

2020 Legislative Priorities

1. Increased Financial Resources 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 36th 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, \$295 million more would have been available to school corporations for per pupil dollars in FY 2019 (Downs, 2018). The Indiana General Assembly is to be commended for the \$763 million in new funding for K-12 education over the next two years and more than a 4 percent increase in total funding (tuition support and categorical funding) per year. This significant improvement in funding will need to be sustained and elevated in future years to improve Indiana's ranking on per pupil spending and teacher salary.

If the state budget is opened during the 2020 legislative session to expend state excess reserve funds, ISBA supports using a portion of said funds to increase the Teacher Appreciation Grant Program, the Next Generation Hoosier Educator Scholarship Program, as well as the On My Way Pre-K program.

2. Enhanced Teacher Recruitment and Retention Programs

School administrators are becoming increasingly concerned 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 a graduation pathway need to be established that encourage and prepare students for careers in the teaching profession. Professional development funding should be prioritized to support high school teachers requiring additional credentials that have been mandated to continue teaching dual credit and AP courses. 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 the Indiana Commission for Higher Education (ICHE).

3. Expanded Prekindergarten Programs in Indiana

The ISBA supports increased 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 the prekindergarten program for four-year old children. Eligible families seeking child enrollment in the "On My Way Pre-K" program can apply for a 2019-2020 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, 2019, and starting kindergarten in the 2020-2021 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 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), and increasing overall program funding to provide more enrollment slots or to fund capacity building grants in counties where no programs have qualified as Level 3 or 4 Paths to Quality programs. Finally, the legislature should eliminate any funding of online prekindergarten or kindergarten programs as these programs are not research based with evidence of effectiveness. The monies from the online early childhood programs should be invested in the On My Way Pre-K program.

4. 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.

5. 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 “observation list” to the “watch list,” and then subsequently 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.

6. 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.

7. School Board 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 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.

8. Deregulation Initiatives

With the volume of laws that are being passed related to K-12 education each year by the General Assembly (e.g., 53 laws in 2019), efforts to streamline and/or repeal those laws that are not necessary are imperative. During the previous legislative session, some legislators noted specifically the number of laws requiring school corporations to provide professional development/training to school employees on a variety of issues. The ISBA supports continued efforts to deregulate and streamline these mandates. Many teacher training requirements should be moved from annual requirements to periodic requirements (once per five-year period) in concert with license renewal. In addition, many of these same requirements are placed upon non-certified staff and the necessity of these training requirements should be reviewed. Finally, duplication of financial reporting requirements to multiple agencies should be eliminated or

reduced. Overall, the legislature should focus less on burdensome regulations and compliance reporting, and focus more on holding schools and educators accountable for results.

9. 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 experiencing 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.