



Reprinted
April 12, 2019

ENGROSSED SENATE BILL No. 420

DIGEST OF SB 420 (Updated April 11, 2019 5:52 pm - DI 116)

Citations Affected: IC 20-43; IC 20-47.

Synopsis: Workforce development. Provides for certification by the governor's workforce cabinet of an industry collaboration organization (ICO). Provides that an organization qualifies as an ICO if the organization meets certain qualification requirements. Provides that contributions to an ICO may be used by the ICO for the following purposes: (1) To support the development and implementation of high school graduation pathways. (2) To provide money to the industry collaboration organization to establish and operate a career counseling program for students. (3) To enhance career and technical education
(Continued next page)

Effective: Upon passage; July 1, 2019.

**Raatz, Kruse, Glick, Ruckelshaus,
Rogers, Melton, Spartz, Zay,
Niezgodski, Randolph Lonnie M**

(HOUSE SPONSORS — DEVON, VANNATTER, GOODRICH, PRESCOTT)

January 14, 2019, read first time and referred to Committee on Education and Career Development.

January 24, 2019, amended, reported favorably — Do Pass; reassigned to Committee on Tax and Fiscal Policy.

February 19, 2019, amended, reported favorably — Do Pass.

February 21, 2019, read second time, ordered engrossed. Engrossed.

February 25, 2019, read third time, passed. Yeas 44, nays 5.

HOUSE ACTION

March 5, 2019, read first time and referred to Committee on Education.

April 8, 2019, amended, reported — Do Pass.

April 11, 2019, read second time, amended, ordered engrossed.

ES 420—LS 7004/DI 120



Digest Continued

and training programs. (4) To expand apprenticeships and work based learning opportunities. (5) To provide grants to schools to be used by the school to pay the transportation costs for students to attend an eligible training program. (6) Any other course or program, if the course or program leads to the attainment of a specific employment related credential that documents the student's skills for employment success. (7) To partner with other industry collaboration organizations, nonprofits, public foundations, or other entities to provide workforce related educational programs or training for students. Requires that an ICO report certain information to the governor's workforce cabinet. Requires the governor's workforce cabinet to support a industry collaboration organization in sharing and scaling best practices on a statewide basis by: (1) conducting an annual survey of the business, education, and community organizations participating in the industry collaboration organization, in consultation with the management performance hub; and (2) convening the industry collaboration organizations on an ongoing basis in collaboration with Indiana's statewide business and industry associations. Provides that the governor's workforce cabinet shall annually compile lists of the: (1) industry sectors and geographic regions in which industry collaboration organizations are operating, disaggregated by industry category and region; and (2) business, educational institutions, and community organizations affiliated with the industry collaboration organizations established under this chapter, disaggregated by industry category and region. Amends the definition of "work based learning course" for purposes of determining career and technical education funding.

ES 420—LS 7004/DI 120



Reprinted
April 12, 2019

First Regular Session of the 121st General Assembly (2019)

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 2018 Regular and Special Session of the General Assembly.

ENGROSSED SENATE BILL No. 420

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 20-43-8-0.7, AS ADDED BY P.L.174-2018,
2 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2019]: Sec. 0.7. As used in this chapter, "work based learning
4 course" means a program, delivered in an employment relationship,
5 that provides a worker with paid **or meaningful** work experience and
6 corresponding classroom instruction.

7 SECTION 2. IC 20-47-6 IS ADDED TO THE INDIANA CODE AS
8 A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON
9 PASSAGE]:

10 **Chapter 6. Industry Collaboration Organization; Certification;
11 Administration of Contributions**

12 **Sec. 1. As used in this chapter, "contribution" means a
13 contribution to an industry collaboration organization made for
14 the purposes set forth in section 10 of this chapter.**

15 **Sec. 2. As used in this chapter, "eligible training program"**

ES 420—LS 7004/DI 120



1 means a training program that leads to the attainment of any of the
2 following:

3 (1) An industry certification that appears on the state board's
4 industry certification list that is approved by the department
5 of workforce development.

6 (2) A postsecondary degree, certificate, or credential that:

7 (A) is from a training provider; and

8 (B) certifies occupational proficiency in a skilled trade.

9 (3) A certificate of completion of an apprenticeship program
10 (as defined in IC 20-43-8-0.3) that is established as a
11 graduation pathway requirement under IC 20-32-4-1.5.

