Reprinted
February 20, 2025

HOUSE BILL No. 1001

DIGEST OF HB 1001 (Updated February 19, 2025 4:43 pm - DI 125)

Citations Affected: IC 2-5; IC 4-8.1; IC 4-13; IC 4-13.6; IC 5-28; IC 6-2.5; IC 6-3; IC 6-3.1; IC 8-22; IC 10-11; IC 14-9; IC 16-21; IC 16-28; IC 16-41; IC 20-19; IC 20-24; IC 20-25.7; IC 20-26; IC 20-28; IC 20-33; IC 20-37; IC 20-40; IC 20-43; IC 20-51; IC 20-51.4; IC 21-18; IC 36-7; noncode.

Synopsis: State budget. Appropriates money for capital expenditures, the operation of the state, K-12 and higher education, the delivery of Medicaid and other services, and various other distributions and purposes. Extends the review, analysis, and evaluation of tax incentives by the legislative services agency through 2030. Provides that if the budget director determines at any time that a state agency can perform the agency's statutory obligations with less than the amount appropriated, the budget director shall, with the approval of the governor, and after notice to the state agency, reduce the amount or amounts allotted or to be allotted. Requires the budget director to withhold not less than 5% of any appropriation to a state agency to be used for salaries or other wages for state agency employees or general

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Effective: Upon passage; January 1, 2025 (retroactive); June 1, 2025; June 29, 2025; July 1, 2025; January 1, 2026; July 1, 2027.

Thompson, Porter, Snow, Jordan

January 21, 2025, read first time and referred to Committee on Ways and Means.
February 17, 2025, amended, reported—Do Pass.
February 19, 2025, read second time, amended, ordered engrossed.

operating expenses of the state agency. Repeals a provision allowing the Indiana department of administration to enter into a lease with the Indiana historical society for use of a building. Provides that certain businesses providing specialized employee services receive a price preference of 15% for public works projects. Provides sales tax exemptions for feminine hygiene products and adult diapers. Increases the income tax deduction for a person over 65 with certain qualifying income from $500 to $1,000. Increases the: (1) employee threshold; and (2) maximum amount of tax credits that may be granted in a year; for purposes of the health reimbursement arrangement income tax credit. Establishes a state tax credit for certain capital investments made in rural funds (rural fund credit). Prescribes requirements for the rural fund credit. Establishes the Hoosier workforce investment tax credit (workforce credit). Allows an eligible business to claim a workforce credit for certain training costs incurred. Extends the sunset of the collection of hospital assessment fees and health facility quality assessment fees from June 30, 2025, to June 30, 2027. Removes the annual income maximum for choice scholarship eligibility. Repeals the chapter establishing the curricular materials fund and certain provisions related to procedures for reimbursement of costs of providing curricular materials. Changes the appointment and terms of members of the board of the Gary airport authority. Requires that the salary matrix for state police, capitol police officers, and department of natural resources law enforcement officers be adjusted each time an adjustment is made to a pay plan for state employees in the executive branch. Provides that an adult charter school is entitled to state funding in an amount that is based on the foundation amount for the state fiscal year. Requires the secretary of education to provide a report and recommendation to the general assembly concerning aligning state funding for dual credit with the new high school diploma and expanding access to dual credit course work to all Indiana students. Prohibits a school corporation or career and technical education center or school from charging a career scholarship student enrolled in the career scholarship account program or an approved intermediary acting on behalf of a career scholarship student a tuition or fee amount to enroll in or attend a career and technical education program, course, or class that is more than the proportionate amount that the school corporation or career and technical education center or school would receive under the career and technical education grant if the student had enrolled in and completed the applicable career and technical education program, course, or class. Provides that a career and technical education center that charges a career scholarship student a tuition or fee amount to enroll in or attend a career and technical education program, course, or class may not receive a credential completion grant for the student. Requires the department of education to distribute choice scholarships at least twice each semester (instead of once). Requires the commission for higher education to annually prepare and submit to the legislative council and to the budget committee a report that examines the utilization of physical facilities for instruction at each state educational institution. Specifies the amount of covered taxes that may be captured in the Evansville professional sports development area. Provides for the determination of the: (1) base assessed value; (2) gross retail base period amount; and (3) income tax base period amount; in an innovation development district (district). Requires the executive of a city, county, or town, or, if applicable, executives, and the Indiana economic development corporation to enter into an agreement establishing the terms and conditions governing any district (instead of only certain districts). Repeals the statewide innovation development district fund. Establishes the economic development reserve account. Provides that: (1) an appropriation to the legislative council and the legislative services agency for a state fiscal year ending before July 1, 2027, reverts to the state general fund as directed by the personnel

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subcommittee of the legislative council; and (2) an employee in an entity in the legislative or judicial branch of state government is eligible to participate in a pilot program for converting unused excess accrued leave to a monetary contribution for the employee in the employee's 401(a) matching account with Hoosier START. Provides that unexpended and unencumbered amounts appropriated from the federal economic stimulus fund in P.L.165-2021 do not revert to the state general fund. Requires the state comptroller to transfer: (1) $15,000,000 from the addiction services fund; and (2) $25,000,000 from the department of insurance fund; to the tobacco master settlement agreement fund on July 1, 2025.

Reprinted
February 20, 2025

First Regular Session of the 124th General Assembly (2025)

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

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

Conflict reconciliation: Text in a statute in *this style type* or ~~*this style type*~~ reconciles conflicts between statutes enacted by the 2024 Regular Session of the General Assembly.

HOUSE BILL No. 1001

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

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

SECTION 1. [EFFECTIVE JULY 1, 2025]

(a) The following definitions apply throughout this act:
(1) "Augmentation allowed" means the governor and the budget agency are authorized to add to an appropriation in this act from revenues accruing to the fund from which the appropriation was made.
(2) "Biennium" means the period beginning July 1, 2025, and ending June 30, 2027. Appropriations appearing in the biennial column for construction or other permanent improvements do not revert under IC 4-13-2-19 and may be allotted.
(3) "Equipment" includes machinery, implements, tools, furniture, furnishings, vehicles, and other articles that have a calculable period of service that exceeds twelve (12) calendar months.
(4) "Fee replacement" includes payments to universities to be used to pay indebtedness resulting from financing the cost of planning, purchasing, rehabilitation, construction, repair, leasing, lease-purchasing, or otherwise acquiring land, buildings, facilities, and equipment to be used for academic and instructional purposes.
(5) "Personal services" includes payments for salaries and wages to officers and employees of the state (either regular or temporary), payments for compensation awards, and the employer's share of Social Security, health insurance, life insurance, dental insurance, vision insurance, deferred compensation - state match, leave conversion, disability, and retirement fund contributions.

(6) "State agency" means:
(A) each office, officer, board, commission, department, division, bureau, committee, fund, agency, authority, council, or other instrumentality of the state;
(B) each hospital, penal institution, and other institutional enterprise of the state;
(C) the judicial department of the state; and
(D) the legislative department of the state.
However, this term does not include cities, towns, townships, school cities, school townships, school districts, other municipal corporations or political subdivisions of the state, or universities and colleges supported in whole or in part by state funds.
(7) "Total operating expense" includes payments for "personal services", "services other than personal", "services by contract", "supplies, materials, and parts", "grants, subsidies, refunds, and awards", "in-state travel", "out-of-state travel", and "equipment".
(b) The state board of finance may authorize advances to boards or persons having control of the funds of any institution or department of the state of a sum of money out of any appropriation available at such time for the purpose of establishing working capital to provide for payment of expenses in the case of emergency when immediate payment is necessary or expedient. Advance payments shall be made by warrant by the state comptroller, and properly itemized and receipted bills or invoices shall be filed by the board or persons receiving the advance payments.
(c) All money appropriated by this act shall be considered either a direct appropriation or an appropriation from a rotary or revolving fund.
(1) Direct appropriations are subject to withdrawal from the state treasury and for expenditure for such purposes, at such time, and in such manner as may be prescribed by law. Direct appropriations are not subject to return and rewithdrawal from the state treasury, except for the correction of an error which may have occurred in any transaction or for reimbursement of expenditures which have occurred in the same fiscal year.
(2) A rotary or revolving fund is any designated part of a fund that is set apart as working capital in a manner prescribed by law and devoted to a specific purpose or purposes. The fund consists of earnings and income only from certain sources or combination of sources. The money in the fund shall be used for the purpose designated by law as working capital. The fund at any time consists of the original appropriation to the fund, if any, all receipts accrued to the fund, and all money withdrawn from the fund and invested or to be invested. The fund shall be kept intact by separate entries in the state comptroller's office, and no part of the fund shall be used for any purpose other than the lawful purpose of the fund or revert to any other fund at any time. However, any unencumbered excess above any prescribed amount may be transferred to the state general fund at the close of each fiscal year unless otherwise specified in the Indiana Code.

SECTION 2. [EFFECTIVE JULY 1, 2025]

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

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

SECTION 3. [EFFECTIVE JULY 1, 2025]

GENERAL GOVERNMENT

A. LEGISLATIVE

FOR THE GENERAL ASSEMBLY		
LEGISLATORS' SALARIES - HOUSE		
Total Operating Expense	**9,871,096**	**10,138,293**
HOUSE EXPENSES		
Total Operating Expense	**13,236,708**	**13,236,708**
LEGISLATORS' SALARIES - SENATE		
Total Operating Expense	**2,900,000**	**3,000,000**
SENATE EXPENSES		
Total Operating Expense	**13,150,000**	**15,544,000**

Included in the above appropriations for house and senate expenses are funds for a legislative business per diem allowance, meals, and other usual and customary expenses associated with legislative affairs. Each member of the house is entitled, when authorized by the speaker of the house, to the legislative business per diem allowance for every day the member is engaged in official business. The speaker shall authorize the legislative business per diem allowance to be consistent with law and house rules.

Each member of the senate is entitled, when authorized by the president pro tempore of the senate, to the legislative business per diem allowance for every day the member is engaged in official business. The president pro tempore of the senate shall authorize the legislative business per diem allowance to be consistent with law and senate rules.

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

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

trip each week per member.

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

Notwithstanding the provisions of this or any other statute, the legislative council may adopt, by resolution, travel policies and procedures that apply only to members of the general assembly or to the staffs of the house of representatives, senate, and legislative services agency, or both members and staffs. The legislative council may apply these travel policies and procedures to lay members serving on research, study, or survey committees or commissions that are under the jurisdiction of the legislative council. Notwithstanding any other law, rule, or policy, the state travel policies and procedures established by the Indiana department of administration and approved by the budget agency do not apply to members of the general assembly, to the staffs of the house of representatives, senate, or legislative services agency, or to lay members serving on research, study, or survey committees or commissions under the jurisdiction of the legislative council (if the legislative council applies its travel policies and procedures to lay members under the authority of this SECTION), except that, until the legislative council adopts travel policies and procedures, the state travel policies and procedures established by the Indiana department of administration and approved by the budget agency apply to members of the general assembly, to the staffs of the house of representatives, senate, and legislative services agency, and to lay members serving on research, study, or survey committees or commissions under the jurisdiction of the legislative council. The executive director of the legislative services agency is responsible for the administration of travel policies and procedures adopted by the legislative council. The state comptroller shall approve and process claims for reimbursement of travel related expenses under this paragraph based upon the written affirmation of the speaker of the house of representatives, the president pro tempore of the senate, or the executive director of the legislative services agency that those claims comply with the travel policies and procedures adopted by the legislative council. If the funds appropriated for the house and senate expenses and legislative salaries are insufficient

to pay all the necessary expenses incurred, including the cost of printing the journals of the house and senate, there is appropriated such further sums as may be necessary to pay such expenses.

LEGISLATORS' EXPENSES - HOUSE		
Total Operating Expense	**3,611,905**	**3,611,905**
LEGISLATORS' EXPENSES - SENATE		
Total Operating Expense	**2,000,000**	**1,700,000**

Each member of the general assembly is entitled to a subsistence allowance of forty percent (40%) of the maximum daily amount allowable to employees of the executive branch of the federal government for subsistence expenses while away from home in travel status in the Indianapolis area for:
(1) each day that the general assembly is not convened in regular or special session; and
(2) each day after the first session day held in November and before the first session day held in January.

However, the subsistence allowance under subdivision (2) may not be paid with respect to any day after the first session day held in November and before the first session day held in January with respect to which all members of the general assembly are entitled to a legislative business per diem, and the subsistence allowance under subdivision (1) may not be paid to a member after the final recess day in April with respect to any day in which the chamber in which the individual is a member meets as a body or in any period in which the chamber is in recess for less than six (6) consecutive days.

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

The officers of the senate are entitled to the following amounts annually in addition to the subsistence allowance: president pro tempore, $7,000; assistant president pro tempore, $3,000; majority floor leader, $5,500; assistant majority floor leader(s), $3,500; majority floor leader emeritus, $2,500; majority caucus chair, $5,500; assistant majority caucus chair(s), $1,500; appropriations committee chair, $5,500; tax and fiscal policy committee chair, $5,500; appropriations committee ranking majority member, $2,000; tax and fiscal policy committee ranking majority member, $2,000; majority whip, $4,000; assistant majority whip, $2,000; minority floor leader, $6,000; minority leader emeritus, $1,500; minority caucus chair, $5,000; assistant minority floor leader, $5,000; appropriations committee ranking minority member, $2,000; tax and fiscal policy committee ranking minority member, $2,000; minority whip(s), $2,000; assistant minority whip, $1,000; assistant minority caucus chair(s), $1,000; agriculture committee chair, $1,000; natural resources committee chair, $1,000; public policy committee chair, $1,000; corrections and criminal law committee chair, $1,000; civil law committee chair, $1,000; education and career development chair, $1,000; elections committee chair, $1,000; environmental affairs committee chair, $1,000; family and children services committee chair, $1,000; pensions and labor committee chair, $1,000; health and provider services committee chair, $1,000; homeland security and transportation committee chair, $1,000; veterans affairs and the military committee chair, $1,000; insurance and financial institutions committee chair, $1,000; judiciary committee chair, $1,000; local government committee chair, $1,000; utilities committee chair, $1,000; commerce and technology committee chair,

$1,000; appointments and claims committee chair, $1,000; rules and legislative procedure committee chair, $1,000; and ethics committee chair, $1,000. If an officer fills more than one (1) leadership position, the officer shall be paid for the higher paid position.

Officers of the house of representatives are entitled to the following amounts annually in addition to the subsistence allowance: speaker of the house, $7,000; speaker pro tempore, $5,000; deputy speaker pro tempore, $2,000; majority floor leader, $5,500; majority caucus chair, $5,500; majority whip, $4,000; assistant majority floor leader(s), $3,500; assistant majority caucus chair(s), $2,000; assistant majority whip(s), $2,000; ways and means committee chair, $5,500; ways and means committee vice chair, $4,000; ways and means k-12 subcommittee chair, $1,500; ways and means higher education subcommittee chair, $1,500; ways and means budget subcommittee chair, $3,000; ways and means health and human services subcommittee chair, $1,500; ways and means local government subcommittee chair, $1,500; minority leader, $6,000; minority floor leader, $4,500; minority caucus chair, $4,500; minority whip, $3,000; assistant minority leader(s), $1,500; assistant minority floor leader(s), $1,500; assistant minority caucus chair(s), $1,500; assistant minority whip(s), $1,500; ways and means committee ranking minority member, $3,500; agriculture and rural development committee chair, $1,000; commerce, small business, and economic development committee chair, $1,000; courts and criminal code committee chair, $1,000; education committee chair, $1,000; elections and apportionment committee chair, $1,000; employment, labor, and pensions committee chair, $1,000; environmental affairs committee chair, $1,000; statutory committee on legislative ethics committee chair, $1,000; family, children, and human affairs committee chair, $1,000; financial institutions committee chair, $1,000; insurance committee chair, $1,000; government and regulatory reform committee chair, $1,000; judiciary committee chair, $1,000; local government committee chair, $1,000; natural resources committee chair, $1,000; public health committee chair, $1,000; public policy committee chair, $1,000; roads and transportation committee chair, $1,000; rules and legislative procedures committee chair, $1,000; utilities, energy and telecommunications committee chair, $1,000; and veterans affairs and public safety committee chair, $1,000. If an officer fills more than one (1) leadership position, the officer may be paid for each of the paid positions.

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

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

FOR THE LEGISLATIVE COUNCIL AND THE LEGISLATIVE SERVICES AGENCY

	FY 2025-2026 Appropriation	FY 2026-2027 Appropriation	Biennial Appropriation
Total Operating Expense	**21,040,214**	**22,834,096**	
LEGISLATOR AND LAY MEMBER TRAVEL			
Total Operating Expense	**700,000**	**700,000**	

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

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

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

Included in the above appropriations are funds for the printing and distribution of documents published by the legislative council, including journals, bills, resolutions, enrolled documents, the acts of the first and second regular sessions of the 124th general assembly, the supplements to the Indiana Code for the biennium and the publication of the Indiana Administrative Code and the Indiana Register. Upon completion of the distribution of the Acts and the supplements to the Indiana Code, as provided in IC 2-6-1.5, remaining copies may be sold at a price or prices periodically determined by the legislative council. If the above appropriations for the printing and distribution of documents published by the legislative council are insufficient to pay all of the necessary expenses incurred, there are hereby appropriated such sums as may be necessary to pay such expenses.

TECHNOLOGY INFRASTRUCTURE, SOFTWARE, AND SERVICES			
Total Operating Expense	**6,152,770**	**5,679,848**	

If the above appropriations are insufficient to pay all of the necessary expenses incurred, there are hereby appropriated such sums as may be necessary to pay such expenses, including state video streaming services and legislative closed captioning services. The above appropriations or any part thereof remaining unexpended and unencumbered at the close of any fiscal year remain available for expenditure until the earlier of

June 30, 2029, or the purposes for which the appropriations were made are accomplished or abandoned. If any part of the appropriations have not been allotted or encumbered before the expiration of the biennium, the personnel subcommittee of the legislative council may determine that any part of the balance of the appropriations may be reverted to the state general fund.

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

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

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

Per page charge for copies of legislative documents: $0.15

NATIONAL ASSOCIATION DUES		
Total Operating Expense	**461,122**	**741,428**
FOR THE COMMISSION ON UNIFORM STATE LAWS		
Total Operating Expense	**100,000**	**100,000**
FOR THE INDIANA LOBBY REGISTRATION COMMISSION		
Total Operating Expense	**419,402**	**452,123**
FOR THE INDIANA PUBLIC RETIREMENT SYSTEM		
LEGISLATORS' RETIREMENT FUND		
Total Operating Expense	**6,113**	**6,113**

B. JUDICIAL

FOR THE SUPREME COURT		
Total Operating Expense	**22,330,232**	**22,330,232**

The above appropriations include the subsistence allowance provided by IC 33-38-5-8.

LOCAL JUDGES' SALARIES		
Total Operating Expense	**100,743,927**	**101,269,016**
COUNTY PROSECUTORS' SALARIES		
Total Operating Expense	**35,794,283**	**35,794,283**
PROBLEM SOLVING COURTS		
Total Operating Expense	**6,000,000**	**6,000,000**
SUPREME COURT TITLE IV-D		
Total Operating Expense	**1,950,000**	**1,950,000**
TRIAL COURT OPERATIONS		
Total Operating Expense	**746,075**	**746,075**
INDIANA COURT TECHNOLOGY		
Total Operating Expense	**17,588,380**	**17,588,380**

	FY 2025-2026 Appropriation	FY 2026-2027 Appropriation	Biennial Appropriation
INDIANA CONFERENCE FOR LEGAL EDUCATION OPPORTUNITY			
Total Operating Expense	**778,750**	**778,750**	
GUARDIAN AD LITEM			
Total Operating Expense	**6,337,810**	**6,337,810**	

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

ADULT GUARDIANSHIP			
Total Operating Expense	**1,500,000**	**1,500,000**	

The above appropriations are for the administration of the office of adult guardianship and to provide matching funds to county courts with probate jurisdiction that implement and administer programs for volunteer advocates for seniors and incapacitated adults who are appointed a guardian under IC 29. Volunteer advocates for seniors and incapacitated adults programs shall provide a match of 50% of the funds appropriated by the office of judicial administration of which up to half may be an in-kind match and the remainder must be county funds or other local county resources. Only programs certified by the supreme court are eligible for matching funds. The above appropriations include funds to maintain an adult guardianship registry to serve as a data repository for adult guardianship cases and guardians appointed by the courts.

CIVIL LEGAL AID			
Total Operating Expense	**3,000,000**	**3,000,000**	
SPECIAL JUDGES - COUNTY COURTS			
Total Operating Expense	**149,000**	**149,000**	

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

INTERSTATE COMPACT FOR ADULT OFFENDERS			
Total Operating Expense	**236,180**	**236,180**	
COMMISSION ON IMPROVING THE STATUS OF CHILDREN			
Total Operating Expense	**440,000**	**440,000**	
PROBATION OFFICERS TRAINING			
Total Operating Expense	**750,000**	**750,000**	
DRUG AND ALCOHOL PROGRAMS			
Total Operating Expense	**100,000**	**100,000**	
PRE-TRIAL COMPLIANCE			
Total Operating Expense	**4,000,000**	**4,000,000**	

	FY 2025-2026 Appropriation	FY 2026-2027 Appropriation	Biennial Appropriation
FOR THE COMMISSION ON COURT APPOINTED ATTORNEYS			
Total Operating Expense	**45,873,811**	**45,873,811**	
Public Defense Fund (IC 33-40-6-1)			
Total Operating Expense	**7,400,000**	**7,400,000**	

The above appropriations from the public defense fund are made from the distribution authorized by IC 33-37-7-9(c) for the purpose of reimbursing counties for indigent defense services provided to a defendant. Administrative costs may be paid from the public defense fund. Any balance in the public defense fund is appropriated to the commission on court appointed attorneys.

FOR THE COURT OF APPEALS			
Total Operating Expense	**15,043,411**	**15,043,411**	

The above appropriations include the subsistence allowance provided by IC 33-38-5-8.

FOR THE TAX COURT			
Total Operating Expense	**966,629**	**966,629**	
FOR THE PUBLIC DEFENDER			
Total Operating Expense	**8,832,205**	**8,832,205**	
PUBLIC DEFENDER INCARCERATED DEFENSE SERVICES			
Total Operating Expense	**1**	**1**	
Augmentation is allowed from the General Fund to cover the costs.			

The above appropriation shall be used for expenses related to the defense of an incarcerated person in accordance with IC 33-37-2-4.

FOR THE PUBLIC DEFENDER COUNCIL			
Total Operating Expense	**1,946,666**	**1,946,666**	
AT RISK YOUTH AND FAMILIES			
Total Operating Expense	**250,000**	**250,000**	
FOR THE PROSECUTING ATTORNEYS COUNCIL			
Total Operating Expense	**1,584,755**	**1,584,755**	
DRUG PROSECUTION			
Substance Abuse Prosecution Fund (IC 33-39-8-6)			
Total Operating Expense	**161,815**	**161,815**	
Augmentation allowed.			
HIGH TECH CRIMES UNIT PROGRAM			
Total Operating Expense	**4,500,000**	**4,500,000**	
PROSECUTING ATTORNEYS TITLE IV-D			
Total Operating Expense	**1,950,000**	**1,950,000**	
PUBLIC PROSECUTION FUND			
Total Operating Expense	**59,100,000**	**59,100,000**	
FOR THE INDIANA PUBLIC RETIREMENT SYSTEM			
JUDGES' RETIREMENT FUND			
Total Operating Expense	**21,726,703**	**22,492,020**	
PROSECUTING ATTORNEYS RETIREMENT FUND			

	FY 2025-2026 Appropriation	FY 2026-2027 Appropriation	Biennial Appropriation
Total Operating Expense	**5,128,038**	**5,263,931**	
C. EXECUTIVE			
FOR THE GOVERNOR'S OFFICE			
Total Operating Expense	**3,220,500**	**3,220,500**	
SUBSTANCE ABUSE PREVENTION, TREATMENT, AND ENFORCEMENT			
State Unrestricted Opioid Settlement Account (IC 4-12-16.2-5(1))			
Total Operating Expense	**5,000,000**	**5,000,000**	
FOR THE LIEUTENANT GOVERNOR			
Total Operating Expense	**3,946,948**	**3,946,948**	
FOR THE SECRETARY OF STATE			
ADMINISTRATION			
Total Operating Expense	**6,083,487**	**6,083,487**	
ELECTION SECURITY			
Total Operating Expense	**1,590,000**	**1,590,000**	
VOTER EDUCATION OUTREACH			
Total Operating Expense	**250,000**	**250,000**	
VOTING SYSTEM TECHNOLOGY OVERSIGHT			
Total Operating Expense	**749,972**	**749,972**	
FOR THE ATTORNEY GENERAL			
Total Operating Expense	**29,344,488**	**29,344,488**	
Agency Settlement Fund (IC 4-12-16-2)			
Total Operating Expense	**5,554,032**	**5,554,032**	
Augmentation allowed.			
Real Estate Appraiser Licensing			
Total Operating Expense	**50,000**	**50,000**	
Augmentation allowed.			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**818,916**	**818,916**	
Augmentation allowed.			
Abandoned Property Fund (IC 32-34-1.5-42)			
Total Operating Expense	**2,527,916**	**2,527,916**	
Augmentation allowed.			
OFFICE-MEDICAID FRAUD CONTROL UNIT			
Total Operating Expense	**2,171,000**	**2,171,000**	

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

CONSUMER DATA PRIVACY			
Total Operating Expense	**500,000**	**500,000**	
UNCLAIMED PROPERTY			
Abandoned Property Fund (IC 32-34-1.5-42)			
Total Operating Expense	**7,883,908**	**7,883,908**	

	FY 2025-2026 Appropriation	FY 2026-2027 Appropriation	Biennial Appropriation
Augmentation allowed.			
D. FINANCIAL MANAGEMENT			
FOR THE STATE COMPTROLLER			
Total Operating Expense	**8,633,335**	**8,633,335**	
FOR THE STATE BOARD OF ACCOUNTS			
Total Operating Expense	**19,956,429**	**19,956,429**	
EXAMINATIONS			
Examinations Fund (IC 5-11-4-3)			
Total Operating Expense	**15,292,119**	**15,292,119**	
Augmentation allowed.			
FOR THE OFFICE OF MANAGEMENT AND BUDGET			
Total Operating Expense	**926,199**	**926,199**	
FOR THE DISTRESSED UNIT APPEAL BOARD			
Total Operating Expense	**4,172,388**	**4,172,388**	
Augmentation allowed after budget committee review			
FOR THE MANAGEMENT PERFORMANCE HUB			
Total Operating Expense	**9,325,010**	**9,325,010**	
FOR THE STATE BUDGET AGENCY			
Total Operating Expense	**4,625,802**	**4,625,802**	
STATE AGENCY CONTINGENCY FUND			
Total Operating Expense	**99,000,000**	**0**	
Agency Settlement Fund (IC 4-12-16-2)			
Total Operating Expense	**1**	**1**	
Augmentation allowed.			

The above appropriations may be allotted to departments, institutions, and all state agencies by the budget agency with the approval of the governor. The above appropriations shall be allotted in the amount requested by the judicial branch, the legislative branch, and statewide elected officials by the budget agency.

PERSONAL SERVICES			
Total Operating Expense	**0**	**82,500,000**	

The above appropriation shall be allotted by the budget agency to the judicial branch, the legislative branch, and statewide elected officials to support the costs of a supplemental pay period occurring in the fiscal year ending June 30, 2027.

The above appropriation may be allotted to departments, institutions, and all state agencies by the budget agency with the approval of the governor to support the costs of a supplemental pay period occurring in the fiscal year ending June 30, 2027.

OUTSIDE ACTS

	FY 2025-2026 Appropriation	FY 2026-2027 Appropriation	Biennial Appropriation
Total Operating Expense	**1**	**1**	
Augmentation allowed after budget committee review.			
STATE BUDGET COMMITTEE			
Total Operating Expense	**96,312**	**96,312**	
Augmentation allowed.			

Notwithstanding IC 4-12-1-11(b), the salary per diem of the legislative members of the budget committee is equal to one hundred fifty percent (150%) of the legislative business per diem allowance.

CHARTER SCHOOL CAPITAL GRANTS			
Total Operating Expense	**25,000,000**	**25,000,000**	
FOR THE INDIANA PUBLIC RETIREMENT SYSTEM			
PUBLIC SAFETY PENSION			
Total Operating Expense	**140,000,000**	**130,000,000**	
Augmentation allowed.			
LOCAL PENSION REPORT			
Total Operating Expense	**30,000**	**30,000**	
FOR THE TREASURER OF STATE			
Total Operating Expense	**2,441,707**	**2,441,707**	
ABLE AUTHORITY (IC 12-11-14)			
Total Operating Expense	**375,635**	**375,635**	
CAREER SCHOLARSHIP ACCOUNTS			
Total Operating Expense	**15,000,000**	**15,000,000**	

The treasurer of state shall use the above appropriations to deposit $5,000 into each eligible career scholarship participant's career scholarship account each fiscal year.

INDIANA EDUCATION SCHOLARSHIP ACCOUNT PROGRAM (IC 20-51.4)			
Total Operating Expense	**15,000,000**	**15,000,000**	
INDIANA EDUCATION SCHOLARSHIP ACCOUNT ADMINISTRATION (IC 20-51.4-4-3.5)			
Total Operating Expense	**1,500,000**	**1,500,000**	

E. TAX ADMINISTRATION

FOR THE DEPARTMENT OF REVENUE			
COLLECTION AND ADMINISTRATION			
Total Operating Expense	**76,868,727**	**76,868,727**	

With the approval of the governor and the budget agency, the department shall annually reimburse the general fund for expenses incurred in support of the collection of dedicated fund revenue according to the department's cost allocation plan.

With the approval of the governor and the budget agency, the above appropriations may be augmented to an amount not exceeding in total, together with the above specific amounts, one and one-tenth percent (1.1%) of the amount of money collected by the

department from taxes and fees.

OUTSIDE COLLECTIONS
Total Operating Expense **4,356,593** **4,356,593**

With the approval of the governor and the budget agency, the above appropriations may be augmented to an amount not exceeding in total, together with the above specific amounts, one and one-tenth percent (1.1%) of the amount of money collected by the department from taxes and fees.

MOTOR CARRIER REGULATION
Motor Carrier Regulation Fund (IC 8-2.1-23-1)
Total Operating Expense **10,029,579** **10,029,579**
Augmentation allowed.

FOR THE INDIANA GAMING COMMISSION
State Gaming Fund (IC 4-33-13-2)
Total Operating Expense **3,642,785** **3,642,785**
Gaming Investigations (IC 4-33-4-18(b))
Total Operating Expense **1,380,073** **1,380,073**

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

GAMING RESEARCH DIVISION
Total Operating Expense **325,000** **325,000**
ATHLETIC COMMISSION
State Gaming Fund (IC 4-33-13-2)
Total Operating Expense **16,383** **16,383**
Athletic Fund (IC 4-33-22-9)
Total Operating Expense **66,683** **66,683**
FANTASY SPORTS REGULATION AND ADMINISTRATION
Fantasy Sports Regulation and Administration Fund (IC 4-33-24-28)
Total Operating Expense **49,990** **49,990**

FOR THE INDIANA HORSE RACING COMMISSION
Indiana Horse Racing Commission Operating Fund (IC 4-31-10-2)
Total Operating Expense **3,795,825** **3,795,825**
STANDARDBRED ADVISORY BOARD
Indiana Horse Racing Commission Operating Fund (IC 4-31-10-2)
Total Operating Expense **193,500** **193,500**
Augmentation allowed.

FOR THE DEPARTMENT OF LOCAL GOVERNMENT FINANCE
Total Operating Expense **4,420,648** **4,420,648**
Assessment Training and Administration Fund (IC 6-1.1-5.5-4.7)
Total Operating Expense **1,341,280** **1,341,280**
Augmentation allowed from the assessment training and administration fund.

	FY 2025-2026 Appropriation	FY 2026-2027 Appropriation	Biennial Appropriation
FOR THE INDIANA BOARD OF TAX REVIEW			
Total Operating Expense	**1,743,512**	**1,743,512**	
Assessment Training and Administration Fund (IC 6-1.1-5.5-4.7)			
Total Operating Expense	**320,628**	**320,628**	
Augmentation allowed from the assessment training and administration fund.			

F. ADMINISTRATION

FOR THE DEPARTMENT OF ADMINISTRATION			
Total Operating Expense	**25,005,576**	**25,005,576**	
MOTOR POOL ROTARY FUND			
Total Operating Expense	**21,310,300**	**21,310,300**	
Charity Gaming Enforcement Fund (IC 4-32.3-7-1)			
Total Operating Expense	**91,500**	**91,500**	
Fire and Building Services Fund (IC 22-12-6-1)			
Total Operating Expense	**438,500**	**438,500**	
State Highway Fund (IC 8-23-9-54)			
Total Operating Expense	**3,659,200**	**3,659,200**	
Integrated Public Safety Communications Fund (IC 5-26-4-1)			
Total Operating Expense	**110,000**	**110,000**	
ATC Enforcement and Administration Fund (IC 7.1-4-10-1)			
Total Operating Expense	**540,000**	**540,000**	
State Parks & Reservoirs Special Revenue Fund (IC 14-19-8-2)			
Total Operating Expense	**666,400**	**666,400**	
Indiana Correctional Industries Fund (IC 11-10-6-6)			
Total Operating Expense	**197,000**	**197,000**	
Motorcycle Operator Safety Education Fund (IC 9-27-7-7)			
Total Operating Expense	**174,621**	**174,621**	
Bureau of Motor Vehicles Commission Fund (IC 9-14-14-1)			
Total Operating Expense	**42,000**	**42,000**	

The budget agency may transfer portions of the above dedicated fund appropriations from the department of administration back to the agency that provided the appropriation if necessary.

In addition to the above appropriations, the budget agency with the approval of the governor may transfer appropriations to the motor pool rotary fund established in IC 4-13-1-4 for the purchase of vehicles and related equipment.

FOR THE STATE PERSONNEL DEPARTMENT			
Total Operating Expense	**3,834,223**	**3,834,223**	
GOVERNOR'S FELLOWSHIP PROGRAM			
Total Operating Expense	**338,589**	**338,589**	
OFFICE OF ADMINISTRATIVE LAW PROCEEDINGS			
Total Operating Expense	**2,093,135**	**2,093,135**	
PCORI FEE			
Total Operating Expense	**145,000**	**145,000**	
Augmentation allowed.			

	FY 2025-2026 Appropriation	FY 2026-2027 Appropriation	Biennial Appropriation
FOR THE STATE EMPLOYEES' APPEALS COMMISSION			
Total Operating Expense	**182,643**	**182,643**	
FOR THE OFFICE OF TECHNOLOGY			
IN MAPPING DATA AND STANDARD (GIS)			
Total Operating Expense	**7,100,000**	**7,100,000**	
FOR THE INDIANA ARCHIVES AND RECORDS ADMINISTRATION			
Total Operating Expense	**2,427,737**	**2,427,737**	
FOR THE OFFICE OF THE PUBLIC ACCESS COUNSELOR			
Total Operating Expense	**357,253**	**357,253**	
G. OTHER			
FOR THE OFFICE OF THE INSPECTOR GENERAL AND THE STATE ETHICS COMMISSION			
Total Operating Expense	**1,506,611**	**1,506,611**	
FOR THE SECRETARY OF STATE			
ELECTION DIVISION			
Total Operating Expense	**1,818,209**	**1,818,209**	
VOTER LIST MAINTENANCE			
Total Operating Expense	**2,925,000**	**2,925,000**	
VOTER REGISTRATION SYSTEM			
Total Operating Expense	**3,870,286**	**3,870,286**	
SECTION 4. [EFFECTIVE JULY 1, 2025]			
PUBLIC SAFETY			
A. CORRECTION			
FOR THE DEPARTMENT OF CORRECTION			
CENTRAL OFFICE			
Total Operating Expense	**43,362,013**	**43,362,013**	
ESCAPEE COUNSEL AND TRIAL EXPENSE			
Total Operating Expense	**199,736**	**199,736**	
COUNTY JAIL MISDEMEANANT HOUSING			
Total Operating Expense	**4,152,639**	**4,152,639**	
ADULT CONTRACT BEDS			
Total Operating Expense	**95,058**	**95,058**	
STAFF DEVELOPMENT AND TRAINING			
Total Operating Expense	**3,176,442**	**3,176,442**	
PAROLE BOARD			
Total Operating Expense	**1,047,123**	**1,047,123**	
INFORMATION MANAGEMENT SERVICES			
Total Operating Expense	**7,238,356**	**7,238,356**	
JUVENILE TRANSITION			
Total Operating Expense	**1,117,448**	**1,117,448**	

	FY 2025-2026 Appropriation	FY 2026-2027 Appropriation	Biennial Appropriation
COMMUNITY CORRECTIONS PROGRAMS			
Total Operating Expense	**72,625,165**	**72,625,165**	

Notwithstanding IC 4-9.1-1-7, IC 4-12-1-12, IC 4-13-2-23, or any other law, the above appropriations for community corrections programs are not subject to transfer to any other fund or transfer, assignment, or reassignment for any other use or purpose by the state board of finance or by the budget agency. Notwithstanding IC 4-13-2-19 and any other law, the above appropriations for community corrections programs do not revert to the state general fund or another fund at the close of a state fiscal year but remain available in subsequent state fiscal years for the purposes of the programs.

HOOSIER INITIATIVE FOR RE-ENTRY (HIRE)			
Total Operating Expense	**1,533,240**	**1,533,240**	
CENTRAL EMERGENCY RESPONSE			
Total Operating Expense	**1,981,864**	**1,981,864**	
HEPATITIS C TREATMENT			
Total Operating Expense	**14,821,924**	**14,821,924**	
DRUG ABUSE PREVENTION			
Corrections Drug Abuse Fund (IC 11-8-2-11)			
Total Operating Expense	**127,500**	**127,500**	
Augmentation allowed.			
CORRECTIONAL FACILITIES CALLING SYSTEM			
Correctional Facilities Calling System (IC 5-22-23-7)			
Total Operating Expense	**11,000,000**	**11,000,000**	
Augmentation allowed.			
EXONERATION			
Total Operating Expense	**1**	**1**	
Augmentation allowed.			

The above appropriations shall be used for expenses relating to the restitution of wrongfully incarcerated persons pursuant to IC 5-2-23. The department shall collaborate with the Indiana Criminal Justice Institute to administer this program.

COUNTY JAIL MAINTENANCE CONTINGENCY			
Total Operating Expense	**45,000,000**	**41,000,000**	

The above appropriations are for reimbursing sheriffs for the costs of: (1) persons convicted of level 6 felonies that are incarcerated in county jails, and (2) jail and parole holds. The department shall reimburse sheriffs $42 per day for the costs described in this section. All requests for reimbursement shall be in conformity with department policy.

For persons convicted of level 6 felonies that are incarcerated in county jails, sheriffs shall be entitled to reimbursement only for the time that the person is incarcerated in the county jail.

For jail and parole holds, reimbursement shall be based on the later of: (1) the dates of incarceration when persons are incarcerated for more than five (5) days after the day of sentencing; or (2) the date upon which the department receives

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

CORRECTIONAL SERVICES		
Total Operating Expense	**225,063,624**	**225,063,624**
JUVENILE DETENTION ALTERNATIVES INITIATIVE (JDAI)		
Total Operating Expense	**3,052,398**	**3,052,398**
PAROLE DIVISION		
Total Operating Expense	**20,899,464**	**20,899,464**
HERITAGE TRAIL CORRECTIONAL FACILITY		
Total Operating Expense	**12,729,020**	**12,729,020**
SOUTH BEND COMMUNITY RE-ENTRY CENTER		
Total Operating Expense	**3,482,968**	**3,482,968**
Work Release Fund (IC 11-10-8-6.5)		
Total Operating Expense	**655,820**	**655,820**
Augmentation allowed.		
INDIANA STATE PRISON		
Total Operating Expense	**50,543,040**	**50,543,040**
PENDLETON CORRECTIONAL FACILITY		
Total Operating Expense	**46,416,547**	**46,416,547**
CORRECTIONAL INDUSTRIAL FACILITY		
Total Operating Expense	**30,135,893**	**30,135,893**
INDIANA WOMEN'S PRISON		
Total Operating Expense	**20,144,707**	**20,144,707**
PUTNAMVILLE CORRECTIONAL FACILITY		
Total Operating Expense	**41,021,806**	**41,021,806**
WABASH VALLEY CORRECTIONAL FACILITY		
Total Operating Expense	**62,453,376**	**62,453,376**
BRANCHVILLE CORRECTIONAL FACILITY		
Total Operating Expense	**26,107,052**	**26,107,052**
WESTVILLE CORRECTIONAL FACILITY		
Total Operating Expense	**63,530,108**	**63,530,108**
ROCKVILLE CORRECTIONAL FACILITY FOR WOMEN		
Total Operating Expense	**25,322,370**	**25,322,370**
PLAINFIELD CORRECTIONAL FACILITY		
Total Operating Expense	**41,500,743**	**41,500,743**
RECEPTION DIAGNOSTIC CENTER		
Total Operating Expense	**23,101,332**	**23,101,332**
MIAMI CORRECTIONAL FACILITY		
Total Operating Expense	**43,717,072**	**43,717,072**
NEW CASTLE CORRECTIONAL FACILITY		
Total Operating Expense	**44,313,444**	**44,313,444**
CHAIN O' LAKES CORRECTIONAL FACILITY		

	FY 2025-2026 Appropriation	FY 2026-2027 Appropriation	Biennial Appropriation
Total Operating Expense	**3,117,793**	**3,117,793**	
MADISON CORRECTIONAL FACILITY			
Total Operating Expense	**20,354,634**	**20,354,634**	
EDINBURGH CORRECTIONAL FACILITY			
Total Operating Expense	**7,939,121**	**7,939,121**	
NORTH CENTRAL JUVENILE CORRECTIONAL FACILITY			
Total Operating Expense	**16,795,771**	**16,795,771**	
LAPORTE JUVENILE CORRECTIONAL FACILITY			
Total Operating Expense	**5,961,627**	**5,961,627**	
PENDLETON JUVENILE CORRECTIONAL FACILITY			
Total Operating Expense	**24,435,136**	**24,435,136**	
FOR THE DEPARTMENT OF ADMINISTRATION			
DEPARTMENT OF CORRECTION OMBUDSMAN BUREAU			
Total Operating Expense	**238,357**	**238,357**	
B. LAW ENFORCEMENT			
FOR THE INDIANA STATE POLICE			
Total Operating Expense	**189,996,382**	**189,996,382**	
Motor Carrier Regulation Fund (IC 8-2.1-23-1)			
Total Operating Expense	**5,684,355**	**5,684,355**	
Augmentation allowed from the motor carrier regulation fund.			

