

INDIANA VISION

2025

A PLAN FOR HOOSIER PROSPERITY





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Indiana Vision 2025 is a comprehensive effort, coordinated by the Indiana Chamber of Commerce, to provide leadership, direction and a long-range economic development strategy for the state of Indiana.

The project is funded by the Indiana Chamber Foundation, which provides



leadership through practical policy research to improve the state's business climate. Since 1981, the Foundation has conducted research that produces results for organizations, their employees, communities through the state and Indiana citizens.

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MISSION STATEMENT:

“Indiana will be a global leader in innovation and economic opportunity where enterprises and citizens prosper.”

Indiana Vision 2025 – OUTLINE OF KEY DRIVERS AND GOALS

DRIVER 1: OUTSTANDING TALENT

- Increase the proficiency of Indiana students in math, science and reading to “Top 5” status internationally.
- Increase to 90% the proportion of Indiana students who graduate from high school ready for college and/or career training.
- Eliminate the educational achievement gaps at all levels, from pre-school through college, for disadvantaged populations.
- Increase to 60% the proportion of Indiana residents with high quality postsecondary credentials.
- Increase the proportion of Indiana residents with bachelor’s degrees or higher to “Top 10” status internationally.
- Increase the proportion of Indiana residents with postsecondary credentials in STEM-related fields to “Top 5” status internationally.
- Develop, implement and fully fund a comprehensive plan for addressing the skills shortages of adult and incumbent workers who lack minimum basic skills.

DRIVER 2: ATTRACTIVE BUSINESS CLIMATE

- Adopt a right-to-work statute.
- Enact comprehensive government reform at the state and local levels to increase efficiency and effectiveness in delivery of services.
- Reform public pension systems to achieve fairness and cost-containment.
- Preserve and enhance a “Top 5” ranking among all states for Indiana’s legal environment.
- Attain a “Top 5” ranking among all states for Indiana’s business regulatory environment.
- Eliminate the business personal property tax.
- Eliminate the state inheritance tax.
- Promote the enactment of a federal solution to the Internet sales/use tax dilemma.
- Streamline and make consistent the administration of the state’s tax code.
- Establish government funding mechanisms to more closely approximate “user fee” model.
- Contain health care costs through patient-directed access and outcomes-based incentives.
- Reduce smoking levels to less than 15% of the population.
- Return obesity levels to less than 20% of the population.

DRIVER 3: SUPERIOR INFRASTRUCTURE

- Create and implement a plan to position Indiana as a net exporter of energy.
- Diversify Indiana’s energy mix with an emphasis on clean coal, nuclear power and renewables.
- Identify and implement workable energy conservation strategies.
- Develop and implement a strategic water resource plan that ensures adequate fresh water for citizens and business.
- Develop and implement new fiscal systems to support the array of infrastructure projects critical to economic growth.
- Aggressively build out the state’s advanced telecommunications networks.

DRIVER 4: DYNAMIC & CREATIVE CULTURE

- Develop entrepreneurship and aggressively promote business start-ups through education, networking, investment and financial support.
- Increase the amount of technology transfer from higher education institutions and attain “Top 5” ranking per capita among all states.
- Achieve “Top 12” ranking among all states in number of utility patents per worker.
- Achieve “Top 12” ranking among all states in venture capital invested per capita.
- Strategically recruit foreign direct investment (FDI) and achieve “Top 12” ranking among all states in FDI as a percent of gross state product.
- Increase Indiana exports to achieve “Top 5” ranking per capita among all states.
- Promote a culture that further values diversity and civility, attracting and retaining talented individuals.

Indiana Vision 2025

Indiana Vision 2025 is a comprehensive, multi-year initiative, coordinated by the Indiana Chamber of Commerce, to provide direction, leadership and a long-range economic development strategy for the state of Indiana to help ensure the prosperity of Hoosiers. It seeks to build upon similar past efforts - specifically, the Indiana Chamber's *Economic Vision 2010* initiative - and mobilize public consensus on key issues facing our state.

HISTORY AND SYNOPSIS

In the late 1990s, Indiana was in a very different place, economically speaking, than it finds itself today. Then, Indiana seemed to be humming along with the rest of America during a period of low unemployment and relative economic prosperity. That compared to currently fighting stubbornly high unemployment and twin crises of confidence and capital two years after the official “end” of the Great Recession of 2007-2009. However, many economic metrics from 1999 showed, and many critical thinkers had concluded, that the state was too complacent.

