

Thriving Communities Thriving State

INDIANA UNIVERSITY PUBLIC POLICY INSTITUTE

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Recommendations for a Thriving Indiana

When it comes to Indiana, one size does not fit all. Our state is blessed with open spaces and small, rural communities reminiscent of simpler times, friends on front porches, or a Norman Rockwell painting. At the other end of the spectrum is Indianapolis, the 14th largest city in America, and urban communities from Gary to New Albany, Evansville to Fort Wayne. In between are cities, suburbs, towns, and rural communities of various shapes and sizes. All have differing assets, opportunities, and needs.

So *Thriving Communities, Thriving State* is, in essence, three studies in one: an urban communities study, a mid-sized communities study, and a rural/small communities study, each of which are available on our website (see definitions on page 2). This report is a summary of those three reports. The work was informed by three commissions composed of people from many walks of life in each kind of community. The research, analysis, and resulting recommendations were guided by their knowledge of the kinds of communities in which they live, work, and serve.

Thriving Communities, Thriving State, produced community-based recommendations that require policy decisions at the local, regional, and state levels. In other words, it's not only what Indiana can do for its communities, but also what communities can do for themselves and the state.

All three commissions prioritized:

- **Education/workforce preparation**
- **Leadership and engagement**
- **Quality of life and quality of place**



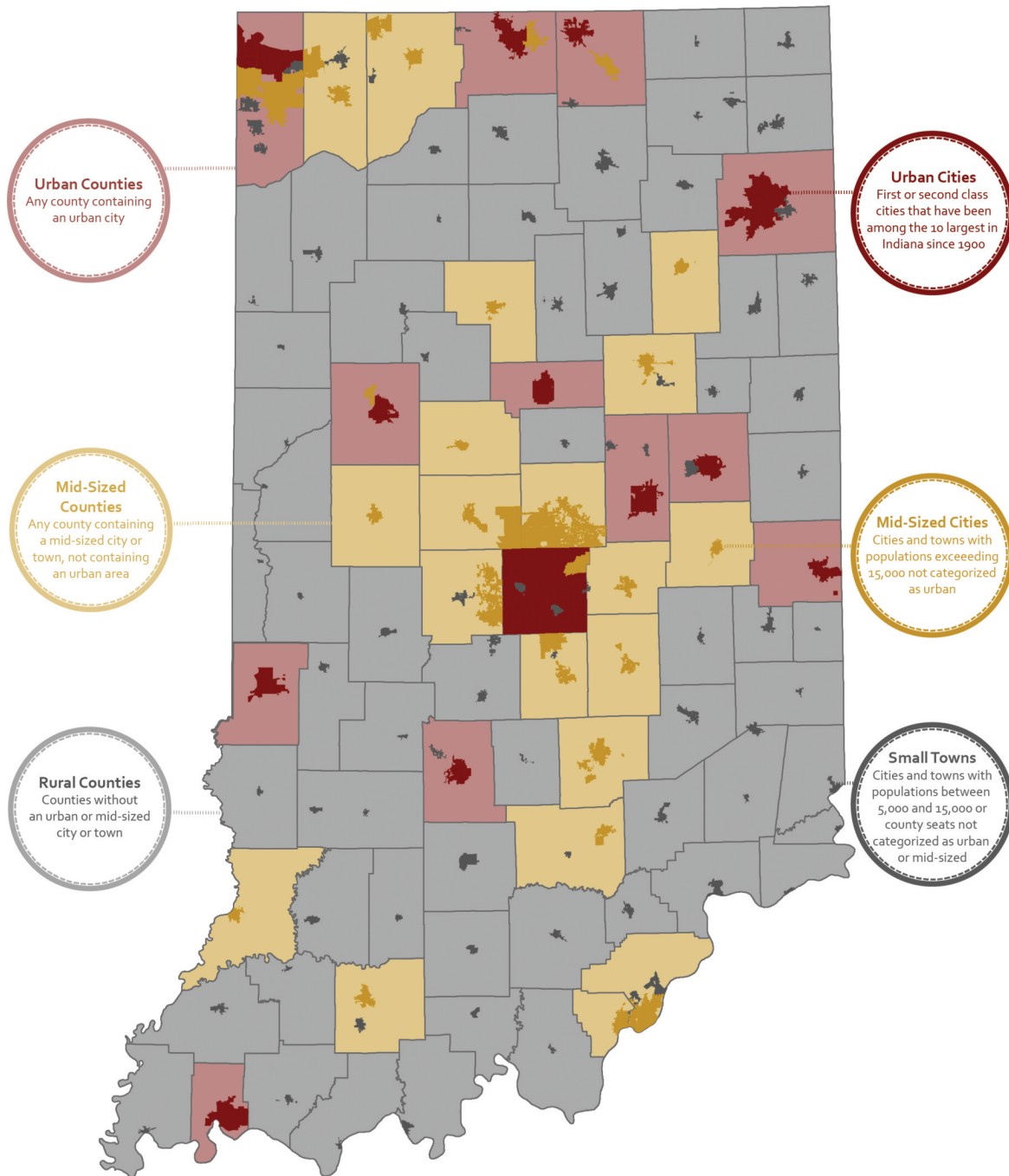
The County Courthouse in Noblesville

In addition to these overlapping goals, the commissions each identified other areas including government innovation/local control, entrepreneurship, and acceptance of diversity.

