

● Commonwealth of Kentucky ●
EDUCATIONAL BULLETIN

STATE COURSE OF STUDY
and
RULES AND REGULATIONS
of the State Board of Education

**FORMS FOR USE IN ORGANIZING
HOLDING CORPORATIONS**



Published by

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JAMES H. RICHMOND
Superintendent of Public Instruction

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FOREWORD

Section 4377-12, Kentucky Statutes, imposes upon the State Board of Education, on the recommendation and with the advice of its executive officer, the Superintendent of Public Instruction, the duty of prescribing, printing, publishing, and distributing at public expense, rules, regulations, courses of study, curriculums, etc. In compliance with the statute above mentioned, this bulletin contains the regulations adopted by the State Board of Education at its meeting April 22, 1935.

Section 4384-26, Kentucky Statutes, provides that:

"The Superintendent of Public Instruction shall prepare, or cause to be prepared, and submit for approval and adoption and publication by the State Board of Education minimum courses of study for the different grades and kinds of common schools of the Commonwealth and regulations governing educational equipment of school buildings and classrooms."

In accordance with this authority imposed upon the Superintendent of Public Instruction, a copy of the state course of study for grades one to twelve, inclusive, adopted by the State Board of Education is being published herein.

Recent demand for forms necessary in planning building projects in connection with federal aid has exhausted our present supply. The forms printed herein will serve as suggestions to boards of education and citizens of the Commonwealth in preparing to take advantage of this manner of financing building projects.

JAMES H. RICHMOND,
Superintendent of Public Instruction

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**APPROVED STATE COURSES OF STUDY FOR
GRADES 1 TO 12**

The school laws do not provide that any specific subjects be taught in the common schools. Section 4384-26, Kentucky Statutes, provides that:

"The Superintendent of Public Instruction shall prepare, or cause to be prepared, and submit for approval and adoption and publication by the State Board of Education minimum courses of study for the different grades and kinds of common schools of the Commonwealth, and regulations governing educational equipment of school buildings and classrooms."

There is now under way a comprehensive study of the courses of study and curricula offerings of the common schools. It will be the major purpose of this study to recommend for the consideration of the State Board of Education a complete reorganization of the common school curricula. This study has not progressed to a point, however, where recommendations can be made at this time. It is necessary, therefore, that the State Board take action concerning the course of study and the curricula for the common schools in order that there may be a basis upon which the State Textbook Commission may act in keeping with the textbook adoption law. (See Sections 4421a-36 to 47, Kentucky Statutes.)

The following courses of study are proposed for grades 1 to 8 of the common schools. An effort has been made to arrange the programs for grades 7 and 8 in such a manner that the six-year high school or the junior high school organization may be adopted by a school district. It is recommended that the subjects starred (*) be the core or required subjects to be taught in each grade throughout the State. One or more of the other subjects may or may not be included in the program of a particular school district. It is further recommended that the core or required subjects be the only ones to be purchased under the free textbook law for 1935-36.

<ul style="list-style-type: none"> *art *writing *primer *reading music 	<p>Grade 1</p>	<ul style="list-style-type: none"> *language *writing *spelling *arithmetic *health geography history 	
<ul style="list-style-type: none"> *art *music *reading *writing *spelling 	<p>Grade 2</p>		<p>Grade 4</p>
<ul style="list-style-type: none"> *art *music *reading 	<p>Grade 3</p>	<ul style="list-style-type: none"> *art *music *reading *language *writing *spelling *arithmetic *health *geography history 	

Grade 5

- *art
- *music
- *reading
- *language
- *writing
- *spelling
- *arithmetic
- *health
- *geography
- *history

Grade 6

- *art
- *music
- *reading
- *language
- *writing
- *spelling
- *arithmetic
- *health
- *geography
- *Kentucky history

Grade 7

- English:
- *reading or literature
 - *grammar and composition
 - *spelling
- social studies:
- *geography

COURSES OF STUDY FOR GRADES 9 TO 12

Grade 9

- English:
- literature
 - composition
- social studies:
- social, economic and vocational
 - civics
- general science
 - health and physical education
 - general mathematics
 - algebra
 - early European history
 - foreign language:
 - Latin
 - Spanish
 - French
 - music
 - art
 - home economics
 - agriculture (vocational)

Grade 10

- English:
- literature
 - composition
 - world history or modern European
 - history
 - health and physical education
 - algebra
 - business arithmetic
 - foreign language:

- *history and government
- *health and physical education
- *elementary science
- *music
- *art
- *general mathematics or arithmetic
- writing
- industrial arts
- home economics
- guidance

Grade 8

- English:
- *reading or literature
 - *grammar and composition
 - *spelling
- social studies:
- *history and government
 - *health and physical education
 - *elementary science
 - *general mathematics or arithmetic
 - *music
 - *art
 - writing
 - guidance
 - industrial arts
 - home economics
 - junior business training
 - general language
 - elementary agriculture
 - rural life problems

- Latin
- Spanish
- French
- biology
- home economics
- industrial arts
- art
- music
- agriculture (vocational)

Grade 11

- English:
- literature
 - composition
- social studies:
- American history
 - health and physical education
 - plane geometry or advanced general
 - mathematics
- foreign language:
- Latin
 - French
 - Spanish
- chemistry
 - home economics
 - industrial arts
 - agriculture (vocational)
 - music
 - art
 - typewriting
 - shorthand

English:
literature
composition
social problems
vocabulary
economics
sociology
health and
foreign language
Latin
French
Spanish
physics

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Grade 12

English:

literature
composition
social problems:
problems of democracy or advanced civics, ½ year
economics, ½ year
sociology, ½ year
health and physical education
foreign language:
Latin
French
Spanish
physics

solid geometry
trigonometry or advanced general mathematics
home economics
vocational agriculture
industrial arts
music
arts
bookkeeping and accounting
shorthand
office practice
high school geography (economic, physical and regional—one-year course)
commercial law

RULES AND REGULATIONS OF THE DIVISION OF FINANCE

BONDS OF TREASURERS AND DEPOSITORIES

See Sections 4399-42 and 4399-43, Kentucky Statutes.

