



2013 LEGISLATIVE WRAP-UP

Regression Neutral Progress

ECONOMIC GROWTH: STATE & LOCAL ECONOMIC DEVELOPMENT

2013 LEGISLATIVE AGENDA

ACTION TAKEN

WHAT'S NEXT?

Local Incentives: Maintain flexibility of local incentives for economic and community development efforts.

Efforts to limit flexibility to respond to economic development projects and restrict the use of local incentives in both the House and Senate were defeated. HB1545 provides local governments more flexibility jump-starting commercial investments in designated economic revitalization areas.

Expect the issue to re-emerge in summer study committees and in the 2014 legislative session.

State Incentives: Maintain Indiana's economic competitiveness through the preservation and responsible use of existing state tax incentives.

SB162 increased transparency for IEDC's economic development activities while maintaining Indiana's competitive edge. Proposals to eliminate or defund critical state economic development incentives were defeated, many without even receiving a committee hearing. Efforts to expand current state incentives received bipartisan support with the passage of HB1545.

Even with the passage of SB162, some believe this issue did not go far enough. Expect this issue to re-emerge in 2014 with a renewed focus on local projects.

Innovation Investments: Increase Indiana's economic competitiveness by strengthening Indiana's assets in life sciences through the creation of the Indiana Applied Research Enterprise to accelerate commercialized innovation in our universities and life science companies.

The state made major strides in its commitment to the future of Indiana's life science sector by providing \$25 million seed funding for a Bioscience Research Institute, which is a perfect fit for 16 Tech.

Expect a big push by supporters to identify increased funding from private industry, academic and philanthropic institutions to see the plan through.

Motorsports Industry Development: Support efforts to increase development and promotion of our thriving motorsports industry.

The legislature created a Motorsports Investment District making possible significant upgrades to the Indianapolis Motor Speedway as well as \$10 million budget allocation to support the motorsports industry across the state.

Expect continued support of this industry which has 90 companies statewide, directly employing 23,000 Hoosiers.

ECONOMIC GROWTH: TRANSPORTATION, INFRASTRUCTURE & ENVIRONMENT

Mass Transit: Improve economic opportunity and workforce mobility through the strategic investment in a regional transit system.

HB1011 would have set up a regional governance structure and allowed for a referendum and enactment of up to .3% of local option income tax to fund the transit plan, was sent to summer study committee.

We will continue to work with members of the interim study committee to ensure the plan is fully vetted in advance of the 2014 legislative session.

Create a new, dedicated funding mechanism and regional governance structure to oversee the improvement and expansion of transit in the Indianapolis region.

The budget appropriated \$42.6 million to the Public Mass Transportation Fund to support transit systems across the state.

ECONOMIC GROWTH: TRANSPORTATION, INFRASTRUCTURE & ENVIRONMENT *continued*

2013 LEGISLATIVE AGENDA

ACTION TAKEN

WHAT'S NEXT?

Local Roads & Streets: Ensure adequate funding for local roads and streets, while maintaining equitable funding for urban and suburban areas.

Approximately \$215 million per year was directed to new road and highway funding.

Transportation funding is a perennial issue and will surely surface in the next budget session as local governments seek funding and greater flexibility in improving roadways.

Highway Infrastructure: Support adequate funding for expansion and maintenance of the state's highway infrastructure.

The biennial budget also appropriates \$400 million from the state general fund to a new Major Moves 2020 Trust Fund.

Water Infrastructure: Support statewide policy to ensure sustained economic opportunity through responsible use and allocation of water resources and the creation of a single-source regulatory process for management of water resources.

The proposed IURC review of extraterritorial water rates was successful ensuring there are fail safe procedures in place in order to remove the city's municipally-owned electric utility from the jurisdiction of the commission.

We will continue to work with legislators to drive home the importance of studying, understanding and smartly regulating water and energy.

Brownfields: Increase funding, minimize regulation and encourage investment in brownfields to aid economic development efforts.

No significant action was taken to address this issue throughout the state.

We will continue to advocate for increased funding for this issue which impacts large cities and small towns alike.

Energy Efficiency: Secure state incentives for business and local government investments in energy-efficient commercial and industrial rehabilitation and fleet management.

The Guaranteed Energy Savings Contracts bill was defeated which would have allowed a licensed architect to enter into a guaranteed energy savings contract with a local unit of government.

We will continue to monitor the progress of this issue which is expected to reappear in the 2014 legislative session.

COMMUNITY REDEVELOPMENT & INVESTMENT

TIF: Advocate for maximum flexibility for local governments to respond to redevelopment and economic development opportunities.

SB325, which would have severely restricted the flexibility of redevelopment commissions to respond to economic development and community redevelopment opportunities, was defeated, as was HB1521 which would have prohibited the use of TIF funds for projects outside of the designated TIF area.

