

## 2019 Legislative Priorities

### 1. Increased Tuition Support Funding to Support K-12 Students

The ISBA supports the adequate funding of public schools that is annually adjusted to keep pace with or ahead of inflation. According to a 2018 report from the National Center for Education Statistics, Indiana ranked 36<sup>th</sup> in the nation (in 2015) for instructional spending per pupil at \$9,529, compared to the U.S. average of \$11,454.

State tuition support appropriations have not kept pace with inflation since 2010 when using the U.S. Bureau of Labor Statistics CPI Inflation Calculator. Had tuition support funding kept pace with inflation over this period, \$270 million more would have been available to school corporations for per pupil dollars in FY 2018, and more than \$573 million in total for the 2017-2019 biennium (Downs, 2018). An appropriation amount above projected inflationary rates in the next biennium will help school corporations keep up with the cost of doing business and allow for reasonable salary increases that are needed to maintain a high-quality teacher workforce in Hoosier classrooms.

The ISBA supports funding that provides an equitable and level playing field for school corporations to provide equal educational opportunities for all children. Adequate tuition support funding will allow local boards of education to support the ongoing improvement in the quality of public education.

### 2. Enhanced Teacher Recruitment and Retention Programs

School administrators and faculty of colleges of education are becoming increasingly concerned and vocal with what studies reflect that fewer individuals are entering the teaching profession. In light of the significant role a teacher plays in the education of a child, efforts need to be made to attract more persons to the field of education. Similarly, efforts need to be made to keep teachers in the classroom. School boards need greater flexibility in the current compensation system to reward teachers with advanced education degrees and those with experience in the classroom. CTE funding prioritization and graduation pathways need to be established that encourage and prepare students for careers in the teaching profession. Finally, ISBA would support increased funding for the Next Generation Hoosier Educator Scholarships, as well as the William A. Crawford Minority Teacher Scholarships, administered by ICHE.

### 3. Expand State-supported Prekindergarten Programs in Indiana

The ISBA supports increasing state funding to expand prekindergarten programs across the state to serve the approximately 27,000 low-income four-year olds who currently are without access to a high-quality prekindergarten program (Early Learning Indiana, 2018). There is a significant return-on-the-investment for every dollar invested in high-quality prekindergarten programs.

The Indiana General Assembly now provides \$22 million annually for a pilot prekindergarten program for four-year olds in 20 of the 92 counties in the state. Eligible families in the 20 "On My Way Pre-K" counties can apply for a 2018-2019 pre-K grant through the FSSA's Office of Early Childhood and Out-Of-School Learning. To be eligible:

- Families must have an income below 127 percent of the federal poverty level;
- The child must be four-years old by August 1, 2018, and starting kindergarten in the 2019-2020 school year;

- Parents/guardians in the household must be working, going to school or attending job training.

Once enrolled, families may choose from any of the eligible, enrolled “On My Way Pre-K” programs in their county. This program should be expanded to more counties beyond the limited availability offered now.

#### **4. Change Kindergarten ADM Cut-off Date to September 1**

The ISBA supports a change to the law that specifies that children must be at least five-years old on August 1 (“cut-off date” created by HEA 1001 (P.L. 135-2018)) for the kindergarten ADM count. A September 1 date would be appropriate and in line with school corporations that have implemented sound early admission waiver procedures with fidelity. School officials follow the early admission screening protocol to ensure children are emotionally, socially, and cognitively ready for kindergarten.

#### **5. Expand Criteria of Safe Havens Grant**

ISBA supports expanding the selection criteria and use of the Safe Havens Grant program to allow for use of funds by school corporations to implement or sustain evidence-based programs to support the social, emotional, and mental health needs of students, including hiring or funding onsite social worker and/or mental health counselor positions.

