Indianapolis Public Education Corporation Listening Session

June 10, 2026

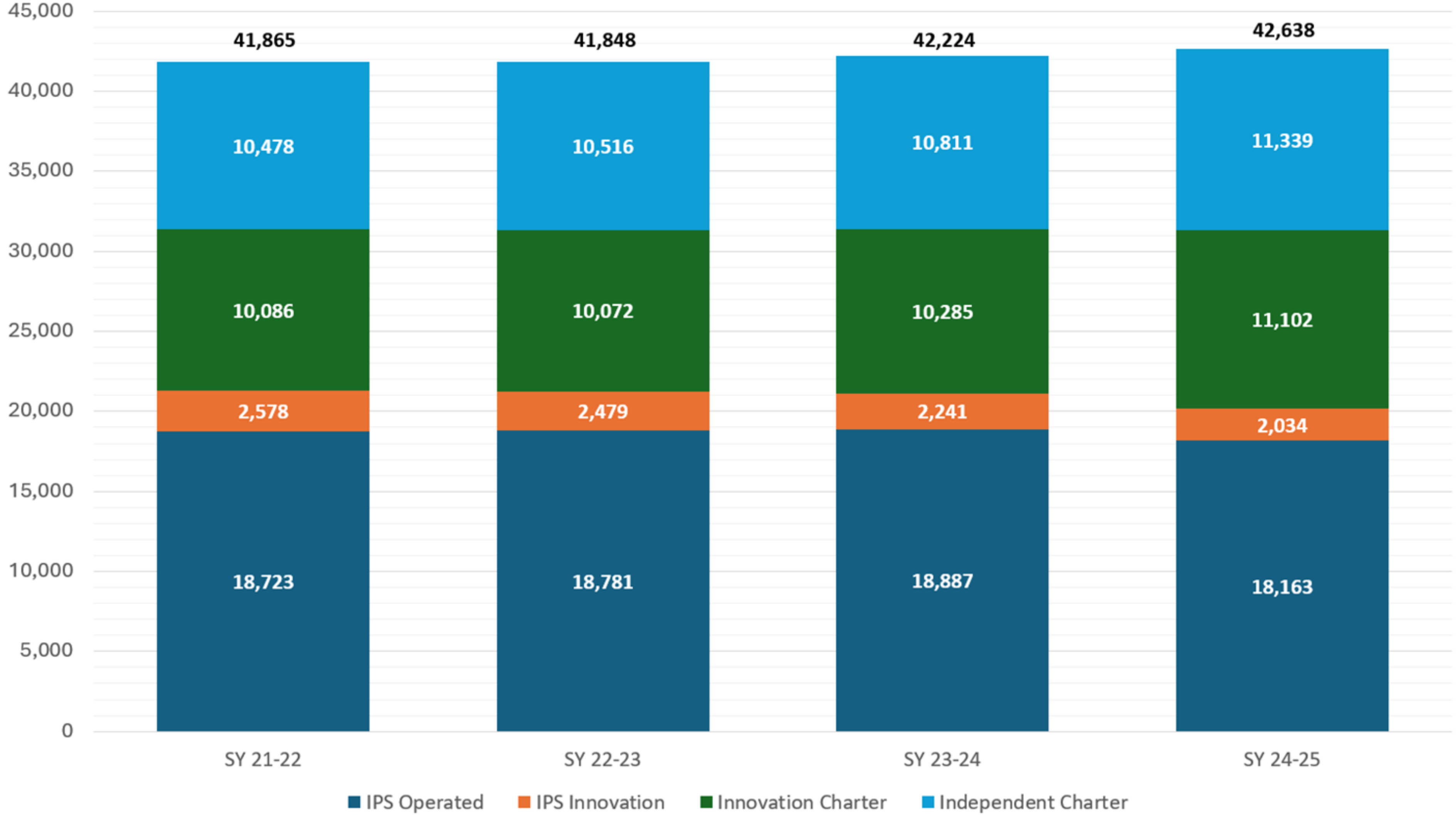
Overview of Public Schools within IPS Boundary

- 42,000 **public school students**
- **Transportation:** Schools provide thousands of bus miles/day, along with car, walking, and public transit models.
- **School types**: IPS Operated/“Traditional”, IPS Innovation, IPS Innovation Charter, Independent Charter
- **Specialized Programs**: International Baccalaureate (IB), Montessori, STEM, Dual Language, Early College, Preschool, Life Skills, Performing Arts, Career & Technical Education,Addiction Recovery, etc.
- **Demographics**: 85% students of color, 30% English Learners
- **Buildings:** 67 facilities operated by IPS, including Innovation Network; 29 facilities owned or leased by independent charter schools.

