



March 26, 1999

**ENGROSSED  
SENATE BILL No. 619**

DIGEST OF SB0619 (Updated March 24, 1999 11:46 am - DI 2)

**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  
(Continued next page)

**Effective:** January 1, 2000.

**Johnson, Mrvan**

(HOUSE SPONSORS — KLINKER, SCHOLER, CROSBY)

January 21, 1999, read first time and referred to Committee on Education.  
January 28, 1999, amended, reported favorably — Do Pass.  
February 8, 1999, read second time, amended, ordered engrossed.  
February 9, 1999, engrossed.  
February 11, 1999, read third time, passed. Yeas 50, nays 0.

**HOUSE ACTION**

March 3, 1999, read first time and referred to Committee on Education.  
March 25, 1999, reported — Do Pass.

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Digest Continued

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 update its technology plan every 3 years (under current law, the plan must updated every 5 years). 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 capital projects fund may be used for wiring and computer networks and communication access systems used to connect with computer networks or electronic gateways. Provides for travel and actual expenses for nonlegislative members of the educational technology council, and per diem, mileage, and travel expenses for legislative members of the council.

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March 26, 1999

First Regular Session 111th General Assembly (1999)

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 1998 General Assembly.

## ENGROSSED SENATE BILL No. 619

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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:*

- 1 SECTION 1. IC 20-5-62-6 IS AMENDED TO READ AS  
2 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 6. Except as  
3 provided in this chapter and notwithstanding any other law, a freeway  
4 school corporation or a freeway school may do the following during the  
5 contract period:
- 6 (1) Disregard the observance of any statute or rule that is listed in  
7 the contract.
  - 8 (2) Lease school transportation equipment to others for nonschool  
9 use when the equipment is not in use for a school corporation  
10 purpose, if the lessee has not received a bid from a private entity  
11 to provide transportation equipment or services for the same  
12 purpose.
  - 13 (3) Replace the budget and accounting system that is required by  
14 law with a budget or accounting system that is frequently used in  
15 the private business community. The state board of accounts may

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1 not go beyond the requirements imposed upon the state board of  
 2 accounts by statute in reviewing the budget and accounting  
 3 system used by a freeway school corporation or a freeway school.  
 4 (4) Establish a professional development and technology fund to  
 5 be used for:

6 (A) professional development; or

7 (B) technology, including video distance learning.

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

12 (5) **Subject to subdivision (4)**, transfer funds obtained from  
 13 sources other than state or local government taxation among any  
 14 accounts of the school corporation, including a professional  
 15 development and technology fund established under subdivision  
 16 (4).

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

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

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

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

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

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

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

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

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

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



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1 IC 20-10.1-16-7(d).  
 2 SECTION 2. IC 20-10.1-25-1.2 IS AMENDED TO READ AS  
 3 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 1.2. (a)  
 4 Notwithstanding any other law and beginning July 1, 1993, a school  
 5 corporation is not entitled to:

- 6 (1) receive any money under this chapter or IC 20-10.1-25.1;  
 7 (2) use money from the school corporation's capital projects fund  
 8 for educational technology equipment under IC 21-2-15-4; or  
 9 (3) receive an advance from the common school fund for an  
 10 educational technology program under IC 21-1-5;  
 11 unless the school corporation develops a ~~five (5)~~ **three (3)** year  
 12 technology plan.

13 (b) Each technology plan must include at least the following  
 14 information:

- 15 (1) A description of the school corporation's intent to integrate  
 16 technology into the school corporation's curriculum.  
 17 (2) A plan for providing inservice training.  
 18 (3) A schedule for maintaining and replacing educational  
 19 technology equipment.  
 20 (4) A description of the criteria used to select the appropriate  
 21 educational technology equipment for the appropriate use.  
 22 (5) Other information requested by the department after  
 23 consulting with the budget agency.

24 (c) The department shall develop guidelines concerning the  
 25 development of technology plans. The guidelines developed under this  
 26 subsection are subject to the approval of the governor.

