HOUSE BILL No. 1270

DIGEST OF INTRODUCED BILL

Citations Affected: IC 9-13-2-188.5; IC 9-14-2-2; IC 9-24-6; IC 9-27-6; IC 20-20-38; IC 21-7-13; IC 21-9-7-2; IC 21-11; IC 21-12; IC 21-13; IC 21-14; IC 21-16; IC 21-17; IC 21-18-6-1; IC 21-18.5; IC 22-4-18.1-3; IC 22-4.1; IC 25-21.8-4-2; IC 35-51-21-1.

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. 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.

Effective: July 1, 2012.

Clere, Behning

January 9, 2012, read first time and referred to Committee on Education.

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Introduced

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:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(5) postsecondary credit bearing proprietary educational institution (as defined in IC 21-18.5-2-13);

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

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

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

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

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

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

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

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made to the plan available to:

(1) the governor;

(2) the general assembly;

(3) the department of workforce development;

(4) the commission for higher education;

(5) the council;

(6) the ~~Indiana commission on proprietary education;~~ **state workforce innovation council;** and

(7) any other appropriate state or federal agency.

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

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

(1) The preparation of each graduate for both employment and further education.

(2) Accessibility of career and technical education to individuals of all ages who desire to explore and learn for economic and personal growth.

(3) Projected employment opportunities in various career and technical education fields.

(4) A study of the supply of and the demand for a labor force skilled in particular career and technical education areas.

(5) A study of technological and economic change affecting Indiana.

(6) An analysis of the private career and education sector in Indiana.

(7) Recommendations for improvement in the state career and technical education program.

(8) The educational levels expected of career and technical education programs proposed to meet the projected employment needs.

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

(1) Make recommendations to the general assembly concerning the development, duplication, and accessibility of employment training and career and technical education on a regional and statewide basis.

(2) Consult with any state agency, commission, or organization that supervises or administers programs of career and technical education concerning the coordination of career and technical

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education, including the following:

(A) The Indiana economic development corporation.

(B) The council.

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

(D) The department of labor.

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

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

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

(G) The state workforce innovation council.

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

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

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

(C) duplicate existing services.

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

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

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

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

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

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

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

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

(i) Ancilla College;
(ii) Anderson University;
(iii) Bethel College;
(iv) Butler University;
(v) Calumet College of St. Joseph;
(vi) DePauw University;
(vii) Earlham College;
(viii) Franklin College;
(ix) Goshen College;
(x) Grace College and Seminary;
(xi) Hanover College;
(xii) Holy Cross College;
(xiii) Huntington University;
(xiv) Indiana Institute of Technology;
(xv) Indiana Wesleyan University;
(xvi) Manchester College;
(xvii) Marian University;
(xviii) Martin University;
(xix) Oakland City University;
(xx) Rose-Hulman Institute of Technology;
(xxi) Saint Joseph's College;
(xxii) Saint Mary-of-the-Woods College;
(xxiii) Saint Mary's College;
(xxiv) Taylor University;
(xxv) Trine University;
(xxvi) University of Evansville;
(xxvii) University of Indianapolis;
(xxviii) University of Notre Dame;
(xxix) University of Saint Francis;
(xxx) Valparaiso University; and
(xxxi) Wabash College;

or is accredited by the ~~commission on proprietary education~~ **commission for higher education under IC 21-18.5-5** or an accrediting agency recognized by the United States Department of Education.

(2) Ivy Tech Community College.

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

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

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

(B) Is fully accredited by and is in good standing with the ~~commission on proprietary education.~~ **commission for higher education under IC 21-18.5-5.**

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

(D) Offers a course of study that is at least eighteen (18) consecutive months in duration (or an equivalent to be determined by the ~~commission on proprietary education)~~ **commission for higher education under IC 21-18.5-5)** and that leads to an associate or a baccalaureate degree recognized by the ~~commission on proprietary education.~~ **commission for higher education under IC 21-18.5-5.**

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

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

(1) A state educational institution.

(2) A nonprofit college or university.

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

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

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

(1) required textbooks, supplies, or equipment;

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

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

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under IC 21-18.5-4;

that are not included in educational costs.

