

HOUSE BILL No. 1872

DIGEST OF INTRODUCED BILL

Citations Affected: IC 4-30-17-3.5; IC 20-12-74.

Synopsis: Higher education scholarship program. Establishes the Indiana higher education scholarship program to provide a \$250 per semester or \$2,000 lifetime scholarship for undergraduate study to individuals who are Indiana residents for two years and attend Indiana institutions of higher education, including proprietary institutions, for at least 12 hours in a semester. Provides for administration of the program by the state student assistance commission and funding from lottery and gaming revenues.

Effective: July 1, 1999.

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January 26, 1999, read first time and referred to Committee on Ways and Means.

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Introduced

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.

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HOUSE BILL No. 1872

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 4-30-17-3.5 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 3.5. (a) Two (2)
3 segregated accounts shall be established within the build Indiana fund
4 as follows:

- 5 (1) The state and local capital projects account.
6 (2) The lottery and gaming surplus account.
7 (b) Upon receiving surplus lottery revenue distributions from the
8 state lottery commission and surplus gaming revenue distributions from
9 the state gaming commission, the treasurer of state shall credit the
10 surplus lottery revenue and surplus gaming revenue to the lottery and
11 gaming surplus account. All money remaining in the lottery and
12 gaming surplus account after the ~~transfer~~ **transfers** required by
13 ~~subsection~~ **subsections** (c) **and** (e) shall be transferred to the state and
14 local capital projects account.
15 (c) Before the twenty-fifth day of the month, the auditor of state
16 shall transfer from the lottery and gaming surplus account to the state
17 general fund motor vehicle excise tax replacement account an amount



1 equal to the following:

2 (1) In calendar year 1996, eleven million six hundred twenty-five
3 thousand dollars (\$11,625,000) per month.

4 (2) In calendar year 1997, twelve million nine hundred
5 twenty-five thousand twenty dollars (\$12,925,020) per month.

6 (3) In calendar year 1998, fifteen million ten thousand dollars
7 (\$15,010,000) per month.

8 (4) In calendar year 1999, seventeen million one hundred
9 ninety-two thousand dollars (\$17,192,000) per month.

10 (5) In calendar year 2000, nineteen million four hundred
11 thirty-five thousand two hundred ten dollars (\$19,435,210) per
12 month.

13 (6) In calendar year 2001 and each year thereafter, nineteen
14 million six hundred eighty-four thousand three hundred seventy
15 dollars (\$19,684,370) per month.

16 (d) This subsection applies only if insufficient money is available in
17 the lottery and gaming surplus account of the build Indiana fund to
18 make the distributions to the state general fund motor vehicle excise
19 tax replacement account that are required under subsection (c). Before
20 the twenty-fifth day of each month, the auditor of state shall transfer
21 from the state general fund to the state general fund motor vehicle
22 excise tax replacement account the difference between:

23 (1) the amount that subsection (c) requires the auditor of state to
24 distribute from the lottery and gaming surplus account of the
25 build Indiana fund to the state general fund motor vehicle excise
26 tax replacement account; and

27 (2) the amount that is available for distribution from the lottery
28 and gaming surplus account in the build Indiana fund to the state
29 general fund motor vehicle excise tax replacement account.

30 The transfers required under this subsection are annually appropriated
31 from the state general fund.

32 **(e) Before the last business day of January, April, July, and**
33 **October, the auditor of state shall transfer from the lottery and**
34 **gaming surplus account to the state general fund an amount equal**
35 **to the total dollar amount of scholarships awarded under the**
36 **Indiana higher education scholarship program (IC 20-12-74).**

37 SECTION 2. IC 20-12-74 IS ADDED TO THE INDIANA CODE
38 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
39 JULY 1, 1999]:

40 **Chapter 74. The Indiana Higher Education Scholarship**
41 **Program**

42 **Sec. 1. As used in this chapter, "approved institution of higher**

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1 learning" has the meaning set forth in IC 20-12-22.1-3.

2 Sec. 2. As used in this chapter, "commission" refers to the state
3 student assistance commission established by IC 20-12-21-4.

4 Sec. 3. As used in this chapter, "educational costs" has the
5 meaning set forth in IC 20-12-21-3(5).

6 Sec. 4. As used in this chapter, "eligible individual" means an
7 individual who the commission identifies as meeting the criteria to
8 receive a scholarship under this chapter.

