

ISTA Legislative Update

March 14, 2025

IMPORTANT NOTES

Virtual Legislative Briefings

Stay ahead of key legislative developments and register for our legislative briefings that are held virtually every other Monday. These virtual sessions will be held from 5 – 6 p.m. ET / 4 - 5 p.m. CT on Zoom.

Register: <https://www.mobilize.us/ista-in/event/745885>

ISTA Days of Action

Days of Action are your opportunity to meet directly with your state legislators and advocate for policies that support our students, educators, and public schools. All events are scheduled from 10 a.m. to 1 p.m. ET / 9 a.m. to 12 p.m. CT on the following dates:

- Mon., April 14

Register: <https://www.mobilize.us/ista-in/event/744835>

Calls to Action

HB 1001: State Budget – [Take Action: Help Strengthen Indiana's Public Schools](#)

Monitor the [ISTA Action Center](#) for future calls to action.

2nd HALF PRIORITIES

HB 1001: State Budget and Education Funding (Rep. Thompson; R-Lizton)

Passed the House 66-28.

Overview:

This is the House Republican version of the state budget and education funding. The Senate will be taking up HB 1001 soon.

Here are some points to consider for this version:

1. The current inflation rate is 3%.
2. The December revenue forecast indicated that revenue growth would be 3.3% in year one and 0.3% in year two.
3. The \$160M appropriation to schools to help offset curricular material costs is rolled into the school funding formula in year 1, artificially inflating increases for schools. The \$160M from the curricular materials line essentially covers all of traditional public school's tuition distribution for year one.
4. Including the curricular materials transfer, traditional public schools would receive an average of 2.1% and 0.9% increase in the next two years.
5. With a few exceptions, most line items in the budget have been straight-lined.



Our kids. Our schools. Our future.

6. Notable Changes in Categorical Program Funding:
 - a. Creation of the Freedom & Opportunity in Education Grant funded with \$86M each year that is essentially a block grant to the IDOE for “initiatives to improve academic performance and increase freedom and opportunity in education.” (For context, this amount equals about 1% on the funding formula.)
 - i. The IDOE determines how money in this fund will be expended. The bill lists some specific programs that *may* be funded under this block grant (but are not *required* to be funded at all), such as expanding the current ILEARN checkpoint pilot initiatives to statewide application, funding an interactive tool to support the new diploma requirements, addressing real-time educator supply and demand marketplace, recruiting teachers in high needs areas and guidance counselors, drop-out prevention, expanding computer science, Science of Reading, reading intervention, literacy achievement and student learning recovery grants.
 - ii. In this current biennium, there has been an Academic Improvement Grant (AIG) of \$50M each year that specifically funded particular programs. The AIG is not included in this budget. It is likely the Freedom grant is replacing the AIG, but with a \$36M increase and no definitive indication on how IDOE can expend it.
 - b. TAG funding is maintained at existing levels (HB 1500 changes to TAG).
 - c. Indiana Secured Schools Grants are increased by 10% in year one and straight-lined in year two.
 - d. Dual Immersion pilot is eliminated.
7. Privatization
 - a. Removes all income eligibility guidelines to receive private school vouchers, ESAs and CSAs. LSA estimates that the fiscal impact to the state is \$88.6M in year one and \$94.6M in year two.
 - b. Per student funding for virtual education is increased to 100% of the student foundation amount for students who attend bricks and mortar public schools. Currently, those operated by traditional public schools receive 85% of the foundation amount and those operated as charter schools receive 90% of the foundation amount.

Ask Your Legislator:

- Ask your legislators to:
 - Prioritize our public schools, where 90% of students attend.
 - Ensure school funding increases at least match inflation and reject any budget that shifts resources away from traditional public schools.
 - Raise teacher salaries to align with inflation-adjusted benchmarks and close the 22.8% pay gap with other professions.



HB 1500: Teacher Appreciation Grants (Rep. Bob Behning; R-Indianapolis)

Passed the House 66-28.

Overview:

HB 1500 changes the existing Teacher Appreciation Grants (TAG) into a more selective award as determined by the administration under IDOE guidance. The bill also removes all references to the current teacher evaluation rating system (highly effective, effective and ineffective) and empowers school districts to create their own evaluation system (with no mandated input by teachers).

Aside from a new teacher evaluation system, the proposed new TAG uses a different set of labels for a teacher to qualify for an award, while also enabling awards to be given to someone teaching in a high need or geographic shortage area determined by IDOE.

