



**Dear ISBA Members:**

Week #15 of the budget session is now complete—ONE WEEK to go! The third reading deadline of bills in the second chamber was on Monday in the House and Tuesday in the Senate. The ISBA Tracking List has updated to remove dead bills or bills that are no longer relevant to K-12 education and school board governance. There are 48 bills remaining on the [Tracking List](#), of which 25 have been approved by a concurrence vote or an adopted conference committee report (some already signed by Governor Holcomb, too). There are 23 bills pending either a concurrence motion and vote or emergence from conference committee with compromise language to become final versions of legislation.

The big event this week was the issuance of an updated state revenue forecast on Wednesday. The good news is that the total General Fund projections are 2.0% above the December 2022 forecast and 4.9% above the same period in Fiscal Year 2022. Approximately \$1.5 billion more in state revenue is forecasted to be available in the next biennium, bringing annual total revenue above \$22 billion in FY '25.

With the additional revenue available, negotiation dynamics will shift

to focus on funding more of the state program provisions that the House and Senate differed on. While ultimately this should signify “historic funding levels” for K-12 education, the question remains what percentage increase will school corporations receive in the tuition support formula compared to whether an increase will occur to the Choice Scholarship voucher program, and if so, by how much? A conference committee report on HB 1001 should surface on Tuesday or Wednesday.

It is anticipated that session will end on Thursday evening. Stay tuned!

### **Key Bill Activity for Week #15**

**SB 167 FAFSA** (Author Senator Leising) was signed by the Governor on April 20. As previously reported, this bill will require senior students to complete the Free Application for Federal Student Aid (FAFSA) by April 15 unless (1) the parent of the student submits a signed waiver declining to complete the application or (2) the principal or school counselor waives the requirement for a group of students due to the principal or school counselor being unable to reach the parents after making at least two reasonable attempts to contact the parents. The law is set to expire in 2033.

**SB 177 School Board Candidate Filing Deadline** (Author: Senator Koch) was also signed by the Governor on April 20. This bill changes the filing period for school board candidates. The new filing period will begin 14 days after the primary election and end at noon 30 days from that date.

### **Conference Committee Activity**

**HB 1002 Education and Workforce Matters** (Author: Representative Goodrich) is a bill that would create Career Scholarship Accounts (CSAs) with \$5,000/student to use to enroll in work-based learning (WBL) or modern youth apprenticeship programs. The Senate stripped the bill with a major amendment to leave only the creation of a Career Advising Grant program and fund (that is funded at \$1.5 million/year in HB 1001), language pertaining to a Career Coaching Program, and moving oversight responsibility of the federal Carl D. Perkins Vocational and Applied Technology Act funds from the Governor’s Workforce Cabinet to the Commission for

Higher Education. The conference committee met to discuss this bill on Thursday. Representative Goodrich, the bill author and conference committee chair, indicated that the House version of the bill will be restored while attempting to accommodate the Senate's language to fund career advising services. While dedicated funding for "career advising providers" is appreciated by ISBA, we continue to advocate for dedicated funding that will support school corporations to recruit, hire, and retain more school counselors, career coaches, and other support services professionals. Indiana presently ranks last in the nation on the number of students per counselor at 694:1.

**HB 1499 Various Tax Matters** (Author: Representative Thompson; Sponsor: Senator Holdman) originated as a major property tax relief package advocated by House Republicans that would lower tax caps on residential property to 0.95% in CY 2024 and 0.975% in CY 2025, which in turn would diminish Operations Fund levies by \$180 million over three years to school corporations. The House Republican proposal would also change many provisions regarding Controlled Project statutes, triggering a mandatory referendum for facility financing for any school corporation with a Debt Service tax rate above \$0.80/\$100 AV. The Senate Tax & Fiscal Policy Committee stripped these provisions from HB 1499, and the bill passed 45-5 out of the Senate on Tuesday. The bill has been assigned to a conference committee and these changes to the bill will be debated and negotiated.

**HB 1005 Housing** (Author: Representative D. Miller; Sponsor: Senator Rogers) establishes the residential housing infrastructure assistance program (program) and the residential housing infrastructure assistance revolving fund (fund). The bill provides that the Indiana finance authority (authority) shall administer the fund and program. The bill also removes both the "good governance" provision of school board sign-off on Housing TIFs and the "1% threshold or cap" used to determine which communities can use this fiscal management tool.

With removal of the "1% cap," there will be a proliferation of Housing TIFs, including many developments that won't meet the "but for" test (would the development happen but for the TIF? If yes, TIF should not be used as a tool and all local units of government would then

benefit from the growth in AV). Almost all residential areas will become TIF'd and will result in a stagnant AV base and lower levy growth for local units of government. A final concern with HB 1005 is whether residential TIF will benefit from future property tax relief. If TIF revenue from the allocation area is to pay bonds, what happens if the HoTIF districts' tax base decreases? Will default on repayment of bonds occur?

A cap should be maintained in this bill but increased to a higher percentage to accommodate the reasonable goal of promoting an increase in housing development. We also wish to maintain the "good governance" provision requiring school board sign-off on HoTIFs. A total of 32 school boards have approved by resolution support for HoTIFs in their communities, while only two have not. This has increased local government communication, collaboration, and community planning.

**PLEASE call or email your area legislators on Friday or by Saturday morning about your views and position on these bills.** Thank you for reading the ISBA Weekly Legislative Update and your efforts and contributions to engage in the ISBA Legislative Action Network throughout the session!

Sincerely,



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