



January 25, 2012

HOUSE BILL No. 1270

DIGEST OF HB 1270 (Updated January 23, 2012 1:07 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: Commission for higher education. Abolishes the state student assistance commission (SSAC). Abolishes the commission on proprietary education (COPE). Requires the commission for higher education (commission) to administer the functions formerly administered by SSAC. Provides that the commission is responsible for accrediting a postsecondary credit bearing proprietary educational institution. Changes the current COPE into an advisory board to advise the commission and the commission's staff. Provides that the state workforce innovation council is responsible for accrediting postsecondary proprietary educational institutions that are non credit bearing. Increases the members of the commission from 14 to 15 members. Provides that the chairman of the postsecondary credit bearing proprietary educational institution advisory board shall serve as a board member for the commission for higher education. Provides that, on or before July 1, 2014, the postsecondary credit bearing proprietary educational institution advisory board may make a report to the legislative council regarding the transition of responsibilities from the commission of proprietary education to the commission and
(Continued next page)

Effective: July 1, 2012.

Clere, Behning

January 9, 2012, read first time and referred to Committee on Education.
January 25, 2012, amended, reported — Do Pass.

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Digest Continued

may make recommendations. Provides that the market research of a postsecondary credit bearing proprietary educational institution 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 for approval of the programs of a postsecondary credit bearing proprietary educational institution. Repeals: (1) provisions relating to establishment and administration of SSAC; (2) provisions relating to establishment and administration of COPE; (3) certain provisions requiring the commission for higher education 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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January 25, 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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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:

1 SECTION 1. IC 9-13-2-188.5, AS AMENDED BY P.L.145-2011,
2 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2012]: Sec. 188.5. (a) ~~This subsection expires December 31,~~
4 ~~2011. "Truck driver training school" means a postsecondary proprietary~~
5 ~~educational institution (as defined in IC 21-17-1-13) located in Indiana~~
6 ~~and accredited by the Indiana commission on proprietary education or~~
7 ~~a state educational institution subject to rules adopted by the bureau~~
8 ~~under IC 9-24-6-5.5 that:~~
9 (1) educates or trains a person; or
10 (2) prepares a person for an examination or a validation given by
11 the bureau;
12 to operate a truck as a vocation.
13 (b) ~~This subsection applies after December 31, 2011. "Truck driver~~
14 ~~training school" means a postsecondary proprietary educational~~
15 ~~institution (as defined in IC 21-17-1-13) IC 22-4.1-21-9) or a~~
16 **postsecondary credit bearing proprietary educational institution**
17 **(as defined in IC 21-18.5-2-13) that:**

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

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

13 (b) The rules adopted under IC 4-22-2 by the ~~Indiana commission~~
 14 ~~on proprietary education established by IC 21-17-2-1~~ **state workforce**
 15 **innovation council or the commission for higher education**
 16 concerning truck driver training schools are considered, after
 17 December 31, 2011, rules of the bureau.

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

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

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

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

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

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1 **IC 22-4.1-21-9) or a postsecondary credit bearing proprietary**
 2 **educational institution (as defined in IC 21-18.5-2-13)** who is
 3 teaching, conducting classes for, giving demonstrations to, or
 4 supervising the practice of individuals learning to operate or drive
 5 motor vehicles or preparing to take an examination for a driver's
 6 license.

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

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

- 16 (1) school corporation (as defined in IC 36-1-2-17);
 17 (2) nonpublic secondary school that voluntarily becomes
 18 accredited under IC 20-19-2-8;
 19 (3) nonpublic secondary school recognized under IC 20-19-2-10;
 20 (4) postsecondary proprietary educational institution (as defined
 21 in ~~IC 21-17-1-13~~); **IC 22-4.1-21-9**);
 22 **(5) postsecondary credit bearing proprietary educational**
 23 **institution (as defined in IC 21-18.5-2-13)**;
 24 ~~(5)~~ (6) state educational institution (as defined in IC 21-7-13-32);
 25 or
 26 ~~(6)~~ (7) nonaccredited nonpublic school;

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

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

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

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

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

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1 made to the plan available to:

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

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

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

- 15 (1) The preparation of each graduate for both employment and
16 further education.
- 17 (2) Accessibility of career and technical education to individuals
18 of all ages who desire to explore and learn for economic and
19 personal growth.
- 20 (3) Projected employment opportunities in various career and
21 technical education fields.
- 22 (4) A study of the supply of and the demand for a labor force
23 skilled in particular career and technical education areas.
- 24 (5) A study of technological and economic change affecting
25 Indiana.
- 26 (6) An analysis of the private career and education sector in
27 Indiana.
- 28 (7) Recommendations for improvement in the state career and
29 technical education program.
- 30 (8) The educational levels expected of career and technical
31 education programs proposed to meet the projected employment
32 needs.

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

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



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1 education, including the following:

2 (A) The Indiana economic development corporation.

3 (B) The council.

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

6 (D) The department of labor.

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

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

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

10 (G) **The state workforce innovation council.**

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

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

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

18 (C) duplicate existing services.

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

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

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

32 SECTION 7. IC 21-7-13-6, AS AMENDED BY P.L.169-2011,
33 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
34 JULY 1, 2012]: Sec. 6. (a) "Approved postsecondary educational
35 institution", for purposes of this title (except section 15 of this chapter,
36 IC 21-12-6, IC 21-12-7, and IC 21-13-1-4) means the following:

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

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

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

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- 1 (C) is accredited by a recognized regional accrediting agency,
 2 including:
 3 (i) Ancilla College;
 4 (ii) Anderson University;
 5 (iii) Bethel College;
 6 (iv) Butler University;
 7 (v) Calumet College of St. Joseph;
 8 (vi) DePauw University;
 9 (vii) Earlham College;
 10 (viii) Franklin College;
 11 (ix) Goshen College;
 12 (x) Grace College and Seminary;
 13 (xi) Hanover College;
 14 (xii) Holy Cross College;
 15 (xiii) Huntington University;
 16 (xiv) Indiana Institute of Technology;
 17 (xv) Indiana Wesleyan University;
 18 (xvi) Manchester College;
 19 (xvii) Marian University;
 20 (xviii) Martin University;
 21 (xix) Oakland City University;
 22 (xx) Rose-Hulman Institute of Technology;
 23 (xxi) Saint Joseph's College;
 24 (xxii) Saint Mary-of-the-Woods College;
 25 (xxiii) Saint Mary's College;
 26 (xxiv) Taylor University;
 27 (xxv) Trine University;
 28 (xxvi) University of Evansville;
 29 (xxvii) University of Indianapolis;
 30 (xxviii) University of Notre Dame;
 31 (xxix) University of Saint Francis;
 32 (xxx) Valparaiso University; and
 33 (xxxi) Wabash College;
 34 or is accredited by the ~~commission on proprietary education~~
 35 **commission for higher education under IC 21-18.5-5** or an
 36 accrediting agency recognized by the United States
 37 Department of Education.
 38 (2) Ivy Tech Community College.
 39 (3) A hospital that operates a nursing diploma program that is
 40 accredited by the Indiana state board of nursing.
 41 (4) A postsecondary **credit bearing** proprietary educational
 42 institution that meets the following requirements:

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- 1 (A) Is incorporated in Indiana, or is registered as a foreign
2 corporation doing business in Indiana.
- 3 (B) Is fully accredited by and is in good standing with the
4 ~~commission on proprietary education~~; **commission for higher**
5 **education under IC 21-18.5-5.**
- 6 (C) Is accredited by and is in good standing with a regional or
7 national accrediting agency.
- 8 (D) Offers a course of study that is at least eighteen (18)
9 consecutive months in duration (or an equivalent to be
10 determined by the ~~commission on proprietary education~~)
11 **commission for higher education under IC 21-18.5-5**) and
12 that leads to an associate or a baccalaureate degree recognized
13 by the ~~commission on proprietary education~~; **commission for**
14 **higher education under IC 21-18.5-5.**
- 15 (E) Is certified to the state student assistance commission by
16 the ~~commission on proprietary education~~ **commission for**
17 **higher education** as meeting the requirements of this
18 subdivision.
- 19 (b) "Approved postsecondary educational institution" for purposes
20 of section 15 of this chapter, IC 21-12-6, IC 21-12-7, and IC 21-13-1-4,
21 means the following:
- 22 (1) A state educational institution.
- 23 (2) A nonprofit college or university.
- 24 (3) A postsecondary **credit bearing** proprietary educational
25 institution that is accredited by an accrediting agency recognized
26 by the United States Department of Education.
- 27 SECTION 8. IC 21-7-13-12 IS REPEALED [EFFECTIVE JULY 1,
28 2012]. ~~Sec. 12: "Commission on proprietary education" refers to the~~
29 ~~Indiana commission on proprietary education established by~~
30 ~~IC 21-17-2-1.~~
- 31 SECTION 9. IC 21-7-13-15, AS ADDED BY P.L.2-2007,
32 SECTION 243, IS AMENDED TO READ AS FOLLOWS
33 [EFFECTIVE JULY 1, 2012]: Sec. 15. "Educational support costs"
34 refers to costs incurred by scholarship recipients in purchasing:
- 35 (1) required textbooks, supplies, or equipment;
- 36 (2) any other material required by the approved postsecondary
37 educational institution in order for a scholarship recipient to
38 participate in a particular class, seminar, laboratory, or other type
39 of instruction; or
- 40 (3) other items or services approved by the state student
41 assistance commission **for higher education** under rules adopted
42 by the state student assistance commission **for higher education**

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1 **under IC 21-18.5-4;**
 2 that are not included in educational costs.

