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.

SENATE ENROLLED ACT No. 577

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AN ACT to amend the Indiana Code concerning education.

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

SECTION 1. IC 21-7-13-6, AS ADDED BY P.L.2-2007, SECTION 243, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 6. (a) "Approved postsecondary educational institution", for purposes of this title (except section 15 of this chapter, IC 21-12-6, IC 21-12-7, and IC 21-13-1-4) means the following:

(1) A postsecondary educational institution that operates in Indiana and:

(A) provides an organized two (2) year or longer program of collegiate grade directly creditable toward a baccalaureate degree;

(B) is either operated by the state or operated nonprofit; and

(C) is accredited by a recognized regional accrediting agency, **including:**

(i) Ancilla College;

(ii) Anderson University;

(iii) Bethel College;

(iv) Butler University;

(v) Calumet College of St. Joseph;

(vi) DePauw University;

(vii) Earlham College;

(viii) Franklin College;

(ix) Goshen College;
(x) Grace College and Seminary;
(xi) Hanover College;
(xii) Holy Cross College;
(xiii) Huntington University;
(xiv) Indiana Institute of Technology;
(xv) Indiana Wesleyan University;
(xvi) Manchester College;
(xvii) Marian University;
(xviii) Martin University;
(xix) Oakland City University;
(xx) Rose-Hulman Institute of Technology;
(xxi) Saint Joseph's College;
(xxii) Saint Mary-of-the-Woods College;
(xxiii) Saint Mary's College;
(xxiv) Taylor University;
(xxv) Trine University;
(xxvi) University of Evansville;
(xxvii) University of Indianapolis;
(xxviii) University of Notre Dame;
(xxix) University of Saint Francis;
(xxx) Valparaiso University; and
(xxxi) Wabash College;

or **is accredited** by the commission on proprietary education **or an accrediting agency recognized by the United States Department of Education.**

(2) Ivy Tech Community College.

(3) A hospital that operates a nursing diploma program that is accredited by the Indiana state board of nursing.

(4) A postsecondary proprietary educational institution that meets the following requirements:

(A) Is incorporated in Indiana, or is registered as a foreign corporation doing business in Indiana.

(B) Is fully accredited by and is in good standing with the commission on proprietary education.

(C) Is accredited by and is in good standing with a regional or national accrediting agency.

(D) Offers a course of study that is at least eighteen (18) consecutive months in duration (or an equivalent to be determined by the commission on proprietary education) and that leads to an associate or a baccalaureate degree recognized by the commission on proprietary education.

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(E) Is certified to the state student assistance commission by the commission on proprietary education as meeting the requirements of this subdivision.

(b) "Approved postsecondary educational institution" for purposes of section 15 of this chapter, IC 21-12-6, IC 21-12-7, and IC 21-13-1-4, means the following:

(1) A state educational institution.

(2) A nonprofit college or university.

(3) A postsecondary proprietary educational institution that is accredited by an accrediting agency recognized by the United States Department of Education.

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

Chapter 1.5. Awards for Students With Associate Degrees

Sec. 1. This chapter applies to an individual who:

(1) did not graduate from high school with an academic honors diploma;

(2) has received an associate degree;

(3) after receiving the associate degree, enrolls in a baccalaureate degree program; and

(4) otherwise qualifies for an award.

Sec. 2. As used in this chapter, "award" means any monetary grant made by the commission from:

(1) appropriations for higher education awards or freedom of choice grants;

(2) federal funds; or

(3) other appropriations, grants, gifts, or bequests.

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

Sec. 4. An eligible student is eligible for the same maximum award as a similarly situated individual who graduates from high school with an academic honors diploma.

Sec. 5. 585 IAC 1-9-9 is void to the extent that it conflicts with section 4 of this chapter.

SECTION 3. IC 21-12-3-9, AS AMENDED BY P.L.125-2008, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 9. **(a)** A higher education award for a student in a program leading to a baccalaureate degree may be renewed for a total of three (3) **undergraduate** academic years following the academic year of the first award or until an earlier time as the student receives a degree normally obtained in four (4) **undergraduate** academic years.

