



January 29, 2016

SENATE BILL No. 334

DIGEST OF SB 334 (Updated January 28, 2016 12:39 pm - DI 84)

Citations Affected: IC 20-51.

Synopsis: Choice scholarships. Provides that the department shall make random visits to at least five percent of eligible schools and charter schools during a particular school year. (Current law provides that the department shall make random visits to at least five percent of eligible schools.) Specifies that if a choice scholarship student changes schools during the school year after the December 1 count of special education pupils, any choice scholarship amounts paid to the choice scholarship student for the remainder of the school year after the choice scholarship student enrolls in a different eligible school shall not include amounts that a school corporation would receive as a special education grant for the choice scholarship student. Removes a provision that provides that if the eligible choice scholarship student leaves the eligible school for which the eligible choice scholarship
(Continued next page)

Effective: July 1, 2016; July 1, 2017.

Yoder, Kruse

January 7, 2016, read first time and referred to Committee on Education & Career Development.

January 21, 2016, amended, reported favorably — Do Pass; reassigned to Committee on Appropriations.

January 28, 2016, amended, reported favorably — Do Pass.

SB 334—LS 6648/DI 116



Digest Continued

student was awarded a choice scholarship and enrolls in another eligible school, the eligible choice scholarship student is responsible for the payment of any tuition required for the remainder of that school year. Provides that the department of education (department) shall accept applications for choice scholarship students from September 2 through January 15 for the spring semester of the current school year. Provides that, for the distribution to be valid, the eligible choice scholarship student (or the parent of the eligible choice scholarship student) and the eligible school providing educational services to the eligible choice scholarship student must annually sign a form, prescribed by the state board to endorse distributions for the particular school year. Provides that if a choice scholarship student who is receiving a choice scholarship for a school year changes schools after signing the form to endorse distributions for that school year, the choice scholarship student (or the parent of the choice scholarship student) and the eligible school in which the choice scholarship student enrolls must sign the form to endorse distributions for the particular school year.



January 29, 2016

Second Regular Session 119th General Assembly (2016)

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 2015 Regular Session of the General Assembly.

SENATE BILL No. 334

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 20-51-4-3, AS AMENDED BY P.L.6-2012,
2 SECTION 144, IS AMENDED TO READ AS FOLLOWS
3 [EFFECTIVE JULY 1, 2016]: Sec. 3. (a) An eligible school may not
4 discriminate on the basis of race, color, or national origin.
5 (b) An eligible school shall abide by the school's written admission
6 policy fairly and without discrimination with regard to students who:
7 (1) apply for; or
8 (2) are awarded;
9 scholarships under this chapter.
10 (c) If the number of applicants for enrollment in an eligible school
11 under a choice scholarship exceeds the number of choice scholarships
12 available to the eligible school, the eligible school must draw at
13 random in a public meeting the applications of applicants who are
14 entitled to a choice scholarship from among the applicants who meet
15 the requirements for admission to the eligible school.
16 (d) The department shall make random visits to at least five percent
17 (5%) of eligible schools and charter schools **during a particular**

SB 334—LS 6648/DI 116



1 **school year** to verify that the eligible school or charter school complies
 2 with the provisions of this chapter and the Constitutions of the state of
 3 Indiana and the United States.

4 (e) Each eligible school, public school, and charter school shall
 5 grant the department reasonable access to its premises, including
 6 access to the school's grounds, buildings, and property.

7 (f) Each year the principal of each eligible school shall certify under
 8 penalties of perjury to the department that the eligible school is
 9 complying with the requirements of this chapter. The department shall
 10 develop a process for eligible schools to follow to make certifications.

11 SECTION 2. IC 20-51-4-4, AS AMENDED BY P.L.213-2015,
 12 SECTION 233, IS AMENDED TO READ AS FOLLOWS
 13 [EFFECTIVE JULY 1, 2017]: Sec. 4. (a) The amount an eligible
 14 choice scholarship student is entitled to receive under this chapter for
 15 a school year is equal to the following:

16 (1) The least of the following:

17 (A) The sum of the tuition, transfer tuition, and fees required
 18 for enrollment or attendance of the eligible choice scholarship
 19 student at the eligible school selected by the eligible choice
 20 scholarship student for a school year that the eligible choice
 21 scholarship student (or the parent of the eligible choice
 22 scholarship student) would otherwise be obligated to pay to
 23 the eligible school.

