, and IC 20-33-8-22 (student

- 1 due process and judicial review).
- 2 (13) IC 20-33-8-16 (firearms and deadly weapons).
- 3 (14) IC 20-34-3 (health and safety measures).
- 4 (15) IC 20-33-9 (reporting of student violations of law).
- 5 (16) IC 20-30-3-2 and IC 20-30-3-4 (patriotic commemorative
- 6 observances).
- 7 (17) IC 20-31-3, IC 20-32-4, IC 20-32-5, ~~IC 20-32-6~~, IC 20-32-8,
- 8 **and IC 20-32-8.5, as provided in IC 20-32-8.5-2(b)** or any other
- 9 statute, rule, or guideline related to standardized testing
- 10 (assessment programs, including remediation under the
- 11 assessment programs): **(academic standards, accreditation,**
- 12 **assessment, and remediation).**
- 13 (18) IC 20-33-7 (parental access to education records).
- 14 (19) IC 20-31 (accountability for school performance and
- 15 improvement).
- 16 (20) IC 20-30-5-19 (personal financial responsibility instruction).
- 17 SECTION 48. IC 20-26-11-8, AS AMENDED BY SEA 283-2012,
- 18 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 19 JULY 1, 2012]: Sec. 8. (a) As used in this section, "attend school"¹
- 20 means to:
- 21 (1) physically attend a school in a building owned and operated
- 22 by a school corporation; or
- 23 (2) be educated onsite at a facility.
- 24 (b) If a student resides in a facility and cannot leave the facility
- 25 based on a medical decision that the student is a risk to the student or
- 26 a risk to others, the school corporation in which the facility is located
- 27 shall provide the student educational services onsite at the facility.
- 28 (c) A student educated onsite at a facility is entitled to the following:
- 29 (1) An educational opportunity comparable to that of a student
- 30 attending a school operated by the school corporation.
- 31 (2) To receive the same level of educational services from the
- 32 school corporation in which the facility is located as received by
- 33 a student who physically attends school in a school operated by
- 34 the school corporation. Unless provided otherwise in a student's
- 35 individualized education program, educational services must
- 36 include at least the following:
- 37 (A) An instructional day that meets the requirements of
- 38 IC 20-30-2-2.
- 39 (B) A school year with a minimum of one hundred eighty
- 40 (180) student instructional days under IC 20-30-2-3.
- 41 (C) Educationally appropriate textbooks and other materials
- 42 offered to the student at the same cost assessed to a student
- 43 attending a school operated by the school corporation.
- 44 (D) Licensed teachers who are qualified to teach the grade
- 45 level of the student and the subject matter of the student's
- 46 curriculum.
- 47 (d) (a) A student who is placed in a state licensed private or public
- 48 health care facility or child care facility:
- 49 (1) by or with the consent of the department of child services;
- 50 (2) by a court order; or

- 1 (3) by a child placing agency licensed by the department of child
2 services;
3 may attend school in the school corporation in which the facility is
4 located. If the school corporation in which the facility is located is not
5 the school corporation in which the student has legal settlement, the
6 school corporation in which the student has legal settlement shall pay
7 the transfer tuition of the student.
- 8 ~~(e)~~ **(b)** A student who is placed in a state licensed private or public
9 health care or child care facility by a parent may attend school in the
10 school corporation in which the facility is located if:
- 11 (1) the placement is necessary for the student's physical or
12 emotional health and well-being and, if the placement is in a
13 health care facility, is recommended by a physician; and
14 (2) the placement is projected to be for not less than fourteen (14)
15 consecutive calendar days or a total of twenty (20) calendar days.
- 16 The school corporation in which the student has legal settlement shall
17 pay the transfer tuition of the student. The parent of the student shall
18 notify the school corporation in which the facility is located and the
19 school corporation of the student's legal settlement, if identifiable, of
20 the placement. Not later than thirty (30) days after this notice, the
21 school corporation of legal settlement shall either pay the transfer
22 tuition of the transferred student or appeal the payment by notice to the
23 department. The acceptance or notice of appeal by the school
24 corporation must be given by certified mail to the parent or guardian of
25 the student and any affected school corporation. In the case of a student
26 who is not identified as having a disability under IC 20-35, the state
27 board shall make a determination on transfer tuition according to the
28 procedures in section 15 of this chapter. In the case of a student who
29 has been identified as having a disability under IC 20-35, the
30 determination on transfer tuition shall be made under this subsection
31 and the procedures adopted by the state board under
32 IC 20-35-2-1(b)(5).
- 33 ~~(f)~~ **(c)** A student who is placed in:
- 34 (1) an institution operated by the division of disability and
35 rehabilitative services or the division of mental health and
36 addiction; or
37 (2) an institution, a public or private facility, a home, a group
38 home, or an alternative family setting by the division of disability
39 and rehabilitative services or the division of mental health and
40 addiction;
- 41 may attend school in the school corporation in which the institution is
42 located. The state shall pay the transfer tuition of the student, unless
43 another entity is required to pay the transfer tuition as a result of a
44 placement described in subsection ~~(d)~~ **(a)** or ~~(e)~~ **(b)** or another state is
45 obligated to pay the transfer tuition.
- 46 ~~(g)~~ **(d)** This subsection applies to a student who is placed:
- 47 (1) by or with the consent of the department of child services;
48 (2) by a court order; or
49 (3) by a child placing agency licensed by the department of child
50 services;

1 in a foster family home or the home of a relative or other unlicensed
 2 caretaker that is not located in the school corporation in which the
 3 student has legal settlement. The student may attend school in either
 4 the school corporation in which the foster family home or other home
 5 is located or the school corporation in which the student has legal
 6 settlement. The department of child services and the student's foster
 7 parents or caretaker shall make the determination concerning where the
 8 student attends school unless that determination is made by a court that
 9 has jurisdiction over the student. If a licensed child placing agency is
 10 responsible for oversight of the foster family home in which the student
 11 is placed or for providing services to the student, the department of
 12 child services must consult with the licensed child placing agency
 13 concerning the determination of, or the recommendations made to the
 14 court concerning, where the student attends school. Except as provided
 15 in subsection ~~(h)~~, **(e)**, transfer tuition is not required for the student.

