

House Ways and Means
Wednesday, March 5, 2025
1:30 PM in Room 404

SB 1 – PROPERTY TAX RELIEF (Holdman, T)

Sen. Holdman

- I'm concerned about debt being accumulated by local units of government in Indiana
- SB 1 responds to this debt and irresponsible spending
- The bill increases transparency of the property tax portal
- It also specifies that referendums for public schools can only take place in even numbered election years
- Local units must also wait at least two years before issuing general obligation bonds
- The bill puts new caps on MLGQs
- It also increases benefits for veterans
- The last program we put in places is a tax credit for first time home buyers

Q: (Rep. DeLaney) What will the average homeowner save with this?

A: (Sen. Holdman) It depends on their age and income.

Q: (Rep. DeLaney) This says that homeowners across the state will save 91 million dollars in the first year. My math says on average, homeowners would save about 48 dollars per year, is this correct?

A: (Sen. Holdman) If that's your math, then yes.

Q: (Rep. DeLaney) Are the savings enough to justify this bill?

A: (Sen. Holdman) We're looking at the total savings, which will help.

Q: (Rep. DeLaney) Is it correct that businesses will save more than homeowners? It looks like only in the third year, homeowners will save a bit more than businesses. Is this the ratio we should seek?

A: (Sen. Holdman) We're continuing to examine this and hope to collaborate with the House.

(Rep. Prescott) The issue that we need to solve primarily has to do with residential taxpayers. I think there's more work to do on this, but this seems like a good shorter-term fix.

(Sen. Holdman) There's nothing in this bill that will fix 2025 tax bills, and I agree that we can continue looking at this long-term.

Q: (Rep. Andrade) Will this defund police and fire public safety programs?

A: (Sen. Holdman) There is a backfill option that will help local municipalities to continue to fund this program.

Q: (Rep. Andrade) So this is an additional burden for locals, despite the fact that they're already in debt?

A: (Sen. Holdman) It is shifting more of that responsibility to them.

Q: (Rep. Jordan) This is really tricky. Property taxes are going up for residents, and locals face challenges with providing public programs. Is that a fair assessment?

A: (Sen. Holdman) Yes. These issues are very interrelated. There needs to be a balance between what's fair to taxpayers and what's fair to local units of government.

Q: (Rep. Pryor) My concern is with the homeowners who are getting squeezed financially. I think we need to look holistically at what goes into an individual's property tax bill. How can we utilize money from TIFF funds to help local units of government and taxpayers?

A: (Sen. Holdman) I hear what you're saying. Keep in mind we do have the optional property tax deferral program. These programs have been successful in other states with helping taxpayers and helping to keep people in their homes when they are struggling.

(Rep. Pryor) We do have that program in Marion county, but there needs to be more awareness around it. That's a good option, but it's still difficult for some homeowners.

Jamie Bolser, Jason Cockerill, and Emily Crisler (Department of Local Government Finance)

Bolser

- Our presentation will present data on property taxes since 2018
- The data helps us to see trends at the state level, but doesn't address unique local cases
- There has been more growth in real property than personal property in recent years
- The last way we segment property is through circuit breaker buckets; the one percent circuit cap has seen the greatest amount of growth
- Townships currently have the highest annual growth rate with levies, largely due to establishment of fire territories
- Levies outside the controls increased more than levies inside of controls
- Schools account for the largest portion of the debt levy, though towns and municipalities are growing their debt levies at a higher rate

Q: (Rep. DeLaney) Are you suggesting that shifts from volunteer to full time service in fire units are increasing levies?

A: (Bolser) Not necessarily, it's more the increase in usage of the service.

Q: (Rep. DeLaney) What's the difference between increases in one, two, and three percent cap types in the circuit breaker bucket?

A: (Bolser) They're categorized based on property types, such as homes, residential facilities, apartments, and so on.

Q: (Rep. DeLaney) So, homeowners have experienced significantly greater burdens with property taxes than have corporations?

A: (Bolser) The data supports that, yes.

Q: (Rep. DeLaney) What's driving this increased burden on homeowners?

A: (Bolser) There are many components, but a significant piece of it are property assessment forms and AV property data.

Q: (Rep. DeLaney) Is it fair to say that there is a lack of frequency in assessing corporate properties as opposed to homes?

A: (Bolser) That may be part of it.

Q: (Rep. DeLaney) The MLGQ is limited to certain entities, correct?

A: (Bolser) Yes.

Q: (Rep. Campbell) Is it fair to say that we're not looking at resale values as much for homes?

A: (Bolser) That may be the case.

Q: (Rep. Campbell) It doesn't seem like properties are being assessed the same way across the spectrum.

A: (Crisler) We are required to use the tables, but that is a fair assessment.

Q: (Rep. Campbell) So there is a difference between how properties are being valued?

A: (Crisler) There are definitely caveats for different property types.

Q: (Rep. Prescott) Could we get this data on a county breakdown level?

A: (Bolser) Yes, we can provide that.

Jason Johnson (Office of the Governor)

- Rising property taxes are a major issue for Hoosiers
- This matter cuts across party lines and is a clear priority for our state
- The Governor is focused on providing relief to Hoosiers and reforming the system
- On average, residents will receive a tax bill this year that is seven percent higher than last year
- Homeowners are now the highest payer of all three buckets, and bear too high a burden
- The Governor has been clear that government should not grow faster than what the taxpayers can pay for
- Governor Braun supports the referendum provisions in this bill
- The ultimate goal is to provide relief to Hoosiers and reform the system in the long term

Q: (Rep. DeLaney) Is the Governor concerned that there is more of a burden on homeowners?

A: (Johnson) Absolutely.

Q: (Rep. DeLaney) So, are we moving in the direction that the Governor doesn't want to move in.

A: (Johnson) The Governor is thankful for the work that the Senate did but would like to see more work done prior to signing the bill. His primary concern is providing relief to homeowners.

Q: (Rep. Andrade) By shifting the burden from the state to local units of government, couldn't they just increase local taxes, which would shift the burden back to the taxpayers? We should be mindful about making sure that local units have the resources they need.

A: (Johnson) Point well taken.

Ella Hearath (Indianapolis Public Schools Teacher)

- I'm a math teacher, and we're lagging behind in math
- We need to ensure that public schools are sufficiently funded
- This bill would cut funds for public schools, jeopardizing our education

Andrew Bradley (Prosperity Indiana)

- A low-income property tax circuit breaker could be an elegant solution to the issue being discussed in regard to affordable housing
- Michigan has used a property tax circuit breaker since the 1960s and has been effective
- I ask you to consider this as the bill moves forward

Kellie Streeter (Knox County Commissioners)

- County commissioners are never pro-tax, but we understand the challenging balance here
- In recent years, we have continued to provide greater programs, and I'm concerned that this bill jeopardizes this
- We believe this bill will ultimately harm taxpayers

Q: (Rep. Rowray) Have you maxed out on all funding options available?

A: (Streeter) We have not and have operated within our current levy.

Q: (Rep. Judy) What percentage of your revenue comes from property tax?

A: (Streeter) About 52 percent.

Q: (Rep. Andrade) With this bill, you may be forced to cap funding for public safety?

A: (Streeter) Correct.

Q: (Rep. Andrade) Do you have a shortage of police officers currently?

A: (Streeter) We don't currently, but we want to keep it that way.

Christopher Lagoni (Indiana Small and Rural Schools Association)

- School districts have been trying to improve tax rates for taxpayers, but it is a challenging balance

Q: (Rep. Judy) What would you say about consolidation of school districts? Is that something you'd be willing to look at?

A: (Lagoni) We don't have a problem with consolidation. Ultimately, we want to make sure locals have the tools available to figure things out.

Q: (Rep. Lopez) What does it mean to give locals the tools they need?

A: (Lagoni) Last time we did this, locals could apply for grants to gain access to funds to conduct studies on consolidation. These can be helpful resources for schools to explore this. In the past, the studies did help.

(Rep. Criswell) To be clear, we're talking about consolidating school administration, not necessarily combining schools themselves. This can add tax savings for taxpayers.

Jim Meeth (Park County Commissioner)

- We try to limit our spending as much as we can

- This bill would force us to cut certain projects and services; we already operate on a tight budget
- As we go along, we ask you provide us additional tools

Q: (Rep. Klinker) How can we pass this in a way we can help you?

A: (Meeth) I don't have any suggestions for you on that. We're completely maxed out already.

Q: (Rep. Mayfield) So you are maxed out on all of your tax buckets?

A: (Meeth) Correct.

