

HOUSE BILL No. 1775

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; IC 20-10.1; IC 21-2; IC 21-3-1.7-9.9.

Synopsis: Funding public and nonpublic school textbooks. Abolishes the public school textbook rental program and the public school textbook library program. Provides textbooks for students in accredited nonpublic schools through a parental reimbursement program. Redefines 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. Provides an annual state textbook grant and appropriation to school corporations of \$85 per ADM for deposit in the textbook fund. Appropriates money for an \$85 per student textbook
(Continued next page)

Effective: July 1, 1999.

Welch, Stilwell

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

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Digest Continued

reimbursement to parents of students in accredited nonpublic schools.
Makes conforming changes and transitional provisions.

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Introduced

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.

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HOUSE BILL No. 1775



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, 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~~ **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 considers
 12 protects the account for all funds coming into the hands of that
 13 treasurer.
 14 SECTION 2. IC 20-3.1-15-1 IS AMENDED TO READ AS
 15 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 1. To provide the board



1 with the necessary flexibility and resources to carry out this article, the
2 following apply:

3 (1) The board may eliminate or modify existing policies and
4 create new policies, and alter policies from time to time, subject
5 to this article and the plan developed under IC 20-3.1-7.

6 (2) IC 20-7.5 does not apply to matters set forth in this article.
7 The matters set forth in this article may not be the subject of
8 collective bargaining or discussion under IC 20-7.5.

9 (3) An exclusive representative certified under IC 20-7.5 to
10 represent certified employees of the school city, or any other
11 entity voluntarily recognized by the board as a representative of
12 employees providing educational services in the schools, may
13 bargain collectively only concerning salary, wages, and salary and
14 wage related fringe benefits. The exclusive representative may not
15 bargain collectively or discuss performance awards under
16 IC 20-3.1-12.

17 (4) The board of school commissioners may waive the following
18 statutes and rules for any school in the school city without the
19 need for administrative, regulatory, or legislative approval:

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

22 511 IAC 6.1-3-4

23 511 IAC 6.1-5-0.5

24 511 IAC 6.1-5-1

25 511 IAC 6.1-5-2.5

26 511 IAC 6.1-5-3.5

27 511 IAC 6.1-5-4

28 (B) The following rules concerning pupil/teacher ratios:

29 511 IAC 6-2-1(b)(2)

30 511 IAC 6.1-4-1

31 (C) The following statutes and rules concerning textbooks, and
32 rules adopted under the statutes:

33 IC 20-10.1-9-1

34 IC 20-10.1-9-18

35 IC 20-10.1-9-21

36 ~~IC 20-10.1-9-23~~

37 IC 20-10.1-9-27

38 IC 20-10.1-10-1

39 IC 20-10.1-10-2

40 511 IAC 6.1-5-5

41 (D) The following rules concerning school principals:

42 511 IAC 6-2-1(c)(4)

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- 511 IAC 6.1-4-2
- (E) 511 IAC 2-2, concerning school construction and 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, 1999]: 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

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1 five hundred dollars (\$12,500), based upon the school
 2 corporation's previous year's average daily membership (as
 3 defined in IC 21-3-1.6-1.1) for the purpose of promoting the best
 4 interests of the school corporation by:

5 (A) the purchase of meals, decorations, memorabilia, or
 6 awards;

7 (B) provision for expenses incurred in interviewing job
 8 applicants; or

9 (C) developing relations with other governmental units.

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

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

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1 to repair, remodel, remove, relocate, and demolish such personal
 2 property. All purchases and contracts delineated under the powers
 3 given under subdivision (3) and this subdivision shall be subject
 4 solely to applicable law relating to purchases and contracting by
 5 municipal corporations in general and to the supervisory control
 6 of agencies of the state as provided in section 3 of this chapter.

