

STATELINE MIDWEST



MIDWEST

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FOR NEXT GENERATION OF FARMERS, FIRST STEP CAN BE HARDEST — FINDING LAND

States use farm-link programs, specialized loans and tax policy to improve land access

by Becky Leis (rleis@cs.org)

Across his home state of Wisconsin, Rep. Clint Moses says, “there’s a lot of young people who would love to get into farming and would love to know about acreage that comes available.”

A part-time beef producer, Moses himself has been interested in acquiring more land.

But among the obstacles for the aspiring next generation of agricultural producers: the limited amount of acreage that becomes available, as well as a lack of knowledge of when it does.

Moses believes the state can help by creating a farmland link program within the Wisconsin Department of Agriculture, Trade and Consumer Protection.

Under his proposed AB 411, the program would connect landowners with individuals seeking land exclusively for agricultural use. Its primary feature would be a publicly accessible website listing farmland available for sale — similar to the Multiple Listing Service used for residential real estate.



Wisconsin Rep.
Clint Moses

Yes, Moses says, nonprofit organizations currently offer farmland listing services, but many are limited to members or have niche audiences. Beginning farmers, along with individuals looking to expand operations, need a more comprehensive, widely accessible resource, he believes.

More generally, too, these producers can struggle with land access — across the states of the Midwest. In Iowa, results from a 2022 survey of farmland owners reflect the challenge of intergenerational, non-familial transfers of land. Farmland owners were asked: Are you willing to sell your land to beginning farmers?

While 82 percent said “yes,” the respondents expressed concerns about finding competent buyers and receiving fair market value. And results of the same survey found that only 4 percent of Iowa farmland would be made available to a non-family member.

LAND LOCKED

Helping potential buyers connect with sellers is one strategy for improving beginning farmers’ access to the limited amount of land that becomes available.

States also are trying to address a more fundamental challenge for young producers: insufficient capital

to purchase increasingly expensive farmland and a lack of resources to become economically viable.

In Illinois, legislators have created a new commission (SB 2372 of 2025) to identify state policies that help individuals ages 21 to 40 access or acquire farmland. The commission must include legislators, younger farmers, and state agency and industry leaders.



Illinois Rep.
Norine Hammond

Although the group was still being formed as of early 2026, Illinois Rep. Norine Hammond says, banking and credit access are expected to be central to its work, as lenders remain hesitant to finance beginning farmers.

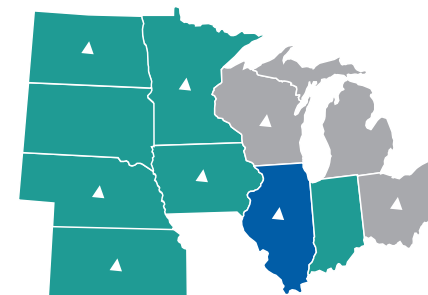
For decades, states have relied on a mix of their own laws, as well as partnerships involving federal, private and nonprofit groups, to ease access to financing. This includes specialized loan programs and tax policy, some of which have been expanded or tweaked in recent years.

SPECIALIZED LOAN PROGRAMS

Across the country, the U.S. Department of Agriculture Farm



USE OF STATE-FEDERAL AGGIE BOND LOAN PROGRAMS FOR BEGINNING FARMERS



● State operates Aggie Bond program; private lenders receive federal and state tax-exempt interest on loans made to eligible farmers

● State operates Aggie Bond program; private lenders receive federal, but not state, tax-exempt interest on loans made to eligible farmers

△ State operates a farmer loan program in addition to or outside of the Aggie Bond program

In 2023, the total value of Aggie Bonds issued across all 50 states was \$39.5 million. Most of these Aggie Bonds were issued in the 11-state Midwest (\$24.9 million):

- \$17.5 million — Iowa
- \$4.6 million — Kansas
- \$2.1 million — Illinois
- \$700,000 — South Dakota
- Under \$500,000 — Indiana, Minnesota, Nebraska and North Dakota

Sources: Council of Development Finance Agencies and U.S. Department of Agriculture

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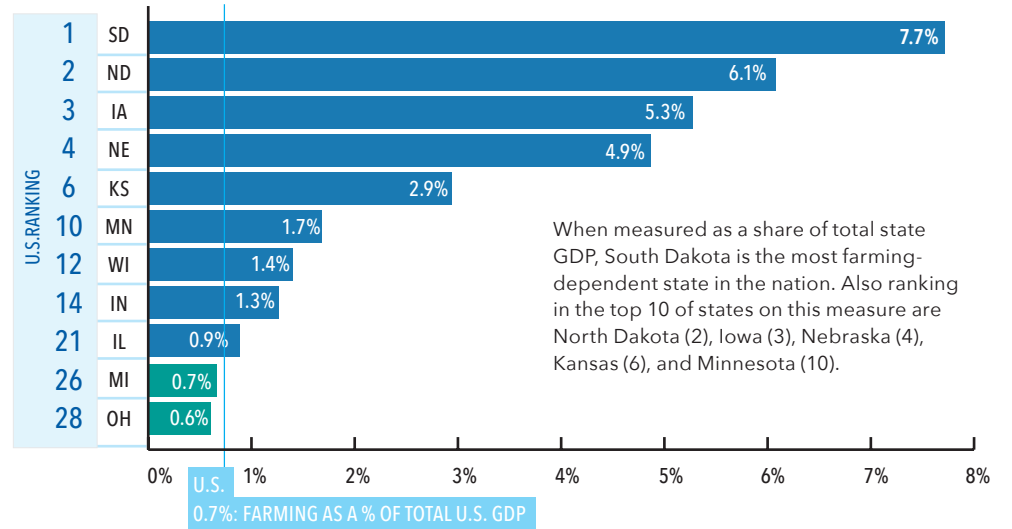
CENTER OF PRODUCTION: Agricultural Economies in the Midwest

U.S. RANKING	STATE	VALUE OF PRODUCTION IN AGRICULTURAL SECTOR
#2	Iowa	\$40.5 billion
#4	Nebraska	\$34.2 billion
#5	Kansas	\$26.3 billion
#6	Illinois	\$24.4 billion
#7	Minnesota	\$24.1 billion
#8	Wisconsin	\$17.0 billion
#10	Indiana	\$16.3 billion
#12	South Dakota	\$15.1 billion
#13	Ohio	\$14.6 billion
#17	North Dakota	\$13.0 billion
#19	Michigan	\$12.2 billion



41.6%
MIDWEST'S SHARE OF TOTAL U.S. AGRICULTURE PRODUCTION

FARMING AS A % OF TOTAL STATE GROSS DOMESTIC PRODUCT (GDP)

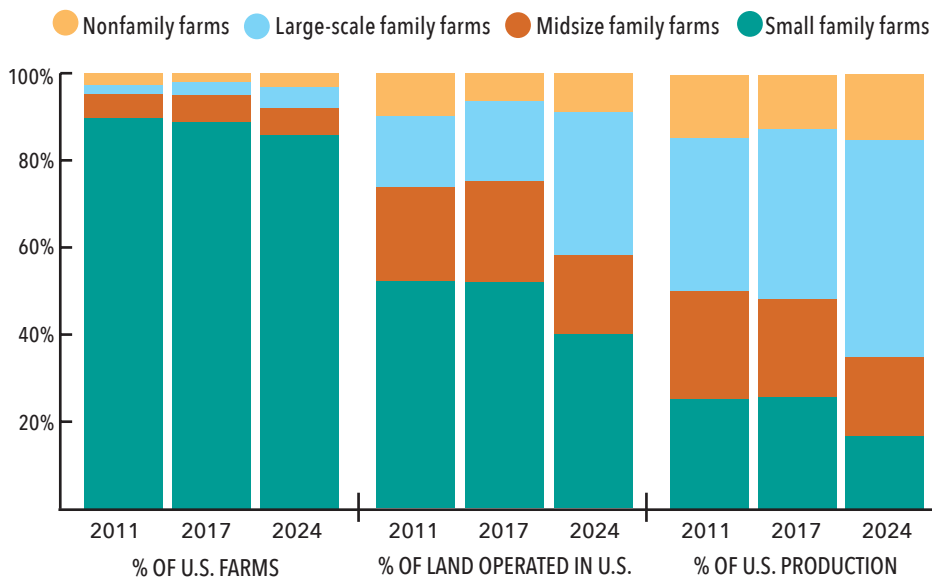


Source: U.S. Department of Agriculture, Economic Research Service

Source: CSG Midwest calculations of U.S. Bureau of Economic Analysis data

TWO KEY TRENDS IN AGRICULTURE: Changes in farm type and land value

SHIFTS AWAY FROM SMALL, MIDSIZE FAMILY FARMS ACROSS U.S.

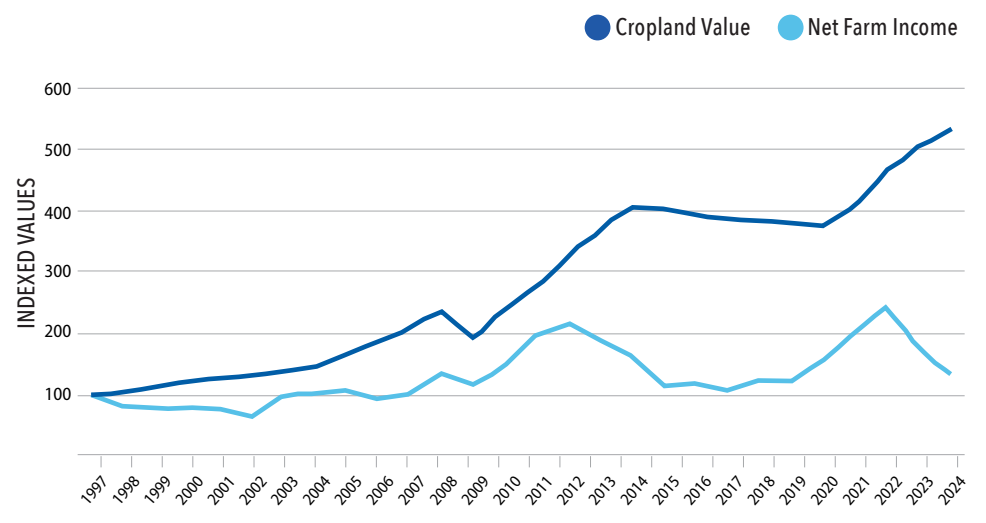


FARM TYPE DEFINITIONS:

- Small family farms: Less than \$350,000 in annual gross cash farm income (GCFI)
- Midsize family farms: Annual GCFI between \$350,000 and \$999,999
- Large-scale family farms: Annual GCFI of \$1 million or more
- Nonfamily farms: Farm where the operator and any related individuals do not own a majority (50 percent) of the business.

