

Indiana Advisory Commission on Intergovernmental Relations

December 12, 2005 Meeting, 10:00 A.M.

Indiana Statehouse, Room 233

Indianapolis, Indiana

MINUTES

CALL TO ORDER/WELCOME/INTRODUCTIONS

Chair Beverly Gard called the meeting to order at approximately 10:10 A.M. She thanked the commission for their attendance (Attachment A).

MEETING AGENDA

- Call to Order Chair Beverly J. Gard
- Approval of Minutes of November 16, 2005 Chair Beverly J. Gard
- Project Updates John L. Krauss
 - Water Infrastructure Funding Jamie L. Palmer
 - Critical Intergovernmental Public Policy: Making Choices and Taking Action Proposal Jamie L. Palmer
 - Indiana Data Initiative Jamie L. Palmer
 - Reminder about Questions for 2006 Survey of Local Governments Jamie L. Palmer
- Adjournment Chair Beverly J. Gard

APPROVAL OF MINUTES OF NOVEMBER 16, 2005

Senator Gard asked the commission to review the minutes briefly.

Senator Joseph Zakas indicated that he did not abstain from the vote regarding funding to further the water infrastructure work.

Sue Scholer indicated that Joyce Poling had suggested one of the study topic ideas.

The minutes were approved by consent with the changes requested.

PROJECT UPDATES

WATER INFRASTRUCTURE FUNDING

Senator Gard indicated that the funding for the State Revolving Fund Programs for wastewater and drinking water are being reduced significantly in 2006 as a result of funding needed to address rebuilding after the hurricanes of 2005. The National Conference of State Legislatures (NCSL) recently passed a resolution that SRF funding be sustained at the level that was available from the 2004 appropriation.

Leaders from NCSL have been working hard to get the attention of the Administration and Congress. Currently there is a \$353 billion liability in unfunded water infrastructure nationally.

She continued by saying that she was encouraged that the new EPA administrator, Steven Johnson, had been confirmed in April. Unlike previous administrators, he has been employed at EPA for 25 years. He recently agreed to sit down with Senator Gard as a representative of NCSL to discuss the relationship between EPA and states. The discussion included SRF issues.

Jamie Palmer presented the proposal for updating the figures for water infrastructure needs reported by the IACIR in early 2003 (Attachment B). The proposal included two work plan options. Option 1 could be done with existing funding. Option 2 would require additional funding.

Senator Zakas asked about why new figures were needed.

Senator Gard indicated that there was a need for a new benchmark to guide policymakers in addressing these funding needs. She surmised that the needs associated with septic systems probably have changed little, but that combined sewer overflow (CSO) and stormwater needs have increased.

Ms. Scholer suggested that the proposed case studies should be varied by size.

Senator Zakas indicated that a new model for estimating the impact of CSOs had been presented recently at the St. Joseph River Basin Commission meeting. The model, developed at the University of Notre Dame, predicts water and pollutant outputs for rain events.

Senator Gard inquired about how the model was being used.

Senator Zakas responded that one locality is using the existing stormwater system to store rainwater for metered release.

John Krauss suggested that there might be collaborative opportunities with a system such as this and the LUCI2 model developed by John Ottensmann to predict land use change.

Ms. Palmer indicated that the model currently only addresses Central Indiana, but is being expanded to the entire state in a project with the Indiana Department of Transportation.

Ms. Scholer made a motion that directed IACIR staff to pursue Option 1 for updated the needs figures immediately and pursue funding for the more complete work plan described in Option 2.

Joyce Poling seconded the motion.

The motion was approved unanimously.

Senator Gard suggested contacting Jim McGoff, Director of Environmental Programs at the Indiana Finance Authority, about funding options.

CRITICAL INTERGOVERNMENTAL PUBLIC POLICY: MAKING CHOICES and TAKING ACTION PROPOSAL

Ms. Palmer presented a proposal for the IACIR's 2006-7 work program (Attachments C and D). The proposal reflects the basic framework presented at the November 2005 meeting, the services identified for

focus by the commission, and current funding and resource limitations. The focus chosen was the fiscal health of local governments.

Mr. Krauss explained that this is a good effort to connect to the Indiana Data Initiative. Drew Klacik, a researcher at the Center for Urban Policy and the Environment, has been in contact with the Department of Local Government Finance about these data.

