

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 2016 Regular Session of the General Assembly.

HOUSE ENROLLED ACT No. 1004

AN ACT to amend the Indiana Code concerning education.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 12-7-2-35, AS AMENDED BY THE TECHNICAL CORRECTIONS BILL OF THE 2017 GENERAL ASSEMBLY, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]:

Sec. 35. "Committee", ~~means the following:~~

(1) for purposes of IC 12-15-33, ~~has~~ the meaning set forth in IC 12-15-33-1.

(2) ~~For purposes of IC 12-17.2-3.6, the meaning set forth in IC 12-17.2-3.6-1.~~

(3) ~~For purposes of IC 12-21-4.5, the meaning set forth in IC 12-21-4.5-1.~~

SECTION 2. IC 12-7-2-75.7 IS REPEALED [EFFECTIVE JULY 1, 2017]. ~~Sec. 75.7: "Eligible child", for purposes of IC 12-17.2-3.6, has the meaning set forth in IC 12-17.2-3.6-2.~~

SECTION 3. IC 12-7-2-76.2 IS REPEALED [EFFECTIVE JULY 1, 2017]. ~~Sec. 76.2: "Eligible provider", for purposes of IC 12-17.2-3.6, has the meaning set forth in IC 12-17.2-3.6-3.~~

SECTION 4. IC 12-7-2-76.3 IS REPEALED [EFFECTIVE JULY 1, 2017]. ~~Sec. 76.3: "Eligible services", for purposes of IC 12-17.2-3.6, has the meaning set forth in IC 12-17.2-3.6-4.~~

SECTION 5. IC 12-7-2-91, AS AMENDED BY P.L.2-2014, SECTION 60, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 91. "Fund" means the following:



- (1) For purposes of IC 12-12-1-9, the fund described in IC 12-12-1-9.
- (2) For purposes of IC 12-15-20, the meaning set forth in IC 12-15-20-1.
- (3) For purposes of IC 12-17-12, the meaning set forth in IC 12-17-12-4.
- ~~(4) For purposes of IC 12-17.2-3.6, the meaning set forth in IC 12-17.2-3.6-5.~~
- ~~(5)~~ (4) For purposes of IC 12-17.6, the meaning set forth in IC 12-17.6-1-3.
- ~~(6)~~ (5) For purposes of IC 12-23-2, the meaning set forth in IC 12-23-2-1.
- ~~(7)~~ (6) For purposes of IC 12-23-18, the meaning set forth in IC 12-23-18-4.
- ~~(8)~~ (7) For purposes of IC 12-24-6, the meaning set forth in IC 12-24-6-1.
- ~~(9)~~ (8) For purposes of IC 12-24-14, the meaning set forth in IC 12-24-14-1.
- ~~(10)~~ (9) For purposes of IC 12-30-7, the meaning set forth in IC 12-30-7-3.

SECTION 6. IC 12-7-2-93.7 IS REPEALED [EFFECTIVE JULY 1, 2017]. ~~Sec. 93.7. "Grant", for purposes of IC 12-17.2-3.6, has the meaning set forth in IC 12-17.2-3.6-6.~~

SECTION 7. IC 12-7-2-135.8, AS AMENDED BY P.L.2-2014, SECTION 62, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 135.8. (a) "Paths to QUALITY program", for purposes of IC 12-17.2-2-14.2, ~~and IC 12-17.2-3.6~~, refers to the program established in IC 12-17.2-2-14.2(b).

(b) "Paths to QUALITY program", for purposes of IC 12-17.2-3.8, has the meaning set forth in IC 12-17.2-3.8-1.