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Indiana counties and communities by community type



	Urban Counties	Mid-Sized Counties	Rural Counties	Urban Cities ¹	Mid-Sized Cities	Rural Areas
Land Area	15.7%	22.9%	61.4%	2.2%	1.8%	96.0%
Population	49.4%	25.4%	25.2%	29.9%	16.2%	54.0%
Jobs	58.1%	23.9%	18.0%	41.9%	20.8%	37.4%
Quantity	13	20	59	15	42	balance of state

Source: Smart Location Index (2014)

¹All of Marion County considered an urban city

Percentages reflect percent of all of Indiana

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Two reasons to focus on communities: outmigration and low per capita income

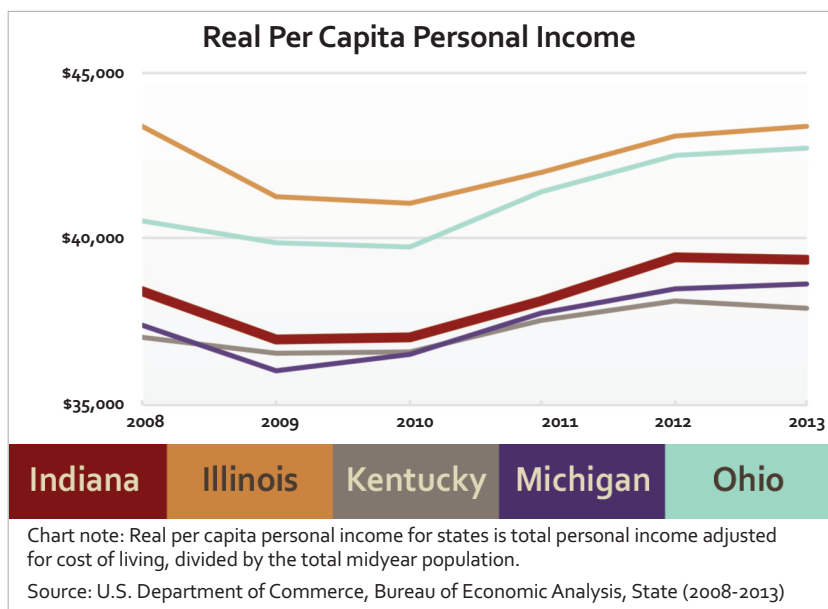
Thriving Communities, Thriving State was initiated in response to a big concern in our state. We're losing people faster than we're gaining them. In the research business, that's called "net outmigration." Between 2010 and 2015, Indiana has experienced a net domestic migration of -47,311; ranking 38th among the 50 states. At the same time, it is second among its neighboring states.

Looking at 2010 to 2014 data, only 17 Indiana counties experienced positive net domestic migration while the remaining 75 experienced negative net domestic migration (more people left than moved in). That's not a good sign. It tells us that jobs, wages, and economic opportunities aren't what they should be. It tells us that quality of life is not what it could be. It tells employers that there might not be enough skilled labor to meet their needs. It tells us that the status quo simply won't do.

And because cities and towns are the places where the vast majority of Indiana people live and work, changing the status quo has to begin with our communities. A thriving state requires thriving communities.

As *Indianapolis Star* columnist Matthew Tully wrote in a recent column¹, addressing state legislators: "Let's hope they'll spend time between now and next year listening to those who run the cities and towns that collectively make up Indiana. Helping those communities, after all, is the only way to make Indiana stronger."

¹*Indianapolis Star*, March 3, 2016



Midwest States Net Domestic Migration between 2010-2015

State	Net Domestic Migration	National Rank
Kentucky	-12,292	29th
Indiana	-47,311	38th
Ohio	-153,296	44th
Michigan	-191,130	45th
Illinois	-425,954	49th

Source: U.S. Census Bureau, American Community Survey

"The Thriving Communities, Thriving State project is a perfect complement to the work of the Indiana Bicentennial Commission. It's important to celebrate the state's 200th birthday, but it is much more important to position our communities and state for the next 100 years of progress and change."

Becky Skillman,
co-chair of the Indiana Bicentennial Commission and
former Lieutenant Governor

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Not just research; actionable recommendations

Thriving Communities, Thriving State is applied research. It's not research done for its own sake; not research that sits on a shelf. Rather, the goal is to apply this research to real-world situations. In this case, the goal is to provide leaders and citizens with objective, data-driven information so they can make good decisions.

