

A background image showing a stack of books and a pencil. The books have spines with labels like 'BATSFORD' and 'BLACK'. A pencil is lying horizontally in front of the books. The entire image is framed by a dark blue border.

# **A ROADMAP FOR IMPROVING INDIANA TEACHER COMPENSATION**

Final Report of the  
**Next Level Teacher  
Compensation Commission**

DECEMBER 2020

# CONTENTS

- 03 ▪ **Executive Summary**
- 15 ▪ **Introduction**
- 15 ▪ The Commission
- 16 ▪ The Commission’s Data-Driven Approach
- 18 ▪ Scope of Recommendations
- 20 ▪ **Why Competitive Teacher Pay Matters**
- 20 ▪ Decline in the Popularity of Entering the Teaching Profession
- 21 ▪ Quality of Instruction
- 22 ▪ Retention and Attrition
- 24 ▪ **What is Competitive Compensation?**
- 24 ▪ Average Teacher Pay in Other States
- 26 ▪ Average Historical Teacher Pay in Prior Years
- 28 ▪ Average Salaries of Other Professions
- 30 ▪ **The Cost of Competitive Compensation**
- 31 ▪ Encouraging Progress
- 32 ▪ **Factors Contributing to the Teacher Pay Gap**
- 32 ▪ Indiana’s Education Funding and Education Finance Structure
- 36 ▪ Is Education Spending Getting to Teachers?
- 38 ▪ Interstate Comparisons
- 39 ▪ The Need for Increased K-12 Funding
- 42 ▪ **The Recommendations**
- 42 ▪ **Recommendations to School Corporations**
- 42 ▪ Expense Reallocations
- 51 ▪ Additional Revenue
- 54 ▪ Policy Changes
- 55 ▪ **Recommendations to State Government**
- 55 ▪ Expense Reallocations
- 64 ▪ Additional Revenues
- 72 ▪ Policy Changes
- 83 ▪ **Conclusion**
- 83 ▪ **Endnotes and References**
- 98 ▪ **Appendices**

# EXECUTIVE SUMMARY

Recognizing the importance of competitive pay for teachers, Governor Eric Holcomb formed the Next Level Teacher Compensation Commission in February of 2019. The Commission was charged with a simple, two-part mission to:

- (1) Determine what constitutes competitive teacher compensation in Indiana, and
- (2) Provide recommendations for how to achieve it.

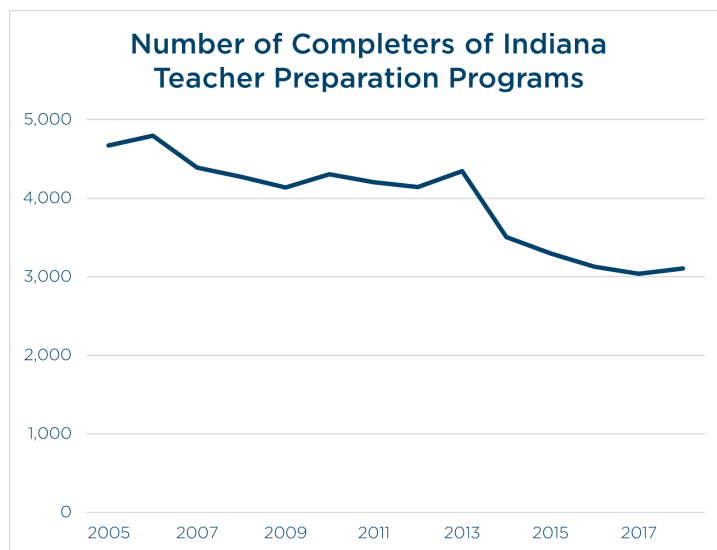
The simplicity of this mission does not reflect the difficulty in accomplishing it. The task was made even more complex due to the uncertainty caused by the COVID-19 pandemic and its impact on government revenues and the education system. Nonetheless, this 13-member Commission has worked diligently for more than 18 months to accomplish our mandate. Our findings and recommendations are summarized in this report.<sup>1</sup>

## Competitive Teacher Pay Matters

Teacher compensation is critically important to the future success of the more than one million students enrolled in Indiana’s schools. The research is clear: better compensation results in better teachers who generate higher quality education, stronger student performance, and greater student outcomes beyond the classroom.

There is a gap between competitive pay and Indiana’s current teacher salaries, and it has contributed to many challenges facing our education system today. Fewer students are enrolling in or completing teacher preparation programs, and fewer Hoosiers are earning teaching licenses.

While there are varying opinions among the public about whether there is a “teacher shortage,” the data is clear: Indiana has significant challenges in attracting and retaining qualified teachers.



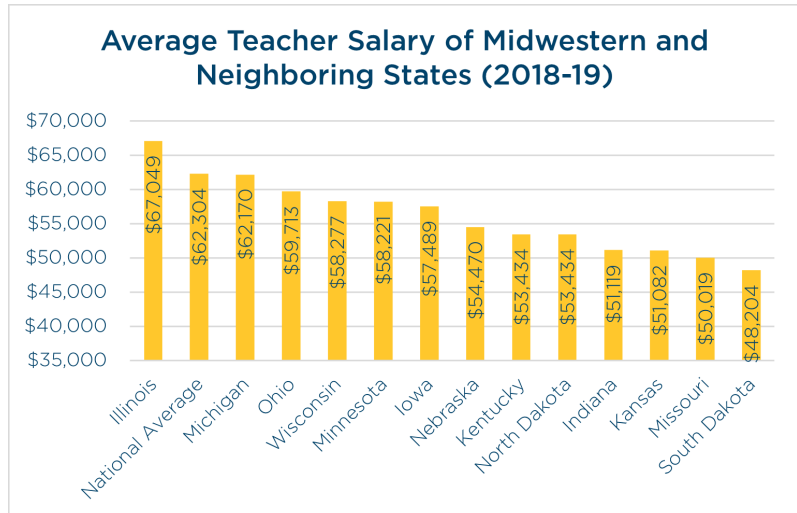
Source: U.S. Department of Education Title II Reports

## What is Competitive Compensation?

Using the most recent data available for interstate comparisons, the Commission has determined an average teacher salary of \$60,000 in the 2018-19 school year constituted competitive pay. This salary target would (1) make Indiana teacher pay competitive with other states, (2) nearly restore salaries to historically higher inflation-adjusted levels, and (3) improve competitiveness relative to other professions.

### Average Pay in Other States:

According to the National Education Association, Indiana had an average teacher salary of \$51,119 in the 2018-19 school year. This ranks Indiana 38th for average teacher salaries out of the 50 states and Washington, D.C., and falls 18 percent below the national average. Hoosier teachers earn less than teachers in all our neighboring states, and Indiana’s \$36,498 starting salary is more than \$3,600 below the national average. Significant pay gaps remain when adjusting for cost of living.

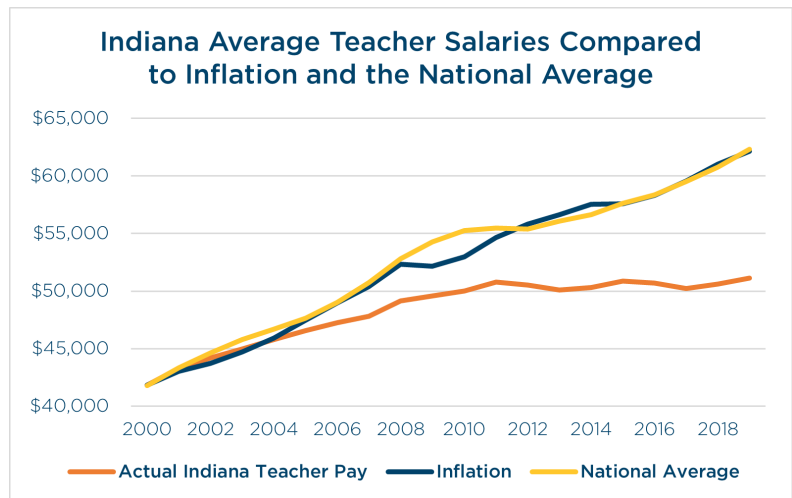


Source: National Education Association

A \$60,000 average salary for teachers would increase Indiana’s rank from ninth to third in the Midwest and third among Indiana’s neighbors—a goal this Commission shares with Governor Holcomb.

### Historical Teacher Pay in Indiana:

Indiana has had the lowest teacher salary growth in the nation over the last two decades. In 2000, Indiana teachers earned an average salary of \$41,850, which was higher than the national average and all but two states in the Midwest. Applying inflation to that average salary would equal over \$62,000 in 2019 dollars, more than \$10,000 higher than Indiana’s actual average pay.



Source: U.S. Department of Education National Center for Education Statistics, National Education Association, World Bank

## **Average Salaries in Other Professions:**

Five years after graduating from college, education majors in Indiana earn 11 percent less than the average salary earned by all Hoosier public college graduates. The earnings gap grows to 16 percent 10 years after graduation. The gaps persist across a multitude of sectors, even when controlling for the number of days worked.

Many individuals pursue careers in fields other than education because the pay is better elsewhere. With increased mobility among industries and easier access to more career opportunities than ever before, teaching salaries must be raised to successfully compete with a host of other desirable professions in attracting the very best talent to Indiana schools.

## **The Cost of Competitive Compensation**

The biggest challenges in improving teacher pay are the high cost of making up for a 20-year regression and retaining a competitive position, and some of these recommendations will not be possible without significant additional funding. With over 65,000 full-time public school teachers in Indiana (including teachers at traditional public schools, charter schools, and innovation schools), achieving competitive compensation will require an additional annual investment in teachers of more than \$600 million. Some of this can be derived from expense reallocations, but capturing potential efficiencies has limits and will need to be coupled with new revenue sources.

Unfortunately, the COVID-19 pandemic has depleted state and local revenues available for K-12 education spending, and achieving competitive compensation will require a multi-year commitment. While many proposals included in this report can be implemented in 2021, several ideas—particularly those involving significant new revenue—will not be feasible until the state's economic environment improves. These challenges are not insurmountable in the long term, nor are they avoidable.

Indiana is fortunate to have tens of thousands of exceptional teachers who have produced strong results in student learning. We need to ensure we are able to retain these great teachers and attract new ones.

## **Encouraging Progress**

Fortunately, Indiana has made recent strides in improving the landscape for teachers. Ninety-eight percent of school corporations raised teacher salaries in the 2019-20 school year, reporting a 2019-20 average teacher salary of \$53,463.

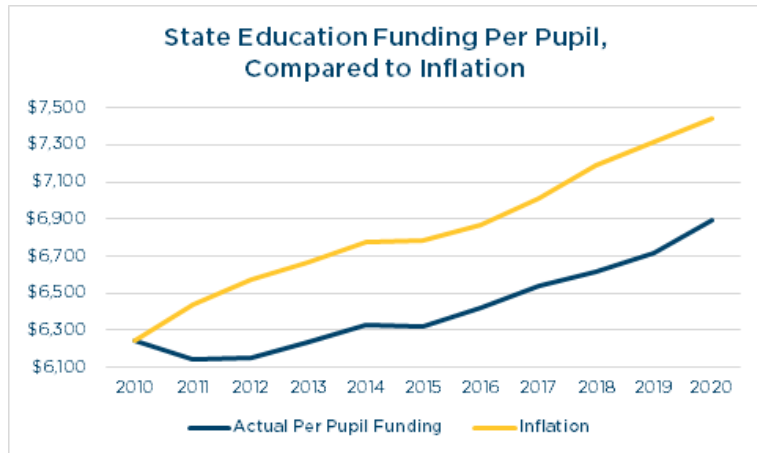
The state's recent efforts are producing results. The \$150 million one-time appropriation to pay down school corporation pension liability, coupled with 2019's historic increase in education spending, enabled school corporations to pay over \$126 million toward teacher base salary increases in 2019-20. This, in addition to local efforts, led to incumbent teachers receiving an average raise of \$2,215. While many factors contributing to the teacher pay gap still need to be addressed, this is progress the state can build upon.

## Factors Contributing to the Teacher Pay Gap

Indiana’s slow salary growth since 2000 is the result of a confluence of challenging factors, from competing budget needs and reduced government revenue in the wake of the Great Recession to substantial growth in school expenses outside the classroom.

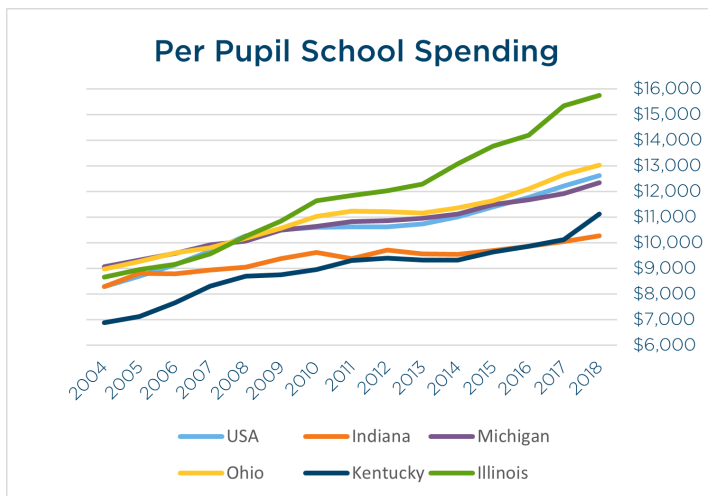
### State Education Funding

Teacher salaries are funded primarily out of the state’s tuition support payments to school corporations. In the 2019 legislative session, a historically large increase in education funding was budgeted for 2020 and 2021. The commitment from the Governor and state leaders to preserve these increases despite the fiscal challenges caused by the COVID-19 pandemic sets Indiana apart from many other states. However, despite these recent increases and more-or-less keeping pace with inflation since 2012, inflation-adjusted funding remains substantially lower than levels seen in Indiana before the Great Recession. Controlling for the number of students served, 2019-20 per pupil funding was more than seven percent lower than 2010 levels when adjusting for inflation. This represents a shortfall of about \$580 million from 2010 funding.



Source: Indiana Office of Management and Budget, World Bank

Indiana’s per pupil spending has increased much slower than in our neighboring states and the rest of the country. Indiana ranked 22nd in per pupil spending in 2004, but by 2018 fell to 36th in the nation and 11th in the Midwest. The drop in Indiana’s education spending ranking falls roughly in line with our average teacher pay ranking.



Source: U.S. Census Bureau

Part of the reason for slower growth in per pupil funding is the increased costs of other budgetary priorities, such as public safety and social services. While education is by far the largest component of Indiana’s budget, its share of the 2019-21 biennial budget is 1.7 percentage points less than in 2011-13—a nearly \$300 million difference annually.

### Local Revenue

While state funding has increased



slower than inflation, many local governments have avoided significant funding increases of their own. Roughly 26 percent of Indiana’s education revenue comes from local tax, but local communities vary widely in the percentage of their total school funding derived from local effort.

Statutory limits on property tax increases pose an obstacle in increasing local education funding. However, communities can raise additional revenue for schools through operating referenda—an important tool most school corporations have not utilized. In 2020, only 21 percent of school corporations collected increased revenue through active operating referenda, and even fewer used referendum revenue to boost teacher salaries.

School corporations with operating referenda are more likely to have higher local funding effort and higher average teacher salaries. While there are challenges to passing a referendum, the passage rate for local referenda has significantly improved in recent years, and more districts should leverage them to raise teacher pay.

### **School Expenditures and Staffing**

Increasing education funding, by itself, should never be viewed as a complete solution. Indeed, much of the responsibility for suppressed growth in teacher pay rests with school spending. Like any large-scale enterprise, schools can and should do more to find efficiencies and cut non-teacher costs. The percentage of dollars getting spent in the classroom has decreased in the last decade and a half, from 59.6 percent in 2005-06 to 57.4 percent in 2018-19. This decrease equates to nearly \$300 million annually that could otherwise be used for classroom expenses and teacher pay.

Indiana’s record on the efficiency of its education staff makeup is mixed. On the one hand, the percentage of Indiana’s educational spending that goes to teacher salaries is slightly higher than the national average, and the number of support staff (such as bus drivers and custodial staff) has decreased over the past decade. However, teachers continue to make up only 43 percent of public education employees, which NCES data indicates is among the lowest percentages in the country. Also, salary costs for administrators over the past decade have grown much more rapidly than for teachers.

To achieve competitive teacher pay, Indiana schools will need to prioritize efficiency and ensure teacher salaries grow as quickly as those of other education professionals.

### **How to Improve Teacher Compensation and Close the Teacher Pay Gap**

Local Indiana school corporations, and the state that helps fund them, control the pay-related attractiveness of the teaching profession. Together, they must strive to reverse the declining popularity of the profession and achieve competitive teacher pay throughout the state.

Indiana’s lawmakers and education leaders have overseen many impressive reforms over the last decade, rewarding effective teachers and strengthening K-12 education’s focus on student achievement. Their actions have laid the foundation for additional transformational reforms that will help attract and retain the best teachers to our children’s classrooms.

The path to competitive teacher compensation involves three essential steps:

- (1) Encouraging and implementing expense reallocation measures, so more dollars currently spent on other needs can be redirected to teacher salaries,
- (2) Increasing sources of revenue available for teacher pay, and
- (3) Improving teacher compensation-related policies.

Achieving competitive pay will require all Hoosiers to take responsibility: school corporations, lawmakers, state government, unions and education associations, teachers, and citizens. If Indiana stakeholders take advantage of the opportunity to make the transformative improvements in teacher pay practices proposed in this roadmap, the benefits will be far-reaching for students, the education system, and the State of Indiana as a whole.

## **The Recommendations**

In developing our recommendations, the Commission considered possible options from every angle. We spent substantial time reviewing data from a multitude of sources, held countless meetings with subject matter experts, and received invaluable input from thousands of teachers, citizens, and stakeholders through our online portal and public input sessions.

We estimate that implementation of the recommendations in this report—apart from a major new source of state revenue—would provide more than \$300 million in additional compensation for teachers each year. Five recommendations yielding \$255 million in expense reallocations and new revenues comprise most of the \$300 million, and clear estimates have been provided for these. The remaining recommendations are estimated to contribute at least \$50 million more in savings and additional funding for teacher pay. While many of these strategies are directed to school corporations, most require action by state government.

Our recommendations are summarized below, and further detail on each recommendation is included beginning on page 42 in our full report.

Collectively, these will dramatically improve policies affecting teacher pay and provide the necessary resources to ensure Hoosier teachers receive competitive compensation for years to come.

## **Recommendations to Local School Corporations**

The Commission is very mindful of widely varying circumstances at each school corporation. School leaders should review the full list of recommendations and implement as many as are feasible and impactful, with input from teachers, based on the circumstances in their local education agency.

### **Expense Reallocations:**

#### **1. Join the state’s pharmacy benefit plan (estimated \$25 million in annual savings for school corporations):**

- Join the Indiana Aggregate Prescription Purchasing Program (IAPPP)—the state’s pharmacy benefit plan that enables flexible plan design for individual school corporations.



**2. Limit working spouses' participation in district health care plans (estimated \$50 million in annual savings for school corporations):**

- Join the 54 school corporations that restrict spouses of teachers with access to health insurance through their own employers from joining the district's healthcare plan, and offer an employee-plus-children healthcare plan option. Repurpose all savings into increasing teacher compensation.

**3. Exclude Medicare-eligible retirees from healthcare plans:**

- Many school corporations allow retired teachers to participate in school-sponsored health care plans, even if they are eligible for Medicare. This increases healthcare costs and reduces funds available to active teachers.

**4. Increase utilization of centralized procurement:**

- Take advantage of pre-negotiated cost-savings by making purchases through the K12 Indiana procurement program and help build the Indiana Department of Administration's strategic sourcing purchasing program by sharing procurement data.
- Utilize existing flexibility to make categorical rather than line-item purchases. Districts can save money by purchasing a variety of goods and services through a single, competitively sourced or negotiated vendor or contract, rather than purchasing different items through separate vendors or contracts.

**5. Join a liability risk pool:**

- Dozens of school corporations have saved millions of dollars combined through pooled purchasing of property, casualty, and third-party liability insurance.

**6. Right-size district teacher and staff ratios where appropriate:**

- Strategically reduce employee counts where possible and use savings to raise teacher salaries.

**7. Share services with other districts and external organizations:**

- Reduce the need for additional employees and overhead expenses by fulfilling service needs through sharing staff with other school corporations, higher education institutions, private organizations, and governmental entities such as libraries, police forces, and health centers.

**8. Implement additional best practices:**

- Purchase the best value health insurance available and utilize health savings accounts, wellness programs, and tobacco-free discounts. Incentivize higher deductible consumer-driven health plans by providing financial incentives to teachers who select these lower cost plans.
- As many districts have done, privatize or form competitive employment practices for services such as food preparation or custodial maintenance when appropriate.

- Reduce legal costs by increased utilization of arbitration and other alternative dispute resolution processes.
- Divest vacant real estate or unused property to reduce and avoid ownership costs.
- Utilize regional Education Service Centers to save costs on trainings, professional development, large purchases, human resource management systems, and other services.

**Additional Revenues:**

**9. Pass an operating referendum (estimated \$80 million in additional annual funding):**

- Work with community stakeholders to increase teacher base salaries through a voter-approved operating referendum. If school corporations educating just 10 percent of Indiana’s students pass an operating referendum of the same scale as other referenda currently in place, they would receive an additional \$80 million in revenue annually.

**10. Increase Medicaid reimbursement claims:**

- Many districts forfeit potential funding by not filing for Medicaid reimbursement.

**11. Increase private contributions through foundations:**

- Most districts do not have an education foundation, which could provide a simple way for private individuals or corporate donors to make tax-advantaged contributions to a school corporation. These districts should set up, and promote, such a foundation.
- School corporations should partner with local community foundations to identify methods for increasing teacher pay at the local level. Tax deductible donations to community foundations can be passed through to designated school corporations.

**Policy Changes:**

**12. Award higher salaries to teachers with high-need students and in teacher shortage subject areas:**

- Take advantage of the ability to implement differentiated pay by paying higher salaries to teachers of high-need students and teacher shortage subject areas.

**13. Improve flexibility for teachers to control their individual compensation through career ladder systems:**

- Implement local teacher career ladder systems as a mechanism for schools to highlight and utilize the instructional and leadership capacity of current school corporation educators to improve teaching and student learning. The career ladder system should allow teacher participants to achieve higher salaries.

**Recommendations to State Government**

Each of the below recommendations requires legislative action unless otherwise noted.

## **Expense Reallocations:**

### **14. Pay down pension debt (\$50 million in annual savings):**

- Once Indiana's reserves are replenished, the state should codify Governor Holcomb's plan to use \$250 million from the reserves to pay down debt in the pre-1996 teacher retirement fund, resulting in approximately \$50 million in annual savings.
- Allow schools to prepay to the Indiana Public Retirement System (INPRS) their required contributions to the '96 pension fund in exchange for guaranteed interest or a reduction in annual contributions. (administrative)

### **15. Efficiency funding:**

- Use the state's untapped \$5 million School Corporation Efficiency Incentive Grant fund as seed funding to establish an efficiency division within the Indiana Department of Education, to be tasked with helping school corporations save money and setting efficiency standards.

### **16. Improve procurement practices:**

- Expand the K12 Indiana program to include all purchasing contracts through the nine Education Service Centers. Using a dedicated education procurement specialist or team within state government, implement a strategic sourcing program for group purchases based on an analysis of K12 Indiana procurement data. (administrative)
- Require school corporations to purchase goods via joint arrangements unless additional savings can be achieved through independent purchasing.
- Allow school corporations to make purchases through a negotiated bidding process.
- Require multiple bids before purchasing insurance policies, if not part of a trust or cooperative purchasing arrangement.

### **17. Incentives for expense reallocations:**

- Establish a program to financially reward school corporations for developing and implementing expense reallocation measures by providing these districts with additional one-time funding. These funds should be made available to districts that increase the proportion of their funding spent on teacher salaries or achieve certain salary funding levels, with the amount determined in part by the size of the district and the level of increase in teacher compensation. Incremental funds awarded should be required to be used to supplement the compensation of district employees, including teachers. The program could be supported through the use of any excess tuition support funds (the difference between what was appropriated and the amount actually required by the funding formula).

### **18. Remove barriers to school corporation consolidation:**

- Require school boards to evaluate the feasibility of interdistrict consolidation or partnerships upon their superintendents' announcement of retirement or resignation.

- Exempt districts that consolidate with another district from requirements to sell or lease vacant buildings to charter schools for one dollar.
- Allow consolidating districts to have additional school board members (for a total of up to 11) for a maximum of two years after consolidation.
- Grant consolidating school corporations a two-year deferment period from potential obligations to meet teacher salary requirements (see recommendation nos. 30 and 32).

**Additional Revenues:**

**19. Means-test Indiana’s 529 plan tax credit (estimated \$50 million in additional revenue):**

- Eliminate Indiana’s 529 plan tax credit—the most generous in the nation—for households earning more than \$150,000, and direct the savings to teachers. This would only affect the up-to-\$1,000 tax return credit received by high-income earners. All households would still be able to invest in 529 plans and would still receive tax-free investment growth.

**20. Expand Medicaid reimbursement:**

- Submit a federal Medicaid waiver to allow schools to claim Medicaid reimbursements for medical and special education services provided to students outside of Individualized Education Programs (IEPs). (administrative)

**21. Township flexibility:**

- Allow townships to financially support school corporations by providing funds for capital projects or other one-time programs.

**22. Tax increment financing:**

- Increase tax increment financing (TIF) transparency requirements and require that TIF districts pass assessed value through to local government units, including school corporations, in instances when TIF districts have accumulated more funds than necessary to pay for project costs.

**23. Allow deficit financing for school corporations with large cash reserves:**

- Exempt districts with cash reserves larger than 25 percent of their annual certified budgets from the collective bargaining prohibition on using deficit financing toward teacher salaries.

**24. Encourage private donations to schools:**

- Allow full state tax deductibility for private donations made directly to schools, and provide a tax credit for donations funding teacher pay programs.
- Create a statewide foundation for receiving private funds that can supplement a state teacher pay program. (administrative)

**25. Reduce duration restrictions on referendum tax levies:**

- Allow local tax referenda to remain in effect until local citizens or the school board of trustees votes to discontinue them.

## **26. Establish a teacher pay tax return “check-off”:**

- Implement a “High Five for Teachers” tax return check-off, allowing Hoosiers to support increased teacher pay by opting on their tax return filings to donate \$5 or more to a state teacher pay fund.

## **27. Local impact fees:**

- Require residential developers in high-growth areas to pay one-time impact fees on a per-unit basis if the population growth would require significant capital investment in school facilities.

## **28. State revenue increase:**

- For Indiana to become a top-three state for teacher pay in the Midwest, it will require hundreds of millions of additional dollars to be invested into teacher compensation. Once it is economically feasible, the General Assembly should consider an increase in revenue through income tax, statewide referendum, per-parcel property fees, or another source.

## **Policy Changes:**

### **29. Implement a statewide professional pathways compensation model for teachers:**

- To ensure substantial additional funding goes to great teachers, Indiana’s Secretary of Education should work with education stakeholders to overhaul the Teacher Appreciation Grant program into a more robust “Professional Pathways” salary program. The state will need to provide substantial additional funding, which the schools should then use to increase teachers’ base salaries above the collectively bargained salary amounts. This additional funding should be made available to teachers in different amounts based on strategically identified categories. Promotions to higher levels could be achieved through different combinations of objective and subjective measures (e.g., evaluations, student achievement gains, National Board certification, etc.).

### **30. Minimum salary:**

- Establish a \$40,000 teacher salary minimum by requiring school corporations to pay all full-time teachers at least:
  - i. \$35,000 in 2021-22 and
  - ii. \$40,000 by 2022-23.

If a district cannot meet this minimum through its tuition support and local funding, it should be required to (1) receive a waiver from the Department of Education by demonstrating that the district cannot achieve the required minimum salary even after utilizing available cost savings measures and (2) work with IDOE’s newly created efficiency division on a plan to close the gap.

### **31. Teacher Salary Funding Floor:**

- Prohibit districts from spending less money on total teacher salaries than they did the prior year (except in certain cases of declining enrollments). When higher-salaried teachers

retire, school corporations too often redirect a portion of their compensation costs away from teacher pay; this will help eliminate that practice.

- Increase the total salary “funding floor” for districts that award stipends to a majority of their teachers for two consecutive years, requiring repeated stipend spending to be reassigned into teacher base salaries.

**32. Require teacher salaries to constitute at least 45 percent of each district’s tuition support:**

- Require the total amount each school corporation spends on teacher salaries to equal at least 45 percent of its tuition support funding amount. If a district cannot achieve this, it must (1) receive a waiver from the Department of Education by demonstrating that the district cannot meet this benchmark even after utilizing available cost savings measures and (2) work with IDOE’s efficiency division on a plan to close the gap.

**33. Funding formula changes:**

- Increase complexity funding as a percentage of the state’s total tuition support (without reducing other tuition support components) so districts with higher poverty levels can pay teachers more.
- Run a cost analysis on virtual schools and programs to determine the appropriate amount of funding per student they should be receiving. (administrative)

**34. Ensure compensation transparency for teachers:**

- Require districts to provide individual teachers with a financial breakdown of their total salary, retirement, and health benefits prior to their hiring and any other time at their request.

**35. Improve school corporation data accessibility and transparency to the public:**

- Create an easily accessible and navigable state website allowing for easy comparisons of school corporation financial, expenditure, and compensation metrics relative to other districts. (administrative)
- Improve data collection around teacher vacancies, school staff and administrator ratios, and administrator pay.

**36. Expand efforts to recruit more minority teachers to the profession:**

- Increase funding of recruiting efforts to attract minority teachers.

**37. Improve non-compensation-related job satisfaction among teachers (administrative):**

- Establish a formal initiative to improve teacher recruitment and job satisfaction beyond compensation, including but not limited to promoting teacher residencies and reducing regulations affecting teachers.

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# INTRODUCTION

## The Commission

Governor Eric Holcomb formed the Next Level Teacher Compensation Commission in February 2019. The Commission was charged with a simple, two-part mission to:

- (1) Determine what constitutes competitive teacher compensation in Indiana and
- (2) Provide recommendations for how to achieve it.

As many Hoosiers can attest, the simplicity of this mission does not reflect the difficulty in accomplishing it. There is no shortage of obstacles in identifying and achieving competitive compensation. The issue has been defined by strong opinions, costly remedies, political challenges, and conflicting data. The Commission has worked diligently for more than 18 months to determine the best and most appropriate way to navigate these challenges.

The Commission is comprised of the following group of citizen volunteers:

- **Michael L. Smith** (Indianapolis, Commission Chairman), former chairman, president and CEO of Mayflower Group and former executive vice president and CFO of Anthem Inc.
- **Melissa Ambre** (Noblesville), director of the Office of School Finance for the Indiana Department of Education
- **Jená Bellezza** (Gary), COO of Indiana Parenting Institute
- **Tom Easterday** (Zionsville), former senior executive vice president, secretary & chief legal officer for Subaru of Indiana Automotive
- **Rebecca Gardenour** (New Albany), member of the New Albany-Floyd County Board of School Trustees and member of the Indiana School Boards Association
- **Emily Holt** (Arcadia), math teacher at Westfield High School
- **Dan Holub** (Indianapolis), executive director of the Indiana State Teachers Association
- **Katie Jenner** (Madison), senior education advisor to Gov. Holcomb
- **Bob Jones** (Evansville), retired chairman and CEO of Old National Bancorp
- **Nancy Jordan** (Fort Wayne), former senior vice president of Lincoln Financial Group
- **Lee Ann Kwiatkowski** (Muncie), director of public education and CEO of Muncie Community Schools
- **Denise Seger** (Granger), chief human resource officer for Concord Community Schools in Elkhart
- **David Smith** (Evansville), superintendent of Evansville Vanderburgh School Corporation

This 13-member Commission includes five current or former teachers, several of the state’s top business executives, and some of the most experienced education professionals in Indiana. Biographies of each Commission member can be found in Appendix 1.

The Commission is also fortunate to have had extensive support from dozens of experts within state government, and the advice and counsel of hundreds of others outside state government. This includes:

- Over 1,000 teachers and citizens
- School and district administrators from corporations of all sizes
- Leaders of state education-related associations
- Members of the Indiana General Assembly and legislative staff
- Staff from various Indiana executive and judicial branch agencies
- External consultants and attorneys
- Corporate and health care executives
- Think tanks
- University professors, researchers, and scholars

## **The Commission’s Data-Driven Approach**

Given the importance and complexity of teacher compensation, the Commission has spent substantial time reviewing data from a wide array of local, state, and national sources. We have consulted with countless teachers, citizens, and subject matter experts and discussed potential recommendations extensively.

The goal of our work has been to ensure Indiana’s compensation practices will yield a high-quality pool of teachers for years to come. To that end, the Commission is presenting three main categories of recommendations: (1) efficiencies that will result in savings to be repurposed into teacher pay, (2) increasing sources of revenue available for teacher pay, and (3) improving policies related to teacher pay.

Because the vast majority of Hoosier students are educated at traditional public schools, and because these schools offer more robust data, traditional public school corporations are the primary focus of our report. That said, many of the principles and recommendations detailed in this report could and should apply to other local education agencies (LEAs), including charter schools.

Public input was particularly helpful to the Commission in shaping its recommendations. We conducted public input sessions in Indianapolis, Evansville, and Elkhart, and received comments and suggestions from over 1,000 teachers and concerned citizens through an online portal. Many of these suggestions were reviewed and adopted by the Commission as recommendations and are featured in this report.

The Commission took a data-driven approach to developing its recommendations. We reviewed all data available to us, including detailed data from state agencies such as the Indiana Department of Education, Indiana Education Employment Relations Board, Department of Local Government Finance, Distressed Unit Appeal Board, Department of Revenue, State Budget Agency, and the State Personnel Department. For interstate comparisons, we reviewed myriad reports and articles, data from the U.S. Census Bureau, National Center for Education Statistics (NCES), and many other nationally recognized data sources. We also reviewed dozens of state rankings published by various national associations, research organizations and news outlets.

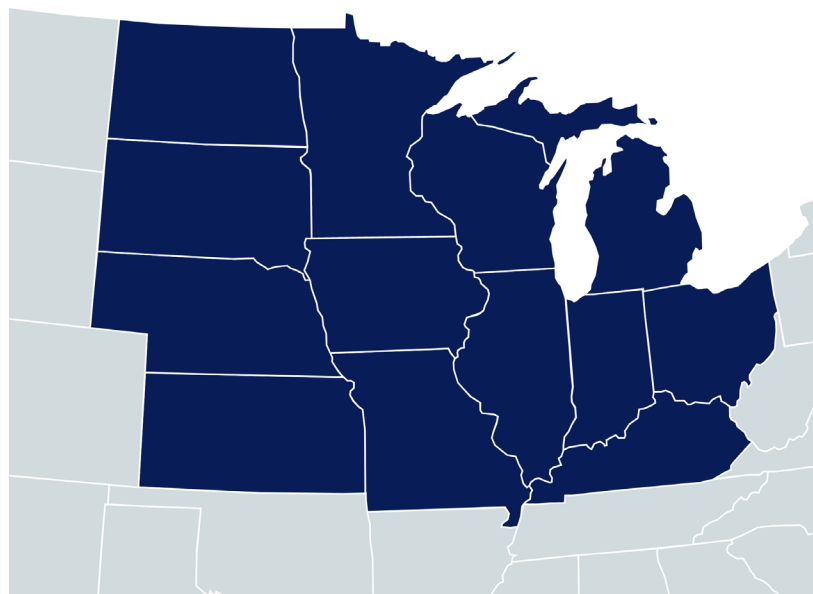
We analyzed all external data sources and rankings with caution, with the awareness that traditional rankings often suffer various methodological shortcomings.<sup>1</sup> We checked national data sources for consistency with more detailed data available to the Commission through state resources. Where national sources provide data that appears inaccurate, we have sought to understand why and excluded such data from our report wherever possible.

We also had conversations with experts in other states and studied reports, lessons, and best practices from education leaders throughout Indiana and beyond.

In parts of this report, we may use different data or data sources in referring to the same concept. For instance, when seeking to precisely identify the number of teachers in Indiana we use our internally verified estimates. However, when seeking insights from interstate comparisons we may use estimates provided by other sources to obtain the best possible “apples-to-apples” comparison.

We often examined data from a subset of states as a benchmark for measuring Indiana. The two subsets we most frequently analyzed are (1) our neighboring states: Illinois, Kentucky, Michigan, and Ohio, and (2) the 12-state Midwest region as defined by the U.S. Census Bureau:<sup>2</sup> Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Ohio, Nebraska, North Dakota, South Dakota, and Wisconsin. Of Indiana’s neighbors, Kentucky is the only state not included in the 12-state Midwest region.

### Midwestern and Neighboring States



Many of our comparisons combine both subsets of states, thereby including 13 states in total. Together, these states account for 22.2 percent of the country’s student population and 22.6 percent of the nation’s teachers.<sup>3</sup>

### **Additional Notes on the Commission's Data Analysis:**

We have generally tried to use the most recently available data throughout this report, although there are a few instances in which more recent data is available than what is included in this report. When we name a specific year, it often refers to the fiscal year or school year ending in that year. Also, note that many of the graphs in this report have axis scales that start above zero, in order to more easily observe trends in the data. When we note a statistically significant relationship between two data variables, it is at the .001 level unless otherwise specified.

### **Scope of Recommendations**

The scope of the Commission's work has been limited to addressing needs related to teacher compensation. We recognize the importance of support staff pay, school performance, and broader teacher retention and recruitment issues, but such topics are largely outside the scope of this group's study. Further work on these topics can and should continue to be conducted.

In gathering input from hundreds of stakeholders and citizens around the state, several ideas and themes emerged. Some of those are worthy of discussion here, because further review by the Commission yielded reasons for excluding these ideas in our final recommendations.

### **Topics Excluded from this Report**

#### **Student Assessment**

We received dozens of suggestions advocating elimination of standardized testing. Many inaccurately believe ILEARN costs the state \$100 million or more each year, and that elimination of this test would allow for repurposing of these funds back into teachers' pockets.

In actuality, the state spends \$45.1 million in total for statewide standardized testing.<sup>4</sup> More importantly, elimination of Indiana's standardized testing program would cause Indiana to lose close to \$664 million in federal education funding that is tied to a rigorous standardized testing framework.<sup>5</sup> Elimination of a standardized test would therefore be detrimental to teacher pay and, consequently, student achievement.

#### **School Choice**

Another popular topic in discussions on teacher pay has been school choice and Indiana's voucher program. Many people believe eliminating school vouchers would resolve the state's teacher pay needs, as a higher percentage of state tuition support funding would be directed to traditional public schools.

This perspective is flawed for several reasons. First, the school funding formula is structured to provide more funding per pupil for students in traditional public schools than to eligible voucher recipients attending private school. In Fiscal Year 2020, state Tuition Support payments made for students at public schools averaged \$6,979.<sup>6</sup> The average recipient of a Choice Scholarship, Indiana's voucher program, received only \$4,661.<sup>7</sup> When factoring in local and federal education spending, the average voucher amount for students in Indiana's Choice Scholarship program is about 35 percent of the average per-pupil cost in traditional public schools.<sup>8</sup> The State of

Indiana saved thousands of dollars per student for each student who left a district school to participate in the voucher program.<sup>9</sup>

If these students receiving vouchers were to reenter public schools, the money currently passing through to nonpublic schools would be redistributed to public schools. However, the students being funded by this transfer would receive greater funding in public schools than they were in nonpublic schools. Because of the greater per pupil funding that accompanies public school students, the addition of upwards of 36,000 students into public schools would reduce the per pupil grant amounts to school corporations statewide.<sup>10</sup> This would strain public school budgets even further.

Second, any gains from increases in funding being distributed to public schools would be offset by the need to hire additional teachers in public schools to educate the additional students.

Third, Indiana's voucher program makes up a very small portion of the education budget. In Fiscal Year 2020, \$171 million was distributed for Choice scholarships, Indiana's voucher program.<sup>11</sup> This is just 2.35 percent of Indiana's tuition support payments. Similarly, Indiana's tuition support payments to charter schools were \$254 million in Fiscal Year 2020, or under 3.5 percent.<sup>12</sup>

Eliminating the state's voucher program would mean more students being educated in public schools, but with fewer dollars per pupil. Experts can debate the merits of Indiana's school choice policies, but the math behind the program demonstrates elimination would not fix the teacher pay challenge; it would worsen it. Hence, we did not address these policies in our recommendations.

### **Reserve Spending**

Many citizens called for Indiana to distribute a substantial portion of its reserves to teachers. The COVID-19 pandemic and its repercussions have proven why this is a misguided suggestion. Had Indiana spent down its reserves prior to the pandemic, the fiscal consequences would have been calamitous. While it could provide teachers a welcome one-time lump sum payment, depleting the state's reserves does not present a sustainable, long-term solution.

Furthermore, spending substantially into Indiana's reserves would cause rating agencies to reduce Indiana's credit rating. This would raise borrowing costs, further straining the state's budget and ultimately costing school corporations more money.

As we noted earlier, Indiana's education funding relies more heavily on state revenues, which are more susceptible to economic fluctuations than local property taxes. This provides state government an additional reason to rebuild and protect our reserves, as recessions can require substantial reserve spending to ensure adequate funding for school corporations.

# WHY COMPETITIVE TEACHER PAY MATTERS

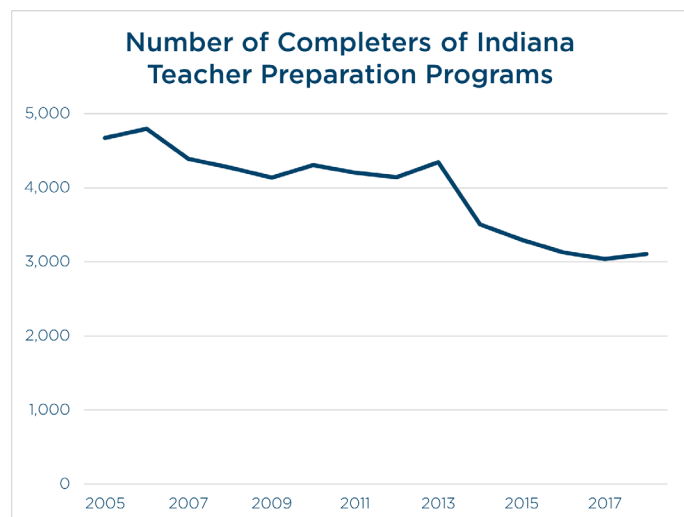
A former U.S. Secretary of Education once said, “Money is never the reason why people enter teaching, but it is the reason why some people do not enter teaching, or leave as they start to think about beginning a family and buying a home.”<sup>13</sup>

Competitive compensation for teachers is supremely important for ensuring the success of Hoosier students through a high-quality education. A strong education system requires skilled teachers. In the modern economy, attracting and retaining these skilled teachers requires competitive compensation.

The Commission found that Indiana schools generally have not been paying their teachers competitive salaries in recent years. Pay that is anything less than competitive has several alarming consequences for education. This Commission is especially concerned about three in particular: (1) the decreased popularity of entering the teaching profession, (2) the impact on the quality of student instruction, and (3) increased levels of teacher attrition.

## Decline in the Popularity of Entering the Teaching Profession

Indiana has dozens of teacher preparation programs, preparing thousands of teachers to enter the classroom each year.<sup>14</sup> In fact, well over 4,000 individuals completed a teacher preparation program in Indiana each year between 1999 and 2013.<sup>15</sup> However, the number of program completers fell below 3,600 each year since then, decreasing to 3,105 in 2017-18.<sup>16</sup> This is a drop of 29 percent from the 4,345 we observed in 2012-13, a span of just five years.<sup>17</sup> This includes completers of both traditional and alternative teacher preparation programs.<sup>18</sup> Enrollment in teacher preparation programs has also seen significant declines over the same timeframe, both nationally and in Indiana.<sup>19</sup>



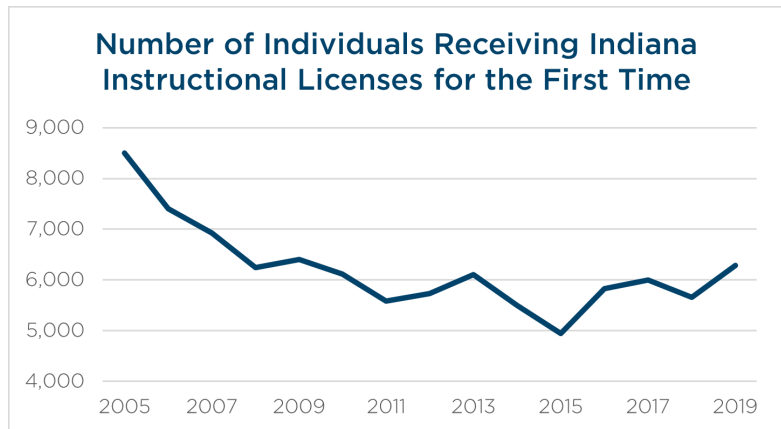
Source: U.S. Department of Education Title II Reports

We see somewhat more favorable data when we look at the number of individuals receiving an instructional license in the state. Indiana Department of Education statistics show that 2018-19 saw 6,286 instructional licenses awarded to first-time Indiana recipients—the highest mark since 2009.<sup>20</sup> However, it is also 26 percent less than the peak of 8,506 licenses in 2005.<sup>21</sup>

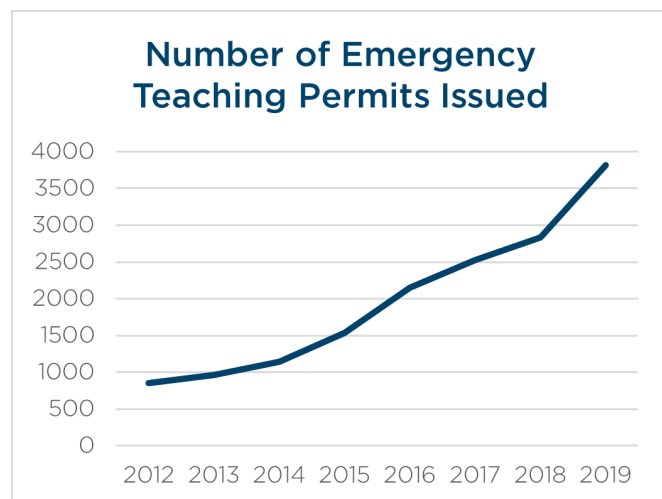


Relatedly, the number of emergency teaching permits approved in Indiana has more than quadrupled in recent years—from 849 in 2011-12 to 3,812 in 2018-19.<sup>22</sup> The difficulty in hiring teachers in the fields of science, technology, engineering and mathematics has been well documented, but the top five content areas receiving emergency permits in 2018-19 included elementary generalists

(578 emergency licenses) and language arts (284).<sup>23</sup> While the emergency permit increase is partially due to a customized licensure test and increased course offerings taught by instructors licensed in other areas, this remains one more sign of the declining popularity of teaching as a preferred profession.



Source: Indiana Department of Education



Source: Indiana Department of Education

Recent survey data supports these trends. Dr. Terry McDaniel, professor of education at Indiana State University, has conducted teacher hiring surveys of Indiana’s school districts each year since 2015. In 2020, 52 percent of districts reported having to employ teachers outside their licensed areas, and 87 percent of districts reported struggling to find qualified applicants.<sup>24</sup>

The challenges are not limited to full-time educators. Many districts have recently reported being unable to find enough substitute teachers to fill temporary needs,<sup>25</sup> even after lowering certification requirements.<sup>26</sup>

While there are varying opinions among the public about whether there is a “teacher shortage,”<sup>27</sup> the data confirms there are significant challenges in attracting qualified teachers.

## Quality of Instruction

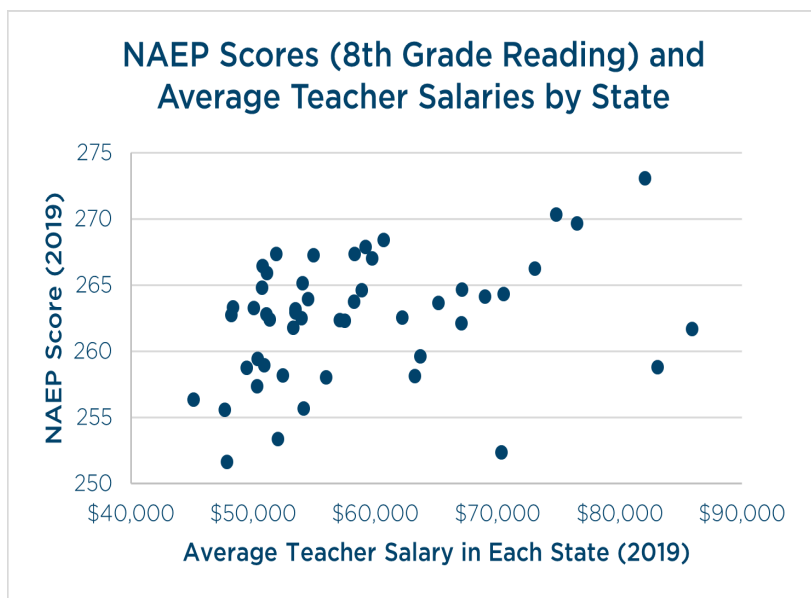
Simply put, higher pay leads to better teachers.<sup>28</sup> Not surprisingly, various studies have shown that salary increases for teaching positions improves the attractiveness of these positions.<sup>29</sup> Higher pay increases the number of individuals and overall quality in the pool of applicants, thereby improving the effectiveness of new hires.<sup>30</sup>

Not only does higher pay yield more effective teachers, it also results in better student outcomes.<sup>31</sup> Studies show that teachers have stronger literacy and numeracy skills in countries

that pay teachers higher wages relative to other professions, and these teachers generate stronger student performance.<sup>32</sup> In the United States, an analysis of states' National Assessment of Educational Progress (NAEP) scores also shows correlations between average teacher salaries and student test scores or proficiency rates.<sup>33</sup>

Raising teacher wages has been found to improve student outcomes beyond test scores, including decreasing high school dropout rates.<sup>34</sup> In short, places that pay teachers more have more skilled teachers and better student performance.<sup>35</sup>

In Indiana, there is a modest relationship between teacher salaries and test scores.<sup>36</sup> Students in districts with higher starting and average salaries are more likely to score better on standardized tests.<sup>37</sup> They also have higher graduation rates and better scores on college placement exams.<sup>38</sup>



Source: National Assessment of Educational Progress

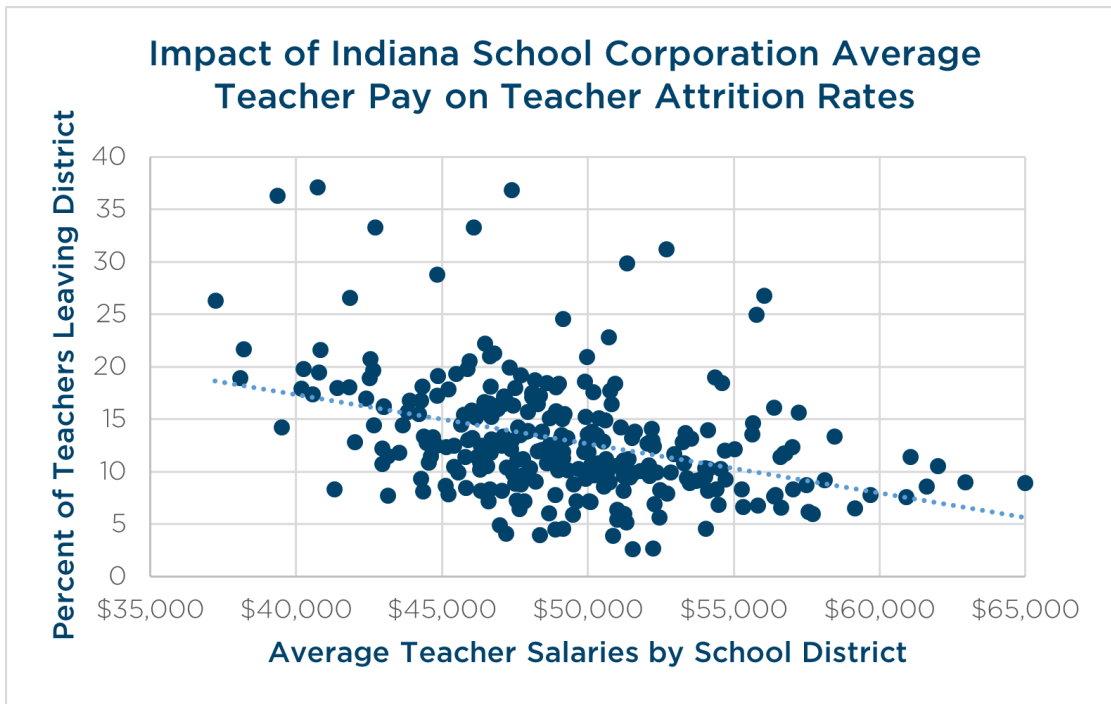
## Retention and Attrition

During our public input sessions, we heard stories from parents whose children suffered from frequent turnover in their teachers. One mother indicated her child had eight teachers over the course of three years. The current environment is especially troubling, as the COVID-19 pandemic,<sup>39</sup> and the uncertainty it has caused,<sup>40</sup> could result in further disruption in the number of teachers leaving the classroom.

Studies show that teacher turnover negatively affects student achievement.<sup>41</sup> When teacher turnover is a contributing factor in teacher shortages, schools often hire inexperienced or less-qualified teachers, which can be harmful to student learning.<sup>42</sup> In fact, high teacher turnover is so disruptive to a school that it even hurts the performance of students whose teachers stay.<sup>43</sup> Paying teachers more leads to higher teacher retention rates, which in turn improves student achievement.<sup>44</sup>

Losing teachers also imposes significant added costs on LEAs. Costs associated with a teacher leaving (termination costs, replacement and training costs, etc.) can carry a price tag of more than \$20,000 per teacher in urban districts.<sup>45</sup> This presents a challenging conundrum: teachers will leave more frequently unless their pay is raised, but higher costs from attrition makes raising pay more challenging.

Indiana had a teacher attrition rate of 13 percent in 2018, compared to a rate of 10.4 percent in



*Source: Indiana Department of Education and Indiana Education Employment Relations Board*

2010.<sup>46</sup> The average attrition rate nationally is approximately eight percent.<sup>47</sup>

Indiana data supports findings that school corporations with higher average teacher salaries have lower percentages of teachers that leave the district.<sup>48</sup> In 2018, 88 districts (30.4 percent) had attrition rates greater than 15 percent. None of these were among the 12 districts with average salaries over \$57,500.<sup>49</sup> Only 10 of the 50 highest-paying districts had attrition rates above the state average.

These symptoms, while more pronounced in Indiana, are not unique to our state. Quit rates among individuals in the educator sector are at historic highs.<sup>50</sup> Nationwide, nearly twice as many education employees quit the profession in 2019 as in 2009.<sup>51</sup> These headwinds facing the nation only make Indiana’s challenge greater.



# WHAT IS COMPETITIVE COMPENSATION?

Achieving competitive compensation will not only attract the best teachers to the profession, it will also improve student outcomes and lower attrition.

It bears repeating that the Commission's focus was on competitiveness rather than fairness. While fairness refers to an intrinsic quality of rightness or justice,<sup>52</sup> competitiveness looks at a relative ability to compete successfully against others<sup>53</sup>—in this case, competing to make the Indiana teaching profession relatively more attractive than other industries or teaching in other states. Competitiveness is easier to quantify, as it is governed by a multitude of economic factors, such as opportunity cost (the value of activities or occupations foregone), incentives (motivations prompting certain decisions), and market forces like supply and demand. This Commission's findings and recommendations are strongly influenced by these principles.

After an extensive review of available data, the Teacher Compensation Commission has determined an average teacher salary of \$60,000 in 2018-19 was competitive pay for teachers in Indiana. We use the 2018-19 school year as it was the most recent year for which much of the data for comparisons is available. While a \$60,000 salary would not exceed the salaries of all comparison cohorts we examined, it would be competitive with them. The Commission arrived at this figure by analyzing competitiveness across three primary benchmarks: (1) average teacher pay in other states, (2) average teacher pay in Indiana in prior years, adjusting for inflation, and (3) average salaries in other professions.

