

ISBA 2025 Legislative Priorities

1. State Budget/Tuition Support

Indiana school corporations continue to be challenged by fiscal policy and economic conditions. Inflation in the U.S. per the Consumer Price Index (CPI) has hovered around 3 percent in 2024. While inflation is lower than it has been in the last few years, certain costs of business operations incurred by school corporations exceed the CPI as reflected in the Produce Price Index that stands at approximately 3.5 percent (which reflects costs for such things as school construction for example). More than 75 percent of a school corporation's Operations Fund expenses, on average, are consumed by transportation, utilities, and insurance costs. When considering a loss of \$500 million/year in tax cap and TIF levy losses, school corporations have less property tax revenue available for school facility maintenance, repair, renovations, or new facilities. Thus, school corporations have had to rely more on the Debt Service Fund to manage facilities.

ISBA is appreciative of the continued commitment of Governor Holcomb and the Indiana General Assembly to increase school funding to better support teacher pay. With this effort, as of Fiscal Year 2024, K-12 tuition support (in current dollars) has caught up with and now above inflation adjusted figures, something that hasn't occurred in more than 20 years. As a result, average teacher pay has improved from \$51,119 in 2018-2019, to \$57,015 in the 2022-2023 school year. The bump in pay over this period ranked 2nd in the Midwest on a percentage basis. However, despite this progress, Indiana still ranks 36th in the nation, and 8th in the Midwest, for average teacher pay.

Continued targeted efforts to boost K-12 tuition support at rates above inflation for the next two years is essential to keep the positive moment going and to ensure that Indiana does not take a step back in ranking or its commitment to its 1 million Hoosiers public school students.

The 2025-2027 school funding priorities of ISBA include:

- **Tuition Support**
 - i. An annual increase in Tuition Support at a percentage matching or surpassing the rate of inflation. The Indiana General Assembly is asked to continue its recent significant efforts over the last six years to boost state tuition support to help fund increases in teacher compensation and classroom operational expenses. An adequate tuition support increase is also needed to fully cover curriculum material expenses now paid by the state.

- **Prekindergarten Program Expansion**
 - i. Modify program eligibility based on the child's family household income from 150% to 400% of the federal poverty level. ISBA supports increasing state funding for the On My Way Pre-K grant program to significantly expand opportunities for early childhood learning and supports that meet rigorous PATHS to Quality standards, while also matching family income eligibility for

the Indiana Choice Scholarship voucher program and the Indiana Education Scholarship Account program.

- ii. According to 2021 research conducted by the Center for Early Learning at Purdue University, On My Way Pre-K children performed better than comparison children on general school readiness skills, such as identifying shapes, colors and numbers and language and literacy skills in kindergarten. The On My Way Pre-K students also tended to have higher performance on ILEARN English/Language Arts tests than the comparison children in grades 3 and 4. (See study summary at: <https://www.in.gov/fssa/carefinder/files/OMWPK-2-Study-Summary-Report-0122.pdf>)

- **Complexity Index**

- i. Increase Complexity Index funding to support school corporations, both rural and urban, that have high concentrations of students living in poverty. The Complexity Index is sound in principle and can work to close achievement gaps when sufficiently funded.

- **English Language Learners (ELL)**

- i. ELL categorical grant funding increased during the 2023-2025 biennium to \$37.6 million in FY '25 and ISBA calls for another \$5 million increase annually during the 2025-2027 biennium. The ELL student count in Indiana continues to significantly increase and grew from 5.85% in 2019 to 7.63% in 2023. In 2023, urban school districts had on average 16.3% of students that were ELL. There were 15 school corporations (of all locale types) that had a 20% ELL student population or greater. Logansport Community School Corporation, for example, has 50% of its students classified as ELL. In this school corporation, 27 different languages are spoken by students, and many of these students are arriving from Haiti, Brazil, Chile, and Guatemala who have had limited or interrupted formal education. Learning “how to do school” has become a priority before students can begin language acquisition and learning academic content knowledge. More financial resources are needed to address these unique challenges.