Bond forms.—BE IT RESOLVED THAT the bond of treasurer, form F-B-5, bond of depository, forms F-B-10, F-B-15, and F-B-20, be approved.

Distribution of funds when bond not executed.—BE IT RESOLVED THAT in any county or independent school district wherein the treasurer of the board of education is unable to execute bond as such treasurer or the depository is unable to execute bond as a depository for the board of education, the Superintendent of Public Instruction is directed to secure a certified list of the teachers regularly employed in such county or independent school district, together with a certified list of the salaries due them, and draw a requisition upon the Auditor of Public Accounts for warrants, said warrants to be payable to the teachers for such part of their salaries as may be covered by state school per capita due said district.

BUDGETS

See Section 4399-40, Kentucky Statutes.

Budget forms.—BE IT RESOLVED THAT budget forms F-1, F-1-3, F-5, and F-10 be approved.

Adjustment of irregularities of teachers' salaries.—BE IT RESOLVED THAT the State Board of Education will not approve the budget of any school district until irregularities in the way of teachers' salaries, provided for in the budget of the district, are adjusted in keeping with the approved budget and to the satisfaction of the State Board of Education.

DEBT SERVICE

See Section 4399-40, Kentucky Statutes.

Debt service.—BE IT RESOLVED THAT it is the sense of the State Board of Education that no budget shall be brought to it for consideration which does not provide in debt service for the payment of all interest charges on obligations due and a reasonable amount budgeted for the retirement of any outstanding indebtedness.

FINANCIAL ACCOUNTING

See Sections 4384-14, 4384-20, 4384-29, and 4384-30, Kentucky Statutes.

Uniform financial accounting system.—BE IT RESOLVED THAT the Kentucky Uniform Financial Accounting System, prepared by F. D. Peterson of the State Department of Education, be adopted by the State Board of Education as the approved financial accounting form for the several school districts of the state; that all financial records shall be accurately and neatly kept on the approved form or forms similar in classification; and that this record shall be the adopted form made in accordance with Section 4384-30, Kentucky Statutes.

Handbook of Instruction.—BE IT FURTHER RESOLVED THAT the Handbook of Instruction for boards of education, administrators, treasurers, and secretaries of Kentucky school districts to be used with the Kentucky Uniform Financial Accounting System, is hereby approved by the State Board of Education, and that the classifications of revenues and disbursements, as set out therein, be approved as the official classification of revenues and disbursements for the state school system.

Financial forms.—BE IT FURTHER RESOLVED THAT the Annual Financial Report, Part I, Form F-55; Part II, Form F-55-1; the monthly financial report, Form F-50; and pages of the financial record book, F-15; F-20-(1), -(2), -(3); F-25; F-30-(1), -(2), -(3); and F-35, be approved.

TEACHER'S SALARY SCHEDULE

See Section 187 of the Constitution and Sections 4384-20, 4384-30, and 4399-46, Kentucky Statutes.

Salary schedule form.—BE IT RESOLVED THAT salary schedule form F-10-6 be approved.

WAR ORPHANS

See Sections 4376b-11, 4376b-12, and 4376b-13, Kentucky Statutes.

The amount available each semester.—BE IT RESOLVED THAT the institution to which the War Orphan attends shall be reimbursed at

the end of each semester in the amount of \$75 for scholarships, which have been approved by the State Board of Education, provided that the semester expense chargeable to the War Orphan Scholarship Fund amounts to \$75.

RULES AND REGULATIONS OF THE DIVISION OF SCHOOL LIBRARY SERVICE

- I. Standards for library service in the high schools of the state are now in existence and should be enforced at the earliest possible date. The most important of these at the present time are the standards dealing with specialized training for the librarian. Library service in Kentucky high schools will be vastly improved if these standards are made mandatory. (See Manual of Organization and Administration, pp. 107-8.)

The amount of service of the librarian shall be:

a. A full-time librarian shall be provided in schools that have an enrollment of 500 or more pupils. The professional preparation of the librarian should include a four-year college course. The library training shall consist of one year of work in an accredited library school.

b. A part-time librarian (who teaches not more than three classes) shall be provided in schools that have an enrollment of from 300 to 500 pupils. A minimum of twelve semester hours' training in library science is required.

c. A part-time librarian (who teaches not more than four classes) shall be provided in schools that have an enrollment of from 100 to 300 pupils. A minimum of at least six semester hours' training in library science is essential.

d. A part-time librarian (who teaches not more than five classes) shall be provided in schools that have an enrollment of less than 100 pupils. A minimum of at least six semester hours' training in library science is essential.

- II. Successful administration of the high school library, as of any other library, necessitates the keeping of business-like records. It is earnestly requested that the keeping of the following be made mandatory:

a. *An up-to-date accession record.* Every high school library shall be required to maintain an up-to-date accession record of books purchased or acquired for the school library.

b. *Records of the book collection: additions, discards, losses.* Records of the book collection, i. e., additions, discards, losses, etc., shall be maintained by classes of books in every high school library.

c. *Circulation records maintained by use of a card system.*

Records of the circulation of books shall be maintained by means of a card system. This circulation shall be interpreted as covering the home use of library materials by teachers and pupils.

d. *Inventory: taken annually or semi-annually.* An inventory of books in the high school library shall be taken annually or semi-annually.

e. *Card shelf-list.* An up-to-date card shelf-list shall be maintained in schools having a librarian devoting 4 periods or more to library work.

f. *An approximate record of the number of pupils using library material daily.* An approximate record of the number of pupils using library materials daily shall be kept in each high school.