The above appropriations include funds for the state police minority recruiting program.

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

ISP OPEB CONTRIBUTION			
Total Operating Expense	**4,400,000**	**4,400,000**	
INTERNET CRIMES AGAINST CHILDREN (IC 10-11-10-2)			
Total Operating Expense	**1,000,000**	**1,000,000**	
INDIANA INTELLIGENCE FUSION CENTER			
Total Operating Expense	**1,240,253**	**1,240,253**	
FORENSIC AND HEALTH SCIENCES LABORATORIES			
Total Operating Expense	**14,899,242**	**14,899,242**	
Motor Carrier Regulation Fund (IC 8-2.1-23-1)			
Total Operating Expense	**1,320,708**	**1,320,708**	
Augmentation allowed from the motor carrier regulation fund.			
ENFORCEMENT AID			
Total Operating Expense	**59,791**	**59,791**	

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

	FY 2025-2026 Appropriation	FY 2026-2027 Appropriation	Biennial Appropriation
RETIREMENT PENSION FUND			
Total Operating Expense	**37,628,220**	**37,628,220**	

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

If the amount actually required under IC 10-12-2 is greater than the above appropriations, the above appropriations may be augmented from the general fund with the approval of the governor and the budget agency.

BENEFIT TRUST FUND			
Total Operating Expense	**6,000,000**	**6,000,000**	

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

If the amount actually required under IC 10-12-2 is greater than the above appropriations, the above appropriations may be augmented from the general fund with the approval of the governor and the budget agency.

PRE-1987 RETIREMENT			
Total Operating Expense	**5,450,000**	**5,450,000**	
ACCIDENT REPORTING			
Accident Report Account (IC 9-26-9-3)			
Total Operating Expense	**4,122**	**4,122**	
Augmentation allowed.			
DRUG INTERDICTION			
Drug Interdiction Fund (IC 10-11-7-1)			
Total Operating Expense	**202,249**	**202,249**	
Augmentation allowed.			
DNA SAMPLE PROCESSING FUND			
DNA Sample Processing Fund (IC 10-13-6-9.5)			
Total Operating Expense	**1,789,875**	**1,789,875**	
Augmentation allowed.			
FOR THE INTEGRATED PUBLIC SAFETY COMMISSION			
Integrated Public Safety Communications Fund (IC 5-26-4-1)			
Total Operating Expense	**14,912,849**	**14,912,849**	
Augmentation allowed.			
FOR THE ADJUTANT GENERAL			
Total Operating Expense	**14,994,647**	**9,394,647**	
CAMP ATTERBURY MUSCATATUCK CENTER FOR COMPLEX OPERATIONS			
Total Operating Expense	**561,396**	**561,396**	
MUSCATATUCK URBAN TRAINING CENTER			
Total Operating Expense	**1,185,602**	**1,185,602**	

	FY 2025-2026 Appropriation	FY 2026-2027 Appropriation	Biennial Appropriation
HOOSIER YOUTH CHALLENGE ACADEMY			
Total Operating Expense	**2,524,593**	**2,524,593**	
GOVERNOR'S CIVIL AND MILITARY CONTINGENCY FUND			
Total Operating Expense	**250,000**	**250,000**	

The above appropriations are made under IC 10-16-11-1.

FOR THE CRIMINAL JUSTICE INSTITUTE			
Total Operating Expense	**3,130,277**	**3,130,277**	
Violent Crime Victims Compensation Fund (IC 5-2-6.1-40)			
Total Operating Expense	**10,000**	**10,000**	
Augmentation allowed.			
Victim and Witness Assistance (IC 5-2-6-14)			
Total Operating Expense	**50,000**	**50,000**	
Augmentation allowed.			
State Drug Free Communities (IC 5-2-10-2)			
Total Operating Expense	**50,000**	**50,000**	
Augmentation allowed.			
DRUG ENFORCEMENT MATCH			
Total Operating Expense	**250,000**	**250,000**	

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

VICTIM AND WITNESS ASSISTANCE FUND			
Victim and Witness Assistance (IC 5-2-6-14)			
Total Operating Expense	**381,833**	**381,833**	
Augmentation allowed.			
ALCOHOL AND DRUG COUNTERMEASURES			
Alcohol and Drug Countermeasures Fund (IC 9-27-2-11)			
Total Operating Expense	**335,000**	**335,000**	
Augmentation allowed.			
STATE DRUG FREE COMMUNITIES FUND			
State Drug Free Communities (IC 5-2-10-2)			
Total Operating Expense	**362,845**	**362,845**	
Augmentation allowed.			
INDIANA LOCAL LAW ENFORCEMENT TRAINING DISTRIBUTION			
Total Operating Expense	**5,000,000**	**5,000,000**	

The above appropriations are for the purpose of providing distributions to city, town, and county law enforcement agencies to conduct law enforcement training, including the purchase of supplies and training materials. A distribution to a law enforcement agency in a fiscal year may not exceed the amount that the law enforcement agency received from fees collected pursuant to IC 35-47-2-3 in calendar year 2020.

OFFICE OF TRAFFIC SAFETY			
Total Operating Expense	**707,633**	**707,633**	

The above appropriations may be used as the state match requirement for this program according to the current highway safety plan approved by the governor and the budget agency.

SEXUAL ASSAULT VICTIMS' ASSISTANCE		
Total Operating Expense	**4,018,782**	**4,018,782**
VICTIMS OF VIOLENT CRIME ADMINISTRATION		
Total Operating Expense	**3,708,133**	**3,708,133**
Violent Crime Victims Compensation Fund (IC 5-2-6.1-40)		
Total Operating Expense	**3,325,844**	**3,325,844**

Augmentation allowed from the violent crime victims compensation fund.

If the above appropriations are insufficient to pay eligible claims, the budget agency may augment the above appropriations from the general fund.

DOMESTIC VIOLENCE PREVENTION AND TREATMENT		
Total Operating Expense	**8,000,000**	**8,000,000**
Domestic Violence Prevention and Treatment Fund (IC 5-2-6.7-4)		
Total Operating Expense	**1,226,800**	**1,226,800**

Augmentation allowed from the domestic violence prevention and treatment fund.

The above appropriations may not be used to construct a new domestic violence shelter but may be used to repair existing shelters.

JUVENILE RECIDIVISM REDUCTION PILOT PROJECT		
Total Operating Expense	**100,000**	**100,000**

FOR THE DEPARTMENT OF TOXICOLOGY		
Total Operating Expense	**2,622,025**	**2,622,025**

BREATH TEST TRAINING AND CERTIFICATION		
Breath Test Training and Certification Fund (IC 10-20-2-9)		
Total Operating Expense	**355,000**	**355,000**

Augmentation allowed from the breath test training and certification fund.

FOR THE CORONERS TRAINING BOARD		
Coroners Training and Continuing Education Fund (IC 4-23-6.5-8)		
Total Operating Expense	**475,000**	**475,000**

Augmentation allowed.

The department of health shall administer the coroners training and continuing education fund.

FOR THE LAW ENFORCEMENT TRAINING ACADEMY		
Total Operating Expense	**4,561,018**	**4,561,018**
Law Enforcement Academy Fund (IC 5-2-1-13)		
Total Operating Expense	**2,938,086**	**2,938,086**

Augmentation allowed from the law enforcement academy fund.

	FY 2025-2026 Appropriation	FY 2026-2027 Appropriation	Biennial Appropriation

C. REGULATORY AND LICENSING

FOR THE BUREAU OF MOTOR VEHICLES

Total Operating Expense	**29,284,278**	**29,284,278**

STATE MOTOR VEHICLE TECHNOLOGY

State Motor Vehicle Technology Fund (IC 9-14-14-3)

Total Operating Expense	**18,091,800**	**18,091,800**

Augmentation allowed.

MOTORCYCLE OPERATOR SAFETY

Motorcycle Operator Safety Education Fund (IC 9-27-7-7)

Total Operating Expense	**1,705,222**	**1,705,222**

Augmentation allowed.

LICENSE BRANCHES

Bureau of Motor Vehicles Commission Fund (IC 9-14-14-1)

Total Operating Expense	**135,819,542**	**135,819,542**

Augmentation allowed.

FOR THE DEPARTMENT OF LABOR

Total Operating Expense	**871,387**	**871,387**

BUREAU OF MINES AND SAFETY

Total Operating Expense	**190,604**	**190,604**

QUALITY, METRICS, AND STATISTICS (M.I.S.)

Total Operating Expense	**151,682**	**151,682**

OCCUPATIONAL SAFETY AND HEALTH

Total Operating Expense	**2,269,118**	**2,269,118**

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

EMPLOYMENT OF YOUTH

Labor Education and Youth Employment Fund (IC 22-2-18.1-32)

Total Operating Expense	**635,794**	**635,794**

Augmentation allowed.

INSAFE

Special Fund for Safety and Health Consultation Services (IC 22-8-1.1-48)

Total Operating Expense	**380,873**	**380,873**

Augmentation allowed.

FOR THE DEPARTMENT OF INSURANCE

Department of Insurance Fund (IC 27-1-3-28)

Total Operating Expense	**18,095,972**	**18,095,972**

Augmentation allowed.

ALL PAYER CLAIMS DATABASE

Department of Insurance Fund (IC 27-1-3-28)

Total Operating Expense	**4,512,442**	**4,512,442**

Augmentation allowed.
BAIL BOND DIVISION
Bail Bond Enforcement and Administration Fund (IC 27-10-5-1)
Total Operating Expense 81,880 81,880
Augmentation allowed.
PATIENT'S COMPENSATION AUTHORITY
Patients' Compensation Fund (IC 34-18-6-1)
Total Operating Expense 4,216,705 4,216,705
Augmentation allowed.
POLITICAL SUBDIVISION RISK MANAGEMENT
Political Subdivision Risk Management Fund (IC 27-1-29-10)
Total Operating Expense 133,108 133,108
Augmentation allowed.
MINE SUBSIDENCE INSURANCE
Mine Subsidence Insurance Fund (IC 27-7-9-7)
Total Operating Expense 2,400,000 2,400,000
Augmentation allowed.
TITLE INSURANCE ENFORCEMENT OPERATING
Title Insurance Enforcement Fund (IC 27-7-3.6-1)
Total Operating Expense 941,121 941,121
Augmentation allowed.

FOR THE ALCOHOL AND TOBACCO COMMISSION (ATC)
ATC Enforcement and Administration Fund (IC 7.1-4-10-1)
Total Operating Expense 17,483,329 17,483,329
Augmentation allowed.

The above appropriations include $500,000 each fiscal year for the purchase and maintenance of excise officer body cameras.

YOUTH TOBACCO EDUCATION AND ENFORCEMENT
Richard D. Doyle Youth Tobacco Education and Enforcement Fund (IC 7.1-6-2-6)
Total Operating Expense 72,849 72,849
Augmentation allowed.

ATC OPEB CONTRIBUTION
ATC Enforcement and Administration Fund (IC 7.1-4-10-1)
Total Operating Expense 658,617 658,617
Augmentation allowed.

FOR THE DEPARTMENT OF FINANCIAL INSTITUTIONS
Financial Institutions Fund (IC 28-11-2-9)
Total Operating Expense 12,472,649 12,472,649
Augmentation allowed.

FOR THE PROFESSIONAL LICENSING AGENCY
Total Operating Expense 9,816,091 9,816,091
CONTROLLED SUBSTANCES DATA FUND (INSPECT)
Controlled Substances Data Fund (IC 25-26-24-23)

	FY 2025-2026 Appropriation	FY 2026-2027 Appropriation	Biennial Appropriation
Total Operating Expense	**2,271,134**	**2,271,134**	
Augmentation allowed.			
PRENEED CONSUMER PROTECTION			
Preneed Consumer Protection Fund (IC 30-2-13-28)			
Total Operating Expense	**67,000**	**67,000**	
Augmentation allowed.			
BOARD OF FUNERAL AND CEMETERY SERVICE			
Funeral Service Education Fund (IC 25-15-9-13)			
Total Operating Expense	**250**	**250**	
Augmentation allowed.			
DENTAL PROFESSION INVESTIGATION			
Dental Compliance Fund (IC 25-14-1-3.7)			
Total Operating Expense	**175,014**	**175,014**	
Augmentation allowed.			
PHYSICIAN INVESTIGATION			
Physician Compliance Fund (IC 25-22.5-2-8)			
Total Operating Expense	**7,586**	**7,586**	
Augmentation allowed.			
FOR THE CIVIL RIGHTS COMMISSION			
COMMISSION ON THE SOCIAL STATUS OF BLACK MALES			
Total Operating Expense	**135,431**	**135,431**	
COMMISSION ON HISPANIC/LATINO AFFAIRS			
Total Operating Expense	**120,268**	**120,268**	
CIVIL RIGHTS COMMISSION			
Total Operating Expense	**2,374,855**	**2,375,745**	

The above appropriations for the Indiana civil rights commission reflect only the general fund portion of the total program costs for the processing of employment and housing discrimination complaints. It is the intent of the general assembly that the commission shall apply to the federal government for funding based upon the processing of employment and housing discrimination complaints.

NATIVE AMERICAN INDIAN AFFAIRS COMMISSION			
Total Operating Expense	**109,378**	**109,378**	
DR. MARTIN LUTHER KING JR. HOLIDAY COMMISSION			
Total Operating Expense	**50,000**	**50,000**	
FOR THE UTILITY CONSUMER COUNSELOR			
Public Utility Fund (IC 8-1-6-1)			
Total Operating Expense	**8,389,807**	**8,389,807**	
Augmentation allowed.			
EXPERT WITNESS FEES AND AUDIT			
Public Utility Fund (IC 8-1-6-1)			
Total Operating Expense	**787,998**	**787,998**	
Augmentation allowed.			
FOR THE UTILITY REGULATORY COMMISSION			
Public Utility Fund (IC 8-1-6-1)			

	FY 2025-2026 Appropriation	FY 2026-2027 Appropriation	Biennial Appropriation
Total Operating Expense	**11,647,441**	**11,647,441**	
Augmentation allowed.			
FOR THE WORKER'S COMPENSATION BOARD			
Total Operating Expense	**2,038,063**	**2,038,063**	
Workers' Compensation Supplemental Administrative Fund (IC 22-3-5-6)			
Total Operating Expense	**409,155**	**409,155**	
Augmentation allowed from the worker's compensation supplemental administrative fund.			
FOR THE STATE BOARD OF ANIMAL HEALTH			
Total Operating Expense	**6,888,952**	**6,888,952**	
ANIMAL DISEASE DIAGNOSTIC LABORATORY SYSTEM			
Total Operating Expense	**5,000,000**	**5,000,000**	
The above appropriations shall be used to fund the animal disease diagnostic laboratory system (ADDL), which consists of the main ADDL at West Lafayette and the southern branch of ADDL Southern Indiana Purdue Agricultural Center (SIPAC) in Dubois County. The above appropriations are in addition to any user charges that may be established and collected under IC 21-46-3-5.			
INDEMNITY			
Total Operating Expense	**42,500**	**42,500**	
Augmentation allowed.			
MEAT & POULTRY			
Total Operating Expense	**2,485,974**	**2,485,974**	
CAPTIVE CERVIDAE PROGRAMS			
Captive Cervidae Programs Fund (IC 15-17-14.7-16)			
Total Operating Expense	**47,000**	**47,000**	
Augmentation allowed.			
FOR THE DEPARTMENT OF HOMELAND SECURITY			
Total Operating Expense	**2,964,172**	**2,964,172**	
Fire and Building Services Fund (IC 22-12-6-1)			
Total Operating Expense	**17,914,929**	**17,914,929**	
Augmentation allowed.			
REGIONAL PUBLIC SAFETY TRAINING			
Total Operating Expense	**8,631,876**	**8,631,876**	
MOBILE INTEGRATION HEALTHCARE GRANTS			
Total Operating Expense	**500,000**	**500,000**	
PFAS BIOMONITORING PILOT PROGRAM			
Total Operating Expense	**200,000**	**0**	
STOP THE BLEED PROGRAM (IC 10-19-2.2)			
Total Operating Expense	**120,000**	**120,000**	
RADIOLOGICAL HEALTH			
Total Operating Expense	**74,145**	**74,145**	
OFFICE OF SCHOOL SAFETY			
Total Operating Expense	**1,000,000**	**1,000,000**	
INDIANA SECURED SCHOOL SAFETY			
Total Operating Expense	**27,100,000**	**27,100,000**	

Indiana Secured School Fund (IC 10-21-1-2)
Total Operating Expense 400,000 400,000
Augmentation allowed from the Indiana secured school fund.

Of the above appropriations, the department shall make $400,000 available each fiscal year to provide grants to school corporations, charter schools, and accredited nonpublic schools for bullying prevention programs.

Of the above appropriations, the department shall make $1,000,000 available each fiscal year to provide grants to school corporations, charter schools, and accredited nonpublic schools to implement a student and parent support services plan.

Of the above appropriations, the department shall make $700,000 available each fiscal year to accredited nonpublic schools that apply for grants for the purchase of security equipment or other security upgrades. The department shall prioritize grants to nonpublic schools that demonstrate a heightened risk of security threats.

EMERGENCY MANAGEMENT CONTINGENCY FUND
Total Operating Expense 97,288 97,288
Augmentation allowed.

The above appropriations are made under IC 10-14-3-28. The budget agency shall report any augmentations of the emergency management contingency fund to the state budget committee no more than 60 days after the augmentation is made.

PUBLIC ASSISTANCE GRANT PROGRAM
Total Operating Expense 1 1
Augmentation allowed.
INDIANA EMERGENCY RESPONSE COMMISSION
Total Operating Expense 57,152 57,152
Local Emergency Planning and Right to Know Fund (IC 13-25-2-10.5)
Total Operating Expense 74,413 74,413
Augmentation allowed.
FIRE PREVENTION AND PUBLIC SAFETY
Fire Prevention and Public Safety Fund (IC 22-14-7-27)
Total Operating Expense 32,000 32,000
Augmentation allowed.
STATEWIDE FIRE AND BUILDING SAFETY EDUCATION
Statewide Fire and Building Safety Education Fund (IC 22-12-6-3)
Total Operating Expense 120,959 120,959
Augmentation allowed.
EMERGENCY MEDICAL SERVICES (EMS) READINESS
Total Operating Expense 4,100,000 4,100,000

The above appropriations shall be used to improve the readiness and sustainability of emergency medical services. Eligible uses of the funding include the following:
(1) To fund initiatives that address EMS recruitment, training, retention, and other workforce challenges;
(2) To fund mobile integrated healthcare programs;

(3) To improve EMS availability for interfacility transfers;
(4) To reduce the financial burden on EMS provider organizations or EMS training institutions to purchase EMS equipment;
(5) To conduct a feasibility analysis regarding how computer aided dispatch systems used by public safety answering points in Indiana can be interoperable with the intent to facilitate the closest and most appropriate EMS response; and
(6) To fund technology and data connectivity for computer aided dispatch systems used by public safety answering points in Indiana to be interoperable to facilitate the closest and most appropriate EMS response.

The department may use any portion of the above appropriations to award grants.

SECTION 5. [EFFECTIVE JULY 1, 2025]

CONSERVATION AND ENVIRONMENT

A. NATURAL RESOURCES

FOR THE DEPARTMENT OF NATURAL RESOURCES (DNR) - ADMINISTRATION		
Total Operating Expense	**14,743,591**	**14,743,591**
OPEB TRUST FUND - DNR		
Total Operating Expense	**2,454,372**	**2,454,372**
ENTOMOLOGY AND PLANT PATHOLOGY		
Total Operating Expense	**967,250**	**967,250**
Entomology and Plant Pathology Fund (IC 14-24-10-3)		
Total Operating Expense	**302,415**	**302,415**
DIVISION OF HISTORIC PRESERVATION AND ARCHAEOLOGY		
Total Operating Expense	**1,038,841**	**1,038,841**
NATURE PRESERVES DIVISION		
Total Operating Expense	**525,709**	**525,709**
WATER DIVISION		
Total Operating Expense	**5,468,337**	**5,468,337**
DEER RESEARCH AND MANAGEMENT		
Deer Research and Management Fund (IC 14-22-5-2)		
Total Operating Expense	**90,180**	**90,180**
Augmentation allowed.		
OIL AND GAS DIVISION		
Total Operating Expense	**781,413**	**781,413**
Oil and Gas Fund (IC 6-8-1-27)		
Total Operating Expense	**1,356,665**	**1,356,665**
Augmentation allowed.		
STATE PARKS AND RESERVOIRS		
Total Operating Expense	**3,411,177**	**3,411,177**
State Parks & Reservoirs Special Revenue Fund (IC 14-19-8-2)		
Total Operating Expense	**43,591,652**	**43,591,652**
Augmentation allowed from the state parks and reservoirs special revenue fund.		
SNOWMOBILE FUND		
Off-Road Vehicle and Snowmobile Fund (IC 14-16-1-30)		
Total Operating Expense	**78,209**	**78,209**

	FY 2025-2026 Appropriation	FY 2026-2027 Appropriation	Biennial Appropriation
Augmentation allowed.			
DNR LAW ENFORCEMENT DIVISION			
Total Operating Expense	**24,825,338**	**24,825,338**	
Fish and Wildlife Fund (IC 14-22-3-2)			
Total Operating Expense	**3,853,137**	**3,853,137**	
Augmentation allowed.			
SPORTSMEN'S BENEVOLENCE			
Total Operating Expense	**145,500**	**145,500**	
FISH AND WILDLIFE DIVISION			
Fish and Wildlife Fund (IC 14-22-3-2)			
Total Operating Expense	**16,825,151**	**16,825,151**	
Augmentation allowed.			
FORESTRY DIVISION			
Total Operating Expense	**7,588,714**	**7,588,714**	
State Forestry Fund (IC 14-23-3-2)			
Total Operating Expense	**3,643,741**	**3,643,741**	
Augmentation allowed from the state forestry fund.			

In addition to any of the above appropriations for the department of natural resources, any federal funds received by the state of Indiana for the planning, acquisition, and development of approved outdoor recreation projects under the provisions of the federal Land and Water Conservation Fund Act, P.L.88-578, are appropriated for the uses and purposes for which the funds were paid to the state, and shall be distributed by the department of natural resources to state agencies and other governmental units in accordance with the provisions under which the funds were received.

LAKE MICHIGAN COASTAL PROGRAM MATCH			
Cigarette Tax Fund (IC 6-7-1-28.1)			
Total Operating Expense	**117,313**	**117,313**	
Augmentation allowed.			
LAKE AND RIVER ENHANCEMENT			
Lake and River Enhancement Fund (IC 14-22-3.5-1)			
Total Operating Expense	**2,079,013**	**2,079,013**	
Augmentation allowed.			
PRESIDENT BENJAMIN HARRISON CONSERVATION TRUST			
Benjamin Harrison Conservation Trust Fund (IC 14-12-2-25)			
Total Operating Expense	**811,750**	**811,750**	
Augmentation allowed.			
INSTITUTIONAL ROAD CONSTRUCTION			
State Highway Fund (IC 8-23-9-54)			
Total Operating Expense	**5,000,000**	**5,000,000**	

Subject to approval by the budget director, the above appropriations may be used for road and bridge construction, relocation, and other related improvement projects at state-owned properties managed by the department of natural resources.

B. OTHER NATURAL RESOURCES

	FY 2025-2026 Appropriation	FY 2026-2027 Appropriation	Biennial Appropriation

FOR THE INDIANA STATE MUSEUM AND HISTORIC SITES CORPORATION

Total Operating Expense	**10,615,778**	**10,615,778**

In lieu of billing the University of Southern Indiana, the above appropriations include $25,000 each fiscal year for the purpose of maintaining historic properties in New Harmony.

FOR THE WAR MEMORIALS COMMISSION

Total Operating Expense	**1,319,377**	**1,319,377**

All revenues received as rent for space in the buildings located at 777 North Meridian Street and 700 North Pennsylvania Street, in the city of Indianapolis, that exceed the costs of operation and maintenance of the space rented, shall be deposited into the general fund.

FOR THE WHITE RIVER STATE PARK DEVELOPMENT COMMISSION

Total Operating Expense	**806,081**	**806,081**

FOR THE MAUMEE RIVER BASIN COMMISSION

Total Operating Expense	**101,850**	**101,850**

FOR THE ST. JOSEPH RIVER BASIN COMMISSION

Total Operating Expense	**104,974**	**104,974**

FOR THE KANKAKEE RIVER BASIN COMMISSION

Total Operating Expense	**79,487**	**79,487**

C. ENVIRONMENTAL MANAGEMENT

FOR THE DEPARTMENT OF ENVIRONMENTAL MANAGEMENT

OPERATING		
Total Operating Expense	**27,501,536**	**27,501,536**
OFFICE OF ENVIRONMENTAL RESPONSE		
Total Operating Expense	**2,723,210**	**2,723,210**
POLLUTION PREVENTION AND TECHNICAL ASSISTANCE		
Total Operating Expense	**756,264**	**756,264**
RIVERSIDE CLEAN-UP		
Total Operating Expense	**515,611**	**515,611**
STATE SOLID WASTE GRANTS MANAGEMENT		
State Solid Waste Management Fund (IC 13-20-22-2)		
Total Operating Expense	**3,702,735**	**3,702,735**
Augmentation allowed.		
RECYCLING PROMOTION AND ASSISTANCE PROGRAM		
Indiana Recycling Promotion and Assistance Fund (IC 4-23-5.5-14)		
Total Operating Expense	**2,225,116**	**2,225,116**
Augmentation allowed.		
VOLUNTARY CLEAN-UP PROGRAM		
Voluntary Remediation Fund (IC 13-25-5-21)		
Total Operating Expense	**1,520,376**	**1,520,376**

Augmentation allowed.		
TITLE V AIR PERMIT PROGRAM		
Title V Operating Permit Program Trust Fund (IC 13-17-8-1)		
Total Operating Expense	**11,567,859**	**11,567,859**
Augmentation allowed.		
WATER MANAGEMENT PERMITTING		
Environmental Management Permit Operation Fund (IC 13-15-11-1)		
Total Operating Expense	**7,799,674**	**7,799,674**
Augmentation allowed.		
SOLID WASTE MANAGEMENT PERMITTING		
Environmental Management Permit Operation Fund (IC 13-15-11-1)		
Total Operating Expense	**4,278,656**	**4,278,656**
Augmentation allowed.		
CFO/CAFO INSPECTIONS		
Total Operating Expense	**2,620,777**	**2,620,777**
HAZARDOUS WASTE MANAGEMENT PERMITTING		
Environmental Management Permit Operation Fund (IC 13-15-11-1)		
Total Operating Expense	**1,221,577**	**1,221,577**
Augmentation allowed.		
Environmental Management Special Fund (IC 13-14-12-1)		
Total Operating Expense	**1,500,000**	**1,500,000**
ENVIRONMENTAL MANAGEMENT SPECIAL OPERATING		
Environmental Management Special Fund (IC 13-14-12-1)		
Total Operating Expense	**3,136,726**	**3,136,726**
Petroleum Storage Tank Trust Fund (IC 13-23-6-1)		
Total Operating Expense	**110,000**	**110,000**
Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)		
Total Operating Expense	**1,500,000**	**1,500,000**
ELECTRONIC WASTE		
Electronic Waste Fund (IC 13-20.5-2-3)		
Total Operating Expense	**213,685**	**213,685**
Augmentation allowed.		
AUTO EMISSIONS TESTING PROGRAM		
Total Operating Expense	**5,096,491**	**5,096,491**

The above appropriations are the maximum amounts available for this purpose. If it becomes necessary to conduct additional tests in other locations, the above appropriations shall be prorated among all locations.

HAZARDOUS WASTE SITES - STATE CLEAN-UP		
Hazardous Substances Response Trust Fund (IC 13-25-4-1)		
Total Operating Expense	**3,565,961**	**3,565,961**
Augmentation allowed.		
HAZARDOUS WASTE - NATURAL RESOURCE DAMAGES		
Hazardous Substances Response Trust Fund (IC 13-25-4-1)		
Total Operating Expense	**237,215**	**237,215**
Augmentation allowed.		
SUPERFUND MATCH		
Hazardous Substances Response Trust Fund (IC 13-25-4-1)		

	FY 2025-2026 Appropriation	FY 2026-2027 Appropriation	Biennial Appropriation
Total Operating Expense	**1,500,000**	**1,500,000**	
Augmentation allowed.			
ASBESTOS TRUST - OPERATING			
Asbestos Trust Fund (IC 13-17-6-3)			
Total Operating Expense	**595,641**	**595,641**	
Augmentation allowed.			
PETROLEUM STORAGE TANK - OPERATING			
Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)			
Total Operating Expense	**37,260,610**	**37,260,610**	
Augmentation allowed.			
WASTE TIRE MANAGEMENT			
Waste Tire Management Fund (IC 13-20-13-8)			
Total Operating Expense	**1,586,492**	**1,586,492**	
Augmentation allowed.			
COAL COMBUSTION RESIDUALS (CCR) STATE PERMIT PROGRAM			
CCR State Permit Program (IC 13-19-3-3.2)			
Total Operating Expense	**450,000**	**450,000**	
Augmentation allowed.			
VOLUNTARY COMPLIANCE			
Environmental Management Special Fund (IC 13-14-12-1)			
Total Operating Expense	**604,856**	**604,856**	
Augmentation allowed.			
PETROLEUM TRUST - OPERATING			
Petroleum Storage Tank Trust Fund (IC 13-23-6-1)			
Total Operating Expense	**1,110,000**	**1,110,000**	
Augmentation allowed.			

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

SECTION 6. [EFFECTIVE JULY 1, 2025]

ECONOMIC DEVELOPMENT

A. AGRICULTURE

FOR THE DEPARTMENT OF AGRICULTURE

Total Operating Expense	**2,337,262**	**2,337,262**	

The above appropriations include $5,000 each fiscal year to purchase plaques for the recipients of the Hoosier Homestead award.

DISTRIBUTIONS TO FOOD BANKS

	FY 2025-2026 Appropriation	FY 2026-2027 Appropriation	Biennial Appropriation
Total Operating Expense	**2,000,000**	**2,000,000**	
CLEAN WATER INDIANA			
Total Operating Expense	**6,000,000**	**6,000,000**	
Cigarette Tax Fund (IC 6-7-1-28.1)			
Total Operating Expense	**2,519,014**	**2,519,014**	
SOIL CONSERVATION DIVISION			
Cigarette Tax Fund (IC 6-7-1-28.1)			
Total Operating Expense	**1,629,324**	**1,629,324**	
Augmentation allowed.			
GRAIN BUYERS AND WAREHOUSE LICENSING			
Grain Buyers and Warehouse Licensing Agency License Fee Fund (IC 26-3-7-6.3)			
Total Operating Expense	**675,768**	**0**	
Augmentation allowed from the grain buyers and warehouse licensing agency license fee fund in FY 2026 only.			

B. COMMERCE

FOR THE LIEUTENANT GOVERNOR

INDIANA GROWN			
Total Operating Expense	**250,000**	**250,000**	
OFFICE OF COMMUNITY AND RURAL AFFAIRS			
Total Operating Expense	**1,287,959**	**1,287,959**	

FOR THE INDIANA DESTINATION DEVELOPMENT CORPORATION

Total Operating Expense	**5,565,134**	**5,565,134**	

The above appropriations include $500,000 each fiscal year to assist the department of natural resources with marketing efforts.

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

LINCOLN AMPHITHEATER OPERATIONS			
Total Operating Expense	**346,610**	**346,610**	
VETERANS CAREER AND RELOCATION ASSISTANCE			
Total Operating Expense	**1,000,000**	**1,000,000**	
STATEWIDE SPORTS AND TOURISM BID FUND			
Total Operating Expense	**5,000,000**	**5,000,000**	

The above appropriations are pursuant to IC 5-33-6.5-8.

INDIANA SPORTS CORPORATION			
Total Operating Expense	**750,000**	**750,000**	
FUTURE FARMERS OF AMERICA			
Total Operating Expense	**500,000**	**500,000**	
GRISSOM AIR MUSEUM			
Total Operating Expense	**75,000**	**75,000**	
STUDEBAKER NATIONAL MUSEUM			

	FY 2025-2026 Appropriation	FY 2026-2027 Appropriation	Biennial Appropriation
Total Operating Expense	**50,000**	**50,000**	

The Studebaker Museum distribution requires a $50,000 match.

FOR THE OFFICE OF ENERGY DEVELOPMENT			
Total Operating Expense	**560,026**	**560,026**	
GRID RESILIENCE MATCH			
Total Operating Expense	**700,000**	**700,000**	
FOR THE INDIANA ECONOMIC DEVELOPMENT CORPORATION			
ADMINISTRATIVE AND FINANCIAL SERVICES			
Total Operating Expense	**7,310,159**	**7,310,159**	
INDIANA 21ST CENTURY RESEARCH & TECHNOLOGY FUND (IC 5-28-16-2)			
Total Operating Expense	**32,750,000**	**32,750,000**	
MANUFACTURING READINESS GRANTS			
Total Operating Expense	**20,000,000**	**20,000,000**	
SKILLS ENHANCEMENT FUND (IC 5-28-7-5)			
Total Operating Expense	**11,500,000**	**11,500,000**	
INDIANA OFFICE OF DEFENSE DEVELOPMENT			
Total Operating Expense	**782,446**	**782,446**	
ECONOMIC DEVELOPMENT FUND (IC 5-28-8-5)			
Total Operating Expense	**947,344**	**947,344**	
DIRECT FLIGHTS			
Total Operating Expense	**5,000,000**	**5,000,000**	
BUSINESS PROMOTION AND INNOVATION			
Total Operating Expense	**17,000,000**	**17,000,000**	
INDUSTRIAL DEVELOPMENT GRANT PROGRAM			
Total Operating Expense	**4,850,000**	**4,850,000**	
FOR THE HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY			
HOUSING FIRST PROGRAM (IC 5-20-9)			
Total Operating Expense	**1,000,000**	**1,000,000**	
INDIANA INDIVIDUAL DEVELOPMENT ACCOUNTS (IC 4-4-28)			
Total Operating Expense	**609,945**	**609,945**	

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

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

FOR THE INDIANA FINANCE AUTHORITY			
ENVIRONMENTAL REMEDIATION REVOLVING LOAN PROGRAM			
Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)			
Total Operating Expense	**4,000,000**	**4,000,000**	

C. EMPLOYMENT SERVICES

	FY 2025-2026 Appropriation	FY 2026-2027 Appropriation	Biennial Appropriation
FOR THE DEPARTMENT OF WORKFORCE DEVELOPMENT			
ADMINISTRATION			
Total Operating Expense	**2,748,115**	**2,748,115**	
SERVE INDIANA ADMINISTRATION			
Total Operating Expense	**239,560**	**239,560**	
OFFICE OF WORK-BASED LEARNING AND APPRENTICESHIP			
Total Operating Expense	**255,000**	**255,000**	
PROPRIETARY EDUCATIONAL INSTITUTIONS			
Total Operating Expense	**53,243**	**53,243**	
NEXT LEVEL JOBS EMPLOYER TRAINING GRANT PROGRAM			
Total Operating Expense	**17,064,066**	**17,064,066**	
INDIANA CONSTRUCTION ROUNDTABLE FOUNDATION			
Total Operating Expense	**1,000,000**	**1,000,000**	
WORKFORCE READY GRANTS			
Total Operating Expense	**6,000,000**	**6,000,000**	
ADULT EDUCATION DISTRIBUTION			
Total Operating Expense	**20,985,041**	**20,985,041**	

It is the intent of the general assembly that the above appropriations shall be the total allowable state expenditure for such program. If disbursements are anticipated to exceed the total appropriation for a state fiscal year, the department of workforce development shall reduce the distributions proportionately.

FOR THE WORKFORCE CABINET			
Total Operating Expense	**950,000**	**950,000**	
WORKFORCE DIPLOMA REIMBURSEMENT PROGRAM			
Total Operating Expense	**1,500,000**	**1,500,000**	
FOR THE OFFICE OF ENTREPRENEURSHIP AND INNOVATION			
Total Operating Expense	**1,750,000**	**1,750,000**	
D. OTHER ECONOMIC DEVELOPMENT			
FOR THE INDIANA STATE FAIR BOARD			
Total Operating Expense	**2,474,312**	**2,474,312**	

SECTION 7. [EFFECTIVE JULY 1, 2025]

TRANSPORTATION			
FOR THE DEPARTMENT OF TRANSPORTATION			
RAILROAD GRADE CROSSING IMPROVEMENT			
Motor Vehicle Highway Account (IC 8-14-1)			
Total Operating Expense	**1,000,000**	**1,000,000**	
HIGH SPEED RAIL			
High Speed Rail Development Fund (IC 8-23-25)			
Total Operating Expense	**20,000**	**20,000**	

	FY 2025-2026 Appropriation	FY 2026-2027 Appropriation	Biennial Appropriation
PUBLIC MASS TRANSPORTATION			
Total Operating Expense	**45,000,000**	**45,000,000**	

The above appropriations are to be used solely for the promotion and development of public transportation.

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

The state funds can be used to match federal funds available under the Federal Transit Act (49 U.S.C. 5301 et seq.) or local funds from a requesting grantee.

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

The distribution formula established by the department is subject to approval by the budget director to ensure that a public mass transportation system located in a county other than an eligible county (as defined by IC 8-25-1-4) is not adversely affected by a public transportation project carried out under IC 8-25. This applies in a calendar year beginning after December 31 of a calendar year in which an eligible county begins to carry out a public transportation project approved under IC 8-25.

AIRPORT DEVELOPMENT			
Airport Development Grant Fund (IC 8-21-11-4)			
Total Operating Expense	**3,600,000**	**3,600,000**	
Augmentation allowed.			
HIGHWAY OPERATING			
State Highway Fund (IC 8-23-9-54)			
Total Operating Expense	**435,051,877**	**435,051,877**	
Augmentation allowed.			
HIGHWAY VEHICLE AND ROAD MAINTENANCE EQUIPMENT			
State Highway Fund (IC 8-23-9-54)			
Total Operating Expense	**35,936,185**	**35,936,185**	
Augmentation allowed.			
HIGHWAY MAINTENANCE WORK PROGRAM			
State Highway Fund (IC 8-23-9-54)			
Total Operating Expense	**143,967,253**	**143,967,253**	
Augmentation allowed.			

The above appropriations may be used for:
(1) materials for patching roadways and shoulders;
(2) repairing and painting bridges;
(3) installing signs and signals and painting roadways for traffic control;
(4) mowing, herbicide application, and brush control;
(5) drainage control;

(6) maintenance of rest areas, public roads on properties of the department of natural resources, and driveways on the premises of all state facilities;
(7) materials for snow and ice removal;
(8) utility costs for roadway lighting; and
(9) other maintenance and support activities consistent with the program.

HIGHWAY CAPITAL IMPROVEMENTS		
State Highway Fund (IC 8-23-9-54)		
Right-of-Way Expense	**50,000,000**	**50,000,000**
Formal Contracts Expense	**933,426,729**	**933,426,729**
Consulting Services Expense	**100,000,000**	**100,000,000**
Institutional Road Construction	**7,500,000**	**7,500,000**

Augmentation allowed for the highway capital improvements program.

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

Subject to approval by the state budget director, the above appropriations for institutional road construction may be used for road, bridge, and parking lot construction, maintenance, and improvement projects at any state-owned property.

No appropriation from the state highway fund may be used to fund any toll road or toll bridge project except as specifically provided for under IC 8-15-2-20.

TOLL ROAD COUNTIES STATE HIGHWAY PROGRAM		
Toll Road Lease Amendment Proceeds Fund (IC 8-14-14.2-1)		
Total Operating Expense	**6,000,000**	**6,000,000**

Augmentation allowed.

HIGHWAY PLANNING AND RESEARCH PROGRAM		
State Highway Fund (IC 8-23-9-54)		
Total Operating Expense	**3,780,000**	**3,780,000**

Augmentation allowed.

STATE HIGHWAY ROAD CONSTRUCTION AND IMPROVEMENT PROGRAM		
State Highway Road Construction and Improvement Fund (IC 8-14-10-5)		
Lease Rental Payments Expense	**70,000,000**	**70,000,000**

Augmentation allowed.

The above appropriations shall be first used for payment of rentals and leases relating to projects under IC 8-14.5. If any funds remain, the funds may be used for the following purposes:
(1) road and bridge construction, reconstruction, or replacement;
(2) construction, reconstruction, or replacement of travel lanes, intersections, and grade separations;
(3) relocation and modernization of existing roads; and
(4) right-of-way, relocation, and engineering and consulting expenses associated with any of the above types of projects.

CROSSROADS 2000 PROGRAM		
Crossroads 2000 Fund (IC 8-14-10-9)		
Lease Rental Payment Expense	**29,627,309**	**29,627,309**
Augmentation allowed.		

The above appropriations shall be first used for payment of rentals and leases relating to projects under IC 8-14-10-9. If any funds remain, the funds may be used for the following purposes:
(1) road and bridge construction, reconstruction, or replacement;
(2) construction, reconstruction, or replacement of travel lanes, intersections, and grade separations;
(3) relocation and modernization of existing roads; and
(4) right-of-way, relocation, and engineering and consulting expenses associated with any of the above types of projects.

JOINT MAJOR MOVES CONSTRUCTION		
Major Moves Construction Fund (IC 8-14-14-5)		
Total Operating Expense	**500,000**	**500,000**
Augmentation allowed.		
FEDERAL APPORTIONMENT		
Total Operating Expense	**1,499,442,852**	**1,499,442,852**

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

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

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

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

engineers for the capital improvements program.

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

LOCAL TECHNICAL ASSISTANCE AND RESEARCH		
Motor Vehicle Highway Account (IC 8-14-1)		
Total Operating Expense	**500,000**	**500,000**

The above appropriations are for developing and maintaining a centralized electronic statewide asset management data base that may be used to aggregate data on local road conditions. The data base shall be developed in cooperation with the department and the office of management and budget per IC 8-14-3-3.