24 (B) An amount equal to:

25 (i) ninety percent (90%) of the state tuition support amount
 26 determined under section 5 of this chapter if the eligible
 27 choice scholarship student is a member of a household with
 28 an annual income of not more than the amount required for
 29 the eligible choice scholarship student to qualify for the
 30 federal free or reduced price lunch program; and

31 (ii) fifty percent (50%) of the state tuition support amount
 32 determined under section 5 of this chapter if the eligible
 33 choice scholarship student is a member of a household with
 34 an annual income of, in the case of an individual not
 35 described in section 2.5 of this chapter, not more than one
 36 hundred fifty percent (150%) of the amount required for the
 37 eligible choice scholarship student to qualify for the federal
 38 free or reduced price lunch program or, in the case of an
 39 individual described in section 2.5 of this chapter, not more
 40 than two hundred percent (200%) of the amount required for
 41 the eligible choice scholarship student to qualify for the
 42 federal free or reduced price lunch program.



1 (2) In addition, if the eligible choice scholarship student has been
 2 identified as eligible for special education services under
 3 IC 20-35 and the eligible school provides the necessary special
 4 education or related services to the eligible choice scholarship
 5 student, any amount that a school corporation would receive
 6 under IC 20-43-7 for the eligible choice scholarship student if the
 7 eligible choice scholarship student attended the school
 8 corporation. **However, if an eligible choice scholarship student**
 9 **changes schools during the school year after the December 1**
 10 **count under IC 20-43-7-1 of eligible pupils enrolled in special**
 11 **education programs and the eligible choice scholarship**
 12 **student enrolls in a different eligible school, any choice**
 13 **scholarship amounts paid to the eligible choice scholarship**
 14 **student for the remainder of the school year after the eligible**
 15 **choice scholarship student enrolls in the different eligible**
 16 **school shall not include amounts that a school corporation**
 17 **would receive under IC 20-43-7 for the eligible choice**
 18 **scholarship student if the eligible choice scholarship student**
 19 **attended the school corporation.**

20 (b) **The amount an eligible choice scholarship student is entitled**
 21 **to receive under this chapter if the eligible student applies for the**
 22 **choice scholarship under section 7(e)(2) of this chapter shall be**
 23 **reduced on a prorated basis in the manner prescribed in section 6**
 24 **of this chapter.**

25 SECTION 3. IC 20-51-4-4.5, AS AMENDED BY P.L.26-2014,
 26 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 27 JULY 1, 2017]: Sec. 4.5. (a) If an eligible choice scholarship student:

- 28 (1) who attends school at a choice scholarship school; and
 29 (2) who is eligible to receive special education funds under
 30 IC 20-43-7;

31 chooses to receive special education services at a school corporation
 32 required to provide special education services to the eligible choice
 33 scholarship student under 511 IAC 7-34-1, the special education funds
 34 under IC 20-43-7 for that student will be made available to the school
 35 corporation where the student receives special education services.

36 (b) Notwithstanding 511 IAC 7-34-1(d)(4), a public school is not
 37 required to make available special education and related services to an
 38 eligible choice scholarship student if the eligible choice scholarship
 39 student receives funds under section ~~4(2)~~ **4(a)(2)** of this chapter and the
 40 special education services are provided to the eligible choice
 41 scholarship student by the eligible school. This subsection may not be
 42 construed as a restriction or limitation on any of the rights, benefits,



1 and protections granted to an individual under the federal Individuals
2 with Disabilities Education Improvement Act of 2004 (20 U.S.C. 1400
3 et seq.).

4 (c) A school corporation may not include an eligible choice
5 scholarship student who receives an amount under section ~~4(2)~~ **4(a)(2)**
6 of this chapter in the school corporation's count under IC 20-43-7.

