



CONFERENCE COMMITTEE REPORT DIGEST FOR ESB 4

Citations Affected: IC 2-5-1.1-7; IC 4-22-2-22.7; IC 4-29.5-18; IC 12-29-2.

Synopsis: Various fiscal matters. Requires the legislative services agency to perform a fiscal impact analysis for all executive orders issued by the governor within seven days of an order's issuance. (Under current law, this requirement only applies to a governor's declaration of a disaster emergency by executive order.) Provides that if the implementation and compliance costs of a proposed rule are expected to exceed \$500,000 (instead of \$1,000,000) over a two year period, the publisher may not publish the proposed rule until the budget committee has reviewed the rule. Amends the Pokagon Indiana Education Fund to allow payments to be made to both public and private Indiana institutions of higher learning for the purposes of the fund. Makes the following changes (effective July 1, 2028) regarding community mental health centers (CMHC): (1) Allows a county to meet CMHC funding requirements from any funding source in lieu of or in combination with property taxes but excluding federal funds. (2) Adds provisions concerning the location where certain CMHC services may be provided. (3) Specifies additional items that are required to be reported by a CMHC in its annual report. Urges the legislative council to assign to the interim study committee on courts and the judiciary the task of undertaking a comprehensive study of all court fees and fines. Allows the budget agency, subject to budget committee review, to use the appropriation to the financial responsibility and opportunity growth fund (fund) in HEA 1001-2025 or augment the fund for the purpose of providing funding to the Child Care and Development Fund voucher program in addition to the uses for the appropriation as authorized in HEA 1001-2025. **(This conference committee report (CCR) restores the Senate-passed version of SB 4 (as reprinted January 29, 2026) (other than the provision amending budget committee review of Indiana economic development corporation tax credit certifications) by removing all provisions in the House-passed version of SB 4 (as reprinted February 24, 2026), except for the House-passed provisions: (1) specifying that if the implementation and compliance costs of a proposed rule are expected to exceed the cost threshold described above over a two year period, the publisher may not publish the proposed rule until the budget committee has reviewed the rule; and (2) amending annual community mental health center reporting requirements. This CCR also adds a provision regarding allocations of money to provide funding for postsecondary and vocational**



education for Pokagon Band citizens from SECTION 1 of HB 1176 (as printed February 13, 2026.)

Effective: Upon passage; July 1, 2025 (retroactive); July 1, 2026; July 1, 2028.



CONFERENCE COMMITTEE REPORT

MR. PRESIDENT:

Your Conference Committee appointed to confer with a like committee from the House upon Engrossed House Amendments to Engrossed Senate Bill No. 4 respectfully reports that said two committees have conferred and agreed as follows to wit:

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

- 1 Delete everything after the enacting clause and insert the following:
- 2 SECTION 1. IC 2-5-1.1-7, AS AMENDED BY P.L.213-2025,
- 3 SECTION 36, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 4 UPON PASSAGE]: Sec. 7. (a) The council shall maintain a bipartisan
- 5 service and administrative agency for the general assembly to assist it
- 6 in the performance of its constitutional responsibilities as a separate
- 7 and independent legislative branch of state government. The service
- 8 and administrative agency shall be known as the "Legislative Services
- 9 Agency".
- 10 (b) In maintaining the legislative services agency the council shall:
- 11 (1) establish the qualifications for and employ such personnel as
- 12 are required to carry out the purposes and provisions of this
- 13 chapter;
- 14 (2) employ an executive director, to be charged with the
- 15 administrative responsibility of all offices, departments, or
- 16 divisions which the council may from time to time establish, and
- 17 to serve as chief executive under the council;
- 18 (3) adopt rules and regulations governing personnel practices and
- 19 establishing the rights, privileges, powers, and duties of all
- 20 employees;
- 21 (4) provide for employees to be covered by the public employees'

1 retirement fund; and
 2 (5) establish a pay scale for all employees including the executive
 3 director.

4 Rules and regulations adopted by the council under subdivision (3) are
 5 not subject to IC 4-22-2. In those rules and regulations, the council may
 6 limit the political activity of legislative services agency employees.

7 (c) The executive director is entitled to serve as long as he properly
 8 performs his duties, but he may be removed at any time upon the
 9 affirmative vote of twelve (12) members of the council.

10 (d) The executive director may submit to the council such reports
 11 and drafts of resolutions, budgets, and appropriation bills as may be
 12 required for the efficient operation of the council's activities and
 13 programs.

