



Reprinted
March 27, 2013

ENGROSSED HOUSE BILL No. 1314

DIGEST OF HB 1314 (Updated March 26, 2013 2:12 pm - DI 102)

Citations Affected: IC 21-7; IC 21-18; IC 21-18.5; IC 22-4.1; IC 22-4.5; IC 24-5.

Synopsis: Proprietary education. Provides that the executive officer of the commission for higher education (commission) may develop procedures for authorizing out-of-state public and not-for-profit degree granting institutions to offer instructional or educational services or training in Indiana. Adds a definition of "degree granting". Requires an out-of-state public or not-for-profit degree granting institution seeking to offer instructional or educational services or training in Indiana to receive authorization from the executive officer of the commission to provide instructional or educational services in Indiana. Provides that a person may not do business as a degree granting institution in Indiana unless: (1) the institution is accredited by an accrediting agency recognized by the United States Department of Education or is seeking and progressing toward accreditation by an accrediting agency recognized by the United States Department of Education; or (2) the institution is a religious institution that offers educational instruction
(Continued next page)

Effective: Upon passage; July 1, 2013.

Clere, Hale, Porter

(SENATE SPONSOR — KRUSE)

January 17, 2013, read first time and referred to Committee on Education.
January 28, 2013, amended, reported — Do Pass.
January 31, 2013, read second time, ordered engrossed. Engrossed.
February 4, 2013, read third time, passed. Yeas 96, nays 0.

SENATE ACTION

February 25, 2013, read first time and referred to Committee on Education and Career Development.
March 21, 2013, amended, reported favorably — Do Pass.
March 26, 2013, read second time, amended, ordered engrossed.

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or an educational program of a clearly religious nature. Provides that the board for proprietary education may join interstate reciprocity agreements, and authorize an institution to operate in Indiana, if the institution and the state in which the institution's principal campus and institutional accreditation is located are members of the interstate reciprocity agreement. Transfers rulemaking authority regarding the regulation of postsecondary proprietary institutions from the state workforce innovation council to the department of workforce development (department). Changes references to "accreditation" to "authorization" in provisions relating to administration of postsecondary credit bearing proprietary institutions. Repeals the definition of "accreditation", and adds a definition of "authorization". Makes changes to the definition of "postsecondary credit bearing proprietary educational institution". Repeals requirements for the issuance of agent permits. Repeals the definition of "agent's permit". Provides that a person who knowingly and intentionally makes certain misrepresentations regarding a postsecondary credit bearing proprietary educational institution is subject to action by the attorney general's office for making a deceptive consumer sale. Requires the department, in consultation with the commission for higher education, the department of education, the office of the secretary of family and social services, and any other agency the department determines is necessary, to include information in the Indiana workforce intelligence system (IWIS) regarding middle skill credentials awarded in the state. Requires public and private institutions of higher education, private occupational schools, community colleges, area vocational schools, high school vocational programs, apprenticeship programs, and other public or private workforce training programs to provide the information required to IWIS.

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First Regular Session 118th General Assembly (2013)

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 2012 Regular Session of the General Assembly.

ENGROSSED HOUSE BILL No. 1314

A BILL FOR AN ACT to amend the Indiana Code concerning higher education.

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

1 SECTION 1. IC 21-7-13-13.3 IS ADDED TO THE INDIANA
2 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
3 [EFFECTIVE UPON PASSAGE]: **Sec. 13.3. "Degree granting"**
4 **refers to any institution that offers a degree program and offers**
5 **instructional or educational services or training in Indiana.**

6 SECTION 2. IC 21-18-12.2 IS ADDED TO THE INDIANA CODE
7 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
8 UPON PASSAGE]:

9 **Chapter 12.2. Out-of-State Public and Not-for-Profit**
10 **Institutions**

11 **Sec. 1. All out-of-state public and not-for-profit degree granting**
12 **institutions seeking to offer instructional or educational services or**
13 **training in Indiana, and the instructional or educational services**
14 **or training programs, including degree programs, offered by these**
15 **institutions, whether on-site, online, or through any combination**

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1 of these or other instructional modalities, must be authorized by
 2 the executive officer of the commission, who may develop
 3 procedures for authorizing such institutions to offer such
 4 instructional programs in Indiana, and who may enter into
 5 interstate reciprocity agreements for this purpose.

6 SECTION 3. IC 21-18.5-1-5, AS ADDED BY P.L.107-2012,
 7 SECTION 58, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 8 UPON PASSAGE]: Sec. 5. (a) The Indiana commission on proprietary
 9 education is abolished on July 1, 2012.

10 (b) Unless otherwise specified in a memorandum of understanding
 11 described in subsection (e), the following are transferred on July 1,
 12 2012, from the Indiana commission on proprietary education to the
 13 commission for higher education established by IC 21-18-2-1:

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

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

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

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

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

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

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

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

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

9 (2) ~~state workforce innovation council~~ **department of workforce**
 10 **development** if the accreditation pertains to a postsecondary
 11 proprietary educational institution (as defined in IC 22-4.1-21-9).

12 **(h) An accreditation granted or a permit issued before May 15,**
 13 **2013, under IC 21-17-3 (repealed):**

14 **(1) by the board for proprietary education established by**
 15 **IC 21-18.5-5-1 shall be treated as an authorization granted by**
 16 **the board for proprietary education; and**

17 **(2) by the state workforce innovation council shall be treated**
 18 **as an authorization granted by the department of workforce**
 19 **development.**

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

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

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

30 SECTION 4. IC 21-18.5-2-2 IS REPEALED [EFFECTIVE UPON
 31 PASSAGE]. Sec. 2: "Accreditation", for purposes of IC 21-18.5-6,
 32 means certification of a status of approval or authorization by the board
 33 for proprietary education to conduct business as a postsecondary credit
 34 bearing proprietary educational institution.

