
HOUSE BILL No. 1918

DIGEST OF INTRODUCED BILL

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

Synopsis: State textbook funding for school corporations. Abolishes the public school textbook rental program and the public school textbook library program. Redefines "textbook" to include the various kinds of instructional materials that are currently eligible for state reimbursement under the textbook assistance program for students from low income families. Continues the textbook reimbursement program for students from low income families. Requires a school corporation to establish a textbook fund and to appropriate money from the fund to acquire textbooks to loan to all students without charge. Provides an annual state textbook grant to school corporations of \$85 per average daily membership (ADM) for providing textbooks to students. Makes conforming changes and transitional provisions.

Effective: July 1, 2001.

Frenz

January 17, 2001, read first time and referred to Committee on Ways and Means.

C
O
P
Y



First Regular Session 112th General Assembly (2001)

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 *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2000 General Assembly.

C
o
p
y

HOUSE BILL No. 1918



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

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

1 SECTION 1. IC 20-2-9-6 IS AMENDED TO READ AS FOLLOWS
2 [EFFECTIVE JULY 1, 2001]: 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 ~~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~~ **the township trustee**
13 considers protects the account for all funds coming into the hands of
14 that treasurer.

15 SECTION 2. IC 20-3.1-15-1 IS AMENDED TO READ AS
16 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 1. To provide the board
17 with the necessary flexibility and resources to carry out this article, the



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

C
O
P
Y



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

(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, 2001]: Sec. 2. In carrying out the school purposes of each school corporation, its governing body acting on its behalf shall have the following specific powers:

(1) In the name of the school corporation, to sue and be sued and to enter into contracts in matters permitted by applicable law.

(2) To take charge of, manage, and conduct the educational affairs of the school corporation and to establish, locate, and provide the necessary schools, school libraries, other libraries where permitted by law, other buildings, facilities, property, and equipment therefor.

(2.5) To appropriate from the general fund an amount, not to exceed the greater of three thousand dollars (\$3,000) per budget year or one dollar (\$1) per pupil, not to exceed twelve thousand five hundred dollars (\$12,500), based upon the school

C
o
p
y



1 corporation's previous year's average daily membership (as
 2 defined in IC 21-3-1.6-1.1) for the purpose of promoting the best
 3 interests of the school corporation by:

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

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

8 (C) developing relations with other governmental units.

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

C
o
p
y



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

C
o
p
y



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~~ **the** 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

C
o
p
y



- 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 **and** to furnish ~~them~~ **textbooks to**
13 **students** without cost ~~or to rent them to students; to participate in~~
14 ~~any textbook aid program;~~ all in accordance with applicable law.
- 15 (12) To accept students transferred from other school corporations
16 and to transfer students to other school corporations in accordance
17 with applicable law.
- 18 (13) To levy taxes, to make budgets, to appropriate funds, and to
19 disburse the money of the school corporation in accordance with
20 the laws applicable thereto. To borrow money against current tax
21 collections and otherwise to borrow money, in accordance with
22 IC 20-5-4.
- 23 (14) To purchase insurance or to establish and maintain a
24 program of self-insurance relating to the liability of the school
25 corporation or its employees in connection with motor vehicles or
26 property and for any additional coverage to the extent permitted
27 and in accordance with IC 34-13-3-20. To purchase additional
28 insurance or to establish and maintain a program of self-insurance
29 protecting the school corporation and members of the governing
30 body, employees, contractors, or agents of the school corporation
31 from any liability, risk, accident, or loss related to any school
32 property, school contract, school or school related activity,
33 including but not limited to the purchase of insurance or the
34 establishment and maintenance of a self-insurance program
35 protecting such persons against false imprisonment, false arrest,
36 libel, or slander for acts committed in the course of their
37 employment, protecting the school corporation for fire and
38 extended coverage and other casualty risks to the extent of
39 replacement cost, loss of use, and other insurable risks relating
40 to any property owned, leased, or held by the school corporation. To
41 purchase insurance or to establish and maintain a program of
42 self-insurance to benefit school corporation employees, which