RULES AND REGULATIONS FOR THE ADMINISTRATION OF THE SCHOOL CENSUS AND ATTENDANCE LAWS

Census Enumerating Sheet, Form CA-1.—This form is to be used when an actual enumeration is made of the number of census children in the school district. The information secured on this form shall be transferred to the Permanent Census Record, Form CA-2.

• *Permanent Census Record, Form CA-2.*—This form is to be used for the purpose of keeping a continuous census record of each child between the ages of 6 and 18 in the school district. This record is to be kept up-to-date for the entire census life of the child and is to be kept on file in the district attendance office. This card is to remain in the files of the attendance office as a permanent record. In case of the transfer of a child to another school district, death of child, his having passed the census age, or for any other cause to become ineligible to be included in the school census, this record will be placed in an inactive file to be retained indefinitely. Whenever a child moves to another school district a copy of this record will be forwarded to the school district to which the child has moved.

School Enrollment Card, Form CA-3.—This form is to be used by the principal or teacher in charge of any school to report to the district superintendent the enrollment in his or her school within the first two weeks of the beginning of the term. This form shall be used to report additional enrollments which may occur throughout the school term. The principal or teacher in charge of any school shall have this card filled out for each child enrolled and sent to the superintendent of schools of the district in which the school is situated. These enrollment cards shall be filed by schools in alphabetical order for each school. These cards will assist the attendance officer to maintain the permanent census and enforce the compulsory attendance laws.

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Notice of Transfer, Form CA-4.—The principal or teacher in charge shall use this form to report the transfer of pupils. Transfers within the school district and without the school district shall be reported. This form is to be made out in duplicate. Both copies are to be sent to the attendance office. The stub of the original will be retained by the principal or teacher in charge. In case the transfer is to another school district the attendance officer shall send the original of the transfer notice to the attendance officer of the school district to which the child is going. The duplicate transfer notice shall be retained in the files of the sending attendance officer until the original notice is returned properly signed. When a child transfers out of the school district his permanent census record shall be removed from the active file and placed in the inactive file.

Report of Withdrawals, Form CA-5.—The principal or teacher in charge of any school shall use this form in reporting withdrawals when the withdrawals have occurred without a transfer notice. This form is to be made out in duplicate. The original is to be sent to the attendance office and the duplicate retained by the principal or teacher in charge.

Re-Entrance Report, Form CA-6.—This form is to be used by the principal or teacher in charge of any school to report to the attendance officer the re-entrance of a child who had been previously reported as withdrawn.

Absence Report Blank, Form CA-7.—This form is to be used by the principal or teacher in charge of any school in reporting absences to the attendance office. Absences will be indicated by encircling on the calendar the proper dates. The attendance officer will report the results of his investigation to the principal or teacher in charge. Further absences of the same child will be reported on the same blank.

The following are reasons which may be accepted as valid excuse for the absence of a child from school:

1. Illness of child.
2. Illness in family.
3. Death in family.
4. Quarantine.
5. Reporting to court.
6. Lack of sufficient clothing.
7. Weather conditions.

Record of Case in Court, Form CA-8.—The attendance officer will use this form to keep an office record of court cases.

Physician's Statement, Form CA-9.—The attendance officer shall require the parents or guardians to secure the statement of a physician in all cases of protracted illness and in the cases wherein the attendance officer is in doubt as to the accuracy of the information given by the parents or guardian concerning the physical condition of the child. The attendance officer shall furnish the parents or guardian with the form to be used in securing a signed statement by the physician as to the illness of the child. The attendance officer shall send a copy of this statement to the principal or teacher in

charge of the school. This statement of illness will also be accepted when signed by any public health officer.

Final Notice, Form CA-10.—This is to be used only in extreme cases after repeated efforts have failed to secure the compliance to the provisions of the attendance law.

Attendance Officer's Report, Form CA-11.—Each attendance officer shall use this form to make monthly reports to the State Attendance Officer and the district board of education.

School Census Report, Form CA-12.—This form shall be used to report to the Superintendent of Public Instruction the school census of county school districts.

School Census Report, Form CA-13.—This form shall be used to report to the Superintendent of Public Instruction the school census of independent school districts.

Attendance Officer's Contract, Form CA-14.—This form shall be used by boards of education to report to the Department of Education the employment of an attendance officer stipulating name of person employed, date of employment, tenure, and salary, together with other facts called for on the contract form.

RULES AND REGULATIONS GOVERNING THE DISTRIBUTION OF FREE TEXTBOOKS FOR THE STATE OF KENTUCKY

(Based upon Chapter 48, Acts of 1928, Sections 4421c-1 to 4421c-13.)

1. REQUISITIONS BY SUPERINTENDENTS. The Superintendent of Public Instruction shall furnish annual report and requisition forms on which county superintendents and superintendents of independent districts shall requisition the books need for the next ensuing school term in the districts of their respective jurisdiction. Beginning with 1935-36, such requisition shall be filed with the Superintendent of Public Instruction at least one hundred and twenty (120) days before the beginning of school in the various districts. The annual report on free textbooks for the closing year and requisition for the succeeding year (Form FT-8) shall be made out in duplicate. The original shall be sent to the Superintendent of Public Instruction and the duplicate kept on file as a permanent record by the superintendent making the report and the requisition. If it becomes necessary to order additional books not requisitioned in original order, such additional or emergency requisitions shall be made on Form FT-9, provided for that purpose.

2. PURCHASE ORDERS. The Superintendent of Public Instruction will, upon receipt and approval of a requisition for books from any superintendent, issue a purchase order (on Form FT-2) in

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triplicate to such publishing companies as are under contract to sell the textbooks requisitioned, provided an acceptable custodian bond has been received (as indicated in Section 4). The original purchase order shall be sent to the publisher, the duplicate kept on file by the Superintendent of Public Instruction, and the triplicate shall be sent to the superintendent making such requisition for his files.

