



**The Council
of State
Governments**

2025 Legislative Recap

2026 Legislative Preview

Midwestern Higher Education Commission

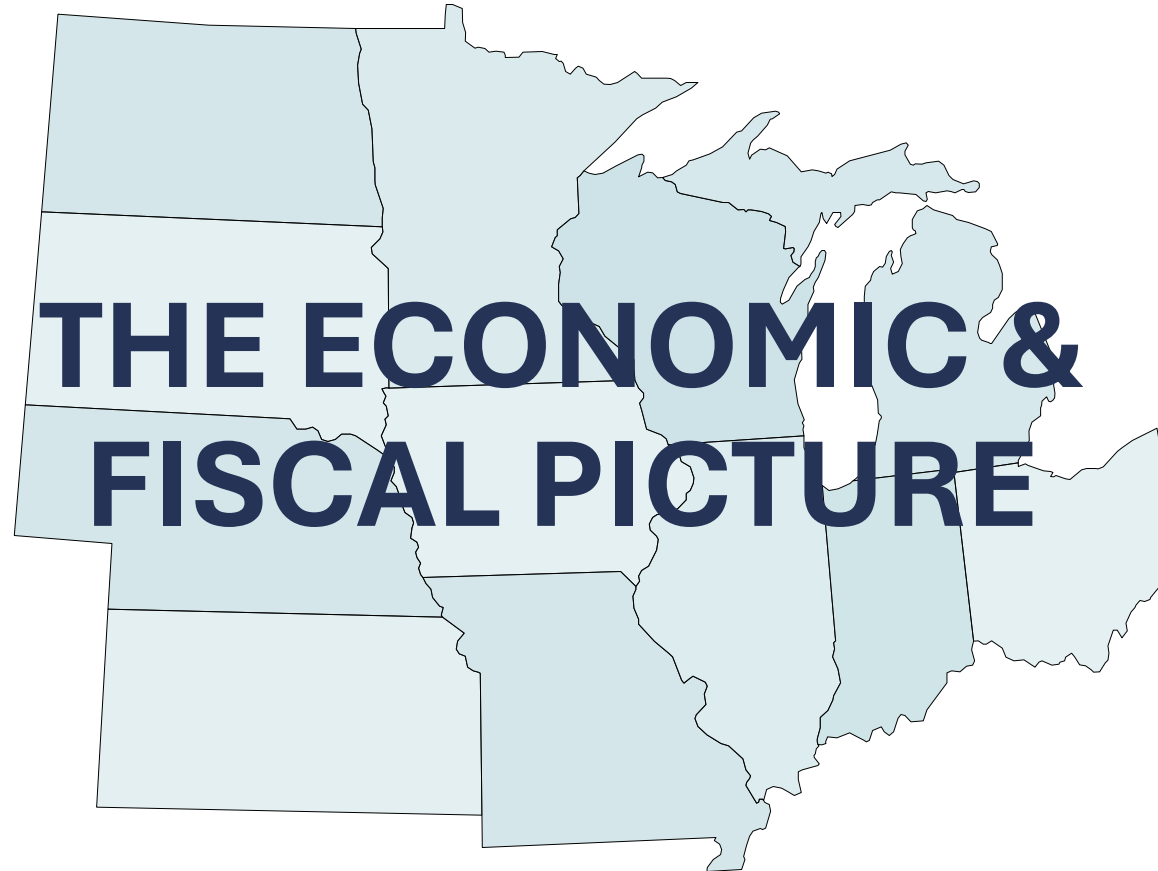
November 6, 2025

Cleveland, Ohio

LEGISLATIVE RECAP & LOOK AHEAD

TODAY'S PRESENTATION

- Fiscal/Economic Picture
- 2025 Midwest State Legislative Highlights
- 2026 Midwestern Elections Preview
- 2026 Legislative Preview – Issues to Watch in the Midwest



THE ECONOMIC & FISCAL PICTURE

THE ECONOMY | MIXED SIGNAL

STRENGTHS

- 3.8% GDP (rising)
- Consumer spending
- Recent interest rate cuts
- Stock market

WEAKNESSES

- Job growth slowing; unemployment ticking up
- Inflation rate: remains elevated (3.0%)
- Personal Income growth flattening
- Consumer confidence softening
- Bond market

STATE BUDGETS/FINANCES

During Fiscal Year 2025

- Temporary pandemic-era surpluses continued to unwind
- Revenue growth began to slow
- Some states needed to address deficits by the end of the fiscal year; others had positive (but lowered) year-end balances