School Types and Governance Structures

- **IPS Operated**: Directly operated by IPS and governed by the elected IPS Board. Part of the IPS LEA (Local Education Agency). Also often described as "traditional" public schools.
- **IPS Innovation**: Semi-autonomous schools (e.g., Edison) that are part of the IPS LEA. Governed by independent nonprofit boards and operated with expanded flexibility.
- **IPS Innovation Charter**: Fully autonomous public charter schools (e.g., KIPP, Herron, Adelante) with external authorizers (OEI, ICSB, Education One). Have an innovation agreement with IPS and may also be provided or contract with IPS for services. Governed by independent boards as their own LEA. By law, both the enrollment and academic performance of these schools is counted in the overall IPS enrollment and academic performance.
- **Independent Charter:** Fully autonomous public charter schools (e.g., PSOE, ILH, IMSA) with external authorizers (OEI, ICSB, Education One). Governed by independent boards with no affiliation to IPS.

Total Public School Enrollment Across the IPS Boundary Over Time

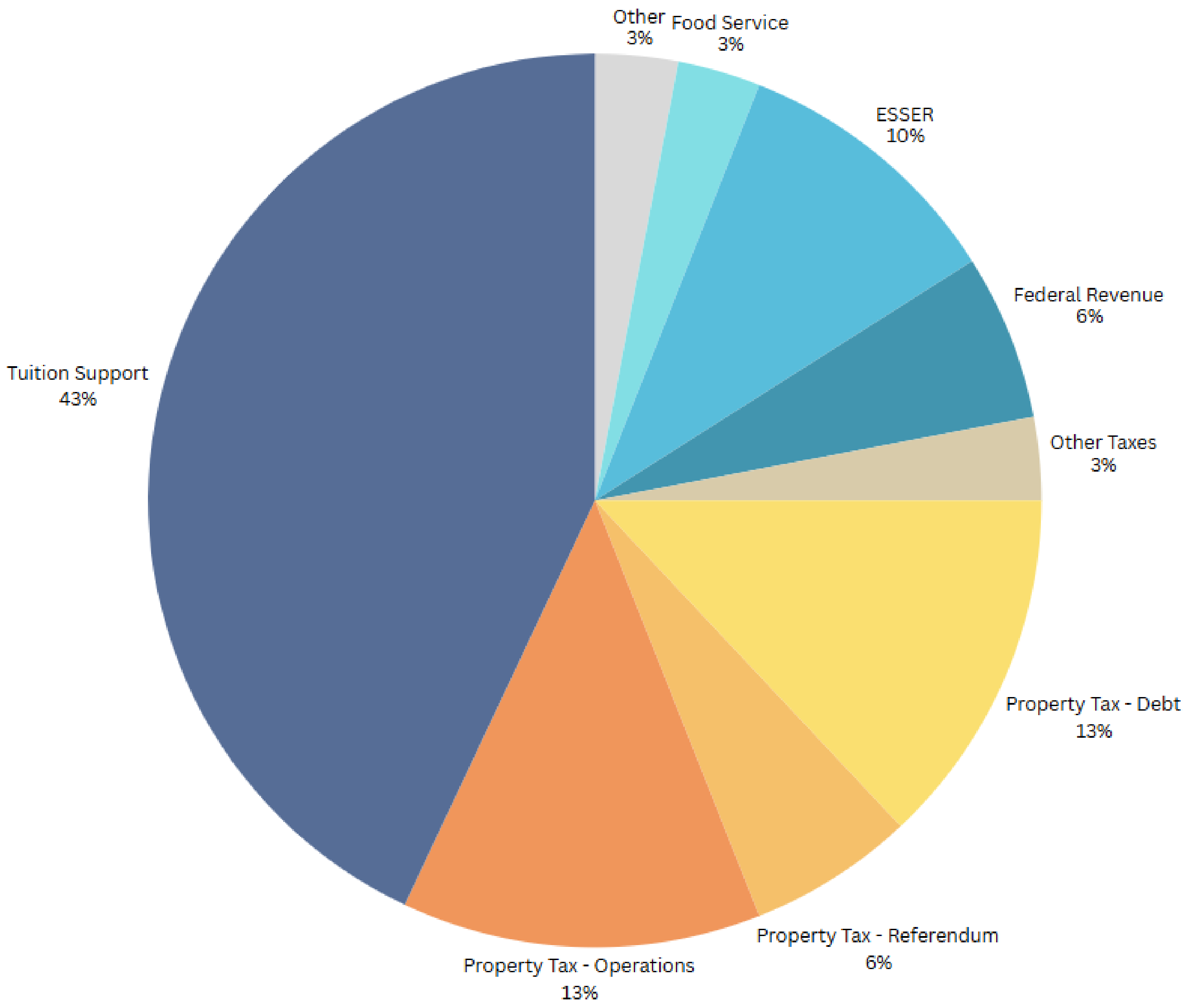


How Indiana Funds Public Schools

While state funding makes up the vast majority of Indiana's public school funding, federal and local funding streams also support education:

- **Federal funding:** Allocated from the U.S. Department of Education primarily through Title grants that focus on staff quality and support certain student populations, such as those experiencing poverty, English learners, and students with disabilities.
- **State dollars**: Income and sales taxes, cover basic classroom costs based on student enrollment and includes a Complexity Index adjustment for students facing higher needs, such as those experiencing poverty.
- **Local property taxes:** Supports transportation, building maintenance, safety, and capital needs. Affected by rate caps and increased deductions that can limit revenue growth.

