

SENATE BILL No. 419

DIGEST OF INTRODUCED BILL

Citations Affected: IC 20-2-9-5; IC 20-2-9-6; IC 20-3.1-15-1; IC 20-5; IC 20-8.1-1-19; IC 20-8.1-9; IC 20-10.1; IC 21-2; IC 21-3-1.7.

Synopsis: School textbooks. Abolishes the textbook rental program for public school students. Expands the definition of textbook to include a variety of materials used in the instruction of students. Requires school corporations to establish a textbook fund and to appropriate money from the fund to purchase all needed textbooks for loan without charge to students of the corporation. Provides an annual state textbook grant in the amount of \$83 multiplied by the average daily membership (ADM) of a school corporation and requires the deposit of grant funds in the textbook account. Makes transitional provisions.

Effective: July 1, 2000.

Bowser

January 11, 1999, read first time and referred to Committee on Finance.

C
O
P
Y



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.

C
O
P
Y

SENATE BILL No. 419



A BILL FOR 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:

1 SECTION 1. IC 20-2-9-6 IS AMENDED TO READ AS FOLLOWS
2 [EFFECTIVE JULY 1, 2000]: Sec. 6. (a) Where a school lunch fund ~~or~~
3 a ~~textbook rental fund~~ is created under section 4 ~~or section 5~~ of this
4 chapter, the receipts and expenditures for ~~each~~ **the** program shall be
5 made to and from the ~~proper school lunch~~ fund without appropriation
6 or the application of other laws relating to the budgets of local
7 government units.

8 (b) Where ~~either or both programs~~ **the program** under section 4 ~~and~~
9 ~~section 5~~ of this chapter ~~are~~ **is** handled through the extracurricular
10 account, the township trustee shall approve the amount of the bond of
11 the treasurer of the extracurricular account in an amount ~~he~~ **the**
12 **township trustee** considers protects the account for all funds coming
13 into the hands of that treasurer.

14 SECTION 2. IC 20-3.1-15-1 IS AMENDED TO READ AS
15 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 1. To provide the board
16 with the necessary flexibility and resources to carry out this article, the
17 following apply:



- 1 (1) The board may eliminate or modify existing policies and
 2 create new policies, and alter policies from time to time, subject
 3 to this article and the plan developed under IC 20-3.1-7.
 4 (2) IC 20-7.5 does not apply to matters set forth in this article.
 5 The matters set forth in this article may not be the subject of
 6 collective bargaining or discussion under IC 20-7.5.
 7 (3) An exclusive representative certified under IC 20-7.5 to
 8 represent certified employees of the school city, or any other
 9 entity voluntarily recognized by the board as a representative of
 10 employees providing educational services in the schools, may
 11 bargain collectively only concerning salary, wages, and salary and
 12 wage related fringe benefits. The exclusive representative may not
 13 bargain collectively or discuss performance awards under
 14 IC 20-3.1-12.
 15 (4) The board of school commissioners may waive the following
 16 statutes and rules for any school in the school city without the
 17 need for administrative, regulatory, or legislative approval:
 18 (A) The following rules concerning curriculum and
 19 instructional time:
 20 511 IAC 6.1-3-4
 21 511 IAC 6.1-5-0.5
 22 511 IAC 6.1-5-1
 23 511 IAC 6.1-5-2.5
 24 511 IAC 6.1-5-3.5
 25 511 IAC 6.1-5-4
 26 (B) The following rules concerning pupil/teacher ratios:
 27 511 IAC 6-2-1(b)(2)
 28 511 IAC 6.1-4-1
 29 (C) The following statutes and rules concerning textbooks, and
 30 rules adopted under the statutes:
 31 IC 20-10.1-9-1
 32 IC 20-10.1-9-18
 33 IC 20-10.1-9-21
 34 ~~IC 20-10.1-9-23~~
 35 IC 20-10.1-9-27
 36 IC 20-10.1-10-1
 37 IC 20-10.1-10-2
 38 511 IAC 6.1-5-5
 39 (D) The following rules concerning school principals:
 40 511 IAC 6-2-1(c)(4)
 41 511 IAC 6.1-4-2
 42 (E) 511 IAC 2-2, concerning school construction and

C
O
P
Y

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42

remodeling.

(5) Notwithstanding any other law, a school city may do the following:

- (A) Lease school transportation equipment to others for nonschool use when the equipment is not in use for a school city purpose.
- (B) Establish a professional development and technology fund to be used for:
 - (i) professional development; or
 - (ii) technology, including video distance learning.
- (C) Transfer funds obtained from sources other than state or local government taxation among any account of the school corporation, including a professional development and technology fund established under clause (B).

(6) Transfer funds obtained from property taxation 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 clause.
- (B) This clause does not allow a school corporation to transfer to any other fund money from the debt service fund (established under IC 21-2-4).

SECTION 3. IC 20-5-2-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 2. In carrying out the school purposes of each school corporation, its governing body acting on its behalf shall have the following specific powers:

- (1) In the name of the school corporation, to sue and be sued and to enter into contracts in matters permitted by applicable law.
- (2) To take charge of, manage, and conduct the educational affairs of the school corporation and to establish, locate, and provide the necessary schools, school libraries, other libraries where permitted by law, other buildings, facilities, property, and equipment therefor.
- (2.5) To appropriate from the general fund an amount, not to exceed the greater of three thousand dollars (\$3,000) per budget year or one dollar (\$1) per pupil, not to exceed twelve thousand five hundred dollars (\$12,500), based upon the school corporation's previous year's average daily membership (as

C
O
P
Y



1 defined in IC 21-3-1.6-1.1) for the purpose of promoting the best
2 interests of the school corporation by:

3 (A) the purchase of meals, decorations, memorabilia, or
4 awards;

5 (B) provision for expenses incurred in interviewing job
6 applicants; or

7 (C) developing relations with other governmental units.