1. The amounts of a TAG grant would be:
 - a. Recognized: at least \$3k but not more than \$5k.
 - b. Exemplary: at least \$5k but not more than \$7.5k.
 - c. Master: at least \$7.5k but not more than \$10k.
 - d. High Needs/Geographic Shortage Area: at least \$5k but not more than \$10k.
2. The definitions of the new labels are as follows:
 - a. Recognized: Whether the teacher demonstrates high performance in teaching based on student outcomes together with any other criteria the IDOE designates.
 - b. Exemplary: Whether the teacher qualifies under recognized and also mentors or coaches another teacher to improve student outcomes.
 - c. Master: Whether the teacher qualifies under recognized, whether the teacher mentors and manages teachers across multiple classrooms, whether the teacher provides instructional leadership to improve student outcomes across multiple classrooms, and any other criteria the IDOE designates.

Under the bill, when a teacher receives a new TAG, the stipend flows for two consecutive years. In the third year, the stipend becomes a permanent part of the teacher's base salary; funded by the same pool of money used for all teacher salaries.

HB 1001 straight-lines the total amount of TAG funds at \$37.5m each year. While not necessarily a reflection of the amount of money each school district would receive under the new TAG, allocation received in December 2024 can be found [here](#).

Ask Your Legislator:

- Support a TAG program that rewards educators without shifting costs onto school districts, impacting overall teacher salaries. Every teacher contributes to a student's success. Funding selected stipends shouldn't come at the expense of base salaries for all educators.
- To oppose a TAG program that becomes an unfunded mandate for schools to continue paying the TAG award after TAG funding ends.



SB 1: Property Tax Relief (Sen. Holdman; R-Markle)

SB 1 passed the Senate 37-10. Heard In Ways and Means last week and this week. Chairman of Ways and Means, Rep. Jeff Thompson, R – Lizton, is proposing amending HB 1402 into the bill. It's likely this bill will remain in committee for another week or more as the committee attempts to balance property tax relief with lowering the fiscal impact to local governments and schools.

Overview:

As introduced, the bill was one of several property tax reduction bills this session that began as Gov. Braun's property tax reforms. The bill also restricts school referenda to general elections in the fall. Under LSA's fiscal note for the original bill, school property tax losses would total around \$2 billion over the next three years. Losses described herein are losses in projected gains (that is, reflect an estimated change in revenue from what would have likely been the case without the changes in law).

Property taxes pay for supportive services and programs that complement the education programs, such as transportation, building maintenance and repair, construction, administration and technology.

As amended in the Senate, the negative fiscal impact to school districts was dramatically reduced from the introduced version by removing certain property tax reforms from the bill and focusing on some targeted taxpayer reductions. However, there remain projected losses for school districts totaling \$370M over the next three years. Further, a restriction on referenda to the General Elections remains in the bill.

HB 1402 is an omnibus bill that deals with a variety of issues in local government finance. Among other things, it would provide a total exemption for business personal property for property placed in service after December 31, 2024 (phased in), it phases down the standard homestead deduction over five years to zero beginning for taxes due and payable in 2031, it phases in an increase in the supplemental homestead deduction over five years, it creates a new local income tax (LIT) structure, beginning in 2027 allowing for a maximum of 2.9% with various units of government falling under different categories of authorization and max rates, and it eliminates local income tax councils beginning in 2027 and provides that the county fiscal body is the adopting body in all counties for the purposes of LIT (some exceptions for certain municipalities regarding municipal LIT rates).

Because HB 1402 calls for longer phase-ins on items, the fiscal impact attempts to provide information on fiscal changes out to CY 2031. Comparing apples to apples with the above versions of the bills (going out just three years), HB 1402 would result in losses for school districts totaling \$321.6M. Over six years, the losses in projected gains would total another \$594M.



Ask Your Legislator:

- Oppose property tax cuts that reduce school funding without a replacement revenue source—Indiana’s public schools can’t afford another budget shortfall.

SB 518: Sharing Property Taxes w/ Charters (Sen. Rogers, R – Granger)

Passed the Senate 28-21. Heard in Ways and Means on March 5, and is currently being held in committee.

Overview:

SB 518 would require traditional public schools to share their respective operations fund property tax revenue and debt service levies with nearly all charter schools located in their districts on a multi-year phase-in schedule. The debt service levy sharing would begin in CY 2026. The sharing on the operations fund levy would begin in 2028.

Districts would also be required to share certain debt service levy revenue with charter schools. The amount shared with charters is dependent on the number of students who reside in the school district but who attend a charter in the district. Charter schools with fewer than 100 students in the district would not qualify for the sharing scheme. The amended bill would also stipulate that any charter school that is in line to receive shared property tax revenue, that charter school must include on its governing body at least one member appointed by either the mayor (in the case of IPS) or by the county board of commissioners in other cases.