Source: U.S. Department of Agriculture, Economic Research Service

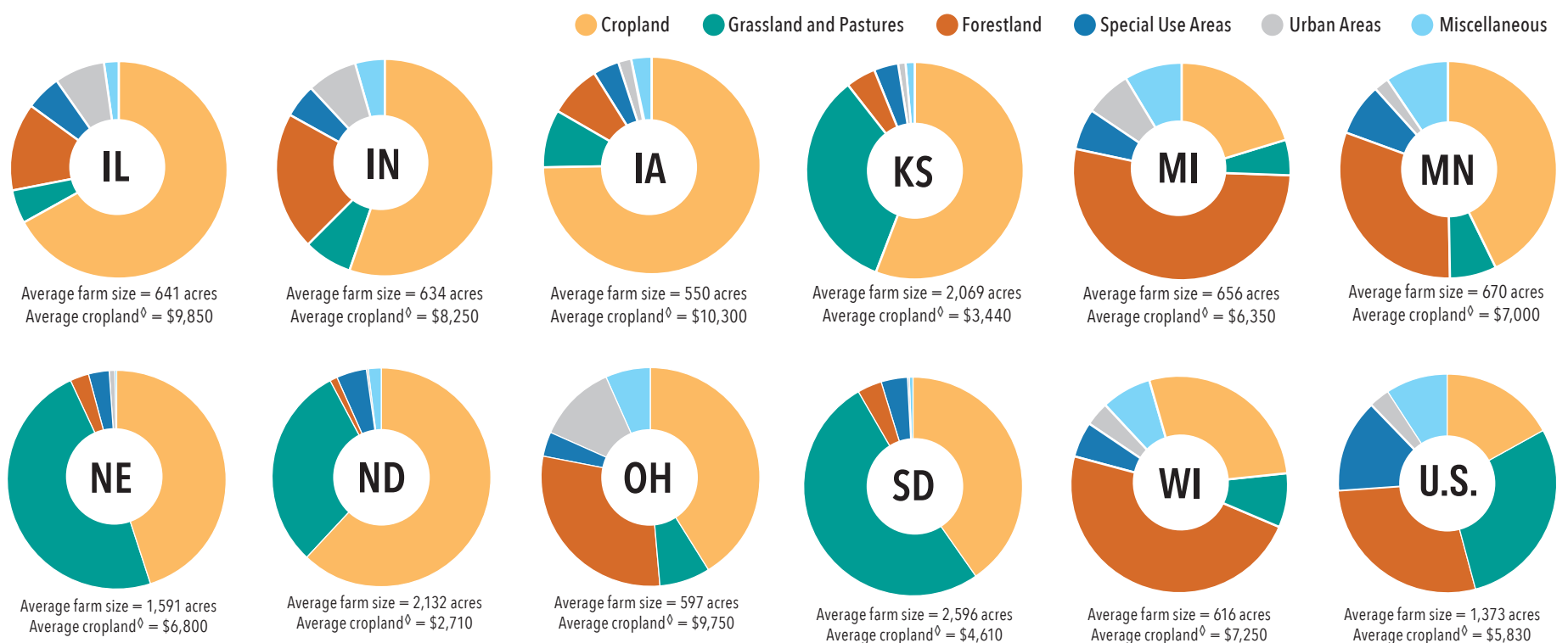
CROPLAND VALUES IN MIDWEST OUTPACE NET INCOME*



* Indexed change in Midwest cropland values and net farm income, adjusted for inflation, 1997-2024 (1997 = 100). Both series are indexed to 1997 to show relative growth over time; values above 100 indicate increases from 1997 levels.

Source: CSG Midwest analysis of data from the U.S. Department of Agriculture National Agricultural Statistics Services

LAND IN THE MIDWEST: Use, farm size and cropland*



* Average farm size excludes farms with sale proceeds of less than \$10,000 (based on 2024 data). The average price per acre of cropland is based on 2025 data. ◊ price per acre

Source: CSG Midwest analysis of data from the U.S. Department of Agriculture National Agricultural Statistics Services

STATES PARTNER WITH FEDERAL GOVERNMENT, PRIVATE LENDERS TO ASSIST BEGINNING FARMERS

» CONTINUED FROM PAGE 1

Service Agency (FSA) provides lending support to beginning farmers, operators recovering from financial setbacks, and producers with viable business plans but limited collateral.

In fiscal year 2024, the agency made 24,555 loans totaling \$5.39 billion, with roughly 80 percent of these funds flowing to the 11-state Midwest (see table). However, FSA lending represented only a small share of the \$388.7 billion in agricultural loans issued by the Farm Credit System and commercial farm banks that year.

Eight Midwestern states supplement federal FSA loan programs with Aggie Bonds: federally authorized, state-administered bonds issued in partnership with private lenders.

Aggie Bonds allow investors' interest earnings to be exempt from federal, and sometimes state, income taxes. As a result, lenders offer first-time farmers loan rates averaging 1 to 3 percentage points below commercial farm loan rates, according to the Council of Development Finance Agencies.

The use of Aggie Bonds, though, is inconsistent, and usage is low relative to availability. Issuance was \$33.3 million in 2014; it rose to \$92.9 million in 2018 and fell to \$39.5 million in 2023. The council attributes this decline to program requirements that no longer reflect economically viable farm sizes.

Illinois, Iowa, Kansas, Minnesota, Nebraska and North Dakota pair Aggie Bonds with additional state programs that expand access to capital and reduce financing costs. These programs may

help farmers restructure debt, finance farm improvements or provide direct down-payment assistance.

For example, Minnesota operates a debt restructuring program through its Rural Finance Authority to assist farmers experiencing cash-flow challenges due to adverse events. Farmers apply with their lender, and, if approved, the Rural Finance Authority purchases up to 45 percent of the loan.

Wisconsin and Ohio have operated state-based loan programs for more than 30 years without relying on federally supported Aggie Bonds.

Wisconsin's Housing and Economic Development Authority guarantees loans from commercial lenders for the purchase of machinery, equipment, buildings, land or livestock. Ohio's Ag-LINK program offers a 3 percent interest rate reduction on new or existing operating loans for farmers, agribusinesses and cooperatives.

TWEAKS IN TAX POLICY

Over the past five years, state and federal policymakers have turned to tax policy as a tool to expand access to agricultural and rural lending, particularly by lowering lenders' tax obligations.

In 2021, the Kansas Legislature enacted SB 15, a measure that allows qualified banks to deduct net interest income from agricultural real estate and rural single-family residence loans from their state taxable income.

Similarly, Wisconsin legislators (SB 70 of 2023) gave qualified financial institutions

the option of excluding interest income on commercial and agricultural loans of \$5 million or less to in-state borrowers.

At the federal level, a provision in HR 1 of 2025 allows banks to exclude 25 percent of the interest earned on qualified real estate loans from gross income. Qualified loans include those related to agriculture. Unlike Aggie Bond programs, HR 1 does not require lenders to pass on the tax savings to borrowers.

STATE TAX CREDITS

Recognizing the barriers created by high land values and limited purchasing opportunities, Iowa, Minnesota, Nebraska and Ohio have adopted tax credit programs to support beginning farmers. Nebraska launched its program in 1999 and, through 2025, had provided \$19.7 million in credits. Ohio's program is the newest of the four; it began in 2022.

These initiatives generally offer tax credits to established farmers who lease or sell agricultural land or equipment to qualified beginning farmers. Common program features include:

- limits on beginning farmers' net worth;
- requirements for beginning producers to participate in farm management education;
- stipulations on transactions involving family members; and
- higher tax credits for crop-share

USE OF FARM SERVICE AGENCY (FSA) LOANS IN FY 2024

State	Total FSA loans		Beginning farmer FSA loans	
	#	\$ amount	#	\$ amount
Illinois	963	\$246.3 million	611	\$134.8 million
Indiana	450	\$140.2 million	312	\$93.1 million
Iowa	1,975	\$419.7 million	1,240	\$231.0 million
Kansas	1,491	\$320.8 million	872	\$168.2 million
Michigan	470	\$102.9 million	290	\$56.5 million
Minnesota	1,308	\$326.7 million	847	\$183.5 million
Nebraska	1,315	\$260.0 million	914	\$159.3 million
North Dakota	743	\$189.0 million	445	\$101.1 million
Ohio	602	\$188.0 million	272	\$66.6 million
South Dakota	1,050	\$200.4 million	701	\$115.8 million
Wisconsin	987	\$245.4 million	572	\$109.2 million
Midwest	11,354	\$4.34 billion	7,706	\$1.42 billion
United States	24,555	\$5.39 billion	14,703	\$3.01 billion

Source: U.S. Department of Agriculture

leases (which spread risk between landowners and operators) rather than cash leases.

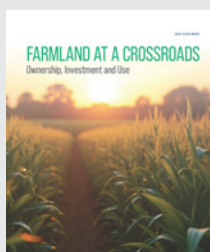
Rebecca Leis is CSG Midwest staff liaison to the Midwestern Legislative Conference Agriculture & Rural Affairs Committee. Nebraska Sen. Teresa Ibach and North Dakota Sen. Paul Thomas serve as committee co-chairs. Minnesota Sen. Robert Kupec and Illinois Rep. Bradley Fritts are co-vice chairs.

TAKE A DEEPER DIVE INTO FARMLAND OWNERSHIP

A new policy resource from The Council of State Governments examines farmland ownership in the Midwest, including ownership trends, the financialization of farmland, rising land values, and impacts on new farmers.

"Farmland at a Crossroads: Ownership, Investment and Use" includes an analysis of tax policies that influence farmers' decisions to retain or sell farmland. The Issue Brief also explores state limits on corporate farm ownership, compares state tax structures, and highlights programs that help farmland owners with succession planning and assist beginning farmers.

"Farmland at a Crossroads" is available at csgmidwest.org. Printed copies are available by contacting CSG Midwest policy analyst Becky Leis at rleis@cs.org.



OVERVIEW OF BEGINNING FARMER TAX CREDIT PROGRAMS IN FOUR MIDWESTERN STATES

IOWA

- Tax credits are offered to asset owners who lease land, equipment or buildings to beginning farmers; the leases must be for two to five years.
- Beginning farmers must have a net worth under \$901,000 and demonstrate sufficient training or experience.
- The tax credit equals 5 percent for cash-rent leases and 15 percent for crop-share leases. Cash rent cannot exceed 30 percent of the county average.