12 Sec. 3. As used in this chapter, "qualifying educational
13 expenses" means:

14 (1) tuition, fees, or expenses required to attend an eligible
15 training program;

16 (2) fees, books, supplies, and equipment required for courses
17 of instruction in the eligible training program; and

18 (3) any other training or educational expenses approved by
19 the cabinet.

20 Sec. 4. As used in this chapter, "school" means a public school,
21 including a charter school, an accredited nonpublic school, or an
22 eligible school (as defined in IC 20-51-1-4.7).

23 Sec. 5. As used in this chapter, "student" refers to an individual
24 who:

25 (1) has legal settlement in Indiana;

26 (2) is at least five (5) years of age and less than twenty-two
27 (22) years of age on the date in the school year specified in
28 IC 20-33-2-7; and

29 (3) is currently enrolled in a school.

30 Sec. 6. As used in this chapter, "training provider" means any
31 of the following:

32 (1) A state educational institution (as defined in
33 IC 21-7-13-32).

34 (2) A postsecondary proprietary educational institution (as
35 defined in IC 22-4.1-21-9).

36 (3) A career and technical education provider established by
37 a governing body (as defined in IC 20-18-2-5) under IC 20-37.

38 (4) an entity approved by the cabinet to provide education or
39 training to a student.

40 (5) an industry collaboration organization.

41 Sec. 7. (a) An organization qualifies for certification as an
42 industry collaboration organization if the organization:



1 (1) except as provided in subsection (b), is exempt from
 2 federal income taxation under Section 501(c)(3) of the
 3 Internal Revenue Code;

4 (2) conducts activities for the purpose of enhancing career and
 5 technical education and work based learning opportunities for
 6 students in alignment with state and regional workforce
 7 needs;

8 (3) is governed by a board of directors that consists of
 9 members:

10 (A) of whom the majority are representatives of businesses
 11 from high-wage, high-demand, a priority industry sector
 12 or sectors; and

13 (B) of whom the minority represent:

14 (i) kindergarten through grade 12 education;

15 (ii) postsecondary education; and

16 (iii) community-based organizations in Indiana;

17 (4) applies to the governor's workforce cabinet on the form,
 18 by the date, and in the manner prescribed by the governor's
 19 workforce cabinet to be recognized by the state and to be
 20 eligible for state funding;

21 (5) indicates the industry sector or sectors and geographic
 22 region in which the organization is requesting to be
 23 designated by the governor's workforce cabinet; and

24 (6) enters into an agreement with the governor's workforce
 25 cabinet to comply with this article.

26 (b) A public school foundation that:

27 (1) is:

28 (A) exempt from federal income taxation under Section
 29 501(c)(3) of the Internal Revenue Code and is organized;
 30 and

31 (B) operated solely for the benefit of an Indiana public
 32 elementary or secondary school to act as a nonprofit agent
 33 for the purposes of career enhancement programs; and

34 (2) partners with local businesses or representatives of a
 35 particular industry;

36 is an organization that satisfies the requirement set forth in
 37 subsection (a)(1).

38 Sec. 8. (a) The governor's workforce cabinet shall certify an
 39 organization as an industry collaboration organization in the sector
 40 or sectors and region (which may include the entire state) the
 41 organization requests, if the organization meets the qualification
 42 requirements under section 7 of this chapter. The governor's



1 workforce cabinet shall certify the organization at the next
 2 governor's workforce cabinet meeting after receiving the request
 3 for certification. However, if the governor's workforce cabinet next
 4 meeting is within ten (10) days of receipt of the request for
 5 certification, the governor's workforce cabinet may certify the
 6 organization at the governor's workforce cabinet's second meeting
 7 after the receipt of the request for certification.

8 **Sec. 9. An agreement entered into under section 7(6) of this**
 9 **chapter by the governor's workforce cabinet and an industry**
 10 **collaboration organization must require the industry collaboration**
 11 **organization to do the following:**

12 (1) Collaborate with industry sector partners at the state and
 13 regional levels and coordinate periodically with:

14 (A) the governor's workforce cabinet;

15 (B) training providers; and

16 (C) other stakeholders;

17 in carrying out the activities of the industry collaboration
 18 organization under this chapter.

19 (2) Agree to deposit all contributions in a separate account of
 20 the industry collaboration organization.

21 (3) Agree to provide written substantiation to taxpayers for
 22 each contribution made to the industry collaboration
 23 organization, which must include certification that the
 24 contribution will be used by the industry collaboration
 25 organization only for purposes of this chapter.

