STATELINE MIDWEST

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THE COUNCIL OF STATE GOVERNMENTS | MIDWESTERN OFFICE

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A compilation of articles that appeared in the publication *Stateline Midwest* in 2025 on policies related to education and workforce

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YEAR AHEAD MARKS HUGE SHIFT FOR STATES IN ADMINISTERING AND FUNDING MEDICAID

Challenges include enforcing work requirements, planning for new fiscal constraints

by Tim Anderson *(tanderson@csg.org)*

In May, Nebraska will become the first state to implement provisions in a 2025 federal law that mark one of the biggest changes in the 61-year history of Medicaid: requiring some enrollees to participate in work-related activities.

Across the country, minus a state securing a "good faith" extension waiver, these work requirements will take effect in January 2027. They apply to the public health insurance program's "expansion population" — low-income, able-bodied adults between the ages of 19 and 64.

They also mean new obligations for states.

And in the not-so-distant future, there will be added fiscal responsibilities and restraints for states under the federal law (HR 1 of 2025), especially among the 40 that have expanded Medicaid eligibility. For example, many states have come to rely on provider taxes to help finance their share of Medicaid; federal constraints on this revenue source either have taken effect or will do so soon.

"HR 1 is going to require action, much sooner than later, even if some of these provisions don't take effect for a while," says Edwin Park, a research professor at the Georgetown University McCourt School of Public Policy's Center for Children and Families.

"[States] can't just wait until the last second to think how to deal with some of the federal revenue or the taxes going away or some of the implementation costs. They're going to have to think now about what their revenues and spending look like over time."

BIG SHIFT: TRENDS IN MEDICAID ELIGIBILITY AND SPENDING

Nationwide, the number of people eligible for Medicaid has increased considerably over the past decade and a half as the result of actions taken by state legislators, governors and/or voters.

Since congressional passage of the Affordable Care Act in 2010, states have had the option of extending Medicaid coverage to non-disabled adults with incomes of up to 138 percent of the federal poverty level and getting an enhanced federal funding match (currently 90 percent).

Most states have taken up the federal government on this offer.

In the Midwest, Medicaid expansion is now a decade or more old in Illinois, Indiana, Iowa, Michigan, Minnesota, North Dakota and Ohio. The expansions in Nebraska and South Dakota are more recent; they also were the result of voter-approved ballot measures rather than legislative action.

In Illinois, Rep. Anna Moeller says, uninsured rates fell 44 percent and hospitals saw a 37 percent reduction in uncompensated care immediately after the change in her state.

Across all 50 states, the expansion population now makes up about one-quarter of all Medicaid enrollees, KFF data show (see map on this page for percentages for the Midwest). In 2024, one in five Americans reported getting health insurance through Medicaid.

According to the National Association of State Budget Officers, as of fiscal year 2024, 30 percent of state spending — states' own dollars, plus federal revenue — was on Medicaid; that compares to 22 percent in FY 2010, prior to expansions under the Affordable Care Act.

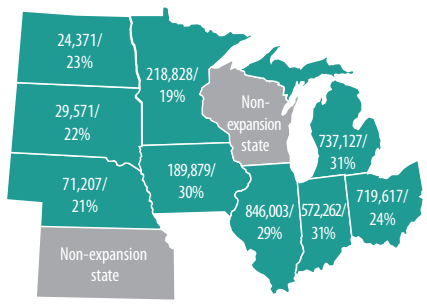
HR 1 has the potential of changing these numbers and trends.

NEW ERA: DETAILS ON MEDICAID WORK REQUIREMENTS

With the exceptions of Kansas and Wisconsin, all Midwestern states have adopted the Medicaid expansion. They must administer the new federal work

▶ COVER STORY CONTINUED ON PAGE 3

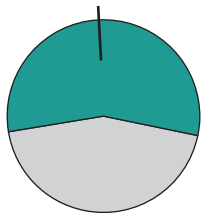
OF ADULTS ENROLLED IN MEDICAID AS RESULT OF AFFORDABLE CARE ACT EXPANSION/EXPANSION ENROLLMENT AS % OF TOTAL MEDICAID ENROLLMENT



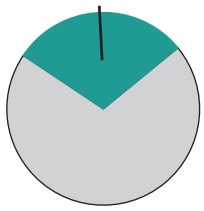
Source: KFF (using December 2024 data from U.S. Centers for Medicare and Medicaid Services)

MEDICAID AND STATE BUDGETS (FY 2024)

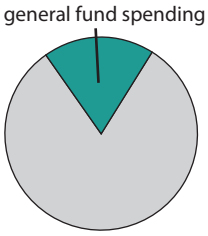
Accounts for 56.1% of state spending of federal funds



Accounts for 29.8% of total state spending



Accounts for 18.7% of state general fund spending



Source: National Association of State Budget Officers

FEDERAL LAW WILL HAVE FAR-REACHING IMPACT ON MEDICAID EXPANSION POPULATIONS, STATES

» CONTINUED FROM PAGE 1

requirements starting by early 2027. (Wisconsin also may have to comply because of coverage it provides via a federal waiver.)

In an announcement of Nebraska's first-in-the-nation implementation (set to begin in May), Steve Corsi, CEO of the state Department of Health and Human Services, hailed the change as a way of "encouraging greater economic and social participation."

"Employment provides financial stability, fosters personal growth, and will help Nebraska's small businesses in need of workers," he said.

Similar sentiments, along with concerns about rising Medicaid costs, led some state legislatures to approve work requirements prior to enactment of HR 1. That includes Indiana (SB 2 of 2025), Iowa (SF 615 of 2025) and Ohio (HB 33 of 2023). South Dakota voters approved a ballot measure in 2024.

Actual implementation, however, will be new to all states in this region.

Outside the Midwest, a few states have carried out their own Medicaid work requirements, and those experiences point to a big challenge ahead: enforcing the federal rules while minimizing coverage losses among Medicaid-eligible individuals in the expansion population.

In Arkansas, Park says, "people who should have been exempted from the work requirement or who met the work requirement" still lost coverage due to obstacles in reporting and documenting eligibility. In Georgia, "most of the lower-than-expected enrollment [in a Medicaid expansion] has been attributed to red tape associated with the work requirements."

MANY EXEMPTIONS, ELIGIBILITY PATHWAYS IN FEDERAL LAW

Under HR 1, individuals in the expansion population must show they have worked 80 hours per month or, alternatively, have participated in job training, education programs or community service. States must verify compliance when an individual applies for Medicaid, as well as redetermine eligibility at least once every six months.

The federal law provides a host of exemptions from this work requirement — for those who are medically frail, disabled veterans, pregnant women, parents and guardians of children up to age 13, caregivers for disabled individuals, recently incarcerated individuals, and people receiving treatment for a substance-use disorder.

States also can provide a "short-term hardship exception" to residents of high-unemployment counties (a jobless rate of 8 percent or more or 1.5 times the national average).

"We know from data analysis that most individuals subject to the work requirements may already be working or may be eligible for some type of exemption," notes Robin Rudowitz, vice president at KFF and director of its Program on Medicaid and the Uninsured.

KFF found that, as of 2023, nearly two-thirds of Medicaid-covered adults between the ages of 19 and 64 were working. Among those not working, nearly three in 10 qualified for an exemption.

On paper, then, work requirements will be met or not apply to most individuals in the expansion population. However, the paperwork — the need for documentation and verification — can keep individuals from being enrolled in or remaining on Medicaid.

In Illinois, state health officials have told legislators that anywhere from 270,000 to 500,000 people in the state will lose Medicaid coverage as a result of the work requirements.

On the high side of the estimate, "that's about 15 percent of current enrollees," says Moeller, who is chair of the Illinois House Medicaid Subcommittee and co-chair of The Council of State Governments' Midwestern Legislative Conference Health & Human Services Committee.