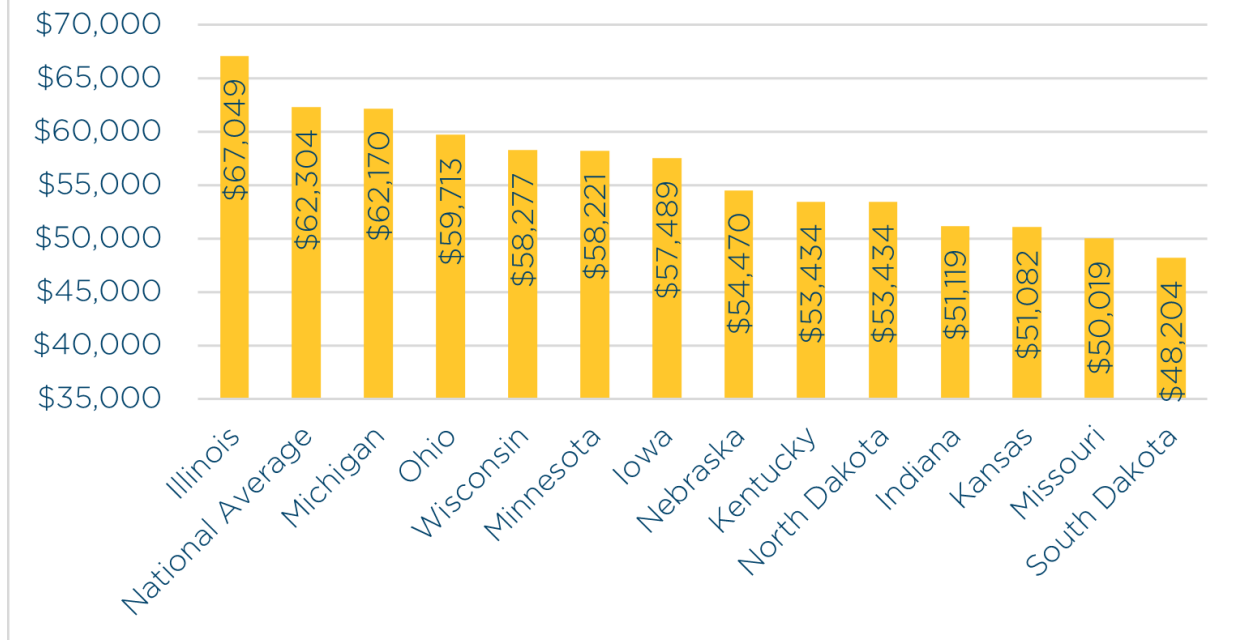
## Average Teacher Pay in Other States

While Indiana maintains record-level data on teacher salaries that allows for a higher degree of accuracy, comparing teacher pay with other states requires looking instead to national datasets to ensure consistent methodologies. The most recent data from the National Education Association (the most widely cited data source on the topic) ranked Indiana 38th for average starting teacher salary out of the 50 states and Washington, D.C.<sup>54</sup> Our average starting salary of \$36,498 is \$3,656 less than the national average of \$40,154.<sup>55</sup>

Indiana's ranking for all teacher salaries is the same (38th) as for starting salaries, but the differential is larger.<sup>56</sup> With an average salary of \$51,119, Indiana falls \$11,185 (18 percent) less than the national average of \$62,304.<sup>57</sup>

Comparisons against our neighboring states and the 12 states in the U.S. Census Bureau's Midwest region show similar results. Indiana teachers earn less than teachers in each of our neighboring states. Hoosier teachers would need to earn \$8,593 more to rank third among our four neighbors.<sup>58</sup> In the broader 12-state Midwest region, Indiana falls in the bottom third—ahead of just Kansas, Missouri and South Dakota.<sup>59</sup>

## Average Teacher Salary of Midwestern and Neighboring States (2018-19)

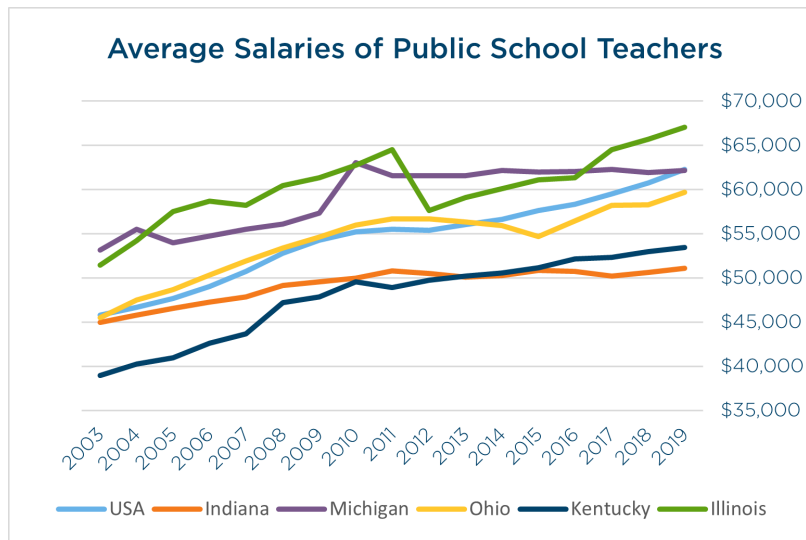


Source: National Education Association

If Indiana's average teacher salary had been \$60,000 in the 2018-19 school year, it would have moved Indiana from the bottom third of states to just shy of the top third, as well as third among our neighbors and third in the Midwest.<sup>60</sup> Unfortunately, other states' average salaries move higher each year, in turn raising the necessary target for Indiana on an annual basis. The average teacher salary nationally increased by 2.53 percent between 2017-18 and 2018-19, and by 2.06 percent between 2016-17 and 2017-18.<sup>61</sup> If we apply the average of those two increases (2.3 percent) to each of our neighboring states for the 2019-20 and 2020-21 school years (an unrealistic occurrence but a reasonable estimate), then Indiana would need a current average salary of \$62,487 to stay ahead of Ohio and rank third. If the fiscal challenges related to the pandemic cause Ohio's average salary to remain flat for the 2020-21 school year, Indiana would still need a salary of \$61,084 to rank higher. This dynamic highlights the need for regular interstate comparisons in future years.

Some believe Indiana fares better if we adjust for states' cost-of-living differences. This yields only a modest improvement in Indiana's national ranking (and a slight decrease in our ranking among Midwestern states). According to a study by the Federal Reserve Bank of St. Louis, Indiana's average teacher salary in 2017 was \$56,347 when adjusting for cost-of-living, ranking 32nd in the country.<sup>62</sup> All our neighboring states ranked in the top 20.<sup>63</sup> Indiana's cost-of-living adjusted salary is nearly \$5,000 less than our lowest-ranking neighbor (Kentucky), and a full \$10,000 less than Ohio and Michigan.<sup>64</sup> Only two of the 12 Midwestern states fall below Indiana.

A look at the growth in average teacher salaries among neighboring states over the last 15 years provides additional insight. In 2003, Indiana was within \$1,000 of Ohio's and the United States' average teacher salaries, and paid almost \$6,000 more than Kentucky.<sup>65</sup> By 2019, Indiana's average salary slipped significantly relative to others. Kentucky has surpassed Indiana by more than \$2,000, and Indiana has fallen more than \$11,000 behind the national average.<sup>66</sup>



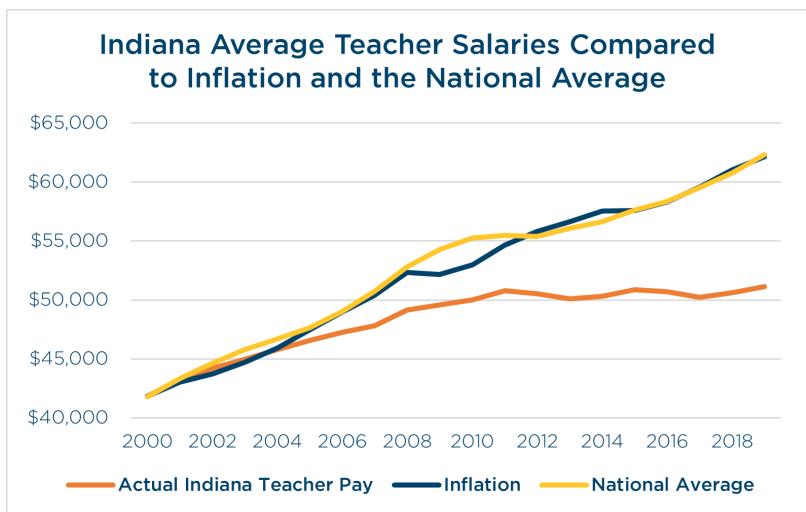
Source: National Education Association

The average teacher salary in the United States increased by \$16,528, while Indiana's average increased just \$6,153.<sup>67</sup> More teachers now report being dissatisfied with their salaries than ten years ago.<sup>68</sup> The fact that Indiana has fallen behind nationally only exacerbates the problem.

Beginning in 2011, increases in Indiana teacher pay stagnated. Indiana's average salary rose by only \$318 in the eight years since 2011, the lowest increase among our neighbors.<sup>69</sup> This shifts the focus to the second part of our analysis identifying \$60,000 as a competitive salary in 2018-19: inflation-adjusted pay in prior years.

### Average Historical Teacher Pay in Prior Years

The stagnant growth of Indiana teacher salaries has been well documented. In real dollars, Indiana's average teacher salary has declined more since 2000 than any other state.<sup>70</sup> In 2000, Indiana's average teacher salary was \$41,850, which was better than the national average and all but two states in the Midwest.<sup>71</sup> Applying inflation to that salary would equal over \$62,000 in 2019 dollars.<sup>72</sup> Indiana salaries have fallen more than \$10,000 behind the rate of inflation in less than two decades.



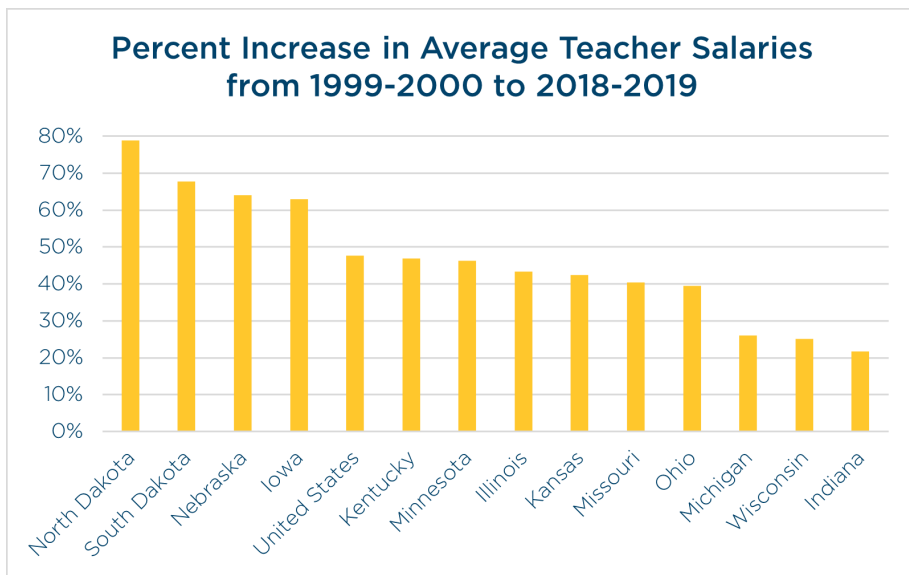
Source: U.S. Department of Education National Center for Education Statistics, National Education Association, World Bank



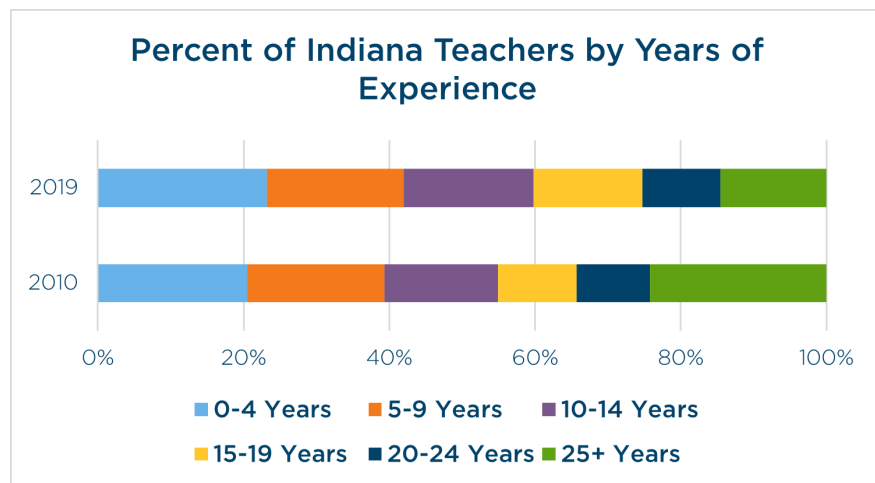
Multiple sources have found Indiana to have the worst teacher wage growth in the nation over the first two decades of the millennium, by both dollar amount and on a percentage basis.<sup>73</sup>

Some may attribute the slow growth in Indiana's average teacher salary, or decline in real dollars over time, to the teaching workforce becoming younger due to a higher rate of

retirement and more teachers with fewer years of experience. Despite retirements, the state actually continues to have a higher percentage of more-experienced teachers than the national average. In Indiana, 24.2 percent of teachers have over 20 years of classroom experience,<sup>74</sup> versus a national average of 22.8 percent.<sup>75</sup> Indiana Department of Education data does show, however, that the percentage of teachers with less than five years of experience has increased while the number of active teachers with more than 25 years of experience has significantly decreased.<sup>76</sup>



Source: U.S. Department of Education National Center for Education Statistics, National Education Association



Source: Indiana Management Performance Hub analysis based on Indiana Department of Education data

However, while some retiring higher-salaried teachers have been replaced by teachers with lower salaries, this should not lead to a lower overall average salary. Ideally, LEAs should be redistributing to other teachers the money previously spent on higher-paid teachers who retire, which would leave the average salary unaffected.

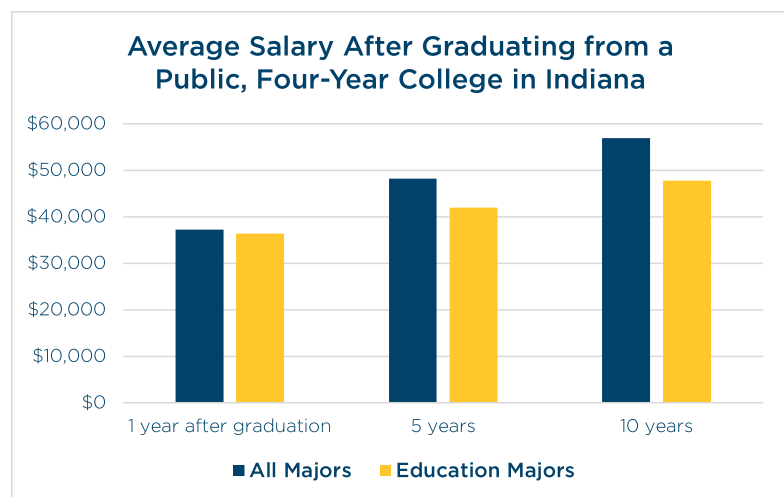
Unfortunately, the stagnant average salary over the past decade shows that lower salaried teachers are not seeing wage growth from the dollars freed up by the departure of their higher-salaried colleagues. As countless teachers have pointed out, their salaries have seen weak growth regardless of the retirement rate among more senior teachers.

## Average Salaries of Other Professions

To encourage people to become teachers, they will need to find the profession at least as attractive as other career opportunities available to them. There are countless factors in the appeal of a profession that carry different weight for different people; however, our analysis is focused solely on compensation. The declining popularity of the teaching profession coincides not just with a decrease in pay when adjusting for inflation, but also with the expansion of job opportunities available to all in today's modern economy.

The Indiana Commission for Higher Education regularly publishes a “return on investment” report<sup>77</sup> and accompanying data dashboard,<sup>78</sup> showing average wages of various degree programs after graduating from public Indiana colleges. The median wages for public bachelor degree recipients one year after graduating was \$37,228 for the class of 2017.<sup>79</sup> For earlier graduates, median earnings increased to \$48,240 five years after graduation, and to \$56,911 ten years after graduation.<sup>80</sup>

Graduates majoring in education earn less across all three timeframes. One year after graduation, education majors earned an average of \$36,347, or \$881 less than the average public college graduate.<sup>81</sup> By five years after graduation, the typical education major earns \$42,002, or \$6,238 (12.9 percent) less than the average of graduate.<sup>82</sup> Ten years after graduating, education majors earn \$47,725, or \$9,186 (16.1 percent) less than the average graduate.<sup>83</sup> Unfortunately, these earnings gaps are growing over time.<sup>84</sup>



Source: Indiana Commission for Higher Education

Earnings gaps persist across a wide spectrum of fields of study. Ten years after graduation, education majors earn less than graduates majoring in communication/journalism, foreign language/linguistics/literature, history, interdisciplinary studies, public administration, social sciences, and family and consumer sciences.<sup>85</sup> They make tens of thousands of dollars less than graduates who studied business, biology, computer science, or health professions, and the gap continues across many other industries.<sup>86</sup>

External studies show the magnitude of the difference between teacher wages and other professions requiring a college degree, and the gap is not unique to Indiana. A study of 23 countries' teacher “wage premiums” found that the United States was joined by Sweden as having the largest negative gap between the hourly earnings of college graduates in other professions and the average teacher.<sup>87</sup> Teachers in the United States earn 22 percent less per hour than similarly skilled and experienced non-teacher college graduates.<sup>88</sup> Only seven of

the 23 countries included in the study have a teacher wage penalty at all; other countries pay teachers as much as 45 percent more (Ireland) than college graduates in other professions.<sup>89</sup>

Not only is there a gap between wages for teachers and other professions, but the gap is growing. A study from the Rockefeller Institute of Government found that between 2002 and 2017, teaching wages increased eight percent less than wages for other holders of bachelor's degrees.<sup>90</sup> The same study found that Indiana teachers saw the slowest salary growth of the 50 states in the same time period.<sup>91</sup>

The gap between teacher pay and that of other professions persists even when controlling for the number of days worked. One analysis placed Indiana's weekly wage gap at 21 percent.<sup>92</sup>

Many argue that average salaries in other professions are erroneous in determining appropriate pay for teachers, since income levels of other professions are largely driven by private markets and set by supply and demand.<sup>93</sup> While the market for educators is not a private one, the same economic principles apply. The data shows that Indiana has a steady demand for quality teachers, but their supply is declining. This unbalanced supply and demand is in part due to the very pay gap that some call irrelevant.

A school corporation's teachers are employed by local governments—not the private sector. Government has unique control over the pay-related attractiveness of the teaching profession, and its declining popularity in the face of steady demand shows that a significant government-imposed adjustment is required. Individuals are pursuing careers in fields other than education because the pay is better elsewhere.

Improved pay for teachers is important not only for financial reasons, but for the esteem that accompanies professions with higher pay. Administrators are competing to attract individuals to work in schools rather than in a host of other desirable professions. With increased mobility among industries and easier access to more career opportunities than ever before, Indiana must give them the tools they need to successfully compete with other industries and continue to bring the very best talent to Indiana schools.

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# THE COST OF COMPETITIVE COMPENSATION

One of the biggest challenges in achieving competitive compensation is the high cost. There are more than 65,500 public school teachers in Indiana.<sup>94</sup> According to data from the latest IEERB collective bargaining summary report, as well as salary estimates for teachers not accounted for in the report, the average teacher salary for public school teachers in Indiana for the 2019-20 school year was approximately \$53,100.<sup>95</sup>

The \$60,000 competitive salary target was identified using data from the 2018-19 school year, the most recent available for interstate comparisons. If we assume that our neighboring states' teacher salaries grew at the same rate (1.05 percent) from 2018-19 to 2019-20 as their average growth rate from 2017 to 2019, then the pay target would increase from \$60,000 to \$60,630.<sup>96</sup> This is \$7,530 more than Indiana's 2019-20 average salary of \$53,100. Multiplying the \$7,530 competitive pay gap by the total number of teachers reveals there is a teacher salary shortfall of more than \$490 million.

To determine the cost of achieving competitive compensation, the cost of benefits needs to be added as well. Based on Indiana state government personnel costs, Indiana's State Budget Agency has estimated the average marginal cost of FICA, pension payments, and other benefits to equal 23.3 percent of teacher salaries.<sup>97</sup> Using this multiplier, eliminating the competitive compensation gap will carry with it an additional cost of \$1,754 per teacher, or about \$115 million. Adding this to the \$490 million salary shortfall, we conclude that more than \$600 million is needed in additional compensation for teachers in Indiana.

Funding teacher salary increases gets even more complicated. There are thousands of instruction coordinators, school counselors, librarians and other building-level employees whose salaries are often comparable to or aligned with teacher salaries.<sup>98</sup> While these non-teaching staff members are outside the scope of the Commission's study and the recommendations in this report, we note that these additional payroll expenses could add tens of millions of dollars to the financial burden of increasing teacher salaries.

The \$600+ million in additional required teacher compensation is an annual need that will fluctuate with inflation and with increases to teacher pay in other states. The funding will need to come through a combination of expense reallocations and additional revenue beyond typical yearly tuition support increases. We have worked diligently to identify expense reallocation strategies that could redirect funds to salaries, although limits to potential efficiencies mean that a significant portion of this total will need to come from new revenues.

Additionally, Indiana remains in competition with other states, many of which are also pursuing further teacher salary increases. Longer term implementation of these recommendations should factor in updated data on teacher pay in Indiana's peer states.

Unfortunately, as the COVID-19 pandemic has depleted state and local revenues available for K-12 education spending, achieving competitive compensation will require a multi-year commitment. While many proposals included in this report can be implemented in 2021, several ideas—particularly those involving significant new revenue—will not be feasible until the state's economic environment improves. Indeed, some stakeholders will need to shift their short-term focus from seeking significant salary increases to preserving teacher salaries with fewer available resources. While the cost of achieving competitive compensation is a challenge, it is not insurmountable in the long term.

Indiana has tens of thousands of exceptional teachers who have produced strong results in student learning. The state needs to ensure this momentum continues by more effectively retaining great teachers and attracting new ones.

## **Encouraging Progress**

Fortunately, Indiana has made recent progress toward competitive teacher pay and improving the outlook of the profession. Ninety-eight percent of school corporations raised teacher salaries for the 2019-20 school year. Indiana schools reported to the Indiana Education Employment Relations Board a 2019-20 average teacher salary of \$53,463, an increase of \$1,079 over the prior school year's \$52,384 average salary. While the lowest full-time salary of \$32,000 for Indiana teachers is still too low, it reflects a 5.5 percent increase from the prior year.

This progress shows the state's recent efforts are working. The one-time appropriation of \$150 million to pay down school corporation pension liability, together with the historic increase in tuition support in 2019, enabled school corporations to invest over \$126 million toward teacher base salary increases in 2019-20. This, together with local efforts, led to incumbent teachers receiving an average raise of \$2,215 (4 percent).

Additionally, the General Assembly recently authorized the Indiana State Board of Education to address growing concerns over unfunded mandates.<sup>99</sup> The Board's efforts have focused on three key areas: teacher training requirements, Indiana's school accreditation system, and compliance waivers.<sup>100</sup> Working with various stakeholders, including the Indiana Department of Education, the Indiana State Teachers Association, and the Indiana Non-Public Education Association, the Board is revisiting its regulations in order to increase flexibility and reduce the burden Indiana's current teacher training requirements and school accreditation system impose on educators across the state. The Board has begun accepting requests for compliance waivers, also referred to as 1003 Flexibility Waivers. To date, the Board has acted on requests from 17 different school corporations, granting flexibility and eliminating mandates in key areas that include annual reporting requirements, daily instructional time requirements, and training requirements.<sup>101</sup>

While much more work is needed to address the factors contributing to the teacher pay gap, this is significant progress the state can build upon.

# FACTORS CONTRIBUTING TO THE TEACHER PAY GAP

## Indiana's Education Funding and Finance Structure

### State Funding

Indiana's education system is funded through a combination of state, local, and federal sources. The bulk of the funding comes from the state through "tuition support"—payments from the state to school corporations and education providers based on a formula driven by the number of students enrolled. See Appendix 2 for more information on the components of tuition support.

Indiana has appropriated \$7,514,400,000 for tuition support in Fiscal Year 2021.<sup>102</sup> This is a \$1.17 billion increase (18.4 percent) from Fiscal Year 2012, when \$6,344,700,000 was appropriated for tuition support and full-day kindergarten.<sup>103</sup> Even with a relatively austere budget for 2012 and a historically large increase in education funding for 2020 and 2021, the average annual increase in the appropriation from 2012 to 2021 is a reasonable but modest two percent.

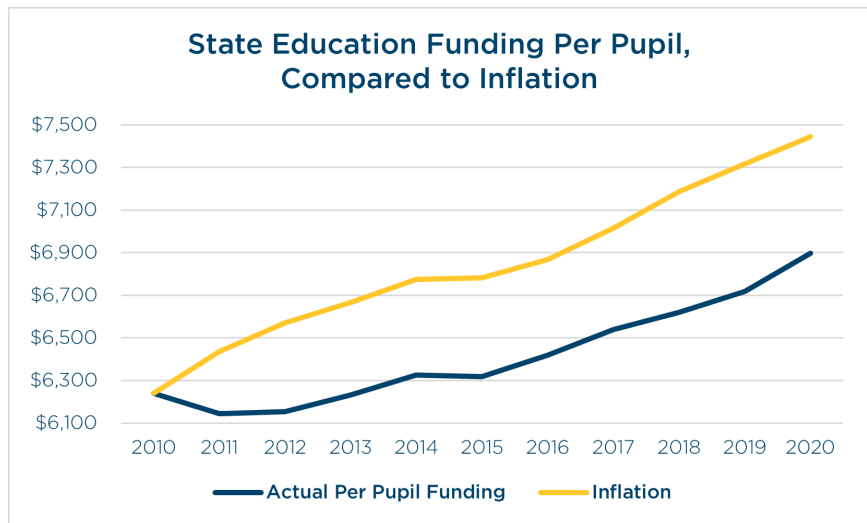
Extending the analysis just one biennial budget earlier changes the result. Fiscal Year 2010 saw an appropriation of \$6,479,265,650,<sup>104</sup> and Fiscal Year 2011's appropriation was actually \$272,500,000 higher than 2012's.<sup>105</sup> Comparing 2021's appropriation to 2010 shows an average annual increase of less than 1.5 percent over the course of the decade.

Accounting for the number of students being educated and the actual tuition support distributions provides for a more complete analysis. Dividing the tuition support distribution by the number of students served, per pupil funding from tuition support in 2019-20 was about \$6,898—\$548 less per student than the inflation-adjusted \$7,446 in 2010.<sup>106</sup> Multiplied by the number of students, this represents a shortfall of about \$580 million from 2010 funding levels, which is close to the amount of the teacher compensation gap.

If we exclude the 36,707 students receiving Choice Scholarships from the above calculations, per pupil funding from tuition support in 2019-20 was \$6,979, which is \$467 less than 2010's inflation-adjusted levels. This represents a still-sizable \$477 million shortfall in funding from 2010 levels.

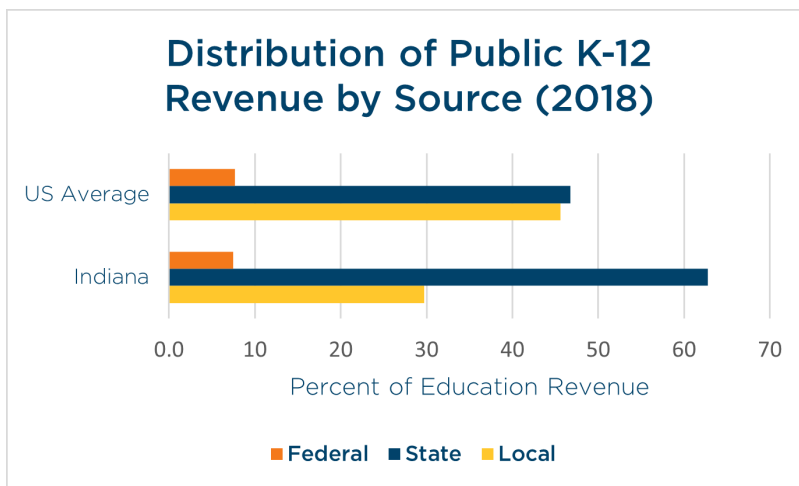
Much of the reason Indiana has seen relatively slow growth in education funding is the confluence of two factors.

First, the Great Recession altered the funding streams so significantly that Indiana still has not been able to catch up to pre-recession per-pupil funding levels. As we see in the graph to the right,<sup>107</sup> education funding from the state has roughly kept pace with inflation since 2012. However, per pupil education funding in the current budget cycle remains more than seven percent behind pre-



Source: Indiana Office of Management and Budget, World Bank

recession levels relative to inflation (six percent if Choice Scholarship recipients are excluded). The strain on government revenues was perhaps magnified due to the state's heavier reliance on state revenue relative to local funding, but the recession's impact was ubiquitous and would have negatively affected education funding even if local sources had been responsible for funding major portions of schools' education budgets. The Great Recession forced decreased appropriations, and economic growth since then has not resulted in the restoration of funding to prior levels.



Source: U.S. Census Bureau

non-classroom expenses to the local districts. As a result, a much smaller share of Indiana's education funding (29.7 percent) comes from local sources compared to the national average (45.6 percent).<sup>108</sup>

The shift toward state responsibility for education funding has many benefits, including that it achieves a greater degree of equity among traditional public school corporations by reducing

Secondly, while shifting the financial burden to the state through property tax restrictions helps equalize education funding levels and limit excessive property tax growth, the restrictions have made it more difficult for local governments to further supplement state revenue with their own funding. Property tax reforms essentially placed sole responsibility for funding education with the state, leaving responsibility for



funding disparities between wealthier and poorer districts.<sup>109</sup> However, in a recession, state income and sales tax revenues (upon which Indiana is heavily dependent) usually fall more steeply than local property taxes or federal revenues.<sup>110</sup> As a result, recessions can cause states such as Indiana—in which state tax revenues contribute a greater share of school funding—to experience larger drops in per-pupil revenues. This is a dynamic state lawmakers should be especially mindful of in light of the economic impact from the COVID-19 pandemic.

The challenges extend beyond the impact of recessions. Centralizing funding at the state level means that education is competing for its share of the state's budget with many other immeasurably important services, such as public safety, health, and child welfare. The strains on Indiana's budget from numerous priorities, together with the state's centralized funding structure, are contributing factors toward Indiana's slow growth in per pupil funding.<sup>111</sup>

### **Local Funding**

While state funding has increased slower than inflation, many local governments have avoided significant funding increases of their own.<sup>112</sup> More than a quarter of Indiana's education funding comes from local revenue, representing 42 percent of all property tax revenue levied.<sup>113</sup> However, local communities vary widely in their "funding effort"—the percentage of their total school funding derived from local sources. Local variations in the size of the property tax base and student count contribute to a wide range in the proportion of school corporation funding derived from local sources—from nearly half of some school corporations' funding to less than a fifth of others'.<sup>114</sup>

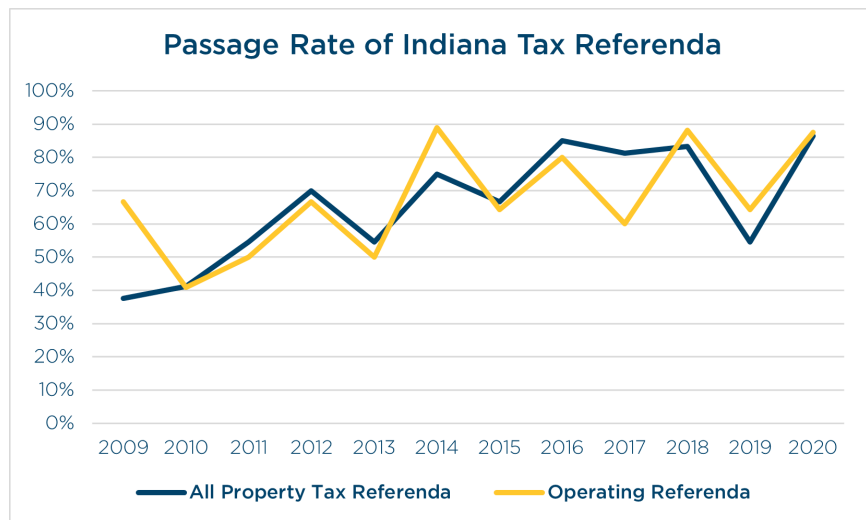
Property tax restrictions make local education funding increases challenging. However, communities can raise additional revenue for schools through operating referenda—an important tool only 92 school corporations (32 percent) have pursued.<sup>115</sup> In 2020, only 60 school corporations (21 percent) collected increased revenue through active operating referenda,<sup>116</sup> and even fewer used referendum revenue to improve teacher pay.<sup>117</sup>

Of the 10 school corporations with the highest average teacher pay, six received revenue through an operating referendum.<sup>118</sup> On the other hand, the 100 lowest-paying districts only had 11 school corporations with operating referenda in place.<sup>119</sup> Of the ten school corporations with the highest local funding effort, eight had operating referenda in place.<sup>120</sup>

School corporations deriving revenue from operating referenda in 2020 saw an average of \$842 per student in additional revenue from them.<sup>121</sup> If all other school corporations in the state were to pass referenda of a similar scale, it would result in more than \$500 million in additional revenue.<sup>122</sup>

Even with an operating referendum in place, there are competing needs for funding. In fact, less than half of operating referendum funding is used for teacher salaries.<sup>123</sup> In addition, there are often significant obstacles with referenda, from political challenges to the eight-year statutory maximum duration.<sup>124</sup> Many communities can attest to the difficulty in passing a referendum, including the dozens of school corporations that have seen proposed referenda defeated at the ballot box.<sup>125</sup>

That said, the passage rate for local referenda has significantly improved. While most of the referenda (and fully half of the operating referenda) attempted prior to 2014 failed, 60 percent or more of the proposed referenda have succeeded in every year since 2013.<sup>126</sup> In total, 72 school corporations (25 percent) have passed at least one operating referendum since 2008.<sup>127</sup>



Source: Indiana University Center for Evaluation, Policy, and Research; Indiana Department of Local Government Finance

A total of 188 school corporations (68 percent) have never put an operating referendum on the ballot.<sup>128</sup> Many of these districts could raise teacher pay if they leveraged referenda with their local voters' support.

### Federal Funding

Funding constraints are not isolated to state and local support. According to the U.S. Census Bureau, federal sources distributed over \$55 billion in revenue to public elementary and secondary school systems around the country in Fiscal Year 2018.<sup>129</sup> Divided across the nation's student enrollment, this is an average of \$1,136 in federal funds per student.<sup>130</sup>

Revenue from Federal Sources for Public Elementary-Secondary School Systems by State: Fiscal Year 2018			
State	Total Federal Public Education Funds	Total Federal Funds per Student	Rank (by Federal Funds per Student)
United States	\$55,213,323,000	\$1,136	
South Dakota	\$223,431,000	\$1,625	4
North Dakota	\$171,381,000	\$1,532	7
Kentucky	\$913,827,000	\$1,342	12
Michigan	\$1,566,524,000	\$1,182	22
Illinois	\$2,306,399,000	\$1,161	25
Kansas	\$525,541,000	\$1,058	29
Missouri	\$908,639,000	\$1,021	33
Nebraska	\$329,073,000	\$1,018	34
Ohio	\$1,608,526,000	\$1,013	35
Indiana	\$965,800,000	\$963	40
Iowa	\$490,193,000	\$958	41
Wisconsin	\$796,564,000	\$935	44
Minnesota	\$658,908,000	\$802	49

Source: U.S. Census Bureau

Indiana's share of the funds provided to public schools by the federal government was approximately \$965,800,000, which equates to \$963 per student.<sup>131</sup> This is \$173 (15 percent) less than the national average.

Indiana accounts for 2.06 percent of the nation's student enrollment, but receives only 1.75 percent of federal education dollars.<sup>132</sup> If Indiana received federal funds

at the same rate as the national average, Indiana would receive \$1.14 billion—\$173 million more per year than the state currently receives.<sup>133</sup>

Unfortunately, this deficiency is not easily remedied, as federal funding is primarily driven by formulas with components largely outside the state's control.<sup>134</sup> One area the state can control, however, is the Education Finance Incentive Grant component of federal Title I funding.<sup>135</sup> This component allocates grants based on (1) states' financial support for education compared to its per capita income, and (2) the degree to which education spending among school corporations is equalized.<sup>136</sup> This means an increase in education funding from the state could leverage a parallel (albeit smaller) increase in the amount of money Indiana receives from the federal government. Disproportionately increasing the state's complexity funding for students in poverty relative to total tuition support would have a similar effect.

Encouragingly, Indiana has made recent progress, increasing its federal funding by \$32 per pupil in Fiscal Year 2018.<sup>137</sup>

## **Is Education Spending Getting to Teachers?**

Increasing education funding, by itself, should never be viewed as the comprehensive solution. Indeed, much of the responsibility for suppressed growth in teacher pay rests with school spending. Like any large-scale operation, schools can and should do more to find efficiencies and cut non-teacher costs. The percentage of education dollars getting spent in Indiana's classrooms has decreased in the last decade and a half, from 59.6 percent in 2005-06 to 57.4 percent in 2018-19.<sup>138</sup> This 2.2 percentage point shift equates to nearly \$300 million that has been diverted from classroom expenses and teacher pay. School spending growth on a broad range of other necessities—from transportation and school safety to utilities—has outpaced the growth in teacher salaries.

A question often posed is whether Indiana's education funding is making it to the pockets of teachers. Any large or complex organization will have certain inefficiencies, and school corporations are no different. However, national data suggests Indiana's educators are getting an average or slightly-better-than-average share of the state's education funding. Comparing each state's average teacher salary to its per pupil spending reveals that Indiana is the 17th best state at getting its education dollars to teachers, better than every state in the Midwest except Michigan.<sup>139</sup> However, Indiana's ratio still has room for improvement.<sup>140</sup>

Indiana's record on the efficiency of its education staff makeup is mixed. While Indiana has been criticized by some for having bloated administrations and support staff,<sup>141</sup> others point out that the state is among the most efficient in the country in terms of the dollars spent for the student outcomes achieved.<sup>142</sup> Since 2011, growth in the number of teachers (5.87 percent) has surpassed the growth rate in the number of non-teaching staff (0.58 percent).<sup>143</sup> The number of support staff (custodians, bus drivers, and other non-instructional staff) has decreased by more than 8 percent in the last decade.<sup>144</sup> Additionally, Indiana spends \$843 per pupil annually on general and school administration—less than all our neighboring states.<sup>145</sup>

On the other hand, Indiana ranks slightly higher than the national average in the percent of our

per pupil spending that goes to administration—8.22 percent in Indiana versus 7.49 percent nationally.<sup>146</sup> While we rank close to many of our neighbors and other states in the Midwest, we again see potential for progress.

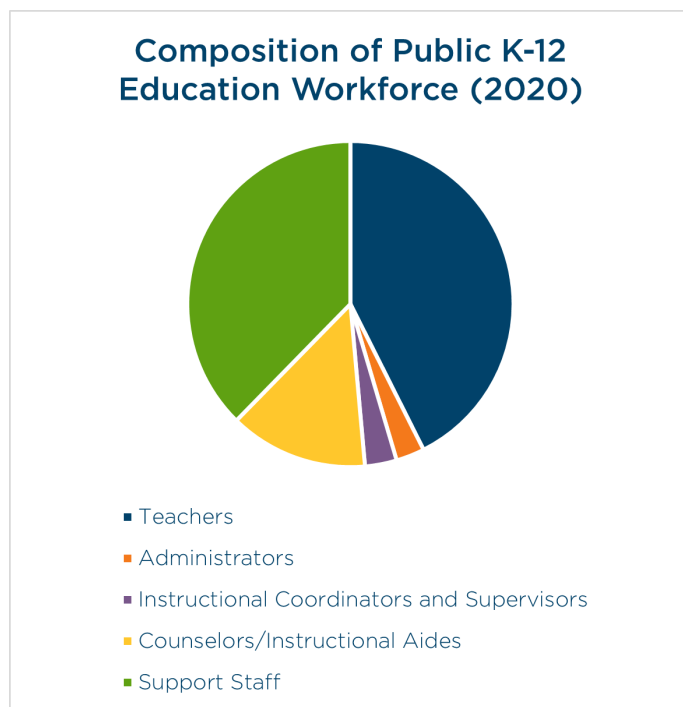
Teachers make up only 43 percent of Indiana’s public education employees.<sup>147</sup> While data quality issues across states make interstate comparisons difficult, unaudited data from the National Center for Education Statistics suggests this is the fourth-lowest percentage in the nation, ahead of just Ohio, Kentucky, and Maine.<sup>148</sup> The state’s 44,495 support staff give Indiana the second-worst ratio of support staff to teachers—only Ohio has more support staff per teacher.<sup>149</sup>

However, Indiana’s 6,185 school corporation central office employees give the state a better-than-average ratio of teachers to central office staff, and place Indiana sixth in the nation for the ratio of teachers to district officials and administrators.<sup>150</sup>

Despite the lower numbers of central office staff relative to other states, Indiana’s spending on administrator compensation has increased far more rapidly than for teachers. In 2019, Indiana public schools reported spending \$5.92 billion in wages for their personnel, an increase of just 2.7 percent since 2010.<sup>151</sup> Salary expenditures toward “student academic achievement” (largely comprised of teacher salaries) made up 67.4 percent of this total, or \$3.99 billion.<sup>152</sup> While the portion of salary

expenditures going to student academic achievement decreased by 1.2 percent since 2010, the \$660 million going to “school administration” or “corporation administration” increased 16.7 percent.<sup>153</sup> These administration costs make up 11.1 percent of wage expenditures, up from 9.8 percent in 2010.<sup>154</sup> Evolving requirements within the education system, such as reporting and school safety needs, sometimes require additional administration. Nonetheless, if administration costs had simply grown at the same rate as all salary costs, schools would have saved more than \$75 million in 2019—enough to add over \$1,000 in compensation for every teacher.

To achieve competitive teacher pay, Indiana schools will need to prioritize efficiency and ensure teacher salaries grow as quickly as those of other education professionals.

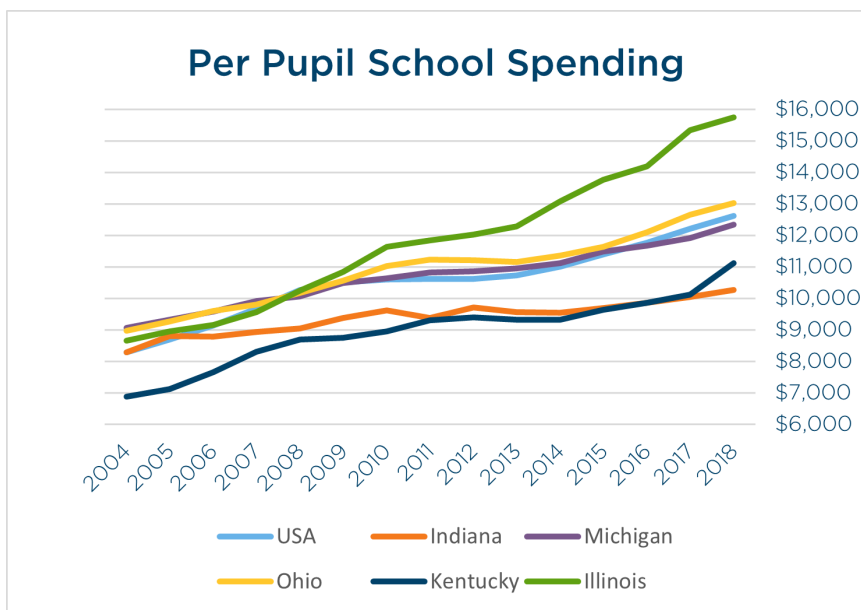


Source: Analysis based on Indiana Department of Education data

## Interstate Comparisons

According to the U.S. Census Bureau, Indiana spent \$10,262 per student on education in 2018, ranking 36th out of the 50 states and Washington, D.C.<sup>155</sup> This falls 18.6 percent lower than the U.S. per pupil average of \$12,612—a much larger gap than Indiana had earlier this century.<sup>156</sup>

In 2004, Indiana's per pupil spending was within \$8 of the national average, ranking the state 22nd in per pupil spending.<sup>157</sup> This was only \$792 behind Michigan, the leader in spending among our neighbors.<sup>158</sup> By 2018, Indiana fell 14 places in the national per pupil spending ranks, surpassed by all neighboring states.<sup>159</sup> In 2018, Indiana would need to have spent \$2,083 more per student to reach the median (third out of five) among our neighbors.<sup>160</sup> South Dakota is now the only state in the 12-state Midwest region that spends less than Indiana on a per pupil basis according to the U.S. Census Bureau.<sup>161</sup>



The graph to the left shows that Indiana has seen the slowest growth in per pupil spending among our neighboring states. From 2004 to 2018, per pupil spending in the United States has increased 52.2 percent.<sup>162</sup> Indiana's per pupil spending increased at less than half this rate: 23.9 percent—an average of 1.7 percent per year.<sup>163</sup>

In its most recent budget legislation, Indiana added more than \$700 million

Source: U.S. Census Bureau

in education appropriations over two years<sup>164</sup>—a significant increase with an immeasurable benefit for education. However, public education is such a large undertaking that even massive funding increases can have a small impact on a state's per pupil spending relative to its peers. It would cost Indiana more than \$2 billion annually to again match the national average in per pupil spending.<sup>165</sup>

It is worth breaking out spending categories to compare Indiana's spending on various components of education against the rest of the nation. NCES provided such a state-by-state analysis for 12 expenditure categories using 2016-17 spending totals.<sup>166</sup> Indiana fell below the national average on per pupil spending in every category except student transportation.<sup>167</sup> It is possible that Indiana's higher-than-average per student transportation costs could be explained by the higher percentage of students who use publicly provided transportation in Indiana.<sup>168</sup> None of the 12 spending categories suggest Indiana to be an outlier relative to other states.

Another important conclusion from interstate comparisons is that Indiana has increased its

Expenditure category (2016-17)	Indiana Rank	Indiana Amount per Student	U.S. Amount per Student
<b>TOTAL Expenditures</b>	<b>41</b>	<b>\$11,145</b>	<b>\$13,834</b>
Instruction	39	\$5,660	\$7,445
Student Support Services	39	\$512	\$712
Instructional Staff	44	\$395	\$577
General Administration	34	\$203	\$244
School Administration	30	\$640	\$684
Operation and Maintenance	23	\$1,107	\$1,137
Student Transportation	21	\$594	\$502
Other Support Services	44	\$238	\$455
Food Services	31	\$474	\$477
Enterprise Operations	45	\$0	\$25
Capital Outlay	29	\$1,042	\$1,213
Interest on School Debt	21	\$280	\$363

*Source: U.S. Department of Education National Center for Education Statistics*

efficiency relative to its peers over the last two decades. In 2000, Indiana spent hundreds of dollars per student more than the national average to educate its students.<sup>169</sup> Less than two decades later, Indiana spends thousands of dollars less per student than the national average.<sup>170</sup> We have had the lowest rate of growth in education spending since 2000 of all 50 states.<sup>171</sup>

This heightened efficiency is the result of a substantial decrease in education spending as a percentage of gross domestic product. In 2006, Indiana spent 3.62 percent of its gross domestic product on elementary and secondary education—ranking fourth in the Midwest and higher than the national average of 3.26 percent.<sup>172</sup> Ten years later, Indiana’s education spending percentage was 3.00 percent—tenth in the Midwest and 35th nationally.<sup>173</sup> This marks one of the steepest drops in the nation.

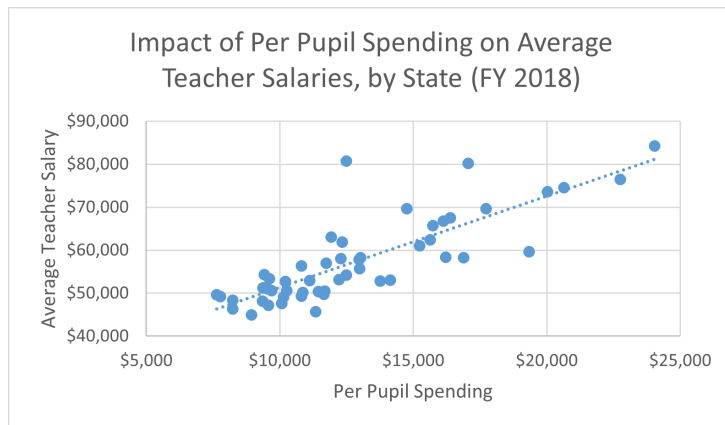
## **The Need for Increased K-12 Funding**

Teacher compensation is decided at the local school corporation level. The state does not set or control salaries, but it does control the majority of funding districts receive. In addition to leveraging potential cost-savings and implementing policy changes, competitive compensation will require increased funding.

Indiana’s 2019 budget legislation<sup>174</sup> provided for a K-12 education funding increase of approximately 2.5 percent per year over the biennium. However, available data suggests even this noteworthy increase falls below the national average. According to the U.S. Census Bureau, per pupil education spending nationally increased an average of 3.7 percent per year between 2004 and 2018.<sup>175</sup>



To achieve competitive compensation, Indiana will need to direct to teachers' paychecks hundreds of millions of dollars in additional K-12 education funding each year above the typical annual increases in the tuition support appropriation.



Source: National Education Association, U.S. Census Bureau

This Commission's call for additional education funding is supported by many studies and reviews conducted before our work.<sup>176</sup> Some critics may be skeptical that a significant funding increase would lead to a major increase in teacher salaries. Looking nationally, however, state per pupil funding has a strong and direct relationship with average teacher pay.<sup>177</sup>

Others claim Indiana's education system is not underfunded because such a large share of Indiana's budget is spent on education. The National Association of State Budget Officers ranks Indiana third in the nation in K-12 expenditures as a percent of total state expenditures.<sup>178</sup> But as we noted earlier, that percentage is largely driven by Indiana placing greater responsibility on the state (versus local governments) to provide school funding than the national average. By some measures, Utah spends a higher portion of its total budget on education than every other state in the nation.<sup>179</sup> Yet Utah has the lowest per pupil spending in the country.<sup>180</sup> The high share of Indiana's budget spent on education does not change Indiana's lower-than-average education funding effort relative to its GDP.<sup>181</sup> Regardless, there is no correlation between this budget share ranking and states' per pupil funding rankings. Other states spend a smaller percent of their budgets on education for a variety of reasons, including higher overall incomes or revenues, lower numbers of students, or differences in the share of K-12 revenues sourced by local units.<sup>182</sup>

While education is by far the largest component of Indiana's budget, other budgetary priorities have required steeper funding increases in recent years, such as needs related to social services or public safety.<sup>183</sup> In the 2011-13 biennial budget, elementary and secondary education accounted for 46.5 percent of Indiana's general fund appropriations.<sup>184</sup> In the 2019-21 budget, education funding had declined 1.7 percentage points, to 44.8 percent of the budget.<sup>185</sup> While this may seem like a minor decrease, 1.7 percent of Indiana's biennial budget is more than \$588 million. Erasing this decline of nearly \$300 million per fiscal year would cost less than \$100 per state income tax filing annually.<sup>186</sup> Over the same timeframe Indiana has seen this funding diverted to other priorities, other states have increased the share of their budgets going to education by 0.8 percentage points.<sup>187</sup>

As we have seen, K-12 education funding has roughly reflected inflationary increases in recent years. But schools have also been faced with sharper-than-inflation rises in certain expenses they face. For instance, commercial electricity rates in the state have increased at a compound annual growth rate of 3.1 percent since 2010, increasing 32 percent over that time.<sup>188</sup> Similarly, the



high growth in healthcare costs has been well-documented.<sup>189</sup> Adequate funding of education may require growth faster than inflation.

There are compelling reasons for states to seek significant increases in education spending, something many states have recently pursued.<sup>190</sup> The method and level of state per pupil funding must be considered when addressing student equity. Indiana can leverage the strengths and components of its school funding formula to raise teacher pay and simultaneously improve outcomes for students who are challenged by poverty in their districts and communities. A bevy of studies indicate there is a strong correlation between greater education funding and better student outcomes.<sup>191</sup> This includes test scores, graduation rates, educational attainment levels, and earnings capacity of graduates.<sup>192</sup> Furthermore, the increased cognitive ability of students leads to stronger economic growth.<sup>193</sup> One more reason to pursue increased state funding: it will help Indiana leverage additional federal funds due to the usage of state funding effort in its state aid formulas.<sup>194</sup>

Any thoughtful analysis of Indiana teacher compensation will find that all levels of government bear some responsibility for improving competitiveness. The recommendations we have adopted in this report recognize that reality and call for action from all stakeholders.

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# THE RECOMMENDATIONS

The following pages contain the Teacher Compensation Commission’s recommendations. They are divided into two categories: recommendations to school corporations and recommendations to the state. Each category consists of strategies for (1) leveraging expense reallocations that can redirect funds into each teachers’ pay, (2) increasing revenues available for teacher pay, and (3) improving teacher compensation-related policy. Apart from their separation into these sections, the Commission’s recommendations are in no particular order. While many of these strategies are directed to school corporations, most require action by state government.

The savings or additional revenues from many of these recommendations are difficult to quantify, but we have included estimates where available data allows making estimates to be practical. Collectively, implementation of the recommendations in this report—apart from a major new source of state revenue—would provide more than \$300 million in additional compensation for teachers each year. This accounts for roughly half the competitive pay gap; other new revenue will likely be needed to make up the rest. Five recommendations yielding \$255 million in expense reallocations and new revenues comprise most of the estimated \$300 million, and clear estimates have been provided for these. The remaining recommendations are estimated to contribute at least \$50 million more in savings and additional funding available for teacher pay.

We are grateful for the input received from all corners of the state, including from teachers, parents, and other members of the public. While further investigation proved some suggestions unfeasible or impractical, many of the ideas and thoughts we heard from our public input sessions and through comments received on the web portal have been developed and incorporated into these recommendations. Select quotes from these comments that contributed to our specific recommendations have been included where relevant.

## **Recommendations to School Corporations**

The Commission is very mindful of widely varying circumstances at each school corporation. School leaders should review the full list of recommendations and implement as many as are feasible and impactful, with input from teachers, based on its circumstances.

### **Expense Reallocations**

**1. Join the state’s pharmacy benefit plan (estimated \$25 million in annual savings to school corporations):**

- Join the Indiana Aggregate Prescription Purchasing Program (IAPPP)—the state’s pharmacy benefit plan that enables flexible plan design for individual school corporations.

Indiana schools pay an estimated \$236 million each year in prescription drug costs.<sup>195</sup> Recognizing the size of this expense, the Commission partnered with Indiana’s State Personnel Department to identify possible savings available to school corporations in their pharmacy benefit plans.

Fortunately, the state has already established a path toward savings. The State Personnel Department administers the Indiana Aggregate Prescription Purchasing Program, a pharmacy benefit program designed to leverage scale in procuring pharmacy benefits more cheaply than other available means. The IAPPP has over 150,000 covered members through various governmental entities including the state and public universities.<sup>196</sup>

Public schools, school corporations, and public school trusts are eligible to join the IAPPP, but very few have.

“[When purchasing health care,] those who have the most scale have the most buying power. Each school buying individually does not promote the best financial and economic terms for their district.”

**- Community Member, Marion County**

Indiana’s State Personnel Department hired an independent, third-party firm to conduct a study to evaluate the potential for prescription drug savings by expanding participation by LEAs in the IAPPP. The study assessed the prescription drug purchasing terms of the IAPPP and compared the agreement to a representative sample of school prescription drug purchasing contracts. Ten school corporations and two school trusts (representing 50 school corporations) participated in the study. The Commission is very grateful to these schools and trusts for their willingness to participate and provide detailed information to the third-party consultant for the study.

The study revealed that the IAPPP offers deeper prescription drug discounts, lower dispensing and administration fees, and higher manufacturer rebates than typical school plans. Schools participating in the study would receive an estimated savings of 10.7 percent if they took advantage of the IAPPP’s terms. The potential savings for all participants ranged from 5.3 percent to 23.4 percent. Below is a table showing the total savings realized for all 50 school corporations participating in the study.

<b>2020 Prescription Drug Cost Estimate</b>	<b>Drug Costs</b>	<b>Dispensing Fees</b>	<b>Administration Fees</b>	<b>Manufacturer Rebates/Payments</b>	<b>Total Cost</b>
Schools – Current Prescription Drug Purchasing Terms	\$34,780,000	\$160,000	\$124,000	(\$7,484,000)	\$27,580,000
IAPPP – Prescription Drug Purchasing Terms	\$33,538,000	\$78,000	\$80,000	(\$9,056,000)	\$24,640,000
<b>Cost/(Savings) \$</b>	<b>(\$1,242,000)</b>	<b>(\$82,000)</b>	<b>(\$44,000)</b>	<b>(\$1,572,000)</b>	<b>(\$2,940,000)</b>
<b>Cost/(Savings) %</b>	<b>-3.6%</b>	<b>-51.3%</b>	<b>-35.5%</b>	<b>21.0%</b>	<b>-10.7%</b>

*Source: Deloitte analysis based on information provided by school corporations, trusts, pharmacy benefit managers, and the Indiana State Personnel Department*

Extrapolating the study’s findings to all public school corporations in Indiana results in an estimated savings of \$25 million dollars based on 2020 costs. A copy of the prescription purchasing report and its general findings is included in Appendix 3.

The IAPPP is a flexible option that allows participants to select the pharmacy benefit plan design, pharmacy network, formulary, and other specifications. The pharmacy benefit manager serves each participant in the IAPPP as a distinct client, with separate contracts, account teams, billing, and reporting.

Note that, in addition to the IAPPP, Indiana school corporations are also eligible to join the state’s health care plan administered by the Indiana State Personnel Department.<sup>197</sup> Districts should explore the potential for savings from participating in this plan.

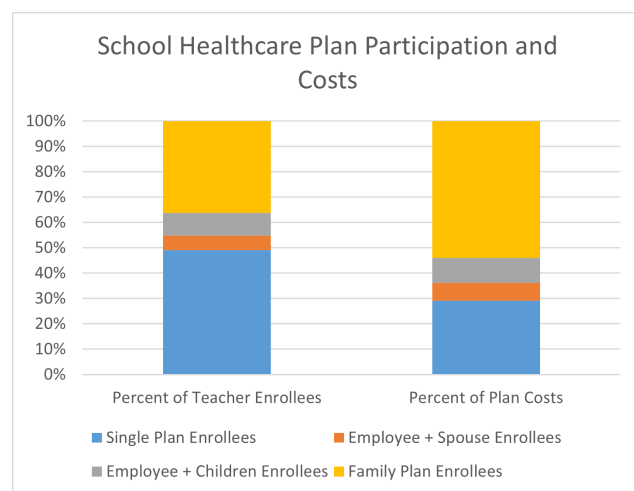
The Commission strongly urges school corporations, and the healthcare benefit brokers representing them, to join the IAPPP so they can realize significant savings on pharmacy benefit purchasing that can be leveraged for improving teacher compensation.

**2. Limit working spouses’ participation in district health care plans (estimated \$50 million in annual savings for school corporations):**

- Join the 54 school corporations that restrict spouses of teachers with access to health insurance through their own employers from joining the district’s healthcare plan and offer an employee-plus-children healthcare plan option. Repurpose all savings into increasing teacher compensation.

The practice of allowing separately-employed spouses to join the school health plan despite the availability of other employer-provided health insurance results in higher school healthcare costs. In a way, this amounts to taxpayer-funded collective bargaining units subsidizing the healthcare spending of outside employers by taking on their healthcare obligations.

