April 8, 2011

ENGROSSED
SENATE BILL No. 497

DIGEST OF SB 497 (Updated April 6, 2011 2:13 pm - DI 109)

Citations Affected: IC 21-12; IC 21-43; noncode.

Synopsis: Higher education scholarship. Provides an early graduation scholarship to a student who graduates from high school before grade 12. Requires the state board of education to amend its rules to facilitate graduation from high school in less than seven semesters. Allows a student to participate in an early college, a dual credit, or a dual enrollment program during any grade in high school. Requires the department of education to report early graduation scholarship student information to the state student assistance commission (SSACI). Requires the department of education to transfer tuition support to SSACI for early graduation scholarship students that are accepted at a

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Effective: Upon passage; July 1, 2011.

Kruse, Yoder, Banks, Buck,
Schneider, Leising, Rogers
(HOUSE SPONSORS — BEHNING, RHOADS, PORTER, THOMPSON)

January 13, 2011, read first time and referred to Committee on Education and Career Development.
February 14, 2011, amended; reassigned to Committee on Appropriations.
February 17, 2011, amended, reported favorably — Do Pass.
February 21, 2011, read second time, amended, ordered engrossed.
February 22, 2011, engrossed. Read third time, passed. Yeas 39, nays 10.

HOUSE ACTION

March 28, 2011, read first time and referred to Committee on Education.
April 7, 2011, amended, reported — Do Pass.

C o p y

Digest Continued

higher education institution. Provides for the payment of the scholarship by SSACI to the higher education institution from these transfers. Specifies that the early graduation scholarship amount is equal to the foundation amount that applies to the determination of state tuition support distributions in the calendar year in which an early graduation scholarship is awarded. Permits a higher education scholarship to be used for fees, books, supplies, and equipment required for courses of instruction. Provides that the unused balance of a scholarship shall be applied to educational costs incurred in a subsequent school year. Provides for the recovery of an unused scholarship.

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April 8, 2011

First Regular Session 117th General Assembly (2011)

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 2010 Regular Session of the General Assembly.

C o p y

ENGROSSED
SENATE BILL No. 497

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

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

SECTION 1. IC 21-12-10 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 10. Early Graduation Scholarship

Sec. 1. As used in this chapter, "publicly supported school" means the following:

(1) A school corporation (as defined in IC 20-18-2-16(a)).

(2) A charter school (as defined in IC 20-24-1-4).

(3) A high school maintained by a state educational institution under IC 20-24.5 or another law.

Sec. 2. The early graduation scholarship program is established. The commission shall administer the early graduation scholarship program.

Sec. 3. An individual is eligible for an early graduation scholarship if the individual:

(1) is a resident of Indiana, as defined by the commission;

(2) attended a publicly supported school on a full-time

equivalency basis (as defined in IC 20-43-1-14) for at least the last two (2) semesters before the individual graduated from high school;

(3) had legal settlement (as defined in IC 20-18-2-11) in Indiana for at least the last two (2) semesters before the individual graduated from high school;

(4) met at least the minimum requirements set by the Indiana state board of education for granting a high school diploma by the end of grade 11 (including any summer school courses completed before July 1 of a year) and was awarded after December 31, 2010, a high school diploma by the publicly supported school that the individual last attended for course credits earned before the end of grade 11;

(5) was not enrolled in a publicly supported school for any part of grade 12;

(6) applies to the commission for an early graduation scholarship in the manner specified by the commission; and

(7) within five (5) months after graduating from high school, becomes a student in good standing at an approved postsecondary educational institution with a campus located in Indiana and is engaged in a program that will lead to an approved postsecondary degree or credential.

Sec. 4. Graduation from a nonstandard course and curriculum program or a program for high ability students that has been granted a waiver by the Indiana state board of education shall be treated as meeting the minimum requirements set by the state board of education for granting a high school diploma.

Sec. 5. (a) A publicly supported school shall submit to the department of education the name of each individual described in section 3(1) through 3(4) of this chapter.

(b) The department of education shall submit to the commission the information submitted under subsection (a) and any other supporting information requested by the commission on the schedule and in the form specified by the commission.

Sec. 6. (a) If an applicant becomes a student in good standing at an approved postsecondary institution, the institution shall provide a written notice to the commission.

(b) If the applicant has met the eligibility requirements prescribed in this chapter, the commission shall award the applicant an early graduation scholarship and make the payment directly to the institution. The institution may apply the payment to the following:

C o p y

(1) First, to any outstanding tuition and fees.

(2) Second, for fees, books, supplies, and equipment required for courses of instruction.