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

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

Under IC 8-14-1-3(7), there is hereby appropriated such sums as are necessary to maintain a sufficient working balance in accounts established to match federal and local money for highway projects. These funds are appropriated from the following sources in the proportion specified:
(1) one-half (1/2) from the thirty-eight percent (38%) set aside of the motor vehicle highway account under IC 8-14-1-3(7); and
(2) for counties and for those cities and towns with a population greater than five thousand (5,000), one-half (1/2) from the distressed road fund under IC 8-14-8-2.

OHIO RIVER BRIDGE		
State Highway Fund (IC 8-23-9-54)		
Total Operating Expense	**500,000**	**500,000**

SECTION 8. [EFFECTIVE JULY 1, 2025]

	FY 2025-2026 Appropriation	FY 2026-2027 Appropriation	Biennial Appropriation

FAMILY AND SOCIAL SERVICES, HEALTH, AND VETERANS' AFFAIRS

A. FAMILY AND SOCIAL SERVICES

FOR THE FAMILY AND SOCIAL SERVICES ADMINISTRATION

FAMILY AND SOCIAL SERVICES ADMINISTRATION - CENTRAL OFFICE		
Total Operating Expense	**16,037,800**	**16,037,800**
SOCIAL SERVICES DATA WAREHOUSE		
Total Operating Expense	**38,273**	**38,273**
211 SERVICES		
Total Operating Expense	**3,055,344**	**3,055,344**
INDIANA PRESCRIPTION DRUG PROGRAM		
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
Total Operating Expense	**443,315**	**443,315**
CHILDREN'S HEALTH INSURANCE PROGRAM		
Total Operating Expense	**94,000,000**	**97,800,000**
OFFICE OF MEDICAID POLICY AND PLANNING STATE PROGRAMS		
Total Operating Expense	**2,306,334**	**2,306,334**
MEDICAID ADMINISTRATION		
Total Operating Expense	**47,092,686**	**47,092,686**
MEDICAID ASSISTANCE		
Total Operating Expense	**4,846,900,000**	**5,182,400,000**

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

HEALTHY INDIANA PLAN		
Healthy Indiana Plan Trust Fund (IC 12-15-44.2-17)		
Total Operating Expense	**71,434,565**	**68,844,565**
Augmentation allowed.		
MARION COUNTY HEALTH AND HOSPITAL CORPORATION		
Total Operating Expense	**38,000,000**	**38,000,000**
MENTAL HEALTH ADMINISTRATION		
Total Operating Expense	**3,610,563**	**3,610,563**

Of the above appropriations, $218,525 each fiscal year is for the Child Assessment Needs Survey (CANS). Of the above appropriations, the administration shall distribute $275,000 each fiscal year to neighborhood-based community service programs.

	FY 2025-2026 Appropriation	FY 2026-2027 Appropriation	Biennial Appropriation
MENTAL HEALTH AND ADDICTION FORENSIC TREATMENT SERVICES GRANT			
Total Operating Expense	**25,000,000**	**25,000,000**	
COMMUNITY MENTAL HEALTH			
Total Operating Expense	**50,000,000**	**50,000,000**	
CHILD PSYCHIATRIC SERVICES			
Total Operating Expense	**14,537,030**	**14,537,030**	

The above appropriations include $5,500,000 each year for the Family and Social Services Administration to contract with no more than three regionally diverse social services providers to implement an evidence-based program that partners with school corporations, charter schools, and accredited nonpublic schools to provide social work services and evidence-based prevention programs to children, parents, caregivers, teachers, and the community to prevent substance abuse, promote healthy behaviors, and maximize student success. In making contracts, the Family and Social Services Administration shall require the contracted social services providers to secure matching funds that obligate the state to no more than sixty-five percent (65%) of the total program cost and require the contracted social services providers to have experience in providing similar services including independent evaluation of those services.

SERIOUSLY EMOTIONALLY DISTURBED			
Total Operating Expense	**14,571,352**	**14,571,352**	
SERIOUSLY MENTALLY ILL			
Total Operating Expense	**90,811,518**	**90,811,518**	
COMMUNITY MENTAL HEALTH CENTERS			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**7,200,000**	**7,200,000**	

The above appropriations include the intragovernmental transfers necessary to provide the nonfederal share of reimbursement under the Medicaid rehabilitation option.

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

GAMBLERS' ASSISTANCE			
Addiction Services Fund (IC 12-23-2-2)			
Total Operating Expense	**3,063,652**	**3,063,652**	
Augmentation allowed.			
SUBSTANCE ABUSE TREATMENT			
State Unrestricted Opioid Settlement Account (IC 4-12-16.2-5(1))			
Total Operating Expense	**9,100,000**	**9,100,000**	
Augmentation allowed.			
QUALITY ASSURANCE/RESEARCH			
Total Operating Expense	**304,711**	**304,711**	
PREVENTION			
Addiction Services Fund (IC 12-23-2-2)			

	FY 2025-2026 Appropriation	FY 2026-2027 Appropriation	Biennial Appropriation
Total Operating Expense	**1,672,675**	**1,672,675**	
Augmentation allowed.			
METHADONE DIVERSION CONTROL AND OVERSIGHT (MDCO) PROGRAM			
Opioid Treatment Program Fund (IC 12-23-18-4)			
Total Operating Expense	**427,010**	**427,010**	
Augmentation allowed.			
DMHA YOUTH TOBACCO REDUCTION SUPPORT PROGRAM			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**250,000**	**250,000**	
Augmentation allowed.			
EVANSVILLE PSYCHIATRIC CHILDREN'S CENTER			
Total Operating Expense	**1,937,475**	**1,937,475**	
Mental Health Fund (IC 12-24-14-4)			
Total Operating Expense	**2,209,422**	**2,209,422**	
Augmentation allowed.			
EVANSVILLE STATE HOSPITAL			
Total Operating Expense	**25,687,007**	**25,687,007**	
Mental Health Fund (IC 12-24-14-4)			
Total Operating Expense	**4,340,134**	**4,340,134**	
Augmentation allowed.			
LOGANSPORT STATE HOSPITAL			
Total Operating Expense	**32,711,035**	**32,711,035**	
Mental Health Fund (IC 12-24-14-4)			
Total Operating Expense	**1,410,464**	**1,410,464**	
Augmentation allowed.			
MADISON STATE HOSPITAL			
Total Operating Expense	**26,438,717**	**26,438,717**	
Mental Health Fund (IC 12-24-14-4)			
Total Operating Expense	**2,796,667**	**2,796,667**	
Augmentation allowed.			
RICHMOND STATE HOSPITAL			
Total Operating Expense	**35,656,881**	**35,656,881**	
Mental Health Fund (IC 12-24-14-4)			
Total Operating Expense	**2,062,201**	**2,062,201**	
Augmentation allowed.			
NEURODIAGNOSTIC INSTITUTE			
Total Operating Expense	**28,600,566**	**28,600,566**	
Mental Health Fund (IC 12-24-14-4)			
Total Operating Expense	**7,500,000**	**7,500,000**	
Augmentation allowed.			
PATIENT PAYROLL			
Total Operating Expense	**148,533**	**148,533**	

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

DIVISION OF FAMILY RESOURCES ADMINISTRATION

	FY 2025-2026 Appropriation	FY 2026-2027 Appropriation	Biennial Appropriation
Total Operating Expense	**1,997,280**	**1,997,280**	
ELECTRONIC BENEFITS TRANSFER ADMINISTRATION			
Total Operating Expense	**122,299**	**122,299**	
DIVISION OF FAMILY RESOURCES - COUNTY ADMINISTRATION			
Total Operating Expense	**109,116,033**	**109,116,033**	
INDIANA ELIGIBILITY SYSTEM			
Total Operating Expense	**11,149,723**	**11,149,723**	
SNAP/IMPACT ADMINISTRATION			
Total Operating Expense	**9,077,940**	**9,077,940**	
TEMPORARY ASSISTANCE TO NEEDY FAMILIES – STATE APPROPRIATION			
Total Operating Expense	**17,886,301**	**17,886,301**	
BURIAL EXPENSES			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**5,861,121**	**5,861,121**	
Augmentation allowed.			
DIVISION OF AGING ADMINISTRATION			
Total Operating Expense	**735,845**	**735,845**	
DIVISION OF AGING SERVICES			
Total Operating Expense	**1,267,723**	**1,267,723**	
ROOM AND BOARD ASSISTANCE (R-CAP)			
Total Operating Expense	**4,000,000**	**4,000,000**	
DEMENTIA CARE SPECIALIST PROGRAM (IC 12-10-5.7)			
Total Operating Expense	**1,500,000**	**1,500,000**	
AMYOTROPHIC LATERAL SCLEROSIS HOSPICE CARE			
Total Operating Expense	**1,000,000**	**1,000,000**	
C.H.O.I.C.E. IN-HOME SERVICES			
Total Operating Expense	**48,765,643**	**48,765,643**	

The above appropriations include intragovernmental transfers to provide the nonfederal share of the Medicaid aged and disabled waiver.

The intragovernmental transfers for use in the Medicaid aged and disabled waiver may not exceed $12,500,000 annually.

The Family and Social Services Administration shall conduct an annual evaluation of the cost effectiveness of providing home and community-based services. Before January of each year, the agency shall submit a report to the budget committee, the budget agency, and the legislative council (in an electronic format under IC 5-14-6) that covers all aspects of the agency's evaluation and such other information pertaining thereto as may be requested by the budget committee, the budget agency, or the legislative council, including the following:
(1) the number and demographic characteristics of the recipients of home and community-based services during the preceding fiscal year, including a separate count of individuals who received no services other than case management services (as defined in 455 IAC 2-4-10) during the preceding fiscal year; and
(2) the total cost and per recipient cost of providing home and community-based services during the preceding fiscal year.

The agency shall obtain from providers of services data on their costs and expenditures

regarding implementation of the program and report the findings to the budget committee, the budget agency, and the legislative council. The report to the legislative council must be in an electronic format under IC 5-14-6.

OLDER HOOSIERS ACT		
Total Operating Expense	**1,573,446**	**1,573,446**
ADULT PROTECTIVE SERVICES		
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
Total Operating Expense	**5,459,948**	**5,459,948**
Augmentation allowed.		

The above appropriations may be used for emergency adult protective services placement. Funds shall be used to the extent that such services are not available to an individual through a policy of accident and sickness insurance, a health maintenance organization contract, the Medicaid program, the federal Medicare program, or any other federal program.

ADULT GUARDIANSHIP SERVICES		
Total Operating Expense	**405,565**	**405,565**
BUREAU OF DEVELOPMENTAL DISABILITIES SERVICES - DAY SERVICES		
Total Operating Expense	**3,418,884**	**3,418,884**
DIVISION OF DISABILITY AND REHABILITATIVE SERVICES ADMINISTRATION		
Total Operating Expense	**509,032**	**509,032**
BUREAU OF REHABILITATIVE SERVICES - VOCATIONAL REHABILITATION		
Total Operating Expense	**17,077,538**	**17,077,538**
INDEPENDENT LIVING		
Total Operating Expense	**2,000,000**	**2,000,000**
REHABILITATIVE SERVICES - DEAF AND HARD OF HEARING SERVICES		
Total Operating Expense	**271,262**	**271,262**
BLIND VENDING - STATE APPROPRIATION		
Total Operating Expense	**73,552**	**73,552**
FIRST STEPS		
Total Operating Expense	**25,546,118**	**25,546,118**
BUREAU OF DEVELOPMENTAL DISABILITIES SERVICES - OPERATING		
Total Operating Expense	**6,400,033**	**6,400,033**

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

SCHOOL AGE CHILD CARE PROJECT FUND		
Total Operating Expense	**812,413**	**812,413**

The above appropriations are made under IC 6-7-1-30.2(c) and not in addition to the transfer required by IC 6-7-1-30.2(c).

	FY 2025-2026 Appropriation	FY 2026-2027 Appropriation	Biennial Appropriation
EARLY CHILDHOOD LEARNING			
Total Operating Expense	**40,073,967**	**40,073,967**	
CCDF HOLD HARMLESS FUNDING			
Total Operating Expense			**155,000,000**
PRE-K EDUCATION			
Total Operating Expense	**27,436,887**	**27,436,887**	

The above appropriations shall be transferred into the prekindergarten program fund established in IC 12-17.2-7.2-13.5. Of the above appropriations, $1,000,000 shall be used each fiscal year for reimbursement of technology based in-home early education services under IC 12-17.2-7.5.

FOR THE DEPARTMENT OF CHILD SERVICES

CHILD SERVICES ADMINISTRATION			
Total Operating Expense	**301,452,728**	**301,452,728**	
Augmentation allowed.			

With the above appropriations, the department shall award grants to All Pro Dad chapters located in Indiana in an amount of $350,000 each fiscal year for the purpose of building relationships between fathers and their children.

With the above appropriations, the department shall award grants to the Boys and Girls Clubs Indiana Alliance in an amount of $2,000,000 each fiscal year for the purpose of providing grants to Indiana Boys and Girls Clubs for the promotion of the social welfare of youth.

CHILD WELFARE PROGRAM			
Total Operating Expense	**91,423,093**	**91,423,093**	

The above appropriations include state matching funds for Title IV-D and Title IV-E federal grants. The above appropriations for the department of child services Title IV-D of the federal Social Security Act are made under, and not in addition to, IC 31-25-4-28.

CHILD WELFARE SERVICES STATE GRANTS			
Total Operating Expense	**11,416,415**	**11,416,415**	
FAMILY AND CHILDREN FUND			
Total Operating Expense	**688,873,384**	**688,873,384**	
Augmentation allowed.			
YOUTH SERVICE BUREAU			
Total Operating Expense	**1,008,947**	**1,008,947**	
PROJECT SAFEPLACE			
Total Operating Expense	**112,000**	**112,000**	
HEALTHY FAMILIES INDIANA			
Total Operating Expense	**5,093,145**	**5,093,145**	
INSURING FOSTER YOUTH TRUST PROGRAM (IC 31-26-4.5)			
Total Operating Expense	**1,000,000**	**1,000,000**	

	FY 2025-2026 Appropriation	FY 2026-2027 Appropriation	Biennial Appropriation
ADOPTION SERVICES			
Total Operating Expense	**26,862,735**	**26,862,735**	
FOR THE DEPARTMENT OF ADMINISTRATION			
DEPARTMENT OF CHILD SERVICES OMBUDSMAN BUREAU			
Total Operating Expense	**404,715**	**404,715**	

B. PUBLIC HEALTH

FOR THE INDIANA DEPARTMENT OF HEALTH

Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**30,403,383**	**30,403,383**	

Augmentation allowed.

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

AREA HEALTH EDUCATION CENTERS			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**2,630,676**	**2,630,676**	
MINORITY HEALTH INITIATIVE			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**3,500,000**	**3,500,000**	

The above appropriations shall be allocated to the Indiana Minority Health Coalition to work with the department on the implementation of IC 16-46-11.

SICKLE CELL			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**1,000,000**	**1,000,000**	
MEDICARE-MEDICAID CERTIFICATION			
Total Operating Expense	**7,123,395**	**7,123,395**	

Augmentation allowed in amounts not to exceed revenue from health facilities license fees or from health care providers (as defined in IC 16-18-2-163) fee increases or those adopted by the executive board of the Indiana department of health under IC 16-19-3.

LOCAL PUBLIC HEALTH			
Total Operating Expense	**100,000,000**	**100,000,000**	

The above appropriations shall be used to establish a partnership responsibility between the state, local government, and health care providers for the provision of core public health services.

INFECTIOUS DISEASE			
Total Operating Expense	**5,485,774**	**5,485,774**	
LEAD SCREENING & SURVEILLANCE			
Total Operating Expense	**2,200,000**	**2,200,000**	
TRAUMA SYSTEM QUALITY IMPROVEMENT			

	FY 2025-2026 Appropriation	FY 2026-2027 Appropriation	Biennial Appropriation
Total Operating Expense	**5,793,257**	**5,793,257**	
NUTRITION ASSISTANCE			
Total Operating Expense	**280,806**	**280,806**	
HIV/AIDS SERVICES			
Total Operating Expense	**2,957,104**	**2,957,104**	
Addiction Services Fund (IC 12-23-2-2)			
Total Operating Expense	**1,800,000**	**1,800,000**	
CANCER PREVENTION			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**1,079,442**	**1,079,442**	
MATERNAL & CHILD HEALTH INITIATIVES			
Total Operating Expense	**8,239,639**	**8,239,639**	
TUBERCULOSIS TREATMENT			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**100,000**	**100,000**	
STATE CHRONIC DISEASES			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**870,329**	**870,329**	

Of the above appropriations, $82,560 each fiscal year shall be distributed as grants to community groups and organizations as provided in IC 16-46-7-8. The department may consider grants to the Kidney Foundation not to exceed $50,000.

MY HEALTHY BABY			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**3,300,000**	**3,300,000**	

The department shall before November 1 of each year present a report to the Interim Study Committee on Public Health, Behavioral Health, and Human Services on the metrics used to evaluate the My Healthy Baby program. The report must be in an electronic format under IC 5-14-6.

ADOPTION HISTORY			
Adoption History Fund (IC 31-19-18-6)			
Total Operating Expense	**195,163**	**195,163**	
Augmentation allowed.			
CHILDREN WITH SPECIAL HEALTH CARE NEEDS			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**15,033,700**	**15,033,700**	
Augmentation allowed.			
NEWBORN SCREENING PROGRAM			
Newborn Screening Fund (IC 16-41-17-11)			
Total Operating Expense	**2,802,821**	**2,802,821**	
Augmentation allowed.			
CENTER FOR DEAF AND HARD OF HEARING EDUCATION			
Total Operating Expense	**2,977,538**	**2,977,538**	
VISUALLY IMPAIRED PRESCHOOL SERVICES			
Total Operating Expense	**600,000**	**600,000**	
RADON GAS TRUST FUND			

	FY 2025-2026 Appropriation	FY 2026-2027 Appropriation	Biennial Appropriation
Radon Gas Trust Fund (IC 16-41-38-8)			
Total Operating Expense	**10,670**	**10,670**	
Augmentation allowed.			
SAFETY PIN PROGRAM			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**11,020,938**	**11,020,938**	
REAL ALTERNATIVES, INC.			
Total Operating Expense	**4,000,000**	**4,000,000**	
TELECARE WOMEN'S CLINIC PILOT PROGRAM			
Total Operating Expense	**1,000,000**	**1,000,000**	
BIRTH PROBLEMS REGISTRY			
Birth Problems Registry Fund (IC 16-38-4-17)			
Total Operating Expense	**73,517**	**73,517**	
Augmentation allowed.			
MOTOR FUEL INSPECTION PROGRAM			
Motor Fuel Inspection Fund (IC 16-44-3-10)			
Total Operating Expense	**246,043**	**246,043**	
Augmentation allowed.			
DONATED DENTAL SERVICES			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**200,000**	**200,000**	

The above appropriations shall be used by the Indiana foundation for dentistry to provide dental services to individuals with disabilities.

BONE MARROW DONOR RECRUITMENT PROGRAM (IC 16-46-12-3.5)			
Total Operating Expense	**100,000**	**100,000**	
OFFICE OF WOMEN'S HEALTH			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**96,970**	**96,970**	
SPINAL CORD AND BRAIN INJURY			
Spinal Cord and Brain Injury Fund (IC 16-41-42.2-3)			
Total Operating Expense	**1,700,000**	**1,700,000**	
Augmentation allowed.			
IMMUNIZATIONS AND HEALTH INITIATIVES			
Healthy Indiana Plan Trust Fund (IC 12-15-44.2-17)			
Total Operating Expense	**10,665,435**	**10,665,435**	
WEIGHTS AND MEASURES FUND			
Weights and Measures Fund (IC 16-19-5-4)			
Total Operating Expense	**7,106**	**7,106**	
Augmentation allowed.			
MINORITY EPIDEMIOLOGY			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**750,000**	**750,000**	
COMMUNITY HEALTH CENTERS			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**14,453,000**	**14,453,000**	
PRENATAL SUBSTANCE USE & PREVENTION			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			

	FY 2025-2026 Appropriation	FY 2026-2027 Appropriation	Biennial Appropriation
Total Operating Expense	**119,965**	**119,965**	
OPIOID OVERDOSE INTERVENTION			
State Unrestricted Opioid Settlement Account (IC 4-12-16.2-5(1))			
Total Operating Expense	**250,000**	**250,000**	
NURSE FAMILY PARTNERSHIP			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**15,000,000**	**15,000,000**	
HEARING AND BLIND SERVICES			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**500,000**	**500,000**	

Of the above appropriations, $375,000 shall be deposited each fiscal year into the Hearing Aid Fund established under IC 16-35-8-3.

TOBACCO USE PREVENTION AND CESSATION PROGRAM			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**7,612,152**	**7,612,152**	
Agency Settlement Fund (IC 4-12-16-2)			
Total Operating Expense	**1,500,000**	**1,500,000**	

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

FOR THE INDIANA SCHOOL FOR THE BLIND AND VISUALLY IMPAIRED			
Total Operating Expense	**14,841,681**	**14,841,681**	

The above appropriations include $2,000,000 each fiscal year to purchase refreshable Braille and tactile graphics tablets.

FOR THE INDIANA SCHOOL FOR THE DEAF			
Total Operating Expense	**18,357,483**	**18,357,483**	

C. VETERANS' AFFAIRS

FOR THE INDIANA DEPARTMENT OF VETERANS' AFFAIRS			
Total Operating Expense	**2,968,891**	**2,968,891**	

The above appropriations include funding for a women's veteran services officer and $300,000 each year for six state veteran services officers.

VETERAN SERVICE ORGANIZATIONS			
Total Operating Expense	**1,200,000**	**1,200,000**	

The above appropriations shall be used by the Indiana Department of Veterans' Affairs to provide grants to organizations in accordance with Section 5902 (formerly Section 3402) of Title 38, United States Code (U.S.C.) and subsections 14.628(a) and (c) of 38 C.F.R. Eligible organizations shall have an accredited Veteran Service Officer with a presence in Indiana. Awarded grant funds shall be used to assist veterans in securing available benefits.

	FY 2025-2026 Appropriation	FY 2026-2027 Appropriation	Biennial Appropriation
OPERATION OF VETERANS' CEMETERY			
Total Operating Expense	**529,841**	**529,841**	
GRANTS FOR VETERANS' SERVICES			
Total Operating Expense	**1,250,000**	**1,250,000**	
VETERAN SUICIDE PREVENTION			
Total Operating Expense	**1,000,000**	**1,000,000**	
SEMIQUINCENTENNIAL COMMISSION			
Total Operating Expense	**175,000**	**175,000**	
INDIANA VETERANS' HOME			
Veterans' Home Comfort and Welfare Fund (IC 10-17-9-7(d))			
Total Operating Expense	**10,939,169**	**10,939,169**	
IVH Medicaid Reimbursement Fund			
Total Operating Expense	**14,500,000**	**14,500,000**	
Augmentation allowed from the veterans' home comfort and welfare fund and the IVH Medicaid reimbursement fund.			

SECTION 9. [EFFECTIVE JULY 1, 2025]

EDUCATION

A. HIGHER EDUCATION

FOR INDIANA UNIVERSITY			
BLOOMINGTON CAMPUS			
Total Operating Expense	**209,473,239**	**209,473,239**	
Fee Replacement	**18,528,752**	**18,526,235**	
FOR INDIANA UNIVERSITY REGIONAL CAMPUSES			
EAST			
Total Operating Expense	**15,749,696**	**15,749,696**	
KOKOMO			
Total Operating Expense	**17,429,045**	**17,429,045**	
NORTHWEST			
Total Operating Expense	**20,683,341**	**20,683,341**	
Fee Replacement	**2,984,375**	**2,986,625**	
SOUTH BEND			
Total Operating Expense	**26,617,833**	**26,617,833**	
Fee Replacement	**1,447,700**	**1,443,150**	
SOUTHEAST			
Total Operating Expense	**22,481,328**	**22,481,328**	
FORT WAYNE HEALTH SCIENCES PROGRAM			
Total Operating Expense	**5,120,388**	**5,120,388**	
INDIANAPOLIS CAMPUS			
Total Operating Expense	**135,000,000**	**135,000,000**	
Fee Replacement	**4,339,198**	**4,337,415**	
FOR INDIANA UNIVERSITY SCHOOL OF MEDICINE			
INDIANA UNIVERSITY SCHOOL OF MEDICINE - EVANSVILLE			

	FY 2025-2026 Appropriation	FY 2026-2027 Appropriation	Biennial Appropriation
Total Operating Expense	**2,324,593**	**2,324,593**	
INDIANA UNIVERSITY SCHOOL OF MEDICINE - FORT WAYNE			
Total Operating Expense	**2,172,777**	**2,172,777**	
INDIANA UNIVERSITY SCHOOL OF MEDICINE - NORTHWEST - GARY			
Total Operating Expense	**2,906,524**	**2,906,524**	
INDIANA UNIVERSITY SCHOOL OF MEDICINE - LAFAYETTE			
Total Operating Expense	**2,640,475**	**2,640,475**	
INDIANA UNIVERSITY SCHOOL OF MEDICINE - MUNCIE			
Total Operating Expense	**2,417,418**	**2,417,418**	
INDIANA UNIVERSITY SCHOOL OF MEDICINE - SOUTH BEND			
Total Operating Expense	**2,272,975**	**2,272,975**	
INDIANA UNIVERSITY SCHOOL OF MEDICINE - TERRE HAUTE			
Total Operating Expense	**2,627,533**	**2,627,533**	
I.U. SCHOOLS OF MEDICINE AND DENTISTRY			
Total Operating Expense	**111,061,865**	**111,061,865**	
Fee Replacement	**6,966,301**	**6,965,787**	

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

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

DUAL CREDIT			
Total Operating Expense	**4,441,005**	**4,441,005**	
IU INNOVATES			
Total Operating Expense	**1,000,000**	**1,000,000**	
CLINICAL AND TRANSLATIONAL SCIENCES INSTITUTE			
Total Operating Expense	**2,500,000**	**2,500,000**	
GLOBAL NETWORK OPERATIONS CENTER			
Total Operating Expense	**721,861**	**721,861**	
SPINAL CORD AND HEAD INJURY RESEARCH CENTER			
Total Operating Expense	**553,429**	**553,429**	
INSTITUTE FOR THE STUDY OF DEVELOPMENTAL DISABILITIES			
Total Operating Expense	**2,105,824**	**2,105,824**	
GEOLOGICAL SURVEY			
Total Operating Expense	**2,783,782**	**2,783,782**	
I-LIGHT NETWORK OPERATIONS			
Total Operating Expense	**1,508,628**	**1,508,628**	
GIGAPOP PROJECT			
Total Operating Expense	**672,562**	**672,562**	

FOR PURDUE UNIVERSITY

WEST LAFAYETTE			
Total Operating Expense	**252,971,844**	**252,971,844**	

	FY 2025-2026 Appropriation	FY 2026-2027 Appropriation	Biennial Appropriation
Fee Replacement	**27,485,700**	**24,141,450**	
COLLEGE OF VETERINARY MEDICINE			
Total Operating Expense	**18,973,866**	**18,973,866**	

FOR PURDUE UNIVERSITY REGIONAL CAMPUSES

NORTHWEST			
Total Operating Expense	**50,661,479**	**50,661,479**	
Fee Replacement	**3,781,240**	**3,780,740**	
FORT WAYNE			
Total Operating Expense	**47,438,549**	**47,438,549**	
Fee Replacement	**3,044,250**	**3,040,750**	

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

DUAL CREDIT			
Total Operating Expense	**1,188,585**	**1,188,585**	
COUNTY AGRICULTURAL EXTENSION EDUCATORS			
Total Operating Expense	**8,000,000**	**8,000,000**	
AGRICULTURAL RESEARCH AND EXTENSION - CROSSROADS			
Total Operating Expense	**9,000,000**	**9,000,000**	
IN TECH ASST. AND ADV. MFG. COMPETITIVENESS PROGRAM			
Total Operating Expense	**4,430,212**	**4,430,212**	
STATEWIDE TECHNOLOGY			
Total Operating Expense	**6,695,258**	**6,695,258**	
CENTER FOR PARALYSIS RESEARCH			
Total Operating Expense	**522,558**	**522,558**	

FOR INDIANA STATE UNIVERSITY

Total Operating Expense	**77,960,326**	**77,960,326**	
Fee Replacement	**10,498,371**	**10,593,848**	
DUAL CREDIT			
Total Operating Expense	**149,535**	**149,535**	
PRINCIPAL LEADERSHIP ACADEMY			
Total Operating Expense	**600,000**	**600,000**	
NURSING PROGRAM			
Total Operating Expense	**204,000**	**204,000**	
DEGREE LINK			
Total Operating Expense	**446,438**	**446,438**	

FOR UNIVERSITY OF SOUTHERN INDIANA

Total Operating Expense	**53,831,608**	**53,831,608**	
Fee Replacement	**11,847,730**	**8,898,786**	
DUAL CREDIT			
Total Operating Expense	**493,335**	**493,335**	
HISTORIC NEW HARMONY			
Total Operating Expense	**486,878**	**486,878**	
EARLY COLLEGE BRIDGE PROGRAM			

	FY 2025-2026 Appropriation	FY 2026-2027 Appropriation	Biennial Appropriation
Total Operating Expense	**600,000**	**600,000**	
FOR BALL STATE UNIVERSITY			
Total Operating Expense	**138,952,025**	**138,952,025**	
Fee Replacement	**21,836,212**	**20,324,337**	
DUAL CREDIT			
Total Operating Expense	**235,440**	**235,440**	
ENTREPRENEURIAL COLLEGE			
Total Operating Expense	**2,500,000**	**2,500,000**	
ACADEMY FOR SCIENCE, MATHEMATICS, AND HUMANITIES			
Total Operating Expense	**4,384,956**	**4,384,956**	
FOR VINCENNES UNIVERSITY			
Total Operating Expense	**46,789,144**	**46,789,144**	
Fee Replacement	**4,926,599**	**4,932,056**	
DUAL CREDIT			
Total Operating Expense	**4,716,315**	**4,716,315**	
CAREER AND TECHNICAL EARLY COLLEGE PROGRAM			
Total Operating Expense	**3,000,000**	**3,000,000**	

Additional Early College sites may be established upon approval by the Commission for Higher Education and after review by the budget committee.

FOR IVY TECH COMMUNITY COLLEGE			
Total Operating Expense	**248,772,295**	**248,772,295**	
Fee Replacement	**27,980,512**	**28,218,420**	
DUAL CREDIT			
Total Operating Expense	**21,934,755**	**21,934,755**	
STATEWIDE NURSING			
Total Operating Expense	**9,000,000**	**9,000,000**	
TESTING CENTERS			
Total Operating Expense	**710,810**	**710,810**	
SOUTHERN INDIANA EDUCATIONAL ALLIANCE			
Total Operating Expense	**1,057,738**	**1,057,738**	

The above appropriations to Indiana University, Purdue University, Indiana State University, University of Southern Indiana, Ball State University, Vincennes University, and Ivy Tech Community College are in addition to all income of said institutions, respectively, from all permanent fees and endowments and from all land grants, fees, earnings, and receipts, including gifts, grants, bequests, and devises, and receipts from any miscellaneous sales from whatever source derived.

All such income and all such fees, earnings, and receipts on hand June 30, 2025, and all such income and fees, earnings, and receipts accruing thereafter are hereby appropriated to the boards of trustees or directors of the aforementioned institutions and may be expended for any necessary expenses of the respective institutions, including university hospitals, schools of medicine, nurses' training schools, schools of dentistry, and agricultural extension and experimental stations.

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

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

For universities and colleges supported in whole or in part by state funds, grant applications and lists of applications need only be submitted upon request to the budget agency for review and approval or disapproval and, unless disapproved by the budget agency, federal grant funds may be requested and spent without approval by the budget agency.

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

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

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

FOR THE COMMISSION FOR HIGHER EDUCATION

Total Operating Expense	**7,370,948**	**7,370,948**

The above appropriations include funding for Learn More Indiana, commission technology, and the administration of the 21st Century scholars program.

FREEDOM OF CHOICE GRANTS		
Total Operating Expense	**66,225,902**	**66,225,902**
HIGHER EDUCATION AWARD PROGRAM		
Total Operating Expense	**101,425,081**	**101,425,081**

For the higher education awards and freedom of choice grants, notwithstanding current

administrative rule or practice, the commission shall maintain the proportionality of award maximums for public, private, and proprietary institutions when setting forth amounts under IC 21-12-1.7.

CAREER COACHING GRANT FUND		
Total Operating Expense	**15,000,000**	**15,000,000**
PERKINS STATE MATCH		
Total Operating Expense	**500,000**	**500,000**
PROMOTED INDUSTRY CERTIFICATIONS		
Total Operating Expense	**2,000,000**	**2,000,000**

The above appropriations are for the purpose of reimbursing students enrolled in school corporations, charter schools, and accredited nonpublic schools for the fees incurred for taking exams required to earn certifications on Indiana's promoted industry certification list.

TUITION AND FEE EXEMPTION FOR CHILDREN OF VETERANS AND PUBLIC SAFETY OFFICERS		
Total Operating Expense	**31,773,696**	**31,773,696**
MIDWEST HIGHER EDUCATION COMPACT		
Total Operating Expense	**115,000**	**115,000**
ADULT STUDENT GRANT APPROPRIATION		
Total Operating Expense	**7,579,858**	**7,579,858**

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

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

TEACHER RESIDENCY GRANT PILOT PROGRAM (IC 21-18-15.1)		
Total Operating Expense	**1,000,000**	**1,000,000**
MINORITY TEACHER SCHOLARSHIP FUND (IC 21-13-2-1)		
Total Operating Expense	**400,000**	**400,000**
NEXT GENERATION MINORITY EDUCATOR SCHOLARSHIP (IC 21-12-16.5)		
Total Operating Expense	**600,000**	**600,000**
HIGH NEED STUDENT TEACHING SCHOLARSHIP FUND (IC 21-13-7)		
Total Operating Expense	**450,000**	**450,000**

MINORITY STUDENT TEACHING SCHOLARSHIP (IC 21-13-8)		
Total Operating Expense	**100,000**	**100,000**
EARN INDIANA WORK STUDY PROGRAM (IC 21-16-2)		
Total Operating Expense	**2,606,099**	**2,606,099**
21ST CENTURY SCHOLAR AWARDS		
Total Operating Expense	**166,270,623**	**166,270,623**

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

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

INSTITUTE FOR WORKFORCE EXCELLENCE		
Total Operating Expense	**400,000**	**400,000**
NEXT GENERATION HOOSIER EDUCATORS		
Total Operating Expense	**12,000,000**	**12,000,000**
NATIONAL GUARD TUITION SCHOLARSHIP		
Total Operating Expense	**3,676,240**	**3,676,240**

The above appropriations for national guard scholarships plus reserve balances in the fund shall be the total allowable state expenditure for the program in the biennium.

PRIMARY CARE SCHOLARSHIP		
Pokagon Band Tribal-State Compact Fund (IC 4-12-1-20)		
Total Operating Expense	**2,000,000**	**2,000,000**

The above appropriations shall be distributed in accordance with IC 21-13-9.

PUBLIC SERVICE ATTORNEY SCHOLARSHIPS (IC 21-13-12)		
Total Operating Expense	**1,000,000**	**1,000,000**
HIGH VALUE WORKFORCE READY CREDIT BEARING GRANT (IC 21-12-8)		
Total Operating Expense	**6,036,567**	**6,036,567**

MEDICAL EDUCATION BOARD		
FAMILY PRACTICE RESIDENCY		
Pokagon Band Tribal-State Compact Fund (IC 4-12-1-20)		
Total Operating Expense	**2,382,197**	**2,382,197**

Of the above appropriations, $1,000,000 each year shall be distributed as grants for the purpose of improving family practice residency programs serving medically underserved areas.

GRADUATE MEDICAL EDUCATION BOARD		
MEDICAL RESIDENCY EDUCATION GRANTS		
Pokagon Band Tribal-State Compact Fund (IC 4-12-1-20)		
Total Operating Expense	**7,000,000**	**7,000,000**

The above appropriations for medical residency education grants are to be distributed in accordance with IC 21-13-6.5.

FOR THE DEPARTMENT OF ADMINISTRATION

COLUMBUS LEARNING CENTER OPERATIONAL SUPPORT		
Total Operating Expense	**2,500,000**	**2,500,000**

B. ELEMENTARY AND SECONDARY EDUCATION

FOR THE DEPARTMENT OF EDUCATION

Total Operating Expense	**18,863,634**	**18,863,634**
Professional Standards Fund (IC 20-28-2-10)		
Total Operating Expense	**1,237,940**	**1,237,940**

Augmentation allowed from the professional standards fund.

STATE BOARD OF EDUCATION		
Total Operating Expense	**1,761,119**	**1,761,119**
FREEDOM AND OPPORTUNITY IN EDUCATION		
Total Operating Expense	**86,000,000**	**86,000,000**

The above appropriations may be used for initiatives to improve academic performance and increase freedom and opportunity in education, including but not limited to expanding the current ILEARN checkpoint pilot statewide; designing and deploying an interactive advising tool to support the implementation of new diploma requirements; operating the real-time educator supply and demand marketplace; recruiting educators in high-need areas, including special education, English learner, STEM teachers, and school counselors; expanding computer science education programs; supporting highly effective dropout prevention programs; funding initiatives related to the Science of Reading; piloting evidence-based reading intervention programs; supporting the Crossing the Finish Line initiative; providing literacy achievement grants; and supporting student learning recovery grants.

Of the above appropriations, the department may allocate up to $1,000,000 each fiscal year to create a localized educational attainment pilot program to address critical literacy, educational training, and support service needs in a selected community. The pilot program should focus on literacy training and outreach and aim to improve reading proficiency among children and adults, leveraging targeted, evidence-based interventions, including literacy programming, school partnerships, and outreach to reach underserved populations.

PUBLIC TELEVISION DISTRIBUTION		
Total Operating Expense	**3,675,000**	**3,675,000**

The Indiana Public Broadcasting Stations, Inc., shall submit a distribution plan for the eight Indiana public television stations for approval by the budget agency after review by the budget committee. Of the above appropriations, at least one seventh of the funds each year shall be set aside and distributed equally among all of the public radio stations.

STEM PROGRAM ALIGNMENT		
Total Operating Expense	**7,050,000**	**7,050,000**

The above appropriations shall be used to provide competitive grants to school corporations, charter schools, and other entities for the purpose of increasing access to high quality STEM programming, implementing qualified STEM curricula and professional development plans, to develop methods of evaluating STEM curricula and professional development plans for the purpose of awarding STEM grants, and to develop a system for measuring student growth in critical thinking, problem-solving, and other STEM-based skills in schools that receive STEM grants. The department shall provide an annual report to the general assembly, the office of the governor, and the state board of education describing the department's progress toward implementing the state's STEM plan. All data collected by the department shall be tracked electronically and shared with the management and performance hub for the purpose of collecting longitudinal data.

Of the above appropriations, up to $1,200,000 in each fiscal year shall be used to provide grants to colleges or universities for the purpose of supporting programs and statewide initiatives dedicated to increasing student enrollment and improving student scores in math and science Advanced Placement courses and up to $1,200,000 in each fiscal year shall be used to provide grants to schools or corporations for the purpose of supporting programs dedicated to increasing student enrollment and improving student scores in math and science Cambridge International courses.

Of the above appropriations, $4,000,000 each fiscal year shall be used to support robotics programs, as defined by IC 20-20-45.5, and the Indiana Bar Foundation's We the People programs at school corporations and charter schools.

Of the above appropriations, $300,000 each fiscal year shall be used to partner with the commission for higher education to provide professional development and technical assistance to schools that pilot the transitions math course for students transitioning from secondary to post-secondary education.

RILEY HOSPITAL		
Total Operating Expense	**250,000**	**250,000**
BEST BUDDIES		
Total Operating Expense	**206,125**	**206,125**
SCHOOL TRAFFIC SAFETY		
Total Operating Expense	**227,143**	**227,143**
OFFICE OF KINDERGARTEN READINESS		
Total Operating Expense	**522,851**	**522,851**
TEACHER HIGHER EDUCATION AND INDUSTRY COLLABORATION		
Pokagon Band Tribal-State Compact Fund (IC 4-12-1-20)		
Total Operating Expense	**1,000,000**	**1,000,000**
SPECIAL EDUCATION (S-5) (IC 20-35-6-2)		
Total Operating Expense	**29,070,000**	**29,070,000**
AUDITORY-VERBAL ACCELERATED EDUCATION PROGRAM (IC 20-35-13)		
Total Operating Expense	**2,000,000**	**2,000,000**

	FY 2025-2026 Appropriation	FY 2026-2027 Appropriation	Biennial Appropriation
CHARTER AND INNOVATION NETWORK SCHOOL GRANT PROGRAM			
Total Operating Expense	**52,600,000**	**52,600,000**	
Augmentation allowed.			
TEACHERS' SOCIAL SECURITY AND RETIREMENT DISTRIBUTION			
Total Operating Expense	**1,894,521**	**1,894,521**	

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

DISTRIBUTION FOR TUITION SUPPORT			
Total Operating Expense	**9,370,000,000**	**9,560,000,000**	

The above appropriations are to be distributed in accordance with a statute enacted for this purpose during the 2025 session of the general assembly.

If the above appropriations are more than the amount required by statute, the excess appropriations shall revert to the general fund at the end of each fiscal year.

The above appropriations shall be distributed under a schedule set by the budget agency and approved by the governor. The schedule shall provide for at least twelve (12) payments made at least once every forty (40) days, and the aggregate of the payments in each fiscal year shall equal the amount required by statute.

TEACHER APPRECIATION GRANTS			
Total Operating Expense	**37,500,000**	**37,500,000**	

It is the intent of the general assembly that the above appropriations shall be the total allowable state expenditure for the program. If disbursements are anticipated to exceed the total appropriation for a state fiscal year, the department of education shall reduce the distributions proportionately.