Expect the authority of redevelopment commissions, the use of TIF dollars and the related transparency/performance reporting to be the focus of a summer study committee and eventual legislation in 2014.

Establish a schedule of performance reports to local governments and encourage the establishment of public online resources for tracking TIF performance metrics, funded by TIF revenue.

Land Bank: Establish self-sustaining, community-based nonprofit land banks to more efficiently redevelop blighted properties and return them to the tax rolls.

Strong efforts to create land banks throughout the state failed to move forward. SB433 established procedures by which a county executive may transfer properties that did not sell at a tax sale to a community-based nonprofit for repair and rehabilitation of the property, while HB1317 established a summer study committee on land banks and their impact on local tax revenue.

This issue will continue to gain momentum as communities look to more efficiently move abandoned and derelict properties back on the tax rolls.

COMMUNITY REDEVELOPMENT & INVESTMENT *continued*

2013 LEGISLATIVE AGENDA

Historic Rehabilitation: Increase funding of the State Historic Rehabilitation Investment Tax Credit program to encourage redevelopment and investment in aging commercial, industrial and residential properties.

ACTION TAKEN

Efforts to increase funding for the Historic Rehabilitation Tax Credit to \$2.5 million over two years and transfer responsibility for managing the historic rehabilitation program from DNR to OCRA were amended out of SB4 in the final days of the legislative session.

WHAT'S NEXT?

This issue will surface again as communities look for financing opportunities to rebuild historic commercial districts and save iconic structures throughout the state.

LOCAL GOVERNMENT & FISCAL POLICY

Government Modernization: Streamline overlapping government functions through statewide implementation of recommendations to increase accountability, transparency and effectiveness of local governments.

Absent proposals that made any significant changes, SB343 simplified the process for modernizing local government by eliminating the requirement that a local reorganization committee be formed to develop a reorganization plan and instead allowing the local legislative body to develop the plan.

Though efforts to modernize local governments have stalled at the state level, expect local governments to continue exploring current plans to modernize as the impacts of property tax caps are fully realized.

UniGov: Seek efficiencies in municipal service delivery and finance in Marion County by building on the principles of unified government including county-wide consolidation of fire departments.

SB621 made significant changes to the UniGov statute by giving the Mayor of Indianapolis more flexibility to address budget challenges through greater oversight and control of various city and county office and agency budgets. The bill also gave the Mayor more control over economic and community development efforts through a majority of appointments to the Metropolitan Development Commission. The bill, which saw the most pitched partisan battles of the session, also eliminated the four at-large seats on the City-County Council beginning in 2015.

The ramifications of this bill will be played out in the coming years at the local level.

Capital Project Reviews: Reduce redundancy and promote strategic capital investment in Marion County by allowing the comprehensive, local land use and building code review process to suffice for state review process.

No significant action was taken to address this issue.

We will continue to work with legislators and the Pence administration to address the costly and time consuming redundancy of obtaining state building permits.

Home Rule: Allow local governments greater flexibility over their own structural and fiscal matters while minimizing the burden of property taxes.

The legislature passed numerous bills and considered many more that strip local governments' flexibility and authority to address the structural and fiscal matters in their own communities.

Expect this issue to be at the forefront of future debates as local governments struggle to avoid drastic cuts to public services as a result of tax caps.

County Option Income Tax: Allow the creation of an incremental County Option Income Tax (COIT) that would remain in the county of employment.

No significant action was taken to address this issue.

This issue is not likely to gain traction without a broad coalition of counties impacted by a net immigration of workers who do not pay local income taxes where they generate their income.

EDUCATION & WORKFORCE DEVELOPMENT

2013 LEGISLATIVE AGENDA

ACTION TAKEN

WHAT'S NEXT?

Early Childhood Education: Support the development of publicly funded, outcome-focused, Pre-K programs as well as mandatory, fully-funded full-day kindergarten.

Early Education Evaluation Program (HB1004) passed, which establishes the early education evaluation program to gather data concerning the school readiness of low income children who have received early education services.

We will continue to advocate for the implementation of early childhood education as the long term effects are better understood.

Superintendent of Public Instruction: Support the appointment of the Superintendent of Public Instruction by the Governor to oversee Indiana's K-12 education system.

No significant action was taken to address this issue.

We will continue to push for this issue in the 2014 legislative session.

Collaboration: Encourage strategic utilization of state economic development training grants through greater collaboration between the Indiana Economic Development Corporation and the state's workforce agencies and higher education institutions.

Indiana Works Councils (SB465): Authorizes the Governor to establish regional works councils to create career, technical or vocational school curriculum that encourages students to pursue internships and apprenticeships that lead to industry certification, associates degrees or otherwise establishes a career pathway in high wage, high demand jobs.

