

FY22/23 Budget

Chairman's Amendment to HB 1001

Rep. Tim Brown

Chairman, House Ways & Means Committee

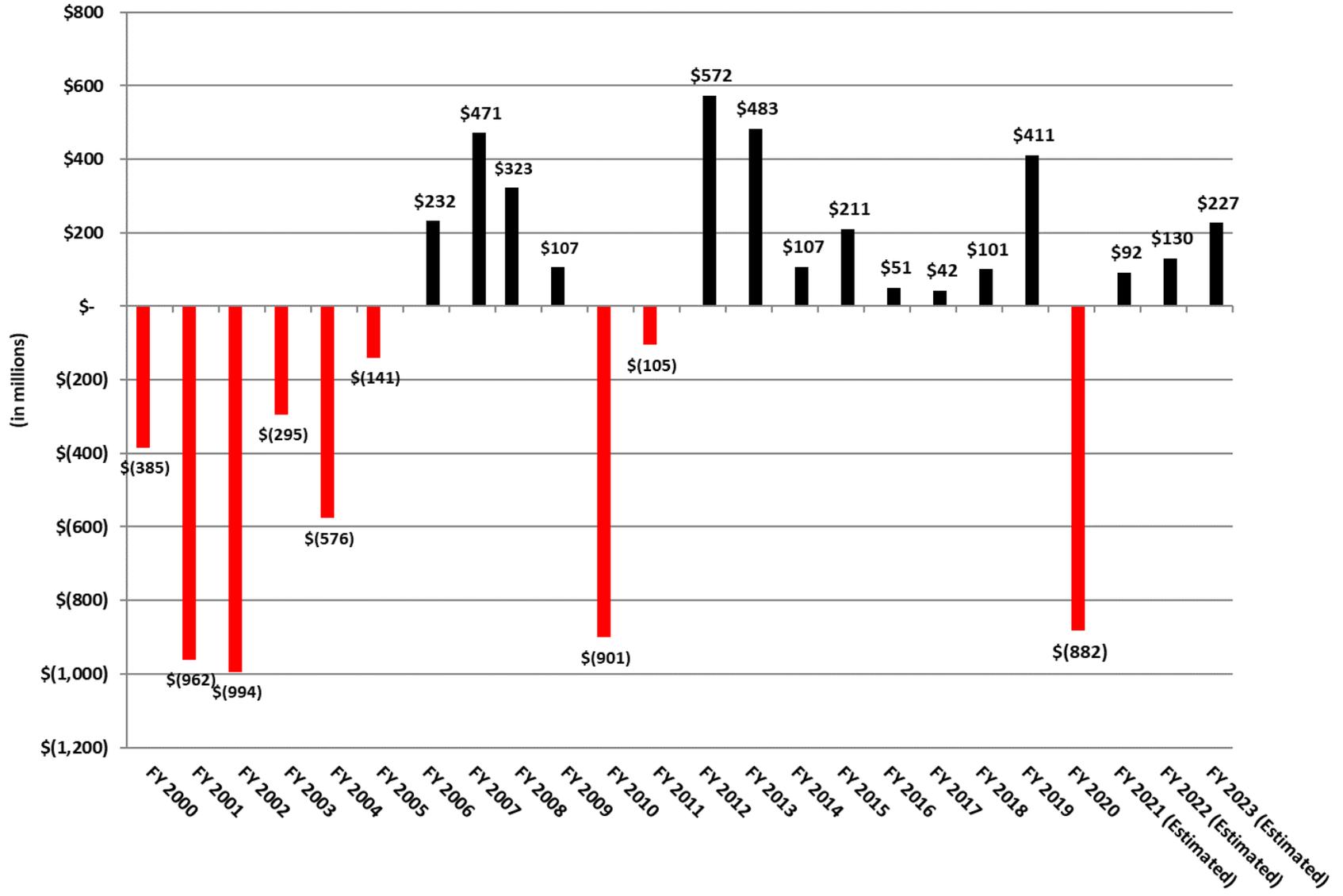
FY 22/23 Budget Priorities

- ✓ Enact a responsible, balanced state budget
- ✓ Strengthen our commitment to students and teachers
- ✓ Help small business and accelerate economic recovery
- ✓ Invest in law enforcement training facilities and programs