SECTION 8. IC 12-7-2-139.3 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 139.3. "Pilot fund", for purposes of IC 12-17.2-7.2, has the meaning set forth in IC 12-17.2-7.2-4.7.**

SECTION 9. IC 12-7-2-143.1 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: **Sec. 143.1. "Potential eligible provider or existing eligible provider", for purposes of IC 12-17.2-7.2, has the meaning set forth in IC 12-17.2-7.2-5.5.**

SECTION 10. IC 12-7-2-146, AS AMENDED BY P.L.149-2016, SECTION 43, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



JULY 1, 2017]: Sec. 146. "Program" refers to the following:

- (1) For purposes of IC 12-10-7, the adult guardianship services program established by IC 12-10-7-5.
- (2) For purposes of IC 12-10-10, the meaning set forth in IC 12-10-10-5.
- (3) For purposes of IC 12-10-10.5, the meaning set forth in IC 12-10-10.5-4.
- (4) For purposes of IC 12-17.2-2-14.2, the meaning set forth in IC 12-17.2-2-14.2(a).
- ~~(5) For purposes of IC 12-17.2-3.6, the meaning set forth in IC 12-17.2-3.6-7.~~
- ~~(6)~~ (5) For purposes of IC 12-17.2-3.8, the meaning set forth in IC 12-17.2-3.8-2.
- ~~(7)~~ (6) For purposes of IC 12-17.6, the meaning set forth in IC 12-17.6-1-5.

SECTION 11. IC 12-17.2-3.5-14.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 14.5. Not later than July 1, 2017, the division shall develop a provider rate reimbursement schedule that uses money appropriated by the general assembly as an incentive for providers that are eligible to receive voucher payments under this chapter to meet the standards of quality recognized by a Level 3 or Level 4 Paths to QUALITY program rating.**

SECTION 12. IC 12-17.2-3.6 IS REPEALED [EFFECTIVE JULY 1, 2017]. (Early Learning Advisory Committee; Early Education Matching Grant Program).

SECTION 13. IC 12-17.2-7.2-1, AS ADDED BY P.L.202-2014, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 1. As used in this chapter, "eligible child" refers to an individual who:

- (1) is at least four (4) years of age and less than five (5) years of age on August 1 of the state fiscal year for which a grant is sought under the **prekindergarten** pilot program;
- (2) is a resident of Indiana or otherwise has legal settlement in Indiana, as determined under IC 20-26-11;
- (3) ~~is a member of a household with an annual income that does not exceed one hundred twenty-seven percent (127%) of the federal poverty level;~~ **meets the requirements under section 7.1 of this chapter;**
- (4) receives qualified early education services from an eligible provider, as determined by the office;



(5) has a parent or guardian who participates in a parental engagement and involvement component provided by the eligible provider; and

(6) has a parent or guardian who agrees to ensure that the child meets the attendance requirements determined by the office.

SECTION 14. IC 12-17.2-7.2-2, AS AMENDED BY P.L.169-2016, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 2. As used in this chapter, "eligible provider" refers to a provider that satisfies the following conditions:

(1) The provider is:

(A) a:

(i) public school, including a charter school;

(ii) child care center licensed under IC 12-17.2-4;

(iii) child care home licensed under IC 12-17.2-5; or

(iv) child care ministry registered under IC 12-17.2-6;

that meets the standards of quality recognized by a Level 3 or Level 4 paths to QUALITY program rating;

(B) a school that is accredited by the state board of education or a national or regional accreditation agency that is recognized by the state board of education; or

(C) a school that is accredited to provide qualified early education services by an accrediting agency approved by the office of the secretary.

(2) The provider:

(A) provides qualified early education services to eligible children; **and**

(B) complies with the agreement with the office concerning the delivery of qualified education services and the use of a grant provided under this chapter.

(3) The provider:

(A) is located in a county in which the **prekindergarten** pilot program is implemented; **or**

(B) meets the requirements of section 7(h) of this chapter.

SECTION 15. IC 12-17.2-7.2-4.7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 4.7. As used in this chapter, "pilot fund" refers to the prekindergarten pilot program fund established by section 13.5 of this chapter.**

SECTION 16. IC 12-17.2-7.2-5, AS ADDED BY P.L.202-2014, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 5. As used in this chapter, "~~pilot~~ **prekindergarten pilot** program" refers to the **prekindergarten** pilot



program established under section 7 of this chapter.