35 SECTION 5. IC 21-18.5-2-4 IS REPEALED [EFFECTIVE UPON
 36 PASSAGE]. Sec. 4: "Agent's permit", for purposes of IC 21-18.5-6,
 37 means a nontransferable written authorization issued to a person by the
 38 board for proprietary education to solicit a resident of Indiana to enroll
 39 in a course offered or maintained by a postsecondary credit bearing
 40 proprietary educational institution.

41 SECTION 6. IC 21-18.5-2-5, AS ADDED BY P.L.107-2012,
 42 SECTION 58, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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1 UPON PASSAGE]: Sec. 5. "Application", for purposes of
 2 IC 21-18.5-6, means a written request for ~~accreditation or an agent's~~
 3 **permit authorization** on forms supplied by the board for proprietary
 4 education.

5 SECTION 7. IC 21-18.5-2-5.5 IS ADDED TO THE INDIANA
 6 CODE AS A NEW SECTION TO READ AS FOLLOWS
 7 [EFFECTIVE UPON PASSAGE]: **Sec. 5.5. "Authorization", for**
 8 **purposes of IC 21-18.5-6, means certification of a status of**
 9 **approval or authorization by the board for proprietary education**
 10 **to conduct business as a postsecondary credit bearing proprietary**
 11 **educational institution.**

12 SECTION 8. IC 21-18.5-2-12, AS ADDED BY P.L.107-2012,
 13 SECTION 58, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 14 UPON PASSAGE]: Sec. 12. (a) "Postsecondary credit bearing
 15 proprietary educational institution" means a degree granting and credit
 16 bearing institution that provides instructional or educational services
 17 or training, ~~in a technical, professional, mechanical, business, or~~
 18 ~~industrial occupation, whether on-site, online, or through any~~
 19 **combination of these or other instructional modalities**, and is
 20 accredited by an accrediting agency recognized by the United States
 21 Department of Education or is seeking and progressing toward
 22 accreditation by an accrediting agency recognized by the United States
 23 Department of Education.

24 (b) The term does not include the following:

- 25 (1) An Indiana state educational institution or another Indiana
 26 educational institution established by law and financed in whole
 27 or in part by public funds.
 28 (2) A postsecondary proprietary educational institution approved
 29 or regulated by any other state regulatory board, agency, or
 30 commission other than the board for proprietary education.
 31 (3) An elementary or secondary school attended by students in
 32 kindergarten or grades 1 through 12 and supported in whole or in
 33 part by private tuition payments.
 34 (4) Any educational institution or educational training that:
 35 (A) is maintained or given by an employer or a group of
 36 employers, without charge, for employees or for individuals
 37 the employer anticipates employing;
 38 (B) is maintained or given by a labor organization, without
 39 charge, for its members or apprentices;
 40 (C) offers exclusively instruction that is clearly
 41 self-improvement, motivational, or avocational in intent
 42 (including instruction in dance, music, or self-defense, and



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- 1 private tutoring); or
- 2 (D) is a Montessori or nursery school.
- 3 (5) A privately endowed two (2) or four (4) year degree granting
- 4 institution that is regionally accredited and whose principal
- 5 campus is located in Indiana.
- 6 **(6) Out-of-state public and not-for-profit degree granting**
- 7 **institutions offering instructional or educational services or**
- 8 **training in Indiana.**
- 9 **(7) A religious institution that offers educational instruction**
- 10 **or an educational program of a clearly religious nature.**

11 SECTION 9. IC 21-18.5-5-2, AS ADDED BY P.L.107-2012,
 12 SECTION 58, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 13 UPON PASSAGE]: Sec. 2. (a) The board for proprietary education
 14 consists of the following seven (7) members:

- 15 (1) The state superintendent or the superintendent's designee.
- 16 (2) The executive officer of the commission for higher education
- 17 or the executive officer's designee.
- 18 (3) Five (5) members appointed by the governor.
- 19 (b) The members appointed by the governor under subsection (a)
- 20 serve for a term of four (4) years.
- 21 (c) Not more than three (3) of the members appointed by the
- 22 governor may be members of the same political party.
- 23 (d) Of the five (5) members appointed by the governor:
- 24 (1) one (1) must have been engaged for a period of at least five
- 25 (5) years immediately preceding appointment in an executive or
- 26 a managerial position in a postsecondary proprietary educational
- 27 institution subject to IC 21-18.5-6;
- 28 (2) one (1) must have been engaged in administering or managing
- 29 an industrial employee training program for a period of at least
- 30 five (5) years immediately preceding appointment; and
- 31 (3) three (3) must be representatives of the public at large who are
- 32 not representatives of the types of postsecondary credit bearing
- 33 proprietary educational institutions to be ~~accredited~~: **authorized**.

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

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

39 SECTION 10. IC 21-18.5-6-2, AS ADDED BY P.L.107-2012,
 40 SECTION 58, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 41 UPON PASSAGE]: Sec. 2. A person may not do business as a
 42 postsecondary credit bearing proprietary educational institution in

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1 Indiana without having obtained ~~accreditation~~ **authorization by the**
 2 **board for proprietary education** under this chapter, **except for a**
 3 **religious institution that offers educational instruction or an**
 4 **educational program of a clearly religious nature.**

5 SECTION 11. IC 21-18.5-6-2.5 IS ADDED TO THE INDIANA
 6 CODE AS A NEW SECTION TO READ AS FOLLOWS
 7 [EFFECTIVE UPON PASSAGE]: **Sec. 2.5. A person may not do**
 8 **business as a degree granting institution in Indiana unless:**

9 (1) **the institution is accredited by an accrediting agency**
 10 **recognized by the United States Department of Education or**
 11 **is seeking and progressing toward accreditation by an**
 12 **accrediting agency recognized by the United States**
 13 **Department of Education; or**

14 (2) **the institution is a religious institution that offers**
 15 **educational instruction or an educational program of a clearly**
 16 **religious nature.**

17 SECTION 12. IC 21-18.5-6-3, AS ADDED BY P.L.107-2012,
 18 SECTION 58, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 19 UPON PASSAGE]: **Sec. 3. Applications for ~~accreditation~~**
 20 **authorization** under this chapter must be filed with the board for
 21 proprietary education and accompanied by an application fee of at least
 22 one hundred dollars (\$100) for processing the application and
 23 evaluating the postsecondary credit bearing proprietary educational
 24 institution.