Discussions about Thriving Communities, Thriving State began in the summer of 2014. The commissions began work in January 2015. The stated purpose: Frame the changing demographics and economic realities of Indiana within a place-based context to provide a clearer view forward for policymakers, while preserving the qualities that make our communities uniquely Indiana.

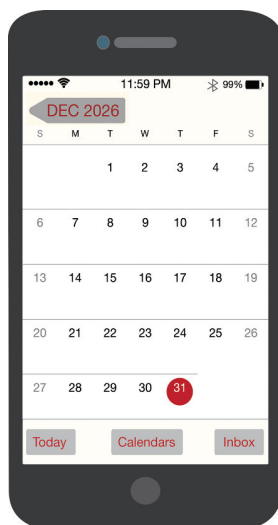
"The challenges of today suggest Hoosiers must shift from their historically slow and deliberate pace to more aggressive and thoughtful engagement with our future."

*~ James H. Madison, professor
of history emeritus, Indiana University*

Time frame: 10-year sense of urgency

Sometimes, strategic plans look decades into the future. Other times, they're as short as an elected official's term in office (2 to 6 years).

In considering recommendations for Indiana's rural, mid-sized, and urban communities, our commissioners set their sights on actions that could be taken and impact made within ten years.



Tulip Trestle, west of Solsberry and east of Bloomfield near Tulip

Success measures

Each of the recommendations in this report can be measured in its own way, but there are overall metrics that will tell us if we're heading in the right direction. In general, Indiana's goal should be to improve faster than the U.S. and the states that surround Indiana. Among the most important measures at the state, regional, and local level are:

- More people moving into Indiana than moving out (**net in-migration**)
- Better educated Hoosiers (**high school and associate's degree or higher**)
- Fewer people below poverty (**percent population below poverty**)
- More jobs (**percent change in jobs**) and more Indiana workers available to fill them (**percent labor force participation 16 and over**)
- Higher real **per-capita income** for Indiana workers

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Success measures

Indiana

Illinois

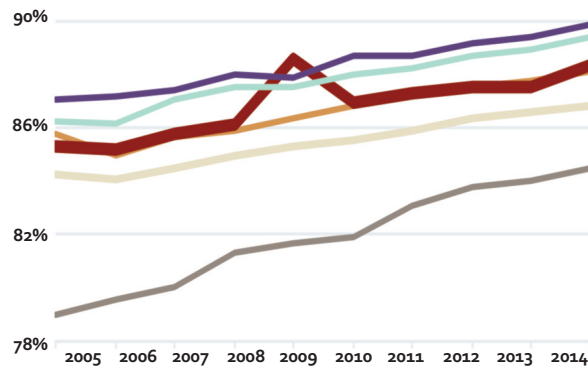
Kentucky

Michigan

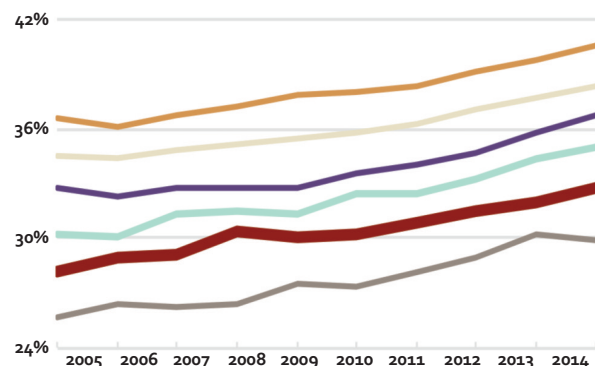
Ohio

United States

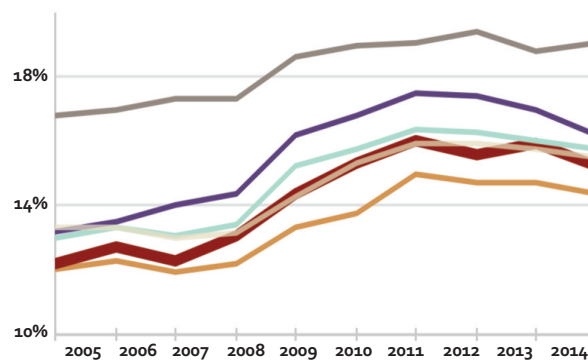
Percent with High School Degree or Higher
Population 25 years & over



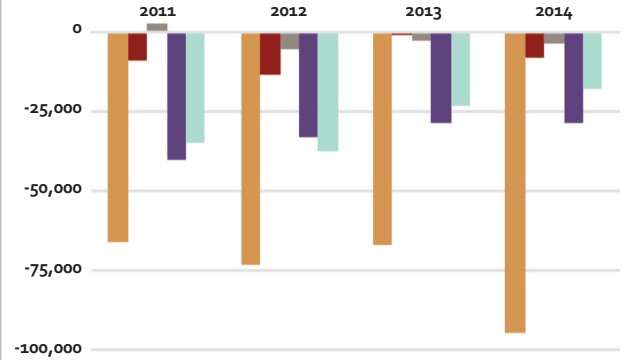
Percent with Associate's Degree or Higher
Population 25 & over