SECTION 17. IC 12-17.2-7.2-5.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: **Sec. 5.5. As used in this chapter, "potential eligible provider or existing eligible provider" refers to an entity that qualifies as a potential eligible provider or existing eligible provider under section 7.4(a) of this chapter.**

SECTION 18. IC 12-17.2-7.2-6, AS ADDED BY P.L.202-2014, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: **Sec. 6. As used in this chapter, "qualified early education services" refers to a program of early education services that:**

- (1) is provided by an eligible provider to an eligible child;**
- (2) includes a parental engagement and involvement component provided by the eligible provider; in the delivery of early education services that is based on the requirements and guidelines established by the office;**
- (3) administers the kindergarten readiness assessment adopted by the state board of education; and**
- (4) aligns with the early learning development framework for prekindergarten approved by the department of education under IC 20-19-3-16; and**
- (5) meets the design parameters for inclusion in the longitudinal study described in section 12 of this chapter, as determined by the office.**

SECTION 19. IC 12-17.2-7.2-7, AS ADDED BY P.L.202-2014, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: **Sec. 7. (a) The office may establish a prekindergarten pilot program to provide grants for:**

- (1) qualified early education services in a manner consistent with how funds are distributed under the Child Care and Development Fund (CCDF) grant program; and**
- (2) expansion plans as described in section 7.4(a)(2) of this chapter.**

(b) The office shall administer the prekindergarten pilot program. The prekindergarten pilot program may include:

- (1) eligible providers in not more than five (5) the counties described in subsections (c) and (d); and**
- (2) potential eligible providers or existing eligible providers as described in section 7.4 of this chapter.**

In determining which counties are designated as pilot counties, the office shall attempt to achieve diversity among the designated counties based on the geographical location of the counties; the population of



~~the counties, and whether the counties are primarily rural or urban.~~ The office shall ensure that the counties selected include a population of eligible children sufficient to conduct the longitudinal study under section 12 of this chapter.

(c) Before July 1, 2017, the prekindergarten pilot program includes eligible providers in the following pilot counties:

- (1) Allen.**
- (2) Jackson.**
- (3) Lake.**
- (4) Marion.**
- (5) Vanderburgh.**

The total amount of grants the office awards to eligible children in a county listed in this subsection during a state fiscal year may not be less than the total amount of grants the office awarded to eligible children in that county during the immediately preceding state fiscal year unless the office determines that there is an insufficient number of eligible children or eligible providers in the county to justify the total amount of grants for that county.

(d) After June 30, 2017, in addition to the counties listed under subsection (c), the prekindergarten pilot program includes the following:

- (1) Eligible providers in fifteen (15) additional counties.**
- (2) Eligible providers described in subsection (h) regardless of whether the eligible providers are located in a county described in subsection (c) or subdivision (1).**

In determining which counties are designated as pilot counties under subdivision (1), the office shall give preference to counties that are primarily rural.

~~(c)~~ **(e)** Subject to the requirements of this chapter, the office shall determine:

- (1) the eligibility requirements, application process, and selection process for awarding grants under the **prekindergarten** pilot program;**
- (2) the administration and reporting requirements for:**
 - (A) eligible providers; and**
 - (B) potential eligible providers or existing eligible providers;****participating in the **prekindergarten** pilot program; and**
- (3) with the assistance of the early learning advisory committee, an appropriate outcomes based accountability system for:**
 - (A) eligible providers; and**
 - (B) potential eligible providers or existing eligible**



providers.

~~(d)~~ **(f)** Before implementing the **prekindergarten** pilot program, the office shall submit the provisions of the **prekindergarten** pilot program to the state board of education for the state board of education's review and comment.

~~(e)~~ **(g)** The office shall, subject to the availability of funding, determine the number of eligible children who will participate in the **prekindergarten** pilot program.

(h) An eligible provider that:

(1) received a matching grant under IC 12-17.2-3.6 (before its repeal) in the state fiscal year beginning after June 30, 2016, and ending before July 1, 2017;

(2) meets the requirements as an eligible provider under this chapter; and

(3) participates in the prekindergarten pilot program each year continuously, beginning with the year the eligible provider is eligible to participate in the prekindergarten pilot program under this subsection;

is eligible to participate in the prekindergarten pilot program regardless of whether the eligible provider is located in a county described in subsection (c) or (d)(1). If an eligible provider does not participate in the program each year continuously as described in subdivision (3), the eligible provider is not eligible under this subsection to participate in the prekindergarten pilot program. However, this subsection does not affect the eligibility of an eligible provider that is located in a county described in subsection (c) or (d)(1).