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

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

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

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

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

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

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

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

(A) operates in Indiana;

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

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

(D) is accredited by:

(i) a recognized regional accrediting agency;

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

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

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

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

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

(2) The applicant:

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

(B) has been granted a:

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

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

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

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

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

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

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

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

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

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skills that the student needs to successfully achieve that objective or continue in that course of study.

(b) This subsection applies to an individual who:

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

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

(A) a foster family home;

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

(C) a child caring institution; or

(D) a group home.

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

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

(1) participates in:

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

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

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

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

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

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

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

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

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

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

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

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

(B) the rules of the commission; and

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

(A) either:

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

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

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

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

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

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educational institution must satisfy the following requirements:

(1) Be an approved postsecondary educational institution.

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

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

(4) Be approved by the commission

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

~~(B) in consultation with the commission on proprietary education, if appropriate.~~

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

(1) Be a resident of Indiana.

(2) Be:

(A) enrolled in grade 7 or 8 at a:

(i) public school; or

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

(B) otherwise qualified under the rules of the commission that are adopted under ~~IC 21-11-9-4~~ **IC 21-18.5-4-9(2)** to include students who are in grades other than grade 8 as eligible students.

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

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

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

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

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

(D) not commit any other crime or delinquent act (as described in IC 31-37-1-2 or IC 31-37-2-2 through IC 31-37-2-5 (or

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IC 31-6-4-1(a)(1) through IC 31-6-4-1(a)(5) before their repeal));

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

(i) for admission to an eligible institution; and

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

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

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

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

on a 4.0 grading scale (or its equivalent if another grading scale is used) for courses taken during grades 9, 10, 11, and 12; and

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

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

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

(A) a foster family home;

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

(C) a child caring institution; or

(D) a group home;

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

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

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

SECTION 23. IC 21-12-6-6, AS AMENDED BY P.L.229-2011, SECTION 228, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 6. (a) A student may apply to the commission for a scholarship. To qualify for a scholarship, the student

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must meet the following requirements:

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

(2) Be a resident of Indiana.

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

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

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

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

(5) Certify in writing that the student has:

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

(B) not illegally consumed alcoholic beverages;

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

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

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

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

(7) This subdivision applies only to applicants who initially enroll in the program under section 5 of this chapter or IC 21-12-6.5-2 after June 30, 2011. For purposes of this chapter, applicants who are enrolled in the program before July 1, 2011, will not have an income or financial resources test applied to them when they subsequently apply for a scholarship. Have a lack of financial resources reasonably available to the applicant, as defined by the commission, that, in the absence of an award under this chapter, would deter the scholarship applicant from completing the applicant's education at the approved postsecondary educational institution that the applicant has selected and that has accepted the applicant.

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

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

SECTION 24. IC 21-12-6-10, AS AMENDED BY P.L.169-2011, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 10. (a) This section applies to a student who qualifies for a scholarship under section 6 or 7 of this chapter, if the student initially enrolls in the program before July 1, 2011.

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

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

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

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

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

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

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

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

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

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

(ii) the actual tuition and regularly assessed fees of the

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eligible institution; or

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(3) A comprehensive list of all eligible students.

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

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

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

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

(1) Pell grants;

(2) Chafee grants;

(3) federal supplemental grants;

(4) the Free Application for Federal Student Aid;

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

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

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

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

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

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

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

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

~~(b)~~ **(a)** The commission shall allocate the available money from the fund to each state educational institution that has:
(1) an insurance program; or
(2) a business program with an emphasis on insurance;

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

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

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

~~(e)~~ **(d)** Any funds that:
(1) are allocated to a state educational institution under ~~section 8(b) of this chapter~~ **subsection (a);** and
(2) are not used for scholarships under this chapter;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(2) the number of individuals who are:

(A) enrolled at each eligible institution; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) The report must include the following information:

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

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

(3) The number of semester hours (or its equivalent) taken by senior citizens under this chapter.

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

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

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

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

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

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

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

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~~approval or authorization by the commission to conduct business as a postsecondary proprietary educational institution.~~

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

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

~~(A) personal contact;~~

~~(B) telephone;~~

~~(C) advertisement;~~

~~(D) letter; or~~

~~(E) publications;~~

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(2) Review appropriation requests of state educational institutions.

