

Indiana Coalition for Public Education

2025 School Funding Survey

Summary & Results



Overview

In its 2025 session, the Indiana General Assembly enacted a dramatic escalation of the legislature's decade-plus movement to defund public education. Since shifting the source of state education funding from property tax to sales tax in 2009, the legislature has repeatedly employed a variety of tactics to this end, including spending funds once set aside for public education on over \$2.5 billion in private-school vouchers and requiring school corporations to take on a variety of additional costs without providing the resources to cover them. Over this same period, school corporations have endured dramatic increases in the costs associated with insurance, utilities, IT infrastructure and school safety.

The previously used funding-reduction tactics were present in the Indiana General Assembly's 2025 session, including elimination of a separate fund to cover the expense school corporations incur when providing students with curricular materials. Additionally, the legislature went beyond reducing the amount of money provided by the state by enacting Senate Enrolled Act 1. Positioned as property tax reform, SEA 1 significantly reduces the amount of funds that school corporations, as well as other municipal bodies, receive from local taxes. These reductions begin immediately and increase annually through 2031.

Whether rural, suburban or urban, school corporations across the state are facing an immediate crisis that is set to worsen in coming years. Over 99% of school corporations report that they will be negatively impacted by SEA 1. Furthermore, over 93% report that they will be negatively impacted by the level of funding currently allocated by the Indiana General Assembly. When asked to list the greatest threat faced by their school corporation, 65.3% directly reference funding shortfalls, while 15.7% reference rising costs that cannot be met.

As a result of funding shortfalls, 65.3% of school corporations have reduced or committed to reducing support staff, 55.8% have reduced or committed to reducing teaching staff, and 40.8% have reduced or committed to reducing facility improvements. These percentages will almost certainly increase, as over 90% of school corporations report that they are at least considering each of these actions.

When asked how much of a funding increase would be necessary to meet the expectations of the communities they serve, respondents answer with anywhere from 2% to 20%, with a mean of 7.6%. Provided with the opportunity to share additional comments, respondents offer more insights into the funding crisis's specific impacts on their school corporations, such as SEA 1 reducing operating funds below the cost of utilities, having to close playgrounds due to lack of funding to conduct the maintenance needed to keep them safe, and shock that the lieutenant governor would campaign against a school referendum after championing the legislation that made it a necessity.

Despite facing continual reductions in inflation-adjusted funding, Indiana K-12 public schools have performed well and recovered much of the ground lost during COVID-related suspension of in-person instruction. Much of this progress has been made

possible by non-recurring outside funding from the federal government and private entities. Those gains will be difficult or impossible to maintain with the actions taken by the Indiana General Assembly to further strip school corporations of funding.

Background & Methodology

In summer of 2025, Indiana Coalition for Public Education (ICPE) began receiving numerous reports of traditional public schools facing significant budget shortfalls due to a variety of events, most notably the enactment of Senate Enrolled Act 1 by the Indiana General Assembly.

To quantify the scope and degree of the impact, ICPE worked with a variety of educators to develop a 13-question survey on school funding. Questions focused on the expected impact of various events that occurred in 2025, the actions school corporations were taking due to funding shortfalls, and the degree to which funding is expected to fall below budget requirements.

During the last two weeks of October 2025, a series of three emails were sent to superintendents at each of Indiana's 290 traditional public school corporations to request their participation in the survey. The survey closed on November 6, 2025, with responses from 148 school corporations, reflecting a 51% participation rate. The results of the survey follow. The text of the survey is available in Addendum D.

Demographics of Respondents

The sample of school corporations that participated in the survey is highly representative of the total population in terms of size and type. Table 1 shows the overall distribution of corporations across these two metrics for all Indiana school corporations. Table 2 shows the distribution of school corporations that participated in the survey. Along the two criteria of type and size, no portion of the overall population is significantly overrepresented or underrepresented within the survey.

Table 1
All 290 Indiana Traditional Public School Corporations Organized by INDOE GPS Data

	1-499	500-999	1,000-1,499	1,500-2,499	2,500-4,999	>=5,000	Total
Rural	2.1%	15.2%	18.3%	13.1%	5.2%	0.3%	54.1%
Town	0.3%	0.7%	1.0%	4.1%	3.4%	1.7%	11.4%
Suburban	0.0%	0.7%	2.1%	2.4%	6.9%	9.0%	21.0%
Metropolitan	0.0%	0.0%	0.7%	1.7%	2.8%	7.2%	12.4%
Not Applicable	0.0%	0.0%	0.3%	0.3%	0.3%	0.0%	1.0%
Total	2.4%	16.6%	22.4%	21.7%	18.6%	18.3%	

Table 2
148 Survey Respondents Organized by Reported Size and Type

	1-499	500-999	1,000-1,499	1,500-2,499	2,500-4,999	>=5,000	Total
Rural	2.0%	19.6%	18.2%	15.5%	8.1%	1.4%	64.9%
Suburban	0.0%	0.0%	1.4%	1.4%	8.1%	11.5%	22.3%
Urban	0.0%	0.0%	1.4%	2.0%	2.7%	6.8%	12.8%
Total	2.0%	19.6%	20.9%	18.9%	18.9%	19.6%	

Of the 148 school corporations that participated, 145 respondents hold the role of superintendent, 2 hold the role of assistant superintendent and 1 holds the role of chief financial officer.

Expected Funding Impacts

Respondents were asked to identify what funding impact they expected from four events that occurred in 2025. To further understand the timing of any impact, they were asked the same question for both the current year and in future years. The changes were listed as:

- SEA 1 limits on property taxes
- Universal voucher eligibility
- Level of funding allocated by the Indiana General Assembly
- Changes to and/or elimination of the US Department of Education

As can be seen in Figures 1 & 2, the percentage of school corporations expecting a negative impact was highest for SEA 1, with 95.3% expecting a negative impact in the current year and 99.3% expecting a negative impact in future years.

The level of funding allocated by the Indiana General Assembly (abbreviated as IGA in Figures 1 & 2) followed, with 87.2% expecting a negative impact in the current year and 93.2% expecting a negative impact in future years.

Universal voucher eligibility is expected to have a negative impact by 74.3% of school corporations in the current year and 83.1% in future years.

Changes at the US Department of Education are expected to have a negative impact by 54.7% of school corporations in the current year and 65.5% in future years.

Additionally, only small percentages ranging from 0.7% to 6.8% expected a positive impact from any of the events in either the current or future years.

Figure 1
Expected Funding Impacts – Current Year

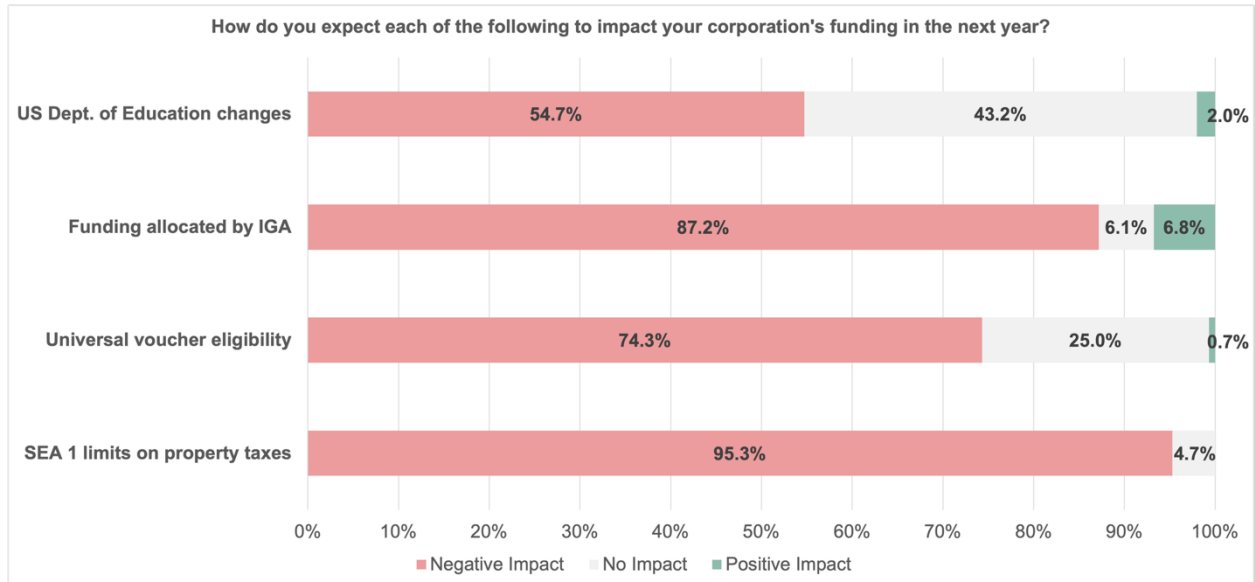
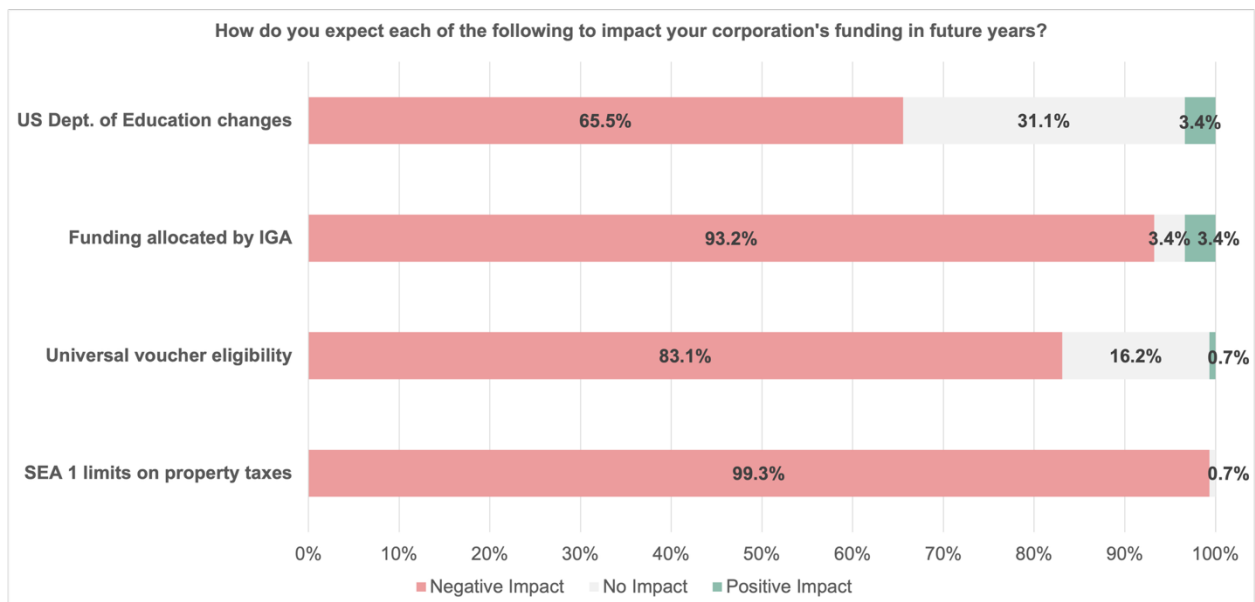


Figure 2
Expected Funding Impacts – Future Years



While the expected negative impact of SEA 1 is nearly universal, the expected impacts of other events were subject to more variance according to school corporation type and size.

Compared to other groups, rural school corporations and school corporations with lower enrollment were less likely to expect funding to be impacted by universal voucher eligibility.

Regarding the level of funding provided by the Indiana General Assembly, a higher percentage of urban school corporations expect to be negatively impacted, compared to suburban and rural school corporations. Additionally, a higher percentage of school corporations with lower enrollment expected to be negatively impacted.

Compared to suburban school corporations, higher percentages of both urban and rural school corporations expect funding to be negatively impacted by changes to the US Department of Education. Additionally, higher percentages of school corporations with the largest and smallest levels of enrollment expect funding to be negatively impacted by those changes.

Charts showing expected future impacts broken down by type and size of school corporation can be found in Addendum A.

