Reprinted
February 3, 1998

SENATE BILL No. 428

DIGEST OF SB 428 (Updated February 2, 1998 9:38 pm - DI 44)

Citations Affected: IC 20-5; IC 20-10.1; IC 21-2.

Synopsis: School corporation technology fund. Requires each school corporation to establish a school corporation technology fund. Provides that money appropriated from a school corporation general fund for technology purposes, plus grants, donations, and other funds received for technology purposes, must be deposited in the school corporation technology fund. Provides that any savings realized by a school corporation as a result of federal legislation calling for universal service discounts must be deposited in the school corporation technology fund. Permits money in the school corporation technology fund to be used for certain technology purposes. Restricts use of money in the school corporation technology fund for administrative software. Requires each school corporation to file an annual report concerning technology expenditures with the superintendent of public instruction's special assistant for technology. Specifies that a school corporation's

(Continued next page)

Effective: See text of bill.

Johnson

January 13, 1998, read first time and referred to Committee on Education.
January 29, 1998, reported favorably — Do Pass.
February 2, 1998, read second time, amended, ordered engrossed.

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Digest Continued

capital projects fund may be used for wiring and computer networks and telephone access systems used to connect with computer networks or electronic gateways.

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February 3, 1998

Second Regular Session 110th General Assembly (1998)

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 1997 General Assembly.

C o p y

SENATE BILL No. 428

A BILL FOR AN ACT to amend the Indiana Code concerning education finance.

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

SECTION 1. IC 20-5-62-6, AS AMENDED BY P.L.34-1996, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 6. Except as provided in this chapter and notwithstanding any other law, a freeway school corporation or a freeway school may do the following during the contract period:

(1) Disregard the observance of any statute or rule that is listed in the contract.

(2) Lease school transportation equipment to others for nonschool use when the equipment is not in use for a school corporation purpose, if the lessee has not received a bid from a private entity to provide transportation equipment or services for the same purpose.

(3) Replace the budget and accounting system that is required by law with a budget or accounting system that is frequently used in the private business community. The state board of accounts may

not go beyond the requirements imposed upon the state board of accounts by statute in reviewing the budget and accounting system used by a freeway school corporation or a freeway school.

(4) Establish a professional development and technology fund to be used for:

(A) professional development; or

(B) technology, including video distance learning.

However, any money deposited in the professional development and technology fund for technology purposes must be transferred to the school technology fund established under IC 21-2-18.

(5) **Subject to subdivision (4),** transfer funds obtained from sources other than state or local government taxation among any accounts of the school corporation, including a professional development and technology fund established under subdivision (4).

(6) Transfer funds obtained from property taxation and from state distributions among the general fund (established under IC 21-2-11) and the school transportation fund (established under IC 21-2-11.5), subject to the following:

(A) The sum of the property tax rates for the general fund and the school transportation fund after a transfer occurs under this subdivision may not exceed the sum of the property tax rates for the general fund and the school transportation fund before a transfer occurs under this subdivision.

(B) This subdivision does not allow a school corporation to transfer to any other fund money from the:

(i) capital projects fund (established under IC 21-2-15); or

(ii) debt service fund (established under IC 21-2-4).

(7) Establish a locally adopted assessment program to replace the assessment of students under the ISTEP program established under IC 20-10.1-16-8, subject to the following:

(A) A locally adopted assessment program must be established by the governing body and approved by the department.

(B) A locally adopted assessment program may use a locally developed test or a nationally developed test.

(C) Results of assessments under a locally adopted assessment program are subject to the same reporting requirements as results under the ISTEP program.

(D) Each student who completes a locally adopted assessment program and the student's parent or guardian has the same rights to inspection and rescoring as are set forth in

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IC 20-10.1-16-7(d).