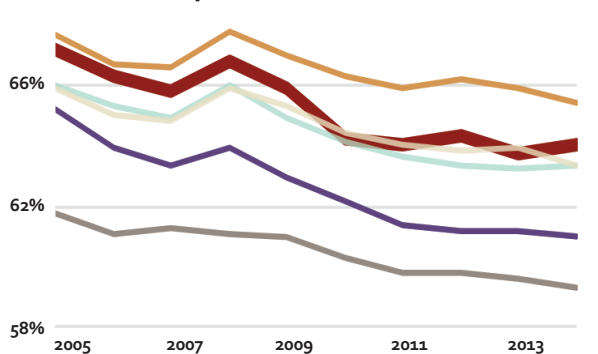
Percent Population Below Poverty



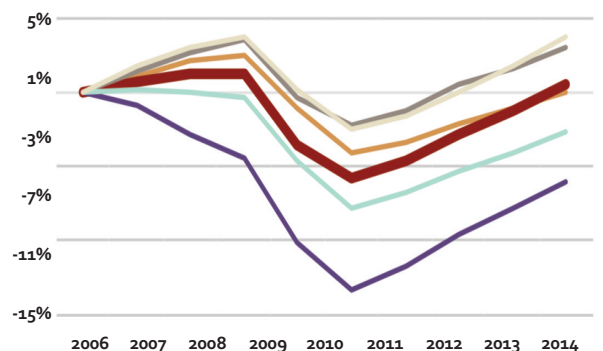
Net Domestic Migration



Percent Labor Force Participation
Population 16 & over



Percent Change in Jobs Relative to 2005



Sources: U.S. Census Bureau, American Community Survey, 1 year estimates (2005-2014), except for Labor Force participation which is U.S. Department of Commerce, Bureau of Economic Analysis, State (2005-2013)



Differing communities, common needs

Thriving Communities, Thriving State began with a simple premise: that different kinds of communities would have different needs. To some extent, that's true.

While there are aberrations and nuances to consider, however, the big surprise of this study is that three commissions – working independently and representing three vastly different kinds and sizes of communities – arrived at similar conclusions on three elements that are key to changing the status quo.

All three commissions prioritized:

- Education/workforce preparation
- Leadership and engagement
- Quality of life and quality of place

Within these areas, there was considerable overlap with regard to the stated goals of the commissions, but varying recommendations on how to achieve those goals over the next decade.

In addition to these overlapping goals, the commissions each identified specific priorities, which, while important, were not among the top 3-4 priorities of the other commissions. These include:

- Government innovation/local control (urban and mid-sized)
- Entrepreneurship development (rural)
- Acceptance of diversity (urban)

Finding common ground

In hindsight, the level of overlap is not so surprising. No matter where we live or what our circumstances might be, we all want the same thing: We all want our children and grandchildren to have an even brighter

future than us. We all want communities and homes we can be proud of. Making that happen requires education for our children, quality of life, social opportunities, jobs, the chance for our children and grandchildren to realize their maximum potential. The key is to help leaders get past their differences and help us achieve what we all want.

Our different kinds of communities should not be competing with one another for a limited slice of Hoosier economic pie. It's not us vs. them, rural vs. urban vs. suburban. Rather, we should be focused on competition with the nation and the world for a bigger Indiana pie.

While we recognize the interdependencies and shared destiny of urban, mid-sized, and rural Indiana, we also recognize that Indiana is not one thing. Rather, Indiana is the collection of millions of people and hundreds of communities located in urban, mid-sized, and rural areas across the state.

While the focus of this report is local, we recognize that regions are also important. The Indiana economy is, to be sure, made up not only of many intra- and interdependent communities but also regions where our residents live, work, and play. For a thriving Indiana, we must embrace the needs of our individual communities, the interlocking roles our communities play within regions, and the importance of our communities' collective success within and across regions.

In short, we're all in this together. Our communities are driving the economic engine. As they go, so goes Indiana.

What follows are recommendations by which all kinds of communities can help us maximize our potential. Some commissions went into great detail on specific implementation steps. Others focused on big ideas, why they're important, and how to measure impact. All are condensed here.



Education and workforce preparation (all commissions)

Recognizing that education and prosperity are linked, all three commissions agree that the education-to-career pathway must be made clearer and presented early in the education process. Furthermore, opportunities to explore career options and participate in efforts to align educational offerings with potential jobs must be afforded the same respect and resources as academic pursuits for those students following these paths.

Improved learning and workforce preparation are possible, however, only in a culture that values education in general and lifelong learning – from pre-K through adulthood – in particular. The commissions concluded, therefore, that we must raise the expectations of Hoosiers regarding education and provide opportunities in all kinds of communities for students and their families to explore options and obtain the necessary education.