MINNESOTA

- Tax credits go to asset owners who lease or sell farmland, equipment, livestock or other agricultural assets to beginning farmers; leases may last one to three years.
- Beginning farmers must be applying as an individual (not a business entity), have started farming within the past 10 years, provide most of the labor and management, and complete business management training. Their net worth cannot exceed \$1,069,000.
- For land sales, the owner and buyer may be related. Family members who sell farmland to direct relatives are eligible for a tax credit equal to 8 percent of the sale price. For rental and lease agreements, the parties cannot be directly related. Asset owners receive a 12 percent tax credit on sales to limited land access farmers.
- Asset owners receive a 10 percent tax credit on cash leases and a 15 percent credit on crop-share leases.

NEBRASKA

- Tax credits are offered to owners who lease land or agricultural assets to eligible beginning farmers/ranchers for a minimum of three years.
- Beginning farmers must have a net worth of below \$750,000, have farmed fewer than 10 of the past 15 years, plan to farm full-time, and receive financial management training.
- Beginning farmers qualify for a personal property tax exemption of up to \$100,000 for property used in agricultural production.
- Asset owners receive a refundable tax credit equal to 10 percent of the cash rent or 15 percent of the crop-share rent each year.
- Close relatives may qualify for the credit if they complete succession planning training and include the rental asset in a succession plan.

OHIO

- Tax credits are provided for the sale or lease of farmland.
- Beginning farmers must have a net worth under \$800,000 and not hold an ownership interest in the asset. Also, farming must represent a large portion of their income. The cost of a financial management course is covered.
- Businesses or individuals can claim the credit. Eligible owners must lease or sell land that is at least 10 acres in size; the farm must generate \$2,500 or more in revenue annually.
- The credit equals 3.99 percent of the sale price or of the gross rental income received during the first three years of a lease.

ENERGY & ENVIRONMENT

Most states have some type of extended producer responsibility statute; Minnesota is implementing one new to the Midwest: EPR for packaging

by Jon Davis (jdavis@csq.org)

Faced with a rising tide of packaging waste, some states are now requiring the producers and distributors of these materials to assume financial responsibility for helping manage their re-use, recycling and disposal.

The concept is known as “extended producer responsibility,” a policy option first employed by states 35 years ago when Minnesota (along with New Jersey) adopted an EPR law related to the disposal of rechargeable batteries.

Today, 35 states (including seven in the Midwest; see map) have a total of 146 EPR laws across 21 product categories, according to the Product Stewardship Institute. Most prevalent are state statutes that extend producer responsibility for the entire life cycle of batteries and electronics.

Less common have been EPR laws specific to packaging, though Minnesota and six other U.S. states have enacted such measures since 2021. In Canada, all four member and affiliate provinces of The Council of State Governments’ Midwestern Legislative Conference have EPR laws for packaging.

‘OVERWHELMED SYSTEMS’

Picture a product delivery to your home: In the big box is your item, often in a smaller box or envelope, nested in packing materials — usually crumpled, heavy brown paper or plastic airbags.

The use of this packaging is on the rise with the dramatic increase in e-commerce retail sales. According to the Federal Reserve Bank of St. Louis, these sales doubled during the first part of this decade alone, reaching \$310 billion by the third quarter of 2025.

“Municipal solid waste systems are getting more and more waste piling up,” says Ammi Borenstein, the founder and CEO of Snaplinc Consulting, which advises companies on EPR compliance and participation.

“The pace of consumer waste has gone up stratospherically in the U.S. in the last 20 years, and that’s generating tons of waste. Municipal solid waste systems are just overwhelmed.”

Extended producer responsibility for packaging originated in the late

1980s and early 1990s in Sweden and Germany; it first came to the United States under laws passed by the Maine and Oregon legislatures in 2021.

Minnesota’s Packaging Waste and Cost Reduction Act (HF 3911) was enacted in 2024. Three types of products and materials are covered under the law: packaging and packaging components, food packaging, and paper products.

MINNESOTA’S FEE STRUCTURE

In her home county of Hennepin, Minnesota Rep. Sydney Jordan says, estimates show that 40 percent of the waste going to landfills or incinerators is paper and packaging.

Local residents, meanwhile, have been seeking to shut down a county-run incinerator, especially those who live downwind from it and worry about the health effects from air pollution. The problem from the county’s perspective: “too much trash” and “nowhere else to put it,” Jordan says.

Hence her sponsorship of the EPR law, modeled in part from what she learned from statutes already in place in states such as Maine, Colorado and Oregon.

Under Minnesota’s HF 3911, starting in 2032, all packaging, food packaging and paper products must be refillable, reusable, recyclable or compostable. This requirement applies to all producers with \$2 million in annual global revenue or 1 ton of packaging sold in the state.

Producers are defined as the manufacturers, importers or brand owners of the products covered under HF 3911. They must join and pay fees to a producer responsibility organization, which develops and oversees implementation of a stewardship plan.

Fees will cover 50 percent of the plan’s costs in 2029, 75 percent in 2030, and 90 percent in 2031.

In establishing this fee structure, Jordan and other legislators included statutory language to incentivize producers’ use of materials or design attributes that reduce environmental and human health impacts. This is known as an “eco-modulated” structure: lower fees for sustainable design practices. (Other EPR laws use fixed-rate or product-specific fee structures.)

MOVING TO IMPLEMENTATION

The Minnesota Pollution Control Agency has been charged with setting EPR program requirements, determining which materials will be included, and enforcing the law.

An 18-member advisory board will oversee the work of both the agency and the designated producer responsibility organization (Circular Action Alliance). Board members cannot be legislators, registered

lobbyists or employees of packaging producers.

The agency has released a preliminary assessment of Minnesota’s current recycling and composting infrastructure as well as a summary of what’s currently being collected — the first of two reports required under HF 3911. A needs assessment is due to the EPR Advisory Board by the end of 2026. It will:

- set baselines for EPR performance;
- suggest statewide program requirements for rates of recycling, composting, re-use and return of packaging;
- recommend a method to set reimbursement rates for collection companies;
- assess best practices for public outreach; and
- help guide investments in future infrastructure upgrades, such as more curbside services for recyclables and compostables or a greater availability of drop-off collection sites.

This needs assessment, as well as the state’s stewardship plan for better life-cycle management of packaging, must be updated every five years.

BILLS STALL IN OTHER STATES

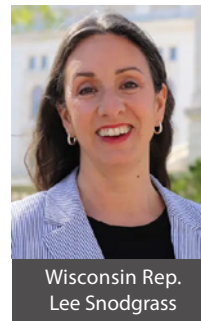
EPR for packaging has drawn some legislative interest in other Midwestern states. Bills have been introduced, but not advanced, in Illinois (HB 4064 of 2025), Wisconsin (AB 772 and SB 778 of 2025), and Michigan (HB 5902 of 2024).

Beyond packaging, current EPR-related legislation would establish such programs for batteries in Nebraska (LB 607) and carpeting in Illinois (HB 1876).

Wisconsin Rep. Lee Snodgrass, author of AB 722, acknowledges her EPR bill on packaging isn’t going to advance this year, but believes it is a good marker for future sessions.

“The second time around, you can say, ‘Okay, well, who showed interest last time? What were the barriers? Who were the people that were concerned?’” Snodgrass says.

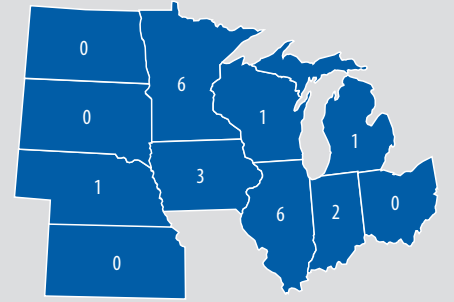
“We’ll continue to introduce it next time around, we’ll have more stakeholders who might want to uplift it,” she adds. “And really, the best thing is to bring the people who had concerns into the bill-writing process to see if you can get them on board.”



Wisconsin Rep. Lee Snodgrass

Jon Davis is CSG Midwest staff liaison to the Midwestern Legislative Conference Energy & Environment Committee. Illinois Sen. Laura Ellman and Michigan Rep. Pauline Wendzel serve as committee co-chairs. North Dakota Rep. Anna Novak and Saskatchewan MLA Erika Ritchie are the co-vice chairs.

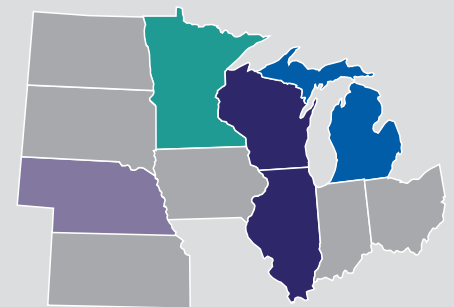
AND TYPE OF EXTENDED PRODUCER RESPONSIBILITY LAWS IN EACH MIDWEST STATE, AS OF 2025



- Packaging: 1) Minnesota
- Boat wrap: 1) Minnesota
- Batteries: 1) Illinois, 2) Iowa, 3) Nebraska and 4) Minnesota
- Electronic products: 1) Illinois, 2) Indiana, 3) Michigan, 4) Minnesota and 5) Wisconsin
- Mercury thermostats: 1) Illinois, 2) Iowa and 3) Minnesota
- Mercury auto switches: 1) Illinois, 2) Indiana and 3) Iowa
- Pharmaceuticals: 1) Illinois
- Paint: 1) Illinois and 2) Minnesota

Source: Product Stewardship Institute

RECENT LEGISLATIVE ACTIVITY ON EXTENDED PRODUCER RESPONSIBILITY LAWS FOR PACKAGING



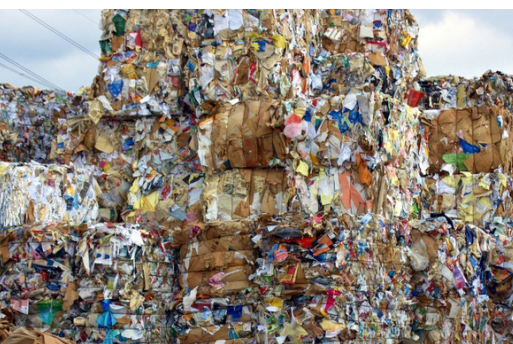
- Bill signed into law in 2024
- Bill introduced in 2025
- Bill introduced in 2025 for data collection on packaging, with \$1,000 annual producer fee
- Bill introduced in 2024

ACCESS TO RECYCLING SERVICES*

State	% of single-family homes with access	% of multi-family homes with access
Illinois	85%	41%
Indiana	79%	11%
Iowa	75%	19%
Kansas	69%	17%
Michigan	82%	11%
Minnesota	81%	33%
Nebraska	52%	11%
North Dakota	49%	6%
Ohio	92%	8%
South Dakota	52%	29%
Wisconsin	88%	72%
National	85%	37%

* Access is defined as a household having physical access to a recycling container. Drop-off recycling programs are included as a form of access for single-family households. For multi-family households, access is defined as having a recycling container on the property.

