

FY20/21 Budget

HB 1001 - Ways & Means Adopted

Rep. Todd Huston

Co-Chairman, House Ways & Means Committee

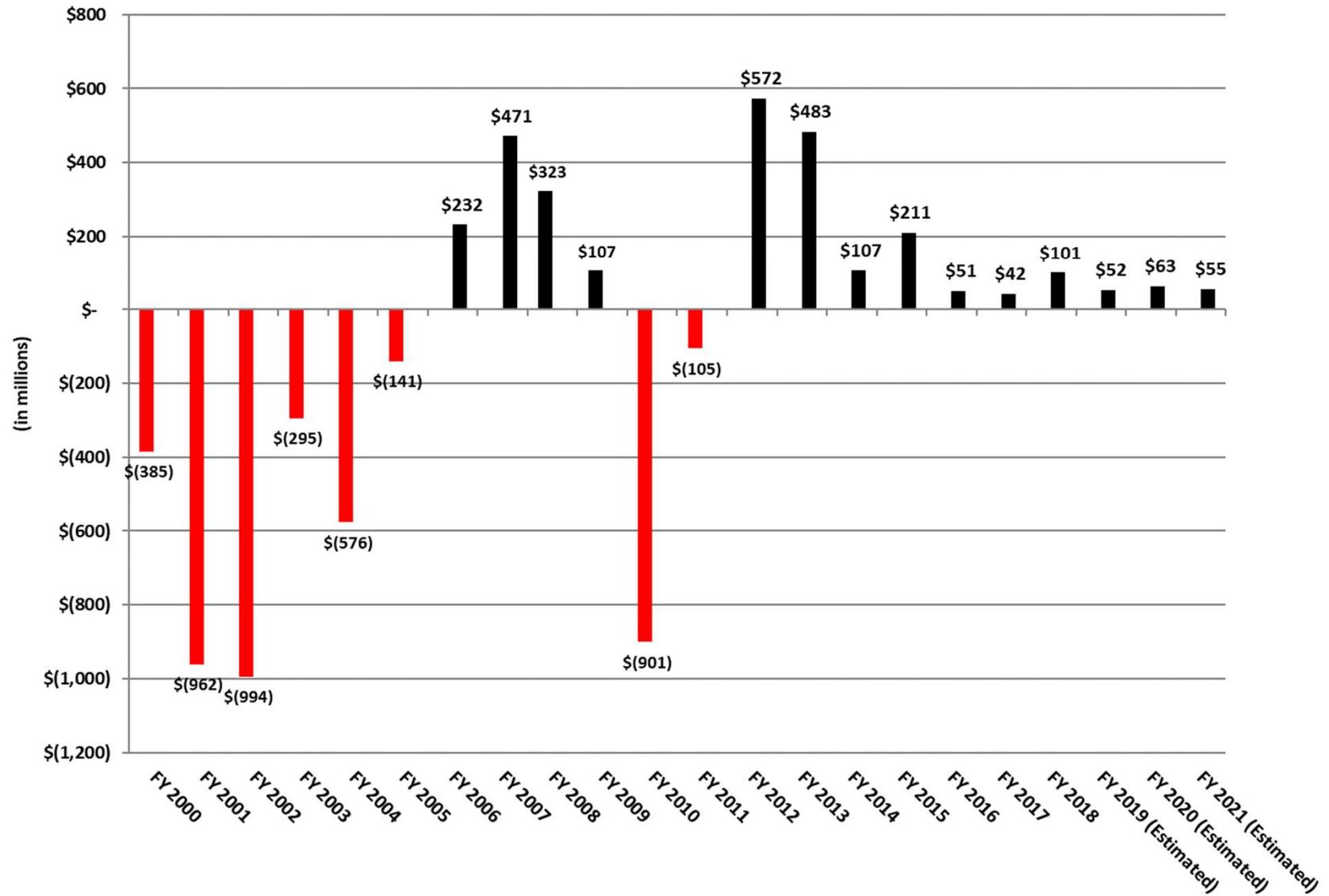
FY 20/21 Budget Priorities

- ✓ Enact a responsible, balanced state budget
- ✓ Strengthen our commitment to students and teachers
- ✓ Increase protections for our youth
- ✓ Align and promote workforce initiatives