14 (e) The legislative services agency shall perform such bill drafting,
 15 research, code revision, fiscal, budgetary, and management analysis,
 16 information, administrative, and other services as are requested by the
 17 council.

18 (f) The legislative services agency shall perform a fiscal impact
 19 analysis for each executive order issued by the governor ~~under~~
 20 ~~IC 10-14-3~~ within seven (7) days of the executive order issuance and
 21 provide the fiscal note to:

- 22 (1) the legislative council; and
 23 (2) the budget committee.

24 SECTION 2. IC 4-22-2-22.7, AS AMENDED BY P.L.93-2024,
 25 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 26 JULY 1, 2026]: Sec. 22.7. (a) Before complying with section 22.8,
 27 37.1, or 37.2 of this chapter, an agency shall conduct a regulatory
 28 analysis for the proposed rule that complies with the requirements of
 29 this section.

30 (b) The office of management and budget shall set standards for the
 31 criteria, analytical method, treatment technology, economic, fiscal, and
 32 other background data to be used by an agency in the regulatory
 33 analysis. The regulatory analysis must be submitted in a form that can
 34 be easily loaded into commonly used business analysis software and
 35 published in the Indiana Register using the format jointly developed by
 36 the publisher, the office of management and budget, and the budget
 37 agency. The office of management and budget may provide more
 38 stringent requirements for rules with fiscal impacts and costs above a
 39 threshold amount determined by the office of management and budget.

40 (c) At a minimum, the regulatory analysis must include findings and
 41 any supporting data, studies, or analyses prepared for a rule that
 42 demonstrate compliance with the following:

- 43 (1) The cost benefit requirements in IC 4-3-22-13.
 44 (2) Each of the standards in section 19.5 of this chapter.
 45 (3) If applicable, the requirements for fees, fines, and civil
 46 penalties in section 19.6 of this chapter.
 47 (4) The annual economic impact on small businesses statement
 48 required under IC 4-22-2.1-5.
 49 (5) If applicable, the information required under IC 13-14-9-4.
 50 (6) A determination whether the combined implementation and

1 compliance costs of a proposed rule are at least ~~one million~~
2 ~~dollars (\$1,000,000)~~ **five hundred thousand dollars (\$500,000)**
3 for businesses, units, and individuals over any two (2) year
4 period.

5 (7) Any requirement under any other law to conduct an analysis
6 of the cost, benefits, economic impact, or fiscal impact of a rule,
7 if applicable.

8 (d) The regulatory analysis must include a statement justifying any
9 requirement or cost that is:

- 10 (1) imposed on a regulated entity under the rule; and
- 11 (2) not expressly required by:
 - 12 (A) the statute authorizing the agency to adopt the rule; or
 - 13 (B) any other state or federal law.

14 The statement required under this subsection must include a reference
15 to any data, studies, or analyses relied upon by the agency in
16 determining that the imposition of the requirement or cost is necessary.

17 (e) Except as provided in subsection (f), if the implementation and
18 compliance costs of a proposed rule are expected to exceed the
19 threshold set forth in subsection (c)(6), the publisher may not publish
20 the proposed rule until the budget committee has reviewed the rule.

21 (f) Subsection (e) does not apply to a proposed rule if the proposed
22 rule is:

- 23 (1) a provisional rule that was issued as the result of the governor
24 declaring an emergency under IC 10-14-3 and is only valid during
25 the emergency;
- 26 (2) a provisional or interim rule that complies only with the
27 requirements of a:
 - 28 (A) federal law;
 - 29 (B) federal regulation; or
 - 30 (C) federal grant or loan program; or
- 31 (3) an interim rule that incorporates a new or updated:
 - 32 (A) building;
 - 33 (B) equipment;
 - 34 (C) firefighting;
 - 35 (D) safety; or
 - 36 (E) professional;
- 37 code.

38 (g) If an agency has made a good faith effort to comply with this
39 section, a rule is not invalid solely because the regulatory analysis for
40 the proposed rule is insufficient or inaccurate.

41 SECTION 3. IC 4-29.5-18-1, AS ADDED BY P.L.171-2021,
42 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
43 UPON PASSAGE]: Sec. 1. For so long as the Band makes payments
44 in accordance with IC 4-29.5-17, the Band shall allocate a portion of
45 the annual payment to provide funding for ~~public~~ postsecondary and
46 vocational education for Band citizens (the "Pokagon Indiana
47 Education Fund").