27 SECTION 3. IC 20-10.1-25-5 IS ADDED TO THE INDIANA  
 28 CODE AS A **NEW SECTION** TO READ AS FOLLOWS  
 29 [EFFECTIVE JANUARY 1, 2000]: **Sec. 5. A school corporation that**  
 30 **receives a grant under this chapter must deposit the grant in the**  
 31 **school technology fund established under IC 21-2-18.**

32 SECTION 4. IC 20-10.1-25.3-16 IS ADDED TO THE INDIANA  
 33 CODE AS A **NEW SECTION** TO READ AS FOLLOWS  
 34 [EFFECTIVE JANUARY 1, 2000]: **Sec. 16. A school corporation**  
 35 **that receives a grant under this chapter must deposit the grant in**  
 36 **the school technology fund established under IC 21-2-18.**

37 SECTION 5. IC 20-10.1-25.5-3 IS AMENDED TO READ AS  
 38 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 3. (a) The council  
 39 shall advise the state superintendent and the governor on education  
 40 related technology initiatives.

41 (b) The appointed membership of the council shall reflect its  
 42 purposes and be experienced in technology generally. An appointed



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1 member of the council serves at the pleasure of the appointing  
 2 authority. The council consists of the following sixteen (16) voting  
 3 members:

4 (1) The state superintendent of public instruction.

5 (2) The special assistant to the state superintendent of public  
 6 instruction responsible for technology who is appointed under  
 7 section 5 of this chapter.

8 (3) Four (4) individuals who represent private business appointed  
 9 jointly by the state superintendent and the governor. Each  
 10 member appointed under this subdivision must be experienced in  
 11 development and utilization of information technology. None of  
 12 the members appointed under this subdivision may represent  
 13 possible providers of technology or related services.

14 (4) Three (3) individuals who:

15 (A) manage educational environments, including higher  
 16 education; and

17 (B) are experienced in their educational work with information  
 18 technology;

19 are appointed jointly by the state superintendent and the governor.

20 (5) Three (3) individuals who are public school educators familiar  
 21 with and experienced in the use of technology in educational  
 22 settings appointed jointly by the state superintendent and the  
 23 governor, with one (1) representing an urban school corporation,  
 24 one (1) representing a suburban school corporation, and one (1)  
 25 representing a rural school corporation.

26 (6) Four (4) members who are members of the general assembly  
 27 and who are appointed as follows:

28 (A) Two (2) members of the house of representatives,  
 29 appointed by the speaker of the house of representatives with  
 30 not more than one (1) from a particular political party.

31 (B) Two (2) members of the senate, appointed by the president  
 32 pro tempore of the senate with not more than one (1) from a  
 33 particular political party.

34 (c) The state superintendent shall designate the chair of the council  
 35 from the membership of the council.

36 (d) Nine (9) members of the council constitute a quorum to conduct  
 37 business. No action of the council is valid unless approved by at least  
 38 seven (7) voting members of the council.

39 **(e) Each member of the council who is not a state employee is**  
 40 **not entitled to the minimum salary per diem as provided by**  
 41 **IC 4-10-11-2.1(b). The member is, however, entitled to**  
 42 **reimbursement for traveling expenses as provided under**



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1 **IC 4-13-1-4 and other expenses actually incurred in connection**  
 2 **with the member's duties as provided in the state policies and**  
 3 **procedures established by the Indiana department of**  
 4 **administration and approved by the budget agency.**

5 **(f) Each member of the council who is a state employee but who**  
 6 **is not a member of the general assembly is entitled to**  
 7 **reimbursement for traveling expenses as provided under**  
 8 **IC 4-13-1-4 and other expenses actually incurred in connection**  
 9 **with the member's duties as provided in the state policies and**  
 10 **procedures established by the Indiana department of**  
 11 **administration and approved by the budget agency.**

12 **(g) Each member of the council who is a member of the general**  
 13 **assembly is entitled to receive the same per diem, mileage, and**  
 14 **travel allowances paid to members of the general assembly serving**  
 15 **on interim study committees established by the legislative council.**