Drew Klacik indicated that the effort would involve an analysis of comprehensive annual financial reports (CAFRs) filed by local governments and data recorded in the DLGF database. Part of the effort will be to check how accurate the DLGF database is. The effort also would involve comparing and contrasting Indiana communities and communities in other states. The varied perspectives of the IACIR membership would help to guide the interactive process.

Meredith Carter asked about how this effort would fit with the Indiana Fiscal Policy Institute's recent equalization study and the Indiana Association of Cities and Towns recent project.

Mr. Krauss indicated that the study would not duplicate other efforts. It also would build on the work done by the Indiana Association of Cities and Towns for the coming legislative session.

Senator Gard asked the representatives of the Governor's Office and the Lt. Governor's Office whether this proposal would be relevant to ongoing priorities.

Eric Holcomb and Steve Boyce indicated that it was relevant to ongoing efforts.

Mr. Carter asked about whether the study would be used to help inform legislators. He had heard about a movement by Representative Thompson to include schools in COIT distributions.

Senator Gard indicated that there has been a lot of discussion about various fiscal restructuring options.

Mr. Klacik indicated that clearly Indiana is sensitive to the property tax burden. The proposed project will help to put that sensitivity into perspective by showing us where we rank relative to other states.

Sue Paris inquired about how research would proceed on exemptions.

Mr. Klacik explained that the analysis would include eight fields in the DLGF database including tax increment financing (TIF) and tax abatement. The non-discretionary side would include mortgage deductions. He indicated that he expected data issues as the result of varied assessment practices. Property tax exempt properties are not always assessed. These data, however, were a place to start. They would provide an initial general picture that could be discussed by IACIR.

Senator Gard indicated her enthusiasm for this new effort because it utilizes some of the significant university resources available to inform public decision-making. The Indiana General Assembly should utilize resources such as these more often.

Representative Sheila Klinker indicated that Larry DeBoer has done significant work on fiscal issues.

Representative Klinker made a motion to accept the staff proposal.

Senator Zakas seconded the motion.

The motion was approved unanimously

INDIANA DATA INITIATIVE

Mr. Krauss indicated access to good data and analysis is critical to the success of IACIR initiatives such as the one proposed for the coming year. The Center for Urban Policy and the Environment, staff to the IACIR, is involved in two efforts that will improve the access to government data. The first is a series of projects with the Indiana Criminal Justice Institute. The Center will have access to a variety of public safety information. The second is the Indiana Data Initiative. Launched in July 2005 by Governor Mitch Daniels, the effort brings together government, university, and private resources to increase the use of data and analysis in public decision-making. The Center for Urban Policy and the Environment and the Indiana Business Research Center serve as the principal staff for the effort. The effort began with an initiative with a series of meetings with state agencies including the Department of Workforce Development, the Department of Local Government Finance, and the Indiana Department of Environmental Management. After the initial focus on state agencies the plan is to interact with local governments about the needs for data and analysis that will be useful to them. The staff will keep the IACIR membership updated on this initiative.

2006 SURVEY OF LOCAL GOVERNMENTS

Ms. Palmer reminded the group that there was still time to propose questions for the 2006 survey of local governments.

Mr. Carter suggested a question about community corrections for juvenile offenders.

Ms. Scholer suggested questions about consolidation of government activities and alternative education.

Senator Gard suggested questions about stormwater, road funding, and the use of alternative funding mechanisms.

Representative Klinker suggested the reassessment is still an issue. Dr. DeBoer has indicated that there isn't a lot of continuity across counties.

Senator Gard indicated that the problems were more of an issue in some counties than in others.

Representative Klinker indicated that home foreclosures are an increasing problem. Lafayette and West Lafayette have formed a foreclosure task force.

Linda Williams suggested that need for a study on the tools used to get people into homes, including balloon financing.

Mr. Klacik indicated that the Center for Urban Policy and the Environment is involved in a separate effort to study foreclosures. Once developed, these findings could be presented to the IACIR.

Representative Tom Saunders indicated that in rural areas assessors do not often have access to computerized multiple listing service (MLS) data. This can condemn some areas to disinvestment.

ADJOURNMENT

Senator Gard closed the meeting at approximately 11:30 A.M.

APPROVAL

These minutes were approved by the commission on May 3, 2006.