

Adopted	Rejected
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## COMMITTEE REPORT

YES:	8
NO:	5

### MR. SPEAKER:

*Your Committee on Education, to which was referred House Bill 1003, 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:*

- 1           Page 1, between the enacting clause and line 1, begin a new
- 2           paragraph and insert:
- 3           "SECTION 1. IC 6-3.1-30.5-3, AS ADDED BY P.L.182-2009(ss),
- 4           SECTION 205, IS AMENDED TO READ AS FOLLOWS
- 5           [EFFECTIVE JULY 1, 2011]: Sec. 3. As used in this chapter,
- 6           "scholarship granting organization" refers to an organization that:
- 7           (1) is exempt from federal income taxation under Section
- 8           501(c)(3) of the Internal Revenue Code; and
- 9           (2) conducts a school scholarship program **without limiting the**
- 10          **availability of scholarships to students of only one (1)**
- 11          **participating school (as defined in IC 20-51-1-6)."**
- 12          Page 3, line 8, delete "tests under the Indiana statewide testing" and
- 13          insert "**Indiana statewide testing for educational progress (ISTEP)**
- 14          **program under IC 20-32-5; and"**.
- 15          Page 3, delete lines 9 through 11.

1 Page 3, line 13, delete "." and insert "; and".

2 Page 3, between lines 13 and 14, begin a new line block indented  
3 and insert:

4 **"(7) submits to the department data required for a category**  
5 **designation under IC 20-31-8-3."**

6 Page 4, between lines 4 and 5, begin a new paragraph and insert:

7 "SECTION 7. IC 20-51-1-7, AS ADDED BY P.L.182-2009(ss),  
8 SECTION 364, IS AMENDED TO READ AS FOLLOWS  
9 [EFFECTIVE JULY 1, 2011]: Sec. 7. "Scholarship granting  
10 organization" refers to an organization that:

11 (1) is exempt from federal income taxation under Section  
12 501(c)(3) of the Internal Revenue Code; and

13 (2) is organized at least in part to grant school scholarships  
14 **without limiting the availability of scholarships to students of**  
15 **only one (1) participating school.**

16 SECTION 8. IC 20-51-3-5, AS ADDED BY P.L.182-2009(ss),  
17 SECTION 364, IS AMENDED TO READ AS FOLLOWS  
18 [EFFECTIVE JULY 1, 2011]: Sec. 5. (a) An agreement entered into  
19 under section 1 of this chapter must prohibit a scholarship granting  
20 organization from distributing school scholarships for use by an  
21 eligible student to:

22 (1) enroll in a school that has:

23 (A) paid staff or board members; or

24 (B) relatives of paid staff or board members;

25 in common with the scholarship granting support organization;

26 (2) enroll in a school that the scholarship granting organization  
27 knows does not qualify as a participating school; or

28 (3) pay for the cost of education for a public school where the  
29 eligible student is entitled to enroll without the payment of tuition.

30 **(b) An agreement entered into under section 1 of this chapter**  
31 **must prohibit a scholarship granting organization from limiting**  
32 **the availability of scholarships to students of only one (1)**  
33 **participating school. An agreement entered into under section 1 of**  
34 **this chapter before July 1, 2011, must be amended to include the**  
35 **requirement specified in this subsection."**

