

Senate Budget Proposal

Fiscal Years 2026/2027



Budget Priorities

- ✓ **Balanced budget**
- ✓ **Fiscal responsibility**
- ✓ **Strong government oversight**
- ✓ **Fully funds pensions and essential government services**

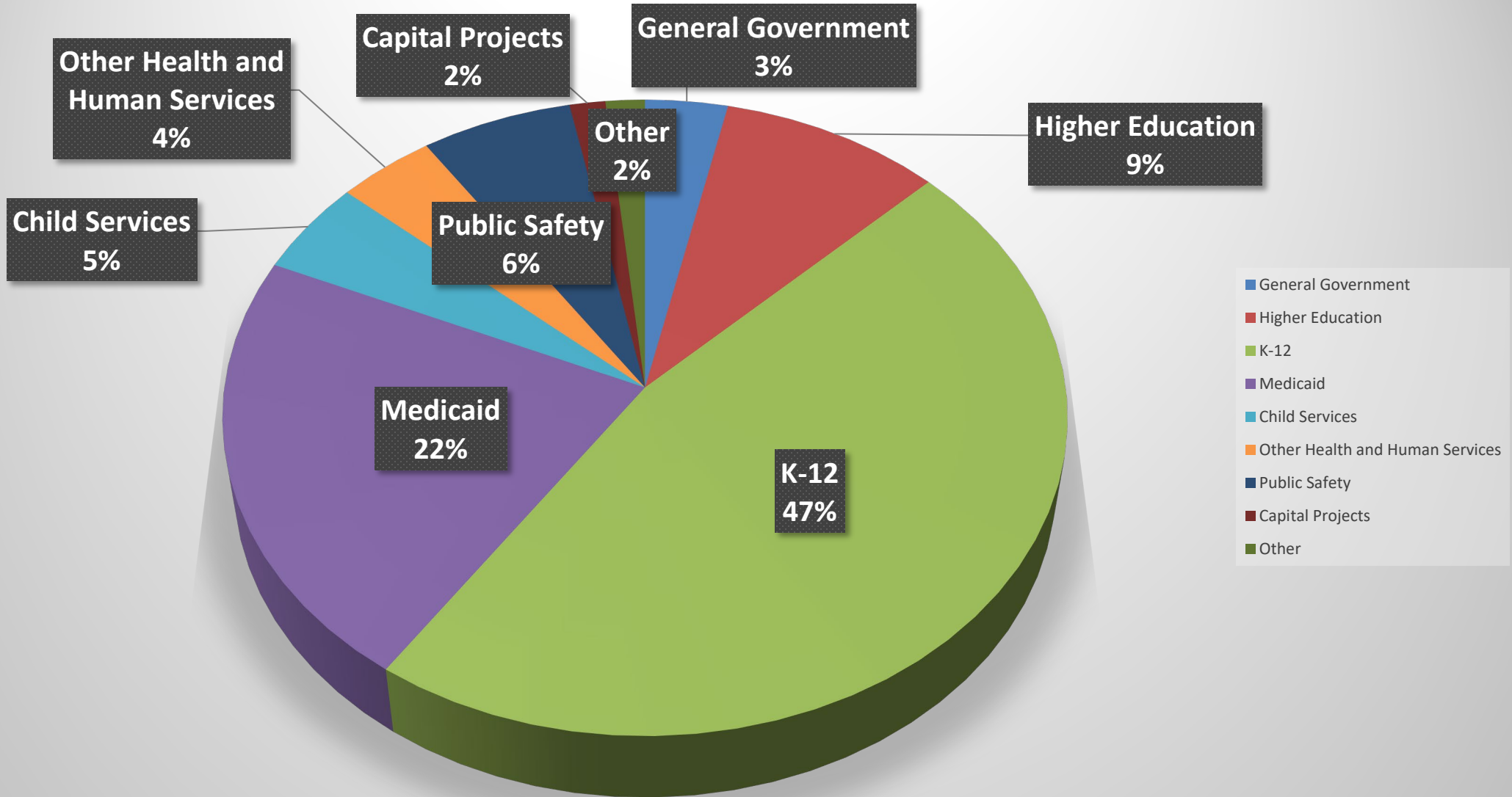


Balanced Budget

- \$46.8 billion two-year budget
- Ongoing revenues exceed ongoing expenditures
- Ends biennium with over \$3 billion in reserves
 - 13.2% FY 2026
 - 13.6% FY 2027

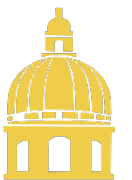


Proposed FY 2024/2025 General Fund Appropriations



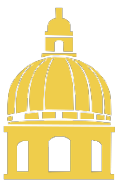
K-12 Education: Funding Highlights

- Appropriates \$18.9 billion over the biennium to K-12 tuition support
- Increases K-12 tuition support by \$870 million over the biennium compared to FY 2025
 - 2% increase yr/yr
 - Rolls \$160M curricular material line item into formula



