

HOUSE BILL No. 1720

DIGEST OF INTRODUCED BILL

Citations Affected: IC 20-2-9; IC 20-5; IC 20-8.1; IC 20-10.1; IC 21-2; IC 21-3-1.7.

Synopsis: Public school textbooks. Requires public schools to provide textbooks to students at no charge to the students' families. Abolishes the public school textbook rental program and the public school textbook library program. Provides an annual state textbook grant to school corporations equal to \$85 per ADM for deposit in the textbook account. Defines textbook to include the various kinds of instructional materials that are currently eligible for state reimbursement under the textbook assistance program. Requires a school corporation to establish a textbook fund and to appropriate money from the fund to purchase and distribute textbooks. Makes conforming changes and includes transitional provisions.

Effective: July 1, 1999.

Crooks

January 26, 1999, read first time and referred to Committee on Education.

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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.

HOUSE BILL No. 1720

A BILL FOR AN ACT to amend the Indiana Code concerning education finance 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, 1999]: 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~~ fund without appropriation or the
6 application of other laws relating to the budgets of local government
7 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 ~~extra-curricular~~
10 **extracurricular** account, the township trustee shall approve the
11 amount of the bond of the treasurer of the ~~extra-curricular~~
12 **extracurricular** account in an amount he considers protects the
13 account for all funds coming into the hands of that treasurer.

14 SECTION 2. IC 20-5-2-2 IS AMENDED TO READ AS FOLLOWS
15 [EFFECTIVE JULY 1, 1999]: Sec. 2. In carrying out the school
16 purposes of each school corporation, its governing body acting on its
17 behalf shall have the following specific powers:



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- 1 (1) In the name of the school corporation, to sue and be sued and
2 to enter into contracts in matters permitted by applicable law.
- 3 (2) To take charge of, manage, and conduct the educational affairs
4 of the school corporation and to establish, locate, and provide the
5 necessary schools, school libraries, other libraries where
6 permitted by law, other buildings, facilities, property, and
7 equipment therefor.
- 8 (2.5) To appropriate from the general fund an amount, not to
9 exceed the greater of three thousand dollars (\$3,000) per budget
10 year or one dollar (\$1) per pupil, not to exceed twelve thousand
11 five hundred dollars (\$12,500), based upon the school
12 corporation's previous year's average daily membership (as
13 defined in IC 21-3-1.6-1.1) for the purpose of promoting the best
14 interests of the school corporation by:
- 15 (A) the purchase of meals, decorations, memorabilia, or
16 awards;
- 17 (B) provision for expenses incurred in interviewing job
18 applicants; or
- 19 (C) developing relations with other governmental units.
- 20 (3) To acquire, construct, erect, maintain, hold, and to contract for
21 such construction, erection, or maintenance of such real estate,
22 real estate improvements, or any interest in either, as the
23 governing body deems necessary for school purposes, including
24 but not limited to buildings, parts of buildings, additions to
25 buildings, rooms, gymnasiums, auditoriums, playgrounds, playing
26 and athletic fields, facilities for physical training, buildings for
27 administrative, office, warehouse, repair activities, or housing of
28 school owned buses, landscaping, walks, drives, parking areas,
29 roadways, easements and facilities for power, sewer, water,
30 roadway, access, storm and surface water, drinking water, gas,
31 electricity, other utilities and similar purposes, by purchase, either
32 outright for cash (or under conditional sales or purchases money
33 contracts providing for a retention of a security interest by seller
34 until payment is made or by notes where such contract, security
35 retention, or note is permitted by applicable law), by exchange, by
36 gift, by devise, by eminent domain, by lease with or without
37 option to purchase, or by lease under IC 21-5-10, IC 21-5-11, or
38 IC 21-5-12. To repair, remodel, remove, or demolish any such real
39 estate, real estate improvements, or interest in either, as the
40 governing body deems necessary for school purposes, and to
41 contract therefor. To provide for energy conservation measures
42 through utility energy efficiency programs or under a guaranteed

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1 energy savings contract as described in IC 36-1-12.5.

2 (4) To acquire such personal property or any interest therein
 3 the governing body deems necessary for school purposes,
 4 including but not limited to buses, motor vehicles, equipment,
 5 apparatus, appliances, books, furniture, and supplies, either by
 6 outright purchase for cash, or under conditional sales or purchase
 7 money contracts providing for a security interest by the seller
 8 until payment is made or by notes where such contract, security,
 9 retention, or note is permitted by applicable law, by gift, by
 10 devise, by loan, or by lease with or without option to purchase and
 11 to repair, remodel, remove, relocate, and demolish such personal
 12 property. All purchases and contracts delineated under the powers
 13 given under subdivision (3) and this subdivision shall be subject
 14 solely to applicable law relating to purchases and contracting by
 15 municipal corporations in general and to the supervisory control
 16 of agencies of the state as provided in section 3 of this chapter.

