

Indiana Advisory Commission on Intergovernmental Relations

Thursday, October 19, 2000 Meeting, 2:00 p.m.

*Capital Center
Conference Center
201 N. Illinois St.
Indianapolis, Indiana*

MINUTES (DRAFT)

CALL TO ORDER

Chair Sheila Klinker announced that there was a quorum present (Attachment A) and called the meeting to order at approximately 2:15 p.m.

MEETING AGENDA

- Call to Order	Chair Sheila J. Klinker
- Approval of Minutes of 8/24/00	Chair Sheila J. Klinker
- Update on Census from Indiana Business Research Center	Carol O. Rogers
- Technical Corrections for Annexation Statute	Jamie L. Palmer
- Reminder about Local Government Survey Questions	Jamie L. Palmer
- Discussion of Future Commission Issues/Efforts - Telecommunications Proposal - Other Issues	Chair Sheila J. Klinker John L. Krauss John F. X. Ryan Commission Membership
- Set Next Meeting Date	Chair Sheila J. Klinker
- Adjournment	Chair Sheila J. Klinker

APPROVAL OF MINUTES

Representative Klinker requested approval of the minutes of August 24, 2000. Sue Paris moved to approve the minutes. Mayor John Fernandez seconded the motion and the minutes were approved by unanimous consent.

UPDATE ON CENSUS RESPONSE RATES AND ENUMERATIONS EFFORTS

Representative Klinker introduced Carol Rogers of the Indiana Business Research Center (IBRC).

Ms. Rogers presented information regarding county response rates and enumeration efforts associated with the 2000 census (Attachments B and C). She explained that she has worked on census issues for more than 20 years. The Indiana Business Research Center serves as advisor to the governor and advocate for Indiana in matters related to the U.S. Census Bureau. The most recent efforts were titled, Indiana Census Awareness Statewide Effort (ICAUSE).

She explained that census enumeration is over. The bureau is now tallying the results. The first data will be released on December 31, 2000. It will include only population totals for states. These data will be used to apportion seats in the U.S. House of Representatives. In April 2001, the Indiana General Assembly will receive redistricting data.

Ms. Rogers explained that the response rate for Indiana had dropped since 1990. The response rate for the 2000 census was 69 percent. In 1990, the response rate was 72 percent. Greater than 50 percent of Indiana counties had response rates less than 60 percent. She indicated that changing lifestyles and apathy might account for the lower response rate. She also mentioned that several members of the congressional leadership were not supportive during the mailout/mailback and enumeration periods when asked about the nature of the questions. Despite the fact that Congress approves the census questions, many responded that they did not know why particular questions were asked.

She further indicated that conventional wisdom that correlates low income with low response rates did not hold true during this census. There is anecdotal evidence that high-income citizens also were reluctant to answer the census. In one gated community, security personnel were instructed not to admit enumerators.

Ms. Rogers explained that Indiana lagged behind other states in its investment in the census count. Wisconsin was able to achieve a 75 percent response rate by providing grant funding for awareness activities by local governments.

In spite of the low response rates in many counties, there were a number of communities that worked hard to increase awareness about the census. The Tell City Complete Count Committee undertook a number of efforts to ensure that local residents responded during the mailout/mailback period. Gary, through extensive complete count efforts, was able to raise its response rate several percentage points from 1990.

Ms. Rogers communicated that low response rates meant greater effort had to be made during the enumeration period when census workers contacted households that did not respond to the April mailing.

Ms. Rogers conveyed that IBRC has prepared a set of recommendations to the Census Bureau based on the experience with mailout/mailback and enumeration this year. These recommendations are divided by size of community. She indicated that local communities need more guidance generally. She referred to two reports that summarize Indiana efforts and experience with the 2000 census. These reports will be available at the IACIR staff offices and could be provided to any interested member.

Ms. Rogers conveyed that many college students and retirees probably were not counted as residents in Indiana as they should have been. She explained that the census did not plan adequately for enumerating college communities. Enumeration efforts generally occur over the summer. Most students leave college campuses during this period. She further said that the census did not provide a place on the census form to

indicate usual place of residence. As a result, many Indiana retirees will be counted in Florida and other sunbelt states.

