

Indiana School Finance: How it works

INDIANA USES A PER PUPIL FUNDING FORMULA:



\$5,548 flat, per-pupil grant

↓ PLUS +



\$3,650 for students who qualify for SNAP, TANF, or who receive foster care.¹



Up to \$9,156 per pupil, based on severity of disability, and \$2,875 for students in special ed preschool programs.²



\$1,500 for each honor student, \$150 to \$680 for students in a career and technical education (CTE) course, and \$300 to \$487 for English-learners.

TOTAL: \$7.18 BILLION³



CHARTER SCHOOLS are funded with the same per pupil formula.

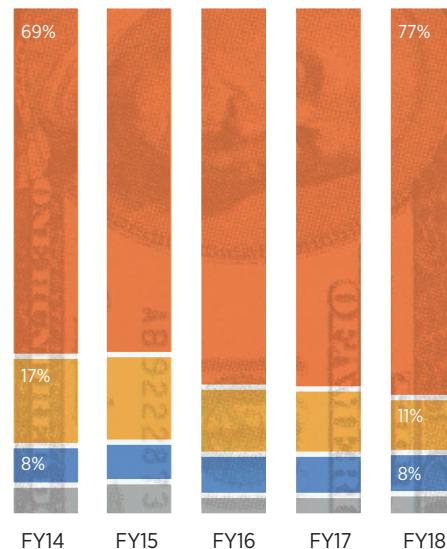


Yet they receive \$2,673 LESS PER STUDENT than district schools⁴ due to their lack of access to local tax dollars.

THE PROBLEM?

FUNDING IS INCONSISTENT. Each program stands independently and may or may not be adjusted each year.

SHARE OF TOTAL DOLLARS BY PROGRAM



Since 2014, the Basic Grant has increased as the Complexity Grant has decreased, while the Special Education Grant stayed largely the same.



SOLUTIONS:

1 Indiana should adopt a weighting system for how it distributes dollars for students with additional needs. For instance, it could ensure that low-income students are always given an additional 65% above that year's Basic Tuition Grant amount or that English-learners are always given an additional 9% above the base amount (roughly in line with current funding ratios). This will ensure that funding streams are reliable for districts based on their student populations, and prevent scenarios where appropriations decisions significantly impact how new funding is distributed to different types of students.

2 Indiana should reduce reliance on local revenues and move funding to a state formula so charters and districts are funded on an equal footing—for the sake both of charters and districts with less property wealth. Indiana could also increase its Innovation Grants to match the average funding gap between districts and charters—as well as make ALL charters qualify for these grants—so that schools are on a more level playing field.



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1. Additional funding of \$128 per-pupil (for all pupils, not just those determined low-income) provided to districts with at least 18% English-learners and whose complexity index has fallen by 45% or more since FY2017.

2. \$9,156 for students with severe disabilities, \$2,300 for mild or moderate, \$500 for students with communications disorders or in homebound programs.

3. FY 2018-19. Accounts for 97% of all state General Fund allocations for district schools. There are 15 other categorical grants for things like teacher retirement plans, gifted and talented programs, teacher appreciation grants, early intervention programs, school safety, etc.

4. FY2017 average. This accounts for the \$440 per pupil charters receive on average through Innovation Grants.