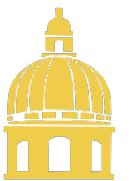
K-12 Education: Funding Changes

- Total funding per ADM:
 - FY 2025: \$8,347
 - FY 2026: \$8,669
 - FY 2027: \$8,827
- Increases special education funding by \$208 million over the biennium
 - 5% yr/yr for severe and moderate grants
- Increases Non-English Speaking Program \$9 million over the biennium
 - 5% in FY 2026
 - Additional 5% in FY 2027



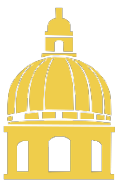
K-12 Education

- Maintain CTE grants at the same level
- Incentivizes funding for new diploma seals under academic performance grants
- Funds virtual ADM at 70% of foundation
- Increases foundation grant to \$7,007 (4.9%) in FY 2026 and to \$7,086 (1.1%) in FY 2027
- Charter and Innovation Network School Grant reduced by \$19M/SFY to coincide with Senate passed version of SB 518
- Creates new three tier Teacher Appreciation Grant program



K-12 Education

- Provides funding for Freedom and Opportunity in Education at \$86M over the biennium
- SGO Tax Credit maintained at \$18.5M/SFY
- Increases school safety grant \$2.5M/SFY (funds at \$27.1M/SFY) and moves office as well as admin to Dept Homeland Security
- Moves ESA and CSA to DOE



Higher Education

- \$4.4 billion over the biennium for higher education
- Operating funding flat at FY 2025 level including any amount earned in FY 2025 as a result of outcomes based funding
- Dual Credit at same level as FY 2025
- Funds Repair and Rehabilitation at 0.525% over the biennium
- Adds \$14M in FY 2026 for IU and PU regional campus deferred maintenance
- Funds Anderson Scholar House at \$2M over the biennium



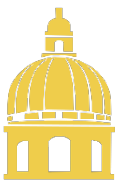
Health and Human Services

- Fully funds Medicaid Forecast at \$10B over the biennium (\$2.1B biennial increase)
- Funds Community Mental Health at \$100M over the biennium
- Funds local public health at \$100M/SFY, requires 90% to be used for core public health services, and requires funds may only be used for IN residents who are legal citizens
- Extends QAF and allows state to fully max the QAF
- Funds CCDF hold harmless at \$155M over the biennium
- Funds Real Alternatives at \$4M/SFY and Telecare Women's Clinic Pilot Program at \$1.25M/SFY



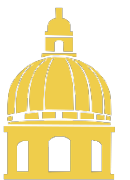
Department of Child Services

- Increases funding for DCS by \$174M/SFY
- Requires DCS to provide the following amounts to pro-family organizations from their administration fund:
 - \$2 million per year to Boys and Girls Club Indiana Alliance
 - \$375,000 per year to All Pro Dad
- Requires DCS on or before 1/1/2026 to coordinate a regional pilot program in two regions of the state through which the county prosecutor's office shall have the exclusive right to act as DCS legal counsel for CHINS cases. Each region is up to four counties
- Subject to federal approval, allows DCS child support bureau to move to DOR



Public Safety

- Provides free state park admission to Gold Star families (HB 1422)
- Increases funding for DOC by about \$120M/SFY
- Annually indexes ISP, Capitol Police, and DNR excise police pay matrices by the percentage of the average salary increase of all executive branch state employees
- Appropriates \$3M to the Supreme Court for local INJAIL management system
- Increases sheriff's hold per diem to \$42/day



Economic Development

- Funds Residential Housing Infrastructure Assistance at \$25M/SFY
- Raises IEDC global tax cap credit from \$250M to \$300M/SFY requires SBC review of tax credit certifications, and expires the global tax cap 12/31/2032
- Creates an economic reserve account within SGF to support development and expansion of industry
- IEDC deal closing fund with proposed investment over \$2B subject to SBC review
- Creates the beginning farmers tax credit at \$1M/SFY



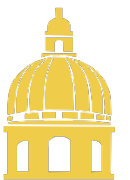
Economic Development

- Funds Manufacturing Readiness Grants at \$10M/SFY
- Maintains Sports Corp. Funding at \$750K/SFY
- Provides \$10M over the biennium for Sports and Tourism Bid Fund
- Creates Hoosier Workforce Investment Tax Credit with \$4M/SFY max
- Creates new Workforce Innovation line item at \$23M/SFY



Government Efficiency

- Requires budget director to withhold 5% of each agency's appropriations with exceptions
- Requires OMB to prepare a report to IOT to reduce and streamline technology costs
- Requires annual travel report for Governor, Governor's Cabinet, Lt Gov, and separately elected officials
- Provides all secretary of state dedicated funds are subject to general assembly appropriation



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