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ISBA WEEK 14 LEGISLATIVE UPDATE

Dear ISBA Members:

Here is your Week 14 Legislative Update with the essential information you need to know about the status of the budget session of the Indiana General Assembly. The finish line to the 2025 budget session is in sight. Two and one-half weeks to go – please keep advocating for kids!

ISBA Bill Tracking List

The updated ISBA Tracking List is available [HERE](#).

ISBA “Top 3 Things to Know” Weekly Video Update

Click [HERE](#) to watch the Week 14 video update.

Top Three Bills on the Docket This Week:

[SB 287](#), the legislation proposing to move to partisan school board elections, lingered on the concurrence motions calendar in the Indiana Senate this week. The bill author, Senator Gary Byrne, passed on calling the bill down throughout the week. This suggests that he does not have the sufficient votes to approve the motion and enact

the legislation in its present form. Thus, on Thursday, he rescinded his concurrence motion and filed a dissent motion on the bill. This means the bill will now go to a conference committee, comprised of two House members and two Senate members, to negotiate on changes to the bill. Because of the possible changes to the provisions of the bill, ISBA is on standby to reactivate a call-to-action alert to all school board members, superintendents, and community advocates to renew outreach to your area legislators asking them to oppose SB 287.

[SB 1 Local Government Finance](#) (Author: Sen. Travis Holdman; Sponsor: Rep. Jeff Thompson) – The House Ways & Means Committee on Monday passed out of committee a vastly different version of SB 1 that varied in approach and impact on property tax relief from the bill version passed by the Senate earlier this session. However, the House wasn't finished with its changes to the bill. To reach a compromise with Governor Mike Braun and Senate leadership, yet another and more substantial version of the bill was presented as a second reading amendment on Wednesday. The bill, as amended, is now over 350 pages long and focuses on supplemental homestead tax credits, property tax replacement credits, and local income tax replacement revenues for local units of government (except for school corporations). It also includes SB 518 on property tax revenue sharing with charter schools. On Thursday, the bill was approved on third reading by a 65-29 party line vote. Senator Travis Holdman, the bill author, has filed a concurrence motion on the bill, signaling that this version may be the final version on property tax relief.

So, what does it mean to school corporations? The short answer is an estimated net property tax revenue decrease for the 290 school corporations from CY 2026 to CY 2028 of \$750 million. For some school corporations the impact will be “a decrease to the increase” in levy dollars, but for other school corporations the levy dollars will decrease in CY 2026 and beyond from CY 2025 levy totals. The Legislative Services Agency Fiscal Impact Statement on SB 1 is available [HERE](#). It includes two helpful links to the following analysis to help you look at the impact for your school corporation:

- Unit-Level Estimated Change in Net Levies Compared to Current Law by Year: [Link](#)
- Unit-Level Estimated Change in Year-Over-Year Net Levies: [Link](#)

ISBA is continuing to analyze the fiscal impact statement on SB 1. We will provide additional information on this significant legislation as the session concludes.

[HB 1001 State Budget](#) (Author: Rep. Jeff Thompson; Sponsor: Sen. Ryan Mishler) – The Senate Appropriations Committee passed out on Thursday the Senate Republican

version of HB 1001, the state budget for July 1, 2025-June 30, 2027. There is finally good news to share concerning K-12 education funding! The Senate's version of the budget does not include the expansion of the Choice Scholarship voucher program to become a "universal program" with no income eligibility guidelines. Instead, the revenues that would have been spent for the voucher expansion is now embedded in the tuition support formula and results in a tuition support increase of about 2% per year for public schools (the House version only included increases of about 1%). The per student "Foundation Amount" will increase from \$6,681 in FY 2025 to \$7,007 in FY 2026 and \$7,086 in FY 2027. In addition, the new version of the budget includes increased funding for special education and ELL students by 5%/year. While it appears the curricular materials funding of \$160 million/year will be included in tuition support funding (rather than a separate categorical line item), there will be language to exclude curricular materials expenses from collective bargaining and the "65%" calculation. The bill also reduces the per student funding for virtual education to 70% of the Foundation amount (compared to 100% in the House version and 85% in current law). Click [HERE](#) to see the PPT presentation summary of HB 1001. While this is not the final version of the state budget, it is the best version on the table so far this session. **ISBA expresses its appreciation to Senator Ryan Mishler, Appropriations Chairman, and the members of the Senate Appropriations Committee for their work on this bill.** Please share your gratitude, too, with your area senators.