- **Special Education Categorical Funding**

- i. Special education funding increased for severe, moderate, and preschool categories by 5% in both FY '24 and FY '25. ISBA supports an additional increase of comparable amounts for these categories in the next budget. A significant hurdle to the delivery of effective services for students with special needs has been the lack of federal funding. When the federal Individuals with Disabilities Education Act became law, the federal government promised to fund 40 percent of the cost. Congress continues to woefully underfund this program forcing states, school districts, and local taxpayers to make up the difference.

ii. **Residential Placements (S-5) Funding.** Cost for intensive special education residential placement services (S-5) continue to escalate for school corporations. The state appropriation that provides partial reimbursement for these costs remains at \$29 million per year. ISBA calls for a substantial increase in this fund to help defray required IEP or court-ordered services.

- **Summer School Reimbursement**

Considering the elevated emphasis on summer school programs to address Grades 2-3 student proficiency in the Science of Reading (beginning with the 2024-2025 school year), ISBA advocates for a \$10 million/year increase in the state summer school appropriation. The state appropriation of \$18.3 million/year has not changed since 2001, when the annual appropriation was higher at \$21.6 million/year. For summer 2023, 309 schools received a payment for reimbursement of summer school costs. The final costs submitted by school corporations totaled \$28,143,064.66. Reimbursement is made after all summer school reports are received and approved, and this is normally in November of each year. The reimbursement rate for 2023 summer school was approximately **65%** and totaled \$18,360,000.

- **I-STEM**

The I-STEM Program is for individuals who have earned bachelor's degree and want to complete a transition to teaching program focused on STEM content as well as for educators wanting to add a STEM credential to their existing valid Indiana educator license. ISBA supports maintaining the \$5 million annual appropriation in the STEM Teacher Recruitment Fund administered by the Indiana Commission for Higher Education.

2. Indiana Secured Schools Safety Grant

ISBA supports a significant appropriation increase from \$25 million to \$35 million annually for this grant program. This increase will offset funding shortfalls of unfunded Priority 1 requests in the 2024 grant award cycle. Ensuring safe, secure, and supportive classroom learning environments has escalated in urgency and priority given the rash of tragic school shootings across the nation. Since establishment in 2013, the Indiana Secured School Safety Grant (SSSG) Program has served as a critical resource to help ensure Hoosier schools are safe and secure. This increased funding will also help provide additional resources for student and parent supports to enable school corporations to hire additional school counselors, social workers, school psychologists, and therapists.

3. Student Support Services and Teacher Retention Grant Program

ISBA supports the creation of a new **Student Support Services & Teacher Retention Grant Program** to address ongoing challenges faced with teacher retention and shortages in critical student support services areas. According the 2023 IDOE Annual Licensure Date Report, of the 2,161 first-teachers entering an Indiana K-12 classroom, 20% left after three years of teaching, 28% left after five years of teaching, and nearly 39%, or 831 teachers, left the classroom in year 10. Dedicated funding for trained health and support service professionals would ease the burden of classroom teachers. The funding will support staff trained and certified in needed areas of student care. This support will lead to higher teacher

retention and better student academic, social, and behavioral outcomes. Comprehensive mental and behavioral health services in schools improve students' ability to learn.

According to a recent report of the American School Counselors Association, Indiana has one of the highest students to academic counselor ratios in the nation at 519:1 (Source: <https://www.schoolcounselor.org/getmedia/a988972b-1faa-4b5f-8b9e-a73b5ac44476/ratios-22-23-alpha.pdf>). The preferred ratio is 250:1. More counselors are needed to help guide high school graduation pathways, including work-based learning, apprenticeship, and internship opportunities for students in the workplace. With the pending adoption of the new high school graduation requirements, diploma, and seals, even more demands will be placed on counselors to track and verify work-based learning experiences and credential completion that count towards graduation.

The National Association of School Psychologists (NASP) recommends a ratio of 1 school psychologist per every 500 students. As of the 2022-2023 school year, the ratio in Indiana is 1 to 1,694, more than 3 times the recommended ratio (Source: <https://www.nasponline.org/about-school-psychology/state-shortages-data-dashboard>).

