



Indiana School Boards Association

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Dear ISBA Members:

*Here are the key developments of the **15th week** of the 2019 budget session of the Indiana General Assembly pertaining to K-12 public education and school governance. **Two weeks (or less) of the session remaining!** If session concludes on Wednesday, April 24, as targeted by legislative leaders, then we are down to about seven session days. Conference committee meetings will be at full throttle next week!*

There are a number of key deadlines of the session next week:

- Second reading deadline (of bills in the second chamber) in the Senate on Monday; that deadline was yesterday in the House;
- Third reading deadline of bills in the second chamber: Monday in the House of Representatives and Tuesday in the Indiana Senate.

As mentioned last week, another key marker for the session will happen on April 17, when the State Budget Committee convenes to receive a revised revenue forecast that will be used to complete the budget (in conference committee) based on how much “new state revenue” the forecast projects will be available over the next two years. Stay tuned!

WEEK IN REVIEW

Yesterday, the Senate Appropriations Committee passed out by a 9-4 vote the Senate Republican version of HB 1001. Contained within this version of the state budget **IS GOOD NEWS** for K-12 public education! Of the \$34.6 billion two-year budget the committee approved, 50 percent of the budget is earmarked for K-12 education. Here are the highlights of the proposal:

- Appropriates \$14.9 billion over the biennium to K-12 tuition support, or a \$775 million increase over current funding during the next biennium;
- The tuition support formula would increase by 2.7% in FY 2020 and by 2.2% in FY 2021; The Foundation amount per student is projected to be \$6,893 in FY '20 and \$7,022 in FY '21 – up from \$6,727 this year;
- Governor Holcomb's Post-1996 Teacher Retirement Fund liability payoff of \$150 million is maintained in this version of HB 1001, which in turn is estimated to free up \$70 million statewide for school corporations in their Education Fund budgets;
- The Teacher Appreciation Grant (TAG) program is increased by \$15 million/year to \$45 million annually;
- Funding for ELL/Non-English Speaking Grant program is increased from \$17.5 million/year to \$22.5 million/year;
- Adds a second ADM count in the second semester for funding purposes;
- The "70% tier" for the Choice Scholarship Voucher program was removed;
- The increase from \$500 to \$1,000/student for Charter School Capital funding was removed in this version of the budget;
- The "13th check" for retired teachers was removed from HB 1001;
- Unfortunately, the House increase of \$5 million/year over the FY '19 funding of \$15 million was not maintained by the Senate; rather, their funding of this grant program would be \$16.5 million in FY '20 and a decrease to \$14 million in FY '21.

If you would like to view Chairman Ryan Mishler's PowerPoint presentation to the committee or the school tuition support formula run, please go to the Senate Republican website here:

<https://www.indianasenaterepublicans.com/budget>

To view the new/full version of the state budget click here: [HB 1001](#)

ISBA thanks Senator Mishler, Senator Bassler, and the members of the Senate Appropriations Committee for passing an enhanced funding package for K-12 public education! Now, we need to maintain these funding increases in the final version of the budget.

OTHER BILLS OF SIGNIFICANCE HEARD IN COMMITTEE THIS WEEK

[HB 1404](#) – **School accountability** (Rep. Tony Cook); ISBA position: **OPPOSE**. See the Week #14 ISBA Legislative Update for more comprehensive background information on this bill. ISBA has consistently been opposed to the inclusion of post-high school graduation outcome measures. The post-graduation outcome measures would reflect outcomes 6-12 months after students graduate from high school. ISBA testified in Senate Education & Career Development Committee last week that, while there are many good provisions of the bill (to align the high school accountability system with the new graduation pathway components and using on-track indicators), the post-graduation metrics remain unreasonable and inequitable metrics for which to hold schools accountable. Rather, higher education institutions, the branches of the U.S. military, and employers should own the further development, training, and advancement of young adults in their respective systems. Finally, ISBA did ask that the graduation rate be restored as a metric in the accountability system.

The Senate Education & Career Development Committee did amend HB 1404 on Wednesday and reinserted the graduation rate as a metric for high school accountability and changed the post-high school graduation metric on college credit attainment to a measure that will consider college admissions without the need of a remedial college course. These are amendments that ISBA asked for; however, we will continue to oppose the bill due to the inclusion and specificity of the post-graduation metrics section of the bill.

[SB 390](#) – **Education Matters** (Sen. Houchin); ISBA position: **OPPOSE**. The introduced version of this bill allowed IEERB to assess a civil penalty of at least \$500 but no more than \$5000 against the exclusive representative if it interfered with the rights of school employees guaranteed by the bargaining laws. It was then amended on the floor of the Senate to allow IEERB to assess a civil penalty against the school employer for the same violation. On Monday of this week, the House Education Committee passed an amendment that would have required bargaining to occur in public meetings with only one executive session. On second reading of the bill, it was amended to require the school employer and exclusive representative to have at least one collective bargaining session in public and to conduct a public hearing and take public testimony on a tentative agreement at least 48 hours before the school board considers ratification of the agreement. This version of the bill passed the House on third reading by a vote of 59-33.

[SB 566](#) – **Residential Tax Increment Financing** (Sen. Raatz); ISBA position: **NEUTRAL**. This

bill would allow a redevelopment commission to establish a residential housing development program that could include a tax increment funding allocation area. Before any such program could be created, the redevelopment commission would have to secure a report from the Department of Local Government Finance on the impact the program would have on the taxing units within the redevelopment commission, provide notice and conduct hearings, and have the approval of each school corporation affected by the program. The bill passed out of the House Ways and Means Committee by a vote of 22-1. It was amended slightly on second reading and is eligible for third reading next week. While ISBA opposes the expansion of tax increment financing policies by extending this mechanism to include residential areas; we appreciate the amendment offered by Representative Ed Clere and adopted by the Ways & Means Committee to require approval of the governing body of school corporations for the resident TIF to be created.

Here is wishing everyone a great weekend!