Reprinted
February 15, 2013

# HOUSE BILL No. 1004

DIGEST OF HB 1004 (Updated February 14, 2013 2:18 pm - DI 97)

**Citations Affected:** IC 12-7; IC 12-17.2; IC 20-51.

**Synopsis:** Early education scholarship pilot program. Establishes the early education scholarship pilot program to provide supplemental funding for eligible children receiving eligible services from certain early education providers. Establishes the early learning advisory committee. Provides that a child who receives an early education scholarship and meets certain other criteria is eligible for purposes of the school scholarship program.

**Effective:** Upon passage; July 1, 2013.


## Behning, Crouch, VanDenburgh, Bosma



January 15, 2013, read first time and referred to Committee on Education.
February 11, 2013, amended, reported — Do Pass.
February 14, 2013, read second time, amended, ordered engrossed.



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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.

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# HOUSE BILL No. 1004

A BILL FOR AN ACT to amend the Indiana Code concerning human services.

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

SECTION 1. IC 12-7-2-75.3 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 75.3. "Eligible child", for purposes of IC 12-17.2-3.7, has the meaning set forth in IC 12-17.2-3.7-1.**

SECTION 2. IC 12-7-2-76.2 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 76.2. "Eligible provider", for purposes of IC 12-17.2-3.7, has the meaning set forth in IC 12-17.2-3.7-2.**

SECTION 3. IC 12-7-2-76.3 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 76.3. "Eligible services", for purposes of IC 12-17.2-3.7, has the meaning set forth in IC 12-17.2-3.7-3.**

SECTION 4. IC 12-7-2-135.8 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 135.8. "Paths to QUALITY program", for purposes of IC 12-17.2-3.7, has the meaning set forth in IC 12-17.2-3.7-4.**

SECTION 5. IC 12-7-2-146, AS AMENDED BY P.L.110-2010, SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 146. "Program" refers to the following:

(1) For purposes of IC 12-8-12.5, the meaning set forth in IC 12-8-12.5-1.

(2) For purposes of IC 12-10-7, the adult guardianship services program established by IC 12-10-7-5.

(3) For purposes of IC 12-10-10, the meaning set forth in IC 12-10-10-5.

**(4) For purposes of IC 12-17.2-3.7, the meaning set forth in IC 12-17.2-3.7-5.**

~~(4)~~ **(5)** For purposes of IC 12-17.6, the meaning set forth in IC 12-17.6-1-5.

SECTION 6. IC 12-7-2-169.7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 169.7. "Scholarship", for purposes of IC 12-17.2-3.7, has the meaning set forth in IC 12-17.2-3.7-6.**

SECTION 7. IC 12-17.2-3.7 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

**Chapter 3.7. Early Education Scholarship Pilot Program**

**Sec. 1. As used in this chapter, "eligible child" refers to an individual who:**

**(1) is at least four (4) years of age and less than five (5) years of age on August 1 of the state fiscal year for which a scholarship is sought;**

**(2) is a resident of Indiana or otherwise has legal settlement in Indiana, as determined under IC 20-26-11;**

**(3) is a member of a household with an annual income that does not exceed one hundred eighty-five percent (185%) of the federal poverty level; and**

**(4) receives at least one hundred eighty (180) days of eligible services per year from an eligible provider.**

**Sec. 2. As used in this chapter, "eligible provider" refers to a person that:**

**(1) provides eligible services;**

**(2) is located in a county in which the program is implemented; and**

**(3) administers the kindergarten readiness assessment adopted by the department of education.**

**Sec. 3. As used in this chapter, "eligible services" refers to a**

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**program of early education services that:**

**(1) meets the standards of quality recognized by a Level 3 or Level 4 Paths to QUALITY program rating;**

**(2) is nationally accredited by an accrediting body recognized by the division or the state board of education;**

**(3) is accredited by the state board of education;**

**(4) is provided, before July 1, 2014, by an eligible school (as defined in IC 20-51-1-4.7); or**

**(5) is provided, before July 1, 2014, by a participating school (as defined in IC 20-51-1-6).**

**Sec. 4. As used in this chapter, "Paths to QUALITY program" refers to a voluntary quality rating and improvement system for child care administered:**

**(1) statewide by the division; and**

**(2) under the trademark "Paths to QUALITY".**

**Sec. 5. As used in this chapter, "program" refers to the early education scholarship pilot program established by section 7 of this chapter.**