3. SHIPMENTS, INVOICES, AND PAYMENTS. Upon receipt of the purchase order from the State office the textbooks shall be shipped by the publisher, by prepaid freight, express, or parcel post, to the district superintendent, as directed by the Superintendent of Public Instruction. The publishers shall issue invoices in triplicate; Invoice No. 1 shall be sent direct to the Superintendent of Public Instruction and Invoices Nos. 2 and 3 shall be sent to the district superintendent receiving the textbooks. Upon receipt of the textbooks, the district superintendent shall check the shipment against the invoice and if correct, O. K. Invoice No. 2 to the Superintendent of Public Instruction as a receipt of the shipment. If not correct, he should immediately notify both the book company and the State Department of Education in order that error may be corrected. Failure of a superintendent (or custodian) to sign and forward invoices shall constitute just cause for the State Superintendent to withhold regular installments of state funds until such delinquency is removed.

4. CUSTODIANS AND BOND. The superintendents making requisition for the textbooks are custodians of the books in their respective jurisdiction. Each custodian of free textbooks shall execute a bond to the Commonwealth for the faithful performance of his or her duties in such a capacity. The penal sum of the bond shall be equal to or above the value of the free textbooks under the charge of the custodian. The bond shall be executed in triplicate on a form (Form FT-3) prepared by the State Superintendent of Public Instruction and shall be guaranteed by a surety company authorized to do business in the Commonwealth or shall be signed by three personal sureties whose unencumbered assets shall at least be equal to the penal sum of the bond. Bonds must be filed before books are provided. In case a corporate bond is executed, the premium of such bond shall be paid by the local board of education. The bond shall be approved by the local board of education and by the State Board of Education. The three copies shall be sent to the State Board of Education for its approval. One copy shall remain in the permanent files of the State Board of Education, and two copies shall be returned to the local board after the bond has been approved.

5. BOOKS LABELED. All textbooks shall be permanently labeled as the property of the State of Kentucky with the approved labels, Forms FT-4W and FT-4C.

6. DELIVERY OF BOOKS TO PRINCIPALS AND TEACHERS. The district superintendents acting under the direction of their respective boards of education shall deliver or cause to be delivered to the principal or teacher in charge of any public school at the building where

said principal or teacher has charge, the necessary number of books required for each grade for the use of said school and take his receipt therefor, on Form No. FT-5.

7. ISSUANCE OF BOOKS TO PUPILS. Books shall be issued by principals or teachers in charge of the public schools of the State to regularly enrolled pupils of said schools. The principal or teacher will fill out requisition cards in duplicate for each pupil, using Form FT-6. The original of these cards must be signed by the parents or guardians who have supervision or custody of the pupils enrolling. When the requisitions are properly signed and returned to the principal or teacher, the books will be delivered as requested to the pupils entitled to them. The principal or teacher will keep both the original and the duplicate requisition cards. The original requisition cards shall be receipted and returned to the pupils when the books are returned to the principal or teacher at the close of the school term.

8. BOOKS MAY BE PURCHASED. Custodians of free textbooks under the provisions of this Act, shall sell textbooks to any pupil, parent or guardian of pupils attending the public schools of Kentucky and making request to purchase books. Such books shall be sold at the official retail contract price, provided that custodians shall not sell textbooks to private and sectarian schools or for the use of pupils attending private or sectarian schools. Funds accruing from the sale of books shall be covered into the General Fund of the State Treasury.

Any custodian selling textbooks as herein provided shall issue a receipt in triplicate on Form FT-7, showing number and kind of books sold, the amount of money received, from whom received, the pupil for whom the books are purchased, and the school district in which the pupil is enrolled. The original copy shall be sent to the Superintendent of Public Instruction, the duplicate kept on file by the custodian, and the triplicate delivered to the purchaser of the books.

9. DAMAGED BOOKS. All books checked as unusable and in bad condition shall be carefully kept by the custodian until provisions are made by the State Board of Education for their removal, exchange or repair.

10. CONTAGIOUS DISEASES. Advice of the County Health Officer concerning the disposition of books used by children with contagious diseases should be followed. Specific report of same shall be made to the State Department of Education if books are destroyed.

THE ORGANIZATION OF A HOLDING CORPORATION

The first step in the organization of a holding corporation is to interest several leading citizens of your school district in the proposition. Five or more persons thus interested should then band themselves together, draw up articles of incorporation and sign them. A copy of these articles of incorporation should then be filed with the county clerk and the original should be mailed to the Secretary of State. A nominal fee, usually about three dollars, is charged by the Secretary of State for this service.

After the receipt of a certificate of approval from the Secretary of State, the incorporators of the holding corporation should then meet and organize by electing one of its members president, one vice-president, one secretary and one treasurer. The incorporators or directors of the holding corporation should then draw up brief by-laws governing the organization and should determine the time and place of meeting. After the holding corporation is organized the school board should convey title to the site, upon which the proposed school building is to be constructed, to the holding corporation. The corporation will then name its trustee, usually a bank, trust company or an individual. The trustee then issues bonds against the school site and improvements to be made upon the site in amount and at times ordered by the corporation.

The sale of the bonds, advertising for sealed bids on the construction of the building, the awarding of a contract for the erection of the building and the actual construction of the school building follow. Upon the completion of the building the holding corporation enters into a lease contract with the board of education whereby the board of education agrees to rent the building from the holding corporation annually, at a rental sufficient to pay the interest on the bonds and the principal as the bonds mature.