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

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

17 (A) civic or public purposes; or

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

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

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

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1 processing and computer service for school purposes, including
2 but not limited to the making of schedules, the keeping and
3 analyzing of grades and other student data, the keeping and
4 preparing of warrants, payroll, and similar data where approved
5 by the state board of accounts as provided below, and such other
6 personnel or services, all as the governing body considers
7 necessary for school purposes. To fix and pay the salaries and
8 compensation of such persons and such services. To classify such
9 persons or services and to adopt schedules of salaries or
10 compensation. To determine the number of such persons or the
11 amount of services thus employed or contracted for. To determine
12 the nature and extent of their duties. The compensation, terms of
13 employment, and discharge of teachers shall, however, be subject
14 to and governed by the laws relating to employment, contracting,
15 compensation, and discharge of teachers. The compensation,
16 terms of employment, and discharge of bus drivers shall be
17 subject to and shall be governed by any laws relating to
18 employment, contracting, compensation, and discharge of bus
19 drivers. The forms and procedures relating to the use of computer
20 and data processing equipment in handling the financial affairs of
21 such school corporation shall be submitted to the state board of
22 accounts for approval to the end that such services shall be used
23 by the school corporation when the governing body determines
24 that it is in the best interests of the school corporation while at the
25 same time providing reasonable accountability for the funds
26 expended.

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

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

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

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1 purchase insurance or to establish and maintain a program of
2 self-insurance to benefit school corporation employees, which
3 may include accident, sickness, health, or dental coverage,
4 provided that any plan of self-insurance shall include an
5 aggregate stop-loss provision.

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

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

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

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

34 (19) To exercise any other power and make any expenditure in
35 carrying out its general powers and purposes provided in this
36 chapter or in carrying out the powers delineated in this section
37 which is reasonable from a business or educational standpoint in
38 carrying out school purposes of the school corporation, including
39 but not limited to the acquisition of property or the employment
40 or contracting for services, even though such power or
41 expenditure shall not be specifically set out herein. The specific
42 powers set out in this section shall not be construed to limit the

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1 general grant of powers provided in this chapter except where a
 2 limitation is set out in IC 20-5-1 through IC 20-5-6 by specific
 3 language or by reference to other law.

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

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

17 SECTION 5. IC 20-5-62-5 IS AMENDED TO READ AS
 18 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 5. Notwithstanding any
 19 other law, the operation of the following is suspended for a freeway
 20 school corporation or a freeway school if the governing body of the
 21 school corporation elects to have the specific statute or rule suspended
 22 in the contract:

23 (1) The following statutes and rules concerning curriculum and
 24 instructional time:

25 IC 20-10.1-2-2

26 IC 20-10.1-4-6

27 IC 20-10.1-4-7

28 IC 20-10.1-4-9.1

29 511 IAC 6-7-6

30 511 IAC 6.1-3-4

31 511 IAC 6.1-5-0.5

32 511 IAC 6.1-5-1

33 511 IAC 6.1-5-2.5

34 511 IAC 6.1-5-3.5

35 511 IAC 6.1-5-4

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

37 511 IAC 6-2-1(b)(2)

38 511 IAC 6.1-4-1

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

40 IC 20-10.1-9-1

41 IC 20-10.1-9-18

42 IC 20-10.1-9-21

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- 1 ~~IC 20-10.1-9-23~~
- 2 IC 20-10.1-9-27
- 3 IC 20-10.1-10-1
- 4 IC 20-10.1-10-2
- 5 511 IAC 6.1-5-5
- 6 (4) 511 IAC 6-7, concerning graduation requirements.
- 7 (5) 511 IAC 6-2-1(c)(4), concerning pupil/principal ratios.
- 8 (6) 511 IAC 2-2, concerning school construction and remodeling.
- 9 (7) IC 20-1-1.2, concerning the performance-based accreditation
- 10 system.
- 11 (8) IC 20-10.1-16, concerning the ISTEP program established
- 12 under IC 20-10.1-16-8, if an alternative locally adopted norm and
- 13 criterion referenced assessment program is adopted under section
- 14 6(7) of this chapter.