DISTRIBUTION FOR SUMMER SCHOOL			
Total Operating Expense	**18,360,000**	**18,360,000**	

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

DISTRIBUTION FOR ADULT LEARNERS			
Total Operating Expense	**53,749,800**	**54,576,600**	

	FY 2025-2026 Appropriation	FY 2026-2027 Appropriation	Biennial Appropriation
NATIONAL SCHOOL LUNCH PROGRAM			
Total Operating Expense	**5,108,582**	**5,108,582**	
TESTING			
Total Operating Expense	**22,355,000**	**22,355,000**	

The above appropriations are for assessments, including special education alternate assessments, as determined by the state board of education and the department of education.

REMEDIATION TESTING			
Total Operating Expense	**14,126,474**	**14,126,474**	

The above appropriations for remediation testing are for grants to school corporations, charter schools, and accredited nonpublic schools through the department of education. School corporations, charter schools, and accredited nonpublic schools shall use the grants to fund formative tests to identify students who require remediation.

ADVANCED PLACEMENT PROGRAM			
Total Operating Expense	**5,600,000**	**5,600,000**	

The above appropriations are to provide funding for students enrolled in school corporations, charter schools, and accredited nonpublic schools to take the Advanced Placement and Cambridge International exams. A maximum of three (3) exams per student may be funded. Any remaining funds available after exam fees have been paid shall be prioritized for use by teachers of Advanced Placement or Cambridge International courses to attend professional development training.

PSAT PROGRAM			
Total Operating Expense	**2,710,000**	**2,710,000**	

The above appropriations are to provide funding for students enrolled in school corporations, charter schools, and accredited nonpublic schools in grade 10 and 11 to take the PSAT exam.

NON-ENGLISH SPEAKING PROGRAM			
Total Operating Expense	**200,000**	**200,000**	

The above appropriations shall be distributed to the department of correction, the Indiana school for the blind and visually impaired, the Indiana school for the deaf, the Excel Centers for Adult Learners, the Christel House DORS Centers, and the Gary Middle College charter schools to support non-English speaking programs. Funds may only be used to educate students who are less than twenty-three (23) years of age.

GIFTED AND TALENTED EDUCATION PROGRAM			
Total Operating Expense	**15,000,000**	**15,000,000**	

Each fiscal year, the department shall make $750,000 available to school corporations and charter schools to purchase verbal and quantitative reasoning tests to be administered to all students within the corporation or charter school that are enrolled in kindergarten,

second grade, and fifth grade.

ALTERNATIVE EDUCATION

Total Operating Expense	**806,394**	**806,394**

The above appropriations include funding to provide $10,000 for each child in recovery from alcohol or drug abuse who attends a charter school accredited by the National Association of Recovery Schools. This funding is in addition to any funding received by the charter school from the student funding formula.

SENATOR DAVID C. FORD EDUCATIONAL TECHNOLOGY PROGRAM

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

The department shall use the above appropriations to make grants to school corporations and charter schools to promote student learning through the use of technology and to acquire innovative education technologies that can be accessed and utilized by all school corporations and charter schools.

Of the above appropriations, $1,350,000 shall be used for each fiscal year to provide grants to school corporations and charter schools to purchase robotic and avatar technology and provide professional development endorsed by the Council of Administrators of Special Education to to improve the literacy, numeracy, social, and behavioral skills for students with autism.

SCHOOL BUSINESS OFFICIALS LEADERSHIP ACADEMY

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

The department shall make the above appropriations available to the Indiana Association of School Business Officials to operate an academy designed to strengthen the management and leadership skills of practicing Indiana school business officials employed by school corporations and charter schools.

SCHOOL SUPERINTENDENTS LEADERSHIP ACADEMY

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

The department shall make the above appropriations available to the Indiana Association of Public School Superintendents to operate an academy designed to strengthen the management and leadership skills of practicing Indiana school superintendents and leaders of charter schools.

FOR THE INDIANA CHARTER SCHOOL BOARD

Total Operating Expense	**541,752**	**541,752**

FOR THE INDIANA PUBLIC RETIREMENT SYSTEM

TEACHERS' RETIREMENT FUND DISTRIBUTION

Total Operating Expense	**1,066,300,000**	**1,066,300,000**

Augmentation allowed.

If the amount required under the pre-1996 account of the teachers' retirement fund

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

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

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

C. OTHER EDUCATION

FOR THE EDUCATION EMPLOYMENT RELATIONS BOARD		
Total Operating Expense	**1,227,219**	**1,227,219**
FOR THE STATE LIBRARY		
Total Operating Expense	**2,627,285**	**2,627,285**
STATEWIDE LIBRARY SERVICES		
Total Operating Expense	**1,433,108**	**1,433,108**
LIBRARY SERVICES FOR THE BLIND - ELECTRONIC NEWSLINES		
Total Operating Expense	**200,000**	**200,000**
ACADEMY OF SCIENCE		
Total Operating Expense	**4,357**	**4,357**
HISTORICAL MARKER PROGRAM		
Total Operating Expense	**8,649**	**8,649**
INSPIRE		
Total Operating Expense	**1,382,250**	**1,382,250**
LOCAL LIBRARY CONNECTIVITY GRANT		
Total Operating Expense	**1,382,250**	**1,382,250**
FOR THE ARTS COMMISSION		
Total Operating Expense	**3,450,796**	**3,450,796**

The above appropriations include $650,000 each year to provide grants to:

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

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

SECTION 10. [EFFECTIVE JULY 1, 2025]

DISTRIBUTIONS

FOR THE STATE COMPTROLLER		
GAMING TAX		
Total Operating Expense	**50,500,000**	**50,500,000**
Augmentation allowed.		

The above appropriations include $48,000,000 each year for the supplemental wagering tax distribution in IC 4-33-13-5 and $2,500,000 each year for the historic hotel district community support fee distribution in IC 4-35-8.3-4.

SECTION 11. [EFFECTIVE JULY 1, 2025]

Federal funds are available for career and technical education under the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2301 et seq. for Career and Technical Education). Funds shall be received by the commission of higher education and may be allocated by the budget agency after consultation with the commission for higher education and any other state agencies, commissions, or organizations required by state law.

SECTION 12. [EFFECTIVE JULY 1, 2025]

In accordance with IC 20-20-38, the budget agency, upon the request of the commission for higher education, may proportionately augment or reduce an allocation of federal funds made under SECTION 11 of this act.

SECTION 13. [EFFECTIVE JULY 1, 2025]

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

SECTION 14. [EFFECTIVE JULY 1, 2025]

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

All appropriations provided by this act or any other statute, for traveling and hotel expenses for any department, officer, agent, employee, person, trustee, or commissioner, are to be used only for travel within the state of Indiana, unless those expenses are incurred in traveling outside the state of Indiana on trips that previously have received approval as required by the state travel policies and procedures established by the Indiana department of administration and the budget agency. With the required approval, a reimbursement for out-of-state travel expenses may be granted in an amount not

to exceed actual lodging and miscellaneous expenses incurred. A person in travel status is entitled to a meal allowance not to exceed during any twenty-four (24) hour period the standard meal allowances established by the federal Internal Revenue Service for properly approved travel within the continental United States and a minimum of $50 during any twenty-four (24) hour period for properly approved travel outside the continental United States. However, while traveling in Japan, the minimum meal allowance shall not be less than $90 for any twenty-four (24) hour period. While traveling in Korea and Taiwan, the minimum meal allowance shall not be less than $85 for any twenty-four (24) hour period. While traveling in Singapore, China, Great Britain, Germany, the Netherlands, and France, the minimum meal allowance shall not be less than $65 for any twenty-four (24) hour period.

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

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

SECTION 15. [EFFECTIVE JULY 1, 2025]

Notwithstanding IC 4-10-11-2.1, the salary per diem of members of boards, commissions, and councils who are entitled to a salary per diem is equal to $100 per day. However, members of boards, commissions, or councils who receive an annual or a monthly salary paid by the state are not entitled to the salary per diem provided in IC 4-10-11-2.1.

SECTION 16. [EFFECTIVE JULY 1, 2025]

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

SECTION 17. [EFFECTIVE JULY 1, 2025]

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

SECTION 18. [EFFECTIVE JULY 1, 2025]

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

SECTION 19. [EFFECTIVE JULY 1, 2025]

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

SECTION 20. [EFFECTIVE JULY 1, 2025]

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

SECTION 21. [EFFECTIVE JULY 1, 2025]

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

SECTION 22. [EFFECTIVE JULY 1, 2025]

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

SECTION 23. [EFFECTIVE JULY 1, 2025]

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

the commissioner's designee:
(1) In the case of an elected state officer, it shall be shown that the duties of the office require driving about the state of Indiana in the performance of official duty.
(2) In the case of department or commission heads, it shall be shown that the statutory duties imposed in the discharge of the office require traveling a greater distance than one thousand (1,000) miles each month or that they are subject to official duty call at all times.
(3) In the case of employees, it shall be shown that the major portion of the duties assigned to the employee require travel on state business in excess of one thousand (1,000) miles each month, or that the vehicle is identified by the agency as an integral part of the job assignment.

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

SECTION 24. [EFFECTIVE JULY 1, 2025]

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

SECTION 25. [EFFECTIVE JULY 1, 2025]

Except as provided for under IC 4-12-18, the governor of the state of Indiana is solely authorized to accept on behalf of the state any and all federal funds available to the state of Indiana. Federal funds received under this SECTION are appropriated for purposes specified by the federal government, subject to allotment by the budget agency. The provisions of this SECTION and all other SECTIONS concerning the acceptance, disbursement, review, and approval of any grant, loan, or gift made by the federal government or any other source to the state or its agencies and political subdivisions shall apply, notwithstanding any other law.

SECTION 26. [EFFECTIVE JULY 1, 2025]

Except as provided for under IC 4-12-18, federal funds received as revenue by a state agency or department are not available to the agency or department for expenditure until allotment has been made by the budget agency under IC 4-12-1-12(d).

SECTION 27. [EFFECTIVE JULY 1, 2025]

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

SECTION 28. [EFFECTIVE JULY 1, 2025]

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

SECTION 29. [EFFECTIVE JULY 1, 2025]

Subject to SECTION 24 of this act as it relates to the budget committee, the budget agency with the approval of the governor may withhold allotments of any or all appropriations contained in this act for the biennium, if it is considered necessary to do so in order to prevent a deficit financial situation.

SECTION 30. [EFFECTIVE JULY 1, 2025]

CONSTRUCTION

For the 2025-2027 biennium, the following amounts, from the funds listed as follows, are appropriated to provide for the construction, reconstruction, rehabilitation, repair, purchase, rental, and sale of state properties, capital lease rentals, and the purchase and sale of land, including equipment for these properties and other projects as specified.

State General Fund - Lease Rentals	**146,967,420**
State General Fund - Construction	**649,025,675**
Employment Security Special Fund (IC 22-4-25)	**500,000**
State Construction Fund (IC 9-13-2-173.1)	**102,721,494**
Veterans' Home Building Fund (IC 10-17-9-7)	**6,322,100**
State Highway Fund (IC 8-23-9-54)	**65,462,500**
Indiana Correctional Industries Fund (IC 11-10-6-6)	**20,170,000**
TOTAL	**991,169,189**

The allocations provided under this SECTION are made from the state general fund,

unless specifically authorized from other designated funds by this act. The budget agency, with the approval of the governor, in approving the allocation of funds pursuant to this SECTION, shall consider, as funds are available, allocations for the following specific uses, purposes, and projects:

A. GENERAL GOVERNMENT

FOR THE STATE BUDGET AGENCY		
Stadium Lease Rental	**43,467,088**	**43,486,244**
Convention Center Lease Rental	**17,494,449**	**17,839,637**
Housing Infrastructure Assistance	**25,000,000**	**25,000,000**
Water Infrastructure Assistance	**20,000,000**	**20,000,000**
Indiana Motorsports Commission	**7,000,000**	**7,000,000**
Primary Care Access	**7,500,000**	**7,500,000**
Gary Airport Cargo Ramp	**9,700,000**	**0**
Statewide Deferred Maintenance	**50,000,000**	**50,000,000**
DEPARTMENT OF ADMINISTRATION		
Preventive Maintenance	**7,026,466**	**7,026,466**
Repair and Rehabilitation	**31,042,345**	**0**
State Construction Fund (IC 9-13-2-173.1)		
Repair and Rehabilitation	**0**	**29,675,414**
Archives Administration Move - FF&E	**6,500,000**	**0**
Conference Center Streaming	**2,000,000**	**0**
Law Enforcement/Firefighter Monument	**1,000,000**	**0**
DEPARTMENT OF ADMINISTRATION - LEASES		
Neuro-Diagnostic Inst. Capital Lease	**12,341,059**	**12,338,943**
OFFICE OF ADMINISTRATIVE LAW PROCEEDINGS		
Repair and Rehabilitation	**1,250,000**	**0**

B. PUBLIC SAFETY

(1) LAW ENFORCEMENT

INDIANA STATE POLICE		
Preventive Maintenance	**2,619,333**	**2,859,679**
Repair and Rehabilitation	**4,923,858**	**0**
Facilities Management Building	**3,915,000**	**0**
Evidence Warehouse Design	**67,250**	**0**
LAW ENFORCEMENT TRAINING BOARD		
Preventive Maintenance	**419,000**	**460,000**
Repair and Rehabilitation	**3,003,467**	**0**
Generator	**1,925,000**	**0**
Phase II Capital Improvement	**12,000,000**	**0**
Pole Barn Form	**180,000**	**0**
ADJUTANT GENERAL		
Preventive Maintenance	**2,171,079**	**2,171,079**
Repair and Rehabilitation	**5,123,552**	**4,545,372**
Modernization of South Readiness Ctr	**4,788,000**	**0**
Mod of Crawfordsville Readiness Ctrs	**3,899,300**	**0**

	FY 2025-2026 Appropriation	FY 2026-2027 Appropriation	Biennial Appropriation
Modernization Elkhart Readiness Ctrs	**3,704,800**	**0**	
LaPorte RC Utility Extension	**1,584,862**	**0**	
INTEGRATED PUBLIC SAFETY COMMISSION			
Preventive Maintenance	**500,000**	**500,000**	
Repair and Rehabilitation	**1,988,266**	**2,652,266**	
FORENSIC AND HEALTH SCIENCE LABORATORY			
Rape Kit Testing Equipment	**2,500,000**	**0**	
(2) CORRECTIONS			
DEPARTMENT OF CORRECTION			
Repair and Rehabilitation	**6,430,000**	**0**	
INDIANA CORRECTION INDUSTRIES			
Indiana Correctional Industries Fund (IC 11-10-6-6)			
Repair and Rehabilitation	**805,000**	**375,000**	
Pendleton Industries Building	**2,090,000**	**0**	
Commissary Warehouse Expansion	**6,270,000**	**0**	
New Castle Industries	**4,180,000**	**0**	
Vehicle Wrap Building	**360,000**	**0**	
Pendleton Industries Building	**0**	**2,090,000**	
Metal Shop Equip	**0**	**4,000,000**	
STATE PRISON			
Preventive Maintenance	**537,625**	**537,625**	
PENDLETON CORRECTIONAL FACILITY			
Preventive Maintenance	**635,375**	**635,375**	
Repair and Rehabilitation	**5,361,800**	**992,000**	
WOMEN'S PRISON			
Preventive Maintenance	**175,950**	**175,950**	
NEW CASTLE CORRECTIONAL FACILITY			
Preventive Maintenance	**805,000**	**805,000**	
Repair and Rehabilitation	**1,032,000**	**0**	
PUTNAMVILLE CORRECTIONAL FACILITY			
Preventive Maintenance	**430,100**	**430,100**	
Repair and Rehabilitation	**200,000**	**0**	
BRANCHVILLE CORRECTIONAL FACILITY			
Preventive Maintenance	**193,545**	**193,545**	
WESTVILLE CORRECTIONAL FACILITY			
Preventive Maintenance	**587,075**	**1,008,550**	
ROCKVILLE CORRECTIONAL FACILITY			
Preventive Maintenance	**244,375**	**244,375**	
PLAINFIELD CORRECTIONAL FACILITY			
Preventive Maintenance	**305,469**	**305,469**	
Repair and Rehabilitation	**2,661,500**	**1,850,000**	
RECEPTION DIAGNOSTIC CENTER			
Preventive Maintenance	**152,638**	**152,638**	
CORRECTIONAL INDUSTRIAL FACILITY			
Preventive Maintenance	**293,250**	**293,250**	
Repair and Rehabilitation	**500,000**	**1,500,000**	
WABASH VALLEY CORRECTIONAL FACILITY			

	FY 2025-2026 Appropriation	FY 2026-2027 Appropriation	Biennial Appropriation
Preventive Maintenance	**446,406**	**446,406**	
Repair and Rehabilitation	**2,987,549**	**0**	
CHAIN O' LAKES CORRECTIONAL FACILITY			
Preventive Maintenance	**58,650**	**58,650**	
MADISON CORRECTIONAL FACILITY			
Preventive Maintenance	**542,512**	**542,512**	
MIAMI CORRECTIONAL FACILITY			
Preventive Maintenance	**439,875**	**439,875**	
LAPORTE JUVENILE CORRECTIONAL FACILITY			
Preventive Maintenance	**39,100**	**39,100**	
Repair and Rehabilitation	**925,000**	**0**	
EDINBURGH CORRECTIONAL FACILITY			
Preventive Maintenance	**39,100**	**39,100**	
PENDLETON JUVENILE CORRECTIONAL FACILITY			
Preventive Maintenance	**146,625**	**146,625**	
NORTH CENTRAL JUVENILE CORRECTIONAL FACILITY			
Preventive Maintenance	**58,650**	**58,650**	
SOUTH BEND WORK RELEASE CENTER			
Preventive Maintenance	**48,875**	**48,875**	
Repair and Rehabilitation	**1,200,000**	**0**	
HERITAGE TRAIL CORRECTIONAL FACILITY			
Preventive Maintenance	**219,938**	**219,938**	
Repair and Rehabilitation	**2,800,000**	**0**	
(3) REGULATORY & LICENSING			
DEPARTMENT OF HOMELAND SECURITY			
Preventive Maintenance	**225,000**	**225,000**	
BOARD OF ANIMAL HEALTH			
Preventive Maintenance	**375,000**	**375,000**	
Repair and Rehabilitation	**1,087,000**	**0**	
C. CONSERVATION AND ENVIRONMENT			
DEPARTMENT OF ENVIRONMENTAL MANAGEMENT			
Phase II Agency Wide Tech Upgrade	**7,000,000**	**0**	
DEPARTMENT OF NATURAL RESOURCES - GENERAL ADMINISTRATION			
Preventive Maintenance	**153,500**	**153,500**	
Repair and Rehabilitation	**16,146,080**	**250,000**	
State Construction Fund (IC 9-13-2-173.1)			
Repair and Rehabilitation	**0**	**4,096,080**	
Lilly Endowment Match	**10,000,000**	**0**	
Resource Management -Forestry Capital	**500,000**	**0**	
Yellowwood SF Campground	**2,000,000**	**0**	
Harmonie WWTP	**3,800,000**	**0**	
McCormick's Campground	**27,720,000**	**0**	
HVAC Chiller Boiler	**2,250,000**	**0**	
Potato Creek Lodge FFE	**0**	**7,000,000**	
FISH AND WILDLIFE			

	FY 2025-2026 Appropriation	FY 2026-2027 Appropriation	Biennial Appropriation
Preventive Maintenance	**1,955,000**	**1,955,000**	
FORESTRY			
Preventive Maintenance	**1,927,500**	**1,927,500**	
NATURE PRESERVES			
Preventive Maintenance	**645,275**	**645,275**	
STATE PARKS AND RESERVOIR MANAGEMENT			
Preventive Maintenance	**4,990,000**	**4,990,000**	
DIVISION OF WATER			
Preventive Maintenance	**15,000**	**15,000**	
ENFORCEMENT			
Preventive Maintenance	**297,000**	**297,000**	
ENTOMOLOGY			
Preventive Maintenance	**151,250**	**151,250**	
INDIANA STATE MUSEUM AND HISTORIC SITES CORPORATION			
Preventive Maintenance	**780,485**	**858,532**	
Repair and Rehabilitation	**3,623,900**	**1,690,000**	
Capital Fundraising Match - R & R	**1,000,000**	**1,000,000**	
WAR MEMORIALS COMMISSION			
Preventive Maintenance	**1,200,000**	**5,465,580**	
Repair and Rehabilitation	**3,350,000**	**0**	
WHITE RIVER STATE PARK			
Preventive Maintenance	**469,250**	**469,250**	
Repair and Rehabilitation	**1,700,000**	**0**	
Park Redevelopment Matching Funds	**15,000,000**	**0**	
MAUMEE RIVER BASIN COMMISSION			
Repair and Rehabilitation	**500,000**	**500,000**	
D. ECONOMIC AND WORKFORCE DEVELOPMENT			
INDIANA STATE FAIR			
Preventive Maintenance	**1,362,139**	**1,416,625**	
Repair and Rehabilitation	**7,078,111**	**0**	
Perimeter Security Enhancements Ph II	**18,000,000**	**0**	
State Construction Fund (IC 9-13-2-173.1)			
Repair and Rehabilitation	**0**	**6,180,000**	
DEPARTMENT OF WORKFORCE DEVELOPMENT			
Employment Security Special Fund (IC 22-4-25)			
Preventive Maintenance	**250,000**	**250,000**	
E. TRANSPORTATION			
DEPARTMENT OF TRANSPORTATION - BUILDINGS AND GROUNDS			
State Highway Fund (IC 8-23-9-54)			
Preventive Maintenance	**3,735,351**	**3,930,813**	
Repair and Rehabilitation	**5,154,649**	**4,959,187**	
Architectural and Engineering Fee	**127,500**	**0**	
Indianapolis Traffic Management Ctr	**1,500,000**	**0**	
A&E for Borman Traffic Mgt Ctr	**340,000**	**0**	
Construction of Borman Traffic Mgt Ctr	**0**	**4,000,000**	

	FY 2025-2026 Appropriation	FY 2026-2027 Appropriation	Biennial Appropriation
Construction of Jasper Unit and Salt Bldg	**0**	**9,500,000**	
A&E Austin Subdist/Unit and Salt Bldg	**1,650,000**	**0**	
Const of Austin Subdist/Unit and Salt Bldg	**0**	**16,500,000**	
A&E for Jasper Unit and Salt Bldg	**950,000**	**0**	
Const of Evansville Unit and Salt Bldg	**11,500,000**	**0**	
A&E Fee for Monticello Subdist Bldg	**0**	**600,000**	
A&E for Albany Unit and Salt Bldg	**0**	**515,000**	
Land Purchase	**250,000**	**250,000**	
F. FAMILY AND SOCIAL SERVICES, HEALTH, AND VETERANS' AFFAIRS			
(1) FAMILY AND SOCIAL SERVICES ADMINISTRATION			
EVANSVILLE PSYCHIATRIC CHILDREN'S CENTER			
Preventive Maintenance	**36,500**	**36,500**	
Repair and Rehabilitation	**669,754**	**1,029,361**	
EVANSVILLE STATE HOSPITAL			
Preventive Maintenance	**391,162**	**391,162**	
LOGANSPORT STATE HOSPITAL			
Preventive Maintenance	**491,572**	**491,572**	
Repair and Rehabilitation	**6,125,626**	**10,758,400**	
MADISON STATE HOSPITAL			
Preventive Maintenance	**464,104**	**464,104**	
Repair and Rehabilitation	**171,140**	**520,250**	
RICHMOND STATE HOSPITAL			
Preventive Maintenance	**550,000**	**550,000**	
Repair and Rehabilitation	**11,115,000**	**1,428,950**	
NEURO DIAGNOSTIC INSTITUTE			
Preventive Maintenance	**475,810**	**475,810**	
Repair and Rehabilitation	**1,060,000**	**0**	
(2) PUBLIC HEALTH			
SCHOOL FOR THE BLIND AND VISUALLY IMPAIRED			
Preventive Maintenance	**750,000**	**750,000**	
SCHOOL FOR THE DEAF			
Preventive Maintenance	**750,000**	**750,000**	
(3) VETERANS' AFFAIRS			
DEPARTMENT OF VETERANS' AFFAIRS			
Preventive Maintenance	**69,700**	**69,700**	
Repair and Rehabilitation	**400,000**	**0**	
Committal Shelter	**400,000**	**0**	
INDIANA VETERANS' HOME			
Veterans' Home Building Fund (IC 10-17-9-7)			
Preventive Maintenance	**637,500**	**637,500**	
Repair and Rehabilitation	**4,746,300**	**300,800**	

	FY 2025-2026 Appropriation	FY 2026-2027 Appropriation	Biennial Appropriation
(4) HIGHER EDUCATION			
INDIANA UNIVERSITY - TOTAL SYSTEM			
Repair and Rehabilitation	**22,021,310**	**22,021,310**	
PURDUE UNIVERSITY - TOTAL SYSTEM			
Repair and Rehabilitation	**18,605,766**	**18,605,766**	
INDIANA STATE UNIVERSITY			
Repair and Rehabilitation	**2,136,051**	**2,136,051**	
UNIVERSITY OF SOUTHERN INDIANA			
Repair and Rehabilitation	**1,736,924**	**1,736,924**	
BALL STATE UNIVERSITY			
Repair and Rehabilitation	**4,522,783**	**4,522,783**	
VINCENNES UNIVERSITY			
Repair and Rehabilitation	**1,474,471**	**1,474,471**	
IVY TECH COMMUNITY COLLEGE			
Repair and Rehabilitation	**4,885,428**	**4,885,428**	

SECTION 31. [EFFECTIVE JULY 1, 2025]

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

SECTION 32. [EFFECTIVE UPON PASSAGE]

If any part of a construction or rehabilitation and repair appropriation made by this act or any previous acts has not been allotted or encumbered before the expiration of the biennium, the budget agency may determine that the balance of the appropriation is not available for allotment. The appropriation may be terminated, and the balance may revert to the fund from which the original appropriation was made.

SECTION 33. [EFFECTIVE JULY 1, 2025]

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

SECTION 34. [EFFECTIVE JULY 1, 2025]

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

SECTION 35. IC 2-5-3.2-1, AS AMENDED BY P.L.9-2024, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 1. (a) As used in this section, "tax incentive" means a benefit provided through a state or local tax that is intended to alter, reward, or subsidize a particular action or behavior by the tax incentive recipient, including a benefit intended to encourage economic

development. The term includes the following:

(1) An exemption, deduction, credit, preferential rate, or other tax benefit that:

(A) reduces the amount of a tax that would otherwise be due to the state;

(B) results in a tax refund in excess of any tax due; or

(C) reduces the amount of property taxes that would otherwise be due to a political subdivision of the state.

(2) The dedication of revenue by a political subdivision to provide improvements or to retire bonds issued to pay for improvements in an economic or sports development area, a community revitalization area, an enterprise zone, a tax increment financing district, or any other similar area or district.

(b) The general assembly intends that each tax incentive effectuate the purposes for which it was enacted and that the cost of tax incentives should be included more readily in the biennial budgeting process. To provide the general assembly with the information it needs to make informed policy choices about the efficacy of each tax incentive, the legislative services agency shall conduct a regular review, analysis, and evaluation of ~~all~~ tax incentives according to a schedule developed by the legislative services agency.

(c) The legislative services agency shall conduct a systematic ~~and comprehensive~~ review, analysis, and evaluation of each tax incentive scheduled for review. The review, analysis, and evaluation must include information about each tax incentive that is necessary to achieve the goals described in subsection (b), which may include any of the following:

(1) The basic attributes and policy goals of the tax incentive, including the statutory and programmatic goals of the tax incentive, the economic parameters of the tax incentive, the original scope and purpose of the tax incentive, and how the scope or purpose has changed over time.

(2) The tax incentive's equity, simplicity, competitiveness, public purpose, adequacy, and extent of conformance with the original purposes of the legislation enacting the tax incentive.

(3) The types of activities on which the tax incentive is based and how effective the tax incentive has been in promoting these targeted activities and in assisting recipients of the tax incentive.

(4) The count of the following:

(A) Applicants for the tax incentive.

(B) Applicants that qualify for the tax incentive.

(C) Qualified applicants that, if applicable, are approved to receive the tax incentive.

(D) Taxpayers that actually claim the tax incentive.

(E) Taxpayers that actually receive the tax incentive.

(5) The dollar amount of the tax incentive benefits that has been actually claimed by all taxpayers over time, including the following:

(A) The dollar amount of the tax incentive, listed by the North American Industrial Classification System (NAICS) Code associated with the tax incentive recipients, if an NAICS Code is available.

(B) The dollar amount of income tax credits that can be carried forward for the next five (5) state fiscal years.

(6) An estimate of the economic impact of the tax incentive, including the following:

(A) A return on investment calculation for the tax incentive. For purposes of this clause, "return on investment calculation" means analyzing the cost to the state or political subdivision of providing the tax incentive, analyzing the benefits realized by the state or political subdivision from providing the tax incentive.

(B) A cost-benefit comparison of the state and local revenue foregone and property taxes shifted to other taxpayers as a result of allowing the tax incentive, compared to tax revenue generated

by the taxpayer receiving the incentive, including direct taxes applied to the taxpayer and taxes applied to the taxpayer's employees.

(C) An estimate of the number of jobs that were the direct result of the tax incentive.

(D) For any tax incentive that is reviewed or approved by the Indiana economic development corporation, a statement by the chief executive officer of the Indiana economic development corporation as to whether the statutory and programmatic goals of the tax incentive are being met, with obstacles to these goals identified, if possible.

(7) The methodology and assumptions used in carrying out the reviews, analyses, and evaluations required under this subsection.

(8) The estimated cost to the state to administer the tax incentive.

(9) An estimate of the extent to which benefits of the tax incentive remained in Indiana or flowed outside Indiana.

(10) Whether the effectiveness of the tax incentive could be determined more definitively if the general assembly were to clarify or modify the tax incentive's goals and intended purpose.

(11) Whether measuring the economic impact is significantly limited due to data constraints and whether any changes in statute would facilitate data collection in a way that would allow for better review, analysis, or evaluation.

(12) An estimate of the indirect economic benefit or activity stimulated by the tax incentive.

(13) Any additional review, analysis, or evaluation that the legislative services agency considers advisable, including comparisons with tax incentives offered by other states if those comparisons would add value to the review, analysis, and evaluation.

The legislative services agency may request a state or local official or a state agency, a political subdivision, a body corporate and politic, or a county or municipal redevelopment commission to furnish information necessary to complete the tax incentive review, analysis, and evaluation required by this section. An official or entity presented with a request from the legislative services agency under this subsection shall cooperate with the legislative services agency in providing the requested information. An official or entity may require that the legislative services agency adhere to the provider's rules, if any, that concern the confidential nature of the information.

(d) The legislative services agency shall, before October 1 of each year, submit a report to the legislative council, in an electronic format under IC 5-14-6, and to the interim study committee on fiscal policy established by IC 2-5-1.3-4 containing the results of the legislative services agency's review, analysis, and evaluation. ~~The report must include at least the following:~~

~~(1) A detailed description of the review, analysis, and evaluation for each tax incentive reviewed.~~

~~(2) Information to be used by the general assembly to determine whether a reviewed tax incentive should be continued, modified, or terminated, the basis for the recommendation, and the expected impact of the recommendation on the state's economy.~~

~~(3) Information to be used by the general assembly to better align a reviewed tax incentive with the original intent of the legislation that enacted the tax incentive.~~

The report required by this subsection must not disclose any proprietary or otherwise confidential taxpayer information.

(e) The interim study committee on fiscal policy shall do the following:

(1) Hold at least one (1) public hearing after September 30 and before November 1 of each year at which:

(A) the legislative services agency presents the review, analysis, and evaluation of tax incentives; and

(B) the interim study committee receives information concerning tax incentives.

(2) Submit to the legislative council, in an electronic format under IC 5-14-6, any recommendations

made by the interim study committee that are related to the legislative services agency's review, analysis, and evaluation of tax incentives prepared under this section.

(f) The general assembly shall use the legislative services agency's report under this section and the interim study committee on fiscal policy's recommendations under this section to determine whether a particular tax incentive:

(1) is successful;

(2) is provided at a cost that can be accommodated by the state's biennial budget; and

(3) should be continued, amended, or repealed.

(g) The legislative services agency shall establish and maintain a system for making available to the public information about the amount and effectiveness of tax incentives.

(h) The legislative services agency shall develop and publish on the general assembly's website a multi-year schedule that lists all tax incentives and indicates the year when the report will be published for each tax incentive reviewed. The legislative services agency may revise the schedule as long as ~~the legislative services agency provides for a systematic review, analysis, and evaluation of all tax incentives and that~~ each tax incentive is reviewed at least once. ~~every seven (7) years.~~

(i) This section expires December 31, ~~2025.~~ **2030.**

SECTION 36. IC 4-8.1-2-7, AS AMENDED BY P.L.9-2024, SECTION 57, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 7. (a) Except as otherwise specified in this section, the treasurer of state may not pay any money out of the state treasury except upon warrant of the state comptroller **or upon check drawn against a financial institution** based on an approved claim.

(b) The treasurer of state may transfer money invested or on deposit in a public depository to any deposit account in the same or a different public depository. A transfer between deposit accounts may be made by warrant, check, or electronic funds transfer.

(c) If a political subdivision (as defined in IC 36-1-2-13) elects to receive distributions from the state or if a state employee elects to have wages deposited directly in a financial institution under IC 4-15-5.9-2 by means of an electronic transfer of funds, the treasurer of state shall have the funds transferred electronically.

(d) Notwithstanding any other law, if:

(1) a vendor or claimant requests that one (1) or more payments be made by means of an electronic funds transfer; and

(2) the state comptroller and the treasurer of state agree that payment by electronic funds transfer is advantageous to the state;

the state comptroller may elect to authorize an electronic funds transfer method of payment. If authorized by the state comptroller, the treasurer of state may pay money from the state treasury by electronic funds transfer.

(e) With regard to electronic funds transfer, a record of each transfer authorization shall be made by the treasurer of state immediately following the authorization and shall be made in a form which conforms to accounting systems approved by the state board of accounts.

(f) As used in this section, "electronic funds transfer" means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, that is initiated through an electronic terminal, telephone, or computer or magnetic tape for the purpose of ordering, instructing, or authorizing a financial institution to debit or credit an account.

SECTION 37. IC 4-8.1-2-10, AS AMENDED BY P.L.215-2016, SECTION 60, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 10. The treasurer of state shall keep double entry records of warrants paid, **checks drawn,** receipts, cash on hand, and investments for which the treasurer of state is accountable by law in sufficient detail to fulfill the requirements of the law and the duty of the treasurer of state's office to safeguard the state treasury.

SECTION 38. IC 4-13-2-1, AS AMENDED BY P.L.2-2007, SECTION 35, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 1. (a) This chapter may be known and cited as the "Financial Reorganization Act of 1947".

(b) This chapter applies to all agencies of the state. **Except as provided in section 30 of this chapter,** as used in this chapter, "agency" refers to every officer, board, commission, department, division, bureau, committee, employee, and other instrumentality of the state, including: state hospitals, state penal institutions, and other state institution enterprises and activities wherever located, except, unless specifically included, the following:

(1) Military officers and military and armory boards of the state.

(2) The state fair commission.

(3) The supreme court and the court of appeals.

(4) The legislative department of state government including:

(A) the senate;

(B) the house of representatives;

(C) the legislative council; and

(D) the legislative services agency.

(5) State educational institutions.

(6) Persons and institutions under the control of an entity described in subdivision (1), (2), (3), (4), or (5).

(7) All counties, cities, towns, townships, school towns, townships, and other municipal corporations or political subdivisions of the state.

(c) As used in this chapter, "supplies", "materials", "equipment", and "services" means any and all articles and things, and all services other than personal, used by, or furnished to, any agency, including printing, binding, publication of books and records, repairs and improvements, utility services, and any and all other services required for the maintenance, operation, or upkeep of buildings and offices.

(d) The enumeration of the things specified in this section are not exclusive.

SECTION 39. IC 4-13-2-1.5, AS AMENDED BY P.L.85-2017, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 1.5. (a) Notwithstanding section 1 of this chapter, **but except as provided in section 30 of this chapter,** the term "agencies of state", "state agency", or "agency", as used in sections 7, 19, and 23 of this chapter, include the judicial and legislative departments of state government.

(b) Notwithstanding section 1 of this chapter, section 19 of this chapter applies to the judicial and legislative departments of state government.

(c) Notwithstanding section 1 of this chapter, section 5.2 of this chapter applies to a body corporate and politic.

SECTION 40. IC 4-13-2-18, AS AMENDED BY P.L.9-2024, SECTION 89, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 18. (a) For the purpose of the administration of the allotment system provided by this section, each fiscal year shall be divided into four (4) quarterly allotment periods, beginning respectively on the first day of July, October, January, and April. In any case where the quarterly allotment period is impracticable, the budget director may prescribe a different period suited to the circumstances but not extending beyond the end of any fiscal year.

(b) Except as otherwise expressly provided in this section, the provisions of this chapter relating to the allotment system and to the encumbering of funds shall apply to appropriations and funds of all kinds, including standing or annual appropriations and dedicated funds, from which expenditures are to be made from time to time by or under the authority of any state agency. The provisions relating to the allotment system shall not apply to money made available for the purpose of conducting a post-audit of financial transactions of any state agency. Likewise, appropriations for construction or for the acquisition of real

estate for public purposes may be exempted from the allotment system by the budget director. The budget director shall prescribe regulations as will ensure the proper application and encumbering of those funds.

(c) No appropriation to any state agency shall become available for expenditure until:

(1) the state agency shall have submitted to the budget agency a request for allotment, the request for allotment to consist of an estimate of the amount required for each activity and each purpose for which money is to be expended during the applicable allotment period; and

(2) the estimate contained in the request for allotment shall have been approved, increased, or decreased by the budget director and funds allotted as provided.

The form of a request for allotment, including a request by hand, mail, facsimile transmission, or other electronic transmission, shall be prescribed by the budget agency with the approval of the state comptroller and shall be submitted to them at least twenty-five (25) days prior to the beginning of the allotment period.

(d) **Subject to subsection (k),** each request for allotment shall be reviewed by the budget agency and respective amounts shall be allotted for expenditure if:

(1) the estimate is within the terms of the appropriation as to amount and purpose, having due regard for the probable future needs of the state agency for the remainder of the fiscal year or other term for which the appropriation was made; and

(2) the agency contemplates expenditure of the allotment during the period.

Otherwise the budget agency shall modify the estimate to conform with the terms of the appropriation and the prospective needs of the state agency, and shall reduce the amount to be allotted accordingly. The budget agency shall act promptly upon all requests for allotment and shall notify every state agency of its allotments at least five (5) days before the beginning of each allotment period. The total amount allotted to any agency for the fiscal year or other term for which the appropriation was made shall not exceed the amount appropriated for the year or term.

(e) The budget director shall also have authority at any time to modify or amend any allotment previously made by the budget director.

(f) In case the budget director shall discover at any time that:

(1) the probable receipts from taxes or other sources for any fund will be less than were anticipated; and

(2) as a consequence the amount available for the remainder of the term of the appropriation or for any allotment period will be less than the amount estimated or allotted;

the budget director shall, with the approval of the governor, and after notice to the state agency or agencies concerned, reduce the amount or amounts allotted or to be allotted to prevent a deficit.

(g) The budget agency shall promptly transmit records of all allotments and modifications to the state comptroller.

(h) The state comptroller shall maintain as a part of the central accounting system for the state, as provided, records showing at all times, by funds, accounts, and other pertinent classifications, the amounts appropriated, the estimated revenues, the actual revenues or receipts; the amounts allotted and available for expenditure, the total expenditures, the unliquidated obligations, actual balances on hand, and the unencumbered balances of the allotments for each state agency.

(i) No payment shall be made from any fund, allotment, or appropriation unless the state comptroller shall first certify that there is a sufficient unencumbered balance in the fund, allotment, or appropriation, after taking into consideration all previous expenditures to meet the same. In the case of an obligation to be paid from federal funds, a notice of a federal grant award shall be considered an appropriation against which obligations may be incurred, funds may be allotted, and encumbrances may be made.

(j) Every expenditure or obligation authorized or incurred in violation of the provisions of this chapter shall be void. Every payment made in violation of the provisions of this chapter shall be illegal, and every

official authorizing or making a void payment, or taking part in a void payment, and every person receiving a void payment, or any part of a void payment, shall be jointly and severally liable to the state for the full amount paid or received. If any appointive officer or employee of the state shall knowingly incur any obligation or shall authorize or make any expenditure in violation of the provisions of this chapter, or take any part, it shall be ground for removal of the appointive officer or employee of the state by the officer appointing the appointive officer or employee of the state. If the appointing officer is a person other than the governor and fails to remove the officer or employee, the governor may exercise the power of removal after giving notice of the charges and opportunity for hearing to the accused officer or employee and to the officer appointing the accused officer or employee.

(k) If the budget director determines at any time that a state agency can perform the agency's statutory obligations with less than the amount appropriated, the budget director shall, with the approval of the governor, and after notice to the state agency or agencies concerned, reduce the amount or amounts allotted or to be allotted. The budget agency shall maintain a list of each appropriation from which the amount or amounts allotted or to be allotted are reduced and publish the list on the budget agency's website.

SECTION 41. IC 4-13-2-30 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: **Sec. 30. (a) This section applies in each of the state fiscal years:**

(1) beginning July 1, 2025, and ending June 30, 2026; and

(2) beginning July 1, 2026, and ending June 30, 2027.

(b) As used in this section, "state agency" means an authority, board, branch, commission, committee, department, division, or other instrumentality of any of the following:

(1) The executive, including the administrative department of state government.

(2) A state educational institution.

(3) A body corporate and politic created by statute.

(c) Each state fiscal year, the budget director shall withhold, from each appropriation for the state fiscal year made in the biennial budget bill to a state agency that is predominantly used, as determined by the budget director, for:

(1) salaries or other wages for state agency employees; or

(2) general operating expenses of the state agency;

an amount not less than five percent (5%) of the appropriation for the state fiscal year.

(d) The budget director may, with the approval of the governor, release any part of the amount of the appropriation withheld under subsection (c) during the state fiscal year to the state agency upon written request from the state agency.

(e) The withholding requirement under subsection (c) does not apply to an appropriation for the state fiscal year to a state agency that is predominantly used, as determined by the budget director, to pay for services performed by vendors, to provide grants or distributions, to fund fee replacement for a state educational institution, or otherwise used for a purpose not described in subsection (c).