48 SECTION 4. IC 4-29.5-18-2, AS ADDED BY P.L.171-2021,
49 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
50 UPON PASSAGE]: Sec. 2. The Pokagon Indiana Education Fund shall

1 be used solely to make payments directly to Indiana public institutions
 2 of higher learning or workforce development and training programs
 3 approved by the Indiana Department of Workforce Development for
 4 eligible Band citizens for direct costs and expenses, such as tuition,
 5 on-campus room and board, and other direct education expenses. To be
 6 eligible, a Band citizen must (i) be enrolled in the Band prior to
 7 benefitting from any payment, and (ii) meet the education or workforce
 8 provider admission requirements. Priority shall be given to Band
 9 citizens who are legal residents of the State of Indiana as of the date of
 10 their application for benefits.

11 SECTION 5. IC 12-29-2-2, AS AMENDED BY P.L.159-2020,
 12 SECTION 60, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 13 JULY 1, 2028]: Sec. 2. (a) A county shall provide funding for the
 14 operation of community mental health centers in the amount
 15 determined under subsection (b) or, in the case of Marion County for
 16 calendar year 2019, calendar year 2020, and calendar year 2021, the
 17 amount determined under subsection (c).

18 (b) Except as provided in subsection (c), the amount of funding
 19 under subsection (a) for a calendar year is equal to the following:

20 (1) The county's maximum appropriation amount for the operation
 21 of community mental health centers determined under this
 22 chapter in the previous calendar year, if the STEP THREE result
 23 under the following formula is less than or equal to zero (0):

24 STEP ONE: Determine the amount of the certified levy for
 25 funds subject to the civil maximum levy in the immediately
 26 preceding calendar year minus the amount of credits granted
 27 under IC 6-1.1-20.6 that were allocated to funds subject to the
 28 civil maximum levy in the immediately preceding calendar
 29 year, as determined by the department of local government
 30 finance under IC 6-1.1-20.6-11.

31 STEP TWO: Determine the amount of the certified levy for
 32 funds subject to the civil maximum levy in the year prior to the
 33 immediately preceding calendar year minus the amount of
 34 credits granted under IC 6-1.1-20.6 that were allocated to
 35 funds subject to the civil maximum levy in the year prior to the
 36 immediately preceding calendar year, as determined by the
 37 department of local government finance under
 38 IC 6-1.1-20.6-11.

39 STEP THREE: Determine the remainder of the STEP ONE
 40 amount minus the STEP TWO amount.

41 (2) If the STEP THREE result under the formula in subdivision
 42 (1) is greater than zero (0), then the county's maximum
 43 appropriation amount for the operation of community mental
 44 health centers determined under this chapter in the previous
 45 calendar year, multiplied by the greater of:

46 (A) one (1); or

47 (B) the result of STEP SIX of the following formula:

48 STEP ONE: Determine the maximum levy growth quotient
 49 for the year under IC 6-1.1-18.5 minus one (1).

50 STEP TWO: Determine the amount of the certified levy for

- 1 funds subject to the civil maximum levy in the immediately
 2 preceding calendar year minus the amount of credits granted
 3 under IC 6-1.1-20.6 that were allocated to funds subject to
 4 the civil maximum levy in the immediately preceding
 5 calendar year, as determined by the department of local
 6 government finance under IC 6-1.1-20.6-11.
- 7 STEP THREE: Determine the amount of the certified levy
 8 for funds subject to the civil maximum levy in the
 9 immediately preceding calendar year.
- 10 STEP FOUR: Determine the result of the STEP TWO
 11 amount divided by the STEP THREE amount.
- 12 STEP FIVE: Determine the product of the STEP ONE
 13 amount multiplied by the STEP FOUR result.
- 14 STEP SIX: Determine the STEP FIVE amount plus one (1).
- 15 The department of local government finance shall verify the maximum
 16 appropriation calculation under this subsection as part of the
 17 certification of the county's budget under IC 6-1.1-17. For taxes due
 18 and payable in 2020, the department of local government finance shall
 19 calculate the maximum appropriation under this subsection as if the
 20 taxes were due and payable in 2019.
- 21 (c) This subsection applies only in calendar year 2019, calendar year
 22 2020, and calendar year 2021. In the case of Marion County, the
 23 amount of funding under subsection (a) for a calendar year is
 24 determined under this subsection and is equal to the following:
- 25 (1) For calendar year 2019, the sum of:
- 26 (A) the actual amount of the appropriations by the county for
 27 community mental health centers under this chapter in 2018;
 28 plus
 29 (B) the result of thirty-three percent (33%) multiplied by the
 30 result of:
- 31 (i) the amount that would have, except for the application of
 32 this subsection, applied to the county under subsection (b)
 33 for calendar year 2019; minus
 34 (ii) the actual amount of the appropriations by the county for
 35 community mental health centers under this chapter in 2018.
- 36 (2) For calendar year 2020, the sum of:
- 37 (A) the actual amount of the appropriations by the county for
 38 community mental health centers under this chapter in 2019;
 39 plus
 40 (B) the result of sixty-six percent (66%) multiplied by the
 41 result of:
- 42 (i) the amount that would have, except for the application of
 43 this subsection, applied to the county under subsection (b)
 44 for calendar year 2020; minus
 45 (ii) the actual amount of the appropriations by the county for
 46 community mental health centers under this chapter in 2019.
- 47 (3) For calendar year 2021, the amount that would have, except
 48 for the application of this subsection, applied to the county under
 49 subsection (b) for calendar year 2021.
- 50 The department of local government finance shall verify the maximum

