



ISTA Legislative Agenda

for the 119th Session of the Indiana General Assembly

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2015 Legislative Agenda

Executive Summary

The Indiana State Teachers Association supports ensuring that all public school students have the tools and resources necessary to help them improve their learning and to reach the college and career-ready standards this state has established. Whether teachers, parents, students, neighbors or elected leaders, we all play a part in children's success. True responsibility means teachers reaching and motivating each child. It means parents acting as partners with schools and instilling an eagerness to learn. And it means all of us ensuring our children learn in safe and supportive public schools with the resources necessary to instill a love of learning with a dynamic curriculum that prepares each for the changing realities of our world and workforce. We cannot let the chances of a student's success depend on their zip code.

Keeping good teachers is key. We must ensure that every teacher has the development, resources and support every professional needs. This means recruiting, training and supporting people who love children and love to teach. It means teacher pay that attracts and retains the very best. We need standards that ensure anyone who becomes a teacher enters the classroom ready to teach on day one.

In 2015, policymakers in Indiana have an opportunity to make a significant impact on the 1,007,373 students who attend our community-based public schools. K-12 public education in Indiana has not recovered from the major cuts it sustained in 2010 and the data bears this out:

- Indiana has the fourth highest number of enrolled students per teacher in the country.
- Indiana has the fourth lowest expenditures per student in the country.
- Adjusting for inflation, 34 states saw real declines in average teacher salaries between 2003 and 2012. Only North Carolina had a larger decrease (-15.0%) than did Indiana (-12.3%).

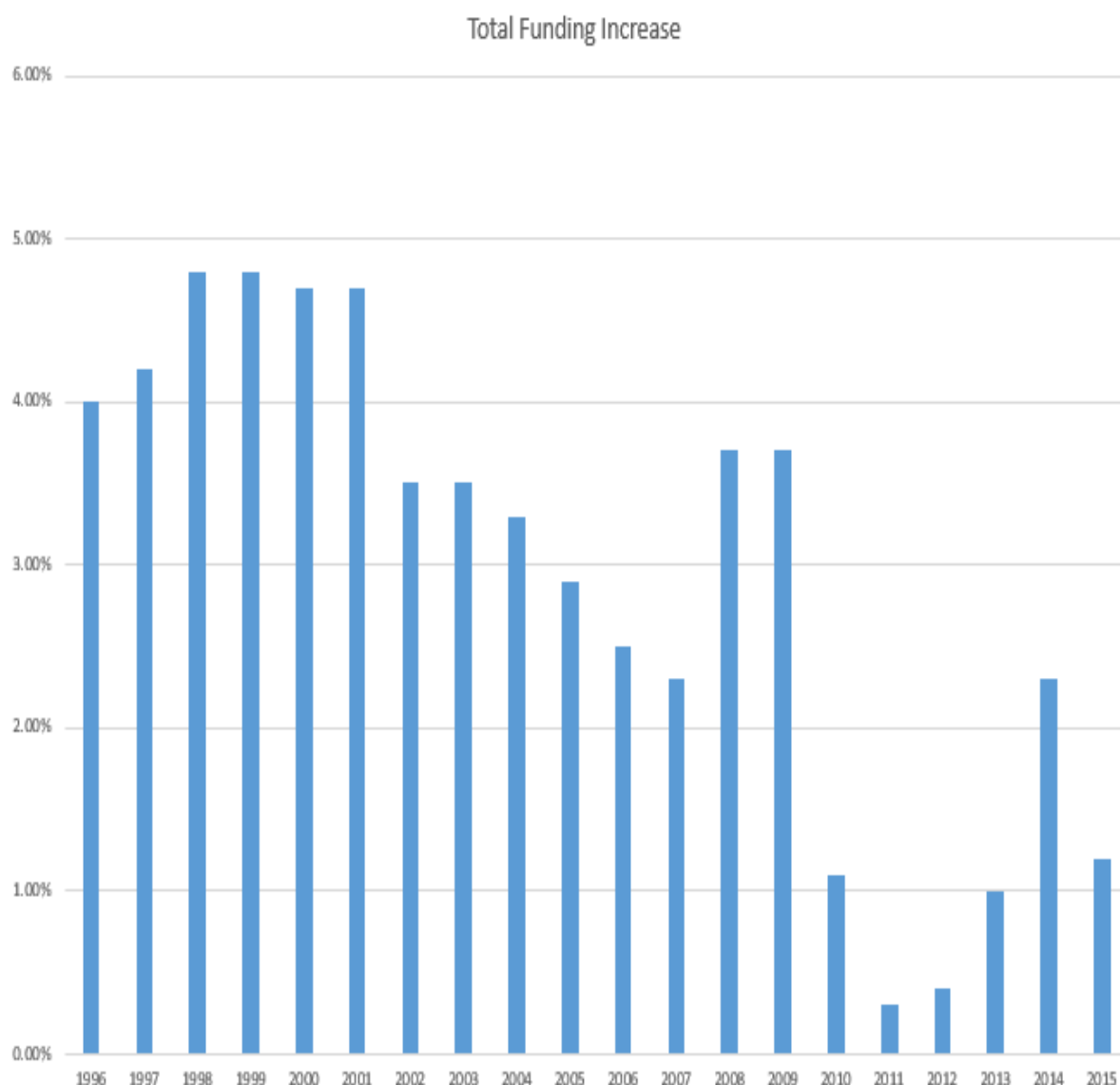
Source: NEA Rankings & Estimates; 2013; 2014 estimated.

