



Post - 2021 Legislation Session Update

House Bill 1001 (State Budget)

The new two-year \$37.4B state budget passed with bipartisan support for the first time in years – by a vote of 96-2 in the House and 46-3 in the Senate. For context, the last three budgets dating back to 2015 passed only with partisan support from Republican supermajorities in the House and Senate. The budget increases Indiana’s education spending to historic levels, with \$16B invested in K-12 education and \$1.9B in new funds. House Bill 1001 (State Budget) passed with a never before seen investment in public school funding with a 4.5% increase in each of the two years for schools, the creation of the state’s first ESA for special education students, a \$264M expansion of vouchers, a \$250M investment in broadband that prioritizes K-12 buildings and students’ homes, and a new \$150M learning loss grant to name a few items.

Combined with federal stimulus dollars, the state’s 293 school corporations should be on solid financial ground to invest in student learning and increased teacher salaries. The budget provides \$600 million in additional funding to public schools annually to pay down state pension debt in the pre-1998 teacher pensions – fulfilling and exceeding the Next Level Teacher Pay Commission’s recommendations, which provides schools the flexibility to increase teacher pay. The budget also recommends schools set starting teacher salaries at \$40,000 and requires schools to dedicate at least 45% of tuition support dollars to teacher pay.

In addition, \$550M was allocated for state building projects, \$500M toward regional economic development grants program, directs federal stimulus towards Indiana’s critical infrastructure, including \$250M for broadband expansion, \$160M for water infrastructure grants, and an additional \$100M was dedicated towards mental health grants.

The updated spending plan reflects the April fiscal forecast that increases Indiana’s revenue projections by \$2.4B over the next three years and the previously mentioned influx of federal stimulus dollars.

House Bill 1008 (Student Learning Recovery Grant Program)

Indiana's new Student Learning Recovery Grant Program and Fund, the Indiana Department of Education is now accepting applications to fund community and school partnerships to help accelerate student learning this summer and beyond. House Enrolled Act 1008 (HEA 1008) passed with relative ease by a vote of 48-0 in the Senate and 79-2 in the House.

The Grant allocates \$150 million to support entities' accelerated learning plans, with a focus on partnerships between community organizations and schools. These partnerships will support accelerated student learning across all grades, working to make up for lost instructional time due to the COVID-19 pandemic. Eligible partnering entities may apply with a plan focused on providing recovery learning and remediation services for K-12 students enrolled in public and nonpublic institutions.

Eligible groups, including higher education, community-based organizations, philanthropic organizations, and current or retired teachers, will create remediation options on a student-by-student basis for students who have experienced the following due to disruption in education caused by COVID-19:

- 1) Experienced learning loss;
- 2) Fallen behind in acquiring anticipated grade level academic skills/knowledge;
- 3) Scored below academic standards or benchmarks; or
- 4) Are at risk of falling below academic standards

In order to deploy resources as soon as possible and support potential summer programming, grant applications are **due Wednesday, May 12**. Additional information, including eligible entities, program objectives, grant application, details on the application process, evaluation criteria, timeline and required data monitoring can be found [here](#). Questions about the program or the process may be directed to CommunityLearningGrant@doe.in.gov.

Senate Bill 2 (Funding for Virtual Instruction in Public Schools)

Senate Enrolled Act 2 (SEA 2) was signed into law on April 1st after easily passing the House and Senate in the early stages of the second half of session.

Senator Jeff Raatz's SEA 2, chairman of the Senate Education and Career Development Committee (R-Richmond), fully funds students attending school virtually due to the COVID-19 pandemic. This law ensures public schools that give at least some virtual learning are fully funded rather than receiving just 85% of state funding per student who is learning online.

Back in August 2020, Senate President Pro Tempore Rodric Bray (R-Martinsville) released a letting saying schools would only get 85% of funding for students who receive 50% or more of their education virtually. This sparked concern from school officials, lawmakers and state

leaders. With Governor Holcomb signing this into law, schools will be compensated for the funding lost from virtual instruction that has already occurred since July 1, 2020, but after the July 1, 2021 expiration date, schools would once again only receive 85% of funding for virtual instruction.

Senate Bill 288 (Material Harmful to Minors)

Senator Jim Tomes (R-Mt. Vernon) introduced Senate Bill 288, which would have removed schools and certain public libraries from the list of entities eligible for a defense to criminal prosecutions alleging: 1) the dissemination of material harmful to minors; or 2) a performance harmful to minors. SB 288 ultimately died on the bill's second reading on the Senate floor.

IAEN sent a letter to the Senate Education Committee outlining concerns that the bill would overturn Indiana's established policy of local control over school governance and undermine local schools boards, high school principals and licensed teacher's ability to work collectively to determine what is acceptable or not to appear on their high school stages.

Senator Kruse introduced, and the Senate Education Committee passed Amendment #1, which removed all language from the bill that would allow a cause of action against a school or library that violates a criminal statute concerning: 1) The dissemination of material harmful to a minor; or 2) A performance harmful to a minor. The bill was not called down on the Senate floor and died in the first half of session. There was no attempt to revive the language during the conference committee process, but I was told Senator Kruse plans to introduce a modified version of the bill next session.

Senate Bill 323 (Music Production Incentive Program)

Although Senator Justin Busch's (R-Fort Wayne) Senate Bill 323 passed the Senate by a vote of 41-5, it did not gain traction in the House for the second straight year. The bill would have authorized the Indiana Destination Development Corporation to create a music production program to offer rebates to attract music production to Indiana. This legislation would help grow Indiana's music industry while simultaneously encouraging artists and production companies to record, perform and relocate to Indiana.

There are currently 32 states that offer similar incentive programs, including neighboring states Ohio, Kentucky, and Illinois, which have contributed between \$400 million and \$6 billion to their economies and created 20,000 new jobs. Creating this program would really help level the playing field, promote economic development across a variety of different industries and encourage students to stay in Indiana to pursue a career in music and the arts after graduation.

Senator Busch has partnered with Chuck Surack and Sweetwater, which is located in Senator Busch's district, and is committed to getting the program passed next year. He would like to meet with our group during the interim regarding building a coalition to advance this initiative.

