**Thriveing Comunities, Thriving State** is a Policy Choices project of the Indiana University Public Policy Institute. Informed by a representative group of community leaders and other stakeholders, it explores state and local strategies and policies that can help Indiana communities of all sizes thrive and fulfill their critical roles in attracting businesses, new business investment, and workers to Indiana.

Instead of examining local issues on a one-size-fits-all basis, **Thriveing Comunities, Thriving State** frames Indiana’s changing demographic and economic realities for three kinds of communities:

- **Urban**: First- or second-class cities that have been among the 10 largest cities since 1900, generally with a population of 50,000+
- **Mid-sized**: 15,000+ population in 2010 that are not urban
- **Rural/small town**: Small towns are those not captured above with a population between 5,000 and 15,000 or a seat of county government smaller than 5,000. For the purposes of these designation, small communities and unincorporated areas are considered to be rural.

This report summarizes the Mid-sized Communities Commissions’s work, including recommendations in four focus areas:

- **Quality of life and quality of place**
- **Improving pathways and eliminating barriers to post-secondary education**
- **Cultivating community leadership and civic engagement**
- **Local government reform and innovation**

The data available for communities sometimes is reported specifically for city and town geography, but often at the county level. For our project, a county is considered urban when it contains one or more urban cities; mid-sized when the county has a mid-sized city or town and no urban city; and rural when the county has no urban or mid-sized cities and towns.
The Mid-sized Communities Commission

The Mid-sized Communities Commission brought together 16 individuals from the public, private, and nonprofit sectors in mid-sized communities to identify common community challenges and opportunities and to develop recommendations and strategies to address them over the next ten years.

Mid-sized communities: Just the right size for getting things done

The commission’s work covered 41 communities located in 25 counties (Map 1). This group is diverse, with communities that self-define, in spite of their similar size, as urban, suburban, or rural. Think Marion, Carmel, and Crawfordsville. Three-quarters (32) of them are located in a metropolitan county. One-quarter (9) are located in non-metropolitan counties.

As of 2014, mid-sized communities make up 16 percent of Indiana’s population and 21 percent of its jobs (excluding Lawrence in Marion County). The 20 counties defined as mid-sized account for nearly one-quarter of Indiana’s gross product and jobs (2012). Twelve mid-sized communities also contribute to the economies of urban counties. Similarly, a number of small communities and unincorporated areas contribute to the economies of mid-size counties.

Mid-sized counties had an average weighted median household income of $44,350 and an unemployment rate of 5.3 percent. Both compare favorably to Indiana urban and rural counties as well as to the state, Midwest, and the nation.

In the commissioners’ view, mid-sized communities are the perfect size to “do things.” They have a critical mass of population and resources to address problems and take on strategic efforts, but aren’t hampered by being too large.

Four priorities for making Indiana’s mid-sized communities more successful

The Mid-sized Communities Commission identified four priorities for positioning mid-sized communities as places with appeal to current and prospective residents, workers, and businesses:

- Community quality of life/quality of place
- Improving pathways and eliminating barriers to post-secondary education
- Cultivating community leadership and civic engagement
- Local government reform and innovation

Map 2. Midsized Communities Commission members
The first two topics are principally about making critical investments in places and people. The second two involve retooled structures for decision-making and action. Several sub-themes recur across the four focus areas.

To be successful:

1. Mid-sized communities must work at both the community and regional levels. Mid-sized communities, like other Indiana communities, operate within economic regions defined both formally, as metropolitan areas or agency program areas, and informally.

2. Mid-sized communities must create action and funding networks around critical community and regional issues that bring together the interests and resources of local public, private, and nonprofit sectors to solve difficult problems, make critical investments, and create desired outcomes.

Rationale and recommendations

Quality of life and quality of place

BIG IDEA: Quality of life/place is important to attracting and retaining businesses, workers, residents, and families.