IPS – Funding Breakdown



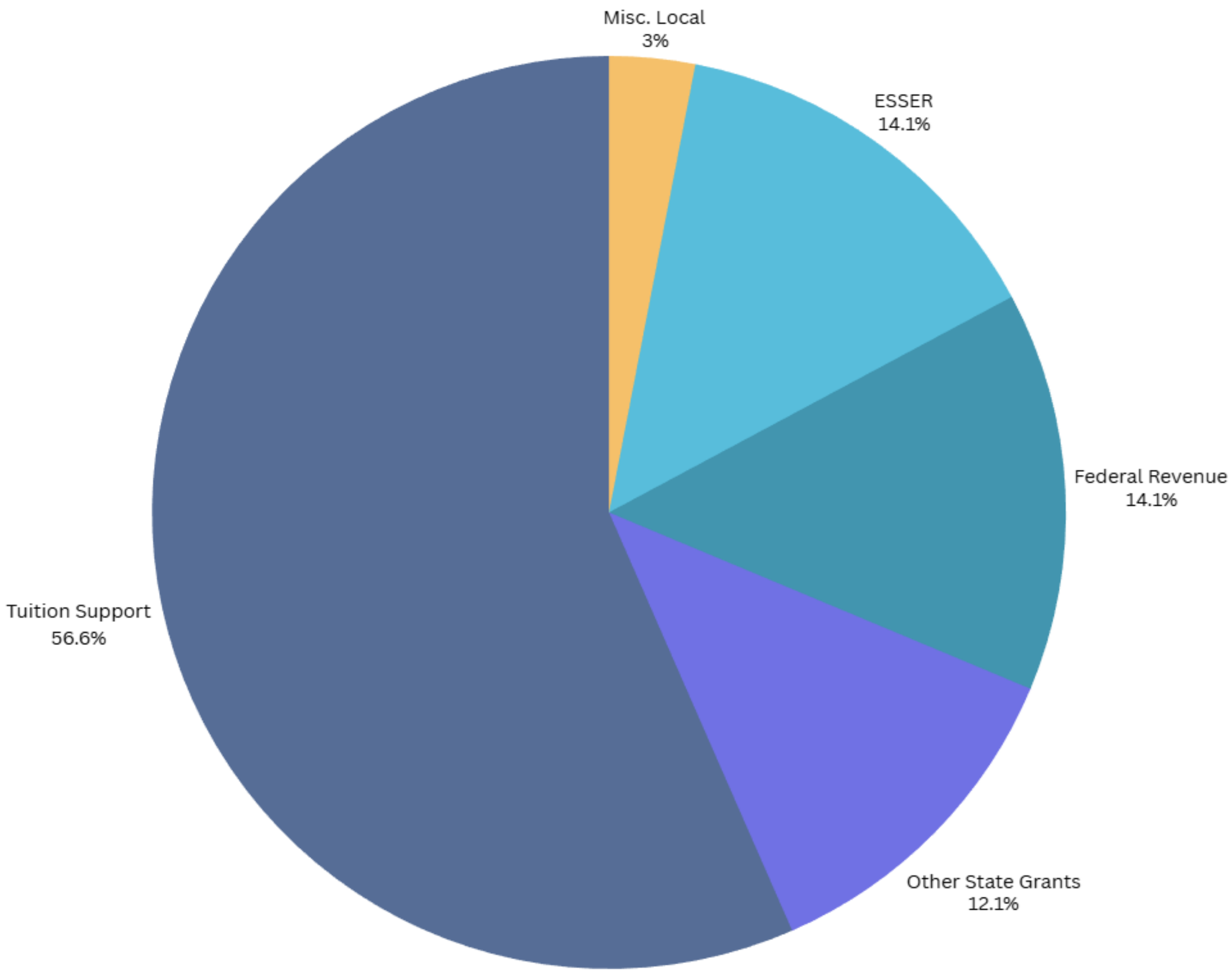
Property taxes and local taxes total 33% of SY2024 Revenue

- State Tuition Support totaled 43% of IPS revenue in SY 2024
- Property Taxes and other local taxes totaled 35% of IPS revenue in SY 2024
- Federal Funding and other revenue sources totaled 22% of IPS revenue in SY 2024
- ESSER Funding is a one-time grant revenue source that has now expired; cannot support ongoing operations

Charter School – Funding Breakdown

This chart shows revenue for a mayor-sponsored charter school that is demographically similar to the district.

Beginning in June 2025, some charter schools in Marion County began receiving a portion of local property tax revenue from the Marion County school district in which the the students they serve reside.