The balance of the scholarship not used in a school year does not revert to the student but shall be applied by the institution to the costs described in subdivisions (1) and (2) that are incurred by the scholarship recipient in the next school year. If a scholarship recipient transfers to another approved postsecondary educational institution before the entire amount of the scholarship is used, the institution shall transfer the unused balance to the other institution for use by the scholarship recipient for the payment of costs described in subdivisions (1) and (2). If a scholarship recipient ceases to be a student in good standing at an approved postsecondary educational institution with a campus located in Indiana and engaged in a program that will lead to an approved postsecondary degree or credential, the balance of any unused scholarship shall be returned to the commission in conformity with the procedures prescribed by the commission.

Sec. 7. The amount of an early graduation scholarship is the foundation amount (as defined in IC 20-43-1-13) that applies to the determination of state tuition support distributions in the calendar year in which an early graduation scholarship is awarded.

Sec. 8. The amount of an early graduation scholarship awarded under this chapter shall not be considered as a financial resource in a determination of the amount of any grant or scholarship under this article or, except as required by federal law, the amount of any other grant or scholarship administered by the commission.

Sec. 9. An institution is not required to change its admission standards to accept an individual to whom the commission has issued an early graduation scholarship. The scholarship may not be used for remedial course work at the institution. The institution shall provide facilities and instruction to the applicant on the same terms as to other students.

Sec. 10. (a) The commission shall notify the department of the amount of early graduation scholarships granted for each state fiscal year. The department shall deduct the scholarship amount presented by the commission from the appropriation for tuition support for that state fiscal year and promptly transfer the amount to the commission.

(b) In the department's biennial budget request the department shall estimate the number of students that are expected to become eligible for an early graduation scholarship and the estimated total

C o p y

amount needed to provide the scholarships for each state fiscal year for which the department requests an appropriation for tuition support. The department shall include in its request for tuition support an amount sufficient to provide the scholarships. The requested amount may not exceed the amount that would have been included in the department's request for tuition support had the students not graduated early.

SECTION 2. IC 21-43-4-3, AS ADDED BY P.L.2-2007, SECTION 284, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 3. The postsecondary enrollment program is established for secondary school students. ~~in grades 11 and 12.~~

SECTION 3. IC 21-43-4-4, AS ADDED BY P.L.2-2007, SECTION 284, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 4. A student may enroll in courses offered by an eligible institution under the program on a full-time or part-time basis during ~~grade 11 or grade 12, or both.~~ **secondary school.**

SECTION 4. IC 21-43-4-6, AS ADDED BY P.L.2-2007, SECTION 284, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 6. Before February 1 each year, each school corporation shall provide each student in grades **8, 9,** 10, and 11 with information concerning the program.

SECTION 5. IC 21-43-5-2, AS ADDED BY P.L.234-2007, SECTION 64, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 2. The double up for college program is established for secondary school students in grades 11 and 12. School corporations and state educational institutions may collaborate to offer:

(1) early college;
(2) dual credit; or
(3) dual enrollment;

programs, ~~that~~ **as defined by the commission for higher education, that** meet the educational objectives of the school corporation and are offered by the state educational institutions in secondary school locations.

SECTION 6. IC 21-43-5-3, AS ADDED BY P.L.2-2007, SECTION 284, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 3. A student may enroll in a course offered by a state educational institution under the program on a full-time or part-time basis during ~~grade 11 or grade 12, or both.~~ **secondary school.**

SECTION 7. [EFFECTIVE UPON PASSAGE] **(a) The Indiana state board of education shall amend its rules, including 511 IAC 6-7.1-3, as necessary to permit a student to elect to graduate and qualify for an early graduation scholarship, as provided in**

C o p y

IC 21-12-10, as added by this act.

(b) The Indiana state board of education may adopt temporary rules in the manner provided for adopting an emergency rule under IC 4-22-2-37.1 to implement this SECTION and IC 21-12-10, as added by this act. A temporary rule adopted under this SECTION expires on the earliest of the following:

(1) The date specified in the temporary rule.

(2) The date another temporary rule or a permanent rule repeals or supersedes the previously adopted temporary rule.

(3) July 1, 2012.

(c) This SECTION expires July 1, 2012.

SECTION 8. **An emergency is declared for this act.**

C o p y

COMMITTEE REPORT

Madam President: The Senate Committee on Education and Career Development, to which was referred Senate Bill No. 497, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 20-43-4-2, AS ADDED BY P.L.2-2006, SECTION 166, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 2. A school corporation's ADM is the number of eligible pupils enrolled in:

(1) the school corporation; or

(2) a transferee corporation;

on a day to be fixed annually by the state board and as subsequently adjusted not later than January 30 under the rules adopted by the state board **plus the number of individuals added to the school corporation's ADM under section 3.5 of this chapter.**

SECTION 2. IC 20-43-4-3.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: **Sec. 3.5. The department shall increase the ADM of a school corporation for a year by the number of individuals who in the immediately preceding calendar year were:**

(1) awarded a high school diploma for course credits earned by the end of grade 11 (including any summer school courses completed before July 1 of that year); and

(2) awarded an early graduation scholarship under IC 21-12-10.