Rationale

Mid-sized communities compete with similar-sized and larger places in Indiana and other states that are making major investments in quality of life. Communities vary with respect to the quality of life elements they want and need. They typically include elements such as the availability of jobs; quality of jobs and wages; K-12 and post-secondary education; housing; transportation; healthcare; environmental quality and natural resources; sports and recreation; and arts and culture. For many mid-sized communities, quality of life/place is a combination of community and regional amenities (often located in a nearby urban community).

Recommendations

1. Intentionally plan, implement, and track quality of life/place improvement efforts and outcomes.

People often define quality of life/place in a general, amorphous manner. In reality, it encompasses a variety of different elements depending on the preferences of residents in a particular place.

Communities must clearly define what they mean by quality of life or quality of place in order to better plan for these elements, mount substantial efforts, and obtain support, including funding. It’s important to identify specifically what the community is working toward, as well as the people or organizations responsible for implementation.
Additionally, communities should track progress to know when the objectives are achieved.

In some cases, communities will need to access expertise to help create plans and implement ideas. Likely a number of local resources – such as universities, consulting firms, public relations firms, etc. – can help for no or low cost given the nature of the effort.

How to do this:

- Engage residents of all demographics (including age, race, ethnicity, and sexual preference) in the selection of community quality of life improvements.
- Draw upon best practices from studies and grants associated with efforts such as Regional Cities and Stellar Communities for ideas about particular programming and about successful collaboration.
- Ensure that financial resources are available to support quality of life/place investments, including options for additional local revenues and access to additional public, private, and nonprofit grant funding.

2. Encourage closer collaboration among community and regional institutions – including local government, businesses, nonprofit organizations, K-12 schools, and colleges and universities – to enhance quality of life/place assets.

The quest for enhanced quality of life/place in mid-sized communities and the regions that surround them cannot solely be government’s responsibility. Rather, to be successful, communities and regions must break down traditional silos and create new synergies among the passions and resources of community and regional institutions across government, business, nonprofits, and K-12 and post-secondary educational institutions.

3. Create opportunities to engage residents around common issues and interests.

Communities must create a new engagement infrastructure that allows residents to get involved based on common issues and interests. Millennials, in particular, seek these opportunities. Traditional organizations, such as chambers of commerce, Kiwanis, etc., aren’t always structured to meet this need.

4. Establish mechanisms that allow regions to select and develop regional amenities and distribute the costs among the communities that benefit.

Large regional economic development and quality of life assets often are located in major cities. Too often, the burden of planning and financing regional assets rests solely on these places. The Regional Cities initiative prompted discussions among cities in a self-defined set of regions about critical physical improvements. The regional development authority (RDA) model potentially can be used to prioritize collective, regional quality-of-life amenities. It is important to ensure joint and fair funding of initiatives that can be accessed by all regions. State law already contains mechanisms that might be applied to such initiatives.

**Improving pathways and eliminating barriers to post-secondary education**

**BIG IDEA:** A strong pathway from P-12 education to post-secondary education and career is crucial to developing talent and economic success in Indiana’s mid-sized communities.

**Rationale**

The Indiana Department of Workforce Development predicts that Indiana will have roughly one million jobs to fill by 2025 as the result of economic growth and the retirement of current workers. The Indiana Commission for Higher Education predicts that by
2020, more than 60 percent of jobs will require some post-secondary education. Approximately 28 percent of those jobs will require a bachelor’s degree. Nationally, the Lumina Foundation for Education aims to increase the proportion of Americans with high-quality degrees, certificates, and other credentials to 60 percent by 2025.

Indiana faces a significant challenge in addressing these realities. If Indiana does nothing to improve current higher education attainment rates, only 41 percent of Hoosiers will have degrees by 2025. Currently, only 33.2 percent of Hoosiers aged 25+ hold two- or four-year college degrees, compared to 38.3 percent nationally.