"Just because people lose access doesn't mean they stop getting sick; those costs get shifted to hospitals and emergency rooms and clinics," she says. "Somebody has to end up paying for that care."

HEAVY IMPLEMENTATION LIFT

Implementation of the work requirements, along with other rules related to compliance and more frequent checks on eligibility, is adding significant administrative burdens in Illinois, Moeller says. That includes a buildup of staff capacity, more communication and training with local partners, and upgrades in information technology.

As part of HR 1, $200 million is available for states to establish systems around the new work requirements.

"To the extent that states can make it easy for people, and do things like data matching and not make individuals produce documentation, that certainly will be helpful in maintaining coverage," Rudowitz says.

With data matching, states can automate at least the redetermination and renewal process. Information from other state benefit programs or workforce databases are accessed and eligibility proceeds *ex parte*, meaning enrollees don't need to provide documentation or fill out forms.

"There are a lot of system changes that need to happen to do that data matching," Rudowitz says. "No states are really set up right now to meet the new requirements. It's a challenge of systems, timing, lack of guidance, staff capacity, all of these things."

In an analysis for the first three months of 2025, Georgetown University researchers reviewed the share of renewals done *ex parte* in all states; percentages in the Midwest ranged from highs of 81.9 percent and 72.6 percent in Ohio and Minnesota, respectively, to lows of 17.2 percent and 17.3 percent in South Dakota and Nebraska, respectively.

"If a state is wanting to reduce the enrollment loss that otherwise would happen, you certainly want to make the system as automated as possible, with as little burden as possible on individuals and families," Park says.

He adds, though, that provisions in HR 1 might point states "in the opposite direction of that approach." Starting in October 2029, penalties will be imposed on states for erroneous payments or overpayments. The penalties apply to states with an error rate exceeding 3 percent.

"If you're a state looking ahead, you will want to be designing systems that minimize what the federal government perceives to be an eligibility error," Park says.

NEW FISCAL RESTRAINTS

As HR 1 advanced through the U.S. Congress, one option considered, but not ultimately included, was to end the enhanced federal matching rate of 90 percent for the Affordable Care Act expansion. (The traditional federal match ranges from 50 percent to 77 percent, according to KFF.)

The enhanced match has made Medicaid expansion more fiscally (and politically) feasible in many states. States, too, have "trigger laws" that tie continuation of the Medicaid expansion to the enhanced rate.

Ohio included such a trigger in its latest budget (HB 96 of 2025). According to Georgetown's Center for Children and Families, three other Midwestern states have these trigger laws. Statutory language in Illinois and Indiana would end the expansion; Iowa's trigger provision provides "more flexibility" on the state response. South Dakotans will vote on a trigger law in November.

Illinois Rep. Anna Moeller

One sure new fiscal restraint coming to states under HR 1 is new limits on the use of provider taxes.

"Even though they are restrictions on state behavior," Park explains, "they produce savings [for the federal government] because the assumption is that states aren't going to be able to replace those lost revenues."

If a state spends less on Medicaid, the federal government has less to match.

Every state but Alaska imposes at least one of these provider taxes on hospitals, nursing homes, intermediate care facilities for individuals with disabilities, and/or managed-care organizations, according to the National Association of State Medicaid Directors.

Nationwide, provider taxes account for about 18 percent of the non-federal share of state Medicaid spending. State general funds make up nearly all of the remaining non-federal share, according to KFF.

Under HR 1, states cannot establish new provider taxes or increase the rates of existing ones. These restrictions cover all states, regardless of whether they expanded Medicaid.

Rudowitz notes that past practice in many states has been to raise or expand provider taxes during economic downturns, as a means of maintaining Medicaid coverage and provider payments when budgets are under duress and the availability of general funds is limited. This option no longer exists.

SHRINKING PROVIDER TAXES

Another piece of HR 1 applies only to the Medicaid expansion states' use of provider taxes. For those states, the federal government will phase in stricter limits on what's known as the "safe harbor threshold."

"Safe harbor" refers to states being able to get a federal match of Medicaid dollars from revenue generated by the provider tax. Right now, the tax threshold is 6 percent of a provider's net patient revenue.

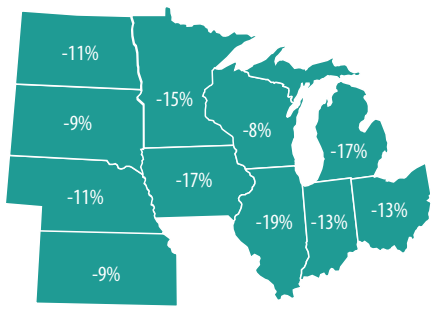
In expansion states, though, that threshold declines by half of a percentage point in each fiscal year starting in FY 2028 before reaching 3.5 percent in FY 2032. (Provider taxes on nursing homes and intermediate care facilities are exempt.)

A KFF analysis shows that seven Medicaid expansion states in the Midwest — Illinois, Indiana, Iowa, Michigan, Minnesota, Nebraska and Ohio — impose a provider tax on hospitals exceeding that 3.5 percent threshold. An Illinois provider tax on managed care organizations also is higher than 3.5 percent.

"There's a little bit of a lag on when these provisions go into effect," Rudowitz says, "but this is going to be a big issue for state budgets."

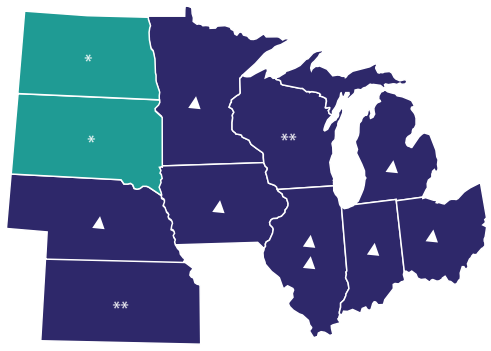
In Illinois, legislators have been told that HR 1 will result in a cumulative loss of $6.6 billion between FY 2028 and 2031 due to mandatory cutbacks in the provider tax and reduced federal support.

ESTIMATED, 10-YEAR CHANGE IN FEDERAL MEDICAID SPENDING UNDER HR 1



Source: KFF

MIDWEST STATES' USE OF PROVIDER TAXES TO HELP FINANCE SHARE OF MEDICAID SPENDING*



- State has three or more provider taxes
- State has one provider tax
- △ Medicaid expansion state where one provider tax will have to be cut under rules of 2025 federal law (lower "safe harbor limit" of 3.5% of net patient revenues by FY 2032)
- △△ Medicaid expansion state where two provider taxes will have to be cut under rules of 2025 federal law

* North Dakota and South Dakota are Medicaid expansion states but do not have an existing provider tax that would have to be cut under the federal law.

** Kansas and Wisconsin are not Medicaid expansion states; federal rule on cutting provider taxes does not apply to non-expansion states.

Source: KFF

PROFILE: WISCONSIN ASSEMBLY MINORITY LEADER GRETA NEUBAUER

'It's about what we do together': State's youngest caucus leader since World War II shares ideas on maximizing the power of the minority and the skills of its members

by Jon Davis *(jdavis@csg.org)*

To suggest that Greta Neubauer was born for the Legislature isn't (too much) hyperbole.

Her father, Jeffrey, sat in the Wisconsin Assembly from 1985 to 1989 and is a former state party chair.

Her mother, Lisa, is a Wisconsin appellate judge (chief Appellate Court judge from 2015 to 2021) and made an unsuccessful run for the state Supreme Court in 2019, losing by just 0.5 percent to current Justice Brian Hagedorn.

"My parents did meet in the state Capitol in Wisconsin, where I now go to work, so there, of course, is a deep family connection to Wisconsin politics," Neubauer says.