7 SECTION 4. IC 20-51-4-4.6, AS ADDED BY P.L.211-2013,
8 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
9 JULY 1, 2017]: Sec. 4.6. (a) The state board shall adopt rules under
10 IC 4-22-2, including emergency rules adopted in the manner provided
11 under IC 4-22-2-37.1, for the provision of special education or related
12 services to an eligible choice scholarship student who receives an
13 amount under section ~~4(2)~~ **4(a)(2)** of this chapter. The rules adopted
14 under this section shall include annual reporting requirements,
15 monitoring, and consequences for noncompliance by an eligible school.

16 (b) An emergency rule adopted by the state board under this section
17 expires on the earliest of the following dates:

18 (1) The expiration date stated in the emergency rule.

19 (2) The date the emergency rule is amended or repealed by a later
20 rule adopted under IC 4-22-2-22.5 through IC 4-22-2-36 or under
21 IC 4-22-2-37.1.

22 (3) One (1) year after the date the emergency rule is adopted.

23 SECTION 5. IC 20-51-4-5, AS AMENDED BY P.L.211-2013,
24 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
25 JULY 1, 2017]: Sec. 5. The state tuition support amount to be used in
26 section ~~4(1)(B)~~ **4(a)(1)(B)** of this chapter for an eligible choice
27 scholarship student is the amount determined under the last STEP of
28 the following formula:

29 STEP ONE: Determine the school corporation in which the
30 eligible choice scholarship student has legal settlement.

31 STEP TWO: Determine the amount of state tuition support that
32 the school corporation identified under STEP ONE is eligible to
33 receive under IC 20-43 for the state fiscal year in which the
34 current school year begins, excluding amounts provided for
35 special education grants under IC 20-43-7 and career and
36 technical education grants under IC 20-43-8.

37 STEP THREE: Determine the result of:

38 (A) the STEP TWO amount; divided by

39 (B) the current ADM (as defined in IC 20-43-1-10) for the
40 school corporation identified under STEP ONE for the state
41 fiscal year used in STEP TWO.

42 SECTION 6. IC 20-51-4-6, AS AMENDED BY P.L.211-2013,



1 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 JULY 1, 2017]: Sec. 6. ~~(a)~~ If an eligible choice scholarship student
3 enrolls in an eligible school for less than an entire school year, the
4 choice scholarship provided under this chapter for that school year
5 shall be reduced on a prorated basis to reflect the shorter school term.

6 ~~(b) An eligible choice scholarship student is entitled to only one (1)~~
7 ~~choice scholarship for each school year. If the eligible choice~~
8 ~~scholarship student leaves the eligible school for which the eligible~~
9 ~~choice scholarship student was awarded a choice scholarship and~~
10 ~~enrolls in another eligible school; the eligible choice scholarship~~
11 ~~student is responsible for the payment of any tuition required for the~~
12 ~~remainder of that school year.~~

13 SECTION 7. IC 20-51-4-7, AS AMENDED BY P.L.239-2015,
14 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
15 JULY 1, 2017]: Sec. 7. (a) The department shall administer this
16 chapter.

17 (b) The department shall approve an application for an eligible
18 school within fifteen (15) days after the date the school requests to
19 participate in the choice scholarship program.

20 (c) The department shall approve an application for a choice
21 scholarship student within fifteen (15) days after the date the student
22 requests to participate in the choice scholarship program.

23 (d) Each year, at a minimum, the department shall accept
24 applications from March 1 through September 1 for

25 ~~(1) choice scholarship students; or~~

26 ~~(2) eligible schools~~

27 for the upcoming school year.

28 **(e) Each year, at a minimum, the department shall accept**
29 **applications for choice scholarship students from:**

30 **(1) March 1 through September 1 for the upcoming school**
31 **year; and**

32 **(2) September 2 through January 15 for the spring semester**
33 **of the current school year.**

34 ~~(e)~~ **(f)** This chapter may not be construed in a manner that would
35 impose additional requirements for approving an application for an
36 eligible school placed in a "null" or "no letter grade" category
37 established under IC 20-31-8-3(b).