Indiana’s mid-sized communities vary in their level of attainment:

- Hamilton County, with its four mid-sized communities, meets the 60 percent goal.
- Nine additional counties (including 13 mid-sized communities) have greater educational attainment than the state (33.0-50.0 percent).
- In the remaining 15 counties (including 24 mid-sized communities) less than one-third of the population aged 25+ has at least an associate’s degree (Table 1).

In a majority of the counties containing mid-sized communities, a concerning percentage of 18- to 24-year-olds has completed no more than high school and has not begun post-secondary education. Even accounting for the fact that some 18-year-olds are still in high school, seven counties report that more than 60 percent of their 18- to 24-year-olds have not begun post-secondary education.

### Recommendations

1. **Address specific impediments to post-secondary enrollment and attainment for low-income, minority and immigrant, and first-generation-to-college students and their families – in the P-12 education system.** Figure 4 shows the proportion of students within school districts serving mid-sized communities who are non-white, English language learners, and receive free and reduced school lunches. It is critical that communities address education impediments for low-income, minority and immigrant, as well as first-generation-to-college students and their families throughout their preschool-to-high school education. Many mid-sized communities have developed programming to make education-to-career connections for the general P-12 population. Communities must do more to offer targeted help for families who experience impediments to success in P-12 education and beyond.

   **How to do this:**

   - **Build relationships with parents and create opportunities for parent involvement in schools and in education-to-career planning that meet their specific needs and recognize the challenges they face.**
   - **Provide educational opportunities for parents. Reduce their barriers to educational attainment.**
   - **Create Indiana-Corps (similar to AmeriCorps), a program that provides money for high school graduates who attend college and return to the community to serve as role models and provide services that create a college-going culture.**

### Table 1. Educational attainment for 18- to 24-year-olds and 25 years and over

<table>
<thead>
<tr>
<th></th>
<th>No High School Diploma and High School Diploma Only</th>
<th>Associates Degree and Above</th>
<th>Bachelor’s Degree and Above</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>18-24 Years Age 25+</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mid-sized Counties</td>
<td>52.1%</td>
<td>32.6%</td>
<td>25.4%</td>
</tr>
<tr>
<td>Urban Counties with Mid-sized Communities</td>
<td>46.8%</td>
<td>37.0%</td>
<td>28.5%</td>
</tr>
<tr>
<td>Indiana</td>
<td>48.6%</td>
<td>34.7%</td>
<td>25.5%</td>
</tr>
</tbody>
</table>

• Provide values and leadership programming for students to build positive self-concept, counteract negative messaging and experiences, and make education-career connections.

2. Build public support for community investments in education. Since the implementation of property tax caps, many school districts have struggled with funding. In some cases, they have had to put proposals for additional operating revenue before their citizens for approval. Success in these efforts has been mixed, in part because local taxpayers without school-aged children do not perceive that they benefit from further investments in the public school systems. Mid-sized communities and school districts must find new ways to more broadly communicate the benefits of P-12 investments in education-to-career programming.

3. Create collaborative local initiatives that bring together stakeholders from multiple sectors (pre-K-12 education, post-secondary education, local employers, and nonprofits) to support community education-to-career initiatives. Communities must create local networks, including programming and funding, that support specific community education-to-career needs.

Figure 2. Non-white, English language learners, and free and reduced lunch students in districts serving mid-sized communities – 2015