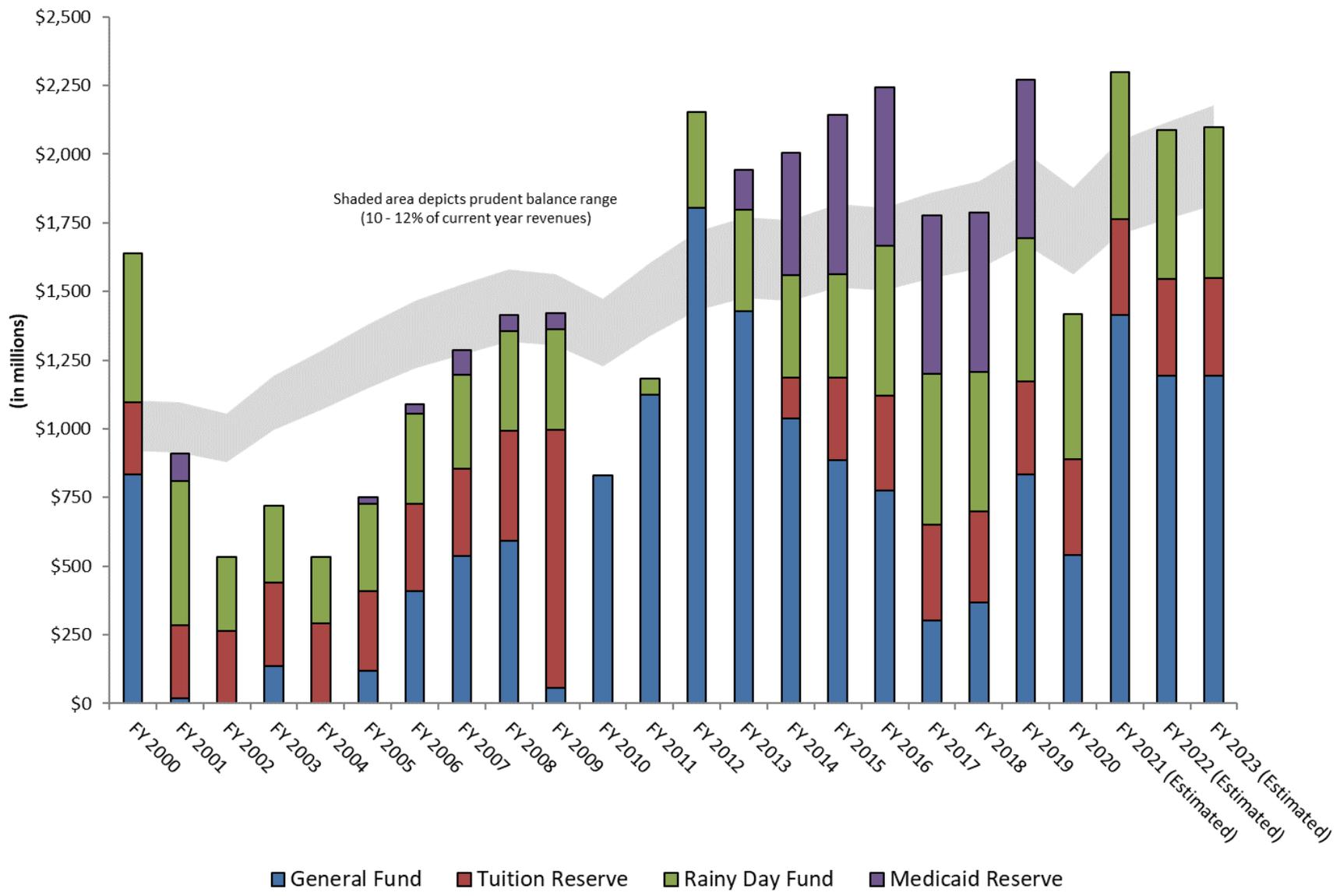
Enact a responsible, balanced state budget

- Budget lives within our means
 - Budget is balanced in both years of the biennium
- Spending levels are sustainable into the future
 - 2023 General Assembly will inherit opportunities not deficits
- Budget maintains healthy reserves in both years of the biennium
 - Healthy reserves protect taxpayers and ensure that Indiana maintains a triple-A credit rating
- Budget invests one-time dollars from the state's reserves in initiatives to help Hoosier families and small businesses

Structural Budget Surplus/(Deficit)