1 appropriation calculation under this subsection as part of the
 2 certification of the county's budget under IC 6-1.1-17. This subsection
 3 expires January 1, 2022.

4 **(d) A county may meet the funding requirements under this**
 5 **section with any funding source in lieu of or in combination with**
 6 **property taxes but excluding federal funds.**

7 ~~(e)~~ **(e)** The funding provided by a county under this section shall be
 8 used solely for:

9 (1) the operations of community mental health centers serving the
 10 county; or

11 (2) contributing to the nonfederal share of medical assistance
 12 payments to community mental health centers serving the county.

13 **(f) Services authorized through a community mental health**
 14 **center certification shall only be provided in the community mental**
 15 **health center's designated county or counties.**

16 **(g) Notwithstanding subsection (f), the division of mental health**
 17 **and addiction may authorize approval for a community mental**
 18 **health center to provide school based services outside the**
 19 **community mental health center's designated service area.**

20 SECTION 6. IC 12-29-2-16, AS AMENDED BY P.L.59-2024,
 21 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 22 JULY 1, 2028]: Sec. 16. (a) A community mental health center that is
 23 certified by the division of mental health and addiction shall provide an
 24 annual report to the division of mental health and addiction and to the
 25 fiscal body and the board of county commissioners of each county
 26 located in the community mental health center's primary service area.
 27 The annual report under this section must include the following:

28 (1) Information concerning the operational and community based
 29 activities undertaken during the year by the community mental
 30 health center in each county from which the community mental
 31 health center received funding under this chapter.

32 (2) A listing, by the county of patients' residence, of the following
 33 information:

34 (A) The total number of patients served by the community
 35 mental health center.

36 (B) The total number of patients receiving addiction treatment
 37 services from the community mental health center.

38 (C) The total number of patients receiving mental health
 39 services from the community mental health center.

40 (D) The total number of patients receiving both addiction
 41 treatment services and mental health services from the
 42 community mental health center.

43 (3) A copy of the most recent financial audit provided to the
 44 division of mental health and addiction under 440 IAC 4.1-2-5,
 45 including a balance sheet of assets and liabilities, which shall be
 46 prepared by an independent certified public accountant.

47 (4) Demographic information of patients served by the
 48 community mental health center, including the following:

49 (A) The number of adults served and the:

50 (i) five (5) most common addiction substances; and

51 (ii) ten (10) most common primary mental health diagnoses;

