

## IC 21-12-3

### Chapter 3. Higher Education Awards

#### IC 21-12-3-1

##### Eligibility for awards

Sec. 1. (a) An applicant is eligible for a first year higher education award under this chapter if the student meets the following requirements:

- (1) The applicant is a resident of Indiana, as defined by the commission.
  - (2) The applicant:
    - (A) has successfully completed the program of instruction at an approved secondary school;
    - (B) has been granted a:
      - (i) high school equivalency certificate before July 1, 1995; or
      - (ii) state of Indiana general educational development (GED) diploma under IC 20-10.1-12.1 (before its repeal), IC 20-20-6 (before its repeal), or IC 22-4.1-18; or
    - (C) is a student in good standing at an approved secondary school and is engaged in a program that in due course will be completed by the end of the current academic year.
  - (3) The financial resources reasonably available to the applicant, as defined by the commission, are such that, in the absence of a higher education award under this chapter, the applicant would be deterred from completing the applicant's education at the approved postsecondary educational institution that the applicant has selected and that has accepted the applicant. In determining the financial resources reasonably available to an applicant to whom IC 21-11-7 applies, the commission must consider the financial resources of the applicant's legal parent.
  - (4) The applicant will use the award initially at that approved postsecondary educational institution.
  - (5) If the student is already enrolled in an approved postsecondary educational institution, the applicant must be a full-time student and be making satisfactory progress, as determined by the commission, toward a first baccalaureate degree.
  - (6) The student declares, in writing, a specific educational objective or course of study and enrolls in:
    - (A) courses that apply toward the requirements for completion of that objective or course of study; or
    - (B) courses designed to help the student develop the basic skills that the student needs to successfully achieve that objective or continue in that course of study.
- (b) This subsection applies to an individual who:
- (1) meets the requirements set forth in subsection (a); and
  - (2) before the date that eligibility is determined by the commission, has been placed by or with the consent of the

department of child services, by a court order, or by a licensed child placing agency in:

- (A) a foster family home;
- (B) the home of a relative or other unlicensed caretaker;
- (C) a child caring institution; or
- (D) a group home.

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

*As added by P.L.2-2007, SEC.253. Amended by P.L.168-2007, SEC.6; P.L.7-2011, SEC.12.*

### **IC 21-12-3-2**

#### **Limitation on eligibility**

Sec. 2. A higher education award recipient is not eligible for assistance after the recipient has received an award for a total of eight (8) semesters or twelve (12) quarters of postsecondary education.

*As added by P.L.2-2007, SEC.253.*

### **IC 21-12-3-3**

#### **Eligibility for awards**

Sec. 3. To maintain eligibility a student is not required to:

- (1) attend an approved postsecondary educational institution; or
- (2) receive an award;

in consecutive semesters or quarters.

*As added by P.L.2-2007, SEC.253. Amended by P.L.125-2008, SEC.1.*

### **IC 21-12-3-4**

#### **Eligibility for awards; satisfactory progress**

Sec. 4. A student who:

- (1) participates in:
  - (A) a nursing diploma program that is accredited by the Indiana state board of nursing and operated by a hospital;
  - (B) a technical certificate or associate degree program at Ivy Tech Community College; or
  - (C) an associate degree program at a postsecondary proprietary educational institution that qualifies as an approved postsecondary educational institution; and
- (2) meets the requirements in sections 1 and 2 of this chapter for a first year higher education award except the requirement of satisfactory progress toward a first baccalaureate degree;

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

*As added by P.L.2-2007, SEC.253. Amended by P.L.125-2008, SEC.2.*

### **IC 21-12-3-5**

#### **Maximum grant**

Sec. 5. (a) This section applies to the maximum grant that may be offered to an eligible student for an associate degree program at a postsecondary proprietary educational institution that qualifies as an approved postsecondary educational institution.

(b) The maximum amount of a grant that may be offered to an eligible student in a program at a postsecondary proprietary educational institution is equal to the maximum amount of an award the student could receive under this chapter if the student were enrolled at Ivy Tech Community College.

*As added by P.L.2-2007, SEC.253.*

### **IC 21-12-3-6**

#### **Financial resources available to student**

Sec. 6. In determining the financial resources available to a student for a higher education award, the commission may not consider principal or interest, including an original issue discount that qualifies as interest excludable from gross income for federal income tax purposes, on a bond that is:

(1) issued by a:

(A) public body corporate and politic of the state; or

(B) state educational institution;

designated by the governor as a college savings bond and purchased after December 31, 1989; or

(2) a United States savings bond purchased after December 31, 1989, if the interest is claimed as exempt from federal taxation under Section 135 of the Internal Revenue Code.