"I grew up talking about politics around the dinner table and knocking on doors as a very young person for local candidates with my parents, my dad in particular."

Campaigning stuck with her.

As a high school student, Neubauer joined Barack Obama's 2008 presidential effort.

"I went to Iowa, almost lost my fingers and toes in the caucuses being outside, waving signs around," she recalls.

As a college student, motivated by what she saw as a lack of action to address climate change, she became active in a student movement pushing schools to address the issue.

Neubauer had left home for college and, for several years, Wisconsin politics. That changed after the 2016 elections.

"I realized just how critical Wisconsin is in national political contests and in the direction of our democracy at large," she says.

Neubauer began work as a legislative aide for then-Rep. Cory Mason, who soon left the Assembly to become mayor of Racine (also her hometown). She ran for that open Assembly seat and won a special election in January 2018, joining the Legislature at age 27.

In December 2021, when then-Minority Leader Gordon Hintz announced he was stepping down, Neubauer pursued the position.

She was unopposed and, at age 30, became the youngest leader of a Wisconsin caucus since 1943. In an interview with CSG Midwest, Neubauer shared her perspective on legislating and leadership. Here are excerpts.

Q You had exposure to the Legislature before becoming a member of it, but was there anything about the position that surprised you?

A I understood a lot about the mechanics of it, but I was and continue to be moved by my interactions with people in my district and around the state.

It became very clear to me quickly that a huge part of my role was showing people that it mattered for them to engage in the political process. Even when it felt like their calls or their letters were going into a black hole, it matters. ... So a lot of my work is helping people and advocating effectively on the issues that they care about.

Q How do you view your role now as a caucus leader?

A We have a caucus of 44 people who are elected and accountable to their own districts. Their districts are different, as are the needs of their constituents. I am not their boss, but I am their leader. Their bosses are their constituents, and so I really see this role as an opportunity to get to know and understand my colleagues and to align around their goals and to build a plan.

Q How do you try to make the most of all 44 members?

A People bring different professional and personal backgrounds and different skills, and so I try to understand what each person has to offer to the group.

Who's a great communicator? Who's really interested in the details of policy work? Who can go out and work with stakeholders and bring them in for advocacy? Who does a fantastic job of connecting with their constituents and can share how to best do that with their colleagues?

People bring incredible skills. My background is as an organizer. I think that helps me. I see my job as organizing the caucus toward our shared goals.

Q How would you describe your approach to leading a party in the minority?

A I very much understood [after becoming leader] that the strength of our caucus was in our unity and our ability to act as a collective, and that continues to be true. ...

We are able to, of course, have individual legislators work across the aisle on policies that are important to them, but we make sure that they're aligned with the interests of the caucus as well. And I think if the majority party knows that they're going to need to contend with us as a group, that gives us power.

Q Your caucus has grown in numbers and has quite a few new members. Has that required an adjustment?

A We have 23 new members this year. That's the majority of our caucus and includes many new seats — we picked up 10, the most in several decades — so that changes the culture of the group and the dynamics.

Those folks ran for office with new [legislative] maps in place. And in the desire to govern, they want to be in the majority and they want to get things done for their constituents.

In past sessions, we have been more on defense, and now we're on offense. We are using our numbers and the closer margins in the Assembly as an incentive to try to get things done.

Q Who were or are your leadership models?

A I studied social movements in college, and that really helped me understand that governance is not just about one person getting elected and being in power. It's about a collective.

I draw a lot of inspiration from seeing the people in Wisconsin who have stayed in the fight over many years, who have no title or pay, but have done the work of trying to bring people together to advocate for bettering their communities. And that's really how I try to think about my role. We are all in these roles for just a certain amount of time. It's not about us. It's about what we do together.

Q Is there a policy area that is top of mind for you right now as a priority?

A Education is really important for my district. Our public schools have struggled. When my dad was growing up, people moved to Racine for the public schools. And we, as a community, have struggled in many ways — loss of jobs and rising inequality in our community in the last several decades have had a huge impact.

I've worked to build support in the Capitol for investments in public education ... and I also just helped run a school district referendum campaign in Racine because we were facing an existential cut. We were successful in April, and it really was amazing to see the community rally around our goal, even in a time of economic uncertainty with many people having a difficult time making ends meet.

So I was really proud to be able to leverage my leadership position in this community to help win these critical investments for our kids.

BIO-SKETCH: WISCONSIN REP. GRETA NEUBAUER

- ✓ first elected to the Wisconsin Assembly in a January 2018 special election; elected to full terms since November 2018
- ✓ elected minority leader in 2021 at age 30
- ✓ is a graduate of Middlebury College and a Harvard Kennedy School Fellow
- ✓ lives in Racine, where her family has resided for five generations

"I draw a lot of inspiration from seeing the people in Wisconsin who have stayed in the fight over many years, who have no title or pay, but have done the work of trying to bring people together to advocate for bettering their communities."

PROFILE: MINNESOTA SENATE ASSISTANT MAJORITY LEADER MARY KUNESH

Years in the classroom inform her work as a legislator and leader on school policy

by Tim Anderson *(tanderson@csg.org)*

For many years, the closest Mary Kunesh came to involvement in state policy was being asked to implement it.

A longtime teacher and library media specialist, she and her classroom colleagues were on the receiving end of many new education laws that came from the state Capitol — some good, she says, some not.

"The legislation often seemed to have good intention," Kunesh says, "but was not necessarily well-thought-out or not truly understanding what the real issues are. Or how it may be creating additional burdens."

One of her overarching goals since joining the Legislature: bring the voice of educators to discussions in Saint Paul over school finance and policy.

But that's not what led her to run for office in the first place. Instead, the breakthrough came from a conversation with her eldest daughter, who was managing a gubernatorial campaign and enlisted her mom to help.

Kunesh agreed, and soon began knocking on doors and traveling to Greater Minnesota as a campaign volunteer.

"It opened my understanding of what it is to be a person in politics, to run, and to know all the different issues we are all dealing with," Kunesh says.

When the opportunity came to run for office herself, thanks to a House seat that opened up in 2016, she took it. Kunesh won that election and has been a member of the Minnesota Legislature ever since, first in the House and now in the Senate. Her current leadership roles include serving as chair of the Senate Education Finance Committee, as assistant majority leader, and as chair of the National Council of American Indian Legislators.

Kunesh also is 2026 chair of The Council of State Governments' Midwestern Legislative Conference (see sidebar article below). Here are excerpts from a recent interview with CSG Midwest.

BIO-SKETCH: MINNESOTA SEN. MARY KUNESH

✓ serves as Senate assistant majority leader and Education Finance Committee chair; first elected to Legislature in 2016

✓ worked 25 years in public education as a teacher and library media specialist

✓ is first Indigenous woman to serve in Senate and a founding member of the Native American and People of Color & Indigenous caucuses

✓ is 2026 chair of The Council of State Governments' Midwestern Legislative Conference and a 2021 graduate of its BILLD leadership program

✓ is proud mother and grandmother who comes from a family of 13 children; resides in the city of New Brighton in Twin Cities area

Q You've gone from teaching to serving as a leader on state education policy. How has that past experience influenced your legislative work?

A One constant is bringing real-life experience to it. My partner on a lot of this, Sen. Steve Cwodzinski [chair of the Education Policy Committee], also is a teacher. So we always look at new legislation and whether it's truly going to work in the classroom. The other part is this: Are these funds going to hit the classroom, or are they just going to stay at the administrative level? That is a really important consideration for me.

Q Has the Legislature made progress in that area?

A I'm really proud of what we've done in terms of how we streamlined the funding of education. We did that with a real intention: Get rid of some of the extra things we're doing that are nice, but don't have a direct return for classrooms and teachers.

