

BUILDING *the* BUDGET

Governor Pence's Budget Priorities for Fiscal Years 2016 & 2017

The budget funds our priorities, which include: supporting education, serving those in need, pursuing economic development and job growth, and commemorating our bicentennial anniversary.

SUPPORTING EDUCATION

The budget increases K-12 funding by 2 percent (\$134 million) in FY 2016 and 1 percent (\$67 million) in FY 2017 - an increase of more than **\$200 million** in the biennium.

The budget adds 10 percent more funding for Teacher Performance Grants each year, for a total of **\$63 million by the end of the biennium**.

To bring more equity to charter funding and to attract more high-quality charter options for our schoolchildren, our administration recommends that the school formula include an additional **\$1,500 per pupil grant** for charter schools.

To incentivize more high-quality options for students, the budget lifts the \$4,800 choice scholarship cap for grades 1-8 and increases the scholarship granting organization tax credit from **\$7.5 to \$12.5 million**.

The budget provides more funds for Career and Technical Education by increasing infrastructure and capacity building dollars by **\$20 million per year**, and reforms the Career and Technical Education funding formula to incentivize certain outcomes and connect courses to local market demands.

The budget provides sustainable funding for the new pre-k pilot program with a **\$10 million appropriation for each year of the biennium**.

To meet the demand for Adult High School programs, the budget increases funding for Adult High Schools by **\$7 million in each of the next two years**.

The budget provides **\$5 million per year** to support turnaround support initiatives for failing school districts.

To support Freedom to Teach schools that establish a more innovative educational environment by developing and implementing Freedom to Teach plans, this budget provides **\$2 million per year**.

The budget fully funds our obligations to our retired teachers by increasing teachers' pension funding by **\$65 million**.

To meet demand for student scholarships, the budget increases funding for student financial aid by **\$27 million** in FY 2016 and another **\$12.7 million** in FY 2017.

The budget increases funding for the National Guard Scholarship program by **\$500,000**.

The budget increases higher education operating and line item funds by 1 percent during each of the next two years, which is **\$40 million over the biennium**.

The budget cash funds the top priority capital projects for each public university in FY 2017.

SERVING THOSE IN NEED

The budget provides **\$11 million per year** to fund the State Adoption Subsidy program at the Department of Child Services.

The budget fully funds the Medicaid forecast, meeting the projected health care needs of our most vulnerable citizens.

The budget provides additional resources to the Indiana Department of Revenue to stop fraudulent tax filings and protect Hoosier taxpayers' identities.

For the Indiana State Department of Health, the budget provides **\$2.5 million** to create a website and mobile device application to enhance awareness of programs and services for at-risk mothers, and **\$5.5 million** to provide critical, targeted, prenatal care services to at-risk mothers and their children as part of the State's effort to reduce the infant mortality rate.

The budget increases grant funds available to domestic violence shelters by **\$1 million per year**.

The budget provides **\$1.1 million each year** to the Indiana State Department of Health to enhance efforts to fight infectious diseases.

The budget increases the Indiana Department of Correction's funding by **\$43 million over two years** to support operations and staffing.

The budget provides **\$51 million** in cash funding for the construction of additional cell houses at Miami and Wabash Valley Correctional Facilities in order to meet projected increases in the corrections population.

PURSUING ECONOMIC DEVELOPMENT AND JOB GROWTH

The budget provides **\$100 million** in FY 2016 and **\$200 million** in FY 2017 for the Major Moves 2020 fund, which is used by the Indiana Department of Transportation to expand highway capacity.

To support our administration's Regional Cities initiative, the budget identifies **\$42 million in each year** of the biennium.

The budget nearly doubles existing funding for the Indiana Department of Veterans Affairs adding **\$500,000 per year** in order to implement the recommendations of a professional assessment.

The budget increases business promotion funding for the Indiana Economic Development Corporation so they can continue to tell Indiana's economic success story to recruit national and international investors.

The budget provides language allowing the Department of Workplace Development to augment existing funding if needed to eliminate the unemployment insurance penalty rate on Hoosier employers.

The budget doubles tourism funding by adding **\$2.6 million per year**, allowing the Indiana Office of Tourism Development to attract more tourism dollars to Indiana through promotional outreach.

The budget provides **\$19.2 million** to cash fund the construction of the Indiana University Medical School project in Evansville.

The budget provides funding to support the Secretary of State's One Stop initiative to reduce paperwork for businesses that interact with the State.

The budget will optimize current State assets by providing a leaseback arrangement for our State's underutilized cell tower infrastructure that is not realizing its full commercial potential today. Proceeds from the lease, which could exceed **\$50 million**, will finance bicentennial projects.

COMMEMORATING OUR BICENTENNIAL ANNIVERSARY

The budget provides **\$25 million** to cash fund the construction of a new State Archives building to protect our State's most important and historic documents and records and enhance public access to them.

The budget provides **\$25 million** to cash fund the construction of the new Bicentennial Inn at Potato Creek State Park, the first new state park inn since Spring Mill Inn was built in 1939.

The budget provides **\$1.6 million** to support the bicentennial torch relay initiative.

The budget provides **\$2 million** to cash fund the development of the Bicentennial Plaza.

The budget provides **\$2.5 million** in cash funding to create an education center at the Indiana State Library.

**In addition to these priorities,
our budget must:**

- 1. Remain honestly balanced**
- 2. Hold the line on spending**
- 3. Maintain reserves**
- 4. Incur no new debt**