Recommendation:

Provide a 3 percent statewide average increase each of the next two years of regular education funding. This will adequately fund state mandates at a cost of \$545 million over the biennium.

SCHOOL FUNDING FORMULA

Statewide Average Increases



Source: Taken from printouts of enacted versions of school funding formula prepared by the non-partisan Indiana Legislative Services Agency.

Testing vs. Remediation Funding

Provide assistance for students identified as needing additional learning opportunities rather than funding out-of-state, for-profit takeover companies. Currently, Indiana combines in one budget line item, the expenditures for standardized testing and remediation programs for students identified though testing as needing more learning opportunities. Indiana budgets about \$39 million on the development and administration of the various standardized tests it requires and about \$6 million on supplemental learning opportunities identified through ISTEP scores. The supplemental appropriation called for in this recommendation would attempt to balance the scales on what Indiana provides to help a child once it knows through testing that the child is in educational peril. There is no sense in continually diagnosing student needs and then failing to address those needs with targeted remedies.

Testing vs. Remediation Funding



Source: Data provided by the non-partisan Indiana Legislative Services Agency.

Recommendations:

Allocate an additional \$25 million each of the next two years to provide targeted supplemental assistance to students identified as needing additional learning opportunities. This program will move costs otherwise associated with taking over schools by outside management companies and focus attention and funding on helping students. Currently five schools (four in Indianapolis; one in Gary) have been taken over by the state through contracts with private management companies. After four years under contract, only one of these schools has gone from an F to a D. Takeover is not without costs. The state authorized \$850,000 to be paid to the takeover companies merely to come in for a year to watch the operation of the school. The contracts with the takeover companies have cost the state more than \$30 million.

<http://www.indianaeconomicdigest.net/main.asp?SectionID=31&SubSectionID=135&ArticleID=62270>

<http://www.indystar.com/story/news/education/2013/12/20/more-as-fewer-fs-in-new-school-grades/4141747/>

Reading Programs and Specialists

In 2001, Indiana budgeted \$2.5 million for reading programs and specialists. By 2008, Indiana budgeted \$0.

Recommendations:

Restore the \$2.5 million budgeted in 2001. Cost = \$2.5 million each of the next two years.

English Learners (EL)

In 2011, Indiana budgeted \$7 million for EL programs. By 2015, Indiana budgeted \$5 million for EL programs. In the 2009-10 school year, the English Learner count was 48,854. In the most recent school year (2013-14), there were 52,307 students served at \$90.88 per student. That is a growth of almost 3,500 students in just three years. There are more than 235 languages spoken as first languages by Hoosier students. That number has doubled between 1995 and 2005. The fastest growing EL populations have been in MSD Pike Township, Hamilton Southeastern and Carmel school districts.