Result: Legislators approached FY 26 budgets cautiously

STATE BUDGETS/FINANCES

Fiscal Year 2026 Budgets

- Revenue growth: lower expected growth (~ 1% compared to 2.4% growth in 2025)
- Spending: Lower average spending (expected: ~ 0.6% less than 2025)
- Agency requests: More stringent (some were asked to submit flat budget or cuts)
- Surpluses: Shrinking (leveling out after post-pandemic record surpluses); still strong, providing a cushion in the event of a downturn

STATE BUDGETS/FINANCES

Contributing to future economic uncertainty

- Tariffs and global trade changes and uncertainty
- Length and impact of Federal shutdown

Outlook for 2026: caution and constraint amid uncertainty

- States are and will continue to be challenged by: slowing revenue growth; pressure from the higher cost of Medicaid and other federal cuts; general economic uncertainty
- Bolstering point: Many states remain in a strong position due to built-up reserves (receding, but higher than in the past)

A light blue map of the Midwest region, including Minnesota, Wisconsin, Illinois, Michigan, Indiana, Ohio, and Missouri. The text "2025 LEGISLATIVE SESSION HIGHLIGHTS" is overlaid in a bold, dark blue font.

**2025
LEGISLATIVE SESSION
HIGHLIGHTS**

MIDWEST LEGISLATURES: TOP ISSUES

TAXES | PROPERTY TAXES

- Tax caps
- Tax credits
- Exemptions
- Levy Limits
- Discontinuation of levies

MIDWEST LEGISLATURES: TOP ISSUES

TAXES | OTHER TAXES

Decreases

- Income tax decreases
- Tax reduction trigger
- Sales tax exemptions
- Tax deductions
- Capital gains

MIDWEST LEGISLATURES: TOP ISSUES

TAXES | OTHER TAXES

Increases

- Tobacco taxes
- Taxes on cannabis
- Short-term rentals
- Repeal of tax exemptions

MIDWEST LEGISLATURES: TOP ISSUES

WORKERS/EMPLOYMENT

- **Worker leave/time off**
 - Parental leave
 - Neonatal intensive care leave
 - Paid leave
 - Rest breaks:
 - Paid sick leave: Nebraska narrowed coverage and eligibility
 - Earned sick time

MIDWEST LEGISLATURES: TOP ISSUES

WORKERS/EMPLOYMENT

- Schedule minimum wage increases (2025 scheduled/phased in)
- Ohio Mini-Warn Act

MIDWEST LEGISLATURES: TOP ISSUES

Gender Issues

- Gender transition medical treatment /procedures
- Transgender athletes
- Bathroom bill
- Gender identity as a protected class;
- Gender identity instruction

MIDWEST LEGISLATURES: TOP ISSUES

K-12 EDUCATION | CURRICULUM

- U.S. Civics Requirement
- Evidence-based math instruction
- Science of reading curriculum
- Fetal development presentation required as part of related course

MIDWEST LEGISLATURES: TOP ISSUES

K-12 EDUCATION

- Universal meal program
- School choice/charter schools
- Education Savings Account (ESA)

MIDWEST LEGISLATURES: TOP ISSUES

EDUCATION | CELL PHONE USE IN SCHOOLS

- Bell-to-bell ban
- Class/instruction time restriction
- Alternatives to statewide mandates (non legislative)

MIDWEST LEGISLATURES: TOP ISSUES

HIGHER EDUCATION

- Hazing
- Concealed carry allowed on campus
- Faculty strikes
- Post-tenure review
- DEI training, programs, offices restricted or banned: Indiana, Iowa, Ohio (bill pending in Wisconsin)

MIDWEST LEGISLATURES: TOP ISSUES

Elections/Political Campaigns

- North Dakota: Criminalization of deceptive political ads
- South Dakota banned the use of AI deepfakes to influence elections

MIDWEST LEGISLATURES: TOP ISSUES

TECHNOLOGY/ARTIFICIAL INTELLIGENCE

- **AI-Generated content regulations**
 - Criminalization of AI-generated sexual material
- **Online/Social Media child protections**
 - Age verification
 - Online Design Code
 - Algorithmic discrimination
 - Parental Rights
- **AI in Education**