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A higher education award for a student in a program leading to a technical certificate or an **undergraduate** associate degree may be renewed for the number of academic years normally required to obtain a certificate or degree in the student's program. The commission may grant a renewal only upon application and only upon its finding that:

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

(2) the applicant remains domiciled in Indiana;

(3) the recipient's financial situation continues to warrant an award, based on the financial requirements set forth in section ~~1(3)~~ **(1)(a)(3)** of this chapter; ~~and~~

(4) the applicant is eligible under section 2 of this chapter; **and**

(5) subject to subsection (b), if the student initially enrolls in an eligible institution for a semester (or its equivalent) beginning after June 30, 2012, the student maintains at least the following cumulative grade point average:

(A) For credit hours applicable to the equivalent of the applicant's freshman academic year, a cumulative grade point average that the eligible institution determines is satisfactory academic progress.

(B) For credit hours applicable to the equivalent of the applicant's sophomore academic year, a cumulative grade point average of 2.25 on a 4.0 grading scale or its equivalent as established by the eligible institution.

(C) For credit hours applicable to the equivalent of the applicant's junior or senior academic year, a cumulative grade point average of 2.5 on a 4.0 grading scale or its equivalent as established by the eligible institution.

(b) After the first semester or its equivalent at the eligible institution that a person does not achieve the requisite cumulative grade point average specified in subsection (a)(5), the person is considered to be on probation and must achieve the requisite cumulative grade point average by the next semester or its equivalent at the eligible institution in order to continue to receive benefits under this chapter.

SECTION 4. IC 21-12-3-10, AS AMENDED BY P.L.125-2008, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 10. Out of funds available after commitments have been met under sections 8 and 9 of this chapter, awards shall be issued to persons who have successfully completed at least one (1) **academic year** but not more than three (3) academic years in approved postsecondary educational institutions if they meet the eligibility

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requirements of:

(1) sections 1, ~~and~~ 2, **and (if applicable) 9(a)(5)** of this chapter; or

(2) sections 4, ~~and~~ 5, **and (if applicable) 9(a)(5)** of this chapter.

The awards shall be handled on the same basis as renewals under section 9 of this chapter.

SECTION 5. IC 21-12-5-6, AS ADDED BY P.L.2-2007, SECTION 253, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 6. The auditor of state shall create a separate and segregated Hoosier scholar award fund. ~~distinct from the higher education award fund and the freedom of choice grant fund.~~

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

(1) Be a resident of Indiana.

(2) Be:

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

(i) public school; or

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

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

(3) Be ~~eligible~~ **a member of a household with an annual income of not more than the amount required** for **the individual to qualify for** free or reduced priced lunches under the national school lunch program, **as determined for the immediately preceding taxable year for the household.**

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

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

(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

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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:

(i) at least 2.0, **if the student graduates from high school before July 1, 2014; and**

(ii) at least 2.5, if the student graduates from high school after June 30, 2014;

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; **and**

(G) participate in an academic success program required under the rules adopted by the commission and the commission for higher education, if the student initially enrolls in the program after June 30, 2011.

(b) A student is **also** 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).

(c) The commission may require that an applicant apply electronically to participate in the program using an online Internet application on the commission's web site.

SECTION 7. IC 21-12-6-6, AS ADDED BY P.L.2-2007, SECTION 253, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 6. **(a)** A student may apply to the commission for a

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scholarship. To qualify for a scholarship, the student must meet the following requirements:

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

(2) Be a resident of Indiana.

(3) Be a graduate from a secondary school located in Indiana that meets the admission criteria of an eligible institution **and have achieved a cumulative grade point average in high school of:**

(A) at least 2.0 on a 4.0 grading scale, if the student is expected to graduate from high school before July 1, 2014; and

(B) at least 2.5 on a 4.0 grading scale, if the student is expected to graduate from high school after June 30, 2014.

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

(5) Certify in writing that the student has:

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

(B) not illegally consumed alcoholic beverages;

(C) not committed any other crime or a 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)); ~~and~~

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

(E) participate in an academic success program required under the rules adopted by the commission and the commission for higher education.

