

Vic's Statehouse Notes #328 – December 14, 2018

Dear Friends,

Speaker Bosma has signaled that state funding for our K-12 students could be a disaster this year, the lowest since the Great Recession.

Public school advocates need to start talking to legislators now to prevent a budget debacle.

Speaker Bosma dashed prospects for an improved state budget for our K-12 students when, as the Indianapolis Star reported on 11-21-18 (p.2A): “Bosma said lawmakers may have as little as \$50 million left in new money to distribute.”

He said the Department of Child Services “will require a \$270 million a year increase from their current budgeted line” out of the “\$350 million in new revenues” the state is anticipating.

Speaker Bosma is not even saying the \$50 million available will all go for K-12 funding, but let's assume it does. Where does that put funding for our K-12 public school students?

- \$50 million would be the lowest K-12 increase since the Great Recession budgets of 2009 and 2011. Study the table below showing increases in each budget according to state documents. The table shows how truly low a \$50 million increase is in the recent history of K-12 funding in Indiana.
- \$50 million would be a 0.7% increase, an extremely low effort. Inflation is currently running at 2.2% (latest Consumer Price Index announced 12-12-18 for the year ending November 2018).
- \$50 million would be way less than the \$160 million needed to make up for inflation running at 2.2%.
- \$50 million would be way less than the \$210 million (3%) increase in K-12 funding endorsed by State Superintendent McCormick in October.

Public school advocates should ask lawmakers: Why is Indiana's good economy not producing resources to educate our K-12 students?

One way to dismantle public education is to fail to fund it.

Study the table on the following page to see the history of funding increases in the past six budgets:

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
2007 BUDGET				
FY 2008	\$6.27 Billion	✔	+4.1%	+\$250 Million
FY 2009	\$6.48 Billion	✔	+3.6%	+\$210 Million
2009 BUDGET				
FY 2010	\$6.55 Billion	✔	+1.1%	+\$70 Million
FY 2011	\$6.57 Billion	✔	+0.3%	+\$20 Million
2011 BUDGET				
FY 2012	\$6.28 Billion	✔	-4.5%	-\$290 Million
FY 2013	\$6.34 Billion	✔	+1%	+\$60 Million
2013 BUDGET				
FY 2014	\$6.62 Billion	✔	+2%	+\$280 Million
FY 2015	\$6.69 Billion	✔	+1%	+\$70 Million
2015 BUDGET				
FY 2016	\$6.82 Billion	✔	+2.3%	+\$130 Million
FY 2017	\$6.98 Billion	✔	+2.3%	+\$160 Million
2017 BUDGET				
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."

FY 2020	\$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:

FY 2020	\$7.32 Billion	+2.2%	+\$160 Million
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FY 2021	\$7.48 Billion	+2.2%	+\$160 Million
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3. State Superintendent McCormick's recommended 3% increase (Indianapolis Star, 10-2-18)

2019 BUDGET per State Superintendent McCormick:

FY 2020	\$7.37 Billion	+3%	+\$210 Million
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FY 2021	\$7.60 Billion	+3%	+\$230 Million
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Public school advocates need to go to work to speak up for a better budget than Speaker Bosma wants.

These figures show the crisis at hand if Speaker Bosma's plan goes through to max out K-12 funding increases at \$50 million.

Surely in the best economy we have had in over a decade, the parents of over 1 million K-12 students would be angry if the education of their children is shortchanged by an outrageously low budget.

Talk to or send messages to your legislators in the House or Senate now before they return to begin the long session on January 3, 2019. Everyone's help is needed to restore a high priority to funding for our K-12 students.

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

Best wishes,

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