She indicated that an IBRC demographer was in Washington D.C., at the time of the meeting, reviewing preliminary counts at the census tract level. Communities will be able to appeal census counts only on geographic grounds. In other words, communities can dispute only the boundaries used to calculate population not the actual count.

Ms. Rogers explained that the census form would be shorter in the future. The American Household Survey conducted each year will be used to collect much of the information that currently appears on the long form.

Gerald Gilles asked about the purpose of wage and income questions. Many of his constituents perceive these questions as overly intrusive.

Ms. Rogers explained that the federal government uses information about income, poverty, education levels, and employment to disburse funds to states and local communities.

John Krauss reiterated that Congress had gotten mired in the debate regarding using a sample rather than a complete census.

Representative Klinker suggested that there is a learning curve for state and national legislators associated with these issues

Mayor Fernandez asked about how communities can participate more in the process prior to the next census.

Ms. Rogers indicated that IBRC would be working in the intervening decade to correct problems that occurred during this year's effort. She also suggested that communities for standing committees who work on census issues throughout the decade.

Linda Williams indicated that several of her constituents understand now that the census is important. She asked if those citizens could participate now.

Ms. Rogers explained that the count is over and reiterated how important it was to begin planning for the next census.

Mayor Sonja Margerum explained that Purdue University and the local governments in Tippecanoe County worked together to build awareness. Despite these efforts and pleas to the contrary, the census failed to get census workers out in time to enumerate the students living in the county.

Ms. Rogers praised the Tippecanoe County effort as a model of cooperation. She indicated that ICAUSE worked with the Kokomo office to ensure that this issue was recognized. Unfortunately, the census was unable to hire an adequate number of qualified enumerators in time to enumerate the student population.

Will Smith indicated that the complete count committee in Lake County had difficulties getting information about the U.S. Census Bureau's communications plan. He also conveyed that media materials needed to

be better tailored to communities and that that census should allow more participation by local governments in those decisions.

Ms. Rogers indicated that the census would not provide ICAUSE with a media plan despite repeated requests.

Representative Klinker indicated that there were many effective advertisements in the Lafayette area.

Ms. Rogers said that Lafayette and West Lafayette had to amass funds to purchase that advertising.

Ms. Rogers stated that Indiana and other states had suggested that funding be provided to local communities. The census balked, saying that it is not an agency that provides grants. She suggested that other programs and agencies with more experience with granting could administer such a program. She encouraged members to communicate to their congressional representatives that such a program would be helpful in the future.

Ms. Williams asked if information had been available to schools.

Ms. Rogers explained that there was a census in schools project. Scholastic had developed a series of top-rate materials for school children. Unfortunately, the census program to distribute this material was poor.

Representative Klinker reiterated that the U.S. Congress has to be a partner in making these efforts work.

TECHNICAL CORRECTIONS TO ANNEXATION STATUTE

Jamie Palmer explained that a number of technical problems had arisen since the amendment of the annexation statute in 1999. She summarized three technical issues (Attachment D):

- Issue #1: Effective date for ordinances does not coincide with time period for remonstrance.
- Issue #2: Time period after which petitioners could file for a decision in circuit court does not allow municipalities to provide the proper notice and interim time period prior to passage.
- Issue #3: Notice requirements do not reflect that fiscal plans for owner-initiated annexations are required prior to adoption of the ordinance rather than prior to providing notice.

Ms. Paris proposed that the time frame in the second issue be extended to 180 days.

Mayor Margerum indicated that West Lafayette was struggling currently with the third issue.

Mayor Fernandez remarked that in the rush to pass legislation that the distinction between voluntary and involuntary was not made for notice requirements.

Mr. Krauss explained that it might be possible to address these changes in a technical corrections bill. This would require that one of the legislative members work with staff to approach the Legislative Services Agency. He further stated that the Indiana General Assembly had undertaken the previous study in order to avoid debating annexation substantively for a number of years.

Representative Klinker said that the technical corrections were important but that no one wants to rehash the annexation issue.

Senator Joseph Zakas asserted that these changes could be addressed in code revision.

Mayor Fernandez remarked that the statute must be fixed to allow communities to comply. He perceived the first two issues as purely technical. The third was not as purely technical an issue.

Mayor Fernandez moved that IACIR staff pursue the first two issues as amended. Staff should meet with the Legislative Services Agency to determine whether the third issue would qualify as a technical correction. If so, a corrections bill should include all three.