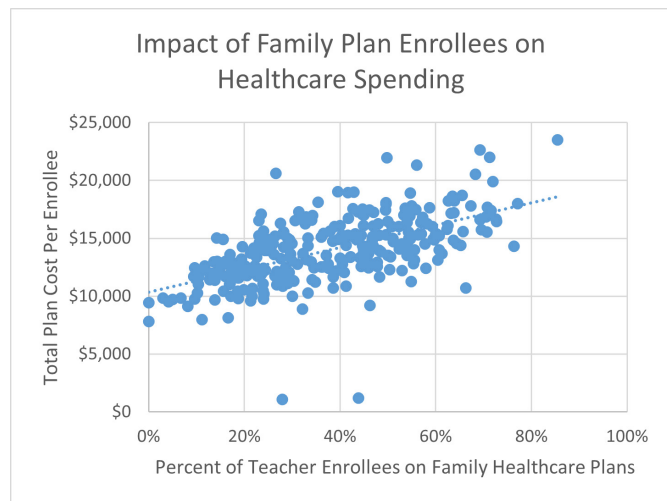
There are 54 school corporations in Indiana that report having a spousal healthcare restriction or surcharge to prevent or disincentivize working spouses with access to their own health insurance from joining the school corporation’s plan.<sup>198</sup> Thirty-five of these school corporations offer a health plan package to employees plus children as an alternative to a typical family plan. These 35 school corporations enroll 12,626 teachers, or 24.6 percent of the state’s total teacher enrollees.<sup>199</sup> Teachers in these 35 school corporations earn over \$1,000 more than teachers in the rest of the state’s school corporations.<sup>200</sup>



Source: Indiana Education Employment Relations Board

Indiana school corporations and their teachers spend roughly \$724 million annually on healthcare plans for teachers—over \$14,000 per teacher enrollee.<sup>201</sup> More than 54 percent (\$392 million) of this total is spent on family healthcare plans, despite family plan enrollees making up just 36 percent (18,583) of the total teacher enrollees.<sup>202</sup> Healthcare spending on family health plans is \$21,074 per enrollee, versus \$15,181 on employee-plus-children plans.<sup>203</sup> When an enrollee switches from a family plan to an employee-plus-children plan, school corporations and teachers save an average of \$5,893 per enrollee.

In districts with spousal restrictions or surcharges and employee-plus-children plans in place, 22.1 percent of teacher enrollees participate in that plan, and 22 percent of enrollees are on a family plan.<sup>204</sup> For all other school corporations, only 4.7 percent of teacher enrollees participate in an employee-plus-children plan, and 40.8 percent are on a family plan.<sup>205</sup> If these school corporations adopted spousal restrictions and employee-plus-children plans, more than 6,500 teacher enrollees could be expected to transition to an employee-plus-children plan from a family plan.<sup>206</sup> This would trigger a savings of close to \$40 million.<sup>207</sup>



Source: Indiana Education Employment Relations Board

Given the number of non-teachers employed by school corporations, teachers' healthcare plans likely account for just over half of the healthcare plan spending. If all staff healthcare plans are included in these estimates, the total savings are likely well over \$50 million annually. Presumably, some of the savings would accrue to the plan enrollees' contribution, which would reduce the total savings to school corporations but would directly improve teacher benefit-related compensation.

Conversations with stakeholders support these estimates, although it is important that school corporations add an employee-plus-children plan option if they do not already have one. Some districts have reportedly saved as much as 18 percent of their healthcare costs by implementing a spousal restriction program.

“[Discounted spousal health insurance] costs the district money that should be paid to other teachers.”

- **Teacher, Hamilton County**

The Commission recognizes that spousal healthcare restrictions can negatively impact teachers whose working spouses are currently taking advantage of the school corporation's health plan. In rare cases, the value of these benefits may warrant maintaining the status quo health

plan policies. But in most cases, the marginal cost to an employee's spouse of joining their own employer's plan is far outweighed by the savings that could be realized by the school corporation and its employees. The Commission urges collective bargaining units to implement a spousal restriction program and use all savings to improve compensation for teachers.

See Appendix 4 for a list of school corporations with a spousal healthcare restriction or surcharge in place.

### **3. Exclude Medicare-eligible retirees from healthcare plans:**

- Many school corporations allow retired teachers to participate in school sponsored health care plans, even if they are eligible for Medicare. This reduces funds available to active teachers.

School corporations often provide subsidized access to their health insurance plan for teachers who have retired, even after they become eligible for Medicare. This access may be of only marginal benefit to the retiree but can pose a significant cost to the school corporation. This reduces the compensation available to provide to teachers on the current payroll.

Relatedly, dozens of school corporations provide a bridge plan to early teacher retirees so these retirees can join the district's healthcare plan until they become eligible for Medicare.<sup>208</sup> See Appendix 5 for a list of these school corporations. These bridge plans can have several beneficial applications, including as an alternative to offering coverage to Medicare-eligible retirees or an early retirement incentive for more expensive teachers that can help districts pay their younger teachers higher salaries. Nevertheless, districts should closely review their plans to ensure they are well tailored and do not negatively impact compensation for active teachers. Once a retired teacher is eligible for Medicare, they should no longer remain on the district's plan.

### **4. Increase utilization of centralized procurement:**

- Take advantage of pre-negotiated cost-savings by making purchases through the K12 Indiana procurement program and help build the Indiana Department of Administration's strategic sourcing purchasing program by sharing procurement data.
- Utilize existing flexibility to make categorical rather than line-item purchases. Districts can save money by purchasing a variety of goods and services through a single, competitively sourced or negotiated vendor or contract, rather than purchasing different items through separate vendors or contracts.

#### **(a) K12 Indiana:**

Indiana's Department of Administration offers a centralized procurement service to school corporations called K12 Indiana.<sup>209</sup> Currently, less than \$10 million in procurable spending is purchased through the K12 Indiana program each year.<sup>210</sup> Indiana school corporations that buy through the program save as much as 50 percent or more off the list price of purchased items.<sup>211</sup>

“If the state could come up with state-wide co-op purchasing agreements . . . that could help school corporations save more.”

**- School Administrator,  
Tippecanoe County**

There are several cooperative purchasing arrangements in addition to the state’s. While it is difficult to compare savings through the K12 Indiana platform to savings through other procurement resources utilized by school corporations, we do know that schools can save significant sums through these purchasing programs. School districts operate less efficiently if they do not pool their negotiating power with other organizations to lock in better deals than any one district could achieve independently.

Additionally, school corporations should share data on their purchases by entering it into the K12 Indiana portal. This will enable the Indiana Department of Administration to gain insight into school corporation needs and build competitive strategic sourcing solicitations that expand discounts to school corporations.

**(b) Categorical Purchasing:**

School corporations have the ability to make purchases for a whole set of needs through a single vendor, rather than purchasing each item individually at its cheapest price through the various tools available. Many districts do not take full advantage of this flexibility. While it may sound counterintuitive, there are many instances in which school corporations can save money by avoiding the temptation to search for individual discounts and instead competitively solicit or negotiate even better deals on bulk, categorical purchasing.

**5. Join a liability risk pool:**

- Dozens of school corporations have saved millions of dollars combined through pooled purchasing of property, casualty, and third-party liability insurance.

The Indiana Code allows school corporations and charter schools to create or join a trust and participate in a pooled insurance purchasing arrangement with other school corporations.<sup>212</sup> These arrangements provide a stronger negotiating position and provide economies of scale that often significantly reduce insurance costs for a multitude of coverage types, particularly for property, casualty, and third-party liability insurance.

One trust in particular has more than 90 member school corporations and has achieved annual savings of more than \$2 million for its members statewide.<sup>213</sup> Districts that have not yet pooled resources with other school corporations to reduce insurance costs should strongly consider doing so.

**6. Right-size district teacher and staff ratios where appropriate:**

- Strategically reduce employee counts where possible and use savings to raise teacher salaries.

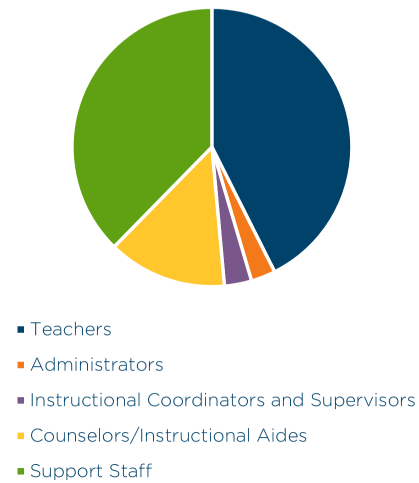


Schools should do all they can to identify efficiencies and reduce non-teacher salary costs. Staff compensation accounts for a majority of school expenditures, so the personnel makeup of school corporations is worthy of special attention.

More than eight percent of Indiana’s per pupil spending goes to administration.<sup>214</sup> Teachers make up only 43 percent of Indiana’s public education employees, reportedly the fourth-lowest percentage in the nation.<sup>215</sup> The state’s public schools employ 44,495 support staff, many of whom serve as bus drivers and custodial staff.<sup>216</sup> Additionally, Indiana employs 6,185 school corporation central office employees.<sup>217</sup>

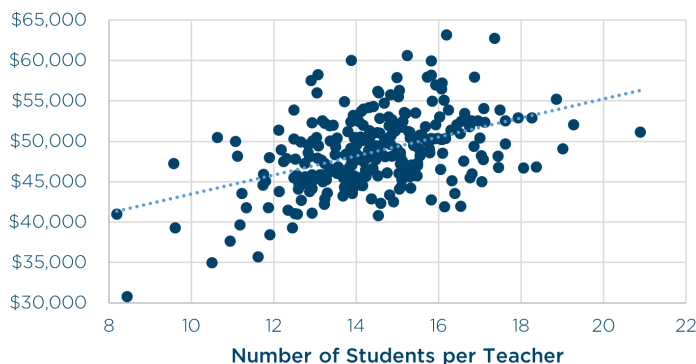
Indiana’s spending on administrator compensation has increased far more rapidly than for teachers. In 2019, Indiana public schools reported spending \$5.92 billion in wages for their personnel, an increase of just 2.7 percent since 2010.<sup>218</sup> Teacher and staff salary expenditures on “student academic achievement” (largely comprised of teacher salaries) made up 67.4 percent of this total, or \$3.99 billion.<sup>219</sup> While the portion of expenditures going to student academic achievement decreased by 1.2 percent since 2010, the \$660 million going to “school administration” or “corporation administration” marks an increase of 16.7 percent.<sup>220</sup> These administration costs make up 11.1 percent of wage expenditures, up from 9.8 percent in 2010.<sup>221</sup>

**Composition of Public K-12 Education Workforce (2020)**



*Source: Analysis based on Indiana Department of Education data*

**Average Teacher Salary per Indiana School Corporation by Student-Teacher Ratio (2017)**



*Source: Analysis of data from the Indiana Education Employment Relations Board and the Indiana Department of Education*

While every school corporation has different needs and circumstances, each should scrutinize and streamline their payrolls to ensure no more staff are employed than what is necessary to meet student needs.

The analysis should not be limited solely to non-teaching staff. In fact, the number of teachers in Indiana has grown 5.87 percent since 2011 despite low movement in the number of students.<sup>222</sup>

Nationally, there is little correlation between a state’s student-teacher ratio and its average teacher salary,

in part because of sizable differences in per pupil funding across states.<sup>223</sup> National data reports Indiana's 17.4-to-1 student-teacher ratio is the tenth highest ratio in the country, and second in the Midwest.<sup>224</sup> This gives Indiana 1.4 more students per teacher than the national average ratio of 16, but 0.6 students less than our ratio in 2010.<sup>225</sup>

There is, however, a clear relationship between teacher-student ratios and teacher salaries among school corporations within a state.<sup>226</sup> Districts with higher student-teacher ratios are more likely to have higher teacher salaries. Internal data suggests Indiana's true student-teacher ratio may be close to the national average of 16:1,<sup>227</sup> and some districts likely have more teachers than necessary to meet the needs of the student population, which further dilutes funding available to raise teacher pay.

One possible method for addressing lower-than-necessary teacher ratios is to strategically use select, high-quality virtual instruction cooperatives. If school corporations require a high number of students (e.g., 30 students) in each core high school class, they could leverage virtual instruction transmitted between schools to level out class sizes. For example, if School A has 142 students taking History, School B has 68 students taking History, and School C has 22 students taking History, the schools probably have 10 or 11 history classes in total. By leveling them at 30 per class through virtual instruction, that can be reduced to 8 classes (seven of 30 students, one of 22). Fewer classes can mean fewer teachers needed and more money available for the remaining teachers. This could also result in fewer teachers having classes with more than 30 students. Additionally, it could expand specialty course offerings for students in smaller schools where it is more challenging to provide courses of interest to only a few students. Payments among schools could be arranged to share the class costs. While there are many additional logistical hurdles that would need to be resolved, this approach is decidedly more feasible due to technological strides made in response to COVID-19.

This concept has benefits beyond teacher compensation—it could improve school funding, address teacher shortage issues, and improve student learning through specialized instruction. It could also alleviate the practice of larger school districts luring away teachers from smaller school districts through higher pay.

Indiana school corporations whose staff counts have increased relative to the size of the student population should consider restoring their staffing to prior levels.

## **7. Share services with other districts and external organizations:**

- Reduce the need for additional employees and overhead expenses by fulfilling service needs through sharing staff with other school corporations, higher education institutions, private organizations, and governmental entities such as libraries, police forces, and health centers. Potential applications include:
  - a. Partnering with other school corporations and higher education institutions to provide specialized coursework, including Career and Technical Education and early college credit,
  - b. Streamlining busing operations through inter-district partnerships that optimize

routes, limit bus idling, and stagger school start times,

c. Utilizing onsite health clinics or reciprocity agreements for access to one, and taking advantage of telehealth services, and

d. Purchasing natural gas through a cooperative purchasing arrangement.

Since 1980, school corporations have been authorized to enter into interlocal cooperation agreements to jointly share, provide or purchase various goods and services to become more efficient and cost-effective.<sup>228</sup> While some school districts have saved funds by working more closely with cities, towns, townships, counties and other school districts through interlocal cooperation agreements, many have not taken this step. Even fewer districts are utilizing this statutory authority for sharing teachers with expertise or certification in certain specialty subjects, including through virtual, online instruction as was suggested in recommendation no. 6.

Expenditures associated with funding personnel and certain programs could be shared between multiple school corporations and higher education institutions. For example, 64 percent of Hoosier students earn college credit in high school,<sup>229</sup> and as the dual credit requirements change for teachers in 2023, school corporations can plan ahead by helping connect more of their teachers to scholarship opportunities to become qualified dual credit teachers, such as utilizing STEM Teach grants<sup>230</sup> or the new Teach Dual Credit Scholarships.<sup>231</sup>

Collaboration among school corporations, and municipalities where applicable, can streamline busing operations throughout school districts and other local governments. Inter-district partnerships drive savings by, among other strategies, drawing more efficient, inclusive bus routes that limit overlapping transportation routes across school corporations. Whether through shared service arrangements or otherwise, districts everywhere should take advantage of all possible savings from optimizing bus routes, limiting the idling of buses, and staggering school start times.

Public safety and law enforcement personnel, librarians, health clinics, maintenance services, student support services, and certain administrative functions are all examples of personnel or functions that could be shared. Interlocal cooperation agreements and shared service agreements can be powerful tools that schools should leverage to save significant costs, freeing up funding for teacher compensation.

## **8. Implement additional best practices:**

Many other potential cost-saving steps and ideas have been shared with the Commission throughout our work. Below are some of these additional best practices or ideas that school corporations should utilize wherever possible to operate more efficiently.

- Purchase the best value health insurance available and utilize health savings accounts, wellness programs, and tobacco-free discounts. Incentivize higher deductible consumer-driven health plans by providing financial incentives to teachers who select these lower cost plans.

- As many districts have done, privatize or form competitive employment practices for services such as food preparation or custodial maintenance when appropriate.<sup>232</sup>
- Reduce legal costs by increased utilization of arbitration and other alternative dispute resolution processes. School expenditures on “professional services,” which includes attorneys’ fees, has been one of the fastest growing costs on school corporations.<sup>233</sup>
- Divest vacant real estate or unused property to reduce and avoid ownership costs.
- Utilize regional Education Service Centers to save costs on trainings, professional development, large purchases, human resource management systems, and other services.

## **Additional Revenue**

### **9. Pass an operating referendum (estimated \$80 million in additional annual funding):**

- Work with community stakeholders to increase teacher base salaries through a voter-approved operating referendum. If school corporations educating just 10 percent of Indiana’s students pass an operating referendum of the same scale as other referenda currently in place, they would receive an additional \$80 million in revenue annually.

The General Assembly created a valuable mechanism for local communities to raise additional revenue for schools through operating referenda, but too few school corporations take advantage of this tool. In 2020, only 60 school corporations (21 percent) had operating referenda in place, and even fewer used referendum revenue to improve teacher pay.<sup>234</sup> School corporations proposing operating referenda are more likely to have higher or growing enrollment and a strong property tax base,<sup>235</sup> but they could be a solution for schools of all types. Most recently, financially challenged Gary Community School Corporation passed an operating referenda in November 2020, with 60 percent approval from voters.<sup>236</sup> This quickly contributed to a 5.3 percent raise for teachers—the district’s first pay raise in over a decade.<sup>237</sup> A list of school corporations receiving revenue through an operating referendum is included in Appendix 6.

“Pass a local referendum to raise a designated tax to pay for higher salaries.”

**- Parent, Monroe County**

Most of the 10 school corporations with the highest average teacher pay received revenue through an operating referendum.<sup>238</sup> On the other hand, 89 of the 100 lowest-paying districts had no such referendum in place.<sup>239</sup>

School corporations deriving revenue from operating referenda in 2020 educated 338,700 students, about one-third of Hoosier students. These schools saw an average of \$842 per student in additional revenue derived from operating referenda.<sup>240</sup> If all other school corporations in the state were to pass similar referenda, it would result in more than \$500 million in additional revenue.<sup>241</sup>

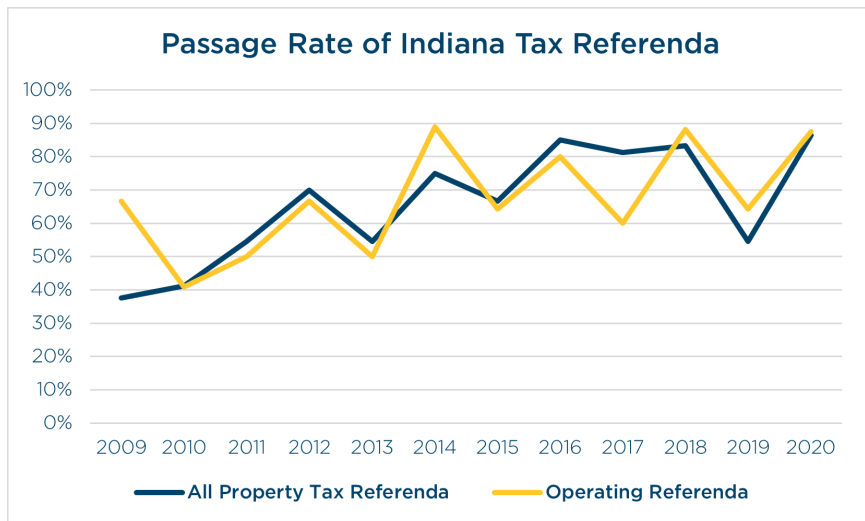
More realistically, if school corporations representing an additional 10 percent of Indiana’s students were to pass an operating referendum capturing \$842 in revenue per student, schools

would have more than \$80 million in additional annual funding to raise teacher pay.<sup>242</sup> Significant sums can be raised without large costs per household. A property tax increase of \$100 annually, applied statewide, would increase revenues by more than \$300 million each year.<sup>243</sup>

The passage rate for local referenda has significantly improved. While most of the

referenda (and fully half of the operating referenda) attempted prior to 2014 failed, 60 percent or more of the proposed referenda have succeeded in every year since 2013.<sup>244</sup> Over the past three years, 81 percent of operating referenda have been approved by voters.<sup>245</sup> Even the operating referenda on the ballot since the start of the pandemic passed at an 88 percent rate.<sup>246</sup>

School corporations should seek to capitalize on the increased support from voters across the state and pursue additional local revenue through operating referenda. The bulk of this additional local support raised should be used to improve teacher compensation.



Source: Indiana University Center for Evaluation, Policy, and Research; Indiana Department of Local Government Finance

### 10. Increase Medicaid reimbursement claims:

- Many districts forfeit potential funding by not filing for Medicaid reimbursement.

“Bill Medicaid more.”

- **Teacher, Lake County**

Indiana Code requires school corporations in Indiana to enroll in the Medicaid program,<sup>247</sup> which is jointly funded by the state and federal government to provide health coverage to vulnerable Hoosiers. Enrollment allows for schools to bill the Medicaid program for certain expenses associated with a student’s individualized education program (IEP) and related administrative costs, as provided by federal law.

While Indiana Code requires schools to enroll in Medicaid, it does not require schools to bill Medicaid. A total of 87 school corporations (30 percent) claimed no Medicaid reimbursement for IEP expenses in Fiscal Year 2020.<sup>248</sup> See Appendix 7 for a list of school corporations receiving Medicaid reimbursements, as well as the amount reimbursed. Reimbursement from the Medicaid program is typically funded by approximately 66 percent federal funds and 34

percent state funds. When school corporations fail to bill Medicaid for services, they forego the opportunity to receive the additional federal funding.

As more school corporations bill Medicaid, more federal funding will be drawn to support schools. There are resources available to assist schools with billing activities.<sup>249</sup>

In total, \$31.4 million in Medicaid school-based services were provided at school locations in Fiscal Year 2020.<sup>250</sup> If every school corporation were to bill Medicaid for its eligible services, districts would have millions of dollars more each year that could help improve compensation for teachers.

#### **11. Increase private contributions through foundations:**

- Most districts do not have an education foundation, which could provide a simple way for private individuals or corporate donors to make tax-advantaged contributions to a school corporation. These districts should set up, and promote, such a foundation.
- School corporations should partner with local community foundations to identify methods for increasing teacher pay at the local level. Tax deductible donations to community foundations can be passed through to designated school corporations.

#### **Education Foundations**

Several school corporations throughout the state have raised hundreds of thousands of dollars toward local education priorities through private citizens, companies, and other organizations. Raising external funding is far more difficult without an appropriate process in place to allow for tax deductible contributions. To address this, Indiana statute authorizes the creation of public school foundations, which are treated as nonprofit organizations and exempt from federal income tax.<sup>251</sup>

Some school corporations in Indiana have millions of dollars in assets held in their education foundations.<sup>252</sup> However, fewer than 100 school corporations have any education foundation at all. Districts with no foundation should establish one to provide a better and more attractive avenue for collecting private donations. Fortunately, the Indiana Associate of Public Education Foundations provides tools for school corporations that need help navigating the process.<sup>253</sup>

#### **Community Foundations**

Additionally, every county in Indiana has a local community foundation, many of which deploy significant resources. Some of these foundations are well connected with the local school corporations, but many are not. Schools should take the effort to build relationships with their community foundations to identify ways the foundations could be partners in raising teacher pay.

## Policy Changes

### 12. Award higher salaries to teachers with high-need students and in teacher shortage subject areas:

- Take advantage of the ability to implement differentiated pay by paying higher salaries to teachers of high-need students and teacher shortage subject areas.

Some schools and subject areas experience more challenges in finding or retaining qualified teachers than others.<sup>254</sup> School corporations have the flexibility to pay higher salaries to teachers in these situations, but it is not often exercised. When schools are struggling to compete to hire talented teachers for high-need roles, superintendents should increase the salaries for these positions to ensure their pay is competitive.

This can help improve student educational equity in addition to empowering schools to more easily fill educator vacancies. School leaders should also consider paying higher salaries to teachers that generate high-value credentials for their students.

### 13. Improve flexibility for teachers to control their individual compensation through career ladder systems:

- Implement local teacher career ladder systems as a mechanism for schools to highlight and utilize the instructional and leadership capacity of current school corporation educators to improve teaching and student learning. The career ladder system should allow teacher participants to achieve higher salaries.

“...career ladders would help keep teachers within the field.”

**- Teacher, Marion County**

Teachers must have the flexibility and opportunity to increase their personal compensation depending on their instructional and leadership capacity and their personal, financial situation. To provide teachers more control over their pay, schools should implement career ladder systems.

Career ladder systems are underutilized in Indiana. A systematic teacher career ladder system allows the teacher an increased opportunity to offer impactful instructional and leadership capacity-building within the school, while providing for an increase in the participating teacher’s compensation.<sup>255</sup> Such systems have many variations in structure, but in one popular model, schools create leadership teams with master or mentor teachers.<sup>256</sup> These teams collaborate with administrators to drive student-focused outcomes, setting data-based goals and developing strategies for addressing specific student and faculty needs.<sup>257</sup> These teachers may lead regular professional development sessions, provide individual coaching in classrooms, and develop future-focused innovations and efficiencies for the school.

These systems can have several benefits. First, career ladders give teachers more control over their career and can increase job satisfaction. Second, they can save districts money and potentially reduce the need for additional personnel. They can also provide for better



mentoring and coaching of other teachers and improve the overall quality of instruction for students. School corporations can and should reward deserving teachers who participate in career ladder systems with additional compensation. These structures can be further supported by a statewide “professional pathways” program (see recommendation no. 29) once it is implemented.

## Recommendations to State Government

The following recommendations (numbers 14 through 37) are directed to state government, and require legislative action unless otherwise labeled “administrative.”

### Expense Reallocations

Before seeking additional funding to implement any priority—even one as important as teacher compensation—organizations should first look to dollars that could be saved through potential efficiencies. Below are recommendations to state lawmakers for leveraging expense reallocations that can redirect additional funding into teachers’ paychecks.

#### 14. Pay down pension debt (\$50 million in annual savings):

- Once Indiana’s reserves are replenished, the state should codify Governor Holcomb’s plan to use \$250 million from the reserves to pay down debt in the pre-1996 teacher retirement fund, resulting in approximately \$50 million in annual savings.
- Allow schools to prepay to the Indiana Public Retirement System (INPRS) their required contributions to the ’96 pension fund in exchange for guaranteed interest or a reduction in annual contributions. (administrative)

“Pay off any teacher pension debt.”

- *Teacher, Allen County*

#### a. State Pension Paydown:

In Fiscal Year 2021, Indiana will pay \$946.6 million into a pension stabilization fund for the Teachers’ Retirement Fund pre-’96 defined benefit plan (for teachers hired before July 1, 1995).<sup>258</sup> Because the plan has historically been underfunded, the obligation will steadily increase until the state pays in \$1.07 billion in 2026. While the state’s annual payment will gradually decrease after 2026, Indiana will still owe a substantial sum each year until it achieves 100 percent funding, which it is scheduled to do by 2038.

Taking away the state’s liability to the pension fund for teachers hired prior to 1996 would, in essence, resolve Indiana’s teacher pay shortfall with money left over. The amount the state pays into the fund, if distributed to current teachers, could provide an average base salary increase of more than \$11,000—more than a 20 percent increase.

While this pension liability will not go away for more than a decade and a half, there are steps Indiana can take in the near term to slightly ease the burden. In Governor Holcomb’s 2020

State of the State address, he proposed using \$250 million from the state's surplus to pay down a portion of this pension debt.<sup>259</sup> This would reduce the amount the state needs to pay into the retirement fund by about \$50 million annually.

Unfortunately, the recent reduction in Indiana's revenues and reserves make this paydown unachievable in the near term. Nonetheless, when the state's surplus is restored to appropriate levels, the Commission recommends that the General Assembly codify the Governor's proposal into law, using all the annual savings from the plan to increase teacher pay.

**b. School Prepayment Option:**

Teachers hired in 1996 or later earn pension benefits from the Teachers 1996 Fund. This pension account is actuarially funded; school corporations contribute a set amount each payroll cycle to fund projected benefits years in future.

The state should implement a "Prepay for Teacher Pay" program allowing school corporations to prepay their pension obligations under the INPRS Teachers 1996 Fund. Under this program, districts would deposit lump-sum pension contributions with INPRS at the beginning of the year instead of at each payroll cycle. INPRS would then have the full year to invest the lump-sum contribution. School corporations would receive a set discount on annual required pension contributions from INPRS in exchange for the lump sum, upfront payment. The upfront contributions would be financed with low-interest notes from the Indiana Bond Bank, a body public corporate and politic chaired by the Treasurer of State. "Prepay for Teacher Pay" is envisioned as a three-year program to leverage the time value of money to provide savings to schools.

Primary factors affecting the savings amount include the negotiated prepayment discount from INPRS, INPRS' structural costs necessary to allow for prepayment, the length of prepayment offered and the interest rate environment at the time of borrowing. In March 2020, the Indiana Bond Bank modeled the program using then-current taxable interest rates, a three-year prepayment period, and an assumed discount rate of 6.75 percent. For the purposes of the model, the Indiana Bond Bank analyzed savings for the top ten contributing schools, which make up 20 percent of the INPRS Teachers 1996 Fund. Applying the above-described assumptions, the November 2020 model showed the "Prepay for Teacher Pay" program would generate cash flow savings of over eight percent, or \$8.9 million on \$101.1 million of discounted prepayments. Savings under this program would accrue to school corporations' education funds and should be used to increase teacher salaries.

While new to Indiana, this tool has been used in other states and is known in the capital markets. However, other states use this mechanism on a one-off basis, offering it to a large school, city or county. Smaller entities' prepayment obligations are large enough that they do not have cash on hand, but small enough that they cannot efficiently access the market to borrow and still generate savings. INPRS and Indiana Bond Bank are able and willing to improve on this model to ensure "Prepay for Teacher Pay" would be available to any Hoosier school corporation that desires to participate. By utilizing the Indiana Bond Bank's ability to pool together multiple schools, participants gain market access through their collective need, regardless of individual need. In pooling, the traditional costs to borrow are also spread amongst participants. INPRS

would benefit by only having to interface with one program of record, rather than with each individual school looking to participate.

### 15. Efficiency funding:

- Use the state’s untapped \$5 million School Corporation Efficiency Incentive Grant fund as seed funding to establish an efficiency division within the Indiana Department of Education, to be tasked with helping school corporations save money and setting efficiency standards.

In 2017, the \$5 million School Corporation Efficiency Incentive Grant fund was established to incentivize school corporation consolidation.<sup>260</sup> The fund provides a \$250 per-student grant (on a one-time basis) to any school district that passes a referendum to consolidate with another district.

Unfortunately, while this fund incentivizes a worthy objective, no school district to date has taken advantage of the grant. Reasons for this include the political and administrative challenges of consolidation, as well as perceived downsides of taking on another district’s assets and liabilities.

The Commission hopes to see increased consolidation efforts on the part of school corporations. But given the remaining availability of the full \$5 million, the Commission believes the funds are better utilized by broadening the use of the funding to other efficiency efforts beyond consolidation.

“...the state could offer more financial management help/advice/resources to schools.”

**- Teacher, Marion County**

When Indiana’s first Secretary of Education takes office, she should appoint a director of efficiency programs to lead a division within the Indiana Department of Education focused wholly on helping schools save money. A portion of the \$5 million in the untapped School Corporation Efficiency Incentive Grant fund should be used to start this division. The remainder should be used as seed funding for efficiency programming. The

Department of Education’s director of efficiency programs should leverage Indiana’s School Fiscal Indicators<sup>261</sup> and work with the Distressed Unit Appeal Board in identifying areas of potential for financial improvement within individual school corporations.

Efficiency funding could be used to provide grants to districts to implement efficiency measures, audits, consolidation planning grants, or for consultants to help identify and implement opportunities for greater efficiencies. This use of the funds could achieve the same broader purpose for which the grant program was originally intended: the more efficient operation of Indiana’s school districts.

Strategic reviews of potential efficiencies can save schools significant sums. Indianapolis Public Schools was able to identify millions of dollars’ worth of annual savings through a study conducted by consultants.<sup>262</sup> This public private partnership and willingness to implement specifically tailored efficiency recommendations ultimately enabled Indianapolis Public Schools

to gain key stakeholder support<sup>263</sup> for an operating referendum and raise teacher salaries by as much as \$9,300.<sup>264</sup>

Even narrower studies can pay sizable dividends. Some districts have saved tens of thousands of dollars annually through healthcare plan dependent eligibility audits. While such audits are required to be performed every five years according to Indiana statute,<sup>265</sup> the work and cost involved prevents many districts from complying with this requirement. Providing the necessary funding to conduct the audit would ensure more school corporations provide health insurance only to eligible employee relatives.

While no school corporations have consolidated since the School Corporation Efficiency Incentive Grant fund was created, a prior consolidation planning grant program contributed to the 2013 merger of two school corporations into North Central Parke Community School Corporation.<sup>266</sup> The district is in a better position financially than its two legacy districts would be had they not merged. Allowing the existing incentive grant fund to be used for planning grants in the consolidation process could lead to more district consolidation efforts, resulting in more streamlined school corporations that can pay teachers more.

One driver behind this recommendation is a recognition that every district has different needs, challenges, and opportunities for greater efficiency. The Commission has reviewed a multitude of expense reallocation possibilities and found that many of them only apply to certain districts or would not be feasible to implement statewide. Rather than mandate certain efficiencies on every school corporation and harm some districts in the process, the Commission has determined the more responsible approach to be empowering each district to identify, with the help of IDOE's efficiency team where necessary, the expense reallocation opportunities specific to it. Nonetheless, several cost-savings opportunities that may be of benefit to many school corporations can be found in recommendation nos. 1 through 8 of this report.

Many school districts do not have the internal personnel or resources required to conduct comprehensive efficiency analyses. An IDOE efficiency division with a small fund for efficiency programs would significantly help. The Commission believes this program could enable many districts to save hundreds of thousands of dollars each, on an annual basis, that could be repurposed toward teacher pay.

#### **16. Improve procurement practices:**

- Expand the K12 Indiana program to include all purchasing contracts through the nine Education Service Centers. Using a dedicated education procurement specialist or team within state government, implement a strategic sourcing program for group purchases based on an analysis of K12 Indiana procurement data. (administrative)
- Require school corporations to purchase goods via joint arrangements unless additional savings can be achieved through independent purchasing.
- Allow school corporations to make purchases through a negotiated bidding process.
- Require multiple bids before purchasing insurance policies, if not part of a trust or cooperative purchasing arrangement.

**(a) K12 Indiana:**

School corporation procurement of goods and services is complicated. There are numerous cooperative purchasing groups and vendors, and school corporations all have different tactics and vendors they use to save money.

The many collective purchasing providers make it difficult to compare spending on specific items across districts. Indiana’s Department of Administration currently operates the K12 Indiana program, which allows districts to purchase through the state’s quantity purchase agreements. There are nine regional Education Service Centers that provide various services to the school districts, including negotiated purchase contracts for various goods and services. Numerous private and nonprofit purchasing aggregators and vendors also enable discounted rates on a multitude of products. In many instances, these discounted rates are “ceilings” with listed pricing that can be negotiated lower.

The Commission recommends that the state work with school corporations and the nine Education Service Centers to integrate their purchasing contracts into the K12 Indiana program. This will not only lead to greater centralization of school purchasing and increased negotiating power; it will also yield critical data on the exact products that schools are buying, as well as information on quantity and pricing. Using this data, the state’s procurement team should then identify the best products for strategic sourcing and proactively source and negotiate further discounted rates on these product categories on behalf of a much larger group of school corporations. The data could also be utilized to negotiate further discounts on school specific products for already-established state contracts. This will generally result in greater savings than each individual school corporation could achieve on their own, even when purchasing through these cooperative purchasing arrangements.

**(b) Joint purchasing arrangements:**

For all purchases, Indiana school corporations should be required to take steps to ensure they are receiving the best deal possible. One action all schools should take toward this goal is to receive pricing terms through a joint purchasing arrangement—whether K12 Indiana, an Education Service Center, or another cooperative purchasing arrangement. If a district purchases goods on its own, it should be able to document savings equal to or below what was possible through the joint arrangement. This is not a new recommendation. In fact, this concept was originally proposed by the Indiana Commission on Local Government Reform, in its 2007 report on “Streamlining Local Government” (the “Kernan-Shepard Report”).<sup>267</sup>

School corporations should be aware, however, that even these joint purchasing providers often use pricing terms that can be further negotiated down. Districts should negotiate pricing to the fullest extent possible.

**(c) Negotiated bidding process:**

Indiana state agencies are permitted to purchase using the negotiated bid purchasing method, but this authority has not been granted to school corporations.<sup>268</sup> Allowing negotiated bidding would enable districts to open proposals received privately and negotiate in a fair and consistent manner with all respondents. If school districts could further negotiate pricing with

respondents after receiving initial bids, it would further drive savings on competitively sourced products and services.

**(d) Insurance purchasing:**

Indiana school corporations do not always receive multiple quotes from insurance providers when purchasing health or liability insurance. Prior to signing any insurance contract, Indiana law should require school corporations, or the brokers purchasing insurance on their behalf, to obtain quotes from multiple carriers. An exemption from this requirement should be provided for any insurance products that a district receives through a trust or other cooperative arrangement, as well as for insurance products offered by only one carrier. This will lead to increased savings on insurance costs.

**17. Incentives for expense reallocations:**

- Establish a program to financially reward school corporations for developing and implementing expense reallocation measures by providing these districts with additional one-time funding. These funds should be made available to districts that increase the proportion of their funding spent on teacher salaries or achieve certain salary funding levels, with the amount determined in part by the size of the district and the level of increase in teacher compensation. Incremental funds awarded should be required to be used to supplement the compensation of district employees, including teachers. The program could be supported through the use of any excess tuition support funds (the difference between what was appropriated and the amount actually required by the funding formula).

Every two years, the Indiana General Assembly appropriates funds to schools via tuition support based on student count estimates. In some years, the appropriation falls short of the actual amount of required tuition support based on the established funding formula, which then leads to a supplemental appropriation. But in most years, the actual amount of tuition support distributed ends up being less than what was appropriated.<sup>269</sup> This excess then reverts to the state's general fund.

The Commission recommends that, instead of reverting excess tuition support dollars to the general fund, the state should redirect them into a fund that incentivizes school corporation efficiencies. These efficiency targets should be focused on teacher pay. Incentive funding should be made available to districts based on either gains or achievement of established levels, to ensure LEAs that are already operating with high efficiency are able to receive incentives. Excess tuition support appropriations beyond amounts needed for this efficiency incentive program should be added to the "professional pathways" program described in recommendation no. 29.

Because of the impact of the pandemic on the state's reserves, this recommendation should be implemented after economic recovery.

## 18. Remove barriers to school corporation consolidation:

- Require school boards to evaluate the feasibility of interdistrict consolidation or partnerships upon their superintendents' announcement of retirement or resignation.
- Exempt districts that consolidate with another district from requirements to sell or lease vacant buildings to charter schools for \$1 dollar.
- Allow consolidating districts to have additional school board members (for a total of up to 11) for a maximum of two years after consolidation.
- Grant consolidating school corporations a two-year deferment period from potential obligations to meet teacher salary requirements (see recommendation nos. 30 and 32).

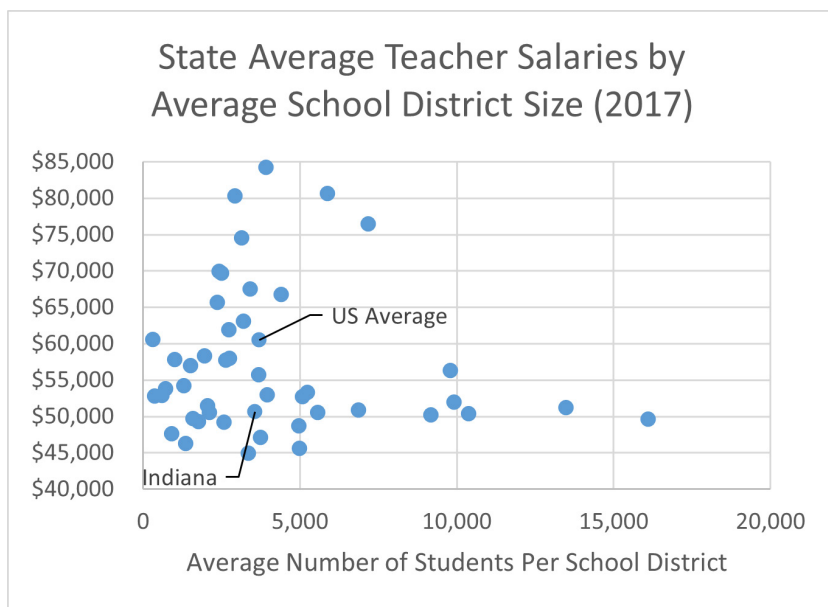
Indiana has 290 school corporations across its 92 counties. Fifty-six districts have fewer than 1,000 students, and many of these smallest school corporations have seen the lowest salary growth in the state.<sup>270</sup> In most cases, these districts could have more money available for teacher compensation if they operate more efficiently by combining back-office support functions with neighboring districts. At the same time, while school corporation consolidation can help a district save costs, it cannot substantially resolve the teacher pay problem on its own.

A national review showed surprisingly little relationship between states' average school district size and their average teacher salaries.<sup>271</sup> The scatterplot to the right shows the relationship between district size and teacher salaries nationally.<sup>272</sup>

Indiana's average school district has 3,568 students, which places our state near the national average.<sup>273</sup> However, Indiana's average is strongly skewed by a handful of larger districts. The median Indiana school corporation has less than 2,000 students.<sup>274</sup> See

Appendix 8 for the number of students at each Indiana school corporation, together with its average teacher salary.

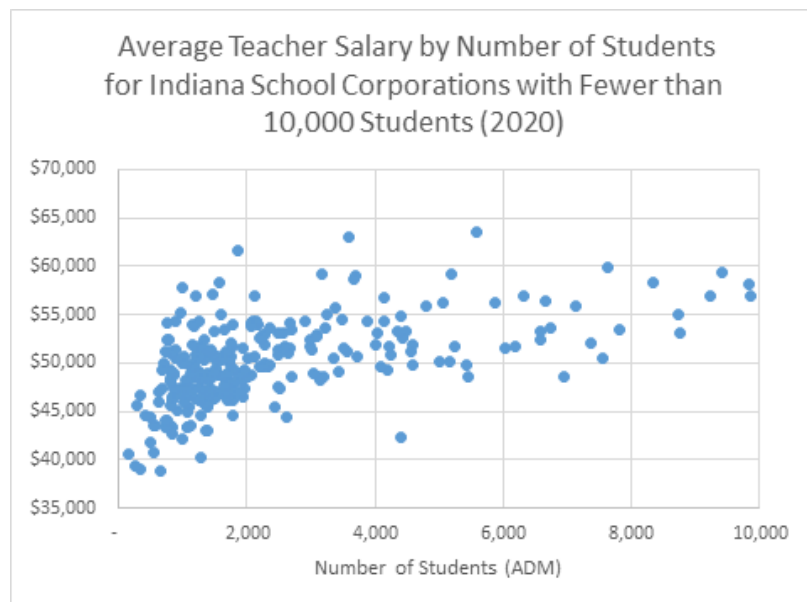
Increasing school district sizes—or more specifically, reorganizing districts so they each achieve a minimum student population of 2,000—was a recommendation originally featured in the “Kernan-Shepard Report.”<sup>275</sup>



Source: National Education Association, U.S. Department of Education National Center for Education Statistics



The state's data supports this recommendation. An analysis of Indiana's school districts (see graph to the right) shows a much stronger trend toward higher salaries at larger districts than what we see at the national level.<sup>276</sup> In 2019-20, 160 school corporations (56 percent) had fewer than 2,000 students.<sup>277</sup> These had an average teacher salary of \$48,534.<sup>278</sup> The average salary in districts with more than 2,000 students was \$54,756—a 12.8 percent differential.<sup>279</sup>



Source: Indiana Education Employment Relations Board, Indiana Department of Education

Just over half (150) of Indiana's school corporations have an average teacher salary higher than \$50,000.<sup>280</sup> But 28 of the 30 largest corporations exceeded this benchmark, versus only four of the 30 smallest school corporations.<sup>281</sup>

While many of Indiana's school corporations should pursue consolidation, it is not a panacea. In fact, seven of the 15 Indiana school corporations that encompass an entire county have fewer than 2,000 students despite representing such a large geographic area.<sup>282</sup> Countywide school corporations do not have noticeably higher teacher salaries; seven of them pay average salaries below \$50,000.<sup>283</sup> Similarly, the ratio of each school district's student enrollment relative to the county's enrollment has no relationship with average teacher pay—corporations enrolling higher percentages of their county's students do not pay higher teacher salaries.<sup>284</sup>

The Commission does not believe a mandated consolidation of school corporations would cause huge increases in teacher salaries. While consolidated districts would enable the reduction of a handful of administrative and support positions, it would not lead to significant enough savings statewide to warrant a forced consolidation without regard to the unique characteristics of each district. That said, given the impact even modest savings can have on teacher pay in smaller districts, school corporation leaders should earnestly and thoughtfully evaluate all factors in determining whether their schools could benefit from consolidating.

There have been three instances of Indiana school corporation consolidations in the last decade, which provide some insight into the level of impact consolidation can have. Tri-Township Consolidated School Corporation (2011), M.S.D. of North Posey County (2012), and North Central Parke Community School Corporation (2013) each merged with other districts or are the result of consolidations.<sup>285</sup> Each district had fewer than 1,500 students in 2019-20.<sup>286</sup> All three are in the bottom quartile of school corporations in average teacher salaries, showing

that challenges persist for smaller school corporations even after consolidation.<sup>287</sup> However, it is noteworthy that all three districts are in the top quartile in the amount they spend on teacher salaries as a percent of the funding they receive from the state in tuition support.<sup>288</sup>

Because of the potential for school corporations to operate more efficiently and direct a greater share of their funding into teacher pay, the state should take steps to improve the prospects of consolidation. The potential for saving on a portion of a district's overhead costs is reason enough to pursue the removal of certain barriers preventing district consolidation, in the hopes that more districts will take such a step.

**“Consolidate school systems or specifically consolidate [administrations] of multiple school systems.”**

**- Teacher, Jasper County**

A transition in school corporation leadership is one of the more practical times for a school corporation to consider merging with neighboring districts. School boards should be required to evaluate the feasibility of interdistrict consolidation or partnerships upon the announcement by their superintendent of his or her retirement or resignation.

One barrier to consolidation is the possibility that a consolidated school district may be required to lease or sell an unused building to a private charter school corporation for one dollar.<sup>289</sup> As in the case of North Central Parke Community School Corporation, consolidated districts sometimes find that the best plan for the district's operations is to combine two schools into one. In some cases, this results in an unused facility, which current law may require be turned over to a charter school if requested. Stakeholders have identified this as a disincentive in consolidation decisions, as a separate school competing for students within district boundaries can reverse the benefit of potential efficiencies through decreased tuition support distributions.

The Commission recommends that the statutory provision requiring school corporations to sell or lease their unused facilities to charter schools in certain instances be revised to exempt consolidating school districts from the requirement, at least for a period of several years after consolidation.

Another barrier to consolidation is the logistics related to merging school boards and the perceived forfeiture of control by school board members. Upon consolidation, two school boards of seven members each would need to be reduced to one, thereby leaving half of the legacy board members without formal oversight of the consolidated district. The Commission recommends allowing consolidated school corporations to increase board membership to 11 members for a period of two years. This will help reduce board member concerns of losing a voice in the future direction of a district.

A potentially powerful incentive for some school corporations to consolidate could be a two-year exemption from two requirements recommended in this report. Small school corporations are more likely to face challenges meeting minimum salary thresholds (see recommendation no. 30) or allocating more than 45 percent of their tuition support distributions to teachers' salaries (see recommendation no. 32). Indiana lawmakers should strategically grant two-year deferments from these requirements to encourage local leaders to appropriately consider consolidation as part of the solution. In many cases, consolidation is one of the best steps

these school corporations can take to pay teachers higher salaries in the future.

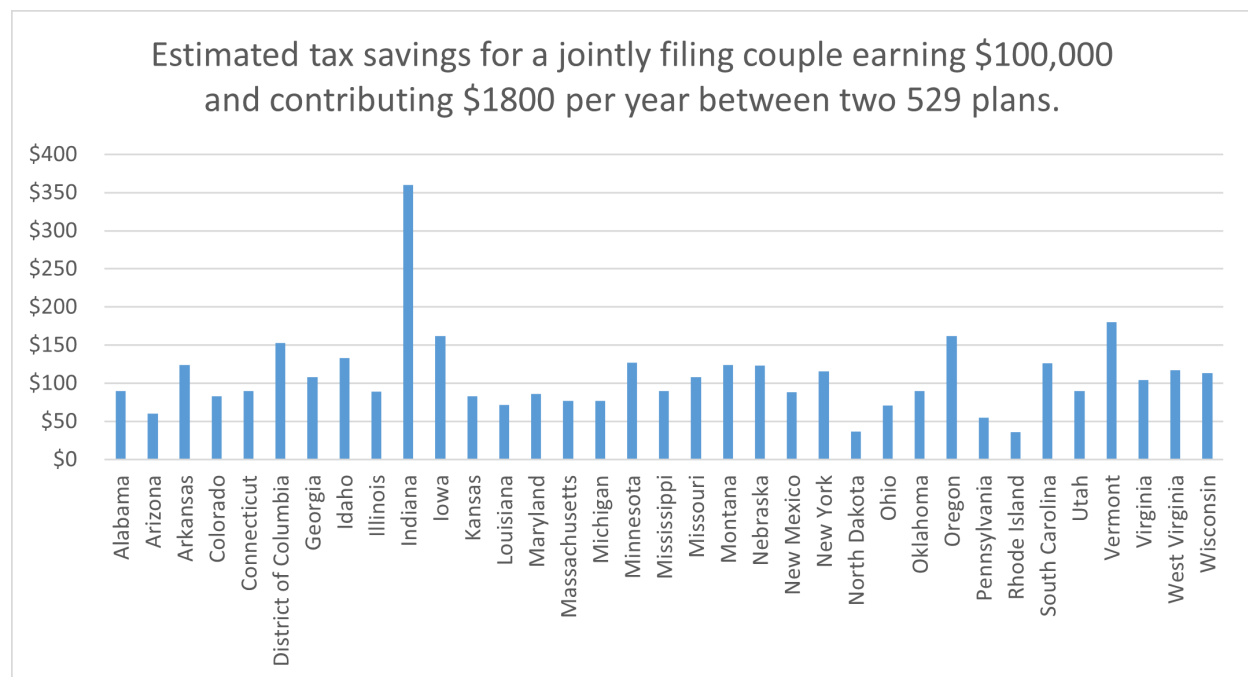
Additionally, school corporations should be aware of an existing incentive to consider consolidation beyond the likely cost savings. When two districts consolidate, the resulting consolidated school corporation would have a new maximum levy.<sup>290</sup> This could alleviate restrictions on local revenue and enable the school corporations to receive greater local funding without a referendum.

While increasing school district consolidations would not dramatically improve teacher compensation statewide, removing barriers to these efforts could result in some districts realizing valuable cost savings that could be directed to teachers' paychecks.

### Additional Revenues

After executing cost-cutting measures, competitive pay will still require hundreds of millions of new dollars annually, on top of annual tuition support increases. The below recommendations constitute a menu of options to the General Assembly for sourcing the additional funding.

#### 19. Means-test Indiana's 529 plan tax credit (estimated \$50 million in additional revenue).



Source: SavingForCollege.com

- Eliminate Indiana's 529 plan tax credit—the most generous in the nation—for households earning more than \$150,000, and direct the savings to teachers. This would only affect the up-to-\$1,000 tax return credit received by high-income earners. All households would still be able to invest in 529 plans and would still receive tax-free investment growth.

The 529 plan is a powerful tool used by nearly all states to help individuals save for higher education costs by enabling them to invest after-tax dollars in mutual funds. After federal law expanded potential uses of 529 plan investments, Indiana<sup>291</sup> joined 26 other states in allowing 529 plan savings to be used toward private K-12 tuition.<sup>292</sup>

While many states offer tax deductions for 529 plan contributions, Indiana is one of the few states in the country that offers a tax credit, which provides greater value to the taxpayer but a higher cost to the state.<sup>293</sup> Indiana's tax credit of 20 percent of the investment (up to \$1,000) for 529 plans is by far the most generous in the nation.<sup>294</sup> In fact, when looking at estimated tax savings upon contributing \$75 per month to each of two children's 529 plans, the savings to an Indiana family (\$360) earning \$100,000 a year would be twice as high as the savings to a family in the next most generous state: Vermont.<sup>295</sup>

Encouraging Hoosiers to save for future education expenses is a worthy objective, but there are more efficient ways to do it. Indiana's 529 plan tax credit, now eligible to be used for both K-12 or higher education costs, has substantial loopholes. An individual can contribute \$5,000 to a 529 plan, withdraw the same \$5,000 shortly thereafter, and then pay \$5,000 in tuition expenses for a K-12 private school. Anyone who does this in Indiana will receive a \$1,000 payment from the state as part of their next tax return.

Indiana's credit cost the state more than \$77 million in Tax Year 2019, and is estimated to reduce state revenue even more in Fiscal Year 2021.<sup>296</sup> Furthermore, 73.8 percent of the households taking advantage of the tax credit earn more than \$100,000 per year.<sup>297</sup> These households account for 81.3 percent of the tax credit's cost to the state (over \$62 million in Tax Year 2019).<sup>298</sup> Those percentages may increase over the next few years as more families leverage 529 plans to save for or subsidize private K-12 schooling.

The Commission recommends that the state gradually means-test the existing tax credit such that households earning over \$100,000 receive a gradually decreased tax credit below the current 20 percent cap until earning \$150,000, at which point the household would receive no tax credit. Incidentally, this would not change the generosity of Indiana's tax credit as depicted in the above graph, but it would save the state about \$50 million or more per year. This approach, similar to treatment of contributions to individual retirement accounts, would also avoid any kind of "cliff" effect whereby individuals or families could forfeit a greater amount of the tax credit than their incrementally higher earnings.

Even if Indiana were to only eliminate the tax credit for 529 plan contributors earning more than \$250,000, it would still save the state close to \$25 million a year.<sup>299</sup>

Indiana would not be the only state to means-test its 529 plan tax benefit. Minnesota's plan offers a maximum \$500 tax credit to taxpayers up to a certain income threshold, adjusted annually for inflation.<sup>300</sup> Taxpayers with more income than that threshold remain eligible for a state income tax deduction.<sup>301</sup> See Appendix 9 for more details on Indiana's and other states' 529 plan tax benefits.

The \$50 million-plus that Indiana annually gives to high-income earners who contribute to 529 plans would have a greater impact if used to increase teacher compensation.

## **20. Expand Medicaid Reimbursement.**

- Submit a federal Medicaid waiver to allow schools to claim Medicaid reimbursements for medical and special education services provided to students outside of Individualized Education Programs (IEPs). (administrative)

Currently, Indiana's Medicaid State Plan only allows school corporations to bill Medicaid for services provided through a student's Individualized Education Program (IEP). The Family and Social Services Administration should apply for a state plan amendment to extend Medicaid reimbursement to medically necessary covered services provided under federal or state mandates.<sup>302</sup>

Assuming federal approval, the amendment would allow for Medicaid reimbursement of services (1) mandated under Section 504 of the federal Rehabilitation Act,<sup>303</sup> (2) provided pursuant to a behavioral intervention plan, (3) provided in special education programs in non-public schools, and (4) provided pursuant to an Individualized Health Care Plan.

In Fiscal Year 2020, Medicaid reimbursements for school-based services totaled \$31.4 million.<sup>304</sup> Schools in three of our neighboring states (Illinois, Michigan, and Ohio) each receive reimbursements well in excess of \$150 million.<sup>305</sup> This proposal will help bring Indiana closer to the Medicaid reimbursement levels of our surrounding states.

Implementation of this recommendation will increase state spending but also enable the state to draw down additional federal funding and increase the Medicaid reimbursements to school corporations providing school-based health services.<sup>306</sup> According to the most recent data available, roughly 18,300 Indiana students are enrolled in a Section 504 plan.<sup>307</sup> Detailed data on the other programs is unavailable, but over a third of public school students are eligible for Medicaid.<sup>308</sup> Expanding reimbursements for these services could not only lead to better care for thousands of Hoosier students, it could free up additional resources that school corporations can redirect to teachers' paychecks.

## **21. Township flexibility:**

- Allow townships to financially support school corporations by providing funds for capital projects or other one-time programs.

Indiana's township accounts have total balances in excess of \$500 million.<sup>309</sup> While 2020 may prove to be the exception, townships consistently collect tens of millions of dollars more than they spend each year. This is, in part, due to restrictions on how their funds can be spent. The Commission was surprised to learn that townships are prohibited from financially supporting their local school districts, even when they have extremely large general fund account balances.<sup>310</sup>

The Commission recommends permitting townships to transfer funds to schools for one-time

capital projects or other one-time programs. School districts receiving support from townships could then spend additional resources on teacher pay that were previously needed for these projects.

This is not a change that will benefit all or even most school corporations, but the increased flexibility could certainly help the many school districts residing in townships with surplus resources.

## **22. Tax Increment Financing:**

- Increase tax increment financing (TIF) transparency requirements and require that TIF districts pass assessed value through to local government units, including school corporations, in instances when TIF districts have accumulated more funds than necessary to pay for project costs.

Tax increment financing is an economic tool used by local communities to spur economic development and infrastructure investment in targeted areas.<sup>311</sup> TIF districts enable communities to direct to local priorities the future property tax revenue increases above the property tax base amount from when the TIF district was established.

A TIF district can remain in place for up to 30 years; however, upon expiration of initial term, the district can be renewed. In 2019, there were 966 TIF districts in Indiana covering about 171,346 parcels and generating \$901 million in revenue.<sup>312</sup> There are 226 school corporations (78 percent) that overlap with all or a portion of at least one TIF district.<sup>313</sup> A total of 31 school corporations received assessed value passed through from the TIF; these are listed on Appendix 10.

Many TIF districts see successful economic development outcomes that grow communities and increase the tax base, which also benefits schools. Unfortunately, some TIF districts capture property tax revenue without compelling or well-tailored uses for the funds. This decreases property tax revenue flowing to schools, which shrinks their available finances.