David Summers (Fulton County Commissioner)

- If bill passes as it is our county will lose \$827,000
- This last year we had to add an emergency LIT in order to fund our ambulance services
- This service is still costing us \$100,000 a month
- Our wheel tax is maxed out
- Community Crossing is maxed out to fund our roads
- If this passes we will have to cut our departments' personnel budget
- Currently on a bare-bones budget
- Need the fire protection, EMS, and law enforcement services
- Library and school services are badly needed, but may have to be cut
- I would hope we can stop this bill until we can find an alternative to the property tax cuts

Tracey Shafer (Superintendent, Danville Community Schools)

- Some provisions in the current version of the bill that would hurt small and growing schools
- This includes the MLGQ caps
- These provisions will have downstream effects on the income of teachers, spending per student, and sharing funds with charter schools
- The Danville Community Schools will be impacted by 6% of our levy in year one, 12% in year two, and 16% in year three
- Our growth is costing us approximately \$868,000 per year
- Our schools should not lose funding when our demands are growing daily

Q: (Rep. Mayfield) The cost of new students in infrastructure is what again?

A: (Shafer) It's about \$868,000.

Q: (Rep. Mayfield) But you aren't actually losing money with your ADM, right? By my calculations you will come out ahead by about \$400,000.

A: (Shafer) That doesn't factor in the inflationary aspect of taking on new students.

Q: (Rep. Klinker) What would you recommend that we could do to alleviate these burdens?

A: (Shafer) Speaking for growing schools, we need a relief valve. There are 2,400 new homes that are built or will be built in the next few years. We do not have a firm solution to account for this growth.

Wayne Barker (Superintendent, Northwest Allen County Schools)

- We have concerns with the MLGQ cap
- In June of 2024 we introduced a 10-year plan to support growth; however, this bill would inhibit us from pursuing this referendum
- We ask that this bill would allow us and others to continue the work we have started with this referendum

Q: (Rep. Judy) Where is your debt service coming from?

A: (Barker) It's coming from the growth we're experiencing.

Q: (Rep. Klinker) Are you able to retain your teachers?

A: (Barker) Yes, but our operating referendum aims to raise their salaries, since they're very low right now.

Jake Allen (Mooresville Schools)

- With the rising cost of transportation, buses, gas, and other operation fund needs, we are having a difficult time keeping up with the costs
- We either issue more geo bonds, transfer more money from our education fund, or stop running buses
- If SB 1 goes forward as is, we'll be unable to operate how we currently are

Q: (Rep. Klinker) Are you considering passing a referendum to help with funding?

A: (Allen) That would be our absolute last option.

Angel Valentin (Wabash County Trustee)

- SB 1 would have a negative impact on our ability to fund public safety
- The largest impact would come from the levy provisions in this bill
- We would lose about 400,000 dollars per year for our fire department
- As a direct result of this legislation, we'd probably lose four fire fighters

Q: (Rep. Campbell) Can we continue to provide sufficient public safety services as our population grows with SB 1?

A: (Valentin) With this bill, we'd only be able to provide four to five fire fighters per shift, when we really need about 7 to keep up with the needs of our community. Ideally, we might even have 9 fire fighters per shift.

Q: (Rep. Criswell) How many paid fire fighters do you currently pay?

A: (Valentin) We would have 15 paid fire fighters by next year, which would allow for five per shift. We rely heavily on mutual aid and are trying to keep up with our population growth.

Q: (Rep. Klinker) Is Fairfield Township going through a similar situation?

A: (Valentin) They are going through a similar issue. They're going to lose funding primarily for township assistance.

Q: (Rep. Lopez) When you say you'll lose fire fighters, you mean you'll lose your ability to add new fire fighters next year?

A: (Valentin) Correct. We would have to freeze our ability to add new fire fighters as our communities continue to grow.

Jordan Orwig (Rego County Public Library)

- Libraries provide great education and programming opportunities
- We have received numerous requests for upgrades from our community
- SB 1 would restrict our ability to serve our communities

Q: (Rep. Pfaff) How do people use library computers for work or to find jobs?

A: (Orwig) Libraries provide space for people to have internet connection, to work, and to search for employment regularly.

Fonda Owens (LaPorte County Public Library)

- Libraries are crucial for providing services to community residents
- Residents use our libraries for a range of activities, from entrepreneurship to retirees mentoring younger residents
- SB 1 will severely impact this local economic activity

Vanessa Martin (Indiana Library Federation)

- Opposes bill in current form
- SB 1 will exacerbate funding issues already existent for libraries
- Access to library services goes far in improving residents' quality of life, including reading and educational growth for children
- We don't want to cut these strong programs

Julie Wendorf (Crowne Point Community Library)

- Public libraries provide important resources and programming to our communities
- Libraries face increase costs; SB 1 will force us to cut costs

Angie Birchmeier (Marshall County Auditor and Auditor's Association)

- We have concerns on the tax deferral program and language around property taxes

Q: (Rep. Rowray) Were these technical concerns brought up on the Senate side?

A: (Birchmeier) I don't believe so.

Q: (Rep. Slager) What are your concerns with the deferral program?

A: (Birchmeier) Partially, we're concerned about the administrative burden this might place on auditors.

Florence May (Vernon Township Trustee)

- We're concerned about the levy growth limits

- Government units are struggling to keep up with growth and increased need for public safety programs
- We have incurred some debt, but enhancing our programs is paying off
- Our concern with SB 1 is the impact of loss from the maximum levy and the no growth appeal; there would be no way for us to keep up

Q: (Rep. Campbell) How much does equipment for the fire department cost annually?

A: (May) We just replaced all of ours and it was a few hundred dollars. It will last about 10 years.

Q: (Rep. DeLaney) Do we really need nine townships in your county?

A: (May) I think a lot of us are asking questions about mergers.

(DeLaney) That could help cut costs, and I'm encouraging us to use your county as an example of what we've got to address here. I think this is a driving factor in tax problems.

(May) We're all very open to that conversation, but it is a complex discussion.

Q: (Rep. Heine) Do you want the state to make the consolidation decision, or should it be a local decision?

A: (May) I think it should be at the local level.

Q: (Rep. Judy) Would there be legislation needed to transfer funds from a township to a fire district?

A: (May) We have done that before, so there isn't more money for fire in the township.

Brad Boswell and Fred McWhorter (Franklin Township Community Schools)

- We're offering a solution for school funding
- This solution would allow local schools to take ownership of their finances

Q: (Rep. Thomson) This would make the debt rate go higher, correct?

A: (McWhorter) I don't believe so. We've done a lot at the school board level to cap our debt. This waiver would allow us more flexibility in our operating fund. The tax bill doesn't change a bit.

Terry Spradlin (Indiana School Boards Association)

- Opposes bill
- SB 1 would have negative impacts on school funding
- The potential loss of levy dollars would be detrimental to school corporation's ability to adequately fund schools
- School corporations are constrained to transportation, utilities, and insurance costs in our operation funds, with little left over to address other needs
- We're also concerned about teacher pay
- SB 1 removes tools we have to manage our funds

Q: (Rep. Criswell) Are you opposed to school administration being consolidated?

A: (Spradlin) We support local control. There is no evidence that shows that consolidation of school administration yields meaningful savings.

Q: (Rep. Prescott) When should the state step in when school corporations aren't operating effectively?

A: (Spradlin) We're closing schools where we need to, but I think this will make it more difficult for schools to make tough decisions and manage their financial situations.

Q: (Rep. Heine) You're telling me that we need three superintendents for three districts in Adams County?

A: (Spradlin) There could be short term cost savings, but there can also be costs associated with consolidation.

Q: (Rep. Klinker) What would you change in the bill with referendums?

A: (Spradlin) We currently have options to have special elections, municipal elections, and general elections. SB 1 would delay our ability to address issues through elections as they arise. There can be a compromise on this.

Q: (Rep. Thomson) If the referendum passes in the spring or fall, when would the money become available?

A: (Spradlin) It would become available the following spring.

Q: (Rep. Campbell) How many schools might be impacted by the change in schedule with having a referendum?

A: (Spradlin) I don't have the exact number, but with this situation, it would be better to have a referendum earlier rather than later.

Maggie McShane (Indiana Association of Realtors)

- Supports bill
- Homeowners are also concerned about rising costs
- Please consider continuing the discussion around making local governments more efficient
- Our low property tax environment is beneficial for the state, actions to preserve this environment is an investment in Indiana's future

Q: (Rep. Campbell) 48 dollars a year really doesn't seem like a huge benefit to homeowners; is this really worth the risk?

A: (McShane) We support fair and accurate assessments and protecting homeowners from having to take on additional burdens. If we can provide relief to homeowners, it is worth it.

Q: (Rep. DeLaney) What do you do in an environment of rapidly increasing assessed values? How can we better deal with this?

A: (McShane) The answer is increasing housing inventory at all levels. We haven't kept up with the demand for housing, so building more affordable housing can help.

Q: (Rep. DeLaney) The idea of doing that is a good idea. Are you suggesting that we need gentle restraints on local zoning? Can we give the locals more incentives for providing higher density

housing?

A: (McShane) Yes, providing incentives to increase affordable housing could be a positive thing.