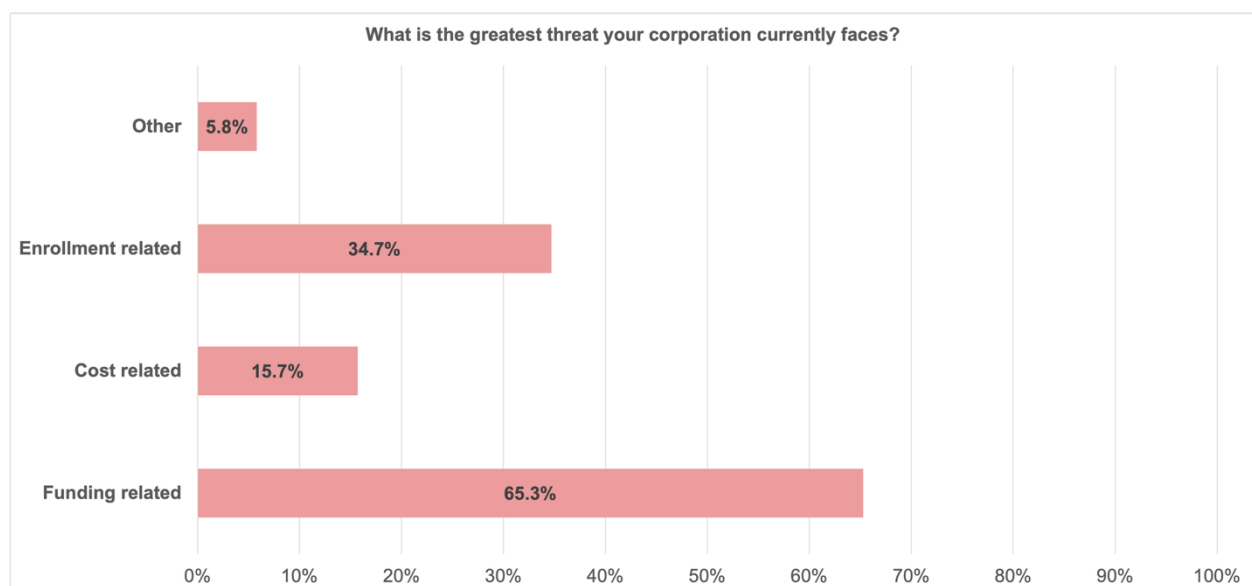
Severity of Funding Shortfalls

To further define the scope of impact of funding shortfalls, respondents were asked to list the greatest threat currently facing their school corporation.

As seen in Figure 3, 65.3% provided answers directly related to funding, with 83.5% of those making direct or indirect reference to SEA 1.

15.7% provided answers that were directly related to specific rising costs, e.g. insurance, utilities, building maintenance, salaries, etc.

Figure 3
Greatest Threat Currently Faced by School Corporations



Additionally, 34.7% provided answers directly related to enrollment, 69.0% of which referenced changing demographics within their communities.

5.8% provided other answers, including potential consolidation and multiple answers that were unique.

Note that 20.4% of respondents provided answers that included more than one category of threat, e.g. listing both decreased enrollment and increasing utility costs.

Actions Taken in Response to Funding Shortfalls

Respondents were asked to identify actions that their school corporations are taking in response to reduced levels of funding. The following eight actions were listed as options:

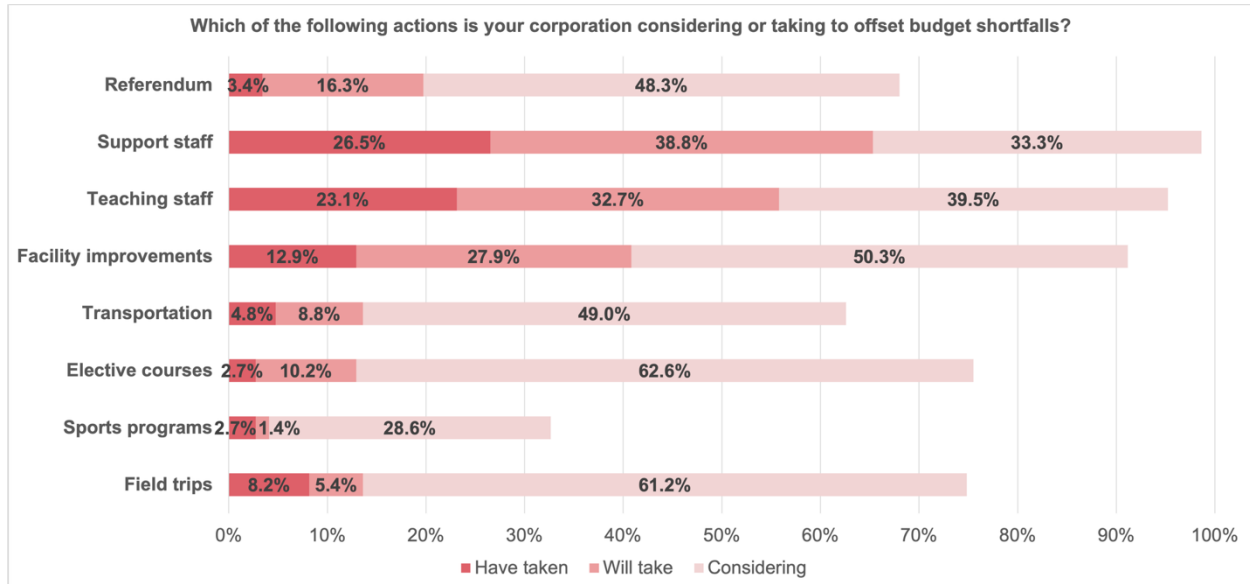
- Reduction or elimination of field trips
- Reduction or elimination of sports programs
- Reduction or elimination of elective courses
- Reduction or elimination of transportation services
- Reduction or elimination of planned facility improvements
- Reduction of teaching staff
- Reduction of support staff
- Placing a new or increased referendum on the ballot

For each option, respondents identified whether their school corporation 1) have already taken the action; 2) have decided to take the action; 3) are considering the action; or 4) have decided not to take the action.

As can be seen in Figure 3, 65.3% of school corporations report that they have reduced or will reduce support staff, 55.8% report that they have reduced or will reduce teaching staff and 40.8% report that they have reduced or eliminated planned facility improvements or will be taking that action. When expanded to include actions being considered, over 90% of school corporations have reduced, will reduce or are considering reductions to support staff, teaching staff and facility improvements.

All actions except the elimination of sports programs are at least being considered by more than 60% of school corporations.

Figure 4
Actions Taken in Response to Funding Shortfalls



Additional comments provided by some respondents illustrate facts that likely influence the actions being taken, including:

- The listed actions vary in how expediently they can be taken.
- Legal requirements and contracts prevent some school corporations from taking some of the listed actions.
- The actual cost reductions available via the listed actions vary significantly.

Rural, suburban and urban school corporations demonstrated some variation in the percentages considering or taking specific actions, with the largest difference pertaining to referendums. Only 57.3% of rural school corporations are at least considering placing a new or increased referendum on the ballot, while the corresponding percentages for suburban and urban school corporations are 84.8% and 89.4%, respectively.

Charts showing the actions being taken broken down by type and size of school corporation can be found in Addendum B.

In addition to the 8 options listed in the multiple choice, respondents were provided a free-text field in which they could write in any other actions that their school corporations were taking or considering in response to budget shortfalls. The provided responses are summarized as follows.

- 23 respondents – using natural attrition and not replacing staff who retire or resign
- 12 respondents – delaying or canceling the replacement of school buses
- 10 respondents – pursuing energy savings (e.g. considering solar installations, reducing air conditioning usage, etc.)
- 9 respondents – issuing new, previously unplanned general obligation bonds

- 8 respondents – reducing staff wages and/or raises
- 7 respondents – closing a school building
- 6 respondents – reducing staff benefits (e.g. health insurance, retirement contributions, etc.)
- 6 respondents – eliminating current services and/or programs
- 3 respondents – pursuing shared purchasing agreements for services with other corporations
- 3 respondents – reviewing vendor contracts and renegotiating those that can be renegotiated
- 3 respondents – reducing technology replacements and requiring staff, classrooms, and/or students to share technology
- 3 respondents – depleting existing rainy day funds
- 3 respondents – increasing fees to families for extracurricular activities
- 2 respondents – exploring revenue-generating partnerships
- 2 respondents – exploring consolidation with another corporation
- 2 respondents – outsourcing custodial and/or food services
- 2 respondents – pursuing partnership with virtual school provider
- 2 respondents – reducing SRO (safety resource officer) program
- 2 respondents – reducing available classroom and/or office supplies
- 1 respondent – pursuing external grants
- 1 respondent – refinancing current debt obligations
- 1 respondent – reducing professional development opportunities for teachers
- 1 respondent – reducing building maintenance
- 1 respondent – requiring furlough days for administrative staff
- 1 respondent – reducing staff hours where allowable
- 1 respondent – increasing amount taken by referendum to the full approved amount
- 1 respondent – combining district offices
- 1 respondent – reducing custodial services and bringing them back in-house
- 1 respondent – changing from trimester to semester calendar
- 1 respondent – evaluating possibility of 4-day school week
- 1 respondent – closing playgrounds that require maintenance instead of repairing them
- 1 respondent – increasing building rental fees for community organizations
- 1 respondent – allowing open enrollment

As these actions were written in by respondents, their inclusion serves as an indication that at least a specific number of school corporations are taking them, but they are not indicative of the actual number of school corporations that are considering or taking them.

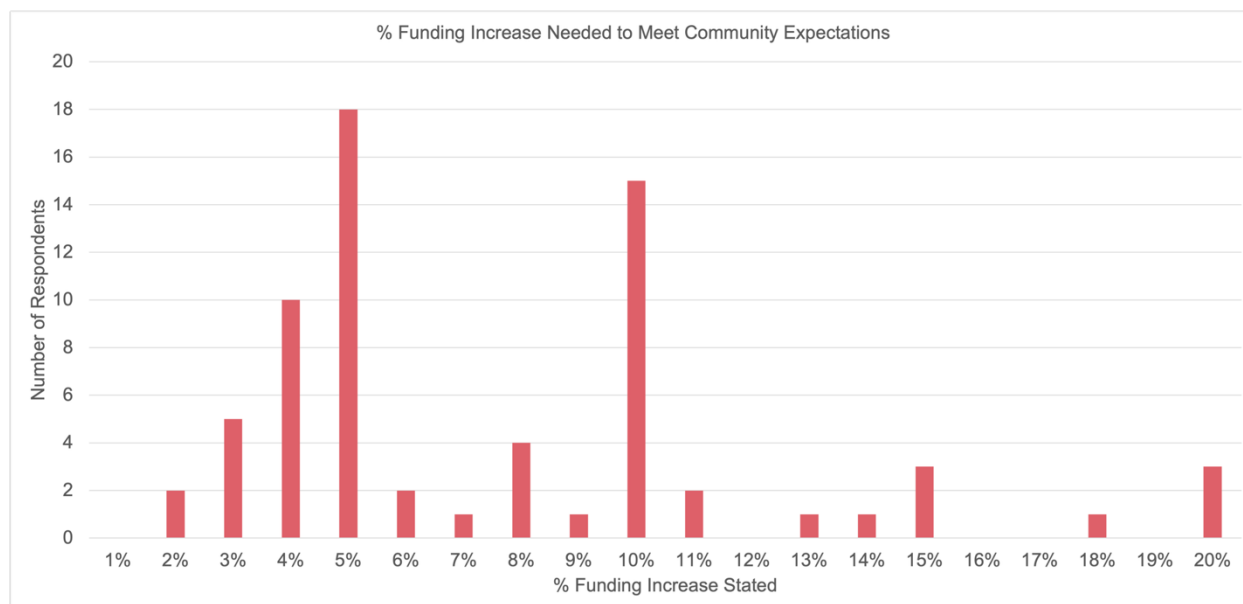
Severity of Funding Shortfalls

To ascertain the degree of funding shortfalls currently faced by school corporations throughout the state, superintendents were asked:

What percentage of budget increase do you believe would be necessary to adequately provide the level of services expected by your community?

