



PICKING A LANE:

IPS DRIVES DEBATE FOR MORE EQUITABLE FUNDING

By Carrie Cline Black, Indianapolis Public Schools



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As Indiana lawmakers grapple with ways to fund education for the next biennium budget, Indianapolis Public Schools is driving the debate for more equitable funding at a time when it matters most. IPS is working harder than ever, through a pandemic, to ensure the district maintains a balanced budget, providing the best resources for students and teachers while being good stewards of taxpayer dollars.

But, over the last seven years, IPS has been negatively impacted and lost significant funding because of a move by the state to distribute complexity dollars equally across the state, regardless of need. Complexity funding helps support resources for high-needs students, providing improved conditions for educational engagement and outcomes. The Complexity Base, which defines the amount of complexity dollars, has not kept pace with the increase in the cost of resources to care for high-needs students. That's why the district is asking the state to reevaluate its funding mechanisms to distribute dollars more equitably using weights that more directly address students with higher needs.

IPS BUDGET AND FINANCE 101

Indianapolis Public Schools serves the academic, social emotional and physical needs of the district's 31,000 students equitably, investing in programs and resources that put the interests of students first.

IPS works to be good stewards of taxpayer dollars from a variety of sources to maintain a balanced budget while covering important costs for students and staff.

Below is a breakdown of how the IPS budget works, including the sources of funding and the many items that are funded.

HOW MUCH DOES IT COST TO RUN IPS EACH YEAR?

\$500 MILLION

WHAT SOURCES MAKE UP THE BUDGET?

15%

Federal Funding

50%

State Funding

35%

Local Funding

WHAT TYPES OF THINGS DOES EACH SOURCE COVER?

FEDERAL FUNDING COVERS:

- Title Funding — Funding is based on poverty and supports student interventions, professional development and English Language Learners (ELL).
- School Lunch Fund — Funding for school breakfast, lunch and snacks.
- Special Education Funding — Funding for services and support for students with special needs.

STATE FUNDING COVERS:

- Teacher/principal salaries and benefits.
- Special programs such as:
 - Career and Technical Education
 - Gifted and Talented Program
 - Special Needs Program and Staff
 - Summer School
- Guidance counseling, nurses, occupational therapy, physical therapy.
- Classroom supplies, technology and equipment.

LOCAL FUNDING COVERS:

- *** This is non-referendum funding.**
- Non instructional support such as Central Services.
- Operating support such as:
 - Utilities
 - Insurance
 - Custodial Services
 - Building Maintenance and Equipment Improvements
 - Transportation
- Debt payments for buildings.

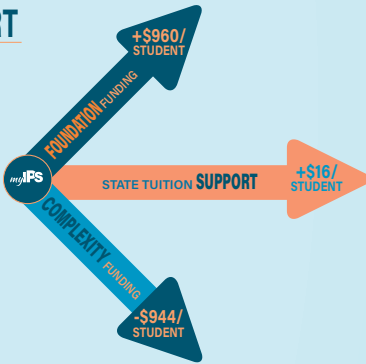
STATE TUITION SUPPORT

State Tuition Support funding comes from the state. It's made up of Foundation Funds (money given for every student) and Complexity Funds (money given based on student needs).

Since the 2013-14 school year, the state has increased foundation funding while decreasing complexity funding. Due to this, IPS has not seen as significant of an increase in tuition support as other districts around the state.

* This funding is projected through the 2022-23 school year.

* Other Indiana districts saw a 15% increase in State Tuition Support while IPS received less than 1%.



FOUNDATION + COMPLEXITY

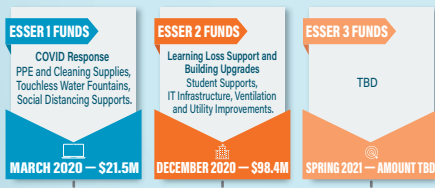
STATE TUITION SUPPORT

OTHER FUNDING SOURCES

These are short-term and limited funds that are earmarked for specific purposes.

2020-21 FEDERAL STIMULUS DOLLARS

Three rounds of federal stimulus funds have been passed between the onset of the COVID-19 pandemic in March 2020 to present day to address COVID-related expenses.



REFERENDA DOLLARS

Voters approved \$272M dollars in November 2018.

OPERATING REFERENDUM — \$220M FUNDS RECEIVED AND SPENT ANNUALLY OVER 8 YEARS

- Teacher compensation
- * IPS is currently the highest paying district in central Indiana.
- * To continue to increase teacher pay, IPS must increase efficiencies in transportation, facilities and central supports.

