

Senate Budget Proposal

Fiscal Years 2022/2023



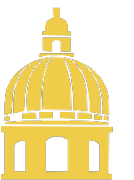
Budget Priorities

- ✓ **Balanced budget**
- ✓ **Historic support for education**
- ✓ **Make one-time investments with long-term benefits**
- ✓ **Maintain strong reserves**

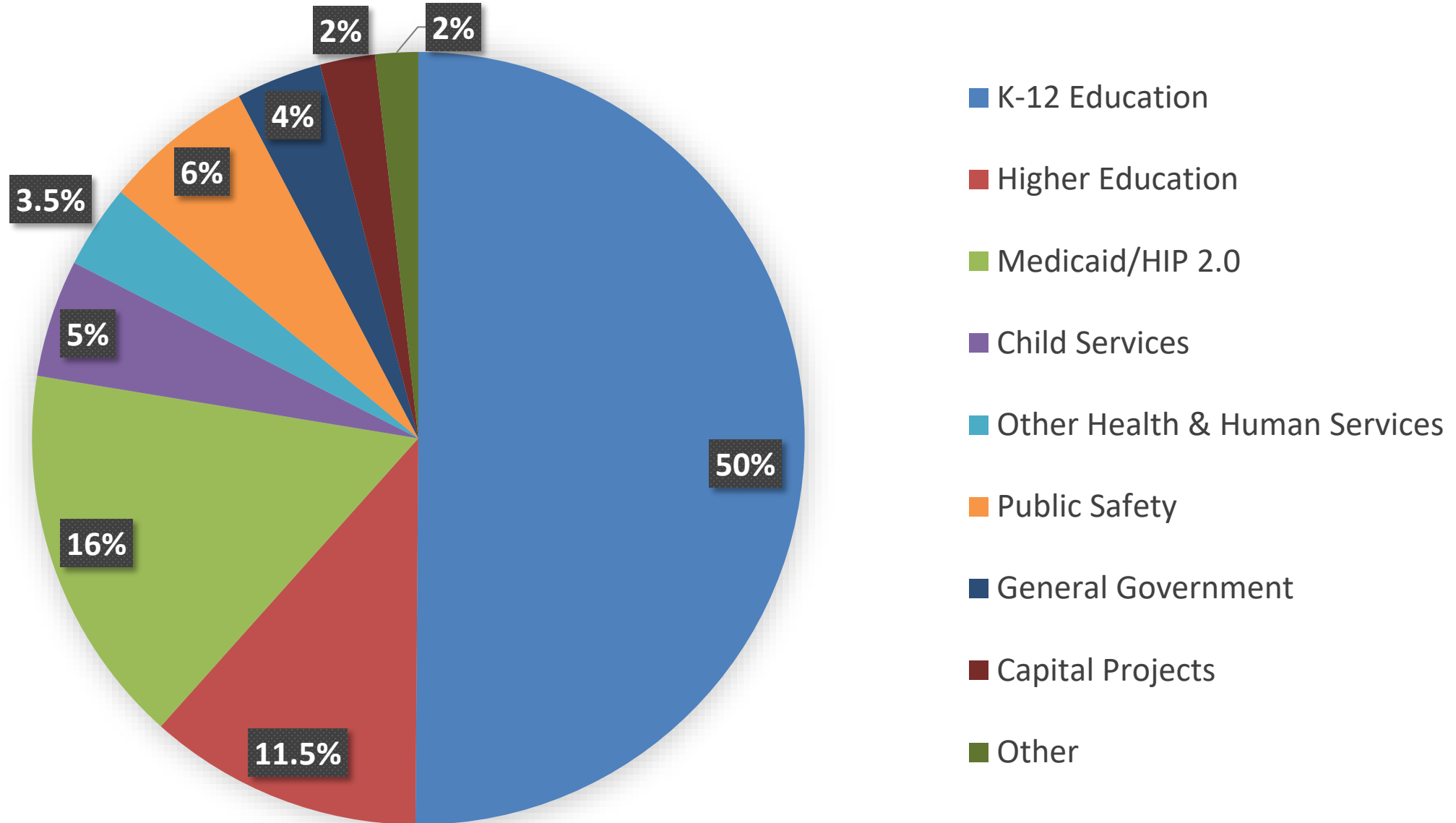


Balanced Budget

- \$35.8 billion two-year budget
- Ongoing revenues exceed ongoing expenditures
- Ends biennium with \$2 billion in reserves
 - 12.4% FY 2022
 - 11.1% FY 2023