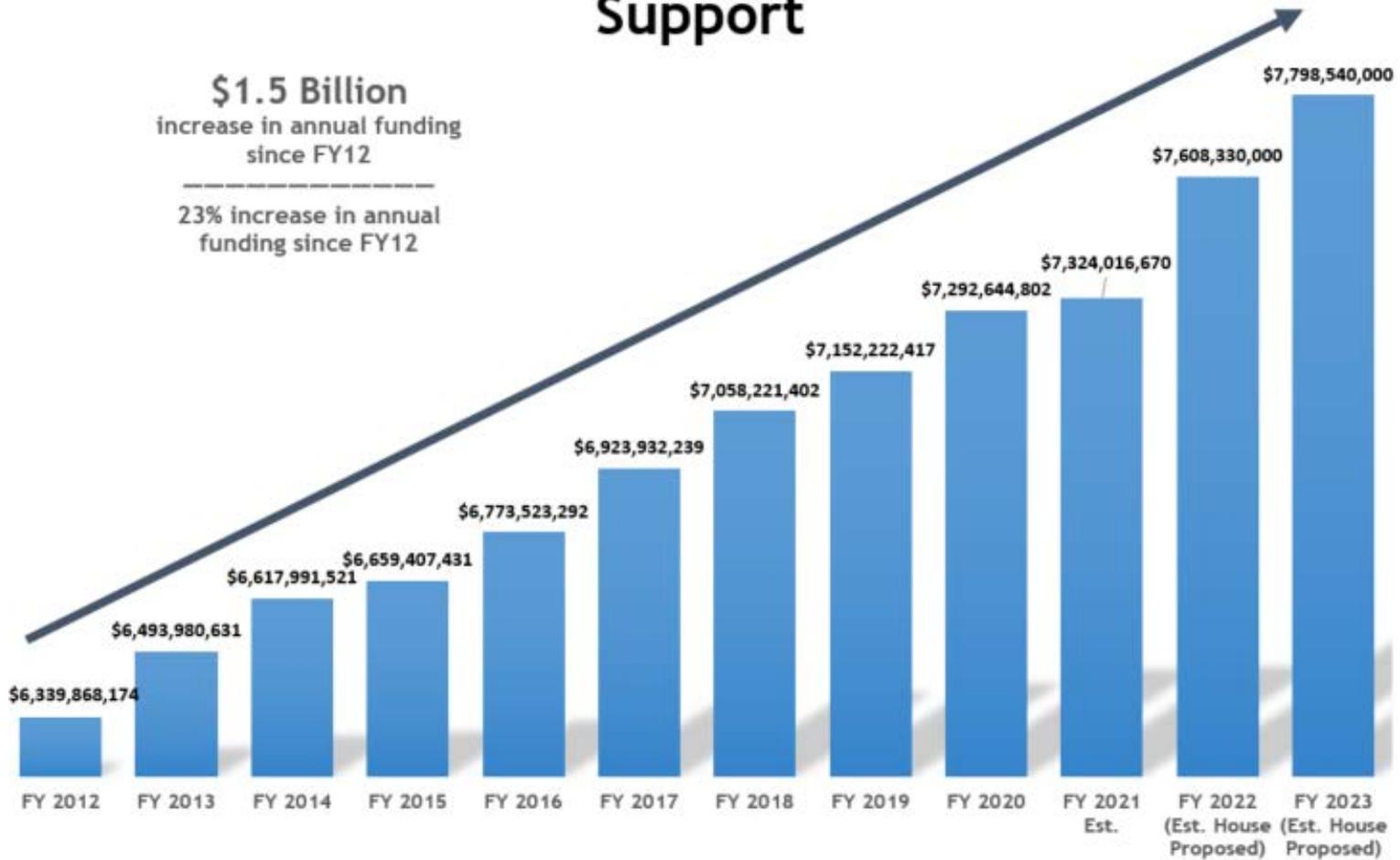
Total Combined Reserve Balances



Strengthen our commitment to students and teachers

- Invests **\$438M** in new dollars for K-12 education over the biennium
- Increases K-12 tuition support formula funding by **\$378M** or **3.8%** over the biennium
 - **FY 21 Appropriation = \$7.51 billion**
 - **FY 22 Appropriation = \$7.61 billion (+1.25% vs FY 21)**
 - +\$93.9M vs. FY 21
 - **FY 23 Appropriation = \$7.80 billion (+2.5% vs FY 22)**
 - +\$284.1M or 3.8% vs. FY 21
 - **Total new dollars vs. FY 21 base funding:**
 - \$93.9M + \$284.1M = \$378M over the biennium

Most Dollars Ever for K-12 Tuition Support



K-12 Tuition Support funding increased 15% from FY 2012 to FY 2020. Over that same period (CY 2012 - CY 2020), inflation (CPI-U) increased 12.7%.

