



Indiana Department of Education

Dr. Katie Jenner, Secretary of Education

To: Chad Ranney, State Budget Director

From: Katie Jenner, Secretary of Education

DATE: June 30, 2025

Subject: Fiscal Year 2026 Strategic Spending Reduction Plan

The Indiana Department of Education (IDOE) maintains a proactive approach to financial planning which prioritizes sustained, strategic investments in areas that are leading to the greatest return on investment, all while being good stewards of taxpayer dollars. This strategic approach optimizes the use of available resources, and ultimately, ensures we are able to continue to invest in what matters most for Indiana students.

FY2026 Reserve Target

IDOE received a \$30M, or 8.2%, reduction in total General Fund support in FY2026 when compared to FY2025 funding levels. This reduction includes an administrative funding reduction of \$3.44M, or 15%, from FY 2025, including a \$2.38M reduction to administrative support appropriations, as well as a \$1.06M operating reserve.

Cost Savings and Staffing Plan

To achieve its reserve target, IDOE is focusing on streamlining operations and reallocating funds where they can be most effective. By reducing administrative overhead and adjusting staffing levels, the agency is working to balance funding reality with ongoing needs. Additionally, IDOE is reviewing other cost-saving measures, such as evaluating existing contractual obligations to identify savings opportunities, deferring hiring and removing specific unfilled positions, and minimizing travel expenditures to reduce discretionary spending. These steps help to preserve core functions, while minimizing unnecessary expenses.

	Savings
Reduction in Force	734,055
Unfilled Positions	1,233,618
Contracts	1,419,247
Other	59,789
	\$ 3,446,709

Financial Management Circular Compliance & Exceptions

IDOE continues to reinforce internal financial controls and ensure that all adjustments align with the expectations of all administrative partner agencies. With thorough oversight and transparent reporting, the agency is committed to maintaining fiscal integrity throughout this process. Any anticipated variations from the FMC will continue to follow the directives described within the



Indiana Department of Education

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FMC. We anticipate seeking to continue a waiver to the eCivis requirements in FMC 4.1 for a couple of our major programs, including special education.

In the rare case when IDOE must request exceptions to FMC policies to address specific operational challenges, requests will be thoroughly documented and justified, ensuring that deviations from standard financial guidelines are necessary and well-supported.

Open Contract Analysis

As part of IDOE's ongoing efforts to implement meaningful cost-saving opportunities, we have begun an agency-wide review of both existing special procurements and competitively bid contracts. By reviewing contracts and working within new guidelines to be set forth by the Indiana Department of Administration (IDOA), IDOE will be able to cut expenditures without compromising quality. Further, IDOE is actively working to identify opportunities to utilize philanthropic support to maintain important contracts, thus reducing the burden on our diminished federal and state resources.

Federal Funding Prioritization

Additionally, the agency is prioritizing federal funding over state allocations whenever possible, shifting reliance to grants and reimbursements that sustain operations without increasing the burden on state resources. As part of this effort, IDOE is maximizing the use of administrative dollars available through Title grants, the Individuals with Disabilities Education Act (IDEA), and other federal funding opportunities to offset operational costs. By strategically leveraging these resources, the agency aims to enhance financial efficiency while maintaining essential educational services.

Federal Grant Opportunities

As IDOE plans for FY2026, we remain committed to pursuing federal grant opportunities while taking a strategic and selective approach to renewals, prioritizing those that align with Governor Braun's long-term policy goals and ensuring that state-matching components are minimized to maintain fiscal responsibility. At the same time, IDOE must ensure compliance with state-funded maintenance of effort (MOE) requirements, guaranteeing that baseline funding levels are maintained to uphold program integrity and eligibility for federal support. By balancing these priorities, the agency seeks to optimize financial sustainability while continuing to comply with statutory requirements.

Anticipated Procurement and Technology Needs

While existing, open contracts are actively undergoing review, technology needs are being evaluated to determine cost-effective solutions, including investments in digital infrastructure



Indiana Department of Education

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and educational tools that will serve long-term institutional needs. Governor Braun's recommended budget included several new and existing technology initiatives, including an interactive advising tool to support Indiana's new high school diploma, as well as maintaining the state's first-ever educator supply and demand marketplace. These technology solutions support Governor Braun's key education policy objectives of transparently providing parents with the necessary information they need to make informed decisions about their child's education, and providing actionable, real-time data on Indiana's educator pipeline.

Capital Planning

IDOE is not a regular recipient of capital funds, nor does it have any intention of seeking capital funding in FY2026. IDOE is fully located in either the Statehouse or the Indiana Government Center North, which are maintained by the Indiana Department of Administration.

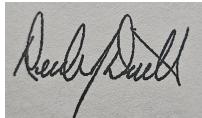
Conclusion

In summary, IDOE is working diligently to balance fiscal responsibility with the need for continued support of Indiana's educational priorities. With a focus on flexibility, efficiency, and strategic funding allocation, the agency is positioning itself for sustainable financial health while maximizing our impact for Indiana students.

Dr. Katie Jenner

Katie Jenner

Secretary of Education



Derek Deuth

Chief Financial Officer

Secretary of Education



State of Indiana

State Budget Agency
State House #212
Indianapolis, IN 46204
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Mike Braun, Governor

Chad Ranney, Director

Approved Fiscal Year 2026 Strategic Spending Reduction Plan

Agency Name: Department of Education

Pursuant to applicable state budgeting and financial management guidelines, the undersigned hereby affirm that the Fiscal Year 2026 Strategic Spending Reduction Plan submitted for the above-named agency has been reviewed and is approved for implementation. This approval signifies the plan submitted is in alignment with agency priorities, applicable legal requirements, and available funding levels.

Chad E. Ranney

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State Budget Director

Date: 9/8/25

Dr. Katie Jenner

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Secretary of Education

Date: 9/8/2025

Ensuring that Indiana's priorities are funded today and tomorrow.