Recommendations:

Restore the \$7 million budgeted in 2011 at a cost of an additional \$2 million each of the next two years.

Textbook Assistance for Students in Need

Indiana's annual funding for its textbook assistance program has been \$39 million since 2008. Indiana's benchmark for qualifying for textbook relief is the free- and reduced-price lunch

guidelines. In 2007, the total number of students receiving lunch assistance in Indiana was 390,727. By 2014, that number had skyrocketed to 492,230—not surprising since the Great Recession occurred in the intervening years—representing an increase in need of 25 percent. When the state does not appropriately fund these important classroom resources, the funds to cover them must come from existing learning programs—which shortchanges all students.

Recommendations:

Provide sufficient funding to cover the 25 percent increase for students in need at a cost of \$10 million each of the next two years.

Private School Tax Credit

Indiana established a state income tax credit to enable taxpayers with means to make contributions to scholarship granting organizations (SGO) and then to receive a direct credit against the taxpayer’s state income tax liability. The tax credit equals 50 percent of the taxpayer’s contribution to the SGO. The potential cost to the state is \$7.5 million. There are no limits on how much a single taxpayer can contribute. If the taxpayer’s income tax liability is less than the actual contribution made in a particular taxable year, the taxpayer can carry forward the remaining balance(s) on the contribution for the next nine years. A single large contribution could effectively negate a taxpayer’s obligation to the state over many years. By way of comparison, Indiana has had for many years a higher education tax credit for donations made by taxpayers to colleges and universities that is capped at \$100 per individual or \$200, if filing as married.

Recommendations:

Repeal the state’s income tax credits granted to individuals who, instead of paying taxes, are allowed to divert those funds to organizations that fund private school tuition scholarships. Indiana cannot afford these unnecessary tax giveaways. Potentially keeps the state from losing up to \$7.5 million in revenue each year.

Lower the Compulsory School Attendance Age

Indiana requires its children to start school by age 7—or second grade level. With the considerable focus having been recently placed on funding full-day kindergarten and establishing quality preschool opportunities, it suits the state to now address what is quickly amounting to a huge loophole in public policy. Students who start school earlier do better than those who enter later. Students who begin school at an earlier age benefit from long-term positive effects. Early education programs such as Pre-K and Kindergarten have a greater positive impact on future performance outcomes, including higher graduation rates, than remediation programs during later years (Flavio Cunha et al., 2005. *Interpreting the Evidence on Life Cycle Skill Formation, Handbook of the Economics of Education Vol. 1*, ed. by Eric Hanushek and Finis Welch; Hirokazu Yoshikawa et al., 2013, *Investing in Our Future, Foundation for Child Development*). Indiana has an opportunity to lead many other states by ensuring young people have the best chance for success throughout their academic career.

AGE 5	AGE 6	AGE 7	AGE 8
Arkansas	Arizona	Alabama	Pennsylvania
Delaware	California	Alaska	Washington
District of Columbia	Colorado	Idaho	
Maryland	Connecticut	Illinois	
New Mexico	Florida	Indiana	
Oklahoma	Georgia	Kansas	
South Carolina	Hawaii	Maine	
Virginia	Iowa	Massachusetts	
	Kentucky	Minnesota	
	Louisiana	Missouri	
	Michigan	Montana	
	Mississippi	Nebraska	
	New Hampshire	Nevada	
	New Jersey	North Carolina	
	New York	North Dakota	
	Ohio	Oregon	
	Rhode Island	Wyoming	
	South Dakota		
	Tennessee		
	Texas		
	Utah		
	Vermont		
	West Virginia		
	Wisconsin		Source: www.findlaw.com

