

Seminar Report: School Budgeting & Finance Seminar (06/24/2025)

By *Laurence Wang* (06/25/2025)

I attended this conference from 06/24 08:45AM to 03:00PM. About 180 attendees for this seminar. Here are some key takeaways from each topic:

- I. IN. Economic Outlook, Revenue Forecast, & State Budgeting Impact on Schools: The FY 2026–2027 Indiana State Budget emphasizes a balanced and sustainable financial plan while maintaining strong reserves and enacting scheduled income tax cuts. Despite a nearly \$2 billion revenue downgrade in April 2025, the budget maintains structural surpluses and avoids deficits. K–12 education gets a \$640 million (around 2.5% for 2 years ADM funding increase with excluding \$160M curriculum materials fund.) increase over two years, including expanded Choice Scholarships and school safety funding. Public safety, health, and infrastructure also receive targeted investments, with key support for law enforcement, childcare, and water and housing programs. Indiana’s economic outlook remains strong, with continued top rankings in tax climate and business competitiveness.

- II. The Demise of the U.S. Department of Education: Tara Thomas, AASA, Government Affairs Manager hosted this section. The Executive Order aims to dismantle the U.S. Department of Education, causing major destabilization alongside staffing cuts and delayed program funding. Key education grants like Title II and Title III face uncertainty, while mental health funding has been discontinued. The Department is using FERPA compliance to pressure states on policies like gender identity, with investigations underway and funding at stake. Tara suggested that school districts should budget more for legal fees this year. The President’s FY26 proposed budget cuts by 15% for ED, eliminates multiple K–12 education programs (total \$6.5B), and introduces a \$2B block grant for states to spend as they please. Meanwhile, school districts face additional risks from voucher expansion, SNAP changes, and several high-impact federal court cases.

- III. Diving Into Enrollment: Where is it Now and Where is it Headed for You? Dr. Michael Hicks from Ball State University and Jerome McKibben from McKibben Demographic Research, LLC host this section. Indiana school enrollment is declining due to a long-term drop in birth rates, with smaller incoming K and 1st-grade classes replacing larger graduating cohorts in the next 10 years. To maintain enrollment, districts will need consistent net in-migration at least 3%, which is unlikely given aging populations and economic headwinds. Student populations are becoming more racially and ethnically diverse, driven by younger minority demographics, not immigration alone. New federal race/ethnic definitions will shift how student data is reported, reducing the proportion identified as White. Virtual education remains a key variable, especially with the potential closure of Union School Corporation's large virtual program. During the Q&A session, Dr. Michael Hicks suggested that the state need long term strategy to attract in-migrations, and good school, low crime, well-maintained neighborhoods and vibrant public spaces are most important factors attracting new population.
- IV. What Keeps You Up at Night? A-Z Issues on School Budgeting and Finance: This session was hosted by a panel consisting of 2 superintendents and 2 school business office manager/CFO. The topics discussed included enrollment decline, budget shortfalls, funding gaps, uncertainty surrounding future funding due to property tax reform, increase of utility bills and facility maintenance cost due to high inflation, staffing/teacher shortages – especially in special education – and strategies for generating revenue. These discussions provided valuable insights and deepened my understanding of the complex challenges that administrative teams face in managing day-to-day school operations. I found the session highly informative and relevant to the current realities of K12 public education.
- V. Communicating the Why of Fiscal Decision Making in Challenging Times: In the face of modest state funding, inflation, and new tax and debt constraints, school leaders must communicate clearly about difficult decisions like

program/ECA cuts, facility improvement delays and RIFs etc. Budgets should be used as strategic communication tools that reflect a "students first" mission while acknowledging upcoming challenges. Effective crisis communication follows core principles: tell the truth, be transparent and timely, and prioritize audiences who matter most. Consistence is critical – leaders must speak with one voice, repeat key messages frequently, and use tools like FAQs, dedicated web pages, and social media carefully. Interviews should focus on clear, quotable soundbites, avoiding speculation and always bridging back to core messages with supporting facts.

Overall, this conference has been an excellent opportunity for continuous learning and enhanced my ability to carry out my public service responsibilities more effectively.