There are a lot of local organizations doing really, really good work in the community for our kids. But my focus is on getting dollars into the classroom and to the teachers. And this past year, we did that. So now we can see what we're really working with and how to continue to direct those dollars.

Q You also have focused on policies for Minnesota's Native American communities. What have been some recent advances in that area?

A I myself am of Native American descent, the first Native woman to have served in the Senate. One of the things I'm most proud of is the creation of the Missing and Murdered Indigenous Women's Task Force and, following that, a permanent office to continue the work of the task force. We've also created a specialty license plate to find a permanent revenue source for the office. It's been hugely successful.

Another thing is that in Minnesota, we created our own version of the Indian Child Welfare Act. What that did was fortify protections in our state for children and families, because there was the threat of the [federal] ICWA going away.

Q You served with former House Speaker Melissa Hortman, who was assassinated in June 2025 in a shooting that also took the life of her husband, Mark. What are your remembrances of her, especially enduring lessons on leadership and public service?

A Melissa Hortman was my House leader, and she would say: "I'm not here to devastate anybody. I'm not here to embarrass anybody. I'm not here to break anybody. So let's find a win-win here. What is it you want? Here is what I want. How can we work together so that everybody comes out a winner?"

And that's what I think good leaders do. It allows you to find ways for communities all over Minnesota to thrive, and that has a ripple effect.

Q To build on her legacy, how do you get to those win-win outcomes?

A I am always really clear with legislators on both sides. I am open to working with you; bring me your good ideas.

But it does take a lot of relationship building — a lot of understanding of not only the issue, but of the other legislators and the communities they come from.

That is something I've had to learn, where I have carried legislation in the past not having a full understanding of the impacts in a [legislative] district and why it might be unpopular. So I had to pull back a little bit. Get into that community, listen and understand what is being said.

KUNESH: A 'JOYOUS' MINNESOTA TRADITION WILL BE PART OF TOP MEETING FOR MIDWEST'S LEGISLATORS THIS SUMMER

The premier meeting for state and provincial legislators from the Midwest will be held in the Twin Cities this summer, and it's no coincidence that a beloved Minnesota event will be happening at the same time. "If there's one thing that brings us all together as a state," Minnesota Sen. Mary Kunesh says, "it's our State Fair."

She is making sure participating legislators and their guests from across the region have the chance to experience it for themselves. The 2026 Midwestern Legislative Conference Annual Meeting will be held Aug. 30-Sept. 2 in Saint Paul; among the many activities will be a special event at the largest state fair in the country.

"It is such a joyous event," Kunesh, 2026 MLC chair, says of what is known as "The Great Minnesota Get-Together" and for, among other traditions, its Kidway and Cattle Barn, 58 different "foods on a stick," hundreds of free entertainment shows, and livestock competitions.

"But we're also excited to show everyone our beautiful Capitol and experience what a thriving state we really are."

For decades, The Council of State Governments' MLC Annual Meeting has brought together the Midwest's legislators for the chance to learn, network and collaborate across state and international lines — in a nonpartisan and friendly setting. It also showcases a great city and state of the Midwest. Kunesh and her Minnesota legislative colleagues will carry on this tradition, serving as hosts of the 80th Annual Meeting of the MLC. Registration will open soon at *csgmidwest.org*.

"If there's one thing that brings us all together as a state, it's our State Fair."

MLC Saint Paul MINNESOTA MIDWESTERN LEGISLATIVE CONFERENCE

EDUCATION & WORKFORCE

Require paid sick leave for workers? Nebraskans said 'yes' on a recent ballot measure; changes also are coming soon to a 6-year-old Michigan law

by Derek Cantù *(dcantu@csg.org)*

This past November, a total of six ballot measures were decided on by voters in Nebraska.

The one that received the most widespread support: a new requirement that workers in the state have access to paid sick leave.

Seventy-five percent of Nebraskans voted for the proposal, a higher margin compared to results reported in the two other states with similar ballot initiatives in 2024, Alaska and Missouri. (The measures passed in these two states as well.) Nebraska now joins Illinois, Michigan and Minnesota as the Midwestern states with these kinds of laws in place.

> "How do we have a balance of what's proper protections for employees, and then also making sure employers can keep their businesses operating?"
>
> — Michigan Sen. Thomas Albert

FROM STALLED LEGISLATION TO BALLOT WIN IN NEBRASKA

Beginning in October, Nebraskans working at a small business (fewer than 20 employees) will be able to accrue at least five days of paid leave in a year. Employees at larger businesses can earn at least seven.

Individuals who work less than 80 hours in a calendar year are not covered. The law also does not apply to federal railway workers and federal or state employees.

Tony Vargas, a supporter of the new law, recalls when his parents had jobs that didn't provide paid sick leave and, as a result, faced decisions on whether they could attend to a loved one's health (or their own).

When they did have benefits, he says, the decision-making process changed to "what was best for the family, not 'What can we afford to do right now.' "

As a senator, Vargas attempted to get a bill through Nebraska's Unicameral Legislature. His 2021 measure (LB 258) called for nongovernmental employers who hire four or more people to provide workers with at least 40 hours of leave in a calendar year.

Vargas says he attempted to make concessions — including an amendment that would have exempted businesses with fewer than 50 employees and another that would have mandated unpaid sick leave combined with new worker protections — but the bill still stalled.

He acknowledges that the voter-approved policy could be reversed by the Legislature. (Vargas' eight-year run as a senator ended at the close of 2024.)

But he believes the fact that it passed so overwhelmingly signifies support from not only Nebraska workers, but business owners as well.

WORKERS' ACCESS TO PAID SICK LEAVE IS ON THE RISE

In early 2024, the IZA Institute of Labor Economics released a policy paper that summarized past research on paid sick leave while examining the impacts on employer costs and the effects of state mandates. Among the results reported in that paper:

- "Employees without access to sick pay are less likely to undergo mammographies, Pap tests and endoscopies at recommended intervals."
- The estimated cost for employers providing paid sick leave is 41 cents per hour, according to the institute's analysis of data compiled by the U.S. Bureau of Labor Statistics.
- State-level mandates result in an increase of 13 percentage points in the "coverage rate": employees who have access to paid sick leave.

Eighteen U.S. states now have laws requiring paid sick leave for workers.

But Nicolas Ziebarth of the ZEW Leibniz Centre for European Economic Research says mandates are not the only reason for a recent increase in access to paid sick leave. The rate of U.S. workers with sick pay jumped from 64 percent in 2015 to 78 percent in 2023, Ziebarth's research shows. That's in part because more employers saw value in offering the benefit.

"They could attract better workers, retain workers, and it's not extremely costly," Ziebarth notes.

In terms of the link between paid sick leave and workforce participation, Ziebarth points to a 2024 study. It analyzed female employment in three states with mandatory paid sick leave: California, Massachusetts and Oregon. The study concluded that the mandates increased rates of employment by around two percentage points, with the largest gains occurring among women without a postsecondary degree and women who are Black or Latina.

HOW PAID SICK LEAVE BECAME A COURT BATTLE IN MICHIGAN

Michigan was the first state in the Midwest with mandatory paid sick leave for workers.

In 2018, a citizen-initiated ballot initiative sought to guarantee paid sick leave for every worker in the state (excluding federal workers). Under that proposal, individuals who worked for small businesses (fewer than 10 employees) could accrue 40 hours of leave in a 12-month period, and those who worked in larger establishments could accrue 72 hours.

But this proposal never made it to the ballot in Michigan.

Instead, lawmakers took up the measure. Their final enacted bill (SB 1175) differed from the proposed ballot initiative in several ways.