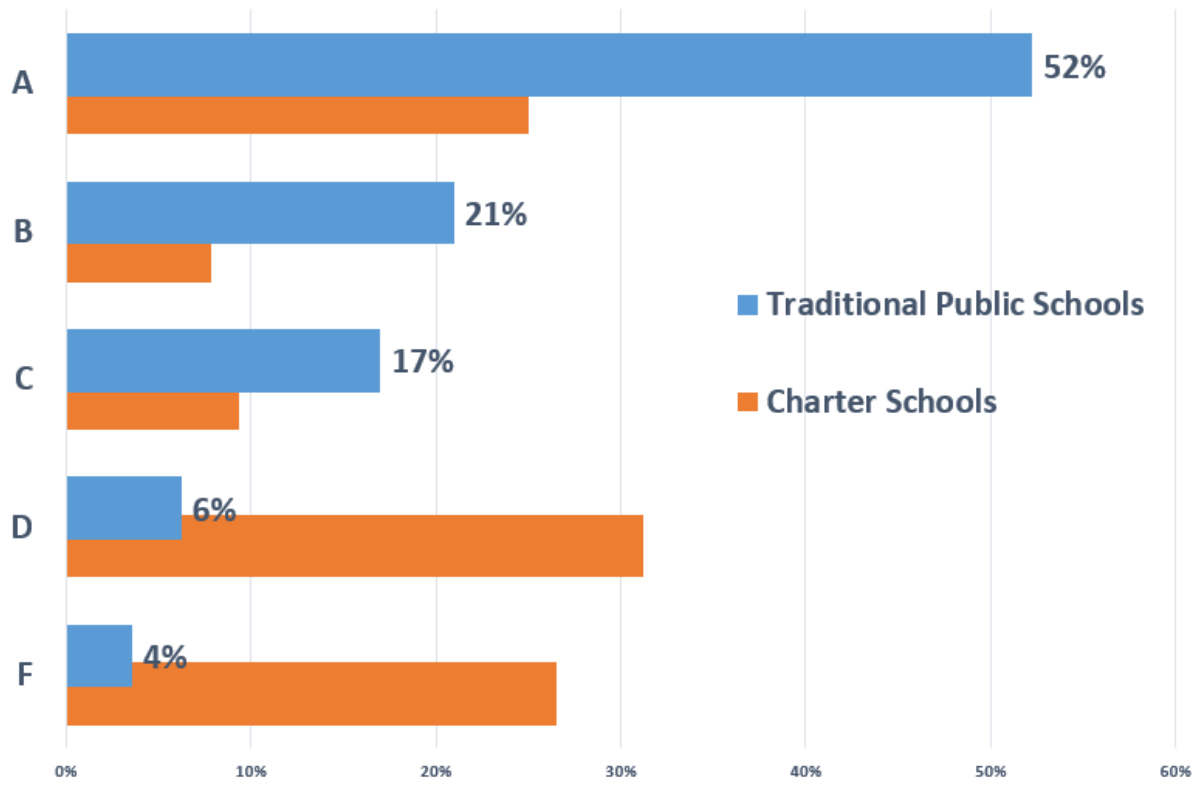
Recommendations:

Lower the compulsory school attendance age to 5. Those most in need are likely the children who would benefit the most.

Charter Schools

ISTA simply asks that Indiana’s policy-makers look at the data. Charter schools have been operating in Indiana since 2001. Over time, the caps, the restrictions and some of the oversight that were initially a part of the charter school laws have been removed. The result? As of the latest reporting, nearly 60 percent of Indiana’s charter schools are graded as D or F. The D/F percentage for Indiana’s traditional, community-based public schools is 10 percent.

Traditional Public Schools vs Charter Schools



Because of this growing body of data, questions are being raised from all corners and constituencies seeking more charter school accountability and transparency.

<http://www.ibj.com/articles/50486-charters-grades-fall-spurring-concerns>

http://www.indianapolisrecorder.com/opinion/article_10ff4c0c-65e2-11e4-8df2-03f7d5b55bcf.html

<http://www.elkharttruth.com/news/indiana/2014/11/22/Lawmaker-urges-review-of-failing-charter-schools.html>

This is not a record that on policy grounds merits continued unbridled growth or support—not without reflecting deeper on the effects that these companies have had on students, teachers, parents and communities.

