



March 26, 1999

**ENGROSSED  
HOUSE BILL No. 1698**

DIGEST OF HB1698 (Updated March 24, 1999 2:52 pm - DI 71)

**Citations Affected:** IC 20-12.

**Synopsis:** Postsecondary proprietary education grants. Combines the higher education award program for students at postsecondary proprietary educational institutions with the award program for students at other institutions of higher learning. Provides that a student at a postsecondary proprietary educational institution may receive a maximum grant that is equal to the amount the student would receive if the student were enrolled at Ivy Tech State College, and provides that the student is not eligible for a freedom of choice award. Repeals the postsecondary proprietary grant program and fund.

**Effective:** July 1, 1999.

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**Porter, Scholer**

(SENATE SPONSORS — WEATHERWAX, BREAUX)

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January 26, 1999, read first time and referred to Committee on Education.  
February 22, 1999, amended, reported — Do Pass.  
March 1, 1999, read second time, ordered engrossed. Engrossed.  
March 3, 1999, read third time, passed. Yeas 97, nays 0.

**SENATE ACTION**

March 8, 1999, read first time and referred to Committee on Education.  
March 25, 1999, reported favorably — Do Pass.

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EH 1698—LS 6565/DI 2+



March 26, 1999

First Regular Session 111th General Assembly (1999)

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 1998 General Assembly.

## ENGROSSED HOUSE BILL No. 1698

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A BILL FOR AN ACT to amend the Indiana Code concerning education.

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

- 1 SECTION 1. IC 20-12-21-3 IS AMENDED TO READ AS  
2 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 3. As used in this  
3 chapter:  
4 (1) "Academic year" means the period from September 1 of a year  
5 through August 31 of the next succeeding year.  
6 (2) "Approved institution of higher learning" means **the**  
7 **following:**  
8 (A) An educational institution that operates ~~(A)~~ in the state  
9 and:  
10 (i) provides an organized two (2) year or longer program of  
11 collegiate grade directly creditable toward a baccalaureate  
12 degree;  
13 (ii) is either operated by the state or operated not-for-profit;  
14 and  
15 (iii) is accredited by a recognized regional accrediting  
16 agency or by the ~~Indiana~~ commission on proprietary

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1 education. established under IC 20-1-19-2, or  
 2 (B) outside the state but no more than thirty (30) miles from  
 3 the Indiana state line and:

- 4 (i) is a state supported educational institution;  
 5 (ii) enters into a contract with the state to serve eligible  
 6 Indiana residents;  
 7 (iii) provides an organized two (2) year or longer program of  
 8 collegiate grade directly creditable toward a baccalaureate  
 9 degree; and  
 10 (iv) is accredited by a recognized regional accrediting  
 11 agency.

12 However, the term includes

- 13 (B) Ivy Tech State College. and  
 14 (C) A hospital which operates a nursing diploma program  
 15 which is accredited by the Indiana state board of nursing. After  
 16 June 30, 1997, the term does not include an out-of-state  
 17 educational institution described in clause (B):  
 18 (D) A postsecondary proprietary educational institution  
 19 that meets the following requirements:  
 20 (i) Is incorporated in Indiana, or is registered as a  
 21 foreign corporation doing business in Indiana.  
 22 (ii) Is fully accredited by and is in good standing with the  
 23 commission on proprietary education.  
 24 (iii) Is accredited by and is in good standing with a  
 25 regional or national accrediting agency.  
 26 (iv) Offers a course of study that is at least eighteen (18)  
 27 consecutive months in duration (or an equivalent to be  
 28 determined by the commission on proprietary education)  
 29 and that leads to an associate or a baccalaureate degree  
 30 recognized by the commission on proprietary education.  
 31 (v) Is certified to the commission by the commission on  
 32 proprietary education as meeting the requirements of  
 33 this clause.

34 (3) "Approved secondary school" means a public high school  
 35 located in the state and any school, located in or outside the state,  
 36 that in the judgment of the superintendent provides a course of  
 37 instruction at the secondary level and maintains standards of  
 38 instruction substantially equivalent to those of public high schools  
 39 located in the state.

40 (4) "Commission" means the state student assistance commission  
 41 established by this chapter.

42 (5) "Commission on proprietary education" refers to the



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1 **Indiana commission on proprietary education established**  
 2 **under IC 20-1-19-2.**

3 ~~(5)~~ **(6)** "Educational costs" means tuition and regularly assessed  
 4 fees.

5 ~~(6)~~ **(7)** "Enrollment" means the establishment and maintenance of  
 6 an individual's status as an undergraduate student in an institution  
 7 of higher learning.

