# 

March 27, 2015

### **ENGROSSED SENATE BILL No. 509**

DIGEST OF SB 509 (Updated March 25, 2015 3:21 pm - DI 58)

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. Provides that a student who applies for a twenty-first century scholars program tuition scholarship must certify in writing that the student complied with certain requirements before the student's graduation from high school and not each year a scholarship is awarded. 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, not to exceed \$500, in a recipient's final semester to a recipient graduating with a degree aligned to priority economic sectors identified by the department of workforce development. Makes technical and conforming amendments.

Effective: July 1, 2015.

### Charbonneau, Kenley, Rogers

(HOUSE SPONSORS — CLERE, TRUITT, KLINKER)

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, reported favorably Do Pass. February 23, 2015, read second time, ordered engrossed. Engrossed. February 24, 2015, read third time, passed. Yeas 49, nays 0.

HOUSE ACTION March 5, 2015, read first time and referred to Committee on Ways and Means. March 26, 2015, amended, reported — Do Pass.





#### 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.

## ENGROSSED 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:

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 IC 21-12-1-12 IS REPEALED [EFFECTIVE JULY 1,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



1	SECTION 4. IC 21-12-1.2 IS ADDED TO THE INDIANA CODE
2	AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
$\frac{2}{3}$	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
0 7	
8	education award fund, the twenty-first century scholars fund, and the adult student grout fund as peopled to most the obligations of
o 9	the adult student grant fund as needed to meet the obligations of the funds for a particular state fiscal year. The auditor of state
9 10	1 1
10	shall make a transfer ordered by the commission with the approval
11	of the budget director and the governor. Sec. 2. (a) At the end of each state fiscal year, the commission
12	
13	shall determine the amount of the appropriation remaining in the
14	following funds:
15 16	(1) Higher education award fund established under IC 21-12-3-19.
10	
17	(2) Freedom of choice grant fund established under IC 21-12-4-5.
18 19	
20	(3) Twenty-first century scholars fund established by IC 21-12-6-2.
20	
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 order the auditor of state to transfer money among the funds listed
23 24	• 8
24 25	in subsection (a) if the commission determines that the remaining
23 26	appropriation in a particular fund could be used by eligible
20 27	applicants for an award under another fund listed in subsection (a) in the following state fiscal year. The auditor of state shall make
28	in the following state fiscal year. The auditor of state shall make the transfer ordered by the commission with the approval of the
28 29	budget director and the governor.
29 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 section 3
36	
30 37	<ul><li>and 4 of this chapter does not exceed the appropriation.</li><li>(b) The commission may increase, but shall not decrease, the</li></ul>
38	• • • •
38 39	amounts of awards published under section $+3$ of this chapter from the
39 40	amount offered the previous academic year.
40 41	SECTION 6. IC 21-12-3-19, AS AMENDED BY P.L.229-2011,
41 42	SECTION 224, IS AMENDED TO READ AS FOLLOWS
42	[EFFECTIVE JULY 1, 2015]: 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, or it may be transferred to another fund under this article as directed 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 fiscal year, or it may be transferred to another fund under this 16 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 IC 21-12-3-21, money shall not be exchanged or transferred among 26 27 these funds.

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

2

3

4

5

6

7

8

9

10

28

29

31

32

33

35

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 manner as other public funds may be invested. 11 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 21-12-6-6, AS AMENDED BY P.L.107-2012, 27 SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE 28 JULY 1, 2015]: Sec. 6. (a) A student may apply to the commission for 29 a scholarship. To qualify for a scholarship, the student must meet the 30 following requirements: 31 (1) Be an eligible student who qualified to participate in the 32 program under section 5 of this chapter. 33 (2) Be a resident of Indiana. 34 (3) Be a graduate from a secondary school located in Indiana that 35 meets the admission criteria of an eligible institution and have achieved a cumulative grade point average in high school of: 36 37 (A) at least 2.0 on a 4.0 grading scale, if the student is 38 expected to graduate from high school before July 1, 2014; and 39 (B) at least 2.5 on a 4.0 grading scale, if the student is 40 expected to graduate from high school after June 30, 2014. 41 (4) Have applied to attend and be accepted to attend as a full-time

42 student an eligible institution.