26 (4) Beginning not later than the third year following the date
 27 the industry collaboration organization is certified under
 28 section 8 of this chapter, distribute annually not less than
 29 seventy-five percent (75%) of the total amount of
 30 contributions for one (1) or more purposes set forth in section
 31 10 of this chapter.

32 (5) Use not more than ten percent (10%) of the total amount
 33 of contributions for administrative costs, including costs for:

34 (A) financial audits for an industry collaboration
 35 organization; and

36 (B) reimbursements for reasonable costs incurred by
 37 members of the board of directors of an industry
 38 collaboration organization in carrying out the activities of
 39 the industry collaboration organization under this chapter.

40 (6) Prohibit a taxpayer from directing a contribution to a
 41 particular student or a particular training provider.

42 (7) Allow a taxpayer to designate:



- 1 (A) a specific purpose for which the taxpayer's
2 contribution must be used; and
3 (B) a specific school or school district for which the
4 taxpayer's contribution must be used;
5 under section 10 of this chapter.
6 (8) Agree to provide a list of the names and addresses of the
7 board members, officers, and employees with managerial
8 authority of the industry collaboration organization.
9 (9) Conduct criminal background checks on all the industry
10 collaboration organization board members, officers, and
11 employees, and exclude from employment or governance any
12 individual who might reasonably pose a risk to the
13 appropriate use of contributed funds.
14 (10) Make the reports required by this chapter.
- 15 **Sec. 10. (a) Money received from contributions may be used by**
16 **an industry collaboration organization for one (1) or more of the**
17 **following purposes:**
- 18 (1) To support the development and implementation of high
19 school graduation pathways.
20 (2) To provide money to the industry collaboration
21 organization to establish and operate a career counseling
22 program for students.
23 (3) To enhance career and technical education and training
24 programs which may include a work ethic certificate program
25 established under IC 22-4.1-25.
26 (4) To expand apprenticeships and work based learning
27 opportunities which may include the following:
28 (A) An apprenticeship program (as defined in
29 IC 20-43-8-0.3) that is established as a graduation pathway
30 requirement under IC 20-32-4-1.5.
31 (B) A work based learning course delivered in an
32 employment relationship that:
33 (i) provides a worker with paid or meaningful work
34 experience and corresponding classroom instruction as
35 set forth in IC 20-43-8-0.7; and
36 (ii) is established as a graduation pathway requirement
37 under IC 20-32-4-1.5.
38 (5) To provide grants to schools to be used by the school to
39 pay the transportation costs for students to attend an eligible
40 training program that allows the student to concurrently earn
41 high school or college credit.
42 (6) Any other course or program, if the course or program



- 1 leads to the attainment of a specific employment related
 2 credential that documents the student's skills for employment
 3 success.
- 4 (7) To partner with other industry collaboration
 5 organizations, nonprofits, public foundations, or other entities
 6 to provide workforce related educational programs or
 7 training for students.
- 8 (b) State grant funding distributed by the governor's workforce
 9 cabinet for purposes of subsection (a) shall be granted with a
 10 preference given to multisector industry collaboration
 11 organizations.
- 12 Sec. 11. An industry collaboration organization may accept a
 13 contribution of stock for purposes of this chapter. If an industry
 14 collaboration organization accepts stock as a contribution for
 15 purposes of this chapter, the industry collaboration organization
 16 must sell the stock and deposit the proceeds of the sale in the
 17 account described in section 9(2) of this chapter not later than ten
 18 (10) days after the date of the contribution of the stock.
- 19 Sec. 12. (a) An industry collaboration organization may not
 20 distribute grants from contributions under this chapter:
- 21 (1) for use by a student who is also the recipient of a high
 22 value workforce ready credit-bearing grant under IC 21-12-8
 23 for attendance at a training provider in any course for which
 24 the grant for attendance from the industry collaboration
 25 organization is provided;
- 26 (2) for use by a student to enroll in an eligible training
 27 program that the industry collaboration organization knows
 28 does not qualify under this chapter;
- 29 (3) for use to fund an eligible training program of a training
 30 provider as defined in section 6(3) of this chapter (career and
 31 technical education provider), if the grant money is used by
 32 the training provider to replace state funding for the eligible
 33 training program for which the grant is made; or
- 34 (4) to pay the qualifying educational expenses for students to
 35 attend an eligible training program in which the student is
 36 entitled to enroll without payment of tuition.
- 37 (b) An agreement entered into under section 7(6) of this chapter
 38 must prohibit an industry collaboration organization from limiting
 39 the availability of grants from contributions to students of only one
 40 (1) school or attendance at only one (1) eligible training provider.
- 41 Sec. 13. (a) An industry collaboration organization certified
 42 under this chapter must publicly report to the governor's



1 workforce cabinet by December 1 of each year the following
 2 information regarding the industry collaboration organization's
 3 grants awarded in the previous school year:

4 (1) The name and address of the industry collaboration
 5 organization.