16 ~~(h)~~ **(e)** If a student to whom subsection ~~(g)~~ **(d)** applies is attending
 17 school in a school corporation that is not the school corporation in
 18 which the student has legal settlement, the school corporation in which
 19 the student has legal settlement shall pay transfer tuition to the school
 20 corporation in which the student is enrolled in school if all of the
 21 following conditions apply:

22 (1) The student was previously placed in a child caring institution
 23 licensed under IC 31-27-3.

24 (2) While placed in the child caring institution, the student was
 25 enrolled in a school that is:

26 (A) administered by the school corporation in which the child
 27 caring institution is located; and

28 (B) located at the child caring institution.

29 (3) The student was moved from the child caring institution to a
 30 licensed foster family home supervised by the child caring
 31 institution either:

32 (A) with the approval of the department of child services and
 33 the court having jurisdiction over the student in a case under
 34 IC 31-34; or

35 (B) by a court order in a case under IC 31-37.

36 (4) After moving from the child caring institution to the foster
 37 family home, the student continues to attend the school located at
 38 the child caring institution.

39 (5) The legal settlement of the student was determined by a
 40 juvenile court under IC 31-34-20-5, IC 31-34-21-10,
 41 IC 31-37-19-26, or IC 31-37-20-6.

42 ~~(i)~~ **(f)** A student:

43 (1) who is placed in a facility, home, or institution described in
 44 subsection ~~(d)~~, ~~(e)~~, or ~~(f)~~; **(a)**, **(b)**, or **(c)**;

45 (2) to whom neither subsection ~~(g)~~ **(d)** nor ~~(h)~~ **(e)** applies; and

46 (3) for whom there is no other entity or person required to pay
 47 transfer tuition;

48 may attend school in the school corporation in which the facility, home,
 49 or institution is located. The department shall conduct an investigation
 50 and determine whether any other entity or person is required to pay

1 transfer tuition. If the department determines that no other entity or
 2 person is required to pay transfer tuition, the state shall pay the transfer
 3 tuition for the student out of the funds appropriated for tuition support.

4 SECTION 49. IC 20-27-11-1, AS ADDED BY P.L.1-2005,
 5 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 6 JULY 1, 2012]: Sec. 1. (a) If a student who attends a nonpublic school
 7 in a school corporation resides on or along the highway constituting the
 8 regular route of a public school bus, the governing body of the school
 9 corporation shall provide transportation for the nonpublic school
 10 student on the school bus.

11 (b) The transportation provided under this section must be from the
 12 home of the nonpublic school student or from a point on the regular
 13 route nearest or most easily accessible to the home of the nonpublic
 14 school student to and from the nonpublic school or to and from the
 15 point on the regular route that is nearest or most easily accessible to the
 16 nonpublic school **from which the student can walk to and from the**
 17 **nonpublic school.**

18 SECTION 50. IC 20-28-11.5-8, AS ADDED BY P.L.90-2011,
 19 SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 20 JULY 1, 2012]: Sec. 8. (a) To implement this chapter, the state board
 21 shall do the following:

22 (1) Before January 31, 2012, adopt rules under IC 4-22-2 that
 23 establish:

24 (A) the criteria that define each of the four categories of
 25 teacher ratings under section ~~4(b)(3)~~ **4(c)(4)** of this chapter;

26 (B) the measures to be used to determine student academic
 27 achievement and growth under section ~~4(b)(2)~~ **4(c)(2)** of this
 28 chapter;

29 (C) standards that define actions that constitute a negative
 30 impact on student achievement; and

31 (D) an acceptable standard for training evaluators.

32 (2) Before January 31, 2012, work with the department to develop
 33 a model plan and release it to school corporations. Subsequent
 34 versions of the model plan that contain substantive changes must
 35 be provided to school corporations.

36 (3) Work with the department to ensure the availability of
 37 ongoing training on the use of the performance evaluation to
 38 ensure that all evaluators and certificated employees have access
 39 to information on the plan, the plan's implementation, and this
 40 chapter.

41 (b) A school corporation may adopt the **department's** model plan,
 42 **or any other model plan approved by the department**, without the
 43 state board's approval.

44 (c) A school corporation may **substantially** modify the model plan
 45 or develop the school corporation's own plan, if the **substantially**
 46 modified or developed plan meets the criteria established under this
 47 chapter. If a school corporation **substantially** modifies the model plan
 48 or develops its own plan, the department may request that the school
 49 corporation submit the plan to the department to ensure the plan meets
 50 the criteria developed under this chapter. **If the department makes**

1 such a request, before submitting a substantially modified or new
 2 staff performance evaluation plan to the department, the governing
 3 body shall submit the staff performance evaluation plan to the
 4 teachers employed by the school corporation for a vote. If at least
 5 seventy-five percent (75%) of the voting teachers vote in favor of
 6 adopting the staff performance evaluation plan, the governing
 7 body may submit the staff performance evaluation plan to the
 8 department.

9 (d) Each school corporation shall submit its staff performance
 10 evaluation plan to the department. The department shall publish the
 11 staff performance evaluation plans on the department's Internet web
 12 site. A school corporation must submit its staff performance evaluation
 13 plan to the department for approval in order to qualify for any grant
 14 funding related to this chapter.