8 (3) To acquire, construct, erect, maintain, hold, and to contract for
9 such construction, erection, or maintenance of such real estate,
10 real estate improvements, or any interest in either, as the
11 governing body deems necessary for school purposes, including
12 but not limited to buildings, parts of buildings, additions to
13 buildings, rooms, gymnasiums, auditoriums, playgrounds, playing
14 and athletic fields, facilities for physical training, buildings for
15 administrative, office, warehouse, repair activities, or housing of
16 school owned buses, landscaping, walks, drives, parking areas,
17 roadways, easements and facilities for power, sewer, water,
18 roadway, access, storm and surface water, drinking water, gas,
19 electricity, other utilities and similar purposes, by purchase, either
20 outright for cash (or under conditional sales or purchases money
21 contracts providing for a retention of a security interest by seller
22 until payment is made or by notes where such contract, security
23 retention, or note is permitted by applicable law), by exchange, by
24 gift, by devise, by eminent domain, by lease with or without
25 option to purchase, or by lease under IC 21-5-10, IC 21-5-11, or
26 IC 21-5-12. To repair, remodel, remove, or demolish any such real
27 estate, real estate improvements, or interest in either, as the
28 governing body deems necessary for school purposes, and to
29 contract therefor. To provide for energy conservation measures
30 through utility energy efficiency programs or under a guaranteed
31 energy savings contract as described in IC 36-1-12.5.

32 (4) To acquire such personal property or any interest therein as
33 the governing body deems necessary for school purposes,
34 including but not limited to buses, motor vehicles, equipment,
35 apparatus, appliances, books, furniture, and supplies, either by
36 outright purchase for cash, or under conditional sales or purchase
37 money contracts providing for a security interest by the seller
38 until payment is made or by notes where such contract, security,
39 retention, or note is permitted by applicable law, by gift, by
40 devise, by loan, or by lease with or without option to purchase and
41 to repair, remodel, remove, relocate, and demolish such personal
42 property. All purchases and contracts delineated under the powers

C
O
P
Y



1 given under subdivision (3) and this subdivision shall be subject
 2 solely to applicable law relating to purchases and contracting by
 3 municipal corporations in general and to the supervisory control
 4 of agencies of the state as provided in section 3 of this chapter.

5 (5) To sell or exchange any of such real or personal property or
 6 interest therein, which in the opinion of the governing body is not
 7 necessary for school purposes, in accordance with IC 20-5-5, to
 8 demolish or otherwise dispose of such property if, in the opinion
 9 of the governing body, it is not necessary for school purposes and
 10 is worthless, and to pay the expenses for such demolition or
 11 disposition.

12 (6) To lease any school property for a rental which the governing
 13 body deems reasonable or to permit the free use of school
 14 property for:

15 (A) civic or public purposes; or

16 (B) the operation of a school age child care program for
 17 children aged five (5) through fourteen (14) years that operates
 18 before or after the school day, or both, and during periods
 19 when school is not in session;

20 if the property is not needed for school purposes. Under this
 21 subdivision, the governing body may enter into a long term lease
 22 with a nonprofit corporation, community service organization, or
 23 other governmental entity, if the corporation, organization, or
 24 other governmental entity will use the property to be leased for
 25 civic or public purposes or for a school age child care program.
 26 However, if the property subject to a long term lease is being paid
 27 for from money in the school corporation's debt service fund, then
 28 all proceeds from the long term lease shall be deposited in that
 29 school corporation's debt service fund so long as the property has
 30 not been paid for. The governing body may, at its option, use the
 31 procedure specified in IC 36-1-11-10 in leasing property under
 32 this subdivision.

33 (7) To employ, contract for, and discharge superintendents,
 34 supervisors, principals, teachers, librarians, athletic coaches
 35 (whether or not they are otherwise employed by the school
 36 corporation and whether or not they are licensed under
 37 IC 20-6.1-3), business managers, superintendents of buildings and
 38 grounds, janitors, engineers, architects, physicians, dentists,
 39 nurses, accountants, teacher aides performing noninstructional
 40 duties, educational and other professional consultants, data
 41 processing and computer service for school purposes, including
 42 but not limited to the making of schedules, the keeping and

C
O
P
Y



1 analyzing of grades and other student data, the keeping and
2 preparing of warrants, payroll, and similar data where approved
3 by the state board of accounts as provided below, and such other
4 personnel or services, all as the governing body considers
5 necessary for school purposes. To fix and pay the salaries and
6 compensation of such persons and such services. To classify such
7 persons or services and to adopt schedules of salaries or
8 compensation. To determine the number of such persons or the
9 amount of services thus employed or contracted for. To determine
10 the nature and extent of their duties. The compensation, terms of
11 employment, and discharge of teachers shall, however, be subject
12 to and governed by the laws relating to employment, contracting,
13 compensation, and discharge of teachers. The compensation,
14 terms of employment, and discharge of bus drivers shall be
15 subject to and shall be governed by any laws relating to
16 employment, contracting, compensation, and discharge of bus
17 drivers. The forms and procedures relating to the use of computer
18 and data processing equipment in handling the financial affairs of
19 such school corporation shall be submitted to the state board of
20 accounts for approval to the end that such services shall be used
21 by the school corporation when the governing body determines
22 that it is in the best interests of the school corporation while at the
23 same time providing reasonable accountability for the funds
24 expended.

25 (8) Notwithstanding the appropriation limitation in subdivision
26 (2.5), when the governing body by resolution deems a trip by an
27 employee of the school corporation or by a member of the
28 governing body to be in the interest of the school corporation,
29 including but not limited to attending meetings, conferences, or
30 examining equipment, buildings, and installation in other areas,
31 to permit such employee to be absent in connection with such trip
32 without any loss in pay and to refund to such employee or to such
33 member ~~his~~ the reasonable hotel and board bills and necessary
34 transportation expenses. To pay teaching personnel for time spent
35 in sponsoring and working with school related trips or activities.

36 (9) To transport children to and from school, when in the opinion
37 of the governing body such transportation is necessary, including
38 but not limited to considerations for the safety of such children
39 and without regard to the distance they live from the school, such
40 transportation to be otherwise in accordance with the laws
41 applicable thereto.