25 SECTION 13. IC 21-18.5-6-4, AS ADDED BY P.L.107-2012,
 26 SECTION 58, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 27 UPON PASSAGE]: **Sec. 4. An application for ~~accreditation~~**
 28 **authorization** under this chapter must include at least the following
 29 information:

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

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

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

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

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

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

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

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- 1 (A) solicitation of students;
 2 (B) payment and amount of student fees; and
 3 (C) conditions under which students are entitled to a refund in
 4 part or in full of fees paid, including a statement concerning
 5 the existence of the career college student assurance fund
 6 established under section 6 of this chapter.
- 7 (8) Provisions for liability insurance of students.
 8 (9) Maximum student-teacher ratio to be maintained.
 9 (10) Minimum requirements for instructional staff.
- 10 SECTION 14. IC 21-18.5-6-5, AS ADDED BY P.L.107-2012,
 11 SECTION 58, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 12 UPON PASSAGE]: Sec. 5. The board for proprietary education shall
 13 require each postsecondary credit bearing proprietary educational
 14 institution to include in each curriculum catalog and promotional
 15 brochure the following:
- 16 (1) A statement indicating that the postsecondary credit bearing
 17 proprietary educational institution is ~~regulated~~ **authorized** by the
 18 board for proprietary education under this chapter.
 19 (2) The board for proprietary education's mailing address and
 20 telephone number.
- 21 SECTION 15. IC 21-18.5-6-6, AS ADDED BY P.L.107-2012,
 22 SECTION 58, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 23 UPON PASSAGE]: Sec. 6. (a) The career college student assurance
 24 fund is established to provide indemnification to a student or an
 25 enrollee of a postsecondary credit bearing proprietary educational
 26 institution who suffers loss or damage as a result of:
- 27 (1) the failure or neglect of the postsecondary credit bearing
 28 proprietary educational institution to faithfully perform all
 29 agreements, express or otherwise, with the student, enrollee, one
 30 (1) or both of the parents of the student or enrollee, or a guardian
 31 of the student or enrollee as represented by the application for the
 32 institution's ~~accreditation~~ **authorization** and the materials
 33 submitted in support of that application;
 34 (2) the failure or neglect of the postsecondary credit bearing
 35 proprietary educational institution to maintain and operate a
 36 course or courses of instruction or study in compliance with the
 37 standards of this chapter; or
 38 (3) an agent's misrepresentation in procuring the student's
 39 enrollment.
- 40 (b) The board for proprietary education shall administer the fund.
 41 (c) The expenses of administering the fund shall be paid from
 42 money in the fund.

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

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

7 (f) Upon the fund acquiring fifty thousand dollars (\$50,000), the
8 balance in the fund must not become less than fifty thousand dollars
9 (\$50,000). If:

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

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

15 the board for proprietary education shall prorate the amount of the
16 reimbursement to ensure that the balance of the fund does not become
17 less than fifty thousand dollars (\$50,000), and the student is entitled to
18 receive that balance of the student's claim from the fund as money
19 becomes available in the fund from contributions to the fund required
20 under this chapter.

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

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

27 SECTION 16. IC 21-18.5-6-8, AS ADDED BY P.L.107-2012,
28 SECTION 58, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
29 UPON PASSAGE]: Sec. 8. (a) Upon receipt of an application for
30 ~~accreditation~~ **authorization** under this chapter, the board for
31 proprietary education shall make an investigation to determine the
32 accuracy of the statements in the application to determine if the
33 postsecondary credit bearing proprietary educational institution meets
34 the minimum standards for ~~accreditation~~. **authorization.**

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

40 SECTION 17. IC 21-18.5-6-11, AS ADDED BY P.L.107-2012,
41 SECTION 58, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
42 UPON PASSAGE]: Sec. 11. Full ~~accreditation~~ **authorization** under

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1 this chapter may not be issued unless and until the board for proprietary
 2 education finds that the postsecondary credit bearing proprietary
 3 educational institution meets minimum standards that are appropriate
 4 to that type or class of postsecondary credit bearing proprietary
 5 educational institution, including the following minimum standards:

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

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

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

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

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

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

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

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

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

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1 institution has been the owner or chief administrator of a
 2 postsecondary credit bearing proprietary educational institution
 3 that has had its ~~accreditation~~ **authorization** revoked or has been
 4 closed involuntarily more than five (5) years before the
 5 application for ~~accreditation~~; **authorization**, the board for
 6 proprietary education may issue full ~~accreditation~~ **authorization**
 7 at the board for proprietary education's discretion.

8 SECTION 18. IC 21-18.5-6-12, AS ADDED BY P.L.107-2012,
 9 SECTION 58, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 10 UPON PASSAGE]: Sec. 12. (a) After an investigation and a finding
 11 that the information in the application is true and **that** the
 12 postsecondary credit bearing proprietary educational institution meets
 13 the minimum standards, the ~~commission on postsecondary proprietary~~
 14 **education board for proprietary education** shall issue an
 15 ~~accreditation~~ **authorization** to the postsecondary credit bearing
 16 proprietary educational institution upon payment of an additional fee
 17 of at least twenty-five dollars (\$25). An applicant's market research
 18 may not be considered or required by the board for proprietary
 19 education as a condition for ~~accrediting~~ **authorizing** or renewing the
 20 accreditation of or for ~~approval~~ **authorization** of the programs of a
 21 postsecondary credit bearing proprietary educational institution.