An adjustment in a school corporation's ADM under this section does not increase the amount appropriated for state tuition support for a state fiscal year or the maximum state distribution for a calendar year.

SECTION 3. IC 20-43-4-8, AS ADDED BY P.L.234-2007, SECTION 63, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 8. A student who participates in:

(1) a postsecondary enrollment program under IC 21-43-4 is considered a student enrolled in the school corporation where the student has legal settlement for the purposes of computing ADM;

(2) a double up for college program under IC 21-43-5 is considered a student enrolled in the school corporation where the student has legal settlement for the purposes of computing ADM;

(3) a high school fast track to college program under IC 21-43-6

C o p y

shall be counted in the ADM of the school corporation where the student has legal settlement if the student would be counted in the ADM of the school corporation had the student enrolled in the school corporation; ~~or~~

(4) a high school fast track to college program under IC 21-43-7 shall be counted in the ADM of the school corporation where the student has legal settlement if the student would be counted in the ADM of the school corporation had the student enrolled in the school corporation; **or**

(5) a postsecondary education program for a student whose application is accepted under IC 21-12-10 is considered a student enrolled in the school corporation where the student attended immediately prior to graduation for the purposes of computing ADM.".

Page 2, line 3, delete "institution." and insert "**institution with a campus located in Indiana.**".

Page 2, line 10, delete "secondary".

Page 2, line 22, delete "secondary".

Page 2, line 28, delete "two (2) years" and insert "**five (5) months**".

Page 2, delete line 29.

Page 2, line 30, delete "of the United States (as defined in IC 21-14-1-2.7),".

Page 2, line 32, after "institution" insert "**with a campus located in Indiana**".

Page 2, line 33, delete "a two (2) or four (4) year" and insert "**an approved**".

Page 2, line 33, delete "." and insert "**or credential.**".

Page 2, line 40, after "department" insert "**of education**".

Page 2, line 41, delete "4(3)" and insert "**4(4)**".

Page 2, line 42, after "department" insert "**of education**".

Page 3, line 17, delete "institution. However" and insert "**institution with a campus located in Indiana.**".

Page 3, delete lines 18 through19.

Page 3, line 20, delete "own admissions requirements." and insert "**The institution is not required to change its admission standards to accept an individual to whom the commission has issued an early graduation scholarship.**".

Page 3, line 25, after "applicant." insert "**The scholarship may not be used for remedial course work at the institution.**".

Page 3, delete lines 27 through 42, begin a new paragraph and insert:

"**Sec. 10. (a) The early graduation fund is established to provide**

C o p y

scholarships under this chapter. The fund shall be administered by the commission.

(b) 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. (Interest that accrues from these investments shall be deposited in the fund.)

(c) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

(d) There is annually transferred to the commission from the fund an amount sufficient to provide scholarships under this chapter.

Sec. 11. An early graduation scholarship shall be paid from the amount of state tuition support that a publicly supported school would otherwise be eligible to receive in:

(1) the period beginning July 1 and ending December 31; or

(2) the period beginning January 1 and ending June 30;

that immediately follows the award of the early graduation scholarship. The department of education shall withhold the full amount granted under section 7 of this chapter of the early graduation scholarship to which an individual is eligible from the publicly funded school in equal installments. If the individual does not use the full amount of an early graduation scholarship in the state fiscal year in which it is awarded, the balance remains available in the following state fiscal year if the individual remains eligible to use the early graduation scholarship.".

Page 4, delete lines 1 through 4, begin a new paragraph and insert:

"SECTION 2. IC 21-43-4-3, AS ADDED BY P.L.2-2007, SECTION 284, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 3. The postsecondary enrollment program is established for secondary school students. ~~in grades 11 and 12.~~

SECTION 3. IC 21-43-4-4, AS ADDED BY P.L.2-2007, SECTION 284, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 4. A student may enroll in courses offered by an eligible institution under the program on a full-time or part-time basis during ~~grade 11 or grade 12, or both.~~ **secondary school.**

SECTION 4. IC 21-43-4-6, AS ADDED BY P.L.2-2007, SECTION 284, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 6. Before February 1 each year, each school corporation shall provide each student in grades **8, 9,** 10, and 11 with information concerning the program.

SECTION 5. IC 21-43-5-2, AS ADDED BY P.L.234-2007, SECTION 64, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

C o p y

JULY 1, 2011]: Sec. 2. The double up for college program is established for secondary school students in grades 11 and 12. School corporations and state educational institutions may collaborate to offer:

(1) early college;

(2) dual credit; or

(3) dual enrollment;

programs, ~~that~~ **as defined by the commission for higher education, that** meet the educational objectives of the school corporation and are offered by the state educational institutions in secondary school locations.