For example, the law exempts additional categories of workers and only applies to employers with 50 or more workers. Additionally, the Legislature's version changed how many hours in paid sick leave that a worker at larger-sized businesses must be able to earn over the course of a year: It's 40 hours, instead of the 72 hours called for in the ballot proposal.

The Michigan Supreme Court ruled in 2024 that the original standards outlined in the ballot initiative must take effect in late February, even though it never appeared on ballots. The justices ruled that the Legislature had acted unconstitutionally by changing the ballot language and enacting a different version.

'TENSION' IN LABOR LAW

Following the court's ruling, Sen. Thomas Albert filed SB 992, which would allow for a continued exemption for Michigan's small-business owners. For Albert, too, another major point of concern with the pending new mandate on paid sick leave is what he refers to as a "no call, no show" clause.

Under the original ballot measure language, individuals using paid sick leave for an unforeseeable purpose do not need to provide their employer with multi-day advance notice or documentation unless their leave lasts longer than three consecutive days.

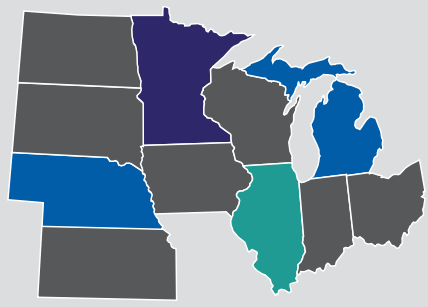
"It's really disruptive," Albert says. "When you look at labor law, there's always this tension of, 'How do we have a balance of what's proper protections for employees, and then also making sure employers can keep their businesses operating?' "

Albert also points to a survey conducted this summer by the Small Business Association of Michigan. Even without a state mandate, 79 percent of responding small businesses said they were offering workers paid time off.

Like other states, Michigan's mandate on paid sick leave also covers individuals needing to take off work as the result of domestic violence or sexual assault. This time off can help victims cooperate with law enforcement or access rape-related health treatment. Supporters of the new mandate in Michigan argue this ability should be guaranteed to all workers, regardless of business size.

Derek Cantù is CSG Midwest staff liaison to the Midwestern Legislative Conference Education & Workforce Development Committee. During the 2023-'24 biennium Ohio Sen. Hearcel Craig and Wisconsin Rep. Joel Kitchens served as committee co-chairs. Minnesota Sen. Heather Gustafson was the vice chair.

STATE MANDATES ON PAID LEAVE OR TIME OFF FOR WORKERS



- Paid sick leave and paid family and medical leave
- Paid sick leave
- Paid time off

Sources: KFF and CSG Midwest research

ILLINOIS

- 1 hour of paid time off for every 40 hours worked
- Annual accrual of 40 hours of paid leave
- Workers do not need to give a reason for the time off

MICHIGAN

- 1 hour of paid sick leave for every 30 hours worked
- Annual accrual of 40 hours of paid sick leave for workers at small businesses (fewer than 10 employees) and 72 hours for workers at larger establishments

MINNESOTA

- ***Paid sick leave:*** 1 hour of paid sick leave for every 30 hours worked; annual accrual of 48 hours of paid sick leave
- ***Paid family and medical leave*:** Workers receive 12 weeks of partially paid family or medical leave or a combination of the two not exceeding 20 weeks. Benefits are financed through payroll deductions on wages. Employers must pay at least half of the premium.

NEBRASKA

- 1 hour of paid sick leave for every 30 hours worked
- Annual accrual of 40 hours of paid sick leave for workers at small businesses (fewer than 20 employees) and 56 hours for workers at larger establishments

% OF U.S. WORKERS WITH ACCESS TO PAID LEAVE BENEFITS (AS OF MARCH 2024)*

	Paid sick leave	Paid vacation	Paid holidays
Full-time state/local government worker*	99%	65%	73%
Full-time worker in private industry	87%	92%	91%
Part-time state/local government worker*	49%	22%	34%
Part-time worker in private industry	55%	40%	49%
All civilian workers (full- and part-time)	*81%*	*77%*	*79%*

* Figures include teachers, who typically don't get vacation days due to school breaks during the year.

Source: U.S. Bureau of Labor Statistics

"[It] is going to evolve to be less focused on text-based syntax coding and more focused on computational thinking and AI literacy."

- Julia Wynn, Code.org

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Kansas, Vice Chair

NEW LAWS, INVESTMENTS AND PARTNERSHIPS ARE PRIORITIZING HIGH SCHOOL INSTRUCTION IN COMPUTER SCIENCE

In an effort to make skills-building in secondary education more applicable to modern workforce needs, a growing number of states are requiring students to complete a computer science course in order to graduate from high school.

During a session at the Midwestern Legislative Conference Annual Meeting, legislators explored the reasonings behind this policy shift, as well as the future direction of computer science instruction.

"We require students to learn about their natural world, their government world, but we don't always require them to learn about our technological world," said Julia Wynn, director of state government affairs at the nonprofit Code.org and one of the session's featured presenters.

She explained that computer science education is not about teaching students how to use Google or Microsoft Office, but rather "evaluating, assessing and very much problem solving with technology."

To date, three Midwestern states have laws requiring high school students to complete a course in computer science education: Indiana, Nebraska and North Dakota. (Bills also were introduced this year in Illinois, Iowa and Ohio.)

In many U.S. states with these new graduation requirements, full implementation is still years away. However, under North Dakota's HB 1398 of 2023, completion of a computer science (or cybersecurity) course is a prerequisite for the graduating class of 2026.

According to a 2024 University of Maryland study that Wynn referenced in her presentation, taking a high school computer science class "raised students' likelihood of being employed by 2.6 percentage points and annual earnings by about 8 percent at age 24."

Wynn also believes these learned skillsets, be they data programming, developing algorithms or understanding ethical computer usage, are still relevant even in an age where artificial intelligence is beginning to supplant some of the tasks previously completed by human programmers.

"[Computer science] is going to evolve to be less focused on text-based syntax coding and more focused on computational thinking and AI literacy."

For some policymakers, however, the leap to mandating computer science education is still too great given the complication of, for example, existing teacher shortages and technology costs. According to the U.S. Department of Education, of the total number of teacher candidates who completed a traditional preparation program in academic-year 2020, only around 0.03 percent were intending to teach computer science.

As such, some schools are partnering with outside groups to help provide instruction in computer science, AI and even robotics.

SaskCode, a brainchild of the nonprofit Saskatoon Industry Education Council, is one such program.

Funded in part by seed money from the federal CanCode initiative, SaskCode provides professional development opportunities for teachers wanting to learn more about computer science pedagogy. It also supplies partnered classrooms with age-appropriate educational kits related to robotics and computational thinking.

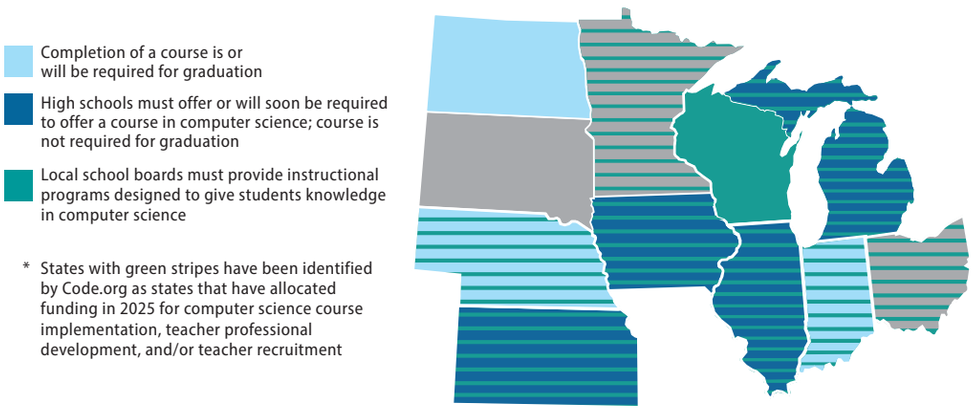
"Before a teacher actually does a program, they have to take a workshop [with us]," said Janet Uchacz-Hart, the council's executive director and the other featured presenter at the session.