The question did not specify whether it was asking for an annual or one-time increase, though a majority of respondents that provided a simple number indicated that they were referring to an annual rate. Of the 89 respondents who provided answers to the question, 69 indicated a specific percentage. The mean of those responses was 7.6%, though there was considerable variation. Figure 4 indicates how many respondents indicated each specific percentage for the range of answers provided.

Figure 5
Percentage Funding Increase Needed to Meet Community Expectations



The remaining 20 responses varied, including mention of specific shortfalls within their operation and/or education funds, referendum-specific or contingent answers, or references to inflation, SEA 1 and/or the new requirement that corporations pay for curricular materials. The most frequent references were 7 respondents specifically stating that funding increases needed to keep pace with inflation, 5 stating that SEA 1 needs to be repealed or offset and 4 stating that the curricular materials requirement needs to be repealed or offset.

Select Additional Comments

Respondents were offered the opportunity to include additional comments about their school corporations and the challenges they are facing from funding shortages. A selection of those comments, chosen for their illustration of a specific or unique perspective, follows. Note that some comments have been edited for the purpose of not directly or indirectly disclosing the identity of the school corporation at issue. A full list of comments is included in Addendum C.

From a suburban school corporation, >5,000 enrollment:

Our state lawmakers have made any long-range financial planning impossible in Indiana - with constantly changing regulations.

From an urban school corporation, 1,500 – 2,499 enrollment:

[Our corporation is] very urban and poor. Tax caps and senate bill 1 will pretty much eliminate operation funding.

From an urban school corporation, 2,500 – 4,999 enrollment:

I cannot pay my utility bill. [We face] inflation and new laws – and utility increases - we cannot survive these increases without help.

From an urban school corporation, >5,000 enrollment:

The negative impacts of SEA 1 cannot be overstated. Specifically, the uncontrollable cost increases in utilities, transportation and insurance cannot be addressed adequately with the anticipated decreases to our operations fund.

From a suburban school corporation, 1,500 – 2,499 enrollment:

By 2028, our Operations Fund will be less than \$450,000/year based on SEA 1. Our NIPSCO bill alone will be approximately \$600,000/yr.

From a rural school corporation, 500 – 999 enrollment:

It's impossible to "do more with less" when everything else continues to increase in cost (utilities, price of new buses, curricular materials, property/casualty insurance, health insurance, salaries, etc.).

From a rural school corporation, 1,000 – 1,499 enrollment:

[The greatest threat we face is] funding appropriate staffing and just maintaining the buildings and safety that is needed to continue to operate.

From a rural school corporation, 1,500 – 2,499 enrollment:

Our district's tax rate ... was already in the bottom 25% in the entire state of Indiana. This district has a history of doing more with less. But the impending reduction to our Operations Fund due to SEA 1 is going to make it very difficult to simply run school (maintenance of buildings and school buses).

From a rural school corporation, 1,500 – 2,499 enrollment:

We have no choice but to either pass an operating referendum or eliminate transportation. We are also RIF'ing \$1.3 million of positions at the end of the 25-26 school year.

From a suburban school corporation, >5,000 enrollment:

[The greatest threat we face is] failed referendum. This would eliminate hundreds of positions and dozens of programs. No district should need to run a referendum to adequately pay for expected services in the community.

From a rural school corporation, 500 – 999 enrollment:

I'm shocked that the politicians made us a referendum state and now one of them actively tried to defeat all referendums. You can't make that make sense.

From a rural school corporation, 1,500 – 2,499 enrollment:

We do not have to be in the financial crunch we have been placed in. It's a manufactured crisis. It's hard to get on board with 'tightening up the belt' and 'lower those taxes' when hundreds of millions of dollars are being siphoned off and given to charter schools (which are not held to the same standards as traditional public schools) and the state's voucher program.

From a rural school corporation, <500 enrollment:

[The greatest threat we face is] virtual programs when parents withdraw their student because do not want to get referred to the Prosecutor and DCS. The legislature has set this ridiculous system up with no oversight.

From a suburban school corporation, 1,000 – 1,499 enrollment:

Vouchers have pulled a large number of students from us not for better academics, but for lower expectations, athletic opportunities at an earlier age (that don't translate to better athletic outcomes at high school age when they rejoin us), and to avoid a segment of lower socioeconomic status population that has been added to our community through Section 8 housing

From a rural school corporation, 1,500 – 2,499 enrollment:

When you give a 2% increase but force us to pay for curricular material out of Education Fund, that is NOT new money. That is a 0% increase.

From a rural school corporation, 1,500 – 2,499 enrollment:

We have just over 1500 students and the state seems to want schools like us to go away.

From a suburban school corporation, >5,000 enrollment:

There is not a one size fits all approach - I have led both a small, rural district and now a larger suburban district; both have unique needs and what I have found is that a lot of our local legislators don't truly understand the impact that a lot of these changes and "other priorities" can have on all of us in different ways.

Addendum A

Expected Negative Future Funding Impacts by School Corporation Type and Size

Figure A1
Expected Future Funding Impacts of SEA 1 by School Corporation Type

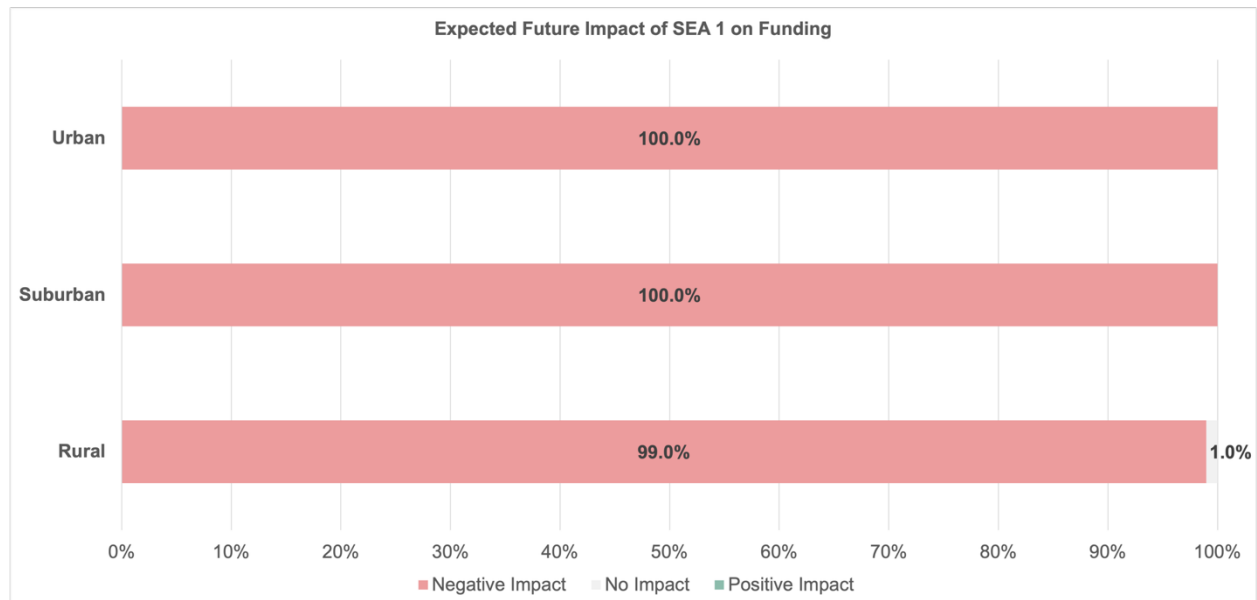


Figure A2
Expected Future Funding Impacts of SEA 1 by School Corporation Enrollment

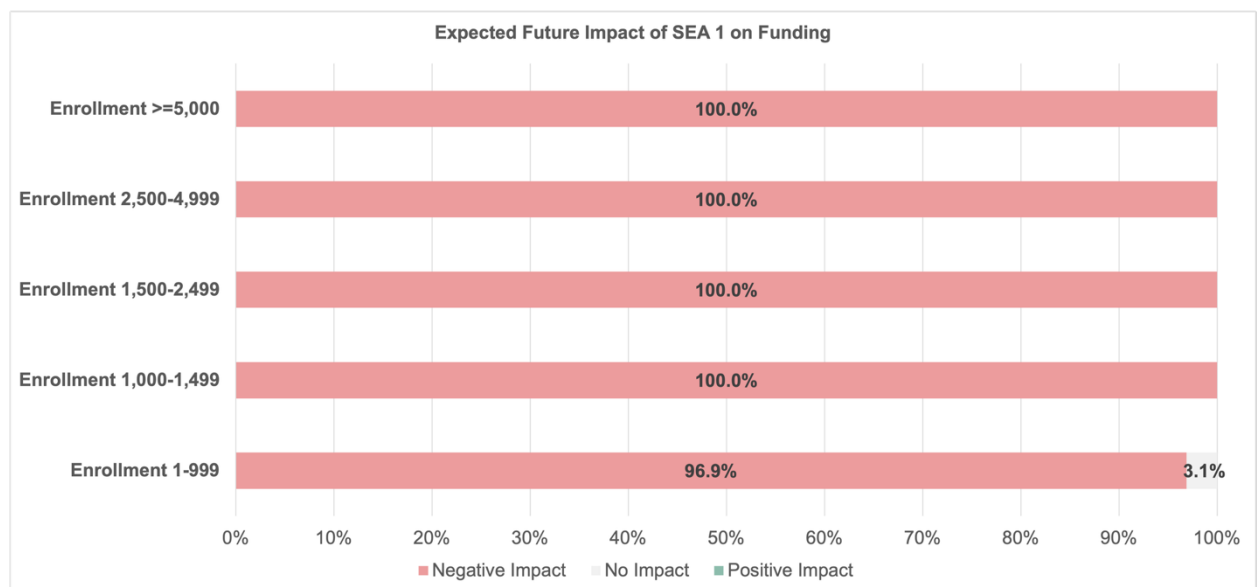


Figure A3
Expected Future Funding Impacts of Universal Voucher Eligibility by School Corporation Type

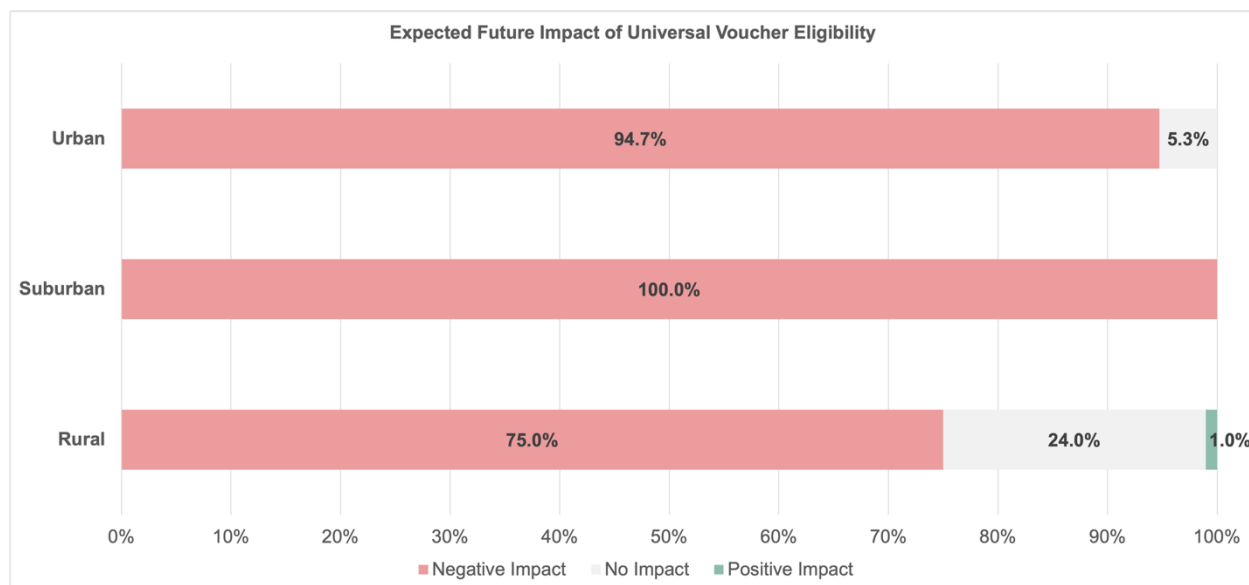


Figure A4
Expected Future Funding Impacts of Universal Voucher Eligibility by School Corporation Enrollment