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

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

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

(6) Administer accreditation of postsecondary credit bearing

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proprietary educational institutions under IC 21-18.5-5.

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

ARTICLE 18.5. COMMISSION FOR HIGHER EDUCATION FINANCIAL AID AND POSTSECONDARY CREDIT BEARING PROPRIETARY EDUCATIONAL INSTITUTION ACCREDITATION

Chapter 1. General Provisions

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

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

(c) The:

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

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

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

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

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

(2) the repeal of IC 21-11 and conforming amendments made to IC 21-7 through IC 21-16 by legislation enacted during the 2012 session of the general assembly;

had not been enacted.

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

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

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

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

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

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

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

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

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

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

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

(1) rights or liabilities accrued;

(2) penalties incurred;

(3) crimes committed; or

(4) proceedings begun;

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

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

(1) rights or liabilities accrued;

(2) penalties incurred;

(3) crimes committed; or

(4) proceedings begun;

before July 1, 2012, that pertain to a postsecondary credit bearing

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proprietary educational institution. These rights, liabilities, penalties, crimes, and proceedings continue and shall be imposed and enforced by the commission for higher education established under IC 21-18-2-1.

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

(1) rights or liabilities accrued;

(2) penalties incurred;

(3) crimes committed; or

(4) proceedings begun;

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

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

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

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

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

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

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

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

(e) The commission for higher education established by IC 21-18-2-1 may enter into a memorandum of understanding with the state workforce innovation council established by

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IC 22-4-18.1-3 to implement the transition of the responsibilities and obligations of the Indiana commission on proprietary education before its abolishment to the commission for higher education and the state workforce innovation council.

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

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

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

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

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

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

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

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

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

Chapter 2. Definitions

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

Sec. 2. "Accreditation", for purposes of IC 21-18.5-5, means certification of a status of approval or authorization by the commission to conduct business as a postsecondary credit bearing

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proprietary educational institution.

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

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

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

(A) personal contact;

(B) telephone;

(C) advertisement;

(D) letter; or

(E) publications;

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

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

Sec. 5. "Agent's permit", for purposes of IC 21-18.5-5, means a nontransferable written authorization issued to a person by the commission to solicit a resident of Indiana to enroll in a course offered or maintained by a postsecondary credit bearing proprietary educational institution.

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

Sec. 7. "Caretaker relative" means a relative by blood or law who lives with a minor and exercises parental responsibility, care, and control over the minor in the absence of the minor's parent.

Sec. 8. "Commission" means the commission for higher education established by IC 21-18-2-1.

Sec. 9. "Course", for purposes of IC 21-18.5-5, means a plan or program of instruction or training, whether conducted in person, by mail, or by any other method.

Sec. 10. "Enrollment" means the establishment and maintenance of an individual's status as an undergraduate student in a postsecondary credit bearing proprietary educational institution.

Sec. 11. "Higher education award" means a monetary award.

Sec. 12. "Person", for purposes of IC 21-18.5-5, means an individual, a partnership, a limited liability company, an association, a corporation, a joint venture, a trust, a receiver, or a trustee in bankruptcy.

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Sec. 13. (a) "Postsecondary credit bearing proprietary educational institution" means:

(1) a degree granting and credit bearing institution that provides instructional or educational services or training in a technical, professional, mechanical, business, or industrial occupation, and has national accreditation recognized by the United States Department of Education or is seeking and progressing toward national accreditation recognized by the United States Department of Education; or

(2) a two (2) or four (4) year degree granting and credit bearing institution:

(A) that provides instructional or educational services or training in a technical, professional, mechanical, business, or industrial occupation;

(B) that has received either national or regional accreditation recognized by the United States Department of Education; and

(C) whose principal campus or national headquarters is located outside of Indiana.

(b) The term does not include the following:

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

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

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

(4) Any educational institution or educational training that:

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

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

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

(D) is a Montessori or nursery school.

(5) A privately endowed two (2) or four (4) year degree

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granting institution that is regionally accredited and whose principal campus is located in Indiana.