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

(7) Have a lack of financial resources reasonably available to the applicant, as defined by the commission, that, in the absence of an award under this chapter, would deter the scholarship applicant from completing the applicant's education at the approved postsecondary educational institution that the applicant has selected and that has accepted the applicant, if the student initially enrolls in the program after June 30, 2011.

~~(7)~~ **(8)** Meet any other minimum criteria established by the commission.

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(b) This section applies to an individual who graduates from high school after December 31, 2011. To be eligible for a scholarship under this section, a student must initially attend the eligible institution described in subdivision (a)(4) not later than the fall semester (or its equivalent, as determine by the commission) in the year immediately following the year in which the student graduates from high school.

SECTION 8. IC 21-12-6-6.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: **Sec. 6.5. (a) This section applies to a student who:**

(1) initially enrolls in the program after June 30, 2011;

(2) has not previously received a scholarship under this chapter; and

(3) does not qualify for a scholarship under section 6 of this chapter solely because the student does not meet the requirements of section 6(a)(7) of this chapter.

(b) The commission shall establish a program to award a one-time tuition scholarship to students who are ineligible for a scholarship under section 6 of this chapter solely because the student fails to meet the financial assistance requirements imposed by section 6(a)(7) of this chapter. The amount of the tuition scholarship shall be determined by the commission. The tuition scholarship may not exceed two thousand five hundred dollars ($2,500). The total of all tuition scholarships awarded under this section in a state fiscal year may not exceed the amount available for distribution from the fund for scholarships under this chapter after awarding scholarships to all students who qualify under section 6 or 7 of this chapter for a scholarship.

(c) A tuition scholarship under this section may be used under the terms prescribed by the commission only for the purposes for which a tuition scholarship granted under section 6 or 7 of this chapter may be used.

(d) A student who meets the criteria described in subsection (a) in any year is not eligible for a scholarship under section 6 or 7 of this chapter in any subsequent year.

SECTION 9. IC 21-12-6-7, AS ADDED BY P.L.2-2007, SECTION 253, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 7. **(a) Subject to IC 21-12-13-2,** a scholarship **awarded under section 6 of this chapter or this section** may be renewed. To qualify for a scholarship renewal, a scholarship recipient must do the following:

(1) Submit to the commission a renewal application that contains

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all the information and evidence required by the commission to determine eligibility for the scholarship renewal.

(2) Continue to be enrolled as a full-time student in good standing at an eligible institution.

(3) Continue to have a lack of financial resources reasonably available to the applicant, as defined by the commission, that, in the absence of an award under this chapter, would deter the scholarship applicant from completing the applicant's education at the approved postsecondary educational institution that the applicant has selected and that has accepted the applicant, if the student initially enrolls in the program after June 30, 2011.

(4) Subject to subsection (b), if the student initially enrolls in an eligible institution for a semester (or its equivalent) beginning after June 30, 2012, maintain at least the following cumulative grade point average:

(A) For credit hours applicable to the equivalent of the applicant's freshman academic year, a cumulative grade point average that the eligible institution determines is satisfactory academic progress.

(B) For credit hours applicable to the equivalent of the applicant's sophomore academic year, a cumulative grade point average of 2.25 on a 4.0 grading scale or its equivalent as established by the eligible institution.

(C) For credit hours applicable to the equivalent of the applicant's junior or senior academic year, a cumulative grade point average of 2.5 on a 4.0 grading scale or its equivalent as established by the eligible institution.

~~(3)~~ **(5)** Continue to meet any other minimum criteria established by the commission.

(b) After the first semester or its equivalent at the eligible institution that a person does not achieve the requisite cumulative grade point average specified in subsection (a)(4), the person is considered to be on probation and must achieve the requisite cumulative grade point average by the next semester or its equivalent at the eligible institution in order to continue to receive benefits under this chapter.

SECTION 10. IC 21-12-6-10, AS ADDED BY P.L.2-2007, SECTION 253, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 10. **(a) This section applies to a student who qualifies for a scholarship under section 6 or 7 of this chapter, if the student initially enrolls in the program before July**

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1, 2011.

