



February 20, 2015

SENATE BILL No. 509

DIGEST OF SB 509 (Updated February 19, 2015 11:08 am - DI 120)

Citations Affected: IC 21-12.

Synopsis: Scholarships and grants. Provides that at the end of each state fiscal year, the commission for higher education (commission) may order the auditor of state to transfer money among certain funds if the commission determines that the remaining appropriation in a particular fund could be used by eligible applicants for an award under one of the other funds in the following state fiscal year. Provides that the auditor of state shall make a transfer ordered by the commission. Renames the "part-time student grant" as the "adult student grant". Renames the "part-time student grant fund" as the "adult student grant fund". Requires the commission for higher education to award an additional amount in a recipient's final semester to a recipient graduating with a degree aligned to priority economic sectors identified by the Indiana career council. Makes technical and conforming amendments.

Effective: July 1, 2015.

Charbonneau, Kenley, Rogers

January 14, 2015, read first time and referred to Committee on Education & Career Development.

February 12, 2015, reported favorably — Do Pass; reassigned to Committee on Appropriations.

February 19, 2015, amended, reported favorably — Do Pass.

SB 509—LS 6850/DI 116



February 20, 2015

First Regular Session 119th General Assembly (2015)

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 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

SENATE BILL No. 509

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

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

1 SECTION 1. IC 21-12-1-4.5 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2015]: **Sec. 4.5. "Adult student grant" refers to a monetary**
4 **award under IC 21-12-8 from the adult student grant fund.**
5 SECTION 2. IC 21-12-1-11, AS ADDED BY P.L.2-2007,
6 SECTION 253, IS AMENDED TO READ AS FOLLOWS
7 [EFFECTIVE JULY 1, 2015]: Sec. 11. "Fund":
8 (1) for purposes of IC 21-12-6, refers to the twenty-first century
9 scholars fund established by IC 21-12-6-2;
10 (2) for purposes of IC 21-12-7, refers to the twenty-first century
11 scholars program support fund established by IC 21-12-7-1; and
12 (3) for purposes of IC 21-12-8, refers to the **part-time adult**
13 **student grant fund** established by IC 21-12-8-1.
14 SECTION 3. IC 21-12-1-12 IS REPEALED [EFFECTIVE JULY 1,
15 2015]. **Sec. 12. "Part-time student grant" refers to a monetary award**
16 **under IC 21-12-8 from the part-time student grant fund.**

SB 509—LS 6850/DI 116



1 SECTION 4. IC 21-12-1.2 IS ADDED TO THE INDIANA CODE
 2 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 3 JULY 1, 2015]:

4 **Chapter 1.2. General Provisions**

5 **Sec. 1. The commission may order the auditor of state to**
 6 **transfer money among the freedom of choice grant fund, the higher**
 7 **education award fund, the twenty-first century scholars fund, and**
 8 **the adult student grant fund as needed to meet the obligations of**
 9 **the funds for a particular state fiscal year. The auditor of state**
 10 **shall make a transfer ordered by the commission with the approval**
 11 **of the budget director and the governor.**

12 **Sec. 2. (a) At the end of each state fiscal year, the commission**
 13 **shall determine the amount of the appropriation remaining in the**
 14 **following funds:**

15 **(1) Higher education award fund established under**
 16 **IC 21-12-3-19.**

17 **(2) Freedom of choice grant fund established under**
 18 **IC 21-12-4-5.**

19 **(3) Twenty-first century scholars fund established by**
 20 **IC 21-12-6-2.**

21 **(4) Adult student grant fund established by IC 21-12-8-1.**

22 **(b) At the end of each state fiscal year, the commission may**
 23 **order the auditor of state to transfer money among the funds listed**
 24 **in subsection (a) if the commission determines that the remaining**
 25 **appropriation in a particular fund could be used by eligible**
 26 **applicants for an award under another fund listed in subsection (a)**
 27 **in the following state fiscal year. The auditor of state shall make**
 28 **the transfer ordered by the commission with the approval of the**
 29 **budget director and the governor.**

30 SECTION 5. IC 21-12-1.7-5, AS ADDED BY P.L.281-2013,
 31 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 32 JULY 1, 2015]: Sec. 5. (a) If the sum of awards under sections 3 and
 33 4 of this chapter exceeds the appropriation in a given year, the
 34 commission shall reduce the level of awards offered under section 4 of
 35 this chapter as necessary so that the sum of awards under sections 3
 36 and 4 of this chapter does not exceed the appropriation.