Strengthen our commitment to students and teachers, cont.

- Invests \$150M in student learning recovery grants to address learning loss caused by COVID-19 closures (HB 1008)
- Increases the foundation grant (i.e., basic grant for every student) by 1.2% in FY 22 and 2.5% in FY 23
- Increases funding by nearly 30% for school-based social/emotional health programs that promote healthy behaviors
- Provides \$1M each year for the Teacher Residency grant program
- Increases funding for the Non-English Speaking program by more than 10%, or \$2.5M per fiscal year
- Appropriates \$37.5M per year for Teacher Appreciation Grants to reward effective and highly effective educators
- Restores funding for the STEM Teacher Recruitment Fund
- Increases the per student Charter and Innovation School grant to \$1,000 in FY 22 and \$1,250 in FY 23

Strengthen our commitment to students and teachers, cont.

- Provides school choice options to more Hoosier families (HB 1005)
 - Increases the Choice Scholarship amount to 90% of basic tuition support for all scholarship recipients
 - Increases the eligibility for Choice Scholarships to 225% FRL in FY 22 and 300% FRL in FY 23
 - Expands options for students of active duty military personnel and students with special needs through the Education Scholarship Account (ESA) program
- Increases the annual cap on scholarship granting organization (SGO) tax credits to \$18M in FY 22 and \$19M in FY 23 and expands the number of Hoosier families that can benefit from SGO scholarships

Help small business and accelerate economic recovery

- Establishes the Next Level Regional Recovery Initiative and appropriates \$150M for grant funding to support communities across the state and encourage innovative policies that will spur population growth and economic expansion
- Directs \$30M to the Hoosier Hospitality Small Business Restart Grant Program to help small Hoosier businesses get back on their feet (HB 1004)
- Increases the annual cap on the Venture Capital Investment (VCI) tax credit to \$20M per year beginning in CY 22 and establishes a bonus credit amount for investments in minority and women-owned businesses
- Appropriates \$5M per year to the IEDC for Manufacturing Readiness Grants
- Couples Indiana's revenue code to the federal Internal Revenue Code as of January 1, 2021 so that Hoosier businesses can benefit from federal tax policy stimulus provisions enacted in the CARES Act and the Consolidated Appropriations Act, 2021

Invest in law enforcement training facilities and programs

- Appropriates \$70M to the Indiana Law Enforcement Academy (ILEA) to bring the Law Enforcement Training Academy up to modern standards and enhance public safety training (HB 1006)
- Creates a \$10M grant program to ensure that all law enforcement agencies around the state can purchase body cameras
- Provides \$3M in annual funding to expand the successful High Tech Crimes Unit program statewide
- Provides \$5M in annual funding to the Indiana Gun Crimes Task Force
- Restores the operating appropriation for ILEA

Addressing critical needs

- Provides \$50M in funding for the Health Issues and Challenges grant program to spur the development of innovative policies that will improve the health outcomes of Hoosiers (HB 1007)
- Appropriates \$250M for broadband expansion grants
- Provides additional funding to increase hourly pay for Direct Service Providers who serve individuals with intellectual and developmental disabilities
- Restores funding that supports mental health and community mental health centers
- Increases the state cigarette tax to \$1.50/pack and establishes a new 10% retail tax on electronic cigarettes
- Restores funding for On-My-Way Pre-K