<table>
<thead>
<tr>
<th>Non-white</th>
<th>English Language Learners</th>
<th>Free and Reduced Lunch</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bartholomew Con School Corp</td>
<td>26.6%</td>
<td>8.1%</td>
</tr>
<tr>
<td>Brownsville Community Sch</td>
<td>24.0%</td>
<td>3.3%</td>
</tr>
<tr>
<td>Carmel Clay Schools</td>
<td>24.0%</td>
<td>3.1%</td>
</tr>
<tr>
<td>Center Grove Cmty Sch-Corp</td>
<td>10.9%</td>
<td>1.0%</td>
</tr>
<tr>
<td>Clark-Pleasant Con School Corp</td>
<td>12.2%</td>
<td>3.1%</td>
</tr>
<tr>
<td>Clarksville Con School Corp</td>
<td>25.9%</td>
<td>3.9%</td>
</tr>
<tr>
<td>Community Schools of Franklin</td>
<td>13.3%</td>
<td>3.9%</td>
</tr>
<tr>
<td>Crawfordville Cmty Schools</td>
<td>22.6%</td>
<td>6.6%</td>
</tr>
<tr>
<td>Crown Point Community Sch</td>
<td>18.6%</td>
<td>6.6%</td>
</tr>
<tr>
<td>Franklin Community School</td>
<td>34.8%</td>
<td>6.6%</td>
</tr>
<tr>
<td>Goshen Community Schools</td>
<td>36.1%</td>
<td>6.6%</td>
</tr>
<tr>
<td>Greater Clark County Schools</td>
<td>15.7%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Greater Jasper Cmty Schools</td>
<td>6.0%</td>
<td>25.3%</td>
</tr>
<tr>
<td>Greenfield-Central Cmty Sch</td>
<td>12.9%</td>
<td>25.3%</td>
</tr>
<tr>
<td>Greenwood Community Sch</td>
<td>48.8%</td>
<td>25.3%</td>
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<tr>
<td>Griffith Public Schools</td>
<td>25.3%</td>
<td>25.3%</td>
</tr>
<tr>
<td>Hamilton Southeastern Schools</td>
<td>12.9%</td>
<td>25.3%</td>
</tr>
<tr>
<td>Huntington Cmty Sch-Corp</td>
<td>25.3%</td>
<td>25.3%</td>
</tr>
<tr>
<td>Lake Central School Corp</td>
<td>6.4%</td>
<td>25.3%</td>
</tr>
<tr>
<td>Laporte Community Sch-Corp</td>
<td>25.3%</td>
<td>25.3%</td>
</tr>
<tr>
<td>Lebanon Community School</td>
<td>25.3%</td>
<td>25.3%</td>
</tr>
<tr>
<td>Logansport Community Sch-Corp</td>
<td>43.6%</td>
<td>25.3%</td>
</tr>
<tr>
<td>M S D Lawrence Township</td>
<td>43.6%</td>
<td>25.3%</td>
</tr>
<tr>
<td>Marion Community Schools</td>
<td>43.6%</td>
<td>25.3%</td>
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<tr>
<td>Middletown Community School</td>
<td>43.6%</td>
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<tr>
<td>Michigan City Area Schools</td>
<td>43.6%</td>
<td>25.3%</td>
</tr>
<tr>
<td>New Albany-Floyd Co Con Sch</td>
<td>43.6%</td>
<td>25.3%</td>
</tr>
<tr>
<td>New Castle Community Sch-Corp</td>
<td>43.6%</td>
<td>25.3%</td>
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<tr>
<td>Noblesville Schools</td>
<td>43.6%</td>
<td>25.3%</td>
</tr>
<tr>
<td>Plainfield Community Sch-Corp</td>
<td>43.6%</td>
<td>25.3%</td>
</tr>
<tr>
<td>Portage Township Schools</td>
<td>43.6%</td>
<td>25.3%</td>
</tr>
<tr>
<td>School City of Hobart</td>
<td>43.6%</td>
<td>25.3%</td>
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<tr>
<td>School City of Mishawaka</td>
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<td>25.3%</td>
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<tr>
<td>School Town of Highland</td>
<td>43.6%</td>
<td>25.3%</td>
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<tr>
<td>School Town of Munster</td>
<td>43.6%</td>
<td>25.3%</td>
</tr>
<tr>
<td>Seymour Community Schools</td>
<td>43.6%</td>
<td>25.3%</td>
</tr>
<tr>
<td>Shelbyville Central Schools</td>
<td>25.3%</td>
<td>25.3%</td>
</tr>
<tr>
<td>Valparaiso Community Schools</td>
<td>25.3%</td>
<td>25.3%</td>
</tr>
<tr>
<td>Vincennes Community Sch-Corp</td>
<td>25.3%</td>
<td>25.3%</td>
</tr>
<tr>
<td>West Lafayette Con School</td>
<td>25.3%</td>
<td>25.3%</td>
</tr>
<tr>
<td>Westfield Washington Schools</td>
<td>25.3%</td>
<td>25.3%</td>
</tr>
<tr>
<td>Zionsville Community Schools</td>
<td>25.3%</td>
<td>25.3%</td>
</tr>
</tbody>
</table>