Without improved data reporting from TIF districts, it can be difficult to discern when a TIF district may be drawing unjustifiable resources from its local school corporation. To that end, the General Assembly should require TIF districts to annually report on the anticipated list of TIF-funded projects, their estimated costs, and existing partnerships with school corporations.<sup>314</sup>

Additionally, to ensure increased pass-through of assessed value to local units (including schools) when appropriate, as authorized by statute,<sup>315</sup> the General Assembly should require automatic pass-through of up to 15 percent of increment assessed value if:

- (A) the TIF fund has cash reserves of 300 percent or more of the amount of their revenue from the prior year,
- (B) no TIF funds have been spent on capital projects in the last three years, or
- (C) the Redevelopment Commission fails to make a finding that it needs 100 percent of a new TIF's (established after June 30, 2021) funds to incentivize developers to proceed with intended projects.

A mechanism could be implemented for Redevelopment Commissions to submit a report for review that could exempt them from these pass-through requirements.

The economic vitality of Indiana is deeply affected by the quality of our schools. To ensure their success, the General Assembly should take these steps to provide more concrete mechanisms through which TIF districts can support their local communities and schools.

### **23. Allow deficit financing for school corporations with large cash reserves:**

- Exempt districts with cash reserves larger than 25 percent of their annual certified budgets from the collective bargaining prohibition on using deficit financing toward teacher salaries.

A handful of districts have very large cash reserves relative to their budgets. However, sometimes it is challenging to use these reserves, because districts are prohibited from deficit financing, or spending in excess of revenues.

“Districts should be able to go into their ‘rainy’ day fund to give adequate raises.”

**- Teacher, Marion County**

The deficit financing prohibition protects districts from spending money they do not have, a practice that could force them to irresponsibly borrow and take on debt. However, this prohibition makes less sense for those districts with cash reserves significantly above what they need to educate their students. These school corporations should have a partial exemption from the deficit financing restriction. School corporations with reserves larger than 25 percent of their annual education fund budget should be allowed to use that excess for teacher compensation.

To provide insight on a component of reserves, at the end of 2019, a total of 31 school corporations had rainy day fund balances of greater than 25 percent of their certified 2020 education fund budgets.<sup>316</sup> If these districts spent their rainy day funds down to no more than 25 percent of their budgets, collectively they would have over \$40 million in one-time additional funds for teachers.<sup>317</sup>

A schedule showing each school corporation’s rainy day fund balance on December 31, 2019 as a percent of its certified 2020 education fund budget is included in Appendix 11.

### **24. Encourage private donations to schools:**

- Allow full state tax deductibility for private donations made directly to schools, and provide a tax credit for donations funding teacher pay programs.
- Create a statewide foundation for receiving private funds that can supplement a state teacher pay program. (administrative)

Hoosiers give millions of dollars in charitable contributions each year, but relatively little of this goes directly to schools.<sup>318</sup> Fewer than 100 school corporations have education foundations—501(c)(3) organizations that enable private individuals or corporations to make donations to



schools that are tax deductible for both federal and state income tax purposes. Without a tax-exempt entity in place, schools are hard-pressed to receive much funding from private sources.

Achieving competitive compensation will require commitment from Hoosiers beyond school corporations and state or local governments. While education foundations should be the preferred vehicle given their federal tax-exempt status, making direct donations to school corporations tax deductible would help streamline the giving process and open up new channels for school districts to receive contributions from private citizens or businesses.

“Some kind of tax credit to individuals who donate to the school district should be provided.”

**- Teacher, Bartholomew County**

The Commission recommends all donations to school corporations be tax deductible for state taxation purposes, similar to state tax treatment of donations to charter schools. This status should apply to any private donation made to a school corporation, even ones not designated specifically for teacher pay. School corporations should nevertheless use contributed funds to

increase or supplement teacher pay. A donation to a school corporation’s teachers would allow teachers to receive a one-time bonus, but no increase in future pay. But a donation to the school corporation generally or even to another costly need should be allowed as well, as this would enable the district to reduce its spending on other priorities and direct more of its resources to teachers’ base salaries.

The state should also consider offering a state tax credit for donations to improve teacher compensation. Indiana offers a 50 percent tax credit for donations to Indiana colleges of up to \$100 for single filers, or \$200 for joint filers.<sup>319</sup> A similar credit should be made available to individuals or organizations that make donations to schools to improve teacher compensation.

It is the Commission’s hope that these tax changes will catalyze an influx in private investment in K-12 education. This investment could drive teacher pay innovations, such as corporate sponsorships of endowed teaching positions or salary supplements for teachers in high need subject areas or low-income schools.

Additionally, the state should consider creating a statewide education foundation for the sole purpose of receiving private donations to improve teacher pay. Once a “professional pathways” program is developed (see recommendation no. 29), the funds held by this foundation should be used to increase the amount distributed to teachers through the program.

## **25. Reduce duration restrictions on referendum tax levies:**

- Allow local tax referenda to remain in effect until local citizens or the school board of trustees votes to discontinue them.

Indiana law allows communities to raise additional funds for teacher pay from property taxes through an operating referendum. This provides a mechanism for local communities to tax property values above the state’s constitutionally imposed property tax caps.<sup>320</sup> State law

currently requires local referenda to expire after eight years.<sup>321</sup>

This sunset provision has discouraged many schools from raising teacher pay through referenda, as no district's leadership wants to be in a position of needing to lower teachers' salaries after eight years due to a sudden decrease in available revenue. This "cliff" effect could seriously hamper future referendum-supported teacher pay.

When it comes to referenda supporting teacher salaries, the state should trust local citizens and school boards to end or phase out property tax referenda when they are able to do so. The General Assembly should remove the eight-year cap and replace it with language allowing for (1) voters to petition for the referendum's elimination and (2) the school board to eliminate it by majority vote. Petitions to end existing referenda should be allowed after a referendum has been in place for eight years. This additional flexibility could be more narrowly applied by creating a new type of referendum strictly for teacher pay (similar to school safety referenda).

Less than 25 percent of school corporations currently receive funding through an operating referendum.<sup>322</sup> The removal of the eight-year limit could significantly increase that percentage and preserve the control that local citizens have over their local revenues.

## **26. Establish a teacher pay tax return check-off:**

- Implement a "High Five for Teachers" tax return check-off, allowing Hoosiers to support increased teacher pay by opting on their tax return filings to donate \$5 or more to a state teacher pay fund.

Indiana statute allows Indiana taxpayers to donate all or part of their income tax refunds to support a public K-12 education fund.<sup>323</sup> While this provides a great option for taxpayers to contribute even more to the funding of public education, participation has been low. This tax return check-off option raised \$319,000 over four years, including \$113,200 in Fiscal Year 2019.<sup>324</sup>

In addition to the public's lack of awareness of this option, we believe one reason for lower public engagement is the broadness of the option. Revenue from this check-off is simply directed to "the state general fund for exclusive use in funding public education for kindergarten through grade 12," rather than to a more specific need within the education system.<sup>325</sup> Indeed, the check-off for the more issue-specific Indiana Nongame Wildlife Fund has raised more than twice as much revenue as the K-12 check-off over the same time period. Marketing this option as a "High Five for Teachers" will create a brand around the check-off and lead to increased participation.

The Commission recommends narrowing the scope of the tax check-off to solely funding pay for Indiana's public school teachers.<sup>326</sup> The money could then be fully directed into the state's teacher compensation program or, in the nearer term, its Teacher Appreciation Grant program.<sup>327</sup>

Additionally, the donation option should be made available for all taxpayers, including those who are not receiving a refund. While the Indiana Department of Revenue may not be able to enforce donation commitments, allowing all Hoosiers to participate will greatly increase the

pool of potential contributors. This will lead to increased revenue for teacher pay and improve public awareness and engagement on the issue.

## **27. Local impact fees:**

- Require residential developers in high-growth areas to pay one-time impact fees on a per-unit basis if the population growth would require significant capital investment in school facilities.

In some cases, population growth caused by residential development leads to the need for new schools or otherwise a heightened burden on existing schools. This can lead to financial challenges for school districts that have to meet the needs of a substantial number of new students. With more money required for capital projects, less is available for teacher pay.

One way to combat this is by requiring developers to pay fees to offset the student enrollment impact of their residential developments.

In Hawaii, the legislature authorized the board of education to approve School Impact Districts—areas of the state in which impact fees from developers may be collected.<sup>328</sup> These districts must be high growth areas that will need school expansions or new buildings to accommodate the increase in new school enrollments. Certain types of projects—commercial, industrial, senior housing, replacement homes, and home additions—are exempt. These one-time fees range from about \$3,400 to \$5,500, depending on the area and characteristics of the homes being constructed.<sup>329</sup>

## **28. State revenue increase:**

- For Indiana to become a top-three state for teacher pay in the Midwest, it will require hundreds of millions of additional dollars to be invested into teacher compensation. Once it is economically feasible, the General Assembly should consider an increase in revenue through income tax, statewide referendum, per-parcel property fees, or another source.

No matter which cost-savings and revenue-related recommendations are implemented, a substantial increase in revenue to schools will be required for Indiana to fund a competitive teacher compensation plan. While this will likely require raising new revenue, it is also possible that the state could allocate the necessary additional funding to education by reducing spending elsewhere in the state budget.<sup>330</sup> The best source of revenue is a decision for the General Assembly, although it should be specifically designated by legislation to teacher compensation. To give a sense of scale, we include a few possible revenue sources below.

One source for a revenue increase would be an increase in the state's income tax rate. In 2013, an income tax cut was signed into law that decreased the income tax rate from 3.4 percent to 3.23 percent. Restoring the tax rate to this earlier level would increase Indiana's state income tax by just 0.17 percentage points. This would cost Hoosiers less than \$100 per state income tax

filing, but it would produce an estimated \$280 to \$290 million in additional annual revenue.<sup>331</sup> A small rate increase such as this would cost a family earning \$60,000 an additional \$102 in tax. The increase would cause no change to Indiana's placement in rankings of states' marginal income tax rates.

Another possible source for substantial revenue could be a \$100 per parcel fee applied statewide, which could raise about \$350 million per year.<sup>332</sup>

The state could also put the revenue question directly in the hands of voters by adding a statewide property tax referendum to Hoosiers' ballots. The referendum's expiration could be tied to the full payment of the state's liability under the Teachers' Retirement Fund pre-'96 defined benefit plan (currently scheduled for 2038) when about \$1 billion in state spending annually will become available for other priorities such as teacher pay. Property tax is generally a more stable source of revenue than sales or even income tax.

Increasing state funding will have the added benefit of increasing Indiana's share of federal funds, as federal funding formulas account for state funding effort.<sup>333</sup> This multiplier effect could produce a significant increase in additional funding each year.

The General Assembly should seek a stable source of revenue to ensure strong, foundational funding that can withstand economic fluctuations. This additional revenue will be the primary fuel powering a professional pathways program, a transformational investment in Indiana's teachers that will contribute to improved educational outcomes.

## **Policy Changes**

While identifying the money to fund teacher pay is essential for achieving competitive teacher compensation, there are other important policy changes that will drive dramatic improvements in how teachers are paid. Below are the chief policy-related recommendations to the state.

### **29. Implement a statewide professional pathways compensation model for teachers:**

- To ensure substantial additional funding goes to great teachers, Indiana's Secretary of Education should work with education stakeholders to overhaul the Teacher Appreciation Grant program into a more robust "Professional Pathways" salary program. The state will need to provide substantial additional funding, which the schools should then use to increase teachers' base salaries above the collectively bargained salary amounts. This additional funding should be made available to teachers in different amounts based on strategically identified categories. Promotions to higher levels could be achieved through different combinations of objective and subjective measures (e.g., evaluations, student achievement gains, National Board certification, etc.).

One important goal of teacher compensation policies should be the elevation of the teaching profession. Studies have shown that high school-aged individuals are more likely to anticipate becoming a teacher in places where the teaching profession has increased prestige and social status.<sup>334</sup>

Other prestigious professions typically have the potential for at least one major promotion to

reward mastery. Medical residents become doctors; assistant professors become professors; associates become partners. These jumps usually come with significant pay increases.

In general, the teaching profession is lacking such a progression between first-year teachers and those who demonstrate mastery of instruction. Indiana is well-positioned to add to the prestige of the teaching profession through professional pathways.

The Teacher Appreciation Grant program, with its goal of rewarding effective teachers, has paved the way for a broader reform in teacher compensation. Under the current program, the state distributes funding to school corporations for one-time stipend disbursements to teachers earning a highly effective or effective rating.<sup>335</sup> In Fiscal Year 2021, \$37.5 million was appropriated for Indiana's Teacher Appreciation Grant program.<sup>336</sup>

The Teacher Appreciation Grant is a valuable program that rewards high-quality instruction. However, splitting \$37.5 million among the state's 65,000+ teachers—98.6 percent of whom are rated highly effective or effective<sup>337</sup>—significantly dilutes its value as an incentive or booster of the profession. The Teacher Appreciation Grant program provides these effective and highly effective teachers with different amounts depending on the school corporation, but most of the bonuses are well under \$1,000. While Indiana statute<sup>338</sup> allows up to 50 percent of the Teacher Appreciation Grant award amount to be distributed as an increase to base salary, this authority seems to be rarely utilized.

Using the Teacher Appreciation Grant as a foundation, the state should build a more robust program. Instead of focusing narrowly on effective teacher evaluations, the program should be built with a goal of elevating the teaching profession. Such a program should be developed by the Secretary of Education with input from teachers and other key education stakeholders. Essential elements should include making funding available to teachers in different amounts based on categories, determined by different combinations of objective and subjective measures such as evaluations, student growth, and leadership of professional learning communities. Program development can draw heavily from insights gleaned through Indiana's career pathways and career ladder programs and pilots.<sup>339</sup>

To truly elevate the profession and have a transformative effect on education, funding for the program should be made available to districts for increases to teachers' base salaries and not simply one-time stipends. Future paychecks and retirement benefits should be positively impacted by the grant, which will add to the cost of the program. Tens of thousands of teachers should earn thousands of dollars more each year, and teachers achieving the highest level should earn at least an extra \$8,000 per year through the program, if not more. This program should be implemented once Indiana's fiscal circumstances have improved, which will enable stakeholders time to develop a well-designed program and to launch it thoughtfully and with the resources necessary to ensure its success. The professional pathways program should be designed to complement individual school corporations' existing teacher career ladder systems (see recommendation no. 13).

A professional pathways program could close the gap between Indiana teacher pay and competitive pay by more than half.

### 30. Minimum salary:

- Establish a \$40,000 teacher salary minimum by requiring school corporations to pay all full-time teachers at least:
  - i. \$35,000 in 2021-22 and
  - ii. \$40,000 by 2022-23.

If a district cannot meet this minimum through its tuition support and local funding, it should be required to (1) receive a waiver from the Department of Education by demonstrating that the district cannot achieve the required minimum salary even after utilizing available cost savings measures and (2) work with IDOE's newly created efficiency division on a plan to close the gap.

More than 10,000 Hoosier teachers earn less than \$40,000 per year.<sup>340</sup> There were 249 school corporations (86 percent) that paid some of their teachers less than \$40,000 in 2018-19.<sup>341</sup> Of these, 64 reported having minimum salaries of less than \$35,000.<sup>342</sup> Increasing every teacher's salary to at least \$35,000 would have cost districts an additional \$2 million in salary payments.<sup>343</sup> Achieving a \$40,000 minimum would have required \$30 million in additional salary payments statewide.<sup>344</sup> While these cost estimates do not take into account additional benefit costs or the reality that salaries for teachers just above these minimum thresholds need to increase as well, they do suggest these targets are achievable. In fact, in 2019-20, an additional 29 school corporations met the \$40,000 minimum salary, and 34 more school corporations reached a \$35,000 minimum.<sup>345</sup> While data on the cost to achieve these minimums is not yet available for 2019-20, it is likely substantially smaller than it was the year prior. See Appendix 12 for a breakdown of amounts needed to achieve these minimum salaries for each school corporation in the 2018-19 school year.

The national average starting salary for teachers was \$40,154 in 2018-19.<sup>346</sup> The Commission believes \$40,000 would be competitive compensation for a first-year teaching position in Indiana. Recognizing the difficulty some school corporations would face in achieving that, the Commission recommends phasing in a \$40,000 requirement over two years, with an initial minimum salary of \$35,000. Once the \$40,000 minimum salary is in place, it should be indexed to inflation to ensure starting salaries remain competitive in the future.

Additionally, we recognize that some school corporations are in particularly difficult financial circumstances and in certain cases may be unable to meet these minimum salary requirements even after adopting the other recommendations included in this report. The General Assembly should allow these districts, if any, to apply for a waiver from the Indiana Department of Education. The waiver application should include an explanation of the financial challenges faced by the district with detailed data support, as well as descriptions of cost-saving measures taken by the school corporation to achieve the minimum salary threshold. If, upon review, the Department

“...the best thing that could motivate more young people to join the teaching profession would be to make the starting salary amount higher.”

**- Teacher, Dubois County**

of Education finds that the school corporation has exhausted all reasonable measures, the Department can grant a one-year exception from the minimum salary requirement. School corporations should be limited to a maximum of three waivers from this requirement, and should work with the Department of Education’s efficiency team (see recommendation no. 15) to identify further strategies for achieving cost-savings.

### **31. Teacher Salary Funding Floor:**

- Prohibit districts from spending less money on total teacher salaries than they did the prior year (except in certain cases of declining enrollments). When higher-salaried teachers retire, school corporations too often redirect a portion of their compensation costs away from teacher pay; this will help eliminate that practice.
- Increase the total salary “funding floor” for districts that award stipends to a majority of their teachers for two consecutive years, requiring repeated stipend spending to be reassigned into teacher base salaries.

#### **(a) Funding Floor:**

Some who observe the decline in average teacher pay relative to inflation are quick to identify increased numbers of retiring teachers as the cause. This, however, misses a crucial point. As higher-salaried teachers retire, districts usually save money by replacing those teachers with lower-paid teachers. Too often, these savings are reinvested in expenses completely outside of teacher pay. If teacher pay is truly a priority, any savings realized from the departure of more expensive teachers should be redirected into the base salaries of the remaining teachers, thereby increasing or at least maintaining the average teacher salary.

To illustrate with an exaggerated example, take the case of a hypothetical district with a stable number of students that has ten teachers, with nine making \$40,000 and one making \$90,000. The total spending on salaries is \$450,000, for an average of \$45,000. If the highest-paid teacher leaves and is replaced by a tenth teacher making \$40,000, the total salary spending would be reduced to \$400,000, with a \$40,000 average salary. Instead, the district should be required to increase everyone’s salary by at least \$5,000, to ensure it is spending at least the same amount of effort on total salaries—which would yield an average salary of at least \$45,000.

In the 2019-20 school year, 88 school corporations (30.4 percent) reported spending less money on teacher salaries than they did the prior year.<sup>347</sup> Of these, 64 corporations decreased salary spending despite receiving increases in total tuition support payments.<sup>348</sup> Twenty-one districts decreased teacher salary spending despite maintaining at least as many students as the prior year.<sup>349</sup> If just these 21 districts had maintained their teacher salary spending at the prior year’s level, they would have spent an additional \$11.5 million on teacher salaries in 2019-20. See Appendix 13 for a breakdown of these districts.

To ensure that teacher pay dollars are not re-assigned to other priorities after highly paid teachers leave the district, the General Assembly should prohibit school corporations from reducing their total teacher salary spending after increases in education funding from the state. In districts with declining enrollments, an exception can be made that the total spending



on salaries can be reduced by a proportion reflecting the decreased funding available to the districts due to the decline in the number of students. This change will ensure districts do not decrease the proportional investment into teacher salaries when presented with fluctuations in their teaching workforce.

**(b) Stipends:**

In 2020, 141 school corporations reported giving teachers stipends, totaling more than \$15 million.<sup>350</sup> This is down from the almost \$19 million that was awarded in teacher stipends in 2019.<sup>351</sup> Most of the districts awarding stipends in 2020 also awarded them in 2019.

“No more annual stipends.  
Only raises to base pay.”

**- Teacher, Lake County**

While stipends add directly to teachers’ take-home pay and can be used to reward effective teachers, they come at the cost of base salary increases. A stipend does not count toward a teacher’s salary or future retirement benefits. Teachers would benefit if school corporations awarding tens of thousands of dollars in one-time stipend payments instead used these funds to increase these teachers’ base salaries.

Indiana should require districts that award stipends for two consecutive years to increase its total expenditures on teacher salaries by the lower of its total stipend expenses in each of the two years. As an example, a district awarding \$80,000 in stipends to teachers in 2021 and \$100,000 in stipends to teachers in 2022 would be required to increase the total amount it spends on teacher base salaries in 2023 by at least \$80,000.

Some districts use stipends as innovative tools to fund career ladder programs, supplement dual-credit teacher pay, or provide targeted incentives. To ensure stipend restrictions do not interfere with such programs, this policy should apply only to school corporations paying stipends to the majority of their teachers. It should also exclude stipends paid by school corporations through the state Teacher Appreciation Grant program. See Appendix 14 for a list of school corporations that paid stipends in the 2019-20 school year.

**32. Require teacher salaries to constitute at least 45 percent of each district’s tuition support:**

- Require the total amount each school corporation spends on teacher salaries to equal at least 45 percent of its tuition support funding amount. If a district cannot achieve this, it must (1) receive a waiver from the Department of Education by demonstrating that the district cannot meet this benchmark even after utilizing available cost savings measures and (2) work with IDOE’s efficiency division on a plan to close the gap.

The percent of its tuition support that each school corporation reportedly allocates to teacher salaries varies widely, from just over 30 percent to almost 62 percent.<sup>352</sup> Assuming all teachers are paid solely from tuition support revenue, 47.9 percent of the state’s total tuition support payments in 2019-20 were used for teacher pay.<sup>353</sup> The 45 percent target is aspirational yet

achievable. In total, 109 school corporations report total teacher salary payments of less than 45 percent of their total tuition support.<sup>354</sup> Of these, 19 school corporations fall more than five percentage points from meeting the 45 percent threshold.<sup>355</sup>

If every school corporation in the state were to allocate at least 45 percent of its total tuition support revenue to teacher salaries, more than \$52 million would be added to teachers' paychecks.<sup>356</sup>

While every school corporation has different needs and expenses, this Commission also recognizes that there are always opportunities for any organization to operate more efficiently. Minimum statewide standards should be set, and available data suggests 45 percent threshold is reasonable.

As in recommendation no. 30, we recognize that some school corporations are in particularly difficult financial circumstances and in certain cases may be unable to meet this threshold even after adopting the other recommendations included in this report. The General Assembly should allow these districts, if any, to apply for a waiver from the Indiana Department of Education. The waiver application should include an explanation of the financial challenges faced by the district with detailed data support, as well as descriptions of cost-saving measures taken by the school corporation to achieve the 45 percent threshold. If, upon review, the Department of Education finds that the school corporation has exhausted all reasonable measures, the Department can grant a one-year exception from the requirement. School corporations should be limited to a maximum of three waivers from this requirement and should work with the Department of Education's efficiency team (see recommendation no. 15) to identify further strategies for achieving cost-savings.

See Appendix 15 for a breakdown of each school corporation's total spending on teacher salaries as a percent of its tuition support revenue.

### **33. Funding formula changes:**

- Increase complexity funding as a percentage of the state's total tuition support (without reducing other tuition support components) so districts with higher poverty levels can pay teachers more.
- Run a cost analysis on virtual schools and programs to determine the appropriate amount of funding per student they should be receiving. (administrative)

#### **a. Complexity Funding:**

Indiana's complexity funding is the component of the state's school funding formula that provides additional funding to schools based on the population of students from families with lower income levels or in foster care. The complexity index used to calculate the grant amounts has been driven by fluctuating methodologies in recent years. In 2014, it was tied to the number of students qualifying for free or reduced lunch.<sup>357</sup> The following year's calculation was based on the number of students eligible for free textbooks.<sup>358</sup> In its current form, the index is calculated based on the number of students that receive foster care services or qualify for

the Supplemental Nutrition Assistance Program (SNAP) or Temporary Assistance for Needy Families (TANF).<sup>359</sup>

This shift in methodologies coincides with a decline in the proportion of the state's education funding being distributed to schools based on complexity factors. In Fiscal Year 2014, over \$1.14 billion was distributed to schools through the complexity grant.<sup>360</sup> By Fiscal Year 2019, that total declined 33 percent to \$763 million.<sup>361</sup> As a result of this decline, 27 school corporations received less tuition support funding per pupil from the state in 2020 than they did in 2015.<sup>362</sup> Fourteen of these districts received between \$103 and \$584 less per pupil, and all 27 had higher-than-average rates of students qualifying for free or reduced lunch.<sup>363</sup>

Schools with higher levels of poverty have lower teacher retention and decreased teacher stability,<sup>364</sup> which negatively affects student learning. Improving funding equity by increasing the funding to low-income school corporations has been shown to improve student achievement.<sup>365</sup> To ensure students with lower levels of income are receiving adequate educational services, complexity funding should be increased at a disproportionately higher rate than the foundation grant for each student. The state's challenging fiscal circumstances will prevent complexity funding from reaching its 2015 levels for several more years, even with targeted increases. However, the state can and should start to move toward this goal with its next tuition support increase. This will help improve teacher recruitment and retention efforts in these schools.

#### **b. Virtual Schools:**

The biggest component of the state's school funding formula is the foundation grant. In Fiscal Year 2021, every public school receives a baseline of \$5,703 per enrolled student.<sup>366</sup> But virtual schools receive 85 percent of the foundation grant amount, or \$4,848 per student they educate.<sup>367</sup>

Little research has been conducted to determine the true costs a virtual school incurs in educating its students. It is possible that increased class sizes and other factors reduce the financial burden of virtual schools to such an extent that educating students costs them less than 85 percent of the amount needed by traditional schools. The Commission recommends that the Indiana Department of Education conduct a cost analysis on virtual schools and programs to determine the appropriate amount of funding per student they should be receiving. If less than 85 percent, the General Assembly should reduce the funding levels accordingly and should repurpose any savings into teacher salaries.

Note that this recommendation is for an analysis of virtual schools, not traditional school corporations providing virtual instruction due to the COVID-19 pandemic.

In addition to running a cost analysis to determine appropriate virtual school funding, the Indiana Department of Education should put in place measures to audit schools or confirm schools are receiving appropriate funding for the students they are educating.

**“Make sure the complexity formula is equitable.”**

**- Teacher, Floyd County**

### **34. Ensure compensation transparency for teachers:**

- Require districts to provide individual teachers with a financial breakdown of their total salary, retirement, and health benefits prior to their hiring and any other time at their request.

While the average Indiana teacher’s pay falls short of being competitive, another issue we have observed is that teachers often do not receive sufficient information on the totality of their benefits. For instance, Indiana teachers often point out that other states provide more generous pension benefits, but they are not told that—unlike in Indiana—much of the contributions to those pension plans are automatically withdrawn from teachers’ paychecks. Similarly, many Indiana school corporations have health care plans or other less traditional benefits that are far more generous than the benefits in most industries.

School corporations need to better educate their workforce on all elements of their compensation prior to their hiring and any other time at their request. To standardize how this information is shared, the General Assembly should prescribe the information to be provided to teachers, as well as how LEAs should share it. This will enable teachers in the job market to have better access to information and will facilitate better inter-district comparisons so they can determine which teaching positions will best meet their compensation-related needs. In addition to increasing transparency of total compensation, the state should evaluate the feasibility and merits of increasing teacher control over their compensation by creating an option to prospectively permit teachers who elect to forego their school’s pension contribution to instead receive the bulk of the value of this contribution in the form of base pay.<sup>368</sup>

### **35. Improve school corporation data accessibility and transparency to the public:**

- Create an easily accessible and navigable state website allowing for easy comparisons of school corporation financial, expenditure, and compensation metrics relative to other districts. (administrative)
- Improve data collection around teacher vacancies and school staff.

#### **a. Public data website:**

One of the challenges in determining the appropriate solutions for improving teacher compensation is a lack of financial data in consumable form. While various state agencies collect data and reports from school corporations on everything from expenditures to teacher employee benefits, it is extremely difficult to conduct meaningful analyses of the data, run statewide comparisons, and determine which school corporations need to make improvements in which areas.

Because of this challenge, the Commission has worked with state agencies, including Indiana’s Management Performance Hub, to create a highly interactive data dashboard for benchmarking detailed school corporation data against other districts throughout the state. The Commission is make this available to the public soon on the following website: [www.in.gov/](http://www.in.gov/)

[gov/teachercompensation](http://gov/teachercompensation).

This powerful tool has incorporated detailed data from the State Budget Agency's dollars-to-the-classroom report, the Indiana Education Employment Relations Board's collective bargaining reports, the Distressed Unit Appeal Board's school fiscal indicators, and additional demographic, financial, and performance data from the Indiana Department of Education and others.

This will allow local teachers, parents, students, and citizens to have access to the information they need for understanding their local districts' circumstances and more effectively advocate for improved teacher compensation. It will allow district leaders to benchmark their spending and other metrics with other districts so they can identify potential cost-savings and enhance fiscal responsibility. The website will also enable legislators and officials to make better informed, data-driven policies to ensure the best financial and compensation-related practices.

#### **b. Improved data collection:**

In addition to publishing data and making it more accessible, Indiana also needs to collect more data. As the Commission processed a large amount of data from the state in developing these recommendations, several data gaps materialized.

First, Indiana does not maintain a centralized database of teaching vacancies. This makes it difficult to understand the true nature of the teacher shortage, as well as the characteristics of the school corporations most affected.

Second, while the Department of Education maintains detailed data on all certified employees, there is less detailed data available on non-certified staff, as well as uncertainty in which certified employees are serving as full-time teachers. This led to challenges in identifying areas where there is potential to operate in a more streamlined fashion. Differences in the way districts report employee information add to the difficulty.

In addition, access to record-level data from other states would be valuable for better understanding the teaching market in Indiana. This could be especially beneficial in our border counties, where there may be more teacher migration across state lines. Efforts are already underway to increase data sharing among states, from IEERB's required reporting to the Management Performance Hub's efforts to enhance interstate connectedness. However, these steps have revealed significant obstacles in collecting detailed data from other states. Indiana's new Secretary of Education and team should continue to solicit this information.

Indiana should make every effort to make its data landscape even more robust by improving data collection around teaching vacancies, detailed employee information, and labor markets in other states. To ensure a proper, standardized system for reporting is in place statewide, the General Assembly should pass legislation governing the parameters on Indiana's vacancies and employee information. This will provide better real-time information and strengthen policymaking affecting schools.

#### **36. Expand efforts to recruit more minority teachers to the profession:**

- Increase funding of recruiting efforts to attract minority teachers.

Expanding diversity among teachers is critically important to Indiana's education system. This recommendation's placement toward the end of our report is solely due to it being largely outside the scope of our charge.

While Indiana has challenges attracting and retaining qualified teachers to the profession, the difficulty is even greater for teachers in racial minorities. While 76 percent of graduates at Indiana's four-year institutions are white, 86 percent of education graduates are white.<sup>369</sup> Only three percent of education graduates are Black, five percent are Hispanic or Latino, and one percent are Asian.<sup>370</sup> Currently, 93 percent of Indiana's teachers are white.<sup>371</sup>

The Indiana Commission for Higher Education administers two scholarships for minority teachers: (1) the William A. Crawford Minority Teacher Scholarship<sup>372</sup> and (2) the Earline S. Rogers Teaching Stipend for Minorities.<sup>373</sup> The former can amount to a maximum of \$4,000 per year for four years, while the second is a one-time \$4,000 stipend for students who participate in a student teaching or school administration internship. Both opportunities are available only to minority students seeking to teach in Indiana for at least three years.

These two scholarship opportunities are available to prospective applicants only until the limited appropriation available for each is exhausted. The mission behind these scholarships is too important to be limited by resources that run out each year. The Commission for Higher Education administers the Next Generation Hoosier Educators Scholarship<sup>374</sup> (NGHES) fund, which consistently has excess funds due to students graduating early or changing majors. The Commission for Higher Education should administratively allow funds to be transferred from the NGHES fund to the William A. Crawford Minority Teacher Scholarship fund and the Earline S. Rogers Teaching Stipend fund. This change will strengthen the funding available for the two scholarships for minority teachers, enabling larger scholarships and a greater number of recipients.

Additionally, excesses in annual tuition support appropriations described in recommendation no. 17 could be leveraged to creatively increase opportunities for minority teachers, such as by building an endowed scholarship program. Funding could also be used to increase racial and ethnic diversity for all state financial aid programs that support the teaching profession, as well as innovative program models such as transition to teaching programs that help career changers enter the profession and high school cadet teaching programs, which help instill early interest in education as a career path.

The General Assembly should also increase the potential amounts each recipient is eligible to receive. While two scholarship opportunities worth up to a combined \$20,000 is a significant sum for any college student, it is also far less than what a typical college education costs.

The Commission for Higher Education has established a goal of increasing diversity in the teaching profession by increasing aspiring teachers' awareness of state scholarship opportunities.<sup>375</sup> The agency has made additional progress toward equity by including training on poverty and diversity in Indiana's teacher preparation programs. The goal of increasing diversity can be more effectively accomplished in collaboration with the Indiana Department of Education—something this Commission expects to see under the leadership of the Secretary

of Education.

### **37. Improve non-compensation-related job satisfaction among teachers (administrative):**

- Establish a formal initiative to improve teacher recruitment and job satisfaction beyond compensation, including but not limited to promoting teacher residencies and reducing regulations affecting teachers

While our scope of work was limited to compensation-related practices, our research and the robust feedback we received has confirmed that compensation is not the only factor affecting the popularity of the teaching profession. In fact, according to NCES survey data, the percent of teachers saying they would leave teaching as soon as possible if they could find a higher-paying job increased from 26 percent in 2008 to 34.9 percent in 2016.<sup>376</sup> That reveals two contrasting challenges. First, compensation may be even more important to teachers now than it was a decade ago. Second, teachers are increasingly dissatisfied with the non-compensation-related aspects of their job, to the point that they are now less willing to teach for lower pay than they could earn elsewhere.

Survey data reflects growing dissatisfaction in virtually every form. Teachers have become more stressed, more disappointed and dissatisfied in teaching, and less content with the support they receive.<sup>377</sup> Indiana is not immune to these frustrations.<sup>378</sup>

Indiana needs to take steps to ensure teaching is a desirable profession beyond its compensation.

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# CONCLUSION

This will require ensuring teachers have the autonomy and support they need, and further elevating the perception of the profession. Solutions for improving job satisfaction could involve major changes to teaching models throughout Indiana, including the utilization of teacher residency programs.

These are tasks that fall outside the scope of our charge, but they are vital to the future health of Indiana's education system. The state, and its next Secretary of Education, should address these challenges with the attention they deserve.<sup>379</sup>

The Commission is deeply grateful for the countless educators, legislators, subject matter experts, and citizens who shared invaluable wisdom and contributed information and ideas to all sections of this report. A list of just some of the organizations and agencies that provided counsel and assistance throughout the development of this report is included in Appendix 16.

While Indiana has a significant gap to bridge before reaching competitive teacher pay, the state is well-positioned for the task. There are multiple paths to competitive compensation, and the 37 recommendations in this report provide a roadmap to school leaders and state lawmakers for achieving compensation levels and practices that will elevate the teaching profession, making Indiana's teaching positions more attractive to the best educators and ensuring our students receive an education of the finest quality.

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46 Source: Analysis of data from the Ind. Dep't of Edu.

47 Carver-Thomas & Darling-Hammond, Teacher Turnover, *supra* note 42, at 1. Note that the national and state attrition rates are drawn from different data sources, so methodology may differ.

48 Source: Certified employee data from the Ind. Dep't of Edu and IEERB.

49 *Ibid.*

50 Source: Data from U.S. Bureau of Labor Statistics, JOB OPENINGS AND LABOR TURNOVER SURVEY, <https://data.bls.gov/PDQWeb/jt>.

51 *Ibid.*

52 Fairness, *DICTIONARY.COM*, <https://www.dictionary.com/browse/fairness>.

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57 *Ibid.*

58 *Ibid.*

59 *Ibid.*

60 Even though \$60,000 would be below the national average teacher salary, Indiana would rank close to the top third of states because several of the higher-paying states have more teachers (e.g., New York, California), which skews the average.

61 NEA 2019 RANKINGS & 2020 ESTIMATES, *supra* note 56, Table B-6. The average salary for 2016-17 (\$59,539) is from NEA Research, RANKINGS OF THE STATES 2018 & ESTIMATES OF SCHOOL STATISTICS 2019, Table B-6 (April 2019), <https://www.nea.org/sites/default/files/2020-06/2019%20Rankings%20and%20Estimates%20Report.pdf>.

62 Gascon & Sun, What Are Teachers Really Paid, *supra* note 28.

63 *Ibid.*

64 *Ibid.* Kentucky's cost-of-living-adjusted salary is \$61,455.

65 Source: Annual charts from the National Education Association's ANNUAL RANKINGS AND ESTIMATES reports, which are available at <http://www.nea.org/home/44479.htm>. In 2003, the average public teacher salary in the United States was \$45,776. The average in Indiana was \$44,966. Our neighboring states paid \$53,178 (Michigan), \$51,475 (Illinois), \$45,490 (Ohio), and \$38,981 (Kentucky).

66 *Ibid.* In 2019, the average public teacher salary in the United States was \$60,768. The average in Indiana was \$51,119. Our neighboring states paid \$62,170 (Michigan), \$67,049 (Illinois), \$59,713 (Ohio), and \$53,434 (Kentucky).

67 *Ibid.*

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69 Source: Annual charts from the National Education Association's ANNUAL RANKINGS AND ESTIMATES reports, which are available at <http://www.nea.org/home/44479.htm>.

70 U.S. Dep't of Edu., Nat'l Ctr. for Edu. Statistics, DIGEST OF EDUCATION STATISTICS 2019, Table 211.60., [https://nces.ed.gov/programs/digest/d19/tables/dt19\\_211.60.asp?current=yes](https://nces.ed.gov/programs/digest/d19/tables/dt19_211.60.asp?current=yes) [hereinafter US-DOE 2019 DIGEST].

71 Ibid.

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74 Ind. Dep't of Edu., EDUCATORS, <https://inview.doe.in.gov/state/1088000000/educator>.

75 USDOE 2019 DIGEST, supra note 70, Table 209.20.

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79 Ibid.

80 Ibid.

81 Ibid.

82 Ibid.

83 Ibid.

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85 Ind. Comm'n for Higher Edu., COLLEGE VALUE, supra note 78.

86 Ibid. To be more precise, \$21,791 less than business majors, \$21,435 less than biology majors, \$27,511 less than computer science majors, and \$20,594 less than health professions graduates.

87 Hanushek et al., Do Smarter Teachers Make Smarter Students?, supra note 32.

88 Ibid.

89 Ibid.

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95 Ibid. Based on internal IDOE data, charter school teachers have an estimated salary of roughly \$45,000, which brings this average lower than the \$53,463 figure included in the IEERB report.

96 Calculations are derived from NEA 2019 RANKINGS & 2020 ESTIMATES, supra note 56, Table B-6.

97 Source: Ind. State Budget Agency. For state employees, 23.31 percent of payroll is made up of life insurance (0.13 percent), FICA (7.65 percent), pension contributions (14.2 percent), and disability insurance (1.33 percent). Schools often provide additional retirement or other benefits beyond what state employees receive, so it is possible the incremental cost in benefits would be more than 23.3 percent. This multiplier excludes health insurance, as salary increases would not cause increases in health insurance costs.

98 NCES' most recent estimate is that Indiana has 3,995 instruction coordinators, 1,964 school counselors, 692 librarians, and 3,336 principals and assistant principals. See USDOE 2018 DIGEST, supra note 3, Table 213.30., (using estimates from fall 2015).

99 H.E.A. No. 1003, 121st Gen. Assemb., Second Reg. Sess. (Ind. 2020) (available at <http://iga.in.gov/legislative/2020/bills/house/1003#document-d2fb0d05>).

100 Source: Ind. State Board of Edu.

101 Ibid.

102 H.E.A. No. 1001, 121st Gen. Assemb., First Reg. Sess. at 77 (Ind. 2019) (available at <http://iga.in.gov/legislative/2019/bills/house/1001#document-d2fb0d05>).

in.gov/legislative/2019/bills/house/1001#document-a47201d3).

103 Ind. State Budget Agency, STATE OF INDIANA LIST OF APPROPRIATIONS MADE BY THE REGULAR SESSION OF THE 2011 INDIANA GENERAL ASSEMBLY FOR THE BIENNIUM JULY 1, 2011 TO JUNE 30, 2013, pp. 2-16 (available at [https://www.in.gov/sba/files/ap\\_2011\\_all.pdf](https://www.in.gov/sba/files/ap_2011_all.pdf)). The \$6.34 billion total includes tuition support and the \$81.9 million appropriation for full-day kindergarten, which is no longer made a separate line item from the tuition support appropriation. Note that total appropriations for K-12 education (excluding pre-1996 teacher pensions) in Fiscal Year 2021 were \$7.6 billion.

104 Ind. State Budget Agency, STATE OF INDIANA LIST OF APPROPRIATIONS MADE BY THE REGULAR SESSION OF THE 2009 INDIANA GENERAL ASSEMBLY & THE FIRST SPECIAL SESSION THEREOF FOR THE BIENNIUM JULY 1, 2009 TO JUNE 30, 2011, p. 12 (available at [https://www.in.gov/sba/files/ap\\_2009\\_all.pdf](https://www.in.gov/sba/files/ap_2009_all.pdf)). Note that this number includes the \$58,500,000 appropriation for full-day kindergarten.

105 Ibid. Again, note that this number includes the \$58,500,000 appropriation for full-day kindergarten.

106 Inflation numbers taken from World Bank, Inflation, Consumer Prices for the United States, FRED, FEDERAL RESERVE BANK OF ST. LOUIS, <https://fred.stlouisfed.org/series/FPCPITOTLZGUSA>. These numbers assume that inflation in 2019, 2020, and 2021 is 1.77 percent, which is simply the average inflation rate from the prior nine years.

107 Source: Ind. Office of Management and Budget. Inflation rates are from World Bank, Inflation, *supra* note 106. The chart assumes an inflation figure for 2020 of 1.77 percent, which is the average inflation rate from 2010 to 2019.

108 U.S. Census Bureau, 2018 PUBLIC ELEMENTARY-SECONDARY EDUCATION FINANCE DATA, Summary Table No. 5, <https://www.census.gov/data/tables/2018/econ/school-finances/secondary-education-finance.html> [hereinafter CENSUS 2018 EDU. FINANCE].

109 Ben Kleban & Lisa Chu, Ensuring All Students in Indiana Receive Their Fair Share of Funding, CENTER ON REINVENTING PUBLIC EDUCATION 31 (October 2020) (available at [https://www.rmff.org/wp-content/uploads/2020/09/Funding-Indiana-schools-\\_final.pdf](https://www.rmff.org/wp-content/uploads/2020/09/Funding-Indiana-schools-_final.pdf)); see also Aaron Garth Smith, How Local Education Funding Favors Politics Over Parents—And How to Fix It, REASON FOUNDATION (October 2018) (available at <https://reason.org/wp-content/uploads/how-to-fix-education-funding.pdf>).

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111 See Michael Maciag, States That Spend the Most (and the Least) on Education, GOVERNING.COM (June 4, 2019), <https://www.governing.com/topics/education/gov-state-education-spending-revenue-data.html> (showing that Indiana ranks ninth in its 2017 1-year and 3-year increases in per pupil funding according to U.S. Census Bureau data).

112 While most school corporations have avoided property tax referenda, most units take the maximum levy available to them, and that levy grows yearly by the maximum levy growth quotient. Source: Ind. Dep't of Local Gov't Fin.

113 Source: Ind. Dep't of Local Gov't Fin.

114 Source: Internal data analysis.

115 Stephen Hiller, Database of Indiana School Referenda, INDIANA UNIVERSITY CENTER FOR EVALUATION, POLICY, & RESEARCH (last updated May 16, 2019) (available at [https://cepr.indiana.edu/doc/Database\\_of\\_Indiana\\_School\\_Referenda\\_5.16.19.xlsx](https://cepr.indiana.edu/doc/Database_of_Indiana_School_Referenda_5.16.19.xlsx)); Ind. Dep't of Local Gov't Fin., HISTORIC SCHOOL TAX LEVY REFERENDA, <https://www.in.gov/dlgf/8490.htm>.

116 Source: Analysis of Ind. Dep't of Edu. Form 9 data, which is available at <https://form9.doe.in.gov/public/home/dashboard?#>.

117 IEERB 2020 STATEWIDE REPORT, *supra* note 94.

118 Source: Analysis of Ind. Dep't of Edu. Form 9 data, which is available at <https://form9.doe.in.gov/public/home/dashboard?#>.

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120 Ibid.

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122 Ibid.



- 123 Ibid.
- 124 Ind. Code § 20-46-1-11.
- 125 See Stephen Hiller, Database of Indiana School Referenda, supra note 115; HISTORIC SCHOOL TAX LEVY REFERENDA, supra note 115.
- 126 Ibid.
- 127 Ibid.
- 128 Ibid.
- 129 CENSUS 2018 EDU. FINANCE, supra note 108, at Summary Table No. 1.
- 130 Ibid., Summary Table Nos. 1 & 14.
- 131 Ibid., Summary Table Nos. 1 & 19.
- 132 Ibid.
- 133 Ibid.
- 134 See U.S. Dep't of Edu., Office of State Support, IMPROVING BASIC PROGRAMS OPERATED BY LOCAL EDUCATIONAL AGENCIES (TITLE I, PART A), <https://www2.ed.gov/programs/titleiparta/index.html> (explaining Title I funding); U.S. Dep't of Edu., Office of Special Edu. Programs, SPECIAL EDUCATION—GRANTS TO STATES <https://www2.ed.gov/programs/osepgts/index.html> (explaining special education funding).
- 135 See U.S. Dep't of Edu., IMPROVING BASIC PROGRAMS, supra note 134, for a description of the Title I funding formula.
- 136 Thomas D. Snyder et al., Study of the Title I, Part A Grant Program Mathematical Formulas, NATIONAL CENTER FOR EDUCATION STATISTICS 2 (May 2019) (available at <https://nces.ed.gov/pubs2019/2019016.pdf>).
- 137 See CENSUS 2018 EDU. FINANCE, supra note 108. Compare to U.S. Census Bureau, 2017 PUBLIC ELEMENTARY-SECONDARY EDUCATION FINANCE DATA, Summary Table Nos. 1 & 19, <https://www.census.gov/data/tables/2017/econ/school-finances/secondary-education-finance.html>.
- 138 See reports available at Ind. Office of Management & Budget, DOLLARS TO THE CLASSROOM, <https://www.in.gov/omb/2495.htm>.
- 139 Indiana's ratio of per pupil spending to average teacher pay was 1 to 4.93; the national average was 1 to 4.81. Michigan's ratio was 1 to 5.01, Kentucky's: 4.77, Ohio's: 4.47, and Illinois': 4.18. See CENSUS 2018 EDU. FINANCE, supra note 108, SUMMARY TABLE NO. 20 for 2018 state per pupil spending totals; NEA 2019 RANKINGS & 2020 ESTIMATES, supra note 56, Table B-6 for 2017-18 average teacher salaries. All figures reflect numbers from Fiscal Year 2018, the most recent data available.
- 140 Kentucky's ratio was 1 to 5.23, and Michigan's was 1 to 5.2.
- 141 Indiana Fiscal Policy Institute, TEACHER COMPENSATION VERSUS TOTAL K-12 STAFFING COSTS, Aug. 20, 2019 (available at <http://www.indianafiscal.org/resources/Documents/IFPI%20Teacher%20-%20Total%20Compensation%20Analysis%208-20-19.pdf>).
- 142 See, e.g., Stan Liebowtiz & Matthew L. Kelly, Fixing the Bias in Current State K-12 Education Rankings, CATO INSTITUTE POLICY ANALYSIS NO. 854 (Nov. 13, 2018) (available at <https://www.cato.org/publications/policy-analysis/fixing-bias-current-state-k-12-education-rankings>) (ranking Indiana sixth in the nation when looking at the student performance achieved given Indiana's cost-of-living adjusted spending).
- 143 Source: Internal data analysis by the Ind. Management Performance Hub using Ind. Dep't of Edu. certified employee data.
- 144 Ibid.
- 145 CENSUS 2018 EDU. FINANCE, supra note 108, Table 8. Indiana has the 16th lowest per pupil spending on administration nationally, lower than every Midwest state except South Dakota.
- 146 Ibid. 8.22 percent of Indiana's per pupil spending goes to administration, versus 7.49 percent nationally.
- 147 USDOE 2019 DIGEST, supra note 70, Table 213.20.
- 148 Ibid.
- 149 Ibid.
- 150 Ibid.
- 151 Source: Internal data analysis by the Ind. Management Performance Hub using Ind. Dep't of Edu Form 9 data, which is available at <https://form9.doe.in.gov/public/home/dashboard?#>. This total includes charter schools.
- 152 Ibid.
- 153 Ibid.



- 154 Ibid.
- 155 CENSUS 2018 EDU. FINANCE, supra note 108, Summary Table No. 20.
- 156 Ibid.
- 157 U.S. Census Bureau, 2004 PUBLIC ELEMENTARY-SECONDARY EDUCATION FINANCE DATA, Summary Table No. 8, <https://www.census.gov/data/tables/2004/econ/school-finances/secondary-education-finance.html> [hereinafter CENSUS 2004 EDU. FINANCE].
- 158 Ibid. At \$9,226, Wisconsin was the only Midwestern state with higher per pupil spending in 2004.
- 159 CENSUS 2018 EDU. FINANCE, supra note 108, Summary Table No. 20.
- 160 Ibid.
- 161 Ibid. According to the U.S. Census Bureau, South Dakota spent \$10,073 per student—\$189 less than Indiana.
- 162 Ibid.
- 163 Ibid.
- 164 H.E.A. No. 1001, supra note 102. Note that this total includes the \$150 million appropriated to pay down school corporation pension liability.
- 165 CENSUS 2018 EDU. FINANCE, supra note 108, Summary Table Nos. 19 & 20.
- 166 USDOE 2019 DIGEST, supra note 70, Table 236.75.
- 167 Ibid.
- 168 School Bus Fleet Magazine, U.S. STATE BY STATE TRANSPORTATION STATISTICS 2015-16 (available at <https://www.schoolbusfleet.com/download?id=10117357&dl=1>).
- 169 USDOE 2019 DIGEST, supra note 70, Table 236.65.
- 170 Ibid.
- 171 Ibid.
- 172 Nat'l Science Board, Elementary & Secondary Public School Expenditures as a Percentage of Gross Domestic Product, SCIENCE & ENGINEERING INDICATORS: STATE INDICATORS, <https://nces.nsf.gov/indicators/states/indicator/public-school-expenditures-to-state-gdp/table>.
- 173 Ibid.
- 174 H.E.A. No. 1001, supra note 102.
- 175 CENSUS 2004 EDU. FINANCE, supra note 157, Summary Table No. 8; CENSUS 2018 EDU. FINANCE, supra note 108, Summary Table No. 20.
- 176 See, e.g., Stephanie Dean & Izzi Hernandez-Cruz, ADDRESSING INDIANA'S QUIET TEACHING CRISIS: A SENSIBLE BLUEPRINT FOR PROGRESS (2019) (available at [https://teachplus.org/sites/default/files/publication/pdf/addressing\\_indianas\\_quiet\\_teaching\\_crisis\\_final.1.25.19.pdf](https://teachplus.org/sites/default/files/publication/pdf/addressing_indianas_quiet_teaching_crisis_final.1.25.19.pdf)).
- 177 See CENSUS 2018 EDU. FINANCE, supra note 108, Summary Table No. 20 (for state per pupil spending totals); NEA 2019 RANKINGS & 2020 ESTIMATES, supra note 56, Table B-6. (for average teacher salaries). Both figures use Fiscal Year 2018 data.
- 178 Nat'l Ass'n of State Budget Officials, 2019 STATE EXPENDITURE REPORT—FISCAL YEARS 2017-2019, at 22 (2019) (available at [https://higherlogicdownload.s3.amazonaws.com/NASBO/9d2d2db1-c943-4f1b-b750-0fca152d64c2/UploadedImages/SER%20Archive/2019\\_State\\_Expenditure\\_Report-S.pdf](https://higherlogicdownload.s3.amazonaws.com/NASBO/9d2d2db1-c943-4f1b-b750-0fca152d64c2/UploadedImages/SER%20Archive/2019_State_Expenditure_Report-S.pdf)) (estimating this figure for Indiana at 28 percent).
- 179 Econ. Dev. Corp. of Utah, RESEARCH WEEKLY—HOW MUCH DOES UTAH SPEND ON EDUCATION?, Aug. 23, 2016, <https://edcutah.org/news/2016/08/23/research-weekly-how-much-does-utah-spend-education>.
- 180 CENSUS 2018 EDU. FINANCE, supra note 108, Summary Table No. 20.
- 181 Nat'l Science Board, Elementary & Secondary Public School Expenditures, supra note 172.
- 182 Mike Maciag, The States That Spend the Most (and the Least) on Education, GOVERNING.COM (Aug. 2016), <https://www.governing.com/topics/education/gov-education-funding-states.html>.
- 183 See budget information at Ind. State Budget Agency, BUDGET DATA, <https://www.in.gov/sba/2364.htm>.
- 184 Source: Ind. State Budget Agency.
- 185 Ibid.
- 186 Source: Ind. Dep't of Revenue.
- 187 See Nat'l Ass'n of State Budget Officials, 2019 STATE EXPENDITURE REPORT, supra note 178, at 11, Table 3.
- 188 See Ind. Utility Reg. Comm'n, State Electric Price Comparison, (available at [https://www.in.gov/iurc/files/State%20Electric%20Price%20Comparison\\_%201990-2019.pdf](https://www.in.gov/iurc/files/State%20Electric%20Price%20Comparison_%201990-2019.pdf)). There has been an 86 per-

cent increase since 2000.

189 See, e.g., Chapin White, *Hospital Prices in Indiana* (2017) (available at [https://www.rand.org/content/dam/rand/pubs/research\\_reports/RR2100/RR2106/RAND\\_RR2106.pdf](https://www.rand.org/content/dam/rand/pubs/research_reports/RR2100/RR2106/RAND_RR2106.pdf)).

190 See, e.g., Md. Comm'n on Innovation & Excellence in Edu., *INTERIM REPORT* (Jan. 2019) (available at <http://dls.maryland.gov/pubs/prod/NoPblTabMtg/CmsnInnovEduc/2019-Interim-Report-of-the-Commission.pdf>) (calling for \$3.8 billion in additional education funding by FY 2030 in Maryland); Edu. Law Ctr., *BIG WIN FOR MASSACHUSETTS STUDENTS AS LAWMAKERS COMMIT TO BOOST SCHOOL FUNDING BY \$1.5 BILLION*, Dec. 19, 2019, [https://edlawcenter.org/news/archives/other-states/major-victory-in-massachusetts-legislature-enacts-law-calling-for-\\$1.5-billion-increase-in-school-funding.html](https://edlawcenter.org/news/archives/other-states/major-victory-in-massachusetts-legislature-enacts-law-calling-for-$1.5-billion-increase-in-school-funding.html) (referencing the Foundation Budget Review Commission conclusion that Massachusetts' funding formula underfunded education by at least \$1 billion); Patrick Svitek, *Gov. Greg Abbott Signs \$11.6 Billion School Finance Measure Into Law*, *THE TEXAS TRIBUNE*, June 11, 2019, <https://www.texastribune.org/2019/06/11/texas-gov-greg-abbott-signs-116-billion-school-finance-measure-law/> (discussing Texas' addition of \$6.5 billion in new education spending—a 20 percent increase in base per-student funding); Wisconsin Budget Project, *SUMMARY OF THE 2019-21 BUDGET FOR K-12 EDUCATION*, Aug. 8, 2019, <http://www.wisconsinbudgetproject.org/summary-of-the-2019-21-budget-for-k-12-education> (explaining Wisconsin's \$583 million increase in spending over two years, equating to \$175 per student in the first year and an additional \$179 per student in the second).

191 Matt Barnum, *4 New Studies Bolster the Case: More Money for Schools Helps Low-Income Students*, *CHALKBEAT*, Aug. 13, 2019, <https://chalkbeat.org/posts/us/2019/08/13/school-funding-spending-money-matter-latest-research-studies/> (“A 2018 overview of the research on education spending found that more money consistently meant better outcomes for students—higher test scores, higher graduation rates, and sometimes even higher wages as adults.”).

192 See, e.g., C. Kirabo Jackson et al., *The Effects of School Spending on Educational & Economic Outcomes: Evidence From School Finance Reforms*, *THE QUARTERLY JOURNAL OF ECONOMICS* Vol. 131, Issue 1, pp. 157-218, at 157 (Feb. 2016) (available at <https://doi.org/10.1093/qje/qjv036>), (finding that a 10 percent increase in per pupil spending increases educational attainment among all children by .31 years, 7 percent higher wages, and a 3.2 percentage-point reduction in the annual incidence of adult poverty); Julien Lafortune et al., *School Finance Reform and the Distribution of Student Achievement*, *IRLE Working Paper #100-16*, *INSTITUTE FOR RESEARCH ON LABOR & EMPLOYMENT* 5 (revised July 2016) (available at <https://irle.berkeley.edu/files/2016/School-Finance-Reform-and-the-Distribution-of-Student-Achievement.pdf>) (concluding that a one-time \$1,000 increase in per-pupil spending for ten years increased student test scores by between 0.12 and 0.24 standard deviations); Christopher A. Candelaria & Kenneth A. Shores, *Court-Ordered Finance Reforms in the Adequacy Era: Heterogeneous Causal Effects & Sensitivity*, *EDUCATION FINANCE & POLICY*, Vol. 14, Issue 1, pp. 31-60 (Winter 2019) (available at [https://doi.org/10.1162/edfp\\_a\\_00236](https://doi.org/10.1162/edfp_a_00236)) (finding that court-ordered school finance reforms yielding 11.5 to 12.1 percent increases in per pupil spending in districts with high poverty levels resulted in a 6.8 to 11.5 percentage-point increase in graduation rates); Corbin L. Miller, *THE EFFECT OF EDUCATION SPENDING ON STUDENT ACHIEVEMENT: EVIDENCE FROM PROPERTY VALUES AND SCHOOL FINANCE RULES* 34 (July 14, 2018) (available at [https://ntanet.org/wp-content/uploads/2019/03/Session1188\\_Paper1807\\_FullPaper\\_1.pdf](https://ntanet.org/wp-content/uploads/2019/03/Session1188_Paper1807_FullPaper_1.pdf)) (finding that a 10 percent increase in education spending improves graduation rates by 2.1 to 4.4 percentage points, and also increases 4th and 8th grade math and reading scores by between 0.05 and 0.09 standard deviations.); C. Kirabo Jackson, *Does School Spending Matter? The New Literature on an Old Question*, *NATIONAL BUREAU OF ECONOMIC RESEARCH* at 7 (December 2018) (available at [https://www.nber.org/system/files/working\\_papers/w25368/w25368.pdf](https://www.nber.org/system/files/working_papers/w25368/w25368.pdf)).