Mayor Margerum seconded the motion. It carried by unanimous consent.

REMINDER ABOUT SURVEY QUESTIONS

Ms. Palmer reminded commission members to submit any prospective questions for the next survey of local governments to her by mid-November.

She also referenced a letter (Attachment E) sent to John Krauss by Sue Ellen Reed, Superintendent of Public Education, regarding the usefulness of the previous survey that included school board officials.

PROJECT PROPOSALS

Representative Klinker listed the issues proposed at the last meeting:

- Customer satisfaction with government services
- Use of gambling funds
- Fiscal flexibility for local government
- Uniform assessment/reassessment practice
- Metropolitan planning organizations (MPOs) and road improvements
- Best practices database
- Excise distributions errors at the state level
- Telecommunications infrastructure
- Pension liabilities

She read two suggestions made by Representative Weinzapfel who was unable to attend the meeting:

- Implications of removing court costs from the property tax and absorbing at the state level
- Impact of property taxes on economic development

TELECOMMUNICATIONS

John Ryan indicated that telecommunications readiness had been mentioned at the previous commission meeting as a possible topic for study. He explained that telecommunications are important to households, businesses, and governments in Indiana. Companies that approach the Indiana Department of Commerce (IDOC) are concerned increasingly about adequate connectivity. The Indiana Rural Development Council (IRDC) has recognized this as an important issue. There is increasing attention being given to e-commerce and e-government.

Since the previous meeting, he convened representatives of a number of state and federal agencies to brainstorm about a possible project. Several of the participants were in attendance. He introduced Amy

Warner of the E-commerce Division of the IDOC, Jerry Sullivan of Intelenet, and John Flanagan of the Small Business Administration.

Mr. Ryan referenced a project outline (Attachment F). He explained that the IDOC was preparing to do a survey of local communities regarding telecommunications readiness. This survey would be based on a national model and might be enriched based on input from interested agencies. The proposed project also would include the collection of additional data and an environmental scan to identify the elements being addressed by various state bodies.

Mr. Krauss suggested that Indiana's competitiveness in the high tech world is a popular policy topic. The proposed project would define what is meant by competitiveness. It will indicate how connected local governments are and how prepared they are to leverage that connectivity into local economic development.

He further stated that Indiana communities are varied in terms of connectedness. Indianapolis has a high level of connectivity; there are some small towns and rural counties that have very little or no connectivity.

He continued by explaining that the project would have two critical components: collection of relevant information and policy implications and choices. Amy Warner and Jerry Sullivan would work with the Center for Urban Policy to assess the technical level of access available across the state. The commission would develop a series of policy options for Indiana based on that information.

He commented that the annexation project offered a good model. With good information and depth of knowledge, the commission was able to develop thoughtful policy choices that were well respected by the Indiana General Assembly. The commission could position itself to be champions for change with respect to telecommunications access.

Representative Klinker mentioned that e-commerce has been addressed recently by the National Conference of State Legislatures.

Mayor Fernandez remarked that most of the attention given to e-commerce by state legislators has concerned the collection of tax revenue. Providing access is an important policy issue that has not garnered as much attention. National data indicates that households with annual incomes greater than \$50,000 use telecommunications most frequently. There are many Indiana households that fall below this income level.

He further stated that large telecommunications companies generally make significant investments only in the largest, most competitive communities. Bloomington is not big enough to generate these investments. Study of this issue could place the entire state in a position to benefit from telecommunications infrastructure.

Representative Klinker asserted that the issue was one of quality of access.

Mr. Smith remarked that this issue is important for northwest Indiana. In the past, Lake County has been better prepared than the remainder of the state. This has not been true in recent years. Because of the rapid changes in telecommunications, these communities are thirsting for updated access.

Senator Zakas indicated that he had participated in an economic development tour overseas. Connectivity is important to companies. It would be ideal to be able to tell prospective companies that all of Indiana is "connected."

Representative Gloria Goeglein suggested that the environmental scan include efforts by the Study Committee on Regulatory Flexibility.

Representative Sue Scholer suggested that the Indiana Department of Education has completed a thorough assessment of telecommunication tools.