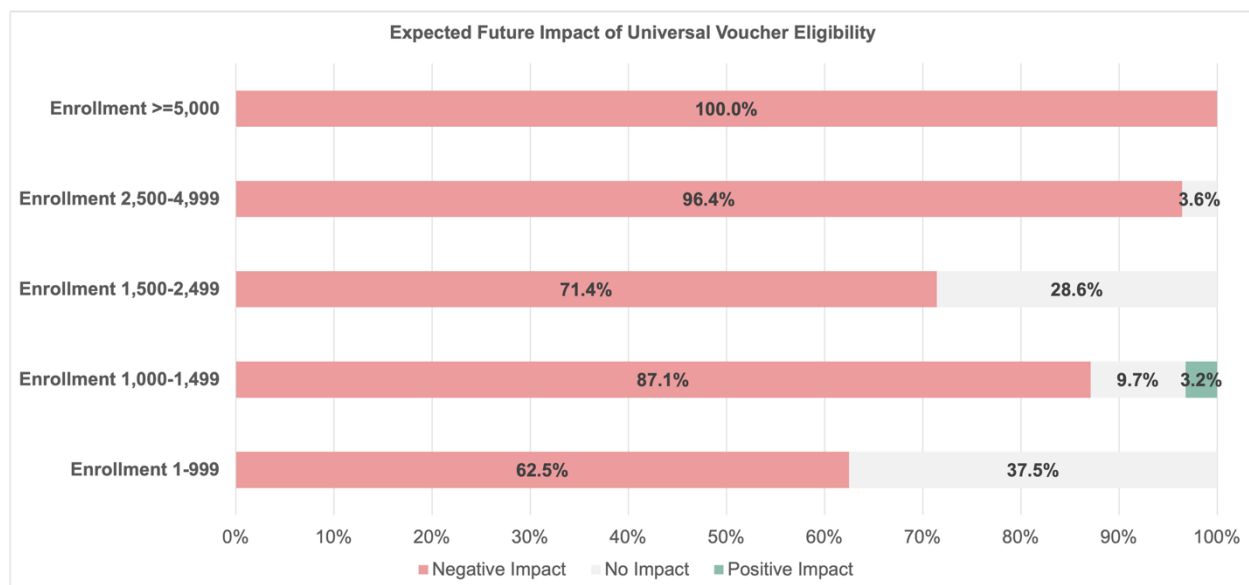


Figure A5
Expected Future Funding Impacts of Indiana General Assembly Allocations by School Corporation Type

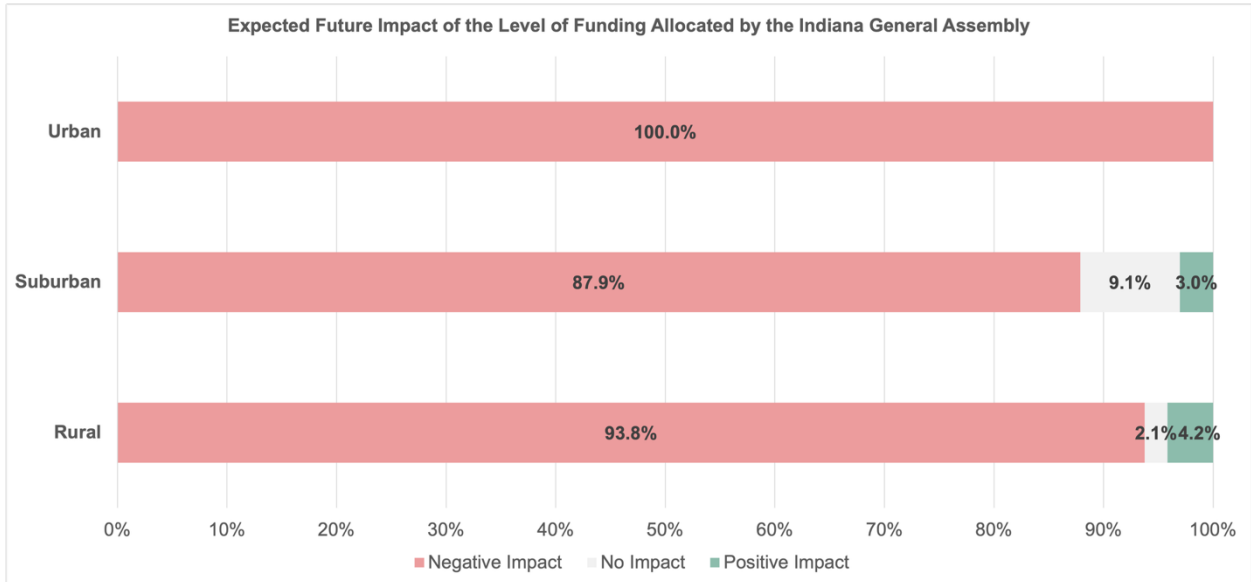


Figure A6
Expected Future Funding Impacts of Indiana General Assembly Allocations by School Corporation Enrollment

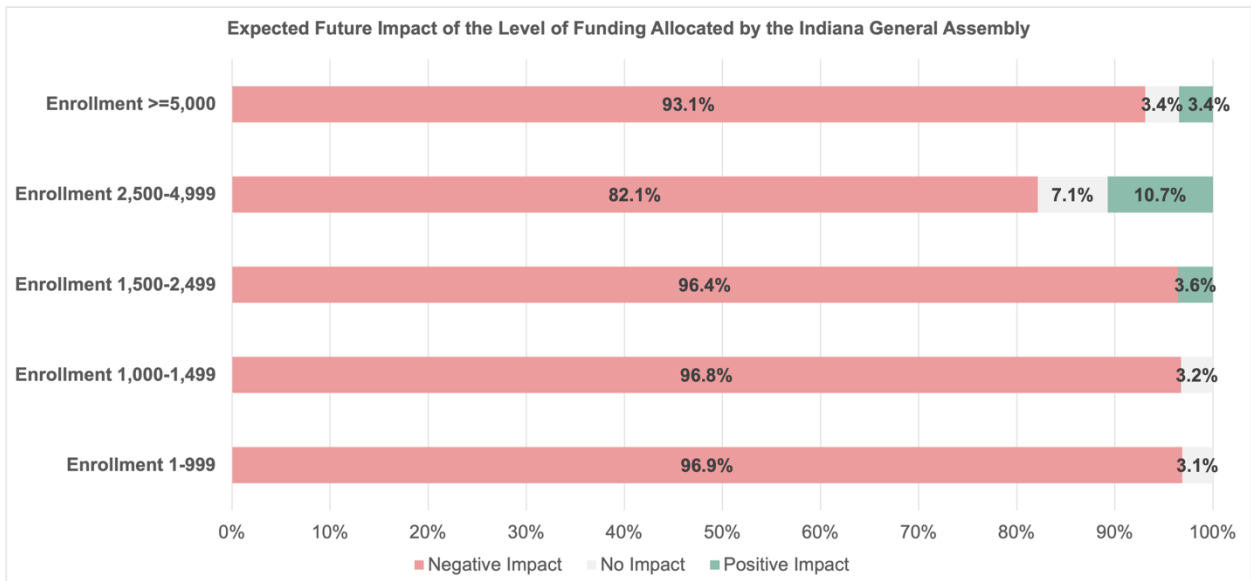


Figure A7
Expected Future Funding Impacts of US Department of Education Changes by School Corporation Type

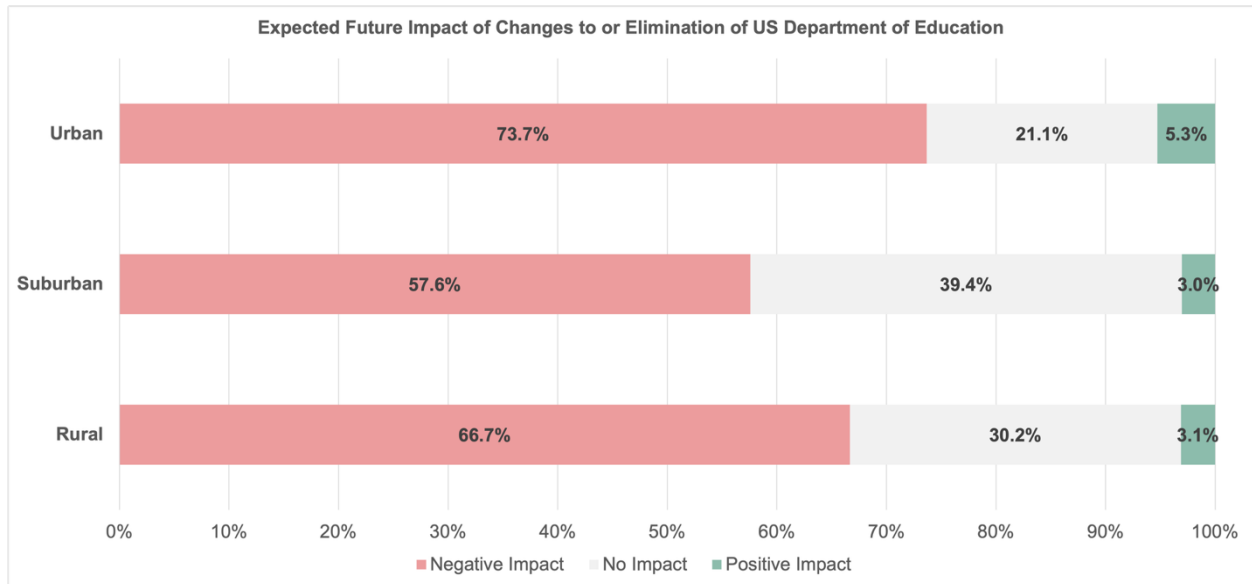
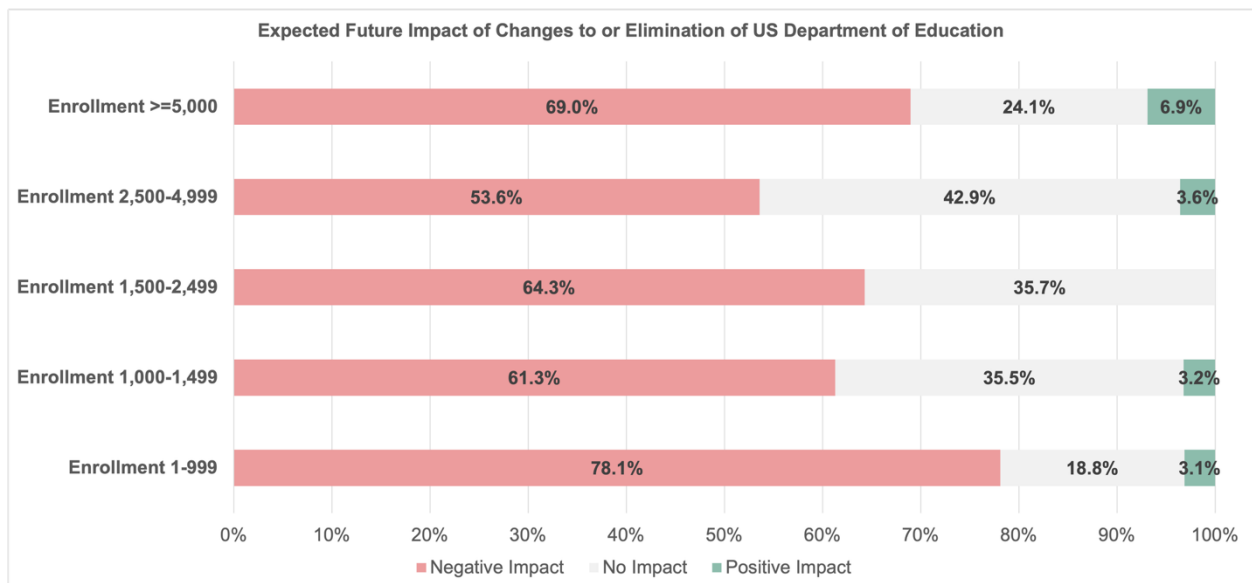


