

## **Vic's Statehouse Notes #333 – February 18, 2019**

Dear Friends,

Will the Indiana General Assembly find enough money to allow K-12 public schools to pay teachers more and to provide stable programs?

That is the overriding question as the new two-year budget takes shape. The outcome is not clear.

The K-12 budget increases listed below for the past twelve years have not provided enough to pay teachers properly. Thus, there is urgency in finding more K-12 money in this budget cycle.

The proposed budget from the House Ways and Means Committee will be unveiled tomorrow, Feb. 19th.

The budget proposed by the Senate is expected around the beginning of April.

The compromise budget putting the Senate and House versions together is expected near the end of April.

I hope you will be involved at each step in asking legislators for a 3% increase in K-12 funding.

### **How Big Will the K-12 Increase Be?**

On Wednesday February 6th, the public hearing was held on requests for the new budget in the House Ways and Means Committee. Joel Hand, representing the Indiana Coalition for Public Education, testified about the importance of increasing K-12 tuition support by 3% in the budget. State Superintendent McCormick had asked for a 3% increase back in October.

Governor Holcomb, in his budget plan released on January 10th, called for a 2% increase in K-12 tuition support, totaling \$143 million in the first year and an additional \$146 million in the second year. In addition, he recommended that money from the surplus be used to pay 2% of school district pension payments, out of 7.5% owed by school districts, which he said would free up \$70 million in each year of the budget for districts to use to give raises to teachers.

This was a far better proposal than Speaker Bosma was talking about in November when he said at most there would be only a 0.7% increase in K-12 for next year.

Study the table below to see the history of funding increases in the past six budgets and the prospects for next year's funding:

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## INDIANA SCHOOL FUNDING INCREASES FOR THE PAST SIX BUDGETS

Source: The summary cover page from the General Assembly's School Formulas for each budget

Prepared by Dr. Vic Smith, 12-2-18

When the school funding formulas are passed every two years by the General Assembly, legislators see the bottom line percentage increases on a summary page. Figures that have appeared on this summary are listed below for the last six budgets that I have personally observed as they were approved by the legislature.

Tuition support and dollar increases have been rounded to the nearest 10 million dollars.

	Tuition Support	% Increase from previous year	Amount Increase from previous year
<b>2007 BUDGET</b>			
FY 2008	\$6.27 Billion	+4.1%	+\$250 Million
FY 2009	\$6.48 Billion	+3.6%	+\$210 Million
<b>2009 BUDGET</b>			
FY 2010	\$6.55 Billion	+1.1%	+\$70 Million
FY 2011	\$6.57 Billion	+0.3%	+\$20 Million
<b>2011 BUDGET</b>			
FY 2012	\$6.28 Billion	-4.5%	-\$290 Million
FY 2013	\$6.34 Billion	+1%	+\$60 Million
<b>2013 BUDGET</b>			
FY 2014	\$6.62 Billion	+2%	+\$280 Million
FY 2015	\$6.69 Billion	+1%	+\$70 Million
<b>2015 BUDGET</b>			
FY 2016	\$6.82 Billion	+2.3%	+\$130 Million
FY 2017	\$6.98 Billion	+2.3%	+\$160 Million
<b>2017 BUDGET</b>			
FY 2018	\$7.04 Billion	+1.6%	+\$60 Million
FY 2019	\$7.16 Billion	+1.7%	+\$120 Million

*Total funding and percentage increases were taken directly from the School Funding Formula summary page. Sometimes in the first year of two budget years, the previous budget amount was not fully spent and the adjusted lowered base was used by the General Assembly to calculate the percentage increase.*

### Three Projections for K-12 tuition support as the next line in the table:

**1. Speaker Bosma's Projection: Indianapolis Star, 11-21-18, page 2A: "Bosma said lawmakers may have as little as \$50 million left in new money to distribute."**

<b>FY 2020</b>	\$7.21 Billion	+0.7%	+\$50 Million
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**2. Inflation Projection: Bureau of Labor Statistics latest inflation figures announced 12-12-18 for the year ending November 2018: 2.2%**

**2019 BUDGET per 2.2% inflation:**

<b>FY 2020</b>	\$7.32 Billion	+2.2%	+\$160 Million
<b>FY 2021</b>	\$7.48 Billion	+2.2%	+\$160 Million

**3. State Superintendent McCormick's recommended 3% increase (Indianapolis Star, 10-2-18)**

**2019 BUDGET per State Superintendent McCormick:**

<b>FY 2020</b>	\$7.37 Billion	+3%	+\$210 Million
<b>FY 2021</b>	\$7.60 Billion	+3%	+\$230 Million

## **Contact Legislators This Week to Ask for a 3% Increase for K-12**

A consensus has formed in the Statehouse that Indiana teachers are underpaid and need pay raises. The best approach to that goal is to raise K-12 funding by 3%. Two other methods suggested will not raise the base pay that teachers need to solidify their future earnings:

1) The Governor's plan to free up pension money will provide potential bonuses for teachers on top of their base pay. Since it is one-time money, \$70 million each year, there is no guarantee it can be continued in the next biennium because it is not in the ongoing budget or the line item for K-12 tuition support.

2) House Bill 1003 proposes to flag superintendents and school boards that spend too much on "operations" and too little on classroom spending that can be used for teacher pay. The penalties involve being called before the State Board of Education for public shaming. The problem is that "operations" is defined to include spending on school safety, bus safety and public information for parents in our competitive school marketplace established by the General Assembly when the school choice voucher law passed in 2011. No superintendent or school board should be given incentives to cut back on school safety, bus safety or parent information. It's a bad idea that has passed the House but is absolutely tone deaf to the intense calls for improving school safety, bus safety and parent information. HB 1003 should be killed in the Senate with your help.

With this background, you are ready to ask House members this week and Senators later to put at least a 3% increase in the budget for K-12 funding.

Here is a link to the names and emails of the House Ways and Means Committee members:

[http://www.icpe2011.com/Contact\\_Legislators.html](http://www.icpe2011.com/Contact_Legislators.html) "

Good luck in your efforts! Thank you for your active support of public education in Indiana!

Best wishes,

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