9 Sec. 5. As used in this chapter, "eligible institution" has the
10 meaning set forth in IC 20-12-21.8-3.

11 Sec. 6. As used in this chapter, "institution" refers to the
12 following:

- 13 (1) An approved institution of higher learning.
- 14 (2) An eligible institution.

15 Sec. 7. As used in this chapter, "program" refers to the Indiana
16 higher education scholarship program established by section 8 of
17 this chapter.

18 Sec. 8. The Indiana higher education scholarship program is
19 established.

20 Sec. 9. An eligible individual is entitled to a scholarship under
21 the program for educational costs for undergraduate study for
22 four (4) academic years (or the equivalent as determined by the
23 commission) at an approved institution of higher learning or an
24 eligible institution.

25 Sec. 10. The commission shall do the following:

- 26 (1) Determine eligibility, policy issues, and definitions for the
27 program.
- 28 (2) Identify eligible individuals.
- 29 (3) Administer the program.
- 30 (4) Adopt rules under IC 4-22-2 to administer the program.

31 Sec. 11. (a) The commission shall establish criteria for eligibility
32 under the program that must include the following:

- 33 (1) For an initial scholarship, the following:
 - 34 (A) Indiana residency for at least two (2) consecutive years
35 immediately before beginning a course of study at an
36 institution for which a scholarship is requested.
 - 37 (B) Applying for enrollment at an institution for at least
38 twelve (12) credit hours per semester (or the equivalent as
39 determined by the commission).
- 40 (2) For a renewal scholarship, the following:
 - 41 (A) Indiana residency for at least two (2) consecutive years
42 immediately before beginning a course of study at an



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1 institution for which a renewal scholarship is requested.

2 (B) Enrollment at an institution for at least twelve (12)
3 credit hours per semester (or the equivalent as determined
4 by the commission).

5 (C) Maintenance of a grade average of at least a "C" or its
6 numeric equivalent.

7 (b) The commission may not require an eligible individual to
8 enroll in an institution in consecutive semesters or academic years
9 in order to be eligible for a scholarship.

10 Sec. 12. The amount of a scholarship under this chapter is the
11 following:

12 (1) Two hundred fifty dollars (\$250) for each semester that an
13 eligible individual is enrolled in an institution for at least
14 twelve (12) credit hours (or the equivalent as determined by
15 the commission).

16 (2) A lifetime total for an eligible individual of two thousand
17 dollars (\$2,000).

18 Sec. 13. (a) An institution that accepts an eligible individual for
19 enrollment shall give written notice of acceptance to the
20 commission. The institution is entitled to the payment of the value
21 of the scholarship for credit only against the student's obligation
22 for educational costs.

23 (b) The institution shall provide facilities and instruction to a
24 student who receives a scholarship on the same terms as to other
25 students.

26 (c) If during an academic period a student enrolled in an
27 institution under a scholarship issued under this chapter ceases for
28 any reason to be a student in good standing, the institution shall
29 promptly give written notice to the commission as to the student's
30 change of status and the reason for the change. If under the
31 institution's standards, a fee or charge that has been paid as part
32 of a scholarship under this chapter would otherwise be remissible
33 by the institution to the student, the institution shall remit the fee
34 or charge up to the amount of the scholarship to the auditor of
35 state.

36 Sec. 14. A student who receives a renewal scholarship may
37 reenroll in the institution that the student attended during the
38 preceding year or enroll in another institution. In either event, the
39 institution accepting the student shall notify the commission of the
40 student's enrollment, is entitled to payment of the value of the
41 student's scholarship, and is contractually obligated as for first
42 year awards.

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1 **Sec. 15. The commission shall administer the records of each**
2 **student who is attending an institution with a scholarship issued**
3 **under this chapter. At the appropriate time, the commission shall**
4 **certify to the auditor of state, in the manner prescribed by law, the**
5 **current payment to be made to an institution under the program**
6 **in accordance with an appropriate certificate of the institution**
7 **presented by the time the payment is due under the rules of the**
8 **institution applicable to students generally, after the tuition and**
9 **necessary fees are fixed. The auditor of state shall pay the**
10 **institution the value of the scholarship from the state general fund**
11 **from money transferred to the state general fund under**
12 **IC 4-30-17-3.5(e).**

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