Numerous cases involving the organization of holding corporations to finance schoolhouse construction have been before the Court of Appeals and in each instance the validity of this method has been upheld. A partial list of such decisions of the Court of Appeals follows:

- Bridges v. Scott County Board of Education, 234 Ky. 836;
- Whitworth v. Breckinridge County Board of Education, 225 Ky. 222, 7 S. W. (2nd) 1070;
- Button v. Trimble County Board of Education, 235 Ky. 771;
- Rothchild v. Shelbyville Board of Education, 254 Ky. 467;
- Reneer v. Centertown Educational Corporation, et al., 253 Ky. 328;
- Waller v. Georgetown Board of Education, 209 Ky. 726, 273 S. W. 498;
- Overall v. City of Madisonville, 125 Ky. 684, 102 S. W. 278, 31 Ky. Law Reporter 278, 12 L. R. A. (N. S.) 433;
- Gosney, et al. v. Butler Consolidated Graded School, 219 Ky. 242.

SUGGESTED POINTS TO BE OBSERVED

1. The board of education should determine the approximate amount of money which it may set aside in its budget each year for rental without seriously handicapping the other functions of the school system. Unless the board of education has a sufficient taxing margin to provide an annual appropriation for rental or can clearly show that further economy under the present taxing arrangement is possible so that a certain definite amount can be set aside each year as rental, a holding corporation should not be undertaken. In fact, it is very doubtful if a market could be found for the bonds except under the favorable condition set out above.
2. The amount of rental which a board of education can set aside each year will determine the amount of bonds which the holding corporation should issue and consequently, the cost limitation of the proposed project, the schedule for retirement of the serial bonds and the number of years over which the bond issue is spread.
3. The confidence of leading citizens who are interested in the schools must be secured. The board of education is dependent upon citizens other than members of the board of education to organize a holding corporation and the need for such a corporation should be carefully explained. It should be pointed out that such a corporation is private in character and that the vote of the people is not required for issuance of bonds, neither is the holding corporation governed by constitutional or statutory debt limitations placed upon boards of education. It should further be pointed out that the private property of incorporators is in no way liable for any debt or contract of the corporation.
4. The banks of the community should be approached and interested in the proposition. The holding corporation will be largely dependent upon the banks to market the bonds. If local banks are not interested, it is possible that one or more firms of bond brokers could be interested in the purchase of the issue of bonds. It is a good idea to draw up the plans roughly for a holding corporation, that is, determine the amount of money needed and the number of years over which the serial bonds will mature, which, of course, is dependent upon the rental which the board can pay and then ascertain what rate of interest the bonds must bear in order to market them. If the local banks or a firm of bond brokers is to purchase them at par, it is generally a good policy in the bids on interest rate to ask the prospective purchaser to take care of all costs incident to the organization of the holding corporation, which includes cost of filing articles of incorporation, all legal fees and the printing or engraving of bonds.
5. It is suggested that all bonds be subject to call at par at any time. This protects the board of education and the holding corporation and makes it possible for them to retire more of the debt than its schedule provides for in the event that the board unexpectedly finds itself in possession of an unexpended balance at the end of any fiscal year. This, of course, would relieve the board of education of further interest payments on these bonds.
6. The board of education and holding corporation must work in close cooperation. The holding corporation is dependent upon the board of education to rent the building which it constructs, consequently, the holding corporation should delegate the selection of an architect and the planning of the school building to the board of education. It is usually wise to have a building committee made up of two or more members of the board of education and representatives of the holding corporation to handle all minor details during the planning and construction of the building.

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MINUTES

OF BOARD OF EDUCATION CONTRACTING WITH AN EDUCATIONAL CORPORATION

At a meeting of the..... Board of Education held at, Kentucky, on the..... day of....., 19....., the following members were present:
....., President.
....., Secretary.

It was moved, seconded and carried unanimously that the president and secretary be authorized on behalf of..... Board of Education to execute a deed to..... Educational Corporation of....., Kentucky, for..... school property. The motion adopted was as follows:

WHEREAS, there has been submitted to this board a certain plan for raising funds to finance....., and

WHEREAS, it was provided in that plan that the..... Board of Education of....., Kentucky, should deed to the..... Educational Corporation of....., Kentucky, the following property:

..... Dollars, for the consideration of..... and also to provide for the execution and delivery of a lease between said Educational Corporation and said Board of Education, on motion duly made, seconded and unanimously carried by vote of the entire board, it is now ordered that the President and Secretary for and on behalf of the..... Board of Education execute both a deed and a lease, and, after said execution the same shall be left in the hands of the Secretary of the Board for final delivery on the payment of the above mentioned consideration and the execution of said lease by the said..... Educational Corporation. Copies of the said deed and lease are made a part of these minutes and of this order.

..... Board of Education
By....., President
....., Secretary

ARTICLES OF INCORPORATION

KNOW ALL MEN BY THESE PRESENTS:

I

That

....., stockholders, do associate to form a corporation under the laws of the Commonwealth of Kentucky.

II

That the corporation shall be named and known as....., by which name it may contract and be contracted with, sue and be sued, adopt a corporate seal and conduct its business.

III

The principal office and place of business of said corporation shall be at..... County, Kentucky.

IV

The business proposed to be transacted, conducted and carried on by said corporation shall not be for profit, but shall be for educational and other charitable purposes; to receive, hold, disburse gifts, bequests and other funds for said purposes, to own and maintain suitable real estate and buildings for its purposes, and to do all things necessary and incident thereto.

V

Said corporation shall have no capital stock, and is formed not for profit, but to promote the cause of education.

VI

The corporation shall commence business as soon as practicable after these articles are filed in the County Clerk's office of..... County, and in the office of the Secretary of State, Frankfort, Kentucky. The corporation shall continue for a period of twenty-five years, unless sooner dissolved by a majority vote of its members. This corporation shall exist for.....years.

VII

The affairs and business of the corporation shall be conducted by not less than.....directors, one of whom shall be elected president and another vice-president. The president shall be the chief executive officer of the corporation. The first board of directors shall be elected by the members of said corporation at such time and place as a majority of the members may determine, and thereafter an election of directors shall be held at the corporation's office....., Kentucky, onof each year, and they shall hold their office for one year and until the election and qualification of their successor. The board of directors shall have power to make all such by-laws and rules to regulate the business of the corporation as will not be inconsistent with the provisions of these articles of incorporation and the laws of the Commonwealth.

