

Insights

Take Five: 5 Things You Need to Know About Indiana Government - August 2025

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1. Potential Redistricting in Indiana

Hoosier lawmakers could return to Indianapolis sometime this fall to draw new Congressional maps, an extraordinary step prompted by calls from President Donald Trump and his allies to attempt to help elect more Republicans to Congress during next year's midterm elections. Maps are normally drawn every ten years after the census is conducted. However, Texas lawmakers recently convened to draw and adopt new Congressional districts that would likely result in a gain of five seats for Republicans, which then prompted California Democrats to do the same. Indiana is among several states now being targeted by President Trump and the national Republican Party for additional GOP gains. Republicans currently hold seven of the nine Congressional seats, but it's possible that new maps could result in the 1st District in Northwest Indiana and the 7th District in Indianapolis switching from blue to red. While some states have established commissions to draw Congressional and legislative maps, most states grant that authority to the legislature. And while both parties have gerrymandered districts in their favor throughout history, the idea of mid-cycle redistricting presents a relatively new political weapon.

More than 60 Republican lawmakers visited the White House on August 26th, where redistricting was discussed among a number of other topics that are priorities for the Trump Administration. House Speaker Todd Huston (R- Fishers) and Senate President Pro Tempore Rod Bray (R- Martinsville) met with President Trump in the Oval Office during the visit but did not divulge any details on the conversation. The leaders have not yet signaled their intentions regarding a special session.

Indiana Governor Mike Braun has the authority to call lawmakers back for a special session but so far has been noncommittal on his plans, noting that a special session could cost taxpayers more than \$150,000. If Governor Braun calls for a special session, any issue could theoretically be considered, including additional property tax reform and relief measures or general budget items.

2. FSSA Updates

The Indiana Family and Social Services Administration (FSSA) met on August 8, 2025 to provide their year-end and fourth quarter financial review for State Fiscal Year 2025. All six divisions within FSSA gave their financial review updates, discussed the scope of services provided under each, and detailed the fiscal pressures facing the state regarding many services.

Medicaid enrollment averaged nearly two million recipients in 2025, with expenditures coming in slightly below forecast. The 2025 Medicaid enrollment was the most stable state enrollment since State Fiscal Year 2019. However, the agency warned of looming cost growth in Medicaid, attendant care, and applied behavior

analysis therapy. FSSA's Secretary Mitch Roob emphasized the need to build a long-term sustainable system as program costs and use continue to accelerate.

FSSA's Division of Aging also presented a significant restructuring, consolidating the division under the new Bureau of Better Aging (BBA) to improve efficiency and oversight. The Bureau of Better Aging will now be supported through the Division of Disability Aging and Rehabilitative Services (DDARS). DDARS will be made up of the Bureau of Child Development Services (BCDS), the Bureau of Disabilities Services (BDS), the Bureau of Rehabilitation Services (BRS) and the BBA.

As more discussions around healthcare in Indiana unfold, stakeholders should anticipate continued debate on how to balance fiscal responsibility with access to care and support for all Hoosiers.

3. AI Policy Trends

Artificial Intelligence is a cutting-edge technological tool that changes daily, if not hourly. As with many sectors, policymakers are all over the map on their knowledge and embrace of AI. Right now, there is no comprehensive federal legislation or regulation in the United States that controls the development or the use of AI. Right or wrong, developers and users of AI systems will likely have to operate in an increasing patchwork of state and local laws if Congress does not create an acceptable standard. Currently, there are several states that have passed or introduced AI legislation. Congress is working on the issue, with the Congressional Research Service issuing a report on June 4, 2025 summarizing considerations and options for Congress, along with recommendations and summaries of international approaches. An example of such an international approach is the European Union's voluntary Code of Practice that was published in July 2025.

Indiana has also taken up the issue. An AI task force was established by Senate Bill 150 in 2024 and tasked with studying and making recommendations on the use of AI by state government agencies. The task force met twice in 2024 and began its second year of work in August 2025, focusing on issues like the responsible integration of generative AI and establishing policy and legislative recommendations. You can read the 2024 report of their work [here](#).

AI has the potential to make our lives much easier and faster, but there are caveats. Concerns exist including confidentiality of information, inaccurate results which are called hallucinations, and bias/fairness to name a few. Businesses, educational institutions, and governments are all struggling with how to utilize this tool while providing safeguards. It is going to take the coordination of decision-makers, legal advisors, and technology teams to determine the best use for you and your business, and to keep policymakers educated on the impacts of AI in every sector.

4. Indiana Economic Development Corporation

The Indiana Economic Development Corporation announced last week that venture capital company Elevate Ventures failed to meet the repayment terms associated with the Indiana Angel Network Fund, a program that Elevate operates under contract for the IEDC intended to help Indiana startup businesses. As a result, the IEDC has asked Elevate to provide a detailed financial plan outlining how it will meet its outstanding obligations and could require the company to settle all outstanding loans immediately. Elevate Ventures faced an August 2 deadline to repay \$17.2 million, but were only able to remit \$12.9 million.

The IEDC has already frozen all accounts involving Elevate Ventures. The most recent issues involving the company come months after Governor Braun ordered an independent audit of both the IEDC and Elevate Ventures due to concerns of impropriety, including potential conflicts of interest and self-dealing. The approach and practices of the IEDC were a frequent target of criticism by Governor Braun during his gubernatorial campaign, and he has since replaced the entire board of directors. No previous board members were accused of wrongdoing, but Governor Braun said that the new board will bring more transparency and more of a focus on growing Main Street Hoosier businesses.

5. Federal Update

Congress is currently wrapping up the traditional August recess, which allows members to return to their home districts and states for constituent outreach, campaigning, and vacation. When they return on September 2nd, the biggest issue that Congress will need to work on is spending bills for the coming budget year (FY 2026) that begins October 1st. They will have just four weeks to pass a budget or continuing resolution to avoid a government shutdown, along with any other business that they want to address.

Although Congress is in recess, the White House has been busy. As of August 25, 2025, President Trump has issued 196 Executive Orders (EOs) since January 20, 2025, including fifteen EOs since Congress recessed on August 4th. For a complete list of this year's EOs click [here](#). Stay tuned – expect more EOs and interesting budget discussions from Congress after Labor Day.

6. Mia Mencias Joins Krieg DeVault's Governmental Affairs Team

Krieg DeVault LLP is pleased to announce that Mia E. Mencias has joined the firm as a Governmental Affairs Specialist. Ms. Mencias will support the firm's Governmental and Public Affairs Practice Groups by directly lobbying members of the Indiana General Assembly and executive branch, engaging with officials at the local and federal levels of government, and providing legislative research, policy analysis, and strategic support to clients across a variety of industries.

Ms. Mencias brings valuable experience from her previous work with the Indiana State Senate, where she served as a Legislative Assistant supporting multiple State Senators and staffing key committees. Her background also includes legal support and compliance roles in both private and public-sector settings. She has experience managing legislative offices, tracking and analyzing legislation, preparing legal documentation, and serving as a liaison between government agencies and constituents.

Ms. Mencias holds dual Bachelor of Arts degrees in Political Science and Law & Society from Purdue University.

"We are excited to welcome Mia to our growing Governmental Affairs team," said Matt Norris, Chair of Krieg DeVault's Governmental Affairs and Public Affairs Practices. "Her hands-on legislative experience and academic background make her a strong asset to our clients and our firm."

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