Reprinted
February 28, 2012

ENGROSSED
HOUSE BILL No. 1270

DIGEST OF HB 1270 (Updated February 27, 2012 4:48 pm - DI 116)

Citations Affected: IC 9-13; IC 9-14; IC 9-27; IC 20-20; IC 21-7; IC 21-9; IC 21-11; IC 21-12; IC 21-13; IC 21-14; IC 21-16; IC 21-17; IC 21-18; IC 21-18.5; IC 22-4; IC 22-4.1; IC 25-21.8; IC 35-51; noncode.

Synopsis: Higher education. Abolishes the state student assistance commission (SSAC). Abolishes the commission on proprietary education (COPE). Requires the commission for higher education (CHE) to administer the functions formerly administered by SSAC. Establishes the board for proprietary education (BPE). Permits the BPE to adopt reasonable rules. Specifies that the BPE must meet at least four times each year. Provides that the BPE is responsible for accrediting a postsecondary credit bearing proprietary educational institution. Provides that the CHE is responsible for providing staff and office space for the BPE. Specifies that the CHE is to determine the maximum higher education award and freedom of choice award,
(Continued next page)

Effective: Upon passage; July 1, 2012.

Clere, Behning
(SENATE SPONSORS — KRUSE, KENLEY)

January 9, 2012, read first time and referred to Committee on Education.
January 25, 2012, amended, reported — Do Pass.
January 30, 2012, read second time, amended, ordered engrossed.
January 31, 2012, engrossed. Read third time, passed. Yeas 60, nays 33.

SENATE ACTION

February 1, 2012, read first time and referred to Committee on Education and Career Development.
February 16, 2012, amended, reported favorably — Do Pass; reassigned to Committee on Appropriations.
February 23, 2012, amended, reported favorably — Do Pass.
February 27, 2012, read second time, amended, ordered engrossed.

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subject to approval by the budget agency with review of the budget committee. Requires the CHE to submit annual higher education award reports to the budget committee. Provides that the state workforce innovation council is responsible for accrediting postsecondary proprietary educational institutions that are non credit bearing. Establishes the office for career and technical schools within the state workforce innovation council. Provides that the market research of a postsecondary credit bearing proprietary educational institution may not be considered or required by the BPE as a condition for accrediting or renewing the accreditation of or for approval of the programs of a postsecondary credit bearing proprietary educational institution. Transfers proceedings pending before the Indiana commission on proprietary education on July 1, 2012, to the BPE for a proceeding pertaining to a postsecondary credit bearing proprietary educational institution or to the state workforce innovation council if the proceeding pertains to a postsecondary proprietary educational institution. Requires the auditor of state to transfer $300,000 of the balance of the career college student assurance fund to the career college student assurance fund administered by the BPE. Requires the state auditor to transfer the balance of the current career college student assurance fund to the student assurance fund administered by the state workforce innovation council. Requests the legislative council to assign issues relating to the accreditation of proprietary institutions to an appropriate study committee. Repeals: (1) provisions relating to establishment and administration of SSAC; (2) provisions relating to establishment and administration of COPE; (3) certain provisions requiring the CHE to provide SSAC information to implement the minority teacher or nursing scholarship program; and (4) definitions relating to SSAC or COPE. Adds transitional provisions. Makes conforming and technical amendments.

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February 28, 2012

Second Regular Session 117th General Assembly (2012)

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 2011 Regular Session of the General Assembly.

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ENGROSSED
HOUSE BILL No. 1270

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 9-13-2-188.5, AS AMENDED BY P.L.145-2011, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 188.5. ~~(a) This subsection expires December 31, 2011. "Truck driver training school" means a postsecondary proprietary educational institution (as defined in IC 21-17-1-13) located in Indiana and accredited by the Indiana commission on proprietary education or a state educational institution subject to rules adopted by the bureau under IC 9-24-6-5.5 that:~~

~~(1) educates or trains a person; or~~

~~(2) prepares a person for an examination or a validation given by the bureau;~~

~~to operate a truck as a vocation.~~

~~(b) This subsection applies after December 31, 2011.~~ "Truck driver training school" means a postsecondary proprietary educational institution (as defined in ~~IC 21-17-1-13)~~ **IC 22-4.1-21-9) or a postsecondary credit bearing proprietary educational institution (as defined in IC 21-18.5-2-12)** that:

(1) is located in Indiana or is a state educational institution;
(2) is subject to rules adopted by the bureau under IC 9-24-6-5.5; and
(3) either:
(A) educates or trains a person; or
(B) prepares a person for an examination or a validation given by the bureau;
to operate a truck as a vocation.

SECTION 2. IC 9-14-2-2, AS AMENDED BY P.L.145-2011, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 2. (a) The bureau may adopt and enforce rules under IC 4-22-2 that are necessary to carry out this title.

(b) The rules adopted under IC 4-22-2 by the Indiana commission on proprietary education established by IC 21-17-2-1 **(before its repeal)** concerning truck driver training schools are considered, after December 31, 2011, rules of the bureau.

(c) The rules adopted under IC 4-22-2 by the Indiana criminal justice institute established by IC 5-2-6-3 concerning commercial driver training schools are considered, after December 31, 2011, rules of the bureau.

(d) The rules adopted under IC 4-22-2 by the department of state revenue established by IC 6-8.1-2-1 concerning a student of a truck driver training school and a truck driver training school are considered, after December 31, 2011, rules of the bureau.

(e) The rules adopted under IC 4-22-2 by the Indiana state board of education established by IC 20-19-2-2 concerning driver education are considered, after December 31, 2011, rules of the bureau.

SECTION 3. IC 9-27-6-4, AS ADDED BY P.L.145-2011, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 4. As used in this chapter, "instructor" means the following:

(1) An individual, whether acting as the operator of a commercial driver training school or on behalf of a commercial driver training school, who for compensation teaches, conducts classes for, gives demonstrations to, or supervises the practice of individuals learning to operate or drive motor vehicles or preparing to take an examination for a driver's license.
(2) An individual who supervises the work of an instructor.
(3) An individual licensed under IC 20-28-5-1.
(4) An individual under the authority of a postsecondary proprietary educational institution (as defined in ~~IC 21-17-1-13)~~ **IC 22-4.1-21-9) or a postsecondary credit bearing proprietary**

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educational institution (as defined in IC 21-18.5-2-12) who is teaching, conducting classes for, giving demonstrations to, or supervising the practice of individuals learning to operate or drive motor vehicles or preparing to take an examination for a driver's license.

(5) An individual under the authority of a state educational institution (as defined in IC 21-7-13-32) who is teaching, conducting classes for, giving demonstrations to, or supervising the practice of individuals learning to operate or drive motor vehicles or preparing to take an examination for a driver's license.

SECTION 4. IC 9-27-6-7, AS ADDED BY P.L.145-2011, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 7. (a) To establish or operate a driver education program under the authority of a:

(1) school corporation (as defined in IC 36-1-2-17);

(2) nonpublic secondary school that voluntarily becomes accredited under IC 20-19-2-8;

(3) nonpublic secondary school recognized under IC 20-19-2-10;

(4) postsecondary proprietary educational institution (as defined in ~~IC 21-17-1-13);~~ **IC 22-4.1-21-9);**

(5) postsecondary credit bearing proprietary educational institution (as defined in IC 21-18.5-2-12);

~~(5)~~ **(6)** state educational institution (as defined in IC 21-7-13-32); or

~~(6)~~ **(7)** nonaccredited nonpublic school;

the entity providing the training must obtain a school license from the bureau in the manner and form prescribed by the bureau.

(b) Subject to subsection (c), the bureau shall adopt rules under IC 4-22-2 that state the requirements for obtaining a school license. The rules adopted must be substantially equivalent to rules adopted under section 6(b) of this chapter.

(c) The rules adopted under subsection (b) must provide that the classroom training part of driver education instruction may not be provided to a child less than fifteen (15) years of age.

SECTION 5. IC 20-20-38-4, AS ADDED BY P.L.7-2011, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 4. (a) The state board shall develop and implement a long range state plan for a comprehensive secondary level career and technical education program in Indiana.

(b) The plan developed under this section must be updated as changes occur. The state board shall make the plan and any revisions made to the plan available to:

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(1) the governor;
(2) the general assembly;
(3) the department of workforce development;
(4) the commission for higher education;
(5) the council;
(6) the ~~Indiana commission on proprietary education;~~ **state workforce innovation council;** ~~and~~
(7) the board for proprietary education; and
~~(7)~~ **(8)** any other appropriate state or federal agency.

A plan or revised plan submitted under this section to the general assembly must be in an electronic format under IC 5-14-6.

(c) The plan developed under this section must set forth specific goals for secondary level public career and technical education and must include the following:

(1) The preparation of each graduate for both employment and further education.
(2) Accessibility of career and technical education to individuals of all ages who desire to explore and learn for economic and personal growth.
(3) Projected employment opportunities in various career and technical education fields.
(4) A study of the supply of and the demand for a labor force skilled in particular career and technical education areas.
(5) A study of technological and economic change affecting Indiana.
(6) An analysis of the private career and education sector in Indiana.
(7) Recommendations for improvement in the state career and technical education program.
(8) The educational levels expected of career and technical education programs proposed to meet the projected employment needs.

SECTION 6. IC 20-20-38-6, AS ADDED BY P.L.7-2011, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 6. The state board shall do the following:

(1) Make recommendations to the general assembly concerning the development, duplication, and accessibility of employment training and career and technical education on a regional and statewide basis.
(2) Consult with any state agency, commission, or organization that supervises or administers programs of career and technical education concerning the coordination of career and technical

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education, including the following:

(A) The Indiana economic development corporation.

(B) The council.

(C) A private industry council (as defined in 29 U.S.C. 1501 et seq.).

(D) The department of labor.

~~(E) The Indiana commission on proprietary education.~~

~~(F)~~ **(E)** The commission for higher education.

~~(G)~~ **(F)** The department of workforce development.

(G) The state workforce innovation council.

(H) The board for proprietary education.

(3) Review and make recommendations concerning plans submitted by the commission for higher education and the council. The state board may request the resubmission of plans or parts of plans that:

(A) are not consistent with the long range state plan of the state board;

(B) are incompatible with other plans within the system; or

(C) duplicate existing services.

(4) Report to the general assembly on the state board's conclusions and recommendations concerning interagency cooperation, coordination, and articulation of career and technical education and employment training. A report under this subdivision must be in an electronic format under IC 5-14-6.

(5) Study and develop a plan concerning the transition between secondary level career and technical education and postsecondary level career and technical education.

(6) Enter into agreements with the federal government that may be required as a condition of receiving federal funds under the Carl D. Perkins Vocational and Applied Technology Act (20 U.S.C. 2301 et seq.). An agreement entered into under this subdivision is subject to the approval of the budget agency.

SECTION 7. IC 21-7-13-6, AS AMENDED BY P.L.169-2011, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: 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;

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(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~~ **board for proprietary education under IC 21-18.5-6** 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 **credit bearing** proprietary educational

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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.~~ **board for proprietary education under IC 21-18.5-6.**

(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)~~ **board for proprietary education under IC 21-18.5-6)** and that leads to an associate or a baccalaureate degree recognized by the ~~commission on proprietary education.~~ **board for proprietary education under IC 21-18.5-6.**

(E) Is certified ~~to the state student assistance commission~~ by the ~~commission on proprietary education~~ **board for 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 **credit bearing** proprietary educational institution that is accredited by an accrediting agency recognized by the United States Department of Education.

SECTION 8. IC 21-7-13-12 IS REPEALED [EFFECTIVE JULY 1, 2012]. ~~Sec. 12. "Commission on proprietary education" refers to the Indiana commission on proprietary education established by IC 21-17-2-1.~~

SECTION 9. IC 21-7-13-15, AS ADDED BY P.L.2-2007, SECTION 243, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 15. "Educational support costs" refers to costs incurred by scholarship recipients in purchasing:

(1) required textbooks, supplies, or equipment;

(2) any other material required by the approved postsecondary educational institution in order for a scholarship recipient to participate in a particular class, seminar, laboratory, or other type of instruction; or

(3) other items or services approved by the ~~state student assistance~~ commission **for higher education** under rules adopted

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by the ~~state student assistance~~ commission **for higher education under IC 21-18.5-4;**

that are not included in educational costs.

SECTION 10. IC 21-7-13-26, AS ADDED BY P.L.2-2007, SECTION 243, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 26. "Postsecondary **credit bearing** proprietary educational institution" has the meaning set forth in ~~IC 21-17-1-13.~~ **IC 21-18.5-2-12.**

SECTION 11. IC 21-7-13-33 IS REPEALED [EFFECTIVE JULY 1, 2012]. ~~Sec. 33. "State student assistance commission" refers to the commission established by IC 21-11-2-1.~~

SECTION 12. IC 21-9-7-2, AS AMENDED BY P.L.2-2007, SECTION 250, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 2. The amount of money available in an account and the proposed use of money in an account on behalf of an account beneficiary may not be considered by the ~~state student assistance~~ commission **for higher education** under IC 21-12-3, IC 21-12-4, IC 21-12-5, or IC 21-13-2 when determining award amounts under ~~a~~ **another** program administered by the ~~state student assistance~~ commission **for higher education.**

SECTION 13. IC 21-11 IS REPEALED [EFFECTIVE JULY 1, 2012]. (State Student Assistance Commission).

SECTION 14. IC 21-12-1-6, AS ADDED BY P.L.2-2007, SECTION 253, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 6. "Commission" refers to the ~~state student assistance~~ commission **for higher education.**

SECTION 15. IC 21-12-1-8, AS ADDED BY P.L.2-2007, SECTION 253, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 8. "Eligible institution", for the purposes of:

(1) IC 21-12-6, refers to a postsecondary educational institution that qualifies as an eligible institution under IC 21-12-6-4; and

(2) IC 21-12-8, refers to a postsecondary educational institution that:

(A) operates in Indiana;

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

(C) operates an organized program of postsecondary education leading to a technical certificate, nursing diploma, or associate or baccalaureate degree; and

(D) is accredited by:

(i) a recognized regional accrediting agency;

(ii) the ~~Indiana commission on proprietary education;~~ **board**

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for proprietary education under IC 21-18.5-6; ~~or~~

(iii) the Indiana state board of nursing; **or**

(iv) the state workforce innovation council under IC 22-4.1-21.

SECTION 16. IC 21-12-3-1, AS AMENDED BY P.L.7-2011, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 1. (a) An applicant is eligible for a first year higher education award under this chapter if the student meets the following requirements:

(1) The applicant is a resident of Indiana, as defined by the commission.

(2) The applicant:

(A) has successfully completed the program of instruction at an approved secondary school;

(B) has been granted a:

(i) high school equivalency certificate before July 1, 1995; or

(ii) state of Indiana general educational development (GED) diploma under IC 20-10.1-12.1 (before its repeal), IC 20-20-6 (before its repeal), or IC 22-4.1-18; or

(C) is a student in good standing at an approved secondary school and is engaged in a program that in due course will be completed by the end of the current academic year.

(3) The financial resources reasonably available to the applicant, as defined by the commission, are such that, in the absence of a higher education award under this chapter, the applicant would be deterred from completing the applicant's education at the approved postsecondary educational institution that the applicant has selected and that has accepted the applicant. In determining the financial resources reasonably available to an applicant to whom ~~IC 21-11-7~~ **IC 21-18.5-4-8** applies, the commission must consider the financial resources of the applicant's legal parent.

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

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

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

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

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

(b) This subsection applies to an individual who:

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

(2) before the date that eligibility is determined by the commission, has been placed by or with the consent of the department of child services, by a court order, or by a licensed 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.

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

SECTION 17. IC 21-12-3-4, AS AMENDED BY P.L.125-2008, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 4. A student who:

(1) participates in:

(A) a nursing diploma program that is accredited by the Indiana state board of nursing and operated by a hospital;

(B) a technical certificate or associate degree program at Ivy Tech Community College; or

(C) an associate degree program at a postsecondary **credit bearing** proprietary educational institution that qualifies as an approved postsecondary educational institution; and

(2) meets the requirements in sections 1 and 2 of this chapter for a first year higher education award except the requirement of satisfactory progress toward a first baccalaureate degree;

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

SECTION 18. IC 21-12-3-5, AS ADDED BY P.L.2-2007, SECTION 253, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 5. (a) This section applies to the maximum grant that may be offered to an eligible student for an associate degree program at a postsecondary **credit bearing** proprietary educational institution that qualifies as an approved postsecondary educational institution.

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(b) The maximum amount of a grant that may be offered to an eligible student in a program at a postsecondary **credit bearing** proprietary educational institution is equal to the maximum amount of an award the student could receive under this chapter if the student were enrolled at Ivy Tech Community College.

SECTION 19. IC 21-12-4-2, AS ADDED BY P.L.2-2007, SECTION 253, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 2. A person is eligible for a freedom of choice grant if:

(1) the person is qualified for a higher education award under the terms of IC 21-12-3-1, IC 21-12-3-2, and IC 21-12-3-3 or IC 21-12-3-4 and IC 21-12-3-5, even if lack of funds prevents the award or grant;

(2) the person has a financial need that exceeds the award, as determined in accordance with:

(A) this chapter, ~~IC 21-11,~~ **IC 21-18.5-4,** IC 21-12-2, and IC 21-12-3; and

(B) the rules of the commission; and

(3) the person will attend an approved postsecondary educational institution that:

(A) either:

(i) operates in Indiana, provides an organized two (2) year or longer program of collegiate grade directly creditable toward a baccalaureate degree, is operated by a nonprofit entity, and is accredited by a recognized regional accrediting agency or the ~~commission on proprietary education~~ **board for proprietary education under IC 21-18.5-6;** or

(ii) is a hospital that operates a nursing diploma program that is accredited by the Indiana state board of nursing; and

(B) is operated privately and not administered or controlled by any state agency or entity.

SECTION 20. IC 21-12-5-8, AS ADDED BY P.L.2-2007, SECTION 253, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 8. All money disbursed from the Hoosier scholar award fund shall be in accordance with this chapter and ~~IC 21-11.~~ **IC 21-18.5-4.**

SECTION 21. IC 21-12-6-4, AS ADDED BY P.L.2-2007, SECTION 253, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 4. A scholarship recipient may apply a scholarship under this chapter to the educational costs of a postsecondary educational institution only if the postsecondary educational institution qualifies under this section. For a postsecondary

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educational institution to qualify under this section, the postsecondary educational institution must satisfy the following requirements:

(1) Be an approved postsecondary educational institution.

(2) Be accredited by an agency that is recognized by the Secretary of the United States Department of Education.

(3) Operate an organized program of postsecondary education leading to an associate or a baccalaureate degree on a campus located in Indiana.

(4) Be approved by the commission:

(A) under rules adopted under IC 4-22-2; and

(B) in consultation with the ~~commission on~~ **board for** proprietary education **established by IC 21-18.5-5-1,** if appropriate.

SECTION 22. IC 21-12-6-5, AS AMENDED BY P.L.169-2011, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: 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 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~~ **IC 21-18.5-4-9(2)** to include students who are in grades other than grade 8 as eligible students.