193 Eric A. Hanushek et al., *Education & Economic Growth*, *EDUCATION NEXT* Vol. 8, No. 2 (last updated Feb. 29, 2008) (available at <https://www.educationnext.org/education-and-economic-growth/>).

194 See U.S. Dep't of Edu., *IMPROVING BASIC PROGRAMS*, *supra* note 134.

195 See “Extrapolation Methodology” in Appendix 3.

196 Source: Ind. State Personnel Dep't.

197 Information for school corporations regarding the state's health care plan is available at Ind. State Personnel Dep't, *INTERESTED SCHOOL CORPORATIONS*, <https://www.in.gov/spd/benefits/indiana-school-corporations/interested-school-corporations/>.

198 IEERB 2020 STATEWIDE REPORT, *supra* note 94. There are 56 total school corporations with spousal restrictions or surcharges; two of them are special education cooperatives and thus not includ-

ed in the total of 54.

199 Source: Internal data analysis using IEERB data. This percentage is based on the total of 61,653 teachers that were reported as being employed on a full-time basis at the 288 school corporations that collectively bargain.

200 Ibid.

201 IEERB 2020 STATEWIDE REPORT, supra note 94. Again, this figure reflects 2019-20 data from just the 288 school corporations that collectively bargain. Note that the figures in this analysis include spending by the enrollee in addition to spending by the school corporation.

202 Ibid.

203 Ibid.

204 Ibid.

205 Ibid.

206 Ibid. Applying the participation percentages from the 35 school corporations with spousal restrictions or surcharges and employee-plus-children plans, the other school corporations would see an estimated 6,719 new employee-plus-children plan teacher enrollees and 7,297 fewer family plan enrollees.

207 Multiplying the 6,719 new employee-plus-children enrollees by the \$5,893 cost reduction per enrollee suggests an estimated savings of \$39.6 million.

208 IEERB 2020 STATEWIDE REPORT, supra note 94.

209 Available at <http://www.k12indiana.com/>.

210 Source: Internal data analysis using Ind. Dep't of Administration data.

211 Ibid.

212 Ind. Code § 20-42.5-2-1.

213 Source: Conversations with representatives on behalf of the Educational Service Centers Risk Funding Trust (<https://www.escrft.com/>).

214 CENSUS 2018 EDU. FINANCE, supra note 108, Summary Table No. 8. 8.22 percent of Indiana's per pupil spending goes to administration, versus 7.49 percent nationally.

215 USDOE 2019 DIGEST, supra note 70, Table 213.20.

216 Ibid.

217 Ibid.

218 Source: Internal data analysis by the Ind. Management Performance Hub using Ind. Dep't of Edu. Form 9 data, available at <https://form9.doe.in.gov/public/home/dashboard?#>. This total includes charter schools.

219 Ibid.

220 Ibid.

221 Ibid.

222 Source: Internal data analysis of Ind. Dep't of Edu. data.

223 See USDOE 2018 DIGEST, supra note 3 Table 208.40; compare with NEA 2019 RANKINGS & 2020 ESTIMATES, supra note 56, Table B-6.

224 USDOE 2018 DIGEST, supra note 3, Table 208.40 (note that this is based on fall 2016 numbers. Michigan's ratio is 18.3).

225 U.S. Dep't of Edu., Nat'l Ctr. for Edu. Statistics, DIGEST OF EDUCATION STATISTICS 2016, Table 208.40., [https://nces.ed.gov/programs/digest/d16/tables/dt16\\_208.40.asp](https://nces.ed.gov/programs/digest/d16/tables/dt16_208.40.asp).

226 Gascon & Sun, What Are Teachers Really Paid, supra note 28.

227 Source: Internal analysis by the Ind. Management Performance Hub of data from IEERB and IDOE.

228 Ind. Code ch. 36-1-7.

229 Ind. Comm'n for Higher Edu., INDIANA COLLEGE EQUITY REPORT 2020, at 4 (available at [https://www.in.gov/che/files/2020\\_College\\_Equity\\_Report\\_09\\_24\\_2020a\\_Full.pdf](https://www.in.gov/che/files/2020_College_Equity_Report_09_24_2020a_Full.pdf)).

230 More information on STEM Teach Indiana is available at <https://stemteachindiana.org/>.

231 More information on Teach Dual Credit Indiana is available at <https://sites.google.com/uindy.edu/teachdualcreditindiana/home>.

232 Outsourcing of several services was found to result in substantial savings in the operational assessment of Indianapolis Public Schools, conducted by Faegre Baker Daniels and Policy Analytics LLC, available at <https://indychamber.com/ips-operational-assessment/>. Other school corporations have made similar arrangements (see, e.g., Dan Carden, Gary School District Will Outsource Custodial, Maintenance & Grounds Workers to Reduce Spending, NWI TIMES, June 4, 2018 (updated Dec. 3,

- 2018), [https://www.nwitimes.com/news/local/govt-and-politics/gary-school-district-will-outsource-custodial-maintenance-and-grounds-workers-to-reduce-spending/article\\_b16ac77a-f6e4-503b-8d23-9cca0f495ec9.html](https://www.nwitimes.com/news/local/govt-and-politics/gary-school-district-will-outsource-custodial-maintenance-and-grounds-workers-to-reduce-spending/article_b16ac77a-f6e4-503b-8d23-9cca0f495ec9.html)
- 233 Source: Internal data analysis. In fact, this expenditure category saw the highest growth of any category exceeding \$5 million between 2015 and 2018.
- 234 IEERB 2020 STATEWIDE REPORT, *supra* note 94.
- 235 Kleban & Chu, Ensuring All Students, *supra* note 109, at 13.
- 236 Mary Willkom, Gary Votes ‘Yes’ for \$71M Schools Referendum, INSIDE INDIANA BUSINESS, Nov. 5, 2020, <https://www.insideindianabusiness.com/story/42870890/gary-votes-yes-for-dollar71m-schools-referendum>.
- 237 Wes Mills, Gary Teachers in Line for First Raise in a Decade, INSIDE INDIANA BUSINESS, Nov. 13, 2020, <https://www.insideindianabusiness.com/story/42908982/gary-teachers-in-line-for-first-raise-in-a-decade>.
- 238 Source: Internal analysis of data available on Gateway, including IEERB 2020 STATEWIDE REPORT, *supra* note 94.
- 239 *Ibid.*
- 240 *Ibid.*
- 241 *Ibid.*
- 242 *Ibid.* These numbers are based on the 2019 total ADM of 987,399 students at the 288 school corporations that collectively bargain.
- 243 Source: Ind. Dep’t of Local Gov’t Fin. There are more than 3.5 million parcels in Indiana.
- 244 *Ibid.* See also Hiller, Database of Indiana School Referenda, *supra* note 115; Ind. Dep’t of Local Gov’t Fin., HISTORIC SCHOOL TAX LEVY REFERENDA, *supra* note 115.
- 245 *Ibid.*
- 246 *Ibid.*
- 247 Ind. Code § 12-15-1-16.
- 248 Source: Family & Social Services Admin. (FSSA), Office of Medicaid Policy and Planning.
- 249 See Ind. Dep’t of Edu., School-Based Medicaid (available at <https://www.doe.in.gov/specialized/school-based-medicaid>).
- 250 Source: Family & Social Services Admin. (FSSA), Office of Medicaid Policy and Planning. This number includes school corporations as well as other enrolled providers who rendered services in schools. This includes the following types of providers: school corporations, community mental health centers, federally qualified health centers, and qualified independent practitioners.
- 251 Ind. Code § 20-26-5-22.5.
- 252 Carole Carlson & Meredith Colias-Pete, Students In Gary’s Financially Struggling Schools Get A Lift From Robust Education Foundation, CHICAGO TRIBUNE, Sept. 7, 2018, <https://www.chicagotribune.com/suburbs/post-tribune/ct-ptb-gary-foundation-st-0909-story.html>
- 253 Available at <https://www.inapef.org/start-foundation>.
- 254 See, e.g., Ind. Dep’t of Edu., ANNUAL LICENSING REPORT 2018-2019, *supra* note 20, at 22.
- 255 Nat’l Inst. for Excellence in Teaching, THE TAP SYSTEM FOR TEACHER & STUDENT ADVANCEMENT, <https://www.niet.org/our-work/our-services/show/the-tap-system-for-teacher-and-student-advancement>.
- 256 Nat’l Inst. for Excellence in Teaching, \$1.25 MILLION IN INDIANA CAREER LADDER GRANTS AWARDED TO NIET PARTNERS WHITKO COMMUNITY SCHOOLS, MUNCIE COMMUNITY SCHOOLS, & MSD OF MARTINSVILLE, Feb. 6, 2020, <https://www.niet.org/newsroom/show/feature/indiana-career-ladder-grants-2020>.
- 257 *Ibid.*
- 258 H.E.A. No. 1001, *supra* note 102, at 78.
- 259 Eric Holcomb, Governor of the State of Indiana, 2020 State of the State Address, Address Before a Joint Session of the Indiana General Assembly (Jan. 14, 2020) (available at <https://www.in.gov/gov/2020stateofstate.htm>).
- 260 This incentive is codified at Ind. Code ch. 36-15-6.
- 261 Available at Distressed United Appeal Board, SCHOOL CORPORATION FISCAL INDICATORS, <https://www.in.gov/duab/2387.htm>.
- 262 A copy of the report identifying these cost savings, authored by Faegre Baker Daniels and Policy Analytics LLC, is available here: <https://indychamber.com/ips-operational-assessment/>.
- 263 See Dylan Peers McCoy, Indianapolis Public Schools Scales Back Referendum (Again) to Win

Chamber Support, CHALKBEAT, July 24, 2018, <https://www.chalkbeat.org/posts/in/2018/07/24/indianapolis-public-schools-expected-to-scale-back-referendum-again-to-win-chamber-support/>.

264 See Arika Herron, Indianapolis Public Schools Inked a New Contract. Teachers Can Make up to \$90,000 Next Year, INDYSTAR, Nov. 12, 2019, <https://www.indystar.com/story/news/education/2019/11/12/indianapolis-public-schools-passes-historic-teacher-pay-raise/2578170001/>.

265 Ind. Code § 20-26-17-5.

266 N. Cent. Parke Cmty. Sch. Corp., ABOUT US, [https://www.ncp.k12.in.us/corporation/about\\_us](https://www.ncp.k12.in.us/corporation/about_us).

267 Ind. Comm'n on Local Gov't Reform, STREAMLINING LOCAL GOVERNMENT 31 (Dec. 11, 2007) (available at [http://indianalocalgovreform.iu.edu/assets/docs/Report\\_12-10-07.pdf](http://indianalocalgovreform.iu.edu/assets/docs/Report_12-10-07.pdf)).

268 Ind. Code ch. 5-22-7.5.

269 The difference in tuition support amounts appropriated above actual distributions are as follows: FY2012—\$4.8 million; FY2013—\$4.6 million; FY2014—\$4.8 million; FY2015—\$32.2 million; FY2016—\$46.8 million; FY2017—\$56.6 million; FY2018—(\$17.2 million); FY2019—\$1.3 million.

270 Source: Internal data analysis.

271 Based on 2016-17 NCES district and enrollment information, USDOE 2019 DIGEST, supra note 70, Tables 203.72 and 214.30. Teacher salary data is from NEA 2019 RANKINGS & 2020 ESTIMATES, supra note 56, Table B-6.

272 Ibid. Note that the five states with the largest average district size are omitted for ease of viewing. These states are: Hawaii (which has a single, statewide district), District of Columbia (which also has only one district), Florida, Maryland, and Nevada.

273 Analysis is based on 2016-17 NCES district and enrollment information, USDOE 2019 DIGEST, supra note 70, Tables 203.72 and 214.30. Indiana has the 25th largest average school district size. The national average is 3,697 students.

274 Source: Internal data analysis.

275 Ind. Comm'n on Local Gov't Reform, STREAMLINING LOCAL GOVERNMENT, supra note 267, at 27.

276 Source: IEERB and IDOE data.

277 Ibid. This analysis looked solely at the 288 school corporations that collectively bargain.

278 IEERB data for the 2019-20 school year.

279 Ibid.

280 Ibid.

281 Ibid.

282 Ibid.

283 Source: IEERB data and IDOE data. Countywide school corporations are Blackford County Schools, Brown County School Corporation, Crawford County Community School Corporation, Evansville Vanderburgh School Corporation, Fayette County School Corporation, Huntington County Community School Corporation, Jay School Corporation, Jennings County Schools, New Albany-Floyd County Consolidated Schools, Pike County School Corporation, Rising Sun-Ohio County Community School Corporation, Switzerland County School Corporation, Union County-College Corner Joint School District, Vigo County School Corporation, and Warrick County School Corporation.

284 Ibid.

285 See Joint Resolution of Governing Board of Dewey Prairie Consolidated Sch. Corp. & the Board of Sch. Trustees of Cass Township Schs. (available at [http://tritownship.k12.in.us/UserFiles/Servers/Server\\_686536/File/School%20Board/Policies/Governing\\_Board.pdf](http://tritownship.k12.in.us/UserFiles/Servers/Server_686536/File/School%20Board/Policies/Governing_Board.pdf)); Joint Resolution of M.S.D. of North Posey County and Consolidated Sch. Town of New Harmony & Harmony Township, available at <http://www.northposey.k12.in.us/document-library/msd-of-north-posey-school-board-documents/school-board-minutes-archive/2012/963-20120119-joint-mtg-new-harmony-north-posey-january-19-2012/file>; N. Cent. Parke Cmty. Sch. Corp., ABOUT US, supra note 266.

286 Source: IDOE data.

287 IEERB 2020 STATEWIDE REPORT, supra note 94.

288 Source: Internal data analysis using IEERB and IDOE data.

289 Ind. Code § 20-26-7.1-4.

290 Ind. Code § 36-1.5-3.

291 See H.E.A. No. 1316, 120th Gen. Assemb., Special Sess. (Ind. 2018) (available at <http://iga.in.gov/static-documents/d/8/e/2/d8e28ff6/HB1316.02.ENRS.pdf>).

292 Sharmila Mann, 529 Education Savings Plans: Federal Action & State Policy Trends, EDUCATION COMMISSION OF THE STATES, POLICY BRIEF (Feb. 2019) (available at <https://www.ecs.org/wp-con>



tent/uploads/529-Education-Savings-Plans-Federal-Action-and-State-Policy-Trends.pdf).

293 Indiana's 529 Plan tax credit is codified at Ind. Code § 6-3-3-12.

294 See Savingforcollege.com, STATE TAX DEDUCTION OR CREDIT FOR CONTRIBUTIONS, [https://www.savingforcollege.com/compare\\_529\\_plans/index.php?plan\\_question\\_ids%5B%5D=437&mode=-Compare&plan\\_type\\_id=1&page=compare\\_plan\\_questions](https://www.savingforcollege.com/compare_529_plans/index.php?plan_question_ids%5B%5D=437&mode=-Compare&plan_type_id=1&page=compare_plan_questions).

295 Ibid. This analysis and the accompanying graph assume the couple earns \$100,000 in taxable income.

296 See Legislative Services Agency, Office of Fiscal & Management Analysis, INDIANA TAX EXPENDITURE REVIEW 2018, at 6 (available at <http://iga.in.gov/static-documents/5/2/4/f/524f35ff/2018-tax-expenditure-review-1031.pdf>). Indiana's Legislative Services Agency estimated a cost of \$92.2 million in Fiscal Year 2021. Indiana's Legislative Services Agency estimated a cost of \$92.2 million in Fiscal Year 2021.

297 Source: Ind. Dep't of Revenue.

298 Ibid.

299 Ibid. This assumes the same graduated means-testing for earners between \$200,000 and \$250,000.

300 MNSaves, PLAN DETAILS & INFORMATION, <https://www.mnsaves.org/plan/details.shtml>.

301 Minnesota taxpayers may claim either a tax deduction or a tax credit depending on their income. A \$1,500 tax deduction (\$3,000 for a married couple filing jointly) can be claimed against Minnesota income tax. Alternatively, a tax credit equal to 50 percent of the contributions to accounts, reduced by any withdrawals, may be claimed with a maximum credit amount of up to \$500, subject to a phase-out schedule starting at a federal adjusted gross income of \$75,000.

302 Note that these changes were proposed in S.B. 142, 121st Gen. Assemb., Second Reg. Sess. (Ind. 2020) (available at <http://iga.in.gov/legislative/2020/bills/senate/142#document-19f997a2>).

303 Section 504, Rehabilitation Act of 1973, available at <https://www.dol.gov/agencies/oasam/centers-offices/civil-rights-center/statutes/section-504-rehabilitation-act-of-1973>.

304 Source: Ind. Office of Medicaid Policy and Planning. This number includes school corporations as well as other enrolled providers who rendered services in schools. This includes the following types of providers: school corporations, community mental health centers, federally qualified health centers, and qualified independent practitioners.

305 State Sen. Andy Zay, Leverage Medicaid Services in Schools at 17 (available at <https://www.in.gov/bitterpill/files/Zay%20School%20based%20Medicaid.pdf>). Note that their increased reimbursements would have also required increased spending.

306 Legislative Services Agency, Office of Fiscal & Management Analysis, FISCAL IMPACT STATEMENT FOR S.B. 142, LS 6493 (Jan. 28, 2020) (available at <http://iga.in.gov/legislative/2020/bills/senate/142#document-58ff0b66>).

307 Ibid.

308 Ibid.

309 Source: Data from Ind. Dep't of Local Gov't Fin. Account balances for townships as of Dec. 31, 2019 totaled approximately \$588 million.

310 Ind. Code ch. 36-6-6.

311 Ind. Code ch. 36-7-14.

312 Source: Ind. Dep't of Local Gov't Fin.

313 Ibid.

314 Examples of local partnerships with school corporations include a local redevelopment commission that used TIF funds in collaboration with the school corporation to build sidewalks that improved walkability for students and allowed the school corporation to reduce its transportation efforts. Other known examples include building sports facilities used by the school as well as for sports tourism, and using TIF funds to provide training of students for particular jobs within the district.

315 Ind. Code § 36-7-14-39.

316 Source: Ind. Distressed Unit Appeal Board.

317 Ibid.

318 Source: Ind. Dep't of Revenue.

319 See "College Credit" at Ind. Dep't of Revenue, TAX CREDITS, <https://www.in.gov/dor/individual-income-taxes/filing-my-taxes/tax-credits/>.

320 Ind. Constitution, Article 10, Section 1.

321 Ind. Code § 20-46-1-11.

322 IEERB 2020 STATEWIDE REPORT, supra note 94.  
323 Ind. Code § 6-8.1-9-4.  
324 Ind. Dep't of Revenue, IN REVIEW, FY19 ANNUAL REPORT at 26 (available at <https://www.in.gov/dor/files/2019-annual-report.pdf>).  
325 Ind. Code § 6-8.1-9-4.  
326 Essentially, Ind. Code § 6-8.1-9-4(c)(2) should be amended by deleting “public education” and inserting “teacher salaries in public schools.” A similar change would need to be made in Ind. Code § 6-8.1-9-4(d)(2).  
327 The Teacher Appreciation Grant program is codified at Ind. Code § 20-43-10-3.5.  
328 Hawaii State Dep't of Edu., SCHOOL COMMUNITIES, <http://www.hawaiipublicschools.org/ConnectWithUs/Organization/Offices/FacilitiesandOperations/FutureSchoolsNow/Pages/school-impact-fees.aspx>.  
329 Ibid.  
330 The magnitude of this approach is uncertain, as the pandemic’s impact has imposed significant challenges on revenue forecasts.  
331 Source: Ind. Dep't of Revenue.  
332 Source: Ind. Dep't of Local Gov't Fin.  
333 See U.S. Dep't of Edu., IMPROVING BASIC PROGRAMS, supra note 134.  
334 Hyunjoon Park & Soo-Yong Byun, Why Some Countries Attract More High-Ability Young Students to Teaching: Cross-National Comparisons of Students' Expectation of Becoming a Teacher, *Comp. Educ. Rev.*, Vol. 59, Issue 3, pp. 523-549 (Aug. 2015) (available at <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5436312/>).  
335 Ind. Dep't of Edu., TEACHER APPRECIATION GRANT (available at <https://www.doe.in.gov/sites/default/files/effectiveness/tag-overview-20-21.pdf>).  
336 H.E.A. No. 1001, supra note 102, at 78.  
337 Ind. Dep't of Edu., EDUCATORS, supra note 74.  
338 Ind. Code § 20-43-10-3.5(g)(3).  
339 See H.E.A. No. 1008, 121st Gen. Assemb., First Reg. Sess. (Ind. 2019) (available at <http://iga.in.gov/legislative/2019/bills/house/1008#document-74e5c089>) for the related grant program created by the Indiana General Assembly.  
340 Source: Analysis of IDOE data.  
341 Source: 2020 IEERB data.  
342 Ibid.  
343 Source: Internal analysis by the Ind. Management Performance Hub of data from IDOE. Note that the most recent available data is from 2018-19.  
344 Ibid.  
345 Source: 2020 IEERB data.  
346 NEA 2018-2019 BENCHMARK REPORT, supra note 54.  
347 Source: Internal analysis of IEERB data.  
348 Ibid.  
349 Ibid.  
350 Source: 2020 IEERB data.  
351 Source: 2019 IEERB data.  
352 Source: Internal data analysis using IEERB and IDOE data.  
353 Ibid.  
354 Ibid.  
355 Ibid.  
356 Ibid.  
357 2019 IDOE TUITION REPORT, supra note 10, at 9.  
358 Ibid.  
359 Ibid.  
360 Ibid. at 10.  
361 Ibid.  
362 Source: Internal analysis by the Ind. Management Performance Hub of data from IDOE.  
363 Ibid.  
364 Source: Internal analysis by the Ind. Management Performance Hub of data from IDOE.  
365 Lafortune et al., School Finance Reform, supra note 192.



366 H.E.A. No. 1001, supra note 102, at 206.  
367 Ind. Code § 20-43-6-3(c).  
368 See Eric A. Hanushek, *The Unavoidable: Tomorrow's Teacher Compensation*, The HOOVER INSTITUTION (Jan. 2020) (available at [https://www.hoover.org/sites/default/files/research/docs/hanushek\\_webreadypdf\\_revised2.pdf](https://www.hoover.org/sites/default/files/research/docs/hanushek_webreadypdf_revised2.pdf)) for a discussion on the merits of such an approach. Teachers in Indiana already have the option to elect either a defined benefit plan or a defined contribution plan.  
369 Ind. Comm'n for Higher Edu., *INDIANA COLLEGE EQUITY REPORT 2020*, supra note 229, at 21.  
370 Ibid.  
371 Ind. Comm'n for Higher Edu., *REACHING HIGHER IN A STATE OF CHANGE 30* (available at [https://www.in.gov/che/files/2019-20\\_Strategic\\_Plan\\_03-14-2020-spreads.pdf](https://www.in.gov/che/files/2019-20_Strategic_Plan_03-14-2020-spreads.pdf)).  
372 Ind. Comm'n for Higher Edu., *WILLIAM A. CRAWFORD MINORITY TEACHER SCHOLARSHIP*, <https://www.in.gov/che/4507.htm>.  
373 Ind. Comm'n for Higher Edu., *EARLINE S. ROGERS STUDENT TEACHING STIPEND FOR MINORITIES*, <https://www.in.gov/che/4511.htm>.  
374 Information about the Next Generation Hoosier Educators Scholarship is available at Ind. Comm'n for Higher Edu., *NEXT GENERATION HOOSIER EDUCATORS SCHOLARSHIP*, <https://www.in.gov/che/4680.htm>.  
375 Ind. Comm'n for Higher Edu., *INDIANA COLLEGE EQUITY REPORT 2020*, supra note 229, at 22.  
376 USDOE 2017 DIGEST, supra note 68, Table 210.20.  
377 Ibid.  
378 See, e.g., Learning Policy Institute, *UNDERSTANDING TEACHER SHORTAGES: 2018 UPDATE*, Aug. 24, 2018, <https://learningpolicyinstitute.org/product/understanding-teacher-shortages-interactive> (ranking Indiana the lowest of all states on its working conditions for teachers).  
379 The Commission was pleased to learn of ready-made resources than can be leveraged in this area, such as standing focus groups created by Teach Plus.

# **SUPPLEMENTAL DATA AND INFORMATION**

Appendices to the  
Final Report of the  
**Next Level Teacher  
Compensation Commission**

DECEMBER 2020

# CONTENTS

<b>Appendix 1: Commission Member Biographies .....</b>	<b>99</b>
<b>Appendix 2: Key Definitions and Statistics .....</b>	<b>105</b>
<b>Appendix 3: Prescription Drug Purchasing Study .....</b>	<b>108</b>
<b>Appendix 4: School Corporations with Spousal Healthcare Exclusions or Surcharges .....</b>	<b>125</b>
<b>Appendix 5: School Corporations with Bridge Plans.....</b>	<b>126</b>
<b>Appendix 6: School Corporations with Operating Referenda.....</b>	<b>127</b>
<b>Appendix 7: School Corporations Receiving Medicaid Reimbursements (FY 2020).....</b>	<b>129</b>
<b>Appendix 8: School Corporation Size and Teacher Pay .....</b>	<b>135</b>
<b>Appendix 9: Additional Data on 529 Plans .....</b>	<b>143</b>
<b>Appendix 10: TIF Pass-Through .....</b>	<b>146</b>
<b>Appendix 11: Rainy Day Funds .....</b>	<b>147</b>
<b>Appendix 12: Minimum Salary Costs .....</b>	<b>155</b>
<b>Appendix 13: School Corporation Salary Spending Declines .....</b>	<b>162</b>
<b>Appendix 14: Teacher Stipends.....</b>	<b>165</b>
<b>Appendix 15: Teacher Salaries as a Percent of Tuition Support Revenue .....</b>	<b>173</b>
<b>Appendix 16: Acknowledgements.....</b>	<b>181</b>

## **APPENDIX 1: Commission Member Biographies**



Native Hoosier, **Michael L. Smith** graduated from DePauw University in 1970. Smith's business career began in the Indianapolis office of Arthur Andersen & Co. In 1974 Smith moved on to Mayflower Group Inc., a worldwide relocation service that also provided school and public transportation in 30 states. He was Chairman, President and Chief Executive Officer when the business was sold in 1995. Following his twenty-year tenure at Mayflower Group, Smith joined Anthem Blue Cross Blue Shield serving as Executive Vice President and Chief financial Officer. Smith was with Anthem from 1996 until his retirement in 2005. In 2008 he co-founded Cardinal Equity Fund, a mid-market private equity investment fund headquartered in Indianapolis, Indiana.

Smith has served in leadership roles for numerous charitable and civic organizations promoting education for all Hoosiers. He is currently serving on the Board of Trustees of DePauw University and is a past Chairman of the Indiana Commission for Higher Education. Smith has previously served the boards of Lumina Foundation, School on Wheels, and the Community Challenge Network. He is currently a director of Riley Children's Foundation and Eskenazi Health Foundation as well as the Christian Theological Seminary. In 2010, Smith was inducted into the Indiana Academy on its 40<sup>th</sup> anniversary for a lifetime of achievement and contributions to the cultural, scientific, literary, civic, religious and educational development of Indiana.

In addition, Smith lends his business acumen to many organizations in the for-profit arena serving on the Board of Directors of: LDI Ltd, Carestream Health, Inc., Hulman & Company, Go Health, Inc., agilon Healthcare, and Drive Medical.

Mike and his wife, Sue, live in Indianapolis, Indiana. They have two children and nine grandchildren.



**Melissa Ambre** is the Director of the Office of School Finance at the IN Department of Education. She received her B.S from Indiana University and her MBA from Butler University. She has worked in local and state government having served as Budget Director for the Department of Local Government Finance before becoming Commissioner of the agency in 2005. After almost twelve years with the Department of Local Government Finance, Melissa joined the Department of Education. At the Department of Education, she oversees the distribution of over \$7b in State Tuition Support through the school funding formula, Choice Scholarship Program and Mitch Daniels Early Graduation Scholarship Program. She is a frequent presenter for the IN Association of School Business Officials. She annually provides instruction to new business managers and treasurers on the details of the school funding formula. She currently resides in Noblesville with her husband Mark, a pediatrician.



**Jená Bellezza** serves - as the Chief Operating Officer for Indiana Parenting Institute, Inc., and on several boards and committees in her community of Northwest Indiana and for the state. She brings over 30 years of knowledge and experience in building strategic partnerships, in building family capacity and stability (Keeping Families Together), and in business branding - as well as a passion for seeing Indiana families thrive. Her education includes Culver Girls Academy, Dartmouth College, and Northwestern University. But her greatest source of education has come from life itself. "I just love learning! And I make sure I do it daily."



**Tom Easterday** is retired from Subaru of Indiana Automotive, Inc. (SIA) where he served as senior executive vice president, secretary, and chief legal officer, and as a member of SIA's Board of Directors.

He is active in various organizations, including service as a director of the Indiana Chamber of Commerce, Indiana Chamber Foundation, IU Health, Crossroads of America Council BSA Foundation, Central Region of the Boy Scouts of America, Central Indiana Corporate Partnership, and the SIA Foundation. He also serves as a member of the Indiana Disability Rights Commission and is the president of ILADD, Inc. (Independent Living for Adults with Developmental/Intellectual Disabilities) an Indiana nonprofit.

Tom has received numerous awards, including the 2009 Excellence in Manufacturing Innovation Award, a 2011 Champion of Diversity Award, the 2017 Margaret J. Hand Child Advocacy Award, and the 2017 Indiana Business Leader of the Year Award. In 2018, he was named a Sagamore of the Wabash by Indiana Governor Eric Holcomb. He was also inducted into the Indiana Manufacturing Hall of Fame.

Tom holds a Bachelor of Science degree in Business Management and Administration and a Juris Doctorate from Indiana University. He and his wife, Deb, live in Zionsville, Indiana. They have two children and five grandchildren.



**Rebecca "Becky" Gardenour** is a 16-year member of the New Albany-Floyd County Board of School Trustees, serving as board president for three years. She is presently the 2<sup>nd</sup> vice president of the Indiana School Board Association (ISBA).

Becky lives in New Albany where she and her husband moved in 1993. They have one daughter, Abby, who is married and is a librarian at Ivy Tech Columbus. Becky recently became a new grandmother.

Becky is a graduate of IU Bloomington and began her career as a juvenile probation officer in Louisville, KY. She later became a CPS worker for the Commonwealth of KY and then a social worker in Domestic Violence. She retired as a supervisor of a specialty team in 2005. Upon retirement, Becky became the CASA (Court Appointed Special Advocates) Volunteer Coordinator for Floyd County for six years. She continues her work as a CASA. Becky is also a member of the Farm Bureau Board, the Purdue Extension Board, and Altrusa International where she served as past president.

She recently received the Ivy Tech Benefactor Award Sellersburg Campus. Becky has also been honored with the Elks Distinguished Citizenship Award as well as the Community Women for Unity and Equality Community Service Award.



**Emily Holt** is a Math Teacher at Westfield High School where she has taught for the past ten years. Prior to that she taught at Hamilton Heights High School for seventeen years. She took a sabbatical between the two schools to earn her administration license and to write and publish a cookbook. She has a Bachelor of Science degree in Secondary Education from Purdue University and a Master of Science degree in Secondary Education from Indiana University. She is an ACP Applied Calculus teacher for Indiana University. She is married to Steve Holt, an attorney in Noblesville. They have three children and five grandchildren. Emily is a member of Junior League of Indianapolis, Cicero Kiwanis, Phi Beta Psi Delta Chapter and Saint Michael's Episcopal Church.



**Dan Holub** has served as executive director of the Indiana State Teachers Association (ISTA), since April 2017. Holub brings 25 years of experience as an advocate and association leader to the position at ISTA. Holub most recently served as the executive director of the Minnesota Association of Professional Employees (MAPE). Before MAPE, he represented education interests at the Wisconsin Education Association Council, after directing the University of Iowa, Labor Center. Holub received a law degree from the University of Iowa College of Law and a Bachelor of Science degree from Iowa State University.



**Dr. Katie Jenner** serves as Gov. Holcomb's Senior Education Advisor. Prior to this role, Katie was Vice President of K-12 Initiatives and Statewide Partnerships for Ivy Tech Community College where she proactively leads statewide College strategies toward valued partnerships between K-12, Career Center, and Ivy Tech. Before transitioning to Ivy Tech in November 2018, Katie served as Assistant Superintendent for Madison Consolidated Schools in southern Indiana. While working in K-12 education, Katie also served as a classroom teacher, as well as a building level and district level administrator. Her education includes a Bachelor's Degree in Business from Transylvania University in Lexington, Kentucky, a Master's Degree in Business Education from University of Kentucky, an M.B.A. as a Woodrow Wilson Fellow from ISU, and a Doctorate in Educational Leadership from the University of Kentucky.



**Robert G. Jones** is the retired Chairman and CEO of Old National Bancorp (NASDAQ: ONB) and a member of its board of directors. He assumed this position in September 2004. Prior to joining Old National, Jones served for 25 years at KeyCorp.

While Jones has been the Chairman and CEO of Old National, the company has received national recognition. Since 2012, Old National has been recognized as one of the World's Most Ethical Companies by the prestigious Ethisphere Institute. From 2012-2015, the company received the Employee Volunteer Program of the Year award from VolunteerMatch. Since 2013, the company received the Worklife Seal of Distinction. In 2016, Old National was recognized as one of the Best Banks to Work for. Jones has appeared on Fox News, Fox Business News, CNBC, and Bloomberg Television, as a spokesman for Old

National and community banking. Bob is very active in the community and serves on many non-profit boards.

Jones serves on the Board of Directors of Vectren (NYSE: VVC), where he serves on the Finance and Corporate Affairs committees. He is very active in the community, and has been named to the boards of the University of Evansville, Chairman of the Evansville Regional Business Council, Evansville Business Leaders Roundtable for Education, Riley Children's Foundation, Central Indiana Corporate Partnership, Mid-Size Bank Coalition (former Chair), Chairman of the Downtown Evansville Inc., ABA's American Bankers Council Chair, International City/County Management Association-Retirement Corporation (ICMA-RC), Elevate Ventures of Southwest Indiana. Jones has served on the campaign cabinet for the Southwest Indiana United Way and was the Chair of that campaign in 2007. He was also a co-chair of the Hands on Discovery Children's Museum capital campaign, and chair of the 2007 March of Dimes Walk America, the Ronald McDonald House Capital Campaign, the Lampion Center Capital Campaign, the YMCA Capital Campaign, the Ivy Tech Capital Campaign, the Evansville ARC Capital Campaign, and has twice chaired the Buffalo Trace Boy Scouts Distinguished Citizen Award Dinner. Jones served on the Federal Reserve Bank of St. Louis Board of Directors, where he was a member of its Executive Committee and Chaired the Audit Committee.

Former Indiana Governor Mitch Daniels presented Jones with the select Sagamore of the Wabash award and the Distinguished Hoosier Award. Jones has been inducted into the Evansville Regional Business Hall of Fame and the Evansville Vanderburgh School Corporation Hall of Fame. In 2012, he was honored by the Tri State Multiple Sclerosis Association as a Spirit Award recipient and by the Buffalo Trace Council with its Distinguished Citizen Award. In 2011, Jones received the James L. Orr Award from the YMCA of Southwest Indiana. In 2009, Jones was recognized by the University of Evansville's Delta Sigma Pi Business Fraternity as its Leader of the Year, by the Indiana Association of Cities and Towns with its Larry A. Conrad Civic Service Award, and by Leadership Evansville with its Visionary Award. Jones was honored in 2008 by the Southwest Indiana Chamber of Commerce as its Richard A. Schlottman Business Leader of the Year, and in 2006, Ashland University recognized Jones as its Alumni of the Year.

Jones is a 1979 Graduate of Ashland University with a Bachelor of Arts degree in Political Science and Business Administration. He and his wife Lisa have one child, Carolyn.





**Nancy A. Jordan** is the former senior vice president, responsible for the service operations for the life and annuity businesses, at Lincoln Financial Group. She served in several leadership roles since joining the company in 1987, including head of individual annuity operations and second vice president of Distribution Finance. Prior to joining Lincoln, Jordan was employed by the former George S. Olive & Co. (now doing business as BKD LLP) as a staff accountant and Martin Luther King Montessori School as their financial director. Jordan has recently joined Bulldog Consulting Services as a Business Optimization Consultant.

Active in community affairs, Jordan currently serves on the boards of the Indiana State Museum Foundation and the AWS Foundation and their finance committees. She also served on the board of the Northeast Indiana Regional Partnership and its Insurance economic development cluster, as well as the Greater Fort Wayne Inc. board and its Downtown Development Committee. She is past president of the Allen County-Fort Wayne Capital Improvement Board.

Jordan holds a bachelor's degree from the Indiana University-Purdue University at Fort Wayne, is a CPA, Certified Information Systems Auditor (CISA) and holds FINRA registrations Series 6, 26 and 27.



**Lee Ann Kwiatkowski** serves as Director of Public Education and Chief Executive Officer at Muncie Community Schools. Prior to this role, Lee Ann was Governor Holcomb's senior education adviser and executive director for the State Board of Education. She previously served as chief of staff to Indiana Superintendent of Public Instruction Jennifer McCormick. Before that, Kwiatkowski was a principal and assistant superintendent for M.S.D. Warren Township. While working in Warren Township, Governor Pence appointed Lee Ann to the State Board of Education. From 2005 to 2011, she worked for the Indiana Department of Education, leading Title I, differentiated learning and

school turnaround efforts. Kwiatkowski began her career in education in 1984 as a classroom teacher and literacy facilitator for Indianapolis Public Schools.



**Dr. Denise Seger** is currently the Chief Human Resource Officer at Concord Community Schools in Elkhart. She served as the Associate Superintendent at Penn-Harris-Madison School Corporation in Mishawaka and the Assistant Superintendent/CFO at Metropolitan School District of Pike Township in Indianapolis. She was a business teacher at Metropolitan School District of Mt. Vernon and Evansville-Vanderburgh School Corporation. She graduated with a Doctorate of Philosophy in Educational Leadership and Administration from Purdue University and Bachelor and Master of Arts Degree in Business Education with Vocational Endorsement from the University of Evansville. She has been an active member of Indiana Association of School Business Officials serving as the

President in 2005-06. She was named 2012 School Business Official of the Year and 2014 John F. Young Lamplighter Award winner. Dr. Seger served on the Indiana School Property Tax Control Board. She lives in Granger, Indiana with her husband Mike. They have three children and two grandchildren.



**Dr. David B. Smith** is currently in his 37th year with the Evansville Vanderburgh School Corporation. Prior to his appointment as superintendent in 2011, Dr. Smith served the EVSC in a wide range of roles, from teacher to assistant superintendent for business and human resources. He holds the degree of Doctor of Education, including an additional education specialist degree. In 2011 Dr. Smith received his second master's degree in Business Operational Excellence with a Lean Six Sigma black belt designation from The Ohio State University, Fisher College of Business.

## **APPENDIX 2: Key Definitions and Statistics**

**ADM:** ADM stands for “Average Daily Membership,” which is a count of students enrolled and expected to be in attendance for Kindergarten through grade 12 in Indiana public school corporations and all charter schools on a particular day.<sup>1</sup> Generally, this report uses the fall ADM count, although legislation was passed in 2019 to require school funding to be adjusted in the spring based on a second, spring ADM count. The ADM in Fiscal Year 2020 was 1,057,487.

**Basic Grant:** In Fiscal Year 2020, the Complexity and Foundation grants were combined into a single grant – Basic Tuition Support.

- **Foundation Grant:** Each school corporation receives a set foundation amount per student. The foundation amount was \$5,548 per student in Fiscal Year 2020. For each student who receives at least 50 percent virtual instruction, schools receive 85 percent of the foundation grant amount, or \$4,716 (rounded).
- **Complexity Grant:** Complexity funding is based on the percentage of students who are in foster care or qualified for SNAP and/or TANF, known as the Complexity Index. If a school corporation’s Complexity Index is less than the Complexity Index for the preceding state fiscal year, the Complexity Index is the greater of: (1) the Complexity Index for the state fiscal year; or (2) the index for the preceding state fiscal year minus 0.025. In Fiscal Year 2020, the Complexity Index was multiplied by \$3,650. The product of these figures is multiplied by the ADM to calculate the Complexity component of Basic Tuition Support. Additionally, school corporations that have an 18 percent English language learner population and 45 percent decrease in SNAP/TANF/foster care receive a \$128-per-student increase.

**Career and Technical Education Grant:** School corporations receive funding for students who are enrolled in a career and technical education (CTE) program. There are varying set amounts of funding based on the value of the program (determined by the Indiana Department of Workforce Development) as well as the type of program. Amounts received by school corporations in Fiscal Year 2020 were as follows:

- Enrolled in a High Value Program: \$680 per student credit hour
- Enrolled in a Moderate Value Program: \$400 per student credit hour
- Enrolled Less Than Moderate Value Program: \$200 per student credit hour
- Enrolled in an Introductory CTE Course: \$300 per student
- Enrolled in an Apprenticeship, Cooperative Education Program, Foundational CTE course, or a Work Based Learning Course: \$150 per student
- Travel to another school to participate in a CTE program in which students from multiple schools participate: \$150 per student

**Choice Scholarship Program:** Indiana’s Choice Scholarship Program, commonly referred to as the voucher program, provides scholarships to eligible Indiana students to offset tuition costs at participating schools. Students must satisfy both household income requirements and student eligibility criteria to qualify. There are eight eligibility tracks:

- Two Semesters in Public School: Requires a student to have attended a public school for at least two semesters immediately preceding the semester they are applying for a Choice Scholarship.
- Previous Scholarship Granting Organization (SGO) Award: Requires a student to have an SGO award in a previous school from an SGO.

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<sup>1</sup> Ind. Dep’t of Edu. Office of Sch. Fin., INDIANA K-12 STATE TUITION SUPPORT ANNUAL REPORT (Dec. 2019) (available at <https://www.doe.in.gov/sites/default/files/finance/tuition-support-report-entire-final.pdf>).

- Previous Choice: Requires a student to have received a Choice Scholarship in a previous school year.
- Continuing Choice Scholarship Student: Requires a student to have received a Choice Scholarship and remained enrolled at the Choice school for the entire preceding school year.
- Special Education: Requires a student to have an Individualized Education Program (IEP).
- “F” Public School: Requires a student, based on his/her residence, to attend a public school with an F grade for the current school year.
- Sibling Pathway: Requires a student to have a sibling that received an SGO or a Choice Scholarship in a prior year.
- Pre-K: Requires a student to have received an Early Education Grant (On My Way Pre-K) in a previous year at the same Choice school they are applying for a scholarship.

A student is income eligible if he/she: is in the State’s direct certification system which houses students/families that receive State funding (i.e. Social Security, Medicare, Medicaid, etc.), has the legal status of a foster child, or meets the household income based upon his or her specific pathway. The award is the lesser of:

- Tuition and fees of applying Choice school, and
- 90 percent, 70 percent, or 50 percent of the public tuition support amount for the applying student’s corporation of legal settlement. Direct Certification and Foster Children automatically qualify for a 90 percent Choice Scholarship. Household income and size, based on where a student falls in the income guidelines, determines if the student qualifies for a 50 percent, 70 percent or 90 percent Choice Scholarship.

Collective Bargaining Units: There are 304 teacher collective bargaining units, comprised of all public school corporations except for Muncie Community Schools. Also included in the 304 are several special education service centers and vocational education centers. For the 2019-20 school year, 288 collective bargaining units were considered traditional school corporations. Some references in this report to collective bargaining units refer to just the 288 traditional school corporations, while others refer to all 304 units.

Dollars to the Classroom Percentage: Indiana’s Dollars to the Classroom percentage is the ratio of statewide Student Instructional Expenditures to all school corporation expenditures. Indiana’s Dollars to the Classroom percentage in Fiscal Year 2019 was 57.4 percent, which 0.7 percentage points lower than the prior year.<sup>2</sup>

Honors Diploma Grant: Each school corporation receives \$1,500 per student who graduates with an academic honors or technical honors diploma and qualifies for SNAP, TANF or foster care. School corporations receive \$1,100 per student who graduates with an academic honors or technical honors diploma and does not qualify for SNAP, TANF or foster care.

Mitch Daniels Early Graduation Scholarship: The Mitch Daniels Early Graduation Scholarship is a one-time, \$4,000 scholarship for students who graduate from a publicly supported high school at least one year early. The scholarship may be used toward higher education tuition and fees and any remaining funds are remitted to the student. This scholarship may not be used for remedial course work.

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<sup>2</sup> Ind. Office of Management & Budget, 2018-2019 DOLLARS TO THE CLASSROOM REPORT (available at <https://datavizpublic.in.gov/views/DollarstotheClassroom2018-2019/DollarstotheClassroom?isGuestRedirectFromVizportal=y&:embed=y>).

School Corporation: A school corporation refers to one of the 290 traditional public school corporations and excludes charter schools and private schools. In 2019-20, there were 289 traditional public school corporations. Sometimes the term “school corporation” will be used in this report to refer to the 304 collective bargaining units on which IEERB collects detailed data. While these entities are called school corporations in Indiana, this report uses the term “school corporation” and “school district” interchangeably.

School Funding Formula: This is the formula that determines how the state distributes education funding, in the form of “tuition support,” to the various K-12 education entities throughout the state. The formula provides for the distribution of funding to education providers through the following grants: the Basic Grant (including the Complexity and Foundation Grants), Honors Diploma Grant, Special Education Grant, and the Career and Technical Education Grant.

Special Education Grant: School corporations receive funding for students receiving special education services. There are set amounts for different levels of special education services. The amounts to be received by school corporations in Fiscal Year 2020 were as follows:

- Severe Disability: \$9,156 per student
- Mild and Moderate Disability: \$2,300 per student
- Communications/Homebound: \$500 per student
- Preschool Special Education: \$2,850 per student

Teacher: The term teacher as used in this report generally refers to all public school teachers in Indiana, including those at charter schools and innovation schools. Private school teachers are not included. Indiana has more than 65,600 teachers.<sup>3</sup>

Tuition Support: Tuition support is the mechanism providing funds to traditional schools and charter schools based on average daily membership and other variables as part of the school funding formula. The school funding formula is established by the legislature in the biennial budget, on a per pupil basis. State Tuition Support is the sum of four grants: Basic, Honors, Special Education, and Career and Technical Education. Additionally, both the Mitch Daniels Early Graduation Scholarships and the Choice Scholarship program are part of the tuition support appropriation but are programs outside the school funding formula. Tuition support is used by school districts for a wide array of expenses, including employee salaries and benefits, insurance, utilities, and supplies. In Fiscal Year 2020, state tuition support totaled \$7.29 billion.

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<sup>3</sup> This number is based on the IEERB COLLECTIVE BARGAINING STATEWIDE SUMMARY REPORT—2020 STATEWIDE, which is available at [https://gateway.ifionline.org/report\\_builder/Default3a.aspx?rpttype=collBargain&rpt=ieerb\\_statewide\\_comparison&rptName=IEERB%20Collective%20Bargaining%20Statewide%20Summary](https://gateway.ifionline.org/report_builder/Default3a.aspx?rpttype=collBargain&rpt=ieerb_statewide_comparison&rptName=IEERB%20Collective%20Bargaining%20Statewide%20Summary) [hereinafter IEERB 2020 STATEWIDE REPORT]. Note that, in addition to the 62,393 teachers included in the IEERB report, this number includes an estimated 2,800 charter school teachers (based on internal Indiana Department of Education data) and an estimated 470 teachers in Muncie.

## **APPENDIX 3: Prescription Drug Purchasing Study**

Beginning on the following page is the report issued by Deloitte comparing pricing for school corporation pharmacy benefit plans versus the Indiana Aggregate Prescription Purchasing Program.<sup>4</sup>

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<sup>4</sup> The IAPPP is codified at Ind. Code ch. 16-47-1.

**Deloitte.**

State Personnel Department:

Prescription Drug Purchasing Study

Draft Report

Version Dated:  
October, 2020



# Executive Summary

In 2019, during the State of the State Address, Governor Eric Holcomb announced the Next Level Teacher Compensation Commission tasked with providing recommendations for how to raise teacher compensation in Indiana.

In support of the Commission, the State Personnel Department (SPD) engaged Deloitte Consulting LLP (Deloitte) to conduct a study to assess the opportunity to realize prescription drug savings by expanding participation in the Indiana Aggregate Prescription Purchasing Program (IAPPP) to include Indiana public schools, public school corporations, and public school trusts (Schools). The objective of the study was to assess the prescription drug purchasing terms of the IAPPP and compare the agreement to a representative sample of prescription drug purchasing contracts held by Schools in the State to identify if savings could be achieved through the IAPPP.

The study is a preliminary analysis to help the State and the Next Level Teacher Compensation Commission determine if pursuing the strategy of expanding access to the IAPPP could make additional funding available for teacher compensation.

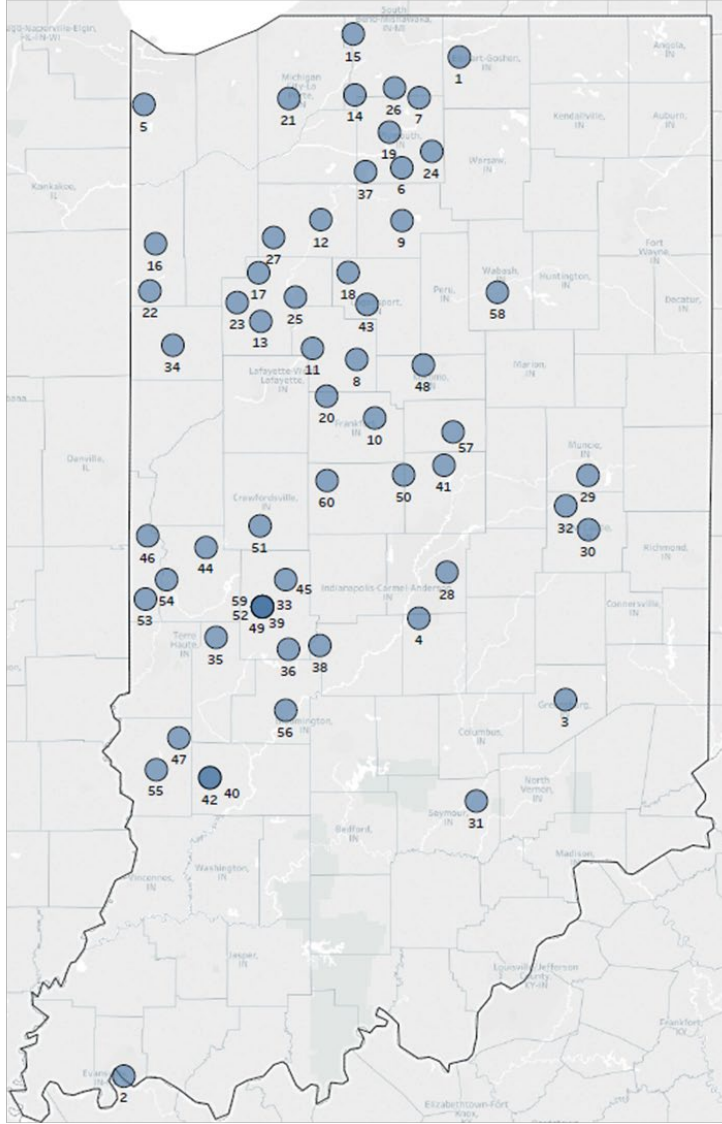
## **Approach**

Deloitte compared the prescription drug purchasing arrangement of the IAPPP to the prescription drug purchasing terms of a representative sample of Schools across the State that volunteered to participate in the study and do not currently participate in the IAPPP. Due to the confidential nature of prescription drug purchasing agreements, SPD did not receive any information related to the purchasing agreements and the study results are presented in aggregate.

## **Participants**

Ten public school corporations and two public school trusts (representing 50 school corporations) participated in the study [Figure 1]. The participating Schools represent approximately 12,000 enrolled employees and 26,000 employees and enrolled dependents. The average enrollment of the ten participating school corporations and two trusts is 638 employees and 2,750 employees and enrolled dependents respectively. Participation in the study was voluntary but efforts were made to capture a representative sample across the State. The participants represent a cross section of schools in different geographies (urban, suburban, rural), school districts, medical administrators and pharmacy benefit administrators, insurance arrangements, and benefit plan designs.

**[Figure 1]**



1	Concord Community Schools
2	Evansville Vanderburgh School Corporation
3	Greensburg Community School Corporation
4	Greenwood Community Schools
5	Lake Central School Corporation

Midwest Area School Employee's Insurance Trust	
6	• Argos Community School Corporation
7	• Bremen Public School Corporation
8	• Carroll Consolidated School Corporation
9	• Caston School Corporation
10	• Clinton Central School Corporation
11	• Delphi Community School Corporation
12	• Eastern Pulaski Community School Corporation
13	• Frontier School Corporation
14	• John Glenn School Corporation
15	• New Prairie United School Corporation
16	• North Newton School Corporation
17	• North White School Corporation
18	• Pioneer Regional School Corporation
19	• Plymouth Community School
20	• Rossville Consolidated Schools
21	• South Central Community School Corporation
22	• South Newton School Corporation
23	• Tri County School Corporation
24	• Triton School Corporation
25	• Twin Lakes Community School Corporation
26	• Union-North United School Corporation
27	• West Central School Corporation
28	MSD of Warren Township
29	Muncie Community Schools
30	New Castle Community Schools
31	Seymour Community Schools
32	Shenandoah School Corporation
WV/WCI School Trust	
33	• Area 30 Career Center
34	• Benton Community School Corporation
35	• Clay Community School Corporation
36	• Cloverdale Community School Corporation
37	• Culver Community School Corporation
38	• Eminence Consolidated School Corporation
39	• Greencastle Community School Corporation
40	• Greene-Sullivan Special Education Cooperative
41	• Hamilton Heights School Corporation
42	• Linton-Stockton School Corporation
43	• Logansport Community School Corporation
44	• North Central Parke Community School Corporation
45	• North Putnam Community School Corporation
46	• North Vermillion Community School Corporation
47	• Northeast School Corporation
48	• Northwestern School Corporation
49	• Old National Trail Special Services Corporation
50	• Sheridan Community Schools
51	• South Montgomery Community School Corporation
52	• South Putnam Community School Corporation
53	• South Vermillion Community School Corporation
54	• Southwest Parke Community School Corporation
55	• Southwest School Corporation
56	• Spencer-Owen Community School Corporation
57	• Tipton Community School Corporation
58	• Wabash City School Corporation
59	• West Central Indiana Educational Services
60	• Western Boone County School Corporation

**Scope**

The scope of the study was limited to an analysis of the prescription drug purchasing arrangements between the IAPPP and the participating Schools. The study represents a preliminary opportunity analysis for the State and Schools to evaluate potential savings through participation in the IAPPP.

A competitive feature of the IAPPP arrangement that is not quantified in this study is the IAPPP's right to renegotiate and update the pricing terms in the arrangement annually. This type of provision is not commonly offered in standard prescription drug contracts that are usually structured as three-year agreements (although it is a common feature in other purchasing coalitions). Therefore, the opportunity analysis performed in the study does not account for future contract improvements that could create additional value.

The study does not attempt to quantify or evaluate other cost impacts or additional savings beyond the prescription drug purchasing terms that might be achieved through the IAPPP. These other avenues may include savings through formulary or network offerings, clinical management, and performance or service level guarantees that are not available under current contracts. These tools and strategies are not exclusive to the IAPPP (other insurers and PBMs offer similar programs) but the IAPPP may present alternatives or variants that are not available under current arrangements.

Just as there may be additional benefits to joining the IAPPP, there may be considerations that limit the attractiveness or feasibility of transitioning from the existing arrangements to the IAPPP. The study does not quantify or evaluate these limiting factors. Potential examples of these factors include member disruption through drug list (formulary) changes, retail and mail pharmacy network changes, limitations or inability to contract with the preferred medical insurer, fees or added costs assessed by the medical insurer due to carving-out the medical and prescription drug benefits, and the Schools' administrative ability to manage a carve-out arrangement with the IAPPP.

## **Methodology**

The methodology used to assess the opportunity through the IAPPP included three steps:

### **1. Data collection**

Data was collected from the IAPPP and participating Schools. Data included the prescription drug purchasing arrangements as well as 12 months of de-identified claims data from the participating Schools. Schools were also asked to provide supplemental information on their prescription drug plan design, benefit provisions, and financial results.

### **2. Claims estimate**

Prescription drug utilization and costs were estimated for the 2020 calendar year using the de-identified, School specific, prescription drug claims data. Prescription drug utilization, drug mix, and drug cost are unique to each School and the variable characteristics influence the relative impact of the pricing provisions in the prescription drug purchasing arrangements.

### **3. Financial comparison**

The purchasing terms from the IAPPP agreement and the Schools' agreement were applied to the Schools' prescription drug claims to estimate the financial impact of the School joining the IAPPP. The analysis estimates total costs, including the costs paid by the Schools and their members under the Schools' incumbent prescription drug purchasing arrangement and the IAPPP purchasing arrangement. The analysis accounted for provisions such as plan design and member cost share, pharmacy network design, prescription drug formulary selection, and other contractual provisions such that pricing comparison results were not materially influenced by significant differences in program features that change the underlying economics of the contracts.