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

8 SECTION 11. IC 21-7-13-33 IS REPEALED [EFFECTIVE JULY
 9 1, 2012]. ~~Sec. 33~~: "State student assistance commission" refers to the
 10 **commission established by IC 21-11-2-1**.

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

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

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

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

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

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

34 (A) operates in Indiana;

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

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

39 (D) is accredited by:

40 (i) a recognized regional accrediting agency;

41 (ii) the ~~Indiana commission on proprietary education;~~
 42 **commission under IC 21-18.5-5; or**

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- 1 (iii) the Indiana state board of nursing; **or**
 2 **(iv) the state workforce innovation council under**
 3 **IC 22-4.1-21.**

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

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

11 (2) The applicant:

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

14 (B) has been granted a:

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

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

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

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

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

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

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

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

42 (B) courses designed to help the student develop the basic

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- 1 skills that the student needs to successfully achieve that
 2 objective or continue in that course of study.
 3 (b) This subsection applies to an individual who:
 4 (1) meets the requirements set forth in subsection (a); and
 5 (2) before the date that eligibility is determined by the
 6 commission, has been placed by or with the consent of the
 7 department of child services, by a court order, or by a licensed
 8 child placing agency in:
 9 (A) a foster family home;
 10 (B) the home of a relative or other unlicensed caretaker;
 11 (C) a child caring institution; or
 12 (D) a group home.

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

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

- 20 (1) participates in:
 21 (A) a nursing diploma program that is accredited by the
 22 Indiana state board of nursing and operated by a hospital;
 23 (B) a technical certificate or associate degree program at Ivy
 24 Tech Community College; or
 25 (C) an associate degree program at a postsecondary **credit**
 26 **bearing** proprietary educational institution that qualifies as an
 27 approved postsecondary educational institution; and

28 (2) meets the requirements in sections 1 and 2 of this chapter for
 29 a first year higher education award except the requirement of
 30 satisfactory progress toward a first baccalaureate degree;
 31 is eligible to receive a state higher education award under this chapter.
 32 However, the student must make satisfactory progress toward obtaining
 33 the diploma, technical certificate, or associate degree to remain eligible
 34 for the award.

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

- 42 (b) The maximum amount of a grant that may be offered to an

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1 eligible student in a program at a postsecondary **credit bearing**
2 proprietary educational institution is equal to the maximum amount of
3 an award the student could receive under this chapter if the student
4 were enrolled at Ivy Tech Community College.

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

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

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

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

17 (B) the rules of the commission; and

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

20 (A) either:

21 (i) operates in Indiana, provides an organized two (2) year or
22 longer program of collegiate grade directly creditable toward
23 a baccalaureate degree, is operated by a nonprofit entity, and
24 is accredited by a recognized regional accrediting agency or
25 the commission ~~on proprietary education~~ **under**
26 **IC 21-18.5-5**; or

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

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

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

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

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1 educational institution must satisfy the following requirements:

- 2 (1) Be an approved postsecondary educational institution.
 3 (2) Be accredited by an agency that is recognized by the Secretary
 4 of the United States Department of Education.
 5 (3) Operate an organized program of postsecondary education
 6 leading to an associate or a baccalaureate degree on a campus
 7 located in Indiana.
 8 (4) Be approved by the commission
 9 (A) under rules adopted under IC 4-22-2. ~~and~~
 10 (B) ~~in consultation with the commission on proprietary~~
 11 ~~education, if appropriate.~~

12 SECTION 22. IC 21-12-6-5, AS AMENDED BY P.L.169-2011,
 13 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 14 JULY 1, 2012]: Sec. 5. (a) To qualify to participate in the program, a
 15 student must meet the following requirements:

- 16 (1) Be a resident of Indiana.
 17 (2) Be:
 18 (A) enrolled in grade 7 or 8 at a:
 19 (i) public school; or
 20 (ii) nonpublic school that is accredited either by the state
 21 board of education or by a national or regional accrediting
 22 agency whose accreditation is accepted as a school
 23 improvement plan under IC 20-31-4-2; or
 24 (B) otherwise qualified under the rules of the commission that
 25 are adopted under ~~IC 21-11-9-4~~ **IC 21-18.5-4-9(2)** to include
 26 students who are in grades other than grade 8 as eligible
 27 students.
 28 (3) Be a member of a household with an annual income of not
 29 more than the amount required for the individual to qualify for
 30 free or reduced priced lunches under the national school lunch
 31 program, as determined for the immediately preceding taxable
 32 year for the household.
 33 (4) Agree, in writing, together with the student's custodial parents
 34 or guardian, that the student will:
 35 (A) graduate from a secondary school located in Indiana that
 36 meets the admission criteria of an eligible institution;
 37 (B) not illegally use controlled substances (as defined in
 38 IC 35-48-1-9);
 39 (C) not commit a crime or an infraction described in
 40 IC 9-30-5;
 41 (D) not commit any other crime or delinquent act (as described
 42 in IC 31-37-1-2 or IC 31-37-2-2 through IC 31-37-2-5 (or

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1 IC 31-6-4-1(a)(1) through IC 31-6-4-1(a)(5) before their
 2 repeal));
 3 (E) timely apply, when the eligible student is a senior in high
 4 school:
 5 (i) for admission to an eligible institution; and
 6 (ii) for any federal and state student financial assistance
 7 available to the eligible student to attend an eligible
 8 institution;
 9 (F) achieve a cumulative grade point average upon graduation
 10 of:
 11 (i) at least 2.0, if the student graduates from high school
 12 before July 1, 2014; and
 13 (ii) at least 2.5, if the student graduates from high school
 14 after June 30, 2014;
 15 on a 4.0 grading scale (or its equivalent if another grading
 16 scale is used) for courses taken during grades 9, 10, 11, and
 17 12; and
 18 (G) participate in an academic success program required under
 19 the rules adopted by the commission, ~~and the commission for~~
 20 ~~higher education~~, if the student initially enrolls in the program
 21 after June 30, 2011.
 22 (b) A student is also qualified to participate in the program if the
 23 student:
 24 (1) before or during grade 7 or grade 8, is placed by or with the
 25 consent of the department of child services, by a court order, or by
 26 a child placing agency in:
 27 (A) a foster family home;
 28 (B) the home of a relative or other unlicensed caretaker;
 29 (C) a child caring institution; or
 30 (D) a group home;
 31 (2) agrees in writing, together with the student's caseworker (as
 32 defined in IC 31-9-2-11), to the conditions set forth in subsection
 33 (a)(4); and
 34 (3) except as provided in subdivision (2), otherwise meets the
 35 requirements of subsection (a).
 36 (c) The commission may require that an applicant apply
 37 electronically to participate in the program using an online Internet
 38 application on the commission's web site.
 39 SECTION 23. IC 21-12-6-6, AS AMENDED BY P.L.229-2011,
 40 SECTION 228, IS AMENDED TO READ AS FOLLOWS
 41 [EFFECTIVE JULY 1, 2012]: Sec. 6. (a) A student may apply to the
 42 commission for a scholarship. To qualify for a scholarship, the student

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- 1 must meet the following requirements:
- 2 (1) Be an eligible student who qualified to participate in the
- 3 program under section 5 of this chapter.
- 4 (2) Be a resident of Indiana.
- 5 (3) Be a graduate from a secondary school located in Indiana that
- 6 meets the admission criteria of an eligible institution and have
- 7 achieved a cumulative grade point average in high school of:
- 8 (A) at least 2.0 on a 4.0 grading scale, if the student is
- 9 expected to graduate from high school before July 1, 2014; and
- 10 (B) at least 2.5 on a 4.0 grading scale, if the student is
- 11 expected to graduate from high school after June 30, 2014.
- 12 (4) Have applied to attend and be accepted to attend as a full-time
- 13 student an eligible institution.
- 14 (5) Certify in writing that the student has:
- 15 (A) not illegally used controlled substances (as defined in
- 16 IC 35-48-1-9);
- 17 (B) not illegally consumed alcoholic beverages;
- 18 (C) not committed any other crime or a delinquent act (as
- 19 described in IC 31-37-1-2 or IC 31-37-2-2 through
- 20 IC 31-37-2-5 (or IC 31-6-4-1(a)(1) through IC 31-6-4-1(a)(5)
- 21 before their repeal));
- 22 (D) timely filed an application for other types of financial
- 23 assistance available to the student from the state or federal
- 24 government; and
- 25 (E) ~~participate~~ **participated** in an academic success program
- 26 required under the rules adopted by the commission. ~~and the~~
- 27 ~~commission for higher education.~~
- 28 (6) Submit to the commission all the information and evidence
- 29 required by the commission to determine eligibility as a
- 30 scholarship applicant.
- 31 (7) This subdivision applies only to applicants who initially enroll
- 32 in the program under section 5 of this chapter or IC 21-12-6.5-2
- 33 after June 30, 2011. For purposes of this chapter, applicants who
- 34 are enrolled in the program before July 1, 2011, will not have an
- 35 income or financial resources test applied to them when they
- 36 subsequently apply for a scholarship. Have a lack of financial
- 37 resources reasonably available to the applicant, as defined by the
- 38 commission, that, in the absence of an award under this chapter,
- 39 would deter the scholarship applicant from completing the
- 40 applicant's education at the approved postsecondary educational
- 41 institution that the applicant has selected and that has accepted
- 42 the applicant.

