

Governor's Revised Recommended FY10-11 Budget

Highlights:

- No tax increases
- Protects against future economic decline by maintaining a prudent level of reserves
- Reduces spending by 2.4% compared to current budget
- Only increase in the budget is for public education:
 - K-12 Education
 - School corporations will receive an average increase of 2%
 - Every school corporation will receive more funding per student compared to the current budget
 - At least 35 states have proposed or actually cut funding for K-12 education
 - Creates "Education Trigger," an automatic additional funding mechanism for K-12 education if actual revenues exceed forecast. For every two dollars actual revenues exceed forecast, one will automatically go to education
 - Student Financial Aid (State Student Assistance Commission)
 - 3% increase in state funding for student aid
 - Uses more than \$25M of federal stimulus money to bring overall increase to 5% for student aid

Other Facts about the Governor's Recommended FY10-11 Budget:

- Most executive branch agency budgets reduced by 10% or more
 - 2% reductions in addition to 8% reductions made in the Governor's January budget proposal
- No pay raises for state employees in CY2009
- Medicaid
 - Maintain services for all eligible recipients
 - Fully fund the April Medicaid forecast
- Job creation and Economic Development :
 - Separate from the budget, Major Moves provides over \$1B in road funding over the biennium which will provide jobs for 1000s of hardworking Hoosiers
 - More than \$450M for higher education capital projects
 - 1000s of construction jobs created across the state
 - Examples: Ivy Tech Warsaw, Anderson, Bloomington and Elkhart (\$54M), Labs at IU, Purdue, IUPUI, and Indiana State University (\$50M), and central campus renovations at Ball State University (\$33M)
 - Includes more than \$200M for repair and rehabilitation projects
 - Universities required to obligate funds for projects within 120 days; putting people to work quickly
 - Funds projects with cash rather than borrowing
 - Other 1-time projects include: Little Calumet flood control(\$14M), Notre Dame-Purdue Nanotech Program (\$10M), National Guard Youth Challenge Academy (\$2M), Indiana Veterans Home renovations (\$3M) and Muscatatuck Infrastructure(\$2M)
- Public Safety
 - Maintains State Police trooper staffing levels and corrections capacity
- Protecting Children
 - Maintains level of caseworkers and services for abused and neglected children
 - Establishes Ombudsman for the Department of Child Services

Governor's Revised Recommended FY10-11 Budget -- K-12 Education

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- Every school corporation will receive more per student as compared to current budget
- Creates "Education Trigger," an automatic additional funding mechanism for K-12 education if actual revenues exceed forecast. For every two dollars actual revenues exceed forecast, one will automatically go to education
- Maintains the existing level and authority of school corporations to utilize capital project fund to assist with utility and insurance costs
- Utilizes current funding formula approved by the General Assembly and modified to address changes in student population and ensure fairness in the distribution of funding for school districts
- Provides for tuition scholarship tax credit
- Provides for the expansion of quality charter schools
- Requires school corporations, active and retired employees, to select the state's health plan for their health insurance, savings schools over \$100M
- Speeds the transition of as many as 30 schools to New Tech facilities.
- Trains 300 new math and science teachers through the expansion of the Woodrow Wilson Fellowship Program

The State of Education Across the Nation

- At least 35 states have proposed or actually cut funding for K-12 education
- Alabama cut K-12 funding by 13%, the biggest cut to education in 48 years
- California cut K-12 education by more than 16%
- New York has proposed cuts of 13% to all school districts
- Utah's cuts are expected to reduce per pupil funding by 12% by 2010
- Virginia's Governor proposed cuts of more than 9% for public education
- Arizona has enacted mid-year cuts in core K-12 funding of \$96 per pupil.
- Florida has cut aid to local school districts for the current year by \$140 per pupil.
- South Carolina has cut per-pupil funding by \$95 in the current year.
- State education grants to school districts have also been cut in Alabama, Connecticut, Delaware, Georgia, Iowa, Kansas, Kentucky, Maine, Mississippi, Ohio, Oregon, Utah, Washington and Virginia.

Facts regarding Indiana K-12 education

- In FY06, Indiana ranked 6th for state and local revenue for public schools per dollar of personal income
- Since 1995, the expense per K-12 pupil has increased by more than 4% annually
- Indiana has the 7th highest teacher salaries in the nation when adjusted for cost of living