

INDIANA FISCAL POLICY INSTITUTE

Celebrating Ten Years of Independent Research and Analysis

"The founders of the Indiana Fiscal Policy Institute had a clear idea that governmental decisions on state fiscal policy issues would somehow be better if they were made in the light of objective, accurate, and independent research. In the last 10 years, they have been proven to be right. Whether it is budget policy, teacher retirement funding, property tax reform, or poor relief, the Institute has shown that the investment made in its work has paid off handsomely and will continue to do well into the next century. I will always be extremely proud to have been associated with the Institute and its work."

Earl M. Ryan
Founding President

The Indiana Fiscal Policy Institute grabbed the public's attention in November 1987 when it released its first publication assessing whether the State was prepared for the next recession.

At that time Indiana had enjoyed several years of economic expansion. The outlook for the 1987-89 biennium looked stable but there was a possibility of a fiscal crunch beginning in the 1989-91 biennium. Given the potential for financial difficulties, the publication noted that the State was not adequately prepared for a recession.

Since 1987, the Institute has addressed a broad spectrum of state and local finance issues. Approximately 21 publications have addressed state budget and expenditure issues. Nine have covered tax issues. Eleven publications have tackled issues such as School Finance, Medicaid, Higher Education, and Institutional, Long Term Care. The most recent reports analyzed the Child Welfare System in Indiana and the Poor Relief Assistance Program administered by Township Trustees.

The Institute may be best known for its six reports on various public pension funds issues. In December 1988, the Institute wrote about the unfunded liability in the Teachers Retirement Fund. In 1996, the Institute authored a report on the merits of investing the State's public pension funds in equities. This report was relied on by the Hoosiers for Funding Reform who advocated the passage of a constitutional amendment that would allow these funds to be invested in equities. The report was cited in 117 publications and was considered an essential tool in the passage of the constitutional amendment. The 1988 report was equally successful.

Following its publication, the General Assembly authorized the annual transfer of up to \$30 million in lottery revenues to the Teachers Retirement Fund, which has drastically improved the financial position of the fund.

The Institute has consistently been recognized by the public, elected officials, and member organizations for its high quality, objective, and credible research. Such recognition has increased the Institute's visibility and facilitated the Institute's involvement in numerous panels, symposiums, presentations, and legislative committee meetings/hearings statewide. Most recently, the Governor requested that the Institute's President, Bill Sheldrake, serve on his Citizens' Commission on Taxes.

"Few of us involved in the establishment of the Institute would have dared to predict the enormous impact of the organization on the development of fiscal policy. We now know the important role that an organization providing non-partisan, factual information can have on the long-term fiscal policy of the state. Our challenge is to share this message with others who conduct business in Indiana to encourage their support of and participation in this organization. If we can do that, I'm sure that there will be many future success stories benefiting all Hoosiers."

Ian Rolland, Chairman
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Founding Member

Institute's Founders
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IFPI Vision Statement
To be Indiana's leading provider of independent research and analysis on state and local taxing and spending policy.

"In the ten years of the Institute's growth and development, the quality of the research and the independence of the voice have earned the organization the attention and respect of leading policymakers, inside and outside of the governmental process. The exciting news is that the vision is rapidly becoming a reality and, as a result, providing value in the form of better government and a higher quality of life for the people of Indiana."

Charles E. Schalliol, Chairman
IFPI Board of Directors

While we are proud of the historical accomplishments owned by the Indiana Fiscal Policy Institute and its supporters, we look forward to addressing the challenges that lie ahead for public policy leaders in this State. Throughout the nation, state and local governments are evaluating their fiscal structures to determine whether those structures give citizens and taxpayers the highest possible value. This competitive pressure, which has been the hallmark of the business environment for the past decade, is going to increase and intensify as demographics and the U.S. economy make all of us aware of the costs and quality of government services.

The Institute will be at the forefront of efforts here in Indiana to demonstrate where State and local government are providing good value for the taxpayer's dollars and those areas where inefficiencies exist. The Institute's expertise in overall tax policy, school finance, pensions, and budgeting will pay dividends by illustrating the best and the worst in government fiscal policy.

The Institute's Mission, "To enhance the effectiveness and accountability of state and local government through the education of public sector, business, and labor leaders on significant fiscal policy issues and the consequences of state and local decisions" gives a clear blueprint for our intended contribution to improving government. This contribution is a credit to the more than one hundred organizations whose generosity and commitment to good public policy have made it possible to provide independent and reliable analysis. The Institute's experience enables us to provide some of the most insightful and credible research on those issues that matter most to Indiana taxpayers.

Recognizing that Indiana's citizens care about more than just low taxes, the Institute will continue to look at issues that affect the quality of government services. One such issue is the State's infrastructure needs, from highways to wastewater treatment facilities. We will also continue to assess the quality as well as the mode of financing elementary and secondary

education services, economic development efforts, welfare services and the provision of retirement benefits. As part of broadening the Institute's research agenda, the staff has begun a collaborative research project with the Indiana Commission for Higher Education and the Indiana Chamber of Commerce to assess Indiana's current human capital position and understand the impact of that position on the State's economy.

We believe that the Indiana Fiscal Policy Institute has a responsibility to give back to those in the business community, academia, and government who have been supportive in the past ten years. Therefore, in conjunction with this 10th Anniversary Celebration of the founding of the Institute, we have established the Indiana Public Affairs Fellowship. This is a one year position for highly accomplished individuals graduating with a Master's degree from an Indiana university who are interested in working within the arena of public policy in Indiana. The fellow will work on a broad cross section of public policy issues and will be exposed to all levels of State and local government.

We hope our endeavors are and continue to be beneficial to our supporters. The Institute will continue to reach out to prospective members and supporters in order to fulfill our mission and widen the impact of our efforts. We sincerely appreciate your commitment to the Institute's success and look forward to many new exciting opportunities ahead.

"To stand still is to fall behind. With the continued support of our members, the Indiana Fiscal Policy Institute will continue to monitor and report on those issues which are fundamental to effective government and sound fiscal policy."

William J. Sheldrake
President

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