22 (b) The board for proprietary education may waive inspection of a
 23 postsecondary credit bearing proprietary educational institution that has
 24 been ~~accredited~~ **authorized** by an accrediting ~~unit~~ **agency recognized**
 25 **by the United States Department of Education** whose standards are
 26 approved by the board for proprietary education as meeting or
 27 exceeding the requirements of this chapter.

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

- 32 (1) the requirements of that state meet or exceed the requirements
 33 of this chapter; and
- 34 (2) the other state will, in turn, extend reciprocity to
 35 postsecondary credit bearing proprietary educational institutions
 36 ~~accredited~~ **authorized** by the board for proprietary education.

37 (d) **The board for proprietary education may join interstate**
 38 **reciprocity agreements and authorize an institution to operate in**
 39 **Indiana, if the:**

- 40 (1) **institution; and**
- 41 (2) **state in which both the institution's:**
 - 42 (A) **principal campus is located; and**



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**(B) institutional accreditation is provided;
are members of the interstate reciprocity agreement.**

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

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

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

SECTION 19. IC 21-18.5-6-13, AS ADDED BY P.L.107-2012, SECTION 58, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. ~~Accreditation~~ **Authorization** may be revoked by the board for proprietary education:

- (1) for cause upon notice and an opportunity for a hearing before the board for proprietary education; and
- (2) for the ~~accredited~~ **authorized** postsecondary credit bearing proprietary educational institution failing to make the appropriate quarterly contributions to the career college student assurance fund not later than forty-five (45) days after the end of a quarter.

SECTION 20. IC 21-18.5-6-14, AS ADDED BY P.L.107-2012, SECTION 58, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14. (a) A postsecondary credit bearing proprietary educational institution, after notification that the institution's ~~accreditation~~ **authorization** has been refused, revoked, or suspended, may apply for a hearing before the board for proprietary education concerning the institution's qualifications. The application for a hearing must be filed in writing with the board for proprietary education not more than thirty (30) days after receipt of notice of the denial, revocation, or suspension.

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

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

SECTION 21. IC 21-18.5-6-15, AS ADDED BY P.L.107-2012, SECTION 58, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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1 UPON PASSAGE]: Sec. 15. A postsecondary credit bearing
 2 proprietary educational institution's ~~accreditation~~ **authorization** shall
 3 be suspended at any time if the ~~accredited~~ **authorized** postsecondary
 4 credit bearing proprietary educational institution denies enrollment to
 5 a student or makes a distinction or classification of students on the
 6 basis of race, color, or creed.

7 SECTION 22. IC 21-18.5-6-17, AS ADDED BY P.L.107-2012,
 8 SECTION 58, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 9 UPON PASSAGE]: Sec. 17. (a) A person representing a postsecondary
 10 credit bearing proprietary educational institution doing business in
 11 Indiana by offering courses may not sell a course or solicit students for
 12 the institution unless the person first secures an agent's permit from the
 13 board for proprietary education. If the agent represents more than one
 14 (1) postsecondary credit bearing proprietary educational institution; a
 15 separate agent's permit must be obtained for each institution that the
 16 agent represents:

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

- 19 (1) the person's name and address;
- 20 (2) the name and address of the postsecondary credit bearing
 21 proprietary educational institution that the person represents; and
- 22 (3) a statement certifying that the person whose name appears on
 23 the card is an authorized agent of the postsecondary credit bearing
 24 proprietary educational institution:

25 (c) The application must be accompanied by a fee of at least ten
 26 dollars (\$10):

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

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

32 SECTION 23. IC 21-18.5-6-18 IS REPEALED [EFFECTIVE
 33 UPON PASSAGE]. Sec. 18: (a) An application for an agent's permit
 34 must be granted or denied by the board for proprietary education not
 35 more than fifteen (15) working days after the receipt of the application.
 36 If the board for proprietary education has not completed a
 37 determination with respect to the issuance of a permit under this
 38 section within the fifteen (15) working day period; the board for
 39 proprietary education shall issue a temporary permit to the applicant.
 40 The temporary permit is sufficient to meet the requirements of this
 41 chapter until a determination is made on the application:

42 (b) A permit issued under this chapter may, upon ten (10) days

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1 notice and after a hearing, be revoked by the board for proprietary
2 education:

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

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

7 SECTION 24. IC 21-18.5-6-21, AS ADDED BY P.L.107-2012,
8 SECTION 58, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
9 UPON PASSAGE]: Sec. 21. An obligation, negotiable or
10 nonnegotiable, providing for payment for a course or courses of
11 instruction is void if the postsecondary credit bearing proprietary
12 educational institution is not ~~accredited~~ **authorized** to operate in
13 Indiana.

14 SECTION 25. IC 21-18.5-6-22, AS ADDED BY P.L.107-2012,
15 SECTION 58, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
16 UPON PASSAGE]: Sec. 22. The issuance of ~~an agent's permit or any~~
17 ~~accreditation~~ **authorization** may not be considered to constitute
18 ~~approval~~ **endorsement** of a course, a person, or an institution. A
19 representation to the contrary is a misrepresentation.