- 1 of the adults.
- 2 (B) The number of children served and the:
- 3 (i) five (5) most common addiction substances; and
- 4 (ii) ten (10) most common primary mental health diagnoses;
- 5 of the children.
- 6 (5) The total number of clinical encounters in the preceding fiscal
- 7 year.
- 8 (6) The total number of completed intakes in the preceding fiscal
- 9 year.
- 10 (7) The average time from initial engagement to an offered initial
- 11 evaluation.
- 12 (8) The average time from initial evaluation to an offered
- 13 follow-up visit.
- 14 (9) The community mental health center's performance in
- 15 comparison to the state's performance on measures identified by
- 16 the division of mental health and addiction, including client
- 17 satisfaction and clinical outcomes.
- 18 (10) Data related to the connection between a patient and
- 19 additional county or regional based services, including any of the
- 20 following, if available:
- 21 (A) Self, family, or guardian referrals.
- 22 (B) Law enforcement or the criminal justice system.
- 23 (C) A hospital or physician.
- 24 (D) Child or youth services, including the department of child
- 25 services, systems of care, or schools.
- 26 (E) A twenty-four (24) hour crisis intervention service.
- 27 (F) An enhanced call center.
- 28 (b) The division of mental health and addiction shall:
- 29 (1) specify the format of the annual reports that must be provided
- 30 by community mental health centers under subsection (a);
- 31 (2) determine the measures to be used concerning performance
- 32 required by subsection (a)(9); and
- 33 (3) include a summary of that information in the annual report
- 34 prepared by the division under subsection (c).
- 35 (c) **A community mental health center that is certified by the**
- 36 **division of mental health and addiction shall annually provide to the**
- 37 **county fiscal body and of each county located in the community**
- 38 **mental health center's primary service area, the board of county**
- 39 **commissioners of each county located in the community mental**
- 40 **health center's primary service area, and the division of mental**
- 41 **health and addiction a report that includes the following:**
- 42 (1) An overview of the total funding provided to ~~all the~~ **the**
- 43 **community mental health centers center** during the year under
- 44 **this chapter, including funding provided by the division for**
- 45 **purposes of programs under this chapter the following:**
- 46 (A) **The total amount of revenue received from the county**
- 47 **under this chapter.**
- 48 (B) **The total amount of expenditures made from revenue**
- 49 **received from the county under this chapter.**
- 50 (C) **The total amount of expenditures by category from**

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revenue received from the county under this chapter.
(D) The total amount of expenditures on services from revenue received from the county under this chapter, and as a percent of the total revenue received from the county under this chapter.

(E) The total amount of funding provided by the division for purposes of programs under this chapter.

(2) A count, by county of residence, of the following concerning patients served by the community mental health ~~centers~~ **center** under programs funded under this chapter:

- (A) The total number of patients served.
- (B) The total number of patients receiving addiction treatment services.
- (C) The total number of patients receiving mental health services.
- (D) The total number of patients receiving both addiction treatment services and mental health services.

(3) An assessment, specified by the county of patients' residence, of the overall outcomes of the treatment provided to patients of the community mental health ~~centers~~ **center**.

(4) A summary of the information provided by **the** community mental health ~~centers~~ **center** in the annual reports provided under subsection (a), and an explanation of ~~the~~ **any** differences between the patient count information provided by the community mental health ~~centers~~ **center** in those reports and the patient count information included in the ~~division's~~ report under this subsection.

~~(d) The division of mental health and addiction may provide a report required under subsection (c) to the county fiscal body and the board of county commissioners by publishing the report on the division's website.~~

SECTION 7. [EFFECTIVE UPON PASSAGE] (a) The legislative council is urged to assign to the interim study committee on courts and the judiciary the task of undertaking a comprehensive study of all court fees and fines, including those under IC 29, IC 31, IC 32, IC 33, IC 34, and IC 35, and preparing a report on the study containing:

- (1) a listing of all court fees and fines;**
- (2) the total amount of revenue received from all court fees and fines;**
- (3) a listing of the distribution source for all court fees and fines;**
- (4) the court or state government entity that oversees each distribution of all court fees and fines; and**
- (5) any other relevant information on court fees and fines.**

(b) Before November 1, 2026, the report on the study and all findings and recommendations of the interim study committee on courts and the judiciary shall be submitted to the legislative council in an electronic format under IC 5-14-6.

(c) This SECTION expires July 1, 2027.

SECTION 8. [EFFECTIVE JULY 1, 2025 (RETROACTIVE)] (a) Notwithstanding any other provision, the budget agency, subject

1 to budget committee review, may use the appropriation to the
2 financial responsibility and opportunity growth fund in
3 P.L.213-2025 (HEA 1001-2025) or augment the financial
4 responsibility and opportunity growth fund for the purpose of
5 providing funding to the Child Care and Development Fund
6 voucher program administered by the family and social services
7 administration in addition to the uses for the appropriation as
8 authorized in P.L.213-2025 (HEA 1001-2025).

9 (b) This SECTION expires July 1, 2027.

10 SECTION 9. [EFFECTIVE JULY 1, 2026] (a) IC 4-22-2-22.7, as
11 amended by this act, applies to a rulemaking action that
12 commences after June 30, 2026.

13 (b) This SECTION expires July 1, 2028.

14 SECTION 10. An emergency is declared for this act.

(Reference is to ESB 4 as reprinted February 24, 2026.)

Conference Committee Report
on
Engrossed Senate Bill 4

Signed by:

Senator Mishler
Chairperson

Representative Snow

Senator Niezgodski

Representative Porter

Senate Conferees

House Conferees