SECTION 6. IC 21-43-5-3, AS ADDED BY P.L.2-2007, SECTION 284, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 3. A student may enroll in a course offered by a state educational institution under the program on a full-time or part-time basis during ~~grade 11 or grade 12, or both.~~ **secondary school.**".

Renumber all SECTIONS consecutively.

and when so amended that said bill be reassigned to the Senate Committee on Appropriations.

(Reference is to SB 497 as introduced.)

KRUSE, Chairperson

Committee Vote: Yeas 8, Nays 1.

COMMITTEE REPORT

Madam President: The Senate Committee on Appropriations, to which was referred Senate Bill No. 497, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, delete lines 1 through 17.

Page 2, delete lines 1 through 31.

Page 2, delete line 42.

Page 3, delete lines 1 through 9.

Page 3, line 10, delete "3." and insert "**2.**".

Page 3, line 13, delete "4." and insert "**3.**".

Page 3, line 39, delete "5." and insert "**4.**".

Page 4, line 2, delete "6." and insert "**5.**".

Page 4, line 4, delete "4(1)" and insert "**3(1)**".

Page 4, line 4, delete "4(4)" and insert "**3(4)**".

Page 4, between lines 8 and 9, begin a new paragraph and insert:

C o p y

"**Sec. 6. (a) If an applicant becomes a student in good standing at an approved postsecondary institution, the institution shall provide a written notice to the commission.**

(b) If the applicant has met the eligibility requirements prescribed in this chapter, the commission shall award the applicant an early graduation scholarship and make the payment directly to the institution. The institution may apply the payment to any outstanding tuition and fees and shall remit the balance of the scholarship to the student.".

Page 4, line 11, delete "An early graduation scholarship awarded under this".

Page 4, delete lines 12 through 13.

Page 4, line 14, delete "other grant or scholarship under this article.".

Page 4, line 20, delete "An individual to whom the commission has issued an".

Page 4, delete lines 21 through 22.

Page 4, line 23, delete "campus located in Indiana. The" and insert "**An**".

Page 4, line 25, delete "If the".

Page 4, delete lines 26 through 30 and insert "**The**".

Page 4, delete lines 34 through 42, begin a new paragraph and insert:

"**Sec. 10. (a) The commission shall notify the department of the amount of early graduation scholarships granted for each state fiscal year. The department shall deduct the scholarship amount presented by the commission from the appropriation for tuition support for that state fiscal year and promptly transfer the amount to the commission.**

(b) In the department's biennial budget request the department shall estimate the number of students that are expected to become eligible for an early graduation scholarship and the estimated total amount needed to provide the scholarships for each state fiscal year for which the department requests an appropriation for tuition support. The department shall include in its request for tuition support an amount sufficient to provide the scholarships. The requested amount may not exceed the amount that would have

C o p y

been included in the department's request for tuition support had the students not graduated early.".

Page 5, delete lines 1 through 17.

and when so amended that said bill do pass.

(Reference is to SB 497 as printed February 14, 2011.)

KENLEY, Chairperson

Committee Vote: Yeas 10, Nays 3.

SENATE MOTION

Madam President: I move that Senate Bill 497 be amended to read as follows:

Delete the title and insert the following:

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

(Reference is to SB 497 as printed February 18, 2011.)

KRUSE

COMMITTEE REPORT

Mr. Speaker: Your Committee on Education, to which was referred Senate Bill 497, 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 2, line 42, after "to" insert "**the following:**

(1) First, to".

Page 2, line 42, delete "fees and shall remit the" and insert "**fees.**

(2) Second, for fees, books, supplies, and equipment required for courses of instruction.

The".

Page 3, line 1, delete "to the student." and insert "**not used in a school year does not revert to the student but shall be applied by the institution to the costs described in subdivisions (1) and (2) that are incurred by the scholarship recipient in the next school year. If a scholarship recipient transfers to another approved postsecondary educational institution before the entire amount of**

C o p y

the scholarship is used, the institution shall transfer the unused balance to the other institution for use by the scholarship recipient for the payment of costs described in subdivisions (1) and (2). If a scholarship recipient ceases to be a student in good standing at an approved postsecondary educational institution with a campus located in Indiana and engaged in a program that will lead to an approved postsecondary degree or credential, the balance of any unused scholarship shall be returned to the commission in conformity with the procedures prescribed by the commission.".

Page 3, line 2, delete "three" and insert "**the foundation amount (as defined in IC 20-43-1-13) that applies to the determination of state tuition support distributions in the calendar year in which an early graduation scholarship is awarded.**".

Page 3, delete line 3.

and when so amended that said bill do pass.

(Reference is to SB 497 as reprinted February 22, 2011.)

BEHNING, Chair

Committee Vote: yeas 8, nays 4.

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