42 (10) To provide a lunch program for a part or all of the students

C
O
P
Y



- 1 attending the schools of the school corporation, including but not
 2 limited to the establishment of kitchens, kitchen facilities, kitchen
 3 equipment, lunch rooms, the hiring of the necessary personnel to
 4 operate such program, and the purchase of any material and
 5 supplies therefor, charging students for the operational costs of
 6 such lunch program, fixing the price per meal or per food item. To
 7 operate such lunch program as an extracurricular activity, subject
 8 to the supervision of the governing body. To participate in any
 9 surplus commodity or lunch aid program.
- 10 (11) To purchase textbooks ~~to~~ **and** furnish them without cost ~~or~~
 11 ~~to rent them~~ to students ~~to participate in any textbook aid~~
 12 ~~program; all in accordance with applicable law. under~~
 13 **IC 20-10.1-11-11.**
- 14 (12) To accept students transferred from other school corporations
 15 and to transfer students to other school corporations in accordance
 16 with applicable law.
- 17 (13) To levy taxes, to make budgets, to appropriate funds, and to
 18 disburse the money of the school corporation in accordance with
 19 the laws applicable thereto. To borrow money against current tax
 20 collections and otherwise to borrow money, in accordance with
 21 IC 20-5-4.
- 22 (14) To purchase insurance or to establish and maintain a
 23 program of self-insurance relating to the liability of the school
 24 corporation or its employees in connection with motor vehicles or
 25 property and for any additional coverage to the extent permitted
 26 and in accordance with IC 34-13-3-20. To purchase additional
 27 insurance or to establish and maintain a program of self-insurance
 28 protecting the school corporation and members of the governing
 29 body, employees, contractors, or agents of the school corporation
 30 from any liability, risk, accident, or loss related to any school
 31 property, school contract, school or school related activity,
 32 including but not limited to the purchase of insurance or the
 33 establishment and maintenance of a self-insurance program
 34 protecting such persons against false imprisonment, false arrest,
 35 libel, or slander for acts committed in the course of their
 36 employment, protecting the school corporation for fire and
 37 extended coverage and other casualty risks to the extent of
 38 replacement cost, loss of use, and other insurable risks relating
 39 to any property owned, leased, or held by the school corporation. To
 40 purchase insurance or to establish and maintain a program of
 41 self-insurance to benefit school corporation employees, which
 42 may include accident, sickness, health, or dental coverage,

C
O
P
Y

1 provided that any plan of self-insurance shall include an
2 aggregate stop-loss provision.

3 (15) To make all applications, to enter into all contracts, and to
4 sign all documents necessary for the receipt of aid, money, or
5 property from the state government, the federal government, or
6 from any other source.

7 (16) To defend any member of the governing body or any
8 employee of the school corporation in any suit arising out of the
9 performance of **his the individual's** duties for or employment
10 with, the school corporation, provided the governing body by
11 resolution determined that such action was taken in good faith. To
12 save any such member or employee harmless from any liability,
13 cost, or damage in connection therewith, including but not limited
14 to the payment of any legal fees, except where such liability, cost,
15 or damage is predicated on or arises out of the bad faith of such
16 member or employee, or is a claim or judgment based on his
17 malfeasance in office or employment.

18 (17) To prepare, make, enforce, amend, or repeal rules,
19 regulations, and procedures for the government and management
20 of the schools, property, facilities, and activities of the school
21 corporation, its agents, employees, and pupils and for the
22 operation of its governing body, which rules, regulations, and
23 procedures may be designated by any appropriate title such as
24 "policy handbook", "bylaws", or "rules and regulations".

25 (18) To ratify and approve any action taken by any member of the
26 governing body, any officer of the governing body, or by any
27 employee of the school corporation after such action is taken, if
28 such action could have been approved in advance, and in
29 connection therewith to pay any expense or compensation
30 permitted under IC 20-5-1 through IC 20-5-6 or any other law.

31 (19) To exercise any other power and make any expenditure in
32 carrying out its general powers and purposes provided in this
33 chapter or in carrying out the powers delineated in this section
34 which is reasonable from a business or educational standpoint in
35 carrying out school purposes of the school corporation, including
36 but not limited to the acquisition of property or the employment
37 or contracting for services, even though such power or
38 expenditure shall not be specifically set out herein. The specific
39 powers set out in this section shall not be construed to limit the
40 general grant of powers provided in this chapter except where a
41 limitation is set out in IC 20-5-1 through IC 20-5-6 by specific
42 language or by reference to other law.

C
O
P
Y



1 SECTION 4. IC 20-5-6-6 IS AMENDED TO READ AS FOLLOWS
 2 [EFFECTIVE JULY 1, 2000]: Sec. 6. (1) Where a school lunch fund
 3 ~~and a textbook rental fund are~~ is created in accordance with section 4
 4 ~~or 5~~ of this chapter, the receipts and expenditures therefrom for the
 5 program ~~to which each relates~~ shall be made to and from such fund
 6 without appropriation or the application of other statutes and rules
 7 relating to the budgets of municipal corporations.

8 (2) Where ~~either the lunch program or textbook rental program are~~
 9 ~~is~~ handled through the extracurricular account, the governing body of
 10 the school corporation shall approve the amount of the bond of the
 11 treasurer of the extracurricular account in an amount deemed by it
 12 sufficient to protect the account for all funds coming into the hands of
 13 the treasurer of such account.

