



## Fiscal Policy Institute

# CHRONICLE

March 1990

## Goals of IFPI Founders Becoming Reality

April 1, 1990, marks three years of operation of the Indiana Fiscal Policy Institute. In those three years, the Institute has established itself as a credible source of information and analysis regarding Indiana taxing and spending policies. Although the Institute will really never stop having to earn its credibility, it is now viewed by significant policy-makers from both parties as an organization to which they may turn for unbiased, factual analyses of issues requiring their decisions.

Our work on the funding problems in the Teachers' Retirement Fund prompted a request from the Pension Management Oversight Commission for recommended ways to improve the management of state pension fund assets.

The Institute has continued its monitoring of the state fiscal

condition and has concluded that the present strong position may well be temporary given the rising level of new claims against future revenues. Recent spending decisions have confirmed previous Institute projections of trends in revenues and expenditures that point to budgetary problems in fiscal year 1991-92.

Monitoring of potential major expenditures is continuing. The Institute has been analyzing the Community and Home Options to Institutional Care for the Elderly and Disabled (CHOICE) program, which very well may become a major item in State expenditures. A new Institute report on CHOICE will be issued shortly.

Our work has not gone unnoticed. From 27 charter members in April

1987, Institute membership has grown to 116 in March 1990. Our income has grown commensurately.

But growth must not stop here. In order for the Institute to have the kind of impact envisioned by its founders and members, it must have the capability to achieve a higher level of research output. This, in turn, depends on our ability to achieve our target staffing level of six (compared with our present three).

With the help of our members, this can be accomplished and we can move closer to our goal of better state fiscal decisions through the objective presentation of factual research. ■

...EARL M. RYAN

### K-12 Financing Under Review

School finance programs have been thrown out by the courts in Texas and Kentucky and are being challenged in other states including Indiana. The common thread is that certain financing schemes violate a pupil's right to equal education.

In this context, the Institute is preparing a series of papers on

financing Indiana's public school system. The series will review national trends in school finance and then narrow the discussion to Indiana and the evolution of its formula. This will be followed by an analysis of the issues involved in alternative means of financing elementary-secondary education. ■

### Institute to Launch Internship Program

The Institute is working with Indiana University, School of Public Affairs, to develop an internship program. This would permit IFPI to expand its research capacity, while at the same time provide an excellent educational opportunity for a SPEA graduate student. The program is slated to begin this summer. ■

## New Research Associate

**GRETCHEN K. GUTMAN** joined the Institute staff as a research associate in October, 1989.

Prior to joining IFPI, she was the County Finance and Information Officer for the Allen County Commissioners.

The Ft. Wayne native received her master of public administration degree from Indiana University, concentrating on management and public finance. She also received her undergraduate degree from Indiana University. ■



## Indiana Responds to Our Mission

Businesses, associations and individuals across the state are agreeing that unbiased, objective research regarding taxation and expenditures leads to better, more effective government.

Thanks to the efforts of many current supporters who assisted in recruiting new members, IFPI membership grew by 27 percent last year. The Institute welcomes the following members who have joined since July, 1989.

Miller's Merry Manor  
Consolidated Rail Corporation  
Boehringer Mannheim  
Park Quick of American  
Robert J. Hiler  
United Presidential Life Insurance  
Hoosier Motor Mutual Insurance  
Indiana Gas Association  
BMW Constructors  
Conseco, Inc.  
Citizens National Bank of Evansville  
Krieg, DeVault, Alexander & Capehart  
Indiana Rail Road Company  
Dana Corporation  
Lafayette Life Insurance  
LTV Steel Company  
MacAllister Machinery  
William E. McWhirter  
Indiana Manufactured Housing Assoc.  
Dual Machine and Tool Company  
State Farm Mutual Insurance

## Property Tax and Education Finance Head List of 1990 Institute Projects

Major research projects now underway at the Institute include -

- \*Property Tax Administration in Indiana
- \*Financing Elementary-Secondary Education
- \*Indiana State Budget Process: Description and Analysis
- \*Managing State Pension Fund Assets

In addition, the Institute will continue to monitor the state fiscal situation and will prepare an analysis of the November statewide ballot issue regarding the investment of state pension funds in stocks. ■

## Schlehuser Retires

**DONALD W. SCHLEHUSER** is retiring as Executive Director of Taxes and Assistant Comptroller at Public Service Indiana on July 1, 1990 and is also resigning as IFPI Director. Charles J. Winger, Comptroller, PSI will replace him on the Board.

Don, a founding member of the Board, was instrumental in the launching of the Institute.

The Institute Board of Directors, staff and members thank Don for his key role in the Institute and wish him all the best in his coming retirement. ■

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Capital Center  
251 N. Illinois Street, Suite 980  
Indianapolis, Indiana 46204

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