VIII

The indebtedness or liability which the corporation may at any time incur shall not exceed in the aggregate.....dollars, and, except for the payment of its debts and liabilities lawfully incurred its property shall not be used or applied otherwise than for the benefit of the in Kentucky. The corporation shall incur no indebtedness or liability except in writing and upon a majority vote of its directors as provided in VII herein, and when said corporation shall issue and deliver bonds, notes, mortgages or other evidence of its indebtedness, no further or other indebtedness shall be incurred by the corporation without the consent in writing of a majority in numbers and amount of the holders of bonds, notes, mortgages or other evidence of indebtedness, or of the trustee, if any, representing them.

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IX

In no event shall the private property of the incorporators, or directors, be subject to or in any way liable for any debt or contract of its corporation.

In testimony whereof, witness our hands this.....day of
....., 19.....

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A Copy Attest:

.....
County Court Clerk.....County.

CERTIFICATE OF CLERK OR NOTARY

STATE OF KENTUCKY

COUNTY OF.....

I,, a Notary Public, in and for the County and State aforesaid, do hereby certify that the foregoing articles of incorporation of the.....were this day produced to me in my office by.....

.....
.....
.....
and acknowledged by said parties and each of them to be their act and deed.

Given under my hand and seal of office this.....day of
....., 19..... My commission expires
.....day of....., 19.....

.....
Notary Public in and for.....County, Kentucky.

(SEAL)

COMMONWEALTH OF KENTUCKY,

.....COUNTY

I,, Clerk of the County Court in and for the county aforesaid, do hereby certify that the foregoing articles of incorporation of.....were this day presented to me in my office, certified as above and lodged for record.

Whereupon the same, the foregoing certificate and this certificate have been duly recorded in my office.

Given under my hand this.....day of....., 19.....

.....
Clerk of.....County Court,
....., Kentucky.
By....., D. C.

DEED

TO.....EDUCATIONAL CORPORATION
BY.....BOARD OF EDUCATION

This indenture made and entered into this the.....day of
....., 19.....

WITNESSETH, That whereas the.....Board of Education of....., Kentucky, at a meeting held on the.....day of....., 19....., duly passed and adopted by unanimous vote the resolution authorizing the sale and transfer of the hereinafter described real estate to the..... Educational Corporation of....., Kentucky, for the sum of.....Dollars, and the further consideration of a certain contract and lease simultaneously entered into between the said board of education and the said educational corporation, which resolution has been duly entered on the minute books of said board as of said date, and said lease and contract have been executed.

Now, in consideration of these presents, said board of education has this day sold and does by these presents grant, bargain, sell and convey to the said..... Educational Corporation of....., Kentucky, the following described real estate:

.....
.....
.....

being the same property deeded to the..... Board of Education by deed dated the.....day of....., 19....., and of record in deed book No....., page....., in the office of the County Court Clerk of.....County, Kentucky.

To have and to hold unto the said..... Educational Corporation, its successors and assigns forever, with all the privileges and appurtenances thereto belonging with covenant of general warranty.

WITNESSETH the hand and seal of said board of education of....., Kentucky, this the.....day of....., 19.....

.....BOARD OF EDUCATION
By....., President
....., Secretary

FORM OF BOND

COMMONWEALTH OF KENTUCKY
United States of America

NO..... \$.....
.....EDUCATIONAL CORPORATION
.....per cent First Mortgage Bonds

The..... Educational Corporation, a corporation organized under the laws of the Commonwealth of Kentucky, hereinafter called the company, acknowledges itself to be indebted, and for value received hereby promises to pay to the bearer (or in case of registration, to the registered owner hereof).....Dollars

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in gold coin of the United States of America, of or equal to the present standard of weight and fineness, on the first day of..... with interest thereon from the first day of....., at the rate of..... per cent per annum, payable in like coin, the first of which interest payments shall be due and payable on the 1st day of....., and thereafter payable semi-annually on the first day of..... and..... in each year to the bearer of the properly annexed coupons on presentation and surrender thereof, as they severally become due. Both principal and interest are payable at the..... Bank,, Kentucky.

This bond is one of a series of..... bonds, numbered from one to....., both inclusive, made by said company, of like tenor, date and effect, aggregating the total principal sum of..... Dollars. Said bonds are issued under and equally secured by a Trust Deed, made by said company to the..... Bank,, Kentucky, as trustee, reference thereto being hereby made for a particular description of the terms and conditions thereof on which the said bonds are issued and secured and for a description of the security therefor and the rights of the bondholders thereto.

The right is hereby reserved to the company to pay any or all of said bonds at any interest paying period, by the payment of principal and accrued interest, and on giving ten days previous notice as prescribed in said Trust Deed; provided, however, that the bonds to be paid before maturity shall be selected by lot from the whole number then outstanding.

This bond shall not be valid and obligatory unless and until authenticated as one of said series of bonds by a certificate endorsed hereon, signed by the..... Bank,, Kentucky (Trustee).

This bond may be registered in the owners' name on the registration book kept at the office of the..... Bank, Trustee, as in said trust deed provided, and said registry shall be noted on the bond by the..... Bank,, Kentucky, after which no transfer hereof shall be valid unless made on the said books by the registered owner hereof in person, or by his attorney duly authorized, and similarly noted on the bond; but the same may be discharged from registry by being transferred in manner aforesaid to bearer, after which it shall be transferable by delivery, but it may again be registered as before. The registry of this bond as above shall not restrain the negotiability of the interest coupons by delivery merely.

On default in the payment of interest or of the principal of any of said bonds, or default in the performance of any of the covenants made by the company in said Trust Deed, the principal of this bond may become and be due and payable before the above specified maturity, together with the accrued interest thereon, as provided in said Trust Deed.