(b) The amount of a scholarship is equal to the lowest of the following amounts:

(1) If the scholarship applicant attends an eligible institution that is a state educational institution and:

(A) receives no other financial assistance specifically designated for educational costs, a full tuition scholarship to the state educational institution; or

(B) receives other financial assistance specifically designated for educational costs, the balance required to attend the state educational institution, not to exceed the amount described in clause (A).

(2) If the scholarship applicant attends an eligible institution that is private and:

(A) receives no other financial assistance specifically designated for educational costs, an average of the full tuition scholarship amounts of all state educational institutions not including Ivy Tech Community College; or

(B) receives other financial assistance specifically designated for educational costs, the balance required to attend the college or university not to exceed the amount described in clause (A).

(3) If the scholarship applicant attends an eligible institution that is a postsecondary proprietary educational institution and:

(A) receives no other financial assistance specifically designated for educational costs, the lesser of:

(i) the full tuition scholarship amounts of Ivy Tech Community College; or

(ii) the actual tuition and regularly assessed fees of the eligible institution; or

(B) receives other financial assistance specifically designated for educational costs, the balance required to attend the eligible institution, not to exceed the amount described in clause (A).

SECTION 11. IC 21-12-6-10.3 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: **Sec. 10.3. (a) This section applies to a student who qualifies for a scholarship under section 6 or 7 of this chapter, if the student initially enrolls in the program after June 30, 2011.**

(b) A scholarship applicant shall be awarded the following amount as adjusted under subsections (c) and (d):

(1) If the scholarship applicant attends an approved

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postsecondary educational institution that is a state educational institution, the full educational costs that the scholarship applicant would otherwise be required to pay at the eligible institution.

(2) If the scholarship applicant attends an approved postsecondary educational institution that is private, the lesser of the educational costs that the scholarship applicant would otherwise be required to pay at the private eligible institution, or the average of the educational costs of all state educational institutions, not including Ivy Tech Community College.

(3) If the scholarship applicant attends an approved postsecondary educational institution that is a postsecondary proprietary educational institution, the lesser of the educational costs that the scholarship applicant would otherwise be required to pay at the postsecondary proprietary educational institution or the educational costs of Ivy Tech Community College.

(c) The amount of an award under subsection (b) shall be reduced by:

(1) the amount of the Frank O'Bannon grant awarded to the scholarship applicant; plus

(2) an additional amount based on the expected family contribution, if necessary, as determined by the commission, to provide scholarships within the available appropriation.

(d) The total of all tuition scholarships awarded under this section in a state fiscal year may not exceed the amount available for distribution from the fund for scholarships under this chapter. If the total amount to be distributed from the fund in a state fiscal year exceeds the amount available for distribution, the amount to be distributed to each eligible applicant shall be proportionately reduced so that the total reductions equal the amount of the excess based on the relative financial need of each eligible applicant.

SECTION 12. IC 21-12-11 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]:

Chapter 11. Frank O'Bannon Grant Award Fund

Sec. 1. (a) The auditor of state shall create a Frank O'Bannon grant award fund. The fund consists of the following:

(1) Appropriations made by the general assembly.

(2) Gifts, grants, devises, or bequests made to the state to achieve the purposes of the fund.

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(b) The commission shall administer the fund.

(c) 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 funds are invested.

(d) Money appropriated from the fund must be used for providing Frank O'Bannon grants and other awards and scholarships administered by the commission. All money disbursed from the fund must be in accordance with this chapter.

(e) Money remaining in the fund at the end of any fiscal year does not revert to the state general fund but remains available for appropriation from the fund for making Frank O'Bannon grants and other awards and scholarships administered by the commission.

Sec. 2. An appropriation made for Frank O'Bannon grants may be transferred to provide other scholarships administered by the commission, subject to the prior approval of the budget agency.

Sec. 3. The commission shall maintain the same proportionality between the maximum award permitted under IC 21-12-3 and the maximum award permitted under IC 21-12-4 that existed for grants in the state fiscal year beginning July 1, 2010, and ending June 30, 2011.

