

SENATE BILL No. 577

DIGEST OF INTRODUCED BILL

Citations Affected: IC 11-10-5-6; IC 21-12; IC 21-13; IC 21-14.

Synopsis: Financial aid. Allows the department of correction to provide financial assistance for tuition, books, and supplies for an incarcerated felony offender who enrolls in a college degree program, and prohibits the state student assistance commission from providing the financial assistance. Specifies that individuals who have an associate degree are eligible for the same awards as a student who graduated from high school with a core 40 or academic honors diploma. Requires a student participating in the twenty-first century scholarship program to: (1) participate in an appropriate intervention program while enrolled in secondary school; and (2) maintain a grade point average of 2.5 during grades 9, 10, 11, and 12, if the student enters the twenty-first century scholarship program after the 2010-2011 school year. Allows money to be transferred from the freedom of choice grant fund to the higher education award fund. Reduces the amount of the educational scholarship provided to a child of a parent with a military service related disability of less than 80%. Provides that only undergraduate fees are eligible for remission or scholarship awards.

Effective: Upon passage; July 1, 2011.

Kenley

January 20, 2011, read first time and referred to Committee on Appropriations.

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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.

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SENATE BILL No. 577



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 11-10-5-6 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2011]: **Sec. 6. The department may provide financial assistance**
4 **for tuition, books, and supplies for an offender who:**

- 5 (1) is:
6 (A) convicted of a felony;
7 (B) sentenced to a term of imprisonment for that felony;
8 and
9 (C) confined for that felony by the department; and
10 (2) enrolls in a degree program at an eligible institution (as
11 defined in IC 21-12-1-8(2)) of higher education.

12 SECTION 2. IC 21-12-1.5 IS ADDED TO THE INDIANA CODE
13 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
14 UPON PASSAGE]:

15 **Chapter 1.5. Awards for Students With Associate Degree**
16 **Sec. 1. This chapter applies to an individual who:**
17 (1) did not graduate from high school with a core 40 or



- 1 **academic honors diploma;**
- 2 **(2) has received an associate degree;**
- 3 **(3) after receiving the associate degree, enrolls in a**
- 4 **baccalaureate degree program; and**
- 5 **(4) otherwise qualifies for an award.**

6 **Sec. 2. As used in this chapter, "award" means any monetary**
 7 **grant made by the commission from appropriations for higher**
 8 **education awards or freedom of choice grants, federal funds, or**
 9 **other appropriations, grants, gifts, or bequests.**

10 **Sec. 3. As used in this chapter, "eligible student" refers to an**
 11 **individual described in section 1 of this chapter.**

12 **Sec. 4. In determining awards, the commission may not provide**
 13 **a higher level of award to an individual who graduates from high**
 14 **school with a core 40 or academic honors diploma than an eligible**
 15 **individual based solely on the fact that the eligible student did not**
 16 **graduate from high school with a core 40 or academic honors**
 17 **diploma.**

18 **Sec. 5. An eligible student is eligible for the same maximum**
 19 **award as a similarly situated individual who graduates from high**
 20 **school with a core 40 or academic honors diploma.**

21 **Sec. 6. 585 IAC 1-9-9 is void to the extent that it conflicts with**
 22 **sections 4 and 5 of this chapter.**

23 SECTION 3. IC 21-12-3-1, AS ADDED BY P.L.168-2007,
 24 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 25 JULY 1, 2011]: Sec. 1. (a) An applicant is eligible for a first year
 26 higher education award under this chapter if the student meets the
 27 following requirements:

- 28 (1) The applicant is a resident of Indiana, as defined by the
 29 commission.
- 30 (2) The applicant:
 - 31 (A) has successfully completed the program of instruction at
 - 32 an approved secondary school;
 - 33 (B) has been granted a:
 - 34 (i) high school equivalency certificate before July 1, 1995;
 - 35 or
 - 36 (ii) state of Indiana general educational development (GED)
 - 37 diploma under IC 20-20-6 or IC 20-10.1-12.1 (before its
 - 38 repeal); or
 - 39 (C) is a student in good standing at an approved secondary
 - 40 school and is engaged in a program that in due course will be
 - 41 completed by the end of the current academic year.
- 42 (3) The financial resources reasonably available to the applicant,

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1 as defined by the commission, are such that, in the absence of a
 2 higher education award under this chapter, the applicant would be
 3 deterred from completing the applicant's education at the
 4 approved postsecondary educational institution that the applicant
 5 has selected and that has accepted the applicant. In determining
 6 the financial resources reasonably available to an applicant to
 7 whom IC 21-11-7 applies, the commission must consider the
 8 financial resources of the applicant's legal parent. **In determining
 9 the financial resources of a student who receives no support
 10 from the student's parent, the commission must consider
 11 whether the student has received a Pell grant and must
 12 include the Pell grant in the calculation of the student's
 13 resources.**

14 (4) The applicant will use the award initially at that approved
 15 postsecondary educational institution.