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

8 (3) The:

9 (A) total number and total dollar amount of all grants
 10 awarded during the previous school year;

11 (B) total number and total dollar amount of grants
 12 awarded to pay the qualifying educational expenses for
 13 students to attend an eligible training program;

14 (C) total number and total dollar amount of grants
 15 awarded to each school; and

16 (D) total number and total dollar amount of other
 17 expenses.

18 The report must be certified under penalties of perjury by the
 19 executive director of the industry collaboration organization.

20 (b) An industry collaboration organization certified under this
 21 chapter shall contract with an independent certified public
 22 accountant for an annual financial audit of the industry
 23 collaboration organization. The industry collaboration
 24 organization must provide a copy of the annual financial audit to
 25 the governor's workforce cabinet and must make the annual
 26 financial audit available to a member of the public upon request.

27 Sec. 14. The governor's workforce cabinet shall prescribe a
 28 standardized form for industry collaboration organizations to
 29 report information required under this chapter.

30 Sec. 15. The governor's workforce cabinet may, in a proceeding
 31 under IC 4-21.5, suspend or terminate the certification of an
 32 organization as an industry collaboration organization if the
 33 governor's workforce cabinet establishes that the industry
 34 collaboration organization has intentionally and substantially
 35 failed to comply with the requirements of this chapter or an
 36 agreement entered into under this chapter.

37 Sec. 16. The governor's workforce cabinet may conduct either
 38 a financial review or an audit of an industry collaboration
 39 organization certified under this chapter if the department of state
 40 revenue has evidence of fraud.

41 Sec. 17. (a) An industry collaboration organization established
 42 under this chapter shall report to the governor's workforce



- 1 cabinet:
- 2 (1) the activities supported by any state grant money received;
- 3 and
- 4 (2) the student outcomes resulting from the approved
- 5 activities;
- 6 in accordance with reporting standards established by the
- 7 governor's workforce cabinet and the management performance
- 8 hub.
- 9 (b) The governor's workforce cabinet shall make the
- 10 information reported by each industry collaboration organization
- 11 under subsection (a) available to the public on the Internet web site
- 12 of the governor's workforce cabinet.
- 13 Sec. 18. The governor's workforce cabinet shall prescribe a
- 14 standard form to be used by the industry collaboration
- 15 organization to report student outcomes as required under section
- 16 17(a)(2) of this chapter, including at least the following information
- 17 for the students participating in the approved activities described
- 18 in section 10 of this chapter:
- 19 (1) The number, geographic region, and demographic
- 20 breakdown of students who completed a program or activity
- 21 funded in whole or in part by state grant money under this
- 22 chapter, including:
- 23 (A) an industry recognized apprenticeship program;
- 24 (B) an internship or equivalent work based learning
- 25 experience;
- 26 (C) an industry recognized certification or credential; or
- 27 (D) a postsecondary certificate or degree.
- 28 (2) The industry sectors and businesses supported by the
- 29 approved activities.
- 30 (3) The number and names of school corporations and
- 31 postsecondary institutions supporting the delivery of the
- 32 approved activities.
- 33 Sec. 19. The governor's workforce cabinet shall support a
- 34 industry collaboration organization in sharing and scaling best
- 35 practices on a statewide basis by:
- 36 (1) conducting an annual survey of the business, education,
- 37 and community organizations participating in the industry
- 38 collaboration organization, in consultation with the
- 39 management performance hub; and
- 40 (2) convening the industry collaboration organizations on an
- 41 ongoing basis in collaboration with Indiana's statewide
- 42 business and industry associations.



1 **Sec. 20. The governor's workforce cabinet shall annually**
2 **compile lists of the following:**
3 **(1) The industry sectors and geographic regions in which**
4 **industry collaboration organizations are operating,**
5 **disaggregated by industry category and region.**
6 **(2) The business, educational institutions, and community**
7 **organizations affiliated with the industry collaboration**
8 **organizations established under this chapter, disaggregated**
9 **by industry category and region.**
10 **SECTION 3. An emergency is declared for this act.**



COMMITTEE REPORT

Madam President: The Senate Committee on Education and Career Development, to which was referred Senate Bill No. 420, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Replace the effective dates in SECTIONS 1 through 2 with "[EFFECTIVE UPON PASSAGE]".