MIDWEST LEGISLATURES: TOP ISSUES

OTHER ISSUES

Health Care costs and access

Pharmaceutical; PBMs

Data Centers: regulation; siting

Public Safety

Kansas-Missouri Border War over stadium funding/attraction

Lab-grown meat restrictions, bans, and regulations

Energy, including revisiting nuclear energy

Infrastructure and transportation

MIDWEST LEGISLATURES: TOP ISSUES

MID-DECADE REDISTRICTING OF CONGRESSIONAL SEATS

- **OHIO:** required to do so because original maps did not receive bipartisan support
- **MISSOURI:** Special session (Sep) – being challenged with a pending court case and possible voter referendum on 2026 ballot
- **INDIANA:** Special session scheduled for December
- **KANSAS:** has the signatures and support (possibly later this month)
- **ILLINOIS; NEBRASKA:** some expressed interest; less likely

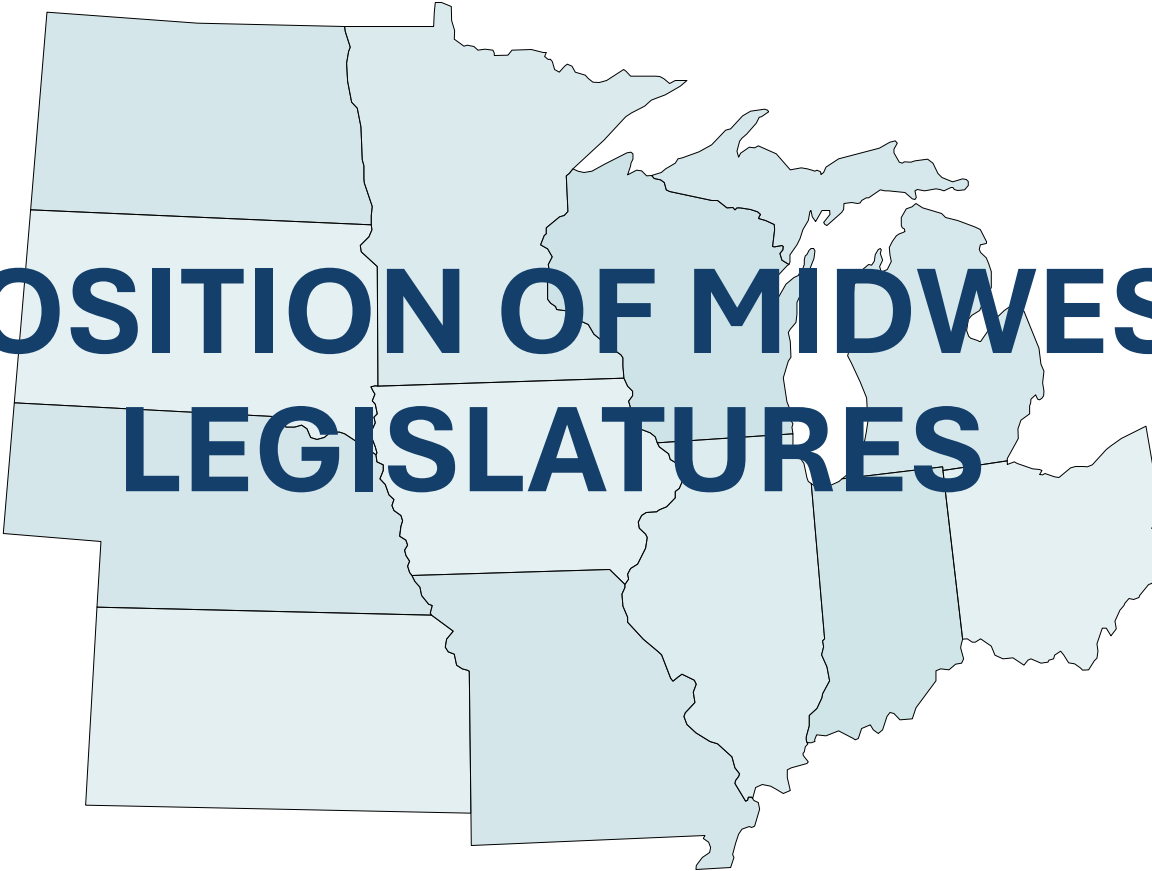
2025 LEGISLATIVE SESSIONS

STATES STILL IN SESSION

Michigan, Ohio, Wisconsin (regular session); **Illinois** (veto session)