*As added by P.L.2-2007, SEC.253.*

### **IC 21-12-3-7**

#### **Publication of rules**

Sec. 7. The commission shall publish and make available to every applicant all its rules governing the awarding and denial of higher education awards. The rules must state specifically the conditions under which an award once issued may be withdrawn or reduced.

*As added by P.L.2-2007, SEC.253.*

### **IC 21-12-3-8**

#### **Issuance of first year awards; priorities**

Sec. 8. For each academic year, first year higher education awards shall be issued to as many qualified persons as the current biennial appropriation allows. Applicants who are least able to provide funds for the cost of education shall be given priority in the awarding of higher education award funds.

*As added by P.L.2-2007, SEC.253.*

### **IC 21-12-3-9**

#### **Renewal of awards**

Sec. 9. (a) A higher education award for a student in a program

leading to a baccalaureate degree may be renewed for a total of three (3) undergraduate academic years following the academic year of the first award or until an earlier time as the student receives a degree normally obtained in four (4) undergraduate academic years. A higher education award for a student in a program leading to a technical certificate or an undergraduate associate degree may be renewed for the number of academic years normally required to obtain a certificate or degree in the student's program. The commission may grant a renewal only upon application and only upon its finding that:

- (1) the applicant has successfully completed the work of a preceding year;
- (2) the applicant remains domiciled in Indiana;
- (3) the recipient's financial situation continues to warrant an award, based on the financial requirements set forth in section (1)(a)(3) of this chapter;
- (4) the applicant is eligible under section 2 of this chapter; and
- (5) subject to subsection (b), if the student initially enrolls in an eligible institution for a semester (or its equivalent) beginning after June 30, 2012, the student maintains at least the following cumulative grade point average:

(A) For credit hours applicable to the equivalent of the applicant's freshman academic year, a cumulative grade point average that the eligible institution determines is satisfactory academic progress.

(B) For credit hours applicable to the equivalent of the applicant's sophomore academic year, a cumulative grade point average of 2.25 on a 4.0 grading scale or its equivalent as established by the eligible institution.

(C) For credit hours applicable to the equivalent of the applicant's junior or senior academic year, a cumulative grade point average of 2.5 on a 4.0 grading scale or its equivalent as established by the eligible institution.

(b) After the first semester or its equivalent at the eligible institution that a person does not achieve the requisite cumulative grade point average specified in subsection (a)(5), the person is considered to be on probation and must achieve the requisite cumulative grade point average by the next semester or its equivalent at the eligible institution in order to continue to receive benefits under this chapter.

*As added by P.L.2-2007, SEC.253. Amended by P.L.125-2008, SEC.3; P.L.169-2011, SEC.3.*

### **IC 21-12-3-10**

#### **Additional awards**

Sec. 10. Out of funds available after commitments have been met under sections 8 and 9 of this chapter, awards shall be issued to persons who have successfully completed at least one (1) academic year but not more than three (3) academic years in approved postsecondary educational institutions if they meet the eligibility

requirements of:

- (1) sections 1, 2, and (if applicable) 9(a)(5) of this chapter; or
- (2) sections 4, 5, and (if applicable) 9(a)(5) of this chapter.

The awards shall be handled on the same basis as renewals under section 9 of this chapter.

*As added by P.L.2-2007, SEC.253. Amended by P.L.125-2008, SEC.4; P.L.169-2011, SEC.4.*

### **IC 21-12-3-11**

#### **Higher education awards; conditions**

Sec. 11. A higher education award issued under this section and sections 8, 9, and 10 of this chapter extends to all educational costs for the academic year for which the award is made, but only to the extent of:

- (1) current financial need (as measured under section 1(3) of this chapter); or
- (2) the maximum fees regularly assessed to resident undergraduates at any state educational institution, as determined annually by the commission;

whichever is smaller.

*As added by P.L.2-2007, SEC.253.*

### **IC 21-12-3-12**

#### **Applicants least able to provide funds for education; consideration of principal or interest on bonds; exemption**

Sec. 12. In determining which applicants are least able to provide funds for the cost of education under section 8 of this chapter, the commission may not consider principal or interest, including an original issue discount that qualifies as interest excludable from gross income for federal income tax purposes, on a bond that is:

- (1) issued by a:
  - (A) public body corporate and politic of the state; or
  - (B) state educational institution;designated by the governor as a college savings bond and purchased after December 31, 1989; or
- (2) a United States savings bond purchased after December 31, 1989, if the interest is claimed as exempt from federal taxation under Section 135 of the Internal Revenue Code.

