

# ISBA 2021 Legislative Priorities

## ISBA Legislative Committee

September 4, 2020

### 1. Increased Financial Resources to Support K-12 Students

The ISBA supports the funding of public schools during the 2021-2023 biennium at, or above, Fiscal Year 2021 levels, with the goal of annual increases to keep pace with inflation (if the economic recovery provides sufficient state revenue growth). Public schools continue to serve as a key pillar to our democracy and have demonstrated the critical role they fulfill daily during the novel coronavirus pandemic by providing essential services to students and families. The Indiana General Assembly is to be commended for the \$763 million in new funding for K-12 education during the current biennium—more than a 4 percent increase in total funding (tuition support and categorical funding) per fiscal year. This significant improvement in funding needs to be sustained and elevated in future years to improve Indiana's ranking on per pupil spending and teacher salary.

According to a 2020 report from the National Center for Education Statistics, Indiana ranked 34<sup>th</sup> in the nation (in 2017) for instructional spending per pupil at \$9,823, compared to the U.S. average of \$12,258. 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, \$295 million more would have been available to school corporations for per pupil dollars in FY 2019 (Downs, 2018).

ISBA seeks to partner with policymakers to optimize the use of state funds while addressing budgetary challenges in the next biennium imposed by the impact of the coronavirus recession.

In addition to sustaining full funding support for schools during the next biennium, ISBA supports the following K-12 education funding items:

- Maintain Complexity Index funding, with no additional decreases beyond the 50 percent decline from 2010-2019. In future years when the state's economy is growing, ISBA will support an increase in this component of the funding formula. The Complexity Index is sound in principle, but an insufficient amount of money has been included in the formula in recent years to be impactful in adequately closing achievement gaps.
- Provide categorical funding to overcome COVID-19-related and social-injustice issues confronting students and staff that have prompted behavioral, mental health, and wellness service needs. ISBA supports expanding the Indiana Secured School Safety Grant criteria and funding to enable school corporations to hire more school (guidance) counselors, social workers, therapists, etc., as a proactive strategy to support the social-emotional wellness of students, while diminishing the need for school police.
- Appropriate 100% ADM funding for virtual education participation, even if more than 50% instruction occurs online during the 2020-21 school year for students. ISBA supports counting all students who are receiving instruction, either in person or remotely, at 100%

ADM funding. The mode of instructional delivery will continue to vary out of necessity while the novel coronavirus pandemic remains prevalent throughout the state. School corporations should not be penalized for their extraordinary efforts to keep students and staff safe and healthy, while doing their best to provide effective, engaging instruction throughout the school year.

- Count all seniors, even those graduating after the fall semester, in the spring ADM count (this language was included in HB 1204 during the 2020 session). This policy will ensure school corporations are not penalized for the notable achievement of seniors who want to start college or careers early by graduating after the fall semester. Under current law, school corporations are not provided with adequate flexibility to reduce personnel and operating costs mid-year.
- Modify the eligibility criteria for the On My Way Pre-K Program to enable more families to participate. This program should be expanded by modifying family income guidelines, extending eligibility to children living with grandparents or foster parents (without the work, school, or job training requirements for the guardian). In addition, allowable uses of the funds should include a substantial focus on capacity building grants for counties that have no Pre-K programs that have qualified as a Level 3 or 4 Paths to Quality Program.

## **2. Funding to Close the “Homework Gap” for Students and the “Digital Divide” Facing School Communities**

Provide state grant funding to close the “homework gap” for students and the “digital divide” facing school communities by extending school corporation networks to and through schools into the school community, including student and teacher homes. This is an infrastructure need of the state that will support seamless e-learning in times of need. Network security should be included as an allowable expenditure in this infrastructure investment. It is estimated that 170,000 Hoosier students lack internet connectivity in their homes, and when considering inadequate home service or device capacity to support a sufficient e-learning experience, the number grows even larger.

## **3. Targeted, Temporary Civil Liability Immunity for School Officials**

Provide targeted, limited civil liability immunity coverage during a pandemic or other public health emergency declared by the governor to school corporations, its officials, and employees. Coronavirus infection of students and teachers has occurred during 2020-21 school year, despite the best efforts of school corporations to follow CDC, ISDH, and IDOE health and safety guidelines and standards. To get students back in classrooms and provide safeguards to school officials from facing potential unwarranted claims, provide this immunity in cases where school officials act in good faith and do not engage in conduct that is willful or constitutes gross negligence or intentional misconduct.

#### **4. 2021 ILEARN Testing Waivers and Hold-Harmless Provisions for Spring Test Scores for A-F School Accountability Grades**

Reducing state testing requirements, temporarily or permanently, will save the state money and minimize disruptions to invaluable classroom instructional time. If significant online learning is occurring during the 2020-2021 school year due to the novel coronavirus pandemic, significant test administration and security issues will be prevalent and the state should seek waiver of ESSA testing requirements. As many as 20% Hoosier students lack adequate internet connectivity in their homes and this would hinder any conception of large-scale online testing. Under these circumstances, the state should extend a hold-harmless provision for use of 2021 ILEARN test scores for school and school corporation A-F accountability grades. ISBA supports eliminating the current state A-F accountability system and favors implementation of a data dashboard system or enhanced annual school performance report.

