



April 5, 2013

# ENGROSSED HOUSE BILL No. 1312

DIGEST OF HB 1312 (Updated April 3, 2013 3:54 pm - DI 116)

**Citations Affected:** IC 21-16.

**Synopsis:** EARN Indiana program. Changes the college work study program into the employment aid readiness network (EARN) Indiana program. Defines "EARN Indiana program". Makes changes to the definition of "eligible employer" to extend eligibility to for-profit companies and allow year-round participation of all eligible entities. Makes changes to the definition of "eligible student". Makes changes to transform the EARN Indiana program into a year-round program. Changes the conditions that must be included in an agreement between the commission for higher education (commission) and an eligible employer. Repeals a provision that pertains to certain requirements of eligible employers that are approved postsecondary educational institutions. Repeals a provision allowing an approved postsecondary educational institution to use up to 10% of its state allotment as part of its match against the federal Work-Study Program. Requires an eligible employer to submit to the commission a job description and one or more statements reporting the wages paid to the student and time worked by the student. Provides that for purposes of funding for eligible employers that are for-profit companies, the commission shall give priority to employers that are organized as small businesses.

**Effective:** July 1, 2013.

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## Clere, Behning, Huston, Hale

(SENATE SPONSORS — MILLER PETE, KRUSE, BANKS, TAYLOR)

January 23, 2013, read first time and referred to Committee on Education.  
February 11, 2013, reported — Do Pass.  
February 14, 2013, read second time, ordered engrossed. Engrossed.  
February 18, 2013, read third time, passed. Yeas 96, nays 1.

### SENATE ACTION

February 25, 2013, read first time and referred to Committee on Education and Career Development.  
April 4, 2013, reported favorably — Do Pass.

EH 1312—LS 7124/DI 116+



April 5, 2013

First Regular Session 118th General Assembly (2013)

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 2012 Regular Session of the General Assembly.

## ENGROSSED HOUSE BILL No. 1312

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 21-16-1-4.5 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
3 1, 2013]: **Sec. 4.5. "EARN Indiana program" refers to the**  
4 **employment aid readiness network Indiana program established**  
5 **under IC 21-16-2-1.**
- 6 SECTION 2. IC 21-16-1-6, AS ADDED BY P.L.2-2007, SECTION  
7 257, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY  
8 1, 2013]: Sec. 6. "Eligible employer" means:  
9 (1) ~~for purposes of the summer work study program:~~  
10 ~~(A) an approved postsecondary educational institution;~~  
11 ~~(B) (2) a state or local governmental unit; or~~  
12 ~~(C) (3) a private nonprofit organization located in Indiana~~  
13 ~~performing work in the public interest; and or~~  
14 ~~(2) for purposes of the in school work study program; an approved~~  
15 ~~postsecondary educational institution.~~  
16 **(4) a for-profit company.**
- 17 SECTION 3. IC 21-16-1-8, AS ADDED BY P.L.2-2007, SECTION

EH 1312—LS 7124/DI 116+



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1 257, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY  
2 1, 2013]: Sec. 8. "Eligible student" means a **student who:**

- 3 **(1) has been offered a financial aid award from the**  
4 **commission under IC 21-12-3, IC 21-12-4, or IC 21-12-6 for**  
5 **the current academic year; and**  
6 **(2) is enrolled as a full-time student at an approved institution**  
7 **of higher education in Indiana.**

8 (†) for purposes of the summer work study program; a student  
9 who:

10 (A) has completed at least one (†) academic year as a full-time  
11 student at an approved institution of higher education in  
12 Indiana; and

13 (B) has received a financial aid award from the commission  
14 for the immediately preceding academic year; and

15 (2) for purposes of the in school work study program; a student  
16 who:

17 (A) is enrolled as a full-time student at an approved institution  
18 of higher education in Indiana; and

19 (B) has received a financial aid award from the commission  
20 for the current academic year.

