

## INDIANA SCHOOL FUNDING IN THE PAST 20 YEARS

Source: The Summary Cover Page for School Formulas from 1999 through 2017

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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 years that I have personally observed Indiana school budgets.

“STATE REGULAR DOLLARS” are the dollars for basic tuition support from state taxes. There was once a time when “state regular dollar” increases could vary widely from “total funding” increases due to including local property taxes in the school funding formula. Those days are now over.

“TOTAL FUNDING” includes support from local property taxes and additional state categorical funding, for example, special education funding, honors and career & tech education.

<u>YEAR</u>	<u>STATE REGULAR DOLLARS</u>	<u>TOTAL FUNDING</u>
<b>1999 BUDGET:</b>		
FY 2000	+5.4%	+4.7%
FY 2001	+5.4%	+4.7%
<b>2001 BUDGET:</b>		
FY 2002	+2.5%	+3.5%
FY 2003	+3.1%	+3.5%
<b>2003 BUDGET:</b>		
FY 2004	+3.6%	+3.3%
FY 2005	+0.0 (\$5.24B)	+2.9% (\$5.87B)
<b>2005 BUDGET:</b>		
FY 2006	+0.6% (\$5.29B)	+2.6% (\$5.94B)
FY 2007	-0.8% (\$5.35B)	+2.4% (\$6.02B)
<b>2007 BUDGET:</b>		
FY 2008	+4.1% (\$5.59B)	+4.1% (\$6.27B)
FY 2009	+4.2% (\$5.76B)	+3.6% (\$6.48B)*
<b>2009 BUDGET:</b>		
FY 2010	[actual] -0.3% (\$5.74B)	+1.1% (\$6.55B)**
	[printed] +11.6% [due to reduced base]	
FY 2011	-1.1% (\$5.67B)	+0.3% (\$6.57B)**
<b>2011 BUDGET:</b>		
FY 2012	-2.1% (\$5.54B)	[actual] -4.5% (\$6.28B)
		[printed] +0.5% [due to reduced base]
FY 2013	+1.2% (\$5.60B)	+1.0% (\$6.34B)***
<b>2013 BUDGET:</b>		
FY 2014	+2.0% (\$5.99B)	+2.0% (\$6.62B)
FY 2015	+1.0% (\$6.05B)	+1.0% (\$6.69B)
<b>2015 BUDGET:</b>		
FY 2016	+2.2% (\$6.15B)	+2.3% (\$6.82B)
FY 2017	+2.5% (\$6.30B)	+2.3% (\$6.98B)
<b>2017 BUDGET: Proposed House Budget up for final vote on 2-27-17</b>		
FY 2018	+0.9% (\$6.30B)	+1.1% (\$7.01B)
FY 2019	+1.6% (\$6.40B)	+1.7% (\$7.13B)

### **CONCLUSIONS:**

- The lowest total funding increases (1% or less) were FY 2010&11, FY 2012&13, FY 2015 and proposed for FY 2018.
- State funding actually went down in both columns for FY 2012, the budget year starting July 1, 2011.
- The “TOTAL FUNDING” increases in FY 2005, FY 2006 AND FY 2007 were provided by raising local property taxes. This was a key factor leading to the property tax crisis which hit in the summer of 2007.

\*included Federal stimulus/stabilization funding of \$.61 Billion

\*\*reduced by \$.30 Billion in Dec. 2009 due to revenue shortfall and by \$.327 Billion during 2010-11

\*\*\*adding the full day kindergarten line item to the formula during the 2013 General Assembly raised the actual FY2013 base expenditures to \$6.49B.