

SENATE BILL No. 214

DIGEST OF INTRODUCED BILL

Citations Affected: IC 20-32; IC 20-39; IC 20-51.

Synopsis: Choice scholarship administration. Requires choice scholarship students to be administered an ISTEP program test, and provides for the publication and distribution of the results of these tests. Requires compliance with financial standards and audits of eligible schools that enroll eligible individuals on a choice scholarship. Limits the amount of a choice scholarship that may be used for administrative expenses.

Effective: July 1, 2012.

**Skinner, Arnold, Breaux, Broden,
Hume, Lanane, Mrvan, Randolph,
Rogers, Simpson, Tallian, Taylor,
Young R**

January 4, 2012, read first time and referred to Committee on Education and Career Development.

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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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SENATE BILL No. 214



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 20-32-1-1, AS ADDED BY P.L.1-2005, SECTION
- 2 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,
- 3 2012]: Sec. 1. This article applies only to the following:
- 4 (1) Public schools.
- 5 (2) Nonpublic schools that voluntarily have become accredited
- 6 under IC 20-19-2-8.
- 7 **IC 20-32-5-17 applies to a nonpublic school that enrolls an eligible**
- 8 **individual on a choice scholarship granted under IC 20-51-4.**
- 9 SECTION 2. IC 20-32-5-17, AS ADDED BY P.L.1-2005,
- 10 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 11 JULY 1, 2012]: Sec. 17. (a) If a nonpublic school seeks accreditation
- 12 as authorized under IC 20-19-2-8(a)(5) **or a nonpublic school enrolls**
- 13 **an eligible individual on a choice scholarship granted under**
- 14 **IC 20-51-4**, the governing body of the nonpublic school is entitled to
- 15 acquire at no charge from the department:
- 16 (1) the ISTEP program test; and
- 17 (2) the scoring reports used by the department.



1 (b) The nonpublic school ~~seeking accreditation~~ **described in**
 2 **subsection (a)** must:

- 3 (1) administer the ISTEP program test to its students at the same
 4 time that school corporations administer the test; and
 5 (2) make available to the department the results of the ISTEP
 6 program testing.

7 (c) **A nonpublic school that enrolls an eligible individual who**
 8 **enrolls in the nonpublic school on a choice scholarship granted**
 9 **under IC 20-51-4 shall administer the ISTEP program test to**
 10 **eligible individuals who enroll in the nonpublic school on the same**
 11 **basis as students who enroll in a school corporation. The nonpublic**
 12 **school shall report to the department the results of each assessment**
 13 **administered to a choice scholarship student under this section.**
 14 **This section does not require a nonpublic school to administer an**
 15 **ISTEP program test to any student who is not enrolled in the**
 16 **nonpublic school on a choice scholarship granted under IC 20-51-4.**

17 (d) The department annually shall compile the scores attained
 18 by eligible individuals granted choice scholarships under
 19 IC 20-51-4. The scores of choice scholarship students must be
 20 aggregated as follows:

- 21 (1) By state.
 22 (2) By school district, which must include all choice
 23 scholarship students who have legal settlement in the school
 24 district.
 25 (3) By nonpublic school or school corporation in which the
 26 choice scholarship students are enrolled.

27 (e) The department shall disaggregate the choice scholarship
 28 student performance data described in subsection (d) according to
 29 the following categories:

- 30 (1) Age.
 31 (2) Race and ethnicity.
 32 (3) Gender.
 33 (4) Students who have participated in the choice scholarship
 34 program at least three (3) years.
 35 (5) Students who have participated in the choice scholarship
 36 program for more than one (1) year and less than three (3)
 37 years.
 38 (6) Students who have participated in the choice scholarship
 39 program for not more than one (1) year.
 40 (7) Economically disadvantaged students category described
 41 in IC 20-51-4-4(2)(A) and IC 20-51-4-4(2)(B).

42 (f) The department shall:

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- 1 (1) post the student performance data required under
 2 subsection (d) and (e) on its Internet web site;
 3 (2) submit to the legislative council a report containing the
 4 data in an electronic format under IC 5-14-6; and
 5 (3) by the first day of February each year distribute the data
 6 to the parent of each eligible individual who received a choice
 7 scholarship.

8 In reporting student performance data under this subsection, the
 9 department may not include any data that is statistically unreliable
 10 or that could result in the identification of individual students. For
 11 this purpose, the department may not report performance data for
 12 any group that contains fewer than ten (10) students. When the
 13 executive director of the legislative services agency receives the
 14 report under subdivision (2), the executive director shall send a
 15 copy of the report to each member of the legislative council, using
 16 the member's senate or house of representatives electronic mail
 17 address.

18 (g) The department shall provide the parent of each choice
 19 scholarship student with information comparing the student's
 20 performance on the assessments administered under this section
 21 with the average performance of similar students enrolled in the
 22 school operated by the school corporation where the student has
 23 legal settlement that the choice scholarship student would
 24 otherwise attend. In calculating the performance of similar
 25 students, the department shall consider age, grade, race and
 26 ethnicity, gender, and socioeconomic status.