17 (5) To sell or exchange any of such real or personal property or
 18 interest therein, which in the opinion of the governing body is not
 19 necessary for school purposes, in accordance with IC 20-5-5, to
 20 demolish or otherwise dispose of such property if, in the opinion
 21 of the governing body, it is not necessary for school purposes and
 22 is worthless, and to pay the expenses for such demolition or
 23 disposition.

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

27 (A) civic or public purposes; or

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

32 if the property is not needed for school purposes. Under this
 33 subdivision, the governing body may enter into a long term lease
 34 with a nonprofit corporation, community service organization, or
 35 other governmental entity, if the corporation, organization, or
 36 other governmental entity will use the property to be leased for
 37 civic or public purposes or for a school age child care program.
 38 However, if the property subject to a long term lease is being paid
 39 for from money in the school corporation's debt service fund, then
 40 all proceeds from the long term lease shall be deposited in that
 41 school corporation's debt service fund so long as the property has
 42 not been paid for. The governing body may, at its option, use the

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1 procedure specified in IC 36-1-11-10 in leasing property under
2 this subdivision.

3 (7) To employ, contract for, and discharge superintendents,
4 supervisors, principals, teachers, librarians, athletic coaches
5 (whether or not they are otherwise employed by the school
6 corporation and whether or not they are licensed under
7 IC 20-6.1-3), business managers, superintendents of buildings and
8 grounds, janitors, engineers, architects, physicians, dentists,
9 nurses, accountants, teacher aides performing noninstructional
10 duties, educational and other professional consultants, data
11 processing and computer service for school purposes, including
12 but not limited to the making of schedules, the keeping and
13 analyzing of grades and other student data, the keeping and
14 preparing of warrants, payroll, and similar data where approved
15 by the state board of accounts as provided below, and such other
16 personnel or services, all as the governing body considers
17 necessary for school purposes. To fix and pay the salaries and
18 compensation of such persons and such services. To classify such
19 persons or services and to adopt schedules of salaries or
20 compensation. To determine the number of such persons or the
21 amount of services thus employed or contracted for. To determine
22 the nature and extent of their duties. The compensation, terms of
23 employment, and discharge of teachers shall, however, be subject
24 to and governed by the laws relating to employment, contracting,
25 compensation, and discharge of teachers. The compensation,
26 terms of employment, and discharge of bus drivers shall be
27 subject to and shall be governed by any laws relating to
28 employment, contracting, compensation, and discharge of bus
29 drivers. The forms and procedures relating to the use of computer
30 and data processing equipment in handling the financial affairs of
31 such school corporation shall be submitted to the state board of
32 accounts for approval to the end that such services shall be used
33 by the school corporation when the governing body determines
34 that it is in the best interests of the school corporation while at the
35 same time providing reasonable accountability for the funds
36 expended.

37 (8) Notwithstanding the appropriation limitation in subdivision
38 (2.5), when the governing body by resolution deems a trip by an
39 employee of the school corporation or by a member of the
40 governing body to be in the interest of the school corporation,
41 including but not limited to attending meetings, conferences, or
42 examining equipment, buildings, and installation in other areas,

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- 1 to permit such employee to be absent in connection with such trip
 2 without any loss in pay and to refund to such employee or to such
 3 member his reasonable hotel and board bills and necessary
 4 transportation expenses. To pay teaching personnel for time spent
 5 in sponsoring and working with school related trips or activities.
 6 (9) To transport children to and from school, when in the opinion
 7 of the governing body such transportation is necessary, including
 8 but not limited to considerations for the safety of such children
 9 and without regard to the distance they live from the school, such
 10 transportation to be otherwise in accordance with the laws
 11 applicable thereto.
 12 (10) To provide a lunch program for a part or all of the students
 13 attending the schools of the school corporation, including but not
 14 limited to the establishment of kitchens, kitchen facilities, kitchen
 15 equipment, lunch rooms, the hiring of the necessary personnel to
 16 operate such program, and the purchase of any material and
 17 supplies therefor, charging students for the operational costs of
 18 such lunch program, fixing the price per meal or per food item. To
 19 operate such lunch program as an extracurricular activity, subject
 20 to the supervision of the governing body. To participate in any
 21 surplus commodity or lunch aid program.
 22 (11) To purchase textbooks **and** to furnish them without cost ~~or~~
 23 ~~to rent them~~ to students. ~~to participate in any textbook aid~~
 24 ~~program, all in accordance with applicable law.~~
 25 (12) To accept students transferred from other school corporations
 26 and to transfer students to other school corporations in accordance
 27 with applicable law.
 28 (13) To levy taxes, to make budgets, to appropriate funds, and to
 29 disburse the money of the school corporation in accordance with
 30 the laws applicable thereto. To borrow money against current tax
 31 collections and otherwise to borrow money, in accordance with
 32 IC 20-5-4.
 33 (14) To purchase insurance or to establish and maintain a
 34 program of self-insurance relating to the liability of the school
 35 corporation or its employees in connection with motor vehicles or
 36 property and for any additional coverage to the extent permitted
 37 and in accordance with IC 34-13-3-20. To purchase additional
 38 insurance or to establish and maintain a program of self-insurance
 39 protecting the school corporation and members of the governing
 40 body, employees, contractors, or agents of the school corporation
 41 from any liability, risk, accident, or loss related to any school
 42 property, school contract, school or school related activity,