38 ~~(f)~~ **(g)** The department shall adopt rules under IC 4-22-2 to
39 implement this chapter.

40 ~~(g)~~ **(h)** The department may adopt emergency rules under
41 IC 4-22-2-37.1 to implement this chapter.

42 SECTION 8. IC 20-51-4-10, AS AMENDED BY P.L.211-2013,



1 SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 JULY 1, 2016]: Sec. 10. The department shall distribute choice
3 scholarships at least once each semester, or at equivalent intervals. The
4 department may distribute the choice scholarship to the eligible choice
5 scholarship student (or the parent of the eligible choice scholarship
6 student) for the purpose of paying the educational costs described in
7 section 4(1)(A) **of this chapter (before January 1, 2017) or in**
8 **section 4(a)(1)(A) of this chapter (after December 31, 2016).** For the
9 distribution to be valid, ~~the distribution must be endorsed by both the~~
10 eligible choice scholarship student (or the parent of the eligible choice
11 scholarship student) and the eligible school providing educational
12 services to the eligible choice scholarship student **must annually sign**
13 **a form, prescribed by the department to endorse distributions for**
14 **the particular school year. If:**
15 (1) **an eligible choice scholarship student who is receiving a**
16 **choice scholarship for a school year changes schools during**
17 **the school year after signing the form to endorse distributions**
18 **for that school year; and**
19 (2) **the eligible choice scholarship student enrolls in a different**
20 **eligible school that has not signed the form to endorse**
21 **distributions for that school year;**
22 **the eligible choice scholarship student (or the parent of the eligible**
23 **choice scholarship student) and the eligible school must sign the**
24 **form prescribed by the department to endorse distributions for the**
25 **particular school year.**



COMMITTEE REPORT

Madam President: The Senate Committee on Education and Career Development, to which was referred Senate Bill No. 334, 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, line 27, reset in roman "department".
- Page 5, line 27, delete "state board".
- Page 5, line 29, reset in roman "department".
- Page 5, line 29, delete "state board".
- Page 6, line 1, delete "state board" and insert "**department**".
- Page 6, delete lines 3 through 8.

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

(Reference is to SB 334 as introduced.)

KRUSE, Chairperson

Committee Vote: Yeas 9, Nays 1.

 COMMITTEE REPORT

Madam President: The Senate Committee on Appropriations, to which was referred Senate Bill No. 334, 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 2 through 7 with "[EFFECTIVE JULY 1, 2017]".

Page 3, line 8, after "corporation." insert "**However, if an eligible choice scholarship student changes schools during the school year after the December 1 count under IC 20-43-7-1 of eligible pupils enrolled in special education programs and the eligible choice scholarship student enrolls in a different eligible school, any choice scholarship amounts paid to the eligible choice scholarship student for the remainder of the school year after the eligible choice scholarship student enrolls in the different eligible school shall not include amounts that a school corporation would receive under IC 20-43-7 for the eligible choice scholarship student if the eligible choice scholarship student attended the school corporation.**".

Page 5, line 38, reset in roman "4(1)(A)".

SB 334—LS 6648/DI 116



Page 5, line 38, after "4(1)(A)" insert "**of this chapter (before January 1, 2017) or in section**".

Page 5, line 38, after "chapter" delete "." and insert "**(after December 31, 2016)**".

Page 6, line 2, after "year." insert "**If:**

(1) an eligible choice scholarship student who is receiving a choice scholarship for a school year changes schools during the school year after signing the form to endorse distributions for that school year; and

(2) the eligible choice scholarship student enrolls in a different eligible school that has not signed the form to endorse distributions for that school year;

the eligible choice scholarship student (or the parent of the eligible choice scholarship student) and the eligible school must sign the form prescribed by the department to endorse distributions for the particular school year."

and when so amended that said bill do pass.

(Reference is to SB 334 as printed January 22, 2016.)

KENLEY, Chairperson

Committee Vote: Yeas 11, Nays 2.