1	(5) Certify in writing that before the student's graduation from
2	high school the student: has:
3	(A) did not illegally used use controlled substances (as
4	defined in IC 35-48-1-9);
5	(B) <b>did</b> not illegally <del>consumed</del> <b>consume</b> alcoholic beverages;
6	(C) <b>did</b> not <del>committed</del> <b>commit</b> any other crime or a delinquent
7	act (as described in IC 31-37-1-2 or IC 31-37-2-2 through
8	IC 31-37-2-5 (or IC 31-6-4-1(a)(1) through IC 31-6-4-1(a)(5)
9	before their repeal));
10	(D) timely filed an application for other types of financial
11	assistance available to the student from the state or federal
12	government; and
13	(E) participated in an academic success program required
14	under the rules adopted by the commission.
15	(6) Submit to the commission all the information and evidence
16	required by the commission to determine eligibility as a
17	scholarship applicant.
18	(7) This subdivision applies only to applicants who initially enroll
19	in the program under section 5 of this chapter or IC 21-12-6.5-2
20	after June 30, 2011. For purposes of this chapter, applicants who
21	are enrolled in the program before July 1, 2011, will not have an
22	income or financial resources test applied to them when they
23	subsequently apply for a scholarship. Have a lack of financial
24	resources reasonably available to the applicant, as defined by the
25	commission, that, in the absence of an award under this chapter,
26	would deter the scholarship applicant from completing the
27	applicant's education at the approved postsecondary educational
28	institution that the applicant has selected and that has accepted
29	the applicant.
30	(8) Meet any other minimum criteria established by the
31	commission.
32	(b) This section applies to an individual who graduates from high
33	school after December 31, 2011. To be eligible for a scholarship under
34	this section, a student must initially attend the eligible institution
35	described in subsection (a)(4) not later than the fall semester (or its
36	equivalent, as determined by the commission) in the year immediately
37	following the year in which the student graduates from high school.
38	SECTION 15. IC 21-12-8-1, AS ADDED BY P.L.234-2007,
39	SECTION 53, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
40	JULY 1, 2015]: Sec. 1. (a) The part-time adult student grant fund is
41	established to make awards authorized under this chapter to eligible
42	applicants.

1 (b) The fund consists of the following: 2 (1) Appropriations made by the general assembly. 3 (2) Gifts, grants, devises, or bequests made to the state to achieve 4 the purposes of the fund. 5 (3) Amounts transferred to the fund as directed by the 6 commission under IC 21-12-1.2-2. 7 (c) The fund shall be administered by the commission. 8 (d) The fund must be separate and distinct from other funds 9 administered by the commission. and money in the fund may not be 10 exchanged with or transferred to other funds. 11 (e) The treasurer of state shall invest the money in the fund not 12 currently needed to meet the obligations of the fund in the same 13 manner as other public funds are invested. 14 (f) Money in the fund at the end of a state fiscal year does not revert 15 to the state general fund but remains available to be used for providing 16 money for part-time adult student grants under this chapter, or it may 17 be transferred to another fund under this article as directed by the 18 commission under IC 21-12-1.2-2. 19 SECTION 16. IC 21-12-8-2, AS AMENDED BY P.L.46-2014, 20 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE 21 JULY 1, 2015]: Sec. 2. The commission shall do the following: 22 (1) Adopt rules under IC 4-22-2 governing the operation of the 23 fund, including rules specifying the procedures that applicants 24 must follow to appeal determinations made under subdivisions (3) 25 and (4). 26 (2) (1) Prescribe the form and manner in which applications for 27 part-time adult student grants may be submitted. 28 (3) (2) Determine the eligibility of applicants. 29 (4) (3) Determine the amount of a part-time an adult student 30 grant awarded to a recipient. 31 (5) Award part-time student grants totaling at least fifty percent 32 (50%) of the available appropriation each fiscal year to students 33 who are identified by the commission as: 34 (A) financially independent from their parents; and 35 (B) pursuing a program of study that will lead to a specific 36 high demand, high wage job. 37 (6) Submit not later than November 1, 2014, to the legislative 38 council, in an electronic format under IC 5-14-6, a report that 39 includes the following: 40(A) The size of student populations in Indiana that: 41 (i) attend a postsecondary educational institution part-time; 42 or