Chapter 3. State Financial Aid and Proprietary Credit Bearing Postsecondary Educational Institution Accreditation

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

(1) This article.
(2) IC 21-12-2.
(3) IC 21-12-3.
(4) IC 21-12-4.
(5) IC 21-12-5.
(6) IC 21-16-2.
(7) IC 21-16-4.

Chapter 4. Administration of Awards

Sec. 1. The purposes of this chapter are:

(1) to increase the opportunity to receive a higher education for every person who resides in Indiana and who, though being highly qualified and desiring to receive a higher education, is deterred by financial considerations; and
(2) to accomplish the goal described in subdivision (1) by establishing a system of state higher education awards that will assist individuals in selecting and attending a qualified public or private postsecondary educational institution.

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

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

(1) Prepare and supervise the issuance of public information concerning this chapter, IC 21-12-2, IC 21-12-3, IC 21-12-4, and IC 21-12-5.
(2) Prescribe the form and regulate the submission of applications for higher education awards and the commission's programs.
(3) Conduct conferences and interviews with applicants as appropriate.
(4) Determine the eligibility of applicants.
(5) Select qualified applicants.
(6) Determine the respective amounts of, and award, the appropriate higher education awards, grants, and scholarships.
(7) Determine eligibility for, and award, annual renewals of

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higher education awards, grants, and scholarships.

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

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

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

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

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

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

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

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

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

(1) lawful;

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

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

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

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execute an agreement.

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

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

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

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

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

Sec. 7. The commission may, subject to written advance notice, inspect and audit the records of a postsecondary proprietary educational institution concerning a student grant awarded under IC 21-12-3, IC 21-12-4, or IC 21-12-5.

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

(1) who is a student;

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

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

(4) whose legal parent:

(A) is currently; and

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

a resident of Indiana.

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

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

(1) to develop standards that govern the denial of assistance to higher education award applicants and recipients under

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IC 21-12-3-13;

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

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

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

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

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

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

(5) to implement:

(A) IC 21-12-7; and

(B) IC 21-14-5.

Sec. 10. The commission may:

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

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

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

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

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

Chapter 5. Postsecondary Credit Bearing Proprietary Educational Institution Accreditation

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

Sec. 2. A person may not do business as a postsecondary credit bearing proprietary educational institution in Indiana without

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having obtained accreditation under this chapter.

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

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

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

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

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

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

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

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

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

(A) solicitation of students;

(B) payment and amount of student fees; and

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

(8) Provisions for liability insurance of students.

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

(10) Minimum requirements for instructional staff.

Sec. 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

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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) The student's period of attendance.

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

(6) A copy of the enrollment agreement.

(b) Upon the request of the 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 institution ceases operation, the postsecondary credit bearing proprietary educational institution shall submit the records described in subsection (a) to the commission not later than thirty (30) days after the institution ceases to operate.

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

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

(2) The postsecondary credit bearing proprietary educational institution has satisfactory training or educational facilities

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with sufficient tools, supplies, or equipment and the necessary number of work stations or classrooms to adequately train, instruct, or educate the number of students enrolled or proposed to be enrolled.

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

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

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

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

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

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

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

Sec. 10. (a) After an investigation and a finding that the information in the application is true and the postsecondary credit bearing proprietary educational institution meets the minimum standards, the commission shall issue an accreditation to the

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postsecondary credit bearing proprietary educational institution upon payment of an additional fee of at least twenty-five dollars ($25).

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

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

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

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

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

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

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

(2) continued compliance with this chapter.

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

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

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

(c) Not more than fifteen (15) days after a hearing, the commission shall make written findings of fact, a written decision,

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and a written order based solely on the evidence submitted at the hearing, either granting or denying accreditation to the postsecondary credit bearing proprietary educational institution.

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

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

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

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

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

Sec. 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

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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

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

Sec. 17. An obligation, negotiable or nonnegotiable, providing for payment for a course or courses of instruction is void if the postsecondary credit bearing proprietary educational institution is not accredited to operate in Indiana.