20 SECTION 26. IC 21-18.5-6-22.5 IS ADDED TO THE INDIANA
21 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
22 [EFFECTIVE UPON PASSAGE]: **Sec. 22.5. A person who knowingly**
23 **and intentionally violates section 16 or 22 of this chapter commits**
24 **a deceptive act that is actionable by the attorney general under**
25 **IC 24-5-0.5 and is subject to the penalties and remedies available**
26 **to the attorney general under IC 24-5-0.5.**

27 SECTION 27. IC 21-18.5-6-24, AS ADDED BY P.L.107-2012,
28 SECTION 58, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
29 UPON PASSAGE]: Sec. 24. An action of the board for proprietary
30 education concerning the issuance, denial, or revocation of a ~~permit or~~
31 ~~accreditation~~ **an authorization** under this chapter is subject to review
32 under IC 4-21.5.

33 SECTION 28. IC 21-18.5-6-26, AS ADDED BY P.L.107-2012,
34 SECTION 58, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
35 UPON PASSAGE]: Sec. 26. (a) As used in this section, "fund" means
36 the postsecondary credit bearing proprietary educational institution
37 ~~accreditation~~ **authorization** fund established by subsection (b).

38 (b) The postsecondary credit bearing proprietary educational
39 institution ~~accreditation~~ **authorization** fund is established.

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

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

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1 to the general fund.

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

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

6 SECTION 29. IC 22-4.1-21-10, AS ADDED BY P.L.107-2012,
7 SECTION 61, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
8 UPON PASSAGE]: Sec. 10. (a) The office for career and technical
9 schools is established to carry out the responsibilities of the council
10 under this chapter.

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

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

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

18 SECTION 30. IC 22-4.5-10.5 IS ADDED TO THE INDIANA
19 CODE AS A NEW CHAPTER TO READ AS FOLLOWS
20 [EFFECTIVE JULY 1, 2013]:

21 **Chapter 10.5. Middle Skill Credentials**

22 **Sec. 1. As used in this chapter, "industry based certification"**
23 **means a middle skill credential that is awarded based on**
24 **performance on a test rather than on classroom instruction.**

25 **Sec. 2. As used in this chapter, "middle skill credential" means**
26 **a credential awarded above the level of a high school diploma but**
27 **below the level of a four (4) year college degree.**

28 **Sec. 3. (a)The department, in consultation with the commission**
29 **for higher education, the department of education, the office of the**
30 **secretary of family and social services, and any other agency the**
31 **department determines is necessary, shall include in the Indiana**
32 **workforce intelligence system established by IC 22-4.5-10-3, as**
33 **added by HB 1002-2013, SECTION 2, information regarding the**
34 **middle skill credentials awarded in the state for the immediately**
35 **preceding state fiscal year.**

36 **(b) The information required under subsection (a) must include:**

37 **(1) the aggregate number of enrollees in programs leading to**
38 **middle skill credentials from:**

39 **(A) public institutions of higher education;**

40 **(B) private institutions of higher education;**

41 **(C) private occupational schools;**

42 **(D) community colleges;**



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- 1 (E) area vocational schools;
 2 (F) high school vocational programs;
 3 (G) apprenticeship programs; and
 4 (H) other public or private workforce training programs;
 5 and
 6 (2) aggregate data of industry based certifications awarded as
 7 the result of the completion of education and employment
 8 training programs.
- 9 **Sec. 4. (a) Public and private institutions of higher education,**
 10 **private occupational schools, community colleges, area vocational**
 11 **schools, high school vocational programs, apprenticeship**
 12 **programs, and other public or private workforce training**
 13 **programs shall provide sufficient data described in section 3 of this**
 14 **chapter so that the department is able to:**
- 15 (1) meet its obligations under section 3 of this chapter; and
 16 (2) respond to requests for information and reports
 17 concerning middle skill credentials.
- 18 (b) The data described in section 3 of this chapter must be
 19 provided to:
- 20 (1) the department;
 21 (2) the commission for higher education;
 22 (3) the department of education;
 23 (4) the office of the secretary of family and social services; and
 24 (5) any other agency the department determines is necessary.
- 25 (c) The data described in section 3 of this chapter must be
 26 provided in disaggregated form and in the manner prescribed by
 27 the department.
- 28 (d) The data provided for each trainee of a training program
 29 described in this chapter must include:
- 30 (1) the trainee's name;
 31 (2) the trainee's address;
 32 (3) the school identification number;
 33 (4) the name or a description of the certification completed by
 34 or credential awarded to the trainee;
 35 (5) the name and address of the training provider; and
 36 (6) a pass/fail indicator.
- 37 SECTION 31. IC 24-5-0.5-3, AS AMENDED BY P.L.226-2011,
 38 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 39 UPON PASSAGE]: Sec. 3. (a) The following acts, and the following
 40 representations as to the subject matter of a consumer transaction,
 41 made orally, in writing, or by electronic communication, by a supplier,
 42 are deceptive acts:

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- 1 (1) That such subject of a consumer transaction has sponsorship,
2 approval, performance, characteristics, accessories, uses, or
3 benefits it does not have which the supplier knows or should
4 reasonably know it does not have.
- 5 (2) That such subject of a consumer transaction is of a particular
6 standard, quality, grade, style, or model, if it is not and if the
7 supplier knows or should reasonably know that it is not.
- 8 (3) That such subject of a consumer transaction is new or unused,
9 if it is not and if the supplier knows or should reasonably know
10 that it is not.
- 11 (4) That such subject of a consumer transaction will be supplied
12 to the public in greater quantity than the supplier intends or
13 reasonably expects.
- 14 (5) That replacement or repair constituting the subject of a
15 consumer transaction is needed, if it is not and if the supplier
16 knows or should reasonably know that it is not.
- 17 (6) That a specific price advantage exists as to such subject of a
18 consumer transaction, if it does not and if the supplier knows or
19 should reasonably know that it does not.
- 20 (7) That the supplier has a sponsorship, approval, or affiliation in
21 such consumer transaction the supplier does not have, and which
22 the supplier knows or should reasonably know that the supplier
23 does not have.
- 24 (8) That such consumer transaction involves or does not involve
25 a warranty, a disclaimer of warranties, or other rights, remedies,
26 or obligations, if the representation is false and if the supplier
27 knows or should reasonably know that the representation is false.
- 28 (9) That the consumer will receive a rebate, discount, or other
29 benefit as an inducement for entering into a sale or lease in return
30 for giving the supplier the names of prospective consumers or
31 otherwise helping the supplier to enter into other consumer
32 transactions, if earning the benefit, rebate, or discount is
33 contingent upon the occurrence of an event subsequent to the time
34 the consumer agrees to the purchase or lease.
- 35 (10) That the supplier is able to deliver or complete the subject of
36 the consumer transaction within a stated period of time, when the
37 supplier knows or should reasonably know the supplier could not.
38 If no time period has been stated by the supplier, there is a
39 presumption that the supplier has represented that the supplier
40 will deliver or complete the subject of the consumer transaction
41 within a reasonable time, according to the course of dealing or the
42 usage of the trade.

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- 1 (11) That the consumer will be able to purchase the subject of the
- 2 consumer transaction as advertised by the supplier, if the supplier
- 3 does not intend to sell it.
- 4 (12) That the replacement or repair constituting the subject of a
- 5 consumer transaction can be made by the supplier for the estimate
- 6 the supplier gives a customer for the replacement or repair, if the
- 7 specified work is completed and:
 - 8 (A) the cost exceeds the estimate by an amount equal to or
 - 9 greater than ten percent (10%) of the estimate;
 - 10 (B) the supplier did not obtain written permission from the
 - 11 customer to authorize the supplier to complete the work even
 - 12 if the cost would exceed the amounts specified in clause (A);
 - 13 (C) the total cost for services and parts for a single transaction
 - 14 is more than seven hundred fifty dollars (\$750); and
 - 15 (D) the supplier knew or reasonably should have known that
 - 16 the cost would exceed the estimate in the amounts specified in
 - 17 clause (A).
- 18 (13) That the replacement or repair constituting the subject of a
- 19 consumer transaction is needed, and that the supplier disposes of
- 20 the part repaired or replaced earlier than seventy-two (72) hours
- 21 after both:
 - 22 (A) the customer has been notified that the work has been
 - 23 completed; and
 - 24 (B) the part repaired or replaced has been made available for
 - 25 examination upon the request of the customer.
- 26 (14) Engaging in the replacement or repair of the subject of a
- 27 consumer transaction if the consumer has not authorized the
- 28 replacement or repair, and if the supplier knows or should
- 29 reasonably know that it is not authorized.
- 30 (15) The act of misrepresenting the geographic location of the
- 31 supplier by listing a fictitious business name or an assumed
- 32 business name (as described in IC 23-15-1) in a local telephone
- 33 directory if:
 - 34 (A) the name misrepresents the supplier's geographic location;
 - 35 (B) the listing fails to identify the locality and state of the
 - 36 supplier's business;
 - 37 (C) calls to the local telephone number are routinely forwarded
 - 38 or otherwise transferred to a supplier's business location that
 - 39 is outside the calling area covered by the local telephone
 - 40 directory; and
 - 41 (D) the supplier's business location is located in a county that
 - 42 is not contiguous to a county in the calling area covered by the

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- 1 local telephone directory.
- 2 (16) The act of listing a fictitious business name or assumed
- 3 business name (as described in IC 23-15-1) in a directory
- 4 assistance database if:
- 5 (A) the name misrepresents the supplier's geographic location;
- 6 (B) calls to the local telephone number are routinely forwarded
- 7 or otherwise transferred to a supplier's business location that
- 8 is outside the local calling area; and
- 9 (C) the supplier's business location is located in a county that
- 10 is not contiguous to a county in the local calling area.
- 11 (17) The violation by a supplier of IC 24-3-4 concerning
- 12 cigarettes for import or export.
- 13 (18) The act of a supplier in knowingly selling or reselling a
- 14 product to a consumer if the product has been recalled, whether
- 15 by the order of a court or a regulatory body, or voluntarily by the
- 16 manufacturer, distributor, or retailer, unless the product has been
- 17 repaired or modified to correct the defect that was the subject of
- 18 the recall.
- 19 (19) The violation by a supplier of 47 U.S.C. 227, including any
- 20 rules or regulations issued under 47 U.S.C. 227.
- 21 (20) The violation by a supplier of the federal Fair Debt
- 22 Collection Practices Act (15 U.S.C. 1692 et seq.), including any
- 23 rules or regulations issued under the federal Fair Debt Collection
- 24 Practices Act (15 U.S.C. 1692 et seq.).
- 25 (21) A violation of IC 24-5-7 (concerning health spa services), as
- 26 set forth in IC 24-5-7-17.
- 27 (22) A violation of IC 24-5-8 (concerning business opportunity
- 28 transactions), as set forth in IC 24-5-8-20.
- 29 (23) A violation of IC 24-5-10 (concerning home consumer
- 30 transactions), as set forth in IC 24-5-10-18.
- 31 (24) A violation of IC 24-5-11 (concerning home improvement
- 32 contracts), as set forth in IC 24-5-11-14.
- 33 (25) A violation of IC 24-5-12 (concerning telephone
- 34 solicitations), as set forth in IC 24-5-12-23.
- 35 (26) A violation of IC 24-5-13.5 (concerning buyback motor
- 36 vehicles), as set forth in IC 24-5-13.5-14.
- 37 (27) A violation of IC 24-5-14 (concerning automatic
- 38 dialing-announcing devices), as set forth in IC 24-5-14-13.
- 39 (28) A violation of IC 24-5-15 (concerning credit services
- 40 organizations), as set forth in IC 24-5-15-11.
- 41 (29) A violation of IC 24-5-16 (concerning unlawful motor
- 42 vehicle subleasing), as set forth in IC 24-5-16-18.