(Rep. Prescott) It does seem like meaningful property tax relief is one of the greatest priorities we can address for our constituents. SB 1 is a temporary solution, but I hope we can work on long term solutions in the future.

Katrina Hall (Indiana Farm Bureau)

- Supports bill
- We would like to work on the language for net income
- Changes in the farm bill also need to be reviewed and considered with this
- Controlling levies is important, and we do have an assessment problem that needs to be addressed
- The state of the agriculture economy is challenging, and tariffs may make things worse; so, we do want to make sure not to further jeopardize that with SB 1

Mayor Sharon Tucker (Mayor of Fort Wayne)

- Fort Wayne has been a good steward of the resources provided to us
- We have also leveraged grants to prevent having to put burdens on the taxpayers
- Property tax is a tool for our budget planning, switching that model would change our budgeting
- I'm confident that we can come to a consensus on this if we work together

Q: (Rep. Heine) Would you be able to backfill if SB 1 passes?

A: (Tucker) We would have to look at reducing amenities and not bringing in new classes in public safety, but we could look at longer term solutions, like attracting new businesses. If we had a bit more time with this, it could give us more time to plan.

Mayor Bob Courtney (Mayor of Madison)

- Property tax revenues make up less than 50 percent of our annual operating budget
- Much of this goes to support our police and fire
- New investments will help us increase our revenue growth, but keeping up with inflation and rising costs is already difficult

Mayor Dermody (LaPorte, Indiana)

- Was not long ago that I sat in the seats you did weighing property tax relief
- I voted for the tax caps
- More dollars belong in the pockets of Hoosiers
- A business could not take a 30% reduction in their revenue and be expected to perform normally
- We have taken advantage of the tools in our toolbox to bridge the gaps
- Has implemented a wheel tax and a LIT
- Has removed property tax reliance for entities we believe should be self-sustaining
- Let cities make their own decisions

- Allow our elected officials to make the decisions they believe are best for their community
- Myriad of other reforms in terms of tax payer dollars
- Seniors and veterans need tax breaks if we are to go forward with this

Q: (Rep. DeLaney) You seem to feel that you are hampered by your limited ability to make decisions on your own in terms of taxation. What can we do to help free you up?

A: (Dermody) We were losing our first responders to neighboring cities. I had to go to the county council who said that they won't do anything. I needed to go to the trustees, local councils, etc. to get the county to support the idea. Our city council is duly elected, and they will make the decisions and be accountable to our citizens.

Q: (Rep. DeLaney) So you want more authority to raise taxes on your own?

A: (Dermody) Yes.

(Rep. Jordan) It's not just a property tax issue, it's a governance issue. A county council or yourself could lower the rate, and the tax bills don't go down. We have to improve our governance.

(Dermody) We need to focus on efficiency in how we organize our governance. Cities should be held accountable, but moving forward, give us the authority to do what we think is right.

Q: (Rep. Andrade) Based on the current format of this bill, do you see it being a challenge for your funding for public safety?

A: (Dermody) We lose new money as the bill exists as it left the senate. We don't lose current money, but future money. Our firefighters are carrying seniors down the stairs for dialysis because the retirement home's elevator is broken. It has a big impact.

Q: (Rep. Andrade) LaPorte is growing, and your police and fire responsibilities will grow as that happens. What we do here will severely impact that.

A: (Dermody) That is correct. Microsoft is also coming to LaPorte. I should not have to go to the county council in order to hire more police officers.

Mayor Marsh (Greensburg, Indiana)

- Has been making investments in our people and place
- With increased Assessed Values (AV) it is harder to do
- Our impact over the next three years is \$3 million
- This will leave us about \$900,000 short of our expected budget
- This change leaves us uncompetitive
- Our general fund is six sheets long, it is not hiding anything
- I stand in public more than any other elected official in our community, I know what the people are asking for
- They don't talk about property taxes as much as they talk about quality of service
- We do need to have targeted relief, but we should reconsider how we do it

Mayor Moore (Kokomo, Indiana)

- Served 11 years as Howard County Commissioner

- Inflation of costs for maintenance and equipment have gone up by around 20% across the board
- We still have a need to pay these bills, but if this goes forward we will struggle to meet the agreements we have set
- Kokomo fire and police departments will have to drop their personnel by 40%
- When infrastructure crumbles the rate of crime goes up

Campbell Ricci (AIM)

- The excess levy appeal is a better option than the one year referendum option
- The process for dealing with excess growth would be very difficult to administer and the timing would be off
- The other big part of the bill is the MLGQ freeze
- The portion of this bill that goes after the general fund the most doesn't target the levies that are most unregulated
- Supports the targeted relief, but we should focus on those areas of the bill

Scott Shmal (Lake County Finance Director)

- Did some analysis across the state regarding the shift in tax burden
- My brother called me and said his tax bill went up 20%
- There was only a 4% increase in levy and he lived in unincorporated territory
- The certified levy rose at a 5% annual growth rate
- This all leads to a disproportionate levy rate
- We don't hear much about the 3% AV's
- Their growth rate on levies was about 3% in total
- The 1-2% AV's rose 50% over five years
- U.S. Steel's land value has been consistent from 2008 until now
- If you don't change the allocation process you won't achieve your desired result
- A summary of this analysis was covered by the Indiana Capital Chronicle
- I am happy to share my data with you
- It's an obvious math problem, how you want to address it is up to you
- Cutting costs and allocation is one way to do it, but it won't be effective unless you address the assessment issue

Debbie Driskell (Indiana Township Association)

- Wants to focus on the potential impact to Hoosiers who may need assistance for life-saving services from their trustee
- At Delaware Township, we are operating on \$474,000
- Our balance is reliant on several streams, including LIT
- We cannot spare the estimated \$130,000 loss and continue to provide the services that people rely on
- Must remember that when we cut, needs don't go away
- We are the unit of government that cares for seniors and the disabled who survive on \$1200 a month

- Assist people on the worst day of their life, bury people who are indigent
- Indiana cannot turn away those who need us
- Exempting funds that are used for emergency services is a good idea

Q: (Rep. Judy) I have always been a fan of township government. Fire districts are being created. Can the responsibilities of the township be pushed to the larger jurisdictions?

A: (Driskell) It depends. The needs of the township will shift from place to place. We have the infrastructure already in place, with the necessary investments in training for our staff. We are looking at ways to be more efficient.

Q: (Rep. Heine) Why don't you execute these ideas?

A: (Driskell) The association has pushed the idea of merging for years. We have one successful merger of three townships to one in Johnson County. The barrier for the merging seems to break down between units with differing tax rates. We can show how you can do these things. We would like to have the state place more incentives to make that happen.

Andrew Berger (Indiana Manufacturers Association)

- Represents business tax payers
- Property tax reform is needed
- Our request is to put us in a position to have a pro-growth property tax position going forward
- Tariffs are going to be impacting the costs of our businesses
- My industry is very capital intensive, and capital investment will be the key to promoting growth

Rachel Burke (Indiana PTA)

- Opposes changes to tax rates in bill
- Represents taxpayers
- Need to look at the change in school funding since 2020
- All of the federal money is gone
- The budget is not currently giving us an increase
- All of this is going into school funding formulas at one time will be incredibly destructive to school districts
- This House and the Senate determined that the reading crisis was so extreme that the third graders that did not pass IREAD were to be held back
- At the same time you are saying that we need less money
- We cannot do more with less

Ryan Hoff (Association of Indiana Counties)

- Our members are not deaf to concerns about property tax increases
- 58 Counties are also using local income taxes to help lower the property tax weight on their denizens
- Several targeted AV deductions have been implemented in recent years
- Indiana is already top five in tax environment, but the legislature has already been very active

- 50% of the property tax base has been made up of residential AV
- The spikes in that group were not uniform across the state
- Where property taxes did spike, was it growth in residential AV, or was there a fire district established?
- Counties have growing costs, not just inflationary
- Property taxes are increasing in those counties

Richard Ring (DeKalb County Council)

- Councils rely on property tax funding to maintain basic infrastructure and a skilled workforce
- Some county workforce salaries are mandated by the state, others are reliant on the tax rate in the county
- DeKalb County is blessed to have multiple sources of property tax sources than other counties
- We have delayed a new jail until the bonds for our correctional facility in 2028
- Several years ago we hired a financial advisor to develop a plan

Gina Leckron (Habitat for Humanity of Indiana) and on behalf of Ambre Marr (AARP Indiana)

- Represents the lowest income homeowners in the state
- The assessments have gotten out of control on many of our homes
- Seniors are facing the same tough challenges
- Many are making the decision on whether they can afford medications or food or will be forced to be homeless
- There are some strong merits in allowing towns to make these decisions on their own
- Supports this in spades
- Much better solution than payday lending or reverse mortgages
- Goal is to keep homeowners in their homes
- Please do not go beyond the \$10,000 cap in that bill and stray no further than the 4% rate in that bill

David Finkel (Shelbyville Central School Board)