Currently, residents of many communities – from small towns to urban areas – lack educational and vocational training opportunities because of some barrier or another. To succeed as communities and as a state, we must reduce these barriers – including challenges to low-income families, lack of educational access/Internet resources, and funding – that prevent people from participating fully in the education-to-career process.

All three commissions focused on these specific recommendations:

- **Pre-K:** Increase access to high-quality Pre-K education, promote youth outcomes, and better equip all caregivers (formal and informal) to promote kindergarten readiness.
- **K-12:** Promote innovation and flexibility in the K-12 system and ensure alignment of education-to-career pathways both academic and vocational.

“Innovation thrives most where education and employment are tightly intertwined.”

~ Jamie Merisotis,
president and CEO, Lumina Foundation

- **Post-secondary:** Overcome impediments – physical, perceptual, cultural, and financial – to pursuing post-secondary degrees and high-quality certificates, offering supports that help people complete and/or finish programs.
- **Education/workforce ecosystem:** Create collaborative local/regional initiatives to nurture synergies among the K-12 education system, parents and students, higher education, and industry to streamline the workforce-readiness pipeline.



The Canal Walk in downtown Indianapolis



Specific recommendations to address education and workforce preparation

Urban

BIG IDEA: Developing talent is critical – and the job begins with better preschool. Talent is what drives the new urban economy, and without more than our fair share, urban Indiana will flounder.

1. Develop and support step-up programs to help those just short of a degree.
2. Improve counseling for non-academic, post-secondary pathways that lead to jobs with reasonable wages.
3. Enhance urban school choices in general and STEM education in particular.
4. Increased accountability (and empowerment) for school leaders.
5. More affordable and accessible post-secondary school options.
6. A 10-year concerted effort to develop a culture that values education.

Mid-sized

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.

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 pre-K-12 education system.
 - Address low-income families' basic needs and school-access challenges, such as food security, reliable transportation options, and safety.
 - Address the lack of education resources at home, including a lack of Internet resources.
 - Create experiential learning and problem-solving opportunities for youth across sectors in the community. Consider in-person and digital delivery of opportunities.
 - Build relationships with parents and create opportunities for parent involvement in schools; education-to-career planning should 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.
 - 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.
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.
4. Strengthen and sustain the focus on education-to-career exploration and planning in the K-12 educational system.
 - 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.

Rural

BIG IDEA: A strong pathway from Pre-K through post-secondary education is crucial to developing talent and economic success in Indiana's rural and small towns.

Pre-K education

1. Equip parents and other caregivers with knowledge and resources to provide the best environments possible for young children to develop.
2. Develop programs to mentor parents and other caregivers on best practices in supporting child development.
3. Institute professional development programs for Pre-K providers.

K-12 education

1. Ensure that students leaving high school are life-ready and can pursue post-secondary education without need for remediation. Designated "success coaches," for example, can help students learn life skills and prepare for individualized postsecondary pursuits.
2. Expose middle school students to a variety of career options and give them opportunities to identify their interests and passions and how to pursue them.



Specific recommendations to address education and workforce preparation

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Rural (continued from previous page)

K-12 education (continued)

3. Help guidance counselors understand a wide variety of current opportunities (especially those that are more vocational in nature and/or where Indiana is comparatively advantaged).
4. Put all educational/career pathways on equal footing (academic is no better or worse than vocational) and ensure that state/local policies and incentives are oriented toward that balance.
5. Seek viable, cost-effective strategies that enable rural students to pursue dual-credit courses through collaboration across school systems, coordinated course delivery, or other mechanisms without placing additional financial burden on individual local school systems.
6. Standardize measurement of school effectiveness while retaining latitude in how best to work on stated measures.
7. Use local communities as learning laboratories, especially for programs and projects that involve youth engagement and philanthropic activities.
8. Develop more support (funding and staff) for career and technical education.
9. As noted in the Promise Indiana Initiative, we need to remove fiscal and social impediments to improved educational attainment. Cross-sector (private, public, philanthropic) community investments should support the pursuit of post-secondary degrees and certificates.

Post-secondary education

1. Provide more accessible/flexible transportation options that meet the realities of many nontraditional students and address issues of proximity and access in rural communities.
2. Ensure access to a high-quality post-secondary option within 20 minutes of every Hoosier (where they can access programming, whether locally or through web-based media).
3. Develop "start-here" locations in local communities where students can get initial coursework completed and then transfer to a campus environment.
4. Normalize the use of "stackable credentials," a curricular pathway that ensures that students, even if they do not complete a degree program, receive a certificate demonstrating competence in a particular field.
5. Create flexibility in financial aid structures to support students who have a "stop-out" and ensure that they are able to use financial aid when needed.
6. Address issues of remediation in high school or concurrent with profession-specific post-secondary coursework so students aren't slowed in their efforts to obtain degrees and/or certification.

