



Dear ISBA Members:

It's official! We have hit the midpoint of the 2023 budget session of the Indiana General Assembly. Policymakers have been on a recess since Wednesday for a "halftime" break of the session. Bills that did not clear the third reading calendar by Monday in the House of Representatives, and Tuesday in the Indiana Senate, are dead for the session. Session resumes on Monday and bills still active in the bill process crossover to be considered by the second chamber. The next third reading deadline will be April 17 in the House of Representative and April 18 in the Senate. Conference Committees are the final phase of the session and occur after these deadlines. As a reminder, by law, session must conclude by April 29.

Bill Tracking List

The ISBA bill tracking list has been pared down with all dead bills removed from our list. We started the session with tracking 223 bills that addressed local or school governance matters, taxation, children, or K-12 education policy. This bill number equated to 19% of the 1,162 bills introduced this session. There are now 68 bills on the Tracking List, 38 House bills and 30 Senate bills. This means that 70% of the bills ISBA had been tracking are dead. Good news! Checkout the new ISBA Bill Tracking List [HERE](#).

ISBA Live Legislative Update Webinar

Join us on Tuesday, March 7, 2023 for a Live Legislative Update Webinar. Terry Spradlin, Executive Director, will be joined by Lisa Tanselle, General Counsel, to provide members with a "halftime" report on the 2023 budget session of the Indiana General Assembly. They will be joined by several legislators who will speak about key K-12 education bills still moving in the bill process, including Senate Bills 100, 224, 380, 391, 486, and House Bills 1483, 1591, 1637, 1638. This will be a 90-minute webinar that will include a status report on ISBA's 2023 Legislative Priorities. Attendees will be able to pose questions to legislators regarding the bills that are being highlighted.

Invited legislators include: Senators Jeff Raatz, Linda Rogers, Greg Walker, and J.D. Ford; and, Representatives Bob Behning and Vernon Smith.

Webinar Date: Tuesday, March 7, 2023 11:00 a.m. - 12:30 p.m.
EST

Register in advance for this webinar:

https://us02web.zoom.us/webinar/register/WN_4f1wgX1rQmqgF751aPHriQ

After registering, you will receive a confirmation email containing information about joining the webinar.

Key Bill Activity for Week #8

[HB 1428](#) School Board Elections (Author: Representative Prescott) a bill proposing that a school board may adopt a resolution to initiate a change to move to partisan school board elections, or the voters of the school corporation may initiate a change through petition, died on the third reading calendar on Monday. Representative J.D. Prescott, the bill author, did not call the bill down which suggests that he likely did not have the votes to pass it. As a result, all partisan school board elections bills are dead for the session.

[HB 1085](#) Tax Increment Financing (Author: Representative Cherry) a bill that imposed fiscal accountability and transparency requirements on redevelopment commissions that oversee TIF districts, died on the third reading calendar on Monday.

Representative Bob Cherry, the bill author did not call the bill down for a vote.

SB 12 Material Harmful to Minors (Author: Senator Tomes) passed out of the Senate on Tuesday by a vote of 37-12 and has been referred to the House. The House sponsor is Representative Cash. The bill (1) requires school boards to publish on the website of each school a current list of books in the school's library, (2) requires school boards to establish a procedure that allows parents to submit a complaint that a book in the library is inappropriate and includes an appeal to the school board, (3) requires the school board to post the complaint procedure on the website of each school, (4) prohibits a school corporation from making available in a school library a book or other materials that contain either obscene material or material harmful to minors, as defined in statute, and (5) removes the legal defense that the material was disseminated for educational purposes in cases where a person is charged with disseminating harmful material to minors. When this bill was heard in Senate Judiciary, ISBA did not object to the requirement to provide parents with the opportunity to submit a complaint about library materials, but expressed concern about removing the legal defense in cases where an employee might be charged with the crime of disseminating materials harmful to minors.

SB 391 Closure of School Buildings (Author: Senator Rogers) passed out of the Senate on Tuesday by a vote of 35-13 and has been referred to the House. The House sponsor is Representative Behning. The bill was amended in the Senate Education and Career Development Committee last week and on second reading on the floor of the Senate and now provides that a school corporation may close an underutilized school building and make that building available to a charter school or state educational institution (the author amended the bill by removing language that added qualified nonprofit organizations to the list of entities that could purchase or lease the building for \$1). While the amended bill makes the closure permissive, it still retains the criteria for determining when a building is underutilized and the ability of a charter school or state educational institution to petition the Department of Education (DOE) for a determination that a building is underutilized and should be made available under the current \$1 law to a charter school or state

educational institution. The bill also requires every school corporation to report annually to the DOE a list of all building owned or leased by the school corporation that were originally designed as a school building and the current use of the building. Finally, the bill expands the timelines in current law for entities to express interest in a closed building from 30 days to 90 days. ISBA testified against this bill when it was heard in the Senate Education and Career Development Committee because it takes away a school board's authority to determine appropriate uses of a school building and forces a school board to close an underutilized building in certain circumstances and make that building available to a charter school or state educational institution for \$1.