14 SECTION 5. IC 20-5-62-5 IS AMENDED TO READ AS
 15 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 5. Notwithstanding any
 16 other law, the operation of the following is suspended for a freeway
 17 school corporation or a freeway school if the governing body of the
 18 school corporation elects to have the specific statute or rule suspended
 19 in the contract:

20 (1) The following statutes and rules concerning curriculum and
 21 instructional time:

22 IC 20-10.1-2-2

23 IC 20-10.1-4-6

24 IC 20-10.1-4-7

25 IC 20-10.1-4-9.1

26 511 IAC 6-7-6

27 511 IAC 6.1-3-4

28 511 IAC 6.1-5-0.5

29 511 IAC 6.1-5-1

30 511 IAC 6.1-5-2.5

31 511 IAC 6.1-5-3.5

32 511 IAC 6.1-5-4

33 (2) The following rules concerning pupil/teacher ratios:

34 511 IAC 6-2-1(b)(2)

35 511 IAC 6.1-4-1

36 (3) The following statutes and rules concerning textbooks:

37 IC 20-10.1-9-1

38 IC 20-10.1-9-18

39 IC 20-10.1-9-21

40 ~~IC 20-10.1-9-23~~

41 IC 20-10.1-9-27

42 IC 20-10.1-10-1

C
O
P
Y



- 1 IC 20-10.1-10-2
- 2 511 IAC 6.1-5-5
- 3 (4) 511 IAC 6-7, concerning graduation requirements.
- 4 (5) 511 IAC 6-2-1(c)(4), concerning pupil/principal ratios.
- 5 (6) 511 IAC 2-2, concerning school construction and remodeling.
- 6 (7) IC 20-1-1.2, concerning the performance-based accreditation
- 7 system.
- 8 (8) IC 20-10.1-16, concerning the ISTEP program established
- 9 under IC 20-10.1-16-8, if an alternative locally adopted norm and
- 10 criterion referenced assessment program is adopted under section
- 11 6(7) of this chapter.

12 SECTION 6. IC 20-8.1-1-19 IS ADDED TO THE INDIANA CODE
 13 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 14 1, 2000]: **Sec. 19. As used in this article, "textbook" has the**
 15 **meaning set forth in IC 20-10.1-12.5.**

16 SECTION 7. IC 20-8.1-9-9.5 IS AMENDED TO READ AS
 17 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 9.5. (a) If a parent of a
 18 child or an emancipated minor who is enrolled in an accredited
 19 nonpublic school meets the financial eligibility standard under section
 20 2 of this chapter, the parent or the emancipated minor may receive a
 21 reimbursement from the department ~~as provided in this chapter~~ for the
 22 costs or some of the costs incurred by the parent or emancipated minor
 23 in fees that are ~~reimbursable under section 9 of this chapter. The extent~~
 24 ~~to which the fees are reimbursable under this section may not exceed~~
 25 ~~the percentage rates of reimbursement under section 9 of this chapter.~~
 26 **described in subsection (g).** In addition, if a child enrolls in an
 27 accredited nonpublic school after the initial request for reimbursement
 28 is filed under subsection ~~(b)~~, **(f)**, the parent of the child or the
 29 emancipated minor who meets the financial eligibility standard **under**
 30 **section 2 of this chapter** may receive a reimbursement from the
 31 department for the costs or some of the costs incurred in fees that are
 32 ~~reimbursable under section 9 of this chapter~~ **described in subsection**
 33 **(g)** by applying to the accredited nonpublic school for assistance. In
 34 this case, the provisions of this section apply, except that section 9.6 of
 35 this chapter applies to the making of the supplemental request for
 36 reimbursement by the principal or other designee of the accredited
 37 nonpublic school.

38 (b) The department shall provide each accredited nonpublic school
 39 with sufficient application forms for assistance, prescribed by the state
 40 board of accounts.

41 (c) Each accredited nonpublic school shall provide the parents or
 42 emancipated minors who wish to apply for assistance with:

C
O
P
Y



- 1 (1) the appropriate application forms; and
 2 (2) any assistance needed in completing the application form.
- 3 (d) The parent or emancipated minor shall submit the application to
 4 the accredited nonpublic school. The accredited nonpublic school shall
 5 make a determination of financial eligibility subject to appeal by the
 6 parent or emancipated minor.
- 7 (e) If a determination is made that the applicant is eligible for
 8 assistance, subsection (a) applies.
- 9 (f) In order to be guaranteed some level of reimbursement from the
 10 department, the principal or other designee shall submit the
 11 reimbursement request before November 1 of a school year.
- 12 (g) In its request, the principal or other designee shall certify to the
 13 department:
- 14 (1) the number of students who are enrolled in that accredited
 15 nonpublic school and who are eligible for assistance under this
 16 chapter;
- 17 (2) the costs incurred in providing:
- 18 (A) textbooks (including textbooks used in special education
 19 and gifted and talented classes); and
- 20 (B) workbooks and consumable textbooks (including
 21 workbooks, consumable textbooks, and other consumable
 22 teaching materials that are used in special education and gifted
 23 and talented classes) that are used by students for ~~no~~ **not** more
 24 than one (1) school year;
- 25 (3) that each textbook described in subdivision (2)(A) and
 26 included in the reimbursement request (except those textbooks
 27 used in special education classes and gifted and talented classes)
 28 has been adopted by the **Indiana** state board of education under
 29 IC 20-10.1-9-1 or has been waived by the **Indiana** state board of
 30 education under IC 20-10.1-9-27;
- 31 (4) that the amount of reimbursement requested for each textbook
 32 under subdivision (3) does not exceed twenty percent (20%) of
 33 the costs incurred for the textbook, as provided in the textbook
 34 adoption list in each year of the adoption cycle;
- 35 (5) that the amount of reimbursement requested for each
 36 workbook or consumable textbook (or other consumable teaching
 37 material used in special education and gifted and talented classes)
 38 under subdivision (2)(B), if applicable, does not exceed one
 39 hundred percent (100%) of the costs incurred for the workbook or
 40 consumable textbook (or other consumable teaching material used
 41 in special education and gifted and talented classes);
- 42 (6) that the amount of reimbursement requested for each textbook

C
O
P
Y

1 used in special education and gifted and talented classes is
 2 amortized for the number of years in which the textbook is used;
 3 and

4 (7) any other information required by the department, including
 5 copies of purchase orders used to acquire consumable teaching
 6 materials used in special education and gifted and talented
 7 classes.