Regional education-to-employment alignment

1. Develop statewide and/or regional partnerships among Indiana colleges, universities, communities, school corporations, and business leaders to implement strategies addressing the workforce readiness pipeline.
2. Align educational offerings (K-12 and post-secondary) with regional employers.
3. Develop a grant program to develop clear and efficient pathways between career and technical education, higher education, and workforce.

Other recommendations

1. Raise expectations/aspirations of parents to combat the mentality of "If high school was good enough for me, it's good enough for you."
2. Promote industry-recognized soft skills certification programs to support positive employment outcomes, such as the Perry County Work Ethic Certification program.

Leadership and engagement (all commissions)

All three commissions believe that more can be done to identify, encourage, train, mentor, and support existing and potential leaders already in the community. Developing homegrown leadership can begin in schools and continue with support from local nonprofits, foundations, and existing or new leadership programs.

These leaders, in turn, must encourage broad citizen engagement to be successful at all points in the process, including problem-solving, planning, and implementation. Leaders must make an effort to include any groups that seem to be missing from the conversation so as to have representation from groups in all categories of age, race, ethnicity, culture, financial background, etc., which are part of the community.

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All three commissions focused on these specific recommendations:

- **Individual leadership development:** Identify and support potential leaders by providing meaningful opportunities for engagement and the exercise of leadership in traditional and nontraditional settings, and using existing and/or expanding infrastructure for leadership development.

- **Diversity/openness:** Provide pathways for any and all individuals to meaningfully participate in important civic conversations through informed and inclusive engagement(s).
- **Regionalism:** Encourage the regional collaboration of individuals and organizations to promote greater integration of economic activity and higher quality of life.
- **Charitable activities:** Improve the depth, breadth, and intensity of charitable activities, including philanthropic giving and volunteerism, to promote community and regional social capital.

“Nothing is more expensive than mediocrity.”

~ J. Irwin Miller,

Cummins Corporation chairman and philanthropist

Specific recommendations to promote leadership and engagement

Urban

BIG IDEA: A community is only as strong as its leaders. To create a successful 21st century Indiana, new urban leadership must build networks of leaders who are plugged into an intentional system that addresses civic, elected, and not-for-profit sectors.

1. Broaden and deepen civic engagement.
2. Develop civic/public sector job rotation/mentoring program.
3. Create more intentional effort to identify existing leaders and encourage diversity.
4. Create a not-for-profit/public-sector version of Lilly Fellows/VISTA programs.

Mid-sized

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

1. Retool local civic leadership and increase engagement.
 - 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.
 - Retool public and nonprofit grant-making.
 - Provide community support for innovative efforts.
3. Support elected officials as community leaders.
 - Encourage community members to run for office. Expand community vetting of candidates.



Specific recommendations to promote leadership and engagement

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Mid-sized (continued from previous page)

- 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.
 - 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.

Rural

BIG IDEA: Build individual, organizational, and civic leaders to develop civic vision, community approaches to problem solving, and generate funding.

Individual leadership and engagement:

1. Equip organizational leaders with vital skills for serving organizations, communities, and regions.
2. Increase opportunities for youth to be mentored by local businesses/owners.
3. Work with existing community groups and organizations to develop succession plans that help mentor/coach leaders.
4. Develop youth leadership programs through which students can offer input to local government and economic development organizations.
5. Connect existing leadership development programs to opportunities to transition into leadership positions (i.e., be more intentional about developing leadership pipelines).
6. Develop (or build the capacity of) local leadership academies to train leaders.
7. Work with community foundations and the Indiana Philanthropy Alliance to promote youth engagement in community-based philanthropy (giving and volunteering), thereby promoting a culture of service that cultivates leadership skills needed to address community challenges.

Promoting regional collaboration, coordination, and action:

1. Develop regional networks to connect individual local leaders across communities.
2. Encourage and incentivize additional collaboration among existing local and regional organizations.
3. Develop regional strategies in such a way that rural assets and communities are a celebrated part of the region, not marginalized within the larger structure.
4. Work with statewide organizations, universities, government, and others to develop regional affinity groups and incentivize/promote regional coordination and action.

Establishing and implementing civic vision:

1. Develop citizen-based committees to host community discussions and forums and develop a community vision.
2. Engage the Indiana Office of Community and Rural Affairs to counsel rural communities in developing local strategic plans.
3. Develop local processes to identify challenges/opportunities and develop strategies to address them; in so doing, incorporate innovative strategies to engage the public and promote an inclusive public discourse (e.g., use web-based technologies, meet people in the community rather than relying on community meetings, etc.).
4. Create a culture of openness and inclusivity, especially with regard to how government interacts with its citizens in rural communities.

