



January 27, 2014

HOUSE BILL No. 1040

DIGEST OF HB 1040 (Updated January 27, 2014 10:04 am - DI 116)

Citations Affected: IC 21-7; IC 21-12.

Synopsis: Proprietary educational institutions. Provides that a postsecondary proprietary educational institution that: (1) is domiciled and has its principal offices and the majority of its operations in Indiana; (2) provides an organized two year or longer program of collegiate level classes that are directly creditable toward a baccalaureate degree; and (3) is authorized to conduct business by the board for proprietary education and is accredited by a regional accrediting agency recognized by the United States Department of Education; is an approved postsecondary educational institution for purposes of higher education awards and receives awards at the same level as state educational institutions. Makes corresponding changes to related sections.

Effective: July 1, 2014.

Culver, Thompson

January 7, 2014, read first time and referred to Committee on Education.
January 27, 2014, amended, reported — Do Pass. Referred to Committee on Ways and Means pursuant to Rule 127.

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January 27, 2014

Second Regular Session 118th General Assembly (2014)

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 2013 Regular Session and 2013 First Regular Technical Session of the General Assembly.

HOUSE BILL No. 1040

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 21-7-13-6, AS AMENDED BY P.L.13-2013,
2 SECTION 58, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2014]: Sec. 6. (a) "Approved postsecondary educational
4 institution", for purposes of this title (except section 15 of this chapter,
5 IC 21-12-6, and IC 21-13-1-4) means the following:
6 (1) A postsecondary educational institution that operates in
7 Indiana and:
8 (A) provides an organized two (2) year or longer program of
9 collegiate grade directly creditable toward a baccalaureate
10 degree;
11 (B) is either operated by the state or operated nonprofit; and
12 (C) is accredited by a recognized regional accrediting agency,
13 including:
14 (i) Ancilla College;
15 (ii) Anderson University;
16 (iii) Bethel College;

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- 1 (iv) Butler University;
 2 (v) Calumet College of St. Joseph;
 3 (vi) DePauw University;
 4 (vii) Earlham College;
 5 (viii) Franklin College;
 6 (ix) Goshen College;
 7 (x) Grace College and Seminary;
 8 (xi) Hanover College;
 9 (xii) Holy Cross College;
 10 (xiii) Huntington University;
 11 (xiv) Indiana Institute of Technology;
 12 (xv) Indiana Wesleyan University;
 13 (xvi) Manchester College;
 14 (xvii) Marian University;
 15 (xviii) Martin University;
 16 (xix) Oakland City University;
 17 (xx) Rose-Hulman Institute of Technology;
 18 (xxi) Saint Joseph's College;
 19 (xxii) Saint Mary-of-the-Woods College;
 20 (xxiii) Saint Mary's College;
 21 (xxiv) Taylor University;
 22 (xxv) Trine University;
 23 (xxvi) University of Evansville;
 24 (xxvii) University of Indianapolis;
 25 (xxviii) University of Notre Dame;
 26 (xxix) University of Saint Francis;
 27 (xxx) Valparaiso University; and
 28 (xxxi) Wabash College;
 29 or is ~~accredited~~ **authorized to conduct business** by the board
 30 for proprietary education under IC 21-18.5-6 or **accredited by**
 31 an accrediting agency recognized by the United States
 32 Department of Education.
 33 (2) Ivy Tech Community College.
 34 (3) A hospital that operates a nursing diploma program that is
 35 accredited by the Indiana state board of nursing.
 36 (4) A postsecondary credit bearing proprietary educational
 37 institution that meets the following requirements:
 38 (A) Is incorporated in Indiana, or is registered as a foreign
 39 corporation doing business in Indiana.
 40 (B) Is fully accredited by and is in good standing with the
 41 board for proprietary education under IC 21-18.5-6.
 42 (C) Is accredited by and is in good standing with a regional or



1 national accrediting agency.

2 (D) Offers a course of study that is at least eighteen (18)
3 consecutive months in duration (or an equivalent to be
4 determined by the board for proprietary education under
5 IC 21-18.5-6) and that leads to an associate or a baccalaureate
6 degree recognized by the board for proprietary education
7 under IC 21-18.5-6.

8 (E) Is certified by the board for proprietary education as
9 meeting the requirements of this subdivision.

10 **(5) A postsecondary proprietary educational institution that**
11 **meets the following requirements:**

12 **(A) Is domiciled and has its principal offices and the**
13 **majority of its operations in Indiana.**

14 **(B) Provides an organized two (2) year or longer program**
15 **of collegiate level classes that are directly creditable**
16 **toward a baccalaureate degree.**

17 **(C) Is authorized to conduct business by the board for**
18 **proprietary education under IC 21-18.5-6 and is accredited**
19 **by a regional accrediting agency recognized by the United**
20 **States Department of Education.**

21 (b) "Approved postsecondary educational institution" for purposes
22 of section 15 of this chapter, IC 21-12-6, and IC 21-13-1-4, means the
23 following:

24 (1) A state educational institution.

25 (2) A nonprofit college or university.

26 (3) A postsecondary credit bearing proprietary educational
27 institution that is accredited by an accrediting agency recognized
28 by the United States Department of Education.

29 SECTION 2. IC 21-12-6-10, AS AMENDED BY P.L.107-2012,
30 SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
31 JULY 1, 2014]: Sec. 10. (a) This section applies to a student who
32 qualifies for a scholarship under section 6 or 7 of this chapter, if the
33 student initially enrolls in the program before July 1, 2011.