8 (h) If the amount of reimbursement requested before November 1
 9 of a particular school year exceeds the amount of money appropriated
 10 to the department for this purpose, the department shall proportionately
 11 reduce the amount of reimbursement to each accredited nonpublic
 12 school. An accredited nonpublic school may submit a supplemental
 13 reimbursement request under section 9.6 of this chapter. The parent or
 14 emancipated minor is entitled to receive a supplemental reimbursement
 15 only if there are funds available. The department shall proportionately
 16 reduce the amount of supplemental reimbursement to the accredited
 17 nonpublic schools if the amount requested exceeds the amount of
 18 money available to the department for this purpose.

19 (i) The accredited nonpublic school shall distribute the money
 20 received under this chapter to the appropriate eligible parents or
 21 emancipated minors.

22 (j) ~~IC 20-8.1-9-9(h) applies to parents or emancipated minors as~~
 23 ~~described in this section. Parents receiving other governmental~~
 24 ~~assistance or aid that considers educational needs in computing the~~
 25 ~~entire amount of assistance granted may not be denied assistance~~
 26 ~~if the applicant's total family income does not exceed the standards~~
 27 ~~established by this chapter.~~

28 (k) The accredited nonpublic school and the department shall
 29 maintain complete and accurate information concerning the number of
 30 applicants determined to be eligible for assistance under this section.

31 (l) The state board of education shall adopt rules under IC 4-22-2 to
 32 implement this section.

33 SECTION 8. IC 20-8.1-9-9.6 IS AMENDED TO READ AS
 34 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 9.6. (a) The principal
 35 or other designee of an accredited nonpublic school may make a
 36 supplemental request for reimbursement from the department after
 37 April 1 but before May 1 of a school year for some or all of the
 38 additional costs incurred in fees that are ~~reimbursable under section 9~~
 39 ~~of this chapter described in section 9.5(g) of this chapter~~ by the
 40 parent of a child or emancipated minor who ~~enroll~~ enrolls in the
 41 accredited nonpublic school after the initial request for reimbursement
 42 is filed under section 9.5(f) of this chapter.



C
O
P
Y

1 (b) In its supplemental request, the principal or other designee must
2 certify to the department the following:

3 (1) The number of additional students who enrolled in the
4 accredited nonpublic school as described in subsection (a).

5 (2) The costs incurred in providing the materials described in
6 section 9.5(g)(2) of this chapter pertaining to the number of
7 additional students.

8 (3) The same information as described in section 9.5(g)(3)
9 through 9.5(g)(7) of this chapter as pertaining to the number of
10 additional students.

11 (c) This section applies only if there are funds available. These
12 supplemental distributions shall be made by the department in
13 accordance with section 9.5(h) of this chapter.

14 SECTION 9. IC 20-8.1-9-11 IS AMENDED TO READ AS
15 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 11. Under
16 extraordinary circumstances, the township trustee may pay for the fees
17 for supplies or other required class fees enumerated in section 3 of
18 this chapter for individuals who do not otherwise qualify under the
19 financial eligibility standard established in this chapter. are enrolled
20 in a school corporation. Assistance in such cases may be provided by
21 the township trustee under IC 12-20.

22 SECTION 10. IC 20-8.1-9-14 IS AMENDED TO READ AS
23 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 14. (a) The school
24 textbook reimbursement contingency fund is established for the
25 purpose of reimbursing school corporations or certain eligible parents
26 of children who attend accredited nonpublic schools or emancipated
27 minors who attend accredited nonpublic schools as provided in section
28 9.5 of this chapter) for assistance provided under this chapter. The fund
29 consists of money appropriated to the fund by the general assembly.
30 The state superintendent of public instruction shall administer the fund.

31 (b) The treasurer of state shall invest the money in the fund not
32 currently needed to meet the obligations of the fund in the same
33 manner as other public funds may be invested.

34 SECTION 11. IC 20-10.1-1-12.5 IS AMENDED TO READ AS
35 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 12.5. As used in this
36 article, the term "textbook" means systematically organized material,
37 designed to provide a specific level of instruction in a subject matter
38 category. **The term refers to the following:**

39 (1) **Instructional materials that are used by students for more
40 than one (1) year, including materials used in special
41 education and gifted and talented classes.**

42 (2) **Workbooks and consumable instructional materials that**

C
O
P
Y



1 are used by students for not more than one (1) school year,
 2 including workbooks, consumable textbooks, and other
 3 consumable instructional materials that are used in special
 4 education and gifted and talented classes.

5 (3) Developmentally appropriate materials used:

6 (A) for instruction in kindergarten through grade 3,
 7 laboratories, and children's literature programs; and

8 (B) instead of items described in subdivisions (1) through
 9 (2).

10 SECTION 12. IC 20-10.1-9-19 IS AMENDED TO READ AS
 11 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 19. ~~Time Basis~~
 12 ~~Purchase~~: When a school corporation purchases textbooks on a time
 13 basis, the schedule for payments shall coincide with ~~pupil payments~~
 14 **reimbursement under IC 21-3-1.7-9.9** to the school corporation for
 15 ~~textbook rental~~ **textbooks** and the schedule shall not require the school
 16 corporation to assume a greater burden than payment of twenty-five
 17 percent (25%) within thirty (30) days after the beginning of the school
 18 year immediately following delivery by the contracting publisher with
 19 the school corporation's promissory note evidencing the unpaid
 20 balance.

21 SECTION 13. IC 20-10.1-9-20 IS AMENDED TO READ AS
 22 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 20. Each school
 23 corporation may borrow money to buy textbooks and may issue notes,
 24 maturing serially in not more than six (6) years and payable from its
 25 ~~general textbook~~ fund, to secure the loan. However, when an adoption
 26 is made by the state board of education for less than six (6) years, the
 27 period of time for which the notes may be issued is limited to the
 28 period of time for which that adoption is effective. Notwithstanding
 29 other provisions of this section, a school township may not borrow
 30 money to purchase textbooks unless a petition requesting such an
 31 action and bearing the signatures of twenty-five percent (25%) of the
 32 resident taxpayers of the school township has been presented to and
 33 approved by the township trustee and township board.