21 SECTION 4. IC 21-16-1-10, AS ADDED BY P.L.2-2007,  
22 SECTION 257, IS AMENDED TO READ AS FOLLOWS  
23 [EFFECTIVE JULY 1, 2013]: Sec. 10. "Fund":

24 (1) for purposes of IC 21-16-2, refers to the college work study  
25 **EARN Indiana** fund established by IC 21-16-2-2;

26 (2) for purposes of IC 21-16-4, refers to the student loan program  
27 fund established by IC 21-16-4-11; and

28 (3) for purposes of IC 21-16-5, refers to the secondary market sale  
29 fund established by IC 21-16-5-17.

30 SECTION 5. IC 21-16-2-1, AS ADDED BY P.L.2-2007, SECTION  
31 257, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY  
32 1, 2013]: Sec. 1. There is established a college work study program an  
33 **employment aid readiness network (EARN) Indiana program** to be  
34 administered by the commission.

35 SECTION 6. IC 21-16-2-2, AS ADDED BY P.L.234-2007,  
36 SECTION 49, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
37 JULY 1, 2013]: Sec. 2. (a) The college work study **EARN Indiana**  
38 fund is established to provide reimbursement to eligible employers who  
39 enter into agreements with the commission under this chapter.

40 (b) The fund consists of appropriations from the state general fund  
41 and contributions from private sources.

42 (c) The expenses of administering the fund shall be paid from

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1 money in the fund.

2 (d) The treasurer of state shall invest the money in the fund not  
3 currently needed to meet the obligations of the fund in the same  
4 manner as other public funds may be invested. Interest that accrues  
5 from these investments shall be deposited in the fund.

6 (e) Money in the fund at the end of a particular fiscal year does not  
7 revert to the state general fund but remains available to be used for  
8 providing reimbursements under this chapter.

9 SECTION 7. IC 21-16-2-3, AS ADDED BY P.L.2-2007, SECTION  
10 257, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY  
11 1, 2013]: Sec. 3. In order to implement the provisions of this chapter,  
12 the commission shall enter into agreements with eligible employers for  
13 the operation of ~~work study programs~~ **the EARN Indiana program** as  
14 provided in this chapter.

15 SECTION 8. IC 21-16-2-4, AS ADDED BY P.L.2-2007, SECTION  
16 257, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY  
17 1, 2013]: Sec. 4. An agreement entered into under this chapter must:

18 (1) provide for ~~the part-time~~ employment by the eligible employer  
19 of eligible students:

20 **(A) for a minimum average of twelve (12) hours per week;**  
21 **and**

22 ~~(A) (B)~~ a maximum average of: ~~nineteen (19) hours per week~~  
23 ~~for the in school program; and~~

24 ~~(B)~~ a maximum of  
25 **(i) twenty (20) hours per week, if the student is enrolled**  
26 **in courses at the time of employment; or**  
27 **(ii) forty (40) hours per week for the summer program; if the**  
28 **employment occurs during the summer term and the**  
29 **student is not enrolled in courses during the summer**  
30 **term;**

31 (2) provide for the reimbursement, to the extent possible under  
32 the then current biennial appropriation, by the state to the  
33 employer of at least fifty percent (50%) of the federal minimum  
34 hourly wage for each hour worked by the student for the  
35 employer;

36 (3) provide that any work performed by a student under this  
37 chapter must not result in the displacement of employed workers  
38 or impair existing contracts for services;

39 (4) provide that any work performed by a student under this  
40 chapter shall not involve any partisan or nonpartisan political or  
41 sectarian activities;

42 (5) provide that wage rates must be established by the eligible

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1 institution; **employer**, but must not be less than the current  
2 federal minimum wage rate; and

3 (6) contain any other provisions necessary to carry out this  
4 chapter.