15 SECTION 6. IC 20-8.1-1-6.5 IS ADDED TO THE INDIANA
 16 CODE AS A NEW SECTION TO READ AS FOLLOWS
 17 [EFFECTIVE JULY 1, 1999]: **Sec. 6.5. (a) As used in this article,**
 18 **"nonpublic school" has the meaning set forth in IC 20-10.1-1-3.**

19 **(b) As used in this article, "accredited nonpublic school" means**
 20 **a nonpublic school that:**

- 21 (1) voluntarily seeks; and
- 22 (2) receives;
- 23 **accreditation as authorized under IC 20-1-1-6(a)(5).**

24 SECTION 7. IC 20-8.1-1-19 IS ADDED TO THE INDIANA CODE
 25 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 26 1, 1999]: **Sec. 19. As used in this article, "textbook" has the**
 27 **meaning set forth in IC 20-10.1-1-12.5.**

28 SECTION 8. IC 20-8.1-9-3 IS AMENDED TO READ AS
 29 FOLLOWS [EFFECTIVE JULY 1, 1999]: **Sec. 3. (a)** If a parent of a
 30 child or an emancipated minor who is enrolled in a public school, in
 31 grades K-12, meets the financial eligibility standard under section 2 of
 32 this chapter, the parent or the emancipated minor may not be required
 33 to pay the fees for school books, supplies, or other required class fees.
 34 Such fees shall be paid by the school corporation in which the child
 35 resides.

36 **(b)** The school corporation may apply for a reimbursement under
 37 section 9 of this chapter from the department of the costs incurred
 38 under subsection (a).

39 **(c)** To the extent the reimbursement received by the school
 40 corporation is less than the textbook rental fee assessed for textbooks
 41 that have been adopted under ~~IC 20-10.1-9-1~~ or waived under
 42 ~~IC 20-10.1-9-27~~, the school corporation may request that the parent or

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1 emancipated minor pay the balance of this amount.

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

11 SECTION 10. IC 20-8.1-9.5 IS ADDED TO THE INDIANA CODE
12 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
13 JULY 1, 1999]:

14 **Chapter 9.5. Reimbursement for Textbooks for Students in**
15 **Accredited Nonpublic Schools**

16 **Sec. 1. This chapter applies to students who are enrolled in**
17 **accredited nonpublic schools.**

18 **Sec. 2. The department shall reimburse a parent or an**
19 **emancipated minor for textbook expenses that are incurred for the**
20 **parent's child or the emancipated minor.**

21 **Sec. 3. There is no financial eligibility requirement to receive**
22 **reimbursement under this chapter.**

23 **Sec. 4. The amount of reimbursement under this chapter is the**
24 **amount established in IC 21-2-19.**

25 **Sec. 5. An accredited nonpublic school may assist a parent or**
26 **emancipated minor in obtaining reimbursement under this**
27 **chapter.**

28 **Sec. 6. The following apply to an application for reimbursement**
29 **under this chapter:**

30 (1) **The department shall provide an application form**
31 **prescribed by the state board of accounts.**

32 (2) **The department shall establish a filing date.**

33 (3) **The applicant shall certify the following in the application**
34 **to the department:**

35 (A) **The name, age, and grade level of the student who is**
36 **enrolled in an accredited nonpublic school and for whom**
37 **the applicant seeks reimbursement.**

38 (B) **The expense incurred in providing textbooks to the**
39 **student.**

40 (C) **That each textbook included in the reimbursement**
41 **request (except those textbooks used for special education**
42 **or gifted and talented instruction) has been adopted by the**

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1 **Indiana state board of education under IC 20-10.1-9-1 or**
 2 **has been waived by the Indiana state board of education**
 3 **under IC 20-10.1-9-27.**

4 **(D) That the amount of reimbursement requested for each**
 5 **nonconsumable textbook does not exceed twenty percent**
 6 **(20%) of the costs incurred for the textbook, as provided**
 7 **in the textbook adoption list in each year of the adoption**
 8 **cycle.**

9 **(E) Any other information required by the department,**
 10 **including the following:**

11 **(i) Copies of invoices or purchase orders used to acquire**
 12 **textbooks.**