34 SECTION 14. IC 20-10.1-10-1 IS AMENDED TO READ AS
 35 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 1. (a) Except as
 36 provided in ~~subsections~~ **subsection** (b) ~~and (c)~~ and all laws to the
 37 contrary notwithstanding, each governing body shall purchase from a
 38 contracting publisher, at the net contract price or at any subsequent
 39 lower price, the textbooks adopted by the Indiana state board of
 40 education and selected by the proper local officials ~~and shall rent these~~
 41 ~~textbooks to each student enrolled in any public school which is in~~
 42 ~~compliance with the minimum certification standards of the Indiana~~



C
O
P
Y

1 state board of education and is located within the attendance unit
2 served by the governing body: **to carry out IC 20-10.1-11.**

3 ~~(b)~~ This section does not prohibit the purchase of these textbooks at
4 the option of any student: or the providing of free textbooks by the
5 governing body under ~~IC 20-10.1-11.~~

6 ~~(c)~~ **(b)** This section does not prohibit a governing body from
7 suspending the operation of this section under a contract entered into
8 under IC 20-5-62.

9 SECTION 15. IC 20-10.1-10-2 IS AMENDED TO READ AS
10 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 2. (a) Each governing
11 body may purchase from a contracting publisher, at the net contract
12 price or at any subsequent lower price, any textbook adopted by the
13 state board of education and selected by the proper local officials ~~and~~
14 **may rent these to carry out IC 20-10.1-11.**

15 **(b) In addition to the purchases described in subsection (a), the**
16 **school corporation may purchase sufficient textbooks to rent**
17 textbooks to students enrolled in any ~~public or~~ nonpublic school which
18 is in compliance with the minimum certification standards of the
19 **Indiana** state board of education and is located within the attendance
20 unit served by the governing body. ~~at an~~ **The annual rental not to may**
21 **not** exceed twenty-five percent (25%) of the retail price of the
22 textbooks.

23 ~~(b)~~ **(c)** However, the governing body may not assess a rental fee **to**
24 **a nonpublic school** of more than fifteen percent (15%) of the retail
25 price of a textbook that has been:

- 26 (1) adopted for usage by students under IC 20-10.1-9;
27 (2) extended for usage by students under IC 20-10.1-9-1(b); and
28 (3) paid for through ~~rental fees~~ previously collected **textbook**
29 **grants under IC 21-3-1.7-9.9.**

30 ~~(c)~~ **(d)** This section does not limit any other laws but is
31 supplementary.

32 SECTION 16. IC 20-10.1-11-1 IS AMENDED TO READ AS
33 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 1. ~~Each section of this~~
34 ~~chapter applies to both elementary school libraries and high school~~
35 ~~libraries that contain free textbooks. These textbooks must be adopted~~
36 ~~by the state board of education and selected by the proper local~~
37 ~~officials. For the purposes of As used in this chapter, "resident student"~~
38 ~~means a student enrolled in any of the grades in any school located in~~
39 ~~the school corporation, whether actually resident there or transferred~~
40 ~~there for school purposes, as provided by law.~~

41 SECTION 17. IC 20-10.1-11-8 IS AMENDED TO READ AS
42 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 8. ~~Duty of School~~



C
O
P
Y

1 Corporation. If a petition is filed under IC 1971, 20-10.1-11-6 and is
 2 sufficient; The governing body shall make an entry on the records of
 3 the a school corporation noting that by the filing of the petition the
 4 school corporation shall obligate itself to maintain:

5 (1) an elementary school library containing textbooks in sufficient
 6 numbers to meet the needs of every resident student in each of the
 7 first eight (8) grades of each elementary school located within the
 8 school corporation; or, if appropriate, to maintain and

9 (2) a high school library containing textbooks in sufficient
 10 numbers to meet the needs of every resident student in each of the
 11 four (4) grades of each high school located within the school
 12 corporation.

13 SECTION 18. IC 20-10.1-11-10 IS AMENDED TO READ AS
 14 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 10. (a) Each governing
 15 body shall make requisition for the necessary textbooks for the students
 16 from the contracting publishers approved by the state board of
 17 education. The contracting publisher shall ship the books, within ninety
 18 (90) days, directly to these officials. On receipt of the books, each
 19 school corporation shall have charge and custody of all books
 20 consigned to it, receipting to the contracting publisher for them; and
 21 each governing body shall reimburse the contracting publisher the
 22 amount owed by the school corporation for these books appropriate
 23 the money necessary to purchase textbooks for an elementary
 24 school library or a high school library from its general textbook
 25 fund.

26 (b) Each governing body shall purchase with its general textbook
 27 fund money any current textbooks, from a resident student who
 28 presents them for sale on or before the beginning of the school term in
 29 which the books are to be used, at a price based on the original price to
 30 the corporation less a reasonable reduction for damage from usage.

31 (c) The proper school authorities shall likewise purchase any stock
 32 of books which are to be used during any school year from any dealer
 33 whose business is located in the county in which the school corporation
 34 is located; and who was authorized by law to sell these books before
 35 March 1, 1935; at not to exceed the price paid by the dealer to the
 36 contracting publisher from whom these books were purchased.

37 SECTION 19. IC 20-10.1-11-11 IS AMENDED TO READ AS
 38 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 11. Availability of Free
 39 Textbooks. Upon receipt of the books, Each governing body shall loan
 40 them; all textbooks used by the school corporation, free of charge,
 41 to each resident student. These library textbooks are available to each
 42 resident student under regulations as provided in this chapter and as

C
O
P
Y



1 may be prescribed by each superintendent and governing body.

2 SECTION 20. IC 20-10.1-11-13 IS AMENDED TO READ AS
 3 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 13. ~~State of Books~~. Each
 4 governing body may provide a sufficient number of ~~these books~~
 5 **textbooks** for sale to resident students who may purchase them at the
 6 price stipulated in the contracts under which the books are supplied to
 7 each school corporation. These funds **from sales to students** must be
 8 paid into the **general textbook** fund.