"They have to understand the importance of computer science and computational thinking as well as how [to] use that particular robot at that particular time."

Uchacz-Hart said these outside services are especially appreciated in Saskatchewan's rural and First Nation communities, where teacher recruitment is more difficult and SaskCode's lessons complement other career development programs offered by the council for students in grades 10 to 12.

by Derek Cantù *(dcantu@csg.org)*

STATE LAWS ON COMPUTER SCIENCE EDUCATION*



* States with green stripes have been identified by Code.org as states that have allocated funding in 2025 for computer science course implementation, teacher professional development, and/or teacher recruitment

Source: Code.org

> "We're not facilitating busloads of people coming to North Dakota; we don't have any attorneys on staff. We're just focused on developing local talent and pipelines into North Dakota."
>
> - ***Paige Kuntz,*** *global talent coordinator for North Dakota*

NORTH DAKOTA, SASKATCHEWAN LOOK ABROAD TO ADDRESS A COMMON PROBLEM: **WORKFORCE SHORTAGES**

While immigration policy in the United States and Canada remains front and center in federal politics, state and provincial leaders are continuing to work to recruit highly skilled professionals from around the world.

Workforce shortages across both countries present a serious threat to critical sectors of the economy and social service infrastructure, particularly in health care, agriculture, education and energy.

The Association of American Medical Colleges (AAMC) has projected that the United States will face a shortage of 86,000 physicians by 2036. Canada is facing similar issues, with a recent report from Health Canada, the federal agency responsible for the health care workforce, concluding that there is a workforce shortage of more than 22,000 physicians with only 1,300 graduates coming out of medical schools each year.

These shortages are not unique to the health care sector, and an aging professional population and a declining birth rate, as well as a lack of training resources to replace retirees, have states and provinces looking to the rest of the world to fill at least some of these gaps.

At the 2025 Midwestern Legislative Conference Annual Meeting in Saskatoon, Jim Reiter, Saskatchewan's minister of Immigration and Career Training, and Paige Kuntz, global talent coordinator for North Dakota, discussed legal-immigration programs that specifically aim to ease workforce shortages within their respective jurisdictions.

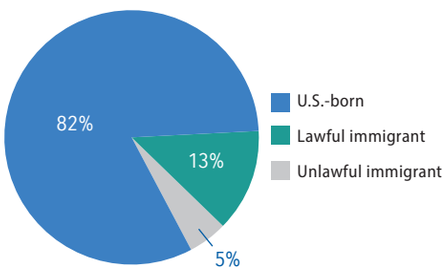
Kuntz works in an office that didn't exist in North Dakota prior to legislative action in 2023. That year, with then-Gov. Doug Burgum citing workforce challenges as the No. 1 barrier to economic growth, lawmakers passed SB 2142 to create a new entity now called the Global Talent Office.

Housed within the Department of Commerce, the office states as its mission to "attract, retain, and integrate talent from around the world."

"We're not facilitating busloads of people coming to North Dakota; we don't have any attorneys on staff," Kuntz said. "We're just focused on developing local talent and pipelines into North Dakota."

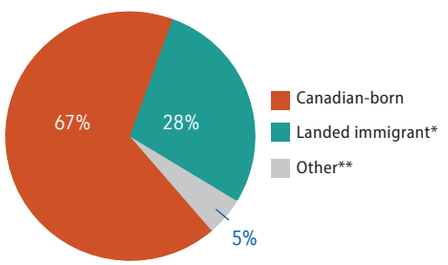
To "attract," the office helps employers navigate the federal rules for hiring legal immigrants, while also helping match local businesses with prospective workers from around the world. To "retain and integrate," the office provides immigration-related resources to local communities and businesses.

LABOR FORCE UNITED STATES
in 2022



Source: Pew Research Center (using U.S. Census Bureau data)

LABOR FORCE CANADA
(2024 estimates)



Source: Statistics Canada

* A landed immigrant is a person who has been granted the right to live in Canada permanently by immigration authorities.

** The "other" category includes Canadian citizens born outside Canada and non-permanent residents.

In August, for instance, the Global Talent Office launched an initiative to provide no-cost access to local employers and community organizations wanting to provide English instruction to workers, including courses designed to upskill individuals in high-demand occupations in early childhood education and nursing.

Across the border, Canadian provinces are taking their own approach to bringing in talent from abroad, under a federal immigration system that varies significantly from the United States' in several ways. One such difference: Every year, the provinces are allotted a certain number of immigrants they can nominate for permanent residency in a single year.

The Saskatchewan Immigrant Nominee Program targets four populations: international skilled workers, with Saskatchewan work experience, entrepreneurs, and farm owners and operators.

The collaborative nature of the nominee programs in Canada removes some of the administrative burdens on the provincial governments while still allowing for flexibility to meet the individual needs of their respective workforces.

Minister Reiter views these programs as one tool in addressing workforce shortages, saying "we try to focus as much as we can on making sure that when somebody is going through that process, that there is a job offer for them."

by Adam Diersing *(adiersing@csg.org)*

EDUCATION & WORKFORCE

Homeschooling is on the rise, bringing more attention to state oversight

by Derek Cantù *(dcantu@csg.org)*

Immediately following the first bell of the school day, teachers in the nation's public and private schools are expected to document which students are present in their classroom, in accordance with compulsory school attendance laws.

But anywhere from 3 to 6 percent of U.S. children are not enrolled in these schools. They are homeschooled.

And getting an accurate census of these students is more complicated and varied, in part because of differences in state laws and regulations. Not every state, for example, requires parents/guardians to provide public notification about their decision to homeschool.

State-by-state variations also extend to areas such as what qualifications (if any) must be met by a homeschooling parent-teacher or whether a homeschooled student must take a standardized achievement test.

In some states, oversight includes requirements that families document student attendance, as well as submit individualized instructional plans, quarterly progress reports, and annual assessments with minimum benchmarks.

States in the Midwest have typically taken a much lighter regulatory approach (see maps).

This year, in at least two states in this region, lawmakers considered changes to some of their laws, albeit in much different ways. The goal of an Illinois proposal is to add reporting requirements, while a bill in Iowa eases some existing regulations.

REQUIRE PUBLIC NOTIFICATION?

According to the Coalition for Responsible Home Education, Illinois is one of two Midwestern states that does not require public notification: alerting a local school district of the intent to have a child homeschooled.

Rep. Terra Costa Howard believes a notification requirement would help prevent educational neglect, as well as make it more difficult for bad actors to conceal evidence of child abuse. (Schools have mandated reporters of abuse, but their presence and supervision are absent in the homeschool environment.)

Her bill, HB 2827, would require that documented notices be filed by homeschooling families at the beginning of each school year or shortly after a mid-year removal from school occurs. For parents who fail to submit notification, the consequence could be greater oversight of at-home curriculum or a truancy investigation.

The legislation also would bar individuals who aren't a student's parent and who have been convicted of a sexual abuse offense from becoming homeschool instructors. Additionally, instructors would need to have at least a high school equivalency degree.

"There's nothing in this bill that prohibits families from making homeschooling their education of choice," says Costa Howard, noting the notification requirement would be met by filling out a one-page form developed by the Illinois Board of Education.

During debate over HB 2827, opponents argued that increased state-level regulation would not guarantee greater academic performance or better safeguards for children, and could lead to parents facing criminal charges (based on truancy laws) for non-compliance.

The bill did not pass during Illinois' regular session.