8 ~~(7)~~ **(8)** "Higher education award" means a monetary award.

9 **(9) "Postsecondary proprietary educational institution" has**  
 10 **the meaning set forth in IC 20-1-19-1.**

11 ~~(8)~~ **(10)** "Superintendent" means the state superintendent of  
 12 public instruction.

13 SECTION 2. IC 20-12-21-4 IS AMENDED TO READ AS  
 14 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 4. (a) A state student  
 15 assistance commission is established. The commission is a separate  
 16 body, corporate and politic. The commission is not a state agency. The  
 17 commission performs essential governmental functions.

18 (b) The members of the commission must be citizens of Indiana and  
 19 shall be appointed by the governor. Each congressional district shall be  
 20 represented by one (1) member who is a resident of the district. The  
 21 governor shall appoint an at-large student member of the commission  
 22 who is a student at an approved institution of higher learning. The  
 23 governor shall select the student member from a list of not less than  
 24 three (3) nor more than five (5) names submitted by a nominating  
 25 committee consisting of students of approved institutions of higher  
 26 learning. The chairman of the commission shall appoint the members  
 27 of the student nominating committee.

28 (c) No member, while serving ~~his~~ **a** term, may be an employee of or  
 29 serve on the governing board of any state or private college, university,  
 30 **postsecondary proprietary educational institution**, school  
 31 corporation, or other educational institution in the state of Indiana or be  
 32 in any other capacity an employee or official of the state of Indiana.  
 33 However, the governor may appoint up to two (2) members affiliated  
 34 with private educational institutions and up to two (2) members  
 35 affiliated with public educational institutions. At the first meeting of  
 36 the commission held after August 1 of each year, the members of the  
 37 commission shall select a chairman, vice chairman, and secretary from  
 38 among their number.

39 (d) A member of the commission is not entitled to compensation,  
 40 but ~~he~~ is entitled to per diem for attending meetings of the commission  
 41 and for expenses necessarily incurred in performing ~~his~~ **the member's**  
 42 duties.



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1 (e) The term of office of each member, except the student member,  
 2 is three (3) years, beginning with August 1 of the year of ~~his~~  
 3 appointment and continuing until ~~his~~ **the member's** successor is  
 4 appointed and qualified. The term of office of the student member is  
 5 two (2) years, beginning with August 1 of the year of ~~his~~ appointment  
 6 and continuing until ~~he~~ **the member** is no longer a student at an  
 7 approved institution of higher learning or until ~~his~~ **the member's**  
 8 successor is appointed and qualified. Vacancies shall be filled by the  
 9 governor.

10 (f) In addition to the appointment of the commission members under  
 11 this section, the governor shall appoint an executive director to  
 12 administer the programs of the commission.

13 SECTION 3. IC 20-12-21-6.1 IS AMENDED TO READ AS  
 14 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 6.1. (a) A student who:

15 (1) participates in:

16 (A) a nursing diploma program which is accredited by the  
 17 Indiana state board of nursing and operated by a hospital; ~~or~~

18 (B) a technical certificate or associate degree program at Ivy  
 19 Tech State College; ~~or~~

20 (C) **an associate degree program at a postsecondary**  
 21 **proprietary educational institution that meets the**  
 22 **requirements of section 3(2)(D) of this chapter; and**

23 (2) meets the requirements of section 6 of this chapter, except the  
 24 requirement of satisfactory progress toward a first baccalaureate  
 25 degree set forth in section 6(a)(5) of this chapter;

26 is eligible to receive a state higher education award under this chapter.  
 27 However, such a student must make satisfactory progress toward  
 28 obtaining the diploma, technical certificate, or associate degree to  
 29 remain eligible for the award.

30 (b) **The maximum amount of a grant that may be offered to an**  
 31 **eligible student in a program at an institution of higher learning**  
 32 **described in section 3(2)(D) of this chapter is equal to the**  
 33 **maximum amount of an award the student could receive under this**  
 34 **chapter if the student were enrolled at Ivy Tech State College.**

35 SECTION 4. IC 20-12-21-7 IS AMENDED TO READ AS  
 36 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 7. (a) For each  
 37 academic year, first-year higher education awards shall be issued to as  
 38 many qualified persons as the then current biennial appropriation  
 39 allows. Those applicants who are least able to provide funds for the  
 40 cost of education shall be given priority in the awarding of higher  
 41 education award funds.