No personal liability whatever, by virtue of any statute or otherwise, shall attach to or be incurred by the officers, or directors of said company, or any or either of the undersigned, by reason of any of the obligations, covenants, or agreements expressed or implied in this bond, or in the coupons hereof or in the said Trust Deed.

The execution and delivery of this bond on behalf of said company is authorized and directed by resolution of the Board of Directors.

In witness whereof, the said..... Educational Corporation has caused these presents to be signed in its corporate name by its president or vice president, its corporate seal to be attached to be executed in its behalf by the signature of its secretary this..... day of....., 19.....

..... Educational Corporation
By....., President
....., Secretary

FORM OF INTEREST COUPONS

\$.....

On the 1st day of....., 19....., the..... Educational Corporation will pay to the bearer hereof, at the..... Bank,, Kentucky, Dollars, in gold coin of the United States of America of or equal to the present standard of weight and fineness, being six months interest on its First Mortgage Bond No....., subject, however, to the conditions of said bond.

..... Educational Corporation
By....., President
....., Secretary

FORM OF TRUSTEE'S CERTIFICATE

This is to certify that this bond is one of the bonds mentioned in the Mortgage or Trust Deed referred to within.

..... Bank
By....., President
....., Secretary

This the..... day of....., 19.....
....., Kentucky.

COMMONWEALTH OF KENTUCKY

BOND OF

No..... \$.....
..... EDUCATIONAL CORPORATION,
..... County, Kentucky

SERIES OF 19.....

KNOW ALL MEN BY THESE PRESENTS:

That the..... Educational Corporation in
..... County, Kentucky, for value received,
acknowledges itself indebted to and hereby agrees to pay to bearer.....
..... Dollars in lawful money of the
United States of America, on the..... day of.....
19....., with interest at the rate of..... per cent per annum, payable
on the..... day of..... each year, on pre-
sentation and surrender of the annexed coupons as they severally mature.
Both principal and interest of this bond are hereby made payable at.....
..... Bank,, Kentucky.

For the prompt payment of this bond and the interest thereon at ma-
turity, the full faith, credit and resources of said corporation is hereby
irrevocably pledged.

This bond is one of a series numbered consecutively from 1 to.....
inclusive, of the denomination of..... Dollars each,
aggregating..... Dollars, issued for the pur-
pose of..... for.....
Educational Corporation at....., Kentucky, under

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strict conformity with the Constitution and laws of the Commonwealth of Kentucky, including Articles.....,, and....., Kentucky Statutes, edition of 19....., and pursuant to an order passed by said Educational Corporation at.....on the.....day of....., 19....., which order is of record on pagesof the minutes of said corporation.

The said corporation reserves the option of redeeming this bond at any time after one year from its date by paying the principal and accrued interest thereon. In case this bond shall be called in for redemption before maturity, notice thereof in writing shall be given to the holder or holders thereof by the Secretary of the said corporation at least thirty days before the date fixed for redemption, and should this bond not be presented for redemption, the same shall cease to bear interest from and after the date fixed for redemption.

It is hereby certified and declared that the issue of this bond and the series of which it is a part is duly authorized by law and provided for in the order and authority of the trustee named for this corporation; that all acts, conditions and things required to be done precedent to and in the issuance of this series of bonds and of this bond have been properly done and performed and have happened in regular and due time, form and manner as required by law; and that the payment of this bond and of the series of which it is a part and the payment of the interest coupons hereto annexed shall be paid as the same shall become due.

In witness whereof the.....Educational Corporation, of.....County, Kentucky, by order of its board of officers, has caused this bond and this series of bonds, and the interest coupons hereto attached to be signed by the Chairman and Secretary of said board.

Given under our hands this the.....day of....., 19.....

.....Educational Corporation
By, Chairman
....., Secretary

INTEREST COUPON

No..... \$.....

On the.....day of....., 19....., the
.....Educational Corporation of
....., in the county of.....,
Commonwealth of Kentucky, hereby promises to pay to the bearer at.....
....., Kentucky the sum of.....
Dollars, in lawful money of the United States of America, being.....
months interest on bond No.....of its series of 19....., dated
....., 19....., of said corporation.

.....Educational Corporation
By, President
....., Secretary

CONTRACT

BETWEEN EDUCATIONAL CORPORATION AND BOARD OF EDUCATION

THIS INDENTURE made and entered into this.....day of....., 19....., by and between the Board of Education of....., Kentucky, party of the first part, and the..... Educational Corporation, party of the second part, all parties of.....County, Kentucky.

WITNESSETH: That whereas, by a certain resolution unanimously adopted and passed at a meeting held at its regular meeting place in....., Kentucky, on the.....day of....., 19....., the said party of the first part authorized a sale and transfer of the property hereinafter described, upon certain terms and conditions hereinafter set forth, and directed the president and secretary of said Board of Education to execute deed to the said party of the second part for and on behalf of the said party of the first part, in consideration of the sum of \$..... cash, and the further consideration of said terms and conditions, which resolution has been duly entered on the Minute Book of said Board of Education as of said date, and

WHEREAS, said purchase price has now been paid in full,

NOW, in consideration of the premises and of the agreements and covenants hereinafter set forth, the said party of the first part has this day bargained and sold and does hereby sell and convey unto the said party of the second part the following described real estate located in.....County, Kentucky, and bounded and described as follows:

TO HAVE AND TO HOLD, together with all the appurtenances thereunto belonging unto the party of the second part, its successors and assigns, forever, together with covenant of general warranty of title, but and upon the further consideration and upon the following described conditions:

That the party of the second part has this day leased to the party of the first part, and the party of the first part has agreed to lease from the party of the second part, the premises hereinbefore set out and described, upon the following terms:

1. This lease is to run for a period of one year from the date hereof with the privilege and option on the part of said Board of Education to renew same upon the same terms at the end of each year for another annual rental period, and so on until such time as said Board of Education can legally take over the title to said premises and grounds on the terms and conditions as set out herein, but said option to renew is not to extend for a longer period than twenty years; and it is further and expressly understood that the said Board of Education does not bind itself under this agreement to lease said property for more than one year or bind itself for the rentals thereof, hereinafter set forth, for more than one year.