Source: The Recycling Partnership (“State of Recycling,” 2024)



EDUCATION & WORKFORCE

Declining student enrollment, both recent and projected, are among factors that have states exploring measures to consolidate school districts

by Derek Cantù (dcantu@cs.org)

Eighty years ago, the United States had more than 101,000 local public school districts.

As of academic year 2023, the count was 13,318, a nearly 87 percent drop, with numbers across the 50 U.S. states ranging from as low as one in Hawaii, home to the nation's only statewide school district, to 1,024 in Texas.

Numbers for the Midwest generally fall on the higher end, but significant consolidation has occurred in recent years. In this region, there were 654 fewer school districts in 2022 than in 2002 (see table).

The push for consolidation is continuing, amid declining enrollment, population shifts, and demands for efficiency and tax relief.

"We have some schools that are currently at 40 percent capacity in their buildings; by consolidating or closing schools, we can bring them all up to capacity," says Wisconsin Rep. Cindi Duchow, who is sponsoring a package of bills in her state.

In November, those measures (AB 644-649) were passed by the Assembly and, as of February, awaiting Senate action.

Duchow points to declining fertility rates and projected enrollment drops as among the catalysts for encouraging more consolidation in Wisconsin.

Across the country, post-pandemic enrollment in public schools has been declining at higher rates than initially projected. A Boston University study found that in Massachusetts in fall 2024, enrollment in public schools was down 2 percent from pre-pandemic trends, whereas enrollment in private and home schools had increased by 14 and 45 percent, respectively.

A Brookings Institution report says public school enrollment nationally could drop by as many as 8.5 million students between 2022 and 2050.

In Wisconsin, state projections show the population of school-age children (5 to 19 years old) to be 997,680 in 2040, an 11 percent drop from 2020. The Applied Population Lab at the University of Wisconsin projects public school enrollment in the state could be 13 to 15 percent lower in 10 years.

Along with these demographic realities, Duchow says consolidation has the potential of opening new opportunities, both academic and

extracurricular, for students currently attending small schools.

"[Consolidated schools] can offer a lot more AP classes. They can have a football team. They're actually going to have a marching band," she says.

In Indiana, in studies produced for the state Chamber of Commerce, Ball State University researchers have explored the impacts of school district size. They found that districts with populations of between 2,000 and 2,999 students had the highest SAT scores, pass rates on standardized tests, and percentage of students graduating with honors. In contrast, smaller districts tended to have higher levels of learning loss and per unit costs.

DETAILS ON WISCONSIN BILLS

Wisconsin's legislative package proposes several paths to consolidation.

- Under AB 644, districts would receive \$1,500 per pupil for the first year following consolidation, \$650 per pupil in the second year, and \$150 per pupil in the subsequent three years. Under current law, districts receive \$150 per pupil for the first five years post-consolidation, followed by reduced amounts in the sixth and seventh years.

- AB 648 would provide a second type of supplemental state aid, with a goal of shielding local property owners from tax increases if a newly consolidated district would have higher maximum allowed levy rates.

- AB 647 would provide grants for districts that remain independent but combine student instruction for certain grade levels — a shared-service model known as whole-grade sharing. The four-year grants would be \$500 per pupil.

The two other measures allocate funding for feasibility studies.

Under AB 645, grants of up to \$25,000 would go to districts interested in either total consolidation or whole-grade sharing. AB 646 calls for a statewide analysis of Wisconsin's school districts — for example, their staffing levels and salary scales, public transportation access, existing debts and assets, population distribution and pupil demographics. The study would result in recommendations for new district consolidations and boundaries.

The final bill in the package, AB 649, provides funding for the proposed state grants and aid. Estimated state costs are \$5.95 million.

IMPACTS ON RURAL AREAS

Although the various incentives being proposed in Wisconsin are voluntary, opponents argue multi-year declines in school funding have resulted in some districts having to consolidate.

According to the Department of Public Instruction, state aid for K-12 schools as a percentage of general-fund spending decreased from 43.1 percent to 31.2 percent between academic years 2004 and 2025.

One concern is that consolidation could disproportionately affect small districts in rural regions, resulting in potential increases in student

transportation times and decreases in home values areas where schools close.

Outside the Midwest, in a 2022 University of Kentucky study, researchers analyzed the effects of school consolidation on rural communities in Arkansas, where districts were forced to reorganize if student populations dropped below 350. Using data from 2000 to 2015, the study found that state-mandated district reorganization not only led to fewer community schools, but also local losses in population, by 13 to 15 percent, and a \$1,300 reduction in assessed property values.

ILLINOIS LAW AND PROPOSAL

Other states in the Midwest also have considered or successfully taken steps to encourage consolidation.

In Indiana, a failed amendment to a 2025 property tax bill (SB 1) called for counties with populations of under 50,000 people to only have one school district. In Illinois — which has the third highest number of regular school districts in the country — debates over consolidation have persisted for years.

The Illinois State Board of Education already helps school districts pay for reorganization feasibility studies. Last year, lawmakers passed a bill (HB 2966) that seeks to more broadly promote this grant program and prioritize consolidation among contiguous districts with similar property tax rates and per pupil funding levels.

One of the co-sponsors of the bill, Rep. Rita Mayfield, previously attempted to pass HB 7.

That unsuccessful proposal from 2021 called for a state commission to evaluate how to reduce the number of school districts in the state by at least 25 percent, mostly through a greater use of "unit districts," which administer both primary and secondary schools in the same area.

The commission's proposed school consolidations would have been subject to local voter approval.

According to the 2025 Illinois Report Card, 11.1 percent of the state's school districts are high school-only and 42.8 percent are elementary-only.

Mayfield says in addition to potentially lowering tax levies because residents would fall under only one district, consolidation can reduce administrative costs. "We may not need multiple deputy administrators [or] three people in charge of curriculum," she says.



Illinois Rep. Rita Mayfield

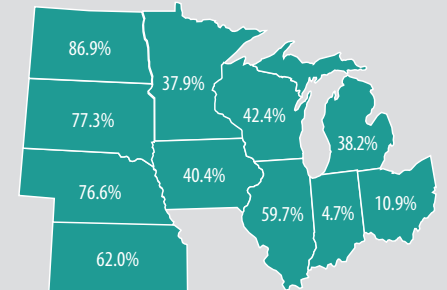
Derek Cantù is CSG Midwest staff liaison to the Midwestern Legislative Conference Education & Workforce Committee. Nebraska Sen. Jana Hughes and Minnesota Rep. Bernie Perryman serve as committee co-chairs. Kansas Rep. Mari-Lynn Poskin is the vice chair.

SCHOOL DISTRICTS IN MIDWEST

State	# of districts as of 2021-'22	Change in # from 2001-'02
Illinois	857	-36
Indiana	291	-3
Iowa	327	-44
Kansas	286	-18
Michigan	537	-17
Minnesota	329	-88
Nebraska	244	-311
North Dakota	169	-53
Ohio	618	-44
South Dakota	149	-27
Wisconsin	420	-13

Source: National Center for Education Statistics

% OF STATE'S SCHOOL DISTRICTS THAT ARE SMALL AND RURAL*



*The median size of rural school districts in the United States is 526 students; "small" means every rural district below this median size.

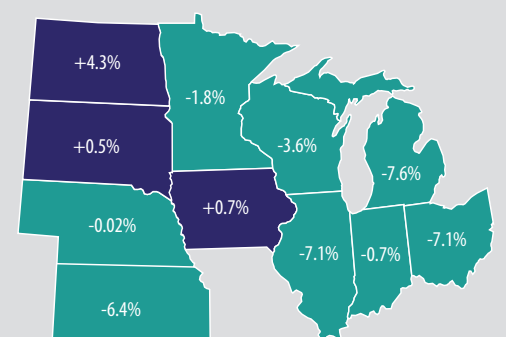
Source: National Rural Education Association

TRENDS IN PUBLIC SCHOOL ENROLLMENT

State	# of students in fall 2023	% change from fall 2015
Illinois	1,846,264	-9.6%
Indiana	1,032,723	-1.3%
Iowa	508,112	+0.02%
Kansas	483,505	-2.5%
Michigan	1,426,491	-7.1%
Minnesota	869,967	+0.7%
Nebraska	329,162	+4.2%
North Dakota	119,033	+9.6%
Ohio	1,675,300	-2.4%
South Dakota	141,467	+5.4%
Wisconsin	814,202	-6.2%

Source: National Center for Education Statistics

PROJECTED CHANGE IN PUBLIC SCHOOL ENROLLMENT: FALL 2023 TO FALL 2031



Source: National Center for Education Statistics

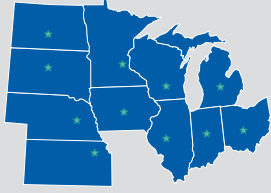


CAPITAL CLOSEUP: EXTENT OF WISCONSIN GOVERNORS' VETO AUTHORITY AGAIN IN HANDS OF VOTERS

A unique power of **Wisconsin** governors is once again the subject of a proposed constitutional amendment, with the Legislature asking voters in November to prevent partial vetoes of spending bills that result in new or increased taxes and fees (SJR 116).

While most states give governors line-item veto authority, constitutional language in Wisconsin provides even broader powers — a partial veto of appropriations bills “considered to be one of the most extensive in the nation,” the Wisconsin Legislative Council notes. This authority dates back to a voter-approved amendment in 1930 seeking a check on the Legislature and its budget-making process. “Appropriation bills may be approved in whole or in part by the governor,” the text reads.

Capital Closeup



With this language, governors can strike individual letters, punctuation and numbers in the text of a budget bill (both “appropriation and non-appropriation” items, the council notes), and they eventually began using partial-veto authority to create entirely new words, meanings and appropriations. These actions came to be known as “Vanna White” and “Frankenstein” vetoes.