- State Tuition Support totaled 56% of the school's revenue in SY 2024
- Other State Grants, including the $1,400 per pupil Charter School Grant totaled 12% of revenue in SY 2024
- Federal Funding totaled 28% of the school's revenue in SY 2024
- ESSER Funding is a one-time grant revenue source that has now expired; cannot support ongoing operations

Property Taxes and School Funding - Overview

- **Pre-2008:** Schools relied heavily on local property taxes for their general operating funds.
- **2008 Property Tax Caps:** The state implemented constitutional caps on property taxes, significantly limiting local funding for schools.
- **Shift to State Funding:** To make up for the loss, the state shifted to a system where the majority of school funding comes from state sales and income taxes, distributed through a complex formula.
- **The Rise of Choice:** The expansion of charter schools and the creation of the Innovation Network model introduced new complexities to the funding landscape.
- **Referendum**: For IPS, referendums have been a critical tool to supplement the Operations Fund and to fund major capital projects, like the Rebuilding Stronger initiative. The current 8-year operating referendum began 2018 and expires in 2026.
- **Funding Disparity:** The inability of charter schools to access local revenue streams has been a central point of debate and is a key reason for the creation of the ILEA.

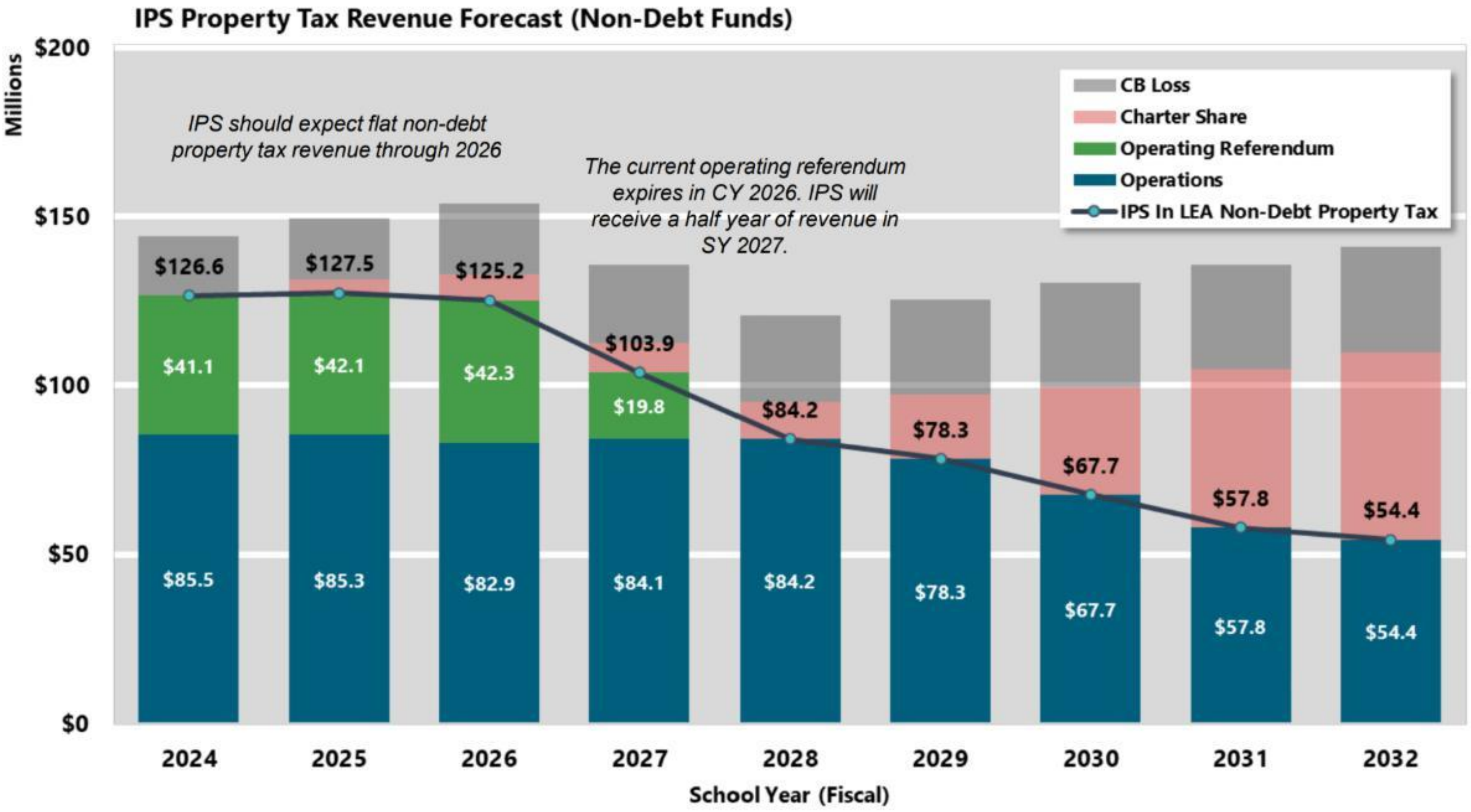
Local Funding – Defining Terms and Concepts