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- 1 (8) Meet any other minimum criteria established by the
- 2 commission.
- 3 (b) This section applies to an individual who graduates from high
- 4 school after December 31, 2011. To be eligible for a scholarship under
- 5 this section, a student must initially attend the eligible institution
- 6 described in subdivision (a)(4) not later than the fall semester (or its
- 7 equivalent, as ~~determine~~ **determined** by the commission) in the year
- 8 immediately following the year in which the student graduates from
- 9 high school.
- 10 SECTION 24. IC 21-12-6-10, AS AMENDED BY P.L.169-2011,
- 11 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 12 JULY 1, 2012]: Sec. 10. (a) This section applies to a student who
- 13 qualifies for a scholarship under section 6 or 7 of this chapter, if the
- 14 student initially enrolls in the program before July 1, 2011.
- 15 (b) The amount of a scholarship is equal to the lowest of the
- 16 following amounts:
- 17 (1) If the scholarship applicant attends an eligible institution that
- 18 is a state educational institution and:
- 19 (A) receives no other financial assistance specifically
- 20 designated for educational costs, a full tuition scholarship to
- 21 the state educational institution; or
- 22 (B) receives other financial assistance specifically designated
- 23 for educational costs, the balance required to attend the state
- 24 educational institution, not to exceed the amount described in
- 25 clause (A).
- 26 (2) If the scholarship applicant attends an eligible institution that
- 27 is private and:
- 28 (A) receives no other financial assistance specifically
- 29 designated for educational costs, an average of the full tuition
- 30 scholarship amounts of all state educational institutions not
- 31 including Ivy Tech Community College; or
- 32 (B) receives other financial assistance specifically designated
- 33 for educational costs, the balance required to attend the college
- 34 or university not to exceed the amount described in clause (A).
- 35 (3) If the scholarship applicant attends an eligible institution that
- 36 is a postsecondary **credit bearing** proprietary educational
- 37 institution and:
- 38 (A) receives no other financial assistance specifically
- 39 designated for educational costs, the lesser of:
- 40 (i) the full tuition scholarship amounts of Ivy Tech
- 41 Community College; or
- 42 (ii) the actual tuition and regularly assessed fees of the

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

6 SECTION 25. IC 21-12-6-10.3, AS ADDED BY P.L.229-2011,
7 SECTION 230, IS AMENDED TO READ AS FOLLOWS
8 [EFFECTIVE JULY 1, 2012]: Sec. 10.3. (a) This section applies to a
9 student who qualifies for a scholarship under section 6 or 7 of this
10 chapter, if the student initially enrolls in the program after June 30,
11 2011. Applicants who are enrolled in the program before July 1, 2011,
12 will not have an income or financial resources test applied to them
13 under this section when they subsequently apply for a scholarship or
14 apply to renew a scholarship.

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

17 (1) If the scholarship applicant attends an approved postsecondary
18 educational institution that is a state educational institution, the
19 full educational costs that the scholarship applicant would
20 otherwise be required to pay at the eligible institution.

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

27 (3) If the scholarship applicant attends an approved postsecondary
28 educational institution that is a postsecondary **credit bearing**
29 proprietary educational institution, the lesser of the educational
30 costs that the scholarship applicant would otherwise be required
31 to pay at the postsecondary **credit bearing** proprietary
32 educational institution or the educational costs of Ivy Tech
33 Community College.

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

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

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

41 (d) The total of all tuition scholarships awarded under this section
42 in a state fiscal year may not exceed the amount available for

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1 distribution from the fund for scholarships under this chapter. If the
 2 total amount to be distributed from the fund in a state fiscal year
 3 exceeds the amount available for distribution, the amount to be
 4 distributed to each eligible applicant shall be proportionately reduced
 5 so that the total reductions equal the amount of the excess based on the
 6 relative financial need of each eligible applicant.

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

- 11 (1) The agreements under section 5 of this chapter.
- 12 (2) The certifications under section 6 of this chapter.
- 13 (3) A comprehensive list of all eligible students.

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

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

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

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

- 29 (1) Pell grants;
- 30 (2) Chafee grants;
- 31 (3) federal supplemental grants;
- 32 (4) the Free Application for Federal Student Aid;
- 33 (5) individual development accounts (as described under
 34 IC 4-4-28); and
- 35 (6) **the state student assistance commission for higher
 36 education's programs under IC 21-18.5-3-1.**

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

40 SECTION 28. IC 21-12-6.5-1, AS ADDED BY P.L.100-2009,
 41 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 42 JULY 1, 2012]: Sec. 1. This chapter applies to an individual who:

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- 1 (1) is receiving foster care;
 2 (2) is in grades 9 through 12; and
 3 (3) is a resident of Indiana as determined under ~~IC 21-11-7~~;
 4 **IC 21-18.5-4-8**;

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

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

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

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

- 19 (1) an insurance program; or
 20 (2) a business program with an emphasis on insurance;

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

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

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

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

- 34 (1) are allocated to a state educational institution under ~~section
 35 8(b) of this chapter subsection (a)~~; and
 36 (2) are not used for scholarships under this chapter;

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

40 SECTION 31. IC 21-12-12-1, AS ADDED BY P.L.169-2011,
 41 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 42 JULY 1, 2012]: Sec. 1. (a) Before the commission distributes grants

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1 under this article to an approved postsecondary education institution
 2 for the academic year beginning July 1, 2012, and before each
 3 academic year thereafter, the approved postsecondary education
 4 institution shall timely provide to the commission ~~for higher education~~
 5 the appropriate current and past student unit record data that is
 6 necessary to adequately administer and evaluate the effectiveness of
 7 the award and scholarship programs provided under this article. The
 8 commission shall use the data for its student information system.

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

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

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

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

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

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

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

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

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

37 SECTION 34. IC 21-13-2-11, AS ADDED BY P.L.2-2007,
 38 SECTION 254, IS AMENDED TO READ AS FOLLOWS
 39 [EFFECTIVE JULY 1, 2012]: Sec. 11. The commission shall allocate
 40 the available money from the fund to each eligible institution in
 41 proportion to the number of minority students enrolled at each eligible
 42 institution based upon the ~~most recent~~ information ~~received from the~~



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1 ~~commission for higher education. concerning:~~

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

4 **(2) the number of individuals who are:**

5 **(A) enrolled at each eligible institution; and**

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

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

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

16 SECTION 35. IC 21-13-3-9 IS REPEALED [EFFECTIVE JULY 1,
17 2012]. ~~Sec. 9. The commission for higher education shall provide the~~
18 ~~commission with the most recent information concerning the number~~
19 ~~of nursing students enrolled at each approved postsecondary~~
20 ~~educational institution.~~

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

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

34 SECTION 38. IC 21-14-2-8, AS AMENDED BY P.L.229-2011,
35 SECTION 233, IS AMENDED TO READ AS FOLLOWS
36 [EFFECTIVE JULY 1, 2012]: Sec. 8. A state educational institution
37 shall hold a public hearing before adopting a proposed tuition and fee
38 rate increase. The state educational institution shall give public notice
39 of the hearing at least ten (10) days before the hearing. The public
40 notice must include the specific proposal for the tuition and fee rate
41 increase and the expected uses of the revenue to be raised by the
42 proposed increase. The hearing must be held not later than thirty (30)



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1 days after the commission for higher education has established the
 2 recommended tuition and mandatory fee increase targets for each state
 3 educational institution under section 12.5 of this chapter.

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

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

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

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

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

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

36 (b) The report must include the following information:

- 37 (1) The number of senior citizens who qualified for a tuition
 38 exemption.
- 39 (2) The courses in which the senior citizens enrolled.
- 40 (3) The number of semester hours (or its equivalent) taken by
 41 senior citizens under this chapter.
- 42 (4) Any other pertinent information required by the commission.