(3) Be 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;

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(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;

(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 23. IC 21-12-6-6, AS AMENDED BY P.L.229-2011, SECTION 228, IS AMENDED TO READ AS FOLLOWS

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[EFFECTIVE JULY 1, 2012]: Sec. 6. (a) A student may apply to the commission for a 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));

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

(E) ~~participate~~ **participated** 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) This subdivision applies only to applicants who initially enroll in the program under section 5 of this chapter or IC 21-12-6.5-2 after June 30, 2011. For purposes of this chapter, applicants who are enrolled in the program before July 1, 2011, will not have an income or financial resources test applied to them when they subsequently apply for a scholarship. 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

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institution that the applicant has selected and that has accepted the applicant.

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

(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~~ **subsection** (a)(4) not later than the fall semester (or its equivalent, as ~~determine~~ **determined** by the commission) in the year immediately following the year in which the student graduates from high school.

SECTION 24. IC 21-12-6-10, AS AMENDED BY P.L.169-2011, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: 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 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 **credit bearing** 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

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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 25. IC 21-12-6-10.3, AS ADDED BY P.L.229-2011, SECTION 230, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: 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. Applicants who are enrolled in the program before July 1, 2011, will not have an income or financial resources test applied to them under this section when they subsequently apply for a scholarship or apply to renew a scholarship.

(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 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 **credit bearing** proprietary educational institution, the lesser of the educational costs that the scholarship applicant would otherwise be required to pay at the postsecondary **credit bearing** 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.

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(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 26. IC 21-12-6-11, AS ADDED BY P.L.2-2007, SECTION 253, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 11. (a) The Indiana college placement and assessment center shall maintain the following:

(1) The agreements under section 5 of this chapter.

(2) The certifications under section 6 of this chapter.

(3) A comprehensive list of all eligible students.

(b) The commission shall have access to the information maintained under this section.

(c) The commission, the Indiana college placement and assessment center, ~~the commission for higher education,~~ the department of education, and each approved secondary school shall work together in implementing the program.

SECTION 27. IC 21-12-6-14, AS AMENDED BY P.L.39-2010, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 14. (a) This section applies to a student described in section 5(b) of this chapter.

(b) A caseworker (as defined in IC 31-9-2-11) shall provide each student to whom the caseworker is assigned information concerning the program at the appropriate time for the student to receive the information, shall explain the program to the student, and shall provide the student with information concerning:

(1) Pell grants;

(2) Chafee grants;

(3) federal supplemental grants;

(4) the Free Application for Federal Student Aid;

(5) individual development accounts (as described under IC 4-4-28); and

(6) the ~~state student assistance~~ commission **for higher education's programs under IC 21-18.5-3-1.**

(c) A student who receives information under this section shall sign a written acknowledgment that the student received the information. The written acknowledgment must be placed in the student's case file.

SECTION 28. IC 21-12-6.5-1, AS ADDED BY P.L.100-2009,

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SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 1. This chapter applies to an individual who:

(1) is receiving foster care;

(2) is in grades 9 through 12; and

(3) is a resident of Indiana as determined under ~~IC 21-11-7;~~ **IC 21-18.5-4-8;**

at the time the individual applies for the twenty-first century scholars program under IC 21-12-6.

SECTION 29. IC 21-12-9-1, AS ADDED BY P.L.173-2007, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 1. As used in this chapter, "commission" refers to the ~~state student assistance~~ commission **for higher education** established by ~~IC 21-11-2-1.~~ **IC 21-18-2-1.**

SECTION 30. IC 21-12-9-8, AS ADDED BY P.L.173-2007, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 8. ~~(a) The commission for higher education shall provide the commission with the most recent information concerning the number of insurance students at each state educational institution.~~

~~(b)~~ **(a)** The commission shall allocate the available money from the fund to each state educational institution that has:

(1) an insurance program; or

(2) a business program with an emphasis on insurance;

in proportion to the number of insurance students enrolled at each state educational institution. ~~based upon the information received by the commission under subsection (a).~~

~~(c)~~ **(b)** Each state educational institution shall determine which of the state educational institution's insurance students who apply qualify under section 9 of this chapter. In addition, the state educational institution shall consider the need of the applicant when awarding scholarships under this chapter.

~~(d)~~ **(c)** The state educational institution may not grant a scholarship renewal to an insurance student for an academic year that ends later than six (6) years after the date on which the insurance student received the insurance student's initial scholarship under this chapter.

~~(e)~~ **(d)** Any funds that:

(1) are allocated to a state educational institution under ~~section 8(b) of this chapter~~ **subsection (a);** and

(2) are not used for scholarships under this chapter;

shall be returned to the commission for reallocation by the commission to any other eligible state educational institution in need of additional funds.

SECTION 31. IC 21-12-12-1, AS ADDED BY P.L.169-2011,

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SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: 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 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.

SECTION 32. IC 21-13-1-2, AS ADDED BY P.L.2-2007, SECTION 254, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 2. "Commission" refers to the ~~state student assistance~~ commission **for higher education.**

SECTION 33. IC 21-13-2-10 IS REPEALED [EFFECTIVE JULY 1, 2012]. ~~Sec. 10. The commission for higher education shall provide the commission with the most recent information concerning:~~

~~(1) the number of minority students enrolled at each eligible institution; and~~

~~(2) the number of individuals who are:~~

~~(A) enrolled at each eligible institution; and~~

~~(B) pursuing a course of study that would enable the student, upon graduation, to be:~~

~~(i) licensed to teach special education in an accredited school; or~~

~~(ii) licensed to practice occupational therapy or licensed to practice physical therapy in an accredited school, in a vocational rehabilitation center under IC 12-12-1-4.1(a)(1), or in a community mental retardation or other developmental disabilities center under IC 12-29 as part of the special education program.~~

SECTION 34. IC 21-13-2-11, AS ADDED BY P.L.2-2007, SECTION 254, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 11. The commission shall allocate the available money from the fund to each eligible institution in

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proportion to the number of minority students enrolled at each eligible institution based upon the **most recent** information ~~received from the commission for higher education.~~ **concerning:**

(1) the number of minority students enrolled at each eligible institution; and

(2) the number of individuals who are:

(A) enrolled at each eligible institution; and

(B) pursuing a course of study that would enable the student, upon graduation, to be:

(i) licensed to teach special education in an accredited school; or

(ii) licensed to practice occupational therapy or physical therapy in an accredited school, in a vocational rehabilitation center under IC 12-12-1-4.1(a)(1), or in a community mental retardation or other developmental disabilities center under IC 12-29 as part of the special education program.

SECTION 35. IC 21-13-3-9 IS REPEALED [EFFECTIVE JULY 1, 2012]. ~~Sec. 9. The commission for higher education shall provide the commission with the most recent information concerning the number of nursing students enrolled at each approved postsecondary educational institution.~~

SECTION 36. IC 21-13-3-10, AS ADDED BY P.L.2-2007, SECTION 254, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 10. The commission shall allocate the available money from the fund to each approved postsecondary educational institution that has a nursing program in proportion to the number of nursing students enrolled at each approved postsecondary educational institution based upon the **most recent** information. ~~received from the commission for higher education.~~

SECTION 37. IC 21-14-1-3, AS ADDED BY P.L.2-2007, SECTION 255, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 3. "Commission" refers to the ~~state student assistance~~ commission **for higher education established under IC 21-18-2-1.**

SECTION 38. IC 21-14-2-8, AS AMENDED BY P.L.229-2011, SECTION 233, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 8. A state educational institution shall hold a public hearing before adopting a proposed tuition and fee rate increase. The state educational institution shall give public notice of the hearing at least ten (10) days before the hearing. The public notice must include the specific proposal for the tuition and fee rate

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increase and the expected uses of the revenue to be raised by the proposed increase. The hearing must be held not later than thirty (30) days after the commission ~~for higher education~~ has established the recommended tuition and mandatory fee increase targets for each state educational institution under section 12.5 of this chapter.

SECTION 39. IC 21-14-2-12.5, AS AMENDED BY P.L.229-2011, SECTION 234, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 12.5. (a) This section applies to tuition and mandatory fees that a board of trustees of a state educational institution votes to increase under section 7 of this chapter.

(b) Not later than thirty (30) days after the enactment of a state budget, the commission ~~for higher education~~ shall recommend nonbinding tuition and mandatory fee increase targets for each state educational institution.

(c) The state educational institution shall submit a report to the state budget committee concerning the financial and budgetary factors considered by the board of trustees in determining the amount of the increase.

(d) The state budget committee shall review the targets recommended under subsection (b) and reports received under subsection (c) and may request that a state educational institution appear at a public meeting of the state budget committee concerning the report.

SECTION 40. IC 21-14-4-3, AS ADDED BY P.L.2-2007, SECTION 255, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 3. For purposes of this chapter, the commission ~~for higher education~~ shall define mandatory fees that qualify as educational costs. ~~in consultation with the commission.~~

SECTION 41. IC 21-14-5-6, AS ADDED BY P.L.2-2007, SECTION 255, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 6. (a) In addition, not later than thirty (30) days after the end of each semester (or its equivalent if the state educational institution does not conduct its academic year on a semester basis), each state educational institution shall provide the commission ~~and the commission for higher education~~ with a comprehensive report detailing the extent to which the institution participated in the senior citizen tuition exemption under this chapter.

(b) The report must include the following information:

(1) The number of senior citizens who qualified for a tuition exemption.

(2) The courses in which the senior citizens enrolled.

(3) The number of semester hours (or its equivalent) taken by

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senior citizens under this chapter.

(4) Any other pertinent information required by the commission.

SECTION 42. IC 21-14-7-5, AS ADDED BY P.L.2-2007, SECTION 255, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 5. The commission ~~for higher education~~ shall define the mandatory fees that are exempt educational costs. ~~in consultation with the commission.~~

SECTION 43. IC 21-14-10-3, AS ADDED BY P.L.141-2008, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 3. For purposes of this chapter, the commission ~~for higher education, in consultation with the state student assistance commission,~~ shall define mandatory fees that qualify as educational costs.

SECTION 44. IC 21-14-10-5, AS ADDED BY P.L.141-2008, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 5. 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 eligible applicant's benefit, the ~~state student assistance~~ commission shall consider other higher education financial assistance in conformity with this chapter.

SECTION 45. IC 21-16-1-3, AS ADDED BY P.L.2-2007, SECTION 257, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 3. "Commission" refers to the ~~state student assistance~~ commission **for higher education established under IC 21-18-2-1.**

SECTION 46. IC 21-16-4-7, AS ADDED BY P.L.2-2007, SECTION 257, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 7. The commission may remove an eligible institution's qualified status upon finding, after reasonable notice and hearing, that the eligible institution fails to meet the standards established by the commission. The commission may direct the ~~Indiana commission on proprietary education~~ **state workforce innovation council or the board for proprietary education** to review a school under its jurisdiction, or a comparable school outside Indiana that is an eligible institution under this chapter. The commission may use the results of the review to determine whether to remove an eligible

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institution's qualified status.

SECTION 47. IC 21-17-1-2 IS REPEALED [EFFECTIVE JULY 1, 2012]. ~~Sec. 2. "Accreditation" means certification of a status of approval or authorization by the commission to conduct business as a postsecondary proprietary educational institution.~~

SECTION 48. IC 21-17-1-3 IS REPEALED [EFFECTIVE JULY 1, 2012]. ~~Sec. 3. "Agent" means a person who:~~

~~(1) enrolls or seeks to enroll a resident of Indiana through:~~

~~(A) personal contact;~~

~~(B) telephone;~~

~~(C) advertisement;~~

~~(D) letter; or~~

~~(E) publications;~~

~~in a course offered by a postsecondary proprietary educational institution; or~~

~~(2) otherwise holds the person out to the residents of Indiana as representing a postsecondary proprietary educational institution.~~

SECTION 49. IC 21-17-1-4 IS REPEALED [EFFECTIVE JULY 1, 2012]. ~~Sec. 4. "Agent's permit" means a nontransferable written authorization issued to a person by the commission to solicit a resident of Indiana to enroll in a course offered or maintained by a postsecondary proprietary educational institution.~~

SECTION 50. IC 21-17-1-5 IS REPEALED [EFFECTIVE JULY 1, 2012]. ~~Sec. 5. "Application" means a written request for accreditation or an agent's permit on forms supplied by the commission.~~

SECTION 51. IC 21-17-1-6 IS REPEALED [EFFECTIVE JULY 1, 2012]. ~~Sec. 6. "Commission" means the Indiana commission on proprietary education.~~

SECTION 52. IC 21-17-1-8 IS REPEALED [EFFECTIVE JULY 1, 2012]. ~~Sec. 8. "Fund" refers to the career college student assurance fund established by IC 21-17-3-8.~~

SECTION 53. IC 21-17-1-11 IS REPEALED [EFFECTIVE JULY 1, 2012]. ~~Sec. 11. "Person" means an individual, a partnership, a limited liability company, an association, a corporation, a joint venture, a trust, a receiver, or a trustee in bankruptcy.~~

SECTION 54. IC 21-17-1-13 IS REPEALED [EFFECTIVE JULY 1, 2012]. ~~Sec. 13. "Postsecondary proprietary educational institution" means a person doing business in Indiana by offering to the public for a tuition, fee, or charge, instructional or educational services or training in a technical, professional, mechanical, business, or industrial occupation, either in the recipient's home, at a designated location, or by mail. The term does not include the following:~~

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~~(1) A state educational institution or another educational institution established by law and financed in whole or part by public funds.~~

~~(2) A postsecondary proprietary educational institution approved or regulated by any other state regulatory board, agency, or commission other than the Indiana commission on proprietary education.~~

~~(3) An elementary or secondary school attended by students in kindergarten or grades 1 through 12, supported in whole or in part by private tuition payments.~~

~~(4) Any educational institution or educational training that:~~

~~(A) is maintained or given by an employer or a group of employers, without charge, for employees or for individuals the employer anticipates employing;~~

~~(B) is maintained or given by a labor organization, without charge, for its members or apprentices;~~

~~(C) offers exclusively instruction that is clearly self-improvement, motivational, or avocational in intent (including instruction in dance, music, self-defense, and private tutoring); or~~

~~(D) is a Montessori or nursery school.~~

~~(5) A privately endowed two (2) or four (4) year degree granting institution, regionally accredited, whose principal campus is located in Indiana.~~

SECTION 55. IC 21-17-2 IS REPEALED [EFFECTIVE JULY 1, 2012]. (Indiana Commission on Proprietary Education).

SECTION 56. IC 21-17-3 IS REPEALED [EFFECTIVE JULY 1, 2012]. (Postsecondary Proprietary Educational Institution Accreditation).

SECTION 57. IC 21-18-6-1, AS AMENDED BY P.L.7-2011, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 1. The general purposes of the commission are the following:

(1) Plan for and coordinate Indiana's state supported system of postsecondary education.

(2) Review appropriation requests of state educational institutions.

(3) Make recommendations to the governor, budget agency, or the general assembly concerning postsecondary education.

(4) Perform other functions assigned by the governor or the general assembly, except those functions specifically assigned by law to the state workforce innovation council under IC 22-4.1-19.

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(5) Administer state financial aid programs under IC 21-18.5-4.

(6) Provide staff and office space for the board for proprietary education established by IC 21-18.5-5-1.

SECTION 58. IC 21-18.5 IS ADDED TO THE INDIANA CODE AS A **NEW** ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]:

ARTICLE 18.5. ADMINISTRATION OF HIGHER EDUCATION FINANCIAL AID AND POSTSECONDARY CREDIT BEARING PROPRIETARY EDUCATIONAL INSTITUTION ACCREDITATION

Chapter 1. General Provisions

Sec. 1. (a) As used in this section, "contract" refers to a contract or guarantee entered into by the state student assistance commission (before its abolishment on July 1, 2012) or by the state student assistance commission (as it existed before the enactment of P.L.128-1990).

(b) After June 30, 2012, a contract entered into by the state student assistance commission (before its abolishment on July 1, 2012) or by the state student assistance commission (as it existed before the enactment of P.L.128-1990) is a contract of the commission for higher education established by IC 21-18-2-1.

(c) The:

(1) amendments made by P.L.128-1990; and

(2) repeal of IC 21-11 and addition of this article by legislation enacted during the 2012 session of the general assembly;

do not affect the rights, duties, or obligations of the commission for higher education established by IC 21-18-2-1 or a person who before July 1, 2012, had a contract with the state student assistance commission (before its abolishment on July 1, 2012) or with the state student assistance commission (as it existed before the enactment of P.L.128-1990).

(d) A person or the commission for higher education established by IC 21-18-2-1 may enforce a right or compel performance of a duty with respect to a contract as if:

(1) P.L.128-1990; and

(2) the repeal of IC 21-11 and conforming amendments made to IC 21-7 through IC 21-17 by legislation enacted during the 2012 session of the general assembly;

had not been enacted.

Sec. 2. (a) The state student assistance commission established by IC 21-11-2-1 (before its repeal) is abolished.

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(b) The following are transferred on July 1, 2012, from the state student assistance commission to the commission for higher education established by IC 21-18-2-1:

(1) All real and personal property of the state student assistance commission.

(2) All powers, duties, assets, and liabilities of the state student assistance commission.

(3) All appropriations to the state student assistance commission.

(c) All rules or policies that were adopted by the state student assistance commission before July 1, 2012, shall be treated as though the rules were adopted by the commission for higher education established by IC 21-18-2-1 until the commission for higher education adopts new rules or policies.

(d) After June 30, 2012, a reference to the state student assistance commission in a statute or rule shall be treated as a reference to the commission for higher education established by IC 21-18-2-1.

Sec. 3. After June 30, 2012, any reference to the Indiana commission for postsecondary proprietary education or the Indiana commission on proprietary education in any statute or rule shall be treated as a reference to the:

(1) board for proprietary education established by IC 21-18.5-5-1 if the reference pertains to a postsecondary credit bearing proprietary educational institution; or

(2) state workforce innovation council established by IC 22-4-18.1-3 if the reference pertains to a postsecondary proprietary educational institution (as defined in IC 22-4.1-21-9).

Sec. 4. (a) Changes made by P.L.218-1987 do not affect:

(1) rights or liabilities accrued;

(2) penalties incurred;

(3) crimes committed; or

(4) proceedings begun;

before July 1, 1987. These rights, liabilities, penalties, crimes, and proceedings continue and shall be imposed and enforced under prior law as if P.L.218-1987 had not been enacted.

(b) The abolishment of the Indiana commission on proprietary education on July 1, 2012, by legislation enacted during the 2012 session of the general assembly does not affect:

(1) rights or liabilities accrued;

(2) penalties incurred;

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(3) crimes committed; or

(4) proceedings begun;

before July 1, 2012, that pertain to a postsecondary credit bearing proprietary educational institution. These rights, liabilities, penalties, crimes, and proceedings continue and shall be imposed and enforced by the board for proprietary education established by IC 21-18.5-5-1.

(c) The abolishment of the Indiana commission on proprietary education on July 1, 2012, by legislation enacted during the 2012 session of the general assembly does not affect:

(1) rights or liabilities accrued;

(2) penalties incurred;

(3) crimes committed; or

(4) proceedings begun;

before July 1, 2012, that pertain to a postsecondary proprietary educational institution (as defined in IC 22-4.1-21-9). These rights, liabilities, penalties, crimes, and proceedings continue and shall be imposed and enforced by the state workforce innovation council established under IC 22-4-18.1-3.

Sec. 5. (a) The Indiana commission on proprietary education is abolished on July 1, 2012.