## **Study Findings**

The assessment of the purchasing terms of the IAPPP contract compared to the purchasing terms of the participating Schools shows that, in aggregate, the IAPPP has deeper prescription drug discounts, lower dispensing and administration fees, and higher manufacturer payments/rebates. Analysis of the

prescription drug purchasing terms of the participating Schools compared to the IAPPP purchasing terms resulted in an aggregate estimated savings of 10.7% (Figure 2).

**[Figure 2]**

	Drug Costs	Manufacturer Payments/Rebates	Prescription Drug Discounts	Prescription Drug Dispensing Fees	Administrative Fees
Schools – Current Prescription Drug Purchasing Terms	\$34,780,000	\$160,000	\$124,000	(\$7,484,000)	\$27,580,000
IAPPP – Prescription Drug Purchasing Terms	\$33,538,000	\$78,000	\$80,000	(\$9,056,000)	\$24,640,000
<i>Cost/(Savings) \$</i>	(\$1,242,000)	(\$82,000)	(\$44,000)	(\$1,572,000)	(\$2,940,000)
<i>Cost/(Savings) %</i>	-3.6%	-51.3%	-35.5%	21.0%	-10.7%

The study found an overall savings opportunity for all participants in the study, although the magnitude of the opportunity varied widely (from 5.4% to 23.4%). Figure 3 details the results of the financial comparison of the financial components between the IAPPP and the current purchasing arrangements. Participants have been blinded for confidentiality.

**[Figure 3]**

Participant	Drug Costs	Manufacturer Payments/Rebates	Prescription Drug Discounts	Prescription Drug Dispensing Fees	Administrative Fees
A	-16.5%	-83.9%	N/A	27.5%	-23.4%
B	-2.7%	-50.0%	-85.7%	147.4%	-22.5%
C	4.2%	-66.7%	-90.0%	89.8%	-5.9%
D	-4.5%	-50.0%	-92.3%	38.8%	-22.2%
E	-6.2%	-50.0%	N/A	95.5%	-16.4%
F	-2.9%	-60.0%	-50.0%	18.6%	-9.0%
G	-1.9%	-35.0%	-31.0%	18.7%	-7.1%
H	0.2%	-21.4%	-66.7%	18.2%	-7.5%
I	2.4%	0.0%	-84.6%	15.2%	-5.4%
J	-5.5%	-76.9%	N/A	26.9%	-10.0%
K	-1.2%	-42.5%	N/A	16.3%	-8.0%
L	-7.9%	-37.5%	N/A	18.1%	-14.8%
<b>Total</b>	<b>-3.6%</b>	<b>-51.3%</b>	<b>-35.5%</b>	<b>21.0%</b>	<b>-10.7%</b>

1. N/A = No incumbent Administration Fees

The most significant factor in the savings was higher manufacturer payments/rebates, followed by deeper prescription drug discounts. Prescription drug dispensing fees and administrative fees represent significant savings on a percentage basis, but the total expense in these categories is nominal compared to drug costs and manufacturer payments/rebates.

### **Extrapolating Findings to Public Schools Across the State**

The findings in the study are based on a diverse, representative sample of Schools from across the State. Extrapolating the findings to all public schools in the State that could elect to participate in the IAPPP results in an estimated savings of \$25 million dollars based on 2020 costs.

The results of the study show a wide range of opportunity based on participant specific pricing arrangements. It is likely that the schools across the State will have similar variances which may serve to increase or decrease the total savings opportunity. Applying a range of +/- 3% to the study findings (7.7% to 13.7%). results in a range of \$18 million and \$32 million dollars based on 2020 costs. The range is developed by applying a moderately optimistic and moderately pessimistic set of assumptions to pricing provisions for drug costs, dispensing fees, administration fees, and manufacture payments/rebates. Based on the study results and Deloitte's experience assessing prescription drug contracts and renewals, we believe a range of 7.7% to 13.7% to be a reasonable estimate of the opportunity for improving prescription drug purchasing terms.

### **Conclusions**

The study findings suggest that there is an opportunity for participating Schools to realize savings in prescription drug purchasing by leveraging the terms of the IAPPP arrangement.

It is reasonable to conclude that the IAPPP is able to procure more competitive prescription drug pricing terms due to its scale (150,000 members) than Schools that contract with medical insurers or PBMs on a direct basis. It is also reasonable to conclude that CVS Caremark is able to offer more competitive purchasing terms due to its scale and market position than some other insurers and pharmacy benefit managers (PBMs).

Procuring competitive prescription drug pricing terms is an important aspect of controlling prescription drug costs, but other tools such as effective plan design, formulary controls, and clinical management are also critically important to managing prescription drug spending.

## Introduction

In 2019, during the State of the State Address, Governor Eric Holcomb announced the Next Level Teacher Compensation Commission tasked with providing recommendations for how to raise teacher compensation in Indiana.

In support of the Commission, the State Personnel Department (SPD) engaged Deloitte Consulting LLP (Deloitte) to conduct a study to assess the opportunity to realize prescription drug savings by expanding participation in the Indiana Aggregate Prescription Purchasing Program (IAPPP) to include Indiana public schools, public school corporations, and public school trusts (Schools). The objective of the study was to assess the prescription drug purchasing terms of the IAPPP and compare the agreement to a representative sample of prescription drug purchasing contracts held by Schools in the State to identify if savings could be achieved through the IAPPP.

The study is a preliminary analysis to help the State and the Next Level Teacher Compensation Commission determine if pursuing the strategy of expanding access to the IAPPP could make additional funding available for teacher compensation.

## IAPPP

The State of Indiana established the IAPPP in 2004 to leverage scale in negotiating the purchase of prescription drugs. As of 2020, the IAPPP has over 150,000 covered members through participants such as the State of Indiana employee plans, Indiana public universities, and Indiana schools choosing to participate.

The IAPPP contracts with a PBM to purchase prescription drugs, adjudicate prescription drug claims, maintain a network of pharmacies, administer the prescription drug rebate program, provide clinical management programs, and manage pharmacy benefits on behalf of its members. The current IAPPP contract is administered by CVS Caremark. CVS Caremark is the largest PBM in the U.S. by membership and prescription volume which provides scale that affords significant negotiating power with manufacturers for rebates and other pricing provisions.

The IAPPP offers flexibility to participants that allow each to select the prescription drug plan design, pharmacy network, prescription drug formulary, and a variety of other operational and clinical specifications. CVS Caremark serves each participant in the IAPPP as a distinct client, with separate contracts, account teams, billing, and reporting. The objective of the IAPPP is not to standardize participant benefit programs but to leverage the scale of its membership to optimize the purchase of prescription drugs and services.

The IAPPP does not offer a fully-insured prescription drug product. All participants in the IAPPP self-insure the pharmacy benefits. IAPPP pricing and performance guarantees are applied individually to each IAPPP participant with more than a specified number of enrolled employees (large groups), and in aggregate for participants with fewer than a specified number of enrolled employees (small groups).

Indiana public schools, public school corporations, and public school trusts, are currently eligible to join the IAPPP. Many public schools, public school corporations, and school trusts in Indiana do not participate in the IAPPP and instead purchase prescription drugs and pharmacy benefit services independently.

## Approach

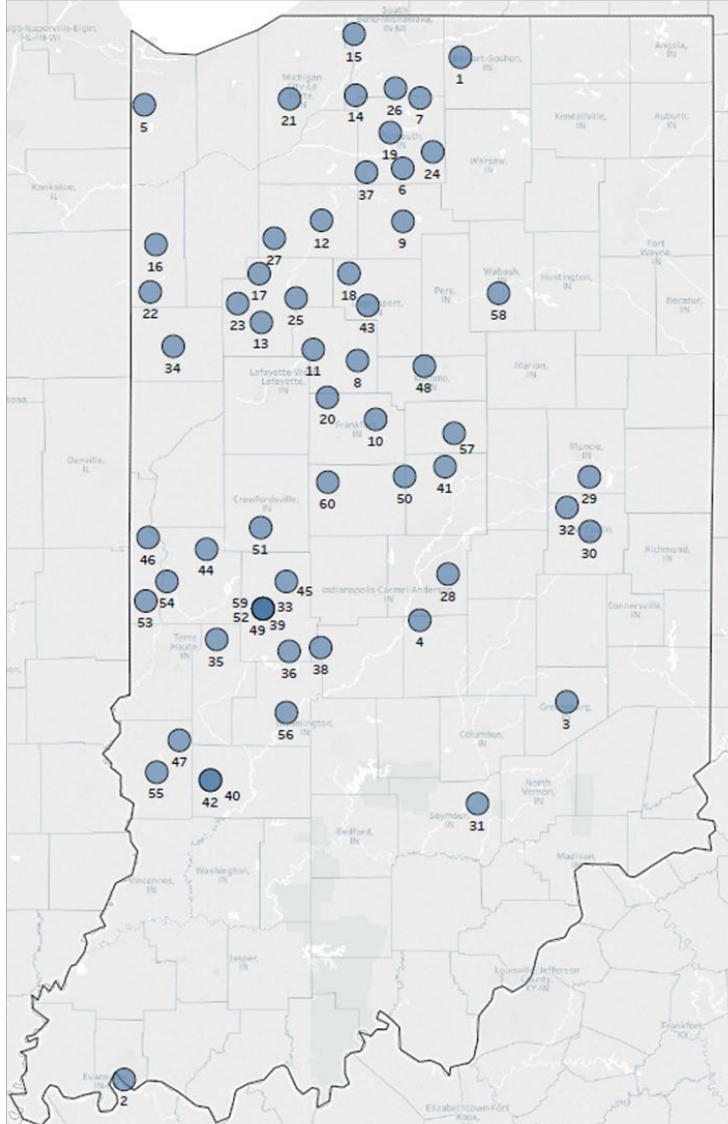
To assess if there is a financial benefit of Schools joining the IAPPP to purchase prescription drugs and pharmacy benefit services, Deloitte compared the prescription drug purchasing arrangement of the IAPPP to the prescription drug purchasing terms of a representative sample of Schools across the State that do not currently participate in the IAPPP.

Ten public school corporations and two public school trusts (representing 50 school corporations) participated in the study (Figure 1). The participating Schools represent approximately 12,000 enrolled employees and 26,000 employees and enrolled dependents. The average enrollment of the ten participating school corporations and two trusts is 638 employees and 2,750 employees and dependents respectively. Participation in the study was voluntary but efforts were made to capture a representative sample across the State. The participants represent a cross section of schools in different geographies (urban, suburban, rural), school districts, medical administrators and pharmacy benefit administrators, insurance arrangements, and benefit plan designs.

The Schools were asked to submit their current prescription drug purchasing contract, 12 months of deidentified prescription drug claims data, and details related to the prescription drug benefits plan to Deloitte for analysis. Due to the confidential nature of prescription drug purchasing agreements, SPD did not receive any information related to the purchasing agreements and the study results are presented in aggregate.

**[Figure 1]**





1	Concord Community Schools
2	Evansville Vanderburgh School Corporation
3	Greensburg Community School Corporation
4	Greenwood Community Schools
5	Lake Central School Corporation

6	Midwest Area School Employee's Insurance Trust
7	Argos Community School Corporation
8	Bremen Public School Corporation
9	Carroll Consolidated School Corporation
10	Caston School Corporation
11	Clinton Central School Corporation
12	Delphi Community School Corporation
13	Eastern Pulaski Community School Corporation
14	Frontier School Corporation
15	John Glenn School Corporation
16	New Prairie United School Corporation
17	North Newton School Corporation
18	North White School Corporation
19	Pioneer Regional School Corporation
20	Plymouth Community School
21	Rossville Consolidated Schools
22	South Central Community School Corporation
23	South Newton School Corporation
24	Tri County School Corporation
25	Triton School Corporation
26	Twin Lakes Community School Corporation
27	Union-North United School Corporation
28	West Central School Corporation
29	MSD of Warren Township
30	Muncie Community Schools
31	New Castle Community Schools
32	Seymour Community Schools
33	Shenandoah School Corporation
34	WV/WCI School Trust
35	Area 30 Career Center
36	Benton Community School Corporation
37	Clay Community School Corporation
38	Cloverdale Community School Corporation
39	Culver Community School Corporation
40	Eminence Consolidated School Corporation
41	Greencastle Community School Corporation
42	Greene-Sullivan Special Education Cooperative
43	Hamilton Heights School Corporation
44	Linton-Stockton School Corporation
45	Logansport Community School Corporation
46	North Central Parke Community School Corporation
47	North Putnam Community School Corporation
48	North Vermillion Community School Corporation
49	Northeast School Corporation
50	Northwestern School Corporation
51	Old National Trail Special Services Corporation
52	Sheridan Community Schools
53	South Montgomery Community School Corporation
54	South Putnam Community School Corporation
55	South Vermillion Community School Corporation
56	Southwest Parke Community School Corporation
57	Southwest School Corporation
58	Spencer-Owen Community School Corporation
59	Tipton Community School Corporation
60	Wabash City School Corporation
61	Wabash City School Corporation
62	West Central Indiana Educational Services
63	Western Boone County School Corporation

## Scope

The scope of the study was limited to an analysis of the prescription drug purchasing arrangements between the IAPPP and the participating Schools. The study represents a preliminary opportunity analysis for the State and Schools to evaluate potential savings through participation in the IAPPP.

A competitive feature of the IAPPP arrangement that is not quantified in this study is the IAPPP's right to renegotiate and update the pricing terms in the arrangement annually. This type of provision is not commonly offered in standard prescription drug contracts that are usually structured as three-year agreements (although it is a common feature in other purchasing coalitions). Therefore, the opportunity analysis performed in the study does not account for future contract improvements that could create additional value.

It is also possible that the terms of the IAPPP purchasing agreement could change or become more favorable as membership increases. This study does not attempt to quantify that possibility.

The study does not attempt to quantify or evaluate other cost impacts or additional savings beyond the prescription drug purchasing terms that might be achieved through the IAPPP. These other avenues may include savings through formulary or network offerings, clinical management, and performance or service level guarantees that are not available under current contracts. These tools and strategies are not exclusive to the IAPPP (other insurers and PBMs offer similar programs) but the IAPPP may present alternatives or variants that are not available under current arrangements.

Just as there may be additional benefits to joining the IAPPP, there may be factors that limit the feasibility or desirability of transitioning from the existing arrangements to the IAPPP. The study does not quantify or evaluate these factors which may include contractual limitations, financial implications, and program changes including (but not limited to):

#### **Contractual limitations**

- ✓ Ability to unbundle prescription drug benefits from medical benefits due to restrictions imposed by medical insurers. In some cases, the medical provider may not offer medical-only services. Schools may determine that it is more important to retain the medical insurer/administrator than it is to capture savings on the prescription benefit
- ✓ Contract timing and termination provisions
- ✓ Collective bargaining agreements that commit to specific insurers or plan provisions
- ✓ Insurance arrangement (self-insured vs fully-insured). Plans that are self-insured may have more flexibility to carve-out the prescription drug benefit while fully-insured plans may not be able to do so

#### **Financial impacts**

- ✓ Carve-out fees or termination fees
- ✓ Broker/advisor compensation arrangements
- ✓ Additional administrative expenses related to managing a carve-out program

#### **Program changes**

- ✓ Changes to preferred and non-preferred drug status (and member cost share) due to differences in prescription drug formularies between the incumbent PBM and the IAPPP
- ✓ In-network retail pharmacy changes due to differences in retail pharmacy networks between the incumbent PBM and the IAPPP
- ✓ Differences in clinical prescription drug management programs, policies, or administrative rules

- ✓ Arrangements such as on-site clinics, custom formularies, clinical programs, or other purchasing arrangements that may impact the attractiveness of the IAPPP offering

## Methodology

The methodology to assess the financial opportunity if Schools purchase prescription drugs and services through the IAPPP included three steps:

### 1. Data Collection

Each participating School was asked to provide data specific to their prescription drug program, including:

- 12 months of deidentified prescription drug claims
- Prescription drug contract and/or pricing addendums
- Prescription drug plan design
- Prescription drug specialty drug list with corresponding pricing terms
- Employee and member enrollment
- Prescription drug rebate and manufacturer payment data
- Prescription drug administration fees, clinical program fees, commissions, and other fees paid for prescription drug management
- Prescription drug formulary
- Specialty drug listing
- Pharmacy network information

Each participating School was asked to provide their unique claims experience because the impact of the prescription drug purchasing provisions is variable depending on the underlying prescription drug utilization. For example, the drug discounts for brand drugs dispensed through the mail distribution channel may not have a significant impact on total cost for a School with limited mail distribution utilization however the same discount for brand drugs dispensed through the mail distribution channel might be significant for a School with high mail utilization.

### 2. Prescription Drug Utilization and Cost Estimate

The 12 months of deidentified prescription drug claims data was analyzed and summarized by drug type (brand, generic, and specialty) and distribution channel (30-day retail distribution, 90-day retail distribution, mail distribution, and specialty mail distribution).

Prescription drug trend assumptions were applied to the claims data to estimate 2020 utilization and cost before the application of the financial provisions in the prescription drug purchasing agreements. The prescription drug trend assumptions were developed combining national surveys and Deloitte data. It is likely that each participating School experience different trend rates depending on the health of the membership, the prescription drug products used by members, the plan design and utilization management strategies in place, and the contract with the PBM or third-party administrator (TPA). The methodology is intended to establish a baseline by which the purchasing terms of the IAPPP can be reasonably compared to the existing Schools' agreements while factoring reasonable changes to utilization and cost.

- Prescription drug utilization was assumed to increase 1.0% for non-specialty drugs and 7.0% for specialty drugs

- Average wholesale price for brand drugs was assumed to increase 5.5%
- Average wholesale price for generic drugs was not assumed to increase
- Average wholesale price for specialty drugs was assumed to increase 7.0%
- Drug mix (percentage of brand and generics and specific therapeutic classes in the claims) was assumed to remain the same

### 3. Financial Comparison

After developing the baseline of prescription drug utilization and costs, the prescription drug purchasing terms for the Schools' existing arrangement and the IAPPP arrangement were applied to the claims estimate.

There are important plan design and program elements that can impact pricing, so the study identified the design provisions in their programs and compared the pricing to the most similar arrangement in the IAPPP. These other design provisions included:

- Formulary options
- Plan design/member copay tiers
- 30-day retail pharmacy network design
- 90-day retail pharmacy network design
- Mail order requirements
- Specialty drug dispensing arrangement
- Unique design arrangements (e.g. on-site clinics)

The pricing terms included the primary financial components in the prescription drug purchasing contract; prescription drug discounts, dispensing fees, administration fees, and manufacturer rebates/payments.

- **Prescription Drug Discounts**

All participants in this study have contracts that reference the Average Wholesale Price (AWP) benchmark (AWP is intended to represent the average price paid by a retailer to purchase the drug from a wholesaler). Prescription drug discounts are measured against AWP and established based on prescription drug type (brand, generic, specialty) and the drug delivery channel (30-day retail distribution, 90-day retail distribution, mail distribution, specialty mail distribution). Generic drug discounts are inclusive of generics subject to Maximum Allowable Cost (MAC) pricing as well as those that are not subject to MAC.

- **Dispensing Fees**

Dispensing fees are paid to pharmacies as compensation for the costs of dispensing each prescription. Dispensing fees are typically nominal, although there can be significant variance depending on the PBM and contract.

- **Administration Fees**

Administration fees are assessed to the plan sponsor to compensate the PBM for administering the benefit. The PBM may also charge administrative fees to administer value-added services like clinical management programs. Some contracts do not include administrative fees because the PBM structures their compensation as a margin (or "spread") on the difference in drug discounts negotiated with plan sponsors and the pharmacy network.

- **Manufacturer Rebates/Payments**

Manufacturer rebates/payments are financial benefits negotiated by PBMs on behalf of plan sponsors based on the utilization of prescription drugs by the plan. Drug rebates make up the largest percentage of manufacturer payments although PBMs collect other revenue from manufacturers including administration and service fees.

By applying the financial provisions of the contract to the 2020 estimated prescription drug utilization and cost, the estimated value of each provision and the aggregate value of all pricing provisions is compared between the Schools' purchasing arrangement and the IAPPP purchasing arrangement based on the Schools specific claims experience.

## Data Reliance & Disclaimer

The findings and observations included in this analysis are dependent on the information provided by the participating Schools and rely on the data provided without modification.

All data was reviewed for reasonableness, but an audit was not performed on the data. To the extent the data contained errors or anomalies that were unknown at the time the data was provided, the analysis may be affected by those issues.

The analysis does not account for the impact of COVID-19 on prescription drug utilization and costs in 2020. The estimates are for comparison and are not intended as a projection for budgetary purposes.

The study is based on the contractual terms and arrangements in the 2020 plan year. To the extent that there are changes to the contract terms, medical insurers, pharmacy benefit administrators, underlying plan design, clinical programs, prescription drug formulary, pharmacy network, or drug utilization, the results may change.

## Findings

### Study Findings

The assessment of the purchasing terms of the IAPPP contract compared to the purchasing terms of the participating Schools shows that, in aggregate, the IAPPP has deeper prescription drug discounts, lower dispensing and administration fees, and higher manufacturer payments/rebates.

The study determined that there is a savings opportunity in each of the participants that participated in the study. Analysis of the prescription drug purchasing terms of the participating Schools compared to the IAPPP purchasing terms resulted in an aggregate estimated savings of 10.7%. The most significant factor in the savings was higher manufacturer payments/rebates, followed by deeper prescription drug discounts. Prescription drug dispensing fees and administrative fees represent significant savings on a percentage basis, but the real cost in these categories is nominal compared to drug costs and manufacturer payments/rebates.

**[Figure 2]**

Schools – Current Prescription Drug Purchasing Terms	\$34,780,000	\$160,000	\$124,000	(\$7,484,000)	\$27,580,000
IAPPP – Prescription Drug Purchasing Terms	\$33,538,000	\$78,000	\$80,000	(\$9,056,000)	\$24,640,000
<i>Cost/(Savings) \$</i>	(\$1,242,000)	(\$82,000)	(\$44,000)	(\$1,572,000)	(\$2,940,000)
<i>Cost/(Savings) %</i>	-3.6%	-51.3%	-35.5%	21.0%	-10.7%

- **Drug costs** reflect the net ingredient cost for prescription drugs after the application of the purchasing agreement discounts. The IAPPP discounts are estimated to represent a 3.6% savings compared to the current participating School contractual discounts. Savings from discounts represents 42.2% of the total savings opportunity.
- **Dispensing fees** are per prescription fees paid to the pharmacy. The IAPPP dispensing fees are 51.3% lower than the current participating School contractual dispensing fees. Importantly, dispensing fees are nominal and so while the IAPPP has significantly lower fees, they represent only 2.8% of the total savings opportunity.
- **Administration Fees** are assessed by the PBM to administer the pharmacy benefit. Administration fees vary widely, and some contracts do not have an administration fee at all. The IAPPP administration fees are estimated to be 35.5% lower than the incumbent fees. Like dispensing fees, administration fees are nominal, and they only represent 1.5% of the total savings.

This study only included “base” administration fees which are the fees assessed to provide core prescription drug services such as claims adjudication, network management, rebate management, customer service, account management, reporting, and other operations. Additional administration fees for clinical programs or other value-add services were not evaluated since there may be significant variation in the characteristics of the programs that would limit an equitable comparison.

- **Manufacturer Payments/Rebates** are retrospective payments from the PBM to the plan sponsor that are paid by the manufacturer as a result of utilization of prescription drug products. The IAPPP manufacturer payments are estimated to be 21.0% higher than the participating Schools’ current purchasing arrangements. The value of manufacturer payments/rebates represents 53.5% of the total savings.

There is significant variance throughout the industry regarding the definition of “manufacturer payments” or “rebates”. Insurers and administrators often exclude specific claims from rebate calculations such as over-the-counter claims, compound claims, usual and customary claims, member submitted claims, subrogation claims, 340b discount program claims, on-site pharmacy claims, biosimilar claims, limited or exclusive distribution drug claims, and claims subject to 100% member copayment. Specific pricing arrangements may also include or exclude other types of

manufacturer revenue such as administrative fees or inflation protection payments in rebates. Most pricing arrangements also condition rebate payments on formulary, plan design, and drug mix utilization. The study incorporated these exclusions, limitations, and requirements to estimate manufacturer payments/rebates.

Scale is an important factor for PBMs in negotiating manufacturer payments/rebates and price concessions with prescription drug manufacturers. PBMs with more scale have the power to negotiate for deeper price concessions. While higher rebates are more beneficial to the plan sponsor than lower rebates if all else is equal, simply negotiating for the highest rebates may not result in the lowest cost prescription drug program. Rebates are paid on brand drug claims and high-cost brand prescription products are often the products with the largest rebates. Plan sponsors may experience higher drug costs before the offsetting impact of rebates due to the availability of high-cost brand drugs on the formulary. For some plan sponsors, the most cost-effective approach to managing prescription drug costs is to incentivize members to use generic products, exclude high-cost brand drugs from the formulary and forego large rebates. It may also be true that a PBM can offer both the lowest drug cost and the highest rebates.

Based on these findings, it is likely that the Schools could achieve savings in the financial components of the prescription drug purchasing contract through the IAPPP compared to the current purchasing arrangements.

## Extrapolating Findings to Public Schools Across the State

The findings in the study are based on a diverse, representative sample of Schools from across the State. Extrapolating the findings to all public schools in the State that could elect to participate in the IAPPP results in an estimated savings of \$25 million dollars based on 2020 costs.

### Extrapolation Methodology

Public schools self-report insurance plan information that includes total costs (insured premium and self-insured premium equivalents), enrollment, and other plan characteristics. The self-reported data includes 342 schools across the State and total health insurance cost of \$1.105 billion dollars for the 2019 plan year.

Total healthcare costs are assumed to include medical and prescription drug costs as well as administration charges, retention/profit, and health insurance premium taxes. Medical expenses are estimated to represent 80% of the costs and prescription drugs are estimated to be 20% of total cost. Using these assumptions, including a 7.0% healthcare trend from 2019 to 2020, statewide public school prescription drug costs is estimated to be \$236 million dollars (Figure 4).

**[Figure 4]**

Total 2019 statewide public school healthcare premium	\$1,105	
Estimated total healthcare trend		7.0%
Total estimated 2020 statewide public school healthcare premium	\$1,182	
Prescription drug costs		20.0%
Total estimated 2020 prescription drug costs	\$236	
Savings opportunity identified		10.7%



Applying the average savings of 10.7% to estimated statewide prescription drug costs results in an estimated opportunity of \$25 million dollars based on 2020 costs.

The results of the study show a wide range of opportunity based on participant specific pricing arrangements. It is likely that the schools across the State will have similar variances which may serve to increase or decrease the total savings opportunity. Applying a range of +/- 3% to the study findings (7.7% to 13.7%). results in a range of \$18 million and \$32 million dollars based on 2020 costs. The range is developed by applying a moderately optimistic and moderately pessimistic set of assumptions to pricing provisions for drug costs, dispensing fees, administration fees, and manufacture payments/rebates. Based on the study results and Deloitte's experience assessing prescription drug contracts and renewals, we believe a range of 7.7% to 13.7% to be a reasonable estimate of the opportunity for improving prescription drug purchasing terms.

## Conclusions

The findings illustrate an opportunity to realize savings in prescription drug purchasing by joining the IAPPP and leveraging the terms of the IAPPP purchasing arrangement. The study showed an opportunity for savings for each School that participated in the study.

It is reasonable to conclude that the IAPPP is able to procure more competitive prescription drug pricing terms (with over 150,000 members) than Schools that contract with medical insurers or PBMs on a direct basis. It is also reasonable to conclude that CVS Caremark is able to offer more competitive purchasing terms due to its scale and market position than some other insurers and PBMs in the market.

Procuring competitive prescription drug pricing terms is an important aspect of controlling prescription drug costs, but other tools such as effective plan design, formulary controls, and clinical management are also critically important to managing prescription drug spending.

## **APPENDIX 4: School Corporations with Spousal Healthcare Exclusions or Surcharges**

The following school corporations reported having a spousal healthcare exclusion or surcharge in 2019-20:<sup>5</sup>

Adams Central Community Schools
Bartholomew Con School Corp
Beech Grove City Schools
Brown County School Corporation
Center Grove Com Sch Corp
Clark-Pleasant Com School Corp
Concord Community Schools
Crawford Co Com School Corp
Crawfordsville Com Schools
Crown Point Community Sch Corp
East Allen County Schools
East Noble School Corp
East Washington School Corp
Eastbrook Community Sch Corp
Eastern Howard School Corp
Fort Wayne Community Schools
Franklin Township Com Sch Corp
Goshen Community Schools
Greater Jasper Con Schs
Greensburg Community Schools
Indianapolis Public Schools
Jennings County Schools
Lake Central School Corp
Lebanon Community School Corp
M S D Bluffton-Harrison
M S D Decatur Township
M S D Perry Township

M S D Southwest Allen County Schools
M S D Washington Township
Madison Consolidated Schools
Middlebury Community Schools
Mississinewa Community School Corp
New Castle Community Sch Corp
North Adams Community Schools
North Gibson School Corp
North Newton School Corp
Northeast School Corp
Northern Wells Com Schools
Oak Hill United School Corp
Perry Central Com Schools Corp
Richmond Community Schools
School City of Mishawaka
Shenandoah School Corporation
South Adams Schools
South Bend Community Sch Corp
South Madison Com Sch Corp
Southeast Dubois Co Sch Corp
Southern Wells Com Schools
Southwest Dubois Co Sch Corp
Southwest School Corp
Wabash City Schools
Warsaw Community Schools
Washington Com Schools
Whitley Co Cons Schools

<sup>5</sup> IEERB 2020 STATEWIDE REPORT, *supra* note 3.

## **APPENDIX 5: School Corporations with Bridge Plans**

In 2019-20, the following school corporations reported providing a bridge healthcare plan to early teacher retirees before they are eligible for Medicare:<sup>6</sup>

Alexandria Com School Corp.
Attica Consolidated School Corp.
Bremen Public Schools
Brown County School Corp.
Cannelton City Schools
Fairfield Community Schools
Fayette County School Corp.
Flat Rock-Hawcreek School Corp.
Frontier School Corp.
Griffith Public Schools
Hamilton Heights School Corp.
Jac-Cen-Del Community School Corp.
Lafayette School Corp.
Lake Station Community Schools
Lanesville Community School Corp.
Logansport Community School Corp.
Mitchell Community Schools
Mooresville Consolidated School Corp.
Nineveh-Hensley-Jackson United
North Lawrence Com Schools
North Spencer County School Corp.
North White School Corp.
Oak Hill United School Corp.
Oregon-Davis School Corp.
Paoli Community School Corp.
Perry Central Community Schools
Pioneer Regional School Corp.
School Town of Munster
Scott County School District 2
Seymour Community Schools
South Ripley Community School Corp.
Southeast Dubois County School Corp.
Springs Valley Community Schools
Switzerland County School Corp.

Tell City-Troy Township School Corp.
Tippecanoe School Corp.
Valparaiso Community Schools
Vigo County School Corp.
Wabash City Schools
Wa-Nee Community Schools
West Clark Community Schools

<sup>6</sup> *Ibid.*

## APPENDIX 6: School Corporations with Operating Referenda

The school corporations below received revenue through one or more operating referenda in Fiscal Year 2020.<sup>7</sup>

School Corporation	Operating Referendum Revenue	Operating Referendum Revenue per Student
<b>TOTAL / AVERAGE</b>	<b>\$285,033,466</b>	<b>\$842 (Average)</b>
Anderson Community School Corp	\$1,958,308	\$298
Avon Community School Corp	\$9,612,552	\$976
Barr-Reeve Com Schools Inc	\$887,806	\$918
Beech Grove City Schools	\$1,648,464	\$550
Brown County School Corporation	\$1,134,641	\$645
Cannelton City Schools	\$76,729	\$304
Carmel Clay Schools	\$20,602,608	\$1,248
Clark-Pleasant Com School Corp	\$1,802,641	\$267
Clinton Central School Corp	\$462,254	\$533
Concord Community Schools	\$4,824,387	\$921
Crown Point Community Sch Corp	\$6,191,865	\$710
Culver Community Schools Corp	\$1,539,985	\$2,013
Duneland School Corporation	\$6,281,360	\$1,069
Elkhart Community Schools	\$4,702,370	\$388
Eminence Community School Corp	\$662,441	\$1,909
Franklin Community School Corp	\$2,078,635	\$412
Fremont Community Schools	\$2,251,333	\$2,298
Frontier School Corporation	\$485,964	\$744
Goshen Community Schools	\$3,367,170	\$512
Hamilton Community Schools	\$1,778,218	\$6,132
Hamilton Southeastern Schools	\$19,674,351	\$902
Hanover Community School Corp	\$2,771,741	\$1,134
Indianapolis Public Schools	\$30,478,872	\$970
Lake Central School Corp	\$8,417,439	\$894
Lake Station Community Schools	\$878,018	\$704
Lanesville Community School Corp	\$307,510	\$416
M S D Boone Township	\$563,170	\$501
M S D Decatur Township	\$4,727,586	\$711

<sup>7</sup> For detailed information on all proposed referenda since 2008, see Ind. Dep't of Local Gov't Fin. REFERENDUM INFORMATION, <https://www.in.gov/dlcf/8789.htm>.

M S D Perry Township	\$15,738,198	\$940
M S D Southwest Allen County Schools	\$3,728,998	\$489
M S D Warren Township	\$5,837,614	\$504
M S D Washington Township	\$6,900,895	\$624
M S D Wayne Township	\$16,574,544	\$981
Monroe County Com Sch Corp	\$7,518,046	\$690
Noblesville Schools	\$14,724,433	\$1,407
Northeast Dubois Co Sch Corp	\$630,620	\$772
Oregon-Davis School Corp	\$668,030	\$1,336
Prairie Heights Com Sch Corp	\$1,799,937	\$1,302
Rensselaer Central School Corp	\$1,076,969	\$703
Rising Sun-Ohio Co Com	\$580,885	\$708
River Forest Community Sch Corp	\$2,326,388	\$1,466
School City of Hammond	\$9,779,344	\$802
School City of Hobart	\$1,017,811	\$253
School City of Mishawaka	\$1,907,536	\$369
School Town of Munster	\$7,535,042	\$1,822
School Town of Speedway	\$3,434,419	\$1,842
Sheridan Community Schools	\$1,068,251	\$1,034
Smith-Green Community Schools	\$1,163,280	\$1,000
Southern Wells Com Schools	\$429,580	\$493
Southwest Dubois Co Sch Corp	\$2,214,458	\$1,246
Tri-County School Corp	\$2,090,975	\$3,057
Union Township School Corp	\$1,505,089	\$1,021
Valparaiso Community Schools	\$5,173,274	\$820
Vigo County School Corp	\$3,480,569	\$245
Wa-Nee Community Schools	\$1,021,098	\$331
West Lafayette Com School Corp	\$4,988,832	\$2,130
Westfield-Washington Schools	\$7,272,314	\$872
Westview School Corporation	\$3,016,698	\$1,328
White River Valley Sch Dist	\$1,438,295	\$1,918
Zionsville Community Schools	\$8,222,629	\$1,151

## **APPENDIX 7: School Corporations Receiving Medicaid Reimbursements (FY 2020)**

Below are the Medicaid reimbursements reported by school corporations in Fiscal Year 2020.<sup>8</sup> School corporations not listed below reported no reimbursements.

<b>Provider Name</b>	<b>Amount Paid</b>
<b>TOTAL</b>	<b>\$17,745,172<sup>9</sup></b>
Adams Central Community Schools	\$22,056
Alexandria Community School Corporation	\$6,809
Anderson Community School Corp	\$321,006
Argos Comm Schools	\$32,832
Attica Consolidated School Corp	\$422
Avon Community School Corporation	\$121,082
Bartholomew Consolidated School Corp	\$132,487
Batesville Community School Corp	\$31,054
Baugo Community Schools	\$1,093
Beech Grove City Schools	\$17,458
Benton Comm School Corp	\$43,492
Blackford County Schools	\$62,765
Bloomfield School District	\$4,111
Bluffton Harrison Metropolitan School District	\$35,221
Bremen Public Schools	\$24,202
Brownsburg Community School Corporation	\$151,316
Cannelton City Schools	\$224
Carroll Consolidated School Corporation	\$12,064
Caston School Corporation	\$13,797
Center Grove Comm School Corp	\$119,003
Centerville-Abington Community Schools	\$51,001
Clark-Pleasant Community School Corp	\$52,493
Clarksville Community School Corp	\$13,947
Clinton Central School Corporation	\$20,494
Clinton Prarie School Corp	\$20,578
Cloverdale Community School Corporation	\$44,759
Community School Corporation Of Southern Hancock Cnty	\$43,526
Community Schools Of Frankfort	\$188,366

<sup>8</sup> Source: Indiana Family & Social Services Admin., Office of Medicaid Policy and Planning.

<sup>9</sup> Note that this number is less than the \$31.4 million total referenced in recommendation nos. 10 and 20 because it includes only traditional school corporation providers and not other providers of services in schools.

Concord Community Schools	\$49,468
Cowan Community School Corporation	\$36,447
Crawfordsville Community School Corp	\$148,712
Crown Point Community School Corporation	\$55,391
Culver Community School Corporation	\$15,070
Delaware Community School Corporation	\$34,499
Delphi Community School Corporation	\$872
Duneland School Corporation	\$73,145
East Allen County Schools	\$80,626
East Porter County School Corporation	\$35,898
East Washington School Corp	\$2,114
Eastbrook Community Schools	\$82,244
Eastern Greene Schools	\$44,190
Eastern Pulaski Community School Corporation	\$2,330
Edinburgh Comm Schools	\$33,182
Elkhart Community Schools	\$258,796
Eminence Community Schools	\$3,523
Evansville Vanderburgh School Corp	\$338,424
Fairfield Community Schools	\$11,643
Fayette County School Corporation	\$58,180
Flat Rock-Hawcreek School Corporation	\$10,893
Franklin Community School Corporation	\$146,463
Franklin County Community School Corporation	\$25,817
Franklin Township Community School Corp	\$157,234
Frankton-Lapel Community Schools	\$30,841
Frontier School Corp	\$9,394
Ft. Wayne Community Schools	\$1,798,158
Gary Community School Corporation	\$153,775
Goshen Community Schools	\$107,352
Greater Clark County Schools	\$282,841
Greater Jasper Consolidated Schools	\$53,675
Greencastle Community School Corp	\$10,041
Greenfield Central Comm School Corp	\$188,295
Greenwood Community School Corp	\$66,871
Griffith Public Schools	\$70,668
Hamilton Heights School Corp	\$66,651
Hamilton Southeastern Schools	\$13,287
Hanover Community School Corporation	\$1,923
Huntington County Community School Corp	\$241,289
Indianapolis Public Schools	\$1,050,854
Jac-Cen-Del Community School Corp	\$6,425



Jay School Corporation	\$23,358
Jennings County Schools	\$182,868
John Glenn School Corp	\$103,180
Kankakee Valley Schools	\$116,261
Knox Comm School Corp	\$59,156
Kokomo School Corporation	\$50,272
Lafayette School Corp	\$654,249
Lake Central School Corporation	\$146,487
Lake Ridge Schools	\$1,058
Lake Station Community Schools	\$1,512
Lanesville Community School Corp	\$12,285
Laporte Community School Corporation	\$262,548
Lawrenceburg Community School Corp	\$25,604
Lebanon Community School Corporation	\$135,464
Lewis Cass Schools	\$42,332
Linton-Stockton School Corporation	\$1,346
Logansport Community School Corporation	\$155,312
Manchester Community Schools	\$2,185
Marion Community Schools	\$961
Merrillville Community School Corporation	\$3,126
Metropolitan School Dist Of New Durham	\$22,366
Metropolitan School Dist. Of Shakamak	\$7,190
Metropolitan School District Of Lawrence Township	\$267,143
Metropolitan School District Of Martinsville	\$36,348
Metropolitan School District Of Wabash County	\$11,745
Metropolitan School District Of Washington Township	\$333,415
Metropolitan School District Of Wayne Township	\$242,307
Michigan City Area Schools	\$379,522
Middlebury Community Schools	\$39,879
Milan Community School Corporation	\$13,523
Mill Creek Community School Corporation	\$29,000
Mississinewa Community Schools	\$69,923
Monroe County Community School Corp	\$167,073
Monroe Gregg School District	\$7,643
Mooresville Consolidated School Corp	\$76,006
MSD Of Boone Township	\$17,118
MSD Of Decatur Township	\$200,135
MSD of Pike Township	\$141,382
MSD Of Southwest Allen County	\$36,165
MSD Of Warren Township	\$316,576
Mt. Vernon Community School Corporation	\$31,878

Muncie Community Schools	\$168,757
New Albany Floyd County School Corporation	\$327,485
New Prairie United School Corp	\$54,065
Nineveh Hensley Jackson United School	\$41,749
Noblesville Schools	\$134,976
North Adams Community Schools	\$30,520
North Harrison Community School Corporation	\$102,440
North Judson-San Pierre School Corp	\$17,785
North Lawrence Community Schools	\$90,887
North Miami Community Schools	\$9,041
North Montgomery Com School Corp	\$37,149
North Newton School Corporation	\$32,597
North Putnam Comm School Corp	\$26,217
North Spencer County School Corp	\$65,353
North West Hendricks Schools	\$21,166
North White School Corporation	\$3,067
Northeast Dubois Co School Corp	\$18,747
Northeast School Corporation	\$6,417
Northeastern Wayne School Corporation	\$17,264
Northern Wells Community Schools	\$18,353
Northwest Allen County Schools	\$88,145
Northwestern Con School Dist Of Shelby	\$5,172
Oregon Davis School Corporation	\$11,549
Paoli Community School Corporation	\$27,873
Penn-Harris-Madison School Corporation	\$198,656
Perry Central Community School Corporation	\$10,217
Perry Township Schools	\$297,913
Pike County School Corporation	\$29,757
Pioneer Regional School Corporation	\$4,994
Plainfield Community School Corporation	\$205,849
Plymouth Comm School Corp	\$28,953
Portage Township Schools	\$83,450
Porter Township School Corporation	\$15,803
Rensselaer Central Schools Corp	\$37,553
Richland-Bean Blossom Com Sch Corp	\$142,594
River Forest Community School Corporation	\$769
Rochester Community School Corporation	\$97,488
Rossville Consolidated School District	\$21,687
School City Of East Chicago	\$111,350
School City Of Hobart	\$2,432
School City Of Mishawaka	\$259,200

School City Of Whiting	\$28,517
School Town Of Highland	\$2,492
School Town Of Munster	\$30,484
Scott County School District #2	\$73,484
Shelbyville Central Schools	\$135,511
Sheridan Community Schools	\$20,432
South Adams Schools	\$8,567
South Bend Community School Corporation	\$818,187
South Central Comm School Corp	\$4,046
South Dearborn Community School Corporation	\$3,773
South Harrison Community School Corporation	\$137,897
South Madison Community School Corporation	\$147,928
South Newton School Corporation	\$8,341
South Spencer County School Corp	\$19,808
South Vermillion Com School Corp	\$644
Southeast Dubois Co School Corporation	\$17,738
Southeast Fountain School Corp	\$13,906
Southern Wells Community Schools	\$1,928
Southmont Schools	\$383
Southwest Dubois County School Corp	\$25,339
Southwest School Corporation	\$42
Southwestern Con Sch	\$3,021
Spencer-Owen Community Schools	\$170,713
Springs Valley Community Schools	\$16,044
Sunman-Dearborn Comm School Corp	\$19,169
Switzerland County School Corp	\$23,768
Tell City-Troy Twp School Corp	\$36,029
Tippecanoe Valley School Corporation	\$74,262
Tri-County School Corporation	\$15,375
Tri-Creek School Corporation	\$886
Tri- Township Consolidated School Corp	\$21,224
Triton School Corporation	\$28,102
Twin Lakes School Corporation	\$48,644
Union North United School	\$45,641
Valparaiso Community Schools	\$59,440
Vigo County School Corp	\$74,704
Wa Nee Community Schools	\$34,265
Wabash City Schools	\$16,143
Warsaw Community Schools	\$103,011
Wawasee Community School Corp	\$9,489
West Central School Corp	\$65,382

West Clark Community Schools	\$109,591
Western Boone County Community School Corporation	\$22,481
Western Wayne Schools	\$16,205
Westfield Washington Schools	\$166,854
White River Valley School District	\$5,280
Whitko Community School Corporation	\$50,296
Yorktown Community Schools	\$1,669

## APPENDIX 8: School Corporation Size and Teacher Pay

Below is the number of students (ADM)<sup>10</sup> at each Indiana school corporation, as well as average, minimum, and maximum teacher salaries for each district.<sup>11</sup> Data is from 2019-20.

School Corporation	ADM	Average Teacher Salary	Minimum Teacher Salary	Maximum Teacher Salary
<b>AVERAGE<sup>12</sup></b>	3,422	\$53,487	\$37,669	\$70,263
Adams Central Community Schools	1,280	\$48,378	\$36,500	\$63,500
Alexandria Com School Corp	1,607	\$55,084	\$36,900	\$62,500
Anderson Community School Corp	6,576	\$52,495	\$40,000	\$70,138
Argos Community Schools	554	\$40,799	\$34,500	\$61,519
Attica Consolidated Sch Corp	566	\$43,502	\$32,500	\$58,500
Avon Community School Corp	9,844	\$58,141	\$43,200	\$81,270
Barr-Reeve Com Schools Inc	967	\$55,111	\$38,500	\$68,500
Bartholomew Con School Corp	11,275	\$50,505	\$39,065	\$80,077
Batesville Community Sch Corp	2,180	\$53,923	\$39,000	\$74,400
Baugo Community Schools	1,921	\$46,969	\$38,000	\$65,400
Beech Grove City Schools	2,996	\$51,632	\$40,375	\$79,750
Benton Community School Corp	1,718	\$48,064	\$36,519	\$71,089
Blackford County Schools	1,564	\$48,832	\$36,300	\$70,686
Bloomfield School District	811	\$45,621	\$33,000	\$60,000
Blue River Valley Schools	612	\$47,033	\$34,161	\$62,130
Bremen Public Schools	1,464	\$50,795	\$36,500	\$72,471
Brown County School Corporation	1,760	\$50,669	\$38,000	\$66,500
Brownsburg Community Sch Corp	9,217	\$56,920	\$44,500	\$83,500
Brownstown Cnt Com Sch Corp	1,572	\$58,344	\$40,000	\$75,000
C A Beard Memorial School Corp	1,019	\$45,925	\$38,085	\$63,336
Cannelton City Schools	252	\$39,394	\$32,700	\$60,900
Carmel Clay Schools	16,513	\$61,874	\$39,047	\$85,589
Carroll Consolidated Sch Corp	1,068	\$43,450	\$36,000	\$62,000
Caston School Corporation	683	\$47,298	\$34,100	\$61,100
Center Grove Com Sch Corp	8,750	\$53,095	\$40,654	\$78,511
Centerville-Abington Com Schs	1,746	\$52,057	\$37,697	\$70,128
Central Noble Com School Corp	1,254	\$50,698	\$36,647	\$67,496

<sup>10</sup> Source: Ind. Dep't of Edu.

<sup>11</sup> Source: IEERB data, IEERB 2020 STATEWIDE REPORT, *supra* note 3.

<sup>12</sup> ADM and Average Teacher Salary are weighted averages. Averages for Minimum Teacher Salary and Maximum Teacher Salaries reflect unweighted averages.

Clark-Pleasant Com School Corp	6,749	\$53,677	\$41,000	\$81,770
Clarksville Com School Corp	1,352	\$48,343	\$38,220	\$72,403
Clay Community Schools	4,075	\$49,545	\$39,250	\$63,950
Clinton Central School Corp	867	\$47,415	\$35,400	\$82,434
Clinton Prairie School Corp	1,214	\$46,245	\$35,050	\$68,048
Cloverdale Community Schools	1,052	\$48,284	\$33,911	\$64,111
Community Schools of Frankfort	3,127	\$48,566	\$36,742	\$69,765
Concord Community Schools	5,236	\$51,716	\$39,000	\$75,000
Covington Community Sch Corp	829	\$46,445	\$35,750	\$65,500
Cowan Community School Corp	802	\$49,301	\$37,811	\$63,966
Crawford Co Com School Corp	1,439	\$51,442	\$36,850	\$62,350
Crawfordsville Com Schools	2,489	\$50,841	\$38,300	\$70,200
Crothersville Community Schools	421	\$44,663	\$35,200	\$64,700
Crown Point Community Sch Corp	8,726	\$55,005	\$44,000	\$83,210
Culver Community Schools Corp	765	\$54,126	\$34,500	\$66,200
Daleville Community Schools	979	\$49,976	\$36,900	\$63,039
Danville Community School Corp	2,494	\$53,072	\$40,000	\$77,400
Decatur County Com Schools	1,924	\$49,055	\$37,524	\$67,063
DeKalb Co Ctl United Sch Dist	3,495	\$54,452	\$40,000	\$73,750
DeKalb Co Eastern Com Sch Dist	1,373	\$48,934	\$37,000	\$73,500
Delaware Community School Corp	2,670	\$51,503	\$37,618	\$64,299
Delphi Community School Corp	1,387	\$51,106	\$35,998	\$68,218
Duneland School Corporation	5,875	\$56,176	\$42,000	\$75,235
East Allen County Schools	9,862	\$56,946	\$40,200	\$74,248
East Gibson School Corporation	805	\$42,971	\$35,000	\$62,127
East Noble School Corp	3,510	\$51,509	\$38,250	\$71,500
East Porter County School Corp	2,484	\$47,583	\$38,000	\$66,176
East Washington School Corp	1,417	\$45,901	\$38,000	\$72,000
Eastbrook Community Sch Corp	1,585	\$50,305	\$37,500	\$67,102
Eastern Greene Schools	1,093	\$45,445	\$36,000	\$64,400
Eastern Hancock Co Com Sch Corp	1,183	\$49,855	\$37,500	\$72,835
Eastern Howard School Corp	1,557	\$48,678	\$36,000	\$65,000
Eastern Pulaski Com Sch Corp	1,195	\$50,294	\$36,000	\$72,581
Edinburgh Community Sch Corp	814	\$48,066	\$36,450	\$63,950
Elkhart Community Schools	12,106	\$50,869	\$37,050	\$72,950
Elwood Community School Corp	1,377	\$42,932	\$35,000	\$61,250
Eminence Community School Corp	347	\$39,070	\$33,500	\$53,300
Evansville Vanderburgh Sch Corp	22,031	\$49,656	\$38,000	\$70,545
Fairfield Community Schools	2,206	\$49,619	\$37,000	\$68,550
Fayette County School Corp	3,184	\$48,606	\$38,500	\$70,000
Flat Rock-Hawcreek School Corp	942	\$46,990	\$37,250	\$68,050

Fort Wayne Community Schools	28,539	\$53,064	\$40,078	\$71,641
Franklin Community School Corp	5,051	\$56,312	\$40,000	\$77,933
Franklin County Com Sch Corp	2,152	\$54,338	\$38,250	\$73,138
Franklin Township Com Sch Corp	10,119	\$56,364	\$42,197	\$86,307
Frankton-Lapel Community Schs	3,020	\$51,293	\$37,500	\$66,700
Fremont Community Schools	979	\$57,883	\$39,091	\$74,725
Frontier School Corporation	653	\$38,892	\$35,000	\$62,500
Garrett-Keyser-Butler Com	1,776	\$46,677	\$34,760	\$67,409
Gary Community School Corp	4,782	\$55,937	\$40,500	\$71,305
Goshen Community Schools	6,571	\$53,250	\$38,700	\$71,550
Greater Clark County Schools	10,160	\$55,458	\$40,000	\$74,000
Greater Jasper Con Schs	3,168	\$59,238	\$38,750	\$73,642
Greencastle Community Sch Corp	1,790	\$44,595	\$35,000	\$66,770
Greenfield-Central Com Schools	4,419	\$52,636	\$41,000	\$71,000
Greensburg Community Schools	2,117	\$50,708	\$37,000	\$65,600
Greenwood Community Sch Corp	3,996	\$51,937	\$41,571	\$76,929
Griffith Public Schools	2,252	\$49,614	\$38,500	\$74,280
Hamilton Community Schools	290	\$45,569	\$33,476	\$59,653
Hamilton Heights School Corp	2,252	\$52,917	\$37,500	\$77,500
Hamilton Southeastern Schools	21,808	\$68,298	\$40,961	\$81,346
Hanover Community School Corp	2,444	\$45,442	\$40,000	\$69,572
Huntington Co Com Sch Corp	4,999	\$50,178	\$34,500	\$66,600
Indianapolis Public Schools	31,427	\$58,549	\$45,200	\$93,400
Jac-Cen-Del Community Sch Corp	816	\$48,350	\$37,000	\$67,250
Jay School Corp	3,146	\$48,295	\$37,903	\$68,306
Jennings County Schools	4,138	\$54,254	\$39,000	\$72,700
John Glenn School Corporation	2,008	\$48,589	\$38,300	\$70,813
Kankakee Valley School Corp	3,359	\$50,432	\$38,000	\$74,000
Knox Community School Corp	1,766	\$46,148	\$36,700	\$61,715
Kokomo School Corporation	5,463	\$48,551	\$34,463	\$71,706
Lafayette School Corporation	7,537	\$50,565	\$38,000	\$75,846
Lake Central School Corp	9,414	\$59,364	\$46,300	\$84,475
Lake Ridge Schools	1,720	\$50,273	\$37,000	\$73,390
Lake Station Community Schools	1,247	\$48,535	\$40,500	\$76,650
Lakeland School Corporation	1,697	\$46,151	\$37,533	\$64,093
Lanesville Community School Corp	740	\$51,244	\$39,400	\$74,948
LaPorte Community School Corp	6,037	\$51,610	\$40,000	\$72,499
Lawrenceburg Com School Corp	2,054	\$53,826	\$38,000	\$86,982
Lebanon Community School Corp	3,388	\$55,670	\$40,000	\$76,275
Liberty-Perry Com School Corp	1,204	\$49,085	\$37,170	\$68,153
Linton-Stockton School Corp	1,369	\$51,363	\$37,000	\$68,100



Logansport Community Sch Corp	4,232	\$50,886	\$35,143	\$66,253
Loogootee Community Sch Corp	793	\$52,334	\$37,550	\$65,750
M S D Bluffton-Harrison	1,644	\$47,666	\$36,100	\$69,458
M S D Boone Township	1,125	\$48,988	\$37,550	\$65,331
M S D Decatur Township	6,648	\$56,465	\$43,500	\$88,500
M S D Lawrence Township	15,698	\$61,341	\$43,000	\$83,724
M S D Martinsville Schools	4,227	\$51,706	\$39,500	\$71,000
M S D Mount Vernon	2,017	\$50,439	\$35,507	\$72,226
M S D North Posey Co Schools	1,408	\$47,356	\$35,500	\$68,000
M S D of New Durham Township	889	\$51,361	\$37,000	\$70,689
M S D Perry Township	16,745	\$59,249	\$42,500	\$86,690
M S D Pike Township	11,254	\$58,476	\$43,210	\$87,250
M S D Shakamak Schools	716	\$49,938	\$35,650	\$63,714
M S D Southwest Allen County Schools	7,620	\$59,928	\$41,000	\$74,500
M S D Steuben County	2,654	\$51,034	\$40,000	\$81,535
M S D Wabash County Schools	2,060	\$48,763	\$36,000	\$68,000
M S D Warren County	1,326	\$46,962	\$36,000	\$68,000
M S D Warren Township	11,593	\$55,632	\$41,000	\$80,633
M S D Washington Township	11,062	\$56,865	\$44,000	\$89,000
M S D Wayne Township	16,891	\$67,060	\$42,500	\$88,535
Maconaquah School Corp	2,097	\$54,360	\$37,000	\$80,889
Madison Consolidated Schools	2,568	\$53,028	\$37,000	\$68,000
Madison-Grant United Sch Corp	1,077	\$45,011	\$35,800	\$60,550
Manchester Community Schools	1,525	\$49,518	\$36,200	\$67,000
Marion Community Schools	3,591	\$62,985	\$40,301	\$68,000
Medora Community School Corp	141	\$40,649	\$37,500	\$52,500
Merrillville Community School	6,195	\$51,735	\$41,000	\$74,132
Michigan City Area Schools	5,424	\$49,770	\$40,000	\$83,034
Middlebury Community Schools	4,487	\$53,272	\$35,524	\$66,084
Milan Community Schools	1,029	\$50,742	\$37,000	\$65,500
Mill Creek Community Sch Corp	1,496	\$50,874	\$38,000	\$72,700
Mississinewa Community School Corp	2,352	\$49,735	\$38,000	\$67,258
Mitchell Community Schools	1,502	\$49,068	\$36,663	\$66,848
Monroe Central School Corp	1,060	\$47,657	\$35,560	\$64,875
Monroe County Com Sch Corp	10,897	\$55,670	\$40,000	\$76,027
Monroe-Gregg School District	1,489	\$46,337	\$33,796	\$65,425
Mooresville Con School Corp	4,396	\$54,823	\$38,000	\$68,436
Mt Vernon Community Sch Corp	4,204	\$49,351	\$38,968	\$89,510
Muncie Community Schools	4,865			
Nettle Creek School Corp	1,118	\$49,642	\$32,833	\$62,183
New Albany-Floyd Co Con Sch	11,657	\$57,626	\$41,055	\$74,800