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

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

12 SECTION 44. IC 21-14-10-5, AS ADDED BY P.L.141-2008,
 13 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 14 JULY 1, 2012]: Sec. 5. Determination of eligibility for higher
 15 education benefits authorized under this chapter is vested exclusively
 16 in the Indiana department of veterans' affairs. Any applicant for
 17 benefits under this chapter may make a written request for a
 18 determination of eligibility by the Indiana department of veterans'
 19 affairs. The director or deputy director of the Indiana department of
 20 veterans' affairs shall make a written determination of eligibility in
 21 response to each request. In determining the amount of an eligible
 22 applicant's benefit, the ~~state student assistance~~ commission shall
 23 consider other higher education financial assistance in conformity with
 24 this chapter.

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

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

41 SECTION 47. IC 21-17-1-2 IS REPEALED [EFFECTIVE JULY 1,
 42 2012]. Sec. 2: "Accreditation" means certification of a status of

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1 approval or authorization by the commission to conduct business as a
2 postsecondary proprietary educational institution:

3 SECTION 48. IC 21-17-1-3 IS REPEALED [EFFECTIVE JULY 1,
4 2012]. Sec. 3: "Agent" means a person who:

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

6 (A) personal contact;

7 (B) telephone;

8 (C) advertisement;

9 (D) letter; or

10 (E) publications;

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

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

15 SECTION 49. IC 21-17-1-4 IS REPEALED [EFFECTIVE JULY 1,
16 2012]. Sec. 4: "Agent's permit" means a nontransferable written
17 authorization issued to a person by the commission to solicit a resident
18 of Indiana to enroll in a course offered or maintained by a
19 postsecondary proprietary educational institution:

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

23 SECTION 51. IC 21-17-1-6 IS REPEALED [EFFECTIVE JULY 1,
24 2012]. Sec. 6: "Commission" means the Indiana commission on
25 proprietary education:

26 SECTION 52. IC 21-17-1-8 IS REPEALED [EFFECTIVE JULY 1,
27 2012]. Sec. 8: "Fund" refers to the career college student assurance
28 fund established by IC 21-17-3-8:

29 SECTION 53. IC 21-17-1-11 IS REPEALED [EFFECTIVE JULY
30 1, 2012]. Sec. 11: "Person" means an individual, a partnership, a
31 limited liability company, an association, a corporation, a joint venture,
32 a trust, a receiver, or a trustee in bankruptcy:

33 SECTION 54. IC 21-17-1-13 IS REPEALED [EFFECTIVE JULY
34 1, 2012]. Sec. 13: "Postsecondary proprietary educational institution"
35 means a person doing business in Indiana by offering to the public for
36 a tuition, fee, or charge, instructional or educational services or training
37 in a technical, professional, mechanical, business, or industrial
38 occupation, either in the recipient's home, at a designated location, or
39 by mail. The term does not include the following:

40 (1) A state educational institution or another educational
41 institution established by law and financed in whole or part by
42 public funds:

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

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

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

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

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

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

18 (D) is a Montessori or nursery school.

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

22 SECTION 55. IC 21-17-2 IS REPEALED [EFFECTIVE JULY 1,
 23 2012]. (Indiana Commission on Proprietary Education).

24 SECTION 56. IC 21-17-3 IS REPEALED [EFFECTIVE JULY 1,
 25 2012]. (Postsecondary Proprietary Educational Institution
 26 Accreditation).

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

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

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

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

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

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

41 SECTION 58. IC 21-18-3-6, AS ADDED BY P.L.2-2007,
 42 SECTION 259, IS AMENDED TO READ AS FOLLOWS



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1 [EFFECTIVE JULY 1, 2012]: Sec. 6. (a) **This section does not apply**
 2 **to a member described in section 1(5) of this chapter.** Appointments
 3 to the commission are for a term of four (4) years except:

- 4 (1) the student member; and
 5 (2) the full-time faculty member;

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

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

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

12 SECTION 59. IC 21-18-6-1, AS AMENDED BY P.L.7-2011,
 13 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 14 JULY 1, 2012]: Sec. 1. The general purposes of the commission are the
 15 following:

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

18 (2) Review appropriation requests of state educational
 19 institutions.

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

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

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

27 **(6) Administer accreditation of postsecondary credit bearing**
 28 **proprietary educational institutions under IC 21-18.5-5.**

29 SECTION 60. IC 21-18.5 IS ADDED TO THE INDIANA CODE
 30 AS A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY
 31 1, 2012]:

32 **ARTICLE 18.5. ADMINISTRATION OF HIGHER**
 33 **EDUCATION FINANCIAL AID AND POSTSECONDARY**
 34 **CREDIT BEARING PROPRIETARY EDUCATIONAL**
 35 **INSTITUTION ACCREDITATION**

36 **Chapter 1. General Provisions**

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

42 (b) After June 30, 2012, a contract entered into by the state

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

5 (c) The:

6 (1) amendments made by P.L.128-1990; and
7 (2) repeal of IC 21-11 and addition of this article by legislation
8 enacted during the 2012 session of the general assembly;
9 do not affect the rights, duties, or obligations of the commission for
10 higher education established by IC 21-18-2-1 or a person who
11 before July 1, 2012, had a contract with the state student assistance
12 commission (before its abolishment on July 1, 2012) or with the
13 state student assistance commission (as it existed before the
14 enactment of P.L.128-1990).

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

18 (1) P.L.128-1990; and
19 (2) the repeal of IC 21-11 and conforming amendments made
20 to IC 21-7 through IC 21-16 by legislation enacted during the
21 2012 session of the general assembly;
22 had not been enacted.

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

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

28 (1) All real and personal property of the state student
29 assistance commission.
30 (2) All powers, duties, assets, and liabilities of the state student
31 assistance commission.
32 (3) All appropriations to the state student assistance
33 commission.

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

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

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

5 **(1) commission for higher education established by**
 6 **IC 21-18-2-1 if the reference pertains to a postsecondary**
 7 **credit bearing proprietary educational institution; or**

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

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

13 **(1) rights or liabilities accrued;**

14 **(2) penalties incurred;**

15 **(3) crimes committed; or**

16 **(4) proceedings begun;**

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

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

23 **(1) rights or liabilities accrued;**

24 **(2) penalties incurred;**

25 **(3) crimes committed; or**

26 **(4) proceedings begun;**

27 **before July 1, 2012, that pertain to a postsecondary credit bearing**
 28 **proprietary educational institution. These rights, liabilities,**
 29 **penalties, crimes, and proceedings continue and shall be imposed**
 30 **and enforced by the commission for higher education established**
 31 **under IC 21-18-2-1.**

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

35 **(1) rights or liabilities accrued;**

36 **(2) penalties incurred;**

37 **(3) crimes committed; or**

38 **(4) proceedings begun;**

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

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1 established under IC 22-4-18.1-3.

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

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

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

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

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

15 **(c) All powers and duties of the Indiana commission on**
16 **proprietary education before its abolishment pertaining to the**
17 **accreditation of a postsecondary credit bearing proprietary**
18 **educational institution are transferred to the commission for**
19 **higher education established by IC 21-18-2-1.**

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

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

32 **(f) Rules that were adopted by the Indiana commission on**
33 **proprietary education before July 1, 2012, shall be treated as**
34 **though the rules were adopted by the commission for higher**
35 **education established by IC 21-18-2-1 and the state workforce**
36 **innovation council established by IC 22-4-18.1-3 until the:**

37 **(1) commission for higher education adopts rules under**
38 **IC 4-22-2 to implement IC 21-18.5; or**

39 **(2) state workforce innovation council adopts rules under**
40 **IC 4-22-2 to implement IC 22-4.1-21.**

41 **(g) An accreditation granted or a permit issued under**
42 **IC 21-17-3 by the Indiana commission on proprietary education**

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1 before July 1, 2012, shall be treated after June 30, 2012, as an
2 accreditation granted or a permit issued by the:

3 (1) commission for higher education established under
4 IC 21-18-2-1 if the accreditation pertains to a postsecondary
5 credit bearing proprietary educational institution (as defined
6 in IC 21-18.5-2-13); or

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

10 (h) Proceedings pending before the Indiana commission on
11 proprietary education on July 1, 2012, shall be transferred from
12 the Indiana commission on proprietary education to the
13 commission for higher education and treated as if the proceedings
14 were initiated by the:

15 (1) commission for higher education established by
16 IC 21-18-2-1 for a proceeding pertaining to a postsecondary
17 credit bearing proprietary educational institution (as defined
18 in IC 21-18.5-2-13); or