Figure A8
Expected Future Funding Impacts of US Department of Education Changes by School Corporation Enrollment



Addendum B

Actions Taken in Response to Funding Shortfalls by School Corporation Type and Size

Figure B1
Actions Being Taken or Considered by Rural School Corporations

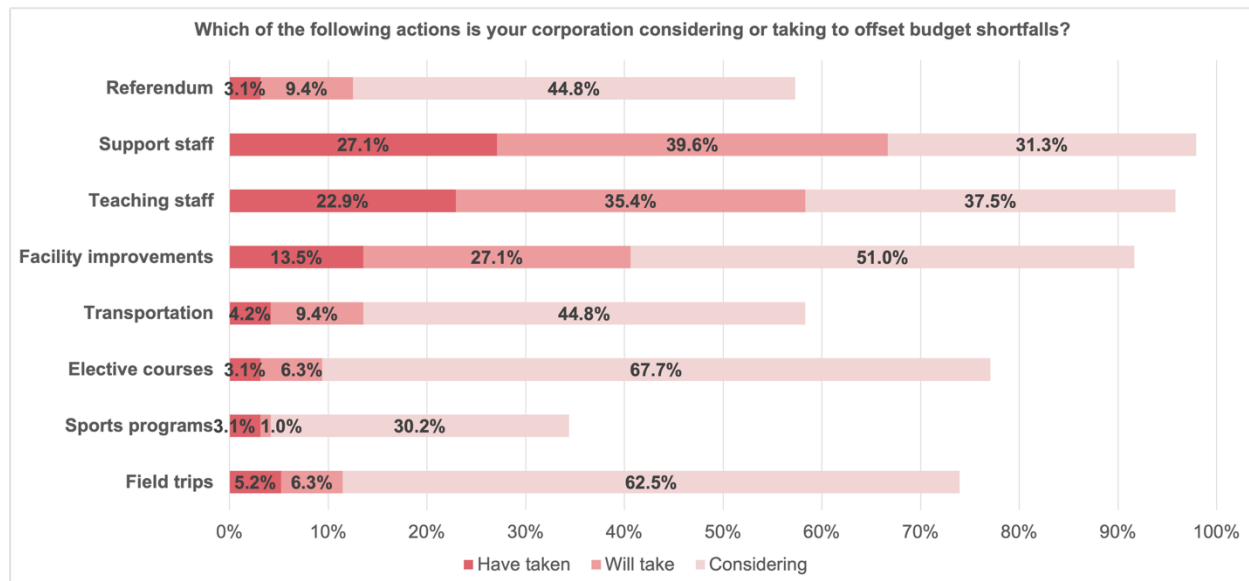


Figure B2
Actions Being Taken or Considered by Suburban School Corporations

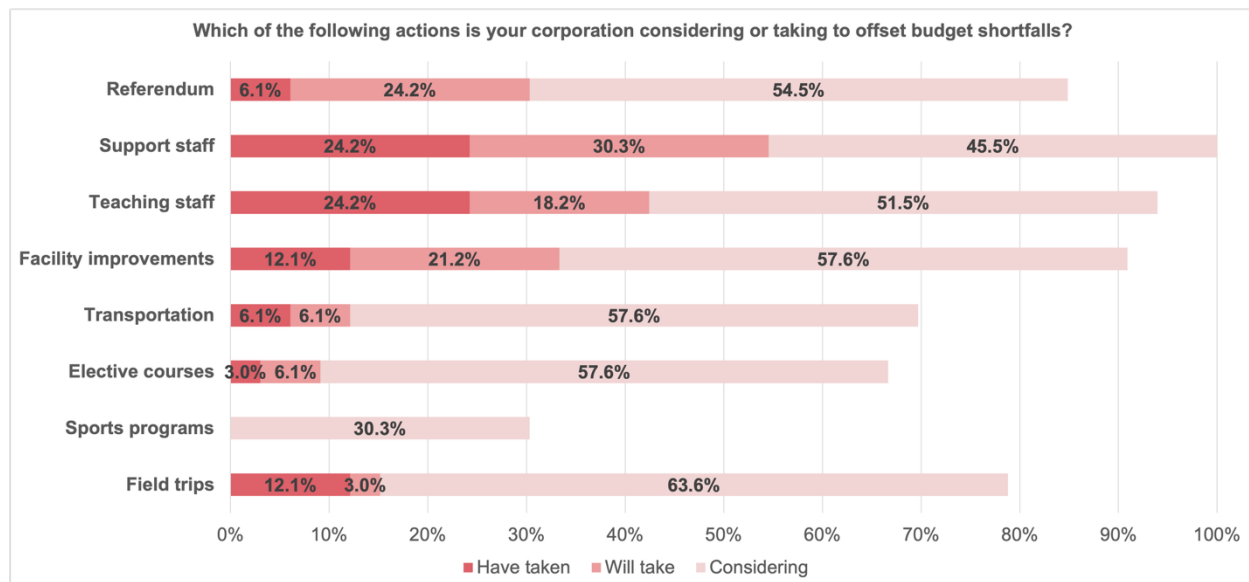


Figure B3
Actions Being Taken or Considered by Urban School Corporations

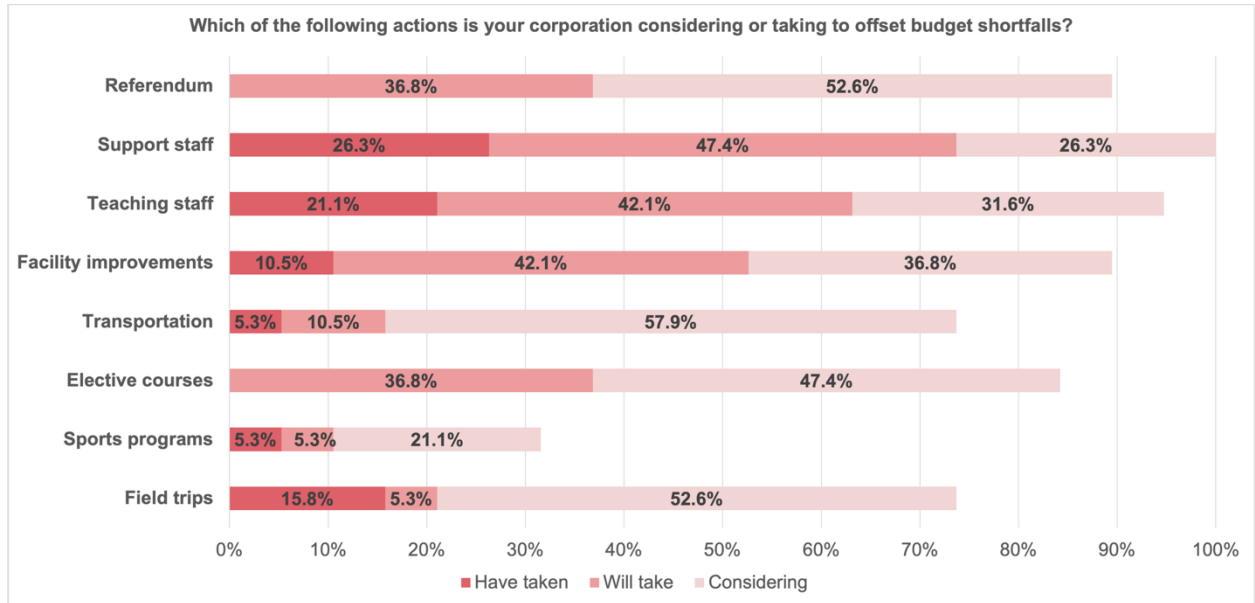


Figure B4
Actions Being Taken or Considered by School Corporations with Enrollment of 1 – 999

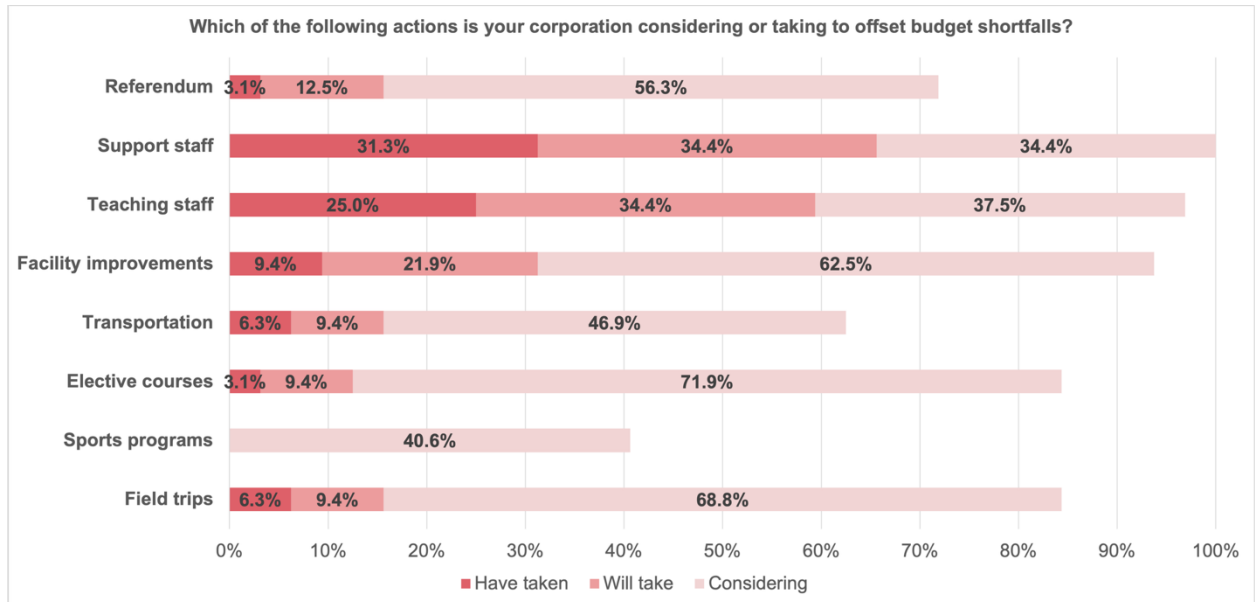


Figure B5
Actions Being Taken or Considered by School Corporations with Enrollment of 1,000 – 1,499

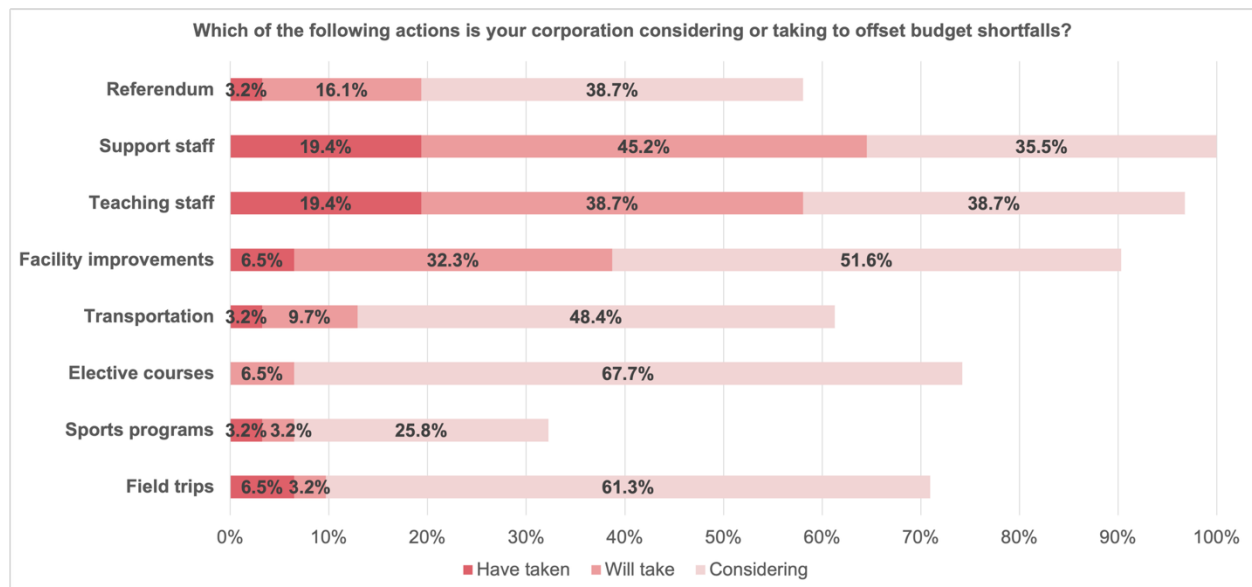


Figure B6
Actions Being Taken or Considered by School Corporations with Enrollment of 1,500 – 2,499

