



★
INDY CHAMBER
LEGISLATIVE
WRAP UP
2016

ENGAGE. COMPETE. WIN.



TOP FIVE BUSINESS WINS *from the* **2016 GENERAL ASSEMBLY**

More than a thousand bills – on topics large, small, and off-the-wall – were ultimately introduced during the 2016 session of the Indiana General Assembly. The Indy Chamber tracked dozens of proposals that could impact regional employers and economic development; specifics on all the legislation relevant to our agenda are included in this legislative wrap up.

There were disappointments this session. But for a concise look at the bright side, here are our 'Top Five Wins' at the Statehouse in 2016: These five bills moved the needle for the business community – or at least represented breakthroughs that set the stage for future progress.

1

Infrastructure/Road Funding

From a “glass half full” perspective, lawmakers committed roughly \$1 billion to state and local infrastructure priorities through HB1001, providing much-needed investment in existing roads, highways and bridges to prevent bottlenecks in commerce and commuting.

The short-term bill also provides local government with additional options to raise infrastructure revenue to meet city and county needs. The Indy Chamber supports home rule and fiscal flexibility – as with our transit referendum authority and local economic development incentives – so this provision is a welcome step in that direction.

Of course, we pushed for a longer-term solution: The private sector – including our logistics and manufacturing industries – should be able to plan with confidence in Indiana’s ability to maintain a competitive transportation system. This means predictable revenues and sustained investment.

The General Assembly started this debate, and the compromise includes a task force to continue exploring “big picture” options for infrastructure. In a non-budget session, we’ll take even a stopgap funding plan and the commitment to continue the conversation as a win.

2

Teacher Recruitment/Retention

The future of our workforce starts in the K-12 system, and all the talk about educational achievement and accountability ultimately depends on the ability of classroom teachers to educate and inspire. So new tools to prepare, recruit and retain teachers will pay dividends for years – even decades – to come. We’ll count two related bills as one important win on this topic.

HB 1002 establishes the Next Generation Hoosier Educators scholarship program, providing aid of \$7,500 for four years to promising teachers who agree to start their careers in Indiana schools (backed by the creation of the Next Generation Hoosier Educators scholarship fund with \$500,000 from the general fund).

HB 1005 became a home for a variety of education measures in the session’s final days. First and foremost, the bill establishes career pathways for teachers to stay in the classroom while taking on (and being compensated for) additional administrative responsibilities, as well as providing school districts with flexibility to increase compensation for dual credit and AP instructors.



3

Innovation Schools

Local district – and even school-level – authority was also at work in HB 1394. The bill creates guidelines for enrollment and accountability for schools that convert to Innovation Network schools – avoiding state takeover by partnering with an outside organization or restructuring as a charter school within the school district.

As a rule, we support expanding educational options for Indianapolis families, and expanding options for districts to turn around failing schools. IPS has embraced the Innovation Network concept, and we're hopeful that HB1394 will look like an even bigger win with higher achievement at local Innovation schools.

4

Workforce Training & Educaton

Employers who rely on skilled Hoosier workers also scored a victory later in the talent pipeline: SB301 (Workforce Education) passed with bipartisan support. It formalizes a partnership among the Commission for Higher Education, Department of Workforce Development, Department of Education, and Ivy Tech to analyze decade-long workforce trends to align higher education programs with current and anticipated industry demand.

The first findings should be reported by July 1st, 2016 – out of the statewide research, the Indy Chamber will watch closely for regional data and insights that could help shape our metro talent strategy.

5

Healthy Food

Indianapolis faces a vexing challenge in urban development – neighborhoods in and around downtown are attracting a wave new residents (and residential construction); in fact, college-educated Millennials are moving downtown at twice the rate as the metro as a whole. But at the same time, the city’s urban core ranks among the worst areas in the nation for “food deserts.”

This lack of walkable healthy food options is an urgent issue for current residents of many neighborhoods in Center Township, and it also threatens future growth. So the Indy Chamber applauds the passage of SB15, amended to urge the legislative council to assign to an appropriate study committee the topics related to establishment of a food desert grant and loan program.

(It’s important to note that expanded transit service is also a solution to food deserts and catalyst for neighborhood redevelopment. We hope that action by the City-County Council to put a transit funding referendum on the Marion County November ballot will count as a sixth public policy win, outside the Statehouse.)

OUR PRIORITY ISSUES

DIVERSITY

The 2016 session saw debate on the expansion of the State's civil rights laws to include protections for the LGBT community. The Indy Chamber and others successfully defeated SB 66 which significantly threatened LGBT rights. We are disappointed by the lack of activity to protect LGBT Hoosiers, and will continue to drive the conversation, turning our focus to enhancing local Human Rights Ordinances statewide.

Although, SB220 on bias crimes passed the Indiana Senate it failed to receive a hearing in the House leaving Indiana to still be among only five states without hate crimes legislation in its criminal code.