16 (5) If the student is already enrolled in an approved postsecondary
 17 educational institution, the applicant must be a full-time student
 18 and be making satisfactory progress, as determined by the
 19 commission, toward a first baccalaureate degree.

20 (6) The student declares, in writing, a specific educational
 21 objective or course of study and enrolls in:

22 (A) courses that apply toward the requirements for completion
 23 of that objective or course of study; or

24 (B) courses designed to help the student develop the basic
 25 skills that the student needs to successfully achieve that
 26 objective or continue in that course of study.

27 (b) This subsection applies to an individual who:

28 (1) meets the requirements set forth in subsection (a); and

29 (2) before the date that eligibility is determined by the
 30 commission, has been placed by or with the consent of the
 31 department of child services, by a court order, or by a licensed
 32 child placing agency in:

33 (A) a foster family home;

34 (B) the home of a relative or other unlicensed caretaker;

35 (C) a child caring institution; or

36 (D) a group home.

37 The commission shall consider an individual to whom this subsection
 38 applies as a full-need student under the commission's rules when
 39 determining the eligibility of the individual to receive financial aid
 40 administered by the commission under this chapter.

41 SECTION 4. IC 21-12-3-2, AS ADDED BY P.L.2-2007, SECTION
 42 253, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY

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1 2011]: Sec. 2. A higher education award recipient is not eligible for
2 assistance after the recipient has received an award for a total of eight
3 (8) semesters or twelve (12) quarters of **undergraduate** postsecondary
4 education, **which may include not more than two (2) semesters of**
5 **summer school.**

6 SECTION 5. IC 21-12-3-13, AS ADDED BY P.L.2-2007,
7 SECTION 253, IS AMENDED TO READ AS FOLLOWS
8 [EFFECTIVE JULY 1, 2011]: Sec. 13. The commission may ~~deny~~ **not**
9 **provide** assistance under this chapter to a higher education award
10 applicant or recipient who is:

- 11 (1) convicted of a felony;
- 12 (2) sentenced to a term of imprisonment for that felony; and
- 13 (3) confined for that felony at a penal facility (as defined in
14 IC 35-41-1-21).

15 SECTION 6. IC 21-12-3-18, AS ADDED BY P.L.2-2007,
16 SECTION 253, IS AMENDED TO READ AS FOLLOWS
17 [EFFECTIVE JULY 1, 2011]: Sec. 18. The commission shall
18 administer the higher education award account and related records,
19 **including the collection and maintenance of student information**
20 **system data**, of each student who is attending an approved
21 postsecondary educational institution under an award issued under this
22 chapter. At each appropriate time, it shall certify to the auditor of state,
23 in the manner prescribed by law, the current payment to be made to the
24 institution under the award. This shall be done in accordance with an
25 appropriate certificate of the approved postsecondary educational
26 institution presented by the time the payment is due under the rules of
27 the approved postsecondary educational institution applicable to
28 students generally, after the tuition and necessary fees have become
29 fixed.

30 SECTION 7. IC 21-12-3-19, AS ADDED BY P.L.2-2007,
31 SECTION 253, IS AMENDED TO READ AS FOLLOWS
32 [EFFECTIVE UPON PASSAGE]: Sec. 19. The auditor of state shall
33 create a separate and segregated higher education award fund distinct
34 from the freedom of choice grant fund. Money may be exchanged or
35 transferred between these funds as provided by section 21 of this
36 chapter **and IC 21-12-4-9**. All money disbursed from the higher
37 education award fund shall be in accordance with this chapter. Money
38 remaining in the higher education award fund at the end of any fiscal
39 year does not revert to the state general fund but remains available to
40 be used for making higher education awards under this chapter.

41 SECTION 8. IC 21-12-3-21, AS ADDED BY P.L.2-2007,
42 SECTION 253, IS AMENDED TO READ AS FOLLOWS

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1 [EFFECTIVE JULY 1, 2011]: Sec. 21. ~~After the commitments for the~~
 2 ~~higher education award fund have been fully met for any academic year~~
 3 ~~under this chapter~~; The commission may order the auditor of state to
 4 transfer to the freedom of choice grant fund ~~any money remaining in~~
 5 ~~from~~ the higher education award fund. The auditor of state shall make
 6 the transfer ordered by the commission with the approval of the budget
 7 director and the governor.

