

ISBA 2023 Legislative Priorities

1. State Budget/Tuition Support

Economic conditions are stretching resources and increasing budgetary challenges for school corporations. The cost of classroom instruction and business operations are escalating. Consider:

- ✓ The purchasing power of state tuition support is being eroded by inflation. The CPI is currently hovering around 9%, which is at a 40-year high. As a result, school officials are reporting price escalations for goods, equipment, and services
- ✓ Funding required to restore inflation-adjusted purchasing power would be \$500 million in FY 2022 and \$800 million in FY 2023 (Dr. Larry DeBoer, Professor Emeritus, Purdue University, June 15, 2022)
- ✓ Staffing shortages are interfering with schools' ability to deliver optimal education, transportation, cafeteria, and other critical services to students
- ✓ The ability to generate tax dollars is being diminished by rising homestead values that trigger an increase in circuit breaker credits
- **The 2023-2025 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 effort (during the 2019-2021 and 2021-2023 biennia) to boost state tuition support to help fund increases in teacher compensation and classroom operational expenses
 - **Prekindergarten Program Expansion**
 - i. Modify program eligibility based on the child's family household income from 185% to up to 300% of the federal poverty level. ISBA supports increasing state funding for the On My Way Pre-K grant program to accommodate this change with the goal to significantly expand opportunities for early childhood learning and supports that meet rigorous PATHS to Quality standards
 - 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, but an insufficient amount of money has been included in the formula in recent years to be impactful in "leveling the playing field" to close achievement gaps.

- **English Language Learners (ELL)**
 - i. ELL categorical grant dollars increased by \$5 million to \$27.5 million annually in current biennial budget and ISBA calls for another \$5 million increase annually during the 2023-2025 biennium
- **Special Education Categorical Funding**
 - i. Special education funding increased significantly for severe, moderate, and preschool categories by 5% in FY '22 and 10% in FY '23. ISBA supports an additional increase of comparable amounts for these categories in the next budget
- **Teacher Mentor Stipends**
 - i. ISBA calls for the re-establishment of a state grant program that existed for many years prior to 2010 that supported teachers entering the profession and provided master teachers with a stipend for their mentorship of the new teachers. Approximately 3,000 first-year, full-time teachers are hired in Indiana each year. Providing 3,000 mentor teachers with a \$1,000 annual stipend would cost the state \$3 million per year
- **Attaining Teacher Pay Goals**
 - i. Inclusion of all collective bargaining unit members and all employee costs (benefits, FICA, social security, pension) in the teacher compensation requirement (45% threshold)
 - ii. Add any school corporation expenditures for salary and wages for the employment of adjunct teachers in the teacher compensation requirement (45% threshold)
- **ADM Count for Early Graduates**
 - i. Count all seniors, even those graduating after the fall semester, in the spring ADM count (this language was included in HB 1204 during the 2021 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

2. Indiana Secured Schools Safety Grant

ISBA supports a significant appropriation increase from \$19 million to \$30 million annually for this grant program. This increase will offset funding shortfalls of unfunded requests in the 2022 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 Mental Health Support Services

ISBA supports dedicated state funding for student social, emotional, and behavioral services. As reported in an U.S. Census Bureau survey and cited in the 2021 Indiana Kids Count Data Book published by the Indiana Youth Institute (IYI), the onset of COVID-19

increased children and youth having anxiety, depression, low self-esteem, and distress due to social isolation and economic conditions. In addition, the IYI report cites that nearly 13% of Hoosier youth cope with severe major depression. Suicide ideation has increased as well according to various reports. These circumstances are troubling and require time and attention from classroom teachers to support their students' emotional wellbeing, lessening time devoted to teaching and learning. Dedicated funding for trained mental health professionals would ease the burden of classroom teachers. The funding will support a staff that is trained and certified in those areas of student care. These supports will lead to higher teacher retention and better student academic, social, and behavioral outcomes.

4. 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. 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.

B. Adding Capital Referendum (Controlled Project) Net Tax Rate Ballot Language

ISBA proposes allowing school corporations to adjust the referendum ballot question to include a net average on a resident and business after deducting any retirement of debt scheduled during the lifespan of an approved referendum. Due to the cost of the project, the net tax rate impact 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.

5. 15% Education Fund Transfer Limit 1-Yr "Hold Harmless" Waiver

ISBA supports a 1-year hold-harmless waiver to be granted through the Indiana Department of Education (IDOE) for excess fund transfers by school corporations from the Education Fund to the Operations Fund above the target threshold not to exceed 15%. This waiver would address inflation spikes and the significant increases in transportation expenses (school bus pricing and fuel costs). No waiver process is available presently in IC 20-40-2. The school corporation reports the amount transferred to the IDOE. The IDOE must post each school corporation's report.

6. Reviewing Local Government Financing Matters

ISBA supports a review of local government finance matters by the legislature to consider changing the maximum levy growth quotient (MLGQ) to adjust for circuit breaker tax cap

losses. In addition, ISBA would support eliminating Controlled Project thresholds to move to a maximum referendum property tax rate mechanism. In addition, ISBA supports continued analysis of the financial impact of TIF districts on other units of government, including school corporations.

7. Eliminating A-F School Accountability Grades and Replacing with Data Dashboard System

ISBA supports eliminating the current state A-F accountability system and favors the use of the new data dashboard system as a means of accountability to provide the public with multiple measures, including opportunity gap indicators, beyond test scores for which to judge the quality of all schools that receive state tuition support. Given the four consecutive years of “hold harmless” provisions in use of ILEARN test scores to compute accountability grades, this system has become obsolete and has diminished credibility and importance with stakeholders.

8. Medicaid Reimbursements for School-based Health Services

ISBA supports continued efforts through legislation to expand school-based health services that are eligible for Medicaid reimbursement.

- Presently, school psychologists with independent practice endorsements (IPEs) can bill Medicaid but only for services provided under the supervision of a physician or an HSPP (Health Service Provider in Psychology). IDOE issues the IPEs once the additional requirements to obtain the IPE are met. School psychologists with IPEs under the supervision of a physician or an HSPP would be considered a qualified health professional, but only the services they provide per a special education student’s IEP (individualized education program) would be reimbursable, the salaries would not be
- While a current Medicaid provision provides for school psychologists to bill for testing, the barriers of providing proof of meeting Medicaid qualified practitioner criteria are often a hindrance for schools
- ISBA supports the Indiana School Psychologists Association proposal to either authorize school psychologists to direct bill without the necessity of oversight and signature from a physician or HSPP psychologist, or serve as the signing authority for school-based psychological services

9. 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.

10. School Board Member Per Diem Procedure

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 City-County Council. Having per diem rates for school board meetings tied 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 in every school corporation.