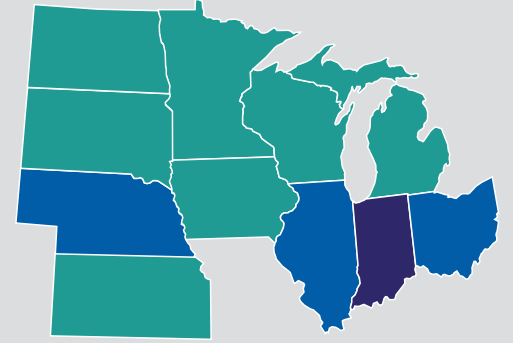
Wisconsin voters in 1990 approved an amendment barring governors from creating new words in appropriations bills by striking individual letters in the bill text. Eighteen years later, voters barred the gubernatorial practice of creating a new sentence by combining parts of two or more sentences.

In 2023, Gov. Tony Evers used his partial-veto power to extend authorization of a per-pupil increase in school funding from two years to several hundred. He did so by striking words that changed the phrase “2023-24 school year and the 2024-25 school year” to “2023-2425.” The Wisconsin Supreme Court upheld the governor’s actions. Legislative opponents have called it a “400-year property tax increase.”

Every Midwestern state except **Indiana** extends to the governor line-item veto authority on appropriations bills. Indiana also stands out for its lower threshold for veto overrides — a majority vote of elected members of the legislature, compared to most states that require two-thirds or three-fifths votes.

Capital Closeup is an ongoing series of CSG Midwest articles focusing on institutional issues in state governments and legislatures. Past articles can be found at csgmidwest.org.

BALANCE OF POWER ON APPROPRIATIONS BILLS



- Governor has veto authority, but no line-item veto authority; legislative override requires simple-majority vote of elected members in both chambers
- Governor has line-item veto authority; legislative override requires two-thirds vote of elected members in both chambers
- Governor has line-item veto authority; legislative override requires three-fifths vote of elected members in both chambers (Nebraska has only one chamber)

NEBRASKA JOINS ILLINOIS, OHIO AND MICHIGAN WITH A SEPARATE MINIMUM WAGE FOR YOUTH WORKERS

With the signing of LB 258 in February, **Nebraska** became the Midwest’s fourth state with a separate, and lower, hourly minimum wage for youth workers. The legislative change was made more than two years after voters approved a ballot measure that increased the minimum wage for all workers, to \$15 an hour starting in January 2026.

Under the new law, the minimum wage for 14- and 15-year-olds is \$13.50 an hour, the same amount as a new training wage (first 90 days of employment) for workers between the ages of 16 and 19. According to *Unicameral Update*, Nebraska’s training wage by 1.5 percent every year; starting in 2030, the wage floor for 14- and 15-year-olds will increase 1.5 percent once every five years.

Proponents of LB 258 say a separate minimum wage for youth workers will improve their chances of employment (given their lack of a job history) while also helping businesses. LB 258 includes other changes to the voter-approved law. Instead of the minimum wage for adult workers changing every year based on inflationary changes, it will increase by a flat rate of 1.75 percent.

Illinois has a youth minimum wage of \$13 per hour for all workers under age 18. However, if an individual works 650 hours or more in the calendar year, the regular minimum wage of \$15 an hour applies. **Ohio**’s youth minimum wage is \$7.25 per hour and is for workers under age 16. The state’s regular minimum wage is \$11 an hour. In **Michigan**, 16- and 17-year-olds can be paid \$11.67 per hour, compared to the regular hourly minimum wage of \$13.73.

Training wages also often cover younger workers in their first 90 calendar days of work. Minus a separate state law, the federal training wage of \$4.25 per hour applies to workers under age 20. Like Nebraska, some states set their own training wages for younger workers — for example, \$9.31 per hour in **Minnesota** and \$5.90 in **Wisconsin**.

The regular federal minimum wage was last raised in 2009; it is \$7.25 per hour. Over the past decade, though, six Midwestern states have increased their regular minimum wage as the result of legislative action, voter-approved ballot measures, and/or automatic triggers in state laws that increase the wage with inflationary changes. Those states are Illinois, Michigan, Minnesota, Nebraska, Ohio and **South Dakota**, according to the Economic Policy Institute.

HOURLY MINIMUM WAGE, 2026		
State	Wage	Youth wage
Illinois	\$15	\$13 (under age 18)
Indiana	\$7.25	No separate youth wage
Iowa	\$7.25	No separate youth wage
Kansas	\$7.25	No separate youth wage
Michigan	\$13.73	\$11.67 (ages 16 and 17)
Minnesota	\$11.41	No separate youth wage
Nebraska	\$15	\$13.50 (ages 14 and 15)
North Dakota	\$7.25	No separate youth wage
Ohio	\$11	\$7.25 (under age 16)
South Dakota	\$11.85	No separate youth wage
Wisconsin	\$7.25	No separate youth wage

GOAL OF NEW LAWS, LEGISLATION IS TO PREVENT DISRUPTIONS OF RELIGIOUS SERVICES AND GATHERINGS

“Right to worship” measures have spread to multiple states in the Midwest this year and are generally taking one of two forms: greater consequences for those who disrupt services or bans on government-imposed closures of religious gatherings.

The **South Dakota** Legislature approved in late February a bill enhancing the penalty for disrupting religious services, a crime described in statute as any threat or violent act by an individual that “intentionally prevents another person from performing any lawful act enjoined upon or recommended by the religion the other person professes.” Under this year’s SB 113, the crime will be a felony punishable by up to two years in prison and/or a fine of up to \$4,000. It had been a misdemeanor.

Ohio law bars anyone from disrupting a lawful meeting by doing anything that “obstructs or interferes” with the meeting, or by making “any utterance, gesture or display which outrages the sensibilities of the group.” Disruptions of religious worship, including virtual gatherings, already are subject to higher-level misdemeanor charges. Under HB 662, the penalty would be raised to a Class 5 felony.

In **Wisconsin**, legislators have sent a constitutional amendment (AJR 10) to voters that would prevent state and local governments from closing or forbidding gatherings in places of worship during any declared state of emergency (federal, state or local). This includes public health emergencies. Two bills in **Iowa** this year aim specifically to limit the powers of the governor (HF 2694 and HF 2710).



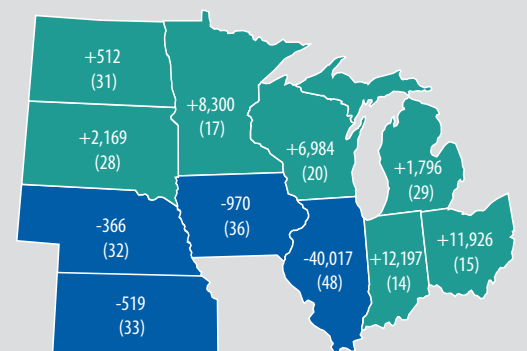
MORE COMING THAN GOING: MOST STATES IN REGION SHOW NET GAIN FROM DOMESTIC MIGRATION

For at least one year, the Midwest has reversed a longtime trend, with the region as a whole gaining population in 2025 due to domestic migration. In early parts of this decade, and in many years prior to it, the Midwest consistently lost people to other regions, especially the South and West.

“While the net domestic migration was a relatively modest 16,000, this is still a notable turnaround from the substantial domestic migration losses in 2021 and 2022 of 175,000 or greater,” notes Marc Perry, senior demographer at the U.S. Census Bureau. (Note: The bureau includes Missouri in the Midwest.) The most recent year-over-year federal data show that **Indiana, Michigan, Minnesota, North Dakota, Ohio, South Dakota** and **Wisconsin** had more people come to their state than leave due to the movement of people within the United States. Total populations also increased in every Midwestern state between 2024 and 2025.

For states wanting stable or increased populations, net domestic migration becomes increasingly important as the number of people coming from other countries declines. Nationwide, a historic drop in net international migration occurred between 2024 and 2025, with the United States gaining 1.3 million people. That compares to an increase of more than 2.7 million between 2023 and 2024. The third way states gain or lose population is through “natural changes”: births and deaths. In the Midwest, every state except Michigan and Ohio had more births than deaths between 2024 and 2025, according to the U.S. Census Bureau.

GAINS/LOSSES FROM DOMESTIC MIGRATION: 2024 TO 2025 (U.S. RANK)



Sources: U.S. Census Bureau and CSG Midwest calculations

STATES INVESTING MORE IN LITERACY COACHES TO IMPROVE STUDENT ACHIEVEMENT

by Tim Anderson (tanderson@csg.org)

As part of broader initiatives to bolster reading scores and overall student achievement, states are increasingly investing in literacy coaches. Some recent examples from the Midwest:

- Ohio's latest biennium budget (HB 96) includes \$12 million a year for deploying these coaches to K-12 districts and schools where proficiency in English language arts (based on state assessments) is the lowest.
- In Wisconsin, a legislative agreement reached in June 2025 allowed for the launch of a new Early Literacy Coaching Program. With a \$9 million appropriation, the Department of Public Instruction is placing trained literacy coaches in schools across the state. Statutory language (AB 321 of 2023) calls for one-half of these coaches to be assigned to schools with low levels of reading proficiency and high student achievement gaps.
- Gov. Gretchen Whitmer is proposing to fund additional literacy coaches in Michigan, a state where this educational strategy has been increasingly used ever since a "Read by Third Grade" law was passed in 2016. Whitmer's new budget calls for spending an additional \$10.5 million on literacy coaches, which are employed by Michigan's intermediate school districts. Her

vision: Total state funding for literacy coaches reaches \$52.5 million, enough to hire 420 coaches across the state's 56 intermediate school districts. Less than a decade ago, Michigan had fewer than 100 coaches.

What is the role of instructional literacy coaches? How can they improve student achievement?

Casey Taylor, senior policy director of literacy at ExcelinEd, describes the coaches as individuals professionally trained in the science of reading and evidence-based instructional practices, as well as equipped with an understanding of state education standards and the principles of adult learning. They are then deployed to schools, collaborating with teachers inside and outside the classroom.

"We perceive instructional literacy coaching to be a job-embedded approach to professional learning," Taylor says.

"So coaches spend time in classrooms working with teachers. They may at times work with students to model for a teacher. They might co-teach. They also might observe a teacher and provide feedback and reflective conversation. They might use data to guide conversations."

'CORE INSTRUCTION' IMPROVES

In the Midwest, Taylor says, Ohio

has one of the longest-running investments in literacy coaches, while Indiana has perhaps the most extensive program in place — due to a mix of new state laws and a public-private partnership with the Lilly Endowment.