- Understands the tax before you
- Limiting taxes is a good thing
- Shelbyville Central Schools may struggle to provide adequate access to public education given the way this bill is built
- Shelbyville has an ADM of just under 3600 children
- Would hope that you would consider easing the burden on schools
- Children rely upon people like me to provide them the best services and transportation that we can

Joanna Franklin (Crooked Creek Alert Organization)

- Not the only large organization in Indianapolis
- We are the service information conduit for thousands of people
- Our constituents demand that HB 1229 be added as an amendment
- Law abiding home owners and renters are tax out or away from home ownership

- This creates a negative backlash against every single one of your constituents
- Handicapped new homeowners are being devastated
- Retirement homes raise backdoor maintenance fees to account for these tax hikes
- Before now we had no feasible plan
- HB 1229 covers community concerns without creating more than is needed

James Bigalow (Citizen)

- Opposes bill
- Would support SB1 by incorporating HB 1229
- Taxation is unrealized gains on property

Penny Marilyn Bigalow (Citizen)

- This is the number one problem in this legislature
- HB 1229 is the perfect solution to eliminating property taxes
- This would be solved with a simple 7% increase to sales tax on services
- This would replace all of the property taxes while generating an additional \$12-16 million over the next few years
- The schools would be fully funded with this bill
- You need to amend this bill to allow the elimination property taxes
- Homeowners can truly own their own home and live in it without fear
- The state wins because businesses will have increased revenue to the state
- Every legislator will want to vote for this because this is what the voters want

Jason Shelley (American Institute of Architects)

- Opposes bill
- The longer you wait to build or improve schools, the more expensive it will be
- All school corporations will be forced onto the same timeline for construction if we limit the school construction referendums which will further increase costs

(Rep. Thompson) Next week at this time we will hear SB 1 again as if it were amended with the language from HB 1402. We will not adopt the amendment today. There will be a time to offer amendments. For me to drop an amendment with HB 1402 and just adopt it is bad process. We will take public testimony on a proposed amendment for discussion only. I will probably revise that and maybe hear it again.

Q: (Rep. Mayfield) Would it be a strip and insert?

A: (Rep. Thompson) That's a good way to look at it. We may do this again more than one time. The public should have a chance to comment.

Q: (Rep. Prescott) So a chairman's amendment next week and then a time for public comment later?

A: (Rep. Thompson) That is correct.

SB 518 - SCHOOL PROPERTY TAXES. (ROGERS, L)

Sen. Rogers

- I thought Senate Education meetings were long, but you guys take the cake
- Over the last few years I have carried a lot of legislation that carries charter schools
- You have in your packets some of the FAQ that I hear
- Charter schools are public schools
- They are legally prohibited from turning away any students
- Any child eligible to attend a public school in Indiana is also allowed to attend a charter school
- Charters are held to multiple layers of accountability
 - Their boards are made up of local members with specific areas of expertise
 - These charters are held to the open door law
 - If a school authorizer finds that a school is not performing well financially or academically, it can order the school to close
 - All audits of a charter school are publicly available on the State Board of Accounts website
 - Charters do not receive the same funding but are held to rigorous standards that public schools are not
- When it comes to other school levies, all existing debt service money is grandfathered and cannot be shared
- Only if a district chooses to raise new money will it be shared
- This legislation makes provisions that if a charter school would close, they must return any existing funds and repay any existing debts
- Indiana has long supported school choice as every student is different
- Public charter schools have long been one of those choices

Q: (Rep. Porter) Do charter schools have to accept everybody even if they don't have room?

A: (Sen. Rogers) If a charter school does not have room for all of the students that want to attend, they hold a lottery.

(Rep. Porter) Public schools take everybody.

Q: (Rep. Pryor) We have had several charter schools that have closed mid-year. We are giving them state money, now they are going to get part of the debt service money. They are able to get property tax money, but they can close at any time, which they have. What kind of accountability does that speak to?

A: (Sen. Rogers) There are schools that have closed, and maybe that's a good thing. The authorizer or they themselves may close. Traditional public schools may never close if they are not doing well. There are procedures for the dollars if the charter school closes.

Q: (Rep. Pryor) I am not aware of any traditional schools that just close when students show up and weren't told it was closing. How can we hold charters accountable to not leave parents in a lurch if we are continuing to give them more and more dollars?

A: (Sen. Rogers) There is the additional accountability in the bill.

Q: (Rep. Pryor) In the paperwork there is the requirement that 90% of the charter schools teachers have to be licensed. If 90% have to be licensed, 10% then don't have to be licensed.

A: (Sen. Rogers) Charters would prefer to have 100% licensed schools. In traditional public schools, many of the teachers are there on emergency permits.

Q: (Rep. Pryor) When charter schools first came about, before they happened, the one thing they advocated for their existence was that they could do a better job without the same amount of money. Now, are charters saying they cannot do a better job with a lesser amount of money? How are they justifying themselves now?

A: (Sen. Rogers) I was not in the General Assembly at that time. For years they have been doing better than the traditional publics in several cases.

Q: (Rep. DeLaney) You correctly stated that the boards of the schools must be not-for-profit, but what about the operators?

A: (Sen. Rogers) The operator doesn't get paid. The operators could be for profit but I don't know. There's no profit in a charter school.

Q: (Rep. DeLaney) What about the buildings? Can the building owners be for profit?

A: (Sen. Rogers) That is correct.

Q: (Rep. DeLaney) We just had a guy plead guilty for stealing \$750,000 from a charter school he operated. Before that there was \$100 million stolen from a virtual charter school. Are you confident in your controls to keep on top of that?

A: (Sen. Rogers) This bill does not touch virtual schools, but I am confident.

Q: (Rep. DeLaney) What will the transfers cost?

A: (Sen. Rogers) I don't know how much the transfers will cost. Traditional publics have been garnering tax dollars for years for not educating students not enrolled.

(Rep. DeLaney) What we are doing is asking the state to buy out the local obligation to fund the charter schools.

(Sen. Rogers) I look at it different. The dollars will follow the student.

(Rep. DeLaney) The dollars will follow the school board who I elected which will then follow the student. That's a big difference.

(Sen. Rogers) There will be a public watch guard for these boards.

(Rep. DeLaney) Charters have been getting the benefit of the transfer of funds from the public to the charters for year. This body approved that years ago. There will be no elected body that will approve those transfers now. The school districts that you are hurting are not the ones that are doing well. These may be public schools but they are not ordered as a uniform system of common schools by our constitution. I swore a constitutional oath, but not to the system you have built up.

(Rep. Porter) Charter schools get \$52 million per year from the state. For a point of clarification, that is what they get. If it's not there, it is augmented by the state.

Q: (Rep. Pryor) For the debt service that traditional schools are going to go through to go out for the bonds, shouldn't charter schools have to pay a part of that as well? Why do only the public schools have to pay for that.

A: (Sen. Rogers) When it comes to existing debt, that amount will be subtracted from the property tax amount before it's paid out. For new debt, they will have to pay.

Q: (Rep. Pryor) Could there be a mechanism to hold back money to ensure that the charter schools pay?

A: (Sen. Rogers) Yes there will be.

Dale Pottle (Student)

- This would not only cause 20 schools to close within IPS, but would cause students to be denied opportunities
- IPS helped me and my educational journey by allowing me to pursue internships in architecture
- My little brother, who has dyslexia, would suffer greatly as these cuts would not allow teachers to give him the attention he needs

Joseph Salinas (Student)

- A former teacher wrote an opinion article published by the Indianapolis Star
- While charter schools should accept any student that wants to attend, they often don't
- Many charter schools do not have special needs programs, and those that do operate through IPS's infrastructure
- How do you support school choice for a school that does not choose you?

Q: (Rep. Campbell) Do you have classmates that have gone to a charter school and then came back?

A: (Salinas) I don't have personal stories from friends, but my mother taught at one. Even though she loved being a teacher, she had to leave the field because of the way that Paramount Charter Schools was run.

(Rep. Campbell) I had a Paramount Charter School open in my district. Within a month they sent the entirety of the student body back to public schools.

(Rep. Porter) Your last comment, on having to be chosen, is very powerful. I know what Indianapolis Public Schools are doing. They are providing a great service to our communities.

Keegan Williams (Student)

- Have had several family members graduate from Shortridge High School
- I will be attending West Point this year and I credit IPS for that
- IPS does very well with the AP
- Some students struggle with English as a first language or may not be able to afford a private education
- IPS has a reputation for turning out poorly performing students

(Rep. Andrade) You spoke very eloquently without notes, so congratulations on that.