#### **6. School Board Vote on Local Redevelopment Commissions**

Local school board representatives should have voting rights on local (municipal or county) redevelopment commissions. Presently, school board representatives serve as non-voting members of these commissions. Redevelopment commissions have the authority to propose and enact TIF (tax increment financing) districts, upon approval of the city or county council, to capture tax revenue for projects that will hopefully enhance local economic development. Conceptually, this economic development then acts as a catalyst to jump-start neighborhood and community growth and ultimately lowers taxes based on higher property values.

There are effective TIFs and ineffective TIFs. If not done appropriately with limited duration, TIFs can have a negative financial impact on school corporations and actually erode revenues available to local units of government according to a 2016 study by the Center for Business and Economic Research at Ball State University.

A school board representative, as a voting member, should be included in a redevelopment commission’s decisions. This is a sensible policy proposal given schools are one of the most important drivers of economic growth in a community. Their ability to maintain educational excellence in a growing economic environment is critical. It is well documented that the majority of families select communities, in part, based on the quality of their schools.

#### **7. Tax Credits for Public Schools and Public School Foundations**

The ISBA supports the creation of a state income tax credit for charitable contributions to a school corporation or an affiliated education foundation. There currently exists a tax credit system for monetary donations to Indiana colleges and universities and for financial contributions to scholarship-granting organizations (for choice scholarships). School corporations are beginning to experience financial distress with many financial constraints facing them. It would be prudent public policy to also incentivize taxpayers to donate to their local public schools or affiliated education foundations of their choosing. There are fewer than

100 education foundations associated with school corporations and that are members of the Indiana Association of Public Education Foundations. This tax credit will facilitate the creation of more education foundations that can, in turn, fund special initiatives, classroom grants and one-time program costs to provide a suitable intermediate funding source before school corporations have no alternative but to pursue a referendum.

## **8. Assistance for Financially Distressed Schools**

The ISBA supports technical legislation to clarify the procedures and designations for school corporations under the new Fiscal and Qualitative Indicators Dashboard system created by House Enrolled Act 1315 (P.L. 213-2018(ss)). In particular, clarification is desired to better define the meaning of being on a “watch list” and the subsequent technical support and/or consequences the state will implement for school corporations on this annual list. In addition, clarity is needed to define and specify what triggers a school corporation from moving from the “watch list” to the designation as a “distressed political subdivision.” ISBA supports the ability for the governing body to have the express authority to annually petition the Distressed Unit Appeals Board for termination of the “distressed political subdivision” status and return the school corporation to good financial standing status.

## **9. Capital Referendum (Controlled Project) Ballot Language**

Under Indiana law, the following is the question that is submitted to eligible voters:

"Shall \_\_\_\_\_(insert the name of the political subdivision) issue bonds or enter into a lease to finance \_\_\_\_\_(insert a brief description of the controlled project), which is estimated to cost not more than \_\_\_\_\_(insert the total cost of the project) and is estimated to increase the property tax rate for debt service by \_\_\_\_\_ (insert increase in tax rate as determined by the department of local government finance)?" Indiana Code 6-1.1-20-3.6(c) (emphasis added).

The ballot question must contain three parts:

- a brief description of the project;
- the estimated total project cost; and
- the estimated tax rate increase for the project.

ISBA proposes adding a 10-year estimated net property tax rate as a fourth item of information included in the ballot question. If school corporations are retiring debt during the lifespan of an approved referendum, the net tax rate impact may be lessened. Due to the cost of the project, the net tax rate is an additional piece of information needed so that taxpayers/voters can understand the long-term cost impact to them. Inclusion of this information on the ballot will provide a more accurate depiction of the tax rates and levies of the school corporation.

## **10. Tax Deduction for School Textbooks/Supplies**

Parents of students enrolled in private schools or home schools are entitled to claim a \$1000 income tax deduction per dependent for costs related to tuition, textbooks, computer software, and other school supplies. There is no tax deduction available to parents of students who are enrolled in public schools. In light of the significant amount of money that public school parents

pay for textbooks and other school supplies, these parents should also be entitled to claim a \$1000 income tax deduction per dependent.