C
o
p
y

1 may include accident, sickness, health, or dental coverage,
2 provided that any plan of self-insurance shall include an
3 aggregate stop-loss provision.
4 (15) To make all applications, to enter into all contracts, and to
5 sign all documents necessary for the receipt of aid, money, or
6 property from the state government, the federal government, or
7 from any other source.
8 (16) To defend any member of the governing body or any
9 employee of the school corporation in any suit arising out of the
10 performance of ~~his~~ **the individual's** duties for or employment
11 with, the school corporation, provided the governing body by
12 resolution determined that such action was taken in good faith. To
13 save any such member or employee harmless from any liability,
14 cost, or damage in connection therewith, including but not limited
15 to the payment of any legal fees, except where such liability, cost,
16 or damage is predicated on or arises out of the bad faith of such
17 member or employee, or is a claim or judgment based on his
18 malfeasance in office or employment.
19 (17) To prepare, make, enforce, amend, or repeal rules,
20 regulations, and procedures for the government and management
21 of the schools, property, facilities, and activities of the school
22 corporation, its agents, employees, and pupils and for the
23 operation of its governing body, which rules, regulations, and
24 procedures may be designated by any appropriate title such as
25 "policy handbook", "bylaws", or "rules and regulations".
26 (18) To ratify and approve any action taken by any member of the
27 governing body, any officer of the governing body, or by any
28 employee of the school corporation after such action is taken, if
29 such action could have been approved in advance, and in
30 connection therewith to pay any expense or compensation
31 permitted under IC 20-5-1 through IC 20-5-6 or any other law.
32 (19) To exercise any other power and make any expenditure in
33 carrying out its general powers and purposes provided in this
34 chapter or in carrying out the powers delineated in this section
35 which is reasonable from a business or educational standpoint in
36 carrying out school purposes of the school corporation, including
37 but not limited to the acquisition of property or the employment
38 or contracting for services, even though such power or
39 expenditure shall not be specifically set out herein. The specific
40 powers set out in this section shall not be construed to limit the
41 general grant of powers provided in this chapter except where a
42 limitation is set out in IC 20-5-1 through IC 20-5-6 by specific

C
O
P
Y

1 language or by reference to other law.

2 SECTION 4. IC 20-5-6-6 IS AMENDED TO READ AS FOLLOWS
3 [EFFECTIVE JULY 1, 2001]: Sec. 6. ~~(†)~~ **(a)** Where a school lunch
4 fund ~~and a textbook rental fund are~~ **is** created in accordance with
5 section 4 ~~or 5~~ of this chapter, the receipts and expenditures therefrom
6 for the program ~~to which each relates~~ shall be made to and from ~~such~~
7 **the** fund without appropriation or the application of other statutes and
8 rules relating to the budgets of municipal corporations.

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

15 SECTION 5. IC 20-5-62-5 IS AMENDED TO READ AS
16 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 5. Notwithstanding any
17 other law, the operation of the following is suspended for a freeway
18 school corporation or a freeway school if the governing body of the
19 school corporation elects to have the specific statute or rule suspended
20 in the contract:

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

23 IC 20-10.1-2-2

24 IC 20-10.1-4-6

25 IC 20-10.1-4-7

26 IC 20-10.1-4-9.1

27 511 IAC 6-7-6

28 511 IAC 6.1-3-4

29 511 IAC 6.1-5-0.5

30 511 IAC 6.1-5-1

31 511 IAC 6.1-5-2.5

32 511 IAC 6.1-5-3.5

33 511 IAC 6.1-5-4

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

35 511 IAC 6-2-1(b)(2)