Page 2, delete lines 13 through 21, begin a new paragraph and insert:

"Sec. 7. (a) This chapter applies to taxable years beginning after December 31, 2018.

(b) A taxpayer that makes a contribution to an industry credentialing organization for use by the industry credentialing organization for career enhancement purposes is entitled to a credit against the taxpayer's state tax liability in the taxable year in which the taxpayer makes the contribution.

(c) A taxpayer is not entitled to a credit under this chapter for a contribution to an industry credentialing organization that is used to provide a grant or other assistance to a child participating in the early education grant pilot program under IC 12-17.2-7.2."

Page 3, delete lines 19 through 28, begin a new paragraph and insert:

"Sec. 13. The total amount of tax credits awarded under this chapter in a state fiscal year for each industry category, as determined by the department of workforce development under IC 20-47-6-20(a)(1), may not exceed the amount determined by the department of workforce development under IC 20-47-6-20(b) for that industry category. The total amount of tax credits awarded under this chapter in a state fiscal year may not exceed fourteen million dollars (\$14,000,000).

Sec. 14. The department, on an Internet web site used by the department to provide information to the public, shall provide the following information:

- (1) The application for the credit provided in this chapter.**
- (2) A timeline for receiving the credit provided in this chapter.**
- (3) The lists provided to the department by the department of workforce development under IC 20-47-6-20(d).**
- (4) The total amount of credits awarded under this chapter for each industry category described in section 13 of this chapter during the current state fiscal year.**
- (5) The total amount of credits awarded under this chapter**



during the current state fiscal year."

Page 4, line 17, delete "school." and insert **"school (as defined in IC 20-51-1-4.7)."**

Page 5, line 10, delete "form" and insert **"form, by the date,"**.

Page 5, line 12, delete "and".

Page 5, between lines 12 and 13, begin a new line block indented and insert:

"(5) indicates the industry category in which the organization is requesting to be placed by the department of workforce development as described in section 20(a)(1) of this chapter; and"

Page 5, line 13, delete "(5)" and insert **"(6)"**.

Page 5, line 20, delete "(5)." and insert **"(6)."**

Page 5, delete lines 21 through 25, begin a new paragraph and insert:

"Sec. 8. (a) The department and the department of workforce development shall coordinate with each other for purposes of this chapter and shall certify an organization as an industry credentialing organization, if the organization meets the qualification requirements under section 7 of this chapter.

(b) The department of workforce development shall place each industry credentialing organization in an industry category as described in section 20(a)(1) of this chapter."

Page 5, line 26, delete "section 7(5)" and insert **"section 7(6)"**.

Page 6, line 12, delete "costs." and insert **"costs, including costs for:**

(A) financial audits for an industry credentialing organization; and

(B) reimbursements for reasonable costs incurred by members of the board of directors of an industry credentialing organization in carrying out the activities of the industry credentialing organization under this chapter."

Page 8, line 5, delete "section 7(5)" and insert **"section 7(6)"**.

Page 10, between lines 35 and 36, begin a new paragraph and insert:

"Sec. 20. (a) The department of workforce development shall annually compile lists of the following:

(1) The industry categories, as determined by the department of workforce development, in which an industry credentialing organization may be placed under this chapter.

(2) The organizations that have been certified as industry credentialing organizations under this chapter, disaggregated



by industry category.

(3) The total tax credit amount that may be awarded under IC 6-3.1-35 in a state fiscal year for each industry category, as determined under subsection (b).

(b) For each state fiscal year, the department shall determine the total tax credit amount that may be awarded under IC 6-3.1-35 for each industry category described in subsection (a)(1). The total tax credit amount that may be awarded for each industry category in a state fiscal year is equal to the amount determined under STEP THREE of the following formula:

STEP ONE: Determine the economic output in Indiana, which shall include the average student wage in each industry that is paid for work based learning courses as described in IC 20-43-8-0.7, for the industry category, as determined by the department of workforce development.

STEP TWO: Divide the STEP ONE result by the total economic output of all industry categories in which at least one (1) industry credentialing organization has been placed under this chapter, as determined by the department of workforce development.

STEP THREE: Multiply the STEP TWO result by fourteen million dollars (\$14,000,000).