Zachary Agradbadi (Student)

- I commonly hear that IPS underperforms
- This is not true
- Going to Shortridge, I am surrounded by the most diversity I ever have been
- Shortridge is an International Baccalaureate program High School
- This means that those students who attend who are homeless have the opportunity to earn an IB diploma and pull themselves out of that life
- Some students believe they can't succeed because of where they are in life, and this program allows them to rise above it

- This program should not be defunded

Joel (Student)

- I attend a charter school
- Charter schools have shown me what I can achieve
- College is the typical path pushed to kids
- My school have allowed us to pursue cosmetology degrees, Ivy Tech classes, etc.
- My first charter school changed me from a foolish kid into a confident adult
- One of my friends came in on a 6th grade reading level, and left at an 11th grade reading level within his freshman year

Ashton Wilson (Student)

- Charter school students are predominantly from low-income families
- I used to think I didn't have a chance to do something great
- My family has not had much education because of their income
- I will be the first person in my family to attend college
- I have many teachers and other students there to support me at my charter school
- Every student deserves an equal chance to a fair education

Rimond (Student)

- My charter school provides the best opportunity for hands-on learning
- Coming from a single parent household with nine siblings, I did not expect much of myself
- I could not do this alone, I rely on the school to help me reach my goals
- Our schools should not be something we struggle with, but something we can rely upon
- Please support equitable funding for charter schools

Dave Eppershall (Teacher)

- Have been teaching hands-on learning for the last decade
- We have seen the best improvements in student outcomes when we allow them to have their hands on their work
- There is 180 days of parents choosing to come to our school
- 1700 families choose us to come to our school
- On average, charter students receive \$3000 less than public school students

Q: (Rep. Klinker) As a teacher, is your salary commensurate with a teacher in a public school?

A: (Eppershall) I believe it is.

Cynthia Williams (Citizen)

- I am a former IPS student, and parent of an IPS student, and a teacher in IPS
- This bill will defund public schools
- I did some research into the proposal of the authors
- I found that one of their largest contributors to their campaigns was a charter school PAC
- That money comes from outside of the state

- The districts that these authors represent have less charter schools combined than those located in Marion County
- Controlling all other variables, the two things that make the most difference for our students is teacher preparation and parent involvement
- The IB curriculum at Shortridge is pretty amazing, and if this goes through, they won't be able to afford it
- Shortridge is the only public IB school in the entire United States
- I have one son at the United States Naval Academy, and the other will be going to West Point
- Traditional public schools must be funded so that teachers can be supported and parents can be involved

Krystal Salgado (Citizen)

- Supports bill
- When my son was in third grade, he began to struggle academically
- I have changed school three times since then
- At one point we found a school that met his needs
- That school had less students, and he was more comfortable
- Unfortunately do to that lack of transportation, I could not keep him at that school
- Not all schools are funded equitably
- Not all charter schools can afford to remove the barrier of transportation, and they should be

Ara (Citizen)

- Single Mom
- It took my public school three months to diagnose my son with dyslexia
- My son transferred to a charter school so that he could get the attention he needs
- If transportation is taken away, my son will no longer be able to afford this school

Tina Algren (Citizen)

- Opposes bill
- There will not be a major bump in compensation for the charter schools
- This takes away \$1500 from IPS, gives \$1400 to the state, and \$100 to the charter schools
- This is not about funding equity and sharing the pie
- This is a smaller pie due to Governor Braun's budget
- We do not know what the budget for schools will actually look like
- Without a limit on new charter schools, we cannot know how many people we'll share the pie with
- If the state wanted to help the charter, they could have increased the charter school grant and placed a moratorium on new charter schools
- This will not help kids, which is our goal here

Rachel Kenneman (Hoosier Human Rights Initiative)

- Opposes bill
- Education, and quality education, is extremely important for our children

- Public schools are the most important investment we can make in our future
- I was able to graduate with 24 college credits
- I spent several days after school waiting an additional hour for a bus to finish dropping off other kids so that it could come back and pick us up
- Charter schools may do well educating, but forcing public schools to share their funding so that the state can save money is not the solution
- This bill would be a net loss to education overall

Q: (Rep. Mayfield) I think it's wonderful that all of these students have come here with differing opinions on this bill. It does make me wonder then, was this part of the curriculum? How are all of these students suddenly aware of this bill. How did you become aware of this bill?

A: (Kenneman) Social Media.

Q: (Rep. Mayfield) So you saw it on social media and that caused you to look further into it?

A: (Kenneman) I spent three hours researching and coming up with my opinion about it and how I would present it to you.

Q: (Rep. Klinker) What school do you attend?

A: (Kenneman) Right now I go to IU Indy, but I just graduated from Decatur Central High School.

Will Pritchard (Former IPS Board Member)

- Not one school is adequately funded, charter or public
- The special ed deficit at IPS is \$17 million a year
- The English as a second language deficit is \$6 million a year
- I cannot fathom why we would take money from an underfunded school and give it to another underfunded school
- All schools that receive public funding should have to follow the same requirements surrounding transportation, teaching requirements, etc.
- IPS needs to decide a holistic vision for how we are going to establish education
- In all of Hamilton County, there are 6 charter schools, in Marion County, there are more than 50
- Before we get into funding, we need to decide what structure is best for students

Adrian McCloud (Teacher)

- Has spoken to many teachers in different disciplines
- Arts and music education will be cut from our public schools
- This will not only have profound effects on our students education but also our economy
- Indiana is the marching band capital of the country
- This brings over 50,000 performers alone, not to mention their families and viewers, to Indianapolis
- The ISMBA championship has brought well over a million spectators to Indiana every year since 1973

Kathrine Moutht (Citizen)

- I am terrified of what SB 518 will do to my children's schools

- This bill will take away millions of dollars away from public schools and ship it to charter schools without any accountability for how those dollars are spent
- \$80 million and 20 schools will be lost by IPS by 2028
- Public schools are the heart of our communities, they welcome all students

Hillary Vargo (Citizen)

- I have three kids at IPS
- They have all scored well above their grade level, and IPS is responsible for that
- IPS and what the IB degree does for students is given them strength to take on the world
- My oldest is at Purdue on a full ride, and IPS is responsible for that
- I am a certified sign language interpreter
- The reason that I am called into public schools instead of charters is because public schools take all disabled kids
- The grant should be enough for charter schools
- The taxpayer dollars left to IPS will not be enough for transportation
- The kids that came to speak today love their schools

Alejandro Semeniego (Teacher)

- Opposes bill
- The four Shortridge students who spoke were students of mine
- They became aware of this bill on their own
- They come to us with this information and all we have done is direct them to where their concerns could be heard
- This bill recklessly divides our public tax dollars
- The Indiana virtual school scandal defrauded Hoosiers of \$85 million
- Across the nation, charter school fraud has cost taxpayers over a billion dollars
- Forcing schools to close is not in the best interest of children

Allissa Impink (IPS Board of Commissioners Member)

- Opposes bill
- Projections indicate that we will have a \$96 million loss from property tax revenue through 2028
- We will be forced to eliminate 56 bus routes
- Without adequate time for proper planning or transition support, we recommend a moratorium on new schools opening in Marion County for at least two years

Deandra Thompson (IPS Board of Commissioners Member)

- Opposes bill
- Our district has a rich history of collaborating with charter schools to uplift underserved communities
- The partnerships have not only increased educational quality and raised significant property tax revenues
- If property tax sharing is to be a reality, we ask that it be enacted over five years to enact a smooth transition

- We know the fight is not against the schools we send our children to, but establishing good funding for all

Ashley Thompson (IPS Board of Commissioners Member)

- Opposes bill as written
- Would like to see a local education council
- It is essential that IPS receives full reimbursement for services provided to charter schools
- Charter authorizing should only be approved locally
- We are committed to collaborating with state and local leaders to ensure that all children receive the education they need
- We should fund all of our schools equitably and in abundance

Aleesia Johnson (Superintendent, IPS)

- I feel sad that these students had to be here
- There is a way to solve this problem without pitting neighbors against each other
- 31,000 families have chosen IPS
- Today, due to no choice of their own, these families' choices are being threatened
- As I previously shared, the loss of funding will be \$84 million schools
- We will be forced to close schools, eliminate transportation options, and eliminate staff positions
- What happens next?
- Our students with disabilities, who are new arrivals to this country, our staff, and others will be left without options
- The debt service option has not been addressed thus far
- There will be severe delays in maintenance to our buildings
- You will never hear me advocate against students getting what they need, but the solution cannot be taking from one and giving to the other

Q: (Rep. DeLaney) I have never seen a more complex set of facts and factors than here. In the IPS system, there are Innovation Charter Schools, right?

A: (Johnson) Yes.

Q: (Rep. DeLaney) What is unique about those kinds of schools?

A: (Johnson) Additional flexibility, and their own boards.

Q: (Rep. DeLaney) So you contract with these schools and provide transportation and buildings.

A: (Johnson) Yes we contract with them. We provide them with buildings and transportation, but we do not get reimbursed by them.

Q: (Rep. DeLaney) This is a unique model, is this a deal made anywhere else in the country?

A: (Johnson) No.