Other budget highlights

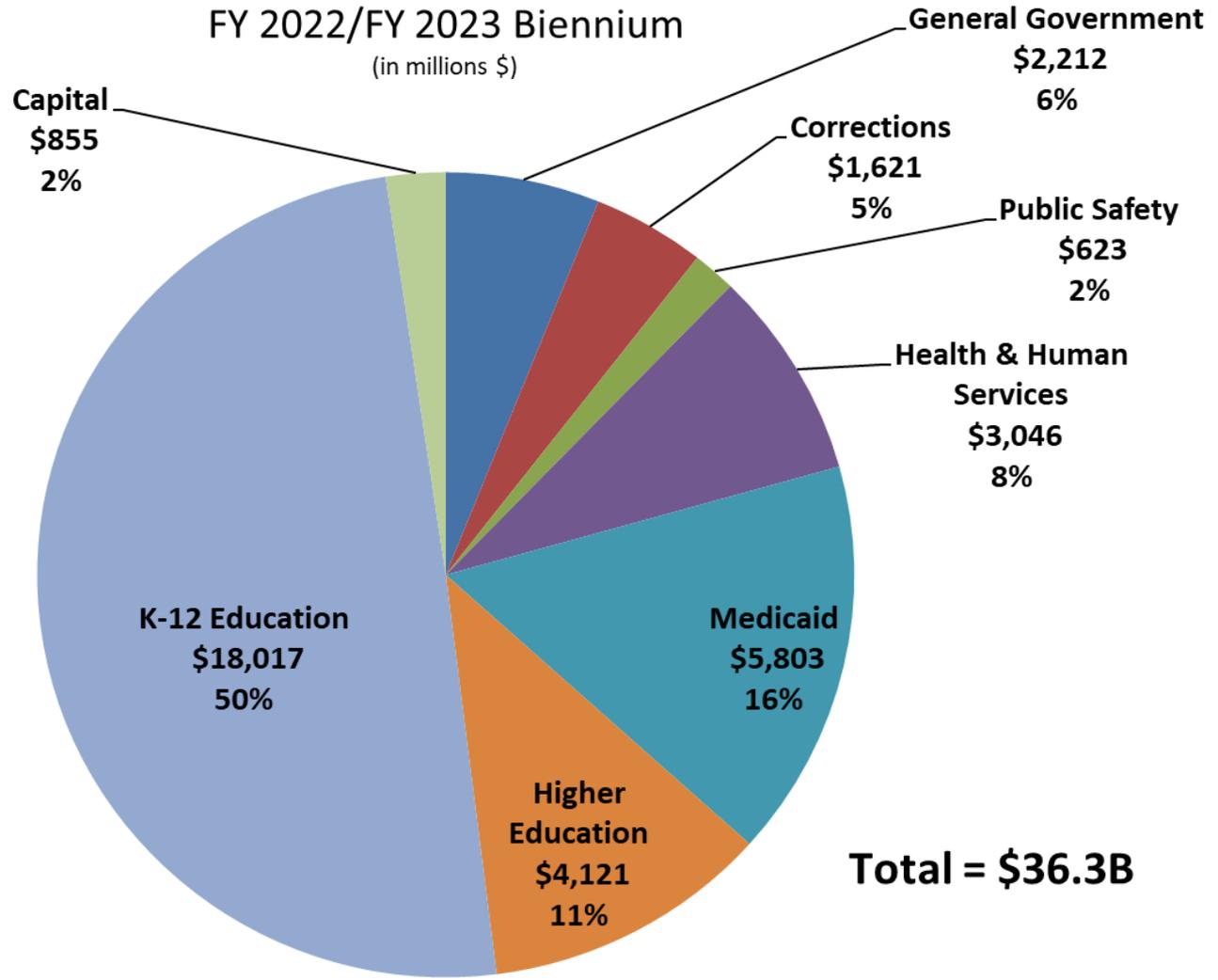
- Fully funds the Medicaid forecast
- Restores funding for graduate medical education residency programs
- Restores university operating appropriations to FY 21 levels for FY 22 and increases funding by \$27M (2.0%) in FY 23
- Fully funds the state's financial aid programs at the projected expenditure levels for both fiscal years
- Funds a 13th check in FY 22 and FY 23 for retired members of TRF, PERF, and the public safety plans
- Appropriates \$20M to the Department of Revenue to complete the modernization of the agency's tax collection software
- Provides \$110M to pay off outstanding debt on state facilities
- Provides funding to upgrade several National Guard Armories and the Indiana State Police post and laboratory in Lowell
- Sets aside \$100M of one-time funding in FY 23 for the creation of a Capital Reserve Account, which could be used to fund future state capital needs
- Provides \$50M of one-time funding in FY 22 to cash fund the Fall Creek Pavilion at the Indiana State Fairgrounds

- State of Indiana -

General Fund Appropriations

FY 2022/FY 2023 Biennium

(in millions \$)



Total = \$36.3B