13 **(ii) Information about the student.**

14 **(iii) Information about the accredited nonpublic school.**

15 **Sec. 7. The department shall use money in the supplemental**
 16 **textbook fund established by IC 21-2-19 to make reimbursements**
 17 **under this chapter.**

18 **Sec. 8. The department may adopt rules under IC 4-22-2 to**
 19 **implement this chapter.**

20 SECTION 11. IC 20-10.1-1-12.5 IS AMENDED TO READ AS
 21 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 12.5. As used in this
 22 article, ~~the term~~ "textbook" means systematically organized material,
 23 designed to provide a specific level of instruction in a subject matter
 24 category. **The term refers to the following:**

25 **(1) Instructional material that is used by students for more**
 26 **than one (1) year, including material used in special education**
 27 **and gifted and talented classes.**

28 **(2) Workbooks and consumable instructional material that is**
 29 **used by students for not more than one (1) school year,**
 30 **including workbooks, consumable textbooks, and other**
 31 **consumable instructional materials that are used in special**
 32 **education and gifted and talented classes.**

33 **(3) Developmentally appropriate material used instead of**
 34 **items described in subdivisions (1) through (2) for instruction**
 35 **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 **textbook grant distribution** to the school corporation, ~~for textbook~~
 4 ~~rental~~ and the schedule shall not require the school corporation to
 5 assume a greater burden than payment of twenty-five percent (25%)
 6 within thirty (30) days after the beginning of the school year
 7 immediately following delivery by the contracting publisher with the
 8 school corporation's promissory note evidencing the unpaid balance.

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

22 SECTION 14. IC 20-10.1-10-1 IS AMENDED TO READ AS
 23 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 1. (a) Except as
 24 provided in ~~subsections (b) and (c)~~ **subsection (b)** and all laws to the
 25 contrary notwithstanding, each governing body shall purchase from a
 26 contracting publisher, at the net contract price or at any subsequent
 27 lower price, the textbooks adopted by the Indiana state board of
 28 education and selected by the proper local officials ~~and shall rent these~~
 29 ~~textbooks to each student enrolled in any public school which is in~~
 30 ~~compliance with the minimum certification standards of the Indiana~~
 31 ~~state board of education and is located within the attendance unit~~
 32 ~~served by the governing body.~~

33 (b) This section does not prohibit the purchase of these textbooks at
 34 the option of any student or the providing of free textbooks by the
 35 governing body under ~~IC 20-10.1-11~~. **to carry out IC 20-10.1-11.5.**

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

39 SECTION 15. IC 20-10.1-10-2 IS AMENDED TO READ AS
 40 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 2. (a) Each governing
 41 body may purchase from a contracting publisher, at the net contract
 42 price or at any subsequent lower price, any textbook adopted by the

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1 state board of education and selected by the proper local officials and
 2 may rent these textbooks to students enrolled in any public or
 3 nonpublic school which is in compliance with the minimum
 4 certification standards of the state board of education and is located for
 5 sale to parents of nonpublic school students and emancipated
 6 minors who are eligible for reimbursement under IC 20-8.1-9.5, if
 7 the student resides within the attendance unit served by the governing
 8 body, at an annual rental not to exceed twenty-five percent (25%) of the
 9 retail price of the textbooks:

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

- 13 (1) adopted for usage by students under IC 20-10.1-9;
- 14 (2) extended for usage by students under IC 20-10.1-9-1(b); and
- 15 (3) paid for through rental fees previously collected.

16 (c) This section does not limit any other laws but is supplementary:
 17 **The selling price of a textbook must equal the purchase price.**

18 SECTION 16. IC 20-10.1-11.5 IS ADDED TO THE INDIANA
 19 CODE AS A NEW CHAPTER TO READ AS FOLLOWS
 20 [EFFECTIVE JULY 1, 1999]:

21 **Chapter 11.5. Textbooks for Public School Students**

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

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

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

28 **Sec. 4. The governing body of each school corporation shall do**
 29 **the following:**

- 30 (1) Acquire and maintain a sufficient number of textbooks to
 31 meet the needs of each student.
- 32 (2) Appropriate from the textbook fund established under
 33 IC 21-2-18 the money necessary to acquire textbooks.
- 34 (3) Loan free of charge to each student all textbooks
 35 prescribed for the student's grade or classes.
- 36 (4) Prescribe guidelines for the following:
 - 37 (A) The availability of textbooks to students.
 - 38 (B) The care and custody of textbooks by students.
 - 39 (C) The return of textbooks by students.
- 40 (5) Provide facilities for the safekeeping of textbooks.
- 41 (6) Fumigate or destroy textbooks at the times and under
 42 regulations prescribed by local and state health authorities or



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determined by the governing body.