Source: Indiana Department of Education.
4. **Strengthen and sustain the focus on education-to-career exploration and planning in the K-12 educational system.** It is essential that students and families understand and embrace the link between educational attainment, career, and income, and participate actively in education-to-career planning and the corresponding educational preparation. Many mid-sized communities have established programming to support education-to-career development for their general student populations. To meet future needs, it will be important to sustain these efforts and remain flexible.

**How to do this:**

- Begin educating students and families at the elementary-school level about career opportunities and education-to-career planning.
- Build connections between local employers, the education system, and students and families.
- Provide opportunities for students to interact with colleges and college programming, including participation in dual-credit programs.

**Cultivating community leadership and civic engagement**

**BIG IDEA:** Mid-sized communities must make conscious efforts to expand participation and build renewed civic infrastructure that allows them to take action on often-complex problems and shared priorities that are essential to creating robust, livable communities and a stronger state.

**Rationale**

Community leadership, engagement, and philanthropy are critical to the success of Indiana’s mid-sized communities. These communities (and potentially all Indiana communities), however, find themselves at a crossroads with respect to these three critical civic elements.

Retooling existing organizations and civic-infrastructure elements could help, but to be truly successful, mid-sized communities will need to embrace several potentially new elements.

**Recommendations**

1. **Retool local civic leadership and increase engagement.** Mid-sized communities face significant challenges to developing leadership and engaging residents in critical community improvement efforts. Local business leadership and support of civic endeavors have declined. Few banks are locally owned with a manager living in the community. CEOs often choose to live in nearby communities rather than in the one in which the business is located.

In some communities, civic participation and leadership come principally from older adults. Traditional community groups, such as Kiwanis, Rotary, etc. are waning. Many of these groups still exist in Indiana communities, but their leaders and members are increasingly older adults.

The preferences of younger leaders and members are different than their predecessors. For them, the lines between leadership and engagement are blurred. They expect their participation to lead to results much sooner. They do not want to wait for their turn at leadership or meaningful engagement.

In some communities, the transition from older to younger leaders is awkward. Older leaders perceive that they had to come up through the ranks and that younger participants should, too. In some cases, older leaders hang on and young leaders wait for fear of offending the old guard.
Mid-sized communities must address changing preferences and adopt new methods for leadership and engagement in order to sustain these important elements of community success.

How to do this:

• Expand participation in current civic organizations by focusing actively on internal leadership development and participant engagement.

• Build pipelines for community leadership and engagement by developing youth and young-adult leaders through civic education, service learning, and extracurricular participation.

• Identify and engage previously unengaged or under-engaged groups (due to race, age, partisanship, ethnicity, religion, culture, or financial status) as participants and leaders.

• Use nontraditional tools for engagement and community problem-solving.

• Embrace problem-solving engagement tools that lead to quick results while building networks of relationships among community members.

• Structure participation around nontraditional methods (think beyond traditional board meetings and consider short-term single-issue task forces, open community forums, social media, etc.)

• Retool and expand support infrastructure for community leadership development to embrace new thinking.

• Provide ample training and technical assistance for communities via universities, nonprofit programs, and community foundations.