- **Operations Fund:** This is the primary bucket of funding for the physical infrastructure of our schools—the buildings and the buses.
- **Assessed value:** The dollar value assigned to a property by the local government for taxation purposes. Assessed value determines how much tax revenue a school district can collect from local property taxes. A higher assessed value typically means more potential funding for schools—unless limited by property tax caps or circuit breakers.
- **Property tax rate:** The amount of tax levied per $100 of assessed property value. It's expressed in dollars per $100 of value and varies by taxing district. School districts set tax rates to generate funding for specific needs, like transportation or capital projects. These rates, combined with assessed values, determine total property tax revenue. Some rates—like those approved by referendum—can exceed normal limits.
- **Property tax caps:** The constitutional limits on how much property owners can be taxed, based on the type of property.
- **Circuit breaker:** The tool used to enforce property tax caps. When property taxes exceed these limits, the excess is not collected. This results in lost revenue for schools and other local units of government.

Timeline of Property Tax Policy Change

1998	Indiana Supreme Court finds Indiana's system of property tax assessment is unconstitutional
2003	All real property is assessed using market value in use
2004	Phase out of inventory tax begins.
2007	Market value reassessment and property tax "crisis."
2008	Major property tax reform is passed by the General Assembly.
2011	Full implementation of 2008 property tax reform, including circuit breaker rate caps.
2014	Reorganization of local income taxes, including property tax relief.
2019	Consolidation of Capital Projects, Transportation and Bus Replacement into Operations Fund.
2024	Rapid assessed value increase lead to limited property tax relief
2025	Major local government finance reform enacted in SEA 1 - 2025

