



Key Statehouse topics: Roads, pre-K and cigarette taxes.

LOFTY LEGISLATION

Chamber's Key Goals in Focus

By Rebecca Patrick

While one can never be 100% certain when policy and politics mix, there are unmistakably positive signs from Indiana General Assembly leadership that at least two outstanding, high-profile needs will be more fully addressed in 2017.

Those are long-term transportation infrastructure funding and expansion of state-funded preschool. Both are also among the Indiana Chamber's Top 8 legislative priorities for the new session.

Whatever strategies are ultimately settled on as revenue streams for roads and bridges, the Indiana Chamber will be advocating for two thresholds to be met.

"There must be funding for both maintenance needs and important new projects, as well as a mechanism to ensure that every user pays their fair share," offers president and CEO Kevin Brinegar.

At the Indiana Chamber Legislative Preview event in late November, Indiana House Speaker Brian Bosma echoed the sentiment of "fees to those who use the assets" and said, above all, he will be looking for legislation that will last for a "generation or 20 years" – not the life of an administration.

Senate President Pro Tem David Long chimed in that states were going to be on their own for infrastructure funding after 2020. Long had been part of a recent conversation with U.S. House Speaker Paul Ryan on the subject.

"The federal government can't keep raising these revenues. ...

It's sobering to understand but we can't keep looking to Washington for these massive transportation plans – nor should we," Long emphasized. "It's inevitable that we have to find new sources of money."

Specific funding strategies the Indiana Chamber could support include: indexing the fuel excise taxes/fees to inflation (which Long calls a "logical step"); raising fuel excise taxes/fees; charging fees for

Top Targets

A summary of the Top 8 Indiana Chamber legislative initiatives:

- Support establishing a long-term sustainable funding stream for the state's roads, bridges, etc.
- Support the expansion of publicly-funded preschool initiatives for children from low-income families
- Support a comprehensive approach to decreasing the state's smoking rate
- Support suitable testing for students and accountability for all involved in the education process
- Support a statewide water policy to assure future resources and our economic prosperity
- Support making technology innovation an integral part of the state's identity
- Support maintaining and enhancing our attractive tax climate
- Support a work share program that will allow employers to maintain a skilled stable workforce during temporary downturns



alternative-fuel vehicles (which aren't subject to the regular fuel tax); tolling a major interstate; and dedicating all of the sales taxes on fuel to infrastructure (the current model allots a penny with the other six cents going to the state's general fund).

The Indiana Chamber would support replacing any revenue lost to the general fund with another revenue source so that the general fund is left whole.

When it comes to pre-K expansion, "the expectations aren't as ambitious due to overall revenue forecasts, but the desire to build on what we have and progress along that path is evident," Brinegar notes.

In 2014, the Legislature authorized state-funded pre-K with a pilot program in five counties.

Going forward, the Indiana Chamber wants "disadvantaged youngsters to take priority for the state's limited dollars that will be available," Brinegar begins.

"We hope to see legislators focus on fiscal responsibility, ensure preschool programs are of high quality and adopt a mixed delivery model that includes public schools, Head Start programs, licensed family and center-based childcare, as well as community-based organizations. All of those things are vitally important." The Indiana Chamber is part of the All IN 4 Pre-K coalition.

Bosma calls himself a preschool proponent and wants "more counties and more low-income students" into the state program "whether that's twice as many or three times as many."

He also cautions against universal pre-K efforts: "That price tag would approach one-third of what the state's current total budget is for K-12 education. We can't jump into that."

Long concurs with a deliberate approach. "If we expand, another five counties would be a prudent move." He also indicated the need to see more "outcomes" from the pilot group to warrant more robust program increases.

Another matter that is slated for the Statehouse spotlight in 2017 is a cigarette tax increase.

Last year, a bill made it through the House with the generated

revenue designated for road funding. This time, the Indiana Chamber and the new Alliance for a Healthier Indiana (healthierindiana.org) will be advocating that at least a portion of that money be earmarked for health-related needs. Specifically, that it will go to cover a more expansive smoking cessation program and potentially Medicare costs for smokers.

In the most recent data available, for every cigarette pack sold and taxed at 99.5 cents, the state spends at least \$15.90 in related health care costs.

"Obviously that's not a sustainable tradeoff and needs the state's attention," Brinegar remarks.

Of the two legislative leaders, Bosma can be characterized as more receptive to the tax hike.

"I thought it was a smart plan (in 2016). The goal (with that legislation) was not to have the highest tax in the Midwest and it wasn't," he stated at the legislative preview.

A measured Long offered: "It's a possibility. ... We're not real excited about it in the Senate Republican Caucus." But he did acknowledge that the cigarette tax increase "may be one that the public could support."

Indiana ranks 44th in the nation (where No. 1 is best) for highest percentage of smokers. Tobacco costs Indiana \$6 billion annually in health care costs and lost productivity.

"We hear from our members consistently about the impact smoking has both on their business and employees. Workers who smoke are less healthy, have higher insurance premiums and miss more days on the job – and some are not able to work at all," Brinegar declares. "It affects all types of industries and size of workplaces."

The Indiana Chamber and the Alliance for a Healthier Indiana (including the Indiana Hospital Association, Indiana State Medical Association and Anthem Blue Cross and Blue Shield in Indiana) are proposing a comprehensive approach to reducing the state's smoking level. Other steps are increasing the smoking age from 18 to 21 and repealing special privileges for smokers (that prohibit employers from asking possible new hires if they smoke).

RESOURCE: Full details of the Indiana Chamber's top priorities and additional areas of focus for 2017 are available at www.indianachamber.com/priorities.