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

- (1) Wear, except for reasonable wear, on a textbook.
- (2) Loss, mutilation, or defacement of a textbook.
- (3) Failure to return a textbook to the school corporation upon request.
- (4) Other matters concerning the use and care of textbooks.

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

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

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

Sec. 8. A school corporation may not conduct a textbook rental program for students of the school corporation for a school year beginning after June 30, 1999.

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

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

(2) (1) Students who are residents of said the township for the last two (2) years of their secondary education and who still reside within said the township shall receive financial assistance in an amount not to exceed an amount determined by the trustee and 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 or
 3 trade school. Amounts to be paid to each eligible student shall be
 4 set annually following this review. The amount so paid each year
 5 shall be equitable for every eligible student without regard to race,
 6 religion, creed, sex, disability, or national origin and must be
 7 based on the number of students and the amount of funds
 8 available each year.

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

16 ~~(4)~~ (3) If all the available funds are not used in any one (1) year,
 17 said unused funds shall be retained in ~~said the~~ account by the
 18 trustee 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 retirement fund, operating fund, transportation
 38 tax and county wide school tax shall ~~on and after January 1, 1968~~, be
 39 received in and disbursed from the general fund. A tax levy and rate for
 40 the general fund shall be established by the governing body of each
 41 school corporation for ~~the 1968~~ a calendar year. ~~and all succeeding~~
 42 ~~calendar years. Any balances of all the aforesaid funds on January 1,~~



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~~1968 shall be transferred to the general fund.~~

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

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

Chapter 18. Textbook Fund

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

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

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

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

- (1) Payment of principal and interest on loans obtained by the school corporation to purchase textbooks.**
- (2) Implementation of IC 20-10.1-11.5, including the purchase, storage, distribution, or repair of textbooks.**

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

- (1) State textbook grant distributions.**
- (2) Receipts from sales of textbooks under IC 20-10.1-10-2 and IC 20-10.1-11.5-7.**
- (3) Revenue designated by statute for the fund.**
- (4) Revenue of the school corporation that the governing body designates for the fund.**

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

SECTION 21. IC 21-2-19 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]:

Chapter 19. Supplemental Textbook Fund for Students in Accredited Nonpublic Schools

Sec. 1. As used in this chapter, "department" refers to the department of education established by IC 20-1-1.1-2.

Sec. 2. As used in this chapter, "fund" refers to the supplemental textbook fund established by section 5 of this chapter.

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1 **Sec. 3. (a) As used in this chapter, "nonpublic school" has the**
 2 **meaning set forth in IC 20-10.1-1-3.**

3 **(b) As used in this chapter, "accredited nonpublic school"**
 4 **means a nonpublic school that:**

5 **(1) voluntarily seeks; and**

6 **(2) receives;**

7 **accreditation as authorized under IC 20-1-1-6(a)(5).**

8 **Sec. 4. As used in this chapter, "textbook" has the meaning set**
 9 **forth in IC 20-10.1-1-12.5.**

10 **Sec. 5. The supplemental textbook fund is established for the**
 11 **purpose of providing money for textbook reimbursements under**
 12 **IC 20-8.1-9.5 to:**

13 **(1) parents of students in accredited nonpublic schools; and**

14 **(2) emancipated minors who are students in accredited**
 15 **nonpublic schools.**

16 **Sec. 6. The department shall administer the fund. Expenses of**
 17 **administering the fund shall be paid from money in the fund.**

18 **Sec. 7. The fund consists of appropriations by the general**
 19 **assembly.**

