
HOUSE BILL No. 1103

DIGEST OF INTRODUCED BILL

Citations Affected: IC 20-51.

Synopsis: Scholarship granting organizations. Provides that the governor, in consultation with the Indiana economic development corporation (corporation), shall designate not more than 11 Indiana regional work areas (work areas) throughout the state. Provides that an Indiana regional work area council (council) is established for each work area. Provides that the members of each council are appointed by the governor, in consultation with the corporation. Requires the department of workforce development to provide staff support for each council. Provides that the council shall: (1) prioritize the vocational or technical job skills that will be needed in the work area for the next four years; and (2) prioritize the career, vocational, and technical training that will provide potential employees with the job skills required to find employment with employers located in the work area. Provides that the council is considered a scholarship granting organization. Provides that a student attending a public or accredited nonpublic secondary school may be eligible to receive a scholarship from a scholarship granting organization for a career, technical, or vocational program or course designated by the council. Provides that the council may designate not more than five programs or courses for the year. Provides that, before the council may designate a particular program or course, the program or course must be approved by the state board of education (state board), in consultation with the commission for higher education. Provides that the program or course must be provided by: (1) a postsecondary credit bearing proprietary educational institution; (2) a postsecondary proprietary educational institution; (3) a state educational institution; or (4) an approved (Continued next page)

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Effective: July 1, 2013.

Davisson

January 8, 2013, read first time and referred to Committee on Education.



postsecondary educational institution. Provides that in order for a program or course to be approved by the state board, the program or course must be a dual credit course. Provides that the program or course may be offered through: (1) onsite instruction; (2) telecommunication; or (3) a combination of methods; at on-campus or off-campus sites. Establishes an Indiana regional work area fund (fund) for each work area, to be used to provide scholarships for a designated career, technical, or vocational program or course. Provides that each fund consists of donations. Provides that an individual who donates to the fund may be eligible to receive a school scholarship income tax credit. Provides that each fund is administered by the department of workforce development. Requires the state board of accounts to annually audit each fund.

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Introduced

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. 1103



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

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

1 SECTION 1. IC 20-51-1-5, AS AMENDED BY P.L.129-2012,
 2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 3 JULY 1, 2013]: Sec. 5. "Eligible student" refers to ~~an individual~~ **one**
 4 **(1) of the following:**
 5 **(1) An individual** who:
 6 **(1) (A)** has legal settlement in Indiana;
 7 **(2) (B)** is at least five (5) years of age and less than twenty-two
 8 (22) years of age on the date in the school year specified in
 9 IC 20-33-2-7;
 10 **(3) (C)** either has been or is currently enrolled in a
 11 participating school;
 12 **(4) (D)** is a member of a household with an annual income of
 13 not more than two hundred percent (200%) of the amount
 14 required for the individual to qualify for the federal free or
 15 reduced price lunch program; and



- 1 ~~(5)~~ **(E)** meets at least one (1) of the following conditions:
 2 ~~(A)~~ **(i)** The individual is enrolling in kindergarten.
 3 ~~(B)~~ **(ii)** The individual was enrolled in a public school
 4 during the school year preceding the first school year for
 5 which a scholarship granting organization provides a
 6 scholarship to the individual.
 7 ~~(C)~~ **(iii)** The individual received a scholarship in the
 8 previous year from a nonprofit scholarship granting
 9 organization that qualifies for certification as a school
 10 scholarship program.
 11 ~~(D)~~ **(iv)** The individual received a school scholarship from
 12 a scholarship granting organization in a preceding year,
 13 including a school year that does not immediately precede
 14 a school year in which the individual receives a scholarship
 15 from a scholarship granting organization.
- 16 **(2) An individual who:**
 17 **(A) has legal settlement in Indiana;**
 18 **(B) is currently enrolled in a public or accredited**
 19 **nonpublic secondary school;**
 20 **(C) is less than twenty-two (22) years of age on the date in**
 21 **the school year specified in IC 20-33-2-7; and**
 22 **(D) is currently enrolled or enrolling in a career, technical,**
 23 **or educational program or course that is designated by a**
 24 **regional Indiana work council for a particular work area**
 25 **under IC 21-51-3.5-9(b) and that is approved under**
 26 **IC 20-51-3.5-10.**
- 27 SECTION 2. IC 20-51-1-6, AS ADDED BY P.L.182-2009(ss),
 28 SECTION 364, IS AMENDED TO READ AS FOLLOWS
 29 [EFFECTIVE JULY 1, 2013]: Sec. 6. ~~(a)~~ "Participating school" refers
 30 to **either of the following:**
 31 **(1) A public or nonpublic school that:**
 32 ~~(1)~~ **(A)** an eligible student is required to pay tuition or transfer
 33 tuition to attend;
 34 ~~(2)~~ **(B)** voluntarily agrees to enroll an eligible student;
 35 ~~(3)~~ **(C)** is accredited by either the state board or a national or
 36 regional accreditation agency that is recognized by the state
 37 board; and
 38 ~~(4)~~ **(D)** administers the tests under the Indiana statewide
 39 testing for educational progress (ISTEP) program or
 40 administers another nationally recognized and
 41 norm-referenced assessment of the school's students.
 42 ~~(b)~~ The term does not include a public school in a school

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1 corporation where the eligible student has legal settlement under
2 IC 20-26-11.