SECTION 20. IC 12-17.2-7.2-7.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: **Sec. 7.1. (a) Except as provided in subsection (b), for an eligible child to qualify for a grant under this chapter, the eligible child must be a member of a household with an annual income that does not exceed one hundred twenty-seven percent (127%) of the federal poverty level.**

(b) Subject to subsection (d) and section 8(a) of this chapter, an eligible child who resides in a county described in section 7(c) of this chapter may qualify for a grant under this chapter if the following apply:

(1) The office determines that all eligible children described in subsection (a) residing in the county who:

(A) applied for a grant under this chapter; and

(B) meet the requirements to receive a grant under this



chapter;

have been awarded a grant under this chapter.

(2) The eligible child is a member of a household with an annual income that does not exceed one hundred eighty-five percent (185%) of the federal poverty level.

(3) The eligible child meets the other requirements to receive a grant under this chapter.

(c) At least ten percent (10%) but not more than fifty percent (50%) of the tuition for eligible children described in subsection (b) under the prekindergarten pilot program during the state fiscal year must be paid from donations, gifts, grants, bequests, and other funds received from a private entity or person or person, from the United States government, or from other sources (excluding funds from a grant provided under this chapter and excluding other state funding). The office may receive and administer grants on behalf of the prekindergarten pilot program. The grants shall be distributed by the office to fulfill the requirements of this subsection.

(d) If the office awards grants to eligible children described in subsection (b) in a county described in subsection (b), the total amount of grants awarded to all eligible children in that county under this chapter may not exceed the total of:

(1) the amount awarded to all eligible children in that county in the immediately preceding state fiscal year; plus

(2) twenty percent (20%) of the amount described in subdivision (1).

SECTION 21. IC 12-17.2-7.2-7.2 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 7.2. (a) For an eligible child to qualify for a grant under this chapter, the eligible child must reside with a parent or guardian who is:

(1) working or attending a job training or an educational program; or

(2) actively seeking employment, subject to the approval by the United States Department of Health and Human Services as provided in 45 CFR 98.21.

(b) Before the office may award a grant to an eligible child under this chapter, the office shall require that a parent or guardian of the eligible child agree to the following:

(1) The eligible child will attend the prekindergarten program of an eligible provider selected by the parent or guardian for the full duration of the prekindergarten program year.



(2) The parent or guardian will not transfer to another prekindergarten program during the prekindergarten program year.

(3) The eligible child will attend the prekindergarten program at least eighty-five percent (85%) of the days that the prekindergarten program is provided.

(4) The parent or guardian will allow the eligible child to participate in an external evaluation conducted by researchers, including the kindergarten readiness assessment and measuring of developmental and academic progress.

(5) The parent or guardian will participate in family engagement and involvement activities offered by the selected prekindergarten program, including meetings with the eligible child's teacher to discuss the eligible child's progress or any other conference concerning the eligible child that is requested by the eligible provider.

(6) The parent or guardian will complete the necessary forms for the eligible child to receive a student test number from the department of education.

(7) The parent or guardian will send the eligible child to kindergarten.

(8) The parent or guardian will read to the eligible child each week.

(9) Any other condition the office determines is appropriate.

(c) Priority may be given to an eligible child under this section if a parent or guardian of the eligible child is:

(1) involved in activities that improve the parent's or guardian's education; or

(2) involved in job training.

SECTION 22. IC 12-17.2-7.2-7.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 7.3. The office shall require, for an eligible provider to enroll in the prekindergarten pilot program, that the eligible provider agree to the following:

(1) Comply on a continuing basis with the requirements under this chapter and rules for participation established by the office.

(2) Maintain eligibility under this chapter throughout the prekindergarten program year.

(3) Report immediately any changes in eligibility status to the office, including the eligible provider's loss of national or regional accreditation.