36 511 IAC 6.1-4-1

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

38 IC 20-10.1-9-1

39 IC 20-10.1-9-18

40 IC 20-10.1-9-21

41 ~~IC 20-10.1-9-23~~

42 IC 20-10.1-9-27

C
O
P
Y



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

13 SECTION 6. IC 20-8.1-1-19 IS ADDED TO THE INDIANA CODE
 14 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JULY
 15 1, 2001]: **Sec. 19. As used in this article, "textbook" has the**
 16 **meaning set forth in IC 20-10.1-12.5.**

17 SECTION 7. IC 20-8.1-9-9.5 IS AMENDED TO READ AS
 18 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 9.5. (a) If a parent of a
 19 child or an emancipated minor who is enrolled in an accredited
 20 nonpublic school meets the financial eligibility standard under section
 21 2 of this chapter, the parent or the emancipated minor may receive a
 22 reimbursement from the department ~~as provided in this chapter~~ for the
 23 costs or some of the costs incurred by the parent or emancipated minor
 24 in fees that are ~~reimbursable under section 9 of this chapter. The extent~~
 25 ~~to which the fees are reimbursable under this section may not exceed~~
 26 ~~the percentage rates of reimbursement under section 9 of this chapter.~~
 27 **described in subsection (g).** In addition, if a child enrolls in an
 28 accredited nonpublic school after the initial request for reimbursement
 29 is filed under subsection ~~(b)~~; **(f)**, the parent of the child or the
 30 emancipated minor who meets the financial eligibility standard **under**
 31 **section 2 of this chapter** may receive a reimbursement from the
 32 department for the costs or some of the costs incurred in fees that are
 33 **reimbursable under section 9 of this chapter described in subsection**
 34 **(g)** by applying to the accredited nonpublic school for assistance. In
 35 this case, the provisions of this section apply, except that section 9.6 of
 36 this chapter applies to the making of the supplemental request for
 37 reimbursement by the principal or other designee of the accredited
 38 nonpublic school.

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

42 (c) Each accredited nonpublic school shall provide the parents or

C
O
P
Y



1 emancipated minors who wish to apply for assistance with:

2 (1) the appropriate application forms; and

3 (2) any assistance needed in completing the application form.

4 (d) The parent or emancipated minor shall submit the application to
5 the accredited nonpublic school. The accredited nonpublic school shall
6 make a determination of financial eligibility subject to appeal by the
7 parent or emancipated minor.

8 (e) If a determination is made that the applicant is eligible for
9 assistance, subsection (a) applies.

10 (f) In order to be guaranteed some level of reimbursement from the
11 department, the principal or other designee shall submit the
12 reimbursement request before November 1 of a school year.

13 (g) In its request, the principal or other designee shall certify to the
14 department:

15 (1) the number of students who are enrolled in that accredited
16 nonpublic school and who are eligible for assistance under this
17 chapter;

18 (2) the costs incurred in providing:

19 (A) textbooks (including textbooks used in special education
20 and gifted and talented classes); and

21 (B) workbooks and consumable textbooks (including
22 workbooks, consumable textbooks, and other consumable
23 teaching materials that are used in special education and gifted
24 and talented classes) that are used by students for no more
25 than one (1) school year;

26 (3) that each textbook described in subdivision (2)(A) and
27 included in the reimbursement request (except those textbooks
28 used in special education classes and gifted and talented classes)
29 has been adopted by the **Indiana** state board of education under
30 IC 20-10.1-9-1 or has been waived by the **Indiana** state board of
31 education under IC 20-10.1-9-27;

32 (4) that the amount of reimbursement requested for each textbook
33 under subdivision (3) does not exceed twenty percent (20%) of
34 the costs incurred for the textbook, as provided in the textbook
35 adoption list in each year of the adoption cycle;

36 (5) that the amount of reimbursement requested for each
37 workbook or consumable textbook (or other consumable teaching
38 material used in special education and gifted and talented classes)
39 under subdivision (2)(B), if applicable, does not exceed one
40 hundred percent (100%) of the costs incurred for the workbook or
41 consumable textbook (or other consumable teaching material used
42 in special education and gifted and talented classes);