15 (e) This subsection applies to a school corporation that has not
 16 adopted a staff performance evaluation plan that complies with this
 17 chapter before July 1, 2011. Before submitting a staff performance
 18 evaluation plan to the department under subsection (b), the governing
 19 body shall submit the staff performance evaluation plan to the teachers
 20 employed by the school corporation for a vote. If at least seventy-five
 21 percent (75%) of the teachers voting vote in favor of adopting the staff
 22 performance evaluation plan, the governing body may submit the staff
 23 performance evaluation plan to the department under subsection (b):

24 SECTION 51. IC 20-31-2-10, AS ADDED BY P.L.229-2011,
 25 SECTION 187, IS AMENDED TO READ AS FOLLOWS
 26 [EFFECTIVE UPON PASSAGE]: Sec. 10. "Turnaround academy"
 27 means a school that is subject to IC 20-31-9.5 **and for the purpose of**
 28 **federal funding only, is considered a local educational agency.**

29 SECTION 52. IC 20-31-9.5-7 IS ADDED TO THE INDIANA
 30 CODE AS A NEW SECTION TO READ AS FOLLOWS
 31 [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) **If the state board**
 32 **assigns a special management team to a school, the state board**
 33 **shall enter into a contract with a special management team that**
 34 **includes the following provisions:**

35 (1) **A requirement that the special management team and the**
 36 **governing body conduct a public meeting two (2) times each**
 37 **year to provide a report concerning:**

38 (A) **student achievement of affected students; and**

39 (B) **the condition of the school property and to address**
 40 **issues related to the school property.**

41 (2) **A requirement that the student instruction must be**
 42 **provided by teachers licensed under IC 20-28-5.**

43 (b) **Individuals employed by the special management team are**
 44 **entitled to participate in either:**

45 (1) **the state teachers' retirement fund created by IC 5-10.4;**
 46 **or**

47 (2) **the public employees' retirement fund created by**
 48 **IC 5-10.3.**

49 (c) **Employees of a special management team are not required**
 50 **to organize and collectively bargain under IC 20-29-6.**

51 SECTION 53. IC 20-32-8.5-2, AS ADDED BY P.L.109-2010,

1 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 JULY 1, 2012]: Sec. 2. **(a) Except as provided in subsection (b) or
3 (c),** the plan required by this chapter must include the following:

4 (1) Reading skill standards for grade 1 through grade 3.

5 (2) An emphasis on a method for making determinant evaluations
6 by grade 3 that might require remedial action for the student,
7 including retention as a last resort, after other methods of
8 remediation have been evaluated or used, or both, if reading skills
9 are below the standard. Appropriate consultation with parents or
10 guardians must be part of the plan.

11 (3) The fiscal impact of each component of the plan, if any. In
12 determining whether a component has a fiscal impact,
13 consideration shall be given to whether the component will
14 increase costs to the state or a school corporation or require the
15 state or school corporation to reallocate resources.

16 **(b) For a charter school, as defined in IC 20-24-1-4, a plan may
17 include only the following:**

18 **(1) A method for making determinant evaluations of reading
19 skills by grade 3.**

20 **(2) Retention as a last resort for students reading below grade
21 level as measured by the evaluation or assessment.**

22 **(c) This subsection applies to a public school that is not a
23 charter school. A school corporation may receive a waiver of the
24 requirements provided in 511 IAC 6.2-3.1-4(a)(2) if the state board
25 approves an alternative reading plan provided by the school
26 corporation.**

27 SECTION 54. IC 20-49-5-3, AS AMENDED BY SEA 283-2012,
28 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
29 JULY 1, 2012]: Sec. 3. To assist a school corporation in providing the
30 school corporation's educational program to a student placed in a
31 facility or home as described in ~~IC 20-26-11-8(d)~~ **IC 20-26-11-8(a)** or
32 ~~IC 20-26-11-8(e)~~ **IC 20-26-11-8(b)** and not later than October 1 of
33 each school year, the state board may advance money to a school
34 corporation in anticipation of the school corporation's receipt of
35 transfer tuition for students described in ~~IC 20-26-11-8(d)~~
36 **IC 20-26-11-8(a)** or ~~IC 20-26-11-8(e)~~ **IC 20-26-11-8(b)**. The amount
37 of the advance may not exceed the amount determined under STEP
38 TWO of the following formula:

39 STEP ONE: Estimate for the current school year the number of
40 students described in ~~IC 20-26-11-8(d)~~ **IC 20-26-11-8(a)** or
41 ~~IC 20-26-11-8(e)~~ **IC 20-26-11-8(b)** that are transferred to the
42 school corporation.

43 STEP TWO: Multiply the STEP ONE amount by the school
44 corporation's prior year per student transfer tuition amount.

45 SECTION 55. IC 20-49-5-5, AS AMENDED BY SEA 283-2012,
46 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
47 JULY 1, 2012]: Sec. 5. A school corporation receiving an advance shall
48 notify the school corporation or auditor of state from which the school
49 corporation receives transfer tuition under IC 20-26-11 for students
50 described in ~~IC 20-26-11-8(d)~~ **IC 20-26-11-8(a)** or ~~IC 20-26-11-8(e)~~

1 **IC 20-26-11-8(b)** of the amount of interest withheld under section 4 of
 2 this chapter. The school corporation or auditor of state shall reimburse
 3 the school corporation for the interest expense at the same time the
 4 transfer tuition is paid.

5 SECTION 56. IC 22-4.1-17-6, AS ADDED BY P.L.110-2010,
 6 SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 7 UPON PASSAGE]: Sec. 6. As used in this chapter, "secretary" refers
 8 to the secretary of family and social services appointed under
 9 ~~IC 12-8-1-2~~. **IC 12-8-1.5-2.**

10 SECTION 57. IC 31-34-20-5, AS AMENDED BY SEA 283-2012,
 11 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 12 JULY 1, 2012]: Sec. 5. (a) This section applies if the department or a
 13 juvenile court:

- 14 (1) places a child;
- 15 (2) changes the placement of a child; or
- 16 (3) reviews the implementation of a decree under IC 31-34-21 of
 17 a child placed;

18 in a state licensed private or public health care facility, child care
 19 facility, foster family home, or the home of a relative or other
 20 unlicensed caretaker.