16 **SECTION 6. IC 21-2-11-6 IS AMENDED TO READ AS**  
 17 **FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 6. (a) Moneys**  
 18 **received by any school corporation for a specific purpose or purposes,**  
 19 **by gift, endowment or pursuant to any federal statute, may be**  
 20 **accounted for by establishing separate funds, separate and apart from**  
 21 **the general fund, if no local tax funds are involved. ~~Provided, That~~**  
 22 **However,** no such funds shall be accepted unless the terms of the gift,  
 23 endowment or payment, and the acceptance thereof, are so stated that  
 24 the officers of the school corporation are not divested of any right or  
 25 authority which they now have or may hereafter be granted by law.  
 26 Such moneys so received for specific purposes, and any earnings  
 27 thereon, may be disbursed without appropriation.

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

33 **SECTION 7. IC 21-2-11-6.5 IS ADDED TO THE INDIANA CODE**  
 34 **AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE**  
 35 **JANUARY 1, 2000]: Sec. 6.5. (a) All money appropriated from the**  
 36 **general fund for any of the purposes described in IC 21-2-18-3**  
 37 **shall be transferred from the general fund to the school technology**  
 38 **fund established under IC 21-2-18.**

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



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1 SECTION 8. IC 21-2-15-4 IS AMENDED TO READ AS  
 2 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 4. (a) A school  
 3 corporation may establish a capital projects fund.

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

- 8 (1) Planned construction, repair, replacement, or remodeling.  
 9 (2) Site acquisition.  
 10 (3) Site development.  
 11 (4) Repair, replacement, or site acquisition that is necessitated by  
 12 an emergency.

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

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

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

- 20 (A) Computer hardware.  
 21 (B) Computer software. ~~or computer hardware and software.~~  
 22 (C) **Wiring and computer networks.**  
 23 (D) **Communication access systems used to connect with**  
 24 **computer networks or electronic gateways.**

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

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

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

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

- 34 (A) to implement the technology preparation curriculum under  
 35 IC 20-10.1-5.6;  
 36 (B) to participate in a program to provide educational  
 37 technologies, including computers, in the homes of students  
 38 (commonly referred to as "the buddy system project") under  
 39 IC 20-10.1-25, the 4R's technology program under  
 40 IC 20-10.1-25, or any other program under the educational  
 41 technology program described in IC 20-10.1-25; or  
 42 (C) to obtain any combination of equipment or services



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1 described in clauses (A) and (B).

2 (e) The fund may be used to purchase:

3 (1) building sites;

4 (2) buildings in need of renovation;

5 (3) building materials; and

6 (4) equipment;

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

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

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

21 (1) the employees perform construction of, renovation of,  
22 remodeling of, repair of, or maintenance on the facilities and  
23 equipment specified in subsections (b) and (c);

24 (2) the school corporation's total annual salary and benefits paid  
25 by the school corporation to employees described in this  
26 subsection are at least six hundred thousand dollars (\$600,000);  
27 and

28 (3) the payment of the employees described in this subsection is  
29 included as part of the proposed capital projects fund plan  
30 described in section 5(a) of this chapter.

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

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

39 SECTION 9. IC 21-2-18 IS ADDED TO THE INDIANA CODE AS  
40 A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
41 JANUARY 1, 2000]:

42 **Chapter 18. School Technology Fund**



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

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

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

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

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

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

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

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

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

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

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

41 Before April 1 of each year, the special assistant for technology  
42 shall compile the information contained in the reports required by



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1 **this section and present that compilation to the educational**  
2 **technology council.**

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## COMMITTEE REPORT

Mr. President: The Senate Committee on Education, to which was referred Senate Bill No. 619, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 3, between lines 1 and 2, begin a new paragraph and insert:

"SECTION 2. IC 20-10.1-25-1.2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 1.2. (a) Notwithstanding any other law and beginning July 1, 1993, a school corporation is not entitled to:

- (1) receive any money under this chapter or IC 20-10.1-25.1;
- (2) use money from the school corporation's capital projects fund for educational technology equipment under IC 21-2-15-4; or
- (3) receive an advance from the common school fund for an educational technology program under IC 21-1-5;

unless the school corporation develops a ~~five (5)~~ **three (3)** year technology plan.