Other Important Bills on the Docket This Week:

[SB 289](#) Nondiscrimination in Employment and Education (Author: Sen. Gary Byrne; Sponsor: Rep. Chris Jeter) – This bill prohibits unlawful discrimination in employment and in education. Unlawful discrimination in employment is defined as taking employment action against a person based on a personal characteristic of a person. Unlawful discrimination in education is defined as enrolling or refusing to enroll, providing aid or denying aid, rewarding, or penalizing a person with respect to education or an educational opportunity based on a personal characteristic of a person. Personal characteristics of a person are defined as race, religion, color, sex, disability, national origin, ancestry, and status as a veteran. The bill also prohibits compelling an employee to attend training that asserts a person with specific personal characteristics is inherently superior or inferior to another person, that a person, by virtue of the person's personal characteristics, should be blamed for past actions, or that a person's moral character is determined by the person's personal characteristics. School employees may not compel a student to implement any of these theories. Lastly, the bill allows an injured person to bring a civil action for compensatory damages and injunctive relief, including liquidated damages in the amount of

\$50,000 for first-time violations of the law. The bill is now eligible for a third reading by the House.

SB 373 Various Education Matters (Author: Sen. Jeff Raatz; Sponsor: Rep. Bob Behning) – This IDOE bill has many provisions. ISBA has opposed the sections of the bill creating pilot facilities and transportation programs with oversight by separate “local boards.” In particular, the bill establishes a three-school year: (1) centralized school facilities pilot program; and (2) student transportation pilot program. Allows: (1) not more than three applications, as selected by the Department of Education, to participate in the centralized school facilities pilot program; and (2) not more than three applications, as selected by the Department, to participate in the student transportation pilot program. Establishes a: (1) local centralized school facilities board; and (2) local student transportation board; for participating school corporations and schools and grants the local boards certain powers and duties. Allows school corporations and schools to opt out of the pilot programs by providing a one-year notice. ISBA continues to oppose this bill because of the language that states the local (transportation or facilities) board, “has the authority to approve or deny any property tax levy approved by the governing bodies of the applicable participating school corporations.” While this is a pilot program, and school corporations may opt in to participate, what school corporation governing body would opt to defer control of your Operations Fund and Debt Service Fund levies to another governing body? This bill passed out of the House Education Committee on Wednesday with amendments by a 9-3 vote. It will be on the second reading calendar in the House on Monday.

SB 442 Instruction Concerning Human Sexuality (Author: Sen. Gary Byrne; Sponsor: Rep. Michelle Davis) – On Wednesday, the House Education Committee approved two amendments to this bill and then voted the bill out of Committee. The amended bill requires school boards to publish a list of instructional materials used in connection with instruction on human sexuality on the school’s website and requires school administrators to add to the consent form sent to parents whether the instruction will be taught to male and female students in a unified setting or in separate settings and whether the instruction will be provided by a male or female instructor. If the consent form is sent electronically, the form must include a link to the list of curricular materials. The bill also provides that instruction on human sexuality or sexually transmitted diseases shall include an in-person presentation on human growth and development during pregnancy and a high-definition ultrasound video showing the development of the brain and organs in early fetal development. The bill is eligible for a second reading on the floor of the House.

[SB 482 Absenteeism](#) (Author: Sen. Stacey Donato; Sponsor: Rep. Michelle Davis) – The amended bill requires the Department of Education to do several things, including establishing a "categorization framework" for excused absences based on the reason for the absence and studying the basis for suspensions and expulsions categorized as "other" by school corporations. The Department must also create a list of best practices to reduce student discipline and post the list on its website. The bill requires school boards to adopt a policy outlining excused and unexcused absences and categorizing excused absences in accordance with the Department's framework. The bill increases the timeline for conducting an attendance conference from five instructional days to 10 instructional days. The bill prohibits school administrators from suspending or expelling a student based solely on attendance. Lastly, the bill allows a prosecutor to take certain actions, including meeting with a parent and developing an intervention plan with relevant parties, before filing an affidavit against a parent for a violation of the attendance laws. The bill passed out of the House Education Committee and is now eligible for a second reading on the floor of the House.

Contact Your Area Legislators During Session

To find your legislators visit [HERE](#). Once you know who your senator and representative are, you can use a legislative directory maintained by ISBA and available [HERE](#) to begin advocating.

Thank you for your participation in the ISBA Legislative Action Network. Let's stand united in 2025 to put children first and support sound K-12 education policy in Indiana!

Sincerely,



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