21 (b) The juvenile court shall do the following:

- 22 (1) Make findings of fact concerning the legal settlement of the
 23 child.
- 24 (2) Apply IC 20-26-11-2(1) through IC 20-26-11-2(8) to
 25 determine where the child has legal settlement.
- 26 (3) Include the findings of fact required by this section in:
 27 (A) the dispositional order;
 28 (B) the modification order; or
 29 (C) the other decree;
 30 making or changing the placement of the child.

31 (c) The juvenile court may determine that the legal settlement of the
 32 child is in the school corporation in which the child will attend school
 33 under ~~IC 20-26-11-8(g)~~. **IC 20-26-11-8(d).**

34 (d) The juvenile court shall comply with the reporting requirements
 35 under IC 20-26-11-9 concerning the legal settlement of the child.

36 (e) The department or a juvenile court may place a child in a public
 37 school, regardless of whether the public school has a waiting list for
 38 admissions, if the department or juvenile court determines that the
 39 school's program meets the child's educational needs and the school
 40 agrees to the placement. A placement under this subsection does not
 41 affect the legal settlement of the child.

42 SECTION 58. IC 31-37-19-26, AS AMENDED BY SEA 283-2012,
 43 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 44 JULY 1, 2012]: Sec. 26. (a) This section applies if a juvenile court:

- 45 (1) places a child;
- 46 (2) changes the placement of a child; or
- 47 (3) reviews the implementation of a decree under IC 31-37-20 (or
 48 IC 31-6-4-19 before its repeal) of a child placed;

49 in a state licensed private or public health care facility, child care
 50 facility, foster family home, or the home of a relative or other

- 1 unlicensed caretaker.
- 2 (b) The juvenile court shall do the following:
- 3 (1) Make findings of fact concerning the legal settlement of the
- 4 child.
- 5 (2) Apply IC 20-26-11-2(1) through IC 20-26-11-2(8) to
- 6 determine where the child has legal settlement.
- 7 (3) Include the findings of fact required by this section in the:
- 8 (A) dispositional order;
- 9 (B) modification order; or
- 10 (C) other decree;
- 11 making or changing the placement of the child.
- 12 (c) The juvenile court may determine that the legal settlement of the
- 13 child is in the school corporation in which the child will attend school
- 14 under ~~IC 20-26-11-8(g)~~. **IC 20-26-11-8(d)**.
- 15 (d) The juvenile court shall comply with the reporting requirements
- 16 under IC 20-26-11-9 concerning the legal settlement of the child.
- 17 (e) The juvenile court may place a child in a public school,
- 18 regardless of whether the public school has a waiting list for
- 19 admissions, if the court determines that the school's program meets the
- 20 child's educational needs and the school agrees to the placement. A
- 21 placement under this subsection does not affect the legal settlement of
- 22 the child.

23 SECTION 59. IC 32-33-4-1 IS AMENDED TO READ AS

24 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. A person, a firm,

25 a partnership, an association, a limited liability company, or a

26 corporation maintaining a hospital in Indiana or a hospital owned,

27 maintained, or operated by the state or a political subdivision of the

28 state is entitled to hold a lien for the reasonable value of its services or

29 expenses on any judgment for personal injuries rendered in favor of

30 any person, except: ~~a person covered by:~~

- 31 (1) **a person covered by** the provisions of IC 22-3-2 through
- 32 IC 22-3-6;
- 33 (2) **a person covered by** the federal worker's compensation laws;
- 34 **or**
- 35 (3) **a person covered by** the federal liability act; **or**
- 36 (4) **an eligible person (as defined in IC 34-13-8-1) with respect**
- 37 **to a distribution paid from the supplemental state fair relief**
- 38 **fund for an occurrence (as defined in IC 34-13-8-2);**

39 who is admitted to the hospital and receives treatment, care, and

40 maintenance on account of personal injuries received as a result of the

41 negligence of any person or corporation. In order to claim the lien, the

42 hospital must at the time or after the judgment is rendered, enter, in

43 writing, upon the judgment docket where the judgment is recorded, the

44 hospital's intention to hold a lien upon the judgment, together with the

45 amount claimed.

46 SECTION 60. IC 32-33-4-3 IS AMENDED TO READ AS

47 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) A person, a

48 firm, a partnership, an association, a limited liability company, or a

49 corporation maintaining a hospital in Indiana or a hospital owned,

50 maintained, or operated by the state or a political subdivision has a lien

1 for all reasonable and necessary charges for hospital care, treatment,
 2 and maintenance of a patient (including emergency ambulance services
 3 provided by the hospital) upon any cause of action, suit, or claim
 4 accruing to the patient, or in the case of the patient's death, the patient's
 5 legal representative, because of the illness or injuries that:

- 6 (1) gave rise to the cause of action, suit, or claim; and
- 7 (2) necessitated the hospital care, treatment, and maintenance.