8 SECTION 9. IC 21-12-4-6, AS ADDED BY P.L.2-2007, SECTION
 9 253, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON
 10 PASSAGE]: Sec. 6. Except as provided in **section 9 of this chapter**
 11 **and** IC 21-12-3-21, money shall not be exchanged or transferred
 12 among these funds.

13 SECTION 10. IC 21-12-4-9 IS ADDED TO THE INDIANA CODE
 14 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE
 15 UPON PASSAGE]: **Sec. 9. The commission may order the auditor**
 16 **of state to transfer to the higher education award fund money in**
 17 **the freedom of choice grant fund. The auditor of state shall make**
 18 **the transfer ordered by the commission with the approval of the**
 19 **budget director and the governor.**

20 SECTION 11. IC 21-12-6-5, AS AMENDED BY P.L.3-2008,
 21 SECTION 131, IS AMENDED TO READ AS FOLLOWS
 22 [EFFECTIVE JULY 1, 2011]: Sec. 5. (a) To qualify to participate in
 23 the program, a student must meet the following requirements:

24 (1) Be a resident of Indiana.

25 (2) Be:

26 (A) enrolled in ~~grade 7 or 8 for the 2007-2008 school year; and~~
 27 ~~grade 6, 7, or 8 for the 2008-2009 school year and for~~
 28 ~~subsequent school years; at a:~~

29 (i) public school; or

30 (ii) nonpublic school that is accredited either by the state
 31 board of education or by a national or regional accrediting
 32 agency whose accreditation is accepted as a school
 33 improvement plan under IC 20-31-4-2; or

34 (B) otherwise qualified under the rules of the commission that
 35 are adopted under IC 21-11-9-4 to include students who are in
 36 grades other than grade 8 as eligible students.

37 (3) Be eligible for free or reduced priced lunches under the
 38 national school lunch program.

39 (4) Agree, in writing, together with the student's custodial parents
 40 or guardian, that the student will:

41 (A) graduate from a secondary school located in Indiana that
 42 meets the admission criteria of an eligible institution **and**

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participate in an appropriate intervention program, as provided by commission rules, while attending secondary school;

(B) not illegally use controlled substances (as defined in IC 35-48-1-9);

(C) not commit a crime or an infraction described in IC 9-30-5;

(D) not commit any other crime or delinquent act (as described in IC 31-37-1-2 or IC 31-37-2-2 through IC 31-37-2-5 (or IC 31-6-4-1(a)(1) through IC 31-6-4-1(a)(5) before their repeal));

(E) timely apply, when the eligible student is a senior in high school:

- (i) for admission to an eligible institution; and
- (ii) for any federal and state student financial assistance available to the eligible student to attend an eligible institution; and

(F) achieve a cumulative grade point average upon graduation of at least:

- (i) 2.0 on a 4.0 grading scale (or its equivalent if another grading scale is used) for courses taken during grades 9, 10, 11, and 12, **for a student entering grade 9, 10, 11, or 12 for the 2011-2012 school year; or**
- (ii) 2.5 on a 4.0 grading scale (or its equivalent if another grading scale is used) for courses taken during grades 9, 10, 11, and 12, **for a student entering grade 7 or 8 for the 2011-2012 school year or any school year thereafter.**

(b) A student is qualified to participate in the program if the student:

(1) before or during grade 7 or grade 8, is placed by or with the consent of the department of child services, by a court order, or by a child placing agency in:

- (A) a foster family home;
- (B) the home of a relative or other unlicensed caretaker;
- (C) a child caring institution; or
- (D) a group home;

(2) agrees in writing, together with the student's caseworker (as defined in IC 31-9-2-11), to the conditions set forth in subsection (a)(4); and

(3) except as provided in subdivision (2), otherwise meets the requirements of subsection (a).

SECTION 12. IC 21-12-6-6, AS ADDED BY P.L.2-2007, SECTION 253, IS AMENDED TO READ AS FOLLOWS

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1 [EFFECTIVE JULY 1, 2011]: Sec. 6. A student may apply to the
 2 commission for a scholarship. To qualify for a scholarship, the student
 3 must meet the following requirements:

4 (1) Be an eligible student who qualified to participate in the
 5 program under section 5 of this chapter.

6 (2) Be a resident of Indiana.

7 (3) Be a graduate from a secondary school located in Indiana that
 8 meets the admission criteria of an eligible institution.