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- 1 (30) A violation of IC 24-5-17 (concerning environmental
- 2 marketing claims), as set forth in IC 24-5-17-14.
- 3 (31) A violation of IC 24-5-19 (concerning deceptive commercial
- 4 solicitation), as set forth in IC 24-5-19-11.
- 5 (32) A violation of IC 24-5-21 (concerning prescription drug
- 6 discount cards), as set forth in IC 24-5-21-7.
- 7 (33) A violation of IC 24-5-23.5-7 (concerning real estate
- 8 appraisals), as set forth in IC 24-5-23.5-9.
- 9 (34) A violation of IC 24-5-26 (concerning identity theft), as set
- 10 forth in IC 24-5-26-3.
- 11 (35) A violation of IC 24-5.5 (concerning mortgage rescue fraud),
- 12 as set forth in IC 24-5.5-6-1.
- 13 (36) A violation of IC 24-8 (concerning promotional gifts and
- 14 contests), as set forth in IC 24-8-6-3.
- 15 **(37) A violation of IC 21-18.5-6 (concerning representations**
- 16 **made by a postsecondary credit bearing proprietary**
- 17 **educational institution), as set forth in IC 21-18.5-6-22.5.**
- 18 (b) Any representations on or within a product or its packaging or
- 19 in advertising or promotional materials which would constitute a
- 20 deceptive act shall be the deceptive act both of the supplier who places
- 21 such representation thereon or therein, or who authored such materials,
- 22 and such other suppliers who shall state orally or in writing that such
- 23 representation is true if such other supplier shall know or have reason
- 24 to know that such representation was false.
- 25 (c) If a supplier shows by a preponderance of the evidence that an
- 26 act resulted from a bona fide error notwithstanding the maintenance of
- 27 procedures reasonably adopted to avoid the error, such act shall not be
- 28 deceptive within the meaning of this chapter.
- 29 (d) It shall be a defense to any action brought under this chapter that
- 30 the representation constituting an alleged deceptive act was one made
- 31 in good faith by the supplier without knowledge of its falsity and in
- 32 reliance upon the oral or written representations of the manufacturer,
- 33 the person from whom the supplier acquired the product, any testing
- 34 organization, or any other person provided that the source thereof is
- 35 disclosed to the consumer.
- 36 (e) For purposes of subsection (a)(12), a supplier that provides
- 37 estimates before performing repair or replacement work for a customer
- 38 shall give the customer a written estimate itemizing as closely as
- 39 possible the price for labor and parts necessary for the specific job
- 40 before commencing the work.
- 41 (f) For purposes of subsection (a)(15) and (a)(16), a telephone
- 42 company or other provider of a telephone directory or directory

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1 assistance service or its officer or agent is immune from liability for
2 publishing the listing of a fictitious business name or assumed business
3 name of a supplier in its directory or directory assistance database
4 unless the telephone company or other provider of a telephone
5 directory or directory assistance service is the same person as the
6 supplier who has committed the deceptive act.

7 (g) For purposes of subsection (a)(18), it is an affirmative defense
8 to any action brought under this chapter that the product has been
9 altered by a person other than the defendant to render the product
10 completely incapable of serving its original purpose.

11 SECTION 32. **An emergency is declared for this act.**

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Education, to which was referred House Bill 1314, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 5, delete lines 8 through 10, begin a new line block indented and insert:

"(7) A religious institution that offers educational instruction or an educational program of a clearly religious nature."

Page 6, line 2, delete ":" and insert "**a religious institution that offers educational instruction or an educational program of a clearly religious nature.**".

Page 6, delete lines 3 through 6.

Page 6, delete lines 16 through 17, begin a new line block indented and insert:

"(2) the institution is a religious institution that offers educational instruction or an educational program of a clearly religious nature."

Page 10, between lines 37 and 38, begin a new paragraph and insert:

"(d) The board for proprietary education may join interstate reciprocity agreements and authorize an institution to operate in Indiana, if the:

(1) institution; and

(2) state in which both the institution's:

(A) principal campus is located; and

(B) institutional accreditation is provided;

are members of the interstate reciprocity agreement."

Page 10, line 38, strike "(d)" and insert "(e)".

Page 10, line 40, strike "(e)" and insert "(f)".

and when so amended that said bill do pass.

(Reference is to HB 1314 as introduced.)

BEHNING, Chair

Committee Vote: yeas 11, nays 0.

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COMMITTEE REPORT

Madam President: The Senate Committee on Education and Career Development, to which was referred House Bill No. 1314, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, line 1, delete "IC 21-7-13-13.5" and insert "IC 21-7-13-13.3".

Page 1, line 3, delete "Sec. 13.5." and insert "**Sec. 13.3.**".

Page 1, line 6, delete "IC 21-18-12" and insert "IC 21-18-12.2".

Page 1, line 9, delete "12." and insert "**12.2.**".

Page 6, line 7, delete "degree-granting" and insert "**degree granting**".

Page 14, between lines 4 and 5, begin a new paragraph and insert:
"SECTION 29. IC 22-4-18-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 7. **(a) The following definitions apply throughout this section:**

(1) "Middle skill credential" means a credential awarded above the level of a high school diploma but below the level of a four (4) year college degree.

(2) "Industry-based certifications" means middle skill credentials that are awarded based on performance on a test, rather than classroom instruction.

