

# HOUSE BILL No. 1072

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 21-7-13-6; IC 21-12-6.

**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, 2015.

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## Thompson

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January 6, 2015, read first time and referred to Committee on Education.

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First Regular Session of the 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.

## HOUSE BILL No. 1072

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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 21-7-13-6, AS AMENDED BY P.L.13-2013,  
2 SECTION 58, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2015]: 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;



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



- 1 (C) Is accredited by and is in good standing with a regional or  
 2 national accrediting agency.
- 3 (D) Offers a course of study that is at least eighteen (18)  
 4 consecutive months in duration (or an equivalent to be  
 5 determined by the board for proprietary education under  
 6 IC 21-18.5-6) and that leads to an associate or a baccalaureate  
 7 degree recognized by the board for proprietary education  
 8 under IC 21-18.5-6.
- 9 (E) Is certified by the board for proprietary education as  
 10 meeting the requirements of this subdivision.
- 11 **(5) A postsecondary proprietary educational institution that**  
 12 **meets the following requirements:**
- 13 **(A) Is domiciled and has its principal offices and the**  
 14 **majority of its operations in Indiana.**
- 15 **(B) Provides an organized two (2) year or longer program**  
 16 **of collegiate level classes that are directly creditable**  
 17 **toward a baccalaureate degree.**
- 18 **(C) Is authorized to conduct business by the board for**  
 19 **proprietary education under IC 21-18.5-6 and is accredited**  
 20 **by a regional accrediting agency recognized by the United**  
 21 **States Department of Education.**
- 22 (b) "Approved postsecondary educational institution" for purposes  
 23 of section 15 of this chapter, IC 21-12-6, and IC 21-13-1-4, means the  
 24 following:
- 25 (1) A state educational institution.
- 26 (2) A nonprofit college or university.
- 27 (3) A postsecondary credit bearing proprietary educational  
 28 institution that is accredited by an accrediting agency recognized  
 29 by the United States Department of Education.
- 30 SECTION 2. IC 21-12-6-10, AS AMENDED BY P.L.107-2012,  
 31 SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 32 JULY 1, 2015]: Sec. 10. (a) This section applies to a student who  
 33 qualifies for a scholarship under section 6 or 7 of this chapter, if the  
 34 student initially enrolls in the program before July 1, 2011.
- 35 (b) The amount of a scholarship is equal to the lowest of the  
 36 following amounts:
- 37 (1) If the scholarship applicant attends an eligible institution that  
 38 is a state educational institution **or a postsecondary proprietary**  
 39 **educational institution described in IC 21-7-13-6(a)(5)** and:  
 40 (A) receives no other financial assistance specifically  
 41 designated for educational costs, a full tuition scholarship to  
 42 the state educational institution **or the postsecondary**



- 1           **proprietary educational institution; or**  
 2           (B) receives other financial assistance specifically designated  
 3           for educational costs, the balance required to attend the state  
 4           educational institution **or the postsecondary proprietary**  
 5           **educational institution**, not to exceed the amount described  
 6           in clause (A).
- 7           (2) If the scholarship applicant attends an eligible institution that  
 8           is private and:  
 9           (A) receives no other financial assistance specifically  
 10           designated for educational costs, an average of the full tuition  
 11           scholarship amounts of all state educational institutions not  
 12           including Ivy Tech Community College; or  
 13           (B) receives other financial assistance specifically designated  
 14           for educational costs, the balance required to attend the college  
 15           or university not to exceed the amount described in clause (A).
- 16           (3) If the scholarship applicant attends an eligible institution that  
 17           is a postsecondary credit bearing proprietary educational  
 18           institution **described in IC 21-7-13-6(a)(4)** and:  
 19           (A) receives no other financial assistance specifically  
 20           designated for educational costs, the lesser of:  
 21           (i) the full tuition scholarship amounts of Ivy Tech  
 22           Community College; or  
 23           (ii) the actual tuition and regularly assessed fees of the  
 24           eligible institution; or  
 25           (B) receives other financial assistance specifically designated  
 26           for educational costs, the balance required to attend the  
 27           eligible institution, not to exceed the amount described in  
 28           clause (A).
- 29           SECTION 3. IC 21-12-6-10.3, AS AMENDED BY P.L.281-2013,  
 30           SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 31           JULY 1, 2015]: Sec. 10.3. (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 after June 30, 2011. Applicants  
 34           who are enrolled in the program before July 1, 2011, will not have an  
 35           income or financial resources test applied to them under this section  
 36           when they subsequently apply for a scholarship or apply to renew a  
 37           scholarship.
- 38           (b) A scholarship applicant shall be awarded the following amount  
 39           as adjusted under subsections (c) and (d):  
 40           (1) If the scholarship applicant attends an approved postsecondary  
 41           educational institution that is a state educational institution **or a**  
 42           **postsecondary proprietary educational institution described**



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