Q: (Rep. DeLaney) So not all charter schools have partnered with the district. There are 28 independent charter schools that have contracted with IPS. Those 28 schools will have their buildings and transportation assets at risk with this bill, right?

A: (Johnson) That is correct.

Q: (Rep. DeLaney) So there is not war here, right?

A: (Johnson) There was not one until there was legislation that pitted them against each other.

Q: (Rep. DeLaney) Are you aware that folks in my neighborhood, which is near the Governor's Residence, fight to get in your school?

A: (Johnson) I have been made aware of that. School 84 in particular. We have to serve all students. You will find intensive intervention for students with autism or EL students, or special education students. It is our moral and legal obligation to help those students. We think that the diversity of our district is our strength. We have worked very hard, particularly this year. Band, arts, algebra in 8th grade are all programs we have worked hard to keep around. This bill chooses us to have to say that we deserve money and others don't, when the truth is that all of our schools deserve to be funded.

Q: (Rep. Pryor) You mentioned all of the services that IPS provides to the charter schools in your network. You receive the property taxes, but the charter schools also benefit from the property taxes. Even though they may not be receiving the money directly, they are benefiting greatly from being a part of your network, right?

A: (Johnson) That is correct.

Q: (Rep. Pryor) So this bill would be double dipping if you continue to provide these services, right?

A: (Johnson) That is correct. They are receiving the benefit of us maintaining our buildings and the referenda we put up.

Q: (Rep. Pryor) Has there been a discussion on what impact this is going to have on students getting to class? Will this increase student absentee rates?

A: (Johnson) Our team has started to do some estimation. We think we will have to eliminate 55 bus routes which will impact 3300 students. We have transferred 1500 students to IndyGo. We have triaged students. Being efficient is not the same as keeping kids safe or ensuring that students getting to school every day.

Q: (Rep. Pryor) If you used IndyGo do you pay or does the parent pay?

A: (Johnson) We do right now.

Q: (Rep. Porter) In regards to capital projects, if you want to do a capital project, you have to do a referendum, right?

A: (Johnson) Yes.

Q: (Rep. Porter) You don't get any dollars from the state for capital projects, but there is a fund for charter schools for capital projects, right?

A: (Johnson) Yes.

Q: (Rep. Porter) Charter schools get \$25 million per year for capital projects, right? As a line item in the state budget?

A: (Johnson) Correct.

Jesse Brown (Indianapolis City County Counselor)

- Opposes bill
- Opposes charter schools
- I taught for several months at a charter school, and my lesson plans which had no oversight harmed children
- This bill would kill IPS
- This bill is not a matter of debate
- I had breakfast with a person who is a proponent of charter schools

- This will leave our families and their children with less choice, oversight, access, and recourse

Hillary Brown (Citizen)

- Opposes bill
- IPS would lose over half of its funding
- Leaves schools with no oversight
- This would eliminate local control

Michelle Pleasant (Citizen)

- Opposes bill
- Public school is my choice
- The consequences of this bill are real, not hypothetical
- If this bill passes, IPS would have to close schools, leaving thousands of students vulnerable
- We have seen that many of these charter schools lack stability and oversight
- There is no one that makes sure that the funds are properly returned when these schools do close

Guthrie Meyer (Citizen)

- Opposes bill
- Resident of Rep. DeLaney's district
- Although needs of people in charter schools I don't think this bill's services the needs
- Would close 20 schools in IPS
- No one has said those facts are incorrect
- You should retitle this as an act to close 20 schools in IPS
- One thing more lasting than marble and brass is a good education system

Davison Robie (Citizen)

- Opposes bill
- We love the choices offered by IPS schools
- We just made major changes to the K-8 model at IPS
- Time, effort, and multimillion-dollar investments have rewarded my family with pride and progress
- Challenges a school faces are not a result of lack of dedication but symptoms of challenges children and community face at home
- Eliminating funding for some students does not help outcomes for the reads
- Teachers need stability, accountability and further investment

(Rep. DeLaney) No one has defined Rebuilding Stronger. It was created to rebuild the school in terms of building equity. Your summary of the challenge urban schools face was right on the money, and we need to remember that.

Kate Scott (Citizen)

- Opposes bill
- I don't like to decide who gets smaller pieces of pie but I will choose a side
- Both charters and public schools provide my children a good education
- Charter school did not need more funds
- Giving away district money to charters on top of already existing funds will provide a pittance of extra for charter schools
- Don't think bill is good for any of these schools
- If neighborhood schools fail, charter schools fail

Jean Hitchcock (Executive Director, Signature School in Evansville)

- Supports bill
- Purpose of Signature School is to serve motivated students
- Students come a wide range of background
- Signature attracts families from across the nation and across the world
- Ranked No. 2 best high school in the nation
- Receive about \$2,000 less per student than traditional public schools
- Half classrooms lack smart boards
- 50% of our students have access to a laptop
- Exploring possible middle school but held back because of funding
- Sharing property taxes would change the game

Q: (Rep. Klinker) How do your students get to school?

A: (Hitchcock) We don't offer transportation. Some take public buses or some drive.

Q: (Rep. Klinker) Do many students not attend because of transportation?

A: (Hitchcock) Not really. Been told a couple times parents will wait until child can drive before enrolling.

Q: (Rep. Campbell) When you located to Indiana, you knew what the funding structure was, and you decided that was adequate?

A: (Hitchcock) It's a question of fairness. Not sure why students here can't have smart boards or laptops. We chose to initiate this schools. We've done a good job. We could do more with equitable funding

Q: (Rep. Andrade) Do you have other charter schools around the country?

A: (Hitchcock) No.

Hannah Marley (Crispus Attucks High School teacher)

- Opposes bill
- You do not see what the impact really looks like for these bills in public schools
- Not all students are motivated and sometimes as public school teachers you don't know why
- Problems at home are causes for challenges in urban schools
- Will charter schools be held to the same accountability?

- Each school is built on human relationships
- Relationships take time to develop
- That is the price of this bill
- What's the price of 20 schools closing without a replacement?
- Loss of safety, structure, trusted adults
- Lots of fear from teachers over losing their jobs

Anna Merrick (Inspire Academy in Muncie)

- Supports bill
- Property taxes would greatly help our learners
- The impact is minimal to Muncie Community Schools
- Muncie schools receive 13.21 million in property taxes
- Only \$3.17 million is remaining after debt service
- Only 1.2%, 2%, 4% decreases for Muncie schools
- Local government forces charters to do more with less

Q: (Rep. DeLaney) Muncie schools are run by Ball State right?

A: (Merrick) Yes, so?

Q: (Rep. DeLaney) Do Muncie schools provide you with a buildings or transportation?

A: (Merrick) No.

Chelsea Humble (Citizen)

- So many parents had to leave tonight
- Point out how many people without children who showed up to these meeting to fight this bill
- So many, many families opposed to this who cannot afford time to come here
- Found a job at a charter school in 2022
- Saw what lack of accountability did to teachers, students and staff
- Parents didn't know how many teachers were unlicensed
- Teachers were unhappy
- Several internal complaints from staff
- Been an advocate of urban public schools
- Faithful in supporting IPS schools
- Why should more of the tax dollars be directed away from existing programs that work?
- Important you understand complexity of how charter schools often work behind closed doors
- There are a lot of teachers and parents that you are not hearing from about charter schools because of trauma and fear they carry

(Rep. Campbell) We had a charter school in our community, we had teachers come and go within months.

Katie Knutson (Senior Development Coordinator, Indianapolis Public Schools)

- Professional team ensures staff members are prepared from day one

- With proposed shift in funding, operational funding is at risk
- Professional development is vital in student outcomes
- Opposes bill
- Ripple effects of shift in funding will be wide

Shawna Vertrees (Indianapolis Public Schools teacher)

- Opposes bill
- Language of this bill is important, specifically to Indianapolis students
- Took a first job at a charter in Indianapolis
- Was completely miserable
- Came to IPS next year after charter closed
- Very real danger of defunding most accountable institutional schools in this city

Gail Zeheralis (Indiana State Teachers Association)

- Opposes bill
- With SB 1 already created uncertainty on school funding, 518 further strains school budgets
- Believe at least 55 school districts will be impacted in near future
- IPS is at the epicenter but not just an Indianapolis issue
- Property taxes fund transportation, facilities and technology
- State already funds charter school facilities through two grant programs
- Routine transfers schools make from education fund to operations fund
- All but 17 districts today transfer funds from operations to education fund
- Having to share is not going to make the picture prettier
- Let's settle back and figure this out, we have three years under the bill

Q: (Rep. Klinker) Do you see this bill affecting teacher salaries?

A: (Zeheralis) Definitely for the districts that fall under this.

Q: (Rep. Campbell) Sounds like funding they would be getting would normally come from the state, under this would just be a shift to the property taxes?

A: (Zeheralis) My understanding. The state is also a beneficiary of this bill.