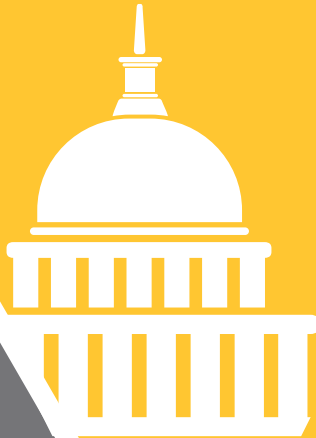
TRANSPORTATION INFRASTRUCTURE

Lawmakers put a temporary band aid on the state's crumbling infrastructure, passing a last-minute compromise that will put \$230 million into state highway projects and \$530 million to local needs (with no new revenue, but rather an accelerated distribution of local income tax collections) along with new city and county tax options to raise additional money.

The bill avoids a statewide tax increase, but neglects the structural deficit between infrastructure needs and dwindling gas tax revenues. The Indy Chamber supports a bigger picture plan that realistically pays for a transportation system that meets the needs of industry and our ambitions for population and employment growth.

MASS T

EQUITY *in* LOCAL GOVERNMENT FUNDING



While the Indy Chamber remains a strong advocate for legislation supporting equitable distribution of revenue to communities for the upkeep and investment in services and infrastructure, no bills were introduced this session to address this issue.

In other news, SB308 passed, providing a sunset provision for downtown TIF for downtown Indianapolis consolidated allocation area on January 1, 2051.

We will continue to push for legislation supporting equitable distribution of revenue to communities in future sessions of the General Assembly.

TRANSIT

Transit made major moves this session as HB 1273 passed overwhelmingly, allowing transit ballot questions to be in the same election in Central Indiana.

It's time for voters to have their say on the critical need for modern mass transit. The Indy Chamber is encouraging the Indianapolis City-County Council to seize this opportunity and approve the referendum for the fall general election; plans for a pro-transit campaign are underway pending the Council's action to put the issue on the November ballot.

EARLY CHILDHOOD EDUCATION



The Indy Chamber continues to advocate for the expansion of statewide funding for Early Childhood Education.

Unfortunately, no Pre-K bills advanced this legislative session, including HB 1270 that would have expanded the state pilot program.

We anticipate major action on this issue in 2017.



COMMUNITY DEVELOPMENT *and* INVESTMENT

Legislators made some meaningful progress on several key bills that will advance quality development and community investment throughout the state:

SB232 Land Banks, passed unanimously through the House without amendment. This will allow for 2nd and 3rd class cities to establish land banks for abandoned property.

HB1180 PILOTS, Charges and Fees on Tax Exempt Property- passed through the House unanimously after amendment by the Senate. This bill clarifies how political subdivisions treat tax exempt property that is located in a tax increment allocation area.

Regional Cities Funding passed with an amended bill, allocating an additional \$42 million for the Regional Cities initiative.

SB324 Construction Permits and Regulation legislation allows a person to apply for a construction permit and a design release from the division of fire and building safety using a single application. The bill also requires the fire protection and building safety commission to adopt policies and rules to promote preservation and use of downtown commercial buildings located within designated historic districts.



WORKFORCE

In what might be one of the most significant bills to come out of the 2016 Session, the Legislature passed a workforce education bill (SB 301) with bipartisan support. As mentioned, the bill will formalize a partnership between the Commission for Higher Education, Department of Workforce Development, Department of Education, and Ivy Tech.

The collaboration between these organizations will analyze workforce trends over the next 10 years and align higher education curriculum to make sure present and future employers have a capable and diverse talent pool. This first results of this research should be reported by July 1st, 2016, providing the entire state with rich information on the state's trends.

We will watch closely the next steps to come out of this legislation and how it will affect business talent development.

We had hoped to see SB267 pass which made clarifying amendments to the existing expungement law. Unfortunately after passing the Senate with bipartisan support, it failed to get a hearing in the House.

Although SB285-Employment of Unauthorized Aliens a bill focused on immigration reform died early in this session, Sen. Delph, the bill's author, was named the Chairman of the Commission on Immigration Issues, which means we likely face more on this issue this summer and into Indiana General Assembly 2017 Session.




**YIELD TO
PEDS**



BRUNNEN

EDUCATION

The legislature sought to address a number of education quality issues, primarily ISTEP, teacher shortage, and school funding. Two bills flew through the legislative process and were signed by the governor which addressed pausing accountability due to the 2015 ISTEP results.

HB 1003 pauses any accountability measures for teacher that would normally take hit to their evaluation due to drops in test scores. Similarly, SB 200 pauses accountability measures for schools' A-F grades.

HB 1395 includes plans to establish a panel to study school accountability metrics, teacher evaluations, and alternatives to the ISTEP program tests, and to make recommendations of its findings to the general assembly. This 23 member panel will include the Superintendent of Public Instruction who will appoint four members to the panel. This panel will submit recommendations on next steps in the state testing system on December 1st, 2016. Interestingly, a provision to rescore the troubled 2015 ISTEP was removed from the final bill.