SPECIAL SESSIONS

- **MINNESOTA:** one-day special session to complete budget bills (June)
- **MISSOURI:**
 - June: stadium financing
 - September: Redistricting
- **Indiana:** Redistricting (December 1)
- **Kansas:** possible in November (mid-decade redistricting)
- **North Dakota:** to appropriate \$500 million in federal Rural Health Transformation Program (possible)

A light blue map of the Midwestern United States, showing the outlines of the states: North Dakota, South Dakota, Nebraska, Kansas, Minnesota, Iowa, Missouri, Arkansas, Louisiana, Wisconsin, Illinois, Indiana, Michigan, Ohio, and Pennsylvania. The text "COMPOSITION OF MIDWESTERN LEGISLATURES" is overlaid in a bold, dark blue font.

COMPOSITION OF MIDWESTERN LEGISLATURES

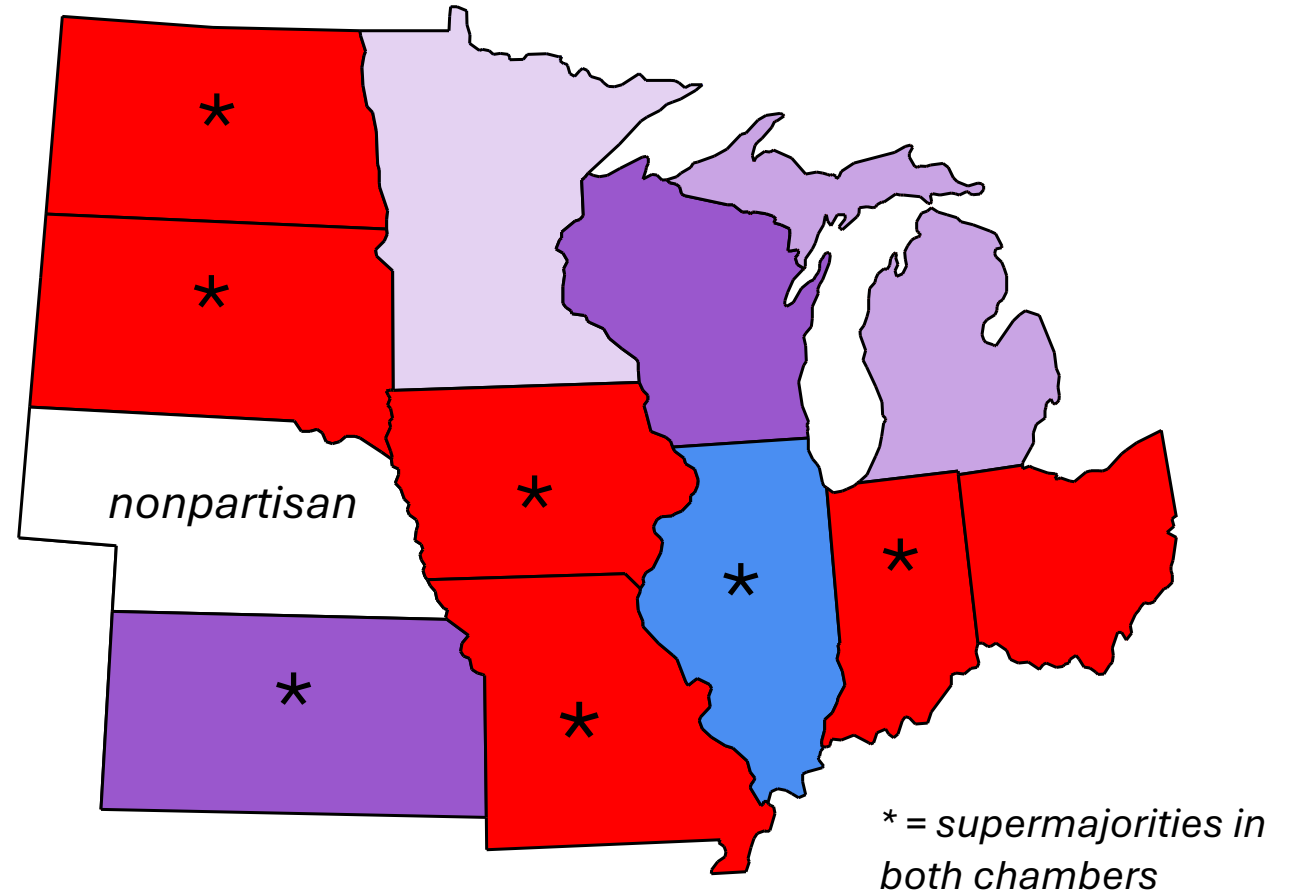
PARTISAN CONTROL IN MIDWESTERN STATES 2025