3 **(2) A school that provides a career, technical, or vocational**
4 **educational program that is designated by a regional Indiana**
5 **work area council for a particular work area under**
6 **IC 21-51-3.5-9(b) and that is approved under IC 20-51-3.5-10.**

7 SECTION 3. IC 20-51-1-7, AS AMENDED BY P.L.92-2011,
8 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
9 JULY 1, 2013]: Sec. 7. "Scholarship granting organization" refers to
10 **either:**

11 **(1) an organization that:**

12 ~~(A)~~ **(A)** is exempt from federal income taxation under Section
13 501(c)(3) of the Internal Revenue Code; and

14 ~~(B)~~ **(B)** is organized at least in part to grant school scholarships
15 without limiting the availability of scholarships to students of
16 only one (1) participating school; **or**

17 **(2) an Indiana regional work area council established under**
18 **IC 20-51-3.5-6.**

19 SECTION 4. IC 20-51-3-6, AS ADDED BY P.L.182-2009(ss),
20 SECTION 364, IS AMENDED TO READ AS FOLLOWS
21 [EFFECTIVE JULY 1, 2013]: Sec. 6. (a) A scholarship granting
22 organization certified under this chapter must publicly report to the
23 department by August 1 of each year the following information
24 regarding the organization's scholarships awarded in the previous
25 school year:

26 (1) The name and address of the scholarship granting
27 organization.

28 (2) The total number and total dollar amount of contributions
29 received during the previous school year.

30 (3) The:

31 (A) total number and total dollar amount of scholarships
32 awarded during the previous school year; and

33 (B) total number and total dollar amount of school
34 scholarships awarded during the previous school year.

35 The report must be certified under penalties of perjury by the chief
36 executive officer of the scholarship granting organization.

37 **(b) This subsection does not apply to a scholarship granting**
38 **organization described in IC 20-51-1-7(2).** A scholarship granting
39 organization certified under this chapter shall contract with an
40 independent certified public accountant for an annual financial audit
41 of the scholarship granting organization. The scholarship granting
42 organization must provide a copy of the annual financial audit to the

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1 department and must make the annual financial audit available to a
2 member of the public upon request.

3 **(c) This subsection applies to a scholarship granting**
4 **organization described in IC 20-51-1-7(2). The state board of**
5 **accounts established under IC 5-11-1-1 shall provide for an annual**
6 **financial audit of the scholarship granting organization's Indiana**
7 **regional work area fund established under IC 20-51-3.5-8. The**
8 **scholarship granting organization must provide a copy of the**
9 **annual financial audit to the department and must make the**
10 **annual financial audit available to a member of the public upon**
11 **request.**

12 SECTION 5. IC 20-51-3-8, AS ADDED BY P.L.182-2009(ss),
13 SECTION 364, IS AMENDED TO READ AS FOLLOWS
14 [EFFECTIVE JULY 1, 2013]: Sec. 8. **This section does not apply to**
15 **a scholarship granting organization described in IC 20-51-1-7(2).**
16 The department may, in a proceeding under IC 4-21.5, suspend or
17 terminate the certification of an organization as a scholarship granting
18 organization if the department establishes that the scholarship granting
19 organization has intentionally and substantially failed to comply with
20 the requirements of this article or an agreement entered into under this
21 article.

22 SECTION 6. IC 20-51-3.5 IS ADDED TO THE INDIANA CODE
23 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
24 JULY 1, 2013]:

25 **Chapter 3.5. Indiana Regional Work Area Councils**

26 **Sec. 1. As used in this chapter, "corporation" refers to the**
27 **Indiana economic development corporation established by**
28 **IC 5-28-3-1.**

29 **Sec. 2. As used in this chapter, "council" refers to an Indiana**
30 **regional work area council established under section 6 of this**
31 **chapter.**

32 **Sec. 3. As used in this chapter, "fund" refers to an Indiana**
33 **regional work area fund established under section 8 of this chapter.**

34 **Sec. 4. As used in this chapter, "work area" refers to an Indiana**
35 **regional work area established under section 5 of this chapter.**

36 **Sec. 5. (a) After consultation with the corporation, the governor**
37 **shall designate not more than eleven (11) Indiana regional work**
38 **areas throughout Indiana.**

39 **(b) In designating a work area, the governor shall take into**
40 **account whether an area is a distinct economic growth region as**
41 **well as a local commuter area.**

42 **Sec. 6. (a) An Indiana regional work area council shall be**

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1 established for each work area and is responsible for the duties
2 described under section 9 of this chapter.