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1 including but not limited to the purchase of insurance or the
2 establishment and maintenance of a self-insurance program
3 protecting such persons against false imprisonment, false arrest,
4 libel, or slander for acts committed in the course of their
5 employment, protecting the school corporation for fire and
6 extended coverage and other casualty risks to the extent of
7 replacement cost, loss of use, and other insurable risks relating to
8 any property owned, leased, or held by the school corporation. To
9 purchase insurance or to establish and maintain a program of
10 self-insurance to benefit school corporation employees, which
11 may include accident, sickness, health, or dental coverage,
12 provided that any plan of self-insurance shall include an
13 aggregate stop-loss provision.

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

18 (16) To defend any member of the governing body or any
19 employee of the school corporation in any suit arising out of the
20 performance of his duties for or employment with, the school
21 corporation, provided the governing body by resolution
22 determined that such action was taken in good faith. To save any
23 such member or employee harmless from any liability, cost, or
24 damage in connection therewith, including but not limited to the
25 payment of any legal fees, except where such liability, cost, or
26 damage is predicated on or arises out of the bad faith of such
27 member or employee, or is a claim or judgment based on his
28 malfeasance in office or employment.

29 (17) To prepare, make, enforce, amend, or repeal rules,
30 regulations, and procedures for the government and management
31 of the schools, property, facilities, and activities of the school
32 corporation, its agents, employees, and pupils and for the
33 operation of its governing body, which rules, regulations, and
34 procedures may be designated by any appropriate title such as
35 "policy handbook", "bylaws", or "rules and regulations".

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

42 (19) To exercise any other power and make any expenditure in

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1 carrying out its general powers and purposes provided in this
 2 chapter or in carrying out the powers delineated in this section
 3 which is reasonable from a business or educational standpoint in
 4 carrying out school purposes of the school corporation, including
 5 but not limited to the acquisition of property or the employment
 6 or contracting for services, even though such power or
 7 expenditure shall not be specifically set out herein. The specific
 8 powers set out in this section shall not be construed to limit the
 9 general grant of powers provided in this chapter except where a
 10 limitation is set out in IC 20-5-1 through IC 20-5-6 by specific
 11 language or by reference to other law.

12 SECTION 3. IC 20-5-6-6 IS AMENDED TO READ AS FOLLOWS
 13 [EFFECTIVE JULY 1, 1999]: Sec. 6. (1) Where a school lunch fund
 14 ~~and a textbook rental fund are~~ **is** created in accordance with section 4
 15 ~~or 5~~ of this chapter, the receipts and expenditures ~~therefrom~~
 16 for the program to which each relates shall be made to and from ~~such~~ **the** fund
 17 without appropriation or the application of other statutes and rules
 18 relating to the budgets of municipal corporations.

19 (2) Where ~~either the lunch program or textbook rental program are~~
 20 **is** handled through the extracurricular account, the governing body of
 21 the school corporation shall approve the amount of the bond of the
 22 treasurer of the extracurricular account in an amount deemed by it
 23 sufficient to protect the account for all funds coming into the hands of
 24 the treasurer of such account.

25 SECTION 4. IC 20-5-14.5 IS ADDED TO THE INDIANA CODE
 26 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 27 JULY 1, 1999]:

28 **Chapter 14.5. Textbooks for Public School Students**

29 **Sec. 1. As used in this chapter, "student" means a student**
 30 **enrolled in a school corporation, including transfer students.**

31 **Sec. 2. As used in this chapter, "textbook" has the meaning set**
 32 **forth in IC 20-10.1-1-12.5.**

33 **Sec. 3. As used in this chapter, "textbook fund" refers to the**
 34 **fund established by IC 21-2-18.**

35 **Sec. 4. (a) The governing body of each school corporation shall**
 36 **do the following:**

37 **(1) Purchase and maintain a sufficient number of textbooks to**
 38 **meet the needs of each student.**

39 **(2) Appropriate from the textbook fund established under**
 40 **IC 21-2-18 the money necessary to purchase textbooks.**

41 **(3) Loan free of charge to each student all textbooks**
 42 **prescribed for the student's grade or classes.**



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1 **(4) Prescribe guidelines for the following:**

2 **(A) The availability of textbooks to students.**

3 **(B) The care and custody of textbooks by students.**

4 **(C) The return of textbooks by students.**

5 **(5) Provide facilities for the safekeeping of textbooks.**

6 **(6) Fumigate or destroy textbooks at the times and under**
 7 **rules prescribed by local and state health authorities or**
 8 **determined by the governing body.**