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

22 **Chapter 2. Definitions**

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

25 **Sec. 2. "Accreditation", for purposes of IC 21-18.5-5, means
26 certification of a status of approval or authorization by the
27 commission to conduct business as a postsecondary credit bearing
28 proprietary educational institution.**

29 **Sec. 3. "Advisory board", for purposes of IC 21-18.5-6, means
30 the postsecondary credit bearing proprietary educational
31 institution advisory board established by IC 21-18.5-6-1.**

32 **Sec. 4. "Agent", for purposes of IC 21-18.5-5, means a person
33 who:**

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

35 (A) personal contact;

36 (B) telephone;

37 (C) advertisement;

38 (D) letter; or

39 (E) publications;

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

42 (2) otherwise holds the person out to the residents of Indiana

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- 1 as representing a postsecondary credit bearing proprietary
2 educational institution.
- 3 Sec. 5. "Agent's permit", for purposes of IC 21-18.5-5, means a
4 nontransferable written authorization issued to a person by the
5 commission to solicit a resident of Indiana to enroll in a course
6 offered or maintained by a postsecondary credit bearing
7 proprietary educational institution.
- 8 Sec. 6. "Application", for purposes of IC 21-18.5-5, means a
9 written request for accreditation or an agent's permit on forms
10 supplied by the commission.
- 11 Sec. 7. "Caretaker relative" means a relative by blood or law
12 who lives with a minor and exercises parental responsibility, care,
13 and control over the minor in the absence of the minor's parent.
- 14 Sec. 8. "Commission" means the commission for higher
15 education established by IC 21-18-2-1.
- 16 Sec. 9. "Course", for purposes of IC 21-18.5-5, means a plan or
17 program of instruction or training, whether conducted in person,
18 by mail, or by any other method.
- 19 Sec. 10. "Enrollment" means the establishment and
20 maintenance of an individual's status as an undergraduate student
21 in a postsecondary credit bearing proprietary educational
22 institution.
- 23 Sec. 11. "Higher education award" means a monetary award.
- 24 Sec. 12. "Person", for purposes of IC 21-18.5-5, means an
25 individual, a partnership, a limited liability company, a
26 association, a corporation, a joint venture, a trust, a receiver, or a
27 trustee in bankruptcy.
- 28 Sec. 13. (a) "Postsecondary credit bearing proprietary
29 educational institution" means a degree granting and credit
30 bearing institution that provides instructional or educational
31 services or training in a technical, professional, mechanical,
32 business, or industrial occupation, and is accredited by an
33 accrediting agency recognized by the United States Department of
34 Education or is seeking and progressing toward accreditation by
35 an accrediting agency recognized by the United States Department
36 of Education.
- 37 (b) The term does not include the following:
- 38 (1) An Indiana state educational institution or another
39 Indiana educational institution established by law and
40 financed in whole or in part by public funds.
- 41 (2) A postsecondary proprietary educational institution
42 approved or regulated by any other state regulatory board,

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- 1 agency, or commission other than the commission for higher
- 2 education.
- 3 (3) An elementary or secondary school attended by students
- 4 in kindergarten or grades 1 through 12 and supported in
- 5 whole or in part by private tuition payments.
- 6 (4) Any educational institution or educational training that:
- 7 (A) is maintained or given by an employer or a group of
- 8 employers, without charge, for employees or for
- 9 individuals the employer anticipates employing;
- 10 (B) is maintained or given by a labor organization, without
- 11 charge, for its members or apprentices;
- 12 (C) offers exclusively instruction that is clearly
- 13 self-improvement, motivational, or avocational in intent
- 14 (including instruction in dance, music, or self-defense, and
- 15 private tutoring); or
- 16 (D) is a Montessori or nursery school.
- 17 (5) A privately endowed two (2) or four (4) year degree
- 18 granting institution that is regionally accredited and whose
- 19 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:

- 23 (1) This article.
- 24 (2) IC 21-12.
- 25 (3) IC 21-13.
- 26 (4) IC 21-14.
- 27 (5) IC 21-16.

Chapter 4. Administration of Awards

Sec. 1. The purposes of this chapter are:

- 30 (1) to increase the opportunity to receive a higher education
- 31 for every person who resides in Indiana and who, though
- 32 being highly qualified and desiring to receive a higher
- 33 education, is deterred by financial considerations; and
- 34 (2) to accomplish the goal described in subdivision (1) by
- 35 establishing a system of state higher education awards that
- 36 will assist individuals in selecting and attending a qualified
- 37 public or private postsecondary educational institution or a
- 38 postsecondary credit bearing proprietary educational
- 39 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.

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

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

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

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

11 **(4) Determine the eligibility of applicants.**

12 **(5) Select qualified applicants.**

13 **(6) Determine the respective amounts of, and award, the**
 14 **appropriate higher education awards, grants, and**
 15 **scholarships.**

16 **(7) Determine eligibility for, and award, annual renewals of**
 17 **higher education awards, grants, and scholarships.**

18 **(8) Act as the designated state agency for participation in any**
 19 **federal program for reinsurance of student loans.**

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

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

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

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

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

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



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

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

- 10 (1) lawful;
11 (2) in the state's best interests; and
12 (3) generally consistent with the commission's programs and
13 purposes.

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

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

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

- 26 (1) the assistance that is to be provided; and
27 (2) the charges, if any, that are to be assessed by the
28 commission for providing the assistance.

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

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

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

- 39 (1) who is a student;
40 (2) who is a graduate of a high school located in Indiana or a
41 recipient of the state of Indiana general educational
42 development (GED) diploma under IC 20-10.1-12.1 (before its

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- 1 repeal), IC 20-20-6 (before its repeal), or IC 22-4.1-18;
- 2 (3) who, on the date that eligibility is determined by the
- 3 commission, has resided in Indiana with a caretaker relative
- 4 who has been a resident of Indiana for at least four (4) years;
- 5 and
- 6 (4) whose legal parent:
- 7 (A) is currently; and
- 8 (B) has been for at least three (3) consecutive years;
- 9 a resident of Indiana.
- 10 (b) In determining the eligibility of a person to receive financial
- 11 aid administered by the commission under any law, the commission
- 12 shall use the residence or domicile of the person's caretaker
- 13 relative to determine the person's residence or domicile.
- 14 **Sec. 9. The commission shall adopt rules under IC 4-22-2:**
- 15 (1) to develop standards that govern the denial of assistance
- 16 to higher education award applicants and recipients under
- 17 IC 21-12-3-13;
- 18 (2) to implement IC 21-12-6, including:
- 19 (A) rules regarding the establishment of appeals
- 20 procedures for individuals who become disqualified from
- 21 the program under IC 21-12-6-9;
- 22 (B) notwithstanding IC 21-12-6-5, rules that may include
- 23 students who are in grades other than grade 6, 7, or 8 as
- 24 eligible students; and
- 25 (C) rules that allow a student described in IC 21-12-6-5(b)
- 26 to become an eligible student while the student is in high
- 27 school, if the student agrees to comply with the
- 28 requirements set forth in IC 21-12-6-5(a)(4)(B) through
- 29 IC 21-12-6-5(a)(4)(D) for not less than six (6) months after
- 30 graduating from high school;
- 31 (3) to implement IC 21-13-2, including rules governing the
- 32 enforcement of the agreements under IC 21-13-2-5;
- 33 (4) that are necessary to carry out IC 21-13-3, including rules
- 34 governing the enforcement of the agreements made under
- 35 IC 21-13-3-5; and
- 36 (5) to implement:
- 37 (A) IC 21-12-7; and
- 38 (B) IC 21-14-5.
- 39 **Sec. 10. The commission may:**
- 40 (1) make rules necessary to carry out its functions under this
- 41 chapter;
- 42 (2) appoint advisory boards it considers necessary to carry

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- 1 out its responsibilities under this chapter;
 2 (3) adopt rules under IC 4-22-2 to implement IC 21-14-5; and
 3 (4) adopt rules under IC 4-22-2 and internal policy to
 4 effectuate the purposes of IC 21-16-4.

5 Sec. 11. The commission and the state workforce innovation
 6 council may cooperate in developing training programs concerning
 7 grant program requirements.

8 **Chapter 5. Postsecondary Credit Bearing Proprietary**
 9 **Educational Institution Accreditation**

10 Sec. 1. The general assembly recognizes that the private school
 11 is an essential part of the educational system. It is the purpose of
 12 this chapter to protect students, educational institutions, the
 13 general public, and honest and ethical operators of private schools
 14 from dishonest and unethical practices.

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

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

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

- 25 (1) The name and address of the postsecondary credit bearing
 26 proprietary educational institution and the institution's
 27 officers.
 28 (2) The places where the courses are to be provided.
 29 (3) The types of courses to be offered, the form of instruction
 30 to be followed with the class, shop, or laboratory, and the
 31 hours required for each curriculum.
 32 (4) The form of certificate, diploma, or degree to be awarded.
 33 (5) A statement of the postsecondary credit bearing
 34 proprietary educational institution's finances.
 35 (6) A description of the postsecondary credit bearing
 36 proprietary educational institution's physical facilities,
 37 including classrooms, laboratories, library, machinery and
 38 equipment.
 39 (7) An explicit statement of policy with reference to:
 40 (A) solicitation of students;
 41 (B) payment and amount of student fees; and
 42 (C) conditions under which students are entitled to a

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refund in part or in full of fees paid.

