

**Choice Scholarship Program Policy Instruction  
Indiana Seriously Deficient Determinations and Procedures**

Purpose:	To outline the instances when the seriously deficient determination can be made
Scope:	Eligible schools participating in the Choice Scholarship Program
Description:	Indiana Code 20-51-4-3(d) provides that the Department of Education (Department) is to make random visits to at least five percent (5%) of eligible schools to verify that the eligible school complies with the provisions of the Choice Scholarship law and the Constitutions of the State of Indiana and the United States.

Random visits will be made by Department staff from the Office of School Finance to determine program compliance. A Serious Deficiency is a non-compliance of a program rule or a violation that impacts organizational capability and internal controls. Notice of serious deficiencies and notice of corrective action(s) will be provided to any eligible school found to be seriously deficient with program rules. Failure to correct serious deficiencies will result in loss of eligibility status for the Choice school.

The following is a non-exhaustive list of grounds for serious deficiencies, some with examples. This list is not meant as an all-inclusive list of possible serious deficiencies.

1. Noncompliance with the applicable application procedures and program requirements of the Choice Scholarship Program.  
Examples:
  - Failure to annually certify under penalties of perjury to the Indiana Department of Education that the eligible school is complying with the requirements of the Choice Scholarship Program.
  - Failure to comply with any of the assurances specified in the Choice School Application.
  - Failure to maintain records to document student eligibility for the Choice Scholarship.
  - An eligible school failed to first apply all tuition and fee discounts that the student, or a similarly situated non-eligible student, would have otherwise received absent a Choice Scholarship before determining the tuition and fee amounts for the Choice Scholarship student.
  - An eligible school includes the costs of special education and related services in its tuition and fees policy for a Choice Scholarship student.
2. The submission of false or inaccurate information to the Indiana Department of Education (Department).  
Examples:
  - A Choice eligible school enrolls a student with a disability who receives special education and related services and the student's family has not opted to continue receiving those services from the public school. In addition to the basic Choice Scholarship tuition amount, the student also receives special education funds, which is added to his Scholarship amount. The public school no longer provides special education and related services to the Choice Scholarship student. The Choice eligible school also does not provide special education and related services to the student, but claims the student on the December 1 special education student count resulting in a higher Scholarship award under IC 20-51-4-4(2) for the student.

- An eligible school includes textbook fees as part of its tuition and fees policy and then later makes a claim for textbook reimbursement under I.C. 20-33-5-9 for eligible Choice students. The Choice Scholarship award amount could be based partly on the eligible school's tuition and fees policy. This is "double-dipping."
  - An eligible school includes additional fees and costs in its tuition and fees policy that only applies to Choice Scholarship students.
3. Failure to return in a timely fashion to the Department a portion of the Choice Scholarship amount that is required to be refunded if an eligible student is withdrawn or expelled after the Choice Scholarship distribution is made.
  4. Failure to report that a student has exited from the Choice school within five days of the student's withdrawal.
  5. Claiming a Choice eligible student as a student with a disability on the eligible school's December 1 count for purposes of receiving an amount under IC 20-51-4-4(2) when the eligible school did not provide special education and related services to the Choice eligible student.  
Examples:
    - A Choice eligible school enrolls a student with a disability who receives special education and related services. In addition to the basic Choice Scholarship tuition amount, the student also receives special education funds, which is added to his Scholarship amount. The eligible school provides special education services until November 1st, when the student withdraws and transfers to the public school. The Choice eligible school would not be able to count the student on its December 1 count.
    - A Choice eligible school enrolls a student with a disability who receives special education and related services from the public school. The Choice eligible school would be able to count the student on its December 1 count and the student's Choice Scholarship amount would not be increased.
  6. Failure to submit required reports and data collections on time.
  7. Discrimination by an eligible school on the basis of race, color, national origin, or disability.  
Example:
    - An eligible school has a written admission policy that is not followed fairly and without discrimination with regard to students who apply for or are awarded a Choice Scholarship.
  8. Refusal to grant the Department reasonable access to its premises, including access to the school's grounds, buildings, and property.
  9. (a)The eligible school is placed in either of the lowest two (2) categories or designations under IC 20-31-8-3 for two (2) consecutive years;  
(b)The eligible school is placed in either of the lowest two (2) categories or the designations under IC 20-31-8-3 for three (3) consecutive years; or,  
(c)The eligible school is placed in the lowest category or designation under IC 20-31-8-3 for three (3) consecutive years.

**Corrective Action:**

Once a determination has been made that an eligible school is seriously deficient, a notice of corrective action(s) will be provided to the eligible school and the school will be given a date by which the corrective action must be completed.