It was never the philosophy that “choice” in Indiana should be offered at all costs. To do so—to put on philosophical blinders—is to turn a blind eye to the data. It is time for the General Assembly to take a hard re-look at the charter school model.

Recommendations:

Require the Indiana Department of Education to conduct an annual study of the cumulative impact of charter schools on community-based public school districts (akin to the annual voucher schools report).

Require as a pre-requisite to the establishment of new charter schools in any area, the development and regular update of a long-range plan by a community-based body that welcomes public input and includes representational input from the full array of stakeholders from that area.

- Multi-year plan
- Considers demographic changes
- Criteria for new school openings/closings
- Equitable distribution of schools

Require the auditing of charter schools to protect against academic, financial and enrollment fraud and abuse. Require annual financial reports for both public and private funds.

Require that the charter's governing board, officers and administrators submit contact information to the public and provide financial disclosures.

Additionally, charter school boards should be elected and represent the residents of the school's geographic zone. Board members should reside within the zone.

Require that charter school board meetings follow open door policies and be conducted in the residential zone in which the school is located.

Require that charter schools provide equal access and not be allowed to selectively admit and/or expel students.

Charter school discipline policies should be fair and transparent.

National Board Certification

National Board certification is the most respected professional credential available for teaching. There are currently more than 110,000 National Board Certified Teachers (NBCTs) in the country. It is both performance-based and peer-reviewed. Yet Indiana's tally is reportedly at 160. Why so few?

That answer is simple: **Other states have made acquiring this professionalized credential a state priority.** Other states encourage teachers to go through the process either through providing fee subsidies and/or granting stipends or raises upon successfully becoming NBCTs.

Just as is the case for other professions that offer board certification, the National Board certification process is developed by committees of outstanding educators made up of classroom teachers, experts in child development, teacher education and other disciplines.

NBCTs are recognized across the country as having met the highest standards set by the profession.

Neighboring States:

Ohio: Since the inception of the National Board program in 1993, 3,338 Ohio teachers have achieved National Board certification. Ohio provided up to \$2,500 in salary bonuses to NBCTs.

Kentucky: To date, 3,182 teachers in Kentucky have achieved National Board certification. Kentucky NBCTs are entitled to an annual \$2,000 salary bonus for the life of their National Board certificate, which factors into retirement. Additionally, new NBCTs with master's degrees are permitted to apply to Kentucky's Education Professional Standards Board for a permanent rank change to Rank 1. Rank 1 is the highest rank in Kentucky and may allow for an increase in salary for teachers based on the local district pay scale that considers educational level and experience.

Illinois: To date, there are 6,025 NBCTs in Illinois. Candidate fee support is available through the Illinois Excellent Teaching Program. These funds pay up to \$2,000 of the National Board application fee.

Michigan: Michigan has supported the National Board certification process since 1993, enabling 395 Michigan teachers to achieve National Board certification.

Recommendations:

The creation of a long-term commitment encouraging Hoosier educators to pursue National Board certification and then to leverage those experts in teaching to uplift the practice of teaching district-by-district. The goal would be to have at least one NBCT in every public school building by 2025. The state would commit to provide National Board certification fee subsidies to up to 200 teachers each year for the next 10 years.

Applicants have three years to complete the process which involves the completion of four components: content knowledge, differentiation in instruction, teaching practice and learning environment and effective and reflective practitioner. Each component is about \$475, totaling \$1,900 over the three years.

The state would commit to provide each successful NBCT an annual salary stipend of \$2,000 over the life of the 10-year license. In return, NBCTs will agree to serve as a mentors to other teachers.

Teacher Evaluations

In 2011, the General Assembly enacted a law that required school districts to develop teacher evaluations in which a significant criteria was student test score results and in which teacher results would fall into four categories:

- Highly effective
- Effective
- Needs Improvement
- Ineffective

This evaluation law was billed and marketed as calling for locally developed evaluations. The latest results of the staff evaluations were released recently. Under the new system, 9 percent were not evaluated because of prior contractual restrictions on changing evaluation instruments and procedures.