42 (b) A higher education award **for a student in a program leading**

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1 **to a baccalaureate degree** may be renewed for a total of three (3)  
 2 academic years following the academic year of the first award or until  
 3 such earlier time as the student receives a degree normally obtained in  
 4 four (4) academic years. **A higher education award for a student in**  
 5 **a program leading to a technical certificate or an associate degree**  
 6 **may be renewed for the number of academic years normally**  
 7 **required to obtain a certificate or degree in the student's program.**

8 The commission may grant such a renewal only upon application and  
 9 only upon its finding that:

10 (1) the applicant has successfully completed the work of a  
 11 preceding year;

12 (2) the applicant remains domiciled in the state;

13 (3) based on the financial requirement set forth in section 6(a)(3)  
 14 of this chapter, the recipient's financial situation continues to  
 15 warrant an award; and

16 (4) the applicant is eligible under ~~sections~~ **section** 6(b) and 6(c)  
 17 of this chapter.

18 (c) Out of funds available after commitments have been met under  
 19 subsections (a) and (b), awards shall be issued to persons who have  
 20 successfully completed one (1), but not more than three (3), academic  
 21 years in approved institutions of higher learning, if they meet the  
 22 eligibility requirements of section 6 or 6.1 of this chapter. Such awards  
 23 shall be handled on the same basis as renewals under subsection (b).

24 (d) A higher education award issued under this section extends to  
 25 all educational costs for the academic year for which the award is  
 26 made, but only to the extent of current financial need (as measured  
 27 under section 6(a)(3) of this chapter) or the maximum fees regularly  
 28 assessed to resident undergraduates at any Indiana public institution of  
 29 higher learning, as determined annually by the commission, whichever  
 30 is smaller.

31 SECTION 5. IC 20-12-21-10.5 IS ADDED TO THE INDIANA  
 32 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 33 [EFFECTIVE JULY 1, 1999]: **Sec. 10.5. The commission and the**  
 34 **commission on proprietary education:**

35 (1) **shall cooperate in developing training programs**  
 36 **concerning grant program requirements; and**

37 (2) **may, subject to written advance notice, inspect and audit**  
 38 **the records of a postsecondary proprietary educational**  
 39 **institution concerning student grants awarded under this**  
 40 **chapter.**

41 SECTION 6. IC 20-12-21-15 IS AMENDED TO READ AS  
 42 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 15. The commission

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1 shall administer the hereby created freedom of choice grant program.  
 2 A person shall be eligible for a grant under this program if:  
 3 (a) ~~he~~ **the person** is qualified for a higher education award under  
 4 the terms of sections 6 or 6.1 of this chapter; even though lack of  
 5 funds prevents the actual award or grant;  
 6 (b) ~~he~~ **the person** has a financial need as determined pursuant to  
 7 this chapter, and the rules and regulations of the commission in  
 8 excess of such award; and  
 9 (c) ~~he~~ **the person** will attend an approved institution of higher  
 10 learning as defined in section ~~3~~ **3(2)(A), 3(2)(B), or 3(2)(C)** of  
 11 this chapter, which is operated privately and not administered or  
 12 controlled by any state agency or entity.  
 13 SECTION 7. IC 20-12-21.8 IS REPEALED [EFFECTIVE JULY 1,  
 14 1999].

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## COMMITTEE REPORT

Mr. Speaker: Your Committee on Education, to which was referred House Bill 1698, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 4, line 13, after "6.1." insert "(a)".

Page 4, between lines 28 and 29, begin a new paragraph and insert:

**"(b) The maximum amount of a grant that may be offered to an eligible student in a program at an institution of higher learning described in section 3(2)(D) of this chapter is equal to the maximum amount of an award the student could receive under this chapter if the student were enrolled at Ivy Tech State College."**

Page 5, line 27, delete "(a)".

Page 5, between lines 34 and 35, begin a new paragraph and insert:

"SECTION 6. IC 20-12-21-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 15. The commission shall administer the hereby created freedom of choice grant program. A person shall be eligible for a grant under this program if:

- (a) ~~he~~ **the person** is qualified for a higher education award under the terms of sections 6 or 6.1 of this chapter; even though lack of funds prevents the actual award or grant;
- (b) ~~he~~ **the person** has a financial need as determined pursuant to this chapter, and the rules and regulations of the commission in excess of such award; and
- (c) ~~he~~ **the person** will attend an approved institution of higher learning as defined in section ~~3~~ **3(2)(A), 3(2)(B), or 3(2)(C)** of this chapter, which is operated privately and not administered or controlled by any state agency or entity."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1698 as introduced.)

CHENEY, Chair

Committee Vote: yeas 13, nays 0.



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COMMITTEE REPORT

Mr. President: The Senate Committee on Education, to which was referred House Bill No. 1698, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is made to House Bill 1698 as printed February 23, 1999.)

WEATHERWAX, Chairperson

Committee Vote: Yeas 8, Nays 1.

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