Brandon Brown (CEO, The Mind Trust)

- There's been so much misinformation today
- Within IPS, 62% of students attend charter schools
- Majority of Black, Hispanic, low-income students in IPS attend charter schools
- Strong supporter of the bill
- Students in charter schools make significantly more academic progress than their peers
- Several studies on this
- Reality is students face an \$8,000 per student funding disparity in IPS
- District alone since 2018 has seen local property tax receipts double
- Tax receipts continue to skyrocket as the number of IPS students decline

Q: (Rep. Andrade) Where do you get your sources?

A: (Brown) Can send links to studies to committee. Enrollment data from Indiana Department of Education.

Q: (Rep. DeLaney) You would agree IPS is unique in the Innovation system?

A: (Brown) Yes, we work with IPS a lot on Innovation Network. District does have ability to charge charters back for services it provides.

Q: (Rep. DeLaney) So you're suggesting that it would be better if IPS sends you a bill, even if you take their property taxes?

A: (Brown) Yes.

Q: (Rep. DeLaney) So this bill is a wash. You want this bill because it makes charter schools look good?

A: (Brown) No, it's about equity.

Q: (Rep. DeLaney) IPS passed referendums. So you say they're collecting too much?

A: (Brown) No.

(Brown) The majority of IPS Students attend charter schools

(Rep. DeLaney) They do with the agreement of IPS.

(Brown) Yes, some are Innovation schools.

Q: (Rep. DeLaney) You support charter schools, that's your business?

A: (Brown) We support charter and innovation schools to have autonomy

Q: (Rep. Pryor) Charter schools closed in middle of year, would you say those are better?

A: (Brown) A charter school can be closed by their authorizer, which is the ultimate form of accountability.

Q: (Rep. Pryor) It's not just the authorizer, it's sometimes there's not enough money right?

A: (Brown) Yes. But a lot of schools do close when the authorizer decides to not renew.

Q: (Rep. Pryor) How is a charter school more accountable than a public school with an elected school board when charter schools have nonprofit board members they may not know?

A: (Brown) Encourage public to go to Indianapolis Mayor's Office website and see charter school accountability reports. I don't know of a single public school subject to that level of transparency.

(Rep. Pryer) Traditional public schools have audits.

(Brown) So do charter schools.

Q: (Pryor) Having an elected school board, if the public is not happy, they have someone they can go to. How does parent hold the charter schools accountable?

A: (Brown) Parent can go directly to school leadership or to board, and even up to the authorizer.

(Rep. Pryer) But you can't vote charter school boards out.

(Brown) You can certainly vote the mayor out. Most people can name Mayor Hogsett. Most people probably can't name a single member on their elected school board.

Scott Bess (Indiana Charter Innovation Center)

- Concept of local property tax dollars following the students that leave public school district is not new
- Seen a gap in total funding between public schools and charter schools grow significantly
- Gap climbed to \$2,600 per student

- This bill would have no impact on the 36 schools affected immediately unless they pass a referendum
- There has never been noise about districts collecting full property taxes when a significant number of students choose a different option

Q: (Rep. Pryor) A majority of students within IPS go to charter schools?

A: (Bess) Yes. 26,000 students attend charter schools. Numbers from IPS also include students in their Innovation schools. IPS only serves roughly 20,000 students directly in school run by the district.

(Bess) We have a lot of noise saying, if this happens, we'll have to close schools. There is a model that works. Charter schools are performing on average better than district schools, in the whole. Charter schools have been doing this for a long time without access to property taxes. The district has a choice. Can threaten doom and gloom, or say there's a model that works, let's see if we can implement that model.

Q: (Rep. Pryor) Important to keep in mind when charter schools first came out, they said they could do better job without as much money. Are you saying now that's not true?

A: (Bess) 25 years ago, I'm sure that was the case. Look at how the landscape has changed. With property taxes and assessed value, the amount of tax dollars has gone up significantly. There is not a 1 to 1 switch that when property tax money goes up, the charter grant goes down so the state saves money, that's not the case. Charter schools will never get more than local districts get in money. Not a tool to shift money and save the state money.

Q: (Rep. Porter) What is the proficiency of charter school network in Indianapolis?

A: (Bess) Study after study, all concluded charter schools on average are getting better academic outcomes than traditional public. Not to say there are not outstanding public schools, or there aren't bad charter schools.

Q: (Rep. Porter) You're founder and president of this new group? Where do most of your students go???

A: (Bess) We don't run schools. We are an association.

Q: (Rep. Porter) When did you establish your alliance?

A: (Bess) About a year ago.

Chris Lagoni (Indiana Small and Rural Schools)

- Opposes bill
- Wants to focus on one policy, debt
- The concept you have heard over and over is that charter schools are not receiving debt funding
- The debt levy is going to the schools to send to the bond holders who paid for the renovation
- If an elementary school had a broken HVAC system, and didn't have the money, I would go to the bond market and get a loan
- The bill says that we will peel off the debt service funds and fund on a per student basis
- The debt service fund and debt levy does not base itself on per-student funding
- This undermines the credit rating of our schools and the totality of how our debt funding works
- The Indiana School Boards Association opposes the bill

Q: (Rep. Campbell) are you saying that with this bill, the districts won't have the \$1500 per student won't be able to pay back that bond?

A: (Lagoni) When the spring draw comes, the DLGF approves your budget in order to pay back the bond holders. Whatever your payment is that the DLGF approved, the money comes into the school budget, and then passes through directly to the bondholders. If these funds are stripped out of the budgets, schools are going to struggle with default on funding. You can't take 146 school districts and put them into the hands of local government and expect no inflation of costs. We have to do this in a way that works within the structure of municipal funding and bonding.

Q: (Rep. DeLaney) The reason IPS has the debt fund is to repair or build a building right?

A: (Lagoni) Mostly these funds are borrowed for roofs, HVAC, and parking lots.

(Rep. DeLaney) A school in my district borrowed \$20 million and now houses a charter school. Multiple districts will have a disincentive to go out for a bond if they have to share their money with a competitor.

(Lagoni) Most schools have to borrow small amounts to pay for projects as they come up.

Tiffany Palocios (Chief Human Resources Officer, Paramount Charter School)

- Supports bill
- Math is not perfect, but will benefit our students
- We continuously struggle to offer competitive salaries with the cost of transportation and infrastructure
- Most opposition to funding charter schools comes about as a result of false narratives that there is no oversight
- Whether or not charter schools are public is an issue that was handled decades ago
- If you don't want to fund these schools, pass a law repealing the fact that these schools are public

Dexter Taylor (School Director, Paramount Brookside Charter School)

- Supports bill
- Currently serves over 800 students
- Have been awarded a blue ribbon
- While our school has exceeded academically since we have opened in 2010, we have had to make sacrifices
- Does not have a school gym
- Has to rent outside facilities just to offer our students an opportunity to play sports
- Very limited in other extra-curricular activities
- Our building was funded by state funds
- Ongoing property maintenance will increase in cost as the years go on
- Our students should not have to do more with less

Q: (Rep. DeLaney) Paramount has how many schools in Indiana?

A: (Taylor) We have eight in Indiana, six in Indianapolis.

Q: (Rep. DeLaney) You are not part of the Innovation network, right? You got your building from other state funds, right?

A: (Taylor) That is correct.

Q: (Rep. DeLaney) So you don't receive transportation from IPS right? And you could negotiate to work within IPS's network?

A: (Taylor) We do not. I don't know if we can work with IPS, but we want to play nice with everybody.

Q: (Rep. Klinker) Is there any bus transportation for Paramount Plus?

A: (Taylor) Most of our bus transportation comes for students who are homeless.

Abby Record (Citizen)

- Opposes bill
- My family chose the school that we chose without knowing that it was a charter school
- It had the most resources, best programming, and transportation available
- I am not involved in government or school administration, but I care deeply about my children's education
- Our school has the resources that it needs
- They are able to provide a piano lab because they are an Innovation Charter School
- This bill removes public funds from public schools
- The families of Indianapolis are in agreement that they would like for public money to fund public schools
- Wants publicly elected officials to run our public schools
- If you vote to divide our tax dollars, you are voting to divide our communities
- This bill does not build community
- There is no such thing as other people's children

Desean Joreman (Citizen)

- Opposes bill
- Has been heavily involved in IPS since 2009
- Last night as I observed the President's congressional address, he mentioned fraud and waste often
- Todd Rokita mentioned that charter schools have been in trouble a lot in recent years for such things
- There has been wire fraud, enrollment padding, etc.
- There have been some success stories, but IPS has been around since 1853
- I am confused how IPS has charter schools on their website
- The International Baccalaureate program must be preserved

Zachary Paley (Indiana Math and Science Academy)

- Supports bill
- Has two schools with over 1200 students
- Our schools are mostly made up of black and Latino students
- Black students exceeded the math and ELA proficiency rates of all but one Indiana school district
- Additionally, IMSA West has been awarded the Developing STEM Education Certification

- Money should go to retaining high quality staff

Q: (Rep. Porter) You mentioned hiring highly qualified teachers, right? The terminology changed about 10 years ago, meaning highly effective teachers, versus what you are talking about with high quality teachers.