(b) Unless otherwise specified in a memorandum of understanding described in subsection (e), the following are transferred on July 1, 2012, from the Indiana commission on proprietary education to the commission for higher education established by IC 21-18-2-1:

(1) All real and personal property of the Indiana commission on proprietary education.

(2) All assets and liabilities of the Indiana commission on proprietary education.

(3) All appropriations to the Indiana commission on proprietary education.

(c) All powers and duties of the Indiana commission on proprietary education before its abolishment pertaining to the accreditation of a postsecondary credit bearing proprietary educational institution are transferred to the board for proprietary education established by IC 21-18.5-5-1.

(d) All powers and duties of the Indiana commission on proprietary education before its abolishment pertaining to the accreditation of a postsecondary proprietary educational institution (as defined in IC 22-4.1-21-9) are transferred to the state workforce innovation council established by IC 22-4-18.1-3.

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(e) The commission for higher education established by IC 21-18-2-1 may enter into a memorandum of understanding with the state workforce innovation council established by IC 22-4-18.1-3 to implement the transition of the responsibilities and obligations of the Indiana commission on proprietary education before its abolishment to the commission for higher education and the state workforce innovation council.

(f) Rules that were adopted by the Indiana commission on proprietary education before July 1, 2012, shall be treated as though the rules were adopted by the state workforce innovation council established by IC 22-4-18.1-3 until the state workforce innovation council adopts rules under IC 4-22-2 to implement IC 22-4.1-21.

(g) An accreditation granted or a permit issued under IC 21-17-3 by the Indiana commission on proprietary education before July 1, 2012, shall be treated after June 30, 2012, as an accreditation granted or a permit issued by the:

(1) board for proprietary education established by IC 21-18.5-5-1 if the accreditation pertains to a postsecondary credit bearing proprietary educational institution (as defined in IC 21-18.5-2-12); or

(2) state workforce innovation council if the accreditation pertains to a postsecondary proprietary educational institution (as defined in IC 22-4.1-21-9).

(h) Proceedings pending before the Indiana commission on proprietary education on July 1, 2012, shall be transferred from the Indiana commission on proprietary education to:

(1) the board for proprietary education established by IC 21-18.5-5-1 for a proceeding pertaining to a postsecondary credit bearing proprietary educational institution (as defined in IC 21-18.5-2-12); or

(2) the state workforce innovation council if the proceeding pertains to a postsecondary proprietary educational institution (as defined in IC 22-4.1-21-9).

Chapter 2. Definitions

Sec. 1. Unless otherwise provided, the definitions in this chapter apply throughout this article.

Sec. 2. "Accreditation", for purposes of IC 21-18.5-6, means certification of a status of approval or authorization by the board for proprietary education to conduct business as a postsecondary credit bearing proprietary educational institution.

Sec. 3. "Agent", for purposes of IC 21-18.5-6, means a person

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who:

(1) enrolls or seeks to enroll a resident of Indiana through:

(A) personal contact;

(B) telephone;

(C) advertisement;

(D) letter; or

(E) publications;

in a course offered by a postsecondary credit bearing proprietary educational institution; or

(2) otherwise holds the person out to the residents of Indiana as representing a postsecondary credit bearing proprietary educational institution.

Sec. 4. "Agent's permit", for purposes of IC 21-18.5-6, means a nontransferable written authorization issued to a person by the board for proprietary education to solicit a resident of Indiana to enroll in a course offered or maintained by a postsecondary credit bearing proprietary educational institution.

Sec. 5. "Application", for purposes of IC 21-18.5-6, means a written request for accreditation or an agent's permit on forms supplied by the board for proprietary education.

Sec. 6. "Caretaker relative" means a relative by blood or law who lives with a minor and exercises parental responsibility, care, and control over the minor in the absence of the minor's parent.

Sec. 7. "Commission" means the commission for higher education established by IC 21-18-2-1.

Sec. 8. "Course", for purposes of IC 21-18.5-6, means a plan or program of instruction or training, whether conducted in person, by mail, or by any other method.

Sec. 9. "Enrollment" means the establishment and maintenance of an individual's status as an undergraduate student in a postsecondary credit bearing proprietary educational institution.

Sec. 10. "Higher education award" means a monetary award.

Sec. 11. "Person", for purposes of IC 21-18.5-6, means an individual, a partnership, a limited liability company, an association, a corporation, a joint venture, a trust, a receiver, or a trustee in bankruptcy.

Sec. 12. (a) "Postsecondary credit bearing proprietary educational institution" means a degree granting and credit bearing institution that provides instructional or educational services or training in a technical, professional, mechanical, business, or industrial occupation, and is accredited by an accrediting agency recognized by the United States Department of

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Education or is seeking and progressing toward accreditation by an accrediting agency recognized by the United States Department of Education.

(b) The term does not include the following:

(1) An Indiana state educational institution or another Indiana educational institution established by law and financed in whole or in part by public funds.

(2) A postsecondary proprietary educational institution approved or regulated by any other state regulatory board, agency, or commission other than the board for proprietary education.

(3) An elementary or secondary school attended by students in kindergarten or grades 1 through 12 and supported in whole or in part by private tuition payments.

(4) Any educational institution or educational training that:

(A) is maintained or given by an employer or a group of employers, without charge, for employees or for individuals the employer anticipates employing;

(B) is maintained or given by a labor organization, without charge, for its members or apprentices;

(C) offers exclusively instruction that is clearly self-improvement, motivational, or avocational in intent (including instruction in dance, music, or self-defense, and private tutoring); or

(D) is a Montessori or nursery school.

(5) A privately endowed two (2) or four (4) year degree granting institution that is regionally accredited and whose principal campus is located in Indiana.

Chapter 3. State Financial Aid

Sec. 1. The commission, under IC 21-18-6-1, shall administer the following:

(1) This article.

(2) IC 21-12.

(3) IC 21-13.

(4) IC 21-14.

(5) IC 21-16.

Chapter 4. Administration of Awards

Sec. 1. The purposes of this chapter are:

(1) to increase the opportunity to receive a higher education for every person who resides in Indiana and who, though being highly qualified and desiring to receive a higher education, is deterred by financial considerations; and

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(2) to accomplish the goal described in subdivision (1) by establishing a system of state higher education awards that will assist individuals in selecting and attending a qualified public or private postsecondary educational institution or a postsecondary credit bearing proprietary educational institution.

Sec. 2. The commission shall exercise its functions under this chapter without regard to an applicant's race, creed, sex, color, national origin, or ancestry.

Sec. 3. For purposes of administering this chapter, the commission shall do the following:

(1) Prepare and supervise the issuance of public information concerning this chapter, IC 21-12-2, IC 21-12-3, IC 21-12-4, and IC 21-12-5.

(2) Prescribe the form and regulate the submission of applications for higher education awards and the commission's programs.

(3) Conduct conferences and interviews with applicants as appropriate.

(4) Determine the eligibility of applicants.

(5) Select qualified applicants.

(6) Determine annually the maximum higher education award (IC 21-12-3) and freedom of choice award (IC 21-12-4), subject to approval by the budget agency with review by the budget committee.

(7) Determine the respective amounts of, and award, the appropriate higher education awards, grants, and scholarships.

(8) Determine eligibility for, and award, annual renewals of higher education awards, grants, and scholarships.

(9) Act as the designated state agency for participation in any federal program for reinsurance of student loans.

(10) Receive federal funds made available to the commission for awards, grants, and scholarships, and disburse these funds in the manner prescribed by federal law.

(11) One (1) time every year, submit a report to the legislative council that provides data and statistical information regarding the number of individuals who received assistance under IC 21-12-6 and IC 21-12-6.5. The report made to the legislative council must be in an electronic format under IC 5-14-6.

(12) One (1) time every year, submit a report to the budget

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committee that provides data and statistical information regarding the number of individuals who received assistance under IC 21-12, IC 21-13, and IC 21-14.

Sec. 4. For purposes of administering this chapter, the commission may do the following:

(1) Accept gifts, grants, devises, or bequests to provide grants, awards, scholarships, loans, or other forms of financial aid to students attending approved postsecondary educational institutions.

(2) Enter into contracts, subject to IC 4-13-2, that the commission determines are necessary to carry out the commission's functions.

(3) Provide administrative or technical assistance to other governmental or nongovernmental entities if the provision of this assistance will increase the number and value of grants, awards, scholarships, or loans available to students attending approved postsecondary educational institutions.

(4) Sue and be sued in the name of the commission.

Sec. 5. For purposes of administering this chapter, if the commission receives an offer of a gift, grant, devise, or bequest, the commission may accept a stipulation on the use of the donated funds. In this case, IC 21-12-3-11 (higher education award) and IC 21-12-4-4 (freedom of choice grant) do not apply. Before accepting a gift, grant, devise, or bequest, the commission shall determine that the purposes for which the donor proposes to provide funds are:

(1) lawful;

(2) in the state's best interests; and

(3) generally consistent with the commission's programs and purposes.

If the commission agrees to a stipulation on the use of donated funds, the commission and the donor, subject to approval by the budget agency and the governor or the governor's designee, shall execute an agreement.

Sec. 6. (a) This section applies if the commission agrees to provide administrative or technical assistance to other governmental or nongovernmental entities to increase the number and value of grants, awards, scholarships, or loans available to students attending approved postsecondary educational institutions.

(b) The commission and the party to whom the assistance is to be provided shall execute an agreement specifying:

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(1) the assistance that is to be provided; and

(2) the charges, if any, that are to be assessed by the commission for providing the assistance.

The commission may waive charges for administrative or technical assistance under this section if the commission determines that a waiver is in the best interest of the state. An agreement to provide assistance must be approved by the budget agency and the governor or the governor's designee.

Sec. 7. The commission may, subject to written advance notice, inspect and audit the records of a postsecondary credit bearing proprietary educational institution concerning a student grant awarded under IC 21-12 or IC 21-13.

Sec. 8. (a) This section applies to a person:

(1) who is a student;

(2) who is a graduate of a high school located in Indiana or a recipient of the state of Indiana general educational development (GED) diploma under IC 20-10.1-12.1 (before its repeal), IC 20-20-6 (before its repeal), or IC 22-4.1-18;

(3) who, on the date that eligibility is determined by the commission, has resided in Indiana with a caretaker relative who has been a resident of Indiana for at least four (4) years; and

(4) whose legal parent:

(A) is currently; and

(B) has been for at least three (3) consecutive years;

a resident of Indiana.

(b) In determining the eligibility of a person to receive financial aid administered by the commission under any law, the commission shall use the residence or domicile of the person's caretaker relative to determine the person's residence or domicile.

Sec. 9. The commission shall adopt rules under IC 4-22-2:

(1) to develop standards that govern the denial of assistance to higher education award applicants and recipients under IC 21-12-3-13;

(2) to implement IC 21-12-6, including:

(A) rules regarding the establishment of appeals procedures for individuals who become disqualified from the program under IC 21-12-6-9;

(B) notwithstanding IC 21-12-6-5, rules that may include students who are in grades other than grade 6, 7, or 8 as eligible students; and

(C) rules that allow a student described in IC 21-12-6-5(b)

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to become an eligible student while the student is in high school, if the student agrees to comply with the requirements set forth in IC 21-12-6-5(a)(4)(B) through IC 21-12-6-5(a)(4)(D) for not less than six (6) months after graduating from high school;

(3) to implement IC 21-13-2, including rules governing the enforcement of the agreements under IC 21-13-2-5;

(4) that are necessary to carry out IC 21-13-3, including rules governing the enforcement of the agreements made under IC 21-13-3-5; and

(5) to implement:

(A) IC 21-12-7; and

(B) IC 21-14-5.

Sec. 10. The commission may:

(1) make rules necessary to carry out its functions under this chapter;

(2) appoint advisory boards it considers necessary to carry out its responsibilities under this chapter;

(3) adopt rules under IC 4-22-2 to implement IC 21-14-5; and

(4) adopt rules under IC 4-22-2 and internal policy to effectuate the purposes of IC 21-16-4.

Sec. 11. The commission may cooperate in developing training programs concerning grant program requirements with the:

(1) board for proprietary education; or

(2) state workforce innovation council.

Chapter 5. Board for Proprietary Education

Sec. 1. The board for proprietary education is established.

Sec. 2. (a) The board for proprietary education consists of the following seven (7) members:

(1) The state superintendent or the superintendent's designee.

(2) The executive officer of the commission for higher education or the executive officer's designee.

(3) Five (5) members appointed by the governor.

(b) The members appointed by the governor under subsection (a) serve for a term of four (4) years.

(c) Not more than three (3) of the members appointed by the governor may be members of the same political party.

(d) Of the five (5) members appointed by the governor:

(1) one (1) must have been engaged for a period of at least five (5) years immediately preceding appointment in an executive or a managerial position in a postsecondary proprietary educational institution subject to IC 21-18.5-6;

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(2) one (1) must have been engaged in administering or managing an industrial employee training program for a period of at least five (5) years immediately preceding appointment; and

(3) three (3) must be representatives of the public at large who are not representatives of the types of postsecondary credit bearing proprietary educational institutions to be accredited.

For purposes of subdivision (3), an elected or appointed state or local official or a member of a private or public school may not be appointed as a representative of the public at large.

(e) An appointment to fill a vacancy occurring on the board for proprietary education is for the unexpired term.

Sec. 3. (a) A member of the board for proprietary education who is not a state employee is entitled to the minimum salary per diem provided by IC 4-10-11-2.1(b). The member is also entitled to reimbursement for traveling expenses as provided under IC 4-13-1-4 and other expenses actually incurred in connection with the member's duties as provided in the state policies and procedures established by the Indiana department of administration and approved by the budget agency.

(b) Each member of the board for proprietary education who is a state employee is entitled to reimbursement for traveling expenses as provided under IC 4-13-1-4 and other expenses actually incurred in connection with the member's duties as provided in the state policies and procedures established by the Indiana department of administration and approved by the budget agency.

Sec. 4. (a) The board for proprietary education may select officers from the board for proprietary education's membership as the board for proprietary education considers necessary.

(b) The board for proprietary education may adopt reasonable rules under IC 4-22-2 to implement this chapter and IC 21-18.5-6.

(c) The board for proprietary education:

(1) may meet as necessary upon call of the chairperson; and

(2) shall meet at least four (4) times a year.

Sec. 5. An associate commissioner of the commission (as defined in IC 21-18.5-2-7) shall serve as the executive director of the board for proprietary education.

Chapter 6. Postsecondary Credit Bearing Proprietary Educational Institution Accreditation

Sec. 1. The general assembly recognizes that the private school is an essential part of the educational system. It is the purpose of

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this chapter to protect students, educational institutions, the general public, and honest and ethical operators of private schools from dishonest and unethical practices.

Sec. 2. A person may not do business as a postsecondary credit bearing proprietary educational institution in Indiana without having obtained accreditation under this chapter.

Sec. 3. Applications for accreditation under this chapter must be filed with the board for proprietary education and accompanied by an application fee of at least one hundred dollars ($100) for processing the application and evaluating the postsecondary credit bearing proprietary educational institution.

Sec. 4. An application for accreditation under this chapter must include at least the following information:

(1) The name and address of the postsecondary credit bearing proprietary educational institution and the institution's officers.

(2) The places where the courses are to be provided.

(3) The types of courses to be offered, the form of instruction to be followed with the class, shop, or laboratory, and the hours required for each curriculum.

(4) The form of certificate, diploma, or degree to be awarded.

(5) A statement of the postsecondary credit bearing proprietary educational institution's finances.

(6) A description of the postsecondary credit bearing proprietary educational institution's physical facilities, including classrooms, laboratories, library, machinery, and equipment.

(7) An explicit statement of policy with reference to:

(A) solicitation of students;

(B) payment and amount of student fees; and

(C) conditions under which students are entitled to a refund in part or in full of fees paid, including a statement concerning the existence of the career college student assurance fund established under section 6 of this chapter.

(8) Provisions for liability insurance of students.

(9) Maximum student-teacher ratio to be maintained.

(10) Minimum requirements for instructional staff.

Sec. 5. The board for proprietary education shall require each postsecondary credit bearing proprietary educational institution to include in each curriculum catalog and promotional brochure the following:

(1) A statement indicating that the postsecondary credit

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bearing proprietary educational institution is regulated by the board for proprietary education under this chapter.

(2) The board for proprietary education's mailing address and telephone number.

Sec. 6. (a) The career college student assurance fund is established to provide indemnification to a student or an enrollee of a postsecondary credit bearing proprietary educational institution who suffers loss or damage as a result of:

(1) the failure or neglect of the postsecondary credit bearing proprietary educational institution to faithfully perform all agreements, express or otherwise, with the student, enrollee, one (1) or both of the parents of the student or enrollee, or a guardian of the student or enrollee as represented by the application for the institution's accreditation and the materials submitted in support of that application;

(2) the failure or neglect of the postsecondary credit bearing proprietary educational institution to maintain and operate a course or courses of instruction or study in compliance with the standards of this chapter; or

(3) an agent's misrepresentation in procuring the student's enrollment.

(b) The board for proprietary education shall administer the fund.

(c) The expenses of administering the fund shall be paid from money in the fund.

(d) 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 may be invested.

(e) Money in the fund at the end of a state fiscal year does not revert to the state general fund but remains available to be used for providing money for reimbursements allowed under this chapter.

(f) Upon the fund acquiring fifty thousand dollars ($50,000), the balance in the fund must not become less than fifty thousand dollars ($50,000). If:

(1) a claim against the fund is filed that would, if paid in full, require the balance of the fund to become less than fifty thousand dollars ($50,000); and

(2) the board for proprietary education determines that the student is eligible for a reimbursement under the fund;

the board for proprietary education shall prorate the amount of the reimbursement to ensure that the balance of the fund does not become less than fifty thousand dollars ($50,000), and the student

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is entitled to receive that balance of the student's claim from the fund as money becomes available in the fund from contributions to the fund required under this chapter.

(g) The board for proprietary education shall ensure that all outstanding claim amounts described in subsection (f) are paid as money in the fund becomes available in the chronological order of the outstanding claims.

(h) A claim against the fund may not be construed to be a debt of the state.

Sec. 7. (a) Except as otherwise provided in this section, each postsecondary credit bearing proprietary educational institution shall make quarterly contributions to the fund. The quarters begin January 1, April 1, July 1, and October 1.

(b) For each quarter, each postsecondary credit bearing proprietary educational institution shall make a contribution equal to the STEP THREE amount derived under the following formula:

STEP ONE: Determine the total amount of tuition and fees earned during the quarter.

STEP TWO: Multiply the STEP ONE amount by one-tenth of one percent (0.1%).

STEP THREE: Add the STEP TWO amount and sixty dollars ($60).

(c) After June 30, 2012, upon the career college student assurance fund achieving at least an initial balance of five hundred thousand dollars ($500,000), a postsecondary credit bearing proprietary educational institution that contributes to the career college student assurance fund when the initial quarterly contribution is required under this chapter after the fund's establishment is not required to make contributions to the fund.

(d) The board for proprietary education shall determine the number of quarterly contributions required for the career college student assurance fund to initially accumulate five hundred thousand dollars ($500,000).

(e) Except as provided in subsections (a), (b), and (f), a postsecondary credit bearing proprietary educational institution that begins making contributions to the career college student assurance fund after the initial quarterly contribution as required under this section shall make contributions to the fund for the same number of quarters as determined by the board for proprietary education under subsection (d).