2. Encourage civic innovation and entrepreneurialism, including embracing strategic risk-taking and failure. Indiana’s communities face a complex set of problems. New, creative solutions can help. Network-based, leadership-development strategies lend themselves to creative and innovative community action. Indiana’s history, however, has created a population that is generally risk-averse and change-averse. The public and nonprofit sectors increasingly have adopted a funding model that favors known outcomes and deliverables with considerable focus on measurable results. New ideas, including hard-to-measure experiments, are sometimes needed.

How to do this:

• Retool public and nonprofit grant-making to support strategic risk taking.

• Provide community support for innovative efforts.

3. Support elected officials as community leaders. In mid-sized communities, mayors and other public officials often are called on to set a course for communities’ futures and to lead implementation. To be effective, these public officials must possess leadership skills and technical expertise about the workings of the public sector. Public officials must be both public leaders and public caretakers.

How to do this:

• Encourage community members to run for office. Expand community vetting of candidates.

• Provide technical training to candidates for elective office.

• Provide leadership training to newly elected and seasoned elected officials.

• Encourage local leaders to develop systems for regular citizen engagement.
4. Build robust and agile regional leadership and structures. Indiana’s mid-sized communities aren’t islands. They’re linked economically within and across regions. To address regional problems and capitalize on regional opportunities, leaders must come together within and across regions.

How to do this:

- Communities participate actively and willingly in regional efforts that are necessary to address critical local issues.
- Offer ample training and technical assistance resources to regions to support them in establishing and growing relationships, exercising collective leadership, and taking regional action.

5. Expand the charitable giving resources available to support community efforts. Indiana communities must work to identify all available resources to complete critical community efforts, including charitable giving by community members. A report prepared for the Indiana Philanthropy Alliance shows substantial intergenerational giving potential over the next 50 years (Table 2). To capture these assets, mid-sized communities must maintain strong local foundations, engage potential donors, and make a strong case for giving back.

**Local government reform and innovation**

BIG IDEA: Mid-sized communities need a modern and nimble local government and fiscal structure that allows them to compete for businesses and workers with communities of similar size and larger in other states.

**Rationale**

Mid-sized communities face rapid change in the structure of the world and national economies, technology, etc. Many mid-sized and larger communities across the country are making big-swing investments in infrastructure and quality of life in order to make them desirable for businesses and workers. News reports suggest that their efforts are succeeding.

A critical look at both local government structures and finances is in order. Reform has been difficult, both historically and more recently. Experience also has shown that one size does not fit all for local government structure or finances. The ceaseless acceptance of, at best, incremental change, however, is an enemy to communities’ long-term success. Hoosiers must be deliberate about right-sizing local governments and confirming the need for each of the separate layers of local government.

Limited local government fiscal resources have become the reality long-term for Indiana. Since the adoption of tax caps, local governments have taken a number of actions to respond to lost revenues, including freezing hiring, reducing employee positions, adjusting employee benefits, postponing capital investments, and reducing or eliminating training and travel. These actions, while significant, have helped balance the books for a time, but they’ve done little to free up resources for strategic investments in infrastructure and quality of life assets.

### Table 2. Potential for intergenerational transfer of wealth – Mid-sized communities

<table>
<thead>
<tr>
<th></th>
<th>10 Years (2010-2020)</th>
<th>50 Years (2005-2055)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Wealth (in millions)</td>
<td>5 percent capture (in millions)</td>
</tr>
<tr>
<td>Counties containing only mid-sized communities</td>
<td>$35,984</td>
<td>$1,799</td>
</tr>
<tr>
<td>Counties containing urban and mid-sized communities</td>
<td>$31,223</td>
<td>$1,562</td>
</tr>
<tr>
<td>All counties containing mid-sized communities</td>
<td>$67,207</td>
<td>$3,360</td>
</tr>
</tbody>
</table>


Note: Figures may total to more or less than 100 percent due to rounding.
While some enhanced revenues are possible, these new revenues likely will be insufficient to make the big-swing investments Indiana and its mid-sized communities need to compete for businesses and workers. Local governments simply must wring more utility from current fiscal resources.