Workforce development will continue to be a major issue in the state's economic development strategy.

Additionally, we will participate in any way possible to ensure that clear and accurate data is gathered to shore up our economic stability and growth in the state.

Indiana Career Council (HB1002): Established to coordinate the efforts of workforce and economic development agencies, K-12 and higher education institutions to address workforce development challenges.

Training 2000 (HB1170): Expanded IEDC's workforce training grant programs to include retraining and upgrading of skills of incumbent workers to support private capital investment. The program was further enhanced by a \$25 million allocation for the IEDC's Skills Enhancement Fund grants in the state budget.

Veteran Re-entry: Increase educational opportunities and create incentives for companies who hire returning veterans.

SB115: Creates a single point of contact to assist veterans entering the state's higher education system.

We anticipate this issue will remain in the forefront and we will continue to advocate for increased support and viable options for our veterans through education, training and business creation at the state and local levels.

SB177: Resident Tuition, allows veterans to qualify for in-state tuition within their first year of being discharged from the armed forces; regardless of resident status.

SB564: Matches the City of Indianapolis's three percent target for utilizing veteran-owned businesses for state contracts.

HB1486: Allows military trained emergency medical providers to be licensed by the state.

EDUCATION & WORKFORCE DEVELOPMENT

2013 LEGISLATIVE AGENDA

ACTION TAKEN

WHAT'S NEXT?

Ex-Offender Re-entry: Increases incentives for companies who hire ex-offenders.

Criminal Code: Modify state criminal code to allow low-level offenders to have alternate means of punishment which would allow them to remain employed.

Sentencing: Preserve judicial flexibility in sentencing guidelines to encourage education and training and address the disparity in sentencing.

HB1006 includes changes to the law concerning community corrections, probation, sentencing, probation funding, drug and alcohol program funding. It also creates a summer study committee to study recidivism in Indiana; criminal justice funding issues; study advisory sentences; and study the suspendibility of sentences.

HB1482 Specifies that minor and non-violent offenses can be expunged by the court.

We will continue to support the education, training and gainful employment of ex-offenders at both the state and local level.

Immigration Reform: Encourage federal leadership on immigration reform, while opposing piecemeal state solutions that create unfair employer policing responsibilities.

SB207 establishes exceptions to the law prohibiting undocumented immigrants from getting in-state tuition, as long as they were enrolled in a college or university in 2011.

We will continue to support similar legislation which addresses the need for a strong education workforce.

EDUCATION REFORM

Reform: Maintain and implement the recent legislative reforms in school choice and accountability and merit pay for teachers.

HB1338: Gives the Mayor of Indianapolis more authority to address educational choice and excellence in Indianapolis.

HB1003 - Significant expansion of the current voucher program to include siblings of children already receiving vouchers; those living in a district where the neighborhood school has an "F" grade and increased the qualifying income to 200% of poverty.

SB402: Establishes the principal institute within Indiana State University to strengthen leadership and management skills of practicing Indiana public school principals.

HB1005: Requires secondary schools to assess and remediate students who are not college or career ready, thereby reducing the fiscal impact upon entering post-secondary institutions and increase accountability of secondary institutions.

SB0189: Passed establishing performance-qualified school districts to provide flexibility in administration and instruction to school corporations and high schools that are placed in the highest performance and improvement category or designation on the "A-F" scale.

We will continue to measure the impact of recent reform and advocate for high educational standards and greater flexibility for the development of a greater education excellence.

We will continue to support efforts to provide children every opportunity to receive a quality education, regardless of zip code, through investment in traditional public schools, public charter schools and alternative means.

EDUCATION REFORM *continued***2013 LEGISLATIVE AGENDA****ACTION TAKEN**

Reform: Maintain and implement the recent legislative reforms in school choice and accountability and merit pay for teachers.

HB1427 - This bill, better known as the Common Core Bill, provides the state board of education to continue to implement parts of the common core that have been adopted while conducting a comprehensive evaluation of the common core standards. This bill also addresses the "A-F" grading scale, to designate performance based on the individual student academic performance and growth to proficiency in each school. The state board shall establish new categories or designations of school performance which must be based on a measurement of individual student academic performance and growth to proficiency and may not be based on a measurement of student performance or growth compared with peers.

HB1357: Provides that a superintendent of schools is not required to hold a teacher's or superintendent's license, but is required to have obtained at least a master's degree from an accredited postsecondary educational institution.

We support this as a way to get talented, high functioning people eligible to run school systems (under current law US Secretary of Education Arne Duncan couldn't serve as a school superintendent in Indiana). This comes on the heels of recent reform that make it easier for subject matter experts to become licensed teachers.