In a joint statement, the American Academy of Pediatrics (AAP) declared a national emergency in child and adolescent mental and behavioral health in October of 2021. This declaration remains in effect and includes several recommendations, including: "Increase implementation and sustainable funding of effective models of school-based mental health care, including clinical strategies and models for payment." (Source: [AAP Declaration](#)). One in five students suffers from a mental health disorder and roughly 80% of children and youth who are in need of mental health services do not receive them. Furthermore, 70–80% of students who do receive mental health services receive them in school.

This grant proposal was developed and supported during the 2023 budget session of the state legislature by ISBA, IASBO, IAPSS, the Indiana School Counselors Association, and the Indiana Association of School Psychologists. The following unfunded state grant programs addressing student support services would be streamlined into this new grant program: **School Intervention and Career Counseling Development Program and Fund (IC 20-20-17); Elementary School Counselors, Social Workers, and School Psychologists Program and Fund (IC 20-20-18); and Grants for Mental Health Counselor Licenses for School Counselors (IC 20-20-18.5)**. While the essence of the three grant programs to be consolidated under this proposal address real needs of students and staffing needs of school corporations, these grant programs have either never, or not recently, been funded by the state.

This program would be administered by the Indiana Department of Education with allowable uses of the grant funds to include:

- Hiring additional support service professionals through use of funds for salary (career coaches, school counselors, school psychologists, social workers, therapists, nurses)
- Recruitment grants (housing allowance, moving stipend, 1-time hiring bonus, grow-your-own programs, etc.)
- Teacher and support services retention bonuses/stipends (after 3, 5, and 10 years of service when returning to the school in fall semester of next school year)

- Flexibility to use funds for Teacher Advancement Programs or teacher residency programs to retain highly qualified teachers with higher pay and scheduling flexibility to coach other teachers during the school day
- Contracting for services with evidence-based programs like City Connect or Communities in Schools to provide student support services

4. TIF Taxing Matters

A. Assign Base AV to all Property

ISBA supports the suitable and reasonable use of Tax Increment Financing (TIF) as a fiscal policy tool for community economic development with appropriate guidelines for redevelopment commissions. It is important that the original assessment, whether the property is taxable or not, is used for the calculation of the AV base for a TIF area to ensure all appropriate taxes flow to the respective taxing entities, including schools. If a proposed TIF property is not taxable at the time of the allocation area being established, ISBA proposes that the taxes that would have been paid as pre-developed land be included in the base AV to determine property tax levy distributions to local units of government.

B. Limit the Percentage of Incremental AV Captured by the Redevelopment Commission

AMEND IC 36-7-14-39 to require redevelopment commissions to annually distribute 15% of the incremental assessed value to all local taxing units. This is a permissible policy via a “may” provision. ISBA supports changing this provision to “shall.”

C. School Board Member as a Voting Member

AMEND IC 36-7-14-6.1 to require the municipal and county executive to appoint a school board member as a **voting member** of the redevelopment commission. In cases where there is more than one school corporation located within the territory served by the redevelopment commission, the school board member who is appointed shall be recommended by the school corporation that has the largest assessed valuation (gross or net).

5. Referendum Issues

A. Clarifying Referendum Tax Rate Information

HEA 1271 (Public Law 38-2021) revised the local public question for Controlled Projects, Operations, and school safety referenda of school corporations to include the “estimated average percentage of property tax increase” on residential and business property. This new language replaced the prior long-standing language that provided the proposed property tax rate increase per \$100 assessed valuation to the property taxpayer. This new language is ambiguous and could misinform a taxpayer who would pay significantly less, or more, than the average percentage of property tax increase the school corporation will receive. ISBA supports changing the ballot language to include the property tax to be paid annually by voters/residents for an average value (median) residence in that community and what the property tax paid annually would be for a business property per \$100,000 of net assessed value.

6. Various Education Matters

A. Curricular Materials

ISBA seeks clarification on permissible fees that may be assessed to parents for the delivery of educational services and extracurricular activities for students. With the elimination of the textbook rental fee system and move to state-funded curricular materials reimbursement, some expenses such as consumable materials (lab fees, gym uniforms, workbooks possessed by students, musical instruments, etc.) and co-curricular fees (textbooks, exams/certifications, and college credit) have school boards concerned about significant funding shortfalls. ISBA calls for an explicit list of permissible fees that enable continued charges for these types of expenses.