VARYING STATE APPROACHES

Illinois currently is one of 20 states that do not collect and report data on homeschool participation. HB 2827 would change that, requiring regional offices of education to annually report to the State Board of Education on the total number of homeschooled students in their districts.

According to Angela Watson, director of the Homeschool Research Lab at Johns Hopkins University, among the states that collect and publicly report homeschool data, practices vary. For example, some collect information from families annually; others collect it one time when a child transitions to homeschool; and others don't account for when a child transitions back to public or private school.

This lack of uniform public reporting across states is one reason why it is unclear how many U.S. students are being homeschooled. Another factor is variation in defining exactly what "homeschooling" means.

"It's very complicated; everybody calls it a different thing," Watson says.

For example, in a 2023 *Washington Post* survey of homeschooled children, close to 60 percent reported taking live online classes, 20 percent were participating in homeschool cooperatives of some kind, and about 10 percent used microschools.

The Homeschool Research Lab breaks down, by state and year (when available), the number of students being homeschooled. In the Midwest, participation has been on the rise in the states that report the data (see table).

Homeschool parents cite a variety of factors behind their decision, with concerns about the environment (safety, drugs, peer pressure) or academic instruction at local schools topping the list. Other reasons include wanting to provide religious instruction and to emphasize family life together.

What options do states and local districts have for helping integrate these homeschool families and their children into the broader community?

Watson suggests that policymakers consider a variety of "carrot" approaches. Open slots on school athletic teams. Provide free annual assessments and college-entrance tests. Offer professional development courses for parents/guardians. Provide free curriculum materials and give students access to library resources.

'GRAY ZONE' OF REGULATION

As in Illinois, homeschooling in Iowa is considered a form of private education. In Iowa, a parent can choose one of two main pathways — "independent private instruction" or "competent private instruction."

The "independent private instruction" pathway is unaccredited, parent-instructed and does not require public notification.

In contrast, "competent private instruction" requires a one-time notification, and students can be taught by either a parent/guardian or a licensed teacher. For example, it is not uncommon for students in this pathway to be in dual enrollment, where they take classes for part of the day at a public school or at a community college.

Although education in this pathway is subject to annual assessments and educational portfolio reviews, adherence is optional if lessons are taught by a parent/guardian.

In addition to making various statutory changes to provide greater parity between the pathways, Iowa's HF 888 (not passed during the 2025 session) calls for removing provisions in the law on independent private instruction — namely one that prevents parent-teachers from providing instruction to more than four unrelated students and another that does not allow for the charging of tuition and fees.

"You have these cooperative programs out there — there's one nationally, a well-known one called Classical Conversations — and it's always operated in this gray zone [of state regulation]," says Rep. Bill Gustoff, the chief author of HF 888 and a former lobbyist for Homeschool Iowa.

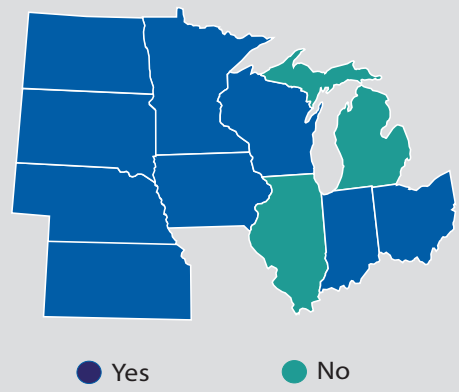
Under this Christian-based program, students meet regularly to be taught by either a licensed teacher or, more commonly, a parent-tutor. Parents often pay a stipend to help cover costs.

Gustoff says the reasoning behind this year's legislation was to create parity with "pod schools" — small, at-home education groups taught by licensed teachers that are already allowed under the "competent private instruction" pathway. He adds that removal of the cap on non-related students would allow individuals to teach the children of large families.

Derek Cantù is CSG Midwest staff liaison to the Midwestern Legislative Conference Education & Workforce Committee. Nebraska Sen. Jana Hughes and Minnesota Rep. Bernie Perryman serve as committee co-chairs. Kansas Rep. Mari-Lynn Poskin is the vice chair.

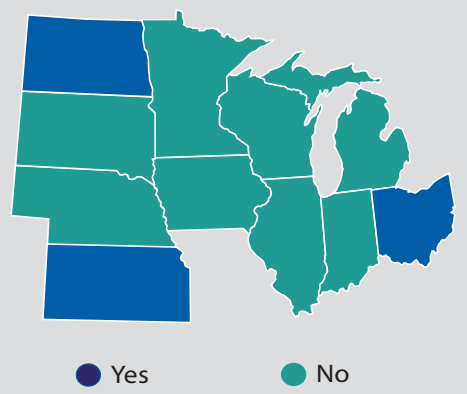
HOMESCHOOLING REQUIREMENTS IN MIDWEST

Public notification?



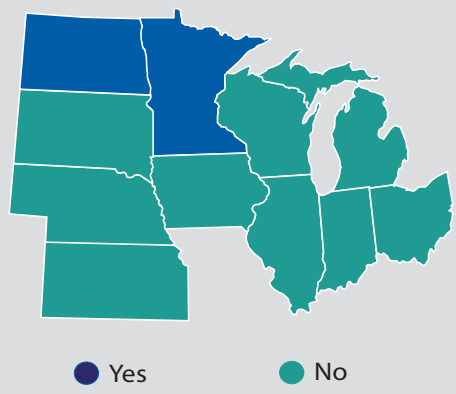
* Requirements vary: **Indiana**, if withdrawn from public high school; **Iowa**, if asked; **Kansas** and **South Dakota**, one-time requirement; **Minnesota**, **Nebraska**, **North Dakota**, **Ohio** and **Wisconsin**, annually and after mid-year withdraw.

Parent-teacher qualifications?



* **Kansas**, instructor must be "competent"; **North Dakota**, high school degree or temporary supervision by a licensed teacher; and **Ohio**, "qualified to teach the branches in which instruction is required"

Annual assessments?



Source: Coalition for Responsible Home Education

HOMESCHOOL PARTICIPATION AMONG MIDWEST STATES THAT HAVE COLLECTED, REPORTED DATA IN RECENT YEARS*

State	Numbers and trends
Kansas	3,053 students in 2022-'23 school year; 42.5% increase from 2018-'19
Minnesota	31,216 students in 2024-'25 school year; 62.3% increase from 2018-'19
Nebraska	15,375 students in 2024 -'25 school year; 70.3% increase from 2018-'19
North Dakota	5,009 students in 2024-'25 school year; 86.7% increase from 2018-'19
Ohio	53,051 students in 2023-'24 school year; 61.3% increase from 2018-'19
South Dakota	11,489 students in 2024-'25 school year; 127.7% increase from 2018-'19
Wisconsin	31,094 students in 2024-'25 school year; 44.1% increase from 2018-'19

* Data comes from the Johns Hopkins University Homeschool Research Lab, which lists Illinois, Indiana, Iowa and Michigan as among 20 U.S. states that do not collect or report data on homeschool participation.

EDUCATION & WORKFORCE

Laws in Indiana, Minnesota and Ohio take aim at preventing cyberattacks — a growing threat that can impact school operations, staff and students

by Derek Cantù *(dcantu@csg.org)*

State K-12 education systems rely heavily on the "internet of things," both for the instruction of students and in everyday operations.

Teachers upload homework assignments onto cloud portals. Daily attendance numbers and student grades are tracked and shared electronically. Digital payment systems are set up with external vendors. Students participate remotely in college-level coursework and career- and technical-education programs.

For all these reasons and more, when a cyberattack hits a school's information technology infrastructure, the consequences can be severe.


Indiana Rep. Matt Lehman

"Ransomware costs themselves can be quite high [for schools], and then there's the more-difficult-to-quantify cost associated with the loss of personnel data and student data that's then later misused," explains Reg Leichty, a legal and policy adviser to the Consortium for School Networking, an association of K-12 education technology leaders.