9 **(b) A school corporation may not conduct a textbook rental**
 10 **program for a school year that begins after June 30, 1999.**

11 **Sec. 5. The parent of a student who is loaned a textbook under**
 12 **this chapter is financially responsible for the following according**
 13 **to the guidelines adopted by the school corporation under this**
 14 **chapter:**

15 **(1) Wear, except for reasonable wear, on a textbook.**

16 **(2) Loss, mutilation, or defacement of a textbook.**

17 **(3) Failure to return a textbook to the school corporation**
 18 **upon request.**

19 **(4) Other matters concerning the use and care of textbooks.**

20 **Sec. 6. (a) If a student is transferred to a school corporation**
 21 **other than the one in which the student is a resident under**
 22 **IC 20-8.1-6.1, the governing body of the school corporation to**
 23 **which the student is transferred shall provide textbooks to the**
 24 **transferred student.**

25 **(b) The annual settlement between school corporations for**
 26 **tuition of transferred students must include amounts for furnishing**
 27 **textbooks to transferred students at a rate determined by the**
 28 **board.**

29 **Sec. 7. A governing body may sell textbooks to students who**
 30 **wish to purchase textbooks at the price stipulated in the contracts**
 31 **under which the books are purchased by the school corporation.**
 32 **Money from sales to students must be paid into the textbook fund.**

33 **SECTION 5. IC 20-8.1-1-19 IS ADDED TO THE INDIANA CODE**
 34 **AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY**
 35 **1, 1999]: Sec. 19. As used in this article, "textbook" has the**
 36 **meaning set forth in IC 20-10.1-1-12.5.**

37 **SECTION 6. IC 20-8.1-9-3 IS AMENDED TO READ AS**
 38 **FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 3. (a) If a parent of a**
 39 **child or an emancipated minor who is enrolled in a public school, in**
 40 **grades K-12, meets the financial eligibility standard under section 2 of**
 41 **this chapter, the parent or the emancipated minor may not be required**
 42 **to pay the fees for school books, supplies, or other required class fees.**



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1 Such fees shall be paid by the school corporation in which the child
2 resides.

3 (b) The school corporation may apply for a reimbursement under
4 section 9 of this chapter from the department of the costs incurred
5 under subsection (a):

6 (c) To the extent the reimbursement received by the school
7 corporation is less than the textbook rental fee assessed for textbooks
8 that have been adopted under IC 20-10.1-9-1 or waived under
9 IC 20-10.1-9-27, the school corporation may request that the parent or
10 emancipated minor pay the balance of this amount.

11 SECTION 7. IC 20-8.1-9-5 IS AMENDED TO READ AS
12 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 5. All school
13 corporations must give notice in nontechnical language and in a
14 manner that can be reasonably expected to reach parents of school
15 children before the collection of any fees. ~~for schoolbooks and supplies.~~
16 This notice shall inform the parents of the availability of assistance, the
17 eligibility standards, the procedure for obtaining assistance, including
18 the right and method of appeal, and the availability of application
19 forms at a designated school office.

20 SECTION 8. IC 20-8.1-9-9.5 IS AMENDED TO READ AS
21 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 9.5. (a) If a parent of a
22 child or an emancipated minor who is enrolled in an accredited
23 nonpublic school meets the financial eligibility standard under section
24 2 of this chapter, the parent or the emancipated minor may receive a
25 reimbursement from the department as provided in this chapter for the
26 costs or some of the costs incurred by the parent or emancipated minor
27 in fees ~~that are reimbursable under section 9 of this chapter. for items~~
28 **described in subsection (g).** The extent to which the fees are
29 reimbursable under this section may not exceed the percentage rates of
30 reimbursement under ~~section 9 of this chapter. subsection (g).~~ In
31 addition, if a child enrolls in an accredited nonpublic school after the
32 initial request for reimbursement is filed under subsection (b), the
33 parent of the child or the emancipated minor who meets the financial
34 eligibility standard may receive a reimbursement from the department
35 for the costs or some of the costs incurred in fees that are reimbursable
36 under ~~section 9 of this chapter subsection (g)~~ by applying to the
37 accredited nonpublic school for assistance. In this case, the provisions
38 of this section apply, except that section 9.6 of this chapter applies to
39 the making of the supplemental request for reimbursement by the
40 principal or other designee of the accredited nonpublic school.

41 (b) The department shall provide each accredited nonpublic school
42 with sufficient application forms for assistance, prescribed by the state



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

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1 consumable textbook (or other consumable teaching material used
2 in special education and gifted and talented classes);

3 (6) that the amount of reimbursement requested for each textbook
4 used in special education and gifted and talented classes is
5 amortized for the number of years in which the textbook is used;
6 and

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

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

22 (i) The accredited nonpublic school shall distribute the money
23 received under this chapter to the appropriate eligible parents or
24 emancipated minors.