B. Stop Arm Violation Fine and Penalty Enforcement

Enhanced efforts are needed to enforce school bus stop arm violation penalties and fines to better protect students in school bus zones. Legislation introduced in the 2021 and 2022 sessions proposed that a registered owner of a motor vehicle commits an infraction if the owner's vehicle is used to violate the school bus stop arm law. Passage of this legislation would lessen the burden of proof to identify the driver of the vehicle.

C. Universal Online High School Transcript Tracking System/Portal

With the new high school graduation and diploma requirements to be approved by the State Board of Education by the end of 2024, ISBA calls for the creation of an universal online high school student information system or portal that counselors or other personnel would use to track graduation requirement component completion for every student. This system would reduce the tedious nature or burden of tracking this information and enhance efficiency of tracking pathways, credit completion, assessment scores, certifications, WBL hours, etc. Such a system will also enable the individual student transcript to follow students who move in and out of school districts.

2025 ISBA Legislative Foundational Statements

The Indiana School Boards Association (ISBA) is dedicated to improving the quality of public education and school governance throughout the state of Indiana. ISBA recognizes the role of the General Assembly in enacting legislation that impacts public education and is committed to representing the interests of its member school corporations when addressing legislative initiatives. ISBA has adopted the following foundational statements to formalize its position as it advocates on behalf of Indiana school boards, public education, and students on present and future legislation.

Support Exceptional Learning Opportunities for Hoosier Children

The ISBA supports programs and policies to provide exceptional learning opportunities for Hoosier children. Given that approximately 92 percent of all K-12 students attend a public school, the families of more than 1 million students have spoken and have made public schools the “schools of choice.” ISBA believes that, through local control, school boards have created a rich and diverse public education system that provides a multitude of learning environments, programs, and curricular offerings to students. Through these opportunities school boards must prepare a new generation of students to be college and career ready, helping drive the economic growth and prosperity of the state.

Promote Equitable Funding of Public Schools

The ISBA supports the funding of public schools that is annually adjusted to keep ahead of inflation and that improves Indiana’s national rankings on per pupil funding and teacher compensation. This allows local boards of education to support the ongoing improvement in the quality of public education and ensure adequate resources to address the learning needs of all children. ISBA supports the equitable funding of public schools, recognizing that schools may need additional funding to educate economically disadvantaged students and students with unique educational needs.

Empower School Board Authority

The ISBA supports empowering local boards of education with the authority to govern the educational and financial matters, including health and safety measures, for students and employees of school corporations. In addition, the ISBA supports maintaining the authority to make changes to local reorganization plans, including consolidation and disannexation of school corporations, with school boards and the voters who reside within the particular school corporations affected.

Engage and Involve Families

The ISBA believes that the involvement of all families results in stronger schools and better student outcomes. School boards continually strive to create opportunities for parents, guardians, and caregivers to be heard, including through participation on local curriculum review and development committees. Parents, guardians, and caregivers should continue to have a process or opportunity for input through the classroom teacher, principal, superintendent, and finally the school board. Ultimately, the establishment of student achievement goals and curriculum review and approval rest with the school board, who are elected or appointed representatives of the school community.

Maintain Safe and Supportive Classrooms

The ISBA believes that every child deserves a safe and secure learning environment. ISBA supports local control—with state support, broad policy, and adequate funding—to implement comprehensive school safety plans informed by a threat assessment and developed in

collaboration with law enforcement and public safety agencies. ISBA opposes funded or unfunded mandates for implementation of specific school safety equipment, devices, or technology. Policies and funding pertaining to school safety should be holistic and also include addressing the social and emotional needs of students and staff, including resources for guidance counselors, social workers, school psychologists, and mental health therapists to support student and staff wellness.