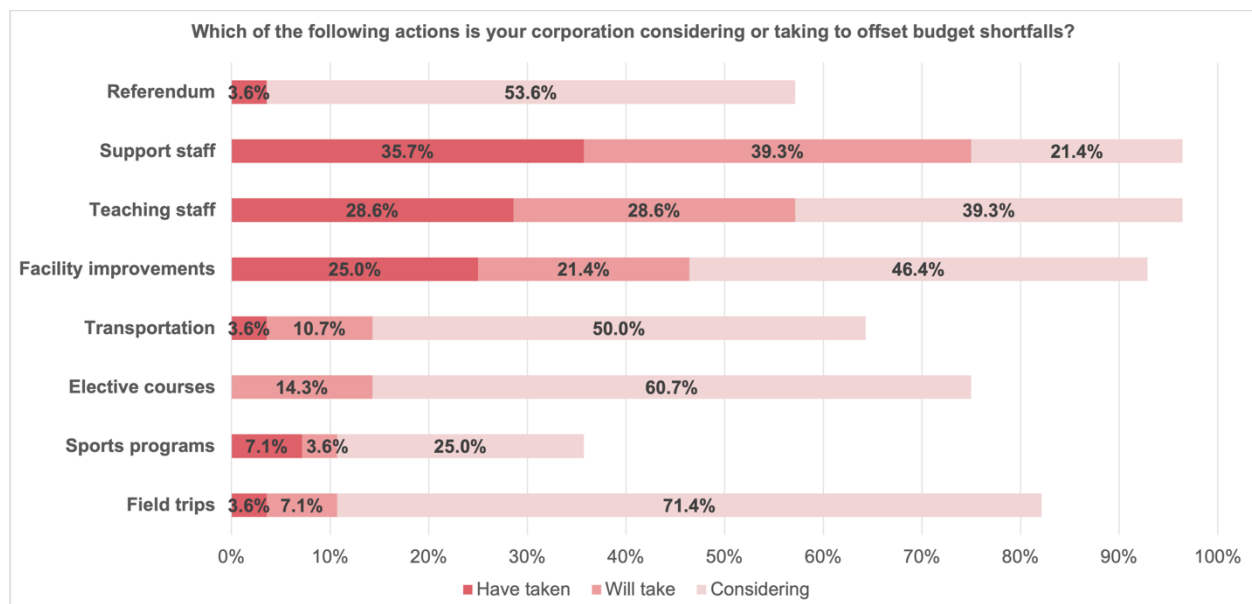


Figure B7
Actions Being Taken or Considered by School Corporations with Enrollment of 2,500 – 4,999

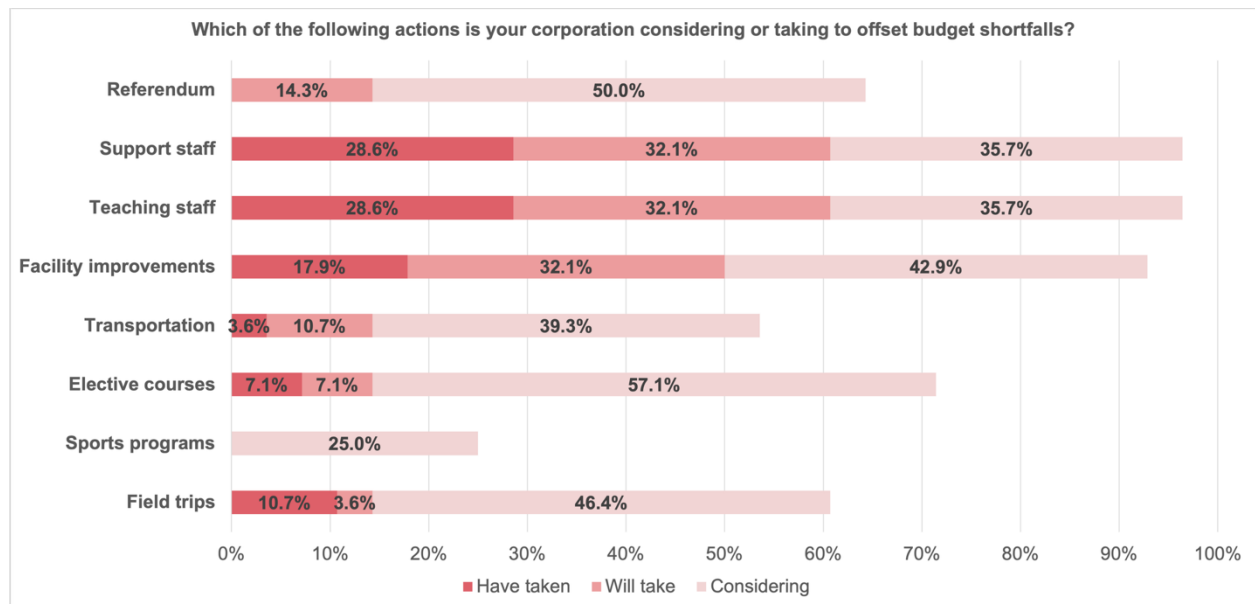
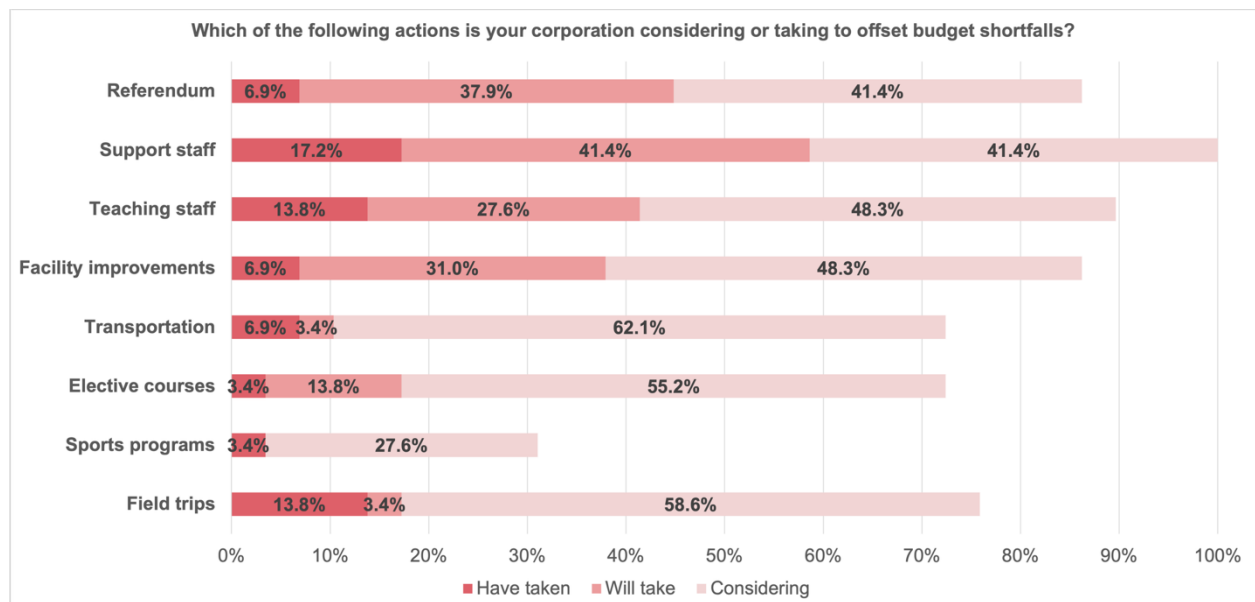


Figure B8
Actions Being Taken or Considered by School Corporations with Enrollment of 5,000 or more



Addendum C
Additional Comments Provided by Respondents Pertaining to Their School Corporations and the Challenges Presented by Funding Shortfalls

Additional Comments Provided by Respondents in Rural School Corporations

We have reached the necessary thresholds in salaries that we may freeze them indefinitely after 2026.
Our district's tax rate ... was already in the bottom 25% in the entire state of Indiana. This district has a history of doing more with less. But the impending reduction to our Operations Fund due to SEA 1 is going to make it very difficult to simply run school (maintenance of buildings and school buses). [We have] an EL population of about 18% of total enrollment. Aging buildings with very small capacity to bond (without raising taxes) to improve anything. Tax caps have always limited us in Operations and now SEA 1 will make things very difficult.
Tell the state to take over the operation fund like they did the education fund.
I think all small rural schools are fighting the same battles. Unfortunately, our school community is not the most supportive after a consolidation a few years ago. They are quick to spread negativity about the schools. Schools will continue to do the best they can with what they are given. We'll take the public perception hits, because [they] can't seem to figure out where the real problem lives.
We will be cutting staff in our district over the next two years. [The greatest threat we face is] lack of funding. We are a very small rural school with almost no neighborhoods or industry.
It's time to adequately fund our public schools and stop diverting public tax dollars to vouchers / private schools.
[The greatest threat we face is] the instability of funding due to negative changes in our enrollment. We are a small corporation with two schools total. Everyone here knows each other. We have had a high school here in this township since the beginning of the 20th century.
[The greatest threat we face is the] financial impact of recent legislation including moving bus replacements to a 16-year cycle instead of a 12.

[The greatest threat we face is] funding appropriate staffing and just maintaining the buildings and safety that is needed to continue to operate. We are a small rural school, but we offer a lot to our community and students. A preschool, afterschool care program, all 30 Indiana College Core courses are offered at our high school, many Work Based Learning and extracurricular opportunities for our students.

[The greatest threat we face is] loss of funding coupled with low birthrates leading to loss of enrollment. In a recent conversation with [our state senator], the comment was made, "if legislators would refrain from introducing new legislation for at least two years, it would allow districts the necessary time to fully implement existing changes, assess their long-term impacts, and make informed adjustments. This pause would enable us to provide lawmakers with higher quality data and more meaningful feedback." He responded favorably to this suggestion.

[The greatest threat we face is] funding changes targeting small, rural schools. [We are] small enough to know every student.

[The greatest threat we face is] declining enrollment. Much of this decline is related to the change in demographics and opportunities in our community. It is exacerbated by families pulling students to "homeschool" and roughly 125 students annually going to virtual programming.

Legislators have to gain a handle on the slow drain of funds to virtual schools that do students a disservice. It is the most egregiously bad thing I have seen for children in my 25 years in education, lining the pockets of for-profit companies at the expense of students and public schools.

Universal vouchers and Education Savings Accounts are taking funding away from traditional public schools.

Over the past three years, we have moved our bus purchases from operations to issuing GO bonds, moved to GO bonds for technology, and have partnered with a virtual school for additional revenue. We will eliminate certified staff for the 2026-2027 school year due to projected decreases in funding...we are hoping to do this through retirements at this point. However, if Title I and/or Title II are eliminated or significantly decreased, we will RIF teachers.

Financially, it seems that we are hanging by a thread. Any additional cuts, like elimination of Title Grants, for example, would push us over the edge.

Last year, we partnered with a virtual school to offer an online option to our students and those throughout the state. We saw this as an opportunity to offer additional courses/options to our current students as well as a potential revenue stream. Last year, we were able to give our teachers a stipend with these funds. As a result of SEA 1, 100% of these funds will now go directly into our Operations Fund.

Our community does not have the necessary housing to meet the need of new citizens to increase our enrollment. Several of our citizens are older within older homes that are falling apart.

[The greatest threat we face is] declining enrollment. We are a small school that offers a full Associate's degree (17% of the 2025 graduating class earned an Associate's and 92% of the 2025 graduating class graduated with college credits). We also have a 35+ year old NJROTC program that has tremendous success.

[The greatest threats we face are] funding and the future unknowns with the federal government, SB1 and immigration changes. While we are rural our demographics qualify us as urban also.