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

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

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

36 SECTION 9. IC 20-8.1-9-9.6 IS AMENDED TO READ AS
37 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 9.6. (a) The principal
38 or other designee of an accredited nonpublic school may make a
39 supplemental request for reimbursement from the department after
40 April 1 but before May 1 of a school year for some or all of the
41 additional costs incurred in fees that are reimbursable under ~~section 9~~
42 **section 9.5** of this chapter by the parent of a child or emancipated



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1 minor who ~~enroll~~ enrolls in the accredited nonpublic school after the
 2 initial request for reimbursement is filed under section 9.5(f) of this
 3 chapter.

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

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

8 (2) The costs incurred in providing the materials described in
 9 section 9.5(g)(2) of this chapter pertaining to the number of
 10 additional students.

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

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

17 SECTION 10. IC 20-8.1-9-14 IS AMENDED TO READ AS
 18 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 14. (a) The school
 19 textbook reimbursement contingency fund is established for the
 20 purpose of reimbursing ~~school corporations~~ (or certain eligible parents
 21 of children who attend accredited nonpublic schools or emancipated
 22 minors who attend accredited nonpublic schools as provided in section
 23 9.5 of this chapter for assistance provided under this chapter. The fund
 24 consists of money appropriated to the fund by the general assembly.
 25 The state superintendent of public instruction shall administer the fund.

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

29 SECTION 11. IC 20-10.1-1-12.5 IS AMENDED TO READ AS
 30 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 12.5. As used in this
 31 article, ~~the term~~ "textbook" **means includes the following:**

32 (1) Systematically organized material, designed to provide a
 33 specific level of instruction in a subject matter category.

34 (2) **Developmentally appropriate material used instead of**
 35 **material described in subdivision (1) for instruction in:**

36 (A) **kindergarten through grade 3;**

37 (B) **laboratories;**

38 (C) **literature programs;**

39 (D) **special education; or**

40 (E) **gifted and talented classes.**

41 SECTION 12. IC 20-10.1-9-19 IS AMENDED TO READ AS
 42 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 19. ~~Time Basis~~



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1 ~~Purchase.~~ When a school corporation purchases textbooks on a time
 2 basis, the schedule for payments shall coincide with ~~pupil payments the~~
 3 **distribution under IC 21-3-1.7-9.9** to the school corporation for
 4 ~~textbook rental textbooks~~ and the schedule shall not require the school
 5 corporation to assume a greater burden than payment of twenty-five
 6 percent (25%) within thirty (30) days after the beginning of the school
 7 year immediately following delivery by the contracting publisher with
 8 the school corporation's promissory note evidencing the unpaid
 9 balance.

10 SECTION 13. IC 20-10.1-9-20 IS AMENDED TO READ AS
 11 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 20. Each school
 12 corporation may borrow money to buy textbooks and may issue notes,
 13 maturing serially in not more than six (6) years and payable from its
 14 **general textbook** fund, to secure the loan. However, when an adoption
 15 is made by the state board of education for less than six (6) years, the
 16 period of time for which the notes may be issued is limited to the
 17 period of time for which that adoption is effective. Notwithstanding
 18 other provisions of this section, a school township may not borrow
 19 money to purchase textbooks unless a petition requesting such an
 20 action and bearing the signatures of twenty-five percent (25%) of the
 21 resident taxpayers of the school township has been presented to and
 22 approved by the township trustee and township board.

23 SECTION 14. IC 20-10.1-9-23 IS AMENDED TO READ AS
 24 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 23. ~~Mandatory Offer to~~
 25 ~~Purchase.~~ When a family **that purchased textbooks from a school**
 26 **corporation during the school term** moves during the school term
 27 from one (1) school corporation to another within the state, the
 28 corporation from which they move shall evaluate the affected children's
 29 textbooks and offer to purchase them at a reasonable price for resale to
 30 any family which might move into that corporation during a school
 31 term.

32 SECTION 15. IC 20-10.1-10-1 IS AMENDED TO READ AS
 33 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 1. (a) Except as
 34 provided in ~~subsections (b) and (c)~~ **subsection (b)** and all laws to the
 35 contrary notwithstanding, each governing body shall purchase from a
 36 contracting publisher, at the net contract price or at any subsequent
 37 lower price, the textbooks adopted by the Indiana state board of
 38 education and selected by the proper local officials ~~and shall rent these~~
 39 ~~textbooks to each student enrolled in any public school which is in~~
 40 ~~compliance with the minimum certification standards of the Indiana~~
 41 ~~state board of education and is located within the attendance unit~~
 42 ~~served by the governing body:~~ **to carry out IC 20-5-14.5.**