9 SECTION 21. IC 21-2-1-3 IS AMENDED TO READ AS
 10 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 3. (a) The trustee, with
 11 the advice and consent of the township board, shall use such "seminary
 12 lands school account" for the following educational purposes:

13 (1) Each year the trustee shall pay to the ~~parent or legal guardian~~
 14 **of school corporation where** any child, whose residence is
 15 within said township, ~~initial is enrolled an amount equal to~~
 16 **twenty-five percent (25%) of the** cost for the ~~rental of~~ textbooks
 17 ~~used in any elementary or secondary school which distributed~~
 18 **under IC 20-10.1-11 to the student in the school year**
 19 **beginning in the calendar year of the distribution under this**
 20 **section if the school corporation** has been ~~duly~~ accredited by the
 21 state of Indiana. ~~Such reimbursement for the rental of school~~
 22 ~~books shall be for the initial yearly rental charge only, and Books~~
 23 ~~subsequently lost or destroyed shall not be paid for from this~~
 24 ~~account.~~

25 (2) Students who are residents of said township for the last two
 26 (2) years of their secondary education and who still reside within
 27 said township shall receive financial assistance in an amount not
 28 to exceed an amount determined by the trustee and the township
 29 board during an annual review of higher education fees and
 30 tuition costs of post-high school education at any accredited
 31 college, university, junior college, or vocational or trade school.
 32 Amounts to be paid to each eligible student shall be set annually
 33 following this review. The amount so paid each year shall be
 34 equitable for every eligible student without regard to race,
 35 religion, creed, sex, disability, or national origin and must be
 36 based on the number of students and the amount of funds
 37 available each year.

38 (3) A person who has been a permanent resident of the township
 39 continuously for at least two (2) years and who needs educational
 40 assistance for job training or retraining may apply to the trustee
 41 of the township for financial assistance. The trustee and the
 42 township board shall review each application and make assistance



C
O
P
Y

1 available according to the need of each applicant and the
2 availability of funds.

3 (4) If all the available funds are not used in any one (1) year, said
4 unused funds shall be retained in said account by the trustee for
5 use in succeeding years.

6 (b) The bond required by law for the trustee shall be increased by an
7 amount equal to the sum of the seminary township school fund and the
8 average annual rental income from said seminary lands.

9 (c) All funds and accounts provided in this chapter and the
10 accumulation thereof shall be periodically audited and examined in the
11 same manner provided by law for public money.

12 (d) All expenditures and payments made under this chapter shall be
13 made only after necessary expenditures for the protection and
14 maintenance of the seminary land in good and safe condition are first
15 made from the annual rental income.

16 SECTION 22. IC 21-2-11-5 IS AMENDED TO READ AS
17 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 5. Any self-supporting
18 programs maintained by any school corporation, including but not
19 limited to school lunch, ~~and rental or sale of textbooks~~, may be
20 established as separate funds, separate and apart from the general fund,
21 if no local tax rate is established therefor.

22 SECTION 23. IC 21-2-18 IS ADDED TO THE INDIANA CODE
23 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
24 JULY 1, 2000]:

25 **Chapter 18. Textbook Fund**

26 **Sec. 1. As used in this chapter, "textbook" has the meaning set
27 forth in IC 20-10.1-1-12.5.**

28 **Sec. 2. A school corporation shall establish a textbook fund.**

29 **Sec. 3. Money in the fund may be used only for the following
30 purposes:**

31 **(1) Repaying interest and principal on loans obtained under
32 IC 20-10.1-9-20 to purchase textbooks.**

33 **(2) Purchasing, repairing, or storing textbooks distributed to
34 students under IC 20-10.1-11.**

35 **Sec. 4. A school corporation shall deposit distributions under
36 IC 21-3-1.7-9.9 in the textbook fund.**

37 **Sec. 5. Money in the fund at the end of a school year does not
38 revert to the school general fund.**

39 SECTION 24. IC 21-3-1.7-3.1 IS AMENDED TO READ AS
40 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 3.1. (a) As used in this
41 chapter, "previous year revenue" for calculations with respect to a
42 school corporation equals:

C
O
P
Y



- 1 (1) the school corporation's tuition support for regular programs,
- 2 including basic tuition support, and excluding:
- 3 (A) special education grants;
- 4 (B) vocational education grants;
- 5 (C) at-risk programs;
- 6 (D) the enrollment adjustment grant; ~~and~~
- 7 (E) for 1999 and thereafter, the academic honors diploma
- 8 award; **and**
- 9 **(F) for 2000 and thereafter, the textbook grant;**
- 10 for the year that precedes the current year; plus
- 11 (2) the school corporation's tuition support levy for the year that
- 12 precedes the current year before the reductions required under
- 13 section 5(1), 5(2), and 5(3) of this chapter; plus
- 14 (3) the school corporation's excise tax revenue for the year that
- 15 precedes the current year by two (2) years; minus
- 16 (4) an amount equal to the reduction in the school corporation's
- 17 tuition support under subsection (b) or IC 20-10.1-2-1, or both.
- 18 (b) A school corporation's previous year revenue shall be reduced
- 19 if:
- 20 (1) the school corporation's state tuition support for special or
- 21 vocational education was reduced as a result of a complaint being
- 22 filed with the department of education after December 31, 1988,
- 23 because the school program overstated the number of children
- 24 enrolled in special or vocational education programs; and
- 25 (2) the school corporation's previous year revenue has not been
- 26 reduced under this subsection more than one (1) time because of
- 27 a given overstatement.
- 28 The amount of the reduction equals the amount the school corporation
- 29 would have received in tuition support for special and vocational
- 30 education because of the overstatement.
- 31 SECTION 25. IC 21-3-1.7-9.5 IS AMENDED TO READ AS
- 32 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 9.5. (a) In addition to
- 33 the ~~distribution~~ **distributions** under sections 8, 9.7, ~~and~~ 9.8, **and 9.9** of
- 34 this chapter, a school corporation is eligible for an enrollment
- 35 adjustment grant if the school corporation's:
- 36 (1) current ADM minus the school corporation's previous year
- 37 ADM is at least two hundred fifty (250); or
- 38 (2) current ADM divided by the school corporation's previous
- 39 year ADM is at least one and five-hundredths (1.05).
- 40 (b) The amount of the enrollment adjustment grant is the amount
- 41 determined in STEP THREE of the following formula:
- 42 STEP ONE: Determine the school corporation's target revenue per