(f) If, after a career college student assurance fund acquires five hundred thousand dollars ($500,000), the balance in the fund

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becomes less than two hundred fifty thousand dollars ($250,000), all postsecondary credit bearing proprietary educational institutions not required to make contributions to the career college student assurance fund as described in subsection (c) or (e) shall make contributions to the career college student assurance fund for the number of quarters necessary for the fund to accumulate five hundred thousand dollars ($500,000).

Sec. 8. (a) Upon receipt of an application for accreditation under this chapter, the board for proprietary education shall make an investigation to determine the accuracy of the statements in the application to determine if the postsecondary credit bearing proprietary educational institution meets the minimum standards for accreditation.

(b) During the investigation under subsection (a), the board for proprietary education may grant a temporary status of accreditation. The temporary status of accreditation is sufficient to meet the requirements of this chapter until a determination on accreditation is made.

Sec. 9. The cost of performing a team onsite investigation for purposes of section 8 of this chapter shall be paid by the applicant postsecondary credit bearing proprietary educational institution. However, the total cost of an inspection, including room, board, and mileage that does not require travel outside Indiana, may not exceed one thousand dollars ($1,000) for any one (1) postsecondary credit bearing proprietary educational institution.

Sec. 10. (a) A postsecondary credit bearing proprietary educational institution shall maintain at least the following records for each student:

(1) The program in which the student enrolls.
(2) The length of the program.
(3) The date of the student's initial enrollment in the program.
(4) A transcript of the student's academic progress.
(5) The amount of the student's tuition and fees.
(6) A copy of the enrollment agreement.

(b) Upon the request of the board for proprietary education, a postsecondary credit bearing proprietary educational institution shall submit the records described in subsection (a) to the board for proprietary education.

(c) If a postsecondary credit bearing proprietary educational institution ceases operation, the postsecondary credit bearing proprietary educational institution shall submit the records described in subsection (a) to the commission on public records not

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later than thirty (30) days after the institution ceases to operate.

Sec. 11. Full accreditation under this chapter may not be issued unless and until the board for proprietary education finds that the postsecondary credit bearing proprietary educational institution meets minimum standards that are appropriate to that type or class of postsecondary credit bearing proprietary educational institution, including the following minimum standards:

(1) The postsecondary credit bearing proprietary educational institution has a sound financial structure with sufficient resources for continued support.

(2) The postsecondary credit bearing proprietary educational institution has satisfactory training or educational facilities with sufficient tools, supplies, or equipment and the necessary number of work stations or classrooms to adequately train, instruct, or educate the number of students enrolled or proposed to be enrolled.

(3) The postsecondary credit bearing proprietary educational institution has an adequate number of qualified instructors or teachers, sufficiently trained by experience or education, to give the instruction, education, or training contemplated.

(4) The advertising and representations made on behalf of the postsecondary credit bearing proprietary educational institution to prospective students are truthful and free from misrepresentation or fraud.

(5) The charge made for the training, instruction, or education is clearly stated and based upon the services rendered.

(6) The premises and conditions under which the students work and study are sanitary, healthful, and safe according to modern standards.

(7) The postsecondary credit bearing proprietary educational institution has and follows a refund policy approved by the board for proprietary education.

(8) The owner or chief administrator of the postsecondary credit bearing proprietary educational institution is subject to a background check by the board for proprietary education and has not been convicted of a felony.

(9) The owner or chief administrator of the postsecondary credit bearing proprietary educational institution has not been the owner or chief administrator of a postsecondary credit bearing proprietary educational institution that has had its accreditation revoked or has been closed involuntarily

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in the five (5) year period preceding the application for accreditation. However, if the owner or chief administrator of the postsecondary credit bearing proprietary educational institution has been the owner or chief administrator of a postsecondary credit bearing proprietary educational institution that has had its accreditation revoked or has been closed involuntarily more than five (5) years before the application for accreditation, the board for proprietary education may issue full accreditation at the board for proprietary education's discretion.

Sec. 12. (a) After an investigation and a finding that the information in the application is true and the postsecondary credit bearing proprietary educational institution meets the minimum standards, the commission on postsecondary proprietary education shall issue an accreditation to the postsecondary credit bearing proprietary educational institution upon payment of an additional fee of at least twenty-five dollars ($25). An applicant's market research may not be considered or required by the board for proprietary education as a condition for accrediting or renewing the accreditation of or for approval of the programs of a postsecondary credit bearing proprietary educational institution.

(b) The board for proprietary education may waive inspection of a postsecondary credit bearing proprietary educational institution that has been accredited by an accrediting unit whose standards are approved by the board for proprietary education as meeting or exceeding the requirements of this chapter.

(c) A valid license, approval to operate, or other form of accreditation issued to a postsecondary credit bearing proprietary educational institution by another state may be accepted, instead of inspection, if:

(1) the requirements of that state meet or exceed the requirements of this chapter; and

(2) the other state will, in turn, extend reciprocity to postsecondary credit bearing proprietary educational institutions accredited by the board for proprietary education.

(d) An accreditation issued under this section expires one (1) year following the accreditation's issuance.

(e) An accredited postsecondary credit bearing proprietary educational institution may renew the institution's accreditation annually upon:

(1) the payment of a fee of at least twenty-five dollars ($25);

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and

(2) continued compliance with this chapter.

Sec. 13. Accreditation may be revoked by the board for proprietary education:

(1) for cause upon notice and an opportunity for a hearing before the board for proprietary education; and

(2) for the accredited postsecondary credit bearing proprietary educational institution failing to make the appropriate quarterly contributions to the career college student assurance fund not later than forty-five (45) days after the end of a quarter.

Sec. 14. (a) A postsecondary credit bearing proprietary educational institution, after notification that the institution's accreditation has been refused, revoked, or suspended, may apply for a hearing before the board for proprietary education concerning the institution's qualifications. The application for a hearing must be filed in writing with the board for proprietary education not more than thirty (30) days after receipt of notice of the denial, revocation, or suspension.

(b) The board for proprietary education shall give a hearing promptly and with not less than ten (10) days notice of the date, time, and place. The postsecondary credit bearing proprietary educational institution is entitled to be represented by counsel and to offer oral and documentary evidence relevant to the issue.

(c) Not more than fifteen (15) days after a hearing, the board for proprietary education shall make written findings of fact, a written decision, and a written order based solely on the evidence submitted at the hearing, either granting or denying accreditation to the postsecondary credit bearing proprietary educational institution.

Sec. 15. A postsecondary credit bearing proprietary educational institution's accreditation shall be suspended at any time if the accredited postsecondary credit bearing proprietary educational institution denies enrollment to a student or makes a distinction or classification of students on the basis of race, color, or creed.

Sec. 16. A person may not do the following:

(1) Make, or cause to be made, a statement or representation, oral, written, or visual, in connection with the offering or publicizing of a course, if the person knows or should reasonably know the statement or representation is false, deceptive, substantially inaccurate, or misleading.

(2) Promise or guarantee employment to a student or

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prospective student using information, training, or skill purported to be provided or otherwise enhanced by a course, unless the person offers the student or prospective student a bona fide contract of employment agreeing to employ the student or prospective student for a period of at least ninety (90) days in a business or other enterprise regularly conducted by the person in which that information, training, or skill is a normal condition of employment.

(3) Do an act that constitutes part of the conduct of administration of a course if the person knows, or should reasonably know, that the course is being carried on by the use of fraud, deception, or other misrepresentation.

Sec. 17. (a) A person representing a postsecondary credit bearing proprietary educational institution doing business in Indiana by offering courses may not sell a course or solicit students for the institution unless the person first secures an agent's permit from the board for proprietary education. If the agent represents more than one (1) postsecondary credit bearing proprietary educational institution, a separate agent's permit must be obtained for each institution that the agent represents.

(b) Upon approval of an agent's permit, the board for proprietary education shall issue a pocket card to the person that includes:

(1) the person's name and address;

(2) the name and address of the postsecondary credit bearing proprietary educational institution that the person represents; and

(3) a statement certifying that the person whose name appears on the card is an authorized agent of the postsecondary credit bearing proprietary educational institution.

(c) The application must be accompanied by a fee of at least ten dollars ($10).

(d) An agent's permit is valid for one (1) year from the date of its issue. An application for renewal must be accompanied by a fee of at least ten dollars ($10).

(e) A postsecondary credit bearing proprietary educational institution is liable for the actions of the institution's agents.

Sec. 18. (a) An application for an agent's permit must be granted or denied by the board for proprietary education not more than fifteen (15) working days after the receipt of the application. If the board for proprietary education has not completed a determination with respect to the issuance of a permit under this

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section within the fifteen (15) working day period, the board for proprietary education shall issue a temporary permit to the applicant. The temporary permit is sufficient to meet the requirements of this chapter until a determination is made on the application.

(b) A permit issued under this chapter may, upon ten (10) days notice and after a hearing, be revoked by the board for proprietary education:

(1) if the holder of the permit solicits or enrolls students through fraud, deception, or misrepresentation; or

(2) upon a finding that the permit holder is not of good moral character.

Sec. 19. The fact that the career college student assurance fund exists does not limit or impair a right of recovery and the amount of damages or other relief to which a plaintiff may be entitled.

Sec. 20. (a) This section applies to claims against the balance of the career college student assurance fund.

(b) A student or an enrollee of a postsecondary credit bearing proprietary educational institution who believes that the student or enrollee has suffered loss or damage resulting from any of the occurrences described in section 6(a) of this chapter may request the board for proprietary education to file a claim with the board for proprietary education against the balance of the fund.

(c) A claim under this section is limited to a refund of the claimant's applicable tuition and fees.

(d) All claims must be filed not later than five (5) years after the occurrence resulting in the loss or damage to the claimant occurs.

(e) Upon the filing of a claim under this section, the board for proprietary education shall review the records submitted by the appropriate postsecondary credit bearing proprietary educational institution described under section 12 of this chapter and shall investigate the claim.

(f) Upon a determination by the commission on postsecondary proprietary education that a claimant shall be reimbursed under the career college student assurance fund, the board for proprietary education shall prioritize the reimbursements under the following guidelines:

(1) A student's educational loan balances.

(2) Federal grant repayment obligations of the student.

(3) Other expenses paid directly by the student.

Sec. 21. An obligation, negotiable or nonnegotiable, providing for payment for a course or courses of instruction is void if the

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postsecondary credit bearing proprietary educational institution is not accredited to operate in Indiana.

Sec. 22. The issuance of an agent's permit or any accreditation may not be considered to constitute approval of a course, a person, or an institution. A representation to the contrary is a misrepresentation.

Sec. 23. The prosecuting attorney of the county in which an offense under this chapter occurred shall, at the request of the board for proprietary education or on the prosecuting attorney's own motion, bring any appropriate action, including a mandatory and prohibitive injunction.

Sec. 24. An action of the board for proprietary education concerning the issuance, denial, or revocation of a permit or accreditation under this chapter is subject to review under IC 4-21.5.

Sec. 25. (a) Except as provided in subsection (b), a person who knowingly, intentionally, or recklessly violates this chapter commits a Class B misdemeanor.

(b) A person who, with intent to defraud, represents the person to be an agent of a postsecondary credit bearing proprietary educational institution commits a Class C felony.

Sec. 26. (a) As used in this section, "fund" means the postsecondary credit bearing proprietary educational institution accreditation fund established by subsection (b).

(b) The postsecondary credit bearing proprietary educational institution accreditation fund is established.

(c) The fund shall be administered by the commission (as defined in IC 21-18.5-2-7.).

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

(e) All fees collected by the board for proprietary education under this chapter shall be deposited in the fund.

(f) Money in the fund shall be used by the board for postsecondary proprietary education to administer this chapter.

Sec. 27. The board for proprietary education may adopt rules under IC 4-22-2 to implement this chapter.

SECTION 59. IC 22-4-18.1-3, AS AMENDED BY P.L.161-2006, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 3. The state workforce innovation council is established under the applicable federal programs to do the following:

(1) Review the services and use of funds and resources under applicable federal programs and advise the governor on methods

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of coordinating the services and use of funds and resources consistent with the laws and regulations governing the particular applicable federal programs.

(2) Advise the governor on:

(A) the development and implementation of state and local standards and measures; and

(B) the coordination of the standards and measures;

concerning the applicable federal programs.

(3) Perform the duties as set forth in federal law of the particular advisory bodies for applicable federal programs described in section 4 of this chapter.

(4) Identify the workforce needs in Indiana and recommend to the governor goals to meet the investment needs.

(5) Recommend to the governor goals for the development and coordination of the human resource system in Indiana.

(6) Prepare and recommend to the governor a strategic plan to accomplish the goals developed under subdivisions (4) and (5).

(7) Monitor the implementation of and evaluate the effectiveness of the strategic plan described in subdivision (6).

(8) Advise the governor on the coordination of federal, state, and local education and training programs and on the allocation of state and federal funds in Indiana to promote effective services, service delivery, and innovative programs.

(9) Administer the minority training grant program established by section 11 of this chapter.

(10) Administer the back home in Indiana program established by section 12 of this chapter.

(11) Any other function assigned to the council by the governor with regard to the study and evaluation of Indiana's workforce development delivery system.

(12) Administer postsecondary proprietary educational institution accreditation under IC 22-4.1-21.

SECTION 60. IC 22-4.1-1-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 4. "Fund", **except as provided in IC 22-4.1-21-7,** refers to the state workforce development fund established under IC 22-4.1-6-1.

SECTION 61. IC 22-4.1-21 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]:

Chapter 21. Postsecondary Proprietary Educational Institution Accreditation

Sec. 1. IC 21-18.5-1-3, IC 21-18.5-1-4, and IC 21-18.5-1-5 apply

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to this chapter.

Sec. 2. As used in this chapter, "accreditation" means certification of a status of approval or authorization by the council to conduct business as a postsecondary proprietary educational institution.

Sec. 3. As used in this chapter, "agent" means a person who:

(1) enrolls or seeks to enroll a resident of Indiana through:

(A) personal contact;

(B) telephone;

(C) advertisement;

(D) letter; or

(E) publications;

in a course offered by a postsecondary proprietary educational institution; or

(2) otherwise holds the person out to the residents of Indiana as representing a postsecondary proprietary educational institution.

Sec. 4. As used in this chapter, "agent's permit" means a nontransferable written authorization issued to a person by the council to solicit a resident of Indiana to enroll in a course offered or maintained by a postsecondary proprietary educational institution.

Sec. 5. As used in this chapter, "application" means a written request for accreditation or an agent's permit on forms supplied by the council.

Sec. 6. As used in this chapter, "course" means a plan or program of instruction or training, whether conducted in person, by mail, or by any other method.

Sec. 7. As used in this chapter, "fund" refers to the student assurance fund established by section 18 of this chapter.

Sec. 8. As used in this chapter, "person" means an individual, a partnership, a limited liability company, an association, a corporation, a joint venture, a trust, a receiver, or a trustee in bankruptcy.

Sec. 9. As used in this chapter, "postsecondary proprietary educational institution" means a person doing business in Indiana by offering to the public, for a tuition, fee, or charge, instructional or educational services or training in a technical, professional, mechanical, business, or industrial occupation, in the recipient's home, at a designated location, or by mail. The term does not include the following:

(1) A postsecondary credit bearing proprietary educational

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institution accredited by the board for proprietary education under IC 21-18.5-6.

(2) A state educational institution or another educational institution established by law and financed in whole or in part by public funds.

(3) A postsecondary proprietary educational institution approved or regulated by any other state regulatory board, agency, or commission.

(4) An elementary or secondary school attended by students in kindergarten or grades 1 through 12 and supported in whole or in part by private tuition payments.

(5) Any educational institution or educational training that:

(A) is maintained or given by an employer or a group of employers, without charge, for employees or for individuals the employer anticipates employing;

(B) is maintained or given by a labor organization, without charge, for its members or apprentices;

(C) offers exclusively instruction that is clearly self-improvement, motivational, or avocational in intent (including instruction in dance, music, or self-defense, and private tutoring); or

(D) is a Montessori or nursery school.

(6) A privately endowed two (2) or four (4) year degree granting institution that is regionally accredited and whose principal campus is located in Indiana.

Sec. 10. (a) The office for career and technical schools is established to carry out the responsibilities of the council under this chapter.

(b) The council may employ and fix compensation for necessary administrative staff with the approval of the department.

(c) The council may adopt reasonable rules under IC 4-22-2 to implement this chapter.

(d) The council may adopt and use a seal, the description of which shall be filed with the office of the secretary of state, and which may be used for the authentication of the acts of the council.

Sec. 11. The general assembly recognizes that the private school is an essential part of the educational system. It is the purpose of this chapter to protect students, educational institutions, the general public, and honest and ethical operators of private schools from dishonest and unethical practices.

Sec. 12. A person may not do business as a postsecondary proprietary educational institution in Indiana without having

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obtained accreditation under this chapter.

Sec. 13. Applications for accreditation under this chapter must be filed with the council and accompanied by an application fee of at least one hundred dollars ($100) for processing the application and evaluating the postsecondary proprietary educational institution.

Sec. 14. An application for accreditation under this chapter must include at least the following information:

(1) The name and address of the postsecondary proprietary educational institution and the institution's officers.

(2) The places where the courses are to be provided.

(3) The types of courses to be offered, the form of instruction to be followed with the class, shop, or laboratory, and the hours required for each curriculum.

(4) The form of certificate, diploma, or degree to be awarded.

(5) A statement of the postsecondary proprietary educational institution's finances.

(6) A description of the postsecondary proprietary educational institution's physical facilities, including classrooms, laboratories, library, machinery, and equipment.

(7) An explicit statement of policy with reference to:

(A) solicitation of students;

(B) payment and amount of student fees; and

(C) conditions under which students are entitled to a refund in part or in full of fees paid, including a statement concerning the existence of the fund.

(8) Provisions for liability insurance of students.

(9) Maximum student-teacher ratio to be maintained.

(10) Minimum requirements for instructional staff.

Sec. 15. (a) This section is subject to section 16 of this chapter.

(b) An application for accreditation under this chapter must include a surety bond in a penal sum determined under section 16 of this chapter. The bond must be executed by the applicant as principal and by a surety company qualified and authorized to do business in Indiana as a surety or cash bond company.

(c) The surety bond must be conditioned to provide indemnification to any student or enrollee who suffers a loss or damage as a result of:

(1) the failure or neglect of the postsecondary proprietary educational institution to faithfully perform all agreements, express or otherwise, with the student, enrollee, one (1) or both of the parents of the student or enrollee, or a guardian of

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the student or enrollee as represented by the application for the institution's accreditation and the materials submitted in support of the application;

(2) the failure or neglect of the postsecondary proprietary educational institution to maintain and operate a course or courses of instruction or study in compliance with the standards of this chapter; or

(3) an agent's misrepresentation in procuring the student's enrollment.

(d) A surety on a bond may be released after the surety has made a written notice of the release directed to the council at least thirty (30) days before the release. However, a surety may not be released from the bond unless all sureties on the bond are released.

(e) A surety bond covers the period of the accreditation.

(f) Accreditation under this chapter shall be suspended if a postsecondary proprietary educational institution is no longer covered by a surety bond or if the postsecondary proprietary educational institution fails to comply with section 16 of this chapter. The council shall notify the postsecondary proprietary educational institution in writing at least ten (10) days before the release of the surety or sureties that the accreditation is suspended until another surety bond is filed in the manner and amount required under this chapter.