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

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

7 SECTION 16. IC 20-10.1-10-2 IS AMENDED TO READ AS
 8 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 2. (a) Each governing
 9 body may purchase from a contracting publisher, at the net contract
 10 price or at any subsequent lower price, any textbook adopted by the
 11 state board of education and selected by the proper local officials, and
 12 may **rent sell** these textbooks to students enrolled in any public or
 13 nonpublic school which is in compliance with the minimum
 14 certification standards of the state board of education and is located
 15 within the attendance unit served by the governing body. ~~at an annual~~
 16 ~~rental not to exceed twenty-five percent (25%) of the retail price of the~~
 17 ~~textbooks.~~

18 (b) ~~However, the governing body may not assess a rental fee of~~
 19 ~~more than fifteen percent (15%) of the retail price of a textbook that~~
 20 ~~has been:~~

21 (1) ~~adopted for usage by students under IC 20-10.1-9;~~

22 (2) ~~extended for usage by students under IC 20-10.1-9-1(b); and~~

23 (3) ~~paid for through rental fees previously collected.~~

24 (c) (b) This section does not limit any other laws but is
 25 supplementary.

26 SECTION 17. IC 21-2-1-3 IS AMENDED TO READ AS
 27 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 3. (a) The trustee, with
 28 the advice and consent of the township board, shall use such "seminary
 29 lands school account" for the following educational purposes:

30 (1) Each year the trustee shall pay to the parent or legal guardian
 31 of any child, whose residence is within said township, initial cost
 32 for the rental of textbooks used in any **nonpublic** elementary or
 33 secondary school which has been duly accredited by the state of
 34 Indiana. Such reimbursement for the rental of school books shall
 35 be for the initial yearly rental charge only, and books
 36 subsequently lost or destroyed shall not be paid for from this
 37 account.

38 (2) Students who are residents of ~~said the~~ township for the last
 39 two (2) years of their secondary education and who still reside
 40 within ~~said the~~ township shall receive financial assistance ~~in an~~
 41 ~~amount~~ not to exceed an amount determined by the trustee and
 42 the township board during an annual review of higher education



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1 fees and tuition costs of post-high school education at any
 2 accredited college, university, junior college, ~~or~~ vocational
 3 **school**, or trade school. Amounts to be paid to each eligible
 4 student shall be set annually following this review. The amount
 5 so paid each year shall be equitable for every eligible student
 6 without regard to race, religion, creed, sex, disability, or national
 7 origin and must be based on the number of students and the
 8 amount of funds available each year.

9 (3) A person who has been a permanent resident of the township
 10 continuously for at least two (2) years and who needs educational
 11 assistance for job training or retraining may apply to the trustee
 12 of the township for financial assistance. The trustee and the
 13 township board shall review each application and make assistance
 14 available according to the need of each applicant and the
 15 availability of funds.

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

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

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

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

29 SECTION 18. IC 21-2-11-2 IS AMENDED TO READ AS
 30 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 2. The governing body
 31 of each school corporation in the state of Indiana shall establish a
 32 general fund for the operation and maintenance of local schools and
 33 levy a tax therefor. All receipts and disbursements ~~heretofore~~
 34 authorized by law for school funds and tax levies for the tuition fund,
 35 special school fund, special fund, vocational fund, recreation fund,
 36 compulsory education fund, ~~school library fund~~, ~~high school library~~
 37 ~~fund~~, public ~~employee's~~ **employees'** retirement fund, operating fund,
 38 transportation tax, and county wide school tax shall ~~on and after~~
 39 ~~January 1, 1968~~, be received in and disbursed from the general fund.
 40 A tax levy and rate for the general fund shall be established by the
 41 governing body of each school corporation for ~~the 1968 calendar year~~
 42 ~~and all succeeding a calendar years. Any balances of all the aforesaid~~



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1 funds on January 1, 1968 shall be transferred to the general fund: year.

2 SECTION 19. IC 21-2-11-5 IS AMENDED TO READ AS
3 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 5. Any self-supporting
4 programs maintained by any school corporation, including but not
5 limited to school lunch, ~~and rental or sale of textbooks~~, may be
6 established as separate funds, separate and apart from the general fund,
7 if no local tax rate is established ~~therefor~~: **for the program.**

8 SECTION 20. IC 21-2-18 IS ADDED TO THE INDIANA CODE
9 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
10 JULY 1, 1999]:

11 **Chapter 18. Textbook Fund**

12 **Sec. 1. As used in this chapter, "fund" refers to the textbook**
13 **fund established under section 3 of this chapter.**

14 **Sec. 2. As used in this chapter, "textbook" has the meaning set**
15 **forth in IC 20-10.1-1-12.5.**

16 **Sec. 3. A school corporation shall establish a textbook fund.**

17 **Sec. 4. Money in the fund may be used only for the following**
18 **purposes:**

19 (1) **Paying interest and principal on loans obtained by the**
20 **school corporation to purchase textbooks.**