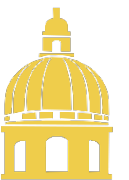


Proposed FY 2022/2023 General Fund Appropriations



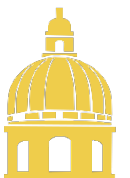
K-12 Education: Funding Highlights

- Appropriates \$15.4 billion over the biennium to K-12 tuition support
- Provides \$875 million additional dollars to K-12 education over the biennium
- Increases K-12 tuition support by \$408 million over the biennium compared to FY 2021
 - 1.2% increase in FY 2022 (\$92 million increase)
 - 4.2% increase in FY 2023 (\$316 million increase)



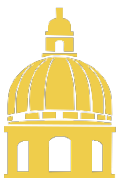
K-12 Education: Funding Changes

- Total funding per ADM:
 - FY 2021: \$7,023
 - FY 2022: \$7,168
 - FY 2023: \$7,346
- Increases special education funding by \$196 million over the biennium
 - 5% in FY 2022
 - Additional 10% in FY 2023
- Increases funding for English Language Learners to \$27.5 million annually (\$5 million increase per year)



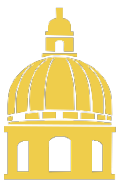
K-12 Education: School Choice

- Choice scholarship award level increases in FY 2023 to 90% for all (eliminates 50%/70% awards)
- Increases Choice Scholarship program in FY 2023 as follows:
 - Pathways currently limited to 150% FRPL would increase to 200% FRPL.
 - Pathways currently limited to 200% FRPL would increase to 225% FRPL.
 - Makes foster children eligible for vouchers.
- Creates an Education Savings Account program as a line item at \$3 million in FY 2023
 - Open to special education students with the same household income limits as Choice Scholarship Program
 - Eligibility mirrors that of tuition support special education grant
 - Grant amount equals what the student would qualify for under tuition support
- Increases charter grant from \$750 to \$1,000 per student
- Increases SGO tax credit program
 - FY 2021: \$16.5 million, FY 2022: \$17.5 million, FY 2023: \$18.5 million



K-12 Education: Other Funding

- Increases FY 2021 ratio of complexity to foundation spending per student
 - 66% of foundation - no floor or ceiling
- Virtual students are funded at 85%
- Maintains Teacher Appreciation Grant Funding at \$37.5 million per year
- Funds less-than-moderate value CTE courses
- Maintains the Secured School Safety Grant at \$19 million per year



K-12 Education: Other Funding

- Provides \$150 million to address student learning loss due to the pandemic (HB 1008)
- Provides \$5 million per year in tax credits for contributions provided to public school foundations (SB 342)
- Maintains the pre-K funding to FY 2021 appropriation levels and provides \$2 million for virtual programs (all counties will be eligible for virtual)



Higher Education

- \$4.2 billion over the biennium for higher education
 - Restores full funding to FY 2021 appropriation in 2022, 2% increase in FY 2023
- Fully funds Commission for Higher Education's recommended financial aid awards (\$776.8 million)
- Provides an additional \$4.9 million per year for dual credit enrollment at \$45/credit
- Pay off existing capital debt, generating \$53 million in savings (no new capital projects)



Health and Human Services

- Maintains Seriously Mental Ill funding at FY 2021 appropriation of \$88.3 million per year
- Funds Recovery Works at \$22.5 million per year
- Fully funds the Medicaid Forecast at \$5.5 billion over the biennium (\$241 million biennial increase from FY 2021)
 - \$21 million each year for Direct Service Provider pay increase to \$13/hour
 - \$2 million each year to raise home health rates
 - \$2 million each year to raise assisted living rates
- Funds OB Navigator at \$3.3 million
 - Requires Indiana Department of Health to establish metrics for the program



