

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 2013 Regular Session and 2013 First Regular Technical Session of the General Assembly.

HOUSE ENROLLED ACT No. 1004

AN ACT to amend the Indiana Code concerning education and to make an appropriation.

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

SECTION 1. IC 6-3.1-30.5-7, AS ADDED BY P.L.182-2009(ss), SECTION 205, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 7. **(a)** A taxpayer that makes a contribution to a scholarship granting organization for use by the scholarship granting organization in a school scholarship program is entitled to a credit against the taxpayer's state tax liability in the taxable year in which the taxpayer makes the contribution.

(b) A taxpayer is not entitled to a credit under this chapter for a contribution to a scholarship granting organization that is used to provide a scholarship or other assistance to a child participating in the early education grant pilot program under IC 12-17.2-7.2.

SECTION 2. IC 12-17.2-7.2 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]:

Chapter 7.2. Early Education Grant Pilot Program

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 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;
- (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.

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; or
- (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.
- (2) The provider provides qualified early education services to eligible children.
- (3) The provider is located in a county in which the pilot program is implemented.

Sec. 3. As used in this chapter, "office" means the office of the secretary of family and social services.

Sec. 4. As used in this chapter, "paths to QUALITY program" has the meaning set forth in IC 12-17.2-2-14.2(b).

Sec. 5. As used in this chapter, "pilot program" refers to the pilot program established under section 7 of this chapter.

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;
- (3) administers the kindergarten readiness assessment adopted by the state board of education; and



(4) meets the design parameters for inclusion in the longitudinal study described in section 12 of this chapter, as determined by the office.

Sec. 7. (a) The office may establish a pilot program to provide grants for qualified early education services in a manner consistent with how funds are distributed under the Child Care and Development Fund (CCDF) grant program.

(b) The office shall administer the pilot program. The program may include eligible providers in not more than five (5) counties. 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) 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 pilot program;
- (2) the administration and reporting requirements for eligible providers participating in the pilot program; and
- (3) with the assistance of the early learning advisory committee, an appropriate outcomes based accountability system for eligible providers.

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

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

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) At least ten percent (10%) but not more than fifty percent (50%) of the tuition for eligible children under the 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, 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 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 that are awarded under the pilot program in a state fiscal year may not exceed ten million dollars (\$10,000,000).

Sec. 9. (a) The pilot program, including the longitudinal study under section 12 of this chapter, must be funded from one (1) or both of the following:

- (1) After review by the budget committee and approval by the budget agency, from Child Care and Development Fund (CCDF) grant funding received from the United States government that is designated by the budget agency as available for funding the pilot program.
- (2) After review by the budget committee and approval by the budget agency, from amounts reverted in a state fiscal year from funds appropriated to the divisions, departments, and bureaus administered by the office that are designated by the budget agency as available for funding the pilot program.

This subsection expires June 30, 2015.

(b) The amounts necessary to make the grants and pay the expenses of the longitudinal study under section 12 of this chapter from funds designated under subsection (a) are appropriated from the sources described in subsection (a) for the state fiscal year beginning July 1, 2014, and ending June 30, 2015, for the purposes of the pilot program.

Sec. 10. The office shall apply for any available waivers under the federal Child Care and Development Fund (CCDF) grant program and the federal Head Start program.

Sec. 11. 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.

Sec. 12. (a) The office shall carry out a longitudinal study of students who participate in the 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 pilot program;
and

(2) a control group determined by the office that consists of children who did not participate in the 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 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.

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 pilot program.

Sec. 14. This chapter expires July 1, 2026.

SECTION 3. [EFFECTIVE UPON PASSAGE] (a) As used in this SECTION, "commission" refers to the prekindergarten and early learning study commission established by subsection (b).

(b) The prekindergarten and early learning study commission is established.

(c) The legislative council established by IC 2-5-1.1-1 shall determine the number of members to appoint to the commission. The members of the commission may consist of legislators and lay members. The legislative council shall specify the number of legislative members and lay members. The lay members must have expertise in the area of education, business, childhood development, or social services. At least one (1) lay member must be a member of the early learning advisory committee established under IC 12-17.2-3.6-8.

(d) The chairman of the legislative council shall appoint the chairperson of the commission. The vice chairman of the legislative council shall appoint a member of the commission to serve as vice chairperson of the commission. The chairman and vice chairman



of the legislative council each shall appoint one-half (1/2) of the remaining members of the commission. If there is an odd number of members of the commission, the chairman of the legislative council appoints one (1) more member than the vice chairman of the legislative council.

(e) If a vacancy occurs on the commission, the legislative council shall appoint an individual to fill the vacancy.

(f) The commission shall do the following:

(1) Study the feasibility of obtaining a block grant and necessary waivers under the federal Head Start program under 42 U.S.C. 9831 et seq. to establish an early learning scholarship program or another type of alternative program.

(2) Study the feasibility of obtaining a Child Care and Development Block Grant under 42 U.S.C. 9858 et seq. or other federal funds to fund prekindergarten or early learning education programs in Indiana.

(3) Study options for funding prekindergarten or early learning programs, including opportunities to partner with business, philanthropic, or community leaders.

(4) Review whether other states have developed rigorous accountability standards for prekindergarten or early learning programs.

(5) Study parental involvement opportunities to prepare children for education outside the educational environment, including the benefits of reading to a child.

(6) Study opportunities to equip parents with skills necessary to improve the parents' ability to contribute to their child's early education.

(7) Study the economic benefits of prekindergarten or early learning programs.

(8) Study the appropriate state agency or entity to oversee and develop early learning accountability standards.

(9) Determine the appropriate income standard to use to determine whether a parent is eligible to receive assistance from the state for prekindergarten or early learning programs.

(10) Study opportunities to partner with an investment group or entity to establish an investment fund or vehicle to finance early education in Indiana.

(g) The commission shall submit a final report of the results of its study and any recommendations to the legislative council before November 1, 2014. The report must be in an electronic format



under IC 5-14-6.

(h) The legislative services agency shall provide staff support to the commission.

(i) The affirmative votes of a majority of the members appointed to the commission are required for the commission to take action on any measure, including a final report.

(j) Except as otherwise specifically provided in this SECTION, the commission shall operate under the rules of the legislative council.

(k) This SECTION expires January 1, 2015.

SECTION 4. 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: _____