CAPITAL REFERENDUM — \$52M FUNDS RECEIVED AND SPENT AS BONDS ARE ISSUED

- Classroom safety upgrades (doors and hardware)
- Hardened exteriors (bollards at school entrances to protect buildings)
- Updated emergency communication (radios)
- Enhanced exterior lighting
- Technology upgrades (phones and PA systems)

PROUD TO BE PUBLIC



WHERE THE DISTRICT STANDS RIGHT NOW

Due to many unforeseen circumstances surrounding COVID-19, expenses are up, and enrollment is down by 4%. That combination has created a \$15 million budget shortfall for the current school year with a projected deficit of \$18 million for the 2021-22 school year.

“Reductions for this year would have potentially happened through personnel, but we chose not to right-size our school budgets given all of the changing dynamics with COVID-19, and that is part of why the deficit is up next year,” said Aleesia Johnson, IPS superintendent.

It’s important to note 50% of the district’s budget comes from the state, and around 15% is federal funding, leaving about 35% that comes from local property taxes.

Federal funding covers areas including Title I programs, food services, special education and English Language Learners (ELL). Local funding includes Central Services and operations support such as facilities and transportation. The area of most concern right now is state funding, which includes teacher salaries, special programs such as Career and Technical Education (CTE) and special needs programming and staff. That funding is called State Tuition Support, which is made up of two pots of money – Foundation Funds, which are the same amount of dollars given to all students in the state and the Complexity Funds that are based on the needs of the students in each district. This is particularly important in a high-needs district like IPS where more than 65% of students are reported as economically disadvantaged.

HOW WE GOT HERE

Since the 2013-14 school year, Indiana lawmakers have consistently shifted how they fund schools. While IPS did receive more in Foundation Funding, the district received significantly less in Complexity Funding. Add the two together and the total state tuition support has not increased in the last seven years. Over the same time period, the average funding across the state increased 15% per student, including many who live in wealthier districts.

“What we’ve heard is state lawmakers feel putting the dollars into the foundation means all students get something, which in theory is not bad if all students are experiencing the same conditions and lack of opportunities,” said Johnson. “But that is not the case. A student coming from a family with additional resources, such as Wi-Fi at home or access to



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– Aleesia Johnson, Superintendent, Indianapolis Public Schools

tutors, enjoys a very different experience than a student who is at home without access to the internet or additional funding to seek resources like tutors. The flawed thinking that everyone gets something doesn't take into consideration that not everyone is at the same place or existing under the same conditions. This is why we need to fund equitably and not equally.”

To do that, the administration recommends state funding that includes two State Complexity Index bases. First, the state should keep the Poverty Index. Then, it should implement a weight in the school funding formula for English Language Learners (ELL). Along with implementing an ELL Index, the recommendation includes adding multiple count days and historical trending to address funding shifts related to student mobility associated with poverty and ELL student populations.

“The State Complexity Index does not fully represent student populations of need. Within IPS, schools receiving lower complexity dollars have some of the highest numbers of ELL students, who often require more resources,” said Weston Young, IPS chief financial officer. “IPS data demonstrates high academic needs in schools with high ELL populations.”

To address this data, the district developed an ELL weight within Student-Based Allocation (SBA) starting with the 2019–20 school year. Equitable distribution among IPS schools has improved since the addition of the ELL weight to the SBA formula. IPS is asking the state to apply similar mechanisms.

“The questions we've received from legislators indicate they don't know how districts are using the resources to address students who have more needs,” said Johnson. “Our team has been able to outline all of the resources we have put in place for our students who have higher needs that the complexity dollars fund. That includes additional counselors, alternative resources for students and the Newcomer School for families who are new to the country. Those are a few of the supports for students with additional needs.”

WHAT WE'RE CONSIDERING DOING

IPS did receive some federal relief funds, but those dollars are restricted and can't cover this need. Those funds were vital for the new challenges the district faced – everything from masks and touchless water fountains to learning loss support and building upgrades. A new round of federal funds was granted in December 2020, but those funds are also restricted and can't fix the ongoing need.

Referendum funds approved by voters in 2018 are also not the solution. The referendum specifically dedicated those dollars to costs like much-needed facilities upgrades and well-deserved teacher salaries. But that won't fix the shortfall.

PROTECTING THE CLASSROOM

“We're looking at school and central services budgets to see if there are places where we can cut from non-personnel categories first. But we're also looking at potential personnel reductions and some cuts to operations,” said Johnson. “Our goal is to ensure classroom instruction, including leading and learning, is impacted as little as possible.”

The most immediate proposed cuts would come from transportation costs. The district will recommend the transition of selected high school students who meet board-approved eligibility criteria from yellow bus service to IndyGo. The other cost reduction will come from enforcing existing walk zones at all schools. These two proposals could save the district more than \$3 million annually.

By making strategic decisions now about how IPS spends money based on current projections in federal, state and local funding, IPS can avoid having to make dramatic cuts later, like layoffs and cuts in pay the district worked so hard to increase. However, receiving more complexity dollars would help IPS keep pace with surrounding districts, increasing the ability to attract and retain teachers, school leaders and materials to support the needs of high-needs students. 🗳️