Developing leadership-enhancing resources:

1. Engage local community foundations in supporting leadership development activities, within communities and across jurisdictions.
2. Asset mapping: inventory the assets that exist within communities that can serve local/regional community and/or economic development efforts.
3. Develop financial resources to develop local leaders and invest in leadership development efforts.
4. Improve funding for rural public schools, recognizing and promoting the role that they serve as a community anchor, enhancing the civic life of a community.



Quality of life and quality of place (all commissions)

Our three commissions agree that engaging all residents in building community will enhance quality of life and help attract and retain new residents and new investment. Younger generations, in particular, must be encouraged to participate in discussions about and implementation of community improvements.

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 education, post-secondary education, housing, transportation, healthcare, environmental quality and natural resources, sports and recreation, and arts and culture. For many communities, quality of life/place is a combination of community and regional amenities (often located in a nearby urban community).

Whatever size community is involved, roads, transportation, Internet access, and other place-making amenities must be well planned and adequately funded – with appropriately measured outcomes.

All three commissions focused on these specific recommendations:

- **Infrastructure:** Plan and provide for high-quality infrastructure – transportation, water and wastewater – to promote the livability and fiscal sustainability of Indiana communities.
- **Broadband connectivity:** Ensure access, physical and financial, to high-quality and high-speed broadband for all Hoosiers.
- **Place-making:** Ensure adequate resources to preserve our heritage, develop amenities, and create unique places in a way that promotes a high quality of life.
- **Regionalism:** Encourage the regional collaboration of individuals and organizations to promote greater integration of economic activity and higher quality of life (also in leadership recommendations).

Specific recommendations to address quality of life and quality of place

Urban

BIG IDEA: To ensure that Indiana's urban counties are attractive to a diverse collection of individuals, cities must have increased flexibility so they can focus on infrastructure and place making.

1. Increase commitment to stable road funding and a quality road network.
2. Increase access to mass transit for those who need and want it.
3. Improve access to high-speed Internet and develop free high-speed downtown and airport WiFi.
4. Develop sustained investment in urban quality-of-place projects.

Mid-sized

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

1. Intentionally plan, implement, and track quality of life/place improvement efforts and outcomes.
 - Engage residents of all demographics (including age, race, ethnicity, and sexual preference) in defining community quality of life improvements.
 - Draw upon best practices from studies and grants associated with efforts such as Regional Cities, Stellar Communities, etc. for ideas about particular efforts and about successful collaboration.
 - Ensure that financial resources are available to support quality of life/place investments, including options for local revenues and access to public, private, and non-profit 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.
3. Create opportunities to engage residents around common issues and interests.
4. Establish mechanisms that allow regions to select and develop regional amenities and distribute the costs among the communities that benefit.



Specific recommendations to address quality of life and quality of place

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Rural

BIG IDEA: From bricks to clicks, well-maintained physical assets and wired technology are vital to the success of rural and small towns.

1. Broadband: Connectivity is essential to education, economic development, equal opportunity, civic engagement and more.

- Embrace efforts – public, private, and/or philanthropic – to expand access to and provision of rural broadband infrastructure.
- Promote local adoption in rural areas to make the provision of infrastructure more feasible to private providers.
- Promote development of "carrier-neutral access points" for communities that the private market is unlikely to serve (i.e., create the infrastructure to a "pod" or distribution point within a community, where private providers can provide "last mile" connections).

2. Infrastructure and historic preservation: More resources are needed to maintain and repair existing infrastructure. It's also important to leverage community assets, natural amenities, and novel structures and spaces. Finally, small towns and rural communities should promote the remarkable quality of life characteristic of these locations.

- Actively incorporate the perspectives of younger generations in the planning and implementation of attraction/retention strategies in our communities.
- Develop community-based models that support business location in historic buildings (without placing the entire burden for the facility on the business owner).
- Celebrate and build on the exceptional natural and historic resources throughout rural communities as a cornerstone of regional tourism and economic development.
- Develop an asset inventory to better understand the costs associated with making aging infrastructure (roads, water, sewer) functional for modern use.
- Initiate financing tools and strategies to help rural communities maintain high-quality infrastructure.
- Use the extraordinary structures, spaces, and amenities of rural communities – historic, natural, and social resources – as catalysts for economic activity and community vibrancy.
- Develop learning circles—in partnership with organizations such as the Indiana Philanthropy Alliance and Indiana Landmarks—to help local communities organize and promote the assets of rural communities and to translate these assets into economic opportunity for local business, communities, and regions.
- Use existing infrastructure, structures and community assets as workforce development and entrepreneurship opportunities: Work with entrepreneurs and education providers on the skill sets needed to renovate and rehabilitate facilities and infrastructure, energize community spaces, promote events and activities, and operate businesses, while capitalizing on the natural and historic assets abundant in rural communities. In short, be intentional about using rural assets to provide learning opportunities, develop skills, and launch businesses, in such a way that boosts economic activity within communities.
- Develop locally/regionally appropriate hubs (e.g. underused downtown buildings) for education and workforce development services (GED, distance education, WorkOne centers).