3 (b) Each council consists of not more than sixteen (16) members
4 appointed by the governor, in consultation with the corporation,
5 and must include the following:

6 (1) Business representatives representing the work area who
7 are any of the following:

8 (A) Business owners.

9 (B) Chief executives or employers with optimum policy
10 making or hiring authority.

11 (C) Business executives or employers with optimum policy
12 making or hiring authority.

13 (2) School superintendents.

14 (3) Representatives of postsecondary credit bearing
15 proprietary educational institutions, as defined in
16 IC 21-18.5-2-12, or postsecondary proprietary educational
17 institutions, as defined in IC 22-4.1-21-9.

18 (4) Representatives of a state educational institution, as
19 defined in IC 21-7-13-32, or an approved postsecondary
20 educational institution, as defined in IC 21-7-13-6.

21 (c) The governor shall appoint the chair for each council.

22 (d) Each member of a council who is not a state employee is
23 entitled to the minimum salary per diem provided by
24 IC 4-10-11-2.1(b). Each member is entitled to reimbursement for
25 traveling expenses and other expenses actually incurred in
26 connection with the member's duties, as provided in the state travel
27 policies and procedures established by the department of
28 administration and approved by the state budget agency.

29 (e) The department of workforce development established under
30 IC 22-4.1-2-1 shall provide staff support for each council.

31 Sec. 7. Each council is a scholarship granting organization
32 under IC 20-51-1-7.

33 Sec. 8. (a) The department of workforce development shall
34 establish an Indiana regional work area fund for each work area.

35 (b) Each fund shall be administered by the department of
36 workforce development.

37 (c) Each fund consists of donations made to the fund. An
38 individual who donates money to a fund may designate that the
39 money may be used for a particular career, technical, or vocational
40 education program or course designated by the council under
41 section 9(b) of this chapter. An individual who makes a donation to
42 a particular fund is eligible to receive an income tax credit under

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1 **IC 6-3.1-30.5.**

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

5 (e) Money in a fund at the end of a fiscal year does not revert to
6 the state general fund.

7 **Sec. 9. (a) Each year, each council shall:**

8 (1) prioritize the vocational or technical job skills that will be
9 needed in the work area for the next four (4) years;

10 (2) prioritize the career, vocational, and technical training
11 that will provide potential employees with the job skills
12 required to find employment with employers located in the
13 work area; and

14 (3) determine the types of career, vocational, or technical
15 educational programs or courses that provide an associate's
16 degree, technical certificate, or apprenticeship to meet the
17 career, vocational and technical training needs described in
18 subdivision (2).

19 (b) Based on the council's findings under subsection (a), each
20 council shall designate not more than five (5) career, technical, or
21 vocational training programs or courses approved under section
22 10 of this chapter as programs or courses for which the council
23 may provide scholarships to eligible students described under
24 IC 20-51-1-5(2) for the following year. The amount of the
25 scholarship a council may award to an eligible student may not
26 exceed the student's cost for the career, technical, or vocational
27 program or course.

28 (c) An eligible student may apply for a scholarship under
29 subsection (b) in a manner and on a form prescribed by the
30 department of workforce development.

31 **Sec. 10. (a) Before a council may designate a career, technical,
32 or vocational training program or course under section 9(b) of this
33 chapter, the state board, in consultation with the commission for
34 higher education established under IC 21-18-2-1, must approve the
35 career, technical, or vocational training program or course, subject
36 to subsection (b).**

37 (b) In order for the state board to approve a career, technical,
38 or vocational educational program or course under subsection (a),
39 the career, technical, or vocational educational program or course
40 must:

41 (1) be provided by:

42 (A) a postsecondary credit bearing proprietary educational

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- 1 institution (as defined in IC 21-18.5-2-12);
 2 **(B) a postsecondary proprietary educational institution (as**
 3 **defined in IC 22-4.1-21-9);**
 4 **(C) a state educational institution (as defined in**
 5 **IC 21-7-13-32); or**
 6 **(D) an approved postsecondary educational institution (as**
 7 **defined in IC 21-7-13-6);**
 8 **(2) offer an associate's degree, technical certificate, or**
 9 **apprenticeship in an area related to the needs of the work**
 10 **area, as described in section 9 of this chapter; and**
 11 **(3) be a program or course for which an eligible student (as**
 12 **defined in IC 20-51-1-5(2)) is eligible for dual credit under**
 13 **IC 21-43-4 or IC 21-43-5.**
 14 **(c) A program or course approved under this section may be**
 15 **offered through:**
 16 **(1) onsite instruction;**
 17 **(2) telecommunication; or**
 18 **(3) a combination of methods described in subdivisions (1)**
 19 **and (2);**
 20 **at on-campus or off-campus sites.**
 21 **Sec. 11. The state board, in consultation with the:**
 22 **(1) corporation;**
 23 **(2) commission for higher education established under**
 24 **IC 21-18-2-1; and**
 25 **(3) department of workforce development established under**
 26 **IC 22-4.1-2-1;**
 27 **shall adopt rules under IC 4-22-2 to implement this chapter.**

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