2. It is understood and agreed that as of even date herewith a certain series of bonds for the said sum of \$.....shall be issued to secure which a mortgage shall be executed by the said..... Educational Corporation to.....Trustee, which bonds and mortgage are here referred to and made part hereof as if copied herein, and the said Board of Education agrees to pay to said Trustee, named in said mortgage, as a rental charge for the property herein leased, an amount equal to the interest of such bonds as may be then outstanding at the rate

of.....per annum as such interest may accrue on said bonds for the year covered by this agreement and lease, and, at the same time, for the further sum of \$, to be used by said Trustee in retiring the principal of said bonds.

3. It is further agreed as additional rental for said leased premises that the said Board of Education shall pay the said Trustee an amount equal to each year's insurance charges against said property and provided for in said mortgage, to keep all improvements and to pay all other charges against the property for said year, including the necessary expenses of the Trustee in handling the trust for that particular year, and all other expenses in connection with the sale and issuance of said bonds.

4. As said contract or lease is renewed and for each year thereof under the option contained in this lease, the said Board of Education agrees to pay the same rental, charges, etc., for each year for which the same is renewed, provided, however, that the amount of rental each year shall be reduced by the amount of interest on such bonds as may from year to year have been paid by said Board of Education.

5. It is further a part of the consideration of this conveyance, and it shall be provided in the trust mortgage referred to, that the said Board of Education shall have the option, on any interest paying date, to pay all or any part of said bonds.

6. It is also a part of the consideration of this conveyance, and it shall be provided and agreed in said mortgage, that if the said Board of Education at any time shall fail to renew said lease at the end of any year up to and until the time said bonds are paid off and satisfied in full, or shall fail to pay the rentals hereinbefore agreed upon for any yearly period for which this contract and agreement may be renewed, or any other charges herein specified, or shall fail to pay the said \$..... to be applied for the retiring of the principal of said bonds as hereinbefore set out, then said Board's right to renew said lease shall cease and terminate and its right to renew any year shall be conditional on its having paid all the rental and charges thereunder for the year last preceding and on its having paid the said \$..... as provided herein, to be applied toward the retirement of the principal of said bonds.

7. It is further a part of the consideration of this conveyance, and it shall be also provided in said mortgage, that in event the interest on said bonds is not paid when due, or in the event that said Board of Education shall not pay the \$..... as provided herein in that event the Trustee, at his option, or upon the written request of the holders of a majority in amount of the outstanding bonds, may declare all of the said bonds due and payable at once, and may proceed to foreclose the lien securing same. Said condition also is made a part of the consideration of this conveyance, and it is agreed by the parties hereto that the option to renew the lease herein is made conditional on the fulfillment of said provision.

8. It is also a part of the consideration of this conveyance, and it shall be so provided in said mortgage, that in event of foreclosure under the above section or a sale to any person other than the Board of Education of....., Kentucky, then and in that event the amount of bonds and interest then outstanding shall be first satisfied in full out of said sale of money, after paying any costs and expense in connection therewith, and the balance, if any, shall be paid to the said Board of Education.

9. It is further a part of the consideration of this conveyance, and it shall be so provided in the mortgage aforesaid, that the said Board of Education is given and is hereby granted the exclusive option, on any interest paying date of said bonds, during the life of this contract and lease and while same is in force according to its terms, to repurchase said property at the price of the total amount of the bonds and interest due and unpaid, and such charges as may be incurred under this contract at the time of said option of repurchase shall be exercised by said Board of Education.

10. It is further part of the consideration of this conveyance, and it shall be so provided in said mortgage, that said Trustee shall execute and deliver to said Board of Education a receipt for all moneys paid to it hereunder, including the amount to be applied toward the retirement of the principal sum of said bonds, and said receipts for said sum when so executed by said Trustee shall immediately vest in the Board of Education a lien on the above described real estate to such amounts as may have been paid by it toward the retirement of the principal of said bonds, but said lien shall be second and inferior to the lien to secure the bonds aforesaid and is to be held under the same terms and conditions.

11. It is further a part of the consideration of this conveyance that when all the bonds mentioned herein have been retired and paid off, as provided for in this agreement and in said mortgage, then this contract or lease is to cease and terminate and the said..... Educational Corporation hereby agrees and binds itself to convey to the said Board of Education the real estate conveyed herein and described in this conveyance.

12. It is further expressly understood and agreed that the \$..... hereinbefore mentioned is the purchase price of the property hereinbefore described and is to be expended by the said Board of Education in completing the improvements and additions to the high school building located on the above described real estate, and that said sum is to be held by the Trustee named in the mortgage as hereinabove set forth and to be paid out by said Trustee on proper warrants issued by the said Board of Education as the work on said additions and improvements shall progress.

In witness of which the parties hereto have set their hands on the day and date first above written.

BOARD OF EDUCATION,, Kentucky
Party of the First Part.

By, President

Attest:, Secretary.

....., EDUCATIONAL CORPORATION
Party of the Second Part.

By, President

Attest:, Secretary.

BULLETIN ON GOVERNMENT IN KENTUCKY

A thoroughgoing and comprehensive study of county government in Kentucky has recently been published as Agricultural Experiment Station Bulletin 355. The study was made cooperatively with the Bureau of Agricultural Economics. Teachers of civics and government will find this study helpful both for supplementary assigned reading, and for classroom teaching. It is suggested that teachers of these subjects either see if this bulletin is in their school library, or write to the Experiment Station, Lexington for a copy. Teachers of the social sciences generally will find much interest in this excellent study of taxes and government.

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