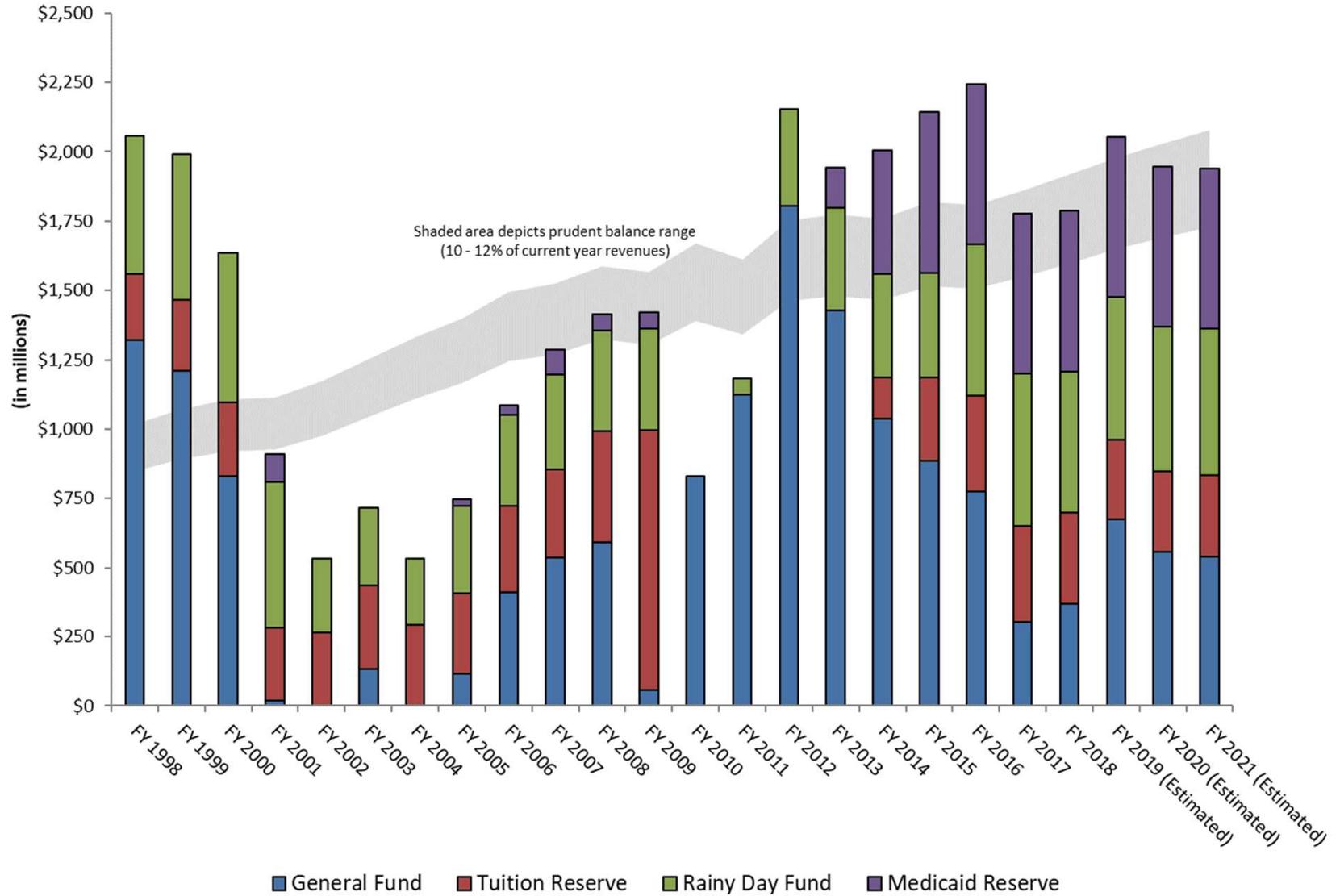
Enact a responsible, balanced state budget

- Budget lives within our means
 - Budget is balanced in both years of the biennium
- Spending levels are sustainable into the future
 - 2021 General Assembly will inherit opportunities not deficits
- Budget maintains healthy reserves in both years of the biennium
 - Healthy reserves protect taxpayers and ensure that Indiana maintains a triple-A credit rating

Structural Budget Surplus/(Deficit)