Sec. 4. For each academic year, beginning with the 2011-2012 academic year, the commission shall, after the commission has made its determinations for the annual maximum base award for each Frank O'Bannon grant and made any adjustments necessary to stay within the appropriation made for each grant, report these determinations and adjustments to the general assembly in an electronic format under IC 5-14-6. The report must clearly and transparently delineate the methods and factors used by the commission in setting the maximum base awards for each Frank O'Bannon grant, including any necessary adjustments necessary to stay within the appropriations made for Frank O'Bannon grants.

SECTION 13. IC 21-12-12 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]:

Chapter 12. Postsecondary Award and Scholarship Program Data

Sec. 1. (a) Before the commission distributes grants under this article to an approved postsecondary education institution for the academic year beginning July 1, 2012, and before each academic year thereafter, the approved postsecondary education institution

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shall timely provide to the commission for higher education the appropriate current and past student unit record data that is necessary to adequately administer and evaluate the effectiveness of the award and scholarship programs provided under this article. The commission shall use the data for its student information system.

(b) Before the academic year beginning July 1, 2012, and before each academic year thereafter, the commission for higher education, in consultation with Independent Colleges of Indiana, shall collect other appropriate student data on all students attending public, private, and proprietary institutions to allow the commission for higher education to develop, update, and implement a long range plan for postsecondary education.

Sec. 2. This section applies to any student data that are confidential under any law, including the federal Family Educational Rights and Privacy Act (20 U.S.C. 1232(g)). An approved postsecondary educational institution or an association acting on behalf of an approved postsecondary educational institution that provides student data requested under this chapter is not liable for any breach of confidentiality of the information if the breach resulted from the action of the commission or the commission's staff and not from the transmission of the data before the data reached the commission.

SECTION 14. IC 21-12-13 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]:

Chapter 13. Renewal of Scholarships

Sec. 1. (a) This section applies to the following scholarships and tuition and fee remission statutes:

(1) IC 10-12-2-6.
(2) IC 10-12-2-11.
(3) IC 10-17-7.
(4) IC 21-14-4.
(5) IC 21-14-6-3.
(6) IC 21-14-7.
(7) IC 21-14-10.

(b) Except as provided in sections 3 and 4 of this chapter, a grant or reduction in tuition or fees, including all renewals and extensions, under any of the laws listed in subsection (a) may not exceed one hundred twenty-four (124) undergraduate credit hours or its equivalent, as determined by the commission and must be used within eight (8) years after the date the individual first applies

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and becomes eligible for benefits under the applicable law.

Sec. 2. (a) This section applies to the following scholarship and fee remission statutes:

(1) IC 21-12-3.
(2) IC 21-12-4.
(3) IC 21-12-6.
(4) IC 21-12-8.
(5) IC 21-12-9.
(6) IC 21-13-2.
(7) IC 21-13-3.
(8) IC 21-13-4.
(9) IC 21-14-5.
(10) IC 21-14-6-2.

(b) Except as provided in sections 3 and 4 of this chapter, a grant or reduction in tuition or fees, including all renewals and extensions, under any of the laws listed in subsection (a) may not exceed eight (8) full-time undergraduate semesters or its equivalent, as determined by the commission and must be used within eight (8) years after the date the individual first applies and becomes eligible for benefits under the applicable law.

Sec. 3. (a) This section applies to a grant or reduction in tuition or fees described in section 1 or 2 of this chapter.

(b) As used in this section, "professional degree program" refers to a four (4) or five (5) year postsecondary school course of study:

(1) to which an individual may be admitted without completing an undergraduate degree;
(2) leads to a degree that is not an undergraduate or graduate degree, as determined by the commission; and
(3) prepares the holder of the degree for a profession.

(c) A grant or reduction in tuition or fees described in section 1 or 2 of this chapter, including all renewals and extensions, may be used for a professional degree program. The total grant or reduction in tuition or fees under a statute listed in section 1 or 2 of this chapter for all:

(1) undergraduate credits hours or semesters; and
(2) professional degree program credits hours or semesters;

may not exceed the maximum credit hours or semesters permitted under section 1 or 2 of this chapter, as applicable and must be used within eight (8) years after the date the individual first applies and becomes eligible for benefits under the applicable law.