5 SECTION 9. IC 21-16-2-5 IS REPEALED [EFFECTIVE JULY 1,  
6 2013]. *Sec. 5: An eligible employer that is an approved postsecondary  
7 educational institution that wishes to participate in the work study  
8 program under this chapter must:*

9 (1) submit a statement to the commission no later than August 1  
10 of each year setting out the amount of money the approved  
11 postsecondary educational institution plans to use for work study  
12 employment in the next academic year;

13 (2) submit a statement to the commission at the close of the  
14 academic year specifying the amount of money actually expended  
15 by the approved postsecondary educational institution for work  
16 study employment that qualifies for reimbursement under this  
17 chapter;

18 (3) sign an agreement to administer the program according to the  
19 published rules and program guidelines as outlined by the  
20 commission;

21 (4) place students in an on campus or off campus work situation;  
22 and

23 (5) participate in the Job Location and Development Program of  
24 the federal Work-Study Program (42 U.S.C. 2756(a)) and  
25 maintain at least one (1) employee half time to carry out the  
26 provisions of that program; or maintain a job placement and  
27 development program that is acceptable to the commission.

28 SECTION 10. IC 21-16-2-6 IS REPEALED [EFFECTIVE JULY 1,  
29 2013]. *Sec. 6: An approved postsecondary educational institution may  
30 use up to ten percent (10%) of its state allotment as part of its match  
31 against the federal Work-Study Program.*

32 SECTION 11. IC 21-16-2-7, AS ADDED BY P.L.2-2007,  
33 SECTION 257, IS AMENDED TO READ AS FOLLOWS  
34 [EFFECTIVE JULY 1, 2013]: *Sec. 7. An eligible employer other than  
35 an approved postsecondary educational institution governed by section  
36 6 of this chapter, that wishes to participate in the work-study EARN  
37 Indiana program under this chapter must:*

38 (1) submit to the commission, by the date specified by the  
39 commission and in the format specified by the commission, a  
40 statement to the commission no later than June 1 of each year  
41 setting out the amount of money the employer plans to use for  
42 work study employment in the next year; job description for

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- 1        **each job that the eligible employer will offer to eligible**
- 2        **students under the program;**
- 3        **(2) submit to the commission, by the date specified by the**
- 4        **commission, a statement to the commission at the close of the**
- 5        **year specifying the amount of money actually expended by the**
- 6        **employer for work study employment that qualifies for**
- 7        **reimbursement under this chapter; one (1) or more statements**
- 8        **reporting:**
- 9            **(A) the wages paid by the eligible employer to each eligible**
- 10          **student; and**
- 11          **(B) the amount of time worked by each eligible student**
- 12          **employed by the eligible employer; and**
- 13          **(3) sign an agreement agreeing to administer the program**
- 14          **according to the published rules and program guidelines as**
- 15          **outlined by the commission.**

16        SECTION 12. IC 21-16-2-8, AS ADDED BY P.L.2-2007,  
 17        SECTION 257, IS AMENDED TO READ AS FOLLOWS  
 18        [EFFECTIVE JULY 1, 2013]: Sec. 8. Funds received by students under  
 19        this chapter for work during summer periods must not be considered as  
 20        financial aid and must not be used in determining awards under the  
 21        provisions of IC 21-12-3, IC 21-12-4, and IC 21-12-5.

22        SECTION 13. IC 21-16-2-9 IS ADDED TO THE INDIANA CODE  
 23        AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
 24        1, 2013]: Sec. 9. In entering into agreements under section 3 of this  
 25        chapter with eligible employers described in IC 21-16-1-6(4), the  
 26        commission shall give priority to eligible employers that are  
 27        organized as small businesses.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Education, to which was referred House Bill 1312, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

BEHNING, Chair

Committee Vote: yeas 11, nays 1.

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COMMITTEE REPORT

Madam President: The Senate Committee on Education and Career Development, to which was referred House Bill No. 1312, 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.

(Reference is made to House Bill 1312 as printed February 12, 2013.)

KRUSE, Chairperson

Committee Vote: Yeas 10, Nays 0.

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