Total Combined Reserve Balances



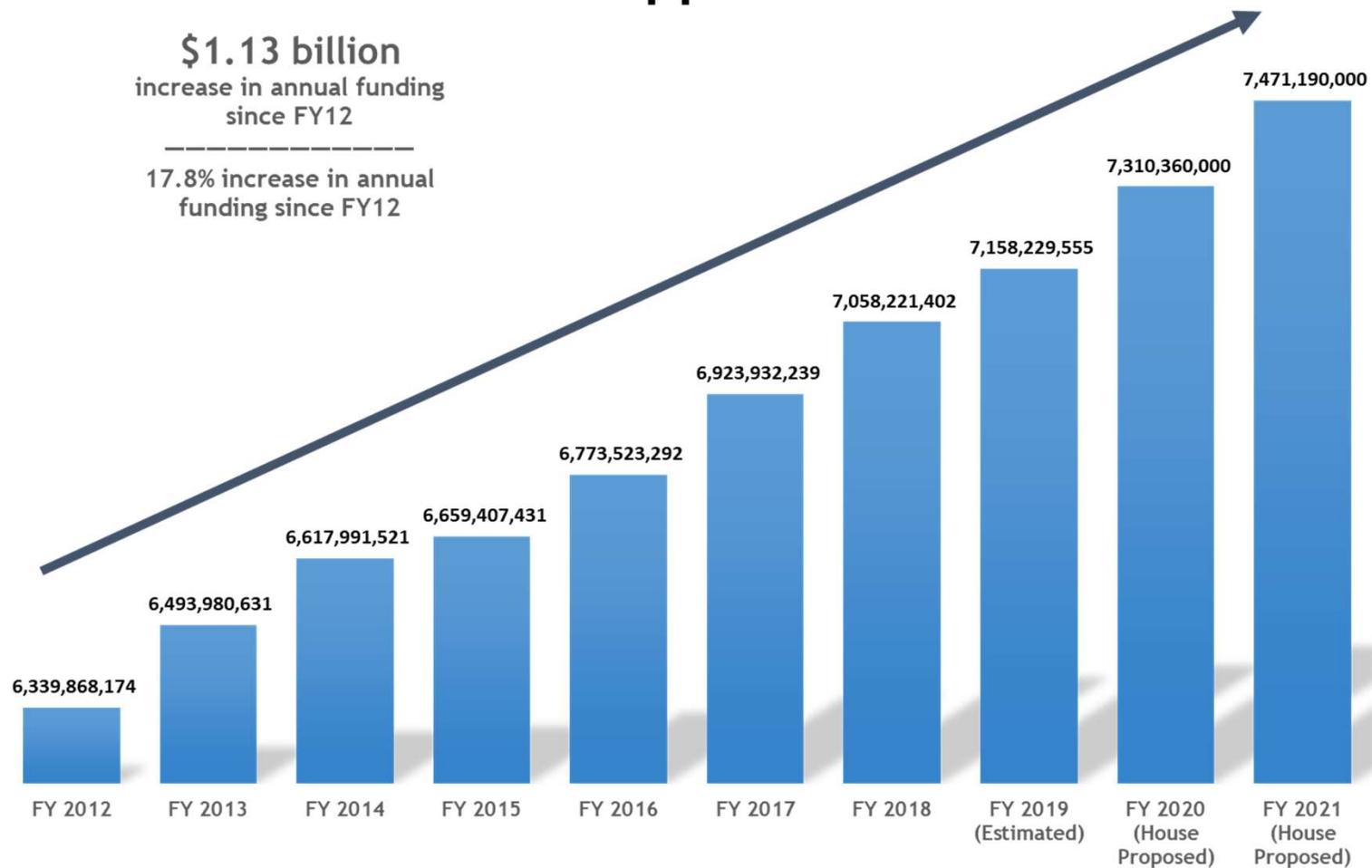
Strengthen our commitment to students and teachers

- Invests **\$611M** in new dollars for K-12 education over the biennium
- Increases K-12 tuition support formula funding by **\$461M** or **4.3%** over the biennium
 - FY19 Appropriation = \$7.16 billion
 - FY20 Appropriation = \$7.31 billion (+**2.1%** vs FY19)
 - +\$150M vs. FY19
 - FY21 Appropriation = \$7.47 billion (+**2.2%** vs FY20)
 - +\$311M or 4.3% vs. FY19
 - Total new dollars vs. FY19 base funding:
 - \$150M + \$311M = \$461M over the biennium
- Appropriates **\$150M** to the TRF '96 Fund, providing \$70M of annual savings to school budgets

Strengthen our commitment to students and teachers, cont.