New Castle Community Sch Corp	3,025	\$48,991	\$38,000	\$66,039
New Prairie United School Corp	2,991	\$52,470	\$36,000	\$79,300
Nineveh-Hensley-Jackson United	1,942	\$46,456	\$36,000	\$64,500
Noblesville Schools	10,466	\$57,439	\$39,000	\$84,405
North Adams Community Schools	1,679	\$48,000	\$37,250	\$69,937
North Central Parke Con Sch Corp	1,113	\$43,502	\$32,199	\$62,055
North Daviess Com Schools	1,172	\$53,827	\$39,500	\$64,700
North Gibson School Corp	1,970	\$49,201	\$36,006	\$71,092
North Harrison Com School Corp	2,130	\$56,904	\$36,600	\$68,600
North Judson-San Pierre Sch Corp	991	\$47,260	\$36,000	\$69,729
North Knox School Corp	1,318	\$51,570	\$35,944	\$68,918
North Lawrence Com Schools	4,593	\$49,779	\$35,750	\$62,460
North Miami Community Schools	836	\$48,845	\$35,500	\$73,173
North Montgomery Com Sch Corp	1,787	\$47,276	\$36,000	\$68,500
North Newton School Corp	1,171	\$48,659	\$34,000	\$75,016
North Putnam Community Schools	1,321	\$45,777	\$34,139	\$61,170
North Spencer County Sch Corp	1,946	\$51,505	\$37,000	\$69,676
North Vermillion Com Sch Corp	753	\$43,909	\$36,500	\$65,500
North West Hendricks Schools	1,831	\$48,080	\$38,000	\$68,000
North White School Corp	901	\$46,788	\$34,000	\$66,500
Northeast Dubois Co Sch Corp	817	\$51,087	\$39,000	\$75,431
Northeast School Corp	806	\$43,623	\$34,750	\$61,694
Northeastern Wayne Schools	1,291	\$47,304	\$37,666	\$67,758
Northern Wells Com Schools	2,490	\$51,381	\$37,208	\$70,470
Northwest Allen County Schools	7,821	\$53,454	\$41,250	\$70,125
Northwestern Con School Corp	1,492	\$53,314	\$37,116	\$68,698
Northwestern School Corp	1,861	\$48,792	\$36,000	\$65,700
Oak Hill United School Corp	1,699	\$48,965	\$36,175	\$64,675
Oregon-Davis School Corp	500	\$41,723	\$32,000	\$53,886
Orleans Community Schools	859	\$48,753	\$37,000	\$67,039
Paoli Community School Corp	1,327	\$50,359	\$35,500	\$68,500
Penn-Harris-Madison Sch Corp	11,271	\$53,442	\$41,000	\$70,148
Perry Central Com Schools Corp	1,183	\$48,582	\$38,000	\$68,850
Peru Community Schools	1,930	\$48,241	\$35,850	\$65,850
Pike County School Corp	1,685	\$46,544	\$36,565	\$70,090
Pioneer Regional School Corp	957	\$46,805	\$33,301	\$63,272
Plainfield Community Sch Corp	5,571	\$63,462	\$44,500	\$93,850
Plymouth Community School Corp	3,430	\$49,174	\$37,000	\$68,948
Portage Township Schools	7,373	\$52,086	\$40,750	\$71,150
Porter Township School Corp	1,462	\$47,122	\$40,000	\$71,591
Prairie Heights Com Sch Corp	1,382	\$45,491	\$35,069	\$72,425

Randolph Central School Corp	1,367	\$43,015	\$35,400	\$62,429
Randolph Eastern School Corp	870	\$46,434	\$36,000	\$63,000
Randolph Southern School Corp	488	\$44,434	\$34,500	\$60,373
Rensselaer Central School Corp	1,533	\$47,029	\$35,000	\$65,531
Richland-Bean Blossom C S C	2,663	\$54,104	\$38,500	\$73,500
Richmond Community Schools	4,594	\$51,850	\$40,000	\$73,571
Rising Sun-Ohio Co Com	821	\$51,139	\$35,623	\$65,799
River Forest Community Sch Corp	1,587	\$50,638	\$39,236	\$75,533
Rochester Community Sch Corp	1,697	\$48,945	\$34,500	\$67,850
Rossville Con School District	984	\$47,401	\$38,000	\$68,317
Rush County Schools	1,961	\$47,395	\$35,024	\$61,243
Salem Community Schools	1,789	\$51,751	\$37,200	\$70,400
School City of East Chicago	3,707	\$50,737	\$40,000	\$70,822
School City of Hammond	12,194	\$53,320	\$41,500	\$75,000
School City of Hobart	4,025	\$53,188	\$41,200	\$71,268
School City of Mishawaka	5,166	\$50,146	\$39,200	\$69,784
School Town of Highland	3,227	\$53,618	\$40,000	\$73,343
School Town of Munster	4,136	\$56,837	\$42,000	\$77,000
School Town of Speedway	1,864	\$61,584	\$48,000	\$93,688
Scott County School District 1	1,214	\$56,944	\$35,452	\$68,277
Scott County School District 2	2,592	\$51,775	\$37,000	\$65,800
Seymour Community Schools	5,183	\$59,262	\$40,000	\$76,250
Shelby Eastern Schools	1,104	\$46,674	\$38,200	\$60,094
Shelbyville Central Schools	3,888	\$54,384	\$41,000	\$76,000
Shenandoah School Corporation	1,350	\$45,746	\$32,833	\$64,614
Sheridan Community Schools	1,033	\$50,022	\$36,598	\$72,450
Shoals Community School Corp	615	\$45,994	\$35,817	\$65,417
Smith-Green Community Schools	1,163	\$47,426	\$36,500	\$67,000
South Adams Schools	1,255	\$51,762	\$36,000	\$72,252
South Bend Community Sch Corp	15,902	\$49,092	\$39,000	\$75,295
South Central Com School Corp	926	\$47,313	\$38,008	\$67,103
South Dearborn Com School Corp	2,189	\$52,563	\$35,500	\$68,327
South Gibson School Corp	2,066	\$54,227	\$38,181	\$74,383
South Harrison Com Schools	3,092	\$52,891	\$40,000	\$70,000
South Henry School Corp	742	\$43,419	\$33,623	\$62,691
South Knox School Corp	1,264	\$49,106	\$35,000	\$62,500
South Madison Com Sch Corp	4,338	\$53,236	\$38,014	\$67,989
South Montgomery Com Sch Corp	1,636	\$53,479	\$37,000	\$67,699
South Newton School Corp	832	\$43,403	\$34,500	\$73,135
South Putnam Community Schools	1,074	\$43,281	\$35,325	\$62,383
South Ripley Com Sch Corp	1,144	\$51,839	\$37,000	\$68,000

South Spencer County Sch Corp	1,156	\$53,906	\$36,500	\$69,500
South Vermillion Com Sch Corp	1,663	\$46,938	\$37,000	\$72,000
Southeast Dubois Co Sch Corp	1,243	\$48,324	\$38,500	\$66,487
Southeast Fountain School Corp	1,056	\$46,785	\$35,000	\$64,000
Southeastern School Corp	1,336	\$52,484	\$38,000	\$65,000
Southern Hancock Co Com Sch Corp	3,699	\$59,025	\$45,800	\$81,650
Southern Wells Com Schools	872	\$48,959	\$36,000	\$69,367
Southwest Dubois Co Sch Corp	1,777	\$53,906	\$40,250	\$67,000
Southwest Parke Com Sch Corp	986	\$42,124	\$32,568	\$62,690
Southwest School Corp	1,734	\$50,005	\$35,000	\$67,514
Southwestern Con Sch Shelby Co	553	\$43,532	\$34,000	\$63,000
Southwestern-Jefferson Co Con	1,262	\$54,278	\$35,728	\$67,194
Spencer-Owen Community Schools	2,269	\$51,891	\$36,000	\$65,600
Springs Valley Com School Corp	876	\$54,395	\$36,725	\$65,725
Sunman-Dearborn Com Sch Corp	3,668	\$58,627	\$40,000	\$78,578
Switzerland County School Corp	1,449	\$48,436	\$38,000	\$70,400
Taylor Community School Corp	1,251	\$46,148	\$36,000	\$68,000
Tell City-Troy Twp School Corp	1,383	\$46,680	\$38,500	\$65,000
Tippecanoe School Corp	13,810	\$53,381	\$40,000	\$75,972
Tippecanoe Valley School Corp	1,766	\$49,367	\$37,025	\$67,850
Tipton Community School Corp	1,487	\$50,450	\$35,000	\$67,500
Tri-Central Community Schools	767	\$44,077	\$35,123	\$61,123
Tri-County School Corp	684	\$49,288	\$38,160	\$66,610
Tri-Creek School Corp	3,253	\$55,086	\$41,000	\$76,993
Triton School Corporation	922	\$45,078	\$37,000	\$65,300
Tri-Township Cons School Corp	338	\$46,593	\$35,500	\$62,000
Twin Lakes School Corp	2,320	\$49,582	\$36,000	\$66,790
Union Co-Clg Corner Joint Sch Dist	1,278	\$40,313	\$36,300	\$65,126
Union School Corporation	4,396	\$42,360	\$33,000	\$59,000
Union Township School Corp	1,474	\$57,022	\$40,000	\$77,856
Union-North United School Corp	1,283	\$44,501	\$35,583	\$68,287
Valparaiso Community Schools	6,312	\$56,876	\$42,179	\$81,433
Vigo County School Corp	14,185	\$54,778	\$38,000	\$84,517
Vincennes Community Sch Corp	2,698	\$48,650	\$36,250	\$63,750
Wabash City Schools	1,516	\$46,481	\$35,000	\$63,000
Wa-Nee Community Schools	3,083	\$52,748	\$37,900	\$66,800
Warrick County School Corp	10,087	\$58,028	\$40,000	\$78,602
Warsaw Community Schools	6,937	\$48,609	\$37,100	\$74,340
Washington Com Schools	2,506	\$47,449	\$36,800	\$71,800
Wawasee Community School Corp	2,905	\$54,278	\$37,500	\$68,800
Wes-Del Community Schools	847	\$42,677	\$35,189	\$60,489

West Central School Corp	735	\$44,108	\$35,000	\$61,609
West Clark Community Schools	4,547	\$51,273	\$35,845	\$70,245
West Lafayette Com School Corp	2,343	\$53,622	\$41,140	\$89,285
West Noble School Corporation	2,278	\$50,000	\$36,500	\$72,000
West Washington School Corp	876	\$50,453	\$36,700	\$69,900
Western Boone Co Com Sch Dist	1,680	\$51,272	\$38,948	\$67,923
Western School Corp	2,609	\$44,490	\$36,500	\$67,700
Western Wayne Schools	824	\$46,178	\$35,500	\$57,288
Westfield-Washington Schools	8,336	\$58,314	\$41,000	\$87,900
Westview School Corporation	2,271	\$52,958	\$37,500	\$67,250
White River Valley Sch Dist	750	\$52,438	\$36,360	\$63,630
Whiting School City	1,209	\$50,782	\$40,000	\$74,758
Whitko Community School Corp	1,290	\$48,707	\$39,000	\$63,256
Whitley Co Cons Schools	3,570	\$51,148	\$36,000	\$66,600
Yorktown Community Schools	2,693	\$53,443	\$42,533	\$70,452
Zionsville Community Schools	7,141	\$55,858	\$44,626	\$95,188

## APPENDIX 9: Additional Data on 529 Plans

Below is additional information and data on 529 plan tax credits and deductions, related to recommendation no. 19.

**State Tax Credits and Deductions:**<sup>13</sup> The following states offer a tax deduction for 529 plan contributions:

1. Alabama (can deduct up to \$5,000 (single) / \$10,000 (married))
2. Arizona (up to \$2,000 / \$4,000)
3. Arkansas (up to \$5,000 / \$10,000)
4. Colorado
5. Connecticut (up to \$5,000 / \$10,000)
6. Washington, D.C. (up to \$4,000 / \$8,000)
7. Georgia (up to \$2,000 / \$4,000 per beneficiary)
8. Idaho (up to \$6,000 / \$12,000)
9. Illinois (up to \$10,000 / \$20,000)
10. Iowa (up to \$3,387 / \$6,774 per beneficiary - with annual inflation increases)
11. Kansas (up to \$3,000 / \$6,000 per beneficiary)
12. Louisiana (up to \$2,400 / \$4,800 per beneficiary)
13. Maryland (up to 2,500 / \$5,000 per beneficiary)
14. Massachusetts (up to \$1,000 / \$2,000)
15. Michigan (up to \$5,000 / \$10,000)
16. Minnesota<sup>14</sup> (up to \$1,500 / \$3,000)
17. Mississippi (up to \$10,000 / \$20,000)
18. Missouri (up to \$8,000 / \$16,000)
19. Montana (up to \$3,000 / \$6,000)
20. Nebraska (up to \$5,000 / \$10,000)
21. New Mexico
22. New York (up to \$5,000 / \$10,000)
23. North Dakota (up to \$5,000 / \$10,000)
24. Ohio (up to \$4,000 / \$8,000 per beneficiary)
25. Oklahoma (up to \$10,000 / \$20,000)
26. Oregon (up to \$2,435 / \$4,865)
27. Pennsylvania (up to \$15,000 / \$30,000 per beneficiary)
28. Rhode Island (up to \$500 / \$1,000)
29. South Carolina
30. Virginia (up to \$4,000 per account / fully deductible for taxpayers over 70 years old)

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<sup>13</sup> Savingforcollege.com, STATE TAX DEDUCTION OR CREDIT FOR CONTRIBUTIONS, [https://www.savingforcollege.com/compare\\_529\\_plans/index.php?plan\\_question\\_ids%5B%5D=437&mode=Compare&plan\\_type\\_id=1&page=compare\\_plan\\_questions](https://www.savingforcollege.com/compare_529_plans/index.php?plan_question_ids%5B%5D=437&mode=Compare&plan_type_id=1&page=compare_plan_questions).

<sup>14</sup> Minnesota taxpayers may claim either a tax deduction or a tax credit depending on their income. A \$1,500 tax deduction (\$3,000 for a married couple filing jointly) can be claimed against Minnesota income tax. Alternatively, a tax credit equal to 50% of the contributions to accounts, reduced by any withdrawals, may be claimed with a maximum credit amount of up to \$500, subject to a phase-out schedule starting at a federal adjusted gross income of \$75,000.

31. West Virginia
32. Wisconsin (up to \$1,640 / \$3,280)

The following states offer a tax credit for 529 plan contributions:

1. Indiana (20% credit on up to \$5,000 per year – maximum yearly credit of \$1,000)
2. Minnesota (up to 50% of the contribution amount, reduced by any withdrawals, with a maximum credit of \$500—subject to a phase-out schedule starting at a \$75,000 income).
3. Utah (5% credit on up to \$2,000 (individual) or \$4,000 (joint) per beneficiary)
4. Vermont (10% credit on up to \$5,000 (individual) or \$10,000 (joint) per beneficiary)

The following states with a state income tax offer no credit or deduction for 529 plan contributions:

1. California
2. Delaware
3. Hawaii
4. Kentucky
5. Maine (tax deduction expired in 2015 that provided a deduction up to \$250 per beneficiary for taxpayers with an income of \$100,000 or less (individual) or \$200,000 or less (joint)).
6. New Jersey
7. North Carolina

The remaining states have no state income tax and therefore offer no credit or deduction.

Income levels of individuals contributing to an Indiana 529 plan in Tax Year 2019 are as follows:<sup>15</sup>

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<sup>15</sup> Source: Ind. Dep't of Revenue.



Income Range	Number of Taxpayers Contributing to 529	Total Federal Adjusted Gross Income Amount	Total 529 Plan Tax Credits Awarded by State of Indiana
\$0 - 25,000	2,029	\$30,755,260	\$484,980
\$25,000.01 - 50,000	4,861	\$190,060,567	\$2,060,223
\$50,000.01 - 75,000	8,961	\$569,607,246	\$4,489,874
\$75,000.01 - 100,000	13,524	\$1,193,222,569	\$7,211,773
\$100,000.01 - 125,000	15,977	\$1,797,747,347	\$9,452,093
\$125,000.01 - 150,000	14,209	\$1,946,068,655	\$9,163,741
\$150,000.01 - 175,000	11,108	\$1,798,150,947	\$7,952,900
\$175,000.01 - 200,000	8,168	\$1,525,659,917	\$6,255,955
\$200,000.01 - 225,000	5,902	\$1,250,528,936	\$4,760,716
\$225,000.01 - 250,000	4,465	\$1,058,094,704	\$3,738,771
\$250,000.01+	22,806	\$13,059,700,104	\$20,813,782
Partial Non-Resident (PNR)	1,651	\$0	\$1,104,053
<b>TOTAL</b>	<b>113,661</b>		<b>\$77,488,861</b>
Total Minus PNR	112,010		\$76,384,808
<b>Total Over \$100,000</b>	<b>82,635</b>		<b>\$62,137,958</b>
<b>Percent Over \$100k</b>	<b>73.8%</b>		<b>81.3%</b>

## **APPENDIX 10: TIF Pass-Through**

Below is a list of the school corporations that received assessed value passed through from tax increment financing.<sup>16</sup>

Baugo Community School Corporation
Concord Community School Corporation
Cowan Community School Corporation
Daleville Community Schools
Decatur County Community School Corporation
Dekalb County Central United School Corporation
Dekalb County Eastern Comm School Corporation
Delaware Community School Corporation
East Allen County School Corporation
Fairfield Community School Corporation
Fort Wayne Community School Corporation
Garrett-Keyser-Butler Community School Corporation
Greater Jasper Consolidated School Corporation
Greensburg Community School Corporation
Lawrenceburg Community School Corporation
Lebanon Community School Corporation
Lewis Cass Schools
Liberty-Perry Community School Corporation
Logansport Community School Corporation
M.S.D. Sw Allen County School Corporation
Muncie Community School Corporation
Northeast Dubois County School Corporation
Northwest Allen County School Corporation
South Dearborn Community School Corporation
Southeast Dubois County School Corporation
Southwest Dubois County School Corporation
Sunman-Dearborn Community School Corporation
Washington Community School Corporation
Wes-Del Community School Corporation
Yorktown Community Schools
Zionsville Community School Corporation

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<sup>16</sup> Source: Data provided by Ind. Dep't of Local Government Finance.

## **APPENDIX 11: Rainy Day Funds**

Below is each school corporation's ratio of rainy day funds to its 2020 Education Fund certified budget.<sup>17</sup>

School Corporation	2020 Education Fund Certified Budget	Year End 2019 Rainy Day Fund Balance	Rainy Day Fund Balance as a Percent of 2020 Educ. Fund Balance	Rainy Day Fund Balance in Excess of 25% of 2020 Ed Fund Budget (Available for Collective Bargaining Under Recommendation 23)
<b>TOTAL / AVERAGE</b>	<b>\$6,450,951,818</b>	<b>\$609,950,089</b>	<b>9.5% (Avg)</b>	<b>\$40,376,542</b>
Adams Central Community School Corp	\$8,485,533	\$1,146,837	13.5%	\$0
Alexandria Community School Corporation	\$10,235,000	\$1,001,021	9.8%	\$0
Anderson Community School Corporation	\$50,750,000	\$264,227	0.5%	\$0
Argos Community School Corporation	\$3,756,000	\$864,083	23.0%	\$0
Attica Consolidated School Corporation	\$3,603,300	\$1,193,533	33.1%	\$292,708
Avon Community School Corporation	\$57,423,393	\$3,314,547	5.8%	\$0
Barr-Reeve Community School Corporation	\$5,000,000	\$365,161	7.3%	\$0
Bartholomew Consolidated School Corp	\$71,314,553	\$4,874,348	6.8%	\$0
Batesville Community School Corporation	\$14,400,000	\$373,301	2.6%	\$0
Baugo Community School Corporation	\$11,607,649	\$440,419	3.8%	\$0
Beech Grove City School Corporation	\$18,766,902	\$173,517	0.9%	\$0
Benton Community School Corporation	\$12,255,471	\$4,284,861	35.0%	\$1,220,994
Blackford County School Corporation	\$11,820,909	\$1,262,897	10.7%	\$0
Bloomfield School District	\$4,969,580	\$514,781	10.4%	\$0
Blue River Valley School Corporation	\$4,331,680	\$1,390,501	32.1%	\$307,581
Boone Township School Corporation	\$7,916,072	\$308,062	3.9%	\$0
Bremen Public School Corporation	\$8,949,459	\$343,063	3.8%	\$0
Brown County School Corporation	\$13,400,000	\$1,767,827	13.2%	\$0
Brownsburg Community School Corporation	\$61,350,373	\$6,203,358	10.1%	\$0
Brownstown Central Community School Corp	\$9,439,048	\$1,820,050	19.3%	\$0
Cannelton City School Corporation	\$1,642,748	\$100	0.0%	\$0
Carmel-Clay School Corporation	\$106,123,346	\$0	0.0%	\$0
Carroll Consolidated School Corporation	\$6,069,018	\$1,738,574	28.6%	\$221,320

<sup>17</sup> Source: Ind. Distressed Unit Appeal Board.

Caston School Corporation	\$5,043,707	\$1,077,700	21.4%	\$0
Center Grove Community School Corp	\$50,220,000	\$62,382	0.1%	\$0
Centerville-Abington Comm School Corp	\$10,558,946	\$913,537	8.7%	\$0
Central Noble Community School Corp	\$7,347,471	\$1,000,000	13.6%	\$0
Charles A. Beard Memorial School Corp	\$6,468,402	\$286,924	4.4%	\$0
Clark-Pleasant Community School Corp	\$40,763,569	\$7,555,984	18.5%	\$0
Clarksville Community School Corporation	\$8,447,940	\$742,566	8.8%	\$0
Clay Community School Corporation	\$27,321,520	\$3,520,642	12.9%	\$0
Clinton Central School Corporation	\$5,498,699	\$561,584	10.2%	\$0
Clinton Prairie School Corporation	\$7,763,698	\$1,591,712	20.5%	\$0
Cloverdale Community School Corporation	\$7,002,854	\$2,215,423	31.6%	\$464,710
Concord Community School Corporation	\$33,500,000	\$3,327,410	9.9%	\$0
Covington Community School Corporation	\$4,722,180	\$1,554,049	32.9%	\$373,504
Cowan Community School Corporation	\$5,816,801	\$506,727	8.7%	\$0
Crawford County Community School Corp	\$9,110,942	\$533,982	5.9%	\$0
Crawfordsville Community School Corp	\$16,025,557	\$366,032	2.3%	\$0
Crothersville Community School Corp	\$2,251,632	\$12,994	0.6%	\$0
Crown Point Community School Corporation	\$50,000,000	\$20,764,318	41.5%	\$8,264,318
Culver Community School Corporation	\$5,403,843	\$1,218,866	22.6%	\$0
Daleville Community Schools	\$5,692,499	\$94,240	1.7%	\$0
Danville Community School Corporation	\$15,402,404	\$2,191,745	14.2%	\$0
Decatur County Community School Corp	\$12,806,221	\$1,141,963	8.9%	\$0
Dekalb County Central United School Corp	\$22,833,020	\$1,559,627	6.8%	\$0
Dekalb County Eastern Comm School Corp	\$9,529,700	\$2,772,137	29.1%	\$389,712
Delaware Community School Corporation	\$18,250,000	\$1,135,604	6.2%	\$0
Delphi Community School Corporation	\$7,556,644	\$299,622	4.0%	\$0
Duneland School Corporation	\$33,530,000	\$4,944,674	14.7%	\$0
East Allen County School Corporation	\$64,854,781	\$4,394,419	6.8%	\$0
East Gibson School Corporation	\$5,036,321	\$2,555,847	50.7%	\$1,296,767
East Noble School Corporation	\$23,302,766	\$1,533,450	6.6%	\$0
East Porter County School Corporation	\$15,594,686	\$3,000,000	19.2%	\$0
East Washington School Corporation	\$9,330,153	\$114,880	1.2%	\$0
Eastbrook Community School Corporation	\$10,195,610	\$1,051,348	10.3%	\$0
Eastern Consolidated School Corporation	\$6,915,953	\$1,216,875	17.6%	\$0
Eastern Hancock County Community School	\$7,996,000	\$1,232,664	15.4%	\$0
Eastern Howard Community School Corp	\$9,446,600	\$96,848	1.0%	\$0
Eastern Pulaski Community School Corp	\$7,591,509	\$1,719,819	22.7%	\$0
Edinburgh Community School Corporation	\$5,873,786	\$62,932	1.1%	\$0
Elkhart Community School Corporation	\$77,444,480	\$8,468,950	10.9%	\$0
Elwood Community School Corporation	\$9,316,111	\$432,000	4.6%	\$0
Eminence Consolidated School Corporation	\$1,993,393	\$622,816	31.2%	\$124,468

Evansville-Vanderburgh School Corp	\$144,782,713	\$7,934,518	5.5%	\$0
Fairfield Community School Corporation	\$13,883,147	\$348,613	2.5%	\$0
Fayette County School Corporation	\$22,323,452	\$1,829,494	8.2%	\$0
Flatrock-Hawcreek School Corporation	\$5,096,500	\$804,610	15.8%	\$0
Fort Wayne Community School Corporation	\$200,930,514	\$0	0.0%	\$0
Frankfort Community School Corporation	\$18,438,185	\$412,631	2.2%	\$0
Franklin Community School Corporation	\$30,323,133	\$5,321,211	17.5%	\$0
Franklin County Community School Corp	\$14,118,835	\$68,713	0.5%	\$0
Franklin Township Community School Corp	\$66,129,147	\$13,445,048	20.3%	\$0
Frankton-Lapel Community School Corp	\$16,777,242	\$643,322	3.8%	\$0
Fremont Community School Corporation	\$6,514,015	\$879,501	13.5%	\$0
Frontier School Corporation	\$3,953,494	\$578,296	14.6%	\$0
Garrett-Keyser-Butler Comm School Corp	\$11,010,479	\$304,099	2.8%	\$0
Gary Community School Corporation	\$28,834,967	\$0	0.0%	\$0
Goshen Community School Corporation	\$42,029,914	\$5,593,447	13.3%	\$0
Greater Clark County School Corporation	\$60,337,555	\$2,399,779	4.0%	\$0
Greater Jasper Consolidated School Corp	\$17,573,474	\$1,713,643	9.8%	\$0
Greencastle Community School Corporation	\$11,485,600	\$1,664,060	14.5%	\$0
Greenfield Central Community School Corp	\$28,025,978	\$5,335,234	19.0%	\$0
Greensburg Community School Corporation	\$15,494,498	\$1,498,158	9.7%	\$0
Greenwood Community School Corporation	\$27,000,000	\$5,354,586	19.8%	\$0
Griffith Public School Corporation	\$12,145,605	\$395,703	3.3%	\$0
Hamilton Community School Corporation	\$1,953,722	\$1,608,260	82.3%	\$1,119,830
Hamilton Heights School Corporation	\$13,000,000	\$6,883,102	52.9%	\$3,633,102
Hamilton Southeastern School Corporation	\$142,083,756	\$12,985,158	9.1%	\$0
Hammond City School Corporation	\$77,964,569	\$0	0.0%	\$0
Hanover Community School Corporation	\$12,583,804	\$3,022,100	24.0%	\$0
Highland Town School Corporation	\$20,103,673	\$950,000	4.7%	\$0
Huntington County Community School Corp	\$29,175,382	\$1,697,068	5.8%	\$0
Indianapolis Public School Corporation	\$232,893,708	\$18,919,896	8.1%	\$0
Jac-Cen-Del Community School Corporation	\$6,259,104	\$424,107	6.8%	\$0
Jay County School Corporation	\$20,059,185	\$600,782	3.0%	\$0
Jennings County School Corporation	\$28,772,023	\$2,675,949	9.3%	\$0
John Glenn School Corporation	\$11,605,852	\$754,371	6.5%	\$0
Kankakee Valley School Corporation	\$22,493,248	\$5,415,804	24.1%	\$0
Knox Community School Corporation	\$11,635,619	\$1,534,706	13.2%	\$0
Kokomo School Corporation	\$39,032,830	\$426,125	1.1%	\$0
Lafayette School Corporation	\$53,641,700	\$1,631,270	3.0%	\$0
Lake Central School Corporation	\$56,500,000	\$1,350,000	2.4%	\$0
Lake Ridge School Corporation	\$13,704,677	\$4,961,751	36.2%	\$1,535,582
Lake Station School Corporation	\$7,455,697	\$0	0.0%	\$0

Lakeland School Corporation	\$11,810,794	\$0	0.0%	\$0
Lanesville School Corporation	\$5,305,867	\$111,387	2.1%	\$0
Laporte Community School Corporation	\$38,145,584	\$716,248	1.9%	\$0
Lawrenceburg Community School Corp	\$15,184,212	\$2,925,386	19.3%	\$0
Lebanon Community School Corporation	\$21,800,000	\$3,183,996	14.6%	\$0
Lewis Cass Schools	\$7,046,087	\$208,919	3.0%	\$0
Liberty-Perry Community School Corp	\$8,030,915	\$535,757	6.7%	\$0
Linton-Stockton School Corporation	\$9,410,835	\$211,283	2.2%	\$0
Logansport Community School Corporation	\$28,585,131	\$0	0.0%	\$0
Loogootee Community School Corporation	\$4,950,000	\$1,610,588	32.5%	\$373,088
M.S.D. Bluffton-Harrison School Corp	\$10,658,950	\$873,717	8.2%	\$0
M.S.D. Decatur Township School Corp	\$41,150,000	\$5,482,460	13.3%	\$0
M.S.D. Lawrence Township School Corp	\$92,306,168	\$6,583,063	7.1%	\$0
M.S.D. Martinsville School Corporation	\$25,974,007	\$2,815,053	10.8%	\$0
M.S.D. Mount Vernon School Corporation	\$13,887,700	\$1,444,706	10.4%	\$0
M.S.D. North Posey County School Corp	\$8,939,040	\$1,489,219	16.7%	\$0
M.S.D. Perry Township School Corporation	\$107,602,223	\$22,714,109	21.1%	\$0
M.S.D. Pike Township School Corporation	\$71,000,000	\$11,000,000	15.5%	\$0
M.S.D. Shakamak School Corporation	\$3,991,453	\$981,484	24.6%	\$0
M.S.D. Steuben County School Corporation	\$18,090,190	\$2,036,618	11.3%	\$0
M.S.D. Sw Allen County School Corp	\$45,233,859	\$1,720,731	3.8%	\$0
M.S.D. Wabash County School Corporation	\$15,578,713	\$1,435,398	9.2%	\$0
M.S.D. Warren County School Corp	\$8,420,090	\$781,997	9.3%	\$0
M.S.D. Warren Township School Corp	\$74,200,000	\$3,437,000	4.6%	\$0
M.S.D. Washington Township School Corp	\$77,850,490	\$9,949,792	12.8%	\$0
M.S.D. Wayne Township School Corporation	\$116,863,548	\$0	0.0%	\$0
Maconaquah School Corporation	\$13,160,639	\$553,049	4.2%	\$0
Madison Consolidated School Corporation	\$21,802,912	\$4,018,000	18.4%	\$0
Madison-Grant United School Corporation	\$7,846,168	\$531,719	6.8%	\$0
Manchester Community School Corporation	\$10,052,312	\$346	0.0%	\$0
Marion Community School Corporation	\$23,556,745	\$3,000,000	12.7%	\$0
Medora Community School Corporation	\$1,191,615	\$122,514	10.3%	\$0
Merrillville School Corporation	\$44,430,193	\$12,947,118	29.1%	\$1,839,570
Michigan City Area School Corporation	\$37,717,111	\$6,183,185	16.4%	\$0
Middlebury Community School Corporation	\$29,539,987	\$4,132,148	14.0%	\$0
Milan Community School Corporation	\$7,130,367	\$476,143	6.7%	\$0
Mill Creek Community School Corporation	\$10,218,500	\$672,552	6.6%	\$0
Mishawaka City School Corporation	\$31,927,238	\$1,281,771	4.0%	\$0
Mississinewa Community School Corp	\$15,469,611	\$0	0.0%	\$0
Mitchell Community School Corporation	\$10,294,129	\$4,439,234	43.1%	\$1,865,701
Monroe Central School Corporation	\$6,735,745	\$524,528	7.8%	\$0



Monroe County Community School Corp	\$69,825,204	\$1,212,500	1.7%	\$0
Monroe-Gregg School Corporation	\$8,880,385	\$1,556,623	17.5%	\$0
Mooreville Consolidated School Corp	\$27,766,767	\$9,326,563	33.6%	\$2,384,871
Mt. Vernon Community School Corporation	\$26,027,305	\$155,161	0.6%	\$0
Muncie Community School Corporation	\$38,823,000	\$6,420,900	16.5%	\$0
Munster Community School Corporation	\$22,856,002	\$4,000,000	17.5%	\$0
Nettle Creek School Corporation	\$7,248,006	\$1,197,202	16.5%	\$0
New Albany-Floyd County Cons School Corp	\$78,330,098	\$5,522,162	7.0%	\$0
New Castle Community School Corporation	\$20,964,780	\$1,359,448	6.5%	\$0
New Durham Township School Corporation	\$5,542,978	\$43,601	0.8%	\$0
New Prairie United School Corporation	\$17,918,464	\$4,454,586	24.9%	\$0
Nineveh-Hensley-Jackson United Sch Corp	\$15,227,198	\$1,512,002	9.9%	\$0
Noblesville School Corporation	\$60,269,729	\$2,132,184	3.5%	\$0
North Adams Community School Corp	\$11,788,050	\$888,818	7.5%	\$0
North Central Parke Comm School Corp	\$7,881,252	\$815,353	10.3%	\$0
North Daviess County School Corporation	\$7,514,463	\$4,655,325	62.0%	\$2,776,710
North Gibson School Corporation	\$12,619,200	\$2,638,325	20.9%	\$0
North Harrison Community School Corp	\$13,745,501	\$521,929	3.8%	\$0
North Judson-San Pierre School Corp	\$6,869,775	\$468,814	6.8%	\$0
North Knox School Corporation	\$8,470,746	\$2,597,847	30.7%	\$480,160
North Lawrence Community School Corp	\$28,501,362	\$5,547,451	19.5%	\$0
North Miami Consolidated School Corp	\$4,955,820	\$684,880	13.8%	\$0
North Montgomery Community School Corp	\$11,459,600	\$1,720,024	15.0%	\$0
North Newton School Corporation	\$6,820,782	\$2,239,210	32.8%	\$534,014
North Putnam Community School Corp	\$10,582,978	\$2,248,614	21.2%	\$0
North Spencer County School Corporation	\$13,966,718	\$2,703,991	19.4%	\$0
North Vermillion Community School Corp	\$4,522,250	\$1,026,039	22.7%	\$0
North White School Corporation	\$6,713,458	\$855,979	12.8%	\$0
Northeast Dubois County School Corp	\$5,546,000	\$307,105	5.5%	\$0
Northeast School Corporation	\$5,053,600	\$1,255,003	24.8%	\$0
Northeastern Wayne School Corporation	\$8,217,800	\$205,855	2.5%	\$0
Northern Wells Community School Corp	\$15,100,000	\$273,629	1.8%	\$0
Northwest Allen County School Corp	\$47,971,284	\$1,097,430	2.3%	\$0
Northwest Hendricks School Corporation	\$12,262,686	\$692,244	5.6%	\$0
Northwestern Consolidated School Corp	\$9,400,000	\$696,026	7.4%	\$0
Northwestern School Corporation	\$11,077,050	\$1,043,338	9.4%	\$0
Oak Hill United School Corporation	\$10,011,340	\$41,384	0.4%	\$0
Oregon-Davis School Corporation	\$3,624,554	\$211,495	5.8%	\$0
Orleans Community School Corporation	\$5,740,205	\$604,096	10.5%	\$0
Paoli Community School Corporation	\$8,532,289	\$525,413	6.2%	\$0
Penn-Harris-Madison-School Corporation	\$72,416,524	\$3,140,611	4.3%	\$0



Perry Central Community School Corp	\$8,300,000	\$593,660	7.2%	\$0
Peru Community School Corporation	\$11,604,693	\$1,000,000	8.6%	\$0
Pike County School Corporation	\$13,111,703	\$1,754,472	13.4%	\$0
Pioneer Regional School Corporation	\$5,949,297	\$831,298	14.0%	\$0
Plainfield Community School Corporation	\$37,000,000	\$2,702,051	7.3%	\$0
Plymouth Community School Corp	\$20,370,626	\$1,487,852	7.3%	\$0
Portage Township School Corporation	\$51,132,756	\$10,999,277	21.5%	\$0
Porter Township School Corporation	\$9,000,030	\$97,038	1.1%	\$0
Prairie Heights Community School Corp	\$10,230,318	\$3,910,000	38.2%	\$1,352,421
Randolph Central School Corporation	\$8,800,000	\$913,938	10.4%	\$0
Randolph Eastern School Corporation	\$5,984,579	\$1,533,583	25.6%	\$37,439
Randolph Southern School Corporation	\$2,916,851	\$835,446	28.6%	\$106,233
Rensselaer Central School Corporation	\$9,644,113	\$2,372,950	24.6%	\$0
Richland-Bean Blossom Comm School Corp	\$15,418,950	\$0	0.0%	\$0
Richmond Community School Corporation	\$33,366,996	\$4,364,107	13.1%	\$0
Rising Sun-Ohio County Comm School Corp	\$5,384,950	\$320,358	5.9%	\$0
River Forest Community School Corp	\$10,344,668	\$360,470	3.5%	\$0
Rochester Community School Corporation	\$8,543,108	\$219,418	2.6%	\$0
Rossville Consolidated School Corp	\$5,460,880	\$985,000	18.0%	\$0
Rush County School Corporation	\$11,510,125	\$2,804,227	24.4%	\$0
Salem Community School Corporation	\$10,630,119	\$98,194	0.9%	\$0
School City Of East Chicago School Corp	\$26,670,948	\$2,231,747	8.4%	\$0
School City Of Hobart School Corporation	\$26,780,587	\$0	0.0%	\$0
Scott County District No. 1 School Corp	\$7,556,900	\$971,700	12.9%	\$0
Scott County District No. 2 School Corp	\$17,500,000	\$375,000	2.1%	\$0
Seymour Community School Corporation	\$32,442,086	\$6,000,000	18.5%	\$0
Shelby Eastern School Corporation	\$7,567,726	\$2,000,000	26.4%	\$108,069
Shelbyville Central School Corporation	\$27,930,051	\$5,433,491	19.5%	\$0
Shenandoah School Corporation	\$9,323,401	\$500,000	5.4%	\$0
Sheridan Community Schools	\$7,403,104	\$876,499	11.8%	\$0
Shoals Community School Corporation	\$3,884,100	\$801,203	20.6%	\$0
Smith-Green Community School Corporation	\$6,516,652	\$639,567	9.8%	\$0
South Adams School Corporation	\$9,089,873	\$2,030,512	22.3%	\$0
South Bend Community School Corporation	\$112,853,761	\$816,000	0.7%	\$0
South Central Community School Corp	\$4,864,142	\$846,867	17.4%	\$0
South Dearborn Community School Corp	\$15,106,080	\$860,981	5.7%	\$0
South Gibson School Corporation	\$12,859,438	\$41,276	0.3%	\$0
South Harrison School Corporation	\$20,432,794	\$195,943	1.0%	\$0
South Henry School Corporation	\$4,371,369	\$244,662	5.6%	\$0
South Knox School Corporation	\$8,151,449	\$834,725	10.2%	\$0
South Madison Community School Corp	\$28,120,556	\$0	0.0%	\$0

South Montgomery Community School Corp	\$10,238,066	\$632,029	6.2%	\$0
South Newton School Corporation	\$6,013,351	\$1,023,154	17.0%	\$0
South Putnam Community School Corp	\$7,098,055	\$954,306	13.4%	\$0
South Ripley Community School Corp	\$9,487,783	\$269,388	2.8%	\$0
South Spencer County School Corporation	\$8,248,000	\$1,274,958	15.5%	\$0
South Vermillion Community School Corp	\$8,519,925	\$0	0.0%	\$0
Southeast Dubois County School Corp	\$8,360,403	\$1,170,122	14.0%	\$0
Southeast Fountain School Corporation	\$6,140,228	\$1,623,123	26.4%	\$88,066
Southern Hancock County Comm School Corp	\$22,769,800	\$795,430	3.5%	\$0
Southern Wells Community School Corp	\$5,328,022	\$1,049,583	19.7%	\$0
Southwest Dubois County School Corp	\$13,093,993	\$1,825,177	13.9%	\$0
Southwest Parke Community School Corp	\$7,273,520	\$392,889	5.4%	\$0
Southwest School Corporation	\$11,000,000	\$973,197	8.8%	\$0
Southwestern Consolidated Shelby County	\$4,171,274	\$1,546,344	37.1%	\$503,526
Southwestern Jefferson Consolidated Scho	\$9,542,825	\$300,000	3.1%	\$0
Speedway City School Corporation	\$14,766,553	\$763,239	5.2%	\$0
Spencer-Owen Community School Corp	\$15,800,000	\$3,901,622	24.7%	\$0
Springs Valley Community School Corp	\$5,080,296	\$364,706	7.2%	\$0
Sunman-Dearborn Community School Corp	\$24,959,830	\$4,452,404	17.8%	\$0
Switzerland County School Corporation	\$8,973,586	\$822,926	9.2%	\$0
Taylor Community School Corporation	\$7,876,555	\$586,994	7.5%	\$0
Tell City-Troy Township School Corp	\$9,750,000	\$1,068,534	11.0%	\$0
Tippecanoe School Corporation	\$87,706,127	\$5,799,878	6.6%	\$0
Tippecanoe Valley School Corporation	\$13,451,908	\$968,332	7.2%	\$0
Tipton Community School Corporation	\$9,138,720	\$3,711,815	40.6%	\$1,427,135
Tri County School Corporation	\$3,999,680	\$1,727,658	43.2%	\$727,738
Tri Creek School Corporation	\$21,200,000	\$2,438,573	11.5%	\$0
Tri-Central Community Schools	\$4,443,076	\$22,576	0.5%	\$0
Triton School Corporation	\$5,333,969	\$557,984	10.5%	\$0
Tri-Township School Corporation	\$2,567,000	\$75,000	2.9%	\$0
Twin Lakes Community School Corporation	\$16,179,619	\$1,432,195	8.9%	\$0
Union County School Corporation	\$9,173,729	\$1,071,690	11.7%	\$0
Union School Corporation	\$25,502,089	\$1,579,137	6.2%	\$0
Union Township School Corporation	\$8,022,560	\$5,761,479	71.8%	\$3,755,839
Union-North United School Corporation	\$7,566,582	\$1,227,074	16.2%	\$0
Valparaiso Community School Corporation	\$37,639,183	\$8,868,031	23.6%	\$0
Vigo County School Corporation	\$100,669,937	\$1,578,474	1.6%	\$0
Vincennes Community School Corporation	\$18,737,725	\$3,647,420	19.5%	\$0
Wabash City School Corporation	\$8,924,977	\$502,859	5.6%	\$0
Wa-Nee Community School Corporation	\$19,500,000	\$2,611,587	13.4%	\$0
Warrick County School Corporation	\$65,746,263	\$1,599,458	2.4%	\$0

Warsaw Community School Corporation	\$43,713,294	\$3,379,645	7.7%	\$0
Washington Community School Corporation	\$15,520,000	\$201,879	1.3%	\$0
Wawasee Community School Corporation	\$20,078,497	\$2,919,006	14.5%	\$0
Wes-Del Community School Corp	\$6,682,930	\$574,727	8.6%	\$0
West Central School Corporation	\$4,865,405	\$1,008,872	20.7%	\$0
West Clark Community School Corporation	\$27,229,668	\$1,134,772	4.2%	\$0
West Lafayette Community School Corp	\$19,725,000	\$1,232,020	6.2%	\$0
West Noble School Corporation	\$15,728,748	\$2,005,266	12.7%	\$0
West Washington School Corporation	\$6,000,000	\$1,182,235	19.7%	\$0
Western Boone County School Corporation	\$10,370,305	\$1,827,021	17.6%	\$0
Western School Corporation	\$16,762,669	\$458,350	2.7%	\$0
Western Wayne School Corporation	\$5,218,898	\$804,908	15.4%	\$0
Westfield-Washington School Corporation	\$54,154,801	\$0	0.0%	\$0
Westview School Corporation	\$12,761,304	\$1,535,834	12.0%	\$0
White River Valley Cons School Corp	\$4,104,000	\$2,370,687	57.8%	\$1,344,687
Whiting City School Corporation	\$9,251,463	\$3,739,546	40.4%	\$1,426,681
Whitko Community School Corporation	\$9,553,215	\$1,000,000	10.5%	\$0
Whitley County Consolidated School Corp	\$21,135,621	\$138,695	0.7%	\$0
Yorktown Community Schools	\$18,000,000	\$4,002,628	22.2%	\$0
Zionsville Community School Corporation	\$46,339,253	\$1,383,288	3.0%	\$0

## **APPENDIX 12: Minimum Salary Costs**

In connection with recommendation no. 30, below is a list of each school corporation that had teacher salaries of less than \$40,000 in 2018-19.<sup>18</sup> The dollar figures listed represent (a) the total number of teachers earning less than either \$35,000 or \$40,000 multiplied by (b) the average amount by which these teachers fall below this threshold.

Note that the below data comes from individual salary data reported by school corporations to the Indiana Department of Education and could contain errors in the source data, including discrepancies when compared to IEERB data. Additionally, these figures are from 2018-19. Data from 2019-20 is likely to significantly reduce the gaps for many school corporations.

School Corporation	Amount in Additional Salary Costs Needed to Achieve a \$35,000 Minimum Salary	Amount in Additional Salary Costs Needed to Achieve a \$40,000 Minimum Salary
<b>TOTAL</b>	<b>\$1,768,071</b>	<b>\$29,823,511</b>
Adams Central Community Schools	\$14,662	\$101,592
Alexandria Community School Corp	\$1,032	\$87,655
Anderson Community School Corp		\$96,520
Argos Community Schools	\$8,498	\$107,998
Attica Consolidated School Corp	\$17,000	\$109,000
Avon Community School Corp		\$4,500
Barr-Reeve Community Schools Inc		\$3,000
Bartholomew Con School Corp	\$85,987	\$177,137
Batesville Community School Corp	\$3,791	\$65,289
Baugo Community Schools		\$91,783
Benton Community School Corp	\$3,910	\$126,035
Blackford County Schools	\$4,537	\$135,276
Bloomfield School District	\$5,900	\$56,700
Blue River Valley Schools	\$9,728	\$75,134
Bremen Public Schools	\$11,974	\$101,988
Brown County School Corporation		\$78,000
Brownstown Cnt Com Sch Corp		\$12,972
C A Beard Memorial School Corp	\$4,560	\$94,489
Cannelton City Schools	\$9,450	\$46,450
Carmel Clay Schools		\$42,494
Carroll Consolidated School Corp		\$120,000
Caston School Corporation	\$4,200	\$48,500
Center Grove Community School Corp		\$19,180

<sup>18</sup> Source: Analysis by the Ind. Management Performance Hub of data from the Ind. Dep't of Edu.

Centerville-Abington Com Schs		\$57,957
Central Noble Com School Corp	\$22,091	\$109,634
Clarksville Community School Corp		\$126,078
Clay Community Schools		\$64,957
Clinton Central School Corporation		\$39,193
Clinton Prairie School Corporation	\$1,500	\$81,953
Cloverdale Community Schools	\$3,267	\$47,513
Community Schools of Frankfort		\$224,807
Concord Community Schools		\$8,000
Covington Community School Corp	\$750	\$77,251
Cowan Community School Corp		\$32,272
Crawford County Community Sch Corp	\$8,978	\$75,478
Crawfordsville Community Schools	\$7,400	\$105,400
Crothersville Community Schools	\$20,882	\$73,122
Crown Point Community School Corp		\$3,219
Culver Community Schools Corp	\$15,937	\$80,987
Daleville Community Schools		\$14,172
Danville Community School Corp		\$111,876
Decatur County Community Schools	\$7,528	\$153,539
DeKalb Co Ctl United Sch Dist		\$23,250
DeKalb Co Eastern Com Sch Dist		\$118,394
Delaware Community School Corp		\$13,570
Delphi Community School Corp		\$25,762
East Allen County Schools		\$45,000
East Gibson School Corporation	\$94,314	\$272,432
East Noble School Corporation		\$70,560
East Porter County School Corp	\$16,895	\$325,495
East Washington School Corp		\$19,600
Eastbrook Community Sch Corp		\$32,950
Eastern Greene Schools		\$74,800
Eastern Hancock Co Com Sch Corp		\$34,527
Eastern Howard School Corporation		\$64,000
Eastern Pulaski Community Sch Corp		\$41,466
Edinburgh Community School Corp		\$60,700
Elkhart Community Schools	\$2,645	\$425,540
Elwood Community School Corp	\$4,920	\$200,670
Eminence Community School Corp	\$23,500	\$101,798
Evansville Vanderburgh School Corp	\$10,000	\$862,182
Fairfield Community Schools	\$14,650	\$219,700
Fayette County School Corporation		\$233,820
Flat Rock-Hawcreek School Corp	\$3,000	\$93,343

Fort Wayne Community Schools		\$309,668
Franklin Community School Corp		\$122,167
Franklin County Community Sch Corp		\$32,422
Frankton-Lapel Community Schools		\$47,200
Fremont Community Schools	\$6,411	\$25,888
Frontier School Corporation		\$110,750
Garrett-Keyser-Butler Com Sch Corp	\$4,880	\$127,220
Goshen Community Schools	\$28,616	\$569,821
Greater Clark County Schools		\$34,358
Greater Jasper Consolidated Schs		\$50,644
Greencastle Community School Corp		\$173,660
Greenfield-Central Com Schools		\$110,727
Greensburg Community Schools		\$56,675
Greenwood Community Sch Corp		\$105,161
Griffith Public Schools	\$4,652	\$35,223
Hamilton Community Schools	\$9,922	\$49,809
Hamilton Heights School Corp		\$47,686
Hamilton Southeastern Schools	\$3,308	\$8,683
Hanover Community School Corp	\$1,580	\$39,619
Huntington Co Com Sch Corp	\$12,225	\$166,216
Indianapolis Public Schools	\$14,300	\$67,568
Jac-Cen-Del Community Sch Corp		\$65,000
Jay School Corporation		\$142,811
Jennings County School Corporation		\$40,100
John Glenn School Corporation	\$453	\$125,598
Kankakee Valley School Corp		\$163,411
Knox Community School Corp	\$11,394	\$169,126
Kokomo School Corporation	\$2,500	\$649,980
Lafayette School Corporation		\$262,741
Lake Ridge New Tech Schools		\$84,332
Lake Station Community Schools	\$1,897	\$63,277
Lakeland School Corporation	\$4,506	\$137,025
Lanesville Community School Corp		\$13,600
LaPorte Community School Corp	\$7,797	\$321,748
Lawrenceburg Community School Corp		\$56,016
Lebanon Community School Corp		\$25,528
Lewis Cass Schools		\$48,900
Liberty-Perry Community Sch Corp	\$5,624	\$53,920
Linton-Stockton School Corporation		\$38,000
Logansport Community Sch Corp	\$74,790	\$372,729
Loogootee Community Sch Corp		\$19,600

M S D Bluffton-Harrison		\$69,890
M S D Boone Township		\$41,549
M S D Decatur Township	\$33,139	\$68,139
M S D Lawrence Township	\$14,915	\$39,226
M S D Martinsville Schools		\$65,500
M S D Mount Vernon		\$111,402
M S D North Posey Co Schools	\$14,360	\$218,611
M S D of New Durham Township	\$2,902	\$51,659
M S D Shakamak Schools		\$16,752
M S D Southwest Allen County Schls		\$21,000
M S D Steuben County		\$70,904
M S D Wabash County Schools	\$12,970	\$190,570
M S D Warren County	\$5,750	\$135,592
M S D Warren Township	\$3,108	\$13,289
M S D Wayne Township		\$1,871
Maconaquah School Corp		\$57,232
Madison Consolidated Schools	\$4,400	\$92,285
Madison-Grant United School Corp	\$10,050	\$137,200
Manchester Community Schools		\$32,400
Marion Community Schools	\$20,328	\$268,236
Medora Community School Corp	\$17,676	\$57,676
Merrillville Community School Corp		\$380
Michigan City Area Schools	\$40,640	\$237,585
Middlebury Community Schools	\$9,115	\$201,301
Milan Community Schools		\$61,000
Mill Creek Community Sch Corp	\$78	\$75,078
Mississinewa Community School Corp	\$45,400	\$171,988
Mitchell Community Schools	\$179	\$61,362
Monroe Central School Corp	\$11,125	\$94,167
Monroe County Community Sch Corp		\$116,000
Monroe-Gregg School District	\$5,375	\$99,514
Mooresville Con School Corp		\$48,656
Mt Vernon Community School Corp		\$28,298
Muncie Community Schools	\$34,117	\$634,679
Nettle Creek School Corporation	\$12,246	\$76,318
New Albany-Floyd Co Con Sch	\$21,658	\$57,962
New Castle Community School Corp	\$1,500	\$335,411
New Prairie United School Corp		\$126,122
Nineveh-Hensley-Jackson United		\$125,000
Noblesville Schools		\$25,350
North Adams Community Schools	\$816	\$95,981



North Central Parke Comm Schl Corp	\$22,188	\$169,596
North Daviess Com Schools		\$7,200
North Gibson School Corporation	\$11,587	\$141,339
North Harrison Com School Corp		\$66,200
North Judson-San Pierre Sch Corp		\$85,520
North Knox School Corp		\$53,923
North Lawrence Com Schools	\$14,295	\$488,297
North Miami Community Schools	\$105	\$49,932
North Montgomery Com Sch Corp		\$90,599
North Newton School Corp	\$17,411	\$120,288
North Putnam Community Schools	\$39,282	\$186,195
North Spencer County Sch Corp		\$61,826
North Vermillion Com Sch Corp	\$7,500	\$118,500
North West Hendricks Schools		\$76,750
North White School Corp	\$15,000	\$113,000
Northeast Dubois Co Sch Corp		\$54,000
Northeast School Corp	\$9,250	\$93,182
Northeastern Wayne Schools	\$3,950	\$43,647
Northern Wells Community Schools		\$21,943
Northwest Allen County Schools		\$600
Northwestern Con School Corp		\$38,534
Northwestern School Corp		\$81,500
Oak Hill United School Corp		\$99,750
Oregon-Davis School Corp	\$50,684	\$137,862
Orleans Community Schools		\$38,384
Paoli Community School Corp	\$3,783	\$56,453
Penn-Harris-Madison School Corp		\$54,208
Perry Central Com Schools Corp	\$3,000	\$65,500
Peru Community Schools	\$7,058	\$139,920
Pike County School Corp	\$2,937	\$145,158
Pioneer Regional School Corp	\$11,015	\$86,524
Plymouth Community School Corp	\$10,038	\$242,019
Portage Township Schools		\$108,646
Porter Township School Corp		\$64,435
Prairie Heights Community Sch Corp		\$79,899
Randolph Central School Corp	\$9,454	\$194,113
Randolph Eastern School Corp		\$70,600
Randolph Southern School Corp	\$13,737	\$100,870
Rensselaer Central School Corp	\$2,340	\$94,520
Richland-Bean Blossom C S C		\$133,978
Richmond Community Schools		\$261,050

Rising Sun-Ohio Co Com		\$43,662
River Forest Community Sch Corp		\$7,754
Rochester Community School Corp	\$23,700	\$229,000
Rossville Con School District	\$2,283	\$48,673
Rush County Schools		\$208,396
Salem Community Schools		\$32,500
School City of East Chicago	\$6,231	\$13,585
School City of Hammond	\$48,000	\$89,040
School City of Hobart		\$5,254
School City of Mishawaka		\$34,763
School City of Whiting	\$3,928	\$24,361
School Town of Highland		\$2,000
School Town of Munster		\$2,000
Scott County School District 1		\$20,976
Scott County School District 2	\$13,828	\$146,794
Seymour Community Schools		\$1,924
Shelby Eastern Schools	\$8,370	\$122,134
Shelbyville Central Schools		\$22,650
Shenandoah School Corporation	\$15,393	\$103,161
Sheridan Community Schools	\$1,884	\$58,150
Shoals Community School Corp		\$41,917
Smith-Green Community Schools		\$74,000
South Adams Schools	\$1,000	\$55,404
South Bend Community School Corp	\$1,596	\$1,192,404
South Central Com School Corp		\$22,528
South Dearborn Community Sch Corp		\$139,901
South Gibson School Corporation	\$2,600	\$17,550
South Harrison Com Schools		\$101,481
South Henry School Corp	\$6,508	\$90,686
South Knox School Corp		\$21,000
South Madison Com Sch Corp		\$51,614
South Montgomery Com Sch Corp		\$41,713
South Newton School Corp	\$14,193	\$89,398
South Putnam Community Schools		\$57,906
South Ripley Com Sch Corp		\$56,000
South Spencer County Sch Corp		\$20,500
South Vermillion Com Sch Corp		\$76,150
Southeast Dubois Co Sch Corp	\$3,000	\$86,250
Southeast Fountain School Corp		\$57,400
Southern Wells Com Schools		\$50,500
Southwest Dubois Co Sch Corp		\$4,250

Southwest Parke Com Sch Corp	\$79,993	\$273,897
Southwest School Corporation	\$51,260	\$256,886
Southwestern Con Sch Shelby Co	\$3,000	\$78,577
Southwestern-Jefferson Co Con		\$33,543
Spencer-Owen Community Schools		\$98,400
Springs Valley Com School Corp		\$20,750
Sunman-Dearborn Com Sch Corp		\$58,387
Switzerland County School Corp		\$44,987
Taylor Community School Corp	\$6,001	\$122,001
Tell City-Troy Twp School Corp	\$9,858	\$155,858
Tippecanoe School Corp		\$215,185
Tippecanoe Valley School Corp	\$13,175	\$187,900
Tipton Community School Corp	\$36,000	\$184,500
Tri-Central Community Schools	\$9,291	\$100,479
Tri-County School Corporation	\$3,836	\$61,533
Triton School Corporation		\$23,200
Tri-Township Cons School Corp	\$16,500	\$89,073
Twin Lakes School Corp	\$5,000	\$217,305
Union Co/Clg Corner Joint Sch Dist		\$92,508
Union School Corporation	\$19,000	\$71,000
Union-North United School Corp		\$60,216
Vigo County School Corp	\$31,473	\$895,170
Vincennes Community School Corp	\$39,092	\$384,237
Wabash City Schools	\$7,400	\$92,773
Wa-Nee Community Schools	\$4,754	\$56,954
Warrick County School Corp		\$41,271
Warsaw Community Schools	\$38,295	\$577,127
Washington Community Schools	\$1,096	\$148,079
Wawasee Community School Corp		\$60,797
Wes-Del Community Schools		\$92,101
West Central School Corp	\$5,106	\$82,885
West Noble School Corporation		\$95,309
West Washington School Corp		\$33,400
Western Boone Co Com Sch Dist		\$104,013
Western School Corporation		\$97,450
Western Wayne Schools	\$8,539	\$92,984
Westfield-Washington Schools		\$6,991
Westview School Corporation		\$26,110
White River Valley School District		\$41,350
Whitko Community School Corp		\$84,724
Whitley County Con Schools	\$12,086	\$235,411

## APPENDIX 13: School Corporation Salary Spending Declines

In connection with recommendation no. 31, below is a list of each school corporation that reported a decrease in the amount of money it spent on teacher salaries in 2019-20.<sup>19</sup>

School Corporation	2020 ADM Percentage Difference vs. 2019	Tuition Support Difference vs. 2019	2020 Total Teacher Salary Spend	Total Difference in Teacher Salary Spending vs. 2019
<b>TOTAL</b>		\$16,893,419	\$808,614,331	<b>-\$41,858,957</b>
Anderson Community School Corp	-2.1%	-\$200,391	\$26,982,490	-\$51,122
Argos Community Schools	-9.7%	-\$258,404	\$1,795,163	-\$4,720
Attica Consolidated Sch Corp	-6.1%	-\$77,455	\$1,740,074	-\$4,822
Bartholomew Con School Corp	-0.4%	\$1,238,396	\$36,919,007	-\$992,763
Baugo Community Schools	1.9%	\$580,390	\$4,931,773	-\$103,274
Benton Community School Corp	-2.1%	-\$131,150	\$5,959,975	-\$74,442
Bloomfield School District	-0.7%	\$109,448	\$2,417,904	-\$121,332
Bremen Public Schools	-1.9%	-\$29,168	\$4,622,388	-\$31,463
Brown County School Corporation	-1.5%	-\$104,023	\$5,978,914	-\$291,743
Brownstown Cnt Com Sch Corp	-0.9%	\$172,534	\$5,542,715	-\$105,285
Center Grove Com Sch Corp	3.9%	\$3,585,018	\$25,751,146	-\$296,516
Clay Community Schools	-0.7%	\$162,025	\$14,070,645	-\$188,379
Cloverdale Community Schools	-2.5%	-\$34,813	\$3,138,460	-\$153,066
Concord Community Schools	-2.0%	-\$375,773	\$17,066,320	-\$107,420
Covington Community Sch Corp	-1.9%	\$64,820	\$2,647,337	-\$165,242
Crawford Co Com School Corp	0.3%	\$257,437	\$4,372,528	-\$70,339
Crothersville Community Schools	2.4%	\$134,824	\$982,579	-\$57,434
East Gibson School Corporation	-5.8%	-\$186,724	\$3,136,876	-\$181,265
East Washington School Corp	0.2%	\$71,237	\$4,498,346	-\$1,035,523
Eastern Greene Schools	-4.9%	-\$292,427	\$3,453,812	-\$336,588
Eastern Hancock Co Com Sch Corp	-1.1%	\$157,133	\$3,589,532	-\$27,478
Eastern Pulaski Com Sch Corp	-3.1%	-\$270,604	\$4,073,841	-\$640,414
Edinburgh Community Sch Corp	-1.2%	\$58,016	\$2,787,802	-\$36,553
Elwood Community School Corp	-3.6%	-\$77,470	\$4,121,500	-\$145,076
Eminence Community School Corp	0.0%	-\$35,929	\$1,054,895	-\$66,024
Evansville Vanderburgh Sch Corp	0.1%	\$3,746,737	\$75,029,476	-\$1,230,924
Fremont Community Schools	0.6%	\$162,034	\$3,472,977	-\$123,510
Gary Community School Corp	-5.4%	-\$1,464,025	\$15,102,956	-\$5,314,060

<sup>19</sup> Source: IERB data, IERB 2020 STATEWIDE REPORT, *supra* note 3; IDOE data.

