



## Indiana School Boards Association

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**Dear ISBA Members:**

*Here are the key developments of the 12<sup>th</sup> week of the 2019 budget session of the Indiana General Assembly pertaining to K-12 public education and school governance. There are just five weeks of the session remaining!*

Speaking of the session calendar, **here are the key deadline dates** to be aware of:

- Deadline for adoption of committee reports on bills: House of Representatives – April 9<sup>th</sup>; Indiana Senate – April 11<sup>th</sup>;
- Second reading deadline on bills: House of Representatives – April 11<sup>th</sup>; Indiana Senate – April 15<sup>th</sup>;
- Third reading deadline on bills: House of Representatives – April 15<sup>th</sup>; Indiana Senate – April 16<sup>th</sup>;
- Anticipated “Sine Die” (last day) of session is Friday, April 26<sup>th</sup>; However, by law, session can be extended until Monday, April 29<sup>th</sup>.

### **WEEK IN REVIEW**

Many of the 78 bills ISBA is presently tracking ([HERE](#)) continue to be discussed in various standing committees of the legislature, or are moving along in the bill process to second or third reading in the second chamber.

[1004](#) – **School Safety** (Rep. McNamara); ISBA position: **SUPPORT**. The Senate Education and Career Development Committee heard testimony this week on the Governor’s school safety bill. This bill expands permissible uses of the Safe Schools Fund and the Secured School Fund to include grants for school based mental health services and school based social emotional wellness services. The bill also differentiates the amount of the matching grant available based on the ADM of a school corporation. Other provisions include requiring schools to conduct at least one active shooter drill each school year and administering the federal Centers for Disease

Control and Prevention Youth Risk Behavior Survey (at the discretion of the school corporation and subject to parent consent). Most testimony was supportive of the bill except for the provision on administering the federal survey. Several parents testified in opposition to that section. The Committee will consider amendments and then vote on the bill next week.

[HB 1397](#) – **School Corporations** (Rep. T. Cook); ISBA position: **SUPPORT**. This bill would allow a school board to pass a resolution before September 15 transferring money from the Operations Fund to the Education Fund in order to increase the amount of Education Fund revenue available for collective bargaining purposes. The bill was amended by the committee to require the resolution to include all transfers between the Operations Fund and the Education Fund and a statement regarding whether or not the transfer was for the purpose of funding teacher contracts. The school board would also be required to submit a copy of the resolution to the Department of Local Government Finance. The bill passed out of the Senate Tax and Fiscal Policy Committee on Tuesday by a vote of 13-0.

#### **House Bill 1021 and the Protected Taxes Waiver**

[HB 1021](#) – **Education Finance** (Rep. Jeff Thompson); ISBA position: **OPPOSE AS AMENDED BY THE SENATE**. See the Week #11 Legislative Update for a full synopsis of this bill. The primary provision of the bill as passed by the House, and 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. This bill was amended in the Senate Appropriations Committee last week and again on second reading by the Senate on Thursday. The second reading amendment creates a phase-out of the waiver over a five-year period as follows:

- 2019: 10%
- 2020: 15%
- 2021: 25%
- 2022: 50%
- 2023: 75%

**We thank Senator Ron Alting (R-Lafayette) for his** (unsuccessful) **effort** to advocate for maintaining a lower threshold and his help to secure the five-year implementation period, rather

than immediate implementation. It is anticipated that this bill will continue to be amended or revised through the conference committee process and we won't know the final provisions of this bill until the last few days of the session. If you are a board member of a school corporation that is impacted by the circuit breaker by more than 10% (please see pages 5-6 [HERE](#) of the fiscal note on HB 1021) you need to continue to contact your area legislators about the importance of maintaining the waiver at a reasonable threshold level (10% preferred).

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.

[HB 1003](#) – **School Corporation Expenditure Targets** (Rep. Dale Devon); ISBA Position: **OPPOSE**. On Wednesday afternoon, the Senate Education & Career Development Committee amended HB 1003 by adding additional information required for the new IEERB teacher and personnel compensation report. The committee then voted the amended bill out by a vote of 7-2. HB 1003 will now be recommitted to the Senate Appropriations Committee for further consideration.

[SB 421](#) – **School Corporation Disannexation** (Senator Michael Bohacek). This bill was heard on third reading in the House of Representatives on Tuesday. As mentioned in a previous ISBA Weekly Legislative Update, the introduced version of this bill had statewide implications in that a school corporation could annex a township in another school corporation without the approval of the other school board. ISBA opposed the bill in Senate. The bill was subsequently amended in the Senate to impact only one township in St. Joseph County. After lengthy debate on the House floor, and numerous Representatives that spoke on the bill, **it was defeated by a vote of 43-53**.

In closing, please continue to advocate for adequate K-12 funding in House Bill 1001, state budget, at a level of 2.5% or higher. As always, you can find Legislator Contact Directory information on the ISBA website [HERE](#)

Have a great weekend!