We have a great relationship with our teacher's association, and are working together to find every possible financial solution so that we can maintain current programs for students and continue to keep our facilities up to date and pay our staff. I am not sure what else we can cut. Sooner rather than later it will have to be people and programs.

[The greatest threat we face is] virtual programs when parents withdraw their student because do not want to get referred to the Prosecutor and DCS. The legislature has set this ridiculous system up with no oversight. Also, the Max Growth Levy was set at 4%. Yet, we had a 26% growth in AV and we cannot access those funds that are the school corporation's revenue. The formula needs fixed.

We have the Highest ILEARN & IREAD scores in the county. We have the lowest tax rate in the county. We have the 2nd highest graduation rate in the county. We offer 8 AP classes at our small high school. All teachers & paraprofessionals are Google Certified and we are a Google Certified School Corporation. Our debt is extremely low along with our tax rate. In 2026-27 we will have full capacity for bonds with little to no need for projects due to a well maintained facility.

Asynchronous Virtual Education is a joke. It needs oversight on both funding and students actually attending classes. The State of Indiana should publicly bid or set the price for payment to private vendors with demand that every student should be required to attend classes just as brick and mortar kids. Textbook rental should be a separate categorical item just as it was in the past. It is wrong to tell the public that education received a 2% increase when textbook rental accounts for .5% of the total raise. Max Growth Levy for a growing corporation or businesses moving into the district needs fixed.

[The greatest threat we face is] LIT going away in 2028. [We are a] rural school with high racial diversity, high poverty, and high special education populations. Bring back local control. Don't set salary minimums for teachers. Not helpful.

[We] will need to right size staffing while also remaining competitive with wages as it is growing increasingly difficult to hire well qualified teachers. Our team is a very high performing team. We worked collaboratively annually with our school board to set strategic goals and consistently exceed them.

We are eating into our cash balance. Introduction of a supplemental homestead credit will reduce school revenues (estimated \$290K loss for [our corporation] in the next year). Circuit breaker (tax caps) further limits collections, with combined estimated losses of \$350K in operations funds next year.

We are in a community [that is] slowly becoming more of a retirement community. Over the past three years we have lost 205 students. This equates for the 1.5 million in deficient spending we are seeing. SB1 will shift schools from a tax rate management system to a levy-based system, with all changes phased in by 2031. This will likely lower net assessed values due to increased deductions, affecting revenue.

Moving to a levy-based approach (fixed dollar amount from taxpayers) simplifies messaging but may result in higher tax rates as assessed values fall, while the actual dollars collected remain stable. SB1 will shift schools from a tax rate management system to a levy-based system, with all changes phased in by 2031. This will likely lower net assessed values due to increased deductions, affecting revenue.

We have no choice but to either pass an operating referendum or eliminate transportation. We are also RIF'ing \$1.3 million of positions at the end of the 25-26 school year.

We are looking at any and all other cost saving measures that we can take to help mitigate the loss of over \$1M per year to our operations fund due to SEA 1.

[The greatest threat we face is] the negative impacts of SEA 1. We have aging facilities and do not have the bonding capacity to keep up with them. Our most pressing concern is our middle school that is 75 years old and we will never have the bonding capacity to do anything major to that building to get it up to today's standards.

We are a very small geographic district. Any new housing or businesses that come in are part of TIF districts. This is great for the city, but the school struggles to maintain. The city ... does not pass through any TIF dollars to us. The perception from the community is the city is doing well so the school should be doing well and that is not the case.

I would like to see mandatory pass through of TIF dollars to schools as a percentage basis. I would like to see operation funding to follow the students just like education fund dollars. There is significant disparity across the state in terms of \$/kid for operations funding. I would like to see ED funding increased for public schools and not just redirected towards charter schools.

In mid-November (2025) I have called for a meeting with all of our principals and directors to work through areas where we can 1) find cost savings; and 2) identify opportunities to find new revenue streams. In coordination with our financial advisor, we need to cut \$250,000 from our Education Fund budget for 2026-27 and cut \$250,000 from our Operations Fund for 2026-27. We anticipate having to make the same cuts again for the 2027-28 school year if we continue to be underfunded.

[The greatest threats we face are] 1) Declining enrollment (like 70+% of all public school corporations; 2) Increase in costs across the board in conjunction with being consistently and grossly underfunded.

WITH RESPECT TO FUNDING AND TAXES -- Like many Indiana cities that relied on manufacturing jobs for decades, [our city] has been hit hard by the loss of large manufacturing facilities in recent decades. This has led to a loss of people across our community. Educationally speaking, we have had quite a bit of turnover in various administrative personnel across the district in recent years as well which has led to some incoherence in strategic planning in various areas such as curriculum development and facility upkeep to name just a couple.

1) We do not have to be in the financial crunch we have been placed in. It's a manufactured crisis. It's hard to get on board with 'tightening up the belt' and 'lower those taxes' when hundreds of millions of dollars are being siphoned off and given to charter schools (which are not held to the same standards as traditional public schools) and the state's voucher program; and 2) the state's funding formula does not meet the adequate needs of varying community dynamics. A rural school district's finances and dynamics are vastly different from a large suburban school district on the edge of Indianapolis. We could (and should) do a much better job with allocating appropriate dollars to districts across the state with new and creative funding formulas.

[The greatest threats we face are] Budget struggles from legislative changes. Competition for teachers. Consolidation talks.

[Our corporation has] small class sizes, strong academics, ECA success (several state championship teams).

It's impossible to "do more with less" when everything else continues to increase in cost (utilities, price of new buses, curricular materials, property/casualty insurance, health insurance, salaries, etc.).

[The greatest threat we face is] vouchers. Vouchers are killing public education. Accountability must be the same among all who receive funding.

[The greatest threats we face are] tax caps and loss of property tax funds [that] will be detrimental to our Operations Fund.

We are only 4.5 square miles--not much space for adding housing to increase our enrollment.
<p>[The greatest threat we face is] reduction in property taxes. We will reach 87% circuit breaker loss.</p> <p>We are a rural school with an urban clientele, due to open enrollment. We lost 40% of our local students to other schools, but gained 40% from out of district.</p> <p>Our operations fund is so strained that we have to take 15% each month and additional 5% at the end of the year through an education to rainy day to operations to survive. It hurts our opportunities to offer a better educational program for our kids.</p>
[The greatest threat we face is] long term debt capacity with growth on the horizon. We are still small, but have growth on the horizon. Almost 100% of our commercial AV is in a TIF limiting the diversity of our tax base.
[The greatest threats we face are] declining enrollment along with declining property tax funds. [We are a] rural school with a very unique community that has very high expectations.
<p>We are a small district so any decrease in funding hurts as we continue to provide great opportunities for our students and maintain the heart of our community like all small rural schools do. We constantly face unfunded mandates, increased requirements in reporting and administration, more decreases in funding, and now constant rumors of consolidation talks. All of these factors increase the tension for students, families, and educators.</p> <p>I am proud to be a public educator and we are proud to be a public school. We serve every single student that comes to our schools regardless of ability or background and do it to the best of our abilities every single day. I am grateful for our staff, all who choose to serve kids through public education.</p>
[The greatest threats we face are] declining enrollment, increased costs. We are the largest employer in our community. We are the entertainment, the support, and the consistent institution that keeps assessed values high.
[The greatest threat we face is] decreased funding. We are a small, rural corporation with outstanding community support. We realize that we are incredibly lucky. Given our small size, we continue to offer many opportunities for our students. Future cuts will minimize those opportunities for students.
[The greatest threat we face is] the State of Indiana not adequately funding public education.

We have a \$15 million dollar cash balance. This allows us to minimize the impact of being underfunded, but is only a temporary solution. We need to increase our re-occurring funding in order to increase our salary schedule (well below the state average) and increase our benefits package, mainly health insurance contribution, so we can compete for quality teachers and staff.

[The greatest threats we face are] very small maximum operations levy, increased utility and insurance rates, aging facilities.

We have beautiful scenery that attracts millions of visitors during October; the rest of the year there is nothing here that would improve AV or educational funding, and the taxpayers of our district want to pay less tax money out.

I'm not sure this district will survive as a standalone entity and I really don't like the thought of that while I am the leader of the district. So much of this is completely out of my control, and there is legitimately nothing I can do to help. It's disheartening after 30+ years of service to the education profession.

Circuit Breaker & TIF District already cripple our Operations Budget to where we have no choice but to obtain GO Bonds. These items along with the SAE 1 changes will have us \$1.7 million in the red by the end of the 26-27 school year.

Keep up with the cost of living at least. When you give a 2% increase but force us to pay for curricular material out of Education Fund, that is NOT new money. That is a 0% increase.

[The greatest threat we face is] loss of students. [We provide] diverse curricular offerings for a school district our size.

We must do what is necessary to raise teacher salaries in rural Indiana.

We have just over 1500 students and the state seems to want schools like us to go away. Consolidation is the biggest threat.

We are a rural school but only 25 minutes from downtown Indy. We are primed for growth but our town council, and many in our community, does not want it.

[The greatest threat we face is] funding shortfall. State keeps cutting funding while continuing to increase mandates.

It continues to cost more to run a corporation, but we continually lose funding streams to make it happen.

We are a small rural school but we offer the ICC and 180 dual credits. We have a robust CTE offering on site. We created locally impactful pathways and made a significant investment in them beginning in 2016. The investment included remodeling of spaces, purchasing equipment and an investment in staffing. AG, Health Careers (CNA and CMA), Digital Design, Construction, Engineering, CDL, Diesel Services, Heavy Equipment, Business, and Pathway to Teaching.

We are a small school where staff knows the parents and students. For a small school, we are able to offer things that bigger schools might not be able to offer such as an early college program.

Four years ago the state made really good headway honoring teachers with adequate, perhaps even more than adequate new money; two years ago the state lost all that good will with the less than stellar budget, this past session was really, really bad and we are back to square one with our hat in our hands.

We are the biggest employer in town and the hub of the community, maybe not unique, but it's a huge part of our identity.

I'm shocked that the politicians made us a referendum state and now one of them actively tried to defeat all referendums. You can't make that make sense.

Additional Comments Provided by Respondents in Suburban School Corporations

We are declining enrollment. We will have to transfer 15%, which we have not been doing, just to keep up. I am concerned how long we can do this, we are eating up our cash balance. Right now we only transfer about 9%.

[The greatest threat we face is] finances. This keeps me up at night.

We are located in an area of the state where the starting salary is high, and it makes it difficult to compete. We have not yet had a referendum, and have not had one by design. This is no longer possible.

We need a change to happen quickly.

[The greatest threat we face is] vouchers. We are a small/mid-sized district with 5 parochials in our boundaries. Vouchers have pulled a large number of students from us not for better academics, but for lower expectations, athletic opportunities at an earlier age (that don't translate to better athletic outcomes at high school age when they rejoin us), and to avoid a segment of lower socioeconomic status population that has been added to our community through Section 8 housing. This has translated to increased difficulties in the community with attracting business and increasing housing options.

Public education is the foundation upon which our democracy was built and expanded. Allowing education of children to be outsourced to individuals and agencies with no oversight, compliance requirements, and accountability will quickly produce an under-educated, easily influenced, widely divided, and less informed constituency. That outcome will not only negatively impact our workforce, economies, and communities, but also create environments ripe for mistreatment of vulnerable populations, corruption, and the breakdown of our foundational tenets of government.

Our tax base is mostly comprised of residential which means SEA 1 will have more of a negative impact on our district than other districts.

[The greatest threat we face is] SEA 1 impact and inadequate funding from state.

[We are a] heavily residential community - so property tax caps and homeowner credits hit us particularly hard.

Our state lawmakers have made any long-range financial planning impossible in Indiana - with constantly changing regulations. Inadequate state funding, property tax legislation, and the constant flow of hundreds of millions of dollars to unaccountable choice/voucher programs is draining funding from communities and public schools that serve all kids.

Lack of funding requiring us to turn to a referendum to survive. [We face] too many restrictions on the Operation Fund - lack of flexibility. We don't have a town - we are 84% residential.

If tax dollars are following students to private/charter schools, then the same accountability measures must follow as well.