Sec. 18. The issuance of an agent's permit or any accreditation may not be considered to constitute approval of a course, a person, or an institution. A representation to the contrary is a misrepresentation.

Sec. 19. The prosecuting attorney of the county in which an offense under this chapter occurred shall, at the request of the commission or on the prosecuting attorney's own motion, bring any appropriate action, including a mandatory and prohibitive injunction.

Sec. 20. An action of the commission concerning the issuance, denial, or revocation of a permit or accreditation under this chapter is subject to review under IC 4-21.5.

Sec. 21. (a) Except as provided in subsection (b), a person who knowingly, intentionally, or recklessly violates this chapter

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commits a Class B misdemeanor.

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

Sec. 22. All fees collected by the commission under this chapter shall be deposited in the state general fund.

Chapter 6. Postsecondary Credit Bearing Proprietary Educational Institution Advisory Board

Sec. 1. (a) The postsecondary credit bearing proprietary educational institution advisory board is established to advise the commission on matters concerning postsecondary credit bearing proprietary educational institution accreditation.

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

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

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

(e) Of the members:

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

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

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

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

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

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

(1) become members of the advisory board; and

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

This subsection expires July 1, 2017.

Sec. 2. (a) A member of the advisory board who is not a state

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employee is entitled to the minimum salary per diem provided by IC 4-10-11-2.1(b). The member is also entitled to reimbursement for traveling expenses as provided under IC 4-13-1-4 and other expenses actually incurred in connection with the member's duties as provided in the state policies and procedures established by the Indiana department of administration and approved by the budget agency.

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

Sec. 3. (a) The advisory board may select officers from the advisory board's membership as the advisory board considers necessary.

(b) Subject to subsection (d), the advisory board may adopt reasonable rules under IC 4-22-2 to implement IC 21-18.5-5.

(c) The advisory board:

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

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

(d) Before publishing notice of the intent to adopt a rule under IC 4-22-2, the advisory board must submit the proposed rule to the commission for approval. If the commission approves the rule, the advisory board may publish notice of the intent to adopt the rule. If the commission does not approve the rule, the advisory board may not publish notice of the intent to adopt the rule.

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

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

(2) Advise the governor on:

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

(B) the coordination of the standards and measures;

concerning the applicable federal programs.

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(3) Perform the duties as set forth in federal law of the particular advisory bodies for applicable federal programs described in section 4 of this chapter.
(4) Identify the workforce needs in Indiana and recommend to the governor goals to meet the investment needs.
(5) Recommend to the governor goals for the development and coordination of the human resource system in Indiana.
(6) Prepare and recommend to the governor a strategic plan to accomplish the goals developed under subdivisions (4) and (5).
(7) Monitor the implementation of and evaluate the effectiveness of the strategic plan described in subdivision (6).
(8) Advise the governor on the coordination of federal, state, and local education and training programs and on the allocation of state and federal funds in Indiana to promote effective services, service delivery, and innovative programs.
(9) Administer the minority training grant program established by section 11 of this chapter.
(10) Administer the back home in Indiana program established by section 12 of this chapter.
(11) Any other function assigned to the council by the governor with regard to the study and evaluation of Indiana's workforce development delivery system.
(12) Administer postsecondary proprietary educational institution accreditation under IC 22-4.1-21.

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

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

Chapter 21. Postsecondary Proprietary Educational Institution Accreditation

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

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

Sec. 3. As used in this chapter, "agent" means a person who:
(1) enrolls or seeks to enroll a resident of Indiana through:
(A) personal contact;

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(B) telephone;
(C) advertisement;
(D) letter; or
(E) publications;
in a course offered by a postsecondary proprietary educational institution; or
(2) otherwise holds the person out to the residents of Indiana as representing a postsecondary proprietary educational institution.

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

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

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

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

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

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

(1) A postsecondary credit bearing proprietary educational institution accredited by the commission for higher education under IC 21-18.5-5.
(2) A state educational institution or another educational institution established by law and financed in whole or in part by public funds.
(3) A postsecondary proprietary educational institution approved or regulated by any other state regulatory board,

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agency, or commission.

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

(5) Any educational institution or educational training that:

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

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

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

(D) is a Montessori or nursery school.