Sec. 4. (a) This section applies to a grant or reduction in tuition or fees described in section 2 of this chapter.

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(b) A grant or reduction in tuition or fees may include up to the equivalent of two (2) regular semesters of courses taken during a summer semester.

SECTION 15. IC 21-14-4-1, AS ADDED BY P.L.2-2007, SECTION 255, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 1. This chapter applies to the following persons:

(1) A person who:

(A) is a pupil at the Soldiers' and Sailors' Children's Home;

(B) was admitted to the Soldiers' and Sailors' Children's Home because the person was related to a member of the armed forces of the United States;

(C) is eligible to pay the resident tuition rate at the state educational institution the person will attend as determined by the institution; and

(D) possesses the requisite academic qualifications.

(2) A person:

(A) whose mother or father:

(i) served in the armed forces of the United States;

(ii) received the Purple Heart decoration or was wounded as a result of enemy action; ~~and~~

(iii) received a discharge or separation from the armed forces other than a dishonorable discharge; **and**

(iv) either designated Indiana as home of record at the time of enlistment in the armed forces of the United States or resided in Indiana at least five (5) years before the person first applies for benefits under this chapter;

(B) who is eligible to pay the resident tuition rate at the state educational institution the person will attend as determined by the institution; ~~and~~

(C) who possesses the requisite academic qualifications;

(D) if the person was adopted by the person's mother or father, was adopted before the person was eighteen (18) years of age; and

(E) is not more than thirty-two (32) years of age when the person first applies and becomes eligible for benefits under this chapter.

(3) A person:

(A) whose mother or father:

(i) served in the armed forces of the United States during a war or performed duty equally hazardous that was recognized by the award of a service or campaign medal of

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the United States;

(ii) suffered a service connected death or disability as determined by the United States Department of Veterans Affairs; ~~and~~

(iii) received any discharge or separation from the armed forces other than a dishonorable discharge; **and**

(iv) either listed Indiana as home of record at the time of enlistment in the armed forces of the United States or resided in Indiana at least five (5) years before the person first applies for benefits under this chapter;

(B) who is eligible to pay the resident tuition rate at the state educational institution the person will attend, as determined by the institution; ~~and~~

(C) who possesses the requisite academic qualifications;

(D) if the person was adopted by the person's mother or father, was adopted before the person was eighteen (18) years of age; and

(E) is not more than thirty-two (32) years of age when the person first applies and becomes eligible for benefits under this chapter.

SECTION 16. IC 21-14-4-2, AS AMENDED BY P.L.141-2008, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 2. (a) Subject to ~~subsection (b),~~ **this section and section 2.5 of this chapter,** 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 institutions, without the payment of any educational costs for one hundred twenty-four (124) 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 undergraduate semester credit hour at the state educational institution in which the eligible applicant enrolls.

(c) This subsection applies only to an individual who qualifies for a benefit under this chapter because of a father or mother (or in the case of section 1(1) of this chapter, a related member) who enlisted or otherwise initially served in the armed forces of the United States after June 30, 2011. This subsection applies to a student who initially enrolls in an eligible institution for a semester (or its equivalent) beginning after June 30, 2012. Subject to subsection (d), any benefits awarded under this chapter may not be

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renewed, subject to subsections (a) and (b), if the eligible individual fails to maintain at least the following cumulative grade point average:

(1) For credit hours applicable to the equivalent of the applicant's freshman academic year, a cumulative grade point average that the eligible institution determines is satisfactory academic progress.

(2) For credit hours applicable to the equivalent of the applicant's sophomore academic year, a cumulative grade point average of 2.25 on a 4.0 grading scale or its equivalent as established by the eligible institution.

(3) For credit hours applicable to the equivalent of the applicant's junior or senior academic year, a cumulative grade point average of 2.5 on a 4.0 grading scale or its equivalent as established by the eligible institution.