SECTION 2. IC 20-10.1-25-5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: **Sec. 5. A school corporation that receives a grant under this chapter must deposit the grant in the school technology fund established under IC 21-2-18.**

SECTION 3. IC 20-10.1-25.3-16 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: **Sec. 16. A school corporation that receives a grant under this chapter must deposit the grant in the school technology fund established under IC 21-2-18.**

SECTION 4. IC 21-2-11-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 6. **(a)** Moneys received by any school corporation for a specific purpose or purposes, by gift, endowment or pursuant to any federal statute, may be accounted for by establishing separate funds, separate and apart from the general fund, if no local tax funds are involved: Provided, That no such funds shall be accepted unless the terms of the gift, endowment or payment, and the acceptance thereof, are so stated that the officers of the school corporation are not divested of any right or authority which they now have or may hereafter be granted by law. Such moneys so received for specific purposes, and any earnings thereon, may be disbursed without appropriation.

(b) Except as otherwise provided by federal law, all money received by the school corporation by grant, gift, endowment, or pursuant to federal law for any of the purposes described in IC 21-2-18-3 shall be deposited in the school technology fund established under IC 21-2-18.

SECTION 5. IC 21-2-11-6.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: **Sec. 6.5. (a) All money appropriated from the general fund for any of the purposes described in IC 21-2-18-3 shall be transferred from the general fund to the school technology fund established under IC 21-2-18.**

(b) Any money saved by a school corporation as a result of universal service discounts provided to the school corporation under the federal Telecommunications Act of 1996 must be transferred to the school technology fund.

SECTION 6. IC 21-2-15-4, AS AMENDED BY P.L.25-1995, SECTION 77, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 4. (a) A school corporation may establish a capital projects fund.

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(b) With respect to any facility used or to be used by the school corporation (other than a facility used or to be used primarily for interscholastic or extracurricular activities), the fund may be used to pay for the following:

(1) Planned construction, repair, replacement, or remodeling.

(2) Site acquisition.

(3) Site development.

(4) Repair, replacement, or site acquisition that is necessitated by an emergency.

(c) The fund may be used to pay for the purchase, lease, repair, or maintenance of equipment to be used by the school corporation (other than vehicles to be used for any purpose and equipment to be used primarily for interscholastic or extracurricular activities).

(d) The fund may be used for any of the following purposes:

(1) To purchase, lease, upgrade, maintain, ~~or~~ repair, **one (1) or more of the following:**

(A) Computer hardware.

(B) Computer software. ~~or computer hardware and software.~~

(C) Wiring and computer networks.

(D) Telephone access systems used to connect with computer networks or electronic gateways.

(2) To pay for the services of full-time or part-time computer maintenance employees.

(3) To conduct nonrecurring inservice technology training of school employees.

(4) To fund the payment of advances, together with interest on the advances, from the common school fund for educational technology programs under IC 21-1-5.

(5) To fund the acquisition of any equipment or services necessary:

(A) to implement the technology preparation curriculum under IC 20-10.1-5.6;

(B) to participate in a program to provide educational technologies, including computers, in the homes of students (commonly referred to as "the buddy system project") under IC 20-10.1-25, the 4R's technology program under IC 20-10.1-25, or any other program under the educational technology program described in IC 20-10.1-25; or

(C) to obtain any combination of equipment or services described in clauses (A) and (B).

(e) The fund may be used to purchase:

(1) building sites;

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(2) buildings in need of renovation;
(3) building materials; and
(4) equipment;

for the use of vocational building trades classes to construct new buildings and to remodel existing buildings.

(f) The fund may be used for leasing or renting of existing real estate, excluding payments authorized under IC 21-5-11 and IC 21-5-12.

(g) The fund may be used to pay for services of the school corporation employees that are bricklayers, stone masons, cement masons, tile setters, glaziers, insulation workers, asbestos removers, painters, paperhangers, drywall applicators and tapers, plasterers, pipe fitters, roofers, structural and steel workers, metal building assemblers, heating and air conditioning installers, welders, carpenters, electricians, or plumbers, as these occupations are defined in the United States Department of Labor, Employment and Training Administration, Dictionary of Occupational Titles, Fourth Edition, Revised 1991, if:

(1) the employees perform construction of, renovation of, remodeling of, repair of, or maintenance on the facilities and equipment specified in subsections (b) and (c);
(2) the school corporation's total annual salary and benefits paid by the school corporation to employees described in this subsection are at least six hundred thousand dollars ($600,000); and
(3) the payment of the employees described in this subsection is included as part of the proposed capital projects fund plan described in section 5(a) of this chapter.