Executive/legislative control

- **Unified control (7 states)**
 - Republican: IN, IA, MO, ND, OH, SD
 - Democrat: IL
- **Split party control**
 - KS & WI (Republican legislatures with Democratic governors)
 - MI (Democratic Senate and Governor; Republican House)
 - MN (Democratic Senate and Governor; Tied House)

Control by chamber

- Republicans: 17 chambers (+ 1 tie)
- Democrats: 4 chambers



MIDWESTERN STATE PARTISAN CONTROL

(seat advantage for the majority party)

State	House	Senate	Governor
Illinois	D (+38)	D (+21)	D
Indiana	R (+40)	R (+30)	R
Iowa	R (+34)	R (+16)	R
Kansas	R (+51)	R (+22)	D
Michigan	R (+6)	D (+1)	D
Minnesota	R-D tie	D (+1)	D
Missouri *	R (+56)	R (+14)	R
Nebraska	-----	NP	R
North Dakota	R (+70)	R (+37)	R
Ohio	R (+32)	R (+15)	R
South Dakota	R (+57)	R (+29)	R
Wisconsin	R (+9)	R (+3)	D

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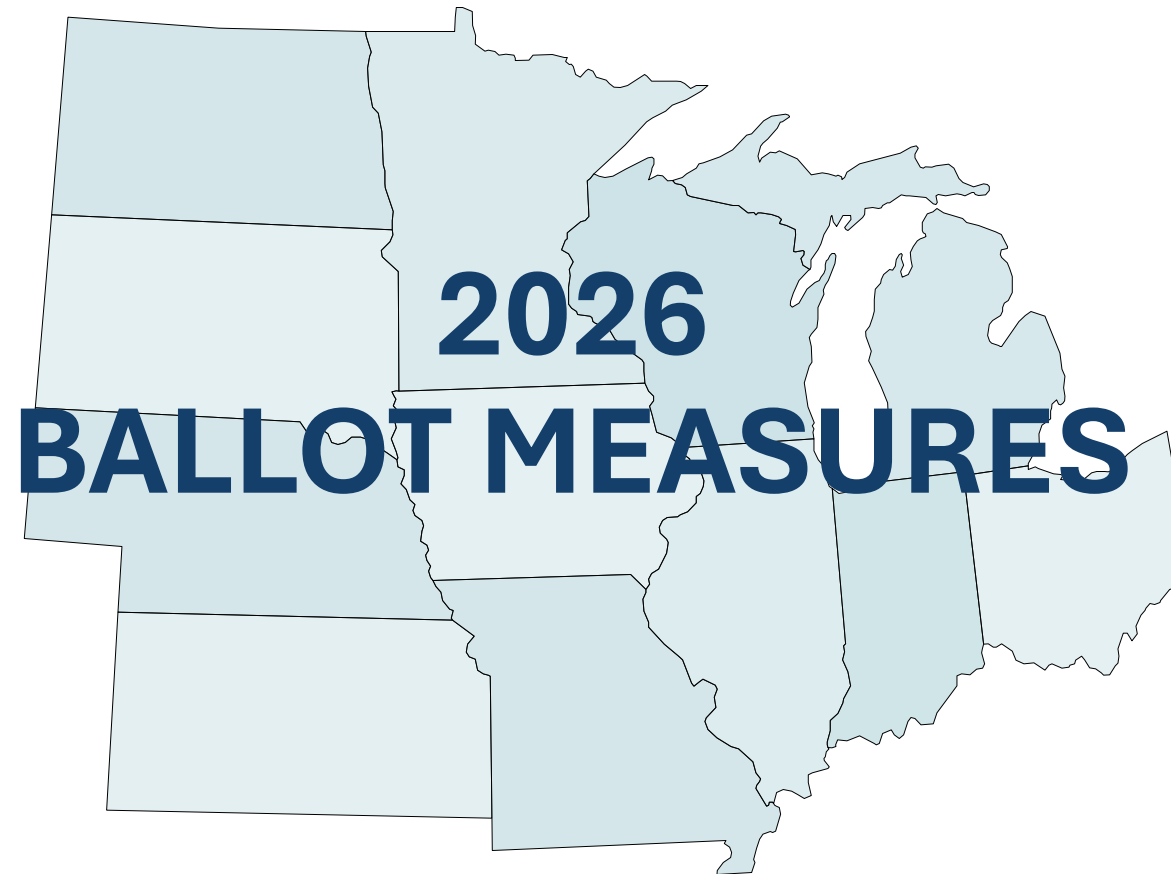