**Sec. 6. As used in this chapter, "scholarship" refers to an early education scholarship awarded under this chapter.**

**Sec. 7. (a) The early education scholarship pilot program is established to reduce the out-of-pocket fees that an eligible child or an eligible child's parent, guardian, or custodian would otherwise be required to pay to an eligible provider for the eligible child to receive eligible services after the application of the maximum amount of all other state and federal grants and distributions available for reimbursement for the eligible services.**

**(b) The division shall administer the program, which must begin on July 1, 2013, in not more than five (5) counties in Indiana, chosen by the division.**

**Sec. 8. (a) An eligible child may receive a scholarship through the program in accordance with this chapter.**

**(b) A scholarship that has been awarded for an eligible child may be terminated at any time that the eligible child fails to comply with the requirements for eligibility established by or under this chapter.**

**(c) A scholarship is not a grant to or contract with a provider but must be considered assistance to the eligible child and the parent, guardian, or custodian of the eligible child.**

**(d) The amount of a scholarship provided for an eligible child may not be treated as income or a resource for purposes of qualifying for any other federal or state grant or program**

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**administered by the state or a political subdivision.**

**(e) To qualify for a scholarship, a parent, guardian, or custodian must apply for the scholarship in the manner prescribed by the division.**

**Sec. 9. The maximum amount that may be awarded under this chapter for all eligible services provided to an eligible child in a state fiscal year is six thousand eight hundred dollars ($6,800).**

**Sec. 10. The total amount of all scholarships awarded for eligible services provided in a state fiscal year may not exceed the amount appropriated for scholarships for that state fiscal year (less any amount appropriated to administer the scholarship program).**

**Sec. 11. (a) Scholarships shall be awarded for eligible services at the rates, in the manner, and in the amounts determined by the division.**

**(b) The division shall distribute scholarship amounts on a periodic basis determined by the division.**

**(c) The amount distributed under subsection (b) must be based on the number and length of days of eligible services received by an eligible child during the period for which the amount is distributed.**

**(d) The division may distribute any part of a scholarship to the parent, guardian, or custodian of the eligible child. For a distribution described in this subsection to be valid, the distribution must be endorsed by both the parent, guardian, or custodian of the eligible child and the eligible provider that provides the eligible services.**

**Sec. 12. (a) To be eligible to receive scholarship payments, an eligible provider:**

**(1) may be required by the division to register with the division on a form prescribed by the division;**

**(2) may not discriminate on the basis of race, color, or national origin; and**

**(3) must otherwise comply with all applicable law and rules governing the provider.**

**(b) The division may suspend or terminate an eligible provider's participation in the program if the eligible provider fails to comply with subsection (a).**

**Sec. 13. (a) The division may adopt rules under IC 4-22-2 to implement this chapter.**

**(b) The division may adopt emergency rules in the manner provided under IC 4-22-2-37.1 to implement this chapter.**

**Sec. 14. (a) The early learning advisory committee is established to do the following:**

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**(1) Create accountability measures for the program and perform longitudinal review of the results of the measures.**

**(2) Conduct periodic statewide needs assessments concerning the quality and availability of early education programs for children from birth to the age of school entry, including the availability of high quality prekindergarten education for low income children in Indiana.**

**(3) Identify opportunities for, and barriers to, collaboration and coordination among federally and state funded child development, child care, and early childhood education programs and services, including governmental agencies that administer the programs and services.**

**(4) Assess the capacity and effectiveness of two (2) and four (4) year public and private higher education institutions in Indiana for the support of development of early educators, including:**

**(A) professional development and career advancement plans; and**

**(B) practice or internships with Head Start or prekindergarten programs.**

**(5) Other duties as determined necessary by the chairperson of the committee.**

**(6) Not later than June 30 of each year, develop and make recommendations to the governor and, in an electronic format under IC 5-14-6, to the legislative council concerning the following:**

**(A) The results of the committee's work under subdivisions (1) through (5).**

**(B) The results of the program.**

**(b) The committee consists of six (6) members appointed by the governor as follows:**

**(1) A representative of the department of education.**

**(2) A representative of the division.**

**(3) A representative of a Head Start program under 42 U.S.C. 9831 et seq.**

**(4) A representative of a family advocacy group that has an interest in early childhood education.**

**(5) An early childhood education provider.**

**(6) A representative of business with an interest in early childhood education.**

**(c) The governor shall appoint the chairperson of the committee.**

**(d) The division shall staff the committee.**

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**(e) The expenses of the committee shall be paid from the funds of the division.**