(d) After the first semester or its equivalent at the eligible institution that a person does not achieve the requisite cumulative grade point average specified in subsection (c), the person is considered to be on probation and must achieve the requisite cumulative grade point average by the next semester or its equivalent at the eligible institution in order to continue to receive benefits under this chapter.

(e) Notwithstanding any other provision of this chapter or another law, a change in the criteria for or the amount of a benefit awarded under this chapter enacted in the 2011 session of the general assembly applies only to an individual who qualifies for a benefit under this chapter because of a father or mother (or in the case of section 1(1) of this chapter, a related member) who enlisted or otherwise initially served in the armed forces of the United States after June 30, 2011.

SECTION 17. IC 20-14-4-2.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: **Sec. 2.5. (a) This section applies to an individual who qualifies as an eligible applicant under section 1(3) of this chapter because the individual's father or mother:**

(1) enlisted or otherwise initially served in the armed forces of the United States after June 30, 2011; and

(2) suffered a disability as determined by the United States Department of Veterans Affairs.

(b) This subsection does not apply to an individual who:

(1) is an eligible applicant under section 1(3) of this chapter; and

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(2) qualifies as an eligible applicant under section 1(1) or 1(2) of this chapter.

(c) Subject to subsection (d) and section 2(b) of this chapter, the eligible applicant is entitled to a reduction in the educational costs that would otherwise apply as follows:

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

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

(A) twenty percent (20%); plus

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

(d) The latest disability rating determined by the United States Department of Veterans Affairs for an individual's father or mother shall be used to compute the percentage by which education costs are reduced under this section. If the disability rating of the individual's father or mother changes after the beginning of an academic semester, quarter, or other period for which educational costs have been reduced under this section, the change in disability rating shall be applied beginning with the immediately following academic semester, quarter, or other period.

SECTION 18. IC 21-14-4-5, AS ADDED BY P.L.2-2007, SECTION 255, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 5. **(a)** Determination of eligibility for higher education benefits authorized under this chapter is vested exclusively in the Indiana department of veterans' affairs. Any applicant for benefits under this chapter may make a written request for a determination of eligibility by the Indiana department of veterans' affairs. The director or deputy director of the Indiana department of veterans' affairs shall make a written determination of eligibility in response to each request. In determining the amount of an applicant's benefit, the commission shall consider other higher education financial assistance in conformity with this chapter.

(b) The commission shall administer the benefits and ensure compliance with this chapter.

SECTION 19. IC 21-14-4-6, AS ADDED BY P.L.2-2007,

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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 20. IC 21-14-4-8, AS ADDED BY P.L.2-2007, SECTION 255, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 8. The amount of the benefits under this chapter is equal to one (1) of the following amounts:

(1) If the applicant does not receive financial assistance specifically designated for educational costs, the amount determined under sections 2 through 6 of this chapter.

(2) If the applicant receives **any** financial assistance, **including federal assistance,** specifically designated for educational costs:

(A) the amount determined under sections 2 through 6 of this chapter; minus

(B) the financial assistance specifically designated for educational costs.

SECTION 21. IC 21-18-9-5, AS ADDED BY P.L.2-2007, SECTION 259, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 5. The commission may approve or disapprove the:

(1) establishment of any new branches, regional or other campuses, or extension centers;

(2) establishment of any new college or school; or

(3) offering on any campus of any:

(A) additional associate, baccalaureate, or graduate degree; or

(B) additional program ~~of two (2) semesters or their equivalent in duration~~ leading to a certificate or other indication of accomplishment.

SECTION 22. IC 34-30-2-85.8 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: **Sec. 85.8. IC 21-12-12-2 (Concerning the provision of student data).**

SECTION 23. THE FOLLOWING ARE REPEALED [EFFECTIVE JULY 1, 2011]: IC 21-12-3-19; IC 21-12-3-20; IC 21-12-3-21; IC 21-12-4-5; IC 21-12-4-6; IC 21-12-4-7; IC 21-12-4-8.

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

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President of the Senate

President Pro Tempore

Speaker of the House of Representatives

Governor of the State of Indiana

Date: _____ Time: _____

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