(f) The budget director shall, not later than August 1 and December 31 of each state fiscal year, provide a report to the budget committee that:

(1) lists each appropriation from which funds were withheld under this section;

(2) details any appropriation for which the budget director released any part of the amount withheld, as permitted under subsection (d); and

(3) provides the rationale for releasing each amount described in subdivision (2).

SECTION 42. IC 4-13-12.1-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 7. After completion of construction and negotiation of a lease under section 8 of this chapter

(before its repeal), the society shall convey title to the building to the state.

SECTION 43. IC 4-13-12.1-8 IS REPEALED [EFFECTIVE JULY 1, 2025]. ~~Sec. 8. (a) The department may enter into a lease with the society for the society's use of any part of the building, exterior improvements, and surrounding site.~~

~~(b) Notwithstanding the term limitation for a lease under IC 4-13-1-4(10), the department may enter into a lease under subsection (a) for a term of not more than ninety-nine (99) years.~~

~~(c) Rent under a lease entered into under this section is one dollar ($1) each year, payable in advance.~~

~~(d) A lease entered into under this section must require the department to provide, at no cost to the society, the following services in relation to the building, the exterior improvements, and the surrounding site:~~

~~(1) Management.~~

~~(2) Maintenance.~~

~~(3) Operation.~~

~~(4) Utilities (other than telephone services).~~

~~(5) Other services reasonably necessary to maintain the building, exterior improvements, and the surrounding site.~~

~~(e) A lease entered into under this section must provide that the lease terminates if the society or its successor vacates the building.~~

~~(f) A lease entered into under this section may permit the building to house state activities or functions.~~

SECTION 44. IC 4-13.6-5-13 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: **Sec. 13. (a) As used in this section, "business providing specialized employee services" refers to a business that satisfies all of the following:**

(1) Not less than seventy-five percent (75%) of the employees of the business are Indiana residents who meet at least one (1) of the following criteria:

(A) The employee is incarcerated or was formerly incarcerated.

(B) The employee is on probationary status.

(C) The employee is receiving government funded public assistance.

(D) The employee is a military veteran.

(2) The business pays a minimum wage of not less than thirteen dollars and fifty cents ($13.50) per hour.

(3) The business maintains a company representative to assist employees with at least one (1) of the following:

(A) Transitional services out of incarceration or probation.

(B) Job skills based training programs.

(C) Social skills training and assistance relating to personal finance and basic legal assistance.

(4) The business provides employees with health insurance, vision insurance, dental insurance, and access to retirement savings options.

(b) The division shall determine whether a particular business meets the requirements of this section.

(c) There is a price preference of fifteen percent (15%) for supplies or services purchased from a business providing specialized employee services.

(d) A business that wants to claim a preference provided under this section must do all of the following:

(1) State in the business's offer that the business claims the preference provided by this section.

(2) Provide information to the division necessary to demonstrate that the business is a business providing specialized employee services.

SECTION 45. IC 5-28-2-1.5, AS AMENDED BY P.L.214-2023, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2026]: Sec. 1.5. "Applicable tax credit" means a tax credit available under any of the following:

(1) IC 6-3.1-13.
(2) IC 6-3.1-19.
(3) IC 6-3.1-26.
(4) IC 6-3.1-30.
(5) IC 6-3.1-34.
(6) IC 6-3.1-36.
(7) IC 6-3.1-37.2.
(8) IC 6-3.1-46.

SECTION 46. IC 6-2.5-1-10.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: **Sec. 10.5. "Adult diapers" means diapers other than children's diapers.**

SECTION 47. IC 6-2.5-5-57, AS ADDED BY P.L.180-2022(ss), SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 57. **(a)** Sales of children's diapers are exempt from the state gross retail tax.

(b) Sales of adult diapers are exempt from the state gross retail tax.

SECTION 48. IC 6-2.5-5-57.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: **Sec. 57.5. (a) For purposes of this section, "feminine hygiene products" means:**

(1) tampons;
(2) panty liners;
(3) menstrual cups;
(4) sanitary napkins; and
(5) other similar tangible personal property designed for feminine hygiene in connection with the human menstrual cycle.

(b) Sales of feminine hygiene products are exempt from the state gross retail tax.

SECTION 49. IC 6-3-1-3.5, AS AMENDED BY P.L.9-2024, SECTION 185, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: Sec. 3.5. When used in this article, the term "adjusted gross income" shall mean the following:

(a) In the case of all individuals, "adjusted gross income" (as defined in Section 62 of the Internal Revenue Code), modified as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.
(2) Except as provided in subsection (c), add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 62 of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state of the United States.
(3) Subtract one thousand dollars ($1,000), or in the case of a joint return filed by a husband and wife, subtract for each spouse one thousand dollars ($1,000).
(4) Subtract one thousand dollars ($1,000) for:
(A) each of the exemptions provided by Section 151(c) of the Internal Revenue Code (as effective January 1, 2017);
(B) each additional amount allowable under Section 63(f) of the Internal Revenue Code; and
(C) the spouse of the taxpayer if a separate return is made by the taxpayer and if the spouse, for the calendar year in which the taxable year of the taxpayer begins, has no gross income and is not the dependent of another taxpayer.

(5) Subtract each of the following:

(A) One thousand five hundred dollars ($1,500) for each of the exemptions allowed under Section 151(c)(1)(B) of the Internal Revenue Code (as effective January 1, 2004), except that in the first taxable year in which a particular exemption is allowed under Section 151(c)(1)(B) of the Internal Revenue Code (as effective January 1, 2004), subtract three thousand dollars ($3,000) for that exemption.

(B) One thousand five hundred dollars ($1,500) for each exemption allowed under Section 151(c) of the Internal Revenue Code (as effective January 1, 2017) for an individual:

(i) who is less than nineteen (19) years of age or is a full-time student who is less than twenty-four (24) years of age;

(ii) for whom the taxpayer is the legal guardian; and

(iii) for whom the taxpayer does not claim an exemption under clause (A).

(C) ~~Five hundred dollars ($500)~~ **One thousand dollars ($1,000)** for each additional amount allowable under Section 63(f)(1) of the Internal Revenue Code if the federal adjusted gross income of the taxpayer, or the taxpayer and the taxpayer's spouse in the case of a joint return, is less than forty thousand dollars ($40,000). In the case of a married individual filing a separate return, the qualifying income amount in this clause is equal to twenty thousand dollars ($20,000).

(D) Three thousand dollars ($3,000) for each exemption allowed under Section 151(c) of the Internal Revenue Code (as effective January 1, 2017) for an individual who is:

(i) an adopted child of the taxpayer; and

(ii) less than nineteen (19) years of age or is a full-time student who is less than twenty-four (24) years of age.

This amount is in addition to any amount subtracted under clause (A) or (B).

This amount is in addition to the amount subtracted under subdivision (4).

(6) Subtract any amounts included in federal adjusted gross income under Section 111 of the Internal Revenue Code as a recovery of items previously deducted as an itemized deduction from adjusted gross income.

(7) Subtract any amounts included in federal adjusted gross income under the Internal Revenue Code which amounts were received by the individual as supplemental railroad retirement annuities under 45 U.S.C. 231 and which are not deductible under subdivision (1).

(8) Subtract an amount equal to the amount of federal Social Security and Railroad Retirement benefits included in a taxpayer's federal gross income by Section 86 of the Internal Revenue Code.

(9) In the case of a nonresident taxpayer or a resident taxpayer residing in Indiana for a period of less than the taxpayer's entire taxable year, the total amount of the deductions allowed pursuant to subdivisions (3), (4), and (5) shall be reduced to an amount which bears the same ratio to the total as the taxpayer's income taxable in Indiana bears to the taxpayer's total income.

(10) In the case of an individual who is a recipient of assistance under IC 12-10-6-1, IC 12-10-6-2.1, IC 12-15-2-2, or IC 12-15-7, subtract an amount equal to that portion of the individual's adjusted gross income with respect to which the individual is not allowed under federal law to retain an amount to pay state and local income taxes.

(11) In the case of an eligible individual, subtract the amount of a Holocaust victim's settlement payment included in the individual's federal adjusted gross income.

(12) Subtract an amount equal to the portion of any premiums paid during the taxable year by the taxpayer for a qualified long term care policy (as defined in IC 12-15-39.6-5) for the taxpayer or the taxpayer's spouse if the taxpayer and the taxpayer's spouse file a joint income tax return or the taxpayer is otherwise entitled to a deduction under this subdivision for the taxpayer's spouse, or both.

(13) Subtract an amount equal to the lesser of:

(A) two thousand five hundred dollars ($2,500), or one thousand two hundred fifty dollars ($1,250) in the case of a married individual filing a separate return; or

(B) the amount of property taxes that are paid during the taxable year in Indiana by the individual on the individual's principal place of residence.

(14) Subtract an amount equal to the amount of a September 11 terrorist attack settlement payment included in the individual's federal adjusted gross income.

(15) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(16) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code (concerning net operating losses).

(17) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding the sum of:

(A) twenty-five thousand dollars ($25,000) to the extent deductions under Section 179 of the Internal Revenue Code were not elected as provided in clause (B); and

(B) for taxable years beginning after December 31, 2017, the deductions elected under Section 179 of the Internal Revenue Code on property acquired in an exchange if:

(i) the exchange would have been eligible for nonrecognition of gain or loss under Section 1031 of the Internal Revenue Code in effect on January 1, 2017;

(ii) the exchange is not eligible for nonrecognition of gain or loss under Section 1031 of the Internal Revenue Code; and

(iii) the taxpayer made an election to take deductions under Section 179 of the Internal Revenue Code with regard to the acquired property in the year that the property was placed into service.

The amount of deductions allowable for an item of property under this clause may not exceed the amount of adjusted gross income realized on the property that would have been deferred under the Internal Revenue Code in effect on January 1, 2017.

(18) Subtract an amount equal to the amount of the taxpayer's qualified military income that was not excluded from the taxpayer's gross income for federal income tax purposes under Section 112 of the Internal Revenue Code.

(19) Subtract income that is:

(A) exempt from taxation under IC 6-3-2-21.7 (certain income derived from patents); and

(B) included in the individual's federal adjusted gross income under the Internal Revenue Code.

(20) Add an amount equal to any income not included in gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code. Subtract the amount necessary from the adjusted gross income of any taxpayer that added an amount to adjusted gross income in a previous year to offset the amount included in federal gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the

Internal Revenue Code.

(21) Add the amount excluded from federal gross income under Section 103 of the Internal Revenue Code for interest received on an obligation of a state other than Indiana, or a political subdivision of such a state, that is acquired by the taxpayer after December 31, 2011. For purposes of this subdivision:

(A) if the taxpayer receives interest from a pass through entity, a regulated investment company, a hedge fund, or similar arrangement, the taxpayer will be considered to have acquired the obligation on the date the entity acquired the obligation;

(B) if ownership of the obligation occurs by means other than a purchase, the date of acquisition of the obligation shall be the date ownership of the obligation was transferred, except to the extent provided in clause (A), and if a portion of the obligation is acquired on multiple dates, the date of acquisition shall be considered separately for each portion of the obligation; and

(C) if ownership of the obligation occurred as the result of a refinancing of another obligation, the acquisition date shall be the date on which the obligation was refinanced.

(22) Subtract an amount as described in Section 1341(a)(2) of the Internal Revenue Code to the extent, if any, that the amount was previously included in the taxpayer's adjusted gross income for a prior taxable year.

(23) For taxable years beginning after December 25, 2016, add an amount equal to the deduction for deferred foreign income that was claimed by the taxpayer for the taxable year under Section 965(c) of the Internal Revenue Code.

(24) Subtract any interest expense paid or accrued in the current taxable year but not deducted as a result of the limitation imposed under Section 163(j)(1) of the Internal Revenue Code. Add any interest expense paid or accrued in a previous taxable year but allowed as a deduction under Section 163 of the Internal Revenue Code in the current taxable year. For purposes of this subdivision, an interest expense is considered paid or accrued only in the first taxable year the deduction would have been allowable under Section 163 of the Internal Revenue Code if the limitation under Section 163(j)(1) of the Internal Revenue Code did not exist.

(25) Subtract the amount that would have been excluded from gross income but for the enactment of Section 118(b)(2) of the Internal Revenue Code for taxable years ending after December 22, 2017.

(26) For taxable years beginning after December 31, 2019, and before January 1, 2021, add an amount of the deduction claimed under Section 62(a)(22) of the Internal Revenue Code.

(27) For taxable years beginning after December 31, 2019, for payments made by an employer under an education assistance program after March 27, 2020:

(A) add the amount of payments by an employer that are excluded from the taxpayer's federal gross income under Section 127(c)(1)(B) of the Internal Revenue Code; and

(B) deduct the interest allowable under Section 221 of the Internal Revenue Code, if the disallowance under Section 221(e)(1) of the Internal Revenue Code did not apply to the payments described in clause (A). For purposes of applying Section 221(b) of the Internal Revenue Code to the amount allowable under this clause, the amount under clause (A) shall not be added to adjusted gross income.

(28) Add an amount equal to the remainder of:

(A) the amount allowable as a deduction under Section 274(n) of the Internal Revenue Code; minus

(B) the amount otherwise allowable as a deduction under Section 274(n) of the Internal Revenue Code, if Section 274(n)(2)(D) of the Internal Revenue Code was not in effect for amounts paid or incurred after December 31, 2020.

(29) For taxable years beginning after December 31, 2017, and before January 1, 2021, add an

amount equal to the excess business loss of the taxpayer as defined in Section 461(l)(3) of the Internal Revenue Code. In addition:

(A) If a taxpayer has an excess business loss under this subdivision and also has modifications under subdivisions (15) and (17) for property placed in service during the taxable year, the taxpayer shall treat a portion of the taxable year modifications for that property as occurring in the taxable year the property is placed in service and a portion of the modifications as occurring in the immediately following taxable year.

(B) The portion of the modifications under subdivisions (15) and (17) for property placed in service during the taxable year treated as occurring in the taxable year in which the property is placed in service equals:

(i) the modification for the property otherwise determined under this section; minus

(ii) the excess business loss disallowed under this subdivision;

but not less than zero (0).

(C) The portion of the modifications under subdivisions (15) and (17) for property placed in service during the taxable year treated as occurring in the taxable year immediately following the taxable year in which the property is placed in service equals the modification for the property otherwise determined under this section minus the amount in clause (B).

(D) Any reallocation of modifications between taxable years under clauses (B) and (C) shall be first allocated to the modification under subdivision (15), then to the modification under subdivision (17).

(30) Add an amount equal to the amount excluded from federal gross income under Section 108(f)(5) of the Internal Revenue Code. For purposes of this subdivision:

(A) if an amount excluded under Section 108(f)(5) of the Internal Revenue Code would be excludible under Section 108(a)(1)(B) of the Internal Revenue Code, the exclusion under Section 108(a)(1)(B) of the Internal Revenue Code shall take precedence; and

(B) if an amount would have been excludible under Section 108(f)(5) of the Internal Revenue Code as in effect on January 1, 2020, the amount is not required to be added back under this subdivision.

(31) For taxable years ending after March 12, 2020, subtract an amount equal to the deduction disallowed pursuant to:

(A) Section 2301(e) of the CARES Act (Public Law 116-136), as modified by Sections 206 and 207 of the Taxpayer Certainty and Disaster Relief Tax Act (Division EE of Public Law 116-260); and

(B) Section 3134(e) of the Internal Revenue Code.

(32) Subtract the amount of an ESA annual grant amount and, as applicable, a CSA annual grant amount distributed to a taxpayer's Indiana education scholarship account under IC 20-51.4 that is used for an ESA or CSA qualified expense (as defined in IC 20-51.4-2) or to an Indiana enrichment scholarship account under IC 20-52 that is used for qualified expenses (as defined in IC 20-52-2-6), to the extent the distribution used for the qualified expense is included in the taxpayer's federal adjusted gross income under the Internal Revenue Code.

(33) For taxable years beginning after December 31, 2019, and before January 1, 2021, add an amount equal to the amount of unemployment compensation excluded from federal gross income under Section 85(c) of the Internal Revenue Code.

(34) For taxable years beginning after December 31, 2022, subtract an amount equal to the deduction disallowed under Section 280C(h) of the Internal Revenue Code.

(35) For taxable years beginning after December 31, 2021, add or subtract amounts related to specified research or experimental procedures as required under IC 6-3-2-29.

(36) Subtract any other amounts the taxpayer is entitled to deduct under IC 6-3-2.

(37) Subtract the amount of a CSA annual grant amount distributed to a taxpayer's career scholarship account under IC 20-51.4-4.5 that is used for a CSA qualified expense (as defined in IC 20-51.4-2-3.8), to the extent the distribution used for the CSA qualified expense is included in the taxpayer's federal adjusted gross income under the Internal Revenue Code.

(b) In the case of corporations, the same as "taxable income" (as defined in Section 63 of the Internal Revenue Code) adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 170 of the Internal Revenue Code (concerning charitable contributions).

(3) Except as provided in subsection (c), add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 63 of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state of the United States.

(4) Subtract an amount equal to the amount included in the corporation's taxable income under Section 78 of the Internal Revenue Code (concerning foreign tax credits).

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(6) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code (concerning net operating losses).

(7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding the sum of:

(A) twenty-five thousand dollars ($25,000) to the extent deductions under Section 179 of the Internal Revenue Code were not elected as provided in clause (B); and

(B) for taxable years beginning after December 31, 2017, the deductions elected under Section 179 of the Internal Revenue Code on property acquired in an exchange if:

(i) the exchange would have been eligible for nonrecognition of gain or loss under Section 1031 of the Internal Revenue Code in effect on January 1, 2017;

(ii) the exchange is not eligible for nonrecognition of gain or loss under Section 1031 of the Internal Revenue Code; and

(iii) the taxpayer made an election to take deductions under Section 179 of the Internal Revenue Code with regard to the acquired property in the year that the property was placed into service.

The amount of deductions allowable for an item of property under this clause may not exceed the amount of adjusted gross income realized on the property that would have been deferred under the Internal Revenue Code in effect on January 1, 2017.

(8) Add to the extent required by IC 6-3-2-20:

(A) the amount of intangible expenses (as defined in IC 6-3-2-20) for the taxable year that reduced the corporation's taxable income (as defined in Section 63 of the Internal Revenue Code) for federal income tax purposes; and

(B) any directly related interest expenses (as defined in IC 6-3-2-20) that reduced the corporation's adjusted gross income (determined without regard to this subdivision). For purposes of this clause, any directly related interest expense that constitutes business interest within the meaning of Section 163(j) of the Internal Revenue Code shall be considered to have reduced the taxpayer's federal taxable income only in the first taxable year in which the deduction otherwise would have been allowable under Section 163 of the Internal Revenue Code if the limitation under Section 163(j)(1) of the Internal Revenue Code did not exist.

(9) Add an amount equal to any deduction for dividends paid (as defined in Section 561 of the Internal Revenue Code) to shareholders of a captive real estate investment trust (as defined in section 34.5 of this chapter).

(10) Subtract income that is:

(A) exempt from taxation under IC 6-3-2-21.7 (certain income derived from patents); and

(B) included in the corporation's taxable income under the Internal Revenue Code.

(11) Add an amount equal to any income not included in gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code. Subtract from the adjusted gross income of any taxpayer that added an amount to adjusted gross income in a previous year the amount necessary to offset the amount included in federal gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code.

(12) Add the amount excluded from federal gross income under Section 103 of the Internal Revenue Code for interest received on an obligation of a state other than Indiana, or a political subdivision of such a state, that is acquired by the taxpayer after December 31, 2011. For purposes of this subdivision:

(A) if the taxpayer receives interest from a pass through entity, a regulated investment company, a hedge fund, or similar arrangement, the taxpayer will be considered to have acquired the obligation on the date the entity acquired the obligation;

(B) if ownership of the obligation occurs by means other than a purchase, the date of acquisition of the obligation shall be the date ownership of the obligation was transferred, except to the extent provided in clause (A), and if a portion of the obligation is acquired on multiple dates, the date of acquisition shall be considered separately for each portion of the obligation; and

(C) if ownership of the obligation occurred as the result of a refinancing of another obligation, the acquisition date shall be the date on which the obligation was refinanced.

(13) For taxable years beginning after December 25, 2016:

(A) for a corporation other than a real estate investment trust, add:

(i) an amount equal to the amount reported by the taxpayer on IRC 965 Transition Tax Statement, line 1; or

(ii) if the taxpayer deducted an amount under Section 965(c) of the Internal Revenue Code in determining the taxpayer's taxable income for purposes of the federal income tax, the amount deducted under Section 965(c) of the Internal Revenue Code; and

(B) for a real estate investment trust, add an amount equal to the deduction for deferred foreign income that was claimed by the taxpayer for the taxable year under Section 965(c) of the Internal Revenue Code, but only to the extent that the taxpayer included income pursuant to Section 965 of the Internal Revenue Code in its taxable income for federal income tax purposes or is required to add back dividends paid under subdivision (9).

(14) Add an amount equal to the deduction that was claimed by the taxpayer for the taxable year under Section 250(a)(1)(B) of the Internal Revenue Code (attributable to global intangible low-taxed income). The taxpayer shall separately specify the amount of the reduction under Section 250(a)(1)(B)(i) of the Internal Revenue Code and under Section 250(a)(1)(B)(ii) of the Internal Revenue Code.

(15) Subtract any interest expense paid or accrued in the current taxable year but not deducted as a result of the limitation imposed under Section 163(j)(1) of the Internal Revenue Code. Add any interest expense paid or accrued in a previous taxable year but allowed as a deduction under Section 163 of the Internal Revenue Code in the current taxable year. For purposes of this subdivision, an interest expense is considered paid or accrued only in the first taxable year the deduction would have been allowable under Section 163 of the Internal Revenue Code if the limitation under Section 163(j)(1) of the Internal Revenue Code did not exist.

(16) Subtract the amount that would have been excluded from gross income but for the enactment of Section 118(b)(2) of the Internal Revenue Code for taxable years ending after December 22, 2017.

(17) Add an amount equal to the remainder of:

(A) the amount allowable as a deduction under Section 274(n) of the Internal Revenue Code; minus

(B) the amount otherwise allowable as a deduction under Section 274(n) of the Internal Revenue Code, if Section 274(n)(2)(D) of the Internal Revenue Code was not in effect for amounts paid or incurred after December 31, 2020.

(18) For taxable years ending after March 12, 2020, subtract an amount equal to the deduction disallowed pursuant to:

(A) Section 2301(e) of the CARES Act (Public Law 116-136), as modified by Sections 206 and 207 of the Taxpayer Certainty and Disaster Relief Tax Act (Division EE of Public Law 116-260); and

(B) Section 3134(e) of the Internal Revenue Code.

(19) For taxable years beginning after December 31, 2022, subtract an amount equal to the deduction disallowed under Section 280C(h) of the Internal Revenue Code.

(20) For taxable years beginning after December 31, 2021, subtract the amount of any:

(A) federal, state, or local grant received by the taxpayer; and

(B) discharged federal, state, or local indebtedness incurred by the taxpayer;

for purposes of providing or expanding access to broadband service in this state.

(21) For taxable years beginning after December 31, 2021, add or subtract amounts related to specified research or experimental procedures as required under IC 6-3-2-29.

(22) Add or subtract any other amounts the taxpayer is:

(A) required to add or subtract; or

(B) entitled to deduct;

under IC 6-3-2.

(c) The following apply to taxable years beginning after December 31, 2018, for purposes of the add back of any deduction allowed on the taxpayer's federal income tax return for wagering taxes, as provided in subsection (a)(2) if the taxpayer is an individual or subsection (b)(3) if the taxpayer is a corporation:

(1) For taxable years beginning after December 31, 2018, and before January 1, 2020, a taxpayer is required to add back under this section eighty-seven and five-tenths percent (87.5%) of any deduction allowed on the taxpayer's federal income tax return for wagering taxes.

(2) For taxable years beginning after December 31, 2019, and before January 1, 2021, a taxpayer is required to add back under this section seventy-five percent (75%) of any deduction allowed on the taxpayer's federal income tax return for wagering taxes.

(3) For taxable years beginning after December 31, 2020, and before January 1, 2022, a taxpayer is required to add back under this section sixty-two and five-tenths percent (62.5%) of any deduction allowed on the taxpayer's federal income tax return for wagering taxes.
(4) For taxable years beginning after December 31, 2021, and before January 1, 2023, a taxpayer is required to add back under this section fifty percent (50%) of any deduction allowed on the taxpayer's federal income tax return for wagering taxes.
(5) For taxable years beginning after December 31, 2022, and before January 1, 2024, a taxpayer is required to add back under this section thirty-seven and five-tenths percent (37.5%) of any deduction allowed on the taxpayer's federal income tax return for wagering taxes.
(6) For taxable years beginning after December 31, 2023, and before January 1, 2025, a taxpayer is required to add back under this section twenty-five percent (25%) of any deduction allowed on the taxpayer's federal income tax return for wagering taxes.
(7) For taxable years beginning after December 31, 2024, and before January 1, 2026, a taxpayer is required to add back under this section twelve and five-tenths percent (12.5%) of any deduction allowed on the taxpayer's federal income tax return for wagering taxes.
(8) For taxable years beginning after December 31, 2025, a taxpayer is not required to add back under this section any amount of a deduction allowed on the taxpayer's federal income tax return for wagering taxes.

(d) In the case of life insurance companies (as defined in Section 816(a) of the Internal Revenue Code) that are organized under Indiana law, the same as "life insurance company taxable income" (as defined in Section 801 of the Internal Revenue Code), adjusted as follows:
(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.
(2) Add an amount equal to any deduction allowed or allowable under Section 170 of the Internal Revenue Code (concerning charitable contributions).
(3) Add an amount equal to a deduction allowed or allowable under Section 805 or Section 832(c) of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state.
(4) Subtract an amount equal to the amount included in the company's taxable income under Section 78 of the Internal Revenue Code (concerning foreign tax credits).
(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.
(6) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code (concerning net operating losses).
(7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding the sum of:
(A) twenty-five thousand dollars ($25,000) to the extent deductions under Section 179 of the Internal Revenue Code were not elected as provided in clause (B); and
(B) for taxable years beginning after December 31, 2017, the deductions elected under Section 179 of the Internal Revenue Code on property acquired in an exchange if:

(i) the exchange would have been eligible for nonrecognition of gain or loss under Section 1031 of the Internal Revenue Code in effect on January 1, 2017;

(ii) the exchange is not eligible for nonrecognition of gain or loss under Section 1031 of the Internal Revenue Code; and

(iii) the taxpayer made an election to take deductions under Section 179 of the Internal Revenue Code with regard to the acquired property in the year that the property was placed into service.

The amount of deductions allowable for an item of property under this clause may not exceed the amount of adjusted gross income realized on the property that would have been deferred under the Internal Revenue Code in effect on January 1, 2017.

(8) Subtract income that is:

(A) exempt from taxation under IC 6-3-2-21.7 (certain income derived from patents); and

(B) included in the insurance company's taxable income under the Internal Revenue Code.

(9) Add an amount equal to any income not included in gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code. Subtract from the adjusted gross income of any taxpayer that added an amount to adjusted gross income in a previous year the amount necessary to offset the amount included in federal gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code.

(10) Add an amount equal to any exempt insurance income under Section 953(e) of the Internal Revenue Code that is active financing income under Subpart F of Subtitle A, Chapter 1, Subchapter N of the Internal Revenue Code.

(11) Add the amount excluded from federal gross income under Section 103 of the Internal Revenue Code for interest received on an obligation of a state other than Indiana, or a political subdivision of such a state, that is acquired by the taxpayer after December 31, 2011. For purposes of this subdivision:

(A) if the taxpayer receives interest from a pass through entity, a regulated investment company, a hedge fund, or similar arrangement, the taxpayer will be considered to have acquired the obligation on the date the entity acquired the obligation;

(B) if ownership of the obligation occurs by means other than a purchase, the date of acquisition of the obligation shall be the date ownership of the obligation was transferred, except to the extent provided in clause (A), and if a portion of the obligation is acquired on multiple dates, the date of acquisition shall be considered separately for each portion of the obligation; and

(C) if ownership of the obligation occurred as the result of a refinancing of another obligation, the acquisition date shall be the date on which the obligation was refinanced.

(12) For taxable years beginning after December 25, 2016, add:

(A) an amount equal to the amount reported by the taxpayer on IRC 965 Transition Tax Statement, line 1; or

(B) if the taxpayer deducted an amount under Section 965(c) of the Internal Revenue Code in determining the taxpayer's taxable income for purposes of the federal income tax, the amount deducted under Section 965(c) of the Internal Revenue Code.

(13) Add an amount equal to the deduction that was claimed by the taxpayer for the taxable year under Section 250(a)(1)(B) of the Internal Revenue Code (attributable to global intangible low-taxed income). The taxpayer shall separately specify the amount of the reduction under Section

250(a)(1)(B)(i) of the Internal Revenue Code and under Section 250(a)(1)(B)(ii) of the Internal Revenue Code.

(14) Subtract any interest expense paid or accrued in the current taxable year but not deducted as a result of the limitation imposed under Section 163(j)(1) of the Internal Revenue Code. Add any interest expense paid or accrued in a previous taxable year but allowed as a deduction under Section 163 of the Internal Revenue Code in the current taxable year. For purposes of this subdivision, an interest expense is considered paid or accrued only in the first taxable year the deduction would have been allowable under Section 163 of the Internal Revenue Code if the limitation under Section 163(j)(1) of the Internal Revenue Code did not exist.

(15) Subtract the amount that would have been excluded from gross income but for the enactment of Section 118(b)(2) of the Internal Revenue Code for taxable years ending after December 22, 2017.

(16) Add an amount equal to the remainder of:

(A) the amount allowable as a deduction under Section 274(n) of the Internal Revenue Code; minus

(B) the amount otherwise allowable as a deduction under Section 274(n) of the Internal Revenue Code, if Section 274(n)(2)(D) of the Internal Revenue Code was not in effect for amounts paid or incurred after December 31, 2020.

(17) For taxable years ending after March 12, 2020, subtract an amount equal to the deduction disallowed pursuant to:

(A) Section 2301(e) of the CARES Act (Public Law 116-136), as modified by Sections 206 and 207 of the Taxpayer Certainty and Disaster Relief Tax Act (Division EE of Public Law 116-260); and

(B) Section 3134(e) of the Internal Revenue Code.

(18) For taxable years beginning after December 31, 2022, subtract an amount equal to the deduction disallowed under Section 280C(h) of the Internal Revenue Code.

(19) For taxable years beginning after December 31, 2021, add or subtract amounts related to specified research or experimental procedures as required under IC 6-3-2-29.

(20) Add or subtract any other amounts the taxpayer is:

(A) required to add or subtract; or

(B) entitled to deduct;

under IC 6-3-2.

(e) In the case of insurance companies subject to tax under Section 831 of the Internal Revenue Code and organized under Indiana law, the same as "taxable income" (as defined in Section 832 of the Internal Revenue Code), adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction allowed or allowable under Section 170 of the Internal Revenue Code (concerning charitable contributions).

(3) Add an amount equal to a deduction allowed or allowable under Section 805 or Section 832(c) of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state.

(4) Subtract an amount equal to the amount included in the company's taxable income under Section 78 of the Internal Revenue Code (concerning foreign tax credits).

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus

depreciation to the property in the year that it was placed in service.

(6) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code (concerning net operating losses).

(7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding the sum of:

(A) twenty-five thousand dollars ($25,000) to the extent deductions under Section 179 of the Internal Revenue Code were not elected as provided in clause (B); and

(B) for taxable years beginning after December 31, 2017, the deductions elected under Section 179 of the Internal Revenue Code on property acquired in an exchange if:

(i) the exchange would have been eligible for nonrecognition of gain or loss under Section 1031 of the Internal Revenue Code in effect on January 1, 2017;

(ii) the exchange is not eligible for nonrecognition of gain or loss under Section 1031 of the Internal Revenue Code; and

(iii) the taxpayer made an election to take deductions under Section 179 of the Internal Revenue Code with regard to the acquired property in the year that the property was placed into service.

The amount of deductions allowable for an item of property under this clause may not exceed the amount of adjusted gross income realized on the property that would have been deferred under the Internal Revenue Code in effect on January 1, 2017.

(8) Subtract income that is:

(A) exempt from taxation under IC 6-3-2-21.7 (certain income derived from patents); and

(B) included in the insurance company's taxable income under the Internal Revenue Code.

(9) Add an amount equal to any income not included in gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code. Subtract from the adjusted gross income of any taxpayer that added an amount to adjusted gross income in a previous year the amount necessary to offset the amount included in federal gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code.

(10) Add an amount equal to any exempt insurance income under Section 953(e) of the Internal Revenue Code that is active financing income under Subpart F of Subtitle A, Chapter 1, Subchapter N of the Internal Revenue Code.

(11) Add the amount excluded from federal gross income under Section 103 of the Internal Revenue Code for interest received on an obligation of a state other than Indiana, or a political subdivision of such a state, that is acquired by the taxpayer after December 31, 2011. For purposes of this subdivision:

(A) if the taxpayer receives interest from a pass through entity, a regulated investment company, a hedge fund, or similar arrangement, the taxpayer will be considered to have acquired the obligation on the date the entity acquired the obligation;

(B) if ownership of the obligation occurs by means other than a purchase, the date of acquisition of the obligation shall be the date ownership of the obligation was transferred, except to the

extent provided in clause (A), and if a portion of the obligation is acquired on multiple dates, the date of acquisition shall be considered separately for each portion of the obligation; and

(C) if ownership of the obligation occurred as the result of a refinancing of another obligation, the acquisition date shall be the date on which the obligation was refinanced.

(12) For taxable years beginning after December 25, 2016, add:

(A) an amount equal to the amount reported by the taxpayer on IRC 965 Transition Tax Statement, line 1; or

(B) if the taxpayer deducted an amount under Section 965(c) of the Internal Revenue Code in determining the taxpayer's taxable income for purposes of the federal income tax, the amount deducted under Section 965(c) of the Internal Revenue Code.

(13) Add an amount equal to the deduction that was claimed by the taxpayer for the taxable year under Section 250(a)(1)(B) of the Internal Revenue Code (attributable to global intangible low-taxed income). The taxpayer shall separately specify the amount of the reduction under Section 250(a)(1)(B)(i) of the Internal Revenue Code and under Section 250(a)(1)(B)(ii) of the Internal Revenue Code.

(14) Subtract any interest expense paid or accrued in the current taxable year but not deducted as a result of the limitation imposed under Section 163(j)(1) of the Internal Revenue Code. Add any interest expense paid or accrued in a previous taxable year but allowed as a deduction under Section 163 of the Internal Revenue Code in the current taxable year. For purposes of this subdivision, an interest expense is considered paid or accrued only in the first taxable year the deduction would have been allowable under Section 163 of the Internal Revenue Code if the limitation under Section 163(j)(1) of the Internal Revenue Code did not exist.

(15) Subtract the amount that would have been excluded from gross income but for the enactment of Section 118(b)(2) of the Internal Revenue Code for taxable years ending after December 22, 2017.

(16) Add an amount equal to the remainder of:

(A) the amount allowable as a deduction under Section 274(n) of the Internal Revenue Code; minus

(B) the amount otherwise allowable as a deduction under Section 274(n) of the Internal Revenue Code, if Section 274(n)(2)(D) of the Internal Revenue Code was not in effect for amounts paid or incurred after December 31, 2020.

(17) For taxable years ending after March 12, 2020, subtract an amount equal to the deduction disallowed pursuant to:

(A) Section 2301(e) of the CARES Act (Public Law 116-136), as modified by Sections 206 and 207 of the Taxpayer Certainty and Disaster Relief Tax Act (Division EE of Public Law 116-260); and

(B) Section 3134(e) of the Internal Revenue Code.

(18) For taxable years beginning after December 31, 2022, subtract an amount equal to the deduction disallowed under Section 280C(h) of the Internal Revenue Code.

(19) For taxable years beginning after December 31, 2021, add or subtract amounts related to specified research or experimental procedures as required under IC 6-3-2-29.

(20) Add or subtract any other amounts the taxpayer is:

(A) required to add or subtract; or

(B) entitled to deduct;

under IC 6-3-2.

(f) In the case of trusts and estates, "taxable income" (as defined for trusts and estates in Section 641(b) of the Internal Revenue Code) adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes

of the United States.
(2) Subtract an amount equal to the amount of a September 11 terrorist attack settlement payment included in the federal adjusted gross income of the estate of a victim of the September 11 terrorist attack or a trust to the extent the trust benefits a victim of the September 11 terrorist attack.
(3) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.
(4) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code (concerning net operating losses).
(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding the sum of:
(A) twenty-five thousand dollars ($25,000) to the extent deductions under Section 179 of the Internal Revenue Code were not elected as provided in clause (B); and
(B) for taxable years beginning after December 31, 2017, the deductions elected under Section 179 of the Internal Revenue Code on property acquired in an exchange if:
(i) the exchange would have been eligible for nonrecognition of gain or loss under Section 1031 of the Internal Revenue Code in effect on January 1, 2017;
(ii) the exchange is not eligible for nonrecognition of gain or loss under Section 1031 of the Internal Revenue Code; and
(iii) the taxpayer made an election to take deductions under Section 179 of the Internal Revenue Code with regard to the acquired property in the year that the property was placed into service.
The amount of deductions allowable for an item of property under this clause may not exceed the amount of adjusted gross income realized on the property that would have been deferred under the Internal Revenue Code in effect on January 1, 2017.
(6) Subtract income that is:
(A) exempt from taxation under IC 6-3-2-21.7 (certain income derived from patents); and
(B) included in the taxpayer's taxable income under the Internal Revenue Code.
(7) Add an amount equal to any income not included in gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code. Subtract from the adjusted gross income of any taxpayer that added an amount to adjusted gross income in a previous year the amount necessary to offset the amount included in federal gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code.
(8) Add the amount excluded from federal gross income under Section 103 of the Internal Revenue Code for interest received on an obligation of a state other than Indiana, or a political subdivision of such a state, that is acquired by the taxpayer after December 31, 2011. For purposes of this subdivision:

(A) if the taxpayer receives interest from a pass through entity, a regulated investment company, a hedge fund, or similar arrangement, the taxpayer will be considered to have acquired the obligation on the date the entity acquired the obligation;

(B) if ownership of the obligation occurs by means other than a purchase, the date of acquisition of the obligation shall be the date ownership of the obligation was transferred, except to the extent provided in clause (A), and if a portion of the obligation is acquired on multiple dates, the date of acquisition shall be considered separately for each portion of the obligation; and

(C) if ownership of the obligation occurred as the result of a refinancing of another obligation, the acquisition date shall be the date on which the obligation was refinanced.

(9) For taxable years beginning after December 25, 2016, add an amount equal to:

(A) the amount reported by the taxpayer on IRC 965 Transition Tax Statement, line 1;

(B) if the taxpayer deducted an amount under Section 965(c) of the Internal Revenue Code in determining the taxpayer's taxable income for purposes of the federal income tax, the amount deducted under Section 965(c) of the Internal Revenue Code; and

(C) with regard to any amounts of income under Section 965 of the Internal Revenue Code distributed by the taxpayer, the deduction under Section 965(c) of the Internal Revenue Code attributable to such distributed amounts and not reported to the beneficiary.

For purposes of this article, the amount required to be added back under clause (B) is not considered to be distributed or distributable to a beneficiary of the estate or trust for purposes of Sections 651 and 661 of the Internal Revenue Code.

(10) Subtract any interest expense paid or accrued in the current taxable year but not deducted as a result of the limitation imposed under Section 163(j)(1) of the Internal Revenue Code. Add any interest expense paid or accrued in a previous taxable year but allowed as a deduction under Section 163 of the Internal Revenue Code in the current taxable year. For purposes of this subdivision, an interest expense is considered paid or accrued only in the first taxable year the deduction would have been allowable under Section 163 of the Internal Revenue Code if the limitation under Section 163(j)(1) of the Internal Revenue Code did not exist.

(11) Add an amount equal to the deduction for qualified business income that was claimed by the taxpayer for the taxable year under Section 199A of the Internal Revenue Code.

(12) Subtract the amount that would have been excluded from gross income but for the enactment of Section 118(b)(2) of the Internal Revenue Code for taxable years ending after December 22, 2017.

(13) Add an amount equal to the remainder of:

(A) the amount allowable as a deduction under Section 274(n) of the Internal Revenue Code; minus

(B) the amount otherwise allowable as a deduction under Section 274(n) of the Internal Revenue Code, if Section 274(n)(2)(D) of the Internal Revenue Code was not in effect for amounts paid or incurred after December 31, 2020.

(14) For taxable years beginning after December 31, 2017, and before January 1, 2021, add an amount equal to the excess business loss of the taxpayer as defined in Section 461(l)(3) of the Internal Revenue Code. In addition:

(A) If a taxpayer has an excess business loss under this subdivision and also has modifications under subdivisions (3) and (5) for property placed in service during the taxable year, the taxpayer shall treat a portion of the taxable year modifications for that property as occurring in the taxable year the property is placed in service and a portion of the modifications as occurring in the immediately following taxable year.