C
o
p
y



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

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

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

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

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

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

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

34 SECTION 8. IC 20-8.1-9-9.6 IS AMENDED TO READ AS
 35 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 9.6. (a) The principal
 36 or other designee of an accredited nonpublic school may make a
 37 supplemental request for reimbursement from the department after
 38 April 1 but before May 1 of a school year for some or all of the
 39 additional costs incurred in fees that are ~~reimbursable under section 9~~
 40 **described in section 9.5(g)** of this chapter by the parent of a child or
 41 emancipated minor who ~~enroll~~ **enrolls** in the accredited nonpublic
 42 school after the initial request for reimbursement is filed under section

C
 O
 P
 Y



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

9.5(f) of this chapter.

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

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

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

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

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

SECTION 9. IC 20-8.1-9-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 11. Under extraordinary circumstances, the township trustee may pay ~~for the fees enumerated in section 3 of this chapter for school supplies and required class fees other than fees for textbooks furnished under IC 20-10.1-11.5~~ for individuals who ~~do not otherwise qualify under the financial eligibility standard established in this chapter.~~ **are enrolled in a school corporation.** Assistance in such cases may be provided by the township trustee under IC 12-20.

SECTION 10. IC 20-8.1-9-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 14. (a) The school textbook reimbursement contingency fund is established for the purpose of reimbursing ~~school corporations (or certain eligible parents of children who attend accredited nonpublic schools or emancipated minors who attend accredited nonpublic schools as provided in section 9.5 of this chapter)~~ for assistance ~~provided~~ under this chapter. The fund consists of money appropriated to the fund by the general assembly. The state superintendent of public instruction shall administer the fund.

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

SECTION 11. IC 20-10.1-1-12.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 12.5. As used in this article, ~~the term~~ "textbook" means systematically organized material, designed to provide a specific level of instruction in a subject matter category. **The term refers to the following:**

(1) Instructional material that is used by students for more than one (1) year, including material used in special education

C
o
p
y



1 **and gifted and talented classes.**

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

7 **(3) Developmentally appropriate material used instead of**
 8 **items described in subdivisions (1) through (2) for instruction**
 9 **in:**

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

11 **(B) laboratories;**

12 **(C) children's literature programs;**

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

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

15 SECTION 12. IC 20-10.1-9-19 IS AMENDED TO READ AS
 16 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 19. Time Basis
 17 Purchase. When a school corporation purchases textbooks on a time
 18 basis, the schedule for payments ~~shall coincide with pupil payments to~~
 19 ~~the school corporation, for textbook rental and the schedule shall not~~
 20 require the school corporation to assume a greater burden than payment
 21 of twenty-five percent (25%) within thirty (30) days after the beginning
 22 of the school year immediately following delivery by the contracting
 23 publisher with the school corporation's promissory note evidencing the
 24 unpaid balance.

25 SECTION 13. IC 20-10.1-9-20 IS AMENDED TO READ AS
 26 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 20. Each school
 27 corporation may borrow money to buy textbooks and may issue notes,
 28 maturing serially in not more than six (6) years and payable from its
 29 ~~general textbook~~ fund, to secure the loan. However, when an adoption
 30 is made by the **Indiana** state board of education for less than six (6)
 31 years, the period of time for which the notes may be issued is limited
 32 to the period of time for which that adoption is effective.
 33 Notwithstanding other provisions of this section, a school township
 34 may not borrow money to purchase textbooks unless a petition
 35 requesting such an action and bearing the signatures of twenty-five
 36 percent (25%) of the resident taxpayers of the school township has
 37 been presented to and approved by the township trustee and township
 38 board.