- 35 percent - highly effective
- 54 percent - effective
- 2 percent - improvement necessary or ineffective

There are policy-makers who believe that too many teachers were rated too high and are intent on changing the rules again to fit their model and expectations.

Recommendations:

Maintain school district local control to decide how to define what constitutes a significant percentage of student test scores used for teacher evaluations. Leave the law alone and get more data. Because of the appearance of manipulation to achieve different results, there will be a vote of no confidence in a changed, forced, new set of evaluation rules.

Pause on A-F school grades; Common Sense/Fair Treatment

Indiana recently adopted its new College and Career-Ready Standards. However, Indiana has not yet developed its new assessment that will be linked to those standards. U.S. Department of Education Secretary Arne Duncan recently authorized states to pause their accountability consequences during this transition period.

“I believe testing issues today are sucking the oxygen out of the room in a lot of schools – oxygen that is needed for a healthy transition to higher standards, improved systems for data, better aligned assessments, teacher professional development, evaluation and support, and more. That’s why...we will be taking action in the coming weeks that give states more flexibility in key areas that teachers have said are causing worry. States will have the opportunity to request a delay in when test results matter for teacher evaluation during this transition.”

Arne Duncan, August 2014

<http://www.ed.gov/blog/2014/08/a-back-to-school-conversation-with-teachers-and-school-leaders/>

Recommendations:

Suspend invoking accountability consequences with regard to schools and staff evaluations during the transition to implementing the new standards and assessments.

Public School Employees

The last time a cost-of-living-adjustment (COLA) was provided to Public Employee Retirement Fund (PERF) and Teachers Retirement Fund (TRF) members was 2008-09. Even with modest inflation, retirees’ purchasing power has been compromised. PERF and TRF assume a 1 percent COLA in their actuarial reports. In contrast, by all measures, Indiana’s pension plans are in good shape. The Indiana Public Retirement System has indicated that Indiana has the

lowest burden per household to fully fund public pensions in the country.

<http://www.in.gov/inprs/2715.htm> Indiana also has the second lowest combined pension and long-term debt liability as percentage of GDP in the United States.

<http://www.in.gov/inprs/2715.htm> The Pension Stabilization Fund continues to do its job—that is, to shore up the unfunded liability that was created when the General Assembly chose for decades to fund TRF through a pay-as-you-go framework. The PSF balance as of June 30, 2014 was \$2.9 billion. http://www.in.gov/inprs/files/PMOCPresentation_08262014.pdf

Recommendations:

Provide a true COLA for retirees. The amount of COLA can be tiered based upon the number of years retired. Provide a one-time, catch-up provision to help bring up pension benefits of those who have been in retirement for a very long time.

Collective Bargaining

The current window to formally collectively bargain runs from Aug. 1 through Sept. 30. Actual initial student counts are not taken until the second half of September rendering the lion's share of bargaining time to be based upon conjecture and best guesses. The second student count is not taken until February. New funding does not flow until July 1 of the following year. Since the General Assembly moved school funding to a fiscal year basis, there is no real time crunch to restrict the bargaining window. The definition of deficit finance enables the school employer to remove funds from the general fund prior to bargaining and the funds available during bargaining are different than those during impasse. The scope of bargaining is limited to salary and wage-related benefits. Recent research on teacher retention has focused largely on school working conditions. Creating better working conditions might be an effective way to increase retention in hard-to-staff schools. Improving working conditions could be a less costly and more politically feasible alternative to improving retention (*Teachers Perceptions of their Working Conditions: How Predictive of Their Policy-Relevant Outcomes*, Helen Ladd, 2009). Recent research on teacher retention has focused largely on school working conditions.

Recommendations:

Expand the timeline to enable all student counts to be known during formal collective bargaining. There still would be plenty of time to engage in impasse procedures, if needed, before the new funds are distributed.

Make uniform the definition of deficit finance and ensure that all available funds are identified.

Broaden the scope of bargaining to include some working conditions that directly impact student learning.