9 (4) Have applied to attend and be accepted to attend as a full-time
 10 student an eligible institution.

11 (5) Certify in writing that the student has:

12 (A) not illegally used controlled substances (as defined in
 13 IC 35-48-1-9);

14 (B) not illegally consumed alcoholic beverages;

15 (C) not committed any other crime or a delinquent act (as
 16 described in IC 31-37-1-2 or IC 31-37-2-2 through
 17 IC 31-37-2-5 (or IC 31-6-4-1(a)(1) through IC 31-6-4-1(a)(5)
 18 before their repeal)); ~~and~~

19 (D) timely filed an application for other types of financial
 20 assistance available to the student from the state or federal
 21 government; **and**

22 **(E) participated in an appropriate intervention program**
 23 **while attending secondary school.**

24 (6) Submit to the commission all the information and evidence
 25 required by the commission to determine eligibility as a
 26 scholarship applicant.

27 (7) Meet any other minimum criteria established by the
 28 commission.

29 SECTION 13. IC 21-12-6-8, AS ADDED BY P.L.2-2007,
 30 SECTION 253, IS AMENDED TO READ AS FOLLOWS
 31 [EFFECTIVE JULY 1, 2011]: Sec. 8. A scholarship may be renewed
 32 under this chapter for a total scholarship award that does not exceed the
 33 equivalent of eight (8) **undergraduate** semesters.

34 SECTION 14. IC 21-12-9-7, AS ADDED BY P.L.173-2007,
 35 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 36 JULY 1, 2011]: Sec. 7. (a) The money in the fund shall be used to
 37 provide annual scholarships to insurance students who qualify under
 38 section 9 of this chapter. The commission shall determine the amount
 39 of money to be allocated from the fund for scholarships under this
 40 chapter.

41 (b) A scholarship awarded under this chapter may be used only for
 42 the payment of tuition or fees that are:

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- 1 (1) approved by the state educational institution that awards the
- 2 scholarship; and
- 3 (2) not otherwise payable under any other scholarship or form of
- 4 financial assistance specifically designated for tuition or fees.

5 (c) Subject to section 8(c) of this chapter, each scholarship awarded
 6 under this chapter is renewable under section 9 of this chapter for a
 7 total number of terms that does not exceed eight (8) **undergraduate**
 8 full-time semesters (or the equivalent) or twelve (12) **undergraduate**
 9 full-time quarters (or the equivalent).

10 SECTION 15. IC 21-13-2-6, AS ADDED BY P.L.2-2007,
 11 SECTION 254, IS AMENDED TO READ AS FOLLOWS
 12 [EFFECTIVE JULY 1, 2011]: Sec. 6. Subject to section 12 of this
 13 chapter, a scholarship may be renewed under this chapter for a total
 14 scholarship award that does not exceed eight (8) **undergraduate**
 15 semesters (or its equivalent). However, an eligible institution may not
 16 grant a scholarship renewal to a student for an academic year that ends
 17 later than six (6) years after the date the student received the initial
 18 scholarship under this chapter.

19 SECTION 16. IC 21-13-3-7, AS ADDED BY P.L.2-2007,
 20 SECTION 254, IS AMENDED TO READ AS FOLLOWS
 21 [EFFECTIVE JULY 1, 2011]: Sec. 7. Subject to section 11 of this
 22 chapter, a scholarship awarded may be renewed under section 6 of this
 23 chapter for a total number of terms that does not exceed:

- 24 (1) eight (8) **undergraduate** full-time (or part-time equivalent)
- 25 semesters; or
- 26 (2) twelve (12) **undergraduate** full-time (or part-time equivalent)
- 27 quarters.

28 SECTION 17. IC 21-13-4-3, AS ADDED BY P.L.2-2007,
 29 SECTION 254, IS AMENDED TO READ AS FOLLOWS
 30 [EFFECTIVE JULY 1, 2011]: Sec. 3. Each scholarship awarded under
 31 this chapter:

- 32 (1) may be renewed under this chapter for a total scholarship
- 33 award that does not exceed the equivalent of eight (8)
- 34 **undergraduate** semesters; and
- 35 (2) is subject to other eligibility criteria as established by the
- 36 commission.

37 SECTION 18. IC 21-14-4-2, AS AMENDED BY P.L.141-2008,
 38 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 39 JULY 1, 2011]: Sec. 2. (a) Subject to ~~subsection~~ **subsections** (b) **and**
 40 (c), an eligible applicant is entitled to enter, remain, and receive
 41 instruction in a state educational institution upon the same conditions,
 42 qualifications, and regulations prescribed for other applicants for

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1 admission to or scholars in the state educational institutions, without
 2 the payment of any educational costs for one hundred twenty-four (124)
 3 **undergraduate** semester credit hours in the state educational
 4 institution.