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

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

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

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

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

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

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

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

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

(1) The name and address of the postsecondary proprietary

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educational institution and the institution's officers.

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

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

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

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

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

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

(A) solicitation of students;

(B) payment and amount of student fees; and

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

(8) Provisions for liability insurance of students.

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

(10) Minimum requirements for instructional staff.

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

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

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

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

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

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

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enrollment.

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

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

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

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

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

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

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

(1) section 19 of this chapter; and

(2) subsection (e);

and upon the fund achieving at least an initial one million dollar ($1,000,000) balance, a postsecondary proprietary educational institution that contributes to the fund when the initial quarterly contribution is required under this chapter after the fund's establishment is not required to make contributions to the fund or submit a surety bond.

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

(d) Except as provided in section 19 of this chapter and subsection (e), a postsecondary proprietary educational institution that begins making contributions to the fund after the initial

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quarterly contribution as required under this chapter is required to make contributions to the fund for the same number of quarters as determined by the council under subsection (c).

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

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

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

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

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

(b) The council shall administer the fund.

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

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

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

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

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

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

the council shall prorate the amount of the reimbursement to ensure that the balance of the fund does not become less than fifty

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thousand dollars ($50,000), and the student is entitled to receive that balance of the student's claim from the fund as money becomes available in the fund from contributions to the fund required under this chapter.

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

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

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

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

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

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

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

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

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

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

Sec. 21. The cost of performing a team onsite investigation for purposes of section 20 of this chapter shall be paid by the applicant

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postsecondary proprietary educational institution. However, the total cost of an inspection, including room, board, and mileage that does not require travel outside Indiana, may not exceed one thousand dollars ($1,000) for any one (1) postsecondary proprietary educational institution.

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

(1) The program in which the student enrolls.

(2) The length of the program.

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

(4) The student's period of attendance.

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

(6) A copy of the enrollment agreement.

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

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

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

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

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

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

(4) The advertising and representations made on behalf of the postsecondary proprietary educational institution to

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prospective students are truthful and free from misrepresentation or fraud.

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

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

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

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

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

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

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

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

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

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

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

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

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

(2) continued compliance with this chapter.

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

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

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

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

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

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

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

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

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

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

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

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

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

(1) the person's name and address;

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

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

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

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

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

Sec. 30. (a) An application for an agent's permit must be granted or denied by the council not more than fifteen (15)

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working days after the receipt of the application. If the council has not completed a determination with respect to the issuance of a permit under this section within the fifteen (15) working day period, the council shall issue a temporary permit to the applicant. The temporary permit is sufficient to meet the requirements of this chapter until a determination is made on the application.

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

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

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

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

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

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

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

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

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

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

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

(f) If the amount of the surety bond is insufficient to cover all or

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part of the claim, a claim for the balance of the claim against the surety bond in the amount that is insufficient must be construed to be a claim against the balance of the fund under section 35 of this chapter.

Sec. 35. (a) This section applies:

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

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

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

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

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

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

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

(1) A student's educational loan balances.

(2) Federal grant repayment obligations of the student.

(3) Other expenses paid directly by the student.

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

Sec. 37. An action of the council concerning the issuance, denial,

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or revocation of a permit or accreditation under this chapter is subject to review under IC 4-21.5.

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

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

Sec. 39. All fees collected by the council shall be deposited in the state general fund.

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

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

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

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

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

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

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

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

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

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

(A) has been convicted of:

(i) prostitution;

(ii) rape; or

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(iii) sexual misconduct; or

(B) is a registered sex offender.

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

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

(5) Pay fees established by the board.

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

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

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

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

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

~~IC 21-17-3-28~~ **IC 21-18.5-5-21** (Concerning postsecondary **credit bearing** proprietary educational institution accreditation).

IC 22-4.1-21-38 (Concerning postsecondary proprietary educational institution accreditation).

SECTION 64. [EFFECTIVE JULY 1, 2012] **(a) The terms of members of the state student assistance commission appointed before July 1, 2012, under IC 21-11-2, before its repeal by this act, expire on July 1, 2012.**

(b) This SECTION expires July 2, 2012.

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