39 SECTION 14. IC 20-10.1-10-1 IS AMENDED TO READ AS
 40 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 1. (a) Except as
 41 provided in ~~subsections (b) and (c)~~ **subsection (b)** and all laws to the
 42 contrary notwithstanding, each governing body shall purchase from a

C
O
P
Y



1 contracting publisher, at the net contract price or at any subsequent
 2 lower price, the textbooks adopted by the Indiana state board of
 3 education and selected by the proper local officials ~~and shall rent these~~
 4 ~~textbooks to each student enrolled in any public school which is in~~
 5 ~~compliance with the minimum certification standards of the Indiana~~
 6 ~~state board of education and is located within the attendance unit~~
 7 ~~served by the governing body.~~

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

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

14 SECTION 15. IC 20-10.1-10-2 IS AMENDED TO READ AS
 15 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 2. (a) Each governing
 16 body may purchase from a contracting publisher, at the net contract
 17 price or at any subsequent lower price, any textbook adopted by the
 18 **Indiana** state board of education and selected by the proper local
 19 officials ~~and may rent these to carry out IC 20-10.1-11.5.~~

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

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

- 31 (1) adopted for usage by students under IC 20-10.1-9;
- 32 (2) extended for usage by students under IC 20-10.1-9-1(b); and
- 33 (3) paid for through rental fees previously collected:

34 (c) This section does not limit any other laws but is supplementary.

35 SECTION 16. IC 20-10.1-11.5 IS ADDED TO THE INDIANA
 36 CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS
 37 [EFFECTIVE JULY 1, 2001]:

38 **Chapter 11.5. Textbooks**

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

41 **Sec. 2. As used in this chapter, "textbook fund" refers to the**
 42 **fund established by IC 21-2-19-3.**

C
o
p
y



1 **Sec. 3. The governing body of each school corporation shall do**
2 **the following:**

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

5 **(2) Appropriate from the textbook fund established under**
6 **IC 21-2-19 the money necessary to purchase textbooks.**

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

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

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

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

12 **(C) The return of nonconsumable textbooks by students.**

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

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

17 **Sec. 4. The parent of a student who is loaned a textbook under**
18 **this chapter is financially responsible for the following according**
19 **to the guidelines adopted by the school corporation under this**
20 **chapter:**

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

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

23 **(3) Failure to return a textbook to the school corporation**
24 **upon request.**

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

26 **Sec. 5. (a) If a student is transferred to a school corporation**
27 **other than the one in which the student is a resident under**
28 **IC 20-8.1-6.1, the governing body of the school corporation to**
29 **which the student is transferred shall provide textbooks to the**
30 **transferred student.**

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

35 **Sec. 6. A governing body may sell textbooks to students who**
36 **wish to purchase textbooks at the price stipulated in the contracts**
37 **under which the books are purchased by the school corporation.**
38 **Money from sales to students must be paid into the textbook fund.**

39 **Sec. 7. A school corporation may not conduct a textbook rental**
40 **program for students of the school corporation for a school year**
41 **beginning after June 30, 2001.**

42 **SECTION 17. IC 21-2-1-3 IS AMENDED TO READ AS**

C
o
p
y



1 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 3. (a) The trustee, with
 2 the advice and consent of the township board, shall use such "seminary
 3 lands school account" for the following educational purposes:

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

11 ~~(2) (1) Students who are residents of said the township for the last~~
 12 ~~two (2) years of their secondary education and who still reside~~
 13 ~~within said the township shall receive financial assistance in an~~
 14 ~~amount not to exceed an amount determined by the trustee and~~
 15 ~~the township board during an annual review of higher education~~
 16 ~~fees and tuition costs of post-high school education at any~~
 17 ~~accredited college, university, junior college, or vocational or~~
 18 ~~trade school. Amounts to be paid to each eligible student shall be~~
 19 ~~set annually following this review. The amount so paid each year~~
 20 ~~shall be equitable for every eligible student without regard to race,~~
 21 ~~religion, creed, sex, disability, or national origin and must be~~
 22 ~~based on the number of students and the amount of funds~~
 23 ~~available each year.~~