C
O
P
Y



- 1 ADM divided by three (3).
 2 STEP TWO: Determine the result of the school corporation's
 3 current ADM minus, in 1998, the school corporation's previous
 4 year ADM.
 5 STEP THREE: Multiply the STEP ONE result by the STEP TWO
 6 result.
 7 SECTION 26. IC 21-3-1.7-9.7 IS AMENDED TO READ AS
 8 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 9.7. In addition to the
 9 distributions under sections 8, 9.5, **and 9.8, and 9.9** of this chapter for
 10 1997 and thereafter, a school corporation is eligible for an amount for
 11 at-risk programs in the amount determined in STEP SIX of the
 12 following formula:
 13 **STEP ONE:** Determine the greater of the following:
 14 (A) The result determined under item (ii) of the following
 15 formula:
 16 (i) Determine the result of the school corporation's at-risk
 17 index minus two-tenths (0.2).
 18 (ii) Multiply the item (i) result by seven-hundredths (0.07).
 19 (B) Zero (0).
 20 **STEP TWO:** Determine the greater of the following:
 21 (A) The result determined under item (ii) of the following
 22 formula:
 23 (i) Determine the result of the school corporation's at-risk
 24 index minus fifteen-hundredths (0.15).
 25 (ii) Multiply the item (i) result by eighteen-hundredths
 26 (0.18).
 27 (B) Zero (0).
 28 **STEP THREE:** Add the STEP ONE result and the STEP TWO
 29 result.
 30 **STEP FOUR:** Multiply the STEP THREE sum by the school
 31 corporation's current ADM. Round the result to the nearest
 32 one-hundredth (0.01).
 33 **STEP FIVE:** Multiply the STEP FOUR product by two thousand
 34 nine hundred fifty dollars (\$2,950) in 1998 and three thousand
 35 one hundred thirty-five dollars (\$3,135) in 1999.
 36 SECTION 27. IC 21-3-1.7-9.9 IS ADDED TO THE INDIANA
 37 CODE AS A **NEW SECTION TO READ AS FOLLOWS**
 38 [EFFECTIVE JULY 1, 2000]: **Sec. 9.9. (a) In addition to the**
 39 **distributions under sections 8, 9.5, 9.7, and 9.8 of this chapter for**
 40 **2000, a school corporation is eligible for an amount for textbooks**
 41 **that is equal to the school corporation's current ADM multiplied**
 42 **by eighty-three dollars (\$83).**



C
O
P
Y

1 **(b) The distribution received under this section shall be**
 2 **deposited in a school corporation's textbook fund and used only for**
 3 **the purposes specified in IC 21-2-18-3.**

4 SECTION 28. THE FOLLOWING ARE REPEALED [EFFECTIVE
 5 JULY 1, 2000]: IC 20-2-9-5; IC 20-5-6-5; IC 20-8.1-9-3; IC 20-8.1-9-5;
 6 IC 20-8.1-9-9; IC 20-8.1-9-9.1; IC 20-10.1-9-23; IC 20-10.1-11-2;
 7 IC 20-10.1-11-3; IC 20-10.1-11-4; IC 20-10.1-11-5; IC 20-10.1-11-6;
 8 IC 20-10.1-11-7; IC 20-10.1-11-9.

9 SECTION 29. [EFFECTIVE JULY 1, 2000] (a) A school
 10 corporation may not conduct a textbook rental program for a
 11 school year beginning after June 30, 2000.

12 **(b) On June 30, 2000, a school corporation shall transfer any**
 13 **unencumbered money in any fund or account used for textbook**
 14 **rental fees to the textbook fund established by IC 21-2-18, as added**
 15 **by this act. The money transferred under this SECTION may be**
 16 **used for any purpose for which other money in the textbook fund**
 17 **may be used.**

18 **(c) Notwithstanding IC 21-3-1.7-9.9, as added by this act, a**
 19 **school corporation is entitled in 2000 to only fifty percent (50%) of**
 20 **the amount of the textbook grant specified in IC 21-3-1.7-9.9, as**
 21 **added by this act, to be distributed in six (6) monthly installments.**

22 **(d) This SECTION expires January 1, 2004.**

23 SECTION 30. [EFFECTIVE JULY 1, 2000] (a) The state board of
 24 tax commissioners shall reduce the:

- 25 (1) maximum permissible ad valorem property tax levy
 26 imposed by IC 6-1.1-18.5-3; and
 27 (2) poor relief levy;

28 of each township to reflect the effect of the repeal of IC 20-8.1-9-3
 29 by this act on the obligation of township trustees to pay school fees
 30 under IC 20-8.1-9-11, as amended by this act.

31 **(b) The state board of tax commissioners shall reduce the:**

- 32 (1) maximum permissible ad valorem property tax levy
 33 imposed by IC 6-1.1-19-1.5; and
 34 (2) general fund property tax levy;

35 of each school corporation that operated an elementary school
 36 library or a high school library under IC 20-10.1-11 (as effective on
 37 June 30, 2000) to provide free textbooks to resident students before
 38 July 1, 2000, to reflect the transfer of textbook funding to the
 39 textbook fund established by IC 21-2-18, as added by this act.

40 **(c) Any loan:**

- 41 (1) obtained to purchase textbooks (as defined in
 42 IC 20-10.1-1-12.5, as amended by this act); and

C
O
P
Y



- 1 **(2) payable from a school general fund before July 1, 2000;**
- 2 **shall be paid from the school textbook fund after June 30, 2000.**
- 3 **(d) This SECTION expires January 1, 2003.**

C
o
p
y