(B) The portion of the modifications under subdivisions (3) and (5) for property placed in service during the taxable year treated as occurring in the taxable year in which the property is placed

in service equals:
(i) the modification for the property otherwise determined under this section; minus
(ii) the excess business loss disallowed under this subdivision;
but not less than zero (0).
(C) The portion of the modifications under subdivisions (3) and (5) for property placed in service during the taxable year treated as occurring in the taxable year immediately following the taxable year in which the property is placed in service equals the modification for the property otherwise determined under this section minus the amount in clause (B).
(D) Any reallocation of modifications between taxable years under clauses (B) and (C) shall be first allocated to the modification under subdivision (3), then to the modification under subdivision (5).
(15) For taxable years ending after March 12, 2020, subtract an amount equal to the deduction disallowed pursuant to:
(A) Section 2301(e) of the CARES Act (Public Law 116-136), as modified by Sections 206 and 207 of the Taxpayer Certainty and Disaster Relief Tax Act (Division EE of Public Law 116-260); and
(B) Section 3134(e) of the Internal Revenue Code.
(16) For taxable years beginning after December 31, 2022, subtract an amount equal to the deduction disallowed under Section 280C(h) of the Internal Revenue Code.
(17) Except as provided in subsection (c), for taxable years beginning after December 31, 2022, add an amount equal to any deduction or deductions allowed or allowable in determining taxable income under Section 641(b) of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state of the United States.
(18) For taxable years beginning after December 31, 2021, add or subtract amounts related to specified research or experimental procedures as required under IC 6-3-2-29.
(19) Add or subtract any other amounts the taxpayer is:
(A) required to add or subtract; or
(B) entitled to deduct;
under IC 6-3-2.
(g) For purposes of IC 6-3-2.1, IC 6-3-4-12, IC 6-3-4-13, and IC 6-3-4-15 for taxable years beginning after December 31, 2022, "adjusted gross income" of a pass through entity means the items of ordinary income and loss in the case of a partnership or a corporation described in IC 6-3-2-2.8(2), or distributions subject to tax for state and federal income tax for beneficiaries in the case of a trust or estate, whichever is applicable, for the taxable year modified as follows:
(1) Add the separately stated items of income and gains, or the equivalent items that must be considered separately by a beneficiary, as determined for federal purposes, attributed to the partners, shareholders, or beneficiaries of the pass through entity, determined without regard to whether the owner is permitted to exclude all or part of the income or gain or deduct any amount against the income or gain.
(2) Subtract the separately stated items of deductions or losses or items that must be considered separately by beneficiaries, as determined for federal purposes, attributed to partners, shareholders, or beneficiaries of the pass through entity and that are deductible by an individual in determining adjusted gross income as defined under Section 62 of the Internal Revenue Code:
(A) limited as if the partners, shareholders, and beneficiaries deducted the maximum allowable loss or deduction allowable for the taxable year prior to any amount deductible from the pass through entity; but
(B) not considering any disallowance of deductions resulting from federal basis limitations for

the partner, shareholder, or beneficiary.

(3) Add or subtract any modifications to adjusted gross income that would be required both for individuals under subsection (a) and corporations under subsection (b) to the extent otherwise provided in those subsections, including amounts that are allowable for which such modifications are necessary to account for separately stated items in subdivision (1) or (2).

(h) Subsections (a)(36), (b)(22), (d)(20), (e)(20), or (f)(19) may not be construed to require an add back or allow a deduction or exemption more than once for a particular add back, deduction, or exemption.

(i) For taxable years beginning after December 25, 2016, if:

(1) a taxpayer is a shareholder, either directly or indirectly, in a corporation that is an E&P deficit foreign corporation as defined in Section 965(b)(3)(B) of the Internal Revenue Code, and the earnings and profit deficit, or a portion of the earnings and profit deficit, of the E&P deficit foreign corporation is permitted to reduce the federal adjusted gross income or federal taxable income of the taxpayer, the deficit, or the portion of the deficit, shall also reduce the amount taxable under this section to the extent permitted under the Internal Revenue Code, however, in no case shall this permit a reduction in the amount taxable under Section 965 of the Internal Revenue Code for purposes of this section to be less than zero (0); and

(2) the Internal Revenue Service issues guidance that such an income or deduction is not reported directly on a federal tax return or is to be reported in a manner different than specified in this section, this section shall be construed as if federal adjusted gross income or federal taxable income included the income or deduction.

(j) If a partner is required to include an item of income, a deduction, or another tax attribute in the partner's adjusted gross income tax return pursuant to IC 6-3-4.5, such item shall be considered to be includible in the partner's federal adjusted gross income or federal taxable income, regardless of whether such item is actually required to be reported by the partner for federal income tax purposes. For purposes of this subsection:

(1) items for which a valid election is made under IC 6-3-4.5-6, IC 6-3-4.5-8, or IC 6-3-4.5-9 shall not be required to be included in the partner's adjusted gross income or taxable income; and

(2) items for which the partnership did not make an election under IC 6-3-4.5-6, IC 6-3-4.5-8, or IC 6-3-4.5-9, but for which the partnership is required to remit tax pursuant to IC 6-3-4.5-18, shall be included in the partner's adjusted gross income or taxable income.

(k) The following apply for purposes of this section:

(1) For purposes of subsections (b) and (f), if a taxpayer is an organization that has more than one (1) trade or business subject to the provisions of Section 512(a)(6) of the Internal Revenue Code, the following rules apply for taxable years beginning after December 31, 2017:

(A) If a trade or business has federal unrelated business taxable income of zero (0) or greater for a taxable year, the unrelated business taxable income and modifications required under this section shall be combined in determining the adjusted gross income of the taxpayer and shall not be treated as being subject to the provisions of Section 512(a)(6) of the Internal Revenue Code if one (1) or more trades or businesses have negative Indiana adjusted gross income after adjustments.

(B) If a trade or business has federal unrelated business taxable income of less than zero (0) for a taxable year, the taxpayer shall apply the modifications under this section for the taxable year against the net operating loss in the manner required under IC 6-3-2-2.5 and IC 6-3-2-2.6 for separately stated net operating losses. However, if the application of modifications required under IC 6-3-2-2.5 or IC 6-3-2-2.6 results in the separately stated net operating loss for the trade or business being zero (0), the modifications that increase adjusted gross income under this section

and remain after the calculations to adjust the separately stated net operating loss to zero (0) that result from the trade or business must be treated as modifications to which clause (A) applies for the taxable year.

(C) If a trade or business otherwise described in Section 512(a)(6) of the Internal Revenue Code incurred a net operating loss for a taxable year beginning after December 31, 2017, and before January 1, 2021, and the net operating loss was carried back for federal tax purposes:

(i) if the loss was carried back to a taxable year for which the requirements under Section 512(a)(6) of the Internal Revenue Code did not apply, the portion of the loss and modifications attributable to the loss shall be treated as adjusted gross income of the taxpayer for the first taxable year of the taxpayer beginning after December 31, 2022, and shall be treated as part of the adjusted gross income attributable to clause (A), unless, and to the extent, the loss and modifications were applied to adjusted gross income for a previous taxable year, as determined under this article; and

(ii) if the loss was carried back to a taxable year for which the requirements under Section 512(a)(6) of the Internal Revenue Code applied, the portion of the loss and modifications attributable to the loss shall be treated as adjusted gross income of the taxpayer for the first taxable year of the taxpayer beginning after December 31, 2022, and for purposes of this clause, the inclusion of losses and modifications shall be in the same manner as provided in clause (B), unless, and to the extent, the loss and modifications were applied to adjusted gross income for a previous taxable year, as determined under this article.

(D) Notwithstanding any provision in this subdivision, if a taxpayer computed its adjusted gross income for a taxable year beginning before January 1, 2023, based on a reasonable interpretation of this article, the taxpayer shall be permitted to compute its adjusted gross income for those taxable years based on that interpretation. However, a taxpayer must continue to report any tax attributes for taxable years beginning after December 31, 2022, in a manner consistent with its previous interpretation.

(2) In the case of a corporation, other than a captive real estate investment trust, for which the adjusted gross income under this article is determined after a deduction for dividends paid under the Internal Revenue Code, the modifications required under this section shall be applied in ratio to the corporation's taxable income (as defined in Section 63 of the Internal Revenue Code) after deductions for dividends paid under the Internal Revenue Code compared to the corporation's taxable income (as defined in Section 63 of the Internal Revenue Code) before the deduction for dividends paid under the Internal Revenue Code.

(3) In the case of a trust or estate, the trust or estate is required to include only the portion of the modifications not passed through to beneficiaries.

(4) In the case of a taxpayer for which modifications are required to be applied against a separately stated net operating loss under IC 6-3-2-2.5 or IC 6-3-2-2.6, the modifications required under this section must be adjusted to reflect the required application of the modifications against a separately stated net operating loss, in order to avoid the application of a particular modification multiple times.

SECTION 50. IC 6-3-5-5, AS ADDED BY P.L.135-2022, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: Sec. 5. (a) If the Indiana economic development corporation established by IC 5-28-3-1 enters into an agreement with a taxpayer for an economic development for a growing economy tax credit under IC 6-3.1-13, and the taxpayer elects to forgo claiming the credit against any state tax liability for that taxable year and requests the department to remit to the taxpayer an amount equal to the credit for the taxable year as set forth under IC 6-3.1-13-20(b), the provisions of this section shall apply.

(b) Before making a payment to a taxpayer under this section, the taxpayer shall provide to the

department:

(1) a copy of the taxpayer's agreement with the Indiana economic development corporation;

(2) the credit awarded to the taxpayer for that taxable year; and

(3) any other information required by the department.

(c) A payment by the department cannot exceed the actual incremental income tax withholdings collected by the department as a result of the employment of new employees subject to an agreement entered into under IC 6-3.1-13.

(d) In the case of a credit awarded under IC 6-3.1-13 to a taxpayer that is a pass through entity, the:

(1) pass through entity has the authority to make the election with regard to the credit;

(2) shareholders, partners, members, and beneficiaries of the pass through entity may not make an election separate from the pass through entity with regard to the credit;

(3) pass through entity is entitled to the payment allowable under this section; and

(4) pass through entity may not pass through any portion of the credit for which the pass through entity requests payment as a tax credit to the shareholders, partners, members, or beneficiaries of the pass through entity.

(e) If a payment under this section is included in the federal adjusted gross income of an individual or the federal taxable income of any other entity, the payment must be treated as:

(1) adjusted gross income from Indiana sources under this article and IC 6-5.5;

(2) business income for purposes of this article; and

(3) a receipt from Indiana sources for apportionment purposes under IC 6-3-2 and IC 6-5.5-4.

(f) For purposes of offsetting refunds and overpayments, a payment under this section is treated as an overpayment of tax under this article and IC 6-5.5 for purposes of IC 6-8.1-9-2, IC 6-8.1-9.5, and IC 6-8.1-9.7.

(g) A payment under this section is subject to IC 6-3.1-13-22 in the same manner as if the payment had been claimed as a credit.

(h) If all or a portion of a payment under this section is determined to have been made in error or is subject to assessment under IC 6-3.1-13-22, the department may issue an assessment for repayment of such amount before the later of:

(1) ten (10) years from the date of the payment; or

(2) three (3) years from the date the Indiana economic development corporation notifies the department of the taxpayer's noncompliance pursuant to IC 6-3.1-13-22.

(i) An assessment for repayment shall be treated as a proposed assessment for purposes of administrative review and judicial appeal under IC 6-8.1-5. However, review of the Indiana economic development corporation's determination of noncompliance shall be limited to an abuse of discretion by the Indiana economic development corporation.

(j) For purposes of this section, an election for payment in lieu of claiming the credit under IC 6-3.1-13 for a taxable year is not allowed if:

(1) the taxpayer has claimed all or part of the credit for the taxable year;

(2) in the case of a taxpayer who is a pass through entity, the taxpayer passes through all or part of the credit as a tax credit, regardless of whether the pass through entity subsequently provides information to the department, the Indiana economic development corporation, or any other affected person or entity, that the credit should not be passed through as a tax credit or whether the credit otherwise has been claimed as a tax credit; or

(3) the taxpayer makes the election after the due date of the taxpayer's return under IC 6-3, IC 6-5.5, IC 6-8-15, or IC 27-1-18-2, determined without regard to extensions, on which it would have claimed the credit for which the taxpayer is requesting payment under this section.

(k) The amount needed to make a payment under this section shall be paid from funds appropriated

to the Indiana economic development corporation for business promotion and innovation. ~~or from the statewide innovation development district fund established by IC 36-7-32.5-20.~~ Payments made under this section are subject to available funding.

SECTION 51. IC 6-3.1-13-20, AS AMENDED BY P.L.135-2022, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: Sec. 20. (a) Except as provided in subsection (b), a taxpayer claiming a credit under this chapter must claim the credit on the taxpayer's annual state tax return or returns in the manner prescribed by the department of state revenue. The taxpayer shall submit to the department of state revenue all information that the department determines necessary for the calculation of the credit provided by this chapter and the determination of whether the credit was properly claimed.

(b) Notwithstanding subsection (a), if a taxpayer is entitled to a credit under this chapter, the taxpayer may, with the approval of the corporation, elect to forgo claiming the credit against any state tax liability and submit the credit to the department with a request to receive a payment from the corporation, to be paid from funds appropriated to the corporation for business promotion and innovation ~~or from the statewide innovation development district fund established by IC 36-7-32.5-20,~~ that is equal to the credit for that taxable year as provided in IC 6-3-5-5.

SECTION 52. IC 6-3.1-33.5 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]:

Chapter 33.5. Rural Fund Capital Investment Tax Credit

Sec. 1. The state tax credit provided by this chapter applies to taxable years beginning after December 31, 2025. However, beginning with the period set forth in section 3(a) of this chapter, the corporation may begin to receive applications for the credit provided by this chapter.

Sec. 2. The following definitions apply throughout this chapter:

(1) "Affiliate" means an entity that directly, or indirectly through one (1) or more intermediaries, controls, or is controlled by, or is under the common control with, another entity. An entity is controlled by another entity if the controlling entity holds, directly or indirectly, the majority of voting or ownership interest in the controlled entity or has control over day-to-day operations of the controlled entity by contract or by law.

(2) "Applicable percentage" means zero percent (0%) for the first two (2) credit allowance dates, and fifteen percent (15%) for the next four (4) credit allowance dates.

(3) "Capital investment" means any equity investment in a rural fund by a rural investor that:

(A) is acquired after June 30, 2025, at its original issuance solely in exchange for cash;

(B) has one hundred percent (100%) of its cash purchase price used by the rural fund to make qualified investments in eligible businesses located in Indiana by the third anniversary of the initial credit allowance date; and

(C) is designated by the rural fund as a capital investment that is certified by the corporation under sections 3 through 5 of this chapter, including any capital investment that does not satisfy section 3(b)(1) of this chapter if the investment was a capital investment in the hands of a prior holder.

(4) "Corporation" means the Indiana economic development corporation established by IC 5-28-3-1.

(5) "Credit allowance date" means the date on which the corporation provides the certification set forth in section 5(a) of this chapter and each of the five (5) anniversary dates of that date thereafter.

(6) "Department" refers to the department of state revenue.

(7) "Eligible business" means a business that, at the time of the initial qualified investment in the business:

(A) has fewer than two hundred fifty (250) employees; and

(B) has its principal business operations in a rural area of Indiana.

Any business classified as an eligible business at the time of the initial investment in the business by a rural fund shall remain classified as an eligible business and may receive follow-on investments from any rural fund. The follow-on investments shall be qualified investments even though the business may not meet the definition of an "eligible business" at the time of the follow-on investment.

(8) "Principal business operations" means the location where at least sixty percent (60%) of a business's employees work or where employees who are paid at least sixty percent (60%) of the business's payroll work. A business that has agreed to relocate employees using the proceeds of a qualified investment to establish its principal business operations in a new location shall be deemed to have its principal business operations in the new location if it satisfied the requirements of this subdivision not later than one hundred eighty (180) days after receiving a qualified investment.

(9) "Purchase price" means the amount paid to the rural fund that issues a capital investment, which shall not exceed the amount of capital investment authority certified under sections 3 through 5 of this chapter.

(10) "Qualified investment" means any investment in an eligible business or any loan to an eligible business with a stated maturity date of at least one (1) year after the date of issuance, excluding revolving lines of credit and senior-secured debt unless the chief executive or similar officer of the eligible business certifies that the eligible business sought and was denied similar financing from a depository institution or by a rural fund unless, with respect to any one (1) eligible business, the maximum amount of investments made in the business by one (1) or more rural funds, on a collective basis with all of the businesses' affiliates, with the proceeds of the capital investments, are an amount equal to the greater of twenty percent (20%) of the rural fund's capital investment authority or six million five hundred thousand dollars ($6,500,000), exclusive of investments made with repaid or redeemed investments or interest or profits realized on those investments.

(11) "Rural area" means:

(A) an area other than a municipality with a population of more than fifty thousand (50,000) or an urban area contiguous and adjacent to the municipality;

(B) an area determined to be rural in character by the United States Department of Agriculture; or

(C) an urban area contiguous or adjacent to a municipality with a population of more than fifty thousand (50,000) if the corporation determines the eligible business is rural in nature, employs employees from rural areas, or is otherwise beneficial to residents of rural areas.

(12) "Rural fund" means an entity certified by the corporation under sections 3 through 5 of this chapter.

(13) "Rural investor" means an entity that makes a capital investment in a rural fund.

(14) "Senior-secured debt" means any loan that is secured by a first mortgage on real estate with a loan-to-value ratio of less than eighty percent (80%).

(15) "State tax liability" means a person's total tax liability that is incurred under:

(A) IC 27-1-18-2 (the insurance premiums tax); and

(B) IC 27-1-20-12 (the insurance premiums retaliatory tax);

as computed after the application of the credits that under IC 6-3.1-1-2 are to be applied before the credit provided by this chapter. An insurance company claiming a credit against the taxes listed in this subdivision is not required to pay any additional retaliatory tax in

Indiana as a result of claiming the credit.

(16) "Taxpayer" means an entity that has state tax liability.

Sec. 3. (a) A rural fund that seeks to have an equity investment certified as a capital investment eligible for a credit allowed under this chapter must apply to the corporation. The corporation shall begin accepting applications within ninety (90) days after July 1, 2025.

(b) The application must include each of the following:

(1) The amount of capital investment requested.

(2) A copy of the applicant's or an affiliate of the applicant's license as a rural business investment company under 7 U.S.C. 2009cc or as a small business investment company under 15 U.S.C. 681 and a certificate executed by an executive officer of the applicant attesting that the license remains in effect and has not been revoked.

(3) Evidence that, as of the date the application is submitted, the applicant or affiliates of the applicant have invested at least one hundred million dollars ($100,000,000) in nonpublic companies located in counties within the United States with a population of less than seventy-five thousand (75,000) according to the 2020 federal decennial census. The evidence may be in the form of a list containing the names of the companies, the location of the companies, and the amounts invested by the applicant or affiliates of the applicant. However, an officer of the applicant must certify the list.

(4) A business plan that includes a revenue impact assessment projecting state and local tax revenue to be generated by the applicant's proposed qualified investments, prepared by a nationally recognized, third party, independent economic forecasting firm using a dynamic economic forecasting model that analyzes the applicant's business plan over the ten (10) years following the date the application is submitted to the corporation. The plan must include an estimate of the number of jobs created and jobs retained in Indiana as a result of the applicant's qualified investments.

(5) A nonrefundable application fee of five thousand dollars ($5,000) payable to the corporation.

Sec. 4. (a) Within thirty (30) days after the receipt of a completed application, the corporation shall grant or deny the application in full or in part. The corporation shall deny the application if any of the following apply:

(1) The applicant does not satisfy all the criteria set forth in section 3 of this chapter.

(2) The revenue impact assessment submitted with the application does not demonstrate that the applicant's business plan will result in a positive fiscal impact on Indiana over a ten (10) year period that exceeds the cumulative amount of credits that would be issued to the applicant if the application were approved.

(3) The corporation has already approved the maximum amount of capital investment authority allowed under section 6 of this chapter.

(b) If the corporation denies any part of the application, it shall inform the applicant of the grounds for the denial. If the applicant provides any additional information required by the corporation or otherwise completes its application within fifteen (15) days of the notice of denial, the application shall be considered complete as of the original date of submission. If the applicant fails to provide the information or fails to complete its application within the fifteen (15) day period, the application shall remain denied and must be resubmitted with a new submission date and a new application fee.

Sec. 5. (a) Upon approval of an application, the corporation shall provide a certification of the proposed equity investment as a capital investment eligible for credits under this chapter, subject to the limitations set forth in section 6 of this chapter. The corporation shall provide written notice

of the certification to the applicant, which must include the amount of the applicant's capital investment authority and a schedule of credits by year and amount related to the capital investment authority.

(b) The corporation shall certify proposed capital investments in the order that the applications are received by the corporation. Applications received on the same day shall be deemed to have been received simultaneously. For applications that are complete and received on the same day, the corporation shall certify applications in proportionate percentages based upon the ratio of the amount of capital investment authority requested in all applications.

Sec. 6. (a) The corporation may not certify capital investment authority under this chapter in an amount that exceeds fifteen million dollars ($15,000,000) in credits to be claimed against state tax liability in any calendar year, excluding any credit amounts carried forward under section 7 of this chapter.

(b) Within ninety (90) days of the applicant receiving notice of certification, the rural fund shall issue the capital investment to and receive cash in the amount of the certified amount from a rural investor. At least ten percent (10%) of the rural investor's capital investment shall be composed of capital raised by the rural investor directly or indirectly from sources including directors, members, employees, officers, and affiliates of the rural investor, other than the amount invested by the allocatee claiming the credits in exchange for the allocation of credits. The rural fund shall provide the corporation with evidence of the receipt of the cash investment within ninety-five (95) days of the applicant receiving notice of certification.

(c) If the rural fund does not receive the cash investment and issue the capital investment within the time period following receipt of the certification set forth in section 5(a) of this chapter, the certification shall lapse and the rural fund shall not issue the capital investment without reapplying to the corporation for certification. Lapsed certifications shall revert to the corporation and shall be reissued on a pro rata basis to applicants whose capital investment allocations were reduced in accordance with the application process set forth in section 5 of this chapter.

Sec. 7. (a) Upon making a capital investment in a rural fund, a rural investor is entitled to a vested credit against the taxpayer's state tax liability that may be used on each credit allowance date of the capital investment in an amount equal to:

(1) the applicable percentage for the credit allowance date; multiplied by

(2) the purchase price paid to the rural fund for the capital investment.

(b) The amount of the credit claimed by a taxpayer shall not exceed the amount of the taxpayer's state tax liability for the tax year for which the credit is claimed. Any amount of credit that a taxpayer is prohibited from claiming in a tax year as a result of this section may be carried forward for use in any of the five (5) subsequent tax years.

(c) The credit shall not be carried back and is not refundable.

Sec. 8. No credit claimed under this chapter shall be refundable or saleable on the open market. Credits may be transferred to affiliates of a taxpayer. Credits earned by or allocated to a partnership, limited liability company, or S corporation may be allocated to the partners, members, or shareholders of such an entity for their use in accordance with the provisions of any agreement among such partners, members, or shareholders, and a rural fund shall notify the department of taxpayers that are eligible to utilize credits and transfers upon such allocation, change, or transfer. Such allocations shall not be considered a sale for the purpose of this section.

Sec. 9. To apply a credit under this chapter against the taxpayer's state tax liability, a taxpayer must claim the credit on the taxpayer's annual state tax return or returns in the manner prescribed by the department. The taxpayer must attach the certification provided by the corporation in accordance with section 5(a) of this chapter and any additional information that the department

determines is necessary for the department to determine whether the taxpayer is eligible for the credit.

Sec. 10. (a) A credit is subject to recapture if any of the following circumstances apply:

(1) The rural fund does not invest:

(A) at least sixty percent (60%) of its capital investment authority in qualified investments in Indiana within two (2) years of the credit allowance date; and

(B) one hundred percent (100%) of its capital investment authority in qualified investments in Indiana within three (3) years of the credit allowance date.

(2) The rural fund fails to maintain qualified investments equal to one hundred percent (100%) of its capital investment authority from the third anniversary until the sixth anniversary of the credit allowance date. For purposes of this subdivision, a qualified investment is considered maintained even if the qualified investment was sold or repaid as long as the rural fund reinvests an amount equal to the capital returned or recovered or repaid by the rural fund from the original investment, exclusive of any profits realized, in other qualified investments in Indiana within twelve (12) months of receipt of the capital. Amounts received periodically by a rural fund shall be treated as maintained in qualified investments if the amounts are reinvested in one (1) or more qualified investments by the end of the following calendar year. A rural fund is not required to reinvest capital returned from qualified investments after the fifth anniversary of the credit allowance date, and the qualified investments shall be considered maintained by the rural fund through the sixth anniversary of the credit allowance date.

(3) Before the earlier of:

(A) exiting the program in accordance with this chapter; or

(B) thirty (30) days after the sixth anniversary of the credit allowance date;

the rural fund makes a distribution or payment that results in the rural fund having less than one hundred percent (100%) of its capital investment authority invested in qualified investments in Indiana or held in cash or other marketable securities.

(4) The rural fund violates section 11 of this chapter, in which case the corporation may recapture an amount equal to the amount of the rural fund's capital investment authority found to be in violation of those provisions.

(b) Recaptured credits and related capital investment authority shall revert to the corporation and shall be reissued on a pro rata basis to applicants whose capital investment allocations were reduced in accordance with sections 3 through 5 of this chapter.

(c) No recapture shall occur until the rural fund has been given notice of noncompliance and afforded six (6) months from the date of the notice to cure the noncompliance.

(d) A rural fund, before making a qualified investment, may request from the corporation a written opinion as to whether the business in which it proposes to invest is an eligible business. The corporation, not later than fifteen (15) business days after the date of receipt of the request, shall notify the rural fund of its determination. If the corporation fails to notify the rural fund of its determination by the twentieth business day, the business in which the rural fund proposes to invest shall be deemed an eligible business.

Sec. 11. No eligible business that receives a qualified investment under this chapter or any affiliates of the eligible business shall directly or indirectly:

(1) own or have the right to acquire an ownership interest in a rural fund or in a member or affiliate of a rural fund including, but not limited to, a holder of a capital investment issued by a rural fund; or

(2) lend to or invest in a rural fund or any member or affiliate of a rural fund including, but

not limited to, a holder of capital investment issued by a rural fund, where the proceeds of the loan or investment are directly or indirectly used to fund or refinance the purchase of capital investments under this chapter.

Sec. 12. (a) A rural fund shall submit a report to the corporation by June 30 of each calendar year during the credit allowance period.

(b) The report following the second anniversary of the initial credit allowance date shall provide documentation as to the investment of at least sixty percent (60%) of the purchase price of such capital investment in qualified investments.

(c) The report following the third anniversary of the initial credit allowance date shall provide documentation as to the investment of one hundred percent (100%) of the purchase price of such capital investment in qualified investments. Unless previously reported under this section, the report must also include the following information:

(1) The name and location of each eligible business receiving a qualified investment.

(2) Bank statements of the rural fund evidencing each qualified investment.

(3) A copy of the written opinion of the corporation, as provided in section 10(d) of this chapter, or evidence that the business was an eligible business at the time of the qualified investment, as applicable.

(4) The number of jobs created and jobs retained as a result of each qualified investment.

(5) The average salary of the jobs described in subdivision (4).

(6) Any other information required by the corporation.

(d) For all subsequent years, a rural fund shall submit an annual report to the corporation by June 30 of each calendar year during the credit allowance period, which must include the following information:

(1) The number of jobs created and jobs retained as a result of qualified investments.

(2) The average annual salary of jobs described in subdivision (1).

(3) Any other information required by the corporation.

Sec. 13. On or after the sixth anniversary of the credit allowance date, a rural fund may apply to the corporation to exit the program and no longer be subject to the requirements established under this chapter. The corporation shall respond to the exit application within fifteen (15) days of receipt. In evaluating the exit application, the fact that no credits have been recaptured and that the rural fund has not received a notice of recapture that has not been cured as allowed under section 10(c) of this chapter shall be sufficient evidence to prove that the rural fund is eligible for exit. The corporation shall not unreasonably deny an exit application submitted under this section. If an exit application is denied, the notice shall include the reasons for the determination.

SECTION 53. IC 6-3.1-38-4, AS ADDED BY P.L.203-2023, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: Sec. 4. Subject to section 7 of this chapter, a qualified taxpayer may claim a credit against the qualified taxpayer's state tax liability for a qualified contribution for a qualified taxpayer with less than ~~fifty (50)~~ **seventy-five (75)** employees, up to four hundred dollars ($400) in the first year per covered employee if the amount provided toward the health reimbursement arrangement is equal to or greater than either the level of benefits provided in the previous benefit year, or if the amount the employer contributes toward the health reimbursement arrangement equals the same amount contributed per covered individual toward the employer provided health insurance plan during the previous benefit year. The credit under this section decreases to two hundred dollars ($200) per covered employee in the second year.

SECTION 54. IC 6-3.1-38-7, AS ADDED BY P.L.203-2023, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: Sec. 7. (a) The amount of tax credits granted under this chapter may not exceed ~~ten million dollars ($10,000,000)~~ **fifteen million**

dollars ($15,000,000) in any taxable year.

(b) The department shall record the time of filing of each return claiming a credit under section 6 of this chapter and shall approve the claims if they otherwise qualify for a tax credit under this chapter, in the chronological order in which the claims are filed in the state fiscal year.

(c) The department may not approve a claim for a tax credit after the date on which the total credits approved under this section equal the maximum amount allowable in a particular state fiscal year.

SECTION 55. IC 6-3.1-46 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2026]:

Chapter 46. Hoosier Workforce Investment Tax Credit

Sec. 1. As used in this chapter, "corporation" means the Indiana economic development corporation established by IC 5-28-3-1.

Sec. 2. As used in this chapter, "credit" refers to a credit allowed under this chapter.

Sec. 3. As used in this chapter, "eligible business" means an individual, corporation, partnership, estate, trust, or other entity that employs at least five (5) employees based in Indiana.

Sec. 4. As used in this chapter, "eligible employee" means an employee of an eligible business who:

(1) worked as a full-time employee for an eligible business in Indiana for the calendar year immediately preceding the calendar year in which the employee's training begins;

(2) received an average annual wage from the eligible business after completion of the training that exceeds both:

(A) the average annual wage the employee received before beginning the training:

(i) by at least twenty-five percent (25%); and

(ii) for at least two (2) calendar quarters;

(B) the average annual wage of an individual in the economic growth region in which the employee resides; and

(3) is not a shareholder, partner, member, or beneficiary of the eligible business, or the spouse or dependent of a shareholder, partner, member, or beneficiary of the eligible business.

Sec. 5. As used in this chapter, "eligible training costs" means amounts paid by an eligible business for training costs incurred after December 31, 2025, on behalf of an employee that are reasonably intended to result in the employee acquiring or improving skills related to the employee's current or future work for the eligible business.

Sec. 6. As used in this chapter, "pass through entity" has the meaning set forth in IC 6-3-1-35.

Sec. 7. As used in this chapter, "state tax liability" means a taxpayer's total tax liability that is incurred under:

(1) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax);

(2) IC 27-1-18-2 (the insurance premiums tax) or IC 6-8-15 (the nonprofit agricultural organization health coverage tax); and

(3) IC 6-5.5 (the financial institutions tax);

as computed after the application of the credits that under IC 6-3.1-1-2 are to be applied before the credit provided by this chapter.

Sec. 8. As used in this chapter, "taxpayer" means an eligible business with any state tax liability.

Sec. 9. As used in this chapter, "training" means a course of instruction intended to increase the marketable skills of an eligible employee.

Sec. 10. As used in this chapter, "wages" has the meaning set forth in IC 22-4-4-2.

Sec. 11. An eligible business may apply to the corporation for a tax credit under this chapter. The corporation shall prescribe the form and contents of the application. The corporation may request any information required to determine the amount of credit allowable under this section.

Sec. 12. (a) Subject to subsection (b) and section 17 of this chapter, a taxpayer is entitled to a credit under this chapter in the amount equal to the lesser of:

(1) the eligible training costs paid for an eligible employee and certified by the corporation; or

(2) five thousand dollars ($5,000).

(b) A taxpayer may not be awarded aggregate credits totaling more than fifty thousand dollars ($50,000) for eligible training costs paid on behalf of all eligible employees of the taxpayer.

(c) The corporation may decline to award all or part of a credit to a taxpayer if the corporation determines that the taxpayer's credit claim is intended to permit one (1) or more taxpayers to claim more than the amount otherwise allowable to the taxpayer under subsection (b) or intended to avoid the requirements of this chapter.

Sec. 13. (a) Subject to sections 12 and 17 of this chapter, a taxpayer must be awarded a credit upon the corporation's certification that:

(1) the eligible employee has completed their training; and

(2) the eligible employee's average annual wage is at least an amount described in section 4(2) of this chapter.

(b) The first taxable year for which a taxpayer may claim the credit is the first taxable year for which an eligible employee meets the requirements in subsection (a) as certified by the corporation.

Sec. 14. (a) If a pass through entity does not have state income tax liability against which the credit provided by this chapter may be applied, a shareholder, partner, beneficiary, or member of the pass through entity is entitled to a credit equal to:

(1) the credit determined for the pass through entity for the taxable year; multiplied by

(2) the percentage of the pass through entity's distributive income to which the shareholder, partner, beneficiary, or member is entitled.

(b) The credit provided under subsection (a) is in addition to a credit to which a shareholder, partner, or member of a pass through entity is otherwise entitled under this chapter.

(c) Notwithstanding subsections (a) and (b), for a credit awarded to a pass through entity that is an estate or trust, the estate or trust may elect to retain all or part of the credit to apply against its own state tax liability and attribute the remaining portion of the credit to its beneficiaries as provided under subsection (a). Such election shall be made in the first year in which the estate or trust is permitted the credit and shall be irrevocable, except that the estate or trust may distribute any remaining portion of the credit in the manner provided in subsection (a) upon termination of the estate or trust.

Sec. 15. (a) If the amount of the credit determined under section 12 of this chapter for a taxpayer in a taxable year exceeds the taxpayer's state tax liability for that taxable year, the taxpayer may carry the excess credit over for a period not to exceed the taxpayer's following nine (9) taxable years.

(b) The amount of the credit carryover from a taxable year shall be reduced to the extent that the carryover is used by the taxpayer to obtain a credit under this chapter for any subsequent taxable year.

(c) A taxpayer is not entitled to a carryback or a refund of any unused credit amount.

(d) A taxpayer may not assign any portion of the credit under this chapter.

Sec. 16. A taxpayer shall report the credit under this chapter in the manner prescribed by the department.

Sec. 17. (a) A tax credit awarded under this chapter is subject to the limitations set forth in IC 5-28-6-9.

(b) The aggregate amount of tax credits allowed under this chapter may not exceed four million

dollars ($4,000,000) in a state fiscal year.

Sec. 18. The department may adopt rules under IC 4-22-2 to carry out the provisions of this chapter.

SECTION 56. IC 8-22-3-4.3, AS AMENDED BY P.L.192-2015, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 4.3. (a) This section applies only to the board of an airport authority that:

(1) is not located in a county containing a consolidated city;

(2) is established by a city; and

(3) has entered into a federal interstate compact.

(b) The board of an airport authority described in subsection (a) consists of members appointed as follows:

(1) ~~Four (4) members~~ **One (1) member** appointed by the executive of the city in which the airport is located. ~~Not more than two (2) members appointed under this subdivision may be members of the same political party.~~

(2) One (1) member appointed by the executive of the county in which the airport is located.

(3) One (1) member appointed by the executive of the county (other than the county in which the airport is located) that is closest geographically to the airport.

(4) One (1) member appointed by the governor.

(5) The commissioner of the Indiana department of transportation.

(6) One (1) member appointed by the executive of the city of Hammond.

(7) One (1) member appointed by the executive of the city of Crown Point.

(c) ~~A member of the board holds office for four (4) years and until the member's successor is appointed and qualified.~~ **The terms of the members of the board are as follows:**

(1) For a member appointed under subsection (b)(6) or (b)(7), two (2) years.

(2) For a member appointed under subsection (b)(2) or (b)(3), three (3) years.

(3) For all other members of the board, four (4) years.

(d) If a vacancy occurs in the board, the authority that appointed the member that vacated the board shall appoint an individual to serve for the remainder of the unexpired term.

(e) A board member may be reappointed to successive terms.

(f) A board member may be impeached under the procedure provided for the impeachment of county officers.

(g) The board member appointed under subsection (b)(4) serves as the president of the board.

(h) On September 1, 2013, the term of each member serving on the board of the airport authority originally established by the city of Gary is terminated. The appointing authorities required to make appointments to the board under this section shall make new appointments to the board as soon as possible after August 31, 2013.

(i) Each person appointed by an appointing authority under subsection (b) must have knowledge of and at least five (5) years professional work experience in at least one (1) of the following:

(1) Aviation management at an executive level.

(2) Regional economic development.

(3) Business or finance.

(j) A person appointed by an appointing authority under subsection (b) may not personally have, or be employed by or have an ownership interest in an entity that has, a significant contractual or business relationship with the airport authority.

(k) The board of an airport authority described in subsection (a) shall contract with a certified public accountant for an annual financial audit of the airport authority. The certified public accountant may not be selected without review of the accountant's proposal and approval of the accountant by the state board

of accounts. The certified public accountant may not have a significant financial interest, as determined by the board of the airport authority, in a project, facility, or service owned by, funded by, or leased by or to the airport authority. The certified public accountant shall present the annual financial audit not later than four (4) months after the end of the airport authority's fiscal year. The board of the airport authority shall pay the cost of the annual financial audit. In addition, the state board of accounts may at any time conduct an audit of any phase of the operations of the airport authority. The airport authority shall pay the cost of any audit by the state board of accounts.

(l) The board of the airport authority shall, not later than four (4) months after the end of the airport authority's fiscal year, submit an annual report of the board's activities for the preceding fiscal year to:

(1) the budget agency, for review by the budget committee; and

(2) the legislative council.

An annual report submitted under this section to the legislative council must be in an electronic format under IC 5-14-6. The annual report must set forth a complete operating and financial statement of the airport authority for the airport authority's preceding fiscal year.

(m) On September 1, 2025, the term of each member serving on the board of the airport authority is terminated. The appointing authorities required to make appointments to the board under this section shall make new appointments to the board as soon as possible after August 31, 2025.

SECTION 57. IC 10-11-2-13, AS AMENDED BY P.L.201-2023, SECTION 122, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 13. (a) The board shall categorize salaries of police employees within each rank based upon the rank held and the number of years of service in the department through the fifteenth year. The salary ranges the board assigns to each rank shall be divided into a base salary and fifteen (15) increments above the base salary, with:

(1) the base salary in the rank paid to a person with less than one (1) year of service in the department; and

(2) the highest salary in the rank paid to a person with at least fifteen (15) years of service in the department.

(b) The salary matrix prescribed by this section shall be reviewed and approved by the budget agency biennially in even-numbered years before implementation.

(c) The board shall adjust the salary matrix prescribed by this section whenever a revision or adjustment is made to a pay plan developed under IC 4-15-2.2-27 for which all employees are generally eligible. The adjusted percentage increase of the salary matrix and each corresponding salary increment in the salary matrix is equal to the percentage by which the revised or adjusted statewide average salary of state employees in the executive branch who are in a particular salary bracket exceeds the statewide average salary of state employees in the executive branch who were in the same or a similar salary bracket on July 1 of the immediately preceding year.

SECTION 58. IC 10-11-2-28.5, AS AMENDED BY P.L.114-2022, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 28.5. (a) After June 30, 2007, the board shall use a salary matrix that categorizes salaries of capitol police officers described in section 28 of this chapter within each rank based upon the rank held and the number of years of service in the department through the tenth year. The salary ranges the board assigns to each rank shall be divided into a base salary and ten (10) increments above the base salary, with:

(1) the base salary in the rank paid to a capitol police officer with less than one (1) year of service in the department; and

(2) the highest salary in the rank paid to a capitol police officer with at least ten (10) years of service in the department.

(b) For purposes of creating the salary matrix prescribed by this section, the board may not approve

salary ranges for any rank of capitol police officers that are less than the salary ranges effective for that rank on January 1, 2006.

(c) The salary matrix prescribed by this section shall be reviewed and approved by the budget agency biennially in even-numbered years before implementation.

(d) The salary matrix developed under subsection (a) must use the same percentage differentials between increments that are used for the salary matrix for police employees under ~~IC 10-11-2-13.~~ **section 13 of this chapter.**

(e) The board shall adjust the salary matrix prescribed by this section whenever a revision or adjustment is made to a pay plan developed under IC 4-15-2.2-27 for which all employees are generally eligible. The adjusted percentage increase of the salary matrix and each corresponding salary increment in the salary matrix is equal to the percentage by which the revised or adjusted statewide average salary of state employees in the executive branch who are in a particular salary bracket exceeds the statewide average salary of state employees in the executive branch who were in the same or a similar salary bracket on July 1 of the immediately preceding year.

SECTION 59. IC 14-9-8-28, AS AMENDED BY P.L.201-2023, SECTION 144, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 28. (a) The natural resources commission shall categorize salaries of enforcement officers within each rank based upon the rank held and the number of years of service in the department through the twentieth year. The salary ranges that the commission assigns to each rank shall be divided into a base salary and fifteen (15) increments above the base salary with:

(1) the base salary in the rank paid to a person with less than one (1) year of service in the department; and

(2) the highest salary in the rank paid to a person with at least fifteen (15) years of service in the department.

(b) The salary matrix prescribed by this section shall be reviewed and approved by the state budget agency biennially in even-numbered years before implementation.

(c) The salaries for law enforcement officers of the law enforcement division of the department must be equal to the salaries of police employees of the state police department under IC 10-11-2-13, based upon years of service in the department and rank held.

(d) The requirement of subsection (c) does not affect:

(1) any rights or liabilities accrued; or

(2) any proceedings begun;

on or before June 30, 1999. Those rights, liabilities, and proceedings continue and shall be imposed and enforced under prior civil law and procedure as if the requirement of subsection (c) had not been enacted.

(e) The salary matrix prescribed by this section must be adjusted at the same time and in the same manner as an adjustment required by IC 10-11-2-13(c).

SECTION 60. IC 16-21-10-21, AS AMENDED BY P.L.201-2023, SECTION 148, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 21. This chapter expires June 30, ~~2025.~~ **2027.**

SECTION 61. IC 16-28-15-14, AS AMENDED BY P.L.201-2023, SECTION 149, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14. This chapter expires June 30, ~~2025.~~ **2027.**

SECTION 62. IC 16-41-42.2-3, AS AMENDED BY P.L.200-2015, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 3. (a) The spinal cord and brain injury fund is established to fund research on spinal cord and brain injuries.

(b) The fund shall be administered by the state department.

(c) The fund consists of:

(1) appropriations;
(2) gifts and bequests;
(3) fees deposited in the fund by law; and
(4) grants received from the federal government or private sources.

(d) The expenses of administering the fund shall be paid from money in the fund.

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

(f) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

~~(g) The money in the fund is continually appropriated to the state department to fund the purposes specified in section 4 of this chapter.~~

SECTION 63. IC 20-19-1-4 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 4. (a) Not later than December 1, 2026, the secretary of education shall provide a report and recommendation in an electronic format under IC 5-14-6 to the general assembly concerning:**

(1) aligning state funding for dual credit with the new high school diploma established under IC 20-19-2-21; and

(2) expanding access to dual credit course work to all Indiana students.