HB 1002 establishes the next generation Hoosier educators scholarship program to be awarded to an eligible applicant in an amount of \$7,500 for four years for not more than four years. It also establishes the next generation Hoosier educators scholarship fund and \$500,000 from the state general fund beginning July

2016 and ending June 2017.

HB 1005 became a home for several other education bills at the very end of the session. First and foremost, the bill establishes career pathways for teachers allowing teachers to take on additional administrative responsibilities. This will allow great teachers to stay in the classroom while advancing their career, increasing their pay, and providing often needed administrative capacity for schools. HB 1005 also:

- Allows school corporations to use supplemental pay for dual credit and Advanced Placement teachers (originally in SB 10).
- Changes the evaluation system so that educators in their first two years of their teaching careers must still receive raises even if they are rated ineffective or needs improvement.
- Establishes a fund to help schools implement the Teacher Advancement Program (TAP) an innovative model for evaluation and professional development.
- Streamlines the licensure transfer process for teachers coming from out of state.
- Adds language to allow more flexibility for schools and families using vouchers.
- Tightens background checks for educators moving between schools systems.

SB 93 saw many changes throughout the session as various measures were amended in and out of it. Most notably a requirement on schools testing water for lead was added in conference committee. While education insiders should read the details carefully on charter schools and school report cards among other things. It also established study committees on graduation rates, dual credit, supplemental pay, and special education.

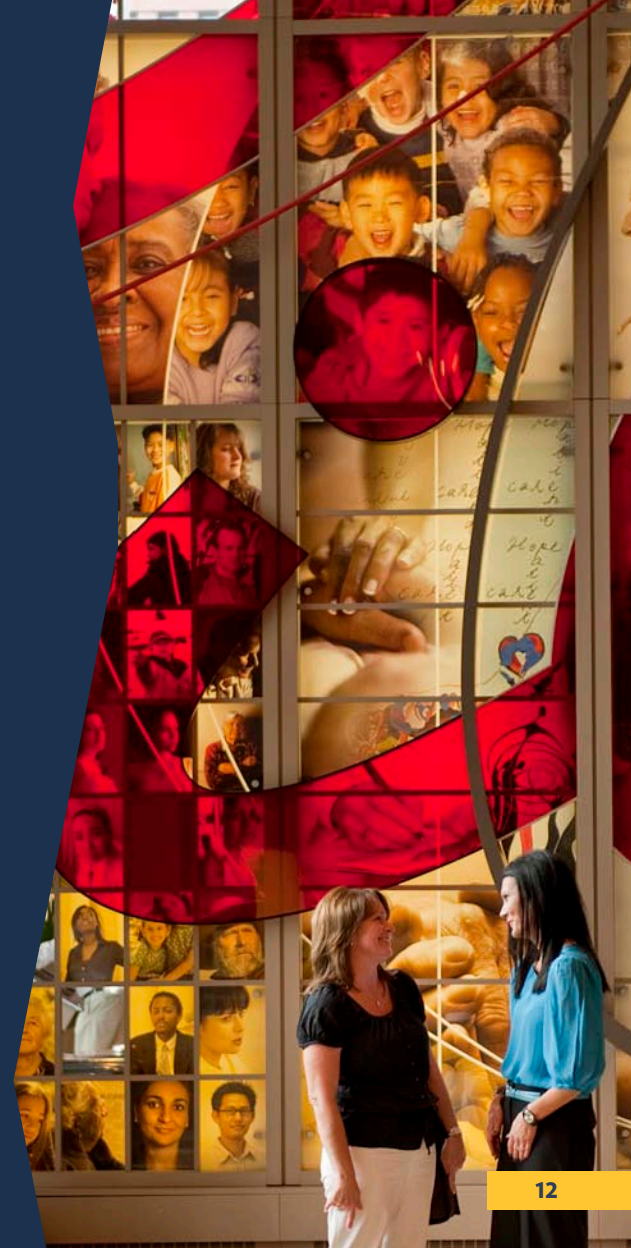
HB 1179 provides that a minority student who participates in a school administration internship as part of their graduate degree program is eligible to receive a stipend from the student teaching stipend for minorities and names the stipend after retiring education advocate, Senator Earline Rogers.

SB 330 addressed school funding for new charter schools using an enrollment estimate and established that certain innovation network charter schools are to be treated the same as a charter school for state funding purposes.

HB 1034 was sent to the Governor for his signature. The bill alters the requirements for the student teacher stipend to be focused on high-need fields and changes the name of the minority teacher scholarship to the William Crawford minority teacher scholarship, late former House Ways and Means Chairman.

SB 309 included a repeal of the state income tax credit for contributions to the 21st Century scholars program support fund.

The Legislature passed more flexible eligibility requirements for the 21st Century and O'Bannon Scholarship programs in HB1248. To ensure more student completion, it allows scholars more options on credit completion requirements to regain eligibility when they fall behind.



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