21 (2) **Implementing IC 20-5-14.5, including the purchase,**
22 **storage, distribution, or repair of textbooks.**

23 **Sec. 5. A school corporation shall deposit in the fund the**
24 **following:**

25 (1) **Distributions under IC 21-3-1.7-9.9.**

26 (2) **Receipts from sales of textbooks under IC 20-5-14.5.**

27 (3) **Receipts from sales under IC 20-10.1-10-2.**

28 (4) **Other revenues designated for the textbook fund.**

29 **Sec. 6. Money in the fund at the end of a school year or fiscal**
30 **year does not revert to the school general fund.**

31 SECTION 21. IC 21-3-1.7-3.1 IS AMENDED TO READ AS
32 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 3.1. (a) As used in this
33 chapter, "previous year revenue" for calculations with respect to a
34 school corporation equals:

35 (1) the school corporation's tuition support for regular programs,
36 including basic tuition support, and excluding:

37 (A) special education grants;

38 (B) vocational education grants;

39 (C) at-risk programs;

40 (D) the enrollment adjustment grant; ~~and~~

41 (E) for 1999 and thereafter, the academic honors diploma
42 award; **and**



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- 1 **(F) for 1999 and thereafter, the textbook grant;**
 2 for the year that precedes the current year; plus
 3 (2) the school corporation's tuition support levy for the year
 4 that precedes the current year before the reductions required
 5 under section 5(1), 5(2), and 5(3) of this chapter; plus
 6 (3) the school corporation's excise tax revenue for the year that
 7 precedes the current year by two (2) years; minus
 8 (4) an amount equal to the reduction in the school corporation's
 9 tuition support under subsection (b) or IC 20-10.1-2-1, or both.
 10 (b) A school corporation's previous year revenue shall be reduced
 11 if:
 12 (1) the school corporation's state tuition support for special or
 13 vocational education was reduced as a result of a complaint being
 14 filed with the department of education after December 31, 1988,
 15 because the school program overstated the number of children
 16 enrolled in special or vocational education programs; and
 17 (2) the school corporation's previous year revenue has not been
 18 reduced under this subsection more than one (1) time because of
 19 a given overstatement.
 20 The amount of the reduction equals the amount the school corporation
 21 would have received in tuition support for special and vocational
 22 education because of the overstatement.
 23 SECTION 22. IC 21-3-1.7-9 IS AMENDED TO READ AS
 24 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 9. (a) Subject to the
 25 amount appropriated by the general assembly for tuition support, the
 26 amount that a school corporation is entitled to receive in tuition support
 27 for a year is the amount determined in section 8 of this chapter.
 28 (b) If the total amount to be distributed as tuition support under this
 29 chapter, for enrollment adjustment grants under section 9.5 of this
 30 chapter, for at-risk programs under section 9.7 of this chapter, for
 31 academic honors diploma awards under section 9.8 of this chapter, **for**
 32 **textbook grants under section 9.9 of this chapter**, and as special and
 33 vocational education grants under IC 21-3-1.8-3 or IC 21-3-10 for a
 34 particular year, exceeds:
 35 (1) two billion six hundred fourteen million eight hundred
 36 thousand dollars (\$2,614,800,000) for 1997;
 37 (2) two billion seven hundred seventy-one million six hundred
 38 thousand dollars (\$2,771,600,000) in 1998; ~~and~~
 39 (3) two billion nine hundred ~~thirty-nine~~ **seventy-four** million two
 40 hundred thousand dollars (~~\$2,939,200,000~~) **(\$2,974,200,000)** in
 41 1999; **and**
 42 (4) **three billion nine million two hundred thousand dollars**



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1 **(\$3,009,200,000) in 2000;**

2 the amount to be distributed for tuition support under this chapter to
3 each school corporation during each of the last six (6) months of the
4 year shall be reduced by the same dollar amount per ADM (as adjusted
5 by IC 21-3-1.6-1.1) so that the total reductions equal the amount of the
6 excess.

7 SECTION 23. IC 21-3-1.7-9.5 IS AMENDED TO READ AS
8 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 9.5. (a) In addition to
9 the ~~distribution~~ **distributions** under sections 8, 9.7, ~~and~~ 9.8, ~~and~~ **9.9** of
10 this chapter, a school corporation is eligible for an enrollment
11 adjustment grant if the school corporation's:

12 (1) current ADM minus the school corporation's previous year
13 ADM is at least two hundred fifty (250); or

14 (2) current ADM divided by the school corporation's previous
15 year ADM is at least one and five-hundredths (1.05).

16 (b) The amount of the enrollment adjustment grant is the amount
17 determined in STEP THREE of the following formula:

18 STEP ONE: Determine the school corporation's target revenue per
19 ADM divided by three (3).

20 STEP TWO: Determine the result of the school corporation's
21 current ADM minus, in 1998, the school corporation's previous
22 year ADM.