- (4) Participate in any training and mandatory meetings required by the office.**
- (5) Participate in all onsite visits conducted by the office, including fiscal auditing activities with regard to the prekindergarten pilot program and prekindergarten program activity monitoring.**
- (6) Allow families of eligible children enrolled in the prekindergarten program of the eligible provider to visit at any time the prekindergarten program is in operation.**
- (7) Maintain accurate online attendance records through the attendance portal for eligible children enrolled in the prekindergarten pilot program and submit attendance records as required by the office.**
- (8) Offer parental engagement and involvement activities in the prekindergarten program of the eligible provider in alignment with the family engagement framework adopted by the early learning advisory committee established by IC 12-17.2-3.8-5.**
- (9) Complete, within the period established by the office, the Indiana early childhood family engagement toolkit, including the family engagement self-assessment, adopted by the early learning advisory committee.**
- (10) Share information on the family engagement self-assessment described in subdivision (9) as required by the office.**
- (11) Participate in research studies as required by the office.**
- (12) Enforce minimum attendance requirements of at least eighty-five percent (85%) of the days that the prekindergarten program of the eligible provider is offered to an eligible child.**
- (13) Inform the office that an eligible child has withdrawn from the prekindergarten program of the eligible provider not later than five (5) days after the eligible child is withdrawn.**
- (14) That retroactive repayment to the state may be required or future payments may be adjusted as a result of the withdrawal of an eligible child or changes in the law.**
- (15) Maintain records of participation by a family of an eligible child in family engagement activities and submit records as required by the office.**
- (16) Promote an eligible child's social, emotional, and behavioral health and eliminate or severely limit the use of**



expulsion, suspension, and other exclusionary discipline practices.

(17) Use the exclusionary discipline practices described in subdivision (16) only as a last resort in extraordinary circumstances when there is a determination of a serious safety threat that cannot otherwise be reduced or eliminated by the provision of reasonable modifications.

(18) Inform and receive approval from the office before the eligible provider expels, suspends, or uses other exclusionary discipline practices.

(19) Assist a parent or guardian, upon request by the parent or guardian, in obtaining information from, referral to, or both information from and referral to, the public school that serves the attendance area in which the parent or guardian resides for an educational evaluation and determination of eligibility for special education services if developmental delays or reasons to suspect a disability are observed by the parent, guardian, or teacher of an eligible child during the prekindergarten program year.

SECTION 23. IC 12-17.2-7.2-7.4 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 7.4. (a) To qualify as a potential eligible provider or existing eligible provider, an applicant must:

(1) provide an expansion plan to the office that details the potential eligible provider's or existing eligible provider's plan to:

(A) increase the capacity of providers of qualified early education services to serve a greater number of eligible children;

(B) increase the number of providers of qualified early education services; or

(C) increase the capacity as described in clause (A) and increase the number as described in clause (B);

(2) comply with the agreement with the office concerning the plan under subdivision (1) and the use of a grant awarded under this chapter;

(3) agree:

(A) to operate as an eligible provider; or

(B) that the applicant intends to operate as an eligible provider;

(4) agree that the applicant will not use any grant funds awarded under this section for capital expenditures; and



(5) comply with any other standards and procedures established under this chapter.

(b) Subject to subsections (c) and (d), the office may award a grant to an applicant that meets the requirements of subsection (a).

(c) The office may not use more than a total of twenty percent (20%) of the money in the pilot fund each state fiscal year for grants awarded under this chapter to potential eligible providers and existing eligible providers for expansion plans.

(d) The office may not award grant funds under this section to an applicant for any of the following:

(1) The purchase of land or a building.

(2) The construction or expansion of a building.

(e) If a potential eligible provider or existing eligible provider fails to:

(1) use the grant funds in accordance with the expansion plan described in subsection (a); or

(2) comply with the agreement entered into with the office under subsection (a);

the potential eligible provider or existing eligible provider shall repay to the office the total amount of the grant awarded to the potential eligible provider or existing eligible provider under this chapter.

SECTION 24. IC 12-17.2-7.2-7.5, AS ADDED BY P.L.35-2016, SECTION 49, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 7.5. The ~~secretary~~ office may adopt rules under IC 4-22-2 concerning the implementation and the administration of the **prekindergarten pilot** program.