Promote High-Quality Teachers and School Leaders

The ISBA believes that effective educational achievement outcomes depend on a high-quality teacher and administrator workforce. We support legislation that respects and values the teaching profession. We support state policies and laws that enable “teachers to teach” without burdensome regulation or policies that diminish or demean the profession. ISBA seeks support for teacher recruitment strategies that both address critical shortage areas and attract a pipeline of diverse teacher candidates into the classroom, such as promising “Grow Your Own” partnerships between schools and postsecondary institutions and state pre-service teacher scholarship programs to attract more minority teachers to better reflect Indiana’s student population. ISBA is a proponent of initiatives that improve the retention of excellent educators, including enhanced support for mentoring and leadership development.

Support Professional Development

The ISBA supports professional development opportunities that provide dedicated time for training and mentoring that enhance and elevate the teaching profession. We support state funding for professional development and in-service programs. The ISBA also supports enhanced teacher training on emerging technology advances impacting the delivery of instruction to students, such as the effective use of e-learning instruction strategies and artificial intelligence.

Seek Rigorous and Consistent Financial and Academic Outcome Measures for All Schools

The ISBA believes that the best approach to tracking the academic progress and effectiveness of our schools is through public transparency and availability of multiple academic outcome measures. The metrics used to grade school corporations and individual schools should be transparent and easy to understand. ISBA supports the use of multiple measures in the GPS Data Dashboard to judge the quality of schools to reduce the over-reliance on summative assessment scores.

Regardless of which metrics are used to judge the quality of schools, all schools (public, public charter, and private) receiving state tuition support dollars should adhere to the same academic and financial accountability metrics. The public has a right to expect transparency and compliance with the public notice requirements, record keeping and audits needed for financial accountability, and access to public records from all state-funded schools. Whether an audit is conducted by the State Board of Accounts (SBOA) or by a contracted accounting firm, all audits should be submitted to the SBOA and made publicly available through the state’s Gateway system. In addition, any school or school system receiving state tuition support should post an annual budget accessible to the public and have a public hearing on the budget before adoption. Dollars flowing to each school system type should be itemized separately in the state budget. Taxpayers deserve full transparency regarding how their tax dollars are spent on these programs.

The ISBA recognizes and commends the efforts of public schools to fulfill the unique constitutional duty to educate every child.

Maintain Nonpartisan School Boards

The ISBA supports the continuation of the election and/or appointment of school board members on a nonpartisan basis. Nonpartisan elections help ensure that voters choose school board members based on their qualifications, experience, and vision for addressing local educational needs, instead of their party label. School board members are entrusted with deciding what is in the best interest of students in their community. The focus of a school board member should remain on all children. Introducing political party affiliation may cause school boards to feel conflicted with where their allegiances and priorities lie.

Protect School Calendar/Instructional Time

The ISBA supports the legislative mandate to conduct a minimum of 180 student instructional days and believes the local governing body should retain the authority to determine the school calendar. The ISBA supports giving increased flexibility to school boards to determine the length of the instructional day for professional development and student achievement benefits. The ISBA supports the flexibility to use virtual instruction when deemed appropriate by school officials.

Support Career and Technical Education (CTE)

The ISBA believes career and technical education (CTE) should enable students to complete a postsecondary credential during high school or move toward gainful employment upon graduation. All students should have the opportunity to engage in career exploration with support from highly qualified and professionally trained educators and through access to meaningful work-based learning, internships, or modern youth apprenticeships. Secondary CTE courses should create career pathways that lead to transferable skills and certifications to foster life-long learning. Policymakers and state agency leaders must support fiscal and administrative policies to incentivize cooperation between school corporations and employers, as well as to help with the purchase of new equipment, curricular resources and materials, the cost of all credentialing exams, and student transportation.

Expand K-12 Tax Credit Programs

The ISBA supports an income tax credit for charitable contributions to public education foundations. In addition, ISBA supports a tax deduction for parents of public school students for educational expenses, including educational materials not paid for by the school corporation through the state curricular materials reimbursement fund.

Allow Adequate Time and Support for Implementation of Policy Changes

The ISBA supports giving school corporations sufficient time to implement and assess the impact of the changes being made in the field of education. The constant change in standards, laws, and policies makes it difficult to determine whether the changes are resulting in improved educational environments, opportunities, and/or outcomes for students.