8 (b) The lien provided for in subsection (a):

9 (1) except as provided in subsection (c), applies to any amount
 10 obtained or recovered by the patient by settlement or compromise
 11 rendered or entered into by the patient or by the patient's legal
 12 representative;

13 (2) is subject and subordinate to any attorney's lien upon the claim
 14 or cause of action;

15 (3) is not applicable to accidents or injuries within the purview of:

16 (A) IC 22-3;

17 (B) 5 U.S.C. 8101 et seq.; ~~or~~

18 (C) 45 U.S.C. 51 et seq.; ~~or~~

19 **(D) IC 34-13-8 concerning a distribution paid from the**
 20 **supplemental state fair relief fund to an eligible person (as**
 21 **defined in IC 34-13-8-1) for an occurrence (as defined in**
 22 **IC 34-13-8-2);**

23 (4) is not assignable; and

24 (5) must first be reduced by the amount of any medical insurance
 25 proceeds paid to the hospital on behalf of the patient after the
 26 hospital has made all reasonable efforts to pursue the insurance
 27 claims in cooperation with the patient.

28 (c) If a settlement or compromise that is subject to subsection (b)(1)
 29 is for an amount that would permit the patient to receive less than
 30 twenty percent (20%) of the full amount of the settlement or
 31 compromise if all the liens created under this chapter were paid in full,
 32 the liens must be reduced on a pro rata basis to the extent that will
 33 permit the patient to receive twenty percent (20%) of the full amount.

34 SECTION 61. IC 32-33-5-3 IS AMENDED TO READ AS
 35 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) A provider
 36 has a lien for all reasonable and necessary charges for the provision of
 37 emergency ambulance services to a patient upon any cause of action,
 38 suit, or claim accruing to the patient, or in the case of the patient's
 39 death, the patient's legal representative, because of the illness or
 40 injuries that:

41 (1) gave rise to the cause of action, suit, or claim; and

42 (2) necessitated the provision of emergency ambulance services.

43 (b) The lien:

44 (1) applies to any amount obtained or recovered by the patient by
 45 settlement or compromise rendered or entered into by the patient
 46 or by the patient's legal representative;

47 (2) is subject and subordinate to any attorney's lien upon the claim
 48 or cause of action; and

49 (3) is not applicable to accidents or injuries within the purview of:

50 (A) IC 22-3;

51 (B) 5 U.S.C. 8101 et seq.; ~~or~~

1 (C) 45 U.S.C. 51 et seq.; or

2 (D) IC 34-13-8 concerning a distribution paid from the
3 supplemental state fair relief fund to an eligible person (as
4 defined in IC 34-13-8-1) for an occurrence (as defined in
5 IC 34-13-8-2).

6 SECTION 62. IC 34-13-8 IS ADDED TO THE INDIANA CODE
7 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
8 UPON PASSAGE]:

9 **Chapter 8. Special Supplemental Relief**

10 **Sec. 1.** As used in this chapter, "eligible person" refers to a
11 person or the estate of a person that properly filed a claim with the
12 state, in the form prescribed by the attorney general, before
13 December 31, 2011, for physical injury or death resulting from an
14 occurrence.

15 **Sec. 2.** As used in this chapter, "occurrence" refers to one (1) or
16 more acts or omissions by the state or employees of the state in
17 connection with a single event occurring after July 31, 2011, and
18 before September 1, 2011, that resulted in the death of seven (7) or
19 more persons.

20 **Sec. 3.** As used in this chapter, "supplemental fund" refers to
21 the supplemental state fair relief fund established by section 9 of
22 this chapter.

23 **Sec. 4. (a)** Recognizing the special conditions created by an
24 occurrence, it is the intent of the general assembly to provide
25 supplemental relief for victims of the occurrence. It is not the
26 intent of the general assembly to revise the tort claims act in order
27 to address the special situation of the occurrence.

28 **(b)** The attorney general may compromise or settle a claim or
29 suit brought against the state or its employees as provided in this
30 chapter.

31 **(c)** Only eligible persons are eligible to receive compensation
32 under this chapter.

33 **Sec. 5. (a)** The attorney general shall attempt to resolve before
34 January 1, 2013, all claims and suits brought against the state or its
35 employees for an occurrence for an amount that, in the aggregate,
36 does not exceed eleven million dollars (\$11,000,000), consisting of:

37 (1) five million dollars (\$5,000,000) paid from the state tort
38 claim fund established to pay claims and expenses under
39 IC 34-13-3-24; and

40 (2) six million dollars (\$6,000,000) to be paid from the
41 supplemental fund.

42 **(b)** The attorney general shall attempt to resolve before January
43 1, 2013, claims or suits for an occurrence as follows:

44 (1) The estate of an eligible person whose death resulted from
45 an occurrence shall receive seven hundred thousand dollars
46 (\$700,000). This amount includes any compensation under
47 this chapter for the eligible person's attorney's fees. The
48 amount distributed to the estate of the eligible person whose
49 death resulted from an occurrence is exempt from inheritance
50 taxes under IC 6-4.1 and shall not be included in the
51 calculation of the amount transferred to a Class A transferee,

1 Class B transferee, or Class C transferee for the purposes of
2 applying the exemptions in IC 6-4.1-3-10, IC 6-4.1-3-11, and
3 IC 6-4.1-3-12.

4 (2) Except as provided in subdivision (3), each other eligible
5 person who was physically injured as a result of an
6 occurrence shall be compensated (including any compensation
7 under this chapter for the eligible person's attorney's fees) for
8 the physical injury in an amount that does not exceed the least
9 of the following:

10 (A) The amount of the eligible person's medical expenses
11 incurred as a result of the physical injury.

12 (B) The amount claimed before the deadline established by
13 the attorney general by the eligible person for medical
14 expenses incurred as a result of the physical injury in
15 relation to the claim filed before December 31, 2011.

16 (C) Seven hundred thousand dollars (\$700,000).

17 (3) Eligible persons who suffered physical injuries involving
18 permanent paralysis or permanent physical trauma or
19 requiring major and ongoing long-term care shall be
20 compensated for the physical injury in an amount equal to:

21 (A) the amount of compensation paid under subdivision
22 (2); plus

23 (B) additional compensation determined under the process
24 established by the attorney general under subdivision (4).