23 STEP THREE: Multiply the STEP ONE result by the STEP TWO
24 result.

25 SECTION 24. IC 21-3-1.7-9.7 IS AMENDED TO READ AS
26 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 9.7. In addition to the
27 distributions under sections 8, 9.5, ~~and~~ 9.8, ~~and~~ **9.9** of this chapter for
28 1997 and thereafter, a school corporation is eligible for an amount for
29 at-risk programs in the amount determined in STEP ~~SIX~~ **FIVE** of the
30 following formula:

31 ~~STEP~~ STEP ONE: Determine the greater of the following:

32 (A) The result determined under item (ii) of the following
33 formula:

34 (i) Determine the result of the school corporation's at-risk
35 index minus two-tenths (0.2).

36 (ii) Multiply the item (i) result by seven-hundredths (0.07).

37 (B) Zero (0).

38 STEP TWO: Determine the greater of the following:

39 (A) The result determined under item (ii) of the following
40 formula:

41 (i) Determine the result of the school corporation's at-risk
42 index minus fifteen-hundredths (0.15).



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1 (ii) Multiply the item (i) result by eighteen-hundredths
2 (0.18).

3 (B) Zero (0).

4 STEP THREE: Add the STEP ONE result and the STEP TWO
5 result.

6 STEP FOUR: Multiply the STEP THREE sum by the school
7 corporation's current ADM. Round the result to the nearest
8 one-hundredth (0.01).

9 STEP FIVE: Multiply the STEP FOUR product by two thousand
10 nine hundred fifty dollars (\$2,950) in 1998 and three thousand
11 one hundred thirty-five dollars (\$3,135) in 1999.

12 SECTION 25. IC 21-3-1.7-9.9 IS ADDED TO THE INDIANA
13 CODE AS A NEW SECTION TO READ AS FOLLOWS
14 [EFFECTIVE JULY 1, 1999]: **Sec. 9.9. (a) In addition to the**
15 **distributions under sections 8, 9.5, 9.7, and 9.8 of this chapter for**
16 **1999, a school corporation is eligible for an amount for a textbook**
17 **grant that is equal to the school corporation's current ADM**
18 **multiplied by eighty-five dollars (\$85).**

19 (b) The distribution received under this section shall be
20 deposited in a school corporation's textbook fund and used only for
21 the purposes specified in IC 21-2-18-4.

22 SECTION 26. THE FOLLOWING ARE REPEALED [EFFECTIVE
23 JULY 1, 1999]: IC 20-2-9-5; IC 20-5-6-5; IC 20-8.1-9-9;
24 IC 20-8.1-9-9.1; IC 20-10.1-1-12; IC 20-10.1-11.

25 SECTION 27. [EFFECTIVE JULY 1, 1999] (a) A school
26 corporation may not conduct a textbook rental program for a
27 school year beginning after June 30, 1999.

28 (b) On July 1, 1999, a school corporation shall transfer any
29 unencumbered money in any fund or account used for textbook
30 rental fees to the textbook fund established by IC 21-2-18, as added
31 by this act. The money transferred under this SECTION may be
32 used for any purpose for which other money in the textbook fund
33 may be used.

34 (c) Notwithstanding IC 21-3-1.7-9.9, as added by this act, a
35 school corporation is entitled in 1999 to only fifty percent (50%) of
36 the amount of the textbook grant specified in IC 21-3-1.7-9.9, as
37 added by this act, to be distributed in six (6) monthly installments.

38 (d) This SECTION expires January 1, 2001.

39 SECTION 28. [EFFECTIVE JULY 1, 1999] (a) The state board of
40 tax commissioners shall reduce the:

41 (1) maximum permissible ad valorem property tax levy
42 imposed by IC 6-1.1-18.5-3; and

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- 1 **(2) poor relief levy;**
- 2 **of each township to reflect the effect of this act on the obligation of**
- 3 **township trustees to pay school fees under IC 20-8.1-9-11.**
- 4 **(b) The state board of tax commissioners shall reduce the:**
- 5 **(1) maximum permissible ad valorem property tax levy**
- 6 **imposed by IC 6-1.1-19-1.5; and**
- 7 **(2) general fund property tax levy;**
- 8 **of each school corporation that operated an elementary school**
- 9 **library or a high school library under IC 20-10.1-11 (as effective on**
- 10 **June 30, 1999) to provide free textbooks to resident students before**
- 11 **July 1, 1999, to reflect the transfer of textbook funding to the**
- 12 **textbook fund established by IC 21-2-18, as added by this act.**
- 13 **(c) Any loan:**
- 14 **(1) obtained to purchase textbooks (as defined in**
- 15 **IC 20-10.1-1-12.5, as amended by this act); and**
- 16 **(2) payable from a school general fund before July 1, 1999;**
- 17 **shall be paid from the textbook fund after June 30, 1999.**
- 18 **(d) This SECTION expires January 1, 2003.**

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