That partnership has led to a \$170 million investment in early literacy, with much of it centered on instructional coaching for early-grade elementary teachers.

The Indiana Literacy Cadre (a collaboration between the state and the University of Indianapolis) embeds instructional coaches in schools to help educators learn and use evidence-based practices. Indiana also is requiring (or will soon require) all instructional coaches, along with early-childhood, elementary and special-education teachers, to have an endorsement in early literacy.

Other state approaches to improving literacy include strengthening teacher preparation, requiring universal screenings to identify students at risk of falling behind, fostering parental involvement, and funding interventions and tutoring.

All of these approaches have value, Taylor says, but part of the power of instructional coaching is how many young people it can reach.

"If I invest in interventionists, they impact only the students they work with in that school; if I invest



in a literacy coach who works with a multitude of teachers, then I am improving practice in the core instruction of every student," she notes.

"And I should therefore be reducing the number of students who need intervention because I've got quality instruction happening for everyone."

The state of Georgia explored the impacts of its recent use of full-time literacy coaches, which were placed in 60 high-need elementary schools across the state during the 2024-'25 school year. The result: a 15 percent improvement in student reading after one year of implementation, with the strongest gains occurring in kindergarten.

"Literacy in Action" is the 2026 Midwestern Legislative Conference Chair's Initiative of Minnesota Sen. Mary Kunesch. In support of this initiative, CSG Midwest is developing a series of articles, policy resources and programming for legislators.

QUESTION | Do Midwestern states provide extra dollars in their school funding formulas for the instruction of low-income students by schools and districts?

Answer: Most states, both regionally and nationally, include in their formulas a poverty-based multiplier or allowance, a recognition of the need for additional resources to meet the needs of economically disadvantaged students. On average, the academic performance of these students is lower than that of their peers — as one example, persistent, significant gaps in reading and math scores exist across states and grade levels.

One common approach is to provide per-student supplemental funding: an addition to the base amount provided to districts in a state's school funding formula.

In **Kansas**, the weight is 1.484, meaning an additional 48.4 percent in state aid is provided for every at-risk student in a district. "At risk" is defined in Kansas statute as a student who is eligible for free school lunch or has an Individualized Education Program.

In a 2023 analysis of school funding across all 50 states, the group ExcelinEd found that weighted, supplemental funding for low-income students was highest in Maryland, at 1.91 per low-income student. It ranged in the Midwest from a high of 1.64 in **Indiana** to a low of 1.0048 in **Iowa**. (**South Dakota** was listed in the study as the only Midwestern state without a weighted formula.)

Another option is to set aside additional aid to districts with high concentrations of student poverty. Kansas' formula includes a second multiplier for districts or schools where 35 percent or more of the students are at risk. When 50 percent or more of the population is at risk, that second multiplier reaches 1.105.

Starting in FY 2024, **Michigan** legislators added an "Opportunity Index" to the school funding formula. Districts are placed in one of six "bands" based on their percentage of economically disadvantaged students. Weighted per-pupil funding goes up for higher-poverty districts.

Along with Kansas and Michigan, Indiana, **Minnesota** and **Ohio** have been identified by the nonprofit

research group EdFund as having "meaningful policies" to invest in concentrated-poverty school districts.

Indiana's funding formula includes "complexity grants," with amounts determined by each district's percentage of students whose families have received assistance from foster care services or from one of two public benefits programs. In fiscal year 2024, the complexity multiplier was \$3,983 per student.

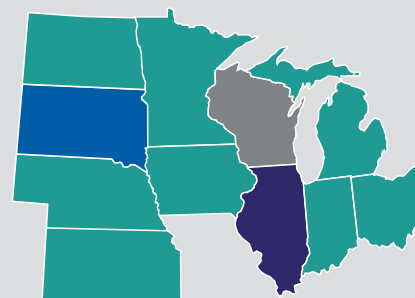
Ohio revamped its school funding formula in 2021. Among the changes was an increase in aid provided to districts based on their number of economically disadvantaged students — from \$272 per student to \$422. This base amount is part of the calculation for determining how much each district gets in Disadvantaged Pupil Impact Aid. A total of \$634 million in this aid was allocated to districts in FY 2025. State statute spells out how these dollars must be spent; allowable uses include mental health services, targeted academic interventions, extended school days and years, and school safety.

Minnesota provides compensatory revenue based on the number of students eligible for free or reduced-price meals or certain public assistance programs. The per-pupil amount is greater for districts with higher concentrations of poverty. Districts must direct the money for remedial or individualized instruction, truancy prevention, summer school, or other programs identified in state statute. Compensatory revenue for Minnesota school districts totaled \$901 million for the 2025-'26 school year.

In **Wisconsin**, the Achievement Gap Reduction Program aims to improve academic performance in elementary schools with high concentrations of low-income students. Close to \$110 million is spent every year through contracts with about 400 participating school districts, which use the funds to reduce class sizes, provide tutoring to students, and/or offer instructional coaching to teachers in the early grades.

According to the Education Commission of the States, **Illinois** is one of four U.S. states, and the only one

PRIMARY MODELS OF SCHOOL FUNDING



- Student-based: Districts receive a base amount of funding per student, plus supplemental dollars (via weighted formulas or other mechanisms) to serve students with unique needs
- Resource-based: Districts receive funding sufficient to pay for minimum required resources such as staffing, services or programs
- Hybrid: Resource- and student-based
- Other: State uses a tax-based, three-tiered equalization aid formula

Source: Education Commission of the States

in the Midwest, to employ a "resource allocation" model for the funding of students from low-income backgrounds. Each school district's staffing, instructional and resource needs — and the associated costs — are determined by the state. This calculation establishes an adequacy funding target and is based in part on the district's count of low-income students.

CSG Midwest provides individualized research assistance to legislators, staff and other government officials. This section highlights a question received by CSG Midwest. Inquiries can be sent to csgm@csg.org. This response was written by Tim Anderson, who can be reached at tanderson@csg.org.



Iowa Senate Majority Leader

MIKE KLIMESH

Former small-town mayor reflects on his rapid ascension within his caucus' leadership structure



Before becoming one of the top-ranking officials in the Iowa Senate, Mike Klimesh served over two decades as the mayor of Spillville — a city with a population of less than 400 people located in the northeast part of the state.

Every day, he learned, could bring with it a different task or require something new. “If I started off the morning and there was a slight improvement I could make to the city — whether it was helping my maintenance guy mow lawns or running a grant for our museum — I felt like I had achieved something that moved the needle and made Spillville a better place,” Klimesh says.

“My entire goal when running the city of Spillville, and I know this sounds kind of cliché, was to leave it better than I found it at the end of the day.”

He views his work today in Des Moines, as a lawmaker and legislative leader, in much the same way.

“Being a great public servant is doing things that don’t require the limelight to be shined upon you,” he says. “3.2 million Iowans look to the Legislature to pass policy that makes their lives better, and I approach the job with a serious tone.”

Klimesh first won election to the Senate in 2020 (after two unsuccessful House campaigns) and soon ascended to leadership positions, including serving as assistant majority leader and Transportation Committee chair starting in 2023 and then as majority whip.

Klimesh’s legislative peers tapped him as Senate Republican majority leader in September 2025.

In a recent interview with CSG Midwest, Klimesh shared the lessons he has learned from serving in local and state government, and provided insight on his caucus’ priorities for the year ahead. *Here are excerpts, with questions and answers lightly edited for clarity and brevity.*



“Being a great public servant is doing things that don’t require the limelight to be shined upon you.”

Q: Could you describe how your previous experience as a small-town mayor guides how you approach your role as a state lawmaker?

A: As mayor of a small community, you find yourself doing several things. You find yourself filling in for the maintenance guy when he’s out sick. You find yourself wrangling a budget and working with city employees. I think that perspective of local government experience, of serving on several county boards as a result of being mayor, helps to give you some institutional knowledge of how state government can affect local government.

Q: You quickly moved up the ranks of leadership since joining the Senate. What lessons did you learn along the way about earning respect and trust from your fellow members, as a legislative colleague and as a leader?

A: In addition to being mayor, I also ran a business for 30 years. ... Part of what drives me, and part of what drove me in business or even being mayor, was to learn as much as I can about any issue that’s in front of me. I’ve always been

somebody who wants to absorb as much knowledge as I can to help make good, informed decisions.

When I came into the Iowa Senate, I took that same approach. I would read literally almost every bill that was coming out of committee. I would definitely read every bill that went to the floor. I was able to add value in conversations, and my colleagues watched how I worked and realized that I’m very much an “in the weeds” kind of guy. Sometimes that works to my detriment, but most of the time it doesn’t.

I think they developed a level of understanding as to how I work. If Mike Klimesh is going to come in and write a piece of legislation, and he’s going to work through the channels, he’s put a lot of thought and energy into making sure that piece of policy was the best possible crafted policy that he could make. It was that work ethic that they saw.

It’s been very humbling to go from assistant majority leader to whip to majority leader in a five-year time frame. And I take that trust that my caucus and my colleagues have given me extremely seriously.

Q: You also led a multi-year effort that culminated last year in the enactment of a new law banning drivers from using mobile devices (unless they are in hands-free mode). Why did you seek this ban and what kind of effect do you think it can have?

A: As I traveled around the state — and I travel 3.5 hours from my district to the Capitol one way — I became really aware of how young drivers, and even older drivers, had their eyes fixed on their cell phone, texting and driving. If you look at the [automobile] accident rate in states, I want to say that Iowa posted the lowest vehicle fatalities in 100 years. I want to attribute a lot of that to the hands-free bill.

We want to do everything we can do to try to save lives on Iowa’s roads, and distracted driving is a huge problem. We want to give tools to law enforcement that make it easier for them to enforce. ... For six months [prior to the law going into full effect on Jan. 1], law enforcement officers could issue warning citations. That was designed to bring a level of awareness because it’s a habit, it’s a learned behavior, and we needed to find a way that we could ease people out of that.

Q: The final version of the “hands free” law exempted farm workers operating husbandry equipment. What was the rationale for that?

A: Iowa’s an [agriculture] state. Husbandry includes a large variety of vehicles traveling down the road. If it’s a tractor or if it’s a combine, the rate of speed for those vehicles is much less than a vehicle traveling down an interstate or highway. And most of that traffic is confined to our gravel road system. That was a compromise. That was something we could agree with, especially considering how important a part agriculture plays in Iowa’s economy.

Q: For the year ahead, what issues do you expect to be priorities for your caucus and the Legislature?