20 **Sec. 8. The treasurer of state shall invest the money in the fund**
 21 **not currently needed to meet obligations of the fund in the same**
 22 **manner as other public funds may be invested. Interest earned**
 23 **from investment of the fund shall be credited to the fund.**

24 **Sec. 9. Money in the fund at the end of a state fiscal year does**
 25 **not revert to the state general fund.**

26 **Sec. 10. (a) Subject to balances available in the fund, the**
 27 **treasurer of state shall pay the amount determined under**
 28 **subsection (b). The amount is payable in the manner provided in**
 29 **IC 20-8.1-9.5.**

30 **(b) The amount of annual reimbursement for textbooks may not**
 31 **exceed eighty-five dollars (\$85) for a student who is enrolled full**
 32 **time in an accredited nonpublic school.**

33 **SECTION 22. IC 21-3-1.7-9.9 IS ADDED TO THE INDIANA**
 34 **CODE AS A NEW SECTION TO READ AS FOLLOWS**
 35 **[EFFECTIVE JULY 1, 1999]: Sec. 9.9. (a) A school corporation is**
 36 **eligible for an amount for a textbook grant that is equal to the**
 37 **school corporation's current ADM multiplied by eighty-five dollars**
 38 **(\$85).**

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

42 **SECTION 23. THE FOLLOWING ARE REPEALED [EFFECTIVE**



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1 JULY 1, 1999]: IC 20-2-9-5; IC 20-5-6-5; IC 20-8.1-9-9;
 2 IC 20-8.1-9-9.1; IC 20-8.1-9-9.5; IC 20-8.1-9-9.6; IC 20-8.1-9-14;
 3 IC 20-10.1-1-12; IC 20-10.1-9-23; IC 20-10.1-11.

4 SECTION 24. [EFFECTIVE JULY 1, 1999] (a) A school
 5 corporation may not conduct a textbook rental program for a
 6 school year beginning after June 30, 1999.

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

13 (c) This SECTION expires January 1, 2003.

14 SECTION 25. [EFFECTIVE JULY 1, 1999] (a) The state board
 15 of tax commissioners shall reduce the:

- 16 (1) maximum permissible ad valorem property tax levy
 17 imposed by IC 6-1.1-18.5-3; and
 18 (2) poor relief levy;

19 of each township to reflect the effect of this act on the obligation of
 20 township trustees to pay school fees under IC 20-8.1-9-11.

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

- 22 (1) maximum permissible ad valorem property tax levy
 23 imposed by IC 6-1.1-19-1.5; and
 24 (2) general fund property tax levy;

25 of each school corporation that operated an elementary school
 26 library or a high school library under IC 20-10.1-11 (as effective on
 27 June 30, 1999) to provide free textbooks to resident students before
 28 July 1, 1999, to reflect the transfer of textbook funding to the
 29 textbook fund established by IC 21-2-18, as added by this act.

30 (c) Any loan:

- 31 (1) obtained to purchase textbooks (as defined in
 32 IC 20-10.1-1-12.5, as amended by this act); and
 33 (2) payable from a school general fund before July 1, 1999;
 34 shall be paid from the textbook fund after June 30, 1999.

35 (d) This SECTION expires January 1, 2003.

36 SECTION 26. [EFFECTIVE JULY 1, 1999] (a) There is
 37 appropriated from the state general fund to the superintendent of
 38 public instruction for the biennium beginning July 1, 1999, and
 39 ending June 30, 2001, a sufficient amount of money for textbook
 40 grants to school corporations under IC 21-3-1.7-9.9, as added by
 41 this act.

42 (b) There is appropriated from the state general fund to the



1 supplemental textbook fund (established by IC 21-2-19-5, as added
2 by this act) for the biennium beginning July 1, 1999, and ending
3 June 30, 2001, eighty-five dollars (\$85) per school year for each
4 student enrolled in an accredited nonpublic school for whom
5 reimbursement for textbooks is provided under IC 20-8.1-9.5, as
6 added by this act.

7 (c) This SECTION expires June 30, 2001.

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