SECTION 25. IC 12-17.2-7.2-7.6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 7.6. (a) The office shall monitor the educational outcomes resulting from the implementation of expansion plans described in section 7.4(a) of this chapter by potential eligible providers or existing eligible providers that receive a grant under this chapter over the period established by the office to evaluate the contribution that the expansion plans make toward improved educational outcomes.

(b) Beginning in 2018, the office shall annually provide the:

(1) governor; and

(2) legislative council in an electronic format under IC 5-14-6; a report of the findings of the office concerning the educational outcomes under subsection (a).

SECTION 26. IC 12-17.2-7.2-7.8 IS ADDED TO THE INDIANA



CODE AS A NEW SECTION TO READ AS FOLLOWS
[EFFECTIVE UPON PASSAGE]: **Sec. 7.8. (a) The office shall make random onsite inspections each year, as determined necessary by the office, at the facility of:**

- (1) an eligible provider; or**
- (2) a potential eligible provider or existing eligible provider; that receives a grant under this chapter.**

(b) The office may determine that an eligible provider or potential eligible provider or existing eligible provider is not eligible to receive a grant under the prekindergarten pilot program if the eligible provider or potential eligible provider or existing eligible provider:

- (1) fails to comply with this chapter; or**
- (2) refuses to allow, during normal business hours, the office or an agent of the office to inspect the facility at which the eligible provider or potential eligible provider or existing eligible provider operates a child care program for eligible children.**

SECTION 27. IC 12-17.2-7.2-8, AS AMENDED BY THE TECHNICAL CORRECTIONS BILL OF THE 2017 GENERAL ASSEMBLY, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: **Sec. 8. (a) The office shall determine:**

- (1) which applicants shall be awarded a grant; and**
- (2) subject to subsection (b) and to the availability of funding, the amount of each grant.**

(b) Except as provided in section 7.1 of this chapter, at least ten five percent (~~10%~~) (5%) but not more than fifty percent (50%) of the:

- (1) tuition for eligible children under the prekindergarten pilot program; or**
- (2) expansion plan described in section 7.4(a) of this chapter;** during the state fiscal year must be paid from donations, gifts, grants, bequests, and other funds received from a private entity or person, from the United States government, or from other sources (excluding funds from a grant provided under this chapter and excluding other state funding). The office may receive and administer grants on behalf of the **prekindergarten** pilot program. The grants shall be distributed by the office to fulfill the requirements of this subsection.

(c) The amount of a grant made under the pilot program to an eligible child:

- (1) must equal at least two thousand five hundred dollars (\$2,500) during the state fiscal year; and**
- (2) may not exceed six thousand eight hundred dollars (\$6,800)**



during the state fiscal year.

(d) The total amount of grants provided from the funding under section 9(a) of this chapter (before its repeal) that are awarded under the pilot program in a state fiscal year may not exceed ten million dollars (\$10,000,000).

SECTION 28. IC 12-17.2-7.2-11, AS ADDED BY P.L.202-2014, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 11. **Except as provided under IC 20-51-1-4.3(3)(E)**, the receipt of a grant under the pilot program does not qualify, nor have an effect on the qualification or eligibility, of a child for a choice scholarship under IC 20-51-4.

SECTION 29. IC 12-17.2-7.2-12, AS AMENDED BY THE TECHNICAL CORRECTIONS BILL OF THE 2017 GENERAL ASSEMBLY, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 12. (a) The office shall carry out a longitudinal study of students who participate in the **prekindergarten** pilot program to determine the achievement levels of those students in kindergarten and later grades.

(b) The longitudinal study must include a comparison of test and assessment results in grade 3 of:

- (1) the eligible children who participated in the **prekindergarten** pilot program; and
- (2) a control group determined by the office that consists of children who did not participate in the **prekindergarten** pilot program.