Recommendations

1. Update county government. County governments are critical partners to ensuring the success of mid-sized communities. Their success as partners could be enhanced by a streamlined government structure.

   How to do this:
   - Create enabling legislation that allows counties to adopt a single county executive and traditional legislative body (county council).
   - Unify county government via statutes that establish the county executive as the officeholder responsible for human resources and other administrative policies for all elected and appointed county offices.

2. Create enabling legislation that allows local governments and/or voters to eliminate township government in areas where municipal and township government overlap substantially. Consolidate those services within municipal government. The Government Modernization statute has allowed the merger of two towns with their surrounding townships, thereby eliminating four township governments. This suggests a potential for reform in other places where municipal and township governments largely overlap. Consolidation under the Government Modernization statute is quite onerous, however. A streamlined process for consolidating township services within municipalities could encourage additional reform.

3. Establish minimum qualifications for elected officials when necessary and increase pay in recognition of the value of those qualifications. In many cases, elected officials manage functions that require significant technical expertise. Indiana code appropriately establishes minimum qualifications for a number of public offices. Official pay, however, has not kept pace with these growing expectations. Pay schedules should be adjusted to better reflect the value of officials’ training and skills. If clerk-treasurers and county auditors need to have CPA-like skills or county assessors need to be appraisers, for example, then pay should be higher than its current rate. Increasing salaries will benefit current officials and encourage a new cadre of candidates to consider public office.

4. Provide incentives and technical assistance to local governments that are willing to undertake structural reforms and other efficiency, effectiveness, and cost-saving efforts. While the success of mid-sized communities warrants a hard look at our government structure and service delivery, these communities are quite varied. They face different geographic, demographic, and economic circumstances. They’ve made different choices about services. They definitely have different levels of financial resources. One-size reforms and cost-cutting measures do not fit all.

   By taking a hard look at their structures and service delivery and making changes, local governments can accomplish a great deal, whether individually or in groups. Incentives and a robust system for technical assistance are critical to spurring these initiatives in Indiana communities.

5. Reform the system of local government finance to ensure resources for important investments in economic development and community enhancements. Communities must have access to adequate financial resources to make the investments necessary to retain and attract businesses and workers.
How to do this:

• Revisit current local government finance tools, including tax increment financing (TIF) and the county economic development income tax (EDIT).

• Give counties and municipalities additional fiscal tools to pay for needed investments and the ability to adopt them without direct state legislative approval.

• After reforming county government as described above, strengthen the fiscal review powers of the county council, making it the final arbiter of tax and debt matters across local governments within each county.

• Allow local governments to establish service districts with differentiated levels of services and tax rates.

6. Strengthen the structural and finance tools for regional action and investments across the state. The Indiana economy is made up a number of interconnected economic regions. Hoosiers live and work in different places. More than ever the success of mid-sized communities is tied to the success of the regions in which they are located.

The Regional Cities initiative sheds light on the importance of cities and the regions around them by providing incentives for self-defined regions to come together and plan for a set of critical physical improvements. It is critical that the Regional Cities initiative be a jumping off point to encourage ongoing regional planning and action.

How to do this:

• Provide governance mechanisms that allow regions to invest in regional assets.

• Establish funding mechanisms that allow all benefitting communities to contribute to regional investments.

Endnotes


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ABOUT THE IU PUBLIC POLICY INSTITUTE AND THE POLICY CHOICES INITIATIVE

The IU Public Policy Institute delivers unbiased research and data-driven, objective, expert analysis to help public, private, and nonprofit sectors make important decisions that impact quality of life in Indiana and throughout the nation. A multidisciplinary institute within the IU School of Public and Environmental Affairs, we also support the Indiana Advisory Commission on Intergovernmental Relations (IACIR).

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