A: (Paley) Both are very important, teachers need to understand the subject matter and the pedagogy.

Robert Monroe (STEM Company Owner)

- Daughter has an Individual Education Plan
- She achieved her first 3.0 grade point average for the first time in her life this year
- She gets the individual attention and academic support that was not guaranteed at the Pike Township public school

LaToya Monroe (STEM Company Owner)

- We are not against public schools, we are products of public schools
- Supports dollars following students so that they can get the support they need.

Destiny Glover (Party for Socialism and Liberation of Indianapolis)

- Fighting for and with all working class people in Indianapolis
- Bill pits working class people against each other
- Wants schools that pay our teachers well
- IPS faces problems in areas that are predominantly poor
- Charters do not serve anyone who may negatively affect their test scores
- Splaying our money by funding charters is an attempt to pit families against each other while wealthy businessmen make off with the money
- Must fully fund our public schools that can effectively serve all of our families

Joel Hand (Representing Carla Schmidt and Indiana Federation for Public Education)

- Carla Schmidt opposes bill
- There is no other system in the State that can make the same claim to success that IPS can
- This still removes the \$1200 from the state grant
- Hoosier children stand to lose everything
- Now I will testify as myself
- You debated on SB1 for five and a half hours
- A good chunk of that was discussing school consolidation
- We have 290 traditional community school corporations throughout the State
- 120 charter schools operate as their own unique school districts
- This means that taxpayers are now funding 310 school districts
- When you, as a body, placed the property tax caps, we did not have a huge chunk of money being siphoned off to fund private schools through the voucher program
- We may not be in such a bind if we did not have the \$1 billion loss in funding that now goes towards the education of private school students

David Marcotte (Indiana Urban Schools Association)

- Opposes bill
- Represents 300,000 students across Indiana
- We do not oppose as a result of anti-school choice rhetoric
- Both charter and traditional public school students need additional supports to be successful
- Charter schools were established in 2001
- The current mechanism is the grant fund
- Shifting the burden from the grant to taxpayers further strains our districts and our taxpayers
- The non-discretionary costs associated with operating the school forces schools to borrow, and this change will cause the schools to borrow more, or use another referendum

Monica Shellhammer (Indianapolis Education Association)

- Opposes bill
- Opposition not because of school choice
- We must find a way to adequately fund all students
- Not all of our school's students have the opportunity to ride the bus to school
- Public schools are facing the same sorts of problems that charter schools facing
- Working to ensure that every single student is fed
- Has not eaten lunch or dinner, and it is hard to focus, imagine how hard it must be for our hungry students to focus

(Rep. Pryor) Thank you for your testimony. You and the prior presenter crystallized the fact that we are not providing adequate service to either charter or traditional public schools with this bill. We are making education divisive and that should not be the goal here.

Q: (Rep. Campbell) Special needs kids are getting services not usually available by charter schools. Is IPS picking up the tab for those services?

A: (Shellhammer) That is correct.

Mora Malloy (Citizen)

- Education has been the most important thing in my life
- Mother left the convent at 22 and worked as a nurse to provide for us
- I believe wholeheartedly in public education
- I find this bill and its compatriots, SB1 and HB1001 disturbing
- This bill gives us no understanding of its fiscal impacts
- This lack of financial responsibility and oversight makes this an irresponsible bill
- If our school suffers, our property values suffer
- At IPS Number 91 my daughter gets to learn that no one is more or less than anyone else as she learns with the autistic class once a week

Marissa Flake (Teacher)

- Opposes bill
- Sen. Rogers states that the most recent fiscal note was a best guess

- A best guess is not good enough
- The fiscal report is not certain because inflation and school enrollment cannot be estimated
- This is fair enough, but students should not have to pay the price for our uncertainty
- The fiscal loss experienced by the schools will directly translate to the experience of the students
- 17 of the 30 Innovation Schools receive transportation from IPS
- With the bill as it stands, those schools will no longer be able to receive that transportation
- Will the money slated for charter schools to receive in this bill be enough to make up for the grant fund?
- This does not seem to be the case
- This bill seems to end up with neither charter nor traditional public schools being fully funded
- This will cause IPS to close 30% of the schools in the district

Leslie Draper (Executive Director of Inspire Academy)

- Supports bill
- Families deserve to choose the school that best fits their needs
- Teachers deserve to be treated well
- Muncie charter schools are forced to do more with less, which is asking our children to do more with less
- This bill would improve per-classroom funding by about \$22,000 each year
- Would still have \$27,000 per classroom to save for a rainy day

Emmanuel Harper (Head of School, Herron Riverside High School)

- Supports bill
- Everyone in this space cares about students and wants what's best for students
- How we best serve all students is the central question today
- I understand the concerns raised here, they deserve thoughtful consideration rather than political jabbing
- More than 50% of families choose charter schools in Marion County
- About 37% of our students are multilingual
- Our students thrive despite the funding disparity
- This bill is the vehicle we will use to think about funding, but we will use any avenue we can to reach a fair compromise
- Instead of framing this as a battle between charter and district schools, we should see it as a good avenue to compromise

Q: (Rep. DeLaney) All three of your schools are Innovation Schools, right?

A: (Harper) We have enjoyed our relationship with IPS.

Q: (Rep. DeLaney) You're willing to work to ensure that your relationship with IPS continues in the fashion it has, right?

A: (Harper) That is correct.

Kristen Casper (Stand for Children Indiana)

- Supports bill
- Focuses first and foremost on lifting up the voices of underrepresented parents in Indiana
- Parents think that charters versus traditional public schools is the wrong debate to have
- One key to growing what is working is to ensure that resources are being fairly distributed

Lindsay Omlor (Trine University)

- Supports bill
- Had a speech written, but you have heard it all this evening
- Wanted to share two things that have resonated with me tonight
- We heard testimony from multiple students, for and against
- One was a student named Keegan, who was recently accepted at West Point
- The other was named Rima, who was very dynamic
- One thing does not seem right to me though
- How can we be satisfied that Keegan's education is funded at a higher rate than Rima?
- We must provide the necessary financial resources to ensure educational equality

(Rep. Campbell) I don't know if you were here for the SB1 discussion, but it revolved a lot around funding municipal units. One of the solutions presented was consolidation. Charter schools should consider consolidating with public schools.

Q: (Rep. Pryor) Can you talk about the expulsion rate at the schools you sponsor?

A: (Omlor) We look at that data monthly.

Q: (Rep. Pryor) Can you provide what those expulsion rates are? They would be a good indicator of the performance of your schools.

A: (Omlor) Those results are posted on the charter school website every year, and we send those out to multiple stakeholders across the country.

Kim Reier (Vice President, Indiana Charter Innovation Center)

- Supports bill
- Charter Schools have to operate by all state and federal laws regarding special needs students
- I would highly recommend that anyone who has heard about a school not providing proper education and programming for special needs students report that school
- Full sharing of property taxes wouldn't happen until 2033
- IPS property tax revenues have nearly doubled from 2012 to 2022
- Charter students have received none of this local funding
- This bill does not take funding from IPS or any other districts
- It ensures that funds are distributed equitably
- Funding must follow students without exception

Terrell Barry (Christel House)

- Supports bill
- Thousands of parents and students are impacted by these decisions

- Many claims state that dollars will be taken away from black and brown students
- These are incorrect
- More black and brown students attend charter schools than IPS schools
- The funding gap has widened to almost \$8,000 per student
- It is important to understand that this bill is about fairness
- It is vital to listen to the decisions of parents
- They are not asking for special treatment, but fairness
- All students deserve a high quality education

Rachel Burke (Indiana PTA)

- Opposes bill
- Represents all kinds of schools
- Big concern is to do with fairness
- Charter schools were never founded on the idea of equal founding
- They were sold as a cheaper alternative
- The point of these schools was to have flexibility which should have bred innovation, which would make them cheaper
- They support more state support per child because of the public school grant
- They get to buy state school buildings for a dollar
- They do not have the same costs as traditional public schools
- There is not leveling the playing field
- If you listen to the testimony, supposedly they are accomplishing the stated goal
- If that is the case, we should not need to increase the funding to these schools
- Need to fund traditional public schools appropriately
- Fund charters after you fund traditional public schools

Rep. Thompson

- Thank you for a long day
- Thank you for staying with us and all of the words
- I am well pleased with the public coming forth with this kind of concern on all sides

Sen. Rogers

- Thank you all for your patience and for listening to the great testimony
- I did not feel right leaving while you were all still here
- Indiana has always supported school choice
- I really support that as a former teacher
- We have charter schools because parents wanted another choice for their child
- Is it fair that a charter school child is not funded by their parents property taxes?
- I don't think so