27 SECTION 3. IC 20-39-1-1, AS ADDED BY P.L.2-2006, SECTION
 28 162, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY
 29 1, 2012]: Sec. 1. (a) All public school governing bodies shall adopt and
 30 fully and accurately implement a single, unified accounting system as
 31 prescribed by the state board and the state board of accounts.

32 (b) A nonpublic school that enrolls an eligible individual on a
 33 choice scholarship granted under IC 20-51-4 shall adopt and
 34 implement uniform financial accounting standards as prescribed
 35 by the state board and the state board of accounts.

36 SECTION 4. IC 20-39-2-4 IS ADDED TO THE INDIANA CODE
 37 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 38 1, 2012]: Sec. 4. This section applies only to school years ending
 39 after July 1, 2012. Before September 2 in each subsequent year
 40 immediately following the end of a school year in which a
 41 nonpublic school enrolled an eligible individual on a choice
 42 scholarship granted under IC 20-51-4, the nonpublic school shall

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1 submit to the department all the following:

2 (1) An independent financial audit of the nonpublic school
 3 conducted by an independent certified public accountant
 4 licensed under IC 25-2.1, accompanied by the auditor's
 5 statement that the report is free of material misstatements
 6 and fairly presents pupil costs. The audit under this
 7 subdivision is limited in scope to those records that are
 8 necessary for the department to make payments under
 9 IC 20-51-4. The auditor shall conduct the audit, including
 10 determining sample sizes and evaluating financial viability, in
 11 accordance with standards for the competent practice of
 12 accounting, as determined under the rules adopted by the
 13 state board of accountancy. The department may not require
 14 an auditor to comply with standards that exceed the scope of
 15 the standards for the competent practice of accounting, as
 16 determined under the rules adopted by the state board of
 17 accountancy.

18 (2) Evidence of sound fiscal and internal control practices, as
 19 prescribed by the state board and the state board of accounts
 20 by rule. An auditor engaged to evaluate the nonpublic school's
 21 fiscal and internal control practices shall conduct the
 22 evaluation, including determining sample sizes, in accordance
 23 with the attestation standards for the competent practice of
 24 accounting, as determined under the rules adopted by the
 25 state board of accountancy.

26 SECTION 5. IC 20-51-1-2.7 IS ADDED TO THE INDIANA CODE
 27 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 28 1, 2012]: Sec. 2.7. "Choice scholarship" refers to a scholarship
 29 granted under IC 20-51-4.

30 SECTION 6. IC 20-51-4-3, AS AMENDED BY P.L.172-2011,
 31 SECTION 126, IS AMENDED TO READ AS FOLLOWS
 32 [EFFECTIVE JULY 1, 2012]: Sec. 3. (a) An eligible school may not
 33 discriminate on the basis of race, color, or national origin.

34 (b) An eligible school shall abide by the school's written admission
 35 policy fairly and without discrimination with regard to students who:

- 36 (1) apply for; or
 37 (2) are awarded;

38 scholarships under this chapter.

39 (c) If the number of applicants for enrollment in an eligible school
 40 under a choice scholarship exceeds the number of choice scholarships
 41 available to the eligible school, the eligible school must draw at
 42 random in a public meeting the applications of applicants who are

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1 entitled to a choice scholarship from among the applicants who meet
2 the requirements for admission to the eligible school.

3 **(d) An eligible school may use not more than three percent (3%)**
4 **of the amount provided under a choice scholarship each year for**
5 **the administrative expenses of carrying out the school's**
6 **educational program, including:**

7 **(1) determining the eligibility of students to participate;**

8 **(2) providing information about the program and the schools**
9 **involved to parents of eligible students;**

10 **(3) selecting students to receive scholarships;**

11 **(4) determining the amount of scholarships and issuing the**
12 **scholarships to eligible students;**

13 **(5) compiling and maintaining financial and programmatic**
14 **records; and**

15 **(6) providing funds to assist parents in meeting expenses that**
16 **might otherwise preclude the participation of their child in**
17 **the program.**

18 ~~(d)~~ **(e)** The department shall make random visits to at least five
19 percent (5%) of eligible schools and charter schools to verify that the
20 eligible school or charter school complies with the provisions of
21 ~~IC 20-51-4, this chapter, the Constitutions~~ **Constitution** of the State
22 of Indiana, and the **Constitution of the** United States.

23 ~~(e)~~ **(f)** Each eligible school, public school, and charter school shall
24 grant the department reasonable access to its premises, including
25 access to the school's grounds, buildings, and property.

26 ~~(f)~~ **(g)** Each year the principal of each eligible school shall certify
27 under penalties of perjury to the department that the eligible school is
28 complying with the requirements of this chapter, **IC 20-32-5-17,**
29 **IC 20-39-1-1, and IC 20-39-2-4.** The department shall develop a
30 process for eligible schools to follow to make certifications.

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