37 (b) The commission may increase, but shall not decrease, the
 38 amounts of awards published under section ~~3~~ 3 of this chapter from the
 39 amount offered the previous academic year.

40 SECTION 6. IC 21-12-3-19, AS AMENDED BY P.L.229-2011,
 41 SECTION 224, IS AMENDED TO READ AS FOLLOWS
 42 [EFFECTIVE JULY 1, 2015]: Sec. 19. The auditor of state shall create



1 a separate and segregated higher education award fund distinct from
 2 the freedom of choice grant fund. ~~Money may be exchanged or~~
 3 ~~transferred between these funds as provided by section 21 of this~~
 4 ~~chapter and IC 21-12-4-9.~~ All money disbursed from the higher
 5 education award fund shall be in accordance with this chapter. Money
 6 remaining in the higher education award fund at the end of any fiscal
 7 year does not revert to the state general fund but remains available to
 8 be used for making higher education awards under this chapter, **or it**
 9 **may be transferred to another fund under this article as directed**
 10 **by the commission under IC 21-12-1.2-2.**

11 SECTION 7. IC 21-12-3-20, AS ADDED BY P.L.2-2007,
 12 SECTION 253, IS AMENDED TO READ AS FOLLOWS
 13 [EFFECTIVE JULY 1, 2015]: Sec. 20. If at the end of a fiscal year part
 14 of the money appropriated for that year for the purposes of this chapter
 15 remains unspent, it may be spent for those purposes during the next
 16 fiscal year, **or it may be transferred to another fund under this**
 17 **article as directed by the commission under IC 21-12-1.2-2.**

18 SECTION 8. IC 21-12-3-21 IS REPEALED [EFFECTIVE JULY 1,
 19 2015]. ~~Sec. 21: The commission may order the auditor of state to~~
 20 ~~transfer to the freedom of choice grant fund money from the higher~~
 21 ~~education award fund. The auditor of state shall make the transfer~~
 22 ~~ordered by the commission with the approval of the budget director and~~
 23 ~~the governor.~~

24 SECTION 9. IC 21-12-4-6 IS REPEALED [EFFECTIVE JULY 1,
 25 2015]. ~~Sec. 6: Except as provided in section 9 of this chapter and~~
 26 ~~IC 21-12-3-21, money shall not be exchanged or transferred among~~
 27 ~~these funds.~~

28 SECTION 10. IC 21-12-4-8, AS ADDED BY P.L.2-2007,
 29 SECTION 253, IS AMENDED TO READ AS FOLLOWS
 30 [EFFECTIVE JULY 1, 2015]: Sec. 8. Money remaining in the freedom
 31 of choice grant fund at the end of any fiscal year does not revert to the
 32 state general fund, but remains available to be used for making freedom
 33 of choice grants under this chapter, **or it may be transferred to**
 34 **another fund under this article as directed by the commission**
 35 **under IC 21-12-1.2-2.**

36 SECTION 11. IC 21-12-4-9 IS REPEALED [EFFECTIVE JULY 1,
 37 2015]. ~~Sec. 9: The commission may order the auditor of state to transfer~~
 38 ~~money among the freedom of choice grant fund, the higher education~~
 39 ~~award fund, and the twenty-first century scholars fund, as needed to~~
 40 ~~meet the obligations of the funds. The auditor of state shall make the~~
 41 ~~transfer ordered by the commission with the approval of the budget~~
 42 ~~director and the governor.~~



1 SECTION 12. IC 21-12-6-2, AS ADDED BY P.L.234-2007,
 2 SECTION 57, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 3 JULY 1, 2015]: Sec. 2. (a) The twenty-first century scholars fund is
 4 established to provide the financial resources necessary to award the
 5 scholarships authorized under the program.

6 (b) The commission shall administer the fund.

7 (c) The expenses of administering the fund shall be paid from
 8 money in the fund.