However, the number of employees that are covered by this subsection is limited to the number of employee positions described in this subsection that existed on January 1, 1993. For purposes of this subsection, maintenance does not include janitorial or comparable routine services normally provided in the daily operation of the facilities or equipment.

(h) The fund may be used to pay for energy saving contracts entered into by a school corporation under IC 36-1-12.5.

SECTION 7. IC 21-2-18 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]:

Chapter 18. School Technology Fund

Sec. 1. As used in this chapter, “fund" refers to the school technology fund established under section 2 of this chapter.

Sec. 2. Each school corporation shall establish a school

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technology fund. The fund consists of:

(1) money transferred to the fund under IC 20-5-62-6, IC 20-10.1-25-5, IC 20-10.1-25.3-16, IC 21-2-11-6, or IC 21-2-11-6.5; and

(2) any other money received by the school corporation for a purpose described in IC 20-5-62-6(4)(B), IC 20-10.1-25, IC 20-10.1-25.3, or IC 21-2-15-4(d).

However, property taxes levied by a school corporation for a capital projects fund shall not be transferred to the fund.

Sec. 3. (a) Except as provided in subsection (b), the fund may be used for one (1) or more of the purposes described in IC 20-5-62-6(4)(B), IC 20-10.1-25, IC 20-10.1-25.3, or IC 21-2-15-4(d).

(b) Money in the fund may not be used to purchase software programs to be used exclusively for administrative purposes, such as payroll and attendance records, personnel records, administration of insurance or pension programs, or any other similar purpose. However, if a particular software program is to be used for administrative purposes and for other purposes described in subsection (a), a portion of the cost of the software program may be paid from the fund. The portion of the cost that may be paid from the fund is the total cost of the software program multiplied by the estimated percentage of use of the software program for nonadministrative purposes.

Sec. 4. Before February 15 of each year, each school corporation shall file a report with the superintendent of public instruction's special assistant for technology. The report must be prepared in the form prescribed by the special assistant for technology and must include a list of expenditures made by the school corporation during the preceding calendar year from the school corporation's:

(1) school technology fund for purposes described in this chapter;

(2) capital projects fund for purposes described in IC 21-2-15-4(d); and

(3) debt service fund for purposes of providing financing for any equipment or facilities used to provide educational technology programs.

Before April 1 of each year, the special assistant for technology shall compile the information contained in the reports required by this section and present that compilation to the educational technology council.

C o p y

COMMITTEE REPORT

Mr. President: The Senate Committee on Education, to which was referred Senate Bill 428, 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 Senate Bill 428 as introduced.)

WEATHERWAX, Chairperson

Committee Vote: Yeas 7, Nays 0.

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SENATE MOTION

Mr. President: I move that Senate Bill 428 be amended to read as follows:

Replace the effective dates in SECTIONS 1 through 14 with "[JANUARY 1, 1999]".

Page 2, line 6, delete "if the school corporation has established a capital".

Page 2, line 7, delete "projects fund,".

Page 2, line 9, delete "capital projects fund and credited" and insert **"school technology fund established under IC 21-2-18.**".

Page 2, delete line 10.

Page 3, delete lines 1 through 33.

Page 3, line 36, delete "If a" and insert "**A**".

Page 3, line 37, delete "has established a capital" and insert "**must deposit the grant in the school technology fund established under IC 21-2-18.**".

Page 3, delete lines 38 through 42.

Page 4, delete lines 1 through 12.

Page 4, line 15, delete "If a" and insert "**A**".

Page 4, line 16, delete "has established a capital" and insert "**must deposit the grant in the school technology fund established under IC 21-2-18.".**

Page 4, delete lines 17 through 18.

Page 4, line 31, delete "if a school".

Page 4, line 32, delete "corporation has established a capital projects fund,".

Page 4, line 35, delete "IC 21-2-15-4(d)" and insert "**IC 21-2-18-3**".

Page 4, line 35, delete "capital projects fund and" and insert "**school technology fund established under IC 21-2-18.**".

Page 4, delete line 36.