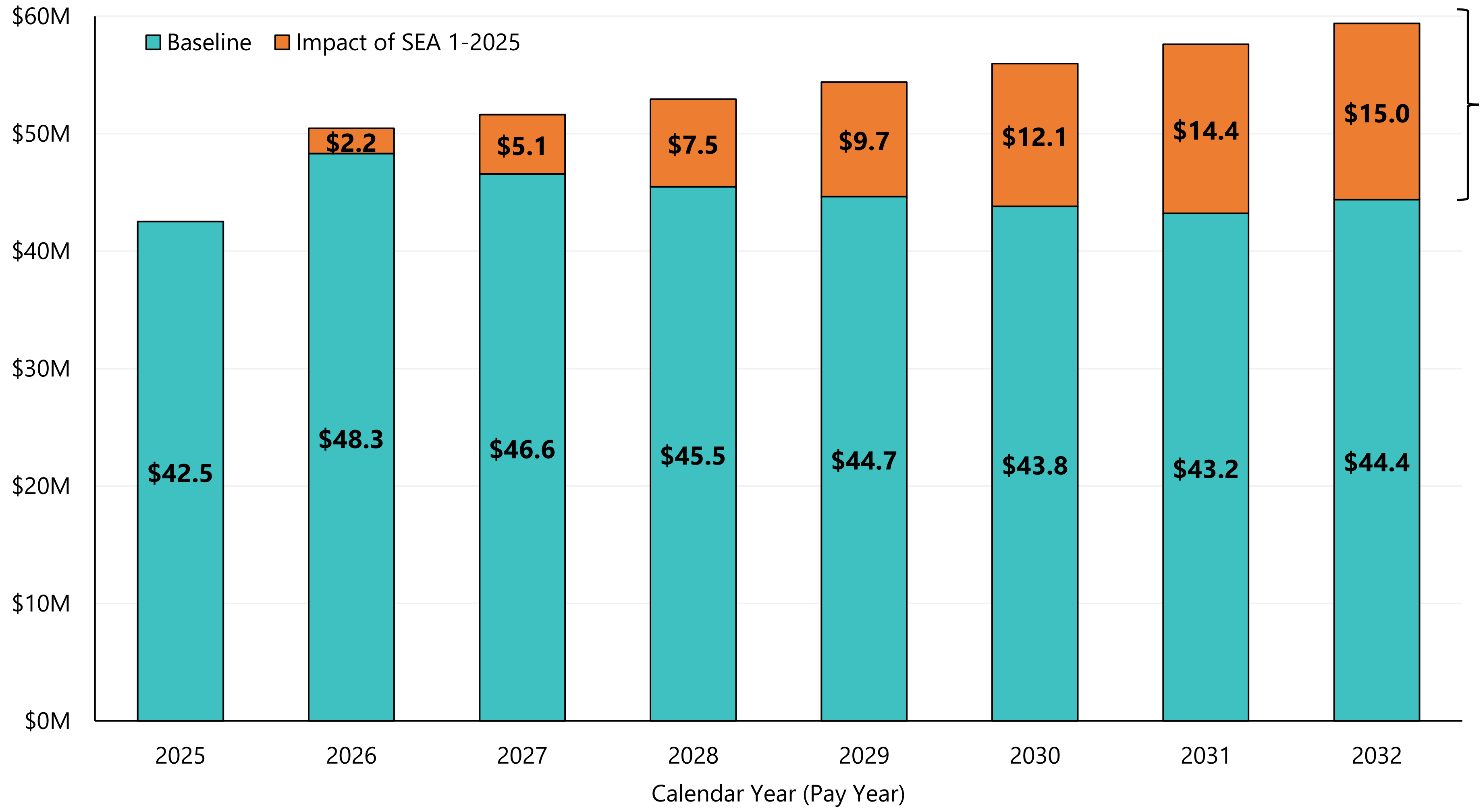
IPS Property Tax Revenue Forecast



Content updated **5.15.2025**

Projection of Operating Referendum revenue at the current rate

Dollars in Millions – Operating Referendum Rate of $0.1960



At a $0.1960 rate, top line revenue **decreases** as SEA 1-2025 deductions come online. **The orange section represents revenue loss**.

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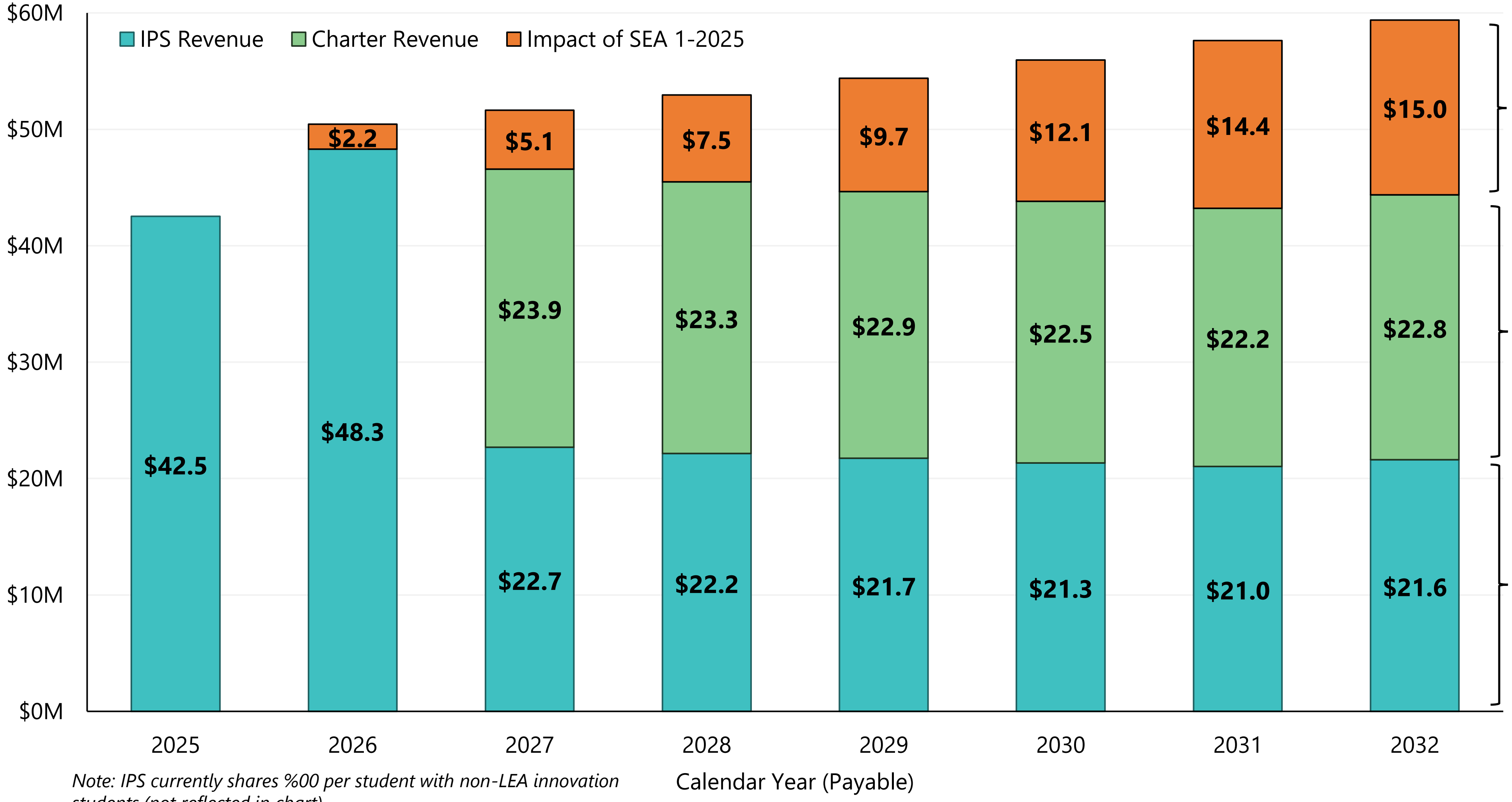


Note: IPS currently shares %00 per student with non-LEA innovation students (not reflected in chart)

At a $0.1960 rate, top line revenue decreases as SEA 1-2025 deductions come online. **The orange portion represents revenue loss to the overall funds received**.

