Senate Budget Proposal:
Fiscal Years 2020/2021

Sen. Ryan Mishler
Chair, Senate Committee on Appropriations
FY 20/21 Senate Budget Proposal

Budget Priorities

- Balanced Budget
- Support Students and Teachers
- Maintain Strong Reserves
- Improve Child Protection
Balanced Budget

• $34.6 billion two-year budget

• Ongoing revenues exceed ongoing expenditures

• Ends biennium with $2.2 billion in reserves
  • 12.6% in FY 2020
  • 12.5% in FY 2021
Proposed FY 2020/2021 General Fund Appropriations

- K-12 Education: 50%
- Higher Education: 12%
- Medicaid/HIP 2.0: 15%
- Child Services: 5%
- Other Health & Human Services: 4%
- Public Safety: 2%
- General Government: 2%
- Capital Projects: 2%
- Other: 0%
K-12 Education: Funding Highlights

• Appropriates **$14.9 billion** over the biennium to K-12 tuition support

• **$775 million** increase in total K-12 support over the biennium

• Increases K-12 tuition support by **$535 million** over the biennium
  • **2.7% increase** in FY 2020 and **2.2% increase** in FY 2021
K-12 Education: Pension Relief

• Directs INPRS to allocate $150 million from Pension Stabilization Account to the Post-96 TRF plan

• Requires school boards to hold a public meeting to disclose how they will spend the savings from the reduced pension contributions
K-12 Education: Teacher Appreciation Grants

• Appropriates $90 million over the biennium for the Teacher Appreciation Grant (TAG) program ($30 million increase over previous budget)

• The TAG program provides cash stipends to effective and highly effective teachers in every school corporation based on ADM count ($45 per ADM)
  o 1/3 of each school’s TAG funding must be provided to teachers with less than 5 years of experience
  o Highly effective teachers get a stipend that is at least 25% larger than effective teachers
  o Up to 50% of the stipend can be added to a teacher’s base salary
K-12 Education: Funding Changes

• Total funding per ADM:
  • FY 2019: $6,727
  • FY 2020: $6,893
  • FY 2021: $7,022

• Maintains FY 2019 ratio of complexity to foundation spending per student

• Increases funding for English Language Learners to $22.5 million annually (compared to $17.5 million in FY 2019)
K-12 Education: Virtual Funding Changes

• Sets virtual student funding at 80% of basic tuition support

• Separates virtual charters from tuition support by creating a new line item appropriation at the current spending level of $80 million per year
  • Requires the DOE to establish the maximum number of seats and the dollars per ADM for each virtual charter (funding metrics have to be outcome-based)
Other K-12 Education Highlights

• Increases Secured School Safety Grants from $9 million per year to $16.5 million in FY 2020 and $14 million in FY 2021
  • School safety referenda available to schools starting in 2021 via SB 127

• Restructures the CTE grant to include additional dollars to reward persistence (as recommended by the Governor’s Workforce Cabinet)

• Overall 4.9% increase in K-12 tuition support over the biennium
Higher Education: Funding Highlights

• Allocates **$4.2 billion** over the biennium for higher education
  • **$69.5 million** increase (compared to FY 2019)

• Fully funds state financial aid programs at **$761.5 million**

• Funds CHE’s recommended capital projects for each state university

• **$11.6 million** for IU and Purdue regional campus deferred maintenance projects
Department of Child Services

• Makes full DCS budget request amount available:
  • $243 million increase in FY 2020
  • $223 million increase in FY 2021
  • $105 million available over the biennium, if needed, via the Special Transportation Flexibility Fund (IC 4-12-16.5-2)

• Requires DCS to contract with the Public Defender Council and Commission to recruit, train and reimburse public defenders for support of at-risk youth and families

• Allows DCS to enter into voluntary service referral agreements prior to court involvement
Improving Infrastructure

- Funds Gov. Holcomb’s Next Level Connections projects:
  - I-69 and U.S. 31
  - Broadband
  - Trails
  - Flights

- Broadband funding targeted for rural communities through the newly established Rural Broadband Fund
Improving Infrastructure

• Establishes the Toll Road Lease Amendment Proceeds Fund for highway improvements in toll road counties:
  • $239.4 million in FY 2019
  • $218.1 million in FY 2020
  • $220.8 million in FY 2021

• Provides $20 million in grants, loans and other financial assistance to aid water infrastructure development and improvements

• $12 million per year to support double tracking and extension of the South Shore Line
Workforce Development

• Provides $20 million per year for the Next Level Jobs Employer Training Grant

• Establishes the Career Navigation and Coaching System fund with $2 million per year

• Doubles the Workforce Ready Grant program from $2 million to $4 million per year
Improving Health Care and Fighting Drug Abuse

• Fully funds the Medicaid forecast at $5 billion over the biennium

• Increases Recovery Works by $5 million per year to $25 million per year

• Continues $5 million per year for substance abuse prevention, treatment and enforcement

• Funds the governor’s OB Navigator program at $3.3 million per year
Public Safety

• **$12 million** for a new State Police Lab/Post

• Increases the County Jail Maintenance fund by **$6 million per year** for level 6 felon housing reimbursement

• **$1 million per year** to ISP for equipment and training for the investigation of internet crimes against children (SB 3)
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