36 Page 4, line 11, delete "2012," and insert "2011,".

37 Page 4, between lines 11 and 12, begin a new paragraph and insert:

38 **"Sec. 2. An eligible school shall abide by the school's written**

- 1 **admission policy fairly and without discrimination with regard to**  
 2 **students who:**
- 3 **(1) apply for; or**  
 4 **(2) are awarded;**  
 5 **scholarships under this chapter."**
- 6 Page 4, line 12, delete "2." and insert "3."  
 7 Page 4, line 13, delete "lesser" and insert "least".  
 8 Page 4, line 23, delete "3" and insert "4".  
 9 Page 4, line 27, after "program;" insert "and".  
 10 Page 4, line 29, delete "3" and insert "4".  
 11 Page 4, line 33, delete "; and" and insert ".".  
 12 Page 4, delete lines 34 through 40, begin a new line block indented  
 13 and insert:  
 14 **"(3) If the eligible individual is enrolled in grade 1 through 8,**  
 15 **the maximum choice scholarship that the eligible individual**  
 16 **may receive for a school year is four thousand five hundred**  
 17 **dollars (\$4,500)."**
- 18 Page 4, line 41, delete "3." and insert "4."  
 19 Page 4, line 42, delete "2(2)" and insert "3(2)".  
 20 Page 5, line 7, delete "begins." and insert "begins, excluding  
 21 **amounts provided for special education grants under IC 20-43-7**  
 22 **and career and technical education grants under IC 20-43-8."**
- 23 Page 5, line 13, delete "4." and insert "5. (a)".  
 24 Page 5, line 16, delete "per diem".  
 25 Page 5, between lines 16 and 17, begin a new paragraph and insert:  
 26 **"(b) The amount by which a choice scholarship is reduced under**  
 27 **this section shall be distributed to public schools using the same**  
 28 **formula applicable to the distribution of basic tuition support (as**  
 29 **defined in IC 20-43-1-8)."**
- 30 Page 5, line 17, delete "5." and insert "6. (a)".  
 31 Page 5, between lines 17 and 18, begin a new paragraph and insert:  
 32 **"(b) The department shall adopt rules under IC 4-22-2 to**  
 33 **implement this chapter.**
- 34 **(c) The department may adopt emergency rules under**  
 35 **IC 4-22-2-37.1 to implement this chapter."**
- 36 Page 5, line 18, delete "6." and insert "7."  
 37 Page 5, between lines 20 and 21, begin a new paragraph and insert:  
 38 **"Sec. 8. (a) The department shall enforce the following**

- 1 **consequences for an eligible school that is nonpublic:**
- 2 **(1) If the school is placed in either of the lowest two (2)**
- 3 **categories or designations under IC 20-31-8-3 for two (2)**
- 4 **consecutive years, the department shall suspend choice**
- 5 **scholarship payments for one (1) year for new students who**
- 6 **would otherwise use a choice scholarship to attend the school.**
- 7 **(2) If the school is placed in either of the lowest two (2)**
- 8 **categories or designations under IC 20-31-8-3 for three (3)**
- 9 **consecutive years, the department shall suspend choice**
- 10 **scholarship payments for new students who would otherwise**
- 11 **use a choice scholarship to attend the school until the school**
- 12 **is placed in the middle category or higher category or**
- 13 **designation, for two (2) consecutive years.**
- 14 **(3) If the school is placed in the lowest category or designation**
- 15 **under IC 20-31-8-3 for three (3) consecutive years, the**
- 16 **department shall suspend choice scholarship payments for**
- 17 **new students who would otherwise use a choice scholarship to**
- 18 **attend the school until the school is placed in the middle**
- 19 **category or higher category or designation, for three (3)**
- 20 **consecutive years.**
- 21 **(4) Students who:**
- 22 **(A) are currently enrolled at a school described in**
- 23 **subdivision (1), (2), or (3); and**
- 24 **(B) qualify for a choice scholarship for the upcoming**
- 25 **school year;**
- 26 **may continue to receive a choice scholarship at the school.**
- 27 **(b) This section may not be construed to prevent a student**
- 28 **enrolled in a school subject to this section from applying for a**
- 29 **choice scholarship in the future at another participating school."**
- 30 Page 5, line 21, delete "7." and insert "9."
- 31 Page 5, line 24, delete "2(1)" and insert "3(1)".
- 32 Page 5, line 27, delete "8." and insert "10."
- 33 Page 5, after line 30, begin a new paragraph and insert:
- 34 **"Sec. 11. (a) Each school year, the department shall make a**
- 35 **supplemental distribution to school corporations and charter**
- 36 **schools (other than virtual charter schools) in the amount**
- 37 **determined under this section.**
- 38 **(b) The amount of the distribution is equal to the result**

1       **determined under STEP TWO of the following formula:**  
2               **STEP ONE: Determine the result of:**  
3                   **(A) the state tuition support amount that applies to the**  
4                   **school year under section 4 of this chapter; multiplied by**  
5                   **(B) the total number of eligible individuals receiving a**  
6                   **choice scholarship in the school year, including eligible**  
7                   **individuals that received a prorated choice scholarship**  
8                   **under section 5 of this chapter.**  
9               **STEP TWO: Determine the result of:**  
10                   **(A) the STEP ONE amount; minus**  
11                   **(B) the amount distributed as choice scholarships for the**  
12                   **school year.**  
13                   **(c) The department shall distribute the amount determined**  
14                   **under subsection (b) to school corporations and charter schools**  
15                   **(other than virtual charter schools) under the same formula used**  
16                   **in that year to distribute basic tuition support (as defined in**  
17                   **IC 20-43-1-8)."**  
18               Renumber all SECTIONS consecutively.  
              (Reference is to HB 1003 as introduced.)

**and when so amended that said bill do pass.**

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Representative Behning