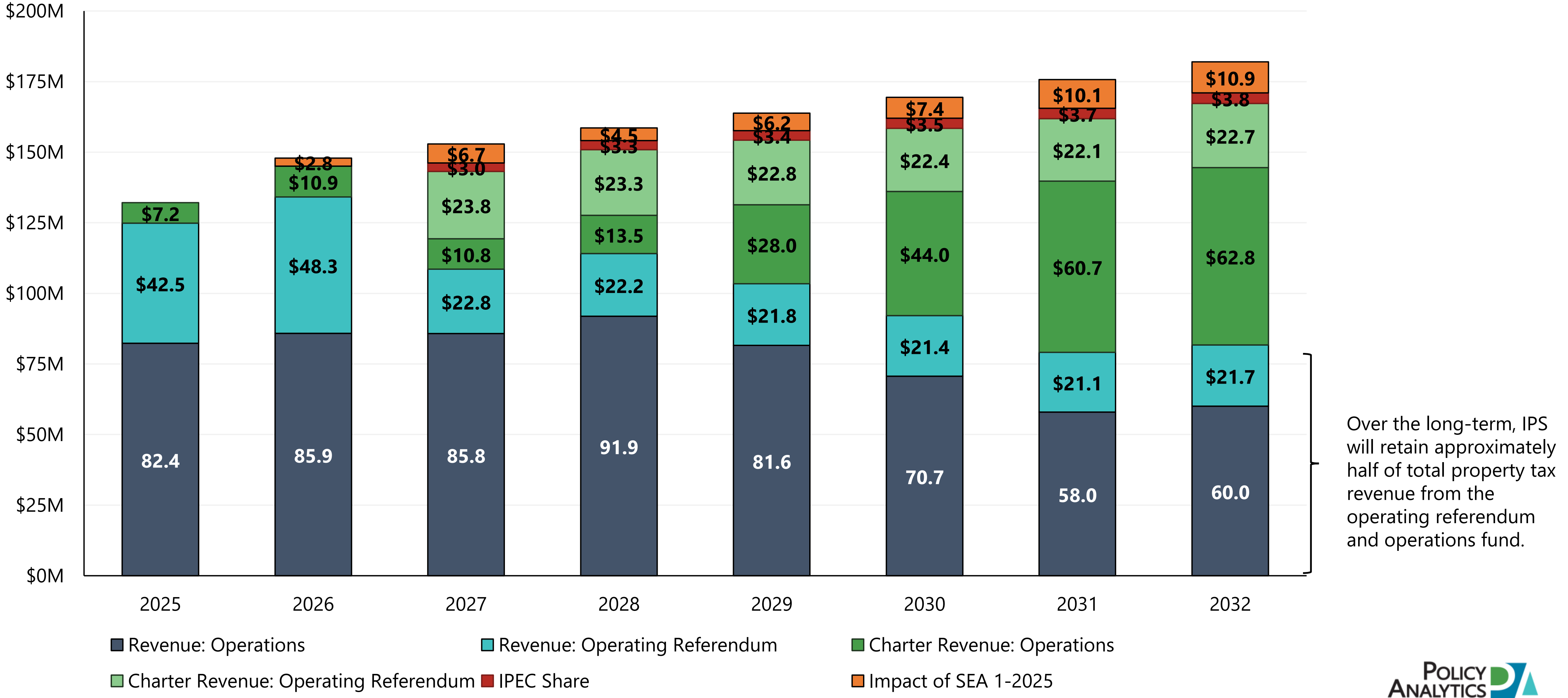
State statute allocates operating referendum revenue to charter students on a per capita basis. Approximately 50% of referendum revenue will be allocated to charter schools.

Over the long term, a given rate will yield approximately 40% of the referendum revenue generated by the current rate to the IPS LEA.