Charter schools have long received a state-funded grant that was created to replace whatever local property taxes they did not receive for the purposes of what property taxes pay for in traditional public schools. The current appropriation for the Charter School Innovation Network School Grant is \$52.6m each year. Under the bill, the amount of grant a charter school qualifies for would be reduced by the amount of property taxes it would receive in the sharing arrangement. In this way, the bill shifts the burden of funding charter schools from the state onto local property taxpayers.

Ask Your Legislator:

- Support policies that fully fund traditional public schools and that maintain charter school needs as has been the case their creation through direct state investments—without shifting that burden to local property taxpayers.
- Oppose SB 518 and voice concerns over sharing property tax revenue at the same time there is a significant financial impact due to property tax cuts in other bills.
- At the very least, the timing of this shift from the state to local property taxpayers is harmful. Public schools are already facing potential property tax reductions—don’t mandate that they share even more of their limited property tax revenue with charter schools, especially when the state currently subsidizes these expenses for charter schools.



COMMITTEE BILLS THIS WEEK

HOUSE EDUCATION COMMITTEE, WED. AT 8:30 A.M.

SB 146: Teacher Compensation (Sen. Linda Rogers; R-Granger)

Passed the Senate 50-0. Heard in House Education Wednesday; held for a vote. The committee discussed an amendment to be heard next week that would restore paid parental leave for full-time and part-time teachers and a teacher mobility compact. Language ISTA opposed about school health plan changes (bypassing bargaining) was previously removed the first half of session in Appropriations, as well as the TAG changes. ISTA supports the increases in pay and thresholds.

- Creates the Indiana teacher recruitment program and fund.
- Removes a prohibition on ranking teacher preparation programs.
- Beginning June 30, 2025: (1) increases the minimum salary for a teacher employed by a school corporation to \$45,000 (current law requires \$40,000); and (2) requires a school corporation to expend an amount for teacher compensation that is not less than 65% of state tuition support (current law requires 62%).

SB 358: Various Education Matters (Sen. Jeff Raatz; R-Richmond)

Passed the Senate 39-10. Heard in House Education Wednesday; held again for amend and vote. ISTA is neutral.

The bill, among other things:

1. Requires the IDOE to compile a report regarding results for the IREAD and the determinant evaluation of reading skills;
2. Requires the IDOE to evaluate and approve a list of high-quality curricular materials for use in English/language arts.

SB 365: Education Matters (Sen. Jeff Raatz; R-Richmond)

Passed the Senate 49-0. Heard in House Education Wednesday; held again for amend and vote. ISTA is neutral.

The bill requires the IDOE to collaborate with Management Performance Hub (MPH) and the Commission for Higher Education (CHE) to collect and maintain data on CTE programs. It requires IDOE to collaborate with the Governor's Workforce Cabinet, Department of Workforce Development (DWD) and CHE to conduct a return on investment analysis for adult education programs. It requires the CHE, IDOE, DWD and Governor's Workforce Cabinet to conduct a return on investment analysis for postsecondary CTE, 21st Scholars Program and various grant programs. Finally, the bill was amended to change certain authorities from CHE to IDOE; places parameters on career coaching aptitude for certain grade levels.



SB 373: IDOE Agency Bill (Sen. Jeff Raatz, R – Richmond)

Passed the Senate 49-0. Heard in House Education Wednesday; held for amend and vote. ISTA is neutral on the bill with support for some provisions.

Provides that the IDOE is the proper authority to accept federal funds appropriated to aid in the education of children with disabilities (current law provides that the SBOE is the proper authority).

- Provides that the evaluation process for certain curricular materials must include the age appropriateness of the content. Removes the member of the Indiana Transportation Association from the list of nonvoting members on the state school bus committee.
- Provides that an individual seeking an initial practitioner’s license through an alternative certification path must successfully complete an applicable teacher licensing exam as approved by the SBOE (current law requires the successful completion of a Praxis Subject Assessment).
- Provides that funding for approved summer school programs is to be on a per student basis. Moves the establishment of the division of special education from the SBOE to the IDOE.
- Changes certain duties for the secretary of education and the director of special education.
- Provides that the department may suspend or terminate the certification of a scholarship granting organization if the department establishes that the organization has not granted a scholarship within certain time frames.

HOUSE ELECTIONS AND APPORTIONMENT, WED. AT 10:30 A.M.