(8) Provisions for liability insurance of students.

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

(10) Minimum requirements for instructional staff.

Sec. 5. The commission 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 bearing proprietary educational institution is regulated by the commission under this chapter.

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

Sec. 6. (a) Upon receipt of an application for accreditation under this chapter, the commission 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 commission 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. 7. The cost of performing a team onsite investigation for purposes of section 6 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. 8. (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 commission, a postsecondary credit bearing proprietary educational institution shall submit the records described in subsection (a) to the commission.

(c) If a postsecondary credit bearing proprietary educational

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1 institution ceases operation, the postsecondary credit bearing
2 proprietary educational institution shall submit the records
3 described in subsection (a) to the commission on public records not
4 later than thirty (30) days after the institution ceases to operate.

5 Sec. 9. Full accreditation under this chapter may not be issued
6 unless and until the commission finds that the postsecondary credit
7 bearing proprietary educational institution meets minimum
8 standards that are appropriate to that type or class of
9 postsecondary credit bearing proprietary educational institution,
10 including the following minimum standards:

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

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

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

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

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

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

34 (7) The postsecondary credit bearing proprietary educational
35 institution has and follows a refund policy approved by the
36 commission.

37 (8) The owner or chief administrator of the postsecondary
38 credit bearing proprietary educational institution is subject to
39 a background check by the commission and has not been
40 convicted of a felony.

41 (9) The owner or chief administrator of the postsecondary
42 credit bearing proprietary educational institution has not

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1 been the owner or chief administrator of a postsecondary
 2 credit bearing proprietary educational institution that has
 3 had its accreditation revoked or has been closed involuntarily
 4 in the five (5) year period preceding the application for
 5 accreditation. However, if the owner or chief administrator of
 6 the postsecondary credit bearing proprietary educational
 7 institution has been the owner or chief administrator of a
 8 postsecondary credit bearing proprietary educational
 9 institution that has had its accreditation revoked or has been
 10 closed involuntarily more than five (5) years before the
 11 application for accreditation, the commission may issue full
 12 accreditation at the commission's discretion.

13 **Sec. 10. (a) After an investigation and a finding that the**
 14 **information in the application is true and the postsecondary credit**
 15 **bearing proprietary educational institution meets the minimum**
 16 **standards, the commission shall issue an accreditation to the**
 17 **postsecondary credit bearing proprietary educational institution**
 18 **upon payment of an additional fee of at least twenty-five dollars**
 19 **(\$25). An applicant's market research or the approval of any other**
 20 **postsecondary educational institution may not be considered or**
 21 **required by the commission as a condition for accrediting or**
 22 **renewing the accreditation of or for approval of the programs of**
 23 **a postsecondary credit bearing proprietary educational institution.**

24 **(b) The commission may waive inspection of a postsecondary**
 25 **credit bearing proprietary educational institution that has been**
 26 **accredited by an accrediting unit whose standards are approved by**
 27 **the commission as meeting or exceeding the requirements of this**
 28 **chapter.**

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

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

35 **(2) the other state will, in turn, extend reciprocity to**
 36 **postsecondary credit bearing proprietary educational**
 37 **institutions accredited by the commission.**

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

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

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1 (1) the payment of a fee of at least twenty-five dollars (\$25);
2 and
3 (2) continued compliance with this chapter.

4 **Sec. 11.** Accreditation under this chapter may be revoked by the
5 commission for cause upon notice and an opportunity for a
6 commission hearing.

7 **Sec. 12.** (a) A postsecondary credit bearing proprietary
8 educational institution, after notification that the institution's
9 accreditation has been refused, revoked, or suspended, may apply
10 for a hearing before the commission concerning the institution's
11 qualifications. The application for a hearing must be filed in
12 writing with the commission not more than thirty (30) days after
13 receipt of notice of the denial, revocation, or suspension.

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

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

24 **Sec. 13.** A postsecondary credit bearing proprietary educational
25 institution's accreditation shall be suspended at any time if the
26 accredited postsecondary credit bearing proprietary educational
27 institution denies enrollment to a student or makes a distinction or
28 classification of students on the basis of race, color, or creed.

29 **Sec. 14.** A person may not do the following:

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

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

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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. 15. (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 commission. 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 commission 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. 16. (a) An application for an agent's permit must be granted or denied by the commission not more than fifteen (15) working days after the receipt of the application. If the commission has not completed a determination with respect to the issuance of a permit under this section within the fifteen (15) working day period, the commission 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 commission:

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

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1 (2) upon a finding that the permit holder is not of good moral
2 character.
3 **Sec. 17. An obligation, negotiable or nonnegotiable, providing**
4 **for payment for a course or courses of instruction is void if the**
5 **postsecondary credit bearing proprietary educational institution**
6 **is not accredited to operate in Indiana.**
7 **Sec. 18. The issuance of an agent's permit or any accreditation**
8 **may not be considered to constitute approval of a course, a person,**
9 **or an institution. A representation to the contrary is a**
10 **misrepresentation.**
11 **Sec. 19. The prosecuting attorney of the county in which an**
12 **offense under this chapter occurred shall, at the request of the**
13 **commission or on the prosecuting attorney's own motion, bring**
14 **any appropriate action, including a mandatory and prohibitive**
15 **injunction.**
16 **Sec. 20. An action of the commission concerning the issuance,**
17 **denial, or revocation of a permit or accreditation under this**
18 **chapter is subject to review under IC 4-21.5.**
19 **Sec. 21. (a) Except as provided in subsection (b), a person who**
20 **knowingly, intentionally, or recklessly violates this chapter**
21 **commits a Class B misdemeanor.**
22 **(b) A person who, with intent to defraud, represents the person**
23 **to be an agent of a postsecondary credit bearing proprietary**
24 **educational institution commits a Class C felony.**
25 **Sec. 22. (a) As used in this section, "fund" means the**
26 **postsecondary credit bearing proprietary educational institution**
27 **accreditation fund established by subsection (b).**
28 **(b) The postsecondary credit bearing proprietary educational**
29 **institution accreditation fund is established.**
30 **(c) The fund shall be administered by the commission.**
31 **(d) Money in the fund at the end of a state fiscal year does not**
32 **revert to the general fund.**
33 **(e) All fees collected by the commission under this chapter shall**
34 **be deposited in the fund.**
35 **(f) Money in the fund shall be used by the commission to**
36 **administer this chapter.**
37 **Sec. 23. The commission may adopt rules under IC 4-22-2 to**
38 **implement this chapter.**
39 **Chapter 6. Postsecondary Credit Bearing Proprietary**
40 **Educational Institution Advisory Board**
41 **Sec. 1. (a) The postsecondary credit bearing proprietary**
42 **educational institution advisory board is established to advise the**

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1 commission on matters concerning postsecondary credit bearing
 2 proprietary educational institution accreditation. The advisory
 3 board shall receive and review staff recommendations pertaining
 4 to the accreditation of and approval of the programs of a
 5 postsecondary credit bearing proprietary educational institution.
 6 Upon completion of its review, the advisory board shall forward
 7 the advisory board's recommendations to the commission. The
 8 commission may approve, deny, or modify the advisory board's
 9 recommendations.

10 (b) The advisory board consists of five (5) members appointed
 11 by the governor.

12 (c) The members serve for a term of four (4) years.

13 (d) Not more than three (3) of the members may be members of
 14 one (1) political party.

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

18 (1) employed by; or

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

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

23 (f) An appointment to fill a vacancy occurring on the advisory
 24 board is for the unexpired term.

25 (g) The members appointed to the Indiana commission on
 26 proprietary education by the governor under IC 21-17-2-2(a)(3),
 27 before its repeal:

28 (1) become members of the advisory board; and

29 (2) may serve until the expiration of the term for which the
 30 members were appointed.

31 This subsection expires July 1, 2017.

32 Sec. 2. (a) A member of the advisory board who is not a state
 33 employee is entitled to the minimum salary per diem provided by
 34 IC 4-10-11-2.1(b). The member is also entitled to reimbursement
 35 for traveling expenses as provided under IC 4-13-1-4 and other
 36 expenses actually incurred in connection with the member's duties
 37 as provided in the state policies and procedures established by the
 38 Indiana department of administration and approved by the budget
 39 agency.

40 (b) Each member of the advisory board who is a state employee
 41 is entitled to reimbursement for traveling expenses as provided
 42 under IC 4-13-1-4 and other expenses actually incurred in

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1 connection with the member's duties as provided in the state
2 policies and procedures established by the Indiana department of
3 administration and approved by the budget agency.