Policy Analytics LLC

IPS Operations + Operating Referendum Revenue

Dollars in Millions – Operating Referendum Rate of $0.1960



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Referendum Rates Chart

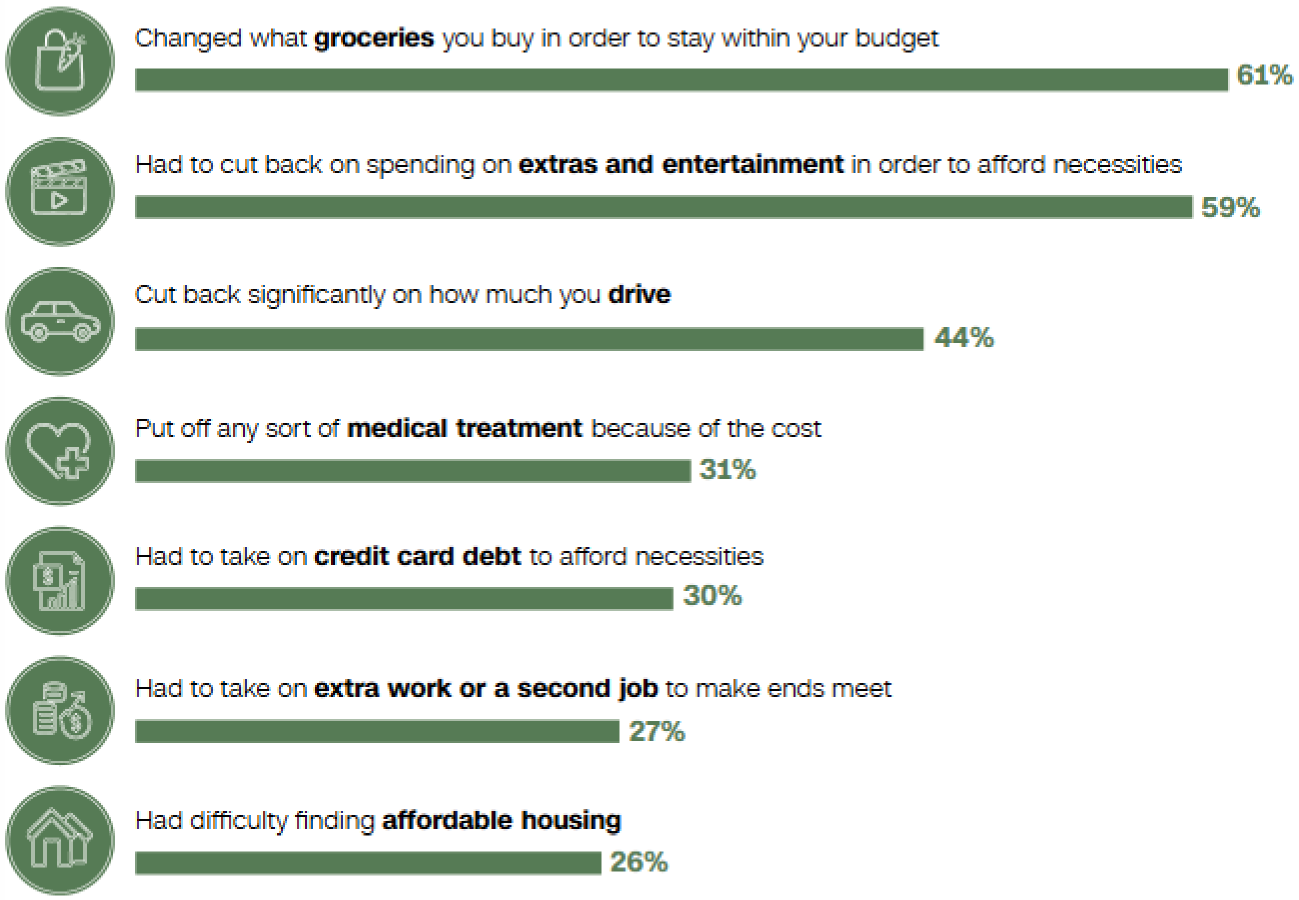
	0	.196	.238	.283	.392	.45	.50	.55
Overall Revenue Generated	$0	$49M	$57M	$67M	$93.4M	$107M	$119M	$131M
Approximate Distribution to IPS Schools	$0	$24.5M	$28.5M	$33.5M	$46.7M	$53.5M	$60.5M	$65.5M
Approximate Distribution to Charter Schools	$0	$24.5M	$28.5M	$33.5M	$46.7	$53.5M	$60.5M	$65.5M
Additional Reduction in IPS Spending by 2027-28	$90M	$38M	$33.6M	$28.8M	$17.3M	$11M	$6M	$700,000
Monthly Impact on Taxpayer at 200K Home Value	($14.11)	$14.11 (+$0.00)	$17.14 (+$3.03)	$20.42 (+$6.26)	$28.22 (+$14.11)	$32.42 (+$18.29)	$36.00 (+$21.89)	$39.58 (+$25.49)
Total Impact on Taxpayer at 200K Home Value (ballot)	($170)	$170	$206	$245	$339	$389	$432.00	$474.96

IPS-Controlled Spending Reduction Levers
School closure and consolidation
Staff reduction/Higher teacher to student ratio
Elimination of specialized instructional program models
Reduction of transportation services

Additional Revenue Generating Levers
State relief for Special Education & English Language Learner (ELL) funding
Increased cost-sharing with Innovation Network School partners

From skimping at the grocery store to taking on second jobs, here's what Americans are doing to get by

Q: As a result of recent economic conditions, have you, personally, experienced any of the following in the past few months?



Methodology note: The latest CNN poll was conducted by SSRS from April 30 to May 4, 2026 among a random national sample of 1,499 US adults drawn from a probability-based panel. Surveys were either conducted online or by telephone with a live interviewer. Results shown in this chart have a margin of sampling error of ±2.8 percentage points.

Source: CNN/SSRS polling