ES 509-LS 6850/DI 116

6

1	(ii) combine part-time and full-time enrollment in a
2	postsecondary educational institution.
3	(B) The financial need of the student populations described in
4	clause (A).
5	(C) The completion rates of the student populations described
6	in clause (A).
7	(D) Recommendations for increasing the completion rates of
8	the student populations described in clause (A) by using
9	financial support and student incentives.
10	(4) Award an additional amount not to exceed five hundred
11	dollars (\$500) in a recipient's final semester to a recipient
12	graduating with a degree aligned to priority economic sectors
13	as identified by the department of workforce development at
14	any time during the four (4) year period ending on the
15	recipient's graduation date.
16	SECTION 17. IC 21-12-8-3, AS AMENDED BY P.L.281-2013,
17	SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
18	JULY 1, 2015]: Sec. 3. (a) An applicant is eligible to receive a
19	part-time an adult student grant if the following conditions are met:
20	(1) The applicant is domiciled in Indiana, as defined by the
21	commission.
22	(2) The applicant:
23	(A) has received a diploma of graduation from an approved
24	secondary school;
25	(B) has been granted a:
26	(i) high school equivalency certificate before July 1, 1995;
27	or
28	(ii) state of Indiana general educational development (GED)
29	diploma under IC 20-10.1-12.1 (before its repeal),
30	IC 20-20-6 (before its repeal), or IC 22-4.1-18; or
31	(C) is a student in good standing who is completing a final
32	year of study at an approved secondary school and will be
33	eligible upon graduation to attend an approved institution of
34	higher learning.
35	(3) The applicant declares, in writing, a specific educational
36	objective or course of study and enrolls in:
37	(A) a course that applies toward the requirements for
38	completion of that objective or course of study; or
39	(B) a course designed to help the applicant develop the basic
40	skills the applicant needs to successfully achieve that objective
41	or continue in that course of study.
42	(4) The applicant enrolls in at least six (6) but fewer than twelve $(4)$



1	(12) credit hours in any academic term.
2	(5) The commission or an approved postsecondary educational
3	institution acting as the commission's agent determines that the
4	financial resources available to the applicant are such that in the
5	absence of a grant under this chapter the applicant would be
6	deterred from beginning or completing the applicant's declared
7	educational objective or course of study.
8	(6) The applicant has not received a Frank O'Bannon grant for the
9	maximum number of academic terms.
10	(7) The applicant is identified as financially independent from
11	the applicant's parents as determined by the Free Application
12	for Federal Student Aid (FAFSA).
13	(b) The commission shall may reduce an award offered under this
14	section by the amount the applicant is eligible to receive in tuition
15	reimbursement from an employer or another outside source.
16	SECTION 18. IC 21-12-8-4 IS REPEALED [EFFECTIVE JULY 1,
17	2015]. Sec. 4. The commission may establish accumulated credit
18	requirements as a condition of eligibility for an award made under this
19	<del>chapter.</del>
20	SECTION 19. IC 21-12-8-5, AS AMENDED BY P.L.281-2013,
21	SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
22	JULY 1, 2015]: Sec. 5. Subject to this chapter, a student's part-time
23	adult student grant may be renewed if the student does the following:
24	(1) For a student who initially enrolls in an eligible institution
25	before September 1, 2013:
26	(A) makes satisfactory progress toward a certificate, nursing
27	diploma, associate degree, or baccalaureate degree; and
28	(B) demonstrates continuing financial need.
29	(2) For a student who initially enrolls in an eligible institution for
30	an academic year beginning after August 31, 2013:
31	(A) (1) Successfully completes at least eighteen (18) credit hours
32	or their equivalent toward a certificate, nursing diploma, associate
33	degree, or baccalaureate degree in the previous academic year.
34	(B) (2) Demonstrates continuing financial need. and
35	(C) (3) Maintains at least a cumulative grade point average that
36	the eligible institution determines is satisfactory academic
37	progress.
38	SECTION 20. IC 21-12-8-8 IS REPEALED [EFFECTIVE JULY 1,
39	2015]. Sec. 8. The commission may permit an approved postsecondary
40	educational institution to act as its agent in accepting applications from,
41	determining eligibility for, and making awards to eligible applicants of
42	the approved postsecondary educational institution. The approved
+∠	the approved possecondary educational institution. The approved