(c) Each state fiscal year, the department of workforce development shall redetermine the total tax credit amount that may be awarded under IC 6-3.1-35 for each industry category in a state fiscal year as provided under subsection (b) based on changes in economic output, student wages as described in STEP ONE of subsection (b), and changes in the total number of industry credentialing organizations within each industry category.

(d) The department of workforce development shall:

- (1) provide the lists compiled under subsection (a) to the department and the department of state revenue; and
- (2) post the lists on the department of workforce development's Internet web site.

(e) The department of workforce development may adopt rules



under IC 4-22-2 to implement this section."

Page 10, line 36, delete "20." and insert "**21**".

Page 10, after line 37, begin a new paragraph and insert:

"SECTION 3. **An emergency is declared for this act.**".

and when so amended that said bill do pass and be reassigned to the Senate Committee on Tax and Fiscal Policy.

(Reference is to SB 420 as introduced.)

RAATZ, Chairperson

Committee Vote: Yeas 9, Nays 1.

COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred Senate Bill No. 420, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Delete the title and insert the following:

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

Page 1, delete lines 1 through 15.

Delete pages 2 through 3.

Page 5, line 27, delete "20(a)(1)" and insert "**20(1)**".

Page 6, line 2, delete "20(a)(1)" and insert "**20(1)**".

Page 11, line 19, delete "(a)".

Page 11, delete lines 27 through 42.

Page 12, delete lines 1 through 19.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 420 as printed January 25, 2019.)

HOLDMAN, Chairperson

Committee Vote: Yeas 14, Nays 0.

ES 420—LS 7004/DI 120



COMMITTEE REPORT

Mr. Speaker: Your Committee on Education, to which was referred Senate Bill 420, 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 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 20-43-8-0.7, AS ADDED BY P.L.174-2018, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 0.7. As used in this chapter, "work based learning course" means a program, delivered in an employment relationship, that provides a worker with paid **or meaningful** work experience and corresponding classroom instruction."

Page 1, line 4, delete "Credentialing" and insert "**Collaboration**".

Page 1, line 7, delete "credentialing" and insert "**collaboration**".

Page 2, delete lines 30 through 42, begin a new paragraph and insert:

"Sec. 7. (a) An organization qualifies for certification as an industry collaboration organization if the organization:

(1) except as provided in subsection (b), is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code;

(2) conducts activities for the purpose of enhancing career and technical education and work based learning opportunities for students in alignment with state and regional workforce needs;

(3) is governed by a board of directors that consists of members:

(A) of whom the majority are representatives of businesses from high-wage, high-demand, priority industry sectors; and

(B) of whom the minority represent:

(i) kindergarten through grade 12 education;

(ii) postsecondary education; and

(iii) community-based organizations in Indiana;

(4) applies to the governor's workforce cabinet on the form, by the date, and in the manner prescribed by the governor's workforce cabinet to be recognized by the state and to be eligible for state funding;

(5) indicates the industry sectors and geographic region in which the organization is requesting to be designated by the governor's workforce cabinet as described in section 20(1) of



this chapter; and

(6) enters into an agreement with the governor's workforce cabinet to comply with this article.

(b) A public school foundation that:

(1) is:

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

(B) operated solely for the benefit of an Indiana public elementary or secondary school to act as a nonprofit agent for the purposes of career enhancement programs; and

(2) partners with local businesses or representatives of a particular industry;

is an organization that satisfies the requirement set forth in subsection (a)(1).

Sec. 8. (a) The governor's workforce cabinet shall certify an organization as an industry collaboration organization, if the organization meets the qualification requirements under section 7 of this chapter.

(b) The governor's workforce cabinet shall identify the designation of each industry collaboration organization in an industry category as described in section 20(1) of this chapter.

Sec. 9. An agreement entered into under section 7(6) of this chapter by the governor's workforce cabinet and an industry collaboration organization must require the industry collaboration organization to do the following:

(1) Collaborate with industry sector partners at the state and regional levels and coordinate periodically with:

(A) the governor's workforce cabinet;

(B) training providers; and

(C) other stakeholders;

in carrying out the activities of the industry collaboration organization under this chapter.

(2) Agree to deposit all contributions in a separate account of the industry collaboration organization.

(3) Agree to provide written substantiation to taxpayers for each contribution made to the industry collaboration organization, which must include certification that the contribution will be used by the industry collaboration organization only for purposes of this chapter.