Betty Cockrum suggested contacting Sean Fahey, Governor's Office, and Stan Jones, Chairman of the Commission on Higher Education. Significant work has been done on the IHAT network.

Steve Buschmann of the Indiana Township Association indicated that there are many rural areas of the state that do not have internet access.

Representative Klinker directed the commission to the proposed timeline (Attachment E). She indicated that the project would begin in the near future and that results would be presented formally in May or June 2001.

Mr. Krauss indicated that the project would be a collaboration between the Center for Urban Policy and the Environment, the Indiana Dept. of Commerce, and Intelenet. Dr. Sam Nunn of the Center has expertise in this important area. He confirmed that formal presentation would not be until May or June. Commission members will receive information in the interim.

Mr. Smith inquired about the cost and funding for the project.

Mr. Ryan indicated that the preliminary budget had been set at \$50,000.

Mr. Krauss announced that the IACIR would contribute \$10,000 to the project. Commission staff will work with the Indiana Dept. of Commerce and the Lt. Governor's Office to secure the remaining funds.

Representative Klinker suggested that there might be long-term funding available. Contacts should be made with the House Ways and Means and the Senate Finance Committees. She requested a motion to accept the telecommunication proposal for consideration.

Mayor Fernandez moved for acceptance. Representative Scholer seconded the motion and the motion carried by unanimous consent.

FISCAL FLEXIBILITY

Representative Klinker suggested that fiscal flexibility for local governments engendered significant conversation at the previous meeting.

David Bottorff of the Association of Indiana Counties (AIC) explained that AIC and the Indiana Association of Cities and Towns (IACT) had done a joint presentation before the Local Government Finance Study Committee on October 11, 2000. The two organizations planned to propose jointly legislation

for the upcoming session. He articulated that both organizations would be interested in an IACIR study and that it might be most effective to wait on the outcome of the proposed legislation.

Representative Klinker said that it would be wise to wait.

Mr. Smith suggested that miscellaneous revenue opportunities for townships also be included in such a study. The township governments in Lake County are struggling. They typically are not included in conversations about fiscal flexibility.

Representative Scholer suggested that a study on this subject should include an environmental scan to identify the various efforts in this area.

Mr. Krauss suggested that the IACIR has been most effective in gathering information and developing policy solutions.

There was consensus from the members present that this issue should be held for consideration after the legislative session.

REASSESSMENT/MARKET VALUATION

Representative Klinker reminded the commission that reassessment/market valuation also had produced significant discussion at the previous meeting. She suggested that the commission invite Timothy Brooks, Dr. Larry DeBoer, and Dr. John Huie to provide updates on this important issue.

Mr. Smith remarked that an update was a good idea.

Representative Goeglein stated that the presentation would make clearer what the tax board is or is not doing.

Ms. Cockrum indicated that Mr. Brooks is working on the new assessment manual. By the next meeting date, there should be something to report.

Linda Williams indicated that the State Tax Board had scheduled educational sessions for later in the year. She is a trustee assessor. A representative will be speaking at the Indiana Township Association Conference on November 15, 2000.

Mayor Margerum communicated that Drs. DeBoer and Huie prepared a study for and made a presentation to the greater Lafayette community. Participants discussed the variety of options that could be used to reduce dependence on property taxes. It was effective and well received.

Representative Klinker requested a motion to invite Brooks, DeBoer, and Huie to the next meeting.

Mayor Fernandez made the motion. It was seconded by Ms. Cockrum and carried by unanimous consent.

Ms. Williams expressed concern that the presentation by Drs. DeBoer and Huie be current.

Representative Klinker indicated that they have done presentations recently in eleven counties.

OTHER ISSUES

Representative Klinker asked commission members if there were other topics.

Linda Williams suggested that indigent health care is putting pressure on township property tax revenues.

Representative Goeglein suggested that this issue has been considered by the Health Finance Commission.

Following discussion of the various proposed topics, Representative Klinker asked for a motion to pursue telecommunications readiness as the study topic for 2000/01.

Mayor Fernandez moved to accept the topic for study. It was seconded by Mr. Ryan and carried by unanimous consent.

NEXT MEETING

The next meeting was set for November 29, 2000 at 1:30 p.m. at the ISTA Center in Indianapolis.

ADJOURNMENT

The meeting was adjourned at approximately 4:00 p.m.