#### **5. Remote School Board Member Participation in Board Meetings**

Amend the Open Door Law to permit school board members to participate in school board meetings virtually, if a quorum of the board is present in person. Additionally, amend the Law to allow the individual board members who are participating remotely to be counted as present and permitted to vote (by roll call). Prohibit remote participation for the vote on the annual budget and public hearings of the board.

#### **6. Capital Referendum (Controlled Project) Net Tax Rate 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.

## **7. TIF Reform; Inclusion of a School Board Member/Representative on County and Municipal RDCs**

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 create TIF (tax increment financing) districts, upon approval of the city or county council, in order to capture tax revenue for projects that will conceptually enhance local economic development. Ideally, this economic development then acts as a catalyst to jump-start neighborhood and community growth and ultimately lowers tax rates based on higher property values.

There are effective and ineffective TIFs. If not managed appropriately with limited duration, TIFs can have a negative financial impact on school corporations and 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 families select communities, in part, based on the quality of their schools.

ISBA also supports requiring an incremental AV pass through from TIF Districts to other local units of government to be increased over the lifespan of TIF plan to reflect 10% at year 10, 15% at year 15, and 20% at year 20 of the TIF. According to an ISBA 2019 public records request to DLGF, there were 935 TIF Districts in the state last year that captured approximately \$29.5 billion in incremental assessed valuation. Only 39 school corporations received any incremental AV "pass through" (per IC 36-7-14-39) from their TIFs in their area since 2015. For 2019 taxes payable 2020, only 32 school corporations received such a pass through. Incremental AV pass through monies help increase the school corporation's AV, lower tax rates, and alleviate tax cap pressures.

Finally, ISBA supports increasing transparency through reporting and audit procedures. In particular, ISBA recommends amending IC 36-7-14-3(b)(1) to require the audit of the State Board of Accounts to include a review of TIF funds to ensure expenditures are for projects within the allocation area and consistent with the purpose of the TIF.

## **8. Supporting the Teaching Profession**

Studies suggest that fewer persons are pursuing teaching careers. The state needs to take steps to attract more people to the teaching profession, beginning with increasing funding that will allow school boards to enhance teacher compensation. According to a 2019 study by Dr. Rob Toutkoushian, University of Georgia, Indiana ranked 26<sup>th</sup> in the nation, and last among neighboring states, in terms of average teacher salary during the 2016-17 school year. The state's national rank on this metric fell 7-10 places between 2014 to 2019. However, the significant increase in funding provided by the Indiana General Assembly during the 2019 budget session provided substantial resources that resulted in a \$2,160/teacher average pay increase this year, and increased the average teacher salary to \$55,499 (source: IEERB, June 2020). This increase in pay must be sustained and elevated in future years to improve Indiana's ranking to achieve Governor Holcomb's goal of Indiana teacher pay being the third highest in the central region of states. ISBA supports Governor Holcomb's previous call for the capture of Pre-1996 TRF Reserves of \$200 million for teacher compensation increases over the next four years.

- **Teacher recruitment and retention efforts are equally important. Other teacher recruitment and retention initiatives supported by ISBA include:**
  - a. Minority teacher/administrator recruitment programs and funding
  - b. Teacher training on e-learning instruction (pre-service programs; university-based training for licensure)

## **9. Procedure to Set School Board Member Per Diem and Compensation**

Current law allows school board members to receive up to \$2,000 a year for their service as well as a per diem for attending board meetings. The maximum per diem rate for all school board members in the state is established by the Board of School Trustees of the Indianapolis Public Schools, whose determination is restricted by the rates established by the Indianapolis-Marion County City-County Council. Tying per diem rates for school board meetings to the per diem rates for city-county council meetings is flawed since the governmental entities operate differently. The ISBA proposes to authorize the Indiana State Board of Education to set the maximum per diem rate for all school board members, both elected and appointed, in every school corporation.

## **10. Exempt school facilities from mandatory use as voting centers for primary and general elections during a public health emergency**

ISBA supports exempting school facilities from mandatory use as voting centers for primary and general elections during a public health emergency, to protect the health and safety of students. Rather, school corporations should have flexibility to determine whether to allow use of facilities during a public health emergency and if use is allowed, the State Elections Division/Commission and/or the county should have responsibility for sanitization costs of the school facility space.

## **11. Deregulation Initiatives**

With the high volume of K-12 public education laws that are passed each year by the General Assembly (e.g., 116 new laws in three years), ISBA supports efforts to reduce, streamline, and/or repeal K-12 education laws that are not necessary. While past legislation has suggested deregulation initiatives be studied by interim study committees, ISBA believes that creation of a Deregulation Blue Ribbon Commission would be a better way to achieve deregulation opportunities, cost savings initiatives, and regular review of Title 20 code provisions. This Commission, comprised of K-12 association and education professional organizations, should replace the legislative study committee and its scheduled review cycle of Title 20 topics.

***NOTE: This is a draft copy not for citation or distribution. A final draft will be approved by the Legislative Committee at a future date and to be voted on by ISBA's Delegate Assembly on September 28, 2020.***