We are a high performing district. Our growth prior to 2024 has been more than 200 students a year. We are now seeing little growth at the elementary level. The last 3 legislative sessions have been incredibly bad for our financial future. As a very residential district where growth required a lot of building, our debt is high. New legislation, even prior to SEA 1, has taken us out at the knees.

This year alone we need to cut \$3M, next year another \$3M, and the year after that an additional \$1.5M.

[The greatest threat we face is] SEA 1 and foundation short falls. I am not sure we are unique because the negative impact we are facing is statewide regardless of what district you are in. There are no winners or losers, we are all losers!

[The greatest threat we face is] lack of adequate funding to maintain the current quality and levels of programming. Also, the false narrative that public schools aren't good.

We are one of the fastest-growing school districts in the state. We have a strong sense of community and a small-town feel. We provide exceptional educational opportunities for our students.

I am on board with this fundamental truth: parents and caregivers are the first and most influential teachers in a child's life. We deeply value this foundational role and see ourselves as your dedicated partners in this vital endeavor of nurturing and educating your children. We support parents' right to choose which schools their children attend, but the state cannot put us at a disadvantage in this process, as it currently is. It is not fair.

We are getting affected negatively in 3 different ways - we will see significant losses in our operations fund and will see higher circuit breaker numbers. We also are losing nearly 2.6 million in LIT, and we also have to share revenue with charter schools both in and out of our district by 2028.

There is not a one size fits all approach - I have led both a small, rural district and now a larger suburban district; both have unique needs and what I have found is that a lot of our local legislators don't truly understand the impact that a lot of these changes and "other priorities" can have on all of us in different ways.

The continual decrease in funds to support learning is the biggest threat to supporting education. The lack of understanding and respect from state elected officials for what public schools represent and do is frustrating.

[We are a] smaller size relative to neighboring districts so that we can individualize the learning experience for students. Our proximity to Indianapolis is also a positive.

[The greatest threat we face is] operations fund drying up.

[We have] high achievement despite increasing levels of poverty. State funding is not keeping up with inflation once we remove the curricular materials support that was baked into the education fund allotment.

We are a growing district and would have been fine moving forward if the property tax reductions were not put into place. This is causing a significant strain on our ability to operate and forcing reductions of services and increased transfers from Ed to Ops. This will also make it nearly impossible for our district to meet the 65% rule next year.

In a growing district, the ability to maintain appropriate class sizes is difficult at best when we are forced to transfer to cover operational must haves including insurance (rapidly increasing costs), utilities, transportation, personnel (also needing to grow to cover new spaces necessary to serve our growing enrollment.) 4% Ops growth in an environment where Net AV growth is being diminished is not meeting our needs.

Senate Bill 1 will cause our corporation to lose \$13 million out of our Operations fund over the next 6 years. It will decimate our Operations Fund.

We have three different and distinct communities with three different high schools.

Education funding should keep up with inflation. I am also very concerned with what the state is doing with Pre-K funding and the significant negative impact of Senate Bill 1. The median home price in my district is approximately \$264,000, the median home owner in my district will only see approximately a \$166 dollar property tax reduction (Courtesy of Policy Analytics). Why are we decimating the budgets of cities, towns, counties, libraries and school districts for what essentially is one trip to the grocery store. The legislature needs to review the negative impacts of Senate Bill 1. It was not well thought out.

[The greatest threat we face is] loss of \$11 million from current referendum if renewal is voted down.

[We] serve 3 towns and extremely conservative voters who have become more tax averse.

[The state's] voucher amount is too high given their selective enrollment.

[The greatest threat we face is] funding for both operation and education. We are locked into one of the lowest tax rates in the state.

[The greatest threat we face is] failed referendum. This would eliminate hundreds of positions and dozens of programs.

No district should need to run a referendum to adequately pay for expected services in the community. Any school below the "average" per pupil funding continues to fall further and further behind.

We are a growing district with business and residential development, and for the first time in nearly 30 years our AV is negative. RDCs have created interesting balances via TIFs all across the state. The RDCs should help support infrastructure and needs for schools and municipal governments or provide grant dollars to support IDOE initiatives/expectations.

[We're currently] considering 4 day school week to reduce transportation/operating costs, adjusting (again) the HVAC set points to off-set rising utility costs with reduced operations dollars, closing playgrounds if funds do not support adequate repairs after inspections, increasing the participation fees for athletics/clubs to cover more transportation related costs, increasing the rental fees of our buildings for community use, safety referendum to cover the costs of SROs as those are paid via Operations fund, and increasing walk zones for transportation (we already have global stops for many routes).

[The greatest threat we face is] enrollment growth without the ability to grow operational revenue.

We have a diverse tax base that makes us more immune to the changes in SEA 1 than many other governmental entities. We have a lot of 3% parcels that are not at the cap that the tax burden will be pushed to. I worry that when they receive their tax bill, businesses may begin to re-evaluate their position within our taxing units and it certainly may deter future businesses from coming to town.

Funding in Operations fund is not enough to cover utilities and insurance - lack of operations funding is greatest threat.

By 2028, our Operations Fund will be less than \$450,000/year based on SEA 1. Our NIPSCO bill alone will be approximately \$600,000/yr. We do not have enough money to cover this bill and still have to find a way to pay for custodial, support staff, administrators, transportation, water and trash bills, or building upkeep/critical repairs.

Additional Comments Provided by Respondents in Urban School Corporations

Our district was notified by a charter organization that they are interested in managing all of our public school district. We are not interested. We are deeply concerned this will be conducted via a takeover.

Our school district is a small, close-knit district with the heart of a large one — uniquely defined by high needs, high expectations, and high community pride. What sets us apart is not just our size, but the extraordinary resilience and commitment of our students, staff, and families.

Several factors make our corporation unlike any other in Indiana:

- We serve one of the highest percentages of economically disadvantaged students in Marion County, yet consistently deliver state-leading growth, innovative programming, and a culture of belonging.
- Despite being one of the most fiscally constrained districts in Indiana — with virtually no Operations Fund revenue due to property tax caps — we continue to expand opportunities rather than retract them.
- Our identity is built on the belief that public education is a community commitment, not just a system.
- While other districts operate at scale, our small urban district operates with soul — where students are known by name, staff are deeply invested, and families show up not just for events, but for one another.

In short, we are proof that a district can be both humble in size and mighty in impact — and that when a community truly believes in its schools, every child wins.

Indiana's current school funding structure treats districts very differently depending on their assessed value wealth — not on the needs of their students. As a result, communities like ours, which serve high percentages of low-income students and renters, receive less usable funding than more affluent districts, even while our students often require more support.

Property tax caps were implemented to protect homeowners — and we respect that intent. However, those same caps now prevent districts like ours from collecting even the funds our residents intend to invest in their schools. That creates a permanent structural deficit that no amount of cost-cutting or efficiency work can fully overcome.

Education funding should be predictable, equitable, and responsive to student need, not dependent on local property wealth or referendum fatigue. Voters should not have to rescue their schools every few years just to maintain basic services like transportation, custodial, and building maintenance needs.

If Indiana expects strong student outcomes statewide, then every district — regardless of zip code or tax base — must be given the foundational resources to deliver them.

SEA 1 combined with Circuit Breaker losses are devastating. We are urban with a very small area for property taxes. Additionally, the small area is nearly 1 dimensional with housing - few businesses, no farmland, and no new major development within our boundaries.

We live in challenging times. In the not so recent past, public education was the cornerstone of democracy. Now, the public education model is challenged, belittled, and portrayed as the enemy to the very society we have helped to build and sustain.

If SEA 1 was completely repealed, we could make it work. We had worked really hard to get our debt rate below \$.80. Now, there is no way. We will have to run a referendum because we won't be able to do General Obligation Bonds. We already lose a lot to the circuit breaker...now stand to lose over \$4 million. We sold bonds just months before SEA 1...would have been nice to have been phased in, etc.

35% of our learners are English Language Learners...We have a lot of challenges in that way. Federal cuts to Title 3 will be extremely harmful.

I'm seriously considering working as a superintendent in another state. The continuing changes in legislation keep moving the goal line. Once you think you have finances worked out in a responsible way, the legislature does something else. Each session creates a ton of stress on the system and its leaders.

[The greatest threat we face is] the continued attack on public ed by a super majority in the statehouse - vouchers, online schools, SEA 1.

It is not a level playing field with funding, based on our current govt leaders. All schools should be held to the same standards with accepting all students, providing supports for all students, and being held to the same accountability measures if those schools are to receive public funds.

[The greatest threat we face is] the politicians. I just don't understand why they are hurting public education and enjoying it along the way! The students in Indiana have done nothing to them!

[The greatest threat we face is] SEA 1. [We had] some of the highest impact in the state from the 2010 tax caps (45-50% historically).

The loss of textbook reimbursement (TBR) funds was not transparent. TBR funds were rolled into the foundation for each student and communicated to the public as an increase to the education fund for the 2025-2026 school year.

I cannot pay my utility bill. [We face] inflation and new laws – and utility increases - we cannot survive these increases without help.

[Our corporation is] very urban and poor. Tax caps and senate bill 1 will pretty much eliminate operation funding.

[Our corporation is] very diverse and we provide something for everyone. All are welcome and we deliver high quality experiences. We offer a very wide range and variety of course offerings and extracurricular activities.

The negative impacts of SEA 1 cannot be overstated. Specifically, the uncontrollable cost increases in utilities, transportation and insurance cannot be addressed adequately with the anticipated decreases to our operations fund. Teachers deserve to earn a competitive wage and the constant reductions to public education make it harder and harder to compensate them adequately. Our children deserve more opportunities and experiences, not less. If we are to prepare our students for college, careers and the military, more resources will be necessary and we will need dollars to make that happen. I am not opposed to property tax reform, but I do not believe that the best way to tackle that problem is by reducing public dollars from public schools.

Addendum D

Indiana Coalition for Public Education 2025 School Funding Survey

1) What is the total student enrollment in your corporation?

- <500
- 500 – 999
- 1,000 – 1,499
- 1,500 – 2,499
- 2,500 – 4,999
- >=5000

2) How would you describe your corporation?

- Rural
- Suburban
- Urban

3) How do you expect each of the following to impact your corporation's funding in the next year?

	Negative impact	No impact	Positive impact
SEA 1 limits on property taxes			
Universal voucher eligibility			
Level of funding allocated by the Indiana General Assembly			
Changes to and/or elimination of the US Department of Education			

4) How do you expect each of the following to impact your corporation's funding in future years?

	Negative impact	No impact	Positive impact
SEA 1 limits on property taxes			
Universal voucher eligibility			
Level of funding allocated by the Indiana General Assembly			
Changes to and/or elimination of the US Department of Education			

5) Which of the following actions is your corporation considering or taking to offset budget shortfalls?

	Will not take	Under consideration	Will take	Have taken already
Reduction or elimination of field trips				
Reduction or elimination of sports programs				
Reduction or elimination of elective courses				
Reduction or elimination of transportation services				
Reduction or elimination of planned facility improvements				
Reduction of teaching staff				
Reduction of support staff				
Placing a new or increased referendum on the ballot				

NOTE: This question and the questions that follow are optional and may be completed if you'd like to share additional information.

- 6) Please describe any other actions your corporation is considering or taking to offset budget shortfalls.
- 7) What percentage of budget increase do you believe would be necessary to adequately provide the level of services expected by your community?
- 8) What is the greatest threat your corporation currently faces?
- 9) What makes your corporation unique?
- 10) Please share any other comments you would like to make regarding education funding?
- 11) What is your job title?
- 12) Which IAPSS region are you in?
 - District I
 - District II
 - District III
 - District IV
 - District V

- District VI
- District VII
- District VIII

13) Is it ok for ICPE to anonymously quote parts of your responses in materials discussing public education funding in Indiana? For example, a quote might be credited to 'superintendent at a rural Indiana public school.'

- Yes
- No

About Indiana Coalition for Public Education

Indiana Coalition for Public Education is a non-partisan non-profit organization dedicated to preserving and improving public education for Indiana students. We advocate for all Hoosier children having access to high quality, equitable, well-funded public schools that are subject to democratic oversight by their communities.

<https://indianacoalitionforpubliced.org>