5 (b) The maximum amount that an eligible applicant is exempt from
 6 paying for a semester hour is an amount equal to the cost of an
 7 undergraduate semester credit hour at the state educational institution
 8 in which the eligible applicant enrolls.

9 (c) **This subsection applies to an individual who qualifies as an**
 10 **eligible applicant under section 1(3) of this chapter because the**
 11 **individual's father or mother suffered a disability as determined by**
 12 **the United States Department of Veterans Affairs. This subsection**
 13 **does not apply to an individual who also qualifies as an eligible**
 14 **applicant under section 1(1) or 1(2) of this chapter. Subject to**
 15 **subsection (b), the eligible applicant is entitled to a reduction in the**
 16 **educational costs that would otherwise apply as follows:**

17 (1) **If the individual's father or mother suffered a disability as**
 18 **determined by the United States Department of Veterans**
 19 **Affairs with a rating of eighty percent (80%) or more, the**
 20 **individual is entitled to a one hundred percent (100%)**
 21 **reduction in education costs.**

22 (2) **If the individual's father or mother suffered a disability as**
 23 **determined by the United States Department of Veterans**
 24 **Affairs with a rating of less than eighty percent (80%), the**
 25 **individual is entitled to a reduction in education costs equal to**
 26 **the sum of:**

27 (A) **twenty percent (20%); plus**

28 (B) **the disability rating of the individual's father or**
 29 **mother.**

30 SECTION 19. IC 21-14-4-5, AS ADDED BY P.L.2-2007,
 31 SECTION 255, IS AMENDED TO READ AS FOLLOWS
 32 [EFFECTIVE JULY 1, 2011]: Sec. 5. (a) Determination of eligibility
 33 for higher education benefits authorized under this chapter is vested
 34 exclusively in the Indiana department of veterans' affairs. Any
 35 applicant for benefits under this chapter may make a written request for
 36 a determination of eligibility by the Indiana department of veterans'
 37 affairs. The director or deputy director of the Indiana department of
 38 veterans' affairs shall make a written determination of eligibility in
 39 response to each request. In determining the amount of an applicant's
 40 benefit, the commission shall consider other higher education financial
 41 assistance in conformity with this chapter.

42 (b) **The commission shall administer the benefits and ensure**

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compliance with this chapter.

SECTION 20. IC 21-14-4-6, AS ADDED BY P.L.2-2007, SECTION 255, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 6. An appeal from an adverse determination under section ~~5~~ **5(a)** of this chapter must be made in writing to the veterans' affairs commission not more than fifteen (15) working days following the applicant's receipt of the determination. A final order must be made by a simple majority of the veterans' affairs commission not more than fifteen (15) days following receipt of the written appeal.

SECTION 21. IC 21-14-6-2, AS AMENDED BY P.L.51-2009, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 2. (a) This section applies to a public safety officer's child who is less than twenty-four (24) years of age on the date of the public safety officer's death. The children of a public safety officer who has been killed in the line of duty are exempt from the payment of tuition and regularly assessed fees for eight (8) **undergraduate** semesters (or the equivalent) in which the children enroll at a state educational institution or state supported technical school. The children must be full-time students pursuing a prescribed course of study.

(b) The maximum amount that an eligible applicant is exempt from paying for a semester hour is an amount equal to the cost of an undergraduate semester credit hour at the state educational institution in which the eligible applicant enrolls.

SECTION 22. IC 21-14-7-3, AS ADDED BY P.L.2-2007, SECTION 255, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 3. An eligible applicant may receive the tuition exemption under this chapter for all semester credit hours in which the eligible applicant enrolls up to a maximum of one hundred twenty-four (124) **undergraduate** semester credit hours.

SECTION 23. IC 21-14-10-2, AS ADDED BY P.L.141-2008, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 2. (a) Subject to subsection (b), an eligible applicant is entitled to enter, remain, and receive instruction in a state educational institution upon the same conditions, qualifications, and regulations prescribed for other applicants for admission to or scholars in the state educational institution, without the payment of any educational costs for one hundred twenty-four (124) **undergraduate** semester credit hours in the state educational institution.

(b) The maximum amount that an eligible applicant is exempt from paying for a semester hour is an amount equal to the cost of an

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1 undergraduate semester credit hour at the state educational institution
2 in which the eligible applicant enrolls.

3 SECTION 24. **An emergency is declared for this act.**

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