MIDWESTERN STATE GUBERNATORIAL ELECTIONS ~ 2026

9 Midwest governors up for election in 2026

- Four incumbents are running for re-election
- Five governors are **not** running for re-election
 - ** *Not eligible to run (4)*
- Three gubernatorial offices not up for election in 2026

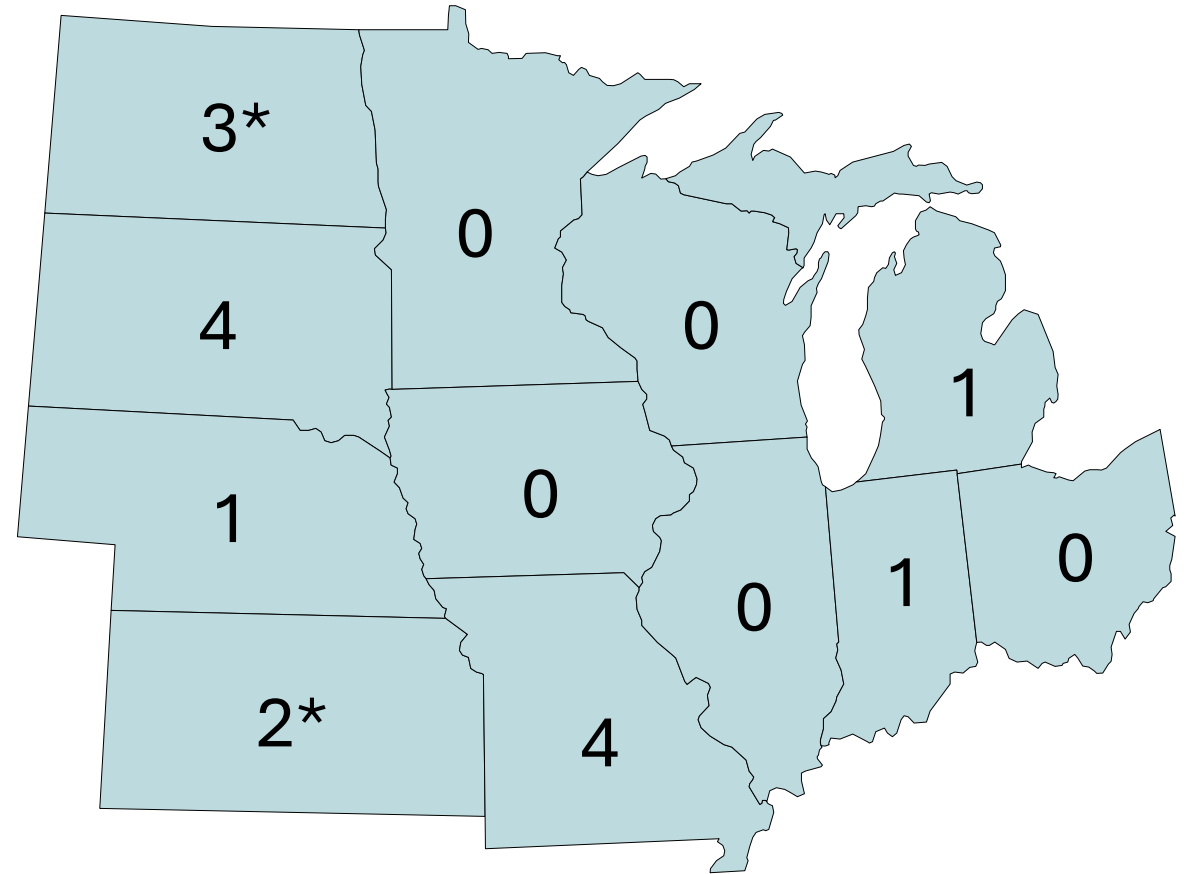
State	Governor	Governor
Illinois	JB Pritzker	D
Indiana	Mike Braun	R
Iowa	Kim Reynolds	R
Kansas	Laura Kelly **	D
Michigan	Gretchen Whitmer **	D
Minnesota	Tim Walz	D
Missouri	Mike Kehoe	R
Nebraska	Jim Pillen	R
North Dakota	Kelly Armstrong	R
Ohio	Mike DeWine **	R
South Dakota	Larry Rhoden	R
Wisconsin	Tony Evers **	D