A: We’re focusing a lot of energy on property tax reform this year. We did a bill in 2022, and that bill actually had a sunset on it. So we want to continue the conversation [that began last spring]. Last year, we saw three different iterations of property tax reform come out of the Senate and the House. We didn’t finish the conversation last year, so that is one of the first conversations for this session.

Interview by Derek Cantù (dcantu@csg.org)

IOWA SENATOR MIKE KLIMESH

- Elected majority leader in 2025; first elected to the Iowa Senate in 2020
- Served as the mayor of Spillville, Iowa, for a total of 22 years
- Previously worked as the plant manager of a printing company
- 2022 graduate of CSG Midwest’s Bowhay Institute for Legislative Leadership Development
- Has a bachelor’s degree in political science from Luther College
- Lives in Spillville with his wife, Kate; they have one child



Indiana Senate Assistant Minority Leader

ANDREA HUNLEY

Classroom to statehouse: Former principal brings lessons in school leadership to new legislative role



PROFILE



As an educator, Andrea Hunley always strived to make long-lasting impacts: find ways of providing students with opportunities to develop learning skills that they can use beyond the classroom and throughout their lives.

During her two decades with Indianapolis Public Schools, Hunley taught high school English and eventually served as the principal of a K-8 school. Then, in 2022, she explored a new challenge, and a new way to make a difference in her community. She ran for a seat in the Indiana Senate.

"I saw [it] as another way to serve young people," Hunley says, "because all of the policies that [the legislature] makes have generational impact, whether that's impacting folks today or whether that's 10, 20, 30 years from now."

She won a crowded primary race and was victorious in that year's general election. In addition to regularly sharing her professional insights on proposed educational initiatives, Hunley has found success in co-sponsoring legislation related to foster care. An adoptee from the foster care system herself when she was younger, Hunley has helped pass legislation allowing teens in foster care to open checking accounts and has worked to extend a state tax credit program for foster care families.

Less than two years into her legislative tenure, Hunley's colleagues selected her to become the second-highest ranking member of the Senate Democratic Caucus. In a recent interview with CSG Midwest, Hunley shared how she has approached this role with an emphasis on belonging and reflection, while also providing insights on caucus priorities for 2026. *Here are excerpts, with questions and answers lightly edited for clarity and brevity.*

Q: How does your previous experience as an educator influence your approach to state education policy?

A: I enjoy being on the [Senate] Education Committee, and I enjoy getting into the weeds on policy about education. ... But, if I could have my way, we wouldn't make changes to state education policy for a while.

The majority of the bills that pass about education are changing something — starting a new initiative, a new training requirement, new curriculum requirements. Educators can't catch their breath because there are so many changes happening all the time, and it takes time to implement a change to see if it's working.

Q: What lessons in leadership that you learned as a school principal are you able to incorporate into your current role as a legislative leader?

A: Educators, teachers and administrators focus on solutions. We identify the problem and determine the solution, and then work collaboratively to get there. That's the exact same energy and ethos that I bring into the statehouse, where I want to look at [finding] solutions and work with my colleagues, on both sides of the aisle, to collaborate and make sure that we can get something done.

We know, too, as educators, that all the work we do is relational. It's about

understanding where people are at and where they're coming from and listening. It's the same way in the statehouse, especially here in Indiana, where everyone seems to know everybody.

Q: How do you build those relationships and create that kind of positive culture in a legislative setting?

A: I really work hard to make this space a little more personal. It's hard because we're a part-time legislature, which I think has a lot of benefits, but everyone is running in from their other jobs or they're thinking about what's going on back home in their districts. It's just so busy.

One of the things that I've worked to do in my role as assistant leader is to help us take a moment to pause, to reflect, to thank each other, to slow down, to consider the work and the weight of the work.

I created an art installation in our caucus room [featuring] artists from across the state of Indiana. We brought in some fresh artwork that will help people slow down when we're in this space, but also make it feel very different because the work we do is hard. And we've got to care for ourselves so that we can care for our constituents.

Q: You have been a prominent voice in speaking out against acts of sexual harassment, including in the legislature

“All of the policies that the legislature makes have generational impact, whether that's impacting folks today or whether that's 10, 20, 30 years from now.”

Q: How are you and others trying to address some of the changes in culture that you think need to be made?

A: What has changed is how things are being implemented, and the conversations that are happening around it. For example, our [mandatory] trainings have become more interactive. It's not just clicking through a slide deck or watching a video. It's actually working through scenarios in small groups to discuss what's the most just outcome or if something qualifies as sexual harassment or inappropriate behavior. That helps to change culture. ...

In terms of changes that I would like to still see, we don't have a way to anonymously report, and we also do not have a guarantee of privacy or anonymity when someone does come and brings forth a report.

We're also not required to seek outside counsel. Should someone bring a complaint to the Ethics Committee, the committee is made up of members of the legislature. I think it would be very hard for someone to bring a complaint against a legislator — going in front of a panel of their own peers to determine what the outcome should be or what

any potential consequences should be. I believe [outside counsel] should be a requirement.

Q: Could you describe what issues you and your caucus are prioritizing?

A: We have real needs around child care, our health care, affordable housing. And utility bills are just skyrocketing. Our caucus has priority bills in each of those four areas.

For my district, specifically in the health care space, I've got our largest health care provider [Indiana University] Health, I have the largest medical school at IU-Indianapolis, and I have Eli Lilly as well as Anthem headquartered here. ... That makes things challenging, but also it gives us a lot of opportunity to get the players around the table.

We're looking at maternal health challenges around providing doula supports and services to community health workers. We're tackling our policies on advanced-practiced registered nurses to make sure that they can work through the full scope of their licensure. And then also we're looking at how we can support those who utilize prosthetics and orthotics to make the costs cheaper or free.

Interview by Derek Cantù (dcantu@csg.org)



INDIANA SENATOR ANDREA HUNLEY

- Elected assistant minority leader in 2024; first elected to the Indiana Senate in 2022
- Previously worked for Indianapolis Public Schools as an English teacher and later as the principal of a K-8 school
- 2023 graduate of CSG Midwest's Bowhay Institute for Legislative Leadership Development
- Has bachelor's and master's degrees in education from Indiana University
- Lives in Indianapolis with her husband, Ryan, and their two children

IMPROVING CHILD WELFARE SYSTEMS IS GOAL OF NEW PARTNERSHIP, INCLUDING A POLICY WORKSHOP FOR LEGISLATORS THIS FALL

CSG Midwest is pleased to announce a partnership with Casey Family Programs that aims to help legislators improve child welfare policy as well as outcomes for young people and families.

As part of this collaboration, The Council of State Governments' Midwestern Legislative Conference will offer a policy workshop for the region's legislators during the latter part of 2026.

The interstate, binational MLC Health & Human Services Committee will host this event. This committee includes legislators from across the Midwest and is led by three officers: Illinois Rep. Anna Moeller and South Dakota Rep. Taylor Rehfeldt, co-chairs; and Iowa Rep. Brett Barker, vice chair.

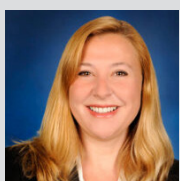


The workshop will be held sometime in November or December, though the exact dates and location had not yet been determined as of late February. A limited number of travel scholarships will be available for legislative participants.

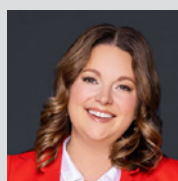
Please contact CSG Midwest's Tim Anderson, staff liaison to the HHS Committee, to receive workshop details and updates, as well to inquire about the availability of travel scholarships. He can be reached at 630.925.1922 or tanderson@csg.org. Updates also will be provided at csgmidwest.org.

Casey Family Programs is the nation's largest operating foundation focused on safely reducing the need for foster care in the United States. CSG Midwest has partnered with Casey Family Programs for several years, including co-hosting a 2024 policy workshop for legislators.

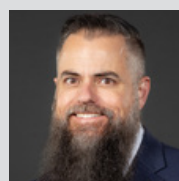
MLC Health & Human Services Committee



Illinois Rep. Anna Moeller, co-chair



South Dakota Rep. Taylor Rehfeldt, co-chair



Iowa Rep. Brett Barker, vice chair

NEBRASKA ADVANCES IN REENTRY POLICY HIGHLIGHTED BY CSG JUSTICE CENTER

In states across the country, through its work across party lines and branches of government, the CSG Justice Center assists state leaders in developing research-driven strategies that increase public safety and strengthen communities.

One of the center's signature projects is Reentry 2030, and one of the first U.S. states to join the initiative was Nebraska, in 2024.

What progress has been since then?

A CSG Justice Center report highlights Reentry 2030 successes from across the country, with Nebraska singled out because of its innovative programs to build entrepreneurial skills, expand peer support, and improve economic opportunity among justice-involved individuals. Nebraska also established the Reentry Continuity Advisory Board (LB 631 of 2024) to improve cross-agency collaboration, monitor the effectiveness of reentry services, and enhance outcomes for people returning home after incarceration.

Through Reentry 2030, the CSG Justice Center provide states with guidance on policy actions and technical assistance on best practices. Learn how your state can get involved and receive assistance at <https://reentry2030.org>, where the report on recent advances in Nebraska and other states also is available.



SAL KHAN, A GLOBAL PIONEER IN EDUCATION, WILL SPEAK AT TOP MEETING FOR MIDWEST LEGISLATORS

Join colleagues in landmark year for Midwestern Legislative Conference

One of the world's leading voices on education and the promise of technology will share his insights on the future of learning and literacy at this year's nonpartisan, binational Midwestern Legislative Conference Annual Meeting.

Sal Khan, the founder and CEO of Khan Academy, is an education visionary. His academy's videos have had more than a billion views and continue to deliver a free, world-class curriculum to anyone, anywhere.



Sal Khan, founder and CEO of Khan Academy

His goal is to remove barriers to education that have left more than 600 million children around the world lacking basic math and reading skills.

With the explosion of artificial intelligence, Khan sees an opportunity for states to use this powerful technology to revolutionize education while advancing math and reading literacy.

His keynote address for legislators will explore the future of personalized learning, state policy and AI.

Literacy is the focus of the 2026 MLC Chair's Initiative of Minnesota Sen. Mary Kunesch. Along with Khan's keynote presentation, other dynamic programming is being built around the initiative.

LEARN AND COLLABORATE IN SAINT PAUL

This year's MLC Annual Meeting is being held Aug. 30-Sept. 2 in Saint Paul, Minn.