(4) Beginning not later than the third year following the date the industry collaboration organization is certified under



section 8 of this chapter, distribute annually not less than seventy-five percent (75%) of the total amount of contributions for one (1) or more purposes set forth in section 10 of this chapter.

(5) Use not more than ten percent (10%) of the total amount of contributions for administrative costs, including costs for:

(A) financial audits for an industry collaboration organization; and

(B) reimbursements for reasonable costs incurred by members of the board of directors of an industry collaboration organization in carrying out the activities of the industry collaboration organization under this chapter.

(6) Prohibit a taxpayer from directing a contribution to a particular student or a particular training provider.

(7) Allow a taxpayer to designate:

(A) a specific purpose for which the taxpayer's contribution must be used; and

(B) a specific school or school district for which the taxpayer's contribution must be used;

under section 10 of this chapter.

(8) Agree to provide a list of the names and addresses of the board members, officers, and employees with managerial authority of the industry collaboration organization.

(9) Conduct criminal background checks on all the industry collaboration organization board members, officers, and employees, and exclude from employment or governance any individual who might reasonably pose a risk to the appropriate use of contributed funds.

(10) Make the reports required by this chapter.

Sec. 10. (a) Money received from contributions may be used by an industry collaboration organization for one (1) or more of the following purposes:

(1) To support the development and implementation of high school graduation pathways.

(2) To strengthen and align career coaching and navigation systems.

(3) To enhance career and technical education and training programs.

(4) To expand apprenticeships and work based learning opportunities.

(5) To provide grants to schools to be used by the school to pay the transportation costs for students to attend an eligible



training program that allows the student to concurrently earn high school or college credit.

(b) State grant funding distributed regionally by the governor's workforce cabinet for purposes of subsection (a) shall be designated for industry collaborations, with a priority given to multisector industry collaboration organizations.

(c) The governor's workforce cabinet and industry collaboration organizations shall prioritize the regional distribution of state grant funds to activities that align, connect, and increase capacity of existing systems and programming when possible."

Delete pages 3 through 4.

Page 5, delete lines 1 through 30.

Page 5, line 31, delete "credentialing" and insert "**collaboration**".

Page 5, line 33, delete "credentialing" and insert "**collaboration**".

Page 5, line 34, delete "credentialing" and insert "**collaboration**".

Page 5, line 38, delete "credentialing" and insert "**collaboration**".

Page 6, line 1, delete "credentialing" and insert "**collaboration**".

Page 6, line 4, delete "credentialing" and insert "**collaboration**".

Page 6, line 15, delete "credentialing" and insert "**collaboration**".

Page 6, line 18, delete "credentialing" and insert "**collaboration**".

Page 6, line 19, delete "department" and insert "**governor's workforce cabinet**".

Page 6, line 21, delete "credentialing" and insert "**collaboration**".

Page 6, line 23, delete "credentialing" and insert "**collaboration**".

Page 6, line 38, delete "credentialing" and insert "**collaboration**".

Page 6, line 39, delete "credentialing" and insert "**collaboration**".

Page 6, line 42, delete "credentialing organization. The industry credentialing" and insert "**collaboration organization. The industry collaboration**".

Page 7, line 2, delete "department" and insert "**governor's workforce cabinet**".

Page 7, line 4, delete "department" and insert "**governor's workforce cabinet**".

Page 7, line 5, delete "credentialing" and insert "**collaboration**".

Page 7, line 7, delete "department" and insert "**governor's workforce cabinet**".

Page 7, line 9, delete "credentialing" and insert "**collaboration**".

Page 7, line 9, delete "department" and insert "**governor's workforce cabinet**".

Page 7, line 10, delete "credentialing" and insert "**collaboration**".

Page 7, line 13, delete "department" and insert "**governor's workforce cabinet**".



Page 7, line 14, delete "credentialing" and insert "collaboration".

Page 7, delete lines 17 through 42, begin a new paragraph and insert:

"Sec. 17. (a) An industry collaboration organization established under this chapter shall report to the governor's workforce cabinet:

- (1) the activities supported by any state grant money received;**
- and**
- (2) the student outcomes resulting from the approved activities;**

in accordance with reporting standards established by the governor's workforce cabinet and the management performance hub.

(b) The governor's workforce cabinet shall make the information reported by each industry collaboration organization under subsection (a) available to the public on the Internet web site of the governor's workforce cabinet.