Sec. 16. (a) Subject to subsections (b), (d), and (e), the council shall determine the penal sum of each surety bond required under section 15 of this chapter based upon the following guidelines:

(1) A postsecondary proprietary educational institution that has no annual gross tuition charges assessed for the previous year shall secure a surety bond in the amount of twenty-five thousand dollars ($25,000).

(2) If at any time the postsecondary proprietary educational institution's projected annual gross tuition charges are more than two hundred fifty thousand dollars ($250,000), the institution shall secure a surety bond in the amount of fifty thousand dollars ($50,000).

(b) After June 30, 2006, and except as provided in:

(1) section 19 of this chapter; and

(2) subsection (e);

and upon the fund achieving at least an initial one million dollar ($1,000,000) balance, a postsecondary proprietary educational institution that contributes to the fund when the initial quarterly contribution is required under this chapter after the fund's

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establishment is not required to make contributions to the fund or submit a surety bond.

(c) The council shall determine the number of quarterly contributions required for the fund to initially accumulate one million dollars ($1,000,000).

(d) Except as provided in section 19 of this chapter and subsection (e), a postsecondary proprietary educational institution that begins making contributions to the fund after the initial quarterly contribution as required under this chapter is required to make contributions to the fund for the same number of quarters as determined by the council under subsection (c).

(e) If, after the fund acquires one million dollars ($1,000,000), the balance in the fund becomes less than five hundred thousand dollars ($500,000), all postsecondary proprietary educational institutions not required to make contributions to the fund as described in subsection (b) or (d) shall make contributions to the fund for the number of quarters necessary for the fund to accumulate one million dollars ($1,000,000).

Sec. 17. The council shall require each postsecondary proprietary educational institution to include in each curriculum catalog and promotional brochure the following:

(1) A statement indicating that the postsecondary proprietary educational institution is regulated by the council under this chapter.

(2) The council's mailing address and telephone number.

Sec. 18. (a) The student assurance fund is established to provide indemnification to a student or an enrollee of a postsecondary proprietary educational institution who suffers loss or damage as a result of an occurrence described in section 15(c) of this chapter if the occurrence transpired after June 30, 1992, and as provided in section 35 of this chapter.

(b) The council shall administer the fund.

(c) The expenses of administering the fund shall be paid from money in the fund.

(d) 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 may be invested.

(e) Money in the fund at the end of a state fiscal year does not revert to the state general fund but remains available to be used for providing money for reimbursements allowed under this chapter.

(f) Upon the fund acquiring fifty thousand dollars ($50,000), the balance in the fund must not become less than fifty thousand

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dollars ($50,000). If:

(1) a claim against the fund is filed that would, if paid in full, require the balance of the fund to become less than fifty thousand dollars ($50,000); and

(2) the council determines that the student is eligible for a reimbursement under the fund;

the council shall prorate the amount of the reimbursement to ensure that the balance of the fund does not become less than fifty thousand dollars ($50,000), and the student is entitled to receive that balance of the student's claim from the fund as money becomes available in the fund from contributions to the fund required under this chapter.

(g) The council shall ensure that all outstanding claim amounts described in subsection (f) are paid as money in the fund becomes available in the chronological order of the outstanding claims.

(h) A claim against the fund may not be construed to be a debt of the state.

Sec. 19. (a) Subject to section 16 of this chapter, each postsecondary proprietary educational institution shall make quarterly contributions to the fund. The quarters begin January 1, April 1, July 1, and October 1.

(b) For each quarter, each postsecondary proprietary educational institution shall make a contribution equal to the STEP THREE amount derived under the following formula:

STEP ONE: Determine the total amount of tuition and fees earned during the quarter.

STEP TWO: Multiply the STEP ONE amount by one-tenth of one percent (0.1%).

STEP THREE: Add the STEP TWO amount and sixty dollars ($60).

(c) Notwithstanding section 16 of this chapter, for a postsecondary proprietary educational institution beginning operation after September 30, 2004, the council, in addition to requiring contributions to the fund, shall require the postsecondary proprietary educational institution to submit a surety bond in an amount determined by the council for a period that represents the number of quarters required for the fund to initially accumulate one million dollars ($1,000,000) as determined under section 16(c) of this chapter.

Sec. 20. (a) Upon receipt of an application for accreditation under this chapter, the council shall make an investigation to determine the accuracy of the statements in the application to

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determine if the postsecondary proprietary educational institution meets the minimum standards for accreditation.

(b) During the investigation under subsection (a), the council may grant a temporary status of accreditation. The temporary status of accreditation is sufficient to meet the requirements of this chapter until a determination on accreditation is made.

Sec. 21. The cost of performing a team onsite investigation for purposes of section 20 of this chapter shall be paid by the applicant postsecondary proprietary educational institution. However, the total cost of an inspection, including room, board, and mileage that does not require travel outside Indiana, may not exceed one thousand dollars ($1,000) for any one (1) postsecondary proprietary educational institution.

Sec. 22. (a) A postsecondary proprietary educational institution shall maintain at least the following records for each student:

(1) The program in which the student enrolls.

(2) The length of the program.

(3) The date of the student's initial enrollment in the program.

(4) The student's period of attendance.

(5) The amount of the student's tuition and fees.

(6) A copy of the enrollment agreement.

(b) Upon the request of the council, a postsecondary proprietary educational institution shall submit the records described in subsection (a) to the council.

(c) If a postsecondary proprietary educational institution ceases operation, the postsecondary proprietary educational institution shall submit the records described in subsection (a) to the council not later than thirty (30) days after the institution ceases to operate.

Sec. 23. Full accreditation under this chapter may not be issued unless and until the council finds that the postsecondary proprietary educational institution meets minimum standards that are appropriate to that type or class of postsecondary proprietary educational institution, including the following minimum standards:

(1) The postsecondary proprietary educational institution has a sound financial structure with sufficient resources for continued support.

(2) The postsecondary proprietary educational institution has satisfactory training or educational facilities with sufficient tools, supplies, or equipment and the necessary number of work stations or classrooms to adequately train, instruct, or

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educate the number of students enrolled or proposed to be enrolled.

(3) The postsecondary proprietary educational institution has an adequate number of qualified instructors or teachers, sufficiently trained by experience or education, to give the instruction, education, or training contemplated.

(4) The advertising and representations made on behalf of the postsecondary proprietary educational institution to prospective students are truthful and free from misrepresentation or fraud.

(5) The charge made for the training, instruction, or education is clearly stated and based upon the services rendered.

(6) The premises and conditions under which the students work and study are sanitary, healthful, and safe according to modern standards.

(7) The postsecondary proprietary educational institution has and follows a refund policy approved by the council.

(8) The owner or chief administrator of the postsecondary proprietary educational institution has not been convicted of a felony.

(9) The owner or chief administrator of the postsecondary proprietary educational institution has not been the owner or chief administrator of a postsecondary proprietary educational institution that has had its accreditation revoked or has been closed involuntarily in the five (5) year period preceding the application for accreditation. However, if the owner or chief administrator of the postsecondary proprietary educational institution has been the owner or chief administrator of a postsecondary proprietary educational institution that has had its accreditation revoked or has been closed involuntarily more than five (5) years before the application for accreditation, the council may issue full accreditation at the council's discretion.

Sec. 24. (a) After an investigation and a finding that the information in the application is true and the postsecondary proprietary educational institution meets the minimum standards, the council shall issue an accreditation to the postsecondary proprietary educational institution upon payment of an additional fee of at least twenty-five dollars ($25).

(b) The council may waive inspection of a postsecondary proprietary educational institution that has been accredited by an

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accrediting unit whose standards are approved by the council as meeting or exceeding the requirements of this chapter.

(c) A valid license, approval to operate, or other form of accreditation issued to a postsecondary proprietary educational institution by another state may be accepted, instead of inspection, if:

(1) the requirements of that state meet or exceed the requirements of this chapter; and

(2) the other state will, in turn, extend reciprocity to postsecondary proprietary educational institutions accredited by the council.

(d) An accreditation issued under this section expires one (1) year following the accreditation's issuance.

(e) An accredited postsecondary proprietary educational institution may renew the institution's accreditation annually upon:

(1) the payment of a fee of at least twenty-five dollars ($25); and

(2) continued compliance with this chapter.

Sec. 25. Accreditation under this chapter may be revoked by the council:

(1) for cause upon notice and an opportunity for a council hearing; and

(2) for the accredited postsecondary proprietary educational institution failing to make the appropriate quarterly contributions to the fund not later than forty-five (45) days after the end of a quarter.

Sec. 26. (a) A postsecondary proprietary educational institution, after notification that the institution's accreditation has been refused, revoked, or suspended, may apply for a hearing before the council concerning the institution's qualifications. The application for a hearing must be filed in writing with the council not more than thirty (30) days after receipt of notice of the denial, revocation, or suspension.

(b) The council shall give a hearing promptly and with not less than ten (10) days notice of the date, time, and place. The postsecondary proprietary educational institution is entitled to be represented by counsel and to offer oral and documentary evidence relevant to the issue.

(c) Not more than fifteen (15) days after a hearing, the council shall make written findings of fact, a written decision, and a written order based solely on the evidence submitted at the

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hearing, either granting or denying accreditation to the postsecondary proprietary educational institution.

Sec. 27. A postsecondary proprietary educational institution's accreditation shall be suspended at any time if the accredited postsecondary proprietary educational institution denies enrollment to a student or makes a distinction or classification of students on the basis of race, color, or creed.

Sec. 28. A person may not do the following:

(1) Make, or cause to be made, a statement or representation, oral, written, or visual, in connection with the offering or publicizing of a course, if the person knows or should reasonably know the statement or representation is false, deceptive, substantially inaccurate, or misleading.

(2) Promise or guarantee employment to a student or prospective student using information, training, or skill purported to be provided or otherwise enhanced by a course, unless the person offers the student or prospective student a bona fide contract of employment agreeing to employ the student or prospective student for a period of at least ninety (90) days in a business or other enterprise regularly conducted by the person in which that information, training, or skill is a normal condition of employment.

(3) Do an act that constitutes part of the conduct of administration of a course if the person knows, or should reasonably know, that the course is being carried on by the use of fraud, deception, or other misrepresentation.

Sec. 29. (a) A person representing a postsecondary proprietary educational institution doing business in Indiana by offering courses may not sell a course or solicit students for the institution unless the person first secures an agent's permit from the council. If the agent represents more than one (1) postsecondary proprietary educational institution, a separate agent's permit must be obtained for each institution that the agent represents.

(b) Upon approval of an agent's permit, the council shall issue a pocket card to the person that includes:

(1) the person's name and address;

(2) the name and address of the postsecondary proprietary educational institution that the person represents; and

(3) a statement certifying that the person whose name appears on the card is an authorized agent of the postsecondary proprietary educational institution.

(c) The application must be accompanied by a fee of at least ten

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dollars ($10).

(d) An agent's permit is valid for one (1) year from the date of its issue. An application for renewal must be accompanied by a fee of at least ten dollars ($10).

(e) A postsecondary proprietary educational institution is liable for the actions of the institution's agents.

Sec. 30. (a) An application for an agent's permit must be granted or denied by the council not more than fifteen (15) working days after the receipt of the application. If the council has not completed a determination with respect to the issuance of a permit under this section within the fifteen (15) working day period, the council shall issue a temporary permit to the applicant. The temporary permit is sufficient to meet the requirements of this chapter until a determination is made on the application.

(b) A permit issued under this chapter may, upon ten (10) days notice and after a hearing, be revoked by the council:

(1) if the holder of the permit solicits or enrolls students through fraud, deception, or misrepresentation; or

(2) upon a finding that the permit holder is not of good moral character.

Sec. 31. The fact that a bond is in force or that the fund exists does not limit or impair a right of recovery and the amount of damages or other relief to which a plaintiff may be entitled under this chapter.

Sec. 32. An obligation, negotiable or nonnegotiable, providing for payment for a course or courses of instruction is void if the postsecondary proprietary educational institution is not accredited to operate in Indiana.

Sec. 33. The issuance of an agent's permit or any accreditation may not be considered to constitute approval of a course, a person, or an institution. A representation to the contrary is a misrepresentation.

Sec. 34. (a) This section applies to claims against the surety bond of a postsecondary proprietary educational institution.

(b) A student who believes that the student is suffering loss or damage resulting from any of the occurrences described in section 15(c) of this chapter may request the council to file a claim against the surety of the postsecondary proprietary educational institution or agent.

(c) The request must state the grounds for the claim and must include material substantiating the claim.

(d) The council shall investigate all claims submitted to the

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council and attempt to resolve the claims informally. If the council determines that a claim is valid, and an informal resolution cannot be made, the council shall submit a formal claim to the surety.

(e) A claim against the surety bond may not be filed by the council unless the student's request under subsection (b) is commenced not more than five (5) years after the date on which the loss or damage occurred.

(f) If the amount of the surety bond is insufficient to cover all or part of the claim, a claim for the balance of the claim against the surety bond in the amount that is insufficient must be construed to be a claim against the balance of the fund under section 35 of this chapter.

Sec. 35. (a) This section applies:

(1) to claims against the balance of the fund; and

(2) in cases in which a student or an enrollee of a postsecondary proprietary educational institution is protected by both a surety bond and the balance of the fund, only after a claim against the surety bond exceeds the amount of the surety bond.

(b) A student or an enrollee of a postsecondary proprietary educational institution who believes that the student or enrollee has suffered loss or damage resulting from any of the occurrences described in section 15(c) of this chapter may request the council to file a claim with the council against the balance of the fund. If there is a surety bond in an amount sufficient to cover a claim or part of a claim under this section, a claim against the balance of the fund must be construed to be a claim against the surety bond first to the extent that the amount of the surety bond exists and the balance of the claim may be filed against the balance of the fund.

(c) A claim under this section is limited to a refund of the claimant's applicable tuition and fees.

(d) All claims must be filed not later than five (5) years after the occurrence that results in the loss or damage to the claimant.

(e) Upon the filing of a claim under this section, the council shall review the records submitted by the appropriate postsecondary proprietary educational institution described under section 22 of this chapter and shall investigate the claim and attempt to resolve the claim as described in section 34(d) of this chapter.

(f) Upon a determination by the council that a claimant shall be reimbursed under the fund, the council shall prioritize the reimbursements under the following guidelines:

(1) A student's educational loan balances.

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(2) Federal grant repayment obligations of the student.

(3) Other expenses paid directly by the student.

Sec. 36. The prosecuting attorney of the county in which an offense under this chapter occurred shall, at the request of the council or on the prosecuting attorney's own motion, bring any appropriate action, including a mandatory and prohibitive injunction.

Sec. 37. An action of the council concerning the issuance, denial, or revocation of a permit or accreditation under this chapter is subject to review under IC 4-21.5.

Sec. 38. (a) Except as provided in subsection (b), a person who knowingly, intentionally, or recklessly violates this chapter commits a Class B misdemeanor.

(b) A person who, with intent to defraud, represents the person to be an agent of a postsecondary proprietary educational institution commits a Class C felony.

Sec. 39. (a) The proprietary educational institution accreditation fund is established.

(b) The proprietary educational institution accreditation fund shall be administered by the council.

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

(d) All fees collected by the council under this chapter shall be deposited in the proprietary educational institution accreditation fund.

(e) Money in the proprietary educational institution accreditation fund shall be used by the council to administer this chapter.

SECTION 62. IC 25-21.8-4-2, AS AMENDED BY P.L.177-2009, SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 2. An individual who applies for certification as a massage therapist must do the following:

(1) Furnish evidence satisfactory to the board showing that the individual:

(A) is at least eighteen (18) years of age;

(B) has a high school diploma or the equivalent of a high school diploma;

(C) has successfully completed a massage therapy school or program that:

(i) requires at least five hundred (500) hours of supervised classroom and hands on instruction on massage therapy;

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(ii) is in good standing with a state, regional, or national agency of government charged with regulating massage therapy schools or programs; and

(iii) is accredited by the ~~Indiana commission on proprietary education established by IC 21-17-2-1~~ **state workforce innovation council under IC 22-4.1-21** or accredited by another state where the standards for massage therapy education are substantially the same as the standards in Indiana, or is a program at an institution of higher learning that is approved by the board; and

(D) has taken and passed a certification examination approved by the board.

(2) Provide a history of any criminal convictions the individual has, including any convictions related to the practice of the profession. The board shall deny an application for certification if the applicant:

(A) has been convicted of:

(i) prostitution;

(ii) rape; or

(iii) sexual misconduct; or

(B) is a registered sex offender.

(3) Provide proof that the applicant has professional liability insurance in force that lists the state as an additional insured.

(4) Verify the information submitted on the application form.

(5) Pay fees established by the board.

SECTION 63. IC 35-51-21-1, AS ADDED BY P.L.70-2011, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 1. The following statutes define crimes in IC 21:

IC 21-12-6.5-5 (Concerning scholarships and grants).

IC 21-14-4-7 (Concerning state educational institutions).

IC 21-14-7-12 (Concerning state educational institutions).

IC 21-14-10-7 (Concerning state educational institutions).

~~IC 21-17-3-28~~ **IC 21-18.5-6-25** (Concerning postsecondary **credit bearing** proprietary educational institution accreditation).

SECTION 64. IC 35-51-22-1, AS ADDED BY P.L.70-2011, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 1. The following statutes define crimes in IC 22:

IC 22-1-1-22 (Concerning the department of labor).

IC 22-2-2-11 (Concerning wages, hours, and benefits).

IC 22-2-7-7 (Concerning wages, hours, and benefits).

IC 22-3-1-5 (Concerning worker's compensation system).

IC 22-4-11.5-10 (Concerning unemployment compensation

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system).
IC 22-4-19-6 (Concerning unemployment compensation system).
IC 22-4-29-14 (Concerning unemployment compensation system).
IC 22-4-34-3 (Concerning unemployment compensation system).
IC 22-4-34-4 (Concerning unemployment compensation system).
IC 22-4-34-5 (Concerning unemployment compensation system).
IC 22-4.1-4-4 (Concerning department of workforce development).
IC 22-4.1-21-38 (Concerning postsecondary proprietary educational institution accreditation).
IC 22-5-1-1 (Concerning unlawful labor practices).
IC 22-6-2-13 (Concerning labor relations).
IC 22-7-1-3 (Concerning labor organizations).
IC 22-8-1.1-24.2 (Concerning occupational health and safety).
IC 22-8-1.1-49 (Concerning occupational health and safety).
IC 22-9.5-10-1 (Concerning Indiana fair housing).
IC 22-11-14-3 (Concerning building and safety regulations).
IC 22-11-14-6 (Concerning building and safety regulations).
IC 22-11-14.5-9 (Concerning building and safety regulations).
IC 22-11-14.5-10 (Concerning building and safety regulations).
IC 22-11-14.5-11 (Concerning building and safety regulations).
IC 22-11-14.5-12 (Concerning building and safety regulations).
IC 22-11-15-6 (Concerning building and safety regulations).
IC 22-11-17-3 (Concerning building and safety regulations).
IC 22-11-17-4 (Concerning building and safety regulations).
IC 22-11-18-5 (Concerning building and safety regulations).
IC 22-11-20-6 (Concerning building and safety regulations).
IC 22-15-4-7 (Concerning building and equipment laws).
IC 22-15-7-9 (Concerning building and equipment laws).