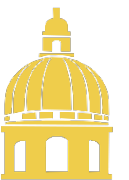
Department of Child Services

- Maintains current level of funding for child services
 - \$2 million per year redirected from DCS to fund a tax credit for those who donate to foster care providers (SB 209)
 - Shifts \$25 million from DCS administration fund to providers for home-based service rate increases
- Requires DCS to provide the following amounts to pro-family organizations from their administration fund:
 - \$2 million per year to Boys and Girls Club Indiana Alliance
 - \$250,000 per year to Real Alternatives
 - \$250,000 per year to All Pro Dad
- Requires DCS to provide adoption subsidies equal to no less than 50% of the foster care per diem



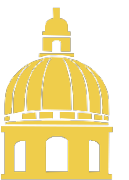
Public Safety

- Provides \$70 million to Indiana Law Enforcement Academy for capital improvements (HEA 1006)
- Provides \$5 million in FY 2023 to provide a raise to state police, conservation and excise officers
- Establishes the High Tech Crimes Unit and appropriates \$4 million per year
 - Allocates \$1 million per year to support ISP fighting internet crimes against children
- Appropriates \$5 million per year to the Crime Guns Task Force (HB 1558)



Public Safety

- Removes the fee for a handgun license and holds locals harmless from lost revenue (\$3.5 million per year)
- Increases County Jail Maintenance for local jail holds
 - FY 2022: \$3 million increase
 - FY 2023: \$4 million increase
- Provides an additional \$2.9 million per year to the Public Defender Commission for the reimbursement of additional counties that adopt the commission's standards
- Provides the Public Defender Council \$155,000 per year to support juvenile public defense services



One-Time State Investments

- Provides \$350 million to the newly created Capital Reserve Account
 - Consolidated campus for the Indiana Schools for the Deaf and the Blind and Visually Impaired
 - Westville Correctional Facility
 - Evansville Police Post and Lab
- \$50 million to cash fund the Fall Creek Pavilion
- \$400 million to buy down the unfunded liability Pre-'96 TRF plan
 - Frees up \$70 million per year



One-Time State Investments

- Appropriates \$110 million to pay off debt and save \$10 million in interest
- Provides a 1% COLA to public retirees by infusing \$50 million into supplemental reserve accounts for calendar year 2022
- \$800,000 for one-time 1% COLA for Indiana State Police this biennium



Miscellaneous Items

- Taxes e-liquids at \$0.10/mL for closed systems at wholesale and 10% for open systems/devices at retail
- Expands the Venture Capital Investment tax credit to additional investments and raises annual cap from \$12.5 million to \$20 million
- Provides \$4.85 million over the biennium for Purdue University Fort Wayne to expand program offerings
- Provides \$600,000 in FY 2022 for the newly created Food Empowerment Pilot Program



Federal Dollars: Economic Recovery

- \$150 million over the biennium for the Regional Economic Acceleration and Development Initiative (READI)
- \$60 million for the Small Business Restart Grants (HB 1004)
- \$75 million for Career Accelerator Fund
- \$500,000 per year for the Internet of Things (IoT) Lab



Federal Dollars: Infrastructure

- Allocates \$250 million for broadband access expansion
- \$10 million over biennium for Next Level Flights
- Provides a \$100 million, five-year buy down for the state's long-term commitment to the Water Infrastructure Revolving Loan Program
- Sets aside \$30 million per year for grants to locals for transportation and water infrastructure
- Provides \$1.2 million to develop an intermodal plan for Buffington Harbor



Federal Dollars: Hoosier Health

- \$50 million to the Health Issues and Challenges Grant Program (HB 1007)
- \$100 million to FSSA to address mental health issues



Federal Dollars: Public Safety

- \$20 million per year to ISP for body cameras
- \$5 million per year for matching grants so local units can purchase body cameras
- \$2 million for a \$1,600 stipend to ISP officers
- \$250,000 per year to Multi State Agency Academic Cooperative (MAAC)



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