- Increases the foundation grant (i.e., basic grant for every student) by 1.7% in FY20 and 2.0% in FY21
 - FY19 Per Student Foundation = \$5,352
 - FY20 Per Student Foundation = \$5,442
 - FY21 Per Student Foundation = \$5,549
- Preschool special education grants
 - Increases the preschool special education grant from \$2,750 in FY19, to \$2,875 in FY20, and to \$3,000 in FY21
- Appropriates \$30M per year for Teacher Appreciation Grants to reward effective and highly effective educators
- For purposes of the tuition support formula, moves the kindergarten start date from August 1 to September 1 in FY20 and to October 1 in FY21

Most Dollars Ever for K-12 Tuition Support



K-12 tuition support funding increased 11.3% from FY 2012 to FY 2018. Over that same period (CY 2012 - CY 2018), inflation (CPI-U) increased 9.4%.

Strengthen our commitment to students and teachers, cont.

- Increases funding for the Secured Schools Safety Grant program by \$5M per year and allows funds to be used for student mental health
- Provides \$5M for Teacher and Student Advancement Grants (HB 1008) and \$1M for the Teacher Residency Grant Pilot (HB 1009)
- Increases funding for the Non-English Speaking program by \$2.6M per year and raises the per student grant from \$300 to \$325
- Increases the per student Charter and Innovation School grant to \$1,000 in FY20 and indexes the grant amount beginning in FY21
- Increases the annual cap on the Scholarship Granting Organization (SGO) Tax Credit to \$15M per year in FY20 and up to \$18M in FY21
- Increases the Choice Scholarship amount from 50% to 70% for students with a family income between 100% FRL and 125% FRL
 - Maintains the 90% award for students below 100% FRL and the 50% award for students between 125% and 150% FRL

Increase protections for our youth

- Fully funds the Governor's budget request for the Department of Child Services
 - Appropriates \$286M in new funding each fiscal year as compared to the FY 2019 base budget
- Increases funding for the First Steps program by \$12M per year
- Appropriates \$3.3M per year to the Perinatal Navigator Program established by HB 1007

Align and promote workforce initiatives

- Reallocates existing funding within the Department of Workforce Development to fund programs endorsed by the Governor's Workforce Cabinet
 - Doubles funding for Workforce Ready Grants from \$2M/year to \$4M/year
 - Doubles funding for Next Level Employer Training Grants from \$10M/year to \$20M/year
 - Funds a new Career Navigation and Coaching System (\$2M/year)
- Modernizes the CTE funding formula to promote career exploration and encourage work-based learning between schools and employers

Higher education

- Operating
 - Allocates dollars utilizing the CHE's performance funding model
 - Increases funding by \$27M (2.0%) over the biennium
- Capital
 - Provides funding for 10 university capital projects, including the College of Veterinary Medicine at PUWL
 - Provides \$18M in cash funding to reduce borrowing costs
 - Invests \$37M per year for repair and rehabilitation of existing university infrastructure
- Financial Aid
 - Fully funds the state's financial aid programs at the projected expenditure levels for both fiscal years