States are stepping in to address these threats — from the adoption of rules on incident reporting and new cybersecurity standards, to targeted financial assistance for schools, to more training for school staff and learning opportunities for students.

WHEN A CYBERATTACK HITS ...

The prevalence of cyber incidents appears to be quite high.

Over 18 months, between July 2023 and December 2024, the Center for Internet Security and the Multi-State Information Sharing & Analysis Center assessed cyber-threat risks among school systems across the country. Their 2025 report found that 82 percent of K-12 organizations experienced a cyber incident of some kind, with attackers mostly exploiting human behavior through phishing scams and malicious advertisements.

A 2023 incident from Minnesota underscores the seriousness of ransomware attacks on schools, Leichty says. That year, cybercriminals hit the Minneapolis Public School District.

According to *The 74*, a nonprofit news outlet focused on education, perpetrators gained access to around 157 terabytes worth of data containing the sensitive information of more than 105,000 people. When the school district refused to pay the ransom of $4.5 million in cryptocurrency, many files were posted on the dark web.

"The file tree suggests those records involve student sexual violence allegations, district finances, student discipline, special education, civil rights investigations, student maltreatment and sex offender notifications," *The 74* reported at the time.

STATE-LEVEL REQUIREMENTS

At the state level, one option is to centralize incident reporting as well as cybersecurity protection standards and responses, as opposed to relying on a patchwork of local policies.

Minnesota's HF 5216, signed into law in 2024, requires schools and local governments to report cyber threats to the Commissioner of Public Safety within 72 hours. A report detailing cyber-threat instances and responses will be submitted annually to the governor and Legislature.

This year, Ohio legislators passed a law directing the state's political subdivisions, including school districts, to not pay ransom demands in most cases. HB 96 also requires the reporting of cyber incidents to the Ohio Department of Public Safety and the state auditor within seven and 30 days, respectively. Additionally, schools must adopt safeguard policies based on national cybersecurity best practices.

'PROACTIVE' IN INDIANA

In early 2025, the Consortium for School Networking singled out a few states for having comprehensive approaches to cybersecurity protection: "strengthening institutional leadership, protecting sensitive information, expanding professional development requirements, and creating sustainable funding mechanisms for cybersecurity initiatives."

Indiana was one of the consortium's "spotlight states."

SB 150 of 2024 and SB 472 of 2025 direct the Indiana Office of Technology and State Department of Education to develop cybersecurity-use standards. These standards will be available for all school districts to use as a guide by the end of 2027.

Also in Indiana, school employees must complete training in cybersecurity best practices. And any school corporation connecting to the state government's technology infrastructure must first complete a cybersecurity assessment, use a secondary end-user authentication mechanism, and comply with the cybersecurity standards.

"We're trying to be proactive more than we are reactive," says Rep. Matt Lehman, a chief sponsor of both bills.

He notes that another provision in SB 150 created the Artificial Intelligence Task Force. The result, Lehman says, has been more discussion around the responsible use of AI in the public sector and its links to cybersecurity.

A proposed amendment to SB 472 would have created a state grant program to help Indiana school districts pay for cybersecurity insurance. Funding for the program would have partially come from civil fines paid by adult-content websites that violate Indiana's new age-verification rules. The final version of SB 472 did not include this amendment.

But at least one state outside the Midwest is now helping schools with the rising cost of cybersecurity insurance.

Arkansas legislators created the Self-Funded Cyber Response Program in 2023 (HB 1780) to act as a secondary coverage plan for schools. Two years later, they directed the State Insurance Department to administer coverage to districts participating in multi-school insurance programs (HB 1821/SB 481) and appropriated $10 million to the Cyber Response Program.

'GET KIDS INVOLVED'

Another policy option is to incorporate cybersecurity into the K-12 curriculum.

Starting this year in North Dakota, high school students must complete a course in computer science or cybersecurity in order to graduate (HB 1398 of 2023). These subjects also must be taught to students in the state's elementary and middle schools.

In Nebraska, lawmakers considered, but did not pass, the Holistic Approach to Cybersecurity for K-12 Education Resource Act. Along with establishing state cybersecurity standards and developing a funding mechanism for schools based on tiers of need, LB 599 called for the State Board of Education to create new curriculum standards on digital citizenship.


Nebraska Sen. Wendy DeBoer

The board also would have been tasked with building new career pipeline programs. These opportunities could have come in the form of high school internships at cybersecurity companies, or financial incentives for postsecondary cybersecurity majors to live and work in Nebraska (particularly rural areas).

"The idea was to get kids involved in the field younger … into areas that we think there'll be some growth in terms of jobs in the future," says Sen. Wendy DeBoer, the author of LB 599.

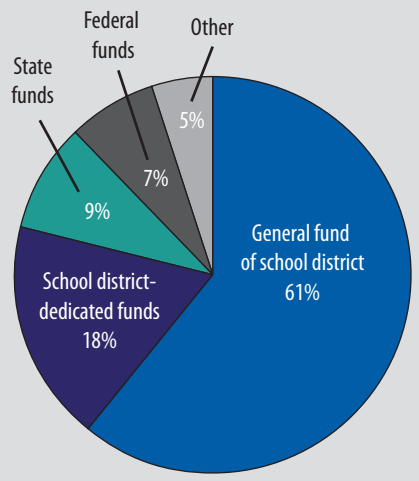
Derek Cantù is CSG Midwest staff liaison to the Midwestern Legislative Conference Education & Workforce Committee. Nebraska Sen. Jana Hughes and Minnesota Rep. Bernie Perryman serve as committee co-chairs. Kansas Rep. Mari-Lynn Poskin is the vice chair.

EXAMPLES OF POLICIES IMPLEMENTED BY STATES TO IMPROVE CYBERSECURITY IN K-12 SCHOOLS

- ✓ Dedicate funding/establish grants for local schools' cybersecurity programs
- ✓ Establish statutory protocols that require reporting of cybersecurity incidents and how these incidents were handled
- ✓ Develop statewide cybersecurity standards for use (voluntary or mandatory) by schools
- ✓ Assist schools with securing and/or purchasing cybersecuity insurance
- ✓ Require or encourage school staff to take part in cybersecurity-related professional development and training
- ✓ Develop curriculum standards and/or graduation requirements related to the instruction of internet safety and cybersecurity
- ✓ Invest in scholarships and career pathways to strengthen the information technology/ cybersecurity workforce
- ✓ Create new state-level offices or positions that manage cybersecurity policies and responses in the public sector, including schools

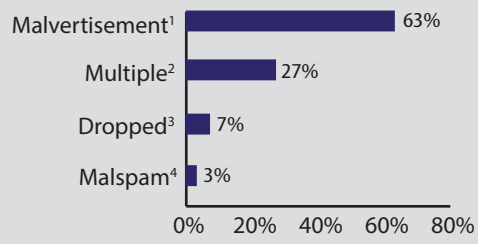
Sources: The Consortium for School Networking and CSG Midwest research

RESULTS OF SURVEY RESPONSES FROM K-12 EDUCATION TECHNOLOGY LEADERS TO THIS QUESTION: HOW ARE A MAJORITY OF YOUR CYBERSECURITY EFFORTS FUNDED?



Source: Consortium for School Networking, "2025 State of EdTech District Leadership"

VECTORS USED BY CYBERATTACKERS TO GAIN ACCESS TO K-12 SYSTEMS



[1] Malware introduced through malicious advertisements

[2] Malware that uses at least two vectors

[3] Malware delivered by other malware already on the system

[4] Unsolicited emails that direct users to download malware

Sources: Center for Internet Security and the Multi-State Information Sharing & Analysis Center