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116TH INDIANA GENERAL ASSEMBLY ★ SENATE DISTRICT 26

NEWS RELEASE

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Errington offers common sense proposals to support Indiana schools

Wants to increase local control, cooperation over directing funds to the classroom

INDIANAPOLIS–State Senator Sue Errington (D-Muncie) announced a package of proposals today that will provide more local control for school funding decisions and help Hoosiers directly support schools. Errington said the proposals provide common sense options to help schools close budget gaps without raising taxes or impacting the state budget. Errington will co-author the package of proposals during the 2011 legislative session.

At the heart of the proposal is an effort to restore local decision making by school corporations that have seen increasing state control since the state took over the school general fund. Before the general fund was transferred to the state, school funding decisions were made locally and supported by local property taxes.

In response to growing concern over the impact of a $300 million cut from K-12 school funding by Governor Mitch Daniels, Errington said all creative solutions should be on the table.

The package introduced by Errington and other Senate Democrats today includes the following proposals:

School funding flexibility: Allows a school corporation to transfer up to 50 percent of the capital projects fund to its general fund with no stipulations.

A law approved in 2010 allows school corporations to transfer up to 10 percent of a capital projects fund balance to the general fund only if teachers agree to forgo raises. Allowing transfers without such stipulations empowers teachers, administrators and parents to work together to provide the best for students in a unified effort.

Individual tax refund donations: Allows individuals to donate part or all of their state income tax refunds to a fund benefitting a public school corporation or public education foundation by a check-off box on their tax return form. Approximately 30,000 Hoosiers now use this option to donate to the Indiana Nongame Wildlife Fund annually.

Tax credits for donations to K-12 public education foundations: Expands to Indiana public education foundations eligibility for an existing tax credit program for donations to private school scholarship funds.

In 2009, the Indiana General Assembly approved a tax credit for 50 percent of each dollar contributed to organizations that grant scholarships to children attending private schools. By expanding the credit to individuals and corporations that donate to public education foundations, Hoosiers have more options and more students can benefit from private donations. The current cap of $2.5 million in tax credits available each year would remain.

Errington said Indiana's public school education foundations and those who want to support them deserve the same treatment as a private school fund.

There are more than 50 public education foundations in local communities throughout Indiana. Public education foundation membership includes parents, educators and business leaders who collaborate on the local level to provide funds for innovative educational programs that motivate, recognize and appreciate students and teachers.

For more information on Sen. Errington or her legislative agenda visit www.in.gov/s26 or call 1-800-382-9467.

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