SB 287: Partisan School Board Elections (Sen. Gary Byrne; Byrneville)

Passed the Senate 26-20. Heard in House Elections Wednesday; passed 8-5. The bill was amended, but partisan school board election language remains. ISTA opposes.

As passed out of the Senate, this bill would require school board candidates to be nominated in party primaries. As amended in the House Elections Committee, the committee removed the primary process and reverted to prior HB 1230 language that calls for a school board candidate to choose either a label of Republican, Democrat, independent or the option of labeling themselves as nonpartisan. School board elections would remain in the General Election. Straight ticket voting would not apply to school board races because there could be multiple candidates from a particular party running. The amended bill retains the provisions concerning school board member annual pay taking it from \$2,000 to an amount not to exceed 10% of the lowest starting teacher salary in the district.



SENATE EDUCATION AND CAREER DEVELOPMENT COMMITTEE, WED. AT 1:30 PM

HB 1002: Various Education Matters/Deregulation (Rep. Bob Behning, R-Indianapolis)

Passed the House 75-16. Heard in Senate Education last week; held for amend and vote but was not heard in committee this week. The bill is pending further action.

This is a huge bill that covers a lot of statutory territory. Its intent is to remove obsolete laws or those perceived as hindering the core mission of public education. As with many omnibus bills, the value of deregulation is subjective. ISTA worked to remove some of the most egregious changes, including the wage payment law repeal, but we are continuing to make tweaks to the remaining issues.

HB 1016: School Safety Commission (Rep. Matt Commons; R-Williamsport)

Passed the House 91-0. Heard in Senate Education last week; passed 13-0 this week. ISTA supports the bill.

Appoints a fire chief or designee to the School Safety Commission.

HB 1102: Contracting for Preschool (Commons; R-Williamsport)

Passed the House 91-0. Heard in Senate Education last week; passed 13-0 this week. ISTA supports the minor expansion of Pre-K in the bill.

Removes language restricting school corporations from entering into a contract with a religiously affiliated nonprofit preschool program.

HB 1285: Special Education/Cameras and Interventionists (Rep. Becky Cash; R-Zionsville)

Passed the House 90-0. Heard in Senate Education Wednesday; held. ISTA is neutral if previous language requiring cameras in certain classrooms is not reinserted.

The bill requires:

1. School corporations to provide the parent of a student with the opportunity to collect the student's property under certain conditions; and
2. The IDOE to review nonviolent crisis intervention training programs and make recommendations to school corporations.
3. School corporations have at least one employee present in each school building who has obtained nonviolent training who is available for de-escalation responses, including responses to any use of chemical or mechanical restraints, seclusion or time-outs.



HB 1348: Nonaccredited Schools (Rep. Tim Wesco; R-Osceola)

Passed the House 62-29. Heard in Senate Education Wednesday; held for amend and vote. ISTA did not testify on this bill.

- Provides that a high school diploma or credential issued by a nonaccredited nonpublic school is legally sufficient to demonstrate that the recipient of the diploma or credential has met the requirements to complete high school.
- Prohibits a state or local agency or institution of higher education in Indiana from rejecting or otherwise treating a person differently based solely on the source of a diploma or credential.
- Provides that a person who administers a school has the authority to execute any document required by law, rule, regulation, or policy to provide certain evidence regarding a child's education

HB 1498: School Accountability (Rep. Bob Behning; R-Indianapolis)

Passed the House 62-28. Heard in Senate Education Wednesday; held for amend and vote. ISTA has supported multiple measures and the state board dashboard; ISTA continues to oppose punitive A-F grade labeling kids, educators, schools and communities.

The bill requires the State Board of Education to develop an updated school accountability system that utilizes designated categories (such as A-F letter grades currently in state statute or another grading model). The new accountability system must align with the recently adopted graduation requirements and diplomas.

HB 1499: Literacy (Rep. Robert Behning; R-Indianapolis)

Passed the House 95-0. Heard in Senate Education Wednesday; held for amend and vote. ISTA is neutral.

As amended:

1. Requires the SBOE to incorporate oral language development as a core component of certain literacy endorsements.
2. Requires certain schools to administer the determinant evaluation at least twice in the summer (current law says once).
3. Requires the IDOE to establish a registration process to exempt a school that has a student population comprised of at least 50% multilingual learners from compliance with the determinative evaluation.
4. Permits a school to satisfy Indiana's career fair requirement by holding a career fair that is not on school property if transportation is provided to all students.
5. Requires the SBOE to incorporate oral language development as a core component of certain literacy endorsements.
6. Requires certain schools to administer the determinant evaluation at least twice in the summer (current law says once).
7. Requires the IDOE to establish a registration process to exempt a school that has a student population comprised of at least 50% multilingual learners from



compliance with the determinative evaluation. Sunsets this provision July 1, 2028.