24 ~~(3) (2) A person who has been a permanent resident of the~~
 25 ~~township continuously for at least two (2) years and who needs~~
 26 ~~educational assistance for job training or retraining may apply to~~
 27 ~~the trustee of the township for financial assistance. The trustee~~
 28 ~~and the township board shall review each application and make~~
 29 ~~assistance available according to the need of each applicant and~~
 30 ~~the availability of funds.~~

31 ~~(4) (3) If all the available funds are not used in any one (1) year,~~
 32 ~~said the unused funds shall be retained in said the account by the~~
 33 ~~trustee for use in succeeding years.~~

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

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

40 (d) All expenditures and payments made under this chapter shall be
 41 made only after necessary expenditures for the protection and
 42 maintenance of the seminary land in good and safe condition are first

C
o
p
y



1 made from the annual rental income.

2 SECTION 18. IC 21-2-11-2 IS AMENDED TO READ AS
 3 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 2. The governing body
 4 of each school corporation ~~in the state of Indiana~~ shall establish a
 5 general fund for the operation and maintenance of local schools and
 6 levy a tax therefor. All receipts and disbursements ~~heretofore~~
 7 authorized by law for school funds and tax levies for the tuition fund,
 8 special school fund, special fund, vocational fund, recreation fund,
 9 compulsory education fund, ~~school library fund, high school library~~
 10 ~~fund,~~ public employee's retirement fund, operating fund, transportation
 11 tax and county wide school tax shall ~~on and after January 1, 1968,~~ be
 12 received in and disbursed from the general fund. ~~The~~ tax levy and rate
 13 for the general fund shall be established by the governing body of each
 14 school corporation for the ~~1968~~ calendar year. ~~and all succeeding~~
 15 ~~calendar years. Any balances of all the aforesaid funds on January 1,~~
 16 ~~1968 shall be transferred to the general fund.~~

17 SECTION 19. IC 21-2-11-5 IS AMENDED TO READ AS
 18 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 5. Any self-supporting
 19 programs maintained by any school corporation, including but not
 20 limited to school lunch, ~~and rental or sale of textbooks,~~ may be
 21 established as separate funds, separate and apart from the general fund,
 22 if no local tax rate is established ~~therefor.~~ **for the program.**

23 SECTION 20. IC 21-2-19 IS ADDED TO THE INDIANA CODE
 24 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 25 JULY 1, 2001]:

26 **Chapter 19. Textbook Fund**

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

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

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

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

34 **(1) Payment of principal and interest on loans obtained by the**
 35 **school corporation to purchase textbooks.**

36 **(2) Implementation of IC 20-10.1-11.5.**

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

39 **(1) State textbook grant distributions.**

40 **(2) Receipts from rentals under IC 20-10.1-10-2.**

41 **(3) Receipts from sales under IC 20-10.1-11.5-6.**

42 **(4) Revenue designated by statute for the fund.**



C
o
p
y

1 **(5) Other revenues of the school corporation that the**
 2 **governing body designates for the fund.**

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

5 SECTION 21. IC 21-3-1.7-3.1, AS AMENDED BY P.L.3-2000,
 6 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 7 JULY 1, 2001]: Sec. 3.1. (a) As used in this chapter, "previous year
 8 revenue" for calculations with respect to a school corporation equals:

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

11 (A) special education grants;

12 (B) vocational education grants;

13 (C) at-risk programs;

14 (D) the enrollment adjustment grant;

15 (E) ~~for 1999 and thereafter~~, the academic honors diploma
 16 award; ~~and~~

17 (F) for 2001 and thereafter, the primetime distribution; **and**

18 **(G) for 2002 and thereafter, the textbook grant**
 19 **(IC 21-3-13)**

20 for the year that precedes the current year; plus

21 (2) the school corporation's tuition support levy for the year that
 22 precedes the current year before the reductions required under
 23 section 5(1), 5(2), and 5(3) of this chapter; plus

24 (3) the school corporation's excise tax revenue for the year that
 25 precedes the current year by two (2) years; minus

26 (4) an amount equal to the reduction in the school corporation's
 27 tuition support under subsection (b) or IC 20-10.1-2-1, or both.