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

12 (e) Money in the fund at the end of a state fiscal year does not revert
 13 to the state general fund but remains available to be used for providing
 14 money for twenty-first century scholarships under this chapter, **or it**
 15 **may be transferred to another fund under this article as directed**
 16 **by the commission under IC 21-12-1.2-2.**

17 SECTION 13. IC 21-12-6-3, AS ADDED BY P.L.2-2007,
 18 SECTION 253, IS AMENDED TO READ AS FOLLOWS
 19 [EFFECTIVE JULY 1, 2015]: Sec. 3. Money in the fund must be used
 20 to provide annual tuition scholarships to qualified scholarship
 21 applicants who enroll as full-time students at a postsecondary
 22 educational institution that qualifies for participation in the program
 23 under section 4 of this chapter, **unless it is transferred to another**
 24 **fund under this article at the direction of the commission under**
 25 **IC 21-12-1.2-2.**

26 SECTION 14. IC 21-12-8-1, AS ADDED BY P.L.234-2007,
 27 SECTION 53, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 28 JULY 1, 2015]: Sec. 1. (a) The ~~part-time~~ **adult** student grant fund is
 29 established to make awards authorized under this chapter to eligible
 30 applicants.

31 (b) The fund consists of the following:

32 (1) Appropriations made by the general assembly.

33 (2) Gifts, grants, devises, or bequests made to the state to achieve
 34 the purposes of the fund.

35 **(3) Amounts transferred to the fund as directed by the**
 36 **commission under IC 21-12-1.2-2.**

37 (c) The fund shall be administered by the commission.

38 (d) The fund must be separate and distinct from other funds
 39 administered by the commission. ~~and money in the fund may not be~~
 40 ~~exchanged with or transferred to other funds.~~

41 (e) The treasurer of state shall invest the money in the fund not
 42 currently needed to meet the obligations of the fund in the same



1 manner as other public funds are invested.

2 (f) Money in the fund at the end of a state fiscal year does not revert
3 to the state general fund but remains available to be used for providing
4 money for ~~part-time~~ **adult** student grants under this chapter, **or it may**
5 **be transferred to another fund under this article as directed by the**
6 **commission under IC 21-12-1.2-2.**

7 SECTION 15. IC 21-12-8-2, AS AMENDED BY P.L.46-2014,
8 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
9 JULY 1, 2015]: Sec. 2. The commission shall do the following:

10 ~~(1)~~ **(1)** Adopt rules under IC 4-22-2 governing the operation of the
11 fund; including rules specifying the procedures that applicants
12 must follow to appeal determinations made under subdivisions ~~(3)~~
13 ~~and (4)~~.

14 ~~(2)~~ **(1)** Prescribe the form and manner in which applications for
15 ~~part-time~~ **adult** student grants may be submitted.

16 ~~(3)~~ **(2)** Determine the eligibility of applicants.

17 ~~(4)~~ **(3)** Determine the amount of a ~~part-time~~ **an adult** student
18 grant awarded to a recipient.

19 ~~(5)~~ **(5)** Award ~~part-time~~ student grants totaling at least fifty percent
20 (50%) of the available appropriation each fiscal year to students
21 who are identified by the commission as:

22 ~~(A)~~ **(A)** financially independent from their parents; and

23 ~~(B)~~ **(B)** pursuing a program of study that will lead to a specific
24 high demand, high wage job.

25 ~~(6)~~ **(6)** Submit not later than November 1, 2014, to the legislative
26 council, in an electronic format under IC 5-14-6, a report that
27 includes the following:

28 ~~(A)~~ **(A)** The size of student populations in Indiana that:

29 ~~(i)~~ **(i)** attend a postsecondary educational institution ~~part-time~~;
30 or

31 ~~(ii)~~ **(ii)** combine ~~part-time~~ and full-time enrollment in a
32 postsecondary educational institution.

33 ~~(B)~~ **(B)** The financial need of the student populations described in
34 clause (A).

35 ~~(C)~~ **(C)** The completion rates of the student populations described
36 in clause (A).

37 ~~(D)~~ **(D)** Recommendations for increasing the completion rates of
38 the student populations described in clause (A) by using
39 financial support and student incentives.

40 **(4)** Award an additional amount in a recipient's final semester
41 to a recipient graduating with a degree aligned to priority
42 economic sectors as identified by the Indiana career council.



1 SECTION 16. IC 21-12-8-3, AS AMENDED BY P.L.281-2013,
 2 SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 3 JULY 1, 2015]: Sec. 3. (a) An applicant is eligible to receive a
 4 ~~part-time~~ **an adult** student grant if the following conditions are met:

5 (1) The applicant is domiciled in Indiana, as defined by the
 6 commission.