SECTION 65. [EFFECTIVE JULY 1, 2012] **(a) The terms of members of the state student assistance commission appointed before July 1, 2012, under IC 21-11-2, before its repeal by this act, expire on July 1, 2012.**

(b) This SECTION expires July 2, 2012.

SECTION 66. [EFFECTIVE JULY 1, 2012] **(a) The board for proprietary education established under IC 21-18.5-5-1, as added by this act, may adopt temporary rules in the manner provided for the adoption of emergency rules under IC 4-22-2-37.1 to implement IC 22-4.1-21, as added by this act.**

(b) Notwithstanding IC 4-22-2-37.1(g), a temporary rule adopted under this SECTION expires on the occurrence of the earlier of:

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(1) the date the board for proprietary education adopts rules under IC 4-22-2; or

(2) July 1, 2013.

(c) This SECTION expires January 1, 2014.

SECTION 67. [EFFECTIVE UPON PASSAGE] **(a) Notwithstanding the requirements set forth in IC 21-18.5-5, as added by this act, members serving as members of the Indiana commission on proprietary education on June 30, 2012, are considered members of the board for proprietary education established by IC 21-18.5-5-1, as added by this act, until the date the member's term would have expired under IC 21-17-2, before its repeal by this act.**

(b) This SECTION expires July 1, 2017.

SECTION 68. [EFFECTIVE JULY 1, 2012] **(a) Not later than July 5, 2012, the auditor of state shall transfer the balance that remains on June 30, 2012, in the career college student assurance fund established under IC 21-17-3-8, as repealed by this act, as follows:**

(1) Three hundred thousand dollars ($300,000) to the career college student assurance fund established by IC 21-18.5-6-6, as added by this act.

(2) The remainder of the money not transferred under subdivision (1) to the student assurance fund established by IC 22-4.1-21-18, as added by this act.

(b) This SECTION expires January 1, 2013.

SECTION 69. [EFFECTIVE UPON PASSAGE] **(a) As used in this SECTION, "committee" refers to an interim study committee to which the legislative council assigns the topics of study described in subsection (b).**

(b) The general assembly urges the legislative council to assign the following topics pertaining to the implementation of this act to an appropriate committee:

(1) Study whether additional legislative changes are necessary to assist with the transfer of responsibilities from the Indiana commission on proprietary education established under IC 21-17-2-1, as repealed by this act, to the:

(A) state workforce innovation council under IC 22-4.1-21, as added by this act; and

(B) board for proprietary education under IC 21-18.5-6, as added by this act.

(2) Study whether a postsecondary credit bearing proprietary educational institution, as defined in IC 21-18.5-2-12, as added by this act, should be required to provide a surety bond to the

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board for proprietary education as established by IC 21-18.5-5-1, as added by this act.

(3) Study issues relating to the career college student assurance fund established in IC 21-18.5-6-6, as added by this act.

(4) Study any other issue pertaining to the accreditation of a postsecondary credit bearing proprietary educational institution, as defined in IC 21-18.5-2-12, as added by this act, or a postsecondary proprietary educational institution, as defined in IC 22-4.1-21-9, as added by this act, that the legislative council determines is appropriate.

(c) If the topics described in subsection (b) are assigned to a committee under subsection (b), the committee shall, not later than November 1, 2012, issue a final report to the legislative council concerning the findings and recommendations of the committee concerning the topics described in subsection (b).

(d) This SECTION expires December 31, 2012.

SECTION 70. **An emergency is declared for this act.**

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Education, to which was referred House Bill 1270, 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 24, between lines 26 and 27, begin a new paragraph and insert:

"SECTION 57. IC 21-18-3-1, AS ADDED BY P.L.2-2007, SECTION 259, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 1. The commission consists of ~~fourteen (14)~~ **fifteen (15)** members appointed by the governor as follows:

(1) Each member must be a citizen of Indiana.

(2) Each congressional district must be represented by at least one (1) member who resides in the congressional district.

(3) One (1) member must be a student.

(4) One (1) member must be a full-time faculty member of a state educational institution.

(5) One (1) member must be the chairman of the postsecondary credit bearing proprietary educational institution advisory board established under IC 21-18.5-6-1.

SECTION 58. IC 21-18-3-6, AS ADDED BY P.L.2-2007, SECTION 259, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 6. (a) **This section does not apply to a member described in section 1(5) of this chapter.** Appointments to the commission are for a term of four (4) years except:

(1) the student member; and

(2) the full-time faculty member;

who are appointed to a term of two (2) years.

(b) The governor shall promptly make appointments to fill vacancies for the duration of unexpired terms in the same manner as the original appointments.

(c) The term of a member begins on July 1 of the year of appointment and continues until a successor has been appointed.".

Page 25, delete lines 5 through 8, begin a new paragraph and insert:

"**ARTICLE 18.5. ADMINISTRATION OF HIGHER EDUCATION FINANCIAL AID AND POSTSECONDARY CREDIT BEARING PROPRIETARY EDUCATIONAL INSTITUTION ACCREDITATION**".

Page 30, line 2, delete "means:" and insert "**means a degree granting and credit bearing institution that provides instructional or educational services or training in a technical, professional,**

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mechanical, business, or industrial occupation, and is accredited by an accrediting agency recognized by the United States Department of Education or is seeking and progressing toward accreditation by an accrediting agency recognized by the United States Department of Education.".

Page 30, delete lines 3 through 19.

Page 30, line 21, delete "A" and insert "**An Indiana**".

Page 30, line 21, after "another" insert "**Indiana**".

Page 31, delete lines 3 through 13, begin a new paragraph and insert:

"**Chapter 3. State Financial Aid**

Sec. 1. The commission, under IC 21-18-6-1, shall administer the following:

(1) This article.

(2) IC 21-12.

(3) IC 21-13.

(4) IC 21-14.

(5) IC 21-16.".

Page 31, delete line 23, begin a new line block indented and insert:

"**public or private postsecondary educational institution or a postsecondary credit bearing proprietary educational institution.**".

Page 33, delete lines 18 through 21, begin a new paragraph and insert:

"**Sec. 7. The commission may, subject to written advance notice, inspect and audit the records of a postsecondary credit bearing proprietary educational institution concerning a student grant awarded under IC 21-12 or IC 21-13.**".

Page 35, delete line 22, begin a new line block indented and insert:

"**equipment.**".

Page 35, line 27, delete "paid, including a statement" and insert "**paid.**".

Page 35, delete line 28.

Page 36, delete line 21, begin a new line block indented and insert:

"**(4) A transcript of the student's academic progress.**".

Page 36, line 30, after "commission" insert "**on public records**".

Page 37, line 23, after "institution" insert "**is subject to a background check by the commission and**".

Page 38, line 3, after "($25)." insert "**An applicant's market research or the approval of any other postsecondary educational institution may not be considered or required by the commission as a condition for accrediting or renewing the accreditation of or**

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for approval of the programs of a postsecondary credit bearing proprietary educational institution.".

Page 41, delete lines 5 through 6, begin a new paragraph and insert:

"**Sec. 22. (a) As used in this section, "fund" means the postsecondary credit bearing proprietary educational institution accreditation fund established by subsection (b).**

(b) The postsecondary credit bearing proprietary educational institution accreditation fund is established.

(c) The fund shall be administered by the commission.

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

(e) All fees collected by the commission under this chapter shall be deposited in the fund.

(f) Money in the fund shall be used by the commission to administer this chapter.

Sec. 23. The commission may adopt rules under IC 4-22-2 to implement this chapter.".

Page 41, line 12, after "accreditation." insert "**The advisory board shall receive and review staff recommendations pertaining to the accreditation of and approval of the programs of a postsecondary credit bearing proprietary educational institution. Upon completion of its review, the advisory board shall forward the advisory board's recommendations to the commission. The commission may approve, deny, or modify the advisory board's recommendations.**".

Page 41, delete lines 18 through 32, begin a new paragraph and insert:

"**(e) Of the members, two (2) members must have been previously employed by a postsecondary credit bearing proprietary educational institution. However, the members may not be:**

(1) employed by; or

(2) working as a contract employee or an independent contractor for;

a postsecondary credit bearing proprietary educational institution while serving as a member of the advisory board.".

Page 42, line 14, delete "may select" insert "**shall select a chairman and may select other**".

Page 42, delete lines 17 through 28, begin a new paragraph and insert:

"**(b) The advisory board may meet as often as is necessary upon the call of the chairperson.**".

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Page 46, line 11, delete "equipment," and insert "**equipment.**".

Page 46, delete line 12.

Page 57, after line 22, begin a new paragraph and insert:

"SECTION 68. [EFFECTIVE JULY 1, 2012] **(a) The definitions used in IC 21-18.5, as added by this act, apply throughout this SECTION.**

(b) On or before July 1, 2014, the postsecondary credit bearing proprietary educational institution advisory board may submit a report to the legislative council. The report must be in an electronic format under IC 5-14-6. The report may include:

(1) an evaluation of the transition of the responsibilities of the commission on proprietary education to the commission as provided in this act; and

(2) any recommendations regarding the administration of IC 21-18.5-5 and IC 21-18.5-6, both as added by this act.

(c) This SECTION expires December 31, 2014.".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1270 as introduced.)

BEHNING, Chair

Committee Vote: yeas 6, nays 2.

HOUSE MOTION

Mr. Speaker: I move that House Bill 1270 be amended to read as follows:

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

"SECTION 1. IC 4-22-2-37.1, AS AMENDED BY P.L.229-2011, SECTION 58, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 37.1. (a) This section applies to a rulemaking action resulting in any of the following rules:

(1) An order adopted by the commissioner of the Indiana department of transportation under IC 9-20-1-3(d) or IC 9-21-4-7(a) and designated by the commissioner as an emergency rule.

(2) An action taken by the director of the department of natural resources under IC 14-22-2-6(d) or IC 14-22-6-13.

(3) An emergency temporary standard adopted by the

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occupational safety standards commission under IC 22-8-1.1-16.1.

(4) An emergency rule adopted by the solid waste management board under IC 13-22-2-3 and classifying a waste as hazardous.

(5) A rule, other than a rule described in subdivision (6), adopted by the department of financial institutions under IC 24-4.5-6-107 and declared necessary to meet an emergency.

(6) A rule required under IC 24-4.5-1-106 that is adopted by the department of financial institutions and declared necessary to meet an emergency under IC 24-4.5-6-107.

(7) A rule adopted by the Indiana utility regulatory commission to address an emergency under IC 8-1-2-113.

(8) An emergency rule adopted by the state lottery commission under IC 4-30-3-9.

(9) A rule adopted under IC 16-19-3-5 or IC 16-41-2-1 that the executive board of the state department of health declares is necessary to meet an emergency.

(10) An emergency rule adopted by the Indiana finance authority under IC 8-21-12.

(11) An emergency rule adopted by the insurance commissioner under IC 27-1-23-7 or IC 27-1-12.1.

(12) An emergency rule adopted by the Indiana horse racing commission under IC 4-31-3-9.

(13) An emergency rule adopted by the air pollution control board, the solid waste management board, or the water pollution control board under IC 13-15-4-10(4) or to comply with a deadline required by or other date provided by federal law, provided:

(A) the variance procedures are included in the rules; and

(B) permits or licenses granted during the period the emergency rule is in effect are reviewed after the emergency rule expires.

(14) An emergency rule adopted by the Indiana election commission under IC 3-6-4.1-14.

(15) An emergency rule adopted by the department of natural resources under IC 14-10-2-5.

(16) An emergency rule adopted by the Indiana gaming commission under IC 4-32.2-3-3(b), IC 4-33-4-2, IC 4-33-4-3, IC 4-33-4-14, IC 4-33-22-12, or IC 4-35-4-2.

(17) An emergency rule adopted by the alcohol and tobacco commission under IC 7.1-3-17.5, IC 7.1-3-17.7, or IC 7.1-3-20-24.4.

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(18) An emergency rule adopted by the department of financial institutions under IC 28-15-11.
(19) An emergency rule adopted by the office of the secretary of family and social services under IC 12-8-1-12.
(20) An emergency rule adopted by the office of the children's health insurance program under IC 12-17.6-2-11.
(21) An emergency rule adopted by the office of Medicaid policy and planning under IC 12-15-41-15.
(22) An emergency rule adopted by the Indiana state board of animal health under IC 15-17-10-9.
(23) An emergency rule adopted by the board of directors of the Indiana education savings authority under IC 21-9-4-7.
(24) An emergency rule adopted by the Indiana board of tax review under IC 6-1.1-4-34 (repealed).
(25) An emergency rule adopted by the department of local government finance under IC 6-1.1-4-33 (repealed).
(26) An emergency rule adopted by the boiler and pressure vessel rules board under IC 22-13-2-8(c).
(27) An emergency rule adopted by the Indiana board of tax review under IC 6-1.1-4-37(l) (repealed) or an emergency rule adopted by the department of local government finance under IC 6-1.1-4-36(j) (repealed) or IC 6-1.1-22.5-20.
(28) An emergency rule adopted by the board of the Indiana economic development corporation under IC 5-28-5-8.
(29) A rule adopted by the department of financial institutions under IC 34-55-10-2.5.
(30) A rule adopted by the Indiana finance authority:
(A) under IC 8-15.5-7 approving user fees (as defined in IC 8-15.5-2-10) provided for in a public-private agreement under IC 8-15.5;
(B) under IC 8-15-2-17.2(a)(10):
(i) establishing enforcement procedures; and
(ii) making assessments for failure to pay required tolls;
(C) under IC 8-15-2-14(a)(3) authorizing the use of and establishing procedures for the implementation of the collection of user fees by electronic or other nonmanual means; or
(D) to make other changes to existing rules related to a toll road project to accommodate the provisions of a public-private agreement under IC 8-15.5.
(31) An emergency rule adopted by the board of the Indiana health informatics corporation under IC 5-31-5-8.

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(32) An emergency rule adopted by the department of child services under IC 31-25-2-21, IC 31-27-2-4, IC 31-27-4-2, or IC 31-27-4-3.

(33) An emergency rule adopted by the Indiana real estate commission under IC 25-34.1-2-5(15).

(34) A rule adopted by the department of financial institutions under IC 24-4.4-1-101 and determined necessary to meet an emergency.

(35) An emergency rule adopted by the state board of pharmacy regarding returning unused medication under IC 25-26-23.

(36) An emergency rule adopted by the department of local government finance under IC 6-1.1-12.6 or IC 6-1.1-12.8.

(37) An emergency rule adopted by the office of the secretary of family and social services or the office of Medicaid policy and planning concerning the following:

(A) Federal Medicaid waiver program provisions.

(B) Federal programs administered by the office of the secretary.

(38) An emergency rule adopted by the commission on postsecondary propriety education.

(b) The following do not apply to rules described in subsection (a):

(1) Sections 24 through 36 of this chapter.

(2) IC 13-14-9.

(c) After a rule described in subsection (a) has been adopted by the agency, the agency shall submit the rule to the publisher for the assignment of a document control number. The agency shall submit the rule in the form required by section 20 of this chapter and with the documents required by section 21 of this chapter. The publisher shall determine the format of the rule and other documents to be submitted under this subsection.

(d) After the document control number has been assigned, the agency shall submit the rule to the publisher for filing. The agency shall submit the rule in the form required by section 20 of this chapter and with the documents required by section 21 of this chapter. The publisher shall determine the format of the rule and other documents to be submitted under this subsection.

(e) Subject to section 39 of this chapter, the publisher shall:

(1) accept the rule for filing; and

(2) electronically record the date and time that the rule is accepted.

(f) A rule described in subsection (a) takes effect on the latest of the following dates:

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(1) The effective date of the statute delegating authority to the agency to adopt the rule.

(2) The date and time that the rule is accepted for filing under subsection (e).

(3) The effective date stated by the adopting agency in the rule.

(4) The date of compliance with every requirement established by law as a prerequisite to the adoption or effectiveness of the rule.

(g) Subject to subsection (h), IC 14-10-2-5, IC 14-22-2-6, IC 22-8-1.1-16.1, and IC 22-13-2-8(c), and except as provided in subsections (j), (k), and (l), a rule adopted under this section expires not later than ninety (90) days after the rule is accepted for filing under subsection (e). Except for a rule adopted under subsection (a)(13), (a)(24), (a)(25), or (a)(27), the rule may be extended by adopting another rule under this section, but only for one (1) extension period. The extension period for a rule adopted under subsection (a)(28) may not exceed the period for which the original rule was in effect. A rule adopted under subsection (a)(13) may be extended for two (2) extension periods. Subject to subsection (j), a rule adopted under subsection (a)(24), (a)(25), or (a)(27) may be extended for an unlimited number of extension periods. Except for a rule adopted under subsection (a)(13), for a rule adopted under this section to be effective after one (1) extension period, the rule must be adopted under:

(1) sections 24 through 36 of this chapter; or

(2) IC 13-14-9;

as applicable.

(h) A rule described in subsection (a)(8), (a)(12), (a)(19), (a)(20), (a)(21), (a)(29), or (a)(37) expires on the earlier of the following dates:

(1) The expiration date stated by the adopting agency in the rule.

(2) The date that the rule is amended or repealed by a later rule adopted under sections 24 through 36 of this chapter or this section.

(i) This section may not be used to readopt a rule under IC 4-22-2.5.

(j) A rule described in subsection (a)(24) or (a)(25) expires not later than January 1, 2006.

(k) A rule described in subsection (a)(28) expires on the expiration date stated by the board of the Indiana economic development corporation in the rule.

(l) A rule described in subsection (a)(30) expires on the expiration date stated by the Indiana finance authority in the rule.

(m) A rule described in subsection (a)(5) or (a)(6) expires on the date the department is next required to issue a rule under the statute authorizing or requiring the rule.".

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Page 1, line 17, delete "IC 21-18.5-2-13)" and insert "**IC 21-18.5-2-12)**".

Page 2, line 15, delete "for higher education" and insert "**on postsecondary proprietary education"**.

Page 3, line 2, delete "IC 21-18.5-2-13)" and insert "**IC 21-18.5-2-12)**".

Page 3, line 23, delete "IC 21-18.5-2-13)" and insert "**IC 21-18.5-2-12)**".

Page 6, line 35, delete "for higher education under IC 21-18.5-5" and insert "**on postsecondary proprietary education under IC 21-18.5-6"**.

Page 7, line 4, delete "for higher" and insert "**on postsecondary proprietary**".

Page 7, line 5, delete "IC 21-18.5-5." and insert "**IC 21-18.5-6.**".

Page 7, line 11, delete "for higher education under IC 21-18.5-5)" and insert "**on postsecondary proprietary education under IC 21-18.5-6)**".

Page 7, line 13, delete "for".

Page 7, line 14, delete "higher education under IC 21-18.5-5." and insert "**on postsecondary proprietary education under IC 21-18.5-6.**".

Page 7, line 16, delete "for".

Page 7, line 17, delete "higher education" and insert "**on postsecondary proprietary education**".

Page 8, line 7, delete "IC 21-18.5-2-13." and insert "**IC 21-18.5-2-12.**".

Page 8, line 42, delete "under IC 21-18.5-5;" and insert "**on postsecondary proprietary education under IC 21-18.5-6;**".