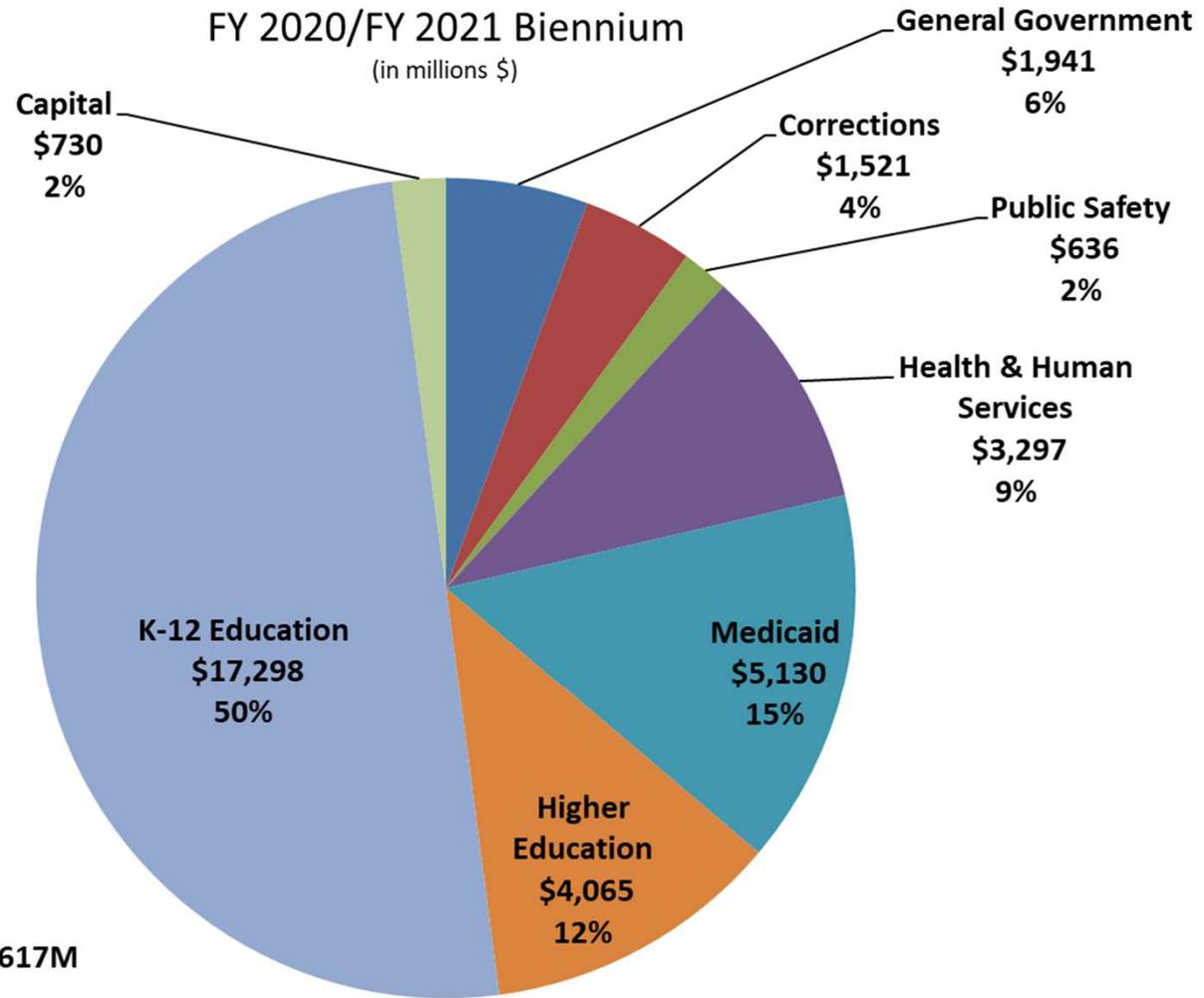
Other Budget Highlights

- Increases funding for local jails that house Level 6 offenders from \$18M per year to \$30M per year
 - Budget increases the per diem rate from a cap of \$35 per day to a cap of \$40 per day by FY21
- Provides an historic commitment of \$20M per year for local water infrastructure improvements (beginning in FY21), which can be used to leverage up to \$2.1B in capital funding over the life of the program (HB 1406)
- Funds a 13th check in FY 2020 and FY 2021 for retired members of TRF, PERF, and public safety plans
- Sets aside \$150M to address deferred maintenance needs at state-owned facilities and DNR properties
- Provides \$500K of additional funding each year for the Indiana Law Enforcement Academy and directs the Governor to study the Academy's future role and needs
- Provides \$10M to the Secretary of State for election security needs

Other Budget Highlights

- Appropriates \$42M to the Department of Revenue for the continued modernization of the agency's outdated tax collection software
- Appropriates the proceeds from the recent renegotiation of the toll road lease
- Fully funds the Medicaid forecast (+\$290M over the biennium)
- Provides one-time capital funding for the swine barn at the state fairgrounds, the State Police forensic laboratory in Evansville, the creation of an online business personal property tax portal, and the Kankakee River Basin Commission
- Increases funding for the Public Defender Commission by \$4.5M per year to account for the addition of new counties
- Restores the appropriations for the CHOICE program for the aging, Indiana PBS, and the gifted and talented program
- Increases funding for Newslines for the Blind
- Increases funding for the treatment of sickle cell anemia (HB 1354)
- Provides additional funding to expand graduate medical education residency programs

- State of Indiana -
General Fund Appropriations
 FY 2020/FY 2021 Biennium
 (in millions \$)



Biennial Total = \$34,617M