(b) This section expires July 1, 2027.

SECTION 64. IC 20-24-7-13.5, AS AMENDED BY P.L.201-2023, SECTION 155, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JUNE 29, 2025]: Sec. 13.5. (a) This section applies to the following charter schools:

(1) The Excel Centers for Adult Learners.
(2) The Christel House DORS centers.
(3) The Gary Middle College charter schools.

(b) Notwithstanding any other law, for a state fiscal year, a charter school described in subsection (a) is entitled to receive funding from the state in an amount equal to the product of:

(1) the charter school's number of students who are Indiana residents (expressed as full-time equivalents); multiplied by

(2) ~~six thousand seven hundred fifty dollars ($6,750) beginning July 1, 2017.~~ **the foundation amount for the state fiscal year as provided under IC 20-43-3-8.**

(c) However, in the case of the charter school described in subsection (a)(3), the funding under this section applies only for those students who are twenty-two (22) years of age and older. In addition, the total number of students (expressed as full-time equivalents) of all adult learners in charter schools covered by this section may not exceed the following:

(1) For the ~~2023-2024~~ **2025-2026** state fiscal year:
(A) For the Christel House DORS centers, one thousand (1,000) adult learner students.
(B) For the Gary Middle College charter schools, two hundred fifty (250) adult learner students.
(C) For the Excel Centers for Adult Learners, ~~five thousand three hundred fifty (5,350)~~ **six thousand five hundred fifty (6,550)** adult learner students.

(2) For the ~~2024-2025~~ **2026-2027** state fiscal year:
(A) For the Christel House DORS centers, one thousand (1,000) adult learner students.
(B) For the Gary Middle College charter schools, two hundred fifty (250) adult learner students.
(C) For the Excel Centers for Adult Learners, six thousand five hundred fifty (6,550) adult learner students.

(d) A charter school described in subsection (a) is entitled to receive federal special education funding.

(e) The state funding under this section shall be paid each state fiscal year under a schedule set by the budget agency and approved by the governor. However, the schedule shall provide for at least twelve (12)

payments, that one (1) payment shall be made at least every forty (40) days, and the aggregate of the payments in each state fiscal year shall equal the amount required under this section. However, if the appropriations for this purpose are insufficient, the distributions to each recipient shall be reduced proportionately.

(f) A charter school that receives funding as provided in this section must report the following information annually to the state board and (in an electronic format under IC 5-14-6) to the legislative council, on a schedule specified by the state board:

(1) The number of adult learners enrolled in the charter school during the preceding year.

(2) The demographics of the adult learners enrolled in the charter school during the preceding year (in a format requested by the state board).

(3) The graduation rates of the adult learners enrolled in the charter school during the preceding year.

(4) The outcomes for adult learners enrolled in the charter school, as of graduation and as of two (2) years after graduation. A charter school must include information concerning students' job placement outcomes, information concerning students' matriculation into higher education, and any other information concerning outcomes required by the state board.

(g) This section expires June 30, ~~2025.~~ **2027.**

SECTION 65. IC 20-25.7-5-2, AS AMENDED BY P.L.162-2024, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JUNE 29, 2025]: Sec. 2. (a) The board may enter into an agreement with an organizer to reconstitute an eligible school as a participating innovation network charter school or to establish a participating innovation network charter school at a location selected by the board within the boundary of the school corporation. Notwithstanding IC 20-26-7.1, a participating innovation network charter school may be established within a vacant school building.

(b) The terms of the agreement entered into between the board and an organizer must specify the following:

(1) A statement that the organizer authorizes the department to include the charter school's performance assessment results under IC 20-31-8 when calculating the school corporation's performance assessment under rules adopted by the state board.

(2) Subject to an administrative fee as described in subsection (g), a statement that the school corporation will distribute at least one hundred percent (100%) of state tuition support dollars that the school corporation receives from student enrollment in the participating innovation network charter school in accordance with the school funding formula to the participating innovation network charter school (if the participating innovation network charter school is treated in the same manner as a school operated by the school corporation under subsection (d)(2)).

(3) The performance goals and accountability metrics agreed upon for the charter school in the charter agreement between the organizer and the authorizer and a statement that the school corporation is prohibited from setting additional performance goals or accountability metrics.

(4) For an agreement entered into or renewed after June 30, 2023, the process the board is required to follow in determining whether to renew the agreement.

(5) The amount of money levied as property taxes that will be distributed by the school corporation to the organizer.

(6) Subject to section 5 of this chapter, the participating innovation network charter school's enrollment and discipline policies, including defined attendance areas and enrollment zones.

(7) A statement that the innovation agreement shall not create an obligation that would cause the organizer to be in violation of its charter agreement (as described in IC 20-24-1-3).

(c) If an organizer and the board enter into an agreement under subsection (a), the organizer and the board shall notify the department that the agreement has been made under this section within thirty (30)

days after the agreement is entered into.

(d) Upon receipt of the notification under subsection (c), for school years starting after the date of the agreement:

(1) the department shall include the participating innovation network charter school's performance assessment results under IC 20-31-8 when calculating the school corporation's performance assessment under rules adopted by the state board;

(2) the department shall treat the participating innovation network charter school in the same manner as a school operated by the school corporation when calculating the total amount of state funding to be distributed to the school corporation unless subsection (e) applies; and

(3) if requested by a participating innovation network charter school that reconstitutes an eligible school, the department may use student growth as the state board's exclusive means to determine the innovation network charter school's category or designation of school improvement under 511 IAC 6.2-10-10 for a period of three (3) years. Beginning with the 2019-2020 school year, the department may not use student growth as the state board's exclusive means to determine an innovation network charter school's category or designation of school improvement. This subdivision expires July 1, 2023.

(e) If a participating innovation network school was established before January 1, 2016, and for the current school year has a complexity index that is greater than the complexity index for the school corporation that the innovation network school has contracted with, the innovation network school shall be treated as a charter school for purposes of determining tuition support. This subsection expires June 30, ~~2025.~~ **2027.**

(f) If the board or organizer fails to follow the process described in subsection (b)(4), the board or organizer may appeal to the state board. The state board shall hear the appeal in a public meeting and ensure that the board or organizer follows the renewal process specified in the agreement. The board may not terminate an agreement until the board has provided evidence to the state board that the board has complied with the renewal process specified in the agreement. The state board shall issue a decision on an appeal under this subsection not later than sixty (60) days after the date the board or organizer submitted the appeal to the state board.

(g) If an administrative fee is included in an agreement entered into or renewed after June 30, 2023, under this section, the fee may not exceed one percent (1%) of the total amount of state tuition support that is distributed to the school corporation based on the participating innovation network charter school's student enrollment.

(h) An agreement entered into between the board and an organizer under this section may not be altered without written approval from the organizer.

SECTION 66. IC 20-26-11-17, AS AMENDED BY P.L.146-2008, SECTION 472, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 17. (a) Each year before the date specified in the rules adopted by the state board, a school corporation shall report the information specified in subsection (b) for each student:

(1) for whom tuition support is paid by another school corporation;

(2) for whom tuition support is paid by the state; and

(3) who is enrolled in the school corporation but has the equivalent of a legal settlement in another state or country;

to the department.

(b) Each school corporation shall provide the following information for each school year for each category of student described in subsection (a):

(1) The amount of tuition support and other support received for the students described in subsection (a).

(2) The operating expenses, as determined under section 13 of this chapter, incurred for the students described in subsection (a).

(3) Special equipment expenditures that are directly related to educating students described in subsection (a).

(4) The number of transfer students described in subsection (a).

(5) Any other information required under the rules adopted by the state board after consultation with the office of the secretary of family and social services.

(c) The information required under this section shall be reported in the format and on the forms specified by the state board.

~~(d) Not later than November 30 of each year the department shall compile the information required from school corporations under this section and submit the compiled information in the form specified by the office of the secretary of family and social services to the office of the secretary of family and social services.~~

~~(e) Not later than December 31 of each year, the office of the secretary of family and social services shall submit a report to the members of the budget committee and the executive director of the legislative services agency that compiles and analyzes the information required from school corporations under this section. The report must identify the types of state and local funding changes that are needed to provide adequate state and local money to educate transfer students. A report submitted under this subsection to the executive director of the legislative services agency must be in an electronic format under IC 5-14-6.~~

SECTION 67. IC 20-28-9-28, AS AMENDED BY P.L.150-2024, SECTION 26, AND AS AMENDED BY P.L.136-2024, SECTION 43, AND AS AMENDED BY THE TECHNICAL CORRECTIONS BILL OF THE 2025 GENERAL ASSEMBLY, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 28. (a) ~~*Subject to subsection (g),* (c),~~ For each school year in a state fiscal year beginning after June 30, 2023, a school corporation shall expend an amount for teacher compensation that is not less than an amount equal to sixty-two percent (62%) of the state tuition support, *other than the state tuition support described in subsection (b),* distributed to the school corporation during the state fiscal year. For purposes of determining whether a school corporation has complied with this requirement, the amount a school corporation expends for teacher compensation shall include the amount the school corporation expends for adjunct teachers, supplemental pay for teachers, stipends, and for participating in a special education cooperative or an interlocal agreement or consortium that is directly attributable to the compensation of teachers employed by the cooperative or interlocal agreement or consortium. *The amount a school corporation expends on teacher compensation shall also include the amount the school corporation expends on dropout recovery educational services for an at-risk student enrolled in the school corporation provided by an agreement with an eligible school that is directly attributable to the compensation of teachers employed by the eligible school.* Teacher benefits include all benefit categories collected by the department for Form 9 purposes.

~~*(b) If a school corporation determines that the school corporation cannot comply with the requirement under subsection (a) for a particular school year, the school corporation shall apply for a waiver from the department.*~~

~~*(c) The waiver application must include an explanation of the financial challenges, with detailed data, that preclude the school corporation from meeting the requirement under subsection (a) and describe the cost saving measures taken by the school corporation in attempting to meet the requirement in subsection (a). The waiver may also include an explanation of an innovative or efficient approach in delivering instruction that is responsible for the school corporation being unable to meet the requirement under subsection (a).*~~

~~*(d) If, after review, the department determines that the school corporation has exhausted all reasonable efforts in attempting to meet the requirement in subsection (a), the department may grant the*~~

~~*school corporation a one (1) year exception from the requirement.*~~

~~*(e) A school corporation that receives a waiver under this section shall work with the department to develop a plan to identify additional cost saving measures and any other steps that may be taken to allow the school corporation to meet the requirement under subsection (a).*~~

~~*(f) A school corporation may not receive more than three (3) waivers under this section.*~~

(b) State tuition support distributed to a school corporation for students enrolled in the school corporation who are receiving one hundred percent (100%) virtual instruction from a teacher employed by a third party provider with whom the school corporation has contracted is not included as state tuition support distributed to the school corporation for purposes of subsection (a).

~~*(g)*~~ ~~(c)~~ ~~*For purposes of determining whether a school corporation has complied with the requirement in subsection (a), distributions from the curricular materials fund established by IC 20-40-22-5 that are deposited in a school corporation's education fund in a state fiscal year are not considered to be state tuition support distributed to the school corporation during the state fiscal year.*~~

~~*(c)*~~ ~~*(h)*~~ ~~(d)~~ **(c)** Before November 1, 2022, and before November 1 of each year thereafter, the department shall submit a report to the legislative council in an electronic format under IC 5-14-6 and the state budget committee that contains information as to:

(1) the percent and amount that each school corporation expended and the statewide total expended for teacher compensation;

(2) the percent and amount that each school corporation expended and statewide total expended for teacher benefits, including health, dental, life insurance, and pension benefits; *and*

(3) whether the school corporation met the requirement set forth in subsection (a). ~~*and*~~

~~*(4) whether the school corporation received a waiver under subsection (d).*~~

~~(e)~~ *(d) The department shall publish the report described in subsection* ~~(d)~~ *(c) on the department's website.*

~~(f)~~ *(e) Beginning after June 30, 2024, for each state fiscal year that a school corporation fails to expend the amount for teacher compensation as required under subsection (a), the department shall submit in both a written and an electronic format a notice to the school corporation's:*

(1) superintendent;

(2) school business officer; and

(3) governing body;

that the school corporation failed to meet the requirements set forth in subsection (a) for the applicable state fiscal year.

~~(g)~~ *(f) If a school corporation's governing body receives a notice from the department under subsection* ~~(f),~~ *(e), the school corporation shall do the following:*

(1) Publicly acknowledge receipt of the notice from the department at the governing body's next public meeting.

(2) Enter into the governing body's official minutes for the meeting described in subdivision (1) acknowledgment of the notice.

(3) Not later than thirty (30) days after the meeting described in subdivision (1), publish on the school corporation's website:

(A) the department's notice; and

(B) any relevant individual reports prepared by the department.

~~(h)~~ *(g) If the department determines a school corporation that received one (1) or more notices from the department under subsection* ~~(f)~~ *(e) has met the expenditure requirements required under subsection (a) for a subsequent state fiscal year, the school corporation may remove from the school corporation's website any:*

(1) notices the school corporation received under subsection ~~(f);~~ *(e); and*

(2) relevant individual reports prepared by the department under subsection ~~(g)(3).~~ *(f)(3).*

SECTION 68. IC 20-33-5-9 IS REPEALED [EFFECTIVE JULY 1, 2025]. ~~Sec. 9. (a) As used in this section, "accredited nonpublic school" means a nonpublic school that:~~

~~(1) has voluntarily become accredited under IC 20-31-4.1; or~~

~~(2) is accredited by a national or regional accrediting agency that is recognized by the state board.~~

~~(b) If a parent of a child or an emancipated minor who is enrolled in an accredited nonpublic school meets the financial eligibility standard under section 2 of this chapter, the parent or the emancipated minor may receive a reimbursement from the department as provided in this chapter for the costs incurred by the parent or emancipated minor for curricular materials.~~

~~(c) The department shall provide each accredited nonpublic school with sufficient application forms for assistance, prescribed by the state board of accounts.~~

~~(d) Each accredited nonpublic school shall provide the parents or emancipated minors who wish to apply for assistance with:~~

~~(1) the appropriate application forms; and~~

~~(2) any assistance needed in completing the application form.~~

~~(e) The parent or emancipated minor shall submit the application to the accredited nonpublic school. The accredited nonpublic school shall make a determination of financial eligibility subject to appeal by the parent or emancipated minor.~~

~~(f) If a determination is made that the applicant is eligible for assistance, subsection (b) applies.~~

~~(g) To be guaranteed some level of reimbursement from the department, the principal or other designee shall submit the reimbursement request before November 1 of a school year.~~

~~(h) In its request, the principal or other designee shall certify to the department:~~

~~(1) the number of students who are enrolled in the accredited nonpublic school and who are eligible for assistance under this chapter;~~

~~(2) the costs incurred in providing curricular materials (including curricular materials used in special education and high ability classes);~~

~~(3) that the curricular materials described in subdivision (2) (except any curricular materials used in special education classes and high ability classes) have been adopted by the governing body; and~~

~~(4) any other information required by the department.~~

~~(i) The amount of reimbursement that a parent or emancipated minor is entitled to receive shall be determined as provided in IC 20-40-22-7.~~

~~(j) The accredited nonpublic school shall distribute the money received under IC 20-40-22-8 to the appropriate eligible parents or emancipated minors.~~

~~(k) Section 7(c) of this chapter applies to parents or emancipated minors as described in this section.~~

~~(l) The accredited nonpublic school and the department shall maintain complete and accurate information concerning the number of applicants determined to be eligible for assistance under this section.~~

~~(m) The state board shall adopt rules under IC 4-22-2 to implement this section.~~

SECTION 69. IC 20-33-5-9.5 IS REPEALED [EFFECTIVE JULY 1, 2025]. ~~Sec. 9.5. (a) This section applies to reimbursements made under this chapter in the state fiscal year beginning after June 30, 2013.~~

~~(b) The amount of reimbursement that a school corporation or an accredited nonpublic school (as defined in section 9(a) of this chapter) is entitled to receive under section 7 or 9 of this chapter in a state fiscal year is equal to the amount determined in the following STEPS:~~

~~STEP ONE: Determine the amount appropriated to make reimbursements under this chapter for the state fiscal year.~~

~~STEP TWO: Determine the total number of eligible students for which reimbursement was requested under either section 7 or 9 of this chapter before November 1 of the previous calendar year~~

~~by all school corporations and accredited nonpublic schools.~~

~~STEP THREE: Divide the result determined in STEP ONE by the number determined in STEP TWO.~~

~~STEP FOUR: Multiply:~~

~~(A) the STEP THREE result; by~~

~~(B) the number of eligible students for which reimbursement was requested under section 7 or 9 of this chapter before November 1 of the state fiscal year by the school corporation or the accredited nonpublic school.~~

SECTION 70. IC 20-33-5-14 IS REPEALED [EFFECTIVE JULY 1, 2025]. ~~Sec. 14. (a) The school curricular materials reimbursement contingency fund is established to reimburse eligible parents of children who attend accredited nonpublic schools and emancipated minors who attend accredited nonpublic schools as provided in section 9 of this chapter for assistance provided under this chapter. The fund consists of money appropriated to the fund by the general assembly. The secretary of education shall administer the fund.~~

~~(b) The treasurer of state shall invest the money in the school curricular materials reimbursement contingency fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested.~~

SECTION 71. IC 20-37-2-14 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: **Sec. 14. (a) The definitions in IC 20-51.4-2 apply throughout this section.**

(b) A school corporation or a career and technical education center or school established under this chapter may not charge:

(1) a career scholarship student enrolled in the CSA program; or

(2) an intermediary (as defined in IC 21-18-1-3.5) acting on behalf of a career scholarship student described in subdivision (1);

a tuition or fee amount to enroll in or attend a career and technical education program, course, or class that is more than the proportionate amount that the school corporation or career and technical education center or school would receive under IC 20-43-8 if the student had enrolled in and completed the applicable career and technical education program, course, or class.

SECTION 72. IC 20-40-2-3, AS AMENDED BY P.L.136-2024, SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 3. Distributions of

~~(1)~~ tuition support ~~and~~

~~(2) money for curricular materials;~~

shall be received in the education fund.

SECTION 73. IC 20-40-22 IS REPEALED [EFFECTIVE JULY 1, 2025]. (Curricular Materials Fund).

SECTION 74. IC 20-43-1-1, AS AMENDED BY P.L.201-2023, SECTION 197, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JUNE 29, 2025]: Sec. 1. This article expires June 30, ~~2025.~~ **2027.**

SECTION 75. IC 20-43-3-8, AS AMENDED BY P.L.201-2023, SECTION 200, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JUNE 29, 2025]: Sec. 8. A school corporation's foundation amount is the following:

~~(1) Six thousand five hundred ninety dollars ($6,590) for the state fiscal year beginning July 1, 2023.~~

~~(2) Six thousand six hundred eighty-one dollars ($6,681) for the state fiscal year beginning July 1, 2024.~~

(1) Six thousand eight hundred ninety-one dollars ($6,891) for the state fiscal year beginning July 1, 2025.

(2) Six thousand nine hundred ninety-seven dollars ($6,997) for the state fiscal year beginning July 1, 2026.

SECTION 76. IC 20-43-6-3, AS AMENDED BY P.L.201-2023, SECTION 204, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JUNE 29, 2025]: Sec. 3. (a) A school corporation's basic tuition support for a state fiscal year is the amount determined under the applicable provision of this section.

(b) This subsection applies to a school corporation that does not have any students in the school corporation's current ADM for the year for whom, of the instructional services that the students receive from the school corporation, at least fifty percent (50%) is virtual instruction. The school corporation's basic tuition support for a state fiscal year is equal to the amount determined under STEP FOUR of the following formula:

STEP ONE: Multiply the foundation amount by the school corporation's current ADM.

STEP TWO: Multiply the school corporation's complexity index by:

~~(A) for the state fiscal year beginning July 1, 2023, three thousand nine hundred eighty-three dollars ($3,983); and~~

~~(B)~~ **(A)** for the state fiscal year beginning July 1, ~~2024,~~ **2025,** four thousand twenty-four dollars ($4,024); **and**

(B) for the state fiscal year beginning July 1, 2026, four thousand twenty-four dollars ($4,024).

STEP THREE: Multiply the STEP TWO amount by the school corporation's current ADM.

STEP FOUR: Determine the sum of the STEP ONE amount and the STEP THREE amount.

(c) This subsection applies to a school corporation that has students in the school corporation's current ADM for the year for whom, of the instructional services that the students receive from the school corporation, at least fifty percent (50%) is virtual instruction. The school corporation's basic tuition support for a state fiscal year is equal to the amount determined under STEP ~~SEVEN~~ **FOUR** of the following formula:

~~STEP ONE: Determine the total number of students in the school corporation's current ADM for the year for whom, of the instructional services that the students receive from the school corporation, at least fifty percent (50%) is virtual instruction.~~

~~STEP TWO: Determine the result of the school corporation's current ADM for the year minus the STEP ONE amount.~~

~~STEP THREE: Determine the result of:~~

~~(A) the foundation amount; multiplied by~~

~~(B) the STEP TWO amount.~~

~~STEP FOUR: Determine the result of:~~

~~(A) the STEP ONE amount; multiplied by~~

~~(B) eighty-five percent (85%) of the foundation amount.~~

STEP ONE: Multiply the foundation amount by the school corporation's current ADM.

STEP ~~FIVE:~~ **TWO:** Multiply the school corporation's complexity index by:

~~(A) for the state fiscal year beginning July 1, 2023, three thousand nine hundred eighty-three dollars ($3,983); and~~

~~(B)~~ **(A)** for the state fiscal year beginning July 1, ~~2024,~~ **2025,** four thousand twenty-four dollars ($4,024); **and**

(B) for the state fiscal year beginning July 1, 2026, four thousand twenty-four dollars ($4,024).

STEP ~~SIX:~~ **THREE:** Multiply the STEP ~~FIVE~~ **TWO** amount by the school corporation's current ADM.

STEP ~~SEVEN:~~ **FOUR:** Determine the sum of the STEP ~~THREE amount, the STEP FOUR amount, and the STEP SIX amount.~~ **ONE amount and the STEP THREE amount.**

SECTION 77. IC 20-43-7-6, AS AMENDED BY P.L.201-2023, SECTION 205, IS AMENDED TO

READ AS FOLLOWS [EFFECTIVE JUNE 29, 2025]: Sec. 6. A school corporation's special education grant for a state fiscal year is equal to the sum of the following:

(1) The nonduplicated count of pupils in programs for severe disabilities level one (1), including multiple disabilities, orthopedic impairment, emotional disability requiring full-time placement, severe intellectual disability, autism spectrum disorders, and traumatic brain injury, multiplied by the following:

~~(A) Eleven thousand one hundred four dollars ($11,104) for the state fiscal year beginning July 1, 2023.~~

~~(B)~~ **(A)** Eleven thousand six hundred fifty-nine dollars ($11,659) for the state fiscal year beginning July 1, ~~2024.~~ **2025.**

(B) Eleven thousand six hundred fifty-nine dollars ($11,659) for the state fiscal year beginning July 1, 2026.

(2) The nonduplicated count of pupils in programs for severe disabilities level two (2), including blind or low vision, deaf or hard of hearing, and deaf and blind, multiplied by the following:

~~(A) Eleven thousand one hundred four dollars ($11,104) for the state fiscal year beginning July 1, 2023.~~

~~(B)~~ **(A)** Eleven thousand six hundred fifty-nine dollars ($11,659) for the state fiscal year beginning July 1, ~~2024.~~ **2025.**

(B) Eleven thousand six hundred fifty-nine dollars ($11,659) for the state fiscal year beginning July 1, 2026.

(3) The nonduplicated count of pupils in programs of mild and moderate disabilities level one (1), including specific learning disability, developmental delay, and other health impairment, multiplied by the following:

~~(A) Two thousand seven hundred ninety dollars ($2,790) for the state fiscal year beginning July 1, 2023.~~

~~(B)~~ **(A)** Two thousand nine hundred thirty dollars ($2,930) for the state fiscal year beginning July 1, ~~2024.~~ **2025.**

(B) Two thousand nine hundred thirty dollars ($2,930) for the state fiscal year beginning July 1, 2026.

(4) The nonduplicated count of pupils in programs for mild and moderate disabilities level two (2), including emotional disability not requiring full-time placement, mild intellectual disability, and moderate intellectual disability, multiplied by the following:

~~(A) Two thousand seven hundred ninety dollars ($2,790) for the state fiscal year beginning July 1, 2023.~~

~~(B)~~ **(A)** Two thousand nine hundred thirty dollars ($2,930) for the state fiscal year beginning July 1, ~~2024.~~ **2025.**

(B) Two thousand nine hundred thirty dollars ($2,930) for the state fiscal year beginning July 1, 2026.

(5) The duplicated count of pupils in programs for communication disorders multiplied by the following:

~~(A) Five hundred twenty-five dollars ($525) for the state fiscal year beginning July 1, 2023.~~

~~(B)~~ **(A)** Five hundred fifty-one dollars ($551) for the state fiscal year beginning July 1, ~~2024.~~ **2025.**

(B) Five hundred fifty-one dollars ($551) for the state fiscal year beginning July 1, 2026.

(6) The cumulative count of pupils in homebound programs multiplied by the following:

~~(A) Five hundred twenty-five dollars ($525) for the state fiscal year beginning July 1, 2023.~~

~~(B)~~ **(A)** Five hundred fifty-one dollars ($551) for the state fiscal year beginning July 1, ~~2024.~~

2025.

(B) Five hundred fifty-one dollars ($551) for the state fiscal year beginning July 1, 2026.

(7) The nonduplicated count of pupils in special preschool education programs multiplied by the following:

~~(A) Three thousand six hundred thirty-eight dollars ($3,638) for the state fiscal year beginning July 1, 2023.~~

~~(B)~~ **(A)** Three thousand eight hundred twenty dollars ($3,820) for the state fiscal year beginning July 1, ~~2024.~~ **2025.**

(B) Three thousand eight hundred twenty dollars ($3,820) for the state fiscal year beginning July 1, 2026.

SECTION 78. IC 20-43-8-15, AS AMENDED BY P.L.201-2023, SECTION 207, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JUNE 29, 2025]: Sec. 15. ~~(a)~~ This ~~subsection~~ **section** applies to ~~the~~ state fiscal ~~year beginning July 1, 2023, and ending June 30, 2024.~~ **years beginning after June 30, 2025.** A school corporation's career and technical education enrollment grant for a state fiscal year is the sum of the amounts determined under the following STEPS:

STEP ONE: Determine for each career and technical education program provided by the school corporation:

(A) the number of credit hours of the program (one (1) credit, two (2) credits, or three (3) credits); multiplied by

(B) the number of pupils enrolled in the program; multiplied by

(C) the following applicable amount:

(i) Seven hundred fourteen dollars ($714) for a career and technical education program designated by the department of workforce development as a high value level 1 program under section 7.5 of this chapter.

(ii) One thousand seventy-one dollars ($1,071) for a career and technical education program designated by the department of workforce development as a high value level 2 program under section 7.5 of this chapter.

(iii) Four hundred dollars ($400) for a career and technical education program designated by the department of workforce development as a moderate value level 1 program under section 7.5 of this chapter.

(iv) Six hundred dollars ($600) for a career and technical education program designated by the department of workforce development as a moderate value level 2 program under section 7.5 of this chapter.

(v) Two hundred dollars ($200) for a career and technical education program designated by the department of workforce development as a less than moderate value level 1 program under section 7.5 of this chapter.

(vi) Three hundred dollars ($300) for a career and technical education program designated by the department of workforce development as a less than moderate value level 2 program under section 7.5 of this chapter.

STEP TWO: Determine the number of pupils enrolled in an apprenticeship program or a work based learning program designated under section 7.5 of this chapter multiplied by five hundred dollars ($500).

STEP THREE: Determine the number of pupils enrolled in an introductory program designated under section 7.5 of this chapter multiplied by three hundred dollars ($300).

STEP FOUR: Determine the number of pupils enrolled in a planning for college and career course under section 7.5 of this chapter at the school corporation that is approved by the department of workforce development multiplied by one hundred fifty dollars ($150).

STEP FIVE: Determine the number of pupils who travel from the school in which they are currently enrolled to another school to participate in a career and technical education program in which pupils from multiple schools are served at a common location multiplied by one hundred fifty dollars ($150).

~~(b) This subsection applies to state fiscal years beginning after June 30, 2024. A school corporation's career and technical education enrollment grant for a state fiscal year is the sum of the amounts determined under the following STEPS:~~

~~STEP ONE: Determine for each career and technical education program provided by the school corporation:~~

~~(A) the number of credit hours of the program (one (1) credit, two (2) credits, or three (3) credits); multiplied by~~

~~(B) the number of pupils enrolled in the program; multiplied by~~

~~(C) the following applicable amount:~~

~~(i) Seven hundred fourteen dollars ($714) for a career and technical education program designated by the department of workforce development as a high value level 1 program under section 7.5 of this chapter.~~

~~(ii) One thousand seventy-one dollars ($1,071) for a career and technical education program designated by the department of workforce development as a high value level 2 program under section 7.5 of this chapter.~~

~~(iii) Four hundred dollars ($400) for a career and technical education program designated by the department of workforce development as a moderate value level 1 program under section 7.5 of this chapter.~~

~~(iv) Six hundred dollars ($600) for a career and technical education program designated by the department of workforce development as a moderate value level 2 program under section 7.5 of this chapter.~~

~~(v) Two hundred dollars ($200) for a career and technical education program designated by the department of workforce development as a less than moderate value level 1 program under section 7.5 of this chapter.~~

~~(vi) Three hundred dollars ($300) for a career and technical education program designated by the department of workforce development as a less than moderate value level 2 program under section 7.5 of this chapter.~~

~~STEP TWO: Determine the number of pupils enrolled in an apprenticeship program or a work based learning program designated under section 7.5 of this chapter multiplied by five hundred dollars ($500).~~

~~STEP THREE: Determine the number of pupils enrolled in an introductory program designated under section 7.5 of this chapter multiplied by three hundred dollars ($300).~~

~~STEP FOUR: Determine the number of pupils enrolled in a planning for college and career course under section 7.5 of this chapter at the school corporation that is approved by the department of workforce development multiplied by one hundred fifty dollars ($150).~~

~~STEP FIVE: Determine the number of pupils who travel from the school in which they are currently enrolled to another school to participate in a career and technical education program in which pupils from multiple schools are served at a common location multiplied by one hundred fifty dollars ($150).~~

SECTION 79. IC 20-43-8-15.5, AS AMENDED BY P.L.150-2024, SECTION 68, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JUNE 29, 2025]: Sec. 15.5. (a) This section applies to a student who:

(1) has legal settlement in Indiana;

(2) is at least five (5) years of age and less than twenty-two (22) years of age on the date in the school year specified in IC 20-33-2-7;
(3) is enrolled in grade 10, 11, or 12 in Indiana; and
(4) meets one (1) of the following requirements:
(A) The student:
(i) successfully completed a modern youth apprenticeship or course sequence designated and approved under IC 20-51.4-4.5-6(a); and
(ii) received an industry recognized credential with regard to the apprenticeship or course sequence.
(B) The student successfully completed any other credential approved under subsection (h).
(b) As used in this section, "CSA participating entity" has the meaning set forth in IC 20-51.4-2-3.2.
(c) Subject to subsection (l), upon a student described in subsection (a) meeting the requirements under subsection (a)(4)(A) or (a)(4)(B), if the student is enrolled in an accredited or nonaccredited school that has one (1) or more employees, the department shall award a credential completion grant in an amount equal to five hundred dollars ($500) to the accredited or nonaccredited school.
(d) **Except as provided under subsection (m) and** subject to subsection (l), upon a student described in subsection (a) meeting the requirements under subsection (a)(4)(A) or (a)(4)(B), and in addition to the grant amount awarded under subsection (c), the department shall award a credential completion grant in an amount equal to five hundred dollars ($500) to the CSA participating entity that provided the apprenticeship or course sequence described in subsection (a)(4)(A) or (a)(4)(B) that the student completed.
(e) A CSA participating entity that receives a grant amount under subsection (d) may enter into an agreement with one (1) or more intermediaries (as defined in IC 21-18-1-3.5) or other CSA participating entities to share a grant amount received under subsection (d).
(f) An accredited or nonaccredited school that is also a CSA participating entity may receive, if eligible, a grant award under:
(1) subsection (c);
(2) subsection (d); or
(3) both subsections (c) and (d).
(g) The department shall distribute the grants awarded under this section.
(h) The department, in consultation with the governor's workforce cabinet, shall approve and maintain a list of credentials that are eligible for a credential completion grant under subsection (a)(4)(B).
(i) The department shall approve a CSA ~~provider~~ **participating entity** that is also an employer who has partnered with an approved intermediary to offer an apprenticeship, modern youth apprenticeship, or program of study that culminates in an approved credential. The department may revoke an initial approval under this subsection if the ~~provider~~ **CSA participating entity** fails to achieve an adequate outcome as determined by the department.
(j) A grant awarded under this section to an eligible school (as defined in IC 20-51-1-4.7) does not count toward a student's choice scholarship amount calculated under IC 20-51-4-5 and is not subject to the maximum choice scholarship cap under IC 20-51-4-4.
(k) The state board may adopt rules under IC 4-22-2 to implement this section.
(l) The total amount of grants that may be awarded in a state fiscal year under this section may not exceed five million dollars ($5,000,000).
(m) A career and technical education center that charges a career scholarship student enrolled in the CSA program established by IC 20-51.4-3-1.5 a tuition or fee amount to enroll in or attend a career and technical education program, course, or class may not receive a credential completion grant for the student under this section.

~~(m)~~ **(n)** If the total amount to be distributed as credential completion grants for a particular state fiscal year exceeds the maximum amount allowed under subsection (l) for a state fiscal year, the total amount to be distributed as credential completion grants shall be proportionately reduced so that the total reduction equals the amount of the excess.

~~(n)~~ **(o)** The amount of the reduction described in subsection ~~(m)~~ **(n)** for a particular recipient is equal to the total amount of the excess multiplied by a fraction. The numerator of the fraction is the amount of the credential completion grant that the recipient would have received if a reduction were not made under this section. The denominator of the fraction is the total amount that would be distributed as credential completion grants to all recipients if a reduction were not made under this section.

SECTION 80. IC 20-43-10-3.5, AS AMENDED BY P.L.93-2024, SECTION 147, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JUNE 29, 2025]: Sec. 3.5. (a) As used in this section, "school" means a school corporation, charter school, and a virtual charter school.

(b) Subject to the requirements of this section, a school qualifies for a teacher appreciation grant as provided in this section for a state fiscal year if one (1) or more licensed teachers:

(1) employed in the classroom by the school; or

(2) directly providing virtual education;

were rated as effective or as highly effective, using the most recently completed teacher ratings.

(c) A school may not receive a teacher appreciation grant under this section unless:

(1) the school has in the state fiscal year in which the teacher appreciation grants are made under this section:

(A) adopted an annual policy concerning the distribution of teacher appreciation grants; and

(B) submitted the policy to the department for approval; and

(2) the department has approved the policy.

The department shall specify the date by which a policy described in subdivision (1) must be submitted to the department.

(d) The amount of a teacher appreciation grant for a qualifying school corporation or virtual charter school is equal to:

(1) thirty-seven dollars and fifty-cents ($37.50); multiplied by

(2) the school's current ADM.

However, the grant amount for a virtual charter school may not exceed the statewide average grant amount.

(e) The following apply to the distribution of teacher appreciation grants:

(1) If the total amount to be distributed as teacher appreciation grants for a particular state fiscal year exceeds the amount appropriated by the general assembly for teacher appreciation grants for that state fiscal year, the total amount to be distributed as teacher appreciation grants to schools shall be proportionately reduced so that the total reduction equals the amount of the excess. The amount of the reduction for a particular school is equal to the total amount of the excess multiplied by a fraction. The numerator of the fraction is the amount of the teacher appreciation grant that the school would have received if a reduction were not made under this section. The denominator of the fraction is the total amount that would be distributed as teacher appreciation grants to all schools if a reduction were not made under this section.

(2) If the total amount to be distributed as teacher appreciation grants for a particular state fiscal year is less than the amount appropriated by the general assembly for teacher appreciation grants for that state fiscal year, the total amount to be distributed as teacher appreciation grants to schools for that particular state fiscal year shall be proportionately increased so that the total amount to be distributed equals the amount of the appropriation for that particular state fiscal year.

(f) The annual teacher appreciation grant to which a school is entitled for a state fiscal year shall be

distributed to the school before December 5 of that state fiscal year.

(g) The following apply to a school's policy under subsection (c) concerning the distribution of teacher appreciation grants:

(1) The governing body shall differentiate between a teacher rated as a highly effective teacher and a teacher rated as an effective teacher. The policy must provide that the amount of a stipend awarded to a teacher rated as a highly effective teacher must be at least twenty-five percent (25%) more than the amount of a stipend awarded to a teacher rated as an effective teacher.

(2) The governing body of a school may differentiate between school buildings.

(3) A stipend to an individual teacher in a particular year is not subject to collective bargaining and is in addition to the minimum salary or increases in salary set under IC 20-28-9-1.5. The governing body may provide that an amount not exceeding fifty percent (50%) of the amount of a stipend to an individual teacher in a particular state fiscal year becomes a permanent part of and increases the base salary of the teacher receiving the stipend for school years beginning after the state fiscal year in which the stipend is received. The addition to base salary is not subject to collective bargaining.

(h) A teacher appreciation grant received by a school shall be allocated among and used only to pay cash stipends to all licensed teachers employed in the classroom who are rated as effective or as highly effective and employed by the school as of December 1. A school may allocate up to twenty percent (20%) of the grant received by the school to provide a supplemental award to teachers with less than five (5) years of service who are rated as effective or as highly effective. A school may allocate up to ten percent (10%) of the grant received by the school to provide a supplemental award to teachers who serve as mentors to teachers who have less than two (2) years of service. The supplemental awards are in addition to the award made from the part of the grant that is allocated to all eligible teachers.

(i) The lead school corporation or interlocal cooperative administering a cooperative or other special education program or administering a career and technical education program, including programs managed under IC 20-26-10, IC 20-35-5, IC 20-37, or IC 36-1-7, shall award teacher appreciation grant stipends to and carry out the other responsibilities of an employing school corporation under this section for the teachers in the special education program or career and technical education program.

(j) A school shall distribute all stipends from a teacher appreciation grant to individual teachers within twenty (20) business days of the date the department distributes the teacher appreciation grant to the school. Any part of the teacher appreciation grant not distributed as stipends to teachers before February must be returned to the department on the earlier of the date set by the department or June 30 of that state fiscal year.

(k) The department, after review by the budget committee, may waive the December 5 deadline under subsection (f) to distribute an annual teacher appreciation grant to the school under this section for that state fiscal year and approve an extension of that deadline to a later date within that state fiscal year, if the department determines that a waiver and extension of the deadline are in the public interest.

(l) The state board may adopt rules under IC 4-22-2 as necessary to implement this section.

(m) This section expires June 30, ~~2025.~~ **2027.**

SECTION 81. IC 20-43-10.5-1, AS ADDED BY P.L.201-2023, SECTION 212, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JUNE 29, 2025]: Sec. 1. (a) In addition to the amount a school corporation is entitled to receive in basic tuition support, each school corporation is eligible to receive an academic performance grant. Subject to subsection (b), the amount of a school corporation's grant for a state fiscal year is equal to the aggregate of each of the single largest amounts determined for each student under:

(1) section 2 of this chapter;

(2) section 3 of this chapter;

(3) section 4(a)(1) of this chapter;

(4) section 4(a)(2) of this chapter; ~~or~~
(5) section 4(a)(3) of this chapter; **or**
(6) section 4(a)(4) of this chapter.
(b) If a school corporation:
(1) received as part of a grant under this chapter in a previous state fiscal year an amount based on a determination of eligibility of a particular student under section 2 of this chapter or section 3 of this chapter; and
(2) is determined by the department to be eligible in a subsequent state fiscal year for an amount based on a determination of eligibility of the same student under section 4 of this chapter;
the school corporation may only receive as part of the school corporation's grant in the subsequent state fiscal year the amount equal to the greater of zero (0) or the difference between the amount described in subdivision (2) minus the amount described in subdivision (1).
(c) Each school corporation and charter school shall submit information prescribed by the department that is necessary to make the determinations required under this chapter.
SECTION 82. IC 20-43-10.5-4, AS ADDED BY P.L.201-2023, SECTION 212, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JUNE 29, 2025]: Sec. 4. (a) Each state fiscal year, the department, in consultation with the commission for higher education, shall determine the following with respect to each school corporation:
(1) Each student who:
(A) was enrolled in the school corporation in the state fiscal year before the immediately preceding state fiscal year; and
(B) successfully completed a dual credit or dual enrollment course.
The amount of a school corporation's grant based on a student described under this subdivision is equal to the number of credit hours completed by the student multiplied by forty dollars ($40), but may not exceed one thousand two hundred dollars ($1,200).
(2) Each student who:
(A) was enrolled in the school corporation in the state fiscal year before the immediately preceding state fiscal year; and
(B) successfully completed Indiana College Core 30 (IC 21-42-3).
The amount of a school corporation's grant based on a student under this subdivision is equal to one thousand five hundred dollars ($1,500).
(3) Each student who:
(A) was enrolled in the school corporation in the state fiscal year before the immediately preceding state fiscal year; and
(B) successfully completed requirements for an associate degree, including those earned through transfer as a junior pathways.
The amount of a school corporation's grant based on a student under this subdivision is equal to two thousand five hundred dollars ($2,500).
(4) Each student who:
(A) was enrolled in the school corporation in the state fiscal year before the immediately preceding state fiscal year; and
(B) successfully completed requirements for a bachelor's degree, including those earned through transfer as a junior pathways.
The amount of a school corporation's grant based on a student under this subdivision is equal to four thousand dollars ($4,000).
(b) To be eligible to be counted under subsection (a)(1), a credit completed must be accepted as part of the Indiana core transfer library under IC 21-42-5-1.

