



Indiana School Boards Association

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Dear ISBA Members:

*Here are the key developments of the **11th week** of the 2019 budget session of the Indiana General Assembly pertaining to K-12 public education and school governance...Apologies for a long update to follow, **BUT MUCH IS AT STAKE** at this juncture of the session that you need to know about!*

WEEK IN REVIEW

Two key topics on K-12 school funding dominated this week of the session. On Tuesday the Senate Appropriations adopted a detrimental amendment (#4) to House Bill 1021 on education finance that will negatively impact 71 school corporations. An ISBA call-to-action alert was sent Wednesday morning about this, and I will discuss this further in a moment.

K-12 School Funding and the State Budget

The other “big event” occurred yesterday as 51 teachers, administrators, parents, and lobbyists offered approximately 4 hours of testimony to the Senate Appropriations K-12 School Funding Subcommittee on the tuition support formula, the Complexity Index, and other school funding matters contained in HB 1001, the state budget bill. The collective sentiment was that the current appropriation for the tuition support formula is still too low at 2.2% each year, and that we need 2.5% or more (and really get to 3.0%) to ensure suitable funding for public education. My testimony to the sub-committee is available [HERE](#).

In addition, House Republicans issued a new “formula run” on Monday that adjusted the Complexity Index and significantly lowered the projections of students qualifying for SNAP and TANF; and therefore, decreasing funding for the Complexity Index by \$105 million. These funds were rolled into the FY '20 Foundation funding of the formula. This change hurts both urban and rural school corporations with greater percentages of low-SES students. Representative

Thompson expressed in his presentation of HB 1001 that he would support a phase-in of the Complexity Index adjustment to ensure a cap on the loss of Complexity Index funds a school corporation would experience in either year of the next biennium.

CALL-TO-ACTION ALERT #1

Please continue to communicate to your area legislators and ask for:

- 1) a tuition support increase of 2.5% or greater and restoration of the cuts to the Complexity Index funding;
- 2) increased funding for the Indiana Secured Schools Grant of \$20 million annually;
- 3) increased annual appropriations for ELL/Non-English Speaking Grant funds;
- 4) support moving the age 5 kindergarten cut-off date to October 1 for the ADM count and funding purposes; and,
- 5) any local funding priority of concern to your school corporation.

House Bill 1021 and the Protected Taxes Waiver

[HB 1021](#) on education finance (Rep. Jeff Thompson, author) was considered by the Senate Appropriations Committee on Tuesday. This had been a non-controversial bill that passed on third reading in the House of Representatives by a 97-0 vote on January 28, 2019. The primary provision of the bill supported by ISBA was the provision that continues the availability of the “protected taxes waiver” for 98 school corporations with tax cap/circuit breaker losses greater than 10% in the local levy for now the Operations Fund.

School corporations have lost \$736 million in tax cap/circuit breaker losses since 2016. HB 1021 as amended, coupled with the proposed transfer target of 15% (from the Education Fund to the Operations Fund) found in HB 1003, will make school corporation budgeting even more difficult and challenging.

CALL-TO-ACTION ALERT#2

Please call or email your area state senators **BY MONDAY at 10 a.m.** and ask them to vote against HB 1021 as amended by the Senate Appropriations Committee, and ask them “to restore HB 1021 with a 10% threshold for the protected taxes waiver.” Please encourage fellow board members and advocates from your broader school community to speak up on this bill, too. We’ve proven that with your engagement in the legislative process we can impact the outcomes of bills at the right time.

CALL-TO-ACTION ALERT #3

Lastly, another bill of concern has emerged that you need to know about. The Coalition of Growing and Suburban Schools sent the following alert on [SB 566](#):

“SB 566 has moved through the Senate and is now in the House Ways and Means Committee. Co-Chair Representative Huston has signed on as a co-sponsor of this bill which certainly foreshadows it sailing through the committee. This bill allows single-family housing to be placed in the tax increment finance district. Simply stated, our school corporations will see no increases in assessed value as new homes are built in our communities. We will have to assume all increased costs related to transporting these students, providing technology, school buildings, etc. without an offsetting increase in assessed value. Currently, SB 566 calls for this in counties of less than 100,000 residents, but much like HB 1021 opens a door that causes concern for every Coalition school corporation. If you have a Representative from your area on the Ways & Means Committee, please contact them and tell them to vote NO on SB 566.”

As always, you can find Legislator Contact Directory information on the ISBA website [HERE](#).

Have a great weekend!