(a) (b) The department annually shall prepare a written report of its training activities and the training activities of the various workforce investment boards during the immediately preceding state fiscal year. The department's annual report for a particular state fiscal year must include information for each training project for which either the department or a workforce development board provided any funding during that state fiscal year. At a minimum, the following information must be provided for such a training project:

(1) A description of the training project, including the name and address of the training provider.

(2) The amount of funding that either the department or a workforce investment board provided for the project and an indication of which entity provided the funding.

(3) The number of trainees who participated in the project.

(4) Demographic information about the trainees, including the age of each trainee, the education attainment level of each trainee, and for those training projects that have specific gender requirements, the gender of each trainee.



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(5) The results of the project, including skills developed by trainees, any license or certification associated with the training project, the extent to which trainees have been able to secure employment or obtain better employment, and descriptions of the specific jobs which trainees have been able to secure or to which trainees have been able to advance.

(c) The department, in consultation with the commission for higher education, the department of education, the office of the secretary of family and social services, and any other agency the department determines is necessary, shall include in its annual report information regarding the middle skill credentials awarded in the state for the immediately preceding state fiscal year. The annual report shall include:

(1) the aggregate number of enrollees in programs leading to middle skill credentials from public and private institutions of higher education, private occupational schools, community colleges, area vocational schools, high school vocational programs, apprenticeship programs, and other public or private workforce training programs; and

(2) aggregate data of industry-based certifications awarded as the result of completion of education and employment training programs.

The public and private institutions of higher education, private occupational schools, community colleges, area vocational schools, high school vocational programs, apprenticeship programs, and other public or private workforce training programs shall provide the data necessary for the department to prepare the report required in this subsection. The data shall be provided to the department in disaggregated form and in the manner prescribed by the department. The data shall include the trainee's name, address, school identification number, certification completed or credential awarded, the training provider, and a pass/fail indicator.

(b) (d) With respect to trainees that have been able to secure employment or obtain better employment, the department of workforce development shall compile data on the retention rates of those trainees in the jobs which the trainees secured or to which they advanced. The department shall include information concerning those retention rates in each of its annual reports.

(c) (e) On or before October 1 of each state fiscal year, each workforce investment board shall provide the department with a written report of its training activities for the immediately preceding state fiscal year. The workforce development board shall prepare the report in the

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manner prescribed by the department. However, at a minimum, the workforce development board shall include in its report the information required by subsection ~~(a)~~ **(b)** for each training project for which the workforce development board provided any funding during the state fiscal year covered by the report. In addition, the workforce development board shall include in each report retention rate information as set forth in subsection ~~(b)~~: **(d)**.

~~(d)~~ **(f)** The department shall provide a copy of its annual report for a particular state fiscal year to the:

- (1) governor;
- (2) legislative council; and
- (3) unemployment insurance board;

on or before December 1 of the immediately preceding state fiscal year. An annual report provided under this subsection to the legislative council must be in an electronic format under IC 5-14-6."

Page 14, delete lines 17 through 42.

Page 15, delete lines 1 through 14.

Re-number all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1314 as printed January 29, 2013.)

KRUSE, Chairperson

Committee Vote: Yeas 8, Nays 0.

SENATE MOTION

Madam President: I move that Engrossed House Bill 1314 be amended to read as follows:

Page 14, delete lines 6 through 42.

Delete page 15.

Page 16, delete lines 1 through 5.

Page 16, between lines 17 and 18, begin a new paragraph and insert:

"SECTION 31. IC 22-4.5-10.5 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]:

Chapter 10.5. Middle Skill Credentials

Sec. 1. As used in this chapter, "industry based certification" means a middle skill credential that is awarded based on performance on a test rather than on classroom instruction.



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Sec. 2. As used in this chapter, "middle skill credential" means a credential awarded above the level of a high school diploma but below the level of a four (4) year college degree.

Sec. 3. (a) The department, in consultation with the commission for higher education, the department of education, the office of the secretary of family and social services, and any other agency the department determines is necessary, shall include in the Indiana workforce intelligence system established by IC 22-4.5-10-3, as added by HB 1002-2013, SECTION 2, information regarding the middle skill credentials awarded in the state for the immediately preceding state fiscal year.

(b) The information required under subsection (a) must include:

(1) the aggregate number of enrollees in programs leading to middle skill credentials from:

- (A)** public institutions of higher education;
 - (B)** private institutions of higher education;
 - (C)** private occupational schools;
 - (D)** community colleges;
 - (E)** area vocational schools;
 - (F)** high school vocational programs;
 - (G)** apprenticeship programs; and
 - (H)** other public or private workforce training programs;
- and

(2) aggregate data of industry based certifications awarded as the result of the completion of education and employment training programs.

Sec. 4. (a) Public and private institutions of higher education, private occupational schools, community colleges, area vocational schools, high school vocational programs, apprenticeship programs, and other public or private workforce training programs shall provide sufficient data described in section 3 of this chapter so that the department is able to:

- (1)** meet its obligations under section 3 of this chapter; and
- (2)** respond to requests for information and reports concerning middle skill credentials.

(b) The data described in section 3 of this chapter must be provided to:

- (1)** the department;
- (2)** the commission for higher education;
- (3)** the department of education;
- (4)** the office of the secretary of family and social services; and
- (5)** any other agency the department determines is necessary.



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(c) The data described in section 3 of this chapter must be provided in disaggregated form and in the manner prescribed by the department.

(d) The data provided for each trainee of a training program described in this chapter must include:

- (1) the trainee's name;**
- (2) the trainee's address;**
- (3) the school identification number;**
- (4) the name or a description of the certification completed by or credential awarded to the trainee;**
- (5) the name and address of the training provider; and**
- (6) a pass/fail indicator."**

Renumber all SECTIONS consecutively.

(Reference is to EHB 1314 as printed March 22, 2013.)

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