7 (2) The applicant:

8 (A) has received a diploma of graduation from an approved
 9 secondary school;

10 (B) has been granted a:

11 (i) high school equivalency certificate before July 1, 1995;
 12 or

13 (ii) state of Indiana general educational development (GED)
 14 diploma under IC 20-10.1-12.1 (before its repeal),
 15 IC 20-20-6 (before its repeal), or IC 22-4.1-18; or

16 (C) is a student in good standing who is completing a final
 17 year of study at an approved secondary school and will be
 18 eligible upon graduation to attend an approved institution of
 19 higher learning.

20 (3) The applicant declares, in writing, a specific educational
 21 objective or course of study and enrolls in:

22 (A) a course that applies toward the requirements for
 23 completion of that objective or course of study; or

24 (B) a course designed to help the applicant develop the basic
 25 skills the applicant needs to successfully achieve that objective
 26 or continue in that course of study.

27 (4) The applicant enrolls in at least six (6) ~~but fewer than twelve~~
 28 ~~(12)~~ credit hours in any academic term.

29 (5) The commission or an approved postsecondary educational
 30 institution acting as the commission's agent determines that the
 31 financial resources available to the applicant are such that in the
 32 absence of a grant under this chapter the applicant would be
 33 deterred from beginning or completing the applicant's declared
 34 educational objective or course of study.

35 (6) The applicant has not received a Frank O'Bannon grant for the
 36 maximum number of academic terms.

37 **(7) The applicant is identified as financially independent from**
 38 **the applicant's parents as determined by the Free Application**
 39 **for Federal Student Aid (FAFSA).**

40 (b) The commission ~~shall~~ **may** reduce an award offered under this
 41 section by the amount the applicant is eligible to receive in tuition
 42 reimbursement from an employer or another outside source.



1 SECTION 17. IC 21-12-8-4 IS REPEALED [EFFECTIVE JULY 1,
2 2015]. Sec. 4. The commission may establish accumulated credit
3 requirements as a condition of eligibility for an award made under this
4 chapter.

5 SECTION 18. IC 21-12-8-5, AS AMENDED BY P.L.281-2013,
6 SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
7 JULY 1, 2015]: Sec. 5. Subject to this chapter, a student's **part-time**
8 **adult** student grant may be renewed if the student does the following:

9 (1) For a student who initially enrolls in an eligible institution
10 before September 1, 2013:

11 (A) makes satisfactory progress toward a certificate, nursing
12 diploma, associate degree, or baccalaureate degree; and

13 (B) demonstrates continuing financial need.

14 (2) For a student who initially enrolls in an eligible institution for
15 an academic year beginning after August 31, 2013:

16 (A) (1) Successfully completes at least eighteen (18) credit hours
17 or their equivalent toward a certificate, nursing diploma, associate
18 degree, or baccalaureate degree in the previous academic year.

19 (B) (2) Demonstrates continuing financial need. and

20 (C) (3) Maintains at least a cumulative grade point average that
21 the eligible institution determines is satisfactory academic
22 progress.

23 SECTION 19. IC 21-12-8-8 IS REPEALED [EFFECTIVE JULY 1,
24 2015]. Sec. 8. The commission may permit an approved postsecondary
25 educational institution to act as its agent in accepting applications from;
26 determining eligibility for, and making awards to eligible applicants of
27 the approved postsecondary educational institution. The approved
28 postsecondary educational institution shall provide to the commission
29 on a timely basis any information, reports, and accounting the
30 commission requires.



COMMITTEE REPORT

Madam President: The Senate Committee on Education & Career Development, to which was referred Senate Bill No. 509, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS and be reassigned to the Senate Committee on Appropriations.

(Reference is to SB 509 as introduced.)

KRUSE, Chairperson

Committee Vote: Yeas 10, Nays 0

COMMITTEE REPORT

Madam President: The Senate Committee on Appropriations, to which was referred Senate Bill No. 509, 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:

Page 5, between lines 39 and 40, begin a new line block indented and insert:

"(4) Award an additional amount in a recipient's final semester to a recipient graduating with a degree aligned to priority economic sectors as identified by the Indiana career council."

Page 7, delete lines 28 through 42.

Delete pages 8 through 9.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 509 as printed February 13, 2015.)

KENLEY, Chairperson

Committee Vote: Yeas 12, Nays 0.