25 (4) The attorney general shall establish a process for
26 determining the equitable amount of compensation for eligible
27 persons under subdivision (3). The attorney general shall
28 before January 1, 2013, determine the amount of
29 compensation that each eligible person described in
30 subdivision (3) is entitled to receive under subdivision (3). The
31 attorney general may employ arbitrators, mediators,
32 consultants, and other experts to assist in the process
33 established by the attorney general for determining the
34 compensation for eligible persons under subdivision (3).

35 Sec. 6. (a) To receive a distribution under this chapter for an
36 occurrence, an eligible person must have already released all
37 governmental entities and public employees from any liability for
38 loss resulting from the occurrence. The release must be in a form
39 that is satisfactory to the attorney general.

40 (b) A distribution may not be paid under this chapter from the
41 supplemental fund to an eligible person unless the eligible person
42 has entered into an agreement with the state providing that the
43 person will not bring any action against the state based on an
44 indemnification clause.

45 Sec. 7. The amount payable after December 31, 2011, as
46 provided in section 5(b) of this chapter to an eligible person shall
47 be reduced by any amount that was paid under IC 34-13-3 from
48 the state tort claim fund before January 1, 2012, for the death or
49 physical injury.

50 Sec. 8. If an eligible person is represented by an attorney
51 regarding compensation from the supplemental fund, the

1 attorney's fees paid to the attorney or attorneys for the
2 representation of the eligible person regarding compensation from
3 the supplemental fund may not exceed, in aggregate, ten percent
4 (10%) of the total compensation paid to the eligible person from
5 the supplemental fund.

6 **Sec. 9. (a)** The supplemental state fair relief fund is established
7 for the purpose of providing supplemental relief to the victims of
8 the occurrence.

9 (b) The supplemental fund consists of grants, donations, and
10 appropriations made by the general assembly. The supplemental
11 fund shall be administered by the attorney general. The treasurer
12 of state shall invest the money in the supplemental fund not
13 currently needed to meet the obligations of the supplemental fund
14 in the same manner as other public money may be invested.
15 Interest that accrues from these investments shall be deposited in
16 the state general fund. The expenses of administering the
17 supplemental fund shall be paid from the state tort claim fund
18 established to pay claims and expenses under IC 34-13-3-24.

19 (c) The supplemental fund is considered a trust fund for
20 purposes of IC 4-9.1-1-7. Money may not be transferred, assigned,
21 or otherwise removed from the supplemental fund by the state
22 board of finance, the budget agency, or any other state agency
23 except as provided in this chapter.

24 (d) Money in the supplemental fund at the end of a state fiscal
25 year does not revert to the state general fund. Money in the
26 supplemental fund is continually appropriated to the attorney
27 general to carry out the purposes of the supplemental fund.

28 **Sec. 10. (a)** The attorney general may use the money in the
29 supplemental fund to pay compensation to eligible persons as
30 provided in this chapter.

31 (b) After the estate of each eligible person whose death resulted
32 from an occurrence has received seven hundred thousand dollars
33 (\$700,000), and each other eligible person who was physically
34 injured as a result of an occurrence has been compensated in the
35 amount determined under section 5(b)(2) of this chapter, the
36 remaining balance in the supplemental fund shall be used to pay
37 compensation for ongoing expenses to eligible persons described in
38 section 5(b)(3) of this chapter according to the process established
39 by the attorney general under section 5(b)(4) of this chapter.
40 Compensation paid from the supplemental fund may not be used
41 for the following:

42 (1) Expenses covered by insurance.

43 (2) Expenses covered by another party.

44 **Sec. 11.** The expenses incurred by the attorney general in
45 carrying out this chapter (including any expenses for arbitrators,
46 mediators, consultants, or any other experts) shall be paid from the
47 state tort claim fund established to pay claims and expenses under
48 IC 34-13-3-24.

49 **Sec. 12. (a)** An eligible person may assign to the attorney general
50 the eligible person's right to pursue a cause of action for the
51 tortious breach of an insurer's duty to deal with an insured person

1 in good faith.

2 (b) If the insurance commissioner believes that a person has
 3 engaged in any of the acts or practices listed in IC 27-4-1-4.5 in
 4 relation to an occurrence, the insurance commissioner may issue
 5 and cause to be served upon the person a statement of the charges
 6 and a notice in writing of a hearing as provided in IC 27-4-1-5. If
 7 after a hearing under IC 4-21.5-3, the insurance commissioner
 8 determines that the person has engaged in any of the acts or
 9 practices listed in IC 27-4-1-4.5 in relation to an occurrence, the
 10 insurance commissioner may at the insurance commissioner's
 11 discretion order one (1) or more of the remedies provided in
 12 IC 27-4-1-6. Notwithstanding IC 27-4-1, the insurance
 13 commissioner may take an action under this subsection regarding
 14 the commission by a person of a single act or practice listed in
 15 IC 27-4-1-4.5 in relation to an occurrence, without having to
 16 demonstrate that the act or practice occurs with such frequency as
 17 to indicate a general practice by the person.