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

**(g) Each member of the committee who is a state employee but who is not a member of the general assembly 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.**

**(h) Each member of the committee who is a member of the general assembly is entitled to receive the same per diem, mileage, and travel allowances paid to legislative members of interim study committees established by the legislative council. Per diem, mileage, and travel allowances paid under this section shall be paid from appropriations made to the legislative council or the legislative services agency.**

**(i) The affirmative votes of a majority of the voting members appointed to the committee are required for the committee to take action on any measure, including final reports.**

**Sec. 15. The division shall provide the department of education with information necessary for the department of education to assign an eligible child who receives a scholarship under this chapter a student testing number. Upon receipt of the information, the department of education shall assign the eligible child a student testing number to track the eligible child's educational growth and development.**

**Sec. 16. This chapter expires July 1, 2016.**

SECTION 8. IC 20-51-1-4.5, AS ADDED BY P.L.92-2011, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 4.5. "Eligible individual" refers to an individual: ~~who:~~

(1) **who** has legal settlement in Indiana;

(2) **who** is at least five (5) years of age and less than twenty-two (22) years of age on the date in the school year specified in

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IC 20-33-2-7;

(3) **who** either has been or is currently enrolled in an accredited school;

(4) **who** is a member of a household with an annual income of not more than one hundred fifty percent (150%) of the amount required for the individual to qualify for the federal free or reduced price lunch program; and

(5) **to which either of the following applies:**

**(A) The individual** either:

~~(A)~~ **(i)** was enrolled in grade 1 through 12 in a school corporation that did not charge the individual transfer tuition for at least two (2) semesters immediately preceding the first semester for which the individual receives a choice scholarship under IC 20-51-4; or

~~(B)~~ **(ii)** received a scholarship from a scholarship granting organization under IC 20-51-3 or a choice scholarship under IC 20-51-4 in a preceding school year, including a school year that does not immediately precede a school year in which the individual receives a scholarship from a scholarship granting organization under IC 20-51-3 or a choice scholarship under IC 20-51-4.

**(B) The individual received an early education scholarship under IC 12-17.2-3.7.**

SECTION 9. **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 1004, 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 3, delete lines 1 through 5 and insert "**program of early education services that:**

**(1) meets the standards of quality recognized by a Level 3 or Level 4 Paths to QUALITY program rating;**

**(2) is nationally accredited by an accrediting body recognized by the division or the state board of education;**

**(3) is accredited by the state board of education;**

**(4) is provided, before July 1, 2014, by an eligible school (as defined in IC 20-51-1-4.7); or**

**(5) is provided, before July 1, 2014, by a participating school (as defined in IC 20-51-1-6).**".

and when so amended that said bill do pass.

(Reference is to HB 1004 as introduced.)

BEHNING, Chair

Committee Vote: yeas 10, nays 2.

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HOUSE MOTION

Mr. Speaker: I move that House Bill 1004 be amended to read as follows:

Page 2, line 25, delete "three (3)" and insert "**four (4)**".

(Reference is to HB 1004 as printed February 12, 2013.)

BEHNING

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HOUSE MOTION

Mr. Speaker: I move that House Bill 1004 be amended to read as follows:

Page 5, line 30, delete "five (5)" and insert "**six (6)**".

Page 5, between lines 38 and 39, begin a new line block indented and insert:

"**(6) A representative of business with an interest in early childhood education.**".

(Reference is to HB 1004 as printed February 12, 2013.)

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HOUSE MOTION

Mr. Speaker: I move that House Bill 1004 be amended to read as follows:

Page 6, between lines 25 and 26, begin a new paragraph and insert:

"**Sec. 15. The division shall provide the department of education with information necessary for the department of education to assign an eligible child who receives a scholarship under this chapter a student testing number. Upon receipt of the information, the department of education shall assign the eligible child a student testing number to track the eligible child's educational growth and development.**".

Page 6, line 26, delete "15." and insert "**16.**".

(Reference is to HB 1004 as printed February 12, 2013.)

HUSTON

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