CERTIFIED BALLOT MEASURES – 2026

As of October 31, 2025:

- Nationally: 56 certified statewide ballot measures in 28 states
- Midwest: 16 certified statewide ballot measures in 7 states; another potential 50 ballot measures



* One measure on the primary ballot; others on Nov 3 ballot

BALLOT MEASURES – MIDWEST STATES 2026

Elections/Electoral System/Government

- **Indiana:** residency requirement for city/town judges
- **Kansas:** Make Supreme Court justices an elected office
- Restrict voting eligibility to U.S. citizens only (**Kansas; South Dakota**)
- **Missouri:** Require a majority of voters from each congressional district to approve an initiative measure
- **North Dakota:** Single-subject rule for ballot measures
- **Michigan:** Hold a state constitutional convention

BALLOT MEASURES – MIDWEST STATES 2026

Legislative Term Limits

- **Nebraska:** Change term limits from two consecutive four-year terms to three consecutive four-year terms
- **North Dakota:**
 - extend term limits to four complete terms (or 16 years);
 - repeal a prohibition on the legislative assembly from proposing constitutional amendments related to term limits

BALLOT MEASURES – MIDWEST STATES 2026

Potential ballot measures

- Require a 2/3 vote in both chambers to increase individual or corporate income tax (Iowa)
- Property tax cap (Kansas)
- Establish public education as a fundamental right (Missouri)
- Proportional voting (Missouri); ranked-choice voting (Michigan)
- Winner-take-all Electoral College system for presidential election (Nebraska)
- Voter ID (Ohio)
- Limit on gubernatorial veto power (Wisconsin)
- Recreational marijuana (Nebraska)

Recommended resource: [Ballotpedia.org](https://ballotpedia.org)

A light blue map of the Midwest region, including Minnesota, Wisconsin, Illinois, Michigan, Indiana, Ohio, and Missouri. The text "2026 LEGISLATIVE SESSION PREVIEW" is overlaid in dark blue, bold, sans-serif font. The year "2026" is positioned above "LEGISLATIVE SESSION", which is above "PREVIEW".

2026
LEGISLATIVE SESSION
PREVIEW

KEY ISSUES TO WATCH – 2026 LEGISLATIVE SESSIONS

Budgets

- Responses to the tightening economy; residual from the federal shutdown; further changes to federal programs/funding; potential shortfall/deficits

Taxes

- Tax relief efforts (especially property taxes); shifting tax burdens (which taxes? who pays?)

Artificial Intelligence

- Regulation (privacy; protections against harmful use)
- Application in state government

KEY ISSUES TO WATCH – 2026 LEGISLATIVE SESSIONS

Health Care

- Cost; access; Medicaid; prescription drugs
- Rural health; telehealth
- Mental health; addiction

Education

- School safety; cell phone use; Student mental health
- Curriculum modernization (tech/computing/coding; evidence-based instruction)
- Funding; Choice/Charters

KEY ISSUES TO WATCH – 2026 LEGISLATIVE SESSIONS

Infrastructure

- Aging roads/bridges (funding); transportation systems; housing

Water quality and use

- PFAS; nitrate pollution; water demands of data centers

Data Centers

- Strain on energy grid; water use; siting; growth of (as economic development)

Energy

- Grid capacity and reliability; renewable standards; nuclear revival

CSG MIDWEST UPCOMING WEBINARS

UPCOMING WEBINARS

- ***Keeping Kids Safe at School | November 13***
- ***Growing Water Uses in the Great Lakes Region | November 21***
- ***Paths to Property Tax Relief: Policy Options for States | November 24***
- ***Helping Victims of Crime: The Policy and Funding Role for States | November 25***



CSG MIDWEST UPCOMING EVENTS



CSG 2025 National Conference

Chicago, Illinois

December 9-13



80th Annual Midwestern Legislative Conference

Saint Paul , Minnesota

July 29-September 30, 2026

THANK YOU!

THE COUNCIL OF STATE GOVERNMENTS MIDWESTERN OFFICE

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*80th Annual Meeting of the Midwestern Legislative Conference
August 30 – September 2, 2026 | Saint Paul, Minnesota*