(c) The office may, after consulting with the state board of education, enter into a contract with one (1) or more persons to carry out the longitudinal study under this section. The office may expend not more than one million dollars (\$1,000,000) from the funds appropriated under section 9 of this chapter (**repealed**) to carry out the longitudinal study. ~~The amount expended to carry out the longitudinal study under this section is in addition to the ten million dollar (\$10,000,000) limit under section 8(d) of this chapter on the amount of grants under the pilot program in a state fiscal year.~~

SECTION 30. IC 12-17.2-7.2-13, AS ADDED BY P.L.202-2014, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 13. The office shall before November 1 of each year report to the governor, the budget committee, the state board of education, the department of education, and, in an electronic format under IC 5-14-6, the legislative council regarding the **prekindergarten** pilot program.

SECTION 31. IC 12-17.2-7.2-13.5 IS ADDED TO THE INDIANA



CODE AS A NEW SECTION TO READ AS FOLLOWS
[EFFECTIVE UPON PASSAGE]: **Sec. 13.5. (a) The prekindergarten pilot program fund is established to:**

- (1) provide grants to eligible children for qualified early education services under this chapter;
 - (2) carry out the longitudinal study described in section 12 of this chapter;
 - (3) provide grants to potential eligible providers and existing eligible providers as set forth in section 7.4 of this chapter; and
 - (4) make payments to reimburse costs incurred to provide in-home early education services under IC 12-17.2-7.5.
- (b) The fund consists of:
- (1) money appropriated to the fund by the general assembly; and
 - (2) grants or gifts to the fund.
- (c) The fund shall be administered by the office.
- (d) The expenses of administering the fund shall be paid from money in the fund.
- (e) Money in the fund at the end of a state fiscal year does not revert to the state general fund.
- (f) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested.

SECTION 32. IC 12-17.2-7.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS
[EFFECTIVE JULY 1, 2017]:

Chapter 7.5. Technology Based In-Home Early Education

Sec. 1. As used in this chapter, "in-home early education services" means a technology based program of early education that:

- (1) is designed to improve a child's transition into elementary education;
- (2) includes a parental engagement and involvement component;
- (3) is provided to a child at the child's home or a similar home setting; and
- (4) meets the design parameters for inclusion in the longitudinal study described in section 5 of this chapter, as determined by the office.

Sec. 2. As used in this chapter, "office" refers to the office of the secretary of family and social services.



Sec. 3. The office shall review in-home early education services that are available in Indiana.

Sec. 4. (a) After completing the review under section 3 of this chapter, the office may develop and implement a reimbursement program to reimburse costs that are incurred by a parent or guardian of a child to provide in-home early education services to the child.

(b) If the office develops and implements a reimbursement program under subsection (a), the office shall give preference to a child located in a county that does not have a child care provider that meets the standards of quality recognized by Level 3 or Level 4 Paths to QUALITY program rating located in the county.

(c) The office may develop reimbursement rates for the reimbursement of in-home early education services.

(d) Reimbursement by the office under this section may be funded from any of the following sources:

- (1) Federal grants.**
- (2) State appropriations.**
- (3) Money from a political subdivision (as defined in IC 36-1-2-13).**
- (4) Money from the prekindergarten pilot program fund established by IC 12-17.2-7.2-13.5.**

Sec. 5. (a) If the office implements a reimbursement program under section 4(a) of this chapter, the office shall require the provider of the in-home early education services to contract with a third party to conduct a longitudinal study, as prescribed by the office, of students who receive the in-home early education services to determine the achievement levels of those students in kindergarten and later grades. The cost of the longitudinal study may not be paid by the office.

(b) The longitudinal study under this section must include a comparison of test and assessment results in grade 3 of:

- (1) the children who received in-home early education services; and**
- (2) a control group that consists of children who did not receive in-home early education services.**

(c) The provider of the in-home early education services shall provide the results of the longitudinal study under this section to the office.

