

# Funded: Indiana Report

## A Detailed Look at Indiana's Funding Policies



## Indiana



### Funding Basics

#### Formula Type

Indiana has a primarily student-based funding formula. It assigns a cost to the education of a student with no special needs or services, called a base amount. It then accounts for the additional cost of educating specific categories of students both through program-specific allocations and by adding supplemental, flat dollar amounts to the base amount for certain students.

The categories of students generating supplemental funding in Indiana are students with disabilities and low-income students. Services for English language learners, students identified as gifted, and students enrolled in career and technical education programs are funded through program-specific allocations.

#### Base Amount

Indiana has a fixed base funding amount per student. For FY2017, the per-student base amount was \$5,088.

This means that an average student with no special needs or disadvantages would generally be funded at that level.

#### Expected Local Share

Indiana does not expect districts to contribute revenue to their public schools. However, school districts are permitted to impose taxes to generate supplemental revenue to support budgetary priorities such as capital improvement, transportation, racial balance, and educational quality.

Some optional levies are subject to limitations. The district may not impose a tax of more than \$4.17 per \$1,000 in property value for capital projects; it may impose a bus replacement tax in the amount sufficient to fund the district's approved school bus acquisition tax; taxes for racial balance may be imposed only by certain school districts that have been the subject of constitutional challenges regarding segregation; and districts may impose taxes to fund necessary education expenses only if approved by a majority of voters.

### Student Characteristics

#### Grade Level

Indiana does not differentiate funding based on students' grade levels.

## English Language Learner

Indiana provides increased funding for English language learners. It does so in the form of a flat allocation in the amount for each English language learner, which was \$175.86 in FY16.

This funding is provided through a state appropriation for the Non-English Speaking Program, which provides it separate from the state's regular education funding formula. Additionally, if a district uses an instructional model that provides instruction half in English and half in Spanish, French, or Chinese, beginning in first grade, it is eligible for grants for a dual language immersion pilot.

## Student Poverty

Indiana provides a minimal amount of increased funding for individual students from low-income households. It does so in the form of assistance with required fees. However, a greater amount of increased funding is provided on a sliding scale based on the concentration of low-income students in the district. See "District Poverty" for a description of this allocation.

Districts must waive required fees for students who qualify for free or reduced-priced lunch (FRL) under the National School Lunch Program. Districts may apply for reimbursement from the state for these costs. The total amount appropriated by the state for these reimbursements is divided by the number of students for whom fees have been waived, and that per-pupil amount is allocated to districts for each such student they serve.

## Special Education

Indiana funds special education using a multiple student weights system, providing different levels of funding for different categories of students. Students are assigned to 4 different categories based mostly on their specific disabilities.

Specifically, K-12 students are assigned to one of 3 weighted categories based on the severity of their disabilities, or to a fourth category for students in homebound programs, each of which provides a set amount of funding in addition to the per-student base amount. These additional allocations range from \$500 to \$8,800.

## Gifted

Indiana provides additional resources for gifted students. It does so in the form of a competitive grant.

School districts may apply for grants to support "High Ability Education." In FY2016, the total amount appropriated for this purpose was \$12,550,416.

## Career and Technical Education

Indiana provides specific funding for career and technical education (CTE) programs. It does so by providing districts with funding for every CTE course, in accordance with the type of the course and in proportion to the number of students enrolled.

In FY2016, foundational CTE courses were funded at a rate of \$150 per enrolled student; introductory CTE courses and work-based learning courses were funded at \$300 per enrolled student; and all other CTE courses were funded in accordance with a schedule considering the market wage and demand for the career being taught, ranging from \$150 to \$500 per student's credit hour.

## District Poverty

Indiana provides increased funding to certain districts based on the concentrations of students from low-income households that they serve. It does so in the form of a Complexity Grant to each district, in an amount that is calculated through a multi-step formula.

The formula takes into account the concentration of students in the district who were receiving SNAP benefits, TANF benefits, or foster care services as of the previous fall; the previous year's grant calculation; the district's entire enrollment count; and the district's percentage of English language learners (if greater than 25%).

## Sparsity and/or Small Size

Indiana does not provide increased funding for sparse districts or small schools.

For a complete list of primary sources, please see the appropriate state page at [funded.edbuild.org](http://funded.edbuild.org)