Page 4, line 39, delete "This section applies to a school".

Page 4, delete line 40.

Page 4, line 41, delete "(b)".

Page 4, run in lines 39 and 41.

Page 4, line 42, delete "IC 21-2-15-4(d)" and insert "**IC 21-2-18-3**".

Page 5, line 1, delete "capital projects fund and credited to the" and insert "**school technology fund established under IC 21-2-18.**".

Page 5, delete line 2.

Page 5, line 3, delete "(c)" and insert "**(b)**".

Page 5, line 6, delete "retained in or".

Page 5, line 6, delete "to the capital projects fund and credited".

Page 5, line 7, after "the" insert "**school**".

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Page 5, line 7, delete "account" and insert "**fund**".

Page 5, line 11, delete "If the fund is established, two separate".

Page 5, delete lines 12 through 15.

Page 5, delete lines 25 through 27.

Page 5, line 31, delete "However,".

Page 5, delete lines 32 through 34.

Page 5, line 35, delete "Except as provided by subsection (i), the" and insert "The".

Page 5, line 37, delete ", and pay the".

Page 5, line 38, delete "recurring costs of operating".

Page 6, line 18, reset in roman "or".

Page 6, delete lines 19 through 20.

Page 6, line 21, reset in roman "(C)".

Page 6, line 21, delete "(D)".

Page 6, line 22, reset in roman "and (B).".

Page 6, line 22, delete "through (C).".

Page 6, delete lines 23 through 25.

Page 6, line 32, delete "However, expenditures".

Page 6, delete lines 33 through 34.

Page 6, line 37, delete "However, expenditures from the fund after December".

Page 6, delete lines 38 through 39.

Page 7, line 22, delete "Expenditures from the fund after December".

Page 7, delete lines 23 through 24.

Page 7, line 26, delete "However,".

Page 7, delete lines 27 through 42, begin a new paragraph and insert:

"SECTION 7. IC 21-2-18 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]:

Chapter 18. School Technology Fund

Sec. 1. As used in this chapter, “fund" refers to the school technology fund established under section 2 of this chapter.

Sec. 2. Each school corporation shall establish a school technology fund. The fund consists of:

(1) money transferred to the fund under IC 20-5-62-6, IC 20-10.1-25-5, IC 20-10.1-25.3-16, IC 21-2-11-6, or IC 21-2-11-6.5; and

(2) any other money received by the school corporation for a purpose described in IC 20-5-62-6(4)(B), IC 20-10.1-25, IC 20-10.1-25.3, or IC 21-2-15-4(d).

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However, property taxes levied by a school corporation for a capital projects fund shall not be transferred to the fund.

Sec. 3. (a) Except as provided in subsection (b), the fund may be used for one (1) or more of the purposes described in IC 20-5-62-6(4)(B), IC 20-10.1-25, IC 20-10.1-25.3, or IC 21-2-15-4(d).

(b) Money in the fund may not be used to purchase software programs to be used exclusively for administrative purposes, such as payroll and attendance records, personnel records, administration of insurance or pension programs, or any other similar purpose. However, if a particular software program is to be used for administrative purposes and for other purposes described in subsection (a), a portion of the cost of the software program may be paid from the fund. The portion of the cost that may be paid from the fund is the total cost of the software program multiplied by the estimated percentage of use of the software program for nonadministrative purposes.

Sec. 4. Before February 15 of each year, each school corporation shall file a report with the superintendent of public instruction's special assistant for technology. The report must be prepared in the form prescribed by the special assistant for technology and must include a list of expenditures made by the school corporation during the preceding calendar year from the school corporation's:

(1) school technology fund for purposes described in this chapter;

(2) capital projects fund for purposes described in IC 21-2-15-4(d); and

(3) debt service fund for purposes of providing financing for any equipment or facilities used to provide educational technology programs.

Before April 1 of each year, the special assistant for technology shall compile the information contained in the reports required by this section and present that compilation to the educationaltechnology council.".

Delete pages 8 through 9.

Renumber all SECTIONS consecutively.

(Reference is to Senate Bill 428 as printed January 30, 1998.)

JOHNSON

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