*As added by P.L.2-2007, SEC.253.*

### **IC 21-12-3-13**

#### **Prohibition; assistance to confined inmates**

Sec. 13. The commission may not provide assistance under this chapter to a higher education award applicant or recipient who is:

- (1) convicted of a felony;
- (2) sentenced to a term of imprisonment for that felony; and
- (3) confined for that felony at a penal facility (as defined in IC 35-41-1-21).

*As added by P.L.2-2007, SEC.253. Amended by P.L.229-2011, SEC.223.*

**IC 21-12-3-14****Certification of applicants**

Sec. 14. The commission shall certify to the auditor of state the name and address of every applicant to whom an award has been issued. An award is effective during the academic year immediately following its award, and records and accounts relating to it shall be kept accordingly.

*As added by P.L.2-2007, SEC.253.*

**IC 21-12-3-15****Enrollment**

Sec. 15. An applicant to whom the commission has issued an award may apply for enrollment as a student in any approved postsecondary educational institution. However, the institution is not required to accept the applicant for enrollment, and the institution may require compliance with its own admissions requirements. If the institution accepts the applicant, it shall give written notice to the commission. The institution is entitled to the payments of tuition and other necessary fees and charges provided by the award that are incurred by the applicant. It shall provide facilities and instruction to the applicant on the same terms as to other students.

*As added by P.L.2-2007, SEC.253.*

**IC 21-12-3-16****Effect of termination of student status**

Sec. 16. If during an academic period a student enrolled in an institution under an award under this chapter ceases for any reason to be a student in good standing, the institution shall promptly give written notice to the commission as to the change of status and the reason for it. If under its current standards a fee or charge that has been paid as part of an award under this chapter would otherwise be refunded by the institution to the student, it shall be remitted to the auditor of state.

*As added by P.L.2-2007, SEC.253.*

**IC 21-12-3-17****Second year awards**

Sec. 17. A student to whom a renewal award has been issued may either re-enroll in the approved postsecondary educational institution that the student attended during the preceding year or enroll in another approved postsecondary educational institution. In either event, the approved postsecondary educational institution accepting the student shall notify the commission. The approved postsecondary educational institution is entitled to payment and is contractually obligated as provided for first year awards.

*As added by P.L.2-2007, SEC.253.*

**IC 21-12-3-18****Award account and records**

Sec. 18. The commission shall administer the higher education

award account and related records of each student who is attending an approved postsecondary educational institution under an award issued under this chapter. At each appropriate time, it shall certify to the auditor of state, in the manner prescribed by law, the current payment to be made to the institution under the award. This shall be done in accordance with an appropriate certificate of the approved postsecondary educational institution presented by the time the payment is due under the rules of the approved postsecondary educational institution applicable to students generally, after the tuition and necessary fees have become fixed.

*As added by P.L.2-2007, SEC.253.*

### **IC 21-12-3-19**

#### **Higher education award fund**

Sec. 19. The auditor of state shall create a separate and segregated higher education award fund distinct from the freedom of choice grant fund. Money may be exchanged or transferred between these funds as provided by section 21 of this chapter and IC 21-12-4-9. All money disbursed from the higher education award fund shall be in accordance with this chapter. Money remaining in the higher education award fund at the end of any fiscal year does not revert to the state general fund but remains available to be used for making higher education awards under this chapter.

*As added by P.L.2-2007, SEC.253. Amended by P.L.229-2011, SEC.224.*

### **IC 21-12-3-20**

#### **Unspent scholarship money; use**

Sec. 20. If at the end of a fiscal year part of the money appropriated for that year for the purposes of this chapter remains unspent, it may be spent for those purposes during the next fiscal year.

*As added by P.L.2-2007, SEC.253.*

### **IC 21-12-3-21**

#### **Transfer of funds after commitments met for academic year**

Sec. 21. The commission may order the auditor of state to transfer to the freedom of choice grant fund money from the higher education award fund. The auditor of state shall make the transfer ordered by the commission with the approval of the budget director and the governor.

*As added by P.L.2-2007, SEC.253. Amended by P.L.229-2011, SEC.225.*