8. Under the Employment Aid and Readiness Network (EARN) Indiana Work Study Program, reduces the minimum average number of hours in which a student must be employed from 12 hours per week to 10 hours per week.

HB 1515: Education and Higher Education Matters (Rep. Bob Behning; R-Indianapolis)

Passed the House 57-28. Heard in Senate Education last week; held for amend and vote – not heard this week. ISTA is neutral on the bill but is attempting to work with the authors to resolve a few sections, namely the charter school zoning language.

This omnibus bill contains multiple separate provisions:

- The bill allows accredited nonpublic schools to establish a school police department.
- Allows accredited nonpublic schools to participate in STEM Teacher Grants.
- Allows a school choice parent to petition the IDOE for reconsideration of choice eligibility if there is reason to believe that the student was determined ineligible due to enrollment data error (technical change).
- Provides that a student must be withdrawn from enrollment in a school's virtual program if the student accumulates 10 consecutive or 18 cumulative unexcused absences (instead of the number of unexcused absences sufficient to result in the student's classification as a habitual truant).
- Restricts a county, city, or town (unit) in using the unit's planning and zoning authority to regulate a school corporation's or charter school's use of school property.
- Provides the following regarding a charter school: (1) A charter school is a permitted use in all zoning districts. (2) A charter school's land use application must be processed by a unit on a first priority basis.

HB 1634: Math Education (Rep. Jake Teshka; R-South Bend)

Passed the House 90-0. Heard in Senate Education Wednesday; held. ISTA is neutral as long as it is not amended to *require* new "Science of Math" trainings.

As passed the House:

1. Requires teacher preparation programs to align their foundation skills math curriculum with evidence based instructional strategies that promote conceptual understanding, procedural fluency, and real world problem solving and if the IDOE determines in its accreditation process that the teacher preparation program is noncompliant (after a review process under current law), the IDOE must revoke the teacher preparation program's right to use "accredited" in its description.



2. Requires each school corporation and charter middle school to automatically enroll a student who meets certain proficiency levels on the ILEARN assessment for math in grades 5, 6, or 7, and who earns at least a "C" in the student's math course in a middle school advanced math course.
3. Requires each school to notify parents of the automatic enrollment and permits the parent of a student to opt out of automatic enrollment.
4. Beginning with the 2026-27 school year, and applicable to all public schools, charter schools, accredited nonpublic schools, and other scholarship-granting organization schools, requires each of these schools to administer to all k-grade 2 students a numeracy screener to identify students at risk of not meeting grade level proficiency. Requires multi-tiered intervention that:
 - progresses from less to more intensive support based on the student's needs;
 - is aligned to daily Tier I instruction and standard level learning progressions; and
 - is targeted, differentiated and supplemental to Tier I instruction.
5. There is no reference to teacher professional development, additional endorsements, or testing.

SENATE HOMELAND SECURITY AND TRANSPORTATION COMMITTEE, TUE. 9 AM

HB 1637: School Safety (Rep. Stephen Bartels; R-Eckerty)

Passed the House 94-0. Passed Homeland Security and Transportation 8-0; recommitted to Senate Appropriations. Generally, ISTA supports school safety measures.

- Provides for the appointment of a fire chief, or the fire chief's designee, to a county school safety commission.
- Establishes the office of school safety within the Department of Homeland Security for the purpose of coordinating and administering school security and safety resources.
- Requires a school corporation or charter school to comply with certain safety related requests by the office of school safety.
- Changes the composition of the secured school safety board.
- Provides that the secured school fund may be used to provide financial assistance for projects of the office of school safety that are approved by the secured school safety board.
- Requires a school safety plan to include measures to annually inspect each protective door assembly on school buildings to ensure compliance with standards established by the fire prevention and building safety commission.
- Authorizes the department to issue enforcement orders in accordance with rules adopted by the board of firefighting personnel standards and education.



- Provides that the department, a fire department, or a volunteer fire department may open burn for fire training purposes if certain conditions are met.
- Requires that a city, town, or county that requires a building permit for the construction of a Class 2 structure to allow the inspection to be conducted by third party inspectors.
- Amends the definition of "law enforcement officer" to include the state fire marshal and the executive director or fire investigator of the department. Provides that the fire prevention and building safety commission, with certain exceptions, may not adopt a final rule for more than three building codes during any 12-month period.
- Repeals the provision establishing the department of education's division of school building physical security and safety.

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