

## **IASBO School Finance Seminar (12/05/2024)**

By *Laurence Wang* (12/05/2024)

I attended this seminar from 12/05 09:12AM to 03:00PM. About 300 attendees for the seminar, most of them are school business officers/CFOs.

Here are some highlights of each section:

- I. IDOE School Finance Updates: the 62% funding requirement for teacher's compensation, what are teachers' compensation and how to calculate this funding rate requirement were discussed in this section. The concept of funding floor requirement and how to calculate the funding floor for 2025 and 2026 were illustrated before the presentation of IDOE form 9 data collection tips and online portal usages tips.
- II. 2024 Closing Landscape: Mark Iannarelli, the Fixed Income Director with Yellow Cardinal Advisory Group, presented this section about economic and fix income market Backdrop for State and Local. Many macroeconomic indicators at both federal and state levels were reviewed. The most relevant takeaway is that the investors' demand for tax exempt fixed income (such as bond issued by school corporations) are very solid.
- III. Legislative updates: elected governor and new general assembly members were introduced. Their priorities, especially in school funding and tax reform proposals, and possible impacts were also covered in detail. Dr. Scott Bowling, IASBO executive director, explained the complex property tax system in Indiana and possible reform measures proposed by elected governor and tax committee. Any tax changes may have unexpected consequences and will take a long time to accomplish. I found this section very useful for a better understanding of possible impacts of school revenue by any tax related legislation/policy changes.
- IV. Demographic and non-demographic factors affecting school enrollment trends in Indiana. Dr. Jerome McKibben delivered the presentation for this section. Several demographic factors, such as age structure, family household size and structure, and birth rate, which affect school enrollment were analyzed. The major non-demographic factor is the transfers, which include public

transfer to other school districts, transfer to charter schools or private schools, and the virtual programs. The overall post-pandemic trend is decreasing enrollment for almost all public schools.

- V. Indiana Economy and School Revenue: Dr. Larry DeBoer presented many economic indicators (GDP growth, inflation, unemployment rate etc.) regarding the general economic situation, which looks healthy at this time. But the public is not satisfied with the current situation due to the high price of food and housing, which may never fall back to pre-pandemic level. I am surprised to learn that the inflation adjusted state tuition support had no changes since 2010. The property tax bill for homeowners will increase 9% in 2025 while the tax rates are likely to fall. Dr. DeBoer estimated that revenue growth rate for school districts will be 5.3% for 2025.

Overall, this whole day seminar is a great continuous learning opportunity, and very helpful for me to perform my public service duties in a better way.