Government innovation and local freedom/flexibility (urban and mid-sized commissions)

If Indiana's urban and mid-sized communities are to remain a key economic engine for the state's economy, help keep our children in state, and compete for human capital across the globe, they will need fiscal and governmental flexibility to raise funds, invest in quality-of-life amenities, underwrite economic drivers (both public facilities and leveraged private investments), etc. They also will need the ability to respond immediately, innovatively and creatively to fast-emerging opportunities and challenges – inevitable byproducts of national and international competition.

Toward that end, our urban and mid-sized commissions find that Indiana needs to modernize certain local-government structures and finances. Unfortunately, local government innovation 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. But our ceaseless acceptance of, at best, incremental change is an enemy to our communities' long-term success.

Instead of continuing with the status quo, or imposing even more top-down mandates, our urban and mid-sized community commissions identified recommendations for select government reforms.

Among other considerations, 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. 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.

Specific recommendations to address government innovation and local freedom/flexibility

Urban

BIG IDEA: Give our cities greater political and fiscal flexibility so they can quickly respond to opportunities and challenges (including revenue).

1. Pass legislation giving cities the means and flexibility to respond more immediately to events and opportunities rather than waiting on the General Assembly.

Mid-sized

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.

1. Update county government.

- 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.

3. Establish minimum qualifications for elected officials when necessary and increase pay in recognition of the value of those qualifications.

4. Provide incentives and technical assistance to local governments that are willing to undertake structural reforms and other efficiency, effectiveness, and cost-saving efforts.

5. Reform the system of local government finance to ensure resources for important investments in economic development and community enhancements.

- Revisit current local government finance tools, including revisiting tax increment financing (TIF) and the county economic development income tax (EDIT) to ensure that they continue to support economic development.

- 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.

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

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

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Diversity (urban commission)

Indiana's urban communities compete globally, nationally, and regionally for the talent required to compete in the information and innovation economies. Life sciences require scientists. Advanced manufacturing needs engineers. Information technology needs coders and programmers.

If Indiana's cities aren't welcoming and committed to diversity, they will not retain the talent they develop, and they will not be as attractive to talent developed elsewhere. Without talent, we don't compete in the innovation economy. And if we don't compete, it's not just our cities that suffer, but also the entire state.

Specific recommendations to address diversity

Urban

BIG IDEA: Embrace diversity in all forms.

Entrepreneurship (rural commission)

The rural commission stressed the importance of entrepreneurship training and incentives as part of a series of education-to-workforce measures.

From rural grain, pork, and dairy producers to furniture-makers to local service-oriented businesses, rural Indiana has historically been a good place to be an entrepreneur.

Looking forward, rural/small-town Indiana is well positioned – economically and geographically – to play a leading role in the emergence of new manufacturing practices, in the transportation and logistics industries, and in the agricultural domain. Innovation within these sectors and their supply chains provides many opportunities for entrepreneurs.

While there is considerable potential in these areas, there are challenges, as well.

Among them:

- Lack of broadband connectivity in many parts of the state. Entrepreneurs today can't operate without it. Therefore, our rural and small towns can't thrive without it.
- Impediments to financing creative ventures or commercializing innovative ideas.
- Insufficient levels of education to ensure that students have the means and skills necessary to start, manage, and grow a business should they so desire.

Specific recommendations to address entrepreneurship

Rural

BIG IDEA: A thriving rural Indiana depends on a culture of entrepreneurship that supports starting businesses, growing those businesses, and continued success for those businesses.

1. Develop facilities and programs that support co-location and back-office support for new businesses, encourage business incubation, and provide space for creativity and development.
2. Partner the agriculture, technology, and engineering sectors with institutions of higher education and others to help entrepreneurs develop, finance, and commercialize new applications and products that capitalize on emerging and potential agriculture/technology applications.
3. Because spinoffs often emerge from existing companies, work to attract new companies to the community and help them see the potential in growing affiliates and suppliers from within their own ranks.
4. Systematically explore regional supply chains and identify opportunities for existing or potential local firms.
5. Create a forum to exchange ideas: a place for innovators to collaborate on novel ideas and identify strategies for commercialization of ideas.
6. Promote succession planning and develop strategies that help aspiring entrepreneurs take on legacy companies in transition.
7. Work with the finance sector and other investors to devise local, regional, and state strategies that improve access to all sorts of capital to support rural entrepreneurs and small-business development, including traditional financing, venture capital, angel investors, and microenterprise investment.
8. Work with schools, businesses, and economic development entities to devise cross-sector programs that contribute to an entrepreneurial ecosystem, including:
 - Formal instruction (e.g., incorporation of business concepts into school work),
 - Social interaction that promotes creativity and developing business acumen (such as robotics clubs and/or FFA),
 - Mentorship between existing and new/aspiring business owners, and
 - Strategies to promote entrepreneurship as a viable career path.

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