8

postsecondary educational institution shall provide to the commission

2 on a timely basis any information, reports, and accounting the

3 commission requires.

1



### 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.

### COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred Senate Bill 509, 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 4, between lines 25 and 26, begin a new paragraph and insert:

"SECTION 14. IC 21-12-6-6, AS AMENDED BY P.L.107-2012, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 6. (a) A student may apply to the commission for a scholarship. To qualify for a scholarship, the student must meet the following requirements:

(1) Be an eligible student who qualified to participate in the program under section 5 of this chapter.

(2) Be a resident of Indiana.

(3) Be a graduate from a secondary school located in Indiana that meets the admission criteria of an eligible institution and have achieved a cumulative grade point average in high school of:

(A) at least 2.0 on a 4.0 grading scale, if the student is expected to graduate from high school before July 1, 2014; and (B) at least 2.5 on a 4.0 grading scale, if the student is expected to graduate from high school after June 30, 2014.

(4) Have applied to attend and be accepted to attend as a full-time student an eligible institution.

(5) Certify in writing that **before the student's graduation from high school** the student: has:

(A) **did** not illegally used **use** controlled substances (as defined in IC 35-48-1-9);

(B) **did** not illegally <del>consumed</del> **consume** alcoholic beverages; (C) **did** not <del>committed</del> **commit** any other crime or a delinquent act (as described in IC 31-37-1-2 or IC 31-37-2-2 through IC 31-37-2-5 (or IC 31-6-4-1(a)(1) through IC 31-6-4-1(a)(5) before their repeal));

(D) timely filed an application for other types of financial assistance available to the student from the state or federal government; and

(E) participated in an academic success program required under the rules adopted by the commission.

(6) Submit to the commission all the information and evidence required by the commission to determine eligibility as a scholarship applicant.

(7) This subdivision applies only to applicants who initially enroll



in the program under section 5 of this chapter or IC 21-12-6.5-2 after June 30, 2011. For purposes of this chapter, applicants who are enrolled in the program before July 1, 2011, will not have an income or financial resources test applied to them when they subsequently apply for a scholarship. Have a lack of financial resources reasonably available to the applicant, as defined by the commission, that, in the absence of an award under this chapter, would deter the scholarship applicant from completing the applicant's education at the approved postsecondary educational institution that the applicant has selected and that has accepted the applicant.

(8) Meet any other minimum criteria established by the commission.

(b) This section applies to an individual who graduates from high school after December 31, 2011. To be eligible for a scholarship under this section, a student must initially attend the eligible institution described in subsection (a)(4) not later than the fall semester (or its equivalent, as determined by the commission) in the year immediately following the year in which the student graduates from high school.".

Page 5, line 40, after "amount" insert "**not to exceed five hundred dollars (\$500)**".

Page 5, line 42, delete "Indiana career council." and insert "department of workforce development at any time during the four (4) year period ending on the recipient's graduation date.".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 509 as printed February 20, 2015.)

BROWN T

Committee Vote: yeas 20, nays 0.

