

To: Business Managers, Treasurers, and Charter School Sponsors

From: Melissa K. Ambre, Director, Office of School Finance

Date: May 4, 2018

Subject: House Enrolled Act 1001 School Funding

Background:

On December 15, 2017, the Indiana Department of Education (IDOE) issued a memo regarding the anticipated adjustment of State Tuition Support payments beginning in January. It was anticipated the adjustment would affect all state tuition support funds, including the Mitch Daniels Scholarship Funds and the Choice Scholarships. These adjustments were felt to be necessary due to projections which indicated that the estimated distribution amounts needed for all recipients exceeded the amount appropriated by the state legislature for tuition support. Because IDOE received verbal assurance that the Indiana General Assembly would address the funding shortfall, adjustments to the allocation of tuition support were not made in January.

During the 2018 legislative session, the Indiana General Assembly amended I.C. 20-43-2-2 to address the funding deficiency for state tuition support. On April 24, the State Budget Committee met to review and discuss the amount appropriated for state tuition support in FY 2018. After review and discussion, it was determined that the amount of the distribution needed for the current state fiscal year for all school corporations exceeded the amount available for distribution to school corporations and charter schools. Therefore, in accordance with the amended law, the State Budget Agency will transfer money from the state tuition reserve account to the state tuition support fund to cover the deficiency in appropriation.

Guidance:

As a result of the amendment of I.C. 20-43-2-2 (2018) and the transfer of additional funds from the state tuition reserve account, IDOE does not anticipate a need to adjust the distribution of state tuition support funds. All school corporations, charter schools, and eligible Choice schools can anticipate full funding for tuition support and for Choice scholarships. IDOE does not anticipate that distributions will be reduced.