Greater Clark County Schools	0.6%	\$1,666,189	\$35,216,145	-\$1,412,143
Greencastle Community Sch Corp	-2.8%	-\$108,959	\$5,975,726	-\$255,841
Greensburg Community Schools	-0.7%	\$267,038	\$6,997,746	-\$88,095
Griffith Public Schools	-6.6%	-\$839,494	\$6,003,238	-\$131,912
Jay School Corp	0.5%	\$651,869	\$10,238,632	-\$368,443
Knox Community School Corp	-1.5%	\$158,726	\$5,076,288	-\$260,161
Lake Ridge Schools	-5.0%	-\$388,868	\$4,474,275	-\$961,824
Lakeland School Corporation	-9.1%	-\$671,973	\$5,353,561	-\$567,751
Lebanon Community School Corp	-1.3%	\$72,062	\$11,746,288	-\$149,525
Logansport Community Sch Corp	1.1%	\$965,294	\$14,197,221	-\$713,378
Loogootee Community Sch Corp	-5.8%	-\$247,611	\$2,250,350	-\$4,492
M S D Bluffton-Harrison	1.7%	\$370,875	\$5,100,310	-\$180,846
M S D Mount Vernon	1.6%	\$456,821	\$7,162,367	-\$99,163
M S D Pike Township	1.6%	\$3,015,558	\$40,348,476	-\$2,610,879
M S D Shakamak Schools	-4.1%	-\$285	\$2,347,096	-\$111,253
M S D Steuben County	-3.0%	-\$127,309	\$8,216,470	-\$23,820
M S D Warren Township	-2.4%	-\$380,737	\$42,280,000	-\$2,895,155
Maconaquah School Corp	-0.3%	\$235,361	\$6,468,869	-\$26,753
Madison Consolidated Schools	-0.5%	\$218,528	\$8,802,714	-\$39,887
Madison-Grant United Sch Corp	-1.9%	\$30,060	\$3,465,816	-\$533,209
Manchester Community Schools	-2.9%	-\$162,677	\$4,605,214	-\$68,484
Marion Community Schools	0.0%	\$648,676	\$14,171,610	-\$1,743,962
Merrillville Community School	-2.2%	\$209,049	\$19,193,646	-\$362,335
Milan Community Schools	-4.7%	-\$173,662	\$3,349,000	-\$195,000
Mississinewa Community School Corp	1.7%	\$643,182	\$6,664,474	-\$98,042
Mitchell Community Schools	-3.2%	-\$112,353	\$5,152,171	-\$11,864
North Central Parke Con Sch Corp	-2.1%	\$5,690	\$4,263,157	-\$256,532
North Judson-San Pierre Sch Corp	-2.5%	\$847	\$3,355,430	-\$47,546
Northeast School Corp	-3.1%	-\$23,349	\$2,311,993	-\$1,765
Oak Hill United School Corp	-0.5%	\$119,418	\$4,798,570	-\$42,627
Paoli Community School Corp	-2.0%	-\$11,466	\$4,381,255	-\$24,596
Peru Community Schools	-1.5%	\$84,456	\$5,981,883	-\$105,367
Plymouth Community School Corp	-1.2%	\$32,152	\$10,326,514	-\$170,864
Randolph Central School Corp	-4.2%	-\$162,213	\$3,785,355	-\$83,817
River Forest Community Sch Corp	-4.5%	-\$354,208	\$4,456,137	-\$34,799
Salem Community Schools	-1.6%	\$25,617	\$6,572,380	-\$325,317
School City of East Chicago	-0.9%	\$477,590	\$14,104,987	-\$1,564,716
School City of Hammond	-2.6%	-\$152,427	\$40,576,550	-\$5,773,619
School City of Mishawaka	-0.7%	\$339,633	\$15,595,419	-\$75,278
Sheridan Community Schools	-1.1%	\$126,268	\$3,501,514	-\$727,860
South Dearborn Com School Corp	-5.7%	-\$242,227	\$7,779,322	-\$601,925

South Gibson School Corp	2.0%	\$547,407	\$6,019,144	-\$195,825
South Henry School Corp	-1.1%	\$47,711	\$2,170,964	-\$187,720
South Madison Com Sch Corp	-0.5%	\$661,985	\$12,350,769	-\$62,455
South Newton School Corp	-0.4%	\$20,648	\$2,821,211	-\$169,483
South Putnam Community Schools	0.8%	\$228,192	\$3,072,978	-\$455,590
Southeast Fountain School Corp	1.1%	\$161,174	\$3,555,643	-\$26,309
Southwestern-Jefferson Co Con	-4.3%	-\$184,636	\$4,125,162	-\$324,872
Springs Valley Com School Corp	5.0%	\$421,442	\$2,882,950	-\$51,650
Tippecanoe Valley School Corp	-1.0%	\$183,044	\$5,973,370	-\$99,705
Union Co-Clg Corner Joint Sch Dist	-1.3%	\$64,336	\$3,789,408	-\$538,621
Wawasee Community School Corp	-1.7%	-\$118,767	\$10,801,382	-\$803,325
West Central School Corp	-2.6%	-\$111,972	\$2,381,813	-\$130,316
West Clark Community Schools	-0.3%	\$736,048	\$14,151,238	-\$278,840
West Lafayette Com School Corp	0.1%	\$355,853	\$8,311,360	-\$608,427
West Noble School Corporation	-0.8%	\$202,683	\$7,200,000	-\$500,406
Western School Corp	-2.1%	-\$9,744	\$7,919,135	-\$922,254
Western Wayne Schools	-5.4%	-\$142,952	\$2,447,455	-\$199,783
White River Valley Sch Dist	-2.3%	\$150,690	\$2,464,568	-\$147,757
Whitko Community School Corp	-2.3%	\$57,443	\$4,286,180	-\$447,997

## **APPENDIX 14: Teacher Stipends**

Below is data on each school corporation's reported spending on teacher stipends, in connection with recommendation no. 31.<sup>20</sup>

School Corporation	Average Teacher Salary	Number of Teachers Receiving Stipends	Percent of Teachers Receiving Stipends	Total Amount of Stipends Awarded
<b>TOTAL</b>		<b>18,268</b>	<b>29.6%</b>	<b>\$15,087,095</b>
Adams Central Community Schools	\$48,378		0%	
Alexandria Com School Corp	\$55,084		0%	
Anderson Community School Corp	\$52,495	511	99%	\$922,250.00
Argos Community Schools	\$40,799		0%	
Attica Consolidated Sch Corp	\$43,502		0%	
Avon Community School Corp	\$58,141	34	6%	\$118,465.00
Barr-Reeve Com Schools Inc	\$55,111		0%	
Bartholomew Con School Corp	\$50,505	645	88%	\$258,000.00
Batesville Community Sch Corp	\$53,923		0%	
Baugo Community Schools	\$46,969		0%	
Beech Grove City Schools	\$51,632		0%	
Benton Community School Corp	\$48,064	112	90%	\$56,999.00
Blackford County Schools	\$48,832	83	83%	\$58,100.00
Bloomfield School District	\$45,621	10	19%	\$11,000.00
Blue River Valley Schools	\$47,033	1	2%	\$2,500.00
Bremen Public Schools	\$50,795		0%	
Brown County School Corporation	\$50,669	15	13%	\$21,750.00
Brownsburg Community Sch Corp	\$56,920	74	13%	\$120,516.00
Brownstown Cnt Com Sch Corp	\$58,344		0%	
C A Beard Memorial School Corp	\$45,925	58	92%	\$29,000.00
Cannelton City Schools	\$39,394		0%	
Carmel Clay Schools	\$61,874		0%	
Carroll Consolidated Sch Corp	\$43,450		0%	
Caston School Corporation	\$47,298		0%	
Center Grove Com Sch Corp	\$53,095		0%	
Centerville-Abington Com Schs	\$52,057		0%	
Central Noble Com School Corp	\$50,698		0%	
Clark-Pleasant Com School Corp	\$53,677	199	51%	\$28,600.00

<sup>20</sup> Source: IEERB data, IEERB 2020 STATEWIDE REPORT, *supra* note 3.



Clarksville Com School Corp	\$48,343	4	5%	\$-
Clay Community Schools	\$49,545		0%	
Clinton Central School Corp	\$47,415	5	8%	\$50,496.00
Clinton Prairie School Corp	\$46,245		0%	
Cloverdale Community Schools	\$48,284	65	100%	\$32,500.00
Community Schools of Frankfort	\$48,566	187	83%	\$87,108.00
Concord Community Schools	\$51,716	4	1%	\$3,000.00
Covington Community Sch Corp	\$46,445		0%	
Cowan Community School Corp	\$49,301	46	90%	\$24,250.00
Crawford Co Com School Corp	\$51,442	85	100%	\$21,250.00
Crawfordsville Com Schools	\$50,841		0%	
Crothersville Community Schools	\$44,663		0%	
Crown Point Community Sch Corp	\$55,005	416	93%	\$550,000.00
Culver Community Schools Corp	\$54,126	43	70%	\$163,000.00
Daleville Community Schools	\$49,976		0%	
Danville Community School Corp	\$53,072		0%	
Decatur County Com Schools	\$49,055		0%	
DeKalb Co Ctl United Sch Dist	\$54,452	20	10%	\$16,500.00
DeKalb Co Eastern Com Sch Dist	\$48,934		0%	
Delaware Community School Corp	\$51,503	155	97%	\$46,400.00
Delphi Community School Corp	\$51,106	85	91%	\$46,750.00
Duneland School Corporation	\$56,176	290	90%	\$435,000.00
East Allen County Schools	\$56,946	563	90%	\$236,460.00
East Gibson School Corporation	\$42,971		0%	
East Noble School Corp	\$51,509	231	100%	\$80,758.00
East Porter County School Corp	\$47,583		0%	
East Washington School Corp	\$45,901	138	141%	\$138,113.00
Eastbrook Community Sch Corp	\$50,305	80	77%	\$26,000.00
Eastern Greene Schools	\$45,445	12	16%	\$8,527.00
Eastern Hancock Co Com Sch Corp	\$49,855		0%	
Eastern Howard School Corp	\$48,678	6	7%	\$6,000.00
Eastern Pulaski Com Sch Corp	\$50,294		0%	
Edinburgh Community Sch Corp	\$48,066		0%	
Elkhart Community Schools	\$50,869		0%	
Elwood Community School Corp	\$42,932		0%	
Eminence Community School Corp	\$39,070	20	74%	\$15,000.00
Evansville Vanderburgh Sch Corp	\$49,656	1478	98%	\$752,639.00
Fairfield Community Schools	\$49,619		0%	
Fayette County School Corp	\$48,606	12	5%	\$125,290.00
Flat Rock-Hawcreek School Corp	\$46,990	28	52%	\$15,170.00
Fort Wayne Community Schools	\$53,064	613	34%	\$918,990.00

Franklin Community School Corp	\$56,312		0%	
Franklin County Com Sch Corp	\$54,338	142	99%	\$77,882.00
Franklin Township Com Sch Corp	\$56,364		0%	
Frankton-Lapel Community Schs	\$51,293		0%	
Fremont Community Schools	\$57,883	58	97%	\$40,000.00
Frontier School Corporation	\$38,892	3	6%	\$5,999.00
Garrett-Keyser-Butler Com	\$46,677		0%	
Gary Community School Corp	\$55,937	270	100%	\$196,562.00
Goshen Community Schools	\$53,250	370	77%	\$292,715.00
Greater Clark County Schools	\$55,458	589	93%	\$373,732.00
Greater Jasper Con Schs	\$59,238		0%	
Greencastle Community Sch Corp	\$44,595		0%	
Greenfield-Central Com Schools	\$52,636		0%	
Greensburg Community Schools	\$50,708	20	14%	\$21,089.00
Greenwood Community Sch Corp	\$51,937	225	100%	\$472,372.00
Griffith Public Schools	\$49,614		0%	
Hamilton Community Schools	\$45,569	25	100%	\$5,050.00
Hamilton Heights School Corp	\$52,917	123	98%	\$158,341.00
Hamilton Southeastern Schools	\$68,298		0%	
Hanover Community School Corp	\$45,442		0%	
Huntington Co Com Sch Corp	\$50,178		0%	
Indianapolis Public Schools	\$58,549		0%	
Jac-Cen-Del Community Sch Corp	\$48,350	50	89%	\$154,335.00
Jay School Corp	\$48,295		0%	
Jennings County Schools	\$54,254	61	22%	\$61,000.00
John Glenn School Corporation	\$48,589		0%	
Kankakee Valley School Corp	\$50,432		0%	
Knox Community School Corp	\$46,148		0%	
Kokomo School Corporation	\$48,551	12	3%	\$13,736.00
Lafayette School Corporation	\$50,565	19	3%	\$19,750.00
Lake Central School Corp	\$59,364		0%	
Lake Ridge Schools	\$50,273		0%	
Lake Station Community Schools	\$48,535		0%	
Lakeland School Corporation	\$46,151		0%	
Lanesville Community School Corp	\$51,244		0%	
LaPorte Community School Corp	\$51,610		0%	
Lawrenceburg Com School Corp	\$53,826	24	19%	\$15,600.00
Lebanon Community School Corp	\$55,670	197	93%	\$49,250.00
Liberty-Perry Com School Corp	\$49,085	70	92%	\$1,000.00
Linton-Stockton School Corp	\$51,363	69	87%	\$14,600.00
Logansport Community Sch Corp	\$50,886		0%	

Loogootee Community Sch Corp	\$52,334	44	102%	\$33,550.00
M S D Bluffton-Harrison	\$47,666	109	102%	\$48,884.00
M S D Boone Township	\$48,988		0%	
M S D Decatur Township	\$56,465	323	81%	\$289,551.00
M S D Lawrence Township	\$61,341		0%	
M S D Martinsville Schools	\$51,706	244	87%	\$243,000.00
M S D Mount Vernon	\$50,439		0%	
M S D North Posey Co Schools	\$47,356	92	91%	\$50,000.00
M S D of New Durham Township	\$51,361		0%	
M S D Perry Township	\$59,249		0%	
M S D Pike Township	\$58,476		0%	
M S D Shakamak Schools	\$49,938	44	94%	\$22,000.00
M S D Southwest Allen County Schools	\$59,928		0%	
M S D Steuben County	\$51,034	161	100%	\$32,200.00
M S D Wabash County Schools	\$48,763		0%	
M S D Warren County	\$46,962		0%	
M S D Warren Township	\$55,632		0%	
M S D Washington Township	\$56,865	609	84%	\$950,000.00
M S D Wayne Township	\$67,060		0%	
Maconaquah School Corp	\$54,360	108	91%	\$40,000.00
Madison Consolidated Schools	\$53,028	57	34%	\$29,500.00
Madison-Grant United Sch Corp	\$45,011		0%	
Manchester Community Schools	\$49,518	52	56%	\$26,000.00
Marion Community Schools	\$62,985		0%	
Medora Community School Corp	\$40,649		0%	
Merrillville Community School	\$51,735	24	6%	\$8,579.00
Michigan City Area Schools	\$49,770		0%	
Middlebury Community Schools	\$532,719	265	100%	\$338,969.00
Milan Community Schools	\$50,742	10	15%	\$7,500.00
Mill Creek Community Sch Corp	\$50,874		0%	
Mississinewa Community School Corp	\$49,735		0%	
Mitchell Community Schools	\$49,068		0%	
Monroe Central School Corp	\$47,657		0%	
Monroe County Com Sch Corp	\$55,670	27	3%	\$55,000.00
Monroe-Gregg School District	\$46,337		0%	
Mooresville Con School Corp	\$54,823	52	22%	\$69,342.00
Mt Vernon Community Sch Corp	\$49,351		0%	
Muncie Community Schools				
Nettle Creek School Corp	\$49,642	26	40%	\$26,809.00
New Albany-Floyd Co Con Sch	\$57,626	185	26%	\$47,625.00
New Castle Community Sch Corp	\$48,991	212	90%	\$255,400.00

New Prairie United School Corp	\$52,470		0%	
Nineveh-Hensley-Jackson United	\$46,456	39	35%	\$86,000.00
Noblesville Schools	\$57,439		0%	
North Adams Community Schools	\$48,000	8	6%	\$14,000.00
North Central Parke Con Sch Corp	\$43,502		0%	
North Daviess Com Schools	\$53,827		0%	
North Gibson School Corp	\$49,201		0%	
North Harrison Com School Corp	\$56,904		0%	
North Judson-San Pierre Sch Corp	\$47,260		0%	
North Knox School Corp	\$51,570	77	100%	\$77,000.00
North Lawrence Com Schools	\$49,779		0%	
North Miami Community Schools	\$48,845	19	39%	\$8,366.00
North Montgomery Com Sch Corp	\$47,276	114	91%	\$201,000.00
North Newton School Corp	\$48,659	62	85%	\$59,587.00
North Putnam Community Schools	\$45,777	89	98%	\$44,500.00
North Spencer County Sch Corp	\$51,505		0%	
North Vermillion Com Sch Corp	\$43,909		0%	
North West Hendricks Schools	\$48,080	98	92%	\$67,340.00
North White School Corp	\$46,788	12	21%	\$20,500.00
Northeast Dubois Co Sch Corp	\$51,087	14	23%	\$3,500.00
Northeast School Corp	\$43,623	53	100%	\$53,000.00
Northeastern Wayne Schools	\$47,304	9	11%	\$4,000.00
Northern Wells Com Schools	\$51,381		0%	
Northwest Allen County Schools	\$53,454	424	94%	\$140,212.00
Northwestern Con School Corp	\$53,314		0%	
Northwestern School Corp	\$48,792		0%	
Oak Hill United School Corp	\$48,965	98	100%	\$24,250.00
Oregon-Davis School Corp	\$41,723	35	100%	\$40,800.00
Orleans Community Schools	\$48,753	11	20%	\$8,920.00
Paoli Community School Corp	\$50,359	80	92%	\$45,233.00
Penn-Harris-Madison Sch Corp	\$53,442	566	95%	\$532,420.00
Perry Central Com Schools Corp	\$48,582	64	100%	\$64,000.00
Peru Community Schools	\$48,241	29	23%	\$1,938.00
Pike County School Corp	\$46,544		0%	
Pioneer Regional School Corp	\$46,805		0%	
Plainfield Community Sch Corp	\$63,462		0%	
Plymouth Community School Corp	\$49,174		0%	
Portage Township Schools	\$52,086	376	92%	\$180,750.00
Porter Township School Corp	\$47,122		0%	
Prairie Heights Com Sch Corp	\$45,491	80	90%	\$37,650.00
Randolph Central School Corp	\$43,015		0%	

Randolph Eastern School Corp	\$46,434	9	14%	\$4,500.00
Randolph Southern School Corp	\$44,434		0%	
Rensselaer Central School Corp	\$47,029		0%	
Richland-Bean Blossom C S C	\$54,104		0%	
Richmond Community Schools	\$51,850	279	86%	\$169,193.00
Rising Sun-Ohio Co Com	\$51,139		0%	
River Forest Community Sch Corp	\$50,638		0%	
Rochester Community Sch Corp	\$48,945	102	88%	\$52,730.00
Rossville Con School District	\$47,401	51	85%	\$30,039.00
Rush County Schools	\$47,395		0%	
Salem Community Schools	\$51,751		0%	
School City of East Chicago	\$50,737		0%	
School City of Hammond	\$53,320		0%	
School City of Hobart	\$53,188		0%	
School City of Mishawaka	\$50,146		0%	
School Town of Highland	\$53,618	158	93%	\$134,151.00
School Town of Munster	\$56,837	176	76%	\$128,200.00
School Town of Speedway	\$61,584	112	89%	\$56,000.00
Scott County School District 1	\$56,944		0%	
Scott County School District 2	\$51,775		0%	
Seymour Community Schools	\$59,262	118	42%	\$50,141.00
Shelby Eastern Schools	\$46,674		0%	
Shelbyville Central Schools	\$54,384		0%	
Shenandoah School Corporation	\$45,746		0%	
Sheridan Community Schools	\$50,022	23	33%	\$6,441.00
Shoals Community School Corp	\$45,994	38	90%	\$102,032.00
Smith-Green Community Schools	\$47,426	5	7%	\$8,500.00
South Adams Schools	\$51,762		0%	
South Bend Community Sch Corp	\$49,092	1023	83%	\$767,250.00
South Central Com School Corp	\$47,313		0%	
South Dearborn Com School Corp	\$52,563		0%	
South Gibson School Corp	\$54,227	102	92%	\$49,900.00
South Harrison Com Schools	\$52,891	25	13%	\$46,241.00
South Henry School Corp	\$43,419		0%	
South Knox School Corp	\$49,106	24	35%	\$31,200.00
South Madison Com Sch Corp	\$53,236		0%	
South Montgomery Com Sch Corp	\$53,479		0%	
South Newton School Corp	\$43,403	65	100%	\$27,912.00
South Putnam Community Schools	\$43,281		0%	
South Ripley Com Sch Corp	\$51,839	66	86%	\$19,800.00
South Spencer County Sch Corp	\$53,906		0%	

South Vermillion Com Sch Corp	\$46,938	92	83%	\$156,442.00
Southeast Dubois Co Sch Corp	\$48,324		0%	
Southeast Fountain School Corp	\$46,785	63	83%	\$57,000.00
Southeastern School Corp	\$52,484		0%	
Southern Hancock Co Com Sch Corp	\$59,025		0%	
Southern Wells Com Schools	\$48,959		0%	
Southwest Dubois Co Sch Corp	\$53,906	106	101%	\$52,500.00
Southwest Parke Com Sch Corp	\$42,124	75	100%	\$37,500.00
Southwest School Corp	\$50,005	86	78%	\$16,700.00
Southwestern Con Sch Shelby Co	\$43,532	4	9%	\$2,539.00
Southwestern-Jefferson Co Con	\$54,278	76	100%	\$51,908.00
Spencer-Owen Community Schools	\$51,891		0%	
Springs Valley Com School Corp	\$54,395		0%	
Sunman-Dearborn Com Sch Corp	\$58,627		0%	
Switzerland County School Corp	\$48,436		0%	
Taylor Community School Corp	\$46,148	69	85%	\$39,750.00
Tell City-Troy Twp School Corp	\$46,680	0	0%	\$-
Tippecanoe School Corp	\$53,381	114	15%	\$150,956.00
Tippecanoe Valley School Corp	\$49,367	84	69%	\$16,425.00
Tipton Community School Corp	\$50,450		0%	
Tri-Central Community Schools	\$44,077		0%	
Tri-County School Corp	\$49,288	43	75%	\$66,800.00
Tri-Creek School Corp	\$55,086	15	9%	\$24,290.00
Triton School Corporation	\$45,078	60	102%	\$30,000.00
Tri-Township Cons School Corp	\$46,593		0%	
Twin Lakes School Corp	\$49,582	42	26%	\$42,000.00
Union Co-Clg Corner Joint Sch Dist	\$40,313	94	100%	\$47,000.00
Union School Corporation	\$42,360	5	20%	\$5,000.00
Union Township School Corp	\$57,022		0%	
Union-North United School Corp	\$44,501	74	86%	\$65,795.00
Valparaiso Community Schools	\$56,876		0%	
Vigo County School Corp	\$54,778		0%	
Vincennes Community Sch Corp	\$48,650		0%	
Wabash City Schools	\$46,481	5	5%	\$13,770.00
Wa-Nee Community Schools	\$52,748		0%	
Warrick County School Corp	\$58,028		0%	
Warsaw Community Schools	\$48,609		0%	
Washington Com Schools	\$47,449	122	90%	\$61,000.00
Wawasee Community School Corp	\$54,278	196	98%	\$226,580.00
Wes-Del Community Schools	\$42,677	52	88%	\$16,500.00
West Central School Corp	\$44,108	44	81%	\$24,337.00

West Clark Community Schools	\$51,273	278	101%	\$83,400.00
West Lafayette Com School Corp	\$53,622		0%	
West Noble School Corporation	\$50,000		0%	
West Washington School Corp	\$50,453	59	100%	\$141,600.00
Western Boone Co Com Sch Dist	\$51,272		0%	
Western School Corp	\$44,490	9	5%	\$19,500.00
Western Wayne Schools	\$46,178	29	55%	\$29,000.00
Westfield-Washington Schools	\$58,314		0%	
Westview School Corporation	\$52,958	139	100%	\$27,800.00
White River Valley Sch Dist	\$52,438	20	43%	\$20,000.00
Whiting School City	\$50,782		0%	
Whitko Community School Corp	\$48,707		0%	
Whitley Co Cons Schools	\$51,148	181	88%	\$188,504.00
Yorktown Community Schools	\$53,443		0%	
Zionsville Community Schools	\$55,858		0%	



## APPENDIX 15: Teacher Salaries as a Percent of Tuition Support Revenue

Below is each school corporation's reported total spending on teacher salaries as a percent of its tuition support revenue, in connection with recommendation no. 32.<sup>21</sup>

School Corporation	2020 Total Reported Teacher Salary Expenditures	2020 Tuition Support	Teacher Salaries as a Percent of Tuition Support	Additional Salary Spending Needed to Reach 45% of Tuition Support
<b>TOTAL</b>	<b>\$3,287,604,313</b>	<b>\$6,867,930,079</b>	<b>47.9%</b>	<b>\$52,446,836</b>
Adams Central Community Schools	\$4,402,363	\$8,135,430	54.1%	
Alexandria Com School Corp	\$4,516,893	\$11,018,845	41.0%	\$441,588
Anderson Community School Corp	\$26,982,490	\$52,864,143	51.0%	
Argos Community Schools	\$1,795,163	\$3,818,395	47.0%	
Attica Consolidated Sch Corp	\$1,740,074	\$4,083,235	42.6%	\$97,382
Avon Community School Corp	\$34,419,725	\$63,919,390	53.8%	
Barr-Reeve Com Schools Inc	\$2,976,000	\$6,051,652	49.2%	
Bartholomew Con School Corp	\$36,919,007	\$75,363,720	49.0%	
Batesville Community Sch Corp	\$7,387,436	\$14,302,067	51.7%	
Baugo Community Schools	\$4,931,773	\$12,561,619	39.3%	\$720,955
Beech Grove City Schools	\$9,035,541	\$22,554,323	40.1%	\$1,113,904
Benton Community School Corp	\$5,959,975	\$12,085,594	49.3%	
Blackford County Schools	\$4,883,227	\$11,233,270	43.5%	\$171,745
Bloomfield School District	\$2,417,904	\$5,464,010	44.3%	\$40,900
Blue River Valley Schools	\$2,163,506	\$4,181,517	51.7%	
Bremen Public Schools	\$4,622,388	\$9,555,428	48.4%	
Brown County School Corporation	\$5,978,914	\$12,394,292	48.2%	
Brownsburg Community Sch Corp	\$32,102,628	\$59,224,674	54.2%	
Brownstown Cnt Com Sch Corp	\$5,542,715	\$10,463,999	53.0%	
C A Beard Memorial School Corp	\$2,893,301	\$7,198,536	40.2%	\$346,040
Cannelton City Schools	\$669,700	\$1,932,957	34.6%	\$200,131
Carmel Clay Schools	\$59,955,490	\$104,168,390	57.6%	
Carroll Consolidated Sch Corp	\$3,171,866	\$7,040,378	45.1%	
Caston School Corporation	\$2,175,704	\$4,566,606	47.6%	
Center Grove Com Sch Corp	\$25,751,146	\$56,689,747	45.4%	
Centerville-Abington Com Schs	\$5,101,598	\$11,490,783	44.4%	\$69,254
Central Noble Com School Corp	\$3,346,089	\$8,475,052	39.5%	\$467,684

<sup>21</sup> Source: IERB data, IERB 2020 STATEWIDE REPORT, *supra* note 3, and the Ind. State Budget Agency.

Clark-Pleasant Com School Corp	\$20,934,218	\$44,733,126	46.8%	
Clarksville Com School Corp	\$3,722,394	\$9,553,299	39.0%	\$576,591
Clay Community Schools	\$14,070,645	\$28,461,536	49.4%	
Clinton Central School Corp	\$2,844,888	\$5,939,390	47.9%	
Clinton Prairie School Corp	\$3,607,118	\$8,079,737	44.6%	\$28,764
Cloverdale Community Schools	\$3,138,460	\$7,550,773	41.6%	\$259,388
Community Schools of Frankfort	\$10,878,712	\$22,186,960	49.0%	
Concord Community Schools	\$17,066,320	\$34,708,755	49.2%	
Covington Community Sch Corp	\$2,647,337	\$5,570,788	47.5%	
Cowan Community School Corp	\$2,514,345	\$5,395,425	46.6%	
Crawford Co Com School Corp	\$4,372,528	\$10,416,517	42.0%	\$314,905
Crawfordsville Com Schools	\$9,049,685	\$17,807,434	50.8%	
Crothersville Community Schools	\$982,579	\$2,880,266	34.1%	\$313,541
Crown Point Community Sch Corp	\$24,697,288	\$56,226,448	43.9%	\$604,614
Culver Community Schools Corp	\$3,301,690	\$5,401,524	61.1%	
Daleville Community Schools	\$2,698,718	\$6,394,079	42.2%	\$178,618
Danville Community School Corp	\$7,642,297	\$16,297,778	46.9%	
Decatur County Com Schools	\$6,720,598	\$13,341,572	50.4%	
DeKalb Co Ctl United Sch Dist	\$11,326,005	\$23,362,623	48.5%	
DeKalb Co Eastern Com Sch Dist <sup>22</sup>		\$9,204,876		
Delaware Community School Corp	\$8,188,959	\$17,703,158	46.3%	
Delphi Community School Corp	\$4,752,885	\$9,351,807	50.8%	
Duneland School Corporation	\$18,144,813	\$38,616,085	47.0%	
East Allen County Schools	\$35,477,308	\$68,008,318	52.2%	
East Gibson School Corporation	\$3,136,876	\$5,708,778	54.9%	
East Noble School Corp	\$11,898,559	\$24,287,799	49.0%	
East Porter County School Corp	\$7,184,959	\$16,111,646	44.6%	\$65,281
East Washington School Corp	\$4,498,346	\$9,737,117	46.2%	
Eastbrook Community Sch Corp	\$5,231,715	\$10,676,185	49.0%	
Eastern Greene Schools	\$3,453,812	\$7,394,701	46.7%	
Eastern Hancock Co Com Sch Corp	\$3,589,532	\$8,036,016	44.7%	\$26,675
Eastern Howard School Corp	\$4,429,672	\$10,148,966	43.6%	\$137,363
Eastern Pulaski Com Sch Corp	\$4,073,841	\$7,863,741	51.8%	
Edinburgh Community Sch Corp	\$2,787,802	\$5,794,908	48.1%	
Elkhart Community Schools	\$44,612,470	\$85,763,690	52.0%	
Elwood Community School Corp	\$4,121,500	\$10,248,864	40.2%	\$490,489
Eminence Community School Corp	\$1,054,895	\$2,492,915	42.3%	\$66,917
Evansville Vanderburgh Sch Corp	\$75,029,476	\$158,498,390	47.3%	
Fairfield Community Schools	\$7,045,916	\$13,696,847	51.4%	
Fayette County School Corp	\$11,325,267	\$23,384,451	48.4%	

<sup>22</sup> Data for DeKalb Co Eastern Cmty. Sch Dist. was excluded due to likely errors.

Flat Rock-Hawcreek School Corp	\$2,537,440	\$6,392,630	39.7%	\$339,244
Fort Wayne Community Schools	\$95,356,022	\$211,634,399	45.1%	
Franklin Community School Corp	\$15,767,413	\$34,089,641	46.3%	
Franklin County Com Sch Corp	\$7,770,275	\$14,541,343	53.4%	
Franklin Township Com Sch Corp	\$31,676,781	\$67,555,515	46.9%	
Frankton-Lapel Community Schs	\$8,463,300	\$19,918,335	42.5%	\$499,951
Fremont Community Schools	\$3,472,977	\$6,380,111	54.4%	
Frontier School Corporation	\$1,905,720	\$4,285,749	44.5%	\$22,867
Garrett-Keyser-Butler Com	\$5,321,171	\$12,291,823	43.3%	\$210,149
Gary Community School Corp	\$15,102,956	\$40,153,071	37.6%	\$2,965,926
Goshen Community Schools	\$25,613,234	\$44,131,985	58.0%	
Greater Clark County Schools	\$35,216,145	\$70,665,312	49.8%	
Greater Jasper Con Schs	\$10,662,809	\$20,755,442	51.4%	
Greencastle Community Sch Corp	\$5,975,726	\$12,415,357	48.1%	
Greenfield-Central Com Schools	\$15,159,186	\$29,872,063	50.7%	
Greensburg Community Schools	\$6,997,746	\$14,924,670	46.9%	
Greenwood Community Sch Corp	\$11,737,800	\$27,713,568	42.4%	\$733,306
Griffith Public Schools	\$6,003,238	\$15,402,475	39.0%	\$927,875
Hamilton Community Schools	\$1,139,216	\$1,914,115	59.5%	
Hamilton Heights School Corp	\$6,667,500	\$14,907,099	44.7%	\$40,695
Hamilton Southeastern Schools	\$83,937,924	\$135,693,560	61.9%	
Hanover Community School Corp	\$6,361,912	\$15,902,277	40.0%	\$794,112
Huntington Co Com Sch Corp	\$17,261,072	\$34,455,632	50.1%	
Indianapolis Public Schools	\$105,036,830	\$249,497,526	42.1%	\$7,237,057
Jac-Cen-Del Community Sch Corp	\$2,707,603	\$5,517,299	49.1%	
Jay School Corp	\$10,238,632	\$23,034,052	44.4%	\$126,691
Jennings County Schools	\$14,757,119	\$29,339,699	50.3%	
John Glenn School Corporation	\$5,830,711	\$12,966,872	45.0%	\$4,381
Kankakee Valley School Corp	\$10,590,726	\$22,790,862	46.5%	
Knox Community School Corp	\$5,076,288	\$12,532,420	40.5%	\$563,301
Kokomo School Corporation	\$18,983,271	\$41,231,120	46.0%	
Lafayette School Corporation	\$30,642,442	\$56,435,025	54.3%	
Lake Central School Corp	\$31,997,027	\$61,072,062	52.4%	
Lake Ridge Schools	\$4,474,275	\$14,869,377	30.1%	\$2,216,945
Lake Station Community Schools	\$3,494,494	\$9,262,997	37.7%	\$673,855
Lakeland School Corporation	\$5,353,561	\$11,898,571	45.0%	\$796
Lanesville Community School Corp	\$1,998,526	\$4,742,069	42.1%	\$135,405
LaPorte Community School Corp	\$23,327,612	\$42,512,636	54.9%	
Lawrenceburg Com School Corp	\$6,782,104	\$14,182,806	47.8%	
Lebanon Community School Corp	\$11,746,288	\$23,583,083	49.8%	
Liberty-Perry Com School Corp	\$3,730,426	\$8,455,339	44.1%	\$74,476

Linton-Stockton School Corp	\$4,057,693	\$9,258,649	43.8%	\$108,699
Logansport Community Sch Corp	\$14,197,221	\$29,919,706	47.5%	
Loogootee Community Sch Corp	\$2,250,350	\$5,364,282	42.0%	\$163,577
M S D Bluffton-Harrison	\$5,100,310	\$11,079,803	46.0%	
M S D Boone Township	\$3,135,244	\$7,593,003	41.3%	\$281,607
M S D Decatur Township	\$22,416,429	\$48,331,717	46.4%	
M S D Lawrence Township	\$57,108,593	\$112,731,228	50.7%	
M S D Martinsville Schools	\$14,477,599	\$29,786,119	48.6%	
M S D Mount Vernon	\$7,162,367	\$14,507,513	49.4%	
M S D North Posey Co Schools	\$4,782,906	\$9,451,177	50.6%	
M S D of New Durham Township	\$2,568,034	\$6,169,861	41.6%	\$208,403
M S D Perry Township	\$59,722,803	\$118,979,471	50.2%	
M S D Pike Township	\$40,348,476	\$79,063,190	51.0%	
M S D Shakamak Schools	\$2,347,096	\$5,210,264	45.0%	
M S D Southwest Allen County Schools	\$25,708,943	\$47,874,982	53.7%	
M S D Steuben County	\$8,216,470	\$17,958,979	45.8%	
M S D Wabash County Schools	\$7,070,589	\$14,473,541	48.9%	
M S D Warren County	\$4,320,482	\$8,897,688	48.6%	
M S D Warren Township	\$42,280,000	\$86,560,966	48.8%	
M S D Washington Township	\$41,000,000	\$77,956,353	52.6%	
M S D Wayne Township	\$71,218,197	\$124,116,672	57.4%	
Maconaquah School Corp	\$6,468,869	\$14,745,169	43.9%	\$166,457
Madison Consolidated Schools	\$8,802,714	\$18,086,302	48.7%	
Madison-Grant United Sch Corp	\$3,465,816	\$7,591,336	45.7%	
Manchester Community Schools	\$4,605,214	\$10,249,857	44.9%	\$7,222
Marion Community Schools	\$14,171,610	\$28,533,934	49.7%	
Medora Community School Corp	\$650,384	\$1,088,425	59.8%	
Merrillville Community School	\$19,193,646	\$44,934,585	42.7%	\$1,026,917
Michigan City Area Schools	\$21,351,336	\$43,185,225	49.4%	
Middlebury Community Schools	\$14,117,042	\$28,120,255	50.2%	
Milan Community Schools	\$3,349,000	\$7,136,134	46.9%	
Mill Creek Community Sch Corp	\$4,731,300	\$9,943,613	47.6%	
Mississinewa Community School Corp	\$6,664,474	\$17,535,323	38.0%	\$1,226,421
Mitchell Community Schools	\$5,152,171	\$10,665,529	48.3%	
Monroe Central School Corp	\$3,335,961	\$7,422,701	44.9%	\$4,254
Monroe County Com Sch Corp	\$44,536,137	\$73,873,339	60.3%	
Monroe-Gregg School District	\$4,263,048	\$10,077,462	42.3%	\$271,810
Mooresville Con School Corp	\$13,157,486	\$29,673,356	44.3%	\$195,524
Mt Vernon Community Sch Corp	\$12,732,500	\$27,131,998	46.9%	

Muncie Community Schools <sup>23</sup>		\$39,118,868		
Nettle Creek School Corp	\$3,226,742	\$7,620,613	42.3%	\$202,534
New Albany-Floyd Co Con Sch	\$40,971,925	\$80,815,567	50.7%	
New Castle Community Sch Corp	\$11,512,783	\$21,966,958	52.4%	
New Prairie United School Corp	\$7,975,489	\$19,841,273	40.2%	\$953,084
Nineveh-Hensley-Jackson United	\$5,249,500	\$12,583,825	41.7%	\$413,221
Noblesville Schools	\$39,805,230	\$68,498,538	58.1%	
North Adams Community Schools	\$6,287,956	\$11,823,667	53.2%	
North Central Parke Con Sch Corp	\$4,263,157	\$8,012,267	53.2%	
North Daviess Com Schools	\$3,606,420	\$7,697,159	46.9%	
North Gibson School Corp	\$6,543,677	\$14,363,156	45.6%	
North Harrison Com School Corp	\$7,113,026	\$14,845,875	47.9%	
North Judson-San Pierre Sch Corp	\$3,355,430	\$7,156,151	46.9%	
North Knox School Corp	\$3,970,914	\$9,376,052	42.4%	\$248,309
North Lawrence Com Schools	\$17,671,534	\$32,564,576	54.3%	
North Miami Community Schools	\$2,393,399	\$5,572,729	42.9%	\$114,329
North Montgomery Com Sch Corp	\$5,909,500	\$12,052,771	49.0%	
North Newton School Corp	\$3,552,122	\$8,014,735	44.3%	\$54,509
North Putnam Community Schools	\$4,165,746	\$9,317,774	44.7%	\$27,252
North Spencer County Sch Corp	\$6,283,670	\$12,974,844	48.4%	
North Vermillion Com Sch Corp	\$2,546,726	\$5,335,001	47.7%	
North West Hendricks Schools	\$5,096,447	\$11,690,726	43.6%	\$164,380
North White School Corp	\$2,620,152	\$5,968,298	43.9%	\$65,582
Northeast Dubois Co Sch Corp	\$3,065,208	\$5,538,360	55.3%	
Northeast School Corp	\$2,311,993	\$5,906,801	39.1%	\$346,067
Northeastern Wayne Schools	\$3,784,306	\$8,548,747	44.3%	\$62,630
Northern Wells Com Schools	\$7,861,302	\$15,962,921	49.2%	
Northwest Allen County Schools	\$24,161,230	\$49,047,213	49.3%	
Northwestern Con School Corp	\$4,318,413	\$9,877,287	43.7%	\$126,366
Northwestern School Corp	\$5,415,876	\$11,829,392	45.8%	
Oak Hill United School Corp	\$4,798,570	\$11,316,253	42.4%	\$293,743
Oregon-Davis School Corp	\$1,460,312	\$3,527,683	41.4%	\$127,145
Orleans Community Schools	\$2,730,194	\$6,063,810	45.0%	
Paoli Community School Corp	\$4,381,255	\$9,543,395	45.9%	
Penn-Harris-Madison Sch Corp	\$31,958,054	\$72,535,681	44.1%	\$683,002
Perry Central Com Schools Corp	\$3,109,276	\$8,379,932	37.1%	\$661,693
Peru Community Schools	\$5,981,883	\$14,055,520	42.6%	\$343,101
Pike County School Corp	\$5,864,552	\$11,878,031	49.4%	
Pioneer Regional School Corp	\$3,042,337	\$6,312,271	48.2%	
Plainfield Community Sch Corp	\$18,530,805	\$36,662,503	50.5%	

<sup>23</sup> Data is not available for Muncie Community Schools.

Plymouth Community School Corp	\$10,326,514	\$22,788,026	45.3%	
Portage Township Schools	\$21,303,148	\$52,321,316	40.7%	\$2,241,444
Porter Township School Corp	\$3,675,514	\$9,491,117	38.7%	\$595,489
Prairie Heights Com Sch Corp	\$4,048,672	\$9,458,735	42.8%	\$207,759
Randolph Central School Corp	\$3,785,355	\$9,580,377	39.5%	\$525,815
Randolph Eastern School Corp	\$2,925,347	\$6,173,512	47.4%	
Randolph Southern School Corp	\$1,555,201	\$3,434,336	45.3%	
Rensselaer Central School Corp	\$5,032,067	\$10,974,560	45.9%	
Richland-Bean Blossom C S C	\$9,684,590	\$17,890,055	54.1%	
Richmond Community Schools	\$16,747,499	\$35,847,306	46.7%	
Rising Sun-Ohio Co Com	\$2,966,063	\$5,623,214	52.7%	
River Forest Community Sch Corp	\$4,456,137	\$11,825,995	37.7%	\$865,561
Rochester Community Sch Corp	\$5,677,611	\$11,913,339	47.7%	
Rossville Con School District	\$2,844,055	\$6,388,347	44.5%	\$30,701
Rush County Schools	\$6,730,121	\$13,430,592	50.1%	
Salem Community Schools	\$6,572,380	\$12,613,968	52.1%	
School City of East Chicago	\$14,104,987	\$31,138,404	45.3%	
School City of Hammond	\$40,576,550	\$92,215,568	44.0%	\$920,456
School City of Hobart	\$9,946,171	\$28,317,574	35.1%	\$2,796,737
School City of Mishawaka	\$15,595,419	\$37,935,622	41.1%	\$1,475,611
School Town of Highland	\$9,061,446	\$21,364,565	42.4%	\$552,608
School Town of Munster	\$13,186,275	\$26,183,883	50.4%	
School Town of Speedway	\$7,759,582	\$13,112,336	59.2%	
Scott County School District 1	\$4,100,000	\$8,803,174	46.6%	
Scott County School District 2	\$9,008,795	\$18,430,413	48.9%	
Seymour Community Schools	\$16,711,938	\$35,891,290	46.6%	
Shelby Eastern Schools	\$3,687,224	\$7,383,019	49.9%	
Shelbyville Central Schools	\$12,508,284	\$27,490,716	45.5%	
Shenandoah School Corporation	\$3,796,956	\$8,983,355	42.3%	\$245,554
Sheridan Community Schools	\$3,501,514	\$7,093,447	49.4%	
Shoals Community School Corp	\$1,931,741	\$4,452,963	43.4%	\$72,092
Smith-Green Community Schools	\$3,225,000	\$7,538,316	42.8%	\$167,242
South Adams Schools	\$4,813,884	\$8,340,803	57.7%	
South Bend Community Sch Corp	\$60,727,087	\$122,434,847	49.6%	
South Central Com School Corp	\$2,554,889	\$6,136,628	41.6%	\$206,594
South Dearborn Com School Corp	\$7,779,322	\$15,631,394	49.8%	
South Gibson School Corp	\$6,019,144	\$13,514,844	44.5%	\$62,536
South Harrison Com Schools	\$9,996,424	\$21,277,108	47.0%	
South Henry School Corp	\$2,170,964	\$5,028,494	43.2%	\$91,858
South Knox School Corp	\$3,388,300	\$8,147,429	41.6%	\$278,043
South Madison Com Sch Corp	\$12,350,769	\$28,347,612	43.6%	\$405,656



South Montgomery Com Sch Corp	\$5,882,657	\$11,057,832	53.2%	
South Newton School Corp	\$2,821,211	\$5,866,552	48.1%	
South Putnam Community Schools	\$3,072,978	\$7,377,160	41.7%	\$246,744
South Ripley Com Sch Corp	\$3,991,594	\$8,208,081	48.6%	
South Spencer County Sch Corp	\$4,204,677	\$8,052,748	52.2%	
South Vermillion Com Sch Corp	\$5,210,100	\$11,909,469	43.7%	\$149,161
Southeast Dubois Co Sch Corp	\$3,914,204	\$8,036,810	48.7%	
Southeast Fountain School Corp	\$3,555,643	\$7,440,081	47.8%	
Southeastern School Corp	\$4,303,692	\$8,847,009	48.6%	
Southern Hancock Co Com Sch Corp	\$12,277,258	\$23,820,479	51.5%	
Southern Wells Com Schools	\$2,839,604	\$5,563,230	51.0%	
Southwest Dubois Co Sch Corp	\$5,660,142	\$11,555,468	49.0%	
Southwest Parke Com Sch Corp	\$3,159,290	\$7,144,577	44.2%	\$55,770
Southwest School Corp	\$5,500,524	\$12,094,576	45.5%	
Southwestern Con Sch Shelby Co	\$1,915,397	\$3,644,606	52.6%	
Southwestern-Jefferson Co Con	\$4,125,162	\$8,983,195	45.9%	
Spencer-Owen Community Schools	\$7,628,000	\$16,453,346	46.4%	
Springs Valley Com School Corp	\$2,882,950	\$6,156,374	46.8%	
Sunman-Dearborn Com Sch Corp	\$12,780,715	\$23,868,183	53.5%	
Switzerland County School Corp	\$4,504,523	\$10,359,077	43.5%	\$157,062
Taylor Community School Corp	\$3,738,000	\$8,987,688	41.6%	\$306,460
Tell City-Troy Twp School Corp	\$4,294,589	\$9,855,129	43.6%	\$140,219
Tippecanoe School Corp	\$40,569,383	\$91,392,035	44.4%	\$557,033
Tippecanoe Valley School Corp	\$5,973,370	\$12,245,855	48.8%	
Tipton Community School Corp	\$5,499,051	\$9,687,778	56.8%	
Tri-Central Community Schools	\$2,159,792	\$4,982,711	43.3%	\$82,428
Tri-County School Corp	\$2,809,407	\$4,826,189	58.2%	
Tri-Creek School Corp	\$9,034,112	\$21,734,168	41.6%	\$746,264
Triton School Corporation	\$2,659,600	\$6,092,310	43.7%	\$81,940
Tri-Township Cons School Corp	\$1,164,829	\$2,319,583	50.2%	
Twin Lakes School Corp	\$8,081,892	\$15,529,663	52.0%	
Union Co-Clg Corner Joint Sch Dist	\$3,789,408	\$8,671,485	43.7%	\$112,760
Union School Corporation <sup>24</sup>		\$29,946,900		
Union Township School Corp	\$5,189,041	\$9,830,484	52.8%	
Union-North United School Corp	\$3,827,087	\$8,780,636	43.6%	\$124,199
Valparaiso Community Schools	\$19,735,916	\$41,962,631	47.0%	
Vigo County School Corp	\$57,024,015	\$102,980,801	55.4%	
Vincennes Community Sch Corp	\$8,562,364	\$19,374,104	44.2%	\$155,983
Wabash City Schools	\$4,462,170	\$10,978,792	40.6%	\$478,286
Wa-Nee Community Schools	\$9,494,685	\$19,666,107	48.3%	

<sup>24</sup> Data for Union School Corporation was excluded due to likely errors.



Warrick County School Corp	\$35,165,163	\$66,671,731	52.7%	
Warsaw Community Schools	\$19,978,480	\$46,961,185	42.5%	\$1,154,053
Washington Com Schools	\$6,405,571	\$18,244,800	35.1%	\$1,804,589
Wawasee Community School Corp	\$10,801,382	\$19,772,107	54.6%	
Wes-Del Community Schools	\$2,517,920	\$5,788,880	43.5%	\$87,076
West Central School Corp	\$2,381,813	\$5,045,504	47.2%	
West Clark Community Schools	\$14,151,238	\$30,164,739	46.9%	
West Lafayette Com School Corp	\$8,311,360	\$14,735,936	56.4%	
West Noble School Corporation	\$7,200,000	\$15,300,208	47.1%	
West Washington School Corp	\$2,976,748	\$6,291,915	47.3%	
Western Boone Co Com Sch Dist	\$4,973,341	\$11,058,935	45.0%	\$3,180
Western School Corp	\$7,919,135	\$16,916,786	46.8%	
Western Wayne Schools	\$2,447,455	\$5,829,609	42.0%	\$175,870
Westfield-Washington Schools	\$29,448,567	\$53,554,253	55.0%	
Westview School Corporation	\$7,361,196	\$14,410,505	51.1%	
White River Valley Sch Dist	\$2,464,568	\$5,481,003	45.0%	\$1,883
Whiting School City	\$3,199,279	\$8,504,469	37.6%	\$627,732
Whitko Community School Corp	\$4,286,180	\$9,191,514	46.6%	
Whitley Co Cons Schools	\$10,485,296	\$23,734,868	44.2%	\$195,395
Yorktown Community Schools	\$7,535,458	\$17,664,118	42.7%	\$413,395
Zionsville Community Schools	\$24,354,029	\$44,102,256	55.2%	

## **APPENDIX 16: Acknowledgements**

The development of this report has been a deeply collaborative effort. The Teacher Compensation Commission is indebted to the thousands of teachers and citizens who submitted comments to the Commission via the online portal and during public input forums. We are also grateful for the expertise, counsel, and help of hundreds of individuals representing dozens of organizations, including the following:

1. Adams Central Public Schools
2. American Enterprise Institute
3. American Federation of Teachers, Indiana Chapter
4. Anthem Blue Cross and Blue Shield in Indiana
5. Arthur J. Gallagher & Co.
6. Ball State University
7. Barnes & Thornburg LLP
8. Bose McKinney & Evans LLP
9. Central Indiana Education Service Center
10. Charles A. Beard Memorial School Corporation
11. Coalition for Indiana Growing & Suburban School Districts
12. Concord Community Schools
13. Crawfordsville Community School Corporation
14. CVS Health
15. Deloitte
16. EdChoice
17. Educational Service Centers Risk Funding Trust
18. Elkhart Community Schools
19. Evansville Vanderburgh School Corporation
20. Faegre Drinker Biddle & Reath LLP
21. Fort Wayne Community Schools
22. Goshen Community Schools
23. Greater Clark County Schools
24. Greensburg Community School Corporation
25. Greenwood Community Schools
26. Hoover Education Success Initiative
27. Huntington County Community School Corporation
28. Ice Miller LLP
29. Indiana Association of Public Education Foundations
30. Indiana Association of Public School Superintendents
31. Indiana Association of School Business Officials
32. Indiana Association of School Principals
33. Indiana Bond Bank
34. Indiana Business Research Center
35. Indiana Chamber
36. Indiana Charter School Board
37. Indiana Commission for Higher Education
38. Indiana Courts
39. Indiana Department of Administration
40. Indiana Department of Education
41. Indiana Department of Insurance
42. Indiana Department of Local Government Finance
43. Indiana Department of Revenue
44. Indiana Distressed Unit Appeal Board

45. Indiana Education Employment Relations Board
46. Indiana General Assembly
47. Indiana Governor's Office
48. Indiana Management Performance Hub
49. Indiana Office of Management and Budget
50. Indiana Office of Medicaid Policy and Planning
51. Indiana Office of Technology
52. Indiana Public Retirement System
53. Indiana Rural Schools Association
54. Indiana School Boards Association
55. Indiana State Board of Accounts
56. Indiana State Board of Education
57. Indiana State Budget Agency
58. Indiana State Personnel Department
59. Indiana State Teachers Association
60. Indiana State University
61. Indiana Urban Schools Association
62. Indianapolis Public Schools
63. Ivy Tech Community College
64. The Joyce Foundation
65. Lake Central School Corporation
66. Krauss Group, LLC
67. Marian University
68. Matchbook Learning
69. Midwest Area School Employee's (MASE) Insurance Trust
70. Matchbook Learning
71. Maverick Energy Consulting
72. Mercer
73. Mt. Vernon Community School Corporation
74. MSD of Warren Township
75. MSD Wayne Township
76. Muncie Community Schools
77. National Governor's Association
78. New Albany-Floyd County Consolidated School Corporation
79. New Castle Community Schools
80. North Newton School Corporation
81. Perry Township Schools
82. Policy Analytics, LLC
83. Purdue University
84. RE Sutton & Associates
85. Retired Chief Executive Officer of LDI, Ltd.
86. RxBenefits Inc.
87. School City of Hobart
88. Séamus P. Boyce, PC
89. Seymour Community Schools
90. Shenandoah School Corporation
91. SpendBridge
92. Stand for Children
93. TeachPlus
94. West Lafayette Community School Corporation
95. WV/WCI School Trust