(b) Each technology plan must include at least the following information:

- (1) A description of the school corporation's intent to integrate technology into the school corporation's curriculum.
- (2) A plan for providing inservice training.
- (3) A schedule for maintaining and replacing educational technology equipment.
- (4) A description of the criteria used to select the appropriate educational technology equipment for the appropriate use.
- (5) Other information requested by the department after consulting with the budget agency.

(c) The department shall develop guidelines concerning the development of technology plans. The guidelines developed under this subsection are subject to the approval of the governor."

Page 4, line 19, delete "Telephone" and insert "**Communication**".  
Renumber all SECTIONS consecutively.

and when so amended that said Bill do pass.

(Reference is to SB 619 as introduced.)

WEATHERWAX, Chairperson

Committee Vote: Yeas 10, Nays 0.

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## SENATE MOTION

Mr. President: I move that Senate Bill 619 be amended to read as follows:

Page 3, between lines 36 and 37, begin a new paragraph and insert:

"SECTION 5. IC 20-10.1-25.5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 3. (a) The council shall advise the state superintendent and the governor on education related technology initiatives.

(b) The appointed membership of the council shall reflect its purposes and be experienced in technology generally. An appointed member of the council serves at the pleasure of the appointing authority. The council consists of the following sixteen (16) voting members:

- (1) The state superintendent of public instruction.
- (2) The special assistant to the state superintendent of public instruction responsible for technology who is appointed under section 5 of this chapter.
- (3) Four (4) individuals who represent private business appointed jointly by the state superintendent and the governor. Each member appointed under this subdivision must be experienced in development and utilization of information technology. None of the members appointed under this subdivision may represent possible providers of technology or related services.
- (4) Three (3) individuals who:
  - (A) manage educational environments, including higher education; and
  - (B) are experienced in their educational work with information technology;
 are appointed jointly by the state superintendent and the governor.
- (5) Three (3) individuals who are public school educators familiar with and experienced in the use of technology in educational settings appointed jointly by the state superintendent and the governor, with one (1) representing an urban school corporation, one (1) representing a suburban school corporation, and one (1) representing a rural school corporation.
- (6) Four (4) members who are members of the general assembly and who are appointed as follows:
  - (A) Two (2) members of the house of representatives, appointed by the speaker of the house of representatives with not more than one (1) from a particular political party.
  - (B) Two (2) members of the senate, appointed by the president pro tempore of the senate with not more than one (1) from a

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particular political party.

(c) The state superintendent shall designate the chair of the council from the membership of the council.

(d) Nine (9) members of the council constitute a quorum to conduct business. No action of the council is valid unless approved by at least seven (7) voting members of the council.

**(e) Each member of the council who is not a state employee is not entitled to the minimum salary per diem as provided by IC 4-10-11-2.1(b). The member is, however, entitled to reimbursement for traveling expenses as provided under IC 4-13-1-4 and other expenses actually incurred in connection with the member's duties as provided in the state policies and procedures established by the Indiana department of administration and approved by the budget agency.**

**(f) Each member of the council who is a state employee but who is not a member of the general assembly is entitled to reimbursement for traveling expenses as provided under IC 4-13-1-4 and other expenses actually incurred in connection with the member's duties as provided in the state policies and procedures established by the Indiana department of administration and approved by the budget agency.**

**(g) Each member of the council who is a member of the general assembly is entitled to receive the same per diem, mileage, and travel allowances paid to members of the general assembly serving on interim study committees established by the legislative council."**

Page 7, line 8, delete "instruction's" and insert "**in**struction's".

Renumber all SECTIONS consecutively.

(Reference is to SB 619 as printed January 29, 1999.)

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SENATE MOTION

Mr. President: I move that Senator Mrvan be added as second author of Senate Bill 619.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Education, to which was referred Senate Bill 619, 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.

PORTER, Chair

Committee Vote: yeas 13, nays 1.

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