4 Sec. 3. (a) The advisory board shall select a chairman and may
5 select other officers from the advisory board's membership as the
6 advisory board considers necessary.

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

9 SECTION 61. IC 22-4-18.1-3, AS AMENDED BY P.L.161-2006,
10 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
11 JULY 1, 2012]: Sec. 3. The state workforce innovation council is
12 established under the applicable federal programs to do the following:

13 (1) Review the services and use of funds and resources under
14 applicable federal programs and advise the governor on methods
15 of coordinating the services and use of funds and resources
16 consistent with the laws and regulations governing the particular
17 applicable federal programs.

18 (2) Advise the governor on:

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

21 (B) the coordination of the standards and measures;
22 concerning the applicable federal programs.

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

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

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

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

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

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

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

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

42 (11) Any other function assigned to the council by the governor

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1 with regard to the study and evaluation of Indiana's workforce
2 development delivery system.

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

5 SECTION 62. IC 22-4.1-1-4 IS AMENDED TO READ AS
6 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 4. "Fund", **except as**
7 **provided in IC 22-4.1-21-7**, refers to the state workforce development
8 fund established under IC 22-4.1-6-1.

9 SECTION 63. IC 22-4.1-21 IS ADDED TO THE INDIANA CODE
10 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
11 JULY 1, 2012]:

12 **Chapter 21. Postsecondary Proprietary Educational Institution**
13 **Accreditation**

14 **Sec. 1. IC 21-18.5-1-3, IC 21-18.5-1-4, and IC 21-18.5-1-5 apply**
15 **to this chapter.**

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

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

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

- 22 **(A) personal contact;**
- 23 **(B) telephone;**
- 24 **(C) advertisement;**
- 25 **(D) letter; or**
- 26 **(E) publications;**

27 **in a course offered by a postsecondary proprietary**
28 **educational institution; or**

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

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

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

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

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1 **Sec. 7.** As used in this chapter, "fund" refers to the career
2 college student assurance fund established by section 18 of this
3 chapter.

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

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

15 (1) A postsecondary credit bearing proprietary educational
16 institution accredited by the commission for higher education
17 under IC 21-18.5-5.

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

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

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

27 (5) Any educational institution or educational training that:
28 (A) is maintained or given by an employer or a group of
29 employers, without charge, for employees or for
30 individuals the employer anticipates employing;
31 (B) is maintained or given by a labor organization, without
32 charge, for its members or apprentices;
33 (C) offers exclusively instruction that is clearly
34 self-improvement, motivational, or avocational in intent
35 (including instruction in dance, music, or self-defense, and
36 private tutoring); or
37 (D) is a Montessori or nursery school.

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

41 **Sec. 10.** (a) The council shall administer this chapter.

42 (b) The council may employ and fix compensation for necessary

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1 administrative staff with the approval of the department.

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

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

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

12 Sec. 12. A person may not do business as a postsecondary
13 proprietary educational institution in Indiana without having
14 obtained accreditation under this chapter.

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

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

- 22 (1) The name and address of the postsecondary proprietary
23 educational institution and the institution's officers.
24 (2) The places where the courses are to be provided.
25 (3) The types of courses to be offered, the form of instruction
26 to be followed with the class, shop, or laboratory, and the
27 hours required for each curriculum.
28 (4) The form of certificate, diploma, or degree to be awarded.
29 (5) A statement of the postsecondary proprietary educational
30 institution's finances.
31 (6) A description of the postsecondary proprietary
32 educational institution's physical facilities, including
33 classrooms, laboratories, library, machinery and equipment.
34 (7) An explicit statement of policy with reference to:
35 (A) solicitation of students;
36 (B) payment and amount of student fees; and
37 (C) conditions under which students are entitled to a
38 refund in part or in full of fees paid, including a statement
39 concerning the existence of the fund.
40 (8) Provisions for liability insurance of students.
41 (9) Maximum student-teacher ratio to be maintained.
42 (10) Minimum requirements for instructional staff.



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- 1 **Sec. 15. (a) This section is subject to section 16 of this chapter.**
 2 **(b) An application for accreditation under this chapter must**
 3 **include a surety bond in a penal sum determined under section 16**
 4 **of this chapter. The bond must be executed by the applicant as**
 5 **principal and by a surety company qualified and authorized to do**
 6 **business in Indiana as a surety or cash bond company.**
 7 **(c) The surety bond must be conditioned to provide**
 8 **indemnification to any student or enrollee who suffers a loss or**
 9 **damage as a result of:**
 10 **(1) the failure or neglect of the postsecondary proprietary**
 11 **educational institution to faithfully perform all agreements,**
 12 **express or otherwise, with the student, enrollee, one (1) or**
 13 **both of the parents of the student or enrollee, or a guardian of**
 14 **the student or enrollee as represented by the application for**
 15 **the institution's accreditation and the materials submitted in**
 16 **support of the application;**
 17 **(2) the failure or neglect of the postsecondary proprietary**
 18 **educational institution to maintain and operate a course or**
 19 **courses of instruction or study in compliance with the**
 20 **standards of this chapter; or**
 21 **(3) an agent's misrepresentation in procuring the student's**
 22 **enrollment.**
 23 **(d) A surety on a bond may be released after the surety has**
 24 **made a written notice of the release directed to the council at least**
 25 **thirty (30) days before the release. However, a surety may not be**
 26 **released from the bond unless all sureties on the bond are released.**
 27 **(e) A surety bond covers the period of the accreditation.**
 28 **(f) Accreditation under this chapter shall be suspended if a**
 29 **postsecondary proprietary educational institution is no longer**
 30 **covered by a surety bond or if the postsecondary proprietary**
 31 **educational institution fails to comply with section 16 of this**
 32 **chapter. The council shall notify the postsecondary proprietary**
 33 **educational institution in writing at least ten (10) days before the**
 34 **release of the surety or sureties that the accreditation is suspended**
 35 **until another surety bond is filed in the manner and amount**
 36 **required under this chapter.**
 37 **Sec. 16. (a) Subject to subsections (b), (d), and (e), the council**
 38 **shall determine the penal sum of each surety bond required under**
 39 **section 15 of this chapter based upon the following guidelines:**
 40 **(1) A postsecondary proprietary educational institution that**
 41 **has no annual gross tuition charges assessed for the previous**
 42 **year shall secure a surety bond in the amount of twenty-five**

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1 thousand dollars (\$25,000).
2 (2) If at any time the postsecondary proprietary educational
3 institution's projected annual gross tuition charges are more
4 than two hundred fifty thousand dollars (\$250,000), the
5 institution shall secure a surety bond in the amount of fifty
6 thousand dollars (\$50,000).
7 (b) After June 30, 2006, and except as provided in:
8 (1) section 19 of this chapter; and
9 (2) subsection (e);
10 and upon the fund achieving at least an initial one million dollar
11 (\$1,000,000) balance, a postsecondary proprietary educational
12 institution that contributes to the fund when the initial quarterly
13 contribution is required under this chapter after the fund's
14 establishment is not required to make contributions to the fund or
15 submit a surety bond.
16 (c) The council shall determine the number of quarterly
17 contributions required for the fund to initially accumulate one
18 million dollars (\$1,000,000).
19 (d) Except as provided in section 19 of this chapter and
20 subsection (e), a postsecondary proprietary educational institution
21 that begins making contributions to the fund after the initial
22 quarterly contribution as required under this chapter is required
23 to make contributions to the fund for the same number of quarters
24 as determined by the council under subsection (c).
25 (e) If, after the fund acquires one million dollars (\$1,000,000),
26 the balance in the fund becomes less than five hundred thousand
27 dollars (\$500,000), all postsecondary proprietary educational
28 institutions not required to make contributions to the fund as
29 described in subsection (b) or (d) shall make contributions to the
30 fund for the number of quarters necessary for the fund to
31 accumulate one million dollars (\$1,000,000).
32 Sec. 17. The council shall require each postsecondary
33 proprietary educational institution to include in each curriculum
34 catalog and promotional brochure the following:
35 (1) A statement indicating that the postsecondary proprietary
36 educational institution is regulated by the council under this
37 chapter.
38 (2) The council's mailing address and telephone number.
39 Sec. 18. (a) The career college student assurance fund is
40 established to provide indemnification to a student or an enrollee
41 of a postsecondary proprietary educational institution who suffers
42 loss or damage as a result of an occurrence described in section

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1 15(c) of this chapter if the occurrence transpired after June 30,
2 1992, and as provided in section 35 of this chapter.

3 (b) The council shall administer the fund.

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

6 (d) The treasurer of state shall invest the money in the fund not
7 currently needed to meet the obligations of the fund in the same
8 manner as other public funds may be invested.

