

Proposed Rule
LSA Document #10-724

DIGEST

Adds [512 IAC 3](#) to establish requirements for participation in the school scholarship program under [IC 20-51](#), to set definitions for the article, to establish eligibility requirements for participating schools, and to establish certification and reporting requirements for scholarship granting organizations. Effective 30 days after filing with the Publisher.

[IC 4-22-2.1-5 Statement Concerning Rules Affecting Small Businesses](#)

[512 IAC 3](#)

SECTION 1. [512 IAC 3](#) IS ADDED TO READ AS FOLLOWS:

ARTICLE 3. SCHOOL SCHOLARSHIP PROGRAM

Rule 1. School Eligibility

[512 IAC 3-1-1](#) Definitions

Authority: [IC 20-51-3-11](#)

Affected: [IC 6-3.1-30-5](#); [IC 20-18-2-6](#); [IC 20-18-2-13](#); [IC 20-19-2-2](#); [IC 20-19-3-1](#); [IC 20-51](#)

Sec. 1. (a) The definitions in this section apply throughout this article.

(b) "Department" means the department of education established by [IC 20-19-3-1](#).

(c) "Eligible student" means an individual who meets the requirements in [IC 20-51-1-5](#).

(d) For purposes of [IC 20-51-1-5](#), an individual is enrolled in a public school if the student attended a public school and the attendance is substantiated by an:

- (1) official transcript from the public school; or
- (2) attendance entry by the public school in the department's official attendance report.

(e) "Parent" has the meaning set forth in [IC 20-18-2-13](#).

(f) "Participating school" means a school that meets the requirements in [IC 20-51-1-6](#) and this rule.

(g) "Scholarship granting organization" means an organization that meets the requirements in the following:

- (1) [IC 6-3.1-30-5](#).
- (2) [IC 20-51-3-1](#).
- (3) [IC 20-51-1-5](#).
- (4) This article.

(h) "School corporation" has the meaning set forth in [IC 20-18-2-6](#).

(i) "State board" refers to the Indiana state board of education established by [IC 20-19-2-2](#).

(*Department of Education; [512 IAC 3-1-1](#)*)

512 IAC 3-1-2 Department report

Authority: [IC 20-51-3-11](#)

Affected: [IC 20-26-11](#); [IC 20-26-15](#); [IC 20-31-4](#); [IC 20-51](#)

Sec. 2. (a) To be eligible as a participating school, a school must meet one (1) of the following:

(1) The school is operated by a school corporation other than the school corporation in which an eligible student has legal settlement as determined under [IC 20-26-11](#).

(2) The school is a nonpublic school accredited by the state board, including a freeway school accredited under [IC 20-26-15](#).

(3) The school is a nonpublic school that meets both of the following:

(A) The school is accredited by a national or regional accreditation agency that is recognized by the state board for purposes of [IC 20-31-4](#).

(B) The school administers a nationally recognized and norm-referenced assessment to the school's students.

(b) The department shall do the following:

(1) Annually publish lists of the following:

(A) Accrediting agencies recognized by the state board.

(B) Nationally recognized and norm-referenced assessments.

(2) Establish and publish procedures to receive and evaluate requests to add accrediting agencies and assessments to the lists published under subdivision (1).

(Department of Education; [512 IAC 3-1-2](#))

512 IAC 3-1-3 Reporting requirements; scholarship granting organization; department

Authority: [IC 20-51-3-11](#)

Affected: [IC 4-21.5](#); [IC 6-3.1-30.5](#); [IC 6-8.1-2-1](#); [IC 20-51](#)

Sec. 3. (a) In addition to the requirements under [IC 20-51-1](#) and for purposes of permitting the department to conduct a financial review or an audit under [IC 20-51-3-10](#), a scholarship granting organization must maintain the following information for each student who applies for a scholarship:

(1) The student's name and address.

(2) The name and address of the parents of the student.

(3) The eligible participating school the student will attend.

(4) The student's date of birth.

(5) The student's grade level.

(6) The family income.

(7) Any other basis for qualifying for a scholarship, including previous scholarships or requirements of the scholarship granting organization.

(8) For a student who is denied a scholarship, the reason for denial.

(b) The information in subsection (a) must be maintained for a period of five (5) years after the end of the last school year for which the student applied for a scholarship.

(c) The scholarship granting organization is not required to update the information in subsection (a) after the last school year for which the student applied for a scholarship.

(d) For purposes of permitting the department to notify affected eligible students and their parents if the department suspends or terminates the certification of an organization as a scholarship granting organization, as required by [IC 20-51-3-9](#), a scholarship granting organization shall provide the following information to the department for each eligible student awarded a scholarship:

(1) The student's name and address.

(2) The names and address of the parents of the student.

(e) Prior to public distribution, a scholarship granting organization shall provide the department with actual or electronic copies of the following documents and materials related to the organization's program:

- (1) Policies.
- (2) Procedures.
- (3) Promotional or descriptive materials about the program, including eligibility criteria and application forms.

(f) The department shall publish a list of scholarship granting organizations.

(g) The department may, in a proceeding under [IC 4-21.5](#), suspend or terminate the certification of a scholarship granting organization if the department establishes that the organization failed to comply with the requirements of any of the following:

- (1) [IC 6-3.1-30.5](#).
- (2) [IC 20-51](#).
- (3) This article.

(h) The department will notify the department of revenue established by [IC 6-8.1-2-1](#) whenever the department takes one (1) of the following actions:

- (1) Certifies a scholarship granting organization.
- (2) Terminates certification of a scholarship granting organization.

(Department of Education; [512 IAC 3-1-3](#))

[Notice of Public Hearing](#)

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