SECTION 33. IC 20-19-3-16 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 16. The department shall:



- (1) approve an early learning development framework for prekindergarten; and**
- (2) post the framework described in subdivision (1) on the department's Internet web site.**

SECTION 34. IC 20-51-1-4.3, AS AMENDED BY P.L.233-2015, SECTION 313, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 4.3. "Eligible choice scholarship student" refers to an individual who:

- (1) has legal settlement in Indiana;
- (2) is at least five (5) years of age and less than twenty-two (22) years of age on the date in the school year specified in IC 20-33-2-7; and
- (3) meets at least one (1) of the following conditions:

(A) The individual is:

- (i) a student with a disability who requires special education and for whom an individualized education program has been developed under IC 20-35 or a service plan developed under 511 IAC 7-34; and
- (ii) a member of a household with an annual income of not more than two hundred percent (200%) of the amount required for the individual to qualify for the federal free or reduced price lunch program.

(B) The individual is:

- (i) an individual who, because of the school corporation's residency requirement, would be required to attend a specific public school within a school corporation that has been placed in the lowest category or designation of school improvement under IC 20-31-8-4 (has been assigned an "F" grade); and
- (ii) except as provided in IC 20-51-4-2.5, is a member of a household with an annual income of not more than one hundred fifty percent (150%) of the amount required for the individual to qualify for the federal free or reduced price lunch program.

An individual to whom this clause applies is not required to attend the public school before becoming eligible for a choice scholarship, and may not be required to return to the public school if the public school is placed in a higher category or designation under IC 20-31-8-4.

(C) Except as provided in IC 20-51-4-2.5, the individual is a member of a household with an annual income of not more than one hundred fifty percent (150%) of the amount required



for the individual to qualify for the federal free or reduced price lunch program and the individual was enrolled in kindergarten through grade 12, in a public school, including a charter school, in Indiana for at least two (2) semesters immediately preceding the first semester for which the individual receives a choice scholarship under IC 20-51-4.

(D) The individual or a sibling of the individual who, except as provided in IC 20-51-4-2.5, is a member of a household with an annual income of not more than one hundred fifty percent (150%) of the amount required for the individual to qualify for the federal free or reduced price lunch program and satisfies either of the following:

(i) The individual or a sibling of the individual received before July 1, 2013, a scholarship from a scholarship granting organization under IC 20-51-3 or a choice scholarship under IC 20-51-4 in a preceding school year, including a school year that does not immediately precede a school year in which the individual receives a scholarship from a scholarship granting organization under IC 20-51-3 or a choice scholarship under IC 20-51-4.

(ii) The individual or a sibling of the individual receives for the first time after June 30, 2013, a scholarship of at least five hundred dollars (\$500) from a scholarship granting organization under IC 20-51-3 or a choice scholarship under IC 20-51-4 in a preceding school year, including a school year that does not immediately precede a school year in which the individual receives a scholarship from a scholarship granting organization under IC 20-51-3 or a choice scholarship under IC 20-51-4.

(E) Subject to IC 20-51-4-2.7, the individual:

(i) received an early education grant under IC 12-17.2-7.2;

(ii) used the grant described in item (i) to attend a prekindergarten program at an eligible school;

(iii) continues to meet the income eligibility requirements the individual was required to meet to receive an early education grant under IC 12-17.2-7.2; and

(iv) continues to attend the eligible school at which the individual attended a prekindergarten program as described in item (ii).

SECTION 35. IC 20-51-4-2.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS



[EFFECTIVE JULY 1, 2017]: **Sec. 2.7. An eligible choice scholarship student described in IC 20-51-1-4.3(3)(E) may only use a choice scholarship awarded to the eligible choice scholarship student under this chapter to attend an eligible school at which the individual used an early education grant under IC 12-17.2-7.2 to attend a prekindergarten program unless the eligible choice scholarship student otherwise qualifies for a choice scholarship under IC 20-51-1-4.3(3)(A) through IC 20-51-1-4.3(3)(D) and this chapter.**

SECTION 36. [EFFECTIVE UPON PASSAGE] (a) As used in this SECTION, "office" refers to the office of the secretary of family and social services.

(b) The office shall apply for waivers from all applicable federal agencies to receive any federal funding for child care or prekindergarten education in one (1) block grant to use for child care and prekindergarten programs in Indiana.

(c) This SECTION expires July 1, 2022.

SECTION 37. An emergency is declared for this act.



Speaker of the House of Representatives

President of the Senate

President Pro Tempore

Governor of the State of Indiana

Date: _____ Time: _____

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