Page 11, line 25, delete "under" and insert "**on postsecondary proprietary education under IC 21-18.5-6;**".

Page 11, line 26, delete "IC 21-18.5-5;".

Page 11, delete lines 36 through 42.

Page 12, delete lines 1 through 11, begin a new paragraph and insert:

"SECTION 21. IC 21-12-6-4, AS ADDED BY P.L.2-2007, SECTION 253, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 4. A scholarship recipient may apply a scholarship under this chapter to the educational costs of a postsecondary educational institution only if the postsecondary educational institution qualifies under this section. For a postsecondary educational institution to qualify under this section, the postsecondary educational institution must satisfy the following requirements:

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(1) Be an approved postsecondary educational institution.

(2) Be accredited by an agency that is recognized by the Secretary of the United States Department of Education.

(3) Operate an organized program of postsecondary education leading to an associate or a baccalaureate degree on a campus located in Indiana.

(4) Be approved by the commission:

(A) under rules adopted under IC 4-22-2; and

(B) in consultation with the commission on **postsecondary** proprietary education **established by IC 21-18.5-5-1,** if appropriate.".

Page 15, line 6, strike "subdivision" and insert "**subsection**".

Page 22, line 37, after "council" insert "**or the commission on postsecondary proprietary education**".

Page 24, delete lines 27 through 42.

Page 25, delete lines 1 through 11.

Page 25, delete lines 27 through 28, begin a new line block indented and insert:

"**(6) Provide staff and office space for the commission for postsecondary proprietary education established by IC 21-18.5-5-1.**".

Page 27, line 5, delete "for higher education" and insert "**on postsecondary proprietary education**".

Page 27, line 6, delete "IC 21-18-2-1" and insert "**IC 21-18.5-5-1**".

Page 27, line 30, delete "for higher education" and insert "**on postsecondary proprietary education**".

Page 27, line 31, delete "under IC 21-18-2-1." and insert "**by IC 21-18.5-5-1.**".

Page 28, line 18, delete "for".

Page 28, line 19, delete "higher education established by IC 21-18-2-1." and insert "**on postsecondary proprietary education established by IC 21-18.5-5-1.**".

Page 28, line 34, delete "the commission for higher".

Page 28, line 35, delete "education established by IC 21-18-2-1 and".

Page 28, line 36, delete "the:" and insert "**the**".

Page 28, delete lines 37 through 38.

Page 28, line 39, delete "(2)".

Page 28, run in lines 36 through 39.

Page 29, line 3, delete "for higher education established under" and insert "**on postsecondary proprietary education established by**".

Page 29, line 4, delete "IC 21-18-2-1" and insert "**IC 21-18.5-5-1**".

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Page 29, line 6, delete "IC 21-18.5-2-13);" and insert "**IC 21-18.5-2-12);**".

Page 29, line 15, delete "for higher" and insert "**on postsecondary proprietary**".

Page 29, line 16, delete "IC 21-18-2-1" and insert "**IC 21-18.5-5-1**".

Page 29, line 18, delete "IC 21-18.5-2-13);" and insert "**IC 21-18.5-2-12);**".

Page 29, line 25, delete "IC 21-18.5-5," and insert "**IC 21-18.5-6,**".

Page 29, delete lines 29 through 31.

Page 29, line 32, delete "4." and insert "**3.**".

Page 29, line 32, delete "IC 21-18.5-5," and insert "**IC 21-18.5-6,**".

Page 30, line 3, delete "5." and insert "**4.**".

Page 30, line 3, delete "IC 21-18.5-5," and insert "**IC 21-18.5-6,**".

Page 30, line 8, delete "6." and insert "**5.**".

Page 30, line 8, delete "IC 21-18.5-5," and insert "**IC 21-18.5-6,**".

Page 30, line 11, delete "7." and insert "**6.**".

Page 30, line 14, delete "8." and insert "**7.**".

Page 30, line 16, delete "9." and insert "**8.**".

Page 30, line 16, delete "IC 21-18.5-5," and insert "**IC 21-18.5-6,**".

Page 30, line 19, delete "10." and insert "**9.**".

Page 30, line 23, delete 11." and insert "**10.**".

Page 30, line 24, delete "12." and insert "**11.**".

Page 30, line 24, delete "IC 21-18.5-5," and insert "**IC 21-18.5-6,**".

Page 30, line 28, delete "13." and insert "**12.**".

Page 35, between lines 7 and 8, begin a new paragraph and insert:

"**Chapter 5. Commission on Postsecondary Proprietary Education**

Sec. 1. The commission on postsecondary proprietary education is established.

Sec. 2. (a) The commission on postsecondary proprietary education consists of five (5) members appointed by the governor.

(b) The members appointed by the governor under subsection (a) serve for a term of four (4) years.

(c) Not more than three (3) of the members appointed by the governor may be members of one (1) political party.

(d) Of the members, not more than two (2) members may have been previously employed by a postsecondary credit bearing proprietary educational institution. However, the members may not be:

(1) employed by; or

(2) working as a contract employee or an independent contractor for;

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a postsecondary credit bearing proprietary educational institution while serving as a member of the commission on postsecondary proprietary education.

(e) An appointment to fill a vacancy occurring on the commission on postsecondary proprietary education is for the unexpired term.

Sec. 3. A member of the commission on postsecondary proprietary education is entitled to the minimum salary per diem provided by IC 4-10-11-2.1(b). The member is also entitled to reimbursement for traveling expenses as provided under IC 4-13-1-4 and other expenses actually incurred in connection with the member's duties as provided in the state policies and procedures established by the Indiana department of administration and approved by the budget agency.

Sec. 4. (a) The commission on postsecondary proprietary education may select officers from the commission on postsecondary proprietary education's membership as the commission on postsecondary proprietary education considers necessary.

(b) The commission on postsecondary proprietary education may adopt reasonable rules under IC 4-22-2 to implement this chapter and IC 21-18.5-6.

(c) The commission on postsecondary proprietary education:

(1) may meet as necessary upon call of the chairperson; and

(2) shall meet at least four (4) times a year.

Sec. 5. An associate commissioner of the commission (as defined in IC 21-18.5-2-7) shall serve as the executive director of the commission on postsecondary proprietary education.".

Page 35, line 8, delete "5." and insert "**6.**".

Page 35, line 19, after "commission" insert "**on postsecondary proprietary education**".

Page 35, line 37, after "machinery" insert "**,**".

Page 36, line 5, after "commission" insert "**on postsecondary proprietary education**".

Page 36, line 10, after "commission" insert "**on postsecondary proprietary education**".

Page 36, line 11, delete "commission's" and insert "**commission on postsecondary proprietary education's**".

Page 36, line 13, after "commission" insert "**on postsecondary proprietary education**".

Page 36, line 19, after "commission" insert "**on postsecondary proprietary education**".

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Page 36, line 39, delete "," and insert "**on postsecondary proprietary education,**".

Page 36, line 41, delete "." and insert "**on postsecondary proprietary education.**".

Page 37, line 3, after "commission" insert "**on postsecondary proprietary education**".

Page 37, line 6, after "commission" insert "**on postsecondary proprietary education**".

Page 37, line 36, delete "." and insert "**on postsecondary proprietary education.**".

Page 37, line 39, after "commission" insert "**on postsecondary proprietary education**".

Page 38, line 11, after "commission" insert "**on postsecondary proprietary education**".

Page 38, line 12, delete "commission's" and insert "**commission on postsecondary proprietary education's**".

Page 38, line 16, after "commission" insert "**on postsecondary proprietary education**".

Page 38, line 19, delete "or the approval of any other".

Page 38, line 20, delete "postsecondary educational institution".

Page 38, line 21, after "commission" insert "**on postsecondary proprietary education**".

Page 38, line 24, after "commission" insert "**on postsecondary proprietary education**".

Page 38, line 27, after "commission" insert "**on postsecondary proprietary education**".

Page 38, line 37, delete "." and insert "**on postsecondary proprietary education.**".

Page 39, line 5, after "commission" insert "**on postsecondary proprietary education**".

Page 39, line 6, delete "commission hearing." and insert "**hearing before the commission on postsecondary proprietary education.**".

Page 39, line 10, after "commission" insert "**on postsecondary proprietary education**".

Page 39, line 12, after "commission" insert "**on postsecondary proprietary education**".

Page 39, line 14, after "commission" insert "**on postsecondary proprietary education**".

Page 39, line 20, after "commission" insert "**on postsecondary proprietary education**".

Page 40, line 10, delete "." and insert "**on postsecondary proprietary education.**".

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Page 40, line 14, after "commission" insert "**on postsecondary proprietary education**".

Page 40, line 32, after "commission" insert "**on postsecondary proprietary education**".

Page 40, line 35, after "commission" insert "**on postsecondary proprietary education**".

Page 40, line 40, delete ":" and insert "**on postsecondary proprietary education:**".

Page 41, line 13, after "commission" insert "**on postsecondary proprietary education**".

Page 41, line 16, after "commission" insert "**on postsecondary proprietary education**".

Page 41, line 30, delete "commission." and insert "**commission (as defined in IC 21-18.5-2-7.).**".

Page 41, line 33, after "commission" insert "**on postsecondary proprietary education**".

Page 41, line 37, after "commission" insert "**on postsecondary proprietary education**".

Page 41, line 37, after "commission" insert "**on postsecondary proprietary education**".

Page 41, delete lines 39 through 42.

Delete page 42.

Page 43, delete lines 1 through 8.

Page 45, line 16, delete "for higher education" and insert "**on postsecondary proprietary education**".

Page 45, line 17, delete "IC 21-18.5-5." and insert "**IC 21-18.5-6.**".

Page 46, line 33, after "machinery" insert "**,**".

Page 57, line 35, delete "IC 21-18.5-5-21" and insert "**IC 21-18.5-6-21**".

Page 58, line 5, after "the" insert "**commission on**".

Page 58, line 5, delete "credit bearing".

Page 58, line 6, delete "educational institution advisory board" and insert "**education**".

Page 58, line 10, after "to the commission" insert "**on proprietary education**".

Page 58, after line 14, begin a new paragraph and insert:

"SECTION 68. [EFFECTIVE UPON PASSAGE] **(a) The commission on postsecondary proprietary education may adopt emergency rules under IC 4-22-2-37.1 in order to administer IC 21-18.5-6, as added by this act.**

(b) Any emergency rules adopted pursuant to this SECTION expire on the earlier of:

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(1) the date the commission on postsecondary proprietary education adopts rules under IC 4-22-2; or

(2) July 1, 2013.

(c) This SECTION expires January 1, 2014.

SECTION 69. [EFFECTIVE UPON PASSAGE] **(a) Notwithstanding the requirements set forth in IC 21-18.5-5, as added by this act, members serving as members of the Indiana commission on proprietary education on June 30, 2012, are considered members of the commission on postsecondary proprietary education established by IC 21-18.5-5-1, as added by this act, until the date the member's term would have expired under IC 21-17-2, before its repeal by this act.**

(b) This SECTION expires July 1, 2017.

SECTION 70. **An emergency is declared for this act.**".

Renumber all SECTIONS consecutively.

(Reference is to HB 1270 as printed January 25, 2012.)

CLERE

COMMITTEE REPORT

Madam President: The Senate Committee on Education and Career Development, to which was referred House Bill No. 1270, 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.

Delete pages 2 through 4.

Page 5, delete lines 1 through 36.

Page 6, delete lines 20 through 39, begin a new paragraph and insert:

"SECTION 2. IC 9-14-2-2, AS AMENDED BY P.L.145-2011, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 2. (a) The bureau may adopt and enforce rules under IC 4-22-2 that are necessary to carry out this title.

(b) The rules adopted under IC 4-22-2 by the Indiana commission on proprietary education established by IC 21-17-2-1 **(before its repeal)** concerning truck driver training schools are considered, after December 31, 2011, rules of the bureau.

(c) The rules adopted under IC 4-22-2 by the Indiana criminal

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justice institute established by IC 5-2-6-3 concerning commercial driver training schools are considered, after December 31, 2011, rules of the bureau.

(d) The rules adopted under IC 4-22-2 by the department of state revenue established by IC 6-8.1-2-1 concerning a student of a truck driver training school and a truck driver training school are considered, after December 31, 2011, rules of the bureau.

(e) The rules adopted under IC 4-22-2 by the Indiana state board of education established by IC 20-19-2-2 concerning driver education are considered, after December 31, 2011, rules of the bureau.".

Page 8, line 19, strike "and".

Page 8, between lines 19 and 20, begin a new line block indented and insert:

"**(7) the commission on postsecondary proprietary education; and**".

Page 8, line 20, strike "(7)" and insert "**(8)**".

Page 9, between lines 21 and 22, begin a new line double block indented and insert:

"**(H) The commission on postsecondary proprietary education.**".

Page 12, line 17, after ""Postsecondary" insert "**credit bearing**".

Page 12, line 18, delete "credit bearing".

Page 25, line 40, strike "costs in consultation with the commission." and insert "**costs.**".

Page 29, line 15, delete "commission for" and insert "**commission on**".

Page 30, line 9, delete "IC 21-16" and insert "**IC 21-17**".

Page 32, line 42, delete "commission for higher education" and insert "**commission on postsecondary proprietary education**".

Page 33, line 14, after "commission" insert "**on postsecondary proprietary education**".

Page 33, lines 31, after "commission" insert "**on postsecondary proprietary education**".

Page 33, lines 36, delete "commission." and insert "**commission on postsecondary proprietary education.**".

Page 34, line 26, delete "for higher" and insert "**on postsecondary proprietary**".

Page 38, delete lines 30 through 32, begin a new paragraph and insert:

"**Sec. 11. The commission may cooperate in developing training programs concerning grant program requirements with the:**

(1) commission on postsecondary proprietary education; or

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(2) state workforce innovation council.".

Page 38, delete lines 37 through 42, begin a new paragraph and insert:

"**Sec. 2. (a) The commission on postsecondary proprietary education consists of the following seven (7) members:**

(1) The state superintendent or the superintendent's designee.

(2) The executive officer of the commission for higher education or the executive officer's designee.

(3) Five (5) members appointed by the governor.

(b) The members appointed by the governor under subsection (a) serve for a term of four (4) years.

(c) Not more than three (3) of the members appointed by the governor may be members of one (1) political party.

(d) Of the five (5) members appointed by the governor:

(1) one (1) must have been engaged for a period of at least five (5) years immediately preceding appointment in an executive or a managerial position in a postsecondary proprietary educational institution subject to IC 21-18.5-6;

(2) one (1) must have been engaged in administering or managing an industrial employee training program for a period of at least five (5) years immediately preceding appointment; and

(3) three (3) must be representatives of the public at large who are not representatives of the types of postsecondary credit bearing proprietary educational institutions to be accredited.

For purposes of subdivision (3), an elected or appointed state or local official or a member of a private or public school may not be appointed as a representative of the public at large.

(e) An appointment to fill a vacancy occurring on the commission on postsecondary proprietary education is for the unexpired term.".

Page 39, delete lines 1 through 13.

Page 39, line 14, after "3." insert "**(a)**".

Page 39, line 15, after "education" insert "**who is not a state employee**".

Page 39, between lines 21 and 22, begin a new paragraph and insert:

"**(b) Each member of the commission on postsecondary proprietary education who is a state employee is entitled to reimbursement for traveling expenses as provided under IC 4-13-1-4 and other expenses actually incurred in connection with the member's duties as provided in the state policies and procedures established by the Indiana department of**

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administration and approved by the budget agency.".

Page 39, line 33, delete "5." and insert "**6.**".

Page 40, line 30, delete "paid." and insert "**paid, including a statement concerning the existence of the career college student assurance fund established under section 6 of this chapter.**".

Page 41, between lines 1 and 2, begin a new paragraph and insert:

"**Sec. 6. (a) The career college student assurance fund is established to provide indemnification to a student or an enrollee of a postsecondary credit bearing proprietary educational institution who suffers loss or damage as a result of:**

(1) the failure or neglect of the postsecondary credit bearing proprietary educational institution to faithfully perform all agreements, express or otherwise, with the student, enrollee, one (1) or both of the parents of the student or enrollee, or a guardian of the student or enrollee as represented by the application for the institution's accreditation and the materials submitted in support of that application;

(2) the failure or neglect of the postsecondary credit bearing proprietary educational institution to maintain and operate a course or courses of instruction or study in compliance with the standards of this chapter; or

(3) an agent's misrepresentation in procuring the student's enrollment.

(b) The commission on postsecondary proprietary education shall administer the fund.

(c) The expenses of administering the fund shall be paid from money in the fund.

(d) 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 may be invested.

(e) Money in the fund at the end of a state fiscal year does not revert to the state general fund but remains available to be used for providing money for reimbursements allowed under this chapter.

(f) Upon the fund acquiring fifty thousand dollars ($50,000), the balance in the fund must not become less than fifty thousand dollars ($50,000). If:

(1) a claim against the fund is filed that would, if paid in full, require the balance of the fund to become less than fifty thousand dollars ($50,000); and

(2) the commission on postsecondary proprietary education determines that the student is eligible for a reimbursement under the fund;

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the commission on postsecondary proprietary education shall prorate the amount of the reimbursement to ensure that the balance of the fund does not become less than fifty thousand dollars ($50,000), and the student is entitled to receive that balance of the student's claim from the fund as money becomes available in the fund from contributions to the fund required under this chapter.

(g) The commission on postsecondary proprietary education shall ensure that all outstanding claim amounts described in subsection (f) are paid as money in the fund becomes available in the chronological order of the outstanding claims.

(h) A claim against the fund may not be construed to be a debt of the state.

Sec. 7. (a) Except as otherwise provided in this section, each postsecondary credit bearing proprietary educational institution shall make quarterly contributions to the fund. The quarters begin January 1, April 1, July 1, and October 1.

(b) For each quarter, each postsecondary credit bearing proprietary educational institution shall make a contribution equal to the STEP THREE amount derived under the following formula:

STEP ONE: Determine the total amount of tuition and fees earned during the quarter.

STEP TWO: Multiply the STEP ONE amount by one-tenth of one percent (0.1%).

STEP THREE: Add the STEP TWO amount and sixty dollars ($60).

(c) After June 30, 2012, upon the career college student assurance fund achieving at least an initial balance of one million dollars ($1,000,000), a postsecondary credit bearing proprietary educational institution that contributes to the career college student assurance fund when the initial quarterly contribution is required under this chapter after the fund's establishment is not required to make contributions to the fund.

(d) The commission on postsecondary proprietary education shall determine the number of quarterly contributions required for the career college student assurance fund to initially accumulate one million dollars ($1,000,000).

(e) Except as provided in subsections (a), (b), and (f), a postsecondary credit bearing proprietary educational institution that begins making contributions to the career college student assurance fund after the initial quarterly contribution as required under this section shall make contributions to the fund for the same

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number of quarters as determined by the commission on proprietary education under subsection (d).

(f) If, after a career college student assurance fund acquires one million dollars ($1,000,000), the balance in the fund becomes less than five hundred thousand dollars ($500,000), all postsecondary credit bearing proprietary educational institutions not required to make contributions to the career college student assurance fund as described in subsection (c) or (e) shall make contributions to the career college student assurance fund for the number of quarters necessary for the fund to accumulate one million dollars ($1,000,000).".

Page 41, line 2, delete "6." and insert "**8.**".