State Biennial Budget

HB 1001 State Budget (Author: Representative Thompson) provides several increases to K-12 education categorical funding items including special education, ELL, CTE, school safety, prekindergarten programs, and provides state funding to eliminate textbook rental fees paid by parents. ISBA appreciates these increases that are aligned to its Legislative Priorities. However, it should be noted that of the 8.5% increase in tuition support funding in Fiscal Year '24, more than \$400 million of the \$679 million increase is for the textbook expenses (\$160 million), ELL grants rolled into the school funding formula (\$33 million), and approximately \$240 million for the expansion of the Choice Scholarship voucher program – an increase of more than 70% in funding for that program. This leaves less than half of the 8.5% K-12 education funding increase for tuition support to school corporations. In Fiscal Year '25, 74% of school corporations will receive an increase of 2% or less for tuition support, and worse, 81 school corporations will lose funding in the second year of the biennium. ISBA will focus on the Fiscal Year '25 appropriation amount in the Senate with hopes that the April revenue forecast provides for a more optimistic state revenue stream to support better school funding in the second year of the budget.

Other Key Bills to Spotlight

SB 177 School Board Candidate Filing (Author: Senator Koch) changes the filing period for candidates for school board offices. The new filing period will begin the first day voter registration begins following the primary and ends 30 days from when the filing period

opens. ISBA worked with Senator Koch on an amendment to move from the filing period beginning in February as proposed in the introduced bill, to a period after the primary (but about 60 days earlier than the current filing deadline). ISBA supports the bill. It will give voters more time to learn about school board candidates, and candidates to campaign, while lessening the need to move to partisan elections.

SB 224 Various Elections Matters (Author: Senator Greg Walker)

Provides, beginning January 1, 2024, that in a county that is not designated as a vote center county, a local public question or referendum may be placed on the ballot only at the following elections: (1) A general election. (2) A municipal general election, but only if the election district for the public question is contained entirely within a municipality. Specifies a temporary exception to the provisions concerning local public questions. Makes certain changes to the public question ballot language required for a controlled project referendum, school operations fund referendum, and school safety referendum. Other provisions not summarized here. ISBA has worked closely with Senator Walker on several amendments to the bill and appreciate his collaboration to incorporate these changes. The proposed referendum language for the public question fixes problematic language established in 2021. For these reasons, ISBA supports this bill.

SB 300 Residential Tax Increment Financing (Author: Senator Rogers). Removes the threshold conditions (1% cap) for establishing a residential housing development program and a tax increment allocation area for the program, including the condition that the governing body of each school corporation affected by the program pass a resolution approving the program before the program may go into effect. ISBA opposes this bill due to the long-term negative impact on Operations Fund levies. This bill now moves to the House for further consideration and ISBA will join with other associations to work against this bill or to achieve fair amendments. Please contact your area state representative to ask that they oppose this bill.

SB 486 Education Matters (Author: Senator Rogers) passed out of the Senate last week by a vote of 28-20 and has been referred to the House Education Committee. The House sponsor is Representative

Teshka. The bill removes some teacher training requirements from school corporations and requires them to be included in the curriculum of teacher preparation programs. The bill also permits the Department of Education to establish or license for use an online platform for teacher training programs. The bill repeals some of the prescriptive requirements pertaining to staff performance evaluation plans and allows each school corporation to develop its own plan, but still requires the plan to maintain the current four ratings of highly effective, effective, improvement necessary, or ineffective. The bill repeals the school employer's duty to discuss specific topics and permits the school employer to meet with any certificated employee or group of certificated employees on any topic that significantly impacts employee working conditions or the educational quality of students. ISBA has supported this bill because of the elimination of some training mandates currently required to be provided by school corporations and the increased flexibility it provides to school administrators to meet with teachers on certain topics.

HB 1499 Property Tax Matters (Author: Representative Thompson)

Provides that the circuit-breaker credit is equal to the amount by which a person's property tax liability attributable to the person's homestead exceeds, for property taxes first due and payable: (1) in 2024, 0.95%; and (2) in 2025, 0.975%; of the gross assessed value of the property that is the basis for determination of the property taxes. Increases the amount of the supplemental homestead deduction for property taxes first due and payable in 2024 and 2025. Provides that, notwithstanding any increase in assessed value of property from the previous assessment date, the total amount of operating referendum tax that may be levied by a school corporation for taxes first due and payable in 2024 may not increase by more than 3% over the maximum operating referendum tax that could be levied by the school corporation in the previous year. Modifies the threshold amounts used for determining whether a political subdivision's project is a controlled project and whether the petition and remonstrance process or the referendum process applies based on the political subdivision's total debt service tax rate. Provides a calculation to be used in determining the maximum levy growth quotient in 2024 and 2025. The change in the circuit breaker credit alone will be a loss totaling about \$180 million for school corporations. The bill author argued that this is a "decrease to the

increase" in levy dollars that local units are to receive, but still an increase. Please see [HB 1499 Fiscal Impact Statement](#) for a detailed financial analysis of the bill. This legislation has significant long-term implications for school corporations, and ISBA will continue to closely monitor this legislation.

Thank you for reading the ISBA Weekly Legislative Update and your efforts and contributions to engage in the ISBA Legislative Action Network!

Sincerely,



Terry Spradlin

Executive Director

Indiana School Boards Association

One North Capitol Avenue, Suite 1215

Indianapolis, IN 46204-2225

(Office) 317-639-3588

(Mobile) 317-750-2056



This email was sent to <<Email Address>>

[why did I get this?](#) [unsubscribe from this list](#) [update subscription preferences](#)

Indiana School Boards Association · 1 N Capitol Ave Ste 1215 · Indianapolis, IN 46204-2095 · USA