18 SECTION 63. IC 34-53-1-4 IS ADDED TO THE INDIANA CODE
 19 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
 20 UPON PASSAGE]: **Sec. 4. An insurer may not claim subrogation or
 21 reimbursement rights to the proceeds of a distribution paid from
 22 the supplemental state fair relief fund under IC 34-13-8 to an
 23 eligible person (as defined in IC 34-13-8-1) for an occurrence (as
 24 defined in IC 34-13-8-2).**

25 SECTION 64. IC 34-53-1-5 IS ADDED TO THE INDIANA CODE
 26 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
 27 UPON PASSAGE]: **Sec. 5. (a) Notwithstanding any statutory right,
 28 common law right, or agreement to the contrary, a person who
 29 pays benefits or compensation to or on behalf of an eligible person
 30 (as defined in IC 34-13-8-1) for an occurrence (as defined in
 31 IC 34-13-8-2) does not have a subrogation or other right, including
 32 any rights otherwise provided under this chapter, to recover those
 33 benefits or compensation paid from the supplemental state fair
 34 relief fund by making a claim against the state, or by making a
 35 claim, or recovering from payments made to an eligible person (as
 36 defined in IC 34-13-8-1) for an occurrence (as defined in
 37 IC 34-13-8-2) under IC 34-13-8.**

38 (b) Not later than forty (40) days after a distribution under
 39 IC 34-13-8 is paid, a person who believes that the state cannot
 40 constitutionally prohibit assertion of a subrogation or other claim
 41 described in subsection (a), and who claims the subrogation or
 42 other interest against the state, or against a distribution paid from
 43 the supplemental state fair relief fund to an eligible person (as
 44 defined in IC 34-13-8-1) for an occurrence (as defined in
 45 IC 34-13-8-2) under IC 34-13-8 must provide written notice to the
 46 attorney general and the eligible person of the person's intent to
 47 assert that interest. Failure to provide timely written notice to the
 48 attorney general under this section constitutes a waiver of the
 49 claims described in this section.

50 SECTION 65. IC 34-55-10-2, AS AMENDED BY P.L.42-2011,
 51 SECTION 73, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

- 1 UPON PASSAGE]: Sec. 2. (a) This section does not apply to
2 judgments obtained before October 1, 1977.
- 3 (b) The amount of each exemption under subsection (c) applies until
4 a rule is adopted by the department of financial institutions under
5 section 2.5 of this chapter.
- 6 (c) The following property of a debtor domiciled in Indiana is
7 exempt:
- 8 (1) Real estate or personal property constituting the personal or
9 family residence of the debtor or a dependent of the debtor, or
10 estates or rights in that real estate or personal property, of not
11 more than fifteen thousand dollars (\$15,000). The exemption
12 under this subdivision is individually available to joint debtors
13 concerning property held by them as tenants by the entireties.
- 14 (2) Other real estate or tangible personal property of eight
15 thousand dollars (\$8,000).
- 16 (3) Intangible personal property, including choses in action,
17 deposit accounts, and cash (but excluding debts owing and
18 income owing), of three hundred dollars (\$300).
- 19 (4) Professionally prescribed health aids for the debtor or a
20 dependent of the debtor.
- 21 (5) Any interest that the debtor has in real estate held as a tenant
22 by the entireties. The exemption under this subdivision does not
23 apply to a debt for which the debtor and the debtor's spouse are
24 jointly liable.
- 25 (6) An interest, whether vested or not, that the debtor has in a
26 retirement plan or fund to the extent of:
- 27 (A) contributions, or portions of contributions, that were made
28 to the retirement plan or fund by or on behalf of the debtor or
29 the debtor's spouse:
- 30 (i) which were not subject to federal income taxation to the
31 debtor at the time of the contribution; or
- 32 (ii) which are made to an individual retirement account in
33 the manner prescribed by Section 408A of the Internal
34 Revenue Code of 1986;
- 35 (B) earnings on contributions made under clause (A) that are
36 not subject to federal income taxation at the time of the levy;
37 and
- 38 (C) roll-overs of contributions made under clause (A) that are
39 not subject to federal income taxation at the time of the levy.
- 40 (7) Money that is in a medical care savings account established
41 under IC 6-8-11.
- 42 (8) Money that is in a health savings account established under
43 Section 223 of the Internal Revenue Code of 1986.
- 44 (9) Any interest the debtor has in a qualified tuition program, as
45 defined in Section 529(b) of the Internal Revenue Code of 1986,
46 but only to the extent funds in the program are not attributable to:
- 47 (A) excess contributions, as described in Section 529(b)(6) of
48 the Internal Revenue Code of 1986, and earnings on the excess
49 contributions;
- 50 (B) contributions made by the debtor within one (1) year

- 1 before the date of the levy or the date a bankruptcy petition is
 2 filed by or against the debtor, and earnings on the
 3 contributions; or
 4 (C) the excess over five thousand dollars (\$5,000) of aggregate
 5 contributions made by the debtor for all programs under this
 6 subdivision and education savings accounts under subdivision
 7 (10) having the same designated beneficiary:
 8 (i) not later than one (1) year before; and
 9 (ii) not earlier than two (2) years before;
 10 the date of the levy or the date a bankruptcy petition is filed by
 11 or against the debtor, and earnings on the aggregate
 12 contributions.
- 13 (10) Any interest the debtor has in an education savings account,
 14 as defined in Section 530(b) of the Internal Revenue Code of
 15 1986, but only to the extent funds in the account are not
 16 attributable to:
 17 (A) excess contributions, as described in Section 4973(e) of
 18 the Internal Revenue Code of 1986, and earnings on the excess
 19 contributions;
 20 (B) contributions made by the debtor within one (1) year
 21 before the date of the levy or the date a bankruptcy petition is
 22 filed by or against the debtor, and earnings on the
 23 contributions; or
 24 (C) the excess over five thousand dollars (\$5,000) of aggregate
 25 contributions made by the debtor for all accounts under this
 26 subdivision and qualified tuition programs under subdivision
 27 (9) having the same designated beneficiary:
 28 (i) not later than one (1) year before; and
 29 (ii) not earlier than two (2) years before;
 30 the date of the levy or the date a bankruptcy petition is filed by
 31 or against the debtor, and earnings on the excess contributions.
- 32 (11) The debtor's interest in a refund or a credit received or to be
 33 received under the following:
 34 (A) Section 32 of the Internal Revenue Code of 1986 (the
 35 federal earned income tax credit).
 36 (B) IC 6-3.1-21-6 (the Indiana earned income tax credit).
- 37 (12) A disability benefit awarded to a veteran for a service
 38 connected disability under 38 U.S.C. 1101 et seq. This
 39 subdivision does not apply to a service connected disability
 40 benefit that is subject to child and spousal support enforcement
 41 under 42 U.S.C. 659(h)(1)(A)(ii)(V).
- 42 **(13) Compensation distributed from the supplemental state**
 43 **fair relief fund under IC 34-13-8 to an eligible person (as**
 44 **defined in IC 34-13-8-1) for an occurrence (as defined in**
 45 **IC 34-13-8-2). This subdivision applies even if a debtor is not**
 46 **domiciled in Indiana.**
- 47 (d) A bankruptcy proceeding that results in the ownership by the
 48 bankruptcy estate of a debtor's interest in property held in a tenancy by
 49 the entirety does not result in a severance of the tenancy by the
 50 entirety.
- 51 (e) Real estate or personal property upon which a debtor has

