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ISBA WEEK 16 LEGISLATIVE UPDATE

Dear ISBA Members:

Here is your Week 16 Legislative Update with the essential information you need to know about the conclusion of the 2025 budget session of the Indiana General Assembly. It's over! Session adjourned sine die after 1 a.m. this morning with the Senate's approval of the state budget, HB 1001.

ISBA Bill Tracking List

The ISBA Tracking List is available [HERE](#). The Tracking List will continue to be updated in coming days as Governor Braun signs (or vetoes) these bills into law and as public law numbers are assigned. ISBA will now proceed to remove bills that we have tracked that no longer are relevant to K-12 education and school governance. Don't forget that ISBA will provide you with a Digest of New Laws and summarize key legislation during the Spring Regional Meetings that begin on May 5th.

ISBA "Top 3 Things to Know" Weekly Video Update

Click [HERE](#) to watch the Week 16 video update.

Partisan School Board Elections

[SB 287](#), School Board Matters (Author: Sen. Gary Byrne; Sponsor: Rep. J.D. Prescott) – The concurrence motion on the legislation proposing to move to partisan school board elections was finally called for a vote on Thursday after a bizarre path of concurrence and dissent motions in recent weeks. ISBA thanks Republican senators Liz Brown and Eric Bassler for their impassioned and powerful testimony against the bill during the discussion on the motion. They were joined by 12 other Republican senators and the 10 Democrat senators in a bipartisan vote against the bill. However, it passed with a final vote of 26-24. You can view the roll call vote [HERE](#) to see how your area senator voted. ISBA thanks all 24 senators voting against the bill. In addition, Senators Yoder, Ford, Qaddoura, and Hunley offered points of personal privilege comments following the vote to express their disappointment with the passage of the bill. So, what is in the final version of the bill?

Senate Enrolled Act 287 does not include the addition of a primary election process for school board candidates. It does prohibit straight party lever voting and requires a school board candidate to declare party affiliation (including Independent) or nonpartisan on the declaration of candidacy petition (which means no label will appear next to the candidate's name on the ballot). In addition, SEA 287 includes the board compensation provision to allow the maximum compensation of school board members to equal 10 percent of the beginning pay of first year teachers in the school district.

Like with the passage of the bill in the House of Representatives weeks ago, ISBA re-issued the following statement: “ISBA has fought against the move to partisan school board elections for multiple sessions dating back to the 2022 session of our state legislature. ISBA’s longstanding position has been to keep school board elections in our state as nonpartisan, like in 41 other states in the U.S. While the Indiana General Assembly has now voted to make school board elections partisan, once elected, ISBA will encourage school board members to leave politics at the board room door by working collaboratively to focus on what is best for our 1 million public school students. School board members should also conduct themselves in a manner that models effective board governance practices regardless of party affiliation.”

ISBA will be issuing a FAQ regarding the implications of the Hatch Act and Indiana Code of Judicial Conduct for school board members who will be impacted by these regulations in context of SEA 287. This should be available in the next 30-45 days.

2025-2027 State Budget

[HB 1001](#) State Budget (Author: Rep. Jeff Thompson; Sponsor: Sen. Ryan Mishler) – The final version of HB 1001, the 2025-2027 biennial state budget, was approved

earlier this morning around 12:45 a.m. in the House and 1:20 a.m. in the Senate. There is some good news to share. Although not as favorable as the Senate Republican budget passed last week, it does include an increase in tuition support for school corporations. Of course, a funding increase was in jeopardy after the updated state revenue forecast issued late last week. Funding cuts seemed a possibility, too. However, fiscal leaders and staffers found a way to generate on average a reported 2% tuition support increase per year by making cuts to public health, higher education, state agencies, and some K-12 education categorical grants. They also approved a tax increase on tobacco products, including increasing the cigarette tax from \$1 to \$3/pack. This additional tax revenue will help offset increasing Medicaid costs while freeing up General Fund monies for K-12 education. Governor Braun joined House and Senate Republican Leadership at a press conference on Wednesday late afternoon to announce the compromise on the final budget. To view the PPT shared at the press conference click [HERE](#). To view the 2025-2027 Tuition Support Formula simulation and how your school corporation fared with funding click [HERE](#).

Some key provisions of the state budget for K-12 education include increasing total tuition support dollars from \$9.02 billion in FY '25, to \$9.36 billion in FY '26 and \$9.64 billion in FY '27. Per pupil Foundation funding will increase from \$6,681 in FY '25, to \$6,987 in FY '26 and \$7,071 in FY '27. Funding for CTE, ELL, and special education show increases in total funding, but that is due to increased student counts in each program area. In reality, the per student funding amount in each program area was cut slightly by less than 1% in FY '26. In addition, here is an update sent yesterday from our partner organization, IASBO, on curricular materials funding, Teacher Appreciation Grants, and Choice Scholarship vouchers:

Curricular Materials – Beginning on July 1, 2025, the Curricular Materials appropriation (\$160 million) will be rolled into the Foundation amount for the school formula rather than being a separate line item in the budget. Both the House and Senate made this change in their respective budgets earlier in the session. The bill prohibits school corporations from collectively bargaining the curricular materials amount.

Universal Vouchers – The income limit for eligibility for universal vouchers was eliminated for the second year of the budget. Therefore, every student in the state regardless of their parent's income will be eligible for a Choice Scholarship voucher in 2027.

Teacher Appreciation Grant – The bill cuts the current appropriation of \$37.5 million to \$35,625,000 for the next biennium. The bill substantially changes TAG for

the next biennium. The grant is for school corporations and charter schools to attract, reward, and retain teachers who significantly impact student outcomes. To be eligible for the grant, a school corporation or charter school must identify not more than 20% of certified teachers as eligible grant recipients based on criteria in the bill.

“Recognition stipend” is for a teacher who demonstrates high performance in teaching based on student outcomes. “Exemplary stipend” is a teacher who demonstrates high performance based on student outcomes and meets one of the following: mentors or coaches another teacher or serves in a high need or geographic shortage area as determined by the DOE based on educator supply and demand.

“Exemplary plus stipend” is for a teacher who demonstrates high performance in teaching based on student outcomes; mentors or coaches another teacher; and serves in a high need or geographic shortage area as determined by the DOE based on education supply and demand. Beginning on June 29, 2025, the grant stipend will be distributed in the three new categories: “recognition” = \$3,500; “exemplary” = \$5,000; and “exemplary plus” = \$7,500.

As previously mentioned, ISBA will provide you with a Digest of New Laws and summarize key legislation, with more budget details, during the Spring Regional Meetings that begin on May 5th. Registration is open [HERE](#).

Thank you for your participation in the ISBA Legislative Action Network throughout the session. Please consider service on ISBA’s Legislative Committee, or one of our other committees to support this important work on behalf of ISBA.

Sincerely,



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