Sec. 18. The governor's workforce cabinet shall prescribe a standard form to be used by the industry collaboration organization to report student outcomes as required under section 17(a)(2) of this chapter, including at least the following information for the students participating in the approved activities described in section 10 of this chapter:

- (1) The number, geographic region, and demographic breakdown of students who completed a program or activity funded in whole or in part by state grant money under this chapter, including:**
 - (A) an industry recognized apprenticeship program;**
 - (B) an internship or equivalent work based learning experience;**
 - (C) an industry recognized certification or credential; or**
 - (D) a postsecondary certificate or degree.**
- (2) The industry sectors and businesses supported by the approved activities.**
- (3) The number and names of school corporations and postsecondary institutions supporting the delivery of the approved activities.**

Sec. 19. The governor's workforce cabinet shall support a industry collaboration organization in sharing and scaling best practices on a statewide basis by:

- (1) conducting an annual survey of the business, education, and community organizations participating in the industry**



collaboration organization, in consultation with the management performance hub; and
(2) convening the industry collaboration organizations on an ongoing basis in collaboration with Indiana's statewide business and industry associations.

Sec. 20. The governor's workforce cabinet shall annually compile lists of the following:

(1) The industry sectors and geographic regions in which industry collaboration organizations are operating, disaggregated by industry category and region.

(2) The business, educational institutions, and community organizations affiliated with the industry collaboration organizations established under this chapter, disaggregated by industry category and region."

Delete page 8.

Page 9, delete lines 1 through 12.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 420 as printed February 20, 2019.)

BEHNING

Committee Vote: yeas 9, nays 0.

HOUSE MOTION

Mr. Speaker: I move that Engrossed Senate Bill 420 be amended to read as follows:

Page 2, line 14, delete "tuition and fees" and insert "**tuition, fees, or expenses**".

Page 2, line 15, delete "and".

Page 2, line 17, delete "." and insert "**; and**".

Page 2, between lines 17 and 18. begin a new line block indented and insert:

"(3) any other training or educational expenses approved by the cabinet."

Page 2, between lines 35 and 36, begin a new line block indented and insert:

"(4) an entity approved by the cabinet to provide education or

ES 420—LS 7004/DI 120



training to a student.

(5) an industry collaboration organization."

Page 3, line 6, after "high-demand," insert "a".

Page 3, line 6, after "industry" insert "sector or".

Page 3, line 16, after "industry" insert "sector or".

Page 3, line 18, delete "as described in section20(1) of" and insert
"; and".

Page 3, delete line 19.

Page 3, line 37, after "chapter" insert "**The governor's workforce cabinet shall certify the organization at the next governor's workforce cabinet meeting after receiving the request for certification. However, if the governor's workforce cabinet next meeting is within ten (10) days of receipt of the request for certification, the governor's workforce cabinet may certify the organization at the governor's workforce cabinet's second meeting after the receipt of the request for certification.**".

Page 3, line 35, delete "," and insert "**in the sector or sectors and region (which may include the entire state) the organization requests,**".

Page 3, delete lines 38 through 40.

Page 5, delete lines 6 through 28, begin a new paragraph and insert:

"Sec. 10. (a) Money received from contributions may be used by an industry collaboration organization for one (1) or more of the following purposes:

(1) To support the development and implementation of high school graduation pathways.

(2) To provide money to the industry collaboration organization to establish and operate a career counseling program for STUDENTS.

(3) To enhance career and technical education and training programs which may include a work ethic certificate program established under IC 22-4.1-25.

(4) To expand apprenticeships and work based learning opportunities which may include the following:

(A) An apprenticeship program (as defined in IC 20-43-8-0.3) that is established as a graduation pathway requirement under IC 20-32-4-1.5.

(B) A work based learning course delivered in an employment relationship that:

(i) provides a worker with paid or meaningful work experience and corresponding classroom instruction as set forth in IC 20-43-8-0.7; and



(ii) is established as a graduation pathway requirement under IC 20-32-4-1.5.

(5) To provide grants to schools to be used by the school to pay the transportation costs for students to attend an eligible training program that allows the student to concurrently earn high school or college credit.

(6) Any other course or program, if the course or program leads to the attainment of a specific employment related credential that documents the student's skills for employment success.

(7) To partner with other industry collaboration organizations, nonprofits, public foundations, or other entities to provide workforce related educational programs or training for students.

(b) State grant funding distributed by the governor's workforce cabinet for purposes of subsection (a) shall be granted with a preference given to multisector industry collaboration organizations."

(Reference is to ESB 420 as printed April 8, 2019.)

SULLIVAN