Sen. Kunesch and her colleagues in the Minnesota Legislature are serving as hosts in this landmark year for the conference. Now in its 80th year, the MLC Annual Meeting brings together hundreds of state and provincial legislators

MLC Annual Meeting | 2026

- **When:** Aug. 30-Sept. 2 (week before Labor Day)
- **Where:** Downtown Saint Paul, Minn.
- **How to register:** csgmidwest.org
- **Why register:** Unique learning and networking opportunity for state and provincial legislators from across the Midwest; also open to legislative staff and other government officials
- **When to register:** Now, to get an early-bird discount (runs through June 30)



for four days of learning, collaboration and relationship building.

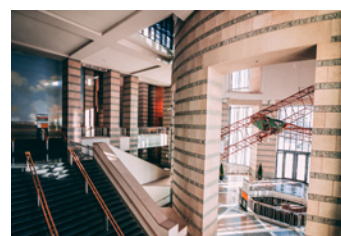
Meeting registration, as well as a preliminary agenda, is available at csgmidwest.org. Here is what to expect:

- Interactive policy sessions, a lineup of inspiring speakers and leading policy experts, professional development workshops, and learning tours around the Twin Cities;
- An evening to remember for all attendees and their guests at the beloved Minnesota State Fair, Family Night at the Minnesota History Center, and the State Dinner at picturesque Nicollet Island Pavilion on the Mississippi River; and
- Special daytime activities for the children, spouses and other adult guests of attendees.

2026 MLC Annual Meeting: Evening events and venues



Special Event at the Minnesota State Fair



Family Night at the Minnesota History Center



State Dinner at Nicollet Island on the Mississippi River

OTHER UPCOMING CSG EVENTS FOR STATE LEADERS

- ✓ **June 22-27:** National Transportation Stakeholders Forum | Austin, Texas
- ✓ **July 17-21** — Bowhay Institute for Legislative Leadership Development (BILLD) | Madison, Wis.
- ✓ **Aug. 21-25** — CSG Henry Toll Fellowship Program | Lexington, Ky.
- ✓ **Sept. 28-29:** Great Lakes-St. Lawrence Legislative Caucus Annual Meeting | Marquette, Mich.
- ✓ **Nov. 16-18** — Midwest Interstate Passenger Rail Commission Meeting | La Crosse, Wis.
- ✓ **Dec. 3-6** — CSG National Conference | Anaheim, Calif.

To learn more, contact CSG Midwest at 630.925.1922 and csgm@csg.org or visit csgmidwest.org and csg.org

The Council of State Governments was founded in 1933 as a national, nonpartisan organization to assist and advance state government. The headquarters office, in Lexington, Ky., is responsible for a variety of national programs and services, including research, reference publications, innovations transfer, suggested state legislation and interstate consulting services. The Midwestern Office supports several groups of state officials, including the Midwestern Legislative Conference, an association of all legislators representing 11 states (Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Nebraska, North Dakota, Ohio, South Dakota and Wisconsin) and the Canadian province of Saskatchewan. The provinces of Alberta, Manitoba and Ontario are MLC affiliate members.

ALUMNI NOTES: FROM BILLD TO NATIONAL AND REGIONAL LEADERSHIP

Participation in the BILLD program is a pathway to legislative leadership. This year, 20 graduates are serving in top leadership posts in their legislative chambers and more than 100 are chairs of various legislative committees. Graduates also often ascend to top positions in The Council of State Governments, which serves legislators and state officials in all three branches of state government.

Last year, Illinois Sen. Elgie Sims (BILLD Class of 2010) served as CSG national chair. This year, three BILLD Fellows are serving on the four-officer team of the CSG Midwestern Legislative Conference: Minnesota Sen. Mary Kunesh, MLC chair; Nebraska Sen. Brad von Gillern, MLC vice chair; and Indiana Rep. Ed Clere, MLC second vice chair.



Sen. Mary Kunesh,
Class of 2021



Sen. Brad von Gillern,
Class of 2023



Rep. Ed Clere,
Class of 2010

In addition, 20 program alumni help lead binational, interstate MLC committees and the Great Lakes-St. Lawrence Legislative Caucus — all of which receive staff support from CSG Midwest.

- Indiana Rep. **David Abbott** | BILLD Class of 2022 | vice chair, Great Lakes-St. Lawrence Legislative Caucus
- Ohio Sen. **Hearcel Craig** | BILLD Class of 2015 | co-chair, MLC Economic Development & Infrastructure Committee
- Nebraska Sen. **Wendy DeBoer** | BILLD Class of 2019 | vice chair, MLC BILLD Steering Committee
- Illinois Sen. **Laura Fine** | BILLD Class of 2014 | chair, Great Lakes-St. Lawrence Legislative Caucus
- Nebraska Sen. **Jana Hughes** | BILLD Class of 2023 | co-chair, MLC Education and Workforce Committee
- Minnesota Rep. **Fue Lee** | BILLD Class of 2019 | co-chair, MLC Fiscal Affairs Forum
- Nebraska Sen. **Teresa Ibach** | BILLD Class of 2024 | co-chair, MLC Agriculture and Rural Affairs Committee
- Wisconsin Sen. **Jesse James** | BILLD Class of 2021 | co-chair, MLC Corrections and Public Safety Forum
- Kansas Rep. **Jarrod Ousley** | BILLD Class of 2018 | co-chair, MLC BILLD Steering Committee
- Ohio Sen. **Susan Manchester** | BILLD Class of 2022 | co-vice chair, MLC BILLD Steering Committee
- Illinois Rep. **Anna Moeller** | BILLD Class of 2017 | co-chair, MLC Health and Human Services Committee
- Illinois Sen. **Laura Murphy** | BILLD Class of 2019 | vice chair, MLC Fiscal Affairs Forum
- Minnesota Rep. **Bernie Perryman** | BILLD Class of 2025 | co-chair, MLC Education and Workforce Committee
- Ohio Sen. **Michele Reynolds** | BILLD Class of 2023 | co-chair, MLC Corrections and Public Safety Forum
- Kansas Rep. **Mari-Lynn Poskin** | BILLD Class of 2022 | vice chair, MLC Education and Workforce Committee
- South Dakota Rep. **Taylor Rehfeldt** | BILLD Class of 2021 | co-chair, MLC Health and Human Services Committee
- Saskatchewan MLA **Erika Ritchie** | BILLD Class of 2022 | co-vice chair, MLC Energy and Environment Committee
- Iowa Sen. **Amy Sinclair** | BILLD Class of 2016 | co-chair, MLC BILLD Steering Committee
- North Dakota Sen. **Paul Thomas** | BILLD Class of 2022 | co-chair, MLC Agriculture & Rural Affairs Committee
- Kansas Rep. **Troy Waymaster** | BILLD Class of 2015 | co-chair, MLC Fiscal Affairs Forum

LEGISLATOR IN YOUR FIRST 4 YEARS OF SERVICE? APPLY BY APRIL 13 FOR A 2026 FELLOWSHIP

Held every summer, the five-day Bowhay Institute for Legislative Leadership Development is a signature program of The Council of State Governments' Midwestern Legislative Conference. More than 1,000 state and provincial legislators have taken part in BILLD since it began in 1995.

Fellows are selected through a competitive application process overseen by a bipartisan group of state and provincial legislators. The program is designed for legislators in their first four years of service. Applications are available at csgmidwest.org and due by April 13; the institute will be held July 17-21 in Madison, Wis.

WHAT TO EXPECT AT BILLD

Close to 40 legislators take part in BILLD every year. The five days of interactive programming includes policy sessions, leadership training and professional development workshops, as well as many other opportunities to network with and learn from legislative peers from across the Midwest.

Thanks in part to the sponsorship of BILLD by generous foundations and corporations (see below), there is no cost for legislators to take part in the training program. Travel stipends also are made available to participants.

Please contact CSG Midwest senior program coordinator Adam Diersing if you have questions about BILLD or the application process: 630.925.1922 or adiersing@csg.org.

NATIONAL LEADERSHIP TRAINING AT CSG

CSG also offers a national leadership program for legislators and other emerging leaders from

Key Dates in 2026

- **April 13:** Deadline to apply for a fellowship
- **May 15-16:** The CSG Midwestern Legislative Conference BILLD Steering Committee meets in Madison, Wis., to select the BILLD Fellows
- **July 17-21:** The BILLD program is held in Madison, Wis.

How to apply? Visit csgmidwest.org for the online application and details about the program



BILLD



all three branches of state government: the Toll Fellowship Program. It will be held Aug. 21-25 in Lexington, Ky.

Toll Fellows is designed as a "graduate" level program that complements BILLD and CSG's other region-based leadership training.

The application deadline is May 1. Information is available at csg.org.

THANK YOU TO THE EARLY 2026 SPONSORS OF BILLD

This list of early sponsors is as of Feb. 20. CSG Midwest continues to accept corporate, foundation and other sponsors for this year's Bowhay Institute for Legislative Leadership Development. Please contact CSG Midwest development manager Katie Kelly at kkelly@csg.org to learn about the benefits of supporting BILLD — the premier leadership training program for Midwestern legislators.

SILVER SPONSOR



BRONZE SPONSORS



PATRON SPONSOR

Electronic Payment Coalition

BILLD Steering Committee Officers | Co-Chairs: Kansas Rep. Jarrod Ousley and Iowa Sen. Amy Sinclair | Co-Vice Chairs: Nebraska Sen. Wendy DeBoer and Ohio Sen. Susan Manchester

Through the Bowhay Institute for Legislative Leadership Development, or BILLD, CSG Midwest provides annual training on leadership and professional development for newer state and provincial legislators from this region. This page provides information related to the BILLD program, leadership development and legislative leadership. CSG's Midwestern Legislative Conference BILLD Steering Committee — a bipartisan group of state and provincial legislators from the Midwest — oversees the program, including the annual selection of BILLD Fellows.

STATELINE MIDWEST

THE COUNCIL OF STATE GOVERNMENTS | MIDWESTERN OFFICE

80TH ANNUAL MEETING
MIDWESTERN LEGISLATIVE CONFERENCE

★ **Saint Paul** ★
MINNESOTA
AUG 30 – SEP 2, 2026

REGISTRATION IS OPEN



2026						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
August						
	24	25	26	27	28	29
30	31	1	2	3	4	5
MIDWESTERN LEGISLATIVE CONFERENCE			September			
6	7 LABOR DAY	8	9	10	11	12
13	14	15	16	17	18	19

REGISTER at csgmidwest.org/mlc26

STATELINE MIDWEST

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