34 (b) The amount of a scholarship is equal to the lowest of the
35 following amounts:

36 (1) If the scholarship applicant attends an eligible institution that
37 is a state educational institution **or a postsecondary proprietary**
38 **educational institution described in IC 21-7-13-6(a)(5)** and:

39 (A) receives no other financial assistance specifically
40 designated for educational costs, a full tuition scholarship to
41 the state educational institution **or the postsecondary**
42 **proprietary educational institution;** or



- 1 (B) receives other financial assistance specifically designated
 2 for educational costs, the balance required to attend the state
 3 educational institution **or the postsecondary proprietary**
 4 **educational institution**, not to exceed the amount described
 5 in clause (A).
- 6 (2) If the scholarship applicant attends an eligible institution that
 7 is private and:
- 8 (A) receives no other financial assistance specifically
 9 designated for educational costs, an average of the full tuition
 10 scholarship amounts of all state educational institutions not
 11 including Ivy Tech Community College; or
- 12 (B) receives other financial assistance specifically designated
 13 for educational costs, the balance required to attend the college
 14 or university not to exceed the amount described in clause (A).
- 15 (3) If the scholarship applicant attends an eligible institution that
 16 is a postsecondary credit bearing proprietary educational
 17 institution **described in IC 21-7-13-6(a)(4)** and:
- 18 (A) receives no other financial assistance specifically
 19 designated for educational costs, the lesser of:
- 20 (i) the full tuition scholarship amounts of Ivy Tech
 21 Community College; or
- 22 (ii) the actual tuition and regularly assessed fees of the
 23 eligible institution; or
- 24 (B) receives other financial assistance specifically designated
 25 for educational costs, the balance required to attend the
 26 eligible institution, not to exceed the amount described in
 27 clause (A).
- 28 SECTION 3. IC 21-12-6-10.3, AS AMENDED BY P.L.281-2013,
 29 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 30 JULY 1, 2014]: Sec. 10.3. (a) This section applies to a student who
 31 qualifies for a scholarship under section 6 or 7 of this chapter, if the
 32 student initially enrolls in the program after June 30, 2011. Applicants
 33 who are enrolled in the program before July 1, 2011, will not have an
 34 income or financial resources test applied to them under this section
 35 when they subsequently apply for a scholarship or apply to renew a
 36 scholarship.
- 37 (b) A scholarship applicant shall be awarded the following amount
 38 as adjusted under subsections (c) and (d):
- 39 (1) If the scholarship applicant attends an approved postsecondary
 40 educational institution that is a state educational institution **or a**
 41 **postsecondary proprietary educational institution described**
 42 **in IC 21-7-13-6(a)(5)**, the full educational costs that the



- 1 scholarship applicant would otherwise be required to pay at the
2 eligible institution.
- 3 (2) If the scholarship applicant attends an approved postsecondary
4 educational institution that is private, the lesser of the educational
5 costs that the scholarship applicant would otherwise be required
6 to pay at the private eligible institution, or the average of the
7 educational costs of all state educational institutions, not
8 including Ivy Tech Community College.
- 9 (3) If the scholarship applicant attends an approved postsecondary
10 educational institution that is a postsecondary credit bearing
11 proprietary educational institution **described in**
12 **IC 21-7-13-6(a)(4)**, the lesser of the educational costs that the
13 scholarship applicant would otherwise be required to pay at the
14 postsecondary credit bearing proprietary educational institution
15 or the educational costs of Ivy Tech Community College.
- 16 (c) The amount of an award under subsection (b) shall be reduced
17 by:
- 18 (1) for an amount awarded before September 1, 2014:
19 (A) the amount of the Frank O'Bannon grant awarded to the
20 scholarship applicant; plus
21 (B) an additional amount based on the expected family
22 contribution, if necessary, as determined by the commission,
23 to provide scholarships within the available appropriation; or
24 (2) for an amount awarded after August 31, 2014, the amount
25 based on the expected family contribution, if necessary, as
26 determined by the commission, to provide scholarships within the
27 available appropriation.
- 28 (d) The total of all tuition scholarships awarded under this section
29 in a state fiscal year may not exceed the amount available for
30 distribution from the fund for scholarships under this chapter. If the
31 total amount to be distributed from the fund in a state fiscal year
32 exceeds the amount available for distribution, the amount to be
33 distributed to each eligible applicant shall be proportionately reduced
34 so that the total reductions equal the amount of the excess based on the
35 relative financial need of each eligible applicant.



COMMITTEE REPORT

Mr. Speaker: Your Committee on Education, to which was referred House Bill 1040, 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, line 19, delete "or conditionally accredited as a candidate".

Page 3, line 38, after "institution" insert "**or a postsecondary proprietary educational institution described in IC 21-7-13-6(a)(5)**".

Page 3, line 41, delete ";" and insert "**or the postsecondary proprietary educational institution;**".

Page 4, line 2, delete ";" and insert "**or the postsecondary proprietary educational institution,**".

Page 4, line 5, delete "or is a postsecondary proprietary educational".

Page 4, line 6, delete "institution described in IC 21-7-13-6(a)(5)".

Page 4, line 39, delete ";" and insert "**or a postsecondary proprietary educational institution described in IC 21-7-13-6(a)(5),**".

Page 5, line 1, delete "or is a postsecondary" and insert ",".

Page 5, delete line 2.

Page 5, line 3, delete "IC 21-7-13-6(a)(5),".

and when so amended that said bill do pass.

(Reference is to HB 1040 as introduced.)

BEHNING, Chair

Committee Vote: yeas 10, nays 0.

