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## ISBA WEEK 4 LEGISLATIVE UPDATE

Dear ISBA Members:

Here is your Week 4 Legislative Update with the essential information you need to know about the status of the budget session of the Indiana General Assembly.

### **ISBA Bill Tracking List**

There are presently 184 bills are on the ISBA Tracking List [HERE](#).

### **ISBA "Top 3 Things to Know" Weekly Video Update**

Click [HERE](#) to watch the Week 4 video update.

### **7th Annual ISBA State House Day – PLEASE RSVP Today!**

Nothing is more powerful than ISBA members in action via grassroots advocacy empowered by the ISBA Legislative Action Network! The 7<sup>th</sup> Annual State House Day will be held on February 18, 2025, at the Indianapolis Downtown Hyatt Regency. This event is a prime opportunity for you to have firsthand engagement with your area legislators. In addition to hearing from caucus leaders and education committee leaders during two excellent panel discussions, and a staff bill briefing, we encourage

you to invite your area legislators to join you for conversation during the noon luncheon portion of the event. As a reminder, we encourage your school board president and board legislative liaison, or some combination of two board member representatives, to attend the complimentary event and receive a \$35 stipend for parking and mileage. Please RSVP to attend the event [HERE](#). **\*If you plan to attend, please extend a personal note of invitation to your state senator and representative to join you during legislative luncheon at noon in the Cosmopolitan AB Ballroom (level 3). They can RSVP to Kyrsten Horton at: [khorton@isba-ind.org](mailto:khorton@isba-ind.org).**

### **Your Voice is Needed on Monday in the State House!**

Senate Bill 287 Creating Partisan School Boards is scheduled to be heard in the Senate Elections Committee on Monday at approximately 9:30 a.m. (in Room 233 of the State House) or upon adjournment of the Senate Family and Children Services Committee. Members of the public will have two minutes each to offer testimony on the bill. ISBA is calling on members to come to the State House to help advocate against this bill. If you have an interest and availability in helping, please email me at: [tspradlin@isba-ind.org](mailto:tspradlin@isba-ind.org) and I will send you more details to assist you in planning your trip to Indy. As a reminder, here is the bill summary:

**SB 287 School Board Matters** (Author: Senator Byrne; Co-Author: Senator Doriot) – Requires candidates for school board offices to be nominated in the same manner as candidates for all other elected offices are nominated, including a primary election and party affiliation identification on the ballot. The bill also modifies the annual amount that the governing body of a school corporation may pay a member of the governing body from \$2,000 (under current law) to an amount not to exceed 10% of the lowest starting salary of a teacher employed by the school corporation.

### **Other Bills of Note:**

The most important committee hearing this week was on Tuesday morning when the Senate Tax & Fiscal Policy Committee met to discuss three (property) tax reform bills that will have significant impact on all local units of government, including school corporations. ISBA opposes all three bills, SB 8, SB 9, and SB 443. Please speak with your superintendents and CFOs on how these bills would impact your school corporation and reach out to your area senators to express opposition.

### **Senate Tax and Fiscal Policy Committee**

**SB 8 School Levy Referenda** (Author: Senator Buchanan) – The introduced version of the bill restricts referendums to every other year in the primary (May) and general (November) elections, while eliminating special elections and municipal

elections as options for referenda. Further, the bill includes provisions calling for a “gap year” after a referendum ended for one year before another referendum could be held. Senator Travis Holdman, chair of committee, presented a lengthy [amendment](#) to the bill that eliminates the primary election for a referendum and phases out the authority for DLGF to permit an excess tax levy that is based on assessed valuation growth related to revenue shortfall and school transportation costs. While the amendment was adopted by the committee by a party-line vote, the bill was subsequently held for further potential amendments and a vote at a later committee meeting.

**[SB 9](#) Maximum Levy Growth Quotient** (Author: Senator Baldwin) – This bill changes the criteria for calculating the maximum levy growth quotient which would begin in 2027 and would become a county-by-county MLGQ calculation. Currently Indiana non-farm income is the only component in the calculation and that factor is not in the new calculation. The new criteria outlined in SB 9 includes the following components:

- County non-farm personal income
- Indiana average pay in total for all industries and all establishments size
- Indiana personal consumption expenditures
- US non-farm business labor productivity output per hour

According to an IASBO legislative update, the Legislative Services Agency projects that the new MLGQ calculation methods will result in a reduction in levies to school corporations of \$22 million in CY 2027 and \$45 million less in CY 2028. Like SB 8, this bill was held to a later committee meeting.

**[SB 443](#) Business Personal Property Tax** (Author: Senator Freeman) – The bill increases the acquisition cost threshold for the business personal property tax exemption from \$80,000 to \$160,000. Phases down the minimum valuation percentage from 30% to zero over a three-year period. Provides a tax credit to all taxpayers with real property tax liability equal to the difference in the taxpayer's property tax liability before the enactment of the phase down and the taxpayer's property tax liability calculated as if current law were in effect. The bill is supported by the Manufacturer’s Association and the Indiana Chamber of Commerce. AIM (cities and towns), the Association of Indiana Counties, and all educational management associations oppose the bill since the phase-out of the BPPT 30% factor will reduce and finally eliminate this as a funding source for local government entities. The bill passed the committee by a vote of 8-2 and now moves the Senate floor for second and third reading deliberation.

***Stay tuned next week for an update in this report on HB 1001, the state budget bill.***

**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,



**Terry Spradlin**

Executive Director

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