Page 41, line 13, delete "7." and insert "**9.**".

Page 41, line 20, delete "8." and insert "**10.**".

Page 41, line 37, delete "on postsecondary".

Page 41, line 38, delete "proprietary education".

Page 41, line 40, delete "9." and insert "**11.**".

Page 43, line 9, delete "10." and insert "**12.**".

Page 44, delete lines 3 through 6, begin a new paragraph and insert:

"**Sec. 13. Accreditation may be revoked by the commission on postsecondary proprietary education:**

(1) for cause upon notice and an opportunity for a hearing before the commission on postsecondary proprietary education; and

(2) for the accredited postsecondary credit bearing proprietary educational institution failing to make the appropriate quarterly contributions to the career college student assurance fund not later than forty-five (45) days after the end of a quarter.".

Page 44, line 7, delete "12." and insert "**14.**".

Page 44, line 28, delete "13." and insert "**15.**".

Page 44, line 33, delete "14." and insert "**16.**".

Page 45, line 10, delete "15." and insert "**17.**".

Page 45, line 36, delete "16." and insert "**18.**".

Page 46, between lines 10 and 11, begin a new paragraph and insert:

"**Sec. 19. The fact that the career college student assurance fund exists does not limit or impair a right of recovery and the amount of damages or other relief to which a plaintiff may be entitled.**

Sec. 20. (a) This section applies to claims against the balance of the career college student assurance fund.

(b) A student or an enrollee of a postsecondary credit bearing proprietary educational institution who believes that the student or

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enrollee has suffered loss or damage resulting from any of the occurrences described in section 6(a) of this chapter may request the commission on postsecondary proprietary education to file a claim with the commission on postsecondary proprietary education against the balance of the fund.

(c) A claim under this section is limited to a refund of the claimant's applicable tuition and fees.

(d) All claims must be filed not later than five (5) years after the occurrence resulting in the loss or damage to the claimant occurs.

(e) Upon the filing of a claim under this section, the commission on postsecondary proprietary education shall review the records submitted by the appropriate postsecondary credit bearing proprietary educational institution described under section 12 of this chapter and shall investigate the claim.

(f) Upon a determination by the commission on postsecondary proprietary education that a claimant shall be reimbursed under the career college student assurance fund, the commission on postsecondary proprietary education shall prioritize the reimbursements under the following guidelines:

(1) A student's educational loan balances.

(2) Federal grant repayment obligations of the student.

(3) Other expenses paid directly by the student.".

Page 46, line 11, delete "17." and insert "**21.**".

Page 46, line 15, delete "18." and insert "**22.**".

Page 46, line 19, delete "19." and insert "**23.**".

Page 46, line 24, delete "20." and insert "**24.**".

Page 46, line 28, delete "21." and insert "**25.**".

Page 46, line 34, delete "22." and insert "**26.**".

Page 47, line 6, delete "23." and insert "**27.**".

Page 49, line 1, delete "career".

Page 49, line 2, delete "college".

Page 52, line 39, delete "career college".

Page 60, delete lines 30 through 31, begin a new paragraph and insert:

"**Sec. 39. (a) The proprietary educational institution accreditation fund is established.**

(b) The proprietary educational institution accreditation fund shall be administered by the council.

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

(d) All fees collected by the council under this chapter shall be

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deposited in the proprietary educational institution accreditation fund.

(e) Money in the proprietary educational institution accreditation fund shall be used by the council to administer this chapter.".

Page 61, line 35, delete "IC 21-18.5-6-21" and insert "**IC 21-18.5-6-25**".

Page 61, delete lines 37 through 38, begin a new paragraph and insert:

"SECTION 65. IC 35-51-22-1, AS ADDED BY P.L.70-2011, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 1. The following statutes define crimes in IC 22:

IC 22-1-1-22 (Concerning the department of labor).
IC 22-2-2-11 (Concerning wages, hours, and benefits).
IC 22-2-7-7 (Concerning wages, hours, and benefits).
IC 22-3-1-5 (Concerning worker's compensation system).
IC 22-4-11.5-10 (Concerning unemployment compensation system).
IC 22-4-19-6 (Concerning unemployment compensation system).
IC 22-4-29-14 (Concerning unemployment compensation system).
IC 22-4-34-3 (Concerning unemployment compensation system).
IC 22-4-34-4 (Concerning unemployment compensation system).
IC 22-4-34-5 (Concerning unemployment compensation system).
IC 22-4.1-4-4 (Concerning department of workforce development).
IC 22-4.1-21-38 (Concerning postsecondary proprietary educational institution accreditation).
IC 22-5-1-1 (Concerning unlawful labor practices).
IC 22-6-2-13 (Concerning labor relations).
IC 22-7-1-3 (Concerning labor organizations).
IC 22-8-1.1-24.2 (Concerning occupational health and safety).
IC 22-8-1.1-49 (Concerning occupational health and safety).
IC 22-9.5-10-1 (Concerning Indiana fair housing).
IC 22-11-14-3 (Concerning building and safety regulations).
IC 22-11-14-6 (Concerning building and safety regulations).
IC 22-11-14.5-9 (Concerning building and safety regulations).
IC 22-11-14.5-10 (Concerning building and safety regulations).
IC 22-11-14.5-11 (Concerning building and safety regulations).
IC 22-11-14.5-12 (Concerning building and safety regulations).
IC 22-11-15-6 (Concerning building and safety regulations).
IC 22-11-17-3 (Concerning building and safety regulations).
IC 22-11-17-4 (Concerning building and safety regulations).

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IC 22-11-18-5 (Concerning building and safety regulations).
IC 22-11-20-6 (Concerning building and safety regulations).
IC 22-15-4-7 (Concerning building and equipment laws).
IC 22-15-7-9 (Concerning building and equipment laws).".

Page 62, delete lines 2 though 24, begin a new paragraph and insert:

"SECTION 67. [EFFECTIVE JULY 1, 2012] **(a) The commission on postsecondary proprietary education established under IC 21-18.5-5-1, as added by this act, may adopt temporary rules in the manner provided for the adoption of emergency rules under IC 4-22-2-37.1 to implement IC 22-4.1-21, as added by this act.**

(b) Notwithstanding IC 4-22-2-37.1(g), a temporary rule adopted under this SECTION expires on the occurrence of the earlier of:

(1) the date the commission on postsecondary proprietary education adopts rules under IC 4-22-2; or

(2) July 1, 2013.

(c) This SECTION expires January 1, 2014.".

Page 62, between lines 33 and 34, begin a new paragraph and insert:

"SECTION 69. [EFFECTIVE JULY 1, 2012] **(a) Not later than July 5, 2012, the auditor of state shall transfer the balance that remains on June 30, 2012, in the career college student assurance fund established under IC 21-17-3-8, as repealed by this act, as follows:**

(1) Three hundred thousand dollars ($300,000) to the career college student assurance fund established by IC 21-18.5-6-6, as added by this act.

(2) The remainder of the money not transferred under subdivision (1) to the student assurance fund established by IC 22-4.1-21-18, as added by this act.

(b) This SECTION expires January 1, 2013.

SECTION 70. [EFFECTIVE UPON PASSAGE] **(a) As used in this SECTION, "committee" refers to an interim study committee to which the legislative council assigns the topics of study described in subsection (b).**

(b) The general assembly urges the legislative council to assign the following topics pertaining to the implementation of this act to an appropriate committee:

(1) Study whether additional legislative changes are necessary to assist with the transfer of responsibilities from the Indiana commission on proprietary education established under IC 21-17-2-1, as repealed by this act, to the:

(A) state workforce innovation council under IC 22-4.1-21,

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as added by this act; and

(B) commission on postsecondary proprietary education under IC 21-18.5-6, as added by this act.

(2) Study whether a postsecondary credit bearing proprietary institution, as defined in IC 21-18.5-2-12, as added by this act, should be required to provide a surety bond to the commission on postsecondary proprietary education as established by IC 21-18.5-5-1, as added by this act.

(3) Study issues relating to the career college student assurance fund established in IC 21-18.5-6-6, as added by this act.

(4) Study any other issue pertaining to the accreditation of a postsecondary credit bearing proprietary educational institution, as defined in IC 21-18.5-2-12, as added by this act, or a postsecondary proprietary educational institution, as defined in IC 22-4.1-21-9, as added by this act, that the legislative council determines is appropriate.

(c) If the topics described in subsection (b) are assigned to a committee under subsection (b), the committee shall, not later than November 1, 2012, issue a final report to the legislative council concerning the findings and recommendations of the committee concerning the topics described in subsection (b).

(d) This SECTION expires December 31, 2012.".

Renumber all SECTIONS consecutively.

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

(Reference is to HB 1270 as reprinted January 31, 2012.)

KRUSE, Chairperson

Committee Vote: Yeas 6, Nays 3.

COMMITTEE REPORT

Madam President: The Senate Committee on Appropriations, to which was referred House Bill No. 1270, 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 4, delete lines 8 through 9, begin a new line block indented and insert:

"**(7) the board for proprietary education; and**".

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Page 5, delete lines 12 through 13, begin a new line double block indented and insert:

"**(H) The board for proprietary education.**".

Page 6, line 38, delete "commission on postsecondary" and insert "**board for**".

Page 7 line 7, delete "commission on" and insert "**board for proprietary education**".

Page 7, line 8, delete "postsecondary proprietary education".

Page 7, line 14, delete "commission on postsecondary" and insert "**board for**".

Page 7, line 17, delete "commission on postsecondary" and insert "**board for**".

Page 7, line 20, after "education" delete "commission on" and insert "**board for**".

Page 7, line 21, delete "postsecondary".

Page 9, line 4, delete "commission on postsecondary" and insert "**board for**".

Page 11, line 30, strike "commission".

Page 11, line 30, delete "on postsecondary" and insert "**board for**".

Page 12, line 15, strike "commission on".

Page 12, line 15, delete "postsecondary" and insert "**board for**".

Page 21, line 32, after "educational" delete "costs" and insert "costs.".

Page 21, line 32, after "commission." delete "costs.".

Page 23, line 1, delete "commission on postsecondary" and insert "**board for**".

Page 25, line 7, delete "commission on".

Page 25, line 8, delete " postsecondary" and insert "**board for**".

Page 26, line 28, delete "commission on postsecondary" and insert "**board for**".

Page 27, line 12, delete "commission on postsecondary" and insert "**board for**".

Page 27, line 42, delete "commission on".

Page 28, line 1, delete "postsecondary" and insert **"board for**".

Page 28, line 24, delete "commission on postsecondary" and insert "**board for**".

Page 28, delete lines 31 through 42, begin a new paragraph and insert:

"**(h) Proceedings pending before the Indiana commission on proprietary education on July 1, 2012, shall be transferred from the Indiana commission on proprietary education to:**

(1) the board for proprietary education established by

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IC 21-18.5-5-1 for a proceeding pertaining to a postsecondary credit bearing proprietary educational institution (as defined in IC 21-18.5-2-12); or

(2) the state workforce innovation council if the proceeding pertains to a postsecondary proprietary educational institution (as defined in IC 22-4.1-21-9).".

Page 29, line 6, delete "commission on postsecondary" and insert "**board for**".

Page 29, line 24, delete "commission on postsecondary" and insert "**board for**".

Page 29, line 29, delete "commission on postsecondary" and insert "**board for**".

Page 30, line 20, delete "commission on" and insert "**board for proprietary education.**".

Page 30, delete line 21.

Page 31, between lines 31 and 32, begin a new line block indented and insert:

"**(6) Determine annually the maximum higher education award (IC 21-12-3) and freedom of choice award (IC 21-12-4), subject to approval by the budget agency with review by the budget committee.**".

Page 31, line 32, delete "(6)" and insert "**(7)**".

Page 31, line 35, delete "(7)" and insert "**(8)**".

Page 31, line 37, delete "(8)" and insert "**(9)**".

Page 31, line 39, delete "(9)" and insert "**(10)**".

Page 31, line 42, delete "(10)" and insert "**(11)**".

Page 32, between lines 5 and 6, begin a new line block indented and insert:

"**(12) One (1) time every year, submit a report to the budget committee that provides data and statistical information regarding the number of individuals who received assistance under IC 21-12, IC 21-13, and IC 21-14.**".

Page 34, line 26, delete "commission on postsecondary" and insert "**board for**".

Page 34, delete lines 28 through 29, begin a new paragraph and insert:

"**Chapter 5. Board for Proprietary Education**".

Page 34, line 30, delete "commission on postsecondary" and insert "**board for**".

Page 34, line 32, delete "commission on postsecondary" and insert "**board for**".

Page 34, line 41, delete "one (1)" and insert "**the same**".

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Page 35, line 16, delete "commission on postsecondary" and insert "**board for**".

Page 35, line 18, delete "commission on postsecondary" and insert "**board for**".

Page 35, line 26, delete "commission on postsecondary" and insert "**board for**".

Page 35, delete lines 33 through 42, begin a new paragraph and insert:

"**Sec. 4. (a) The board for proprietary education may select officers from the board for proprietary education's membership as the board for proprietary education considers necessary.**

(b) The board for proprietary education may adopt reasonable rules under IC 4-22-2 to implement this chapter and IC 21-18.5-6.

(c) The board for proprietary education:

(1) may meet as necessary upon call of the chairperson; and

(2) shall meet at least four (4) times a year.".

Page 36, delete line 1.

Page 36, line 2, delete "6." and insert "**5.**".

Page 36, line 4, delete "commission on postsecondary" and insert "**board for**".

Page 36, line 16, delete "commission on postsecondary" and insert "**board for**".

Page 37, line 5, delete "commission on postsecondary" and insert "**board for**".

Page 37, line 11, delete "commission on postsecondary" and insert "**board for**".

Page 37, line 13, delete "commission on postsecondary" and insert "**board for**".

Page 37, line 32, delete "commission on postsecondary" and insert "**board for**".

Page 38, line 6, delete "commission on postsecondary" and insert "**board for**".

Page 38, line 9, delete "commission on postsecondary" and insert "**board for**".

Page 38, line 16, delete "commission on postsecondary" and insert "**board for**".

Page 38, line 42, delete "commission on postsecondary" and insert "**board for**".

Page 39, line 9, delete "commission on" and insert "**board for**".

Page 39, line 21, delete "commission on postsecondary" and insert "**board for**".

Page 39, line 27, delete "commission on postsecondary" and insert

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"**board for**".

Page 39, line 32, delete "6" and insert "**8**".

Page 40, line 5, delete "commission on postsecondary" and insert "**board for**".

Page 40, line 8, delete "commission on postsecondary" and insert "**board for**".

Page 40, line 16, delete "commission on postsecondary" and insert "**board for**".

Page 41, line 5, delete "commission on postsecondary" and insert "**board for**".

Page 41, line 8, delete "commission on postsecondary" and insert "**board for**".

Page 41, line 22, delete "commission on" and insert "**board for**".

Page 41, line 23, delete "postsecondary".

Page 41, line 24, delete "commission on postsecondary" and insert "**board for**".

Page 41, line 33, delete "commission on" and insert "**board for**".

Page 41, line 34, delete "postsecondary".

Page 41, line 38, delete "commission on postsecondary" and insert "**board for**".

Page 41, line 41, delete "commission".

Page 41, line 42, delete "on postsecondary" and insert "**board for**".

Page 42, line 10, delete "commission on postsecondary" and insert "**board for proprietary education.**".

Page 42, delete line 11.

Page 42, line 20, delete "commission on" and insert "**board for proprietary education:**".

Page 42, delete line 21.

Page 42, line 23, delete "commission on postsecondary" and insert "**board for**".

Page 42, line 33, delete "commission on postsecondary" and insert "**board for**".

Page 42, line 36, delete "commission on postsecondary" and insert "**board for**".

Page 42, line 39, delete "commission on postsecondary" and insert "**board for**".

Page 43, line 4, delete "commission on postsecondary" and insert "**board for**".

Page 43, line 37, delete "commission on postsecondary" and insert "**board for**".

Page 43, line 42, delete "commission on" and insert "**board for**".

Page 44, line 1, delete "postsecondary".

C o p y

Page 44, line 18, delete "commission" and insert "**board for proprietary education**".

Page 44, line 19, delete "commission".

Page 44, line 20, delete "on postsecondary" and insert "**board for**".

Page 44, line 22, delete "commission".

Page 44, line 23, delete "on postsecondary" and insert "**board for**".

Page 44, line 28, delete "commission on" and insert "**board for proprietary education:**".

Page 44, delete line 29.

Page 45, line 1, delete "commission on postsecondary" and insert "**board for**".

Page 45, line 2, delete "commission on postsecondary" and insert "**board for**".

Page 45, line 8, delete "commission" and insert "**board for**".

Page 45, line 9, delete "on postsecondary".

Page 45, line 15, delete "commission on" and insert "**board for**".

Page 45, line 16, delete "postsecondary".

Page 45, line 31, delete "commission on postsecondary" and insert "**board for**".

Page 45, line 34, delete "commission on postsecondary" and insert "**board for**".

Page 46, line 11, delete "commission on postsecondary" and insert "**board for**".

Page 46, line 14, delete "commission on" and insert "**board for**".

Page 46, line 15, delete "postsecondary".

Page 46, line 16, delete "commission on postsecondary" and insert "**board for**".

Page 48, line 25, delete "commission on postsecondary" and insert "**board for**".

Page 49, delete lines 8 through 15, begin a new paragraph and insert:

"**Sec. 10. (a) The office for career and technical schools is established to carry out the responsibilities of the council under this chapter.**

(b) The council may employ and fix compensation for necessary administrative staff with the approval of the department.

(c) The council may adopt reasonable rules under IC 4-22-2 to implement this chapter.

(d) The council may adopt and use a seal, the description of which shall be filed with the office of the secretary of state, and which may be used for the authentication of the acts of the council.".

C o p y

Page 62, line 15, delete "commission" and insert "**board for**".

Page 62, line 16, delete "on postsecondary".

Page 62, line 23, delete "commission on postsecondary" and insert "**board for**".

Page 62, line 31, delete "commission on postsecondary" and insert "**board for**".

Page 63, line 18, delete "commission on postsecondary" and insert "**board for**".

Page 63, line 20, after "proprietary" insert "**educational**".

Page 63, line 23, delete "commission on postsecondary" and insert "**board for**".

and when so amended that said bill do pass.

(Reference is to EHB 1270 as printed February 17, 2012.)

KENLEY, Chairperson

Committee Vote: Yeas 8, Nays 4.

SENATE MOTION

Madam President: I move that Engrossed House Bill 1270 be amended to read as follows:

Page 38, line 24, delete "one million" and insert "**five hundred thousand**".

Page 38, line 25, delete "($1,000,000)," and insert "**($500,000),**".

Page 38, line 32, delete "one million dollars" and insert "**five hundred thousand dollars ($500,000).**".

Page 38, delete line 33.

Page 38, line 41, delete "one" and insert "**five hundred thousand dollars ($500,000),**".

Page 38, line 42, delete "million dollars ($1,000,000),".

Page 39, line 1, delete "five hundred thousand dollars ($500,000)," and insert "**two hundred fifty thousand dollars ($250,000),**".

Page 39, line 6, delete "one million dollars" and insert "**five hundred thousand dollars ($500,000).**".

Page 39, delete line 7.

(Reference is to EHB 1270 as printed February 24, 2012.)

KRUSE

C o p y