28 (b) A school corporation's previous year revenue shall be reduced
 29 if:

30 (1) the school corporation's state tuition support for special or
 31 vocational education was reduced as a result of a complaint being
 32 filed with the department of education after December 31, 1988,
 33 because the school program overstated the number of children
 34 enrolled in special or vocational education programs; and

35 (2) the school corporation's previous year revenue has not been
 36 reduced under this subsection more than one (1) time because of
 37 a given overstatement.

38 The amount of the reduction equals the amount the school corporation
 39 would have received in tuition support for special and vocational
 40 education because of the overstatement.

41 SECTION 22. IC 21-3-13 IS ADDED TO THE INDIANA CODE
 42 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE

C
O
P
Y



1 JULY 1, 2001]:

2 **Chapter 13. Textbook Grant**

3 **Sec. 1. As used in this chapter, "textbook fund" refers to the text**
 4 **book fund established by IC 21-2-19-3.**

5 **Sec. 2. A school corporation is eligible for an annual textbook**
 6 **grant from the state general fund in an amount equal to the school**
 7 **corporation's current ADM multiplied by eighty-five dollars (\$85).**

8 **Sec. 3. The textbook grant shall be distributed monthly in twelve**
 9 **(12) equal installments.**

10 **Sec. 4. A school corporation shall deposit the money received**
 11 **from the textbook grant in the school corporation's textbook fund**
 12 **for use only for the purposes specified in IC 21-2-19-4.**

13 SECTION 23. THE FOLLOWING ARE REPEALED [EFFECTIVE
 14 JULY 1, 2001]: IC 20-2-9-5; IC 20-5-6-5; IC 20-8.1-9-3; IC 20-8.1-9-4;
 15 IC 20-8.1-9-5; IC 20-8.1-9-6; IC 20-8.1-9-9; IC 20-8.1-9-9.1;
 16 IC 20-10.1-1-12; IC 20-10.1-9-23; IC 20-10.1-11.

17 SECTION 24. [EFFECTIVE JULY 1, 2001] (a) **On July 1, 2001,**
 18 **a school corporation shall transfer any unencumbered money in**
 19 **any fund or account used for textbook rental fees to the textbook**
 20 **fund established under IC 21-2-19, as added by this act. The money**
 21 **transferred under this SECTION may be used for any purpose for**
 22 **which other money in the textbook fund may be used.**

23 (b) **This SECTION expires January 1, 2002.**

24 SECTION 25. [EFFECTIVE JULY 1, 2001] (a) **The state board of**
 25 **tax commissioners shall reduce the:**

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

28 (2) **poor relief levy;**

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

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

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

35 (2) **general fund property tax levy;**

36 **of each school corporation that operated an elementary school**
 37 **library or a high school library under IC 20-10.1-11 before its**
 38 **repeal by this act to provide free textbooks to resident students**
 39 **before July 1, 2001, to reflect the transfer of textbook funding to**
 40 **the textbook fund established by IC 21-2-19, as added by this act.**

41 (c) **Any loan:**

42 (1) **obtained to purchase textbooks (as defined in**

C
o
p
y



1 **IC 20-10.1-1-12.5, as amended by this act); and**
2 **(2) payable from a school general fund before July 1, 2001;**
3 **shall be paid from the textbook fund after June 30, 2001.**
4 **(d) This SECTION expires January 1, 2005.**
5 SECTION 26. [EFFECTIVE JULY 1, 2001] **(a) Notwithstanding**
6 **IC 21-3-13, as added by this act, a school corporation is entitled in**
7 **2001 to only fifty percent (50%) of the amount of the textbook**
8 **grant specified in IC 21-3-13-2, as added by this act, to be**
9 **distributed in six (6) monthly installments.**
10 **(b) This SECTION expires January 1, 2002.**

C
o
p
y