SECTION 83. IC 20-43-13-4, AS AMENDED BY P.L.201-2023, SECTION 213, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JUNE 29, 2025]: Sec. 4. (a) Except as provided in subsections (c) and (d), the complexity index is the percentage of the school corporation's students who were receiving Supplemental Nutrition Assistance Program (SNAP) benefits, Temporary Assistance for Needy Families (TANF) benefits, or foster care services as of October 1 in the school year ending in the later of:

(1) ~~2023;~~ **2025;** or

(2) the first year of operation of the school corporation.

(b) For a conversion charter school, the percentage determined under this section is the percentage of the sponsor school corporation.

(c) Except as provided in subsection (d), the complexity index for a school corporation that has entered into an agreement with one (1) or more charter schools to participate as an innovation network charter school under IC 20-25.7-5 for a state fiscal year is equal to the result using the following formula:

STEP ONE: Determine:

(A) the school corporation's enrollment; minus

(B) the enrollment of each participating innovation network charter school.

STEP TWO: Determine the number of students in the school corporation who were receiving Supplemental Nutrition Assistance Program (SNAP) benefits, Temporary Assistance for Needy Families (TANF) benefits, or foster care services as of October 1 in the school year ending in ~~2023,~~ **2025,** not including students enrolled in each participating innovation network charter school.

STEP THREE: Divide the result of STEP TWO by the result of STEP ONE.

STEP FOUR: Determine the enrollment of each participating innovation network charter school.

STEP FIVE: Determine the number of students in each participating innovation network charter school who were receiving Supplemental Nutrition Assistance Program (SNAP) benefits, Temporary Assistance for Needy Families (TANF) benefits, or foster care services as of October 1 in the school year ending in the later of:

(A) ~~2023;~~ **2025;** or

(B) the first year of operation of the participating innovation network charter school.

STEP SIX: Divide the result of STEP FIVE by the result of STEP FOUR.

STEP SEVEN: For each participating innovation network charter school, determine the greater of:

(A) the result of STEP THREE; or

(B) the result of STEP SIX.

STEP EIGHT: For each participating innovation network charter school, multiply the result of STEP SEVEN by the result of STEP FOUR.

STEP NINE: Determine the sum of:

(A) the result of STEP TWO; plus

(B) the results of STEP EIGHT, for each participating innovation network charter school.

STEP TEN: Determine the sum of:

(A) the result of STEP ONE; plus

(B) the results of STEP FOUR for each participating innovation network charter school.

STEP ELEVEN: Divide the STEP NINE result by the STEP TEN result.

(d) If the complexity index of a participating innovation network charter school that was established before January 1, 2016, is, for the current school year, greater than the complexity index for the school corporation with which the innovation network charter school has contracted, the complexity index of the participating innovation network charter school is determined as described in IC 20-25.7-5-2(e).

SECTION 84. IC 20-51-1-4.3, AS AMENDED BY P.L.201-2023, SECTION 215, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4.3. "Eligible choice scholarship student" refers to an individual who:

(1) has legal settlement in Indiana; **and**

(2) is at least five (5) years of age and less than twenty-two (22) years of age on October 1 of the applicable school year. ~~and~~

~~(3) is a member of a household with an annual income of not more than four hundred percent (400%) of the amount required for the individual to qualify for the federal free or reduced price lunch program.~~

SECTION 85. IC 20-51-1-5, AS AMENDED BY P.L.162-2024, SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. "Eligible student" refers to an individual who:

(1) has legal settlement in Indiana;

(2) is at least four (4) years of age and less than twenty-two (22) years of age on October 1 of the applicable school year; **and**

(3) either has been or is currently enrolled in a participating school. ~~and~~

~~(4) is a member of a household with an annual income of not more than four hundred percent (400%) of the amount required for the individual to qualify for the federal free or reduced price lunch program.~~

SECTION 86. IC 20-51-4-10, AS AMENDED BY P.L.165-2021, SECTION 179, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 10. The department shall distribute choice scholarships at least ~~once~~ **twice** each semester, or at equivalent intervals. The department may distribute the choice scholarship to the eligible choice scholarship student (or the parent of the eligible choice scholarship student) for the purpose of paying the educational costs described in section 4(a)(1)(A) of this chapter. For the distribution to be valid, the eligible choice scholarship student (or the parent of the eligible choice scholarship student) and the eligible school providing educational services to the eligible choice scholarship student must annually sign a form, prescribed by the department to endorse distributions for the particular school year. If:

(1) an eligible choice scholarship student who is receiving a choice scholarship for a school year changes schools during the school year after signing the form to endorse distributions for that school year; and

(2) the eligible choice scholarship student enrolls in a different eligible school that has not signed the form to endorse distributions for that school year;

the eligible choice scholarship student (or the parent of the eligible choice scholarship student) and the eligible school must sign the form prescribed by the department to endorse distributions for the particular school year.

SECTION 87. IC 20-51.4-2-4, AS AMENDED BY P.L.127-2024, SECTION 3, AND AS AMENDED BY P.L.162-2024, SECTION 28, AND AS AMENDED BY THE TECHNICAL CORRECTIONS BILL OF THE 2025 GENERAL ASSEMBLY, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. "Eligible student" refers to an individual who:

(1) has legal settlement in Indiana;

(2) is at least five (5) years of age and less than twenty-two (22) years of age ~~*on the date in the school year specified in IC 20-33-2-7;*~~ *on October 1 of the applicable school year;* **and**

(3) is a student:

(A) with a disability at the time the account is established who requires special education and for whom:

~~*(A)*~~ *(i)* an individualized education program;

~~*(B)*~~ *(ii)* a service plan developed under 511 IAC 7-34; or

~~*(C)*~~ *(iii)* a choice special education plan developed under 511 IAC 7-49;

has been developed; ~~*and*~~ *or*

(B) who is a sibling of a student described in clause (A) who has had an ESA account established in the student's name under IC 20-51.4-4-1. ~~*and*~~

~~(4) meets the annual income qualification requirement for a choice scholarship student under IC 20-51-1.~~

SECTION 88. IC 21-18-6-9.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: **Sec. 9.5. (a) As used in this section, "physical facilities" refers to space assigned to departments and organizational units of a state educational institution, including space assigned to departments and organizational units that have functions related to instruction, research, public service, academic support, student services, institutional support, operation and maintenance of physical facilities, auxiliary enterprises, independent operations or noninstitutional activities, hospitals, and residential activities.**

(b) Not later than July 1, 2026, and not later than each July 1 thereafter, the commission shall prepare and submit to the legislative council and to the budget committee a report that examines the utilization of physical facilities primarily used for instruction at each state educational institution. The report must include at least the:

(1) number of classroom instructional spaces, instructional laboratory spaces, and combined classroom and instructional laboratory spaces in each physical facility; and

(2) utilization of classroom instructional spaces, instructional laboratory spaces, and combined classroom and instructional laboratory spaces in each physical facility;

as defined by the commission.

(c) In compiling the information for the report required by this section, the commission shall consider:

(1) characteristics of the student body of a state educational institution, such as serving part-time students, commuter students, and working adults;

(2) the types of programs provided, and associated necessary instructional space, by a state educational institution; and

(3) information about physical facilities that is collected by the commission in support of the commission's recommendations concerning capital as described in IC 21-18-9-1.

(d) A state educational institution shall provide any information required by the commission that is necessary to complete the report required by this section in the form and manner required by the commission.

(e) A report submitted to the legislative council under this section must be in an electronic format under IC 5-14-6.

SECTION 89. IC 36-7-31.3-10, AS AMENDED BY P.L.183-2023, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 10. (a) A tax area must be established by resolution. A resolution establishing a tax area must provide for the allocation of covered taxes attributable to a taxable event or covered taxes earned in the tax area to the professional sports and convention development area fund established for the city or county. The allocation provision must apply to the entire tax area. The following apply to Allen County:

(1) The fund required by this subsection is the coliseum professional sports and convention development area fund. This fund shall be administered by the Allen County Memorial Coliseum board of trustees.

(2) The allocation each year must be as follows:

(A) The following for state fiscal years ending before July 1, 2021:

(i) The first two million six hundred thousand dollars ($2,600,000) shall be transferred to the county treasurer for deposit in the coliseum professional sports and convention development area fund.

(ii) The remaining amount shall be transferred to the treasurer of the joint county-city capital improvement board in the county.

(B) The following for state fiscal years beginning after June 30, 2021:

(i) The first two million six hundred thousand dollars ($2,600,000) shall be transferred to the county treasurer for deposit in the coliseum professional sports and convention development area fund.

(ii) After the allocation under item (i), the next four hundred thousand dollars ($400,000) shall be transferred to the joint county-city capital improvement board in the county for the Grand Wayne Center.

(iii) After the allocations under items (i) and (ii), any remaining amount shall be transferred to the joint county-city capital improvement board in the county to be split evenly between the Allen County War Memorial Coliseum and the Grand Wayne Center.

A tax area located in Allen County terminates not later than December 31, 2038. Any bonds that were issued before January 1, 2015, to finance the facility or proposed facility must have a maturity of less than twenty-five (25) years.

(b) In addition to subsection (a), all of the salary, wages, bonuses, and other compensation that are:

(1) paid during a taxable year to a professional athlete for professional athletic services;

(2) taxable in Indiana; and

(3) earned in the tax area;

shall be allocated to the tax area if the professional athlete is a member of a team that plays the majority of the professional athletic events that the team plays in Indiana in the tax area.

(c) ~~Except as provided in subsection (d), for a tax area that is:~~

~~(1) not located in Allen County;~~

~~(2) not located in the city of Fishers; and~~

~~(3) not located in the city of South Bend;~~

This subsection applies to a tax area established in the city of Evansville. The following apply:

(1) The total amount of state revenue captured by the tax area **during a state fiscal year** may not exceed:

(A) before July 1, 2025, ten dollars ($10) per resident of the city or county per year;

(B) after June 30, 2025, and before July 1, 2030, five million dollars ($5,000,000) per year;

(C) after June 30, 2030, and before July 1, 2035, the sum of:

(i) four million dollars ($4,000,000); plus

(ii) fifty percent (50%) of any amount generated that exceeds four million dollars ($4,000,000);

per year, however, the total may not exceed six million dollars ($6,000,000); and

(D) after June 30, 2035, and before July 1, 2041, the sum of:

(i) three million dollars ($3,000,000); plus

(ii) fifty percent (50%) of any amount generated that exceeds three million dollars ($3,000,000);

per year, however, the total may not exceed seven million dollars ($7,000,000).

~~for twenty (20) consecutive years.~~

(2) For state fiscal years after June 30, 2025, the tax revenue captured in the tax area each year shall be transferred to the city of Evansville to be used for purposes consistent with section 19 of this chapter.

(d) This subsection applies to a tax area established in the city of Evansville that expired before July 1, 2021. The tax area described in this subsection is renewed beginning after June 30, 2021, for an additional twenty (20) consecutive years, and shall include:

(1) the boundaries of the tax area before its expiration; plus
(2) the additional tax area added under section 8(e) of this chapter.
The provisions in sections 11 and 12 of this chapter are not applicable to the renewal of the tax area described in this subsection.
(e) This subsection applies to a tax area established in the city of South Bend that expired before July 1, 2021. The following apply:
(1) The tax area described in this subsection is renewed beginning after June 30, 2021, and shall include:
(A) the boundaries of the tax area before its expiration; plus
(B) the additional tax areas added under section 8(f) of this chapter.
The provisions in sections 11 and 12 of this chapter are not applicable to the renewal of the tax area described in this subsection.
(2) The maximum amount of covered taxes that may be captured in the tax area under this subsection is:
(A) before July 1, 2023, two million dollars ($2,000,000) per year; and
(B) after June 30, 2023, five million dollars ($5,000,000) per year.
(3) For state fiscal years beginning after June 30, 2023, the first two million five hundred thousand dollars ($2,500,000) captured in the tax area each year shall be transferred to the city of South Bend to be used for a capital improvement that will construct or equip a facility owned by the city and used by a professional sports franchise for practice or competitive sporting events.
(4) After the allocations under subdivision (3), any remaining amount shall be transferred to the city of South Bend to be used consistent with section 19(1) of this chapter.
The tax area renewed in the city of South Bend under this subsection terminates not later than June 30, 2044.
(f) This subsection applies to a tax area established in the city of Fishers. The following apply:
(1) The maximum amount of covered taxes that may be captured in the tax area is two million dollars ($2,000,000) per year.
(2) The tax revenue captured in the tax area each year shall be transferred to the city of Fishers to be used for a capital improvement that will construct or equip a facility owned by the city and used by a professional sports franchise for practice or competitive sporting events.
The tax area located in the city of Fishers terminates not later than June 30, 2044.
(g) The resolution establishing the tax area must designate the facility or proposed facility and the facility site for which the tax area is established.
(h) The department may adopt rules under IC 4-22-2 and guidelines to govern the allocation of covered taxes to a tax area.
SECTION 90. IC 36-7-32.5-0.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: **Sec. 0.5. The amendments made to this chapter by HEA 1001-2025:**
(1) apply only to an innovation development district designated after December 31, 2024; and
(2) do not apply to an innovation development district designated before January 1, 2025.
SECTION 91. IC 36-7-32.5-9, AS AMENDED BY P.L.123-2024, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: Sec. 9. (a) Before the corporation may designate territory within the jurisdiction of a city, town, or county, or within the jurisdiction of more than one (1) city, town, or county, as an innovation development district under this section, the board of the corporation established under IC 5-28-4 shall establish uniform policies and guidelines that the corporation must follow when notifying and collaborating with an executive, or, if applicable, executives, to designate territory within the jurisdiction of a city, town, or county as an

innovation development district under this section. The corporation shall publish the uniform policies and procedures established under this subsection on the corporation's website.

(b) Subject to subsection (c), ~~and section 12(a) of this chapter,~~ after:

(1) budget committee review; and

(2) notifying and collaborating with the executive, or, if an innovation development district will include territory within the jurisdiction of more than one (1) city, town, or county, with the executives of each city, town, or county, in the manner provided under the policies and guidelines established under subsection (a);

the corporation may designate territory within the jurisdiction of a city, town, or county, or territory within the jurisdiction of more than one (1) city, town, or county, as an innovation development district if the corporation determines that the designation will support economic growth.

(c) Notwithstanding section 10(b) of this chapter, but subject to section 12(c) of this chapter, the corporation may designate territory that is located in an existing allocation area described in section 10(b) of this chapter as an innovation development district after:

(1) budget committee review; and

(2) obtaining consent from the executive, executives, or the board of any military base reuse authority, in the manner provided under the policies and guidelines established under subsection (a).

(d) The requirements in ~~subsection~~ **subsections (b) and** (c) apply to all innovation development districts established under this chapter regardless of the total costs and benefits of the proposed investment of an innovation development district.

SECTION 92. IC 36-7-32.5-11, AS ADDED BY P.L.135-2022, SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: Sec. 11. ~~(a) Except as provided in subsection (b),~~ The term of an area's designation as an innovation development district may not exceed thirty (30) years.

~~(b) The term of an area's designation as an innovation development district may be extended beyond the thirty (30) year term under subsection (a) after budget committee review.~~

SECTION 93. IC 36-7-32.5-12, AS AMENDED BY P.L.123-2024, SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: Sec. 12. (a) If the ~~total costs and benefits of the proposed investment of an innovation development district are expected to be an amount less than two billion dollars ($2,000,000,000),~~ **corporation designates a territory within the jurisdiction of a city, town, or county, or within the jurisdiction of more than one (1) city, town, or county, as an innovation development district under section 9(b) or 9(c) of this chapter,** the following apply:

(1) The executive, or, if applicable, the executives, and the corporation shall enter into an agreement establishing the terms and conditions governing the innovation development district in accordance with this section.

(2) If the executive, or, if applicable, the executives, and the corporation cannot enter into an agreement under subdivision (1), the designation of territory under section 9 of this chapter is no longer effective and the innovation development district may not be designated or otherwise established under this chapter.

(b) The agreement must include the following provisions:

(1) A description of the area, including a list of all parcels to be included within the innovation development district.

(2) Covenants and restrictions, if any, upon all or a part of the properties contained within the innovation development district and terms of enforcement of any covenants or restrictions.

(3) The due diligence and financial commitments of any party to the agreement and of any owner or developer of property within the innovation development district.

(4) The financial projections of the innovation development district.
(5) The proposed use of the:
(A) net increment; and
(B) incremental property tax amount described in section ~~14(c)~~ **14(d)** of this chapter;
that is captured within the innovation development district, **including the amount of any funds expected to be allocated to the business or businesses that are locating within the innovation development district as economic development incentives.**
(6) The aggregate percentage of annual incremental property tax revenue that will be transferred to the city, town, county, or school corporation, or, if applicable, the cities, towns, counties, or school corporations, under section 19(e) of this chapter. The aggregate percentage transferred may not be less than twelve percent (12%) of the annual amount of incremental property tax revenue deposited in the local innovation development district fund established by section 19 of this chapter.
(7) Subject to the limitations of this chapter, the duration of the designation of an area as an innovation development district.
(8) The terms of enforcement of the agreement, which may include the definition of events of default, cure periods, legal and equitable remedies and rights, and penalties and damages, actual or liquidated, upon the occurrence of an event of default.
(9) The public facilities to be developed for the innovation development district and the estimated costs of those public facilities.

(c) If an innovation development district will include territory located in an existing allocation area described in section 10(b) of this chapter, the executive, or, if applicable, the executives, and the corporation shall enter into an agreement establishing the terms and conditions governing the innovation development district in accordance with this section. The agreement must include the following provisions:
(1) The provisions listed in subsection (b)(1) through (b)(9).
(2) A provision prohibiting the city, county, town, or other entity that established the applicable existing allocation area described in section 10(b) of this chapter from incurring any additional obligations that require a pledge of future incremental property tax revenue to be paid from the applicable existing allocation area described in section 10(b) of this chapter without first obtaining the consent of the corporation.
(3) A provision requiring the maintenance of all applicable property tax records for the parcel or parcels located within the innovation development district during the term of the innovation development district.

If the executive, or, if applicable, the executives, and the corporation cannot enter into an agreement under this subsection, the designation of territory under section 9 of this chapter is no longer effective and the innovation development district may not be designated or otherwise established under this chapter.

(d) An executive may discuss the terms of an agreement described in this section and hold a meeting as an executive session under IC 5-14-1.5-6.1 with:
(1) in the case of a city other than a consolidated city, the common council;
(2) in the case of a consolidated city, or a county having a consolidated city, the city-county council;
(3) in the case of a town, the town council; and
(4) in the case of a county that does not have a consolidated city, the board of county commissioners.

(e) Within fifteen (15) days of entering into an agreement under subsection (a), the corporation shall:
(1) submit a written report on the agreement to the budget committee; **and**
(2) provide notification of the designation to the department of state revenue and the department of local government finance.

(f) Neither an executive nor the corporation may exercise the power of eminent domain within an

innovation development district.

SECTION 94. IC 36-7-32.5-13, AS ADDED BY P.L.135-2022, SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: Sec. 13. If an innovation development district is designated, ~~under section 9 of this chapter or described under section 12 of this chapter,~~ each executive shall designate the innovation development district as an allocation area for purposes of the allocation and distribution of property taxes. **Not later than August 1 of the calendar year immediately following the designation,** each executive shall:

(1) set the base assessed value of the allocation area; and

(2) provide notice of the designation **and notice of the base assessed value;**

to the county auditor, **the department of local government finance,** and to each taxing unit that has authority to levy property taxes in the geographic area where the innovation development district is located. The notice must state the general boundaries of the innovation development district and include ~~a list~~ **the mailing address** of all parcels to be included within the innovation development district.

SECTION 95. IC 36-7-32.5-14, AS AMENDED BY P.L.123-2024, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: Sec. 14. (a) An allocation area designated under section 13 of this chapter must:

(1) apply to the entire innovation development district; and

(2) require that any property tax assessed on taxable real and personal property used for commercial or industrial purposes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes in the innovation development district be allocated and distributed as provided in subsections ~~(b) and (c).~~ **(c) and (d).**

(b) Property tax proceeds may not be allocated under this section before January 1 of the calendar year immediately following the calendar year in which the base assessed value of the allocation area is determined under section 13 of this chapter.

~~(b)~~ **(c)** Except as otherwise provided in this section:

(1) the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the taxable real and personal property for the assessment date with respect to which the allocation and distribution is made; or

(B) the base assessed value;

shall be allocated and, when collected, paid into the funds of the respective taxing units; and

(2) the excess of the proceeds of the property taxes imposed for the assessment date with respect to which the allocation and distribution is made that are attributable to taxes imposed after being approved by the voters in a referendum or local public question conducted after April 30, 2010, not otherwise included in subdivision (1) shall be allocated to and, when collected, paid into the funds of the taxing unit for which the referendum or local public question was conducted.

~~(c)~~ **(d)** Except as provided in subsections ~~(d) and (e),~~ **(e) and (f),** all the property tax proceeds that:

(1) exceed those described in subsection ~~(b);~~ **(c);** and

(2) are attributable to the assessed value of taxable real and personal property used for commercial or industrial purposes;

shall be paid into the appropriate local innovation development district fund established by section 19 of this chapter by the county auditor at the same time that the county auditor distributes property taxes to other local units of government under IC 6-1.1-27. Any remaining property tax proceeds that exceed those described in subsection ~~(b)~~ **(c)** that are not described in subdivision (2) shall be allocated and, when collected, paid into the funds of the respective taxing units.

~~(d)~~ **(e)** Notwithstanding any provision to the contrary in this section, if an innovation development district that is designated as an allocation area under section 13 of this chapter includes territory located in an existing allocation area described in section 10(b) of this chapter, the county auditor shall continue

to allocate to the existing allocation area described in section 10(b) of this chapter any incremental property tax revenues that would otherwise be allocated to the existing allocation area described in section 10(b) of this chapter as if the innovation development district had not been designated under this chapter, until the existing allocation area described in section 10(b) of this chapter expires.

~~(e)~~ **(f)** Notwithstanding any other law, each assessor shall, upon petition of an executive or the corporation, reassess the taxable real and personal property situated upon or in, or added to, the innovation development district effective on the next assessment date after the petition.

~~(f)~~ **(g)** Notwithstanding any other law, the assessed value of all taxable real and personal property in the innovation development district, for purposes of tax limitation, property tax replacement, and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

(1) the assessed value of the taxable real and personal property as valued without regard to this section; or

(2) the base assessed value.

SECTION 96. IC 36-7-32.5-17, AS AMENDED BY P.L.201-2023, SECTION 277, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: Sec. 17. (a) **Except as provided in subsection (b),** if an innovation development district is designated under section 9 of this chapter, the corporation shall, **not later than August 1 of the calendar year immediately following the designation date,** send to the department of state revenue:

(1) a certified copy of the designation of the innovation development district under section 9 of this chapter, **including the date of the designation;**

(2) if an agreement is entered into under section 12 of this chapter, a certified copy of the agreement; and

(3) a complete list of the employers and businesses that are paying for the services of individuals who are not employees in the innovation development district and ~~the street names and the range of street numbers of each street in the innovation development district.~~ **each mailing address on each street in the innovation development district.**

~~The corporation shall update the list provided under subdivision (3) before July 1 of each year.~~

The corporation shall provide, within ten (10) days of a request, any additional information requested by the department of state revenue concerning any information described subdivisions (1) through (3).

~~(b) Not later than sixty (60) days after receiving a copy of the designation of the innovation development district, the department of state revenue shall determine the gross retail base period amount and the income tax base period amount.~~

(b) The corporation shall update and send the list described in subsection (a)(3) to the department of state revenue before July 1 of each year.

SECTION 97. IC 36-7-32.5-18, AS ADDED BY P.L.135-2022, SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: Sec. 18. (a) **Not later than October 1 of the calendar year immediately following the designation date of an innovation development district, the department of state revenue shall set the gross retail base period amount and the income tax base period amount. The department of state revenue may request any information necessary from the corporation and executive, or executives, to determine the gross retail base period amount and the income tax base period amount. Not later than ten (10) days after a request from the department of state revenue, the corporation and executive, or executives, shall provide the necessary information.**

(b) Revenue collected under the state adjusted gross income taxes and state gross retail and use taxes may not be allocated under this section before January 1 of the year immediately following

the year in which the gross retail base period amount and the income tax base period amount are determined under subsection (a).

(c) Before the first business day in October of each year, the department of state revenue shall calculate the income tax incremental amount and the gross retail incremental amount for the preceding state fiscal year for each innovation development district designated under this chapter.

~~(b)~~ **(d)** Taxpayers operating in an innovation development district shall report annually, in the manner and form prescribed by the department of state revenue, information that the department of state revenue determines necessary to calculate the net increment.

~~(c)~~ **(e)** A taxpayer operating in an innovation development district that files a consolidated tax return with the department of state revenue shall also file annually an informational return with the department of state revenue for each business location of the taxpayer within the innovation development district.

~~(d)~~ **(f)** If a taxpayer fails to report the information required by this section or file an informational return required by this section, the department of state revenue shall use the best information available in calculating the income tax incremental amount and gross retail incremental amount.

~~(e)~~ **(g)** The department of state revenue shall transfer the amount calculated as provided in subsection ~~(a)~~ **(c)** to the applicable local innovation development district fund established for the innovation development district under section 19 of this chapter by November 1 of each year.

SECTION 98. IC 36-7-32.5-19, AS ADDED BY P.L.135-2022, SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: Sec. 19. (a) The corporation shall establish a local innovation development district fund for each innovation development district designated under section 9 of this chapter.

(b) Each fund consists of:

(1) deposits of incremental property tax revenue from the county auditor as provided in section ~~14(c)~~ **14(d)** of this chapter; and

(2) transfers from the department of state revenue under section 18 of this chapter.

(c) The corporation shall administer each local innovation development district fund established under this section. The expenses of administering each fund shall be paid from money in that fund.

(d) The corporation may use money in each fund ~~as follows:~~

~~(1) If an agreement described in section 12 of this chapter has been entered into between the corporation and the executive, or, if applicable, the executives, for any purpose authorized in the agreement.~~

~~(2) If an agreement described in section 12 of this chapter has not been entered into between the corporation and the executive, or, if applicable, the executives,~~ for the following purposes:

~~(A)~~ **(1)** The acquisition, improvement, preparation, demolition, disposal, construction, reconstruction, remediation, rehabilitation, restoration, preservation, maintenance, repair, furnishing, and equipping of public facilities, including but not limited to utilities and transportation infrastructure.

~~(B)~~ **(2)** The operation of public facilities.

~~(C)~~ **(3)** The acquisition of land within the innovation development district.

~~(D)~~ **(4)** The recruitment of new businesses and new employees to the innovation development district.

~~(E)~~ **(5)** The training of individuals employed in the innovation development district.

(6) The payment of economic development incentives granted by the corporation to businesses located within the boundaries of the innovation development district.

(e) Not later than August 1 of each year, the corporation shall transfer

~~(1) if an agreement described in section 12 of this chapter has been entered into between the corporation and the executive, or if applicable, the executives, the amount of incremental property~~

~~tax revenues determined in the agreement; and~~

~~(2) if an agreement described in section 12 of this chapter has not been entered into between the corporation and the executive, or if applicable, the executives,~~ an amount of incremental property tax revenues that may not be less than twelve percent (12%) of the annual amount of incremental property tax revenue deposited under subsection (b)(1)

to the general fund of each city, town, county, or school corporation with territory located within the innovation development district. If the corporation is required to transfer funds to more than one (1) city, town, county, or school corporation under this subsection, the amount transferred to each city, town, county, and school corporation must be allocated among each city, town, county, and school corporation proportionately based on each city's, town's, county's, and school corporation's property tax levy applied to property located within the innovation development district. A transfer under this subsection does not reduce the actual or maximum permissible levy of a city, town, county, or school corporation and may not be considered in determining a city's, town's, county's, or school corporation's maximum permissible ad valorem property tax levy limit under IC 6-1.1-18.5.

(f) Each state fiscal year, the corporation ~~may,~~ **shall,** after:

(1) making the transfer required under subsection (e);

(2) paying all obligations and expenses of the innovation development district in accordance with an agreement entered into under section 12 of this chapter, including payment of any economic development incentives for businesses located within the boundaries of the innovation development district; and

(3) satisfying all debt service obligations due and payable during the state fiscal year for bonds issued under IC 5-1.2-4-4(a)(2);

transfer from each local innovation development district fund to the ~~statewide innovation development district fund~~ **economic development reserve account** established by section ~~20~~ **20.5** of this chapter an amount not to exceed one hundred percent (100%) of the net incremental revenue derived from state income taxes and gross retail taxes deposited into each fund during the immediately preceding state fiscal year.

(g) Money in each local innovation development district fund at the end of a state fiscal year does not revert to the state general fund.

(h) Money in each local innovation development district fund is continuously appropriated for the purposes specified in this section.

SECTION 99. IC 36-7-32.5-20 IS REPEALED [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]:.

~~Sec. 20. (a) The statewide innovation development district fund is established within the state treasury to provide grants or loans to support the development or expansion of industry in Indiana.~~

~~(b) The fund consists of the following:~~

~~(1) Transfers from a local innovation development district fund under section 19(f) of this chapter.~~

~~(2) Appropriations from the general assembly.~~

~~(3) Loan repayments, including earnings from loans under subsection (d).~~

~~(c) The corporation shall administer the fund. The following may be paid from money in the fund:~~

~~(1) The expenses of administering the fund.~~

~~(2) Nonrecurring administrative expenses incurred to carry out the purposes of this chapter.~~

~~(d) Earnings from loans made under this chapter shall be deposited in the fund.~~

~~(e) The corporation may make grants, loans, or investments from the fund for the following purposes:~~

~~(1) For the purposes identified in section 19(d) of this chapter.~~

~~(2) For the acquisition and improvement of land or other property.~~

~~(3) For costs associated with creating new innovation development districts.~~

~~(4) For the development of partnerships, including grants and loans, between the state, advanced~~

~~industry, and higher educational institutions focused on development, expansion, or retention in the state.~~

~~(5) For the stimulation of investments in entrepreneurial or high growth potential companies in the state.~~

~~(6) For workforce training assistance in the state.~~

~~(f) The corporation may use money in the fund to make a payment in lieu of a growing economy tax credit as provided in IC 6-3-5-5.~~

SECTION 100. IC 36-7-32.5-20.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: **Sec. 20.5. (a) The economic development reserve account is established within the state general fund to support the development and expansion of industry in Indiana. The budget agency shall administer the economic development reserve account.**

(b) The economic development reserve account consists of the following:

(1) Money appropriated to the economic development reserve account by the general assembly.

(2) Money transferred to the economic development reserve account under section 19(f) of this chapter.

(3) Interest earned on the balance of the economic development reserve account.

(c) The treasurer of state shall invest the money in the economic development reserve account not currently needed to meet the obligations of the account in the same manner as other public money may be invested. Interest that accrues from these investments shall be deposited in the economic development reserve account.

(d) Money in the economic development reserve account at the end of a state fiscal year does not revert to the state general fund.

SECTION 101. IC 36-7-32.5-21 IS REPEALED [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]:. ~~Sec. 21. (a) Except as provided in subsection (b), money in the statewide innovation development district fund established by section 20 of this chapter at the end of the state fiscal year does not revert to the state general fund.~~

~~(b) Notwithstanding subsection (a), if the unobligated balance of the statewide innovation development district fund established by section 20 of this chapter exceeds five hundred million dollars ($500,000,000) at the close of any state fiscal year, the amount of funds in excess of five hundred million dollars ($500,000,000) shall be transferred to the state general fund.~~

~~(c) Money in the fund is continuously appropriated for the purposes of this chapter.~~

SECTION 102. IC 36-7-32.5-22, AS ADDED BY P.L.135-2022, SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: Sec. 22. The corporation shall provide information on the innovation development district program in its economic incentive and compliance report submitted pursuant to IC 5-28-28-5, and to the budget committee, that includes the following:

(1) Metrics established by the corporation to evaluate the effectiveness of the innovation development district in promoting economic growth in the state.

~~(2) The number and amount of grants or loans from the statewide innovation development district fund established by section 20 of this chapter that are contractually awarded by the corporation for each innovation development district and in total for all innovation development districts statewide.~~

~~(3) The name of each entity receiving a grant or loan from the statewide innovation development district fund established by section 20 of this chapter for each innovation development district and for all innovation development districts statewide.~~

~~(4)~~ **(2)** The amount and name of each entity for which there is a unfunded obligation at the close of

each state fiscal year.

~~(5)~~ **(3)** A report on each innovation development district designated under this chapter that includes a description of:

(A) the general boundaries of the innovation development district;

(B) the total acreage encompassed within the innovation development district;

(C) the base assessed value of the innovation development district;

(D) the gross retail base period amount determined for the innovation development district;

(E) the income tax base period amount determined for the innovation development district;

(F) the gross assessed value of all tangible real and personal property, without regard to any exemption granted by an executive or the corporation under section 15(b) of this chapter, that is:

(i) located within the innovation development district; and

(ii) in the case of real property, assessed as commercial or industrial property under the rules of the department of local government finance;

in each calendar year after the calendar year in which the innovation development district was designated;

(G) the amount of incremental property tax revenue deposited into the local innovation development district fund established by section 19 of this chapter in each state fiscal year after the state fiscal year in which the innovation development district was designated;

(H) the amount of incremental state gross retail and use tax revenue deposited into the local innovation development district fund established by section 19 of this chapter in each state fiscal year after the state fiscal year in which the innovation development district was designated;

(I) the amount of incremental state adjusted gross income tax revenue deposited into the local innovation development district fund established by section 19 of this chapter in each state fiscal year after the state fiscal year in which the innovation development district was designated;

(J) the amount of revenue deposited into the local innovation development district fund established by section 19 of this chapter that was transferred into the ~~statewide innovation development district fund~~ **economic development reserve account** established under section ~~20~~ **20.5** of this chapter in each state fiscal year after the state fiscal year in which the innovation development district was designated;

(K) the aggregate amount of bonds issued by the Indiana finance authority under IC 5-1.2-4-4(a)(2) to pay for projects within the innovation development district;

(L) the annual amount of debt service payments due on the bonds described in clause (K); and

(M) a description of all economic development incentives granted by the corporation to businesses located within the innovation development district.

SECTION 103. P.L.201-2023, SECTION 284, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: SECTION 284. (a) Notwithstanding IC 4-13-2-19 or any other law, the appropriations made in P.L.165-2021, SECTION 26, from the account in the federal economic stimulus fund created for the American Rescue Plan Act that are unexpended and unencumbered at the close of the state fiscal year ending on June 30, ~~2023,~~ **2025,** do not lapse but instead remain available for expenditure:

(1) during **the state fiscal year beginning July 1, 2025, and ending June 30, 2026; and**

(2) for the state fiscal year beginning July 1, 2026, and ending June 30, 2027, during the period of time after June 30, 2026, and before January 1, 2027;

~~either state fiscal year in a biennium beginning after June 30, 2023, and ending before July 1, 2025,~~ for the purpose for which the appropriation was originally made.

(b) This SECTION expires ~~July 1, 2025.~~ **January 1, 2027.**

SECTION 104. P.L.201-2023, SECTION 290, IS AMENDED TO READ AS FOLLOWS

[EFFECTIVE JUNE 1, 2025]: SECTION 290. (a) Notwithstanding IC 4-13-2-19 or any other law, any part of an appropriation made for the legislative council and the legislative services agency, in a state fiscal year beginning after June 30, 2018, and ending before July 1, ~~2024,~~ **2027,** that is unexpended and unencumbered at the close of that state fiscal year does not lapse and is not returned to the state general revenue fund but remains available for expenditure during either state fiscal year in a biennium beginning after June 30, ~~2023,~~ **2025,** and ending before July 1, ~~2025.~~ **2027.** The unexpended and unencumbered amount may be used to supplement the amounts appropriated in this act for each state fiscal year in the biennium and shall be allotted, as requested by the executive director of the legislative services agency, for the total operating expenses of the legislative council or the legislative services agency, or both. **However, if any part of the appropriations have not been allotted or encumbered before the expiration of a state fiscal year, the personnel subcommittee of the legislative council may determine that any part of the balance of the appropriations shall be reverted to the state general fund.**

(b) This SECTION expires July 1, ~~2025.~~ **2027.**

SECTION 105. P.L.201-2023, SECTION 291 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JUNE 1, 2025]: SECTION 291. (a) The definitions of "vacation leave", "sick leave", and other types of leave used on July 1, 2010, by the department apply to this SECTION.

(b) As used in this SECTION, "department" refers to the state personnel department established by IC 4-15-2.2-13.

(c) As used in this SECTION, "pilot program" refers to the pilot program reestablished under subsection (d).

(d) The personnel committee of the legislative council for the legislative branch of state government or the Indiana supreme court for the judicial branch of state government, or both, may ~~reestablish~~ **continue** the pilot program established by P.L.220-2005, SECTION 8 (before its expiration), and P.L.220-2005, SECTION 10 (before its expiration) **and as amended in P.L.201-2023, SECTION 291, for either or both the state fiscal year beginning July 1, 2025, and ending June 30, 2026, and the state fiscal year beginning July 1, 2026, and ending June 30, 2027,** including provisions adopted by:

(1) the deferred compensation committee (established by IC 5-10-1.1-4) to govern the pilot program;

(2) the department under LSA Document #06-488(E) (before its expiration), filed with the publisher of the Indiana Register on October 16, 2006, to govern the pilot program; or

(3) the ~~auditor of~~ state **comptroller** to administer the pilot program.

(e) Subject to the Internal Revenue Code and applicable regulations, the personnel committee of the legislative council or the Indiana supreme court, or both, may adopt procedures to implement and administer the pilot program, including provisions established or reestablished under subsection (d).

(f) The ~~auditor of~~ state **comptroller** shall provide for the administration of the pilot program.

(g) This SECTION expires June 30, ~~2025.~~ **2027.**

SECTION 106. [EFFECTIVE JULY 1, 2025] **(a) The director of the budget agency shall make a written determination that funds are not appropriated or otherwise available to support continuation of the performance of any contract or lease entered into under IC 4-13-12.1-8 (before its repeal).**

(b) This SECTION expires July 1, 2028.

SECTION 107. [EFFECTIVE JULY 1, 2025] **(a) On July 1, 2025, the state comptroller shall transfer fifteen million dollars ($15,000,000) from the addiction services fund established by IC 12-23-2-2 to the tobacco master settlement agreement fund established by IC 4-12-1-14.3.**

(b) On July 1, 2025, the state comptroller shall transfer twenty-five million dollars ($25,000,000) from the department of insurance fund established by IC 27-1-3-28 to the tobacco master settlement agreement fund established by IC 4-12-1-14.3.

(c) This SECTION expires July 1, 2027.

SECTION 108. [EFFECTIVE UPON PASSAGE] **(a) Any balance on June 30, 2025, in the curricular materials fund established by IC 20-40-22-5, shall be transferred to the state general fund on June 30, 2025.**

(b) This SECTION expires July 1, 2025.

SECTION 109. [EFFECTIVE JULY 1, 2025] **(a) IC 6-2.5-5-57, as amended by this act, applies only to retail transactions occurring after June 30, 2025.**

(b) Except as provided in subsection (c), a retail transaction is considered to have occurred after June 30, 2025, if the property whose transfer constitutes selling at retail is delivered to the purchaser or to the place of delivery designated by the purchaser after June 30, 2025.

(c) Notwithstanding the delivery of the property constituting selling at retail after June 30, 2025, a transaction is considered to have occurred before July 1, 2025, to the extent that:

(1) the agreement of the parties to the transaction is entered into before July 1, 2025; and

(2) payment for the property furnished in the transaction is made before July 1, 2025.

(d) This SECTION expires January 1, 2028.

SECTION 110. [EFFECTIVE JULY 1, 2025] **(a) IC 6-2.5-5-57.5, as added by this act, applies only to retail transactions occurring after June 30, 2025.**

(b) Except as provided in subsection (c), a retail transaction is considered to have occurred after June 30, 2025, if the property whose transfer constitutes selling at retail is delivered to the purchaser or to the place of delivery designated by the purchaser after June 30, 2025.

(c) Notwithstanding the delivery of the property constituting selling at retail after June 30, 2025, a transaction is considered to have occurred before July 1, 2025, to the extent that:

(1) the agreement of the parties to the transaction is entered into before July 1, 2025; and

(2) payment for the property furnished in the transaction is made before July 1, 2025.

(d) This SECTION expires January 1, 2028.

SECTION 111. [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)] **(a) IC 6-3-1-3.5, as amended by this act, applies to taxable years beginning after December 31, 2024.**

(b) This SECTION expires July 1, 2027.

SECTION 112. [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)] **(a) IC 6-3.1-38-4 and IC 6-3.1-38-7, both as amended by this act, apply to taxable years beginning after December 31, 2024.**

(b) This SECTION expires July 1, 2028.

SECTION 113. [EFFECTIVE JULY 1, 2025] **(a) IC 6-3.1-46, as added by this act, applies to taxable years beginning after December 31, 2025.**

(b) This SECTION expires July 1, 2028.

SECTION 114. **An emergency is declared for this act.**

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1001, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete everything after the enacting clause and insert the following:

(SEE TEXT OF BILL)

and when so amended that said bill do pass.

(Reference is to HB 1001 as introduced.)

THOMPSON

Committee Vote: yeas 14, nays 7.

HOUSE MOTION

Mr. Speaker: I move that House Bill 1001 be amended to read as follows:

Page 26, line 15, delete "appropriation" and insert "**appropriations**".

Page 26, between lines 41 and 42, begin a new paragraph and insert:

"**STOP THE BLEED PROGRAM (IC 10-19-2.2)**

Total Operating Expense 120,000 120,000".

Page 56, after line 49, begin a new line blocked left and insert:

"**FOR THE DEPARTMENT OF ADMINISTRATION**

COLUMBUS LEARNING CENTER OPERATIONAL SUPPORT

Total Operating Expense 2,500,000 2,500,000".

Page 65, line 8, delete "total" and insert "**operating**".

Page 65, line 9, delete "then".

Page 71, line 18, after "Redevelopment" insert "**Matching Funds**".

Page 71, delete lines 20 and 21.

Page 71, line 24, delete "White River State Park redevelopment." and insert "**Repair and Rehabilitation**".

Page 79, line 29, delete "equal to" and insert "**not less than**".

Page 79, line 35, after "distributions," insert "**to fund fee**

replacement for a state educational institution,".

Page 123, line 2, strike "(m)" and insert "**(n)**".

(Reference is to HB 1001 as printed February 17, 2025.)

THOMPSON