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

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

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

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

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

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

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

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

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

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

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

42 STEP THREE: Add the STEP TWO amount and sixty dollars

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1 **(§60).**

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

11 **Sec. 20. (a) Upon receipt of an application for accreditation**
 12 **under this chapter, the council shall make an investigation to**
 13 **determine the accuracy of the statements in the application to**
 14 **determine if the postsecondary proprietary educational institution**
 15 **meets the minimum standards for accreditation.**

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

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

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

- 29 **(1) The program in which the student enrolls.**
 30 **(2) The length of the program.**
 31 **(3) The date of the student's initial enrollment in the program.**
 32 **(4) The student's period of attendance.**
 33 **(5) The amount of the student's tuition and fees.**
 34 **(6) A copy of the enrollment agreement.**

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

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



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

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

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

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

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

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

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

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

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

35 **(9) The owner or chief administrator of the postsecondary**
36 **proprietary educational institution has not been the owner or**
37 **chief administrator of a postsecondary proprietary**
38 **educational institution that has had its accreditation revoked**
39 **or has been closed involuntarily in the five (5) year period**
40 **preceding the application for accreditation. However, if the**
41 **owner or chief administrator of the postsecondary**
42 **proprietary educational institution has been the owner or**

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1 chief administrator of a postsecondary proprietary
 2 educational institution that has had its accreditation revoked
 3 or has been closed involuntarily more than five (5) years
 4 before the application for accreditation, the council may issue
 5 full accreditation at the council's discretion.

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

12 (b) The council may waive inspection of a postsecondary
 13 proprietary educational institution that has been accredited by an
 14 accrediting unit whose standards are approved by the council as
 15 meeting or exceeding the requirements of this chapter.

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

- 20 (1) the requirements of that state meet or exceed the
- 21 requirements of this chapter; and
- 22 (2) the other state will, in turn, extend reciprocity to
- 23 postsecondary proprietary educational institutions accredited
- 24 by the council.

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

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

- 30 (1) the payment of a fee of at least twenty-five dollars (\$25);
- 31 and
- 32 (2) continued compliance with this chapter.

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

- 35 (1) for cause upon notice and an opportunity for a council
- 36 hearing; and
- 37 (2) for the accredited postsecondary proprietary educational
- 38 institution failing to make the appropriate quarterly
- 39 contributions to the fund not later than forty-five (45) days
- 40 after the end of a quarter.

41 Sec. 26. (a) A postsecondary proprietary educational institution,
 42 after notification that the institution's accreditation has been

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1 refused, revoked, or suspended, may apply for a hearing before the
 2 council concerning the institution's qualifications. The application
 3 for a hearing must be filed in writing with the council not more
 4 than thirty (30) days after receipt of notice of the denial,
 5 revocation, or suspension.

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

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

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

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

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

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

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

40 **Sec. 29. (a)** A person representing a postsecondary proprietary
 41 educational institution doing business in Indiana by offering
 42 courses may not sell a course or solicit students for the institution

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1 unless the person first secures an agent's permit from the council.
 2 If the agent represents more than one (1) postsecondary
 3 proprietary educational institution, a separate agent's permit must
 4 be obtained for each institution that the agent represents.

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

- 7 (1) the person's name and address;
 8 (2) the name and address of the postsecondary proprietary
 9 educational institution that the person represents; and
 10 (3) a statement certifying that the person whose name appears
 11 on the card is an authorized agent of the postsecondary
 12 proprietary educational institution.

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

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

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

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

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

- 30 (1) if the holder of the permit solicits or enrolls students
 31 through fraud, deception, or misrepresentation; or
 32 (2) upon a finding that the permit holder is not of good moral
 33 character.

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

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

42 Sec. 33. The issuance of an agent's permit or any accreditation

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1 may not be considered to constitute approval of a course, a person,
2 or an institution. A representation to the contrary is a
3 misrepresentation.

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

6 (b) A student who believes that the student is suffering loss or
7 damage resulting from any of the occurrences described in section
8 15(c) of this chapter may request the council to file a claim against
9 the surety of the postsecondary proprietary educational institution
10 or agent.

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

13 (d) The council shall investigate all claims submitted to the
14 council and attempt to resolve the claims informally. If the council
15 determines that a claim is valid, and an informal resolution cannot
16 be made, the council shall submit a formal claim to the surety.

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

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

26 **Sec. 35. (a) This section applies:**

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

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

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

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- 1 (c) A claim under this section is limited to a refund of the
- 2 claimant's applicable tuition and fees.
- 3 (d) All claims must be filed not later than five (5) years after the
- 4 occurrence that results in the loss or damage to the claimant.
- 5 (e) Upon the filing of a claim under this section, the council shall
- 6 review the records submitted by the appropriate postsecondary
- 7 proprietary educational institution described under section 22 of
- 8 this chapter and shall investigate the claim and attempt to resolve
- 9 the claim as described in section 34(d) of this chapter.
- 10 (f) Upon a determination by the council that a claimant shall be
- 11 reimbursed under the fund, the council shall prioritize the
- 12 reimbursements under the following guidelines:
- 13 (1) A student's educational loan balances.
- 14 (2) Federal grant repayment obligations of the student.
- 15 (3) Other expenses paid directly by the student.
- 16 Sec. 36. The prosecuting attorney of the county in which an
- 17 offense under this chapter occurred shall, at the request of the
- 18 council or on the prosecuting attorney's own motion, bring any
- 19 appropriate action, including a mandatory and prohibitive
- 20 injunction.
- 21 Sec. 37. An action of the council concerning the issuance, denial,
- 22 or revocation of a permit or accreditation under this chapter is
- 23 subject to review under IC 4-21.5.
- 24 Sec. 38. (a) Except as provided in subsection (b), a person who
- 25 knowingly, intentionally, or recklessly violates this chapter
- 26 commits a Class B misdemeanor.
- 27 (b) A person who, with intent to defraud, represents the person
- 28 to be an agent of a postsecondary proprietary educational
- 29 institution commits a Class C felony.
- 30 Sec. 39. All fees collected by the council shall be deposited in the
- 31 state general fund.
- 32 SECTION 64. IC 25-21.8-4-2, AS AMENDED BY P.L.177-2009,
- 33 SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 34 JULY 1, 2012]: Sec. 2. An individual who applies for certification as
- 35 a massage therapist must do the following:
- 36 (1) Furnish evidence satisfactory to the board showing that the
- 37 individual:
- 38 (A) is at least eighteen (18) years of age;
- 39 (B) has a high school diploma or the equivalent of a high
- 40 school diploma;
- 41 (C) has successfully completed a massage therapy school or
- 42 program that:

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- 1 (i) requires at least five hundred (500) hours of supervised
- 2 classroom and hands on instruction on massage therapy;
- 3 (ii) is in good standing with a state, regional, or national
- 4 agency of government charged with regulating massage
- 5 therapy schools or programs; and
- 6 (iii) is accredited by the ~~Indiana commission on proprietary~~
- 7 ~~education established by IC 21-17-2-1~~ **state workforce**
- 8 **innovation council under IC 22-4.1-21** or accredited by
- 9 another state where the standards for massage therapy
- 10 education are substantially the same as the standards in
- 11 Indiana, or is a program at an institution of higher learning
- 12 that is approved by the board; and

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

14 (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:

- 15 (A) has been convicted of:
- 16 (i) prostitution;
- 17 (ii) rape; or
- 18 (iii) sexual misconduct; or

19 (B) is a registered sex offender.

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

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

22 (5) Pay fees established by the board.

23 SECTION 65. 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:

- 24 IC 21-12-6.5-5 (Concerning scholarships and grants).
- 25 IC 21-14-4-7 (Concerning state educational institutions).
- 26 IC 21-14-7-12 (Concerning state educational institutions).
- 27 IC 21-14-10-7 (Concerning state educational institutions).
- 28 ~~IC 21-17-3-28~~ **IC 21-18.5-5-21** (Concerning postsecondary **credit bearing** proprietary educational institution accreditation).
- 29 **IC 22-4.1-21-38 (Concerning postsecondary proprietary educational institution accreditation).**

30 SECTION 66. [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.**

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1 **(b) This SECTION expires July 2, 2012.**
2 SECTION 67. [EFFECTIVE JULY 1, 2012] **(a) The definitions**
3 **used in IC 21-18.5, as added by this act, apply throughout this**
4 **SECTION.**
5 **(b) On or before July 1, 2014, the postsecondary credit bearing**
6 **proprietary educational institution advisory board may submit a**
7 **report to the legislative council. The report must be in an electronic**
8 **format under IC 5-14-6. The report may include:**
9 **(1) an evaluation of the transition of the responsibilities of the**
10 **commission on proprietary education to the commission as**
11 **provided in this act; and**
12 **(2) any recommendations regarding the administration of**
13 **IC 21-18.5-5 and IC 21-18.5-6, both as added by this act.**
14 **(c) This SECTION expires December 31, 2014.**

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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.

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