1 voluntarily granted a lien is not, to the extent of the balance due on the
2 debt secured by the lien:

- 3 (1) subject to this chapter; or
- 4 (2) exempt from levy or sale on execution or any other final
5 process from a court.

6 **SECTION 66. [EFFECTIVE UPON PASSAGE] (a) The definitions**
7 **in P.L.229-2011, SECTION 1 apply throughout this SECTION.**

8 **(b) The following definitions apply throughout this SECTION:**

- 9 (1) "2012-2013 school year" means the school year (as defined
10 in IC 20-18-2-17) beginning July 1, 2012, and ending June 30,
11 2013.
- 12 (2) "Charter school" has the meaning set forth in
13 IC 20-24-1-4.
- 14 (3) "Current ADM" has the meaning set forth in
15 IC 20-43-1-10.
- 16 (4) "Eligible pupil" has the meaning set forth in
17 IC 20-43-1-11.
- 18 (5) "School corporation" has the meaning set forth in
19 IC 20-18-2-16.

20 **(c) Augmentation is allowed for the appropriation in**
21 **P.L.229-2011, SECTION 9 to the department of education for**
22 **full-day kindergarten, beginning July 1, 2012, and ending June 30,**
23 **2013.**

24 **(d) Notwithstanding P.L.229-2011, SECTION 9, each school**
25 **corporation and charter school that applies to the department of**
26 **education for a grant for full-day kindergarten is entitled to receive**
27 **a distribution in the 2012-2013 school year from the amount**
28 **appropriated in P.L.229-2011, SECTION 9 for full-day**
29 **kindergarten for the state fiscal year beginning July 1, 2012, and**
30 **ending June 30, 2013, as augmented under this SECTION. The**
31 **total amount to be distributed to a school corporation or charter**
32 **school for the 2012-2013 school year equals the result of:**

- 33 (1) two thousand four hundred dollars (\$2,400); multiplied by
- 34 (2) the number of eligible pupils who are:
 - 35 (A) counted in the current ADM of the school corporation
36 in the initial count of ADM in the 2012-2013 school year;
37 and
 - 38 (B) enrolled in and attending full-day kindergarten on the
39 count date on which the current ADM is determined.

40 **(e) A school corporation or charter school that applies for a**
41 **grant for full-day kindergarten may not charge a fee for enrolling**
42 **in or attending full-day kindergarten in the school year beginning**
43 **July 1, 2012, and ending June 30, 2013.**

44 **(f) This SECTION expires July 1, 2013.**

45 **SECTION 67. [EFFECTIVE UPON PASSAGE] (a) There is**
46 **appropriated to the supplemental state fair relief fund (IC**
47 **34-13-8-9) six million dollars (\$6,000,000) from the state general**
48 **fund for its use in carrying out the purposes of the fund.**

49 **(b) Notwithstanding any other law, not later than April 1, 2012,**
50 **the budget agency shall transfer six million dollars (\$6,000,000)**
51 **from the state general fund to the supplemental state fair relief**

1 **fund.**
2 **(c) This SECTION expires June 30, 2013.**
3 SECTION 68. [EFFECTIVE UPON PASSAGE] **(a) As used in this**
4 **SECTION, "commission" refers to the select commission on**
5 **education established under subsection (b).**
6 **(b) The select commission on education is established with the**
7 **following members:**
8 **(1) The members of the senate education and career**
9 **development committee.**
10 **(2) The members of the house education committee.**
11 **The chairpersons of the senate education and career development**
12 **committee and the house education committee shall serve as**
13 **co-chairpersons of the committee.**
14 **(c) The committee shall study and evaluate the following issues:**
15 **(1) The process of adoption and content of rules adopted by**
16 **the Indiana state board of education concerning categories or**
17 **designations of school improvement under IC 20-31-8,**
18 **including the matrices used for the A-F designations.**
19 **(2) Proposed rules, adopted rules, and policies of the**
20 **department of education and the Indiana state board of**
21 **education to implement the provisions of P.L.90-2011,**
22 **concerning teacher evaluations and licensing.**
23 **(3) Any other issue that the legislative council or commission**
24 **considers necessary.**
25 **(d) Beginning on or after April 1, 2012, the committee shall meet**
26 **at least five (5) times before November 30, 2012. The committee**
27 **shall operate under the legislative council's rules and guidelines for**
28 **interim study committees.**
29 **(e) The committee shall submit the committee's report not later**
30 **than December 1, 2012.**
31 **(f) This SECTION expires December 31, 2012.**
32 SECTION 69. **An emergency is declared for this act.**
(Reference is to EHB 1376 as reprinted February 28, 2012.)

Conference Committee Report
on
Engrossed House Bill 1376

Signed by:

Representative Espich
Chairperson

Senator Kenley

Representative Crawford

Senator Tallian

House Conferees

Senate Conferees