In 1999, Indiana was enjoying a false sense of economic security given global trends in manufacturing and the state's dependence on this critical sector (today, there seems to be no sense of economic security – false or otherwise). Indeed, a rigorous examination of the data showed the state was lagging other areas of the country and included downward trends in critical areas such as per capita personal income and the educational attainment of Hoosiers. The “dot.com” economic bubble was about to burst, but leaders of the Indiana Chamber already had decided to engage in a self-assessment of the state's economic foundations and chart a course for future action.

The result was *Economic Vision 2010*, a long-range economic development plan to make Indiana a dynamic and vibrant environment to establish, operate and grow a business. Published in 2000, this plan emphasized innovation and entrepreneurship while identifying five critical drivers for the state's future economic prosperity: education and workforce development; business costs; government and regulatory environment; infrastructure; and dynamism/entrepreneurism. A sixth key driver – quality of life – was added shortly thereafter as the importance of amenity-based economic development became recognized by a growing number of scholars and stakeholders. Within these six areas, a number of sub-drivers and dozens of metrics were identified through rigorous third-party analysis; a commitment was made by the Indiana Chamber to systemically measure and regularly report on progress.

Economic Vision 2010 was a decade-long initiative to improve the Indiana economy, increase the disposable incomes of individual Hoosiers and strengthen communities around the state. As a thought leader and strategist, the Indiana Chamber rallied like-minded organizations and policymakers to this plan of action and raised public awareness of key issues. As a public policy advocate, the Indiana Chamber realized a number of successes with state and federal policy-makers, including:

- New K-12 education standards and accountability measures
- Adoption of a “Core 40” high school curriculum
- Establishment of a statewide community college system
- Repeal of the counter-productive inventory and corporate gross receipts taxes
- Adoption of daylight saving time
- Major reform of telecommunications law
- Restructuring of the state's chief economic development agency
- New venture capital and patent-derived income tax incentives
- Passage of the “Major Moves” transportation infrastructure program
- Improvements to property tax assessment processes

After a decade of successfully advocating for policy reforms that resulted in renewed economic vitality (and, arguably, helped the state of Indiana weather the Great Recession better than most), many issues still remain and an obvious question arises: What next?

The Indiana Chamber's board of directors determined that a follow-on initiative to *Economic Vision 2010* was warranted given that the state faces a number of unresolved issues and its economic future remains uncertain. The world is much different than it was in 1999 and the state cannot rest on its laurels after an aggressive period of reform in recent years. No longer can “good enough” be considered “good enough.” By definition, progress is a continuum.

The Indiana Chamber will lead a continuing effort to improve the state of Indiana's economic prosperity as the second decade of the 21st century begins. The *Indiana Vision 2025* strategic economic plan seeks to provide economic development leadership in the coming years, using its successful predecessor as a working model. The initiative begins with this document and will take shape in the future through organizational meetings, data-driven studies and policy discussions, consensus-building, community outreach and strategic communications.

MISSION AND DIRECTION

The mission of *Indiana Vision 2025* is ambitious and succinct: To create a better life for Hoosiers. It is embodied in the following mission statement:

"Indiana will be a global leader in innovation and economic opportunity where enterprises and citizens prosper."

During the next decade-plus, the Indiana Chamber will build upon past efforts and position Indiana as a leader in the global competition for new jobs and investment where technology advancements and other dynamics are rapidly changing the landscape. While we seek to positively influence events and fulfill this mission, we begin the process knowing at least two things: We cannot change human nature, nor can we repeal the laws of economics. We must accept the former and abide by the latter in all of our future collaborative efforts.

These insights are particularly helpful when we re-examine the economic drivers from *Economic Vision 2010* and apply lessons learned from the past decade's efforts. In that plan, the Chamber enumerated six key drivers of the state's economy:

1. Education and Workforce Development
2. Business Costs and Productivity
3. Government and Regulatory Environment
4. Infrastructure and Connectivity
5. Dynamism and Entrepreneurism
6. Quality of Life

The body of work in that plan and these drivers hold up very well over time. To remain competitive, Indiana must invest in its people and their marketable skills, both "hard" (e.g., critical thinking and mathematical computation) and "soft" (e.g., teamwork and leadership). We must keep taxes simple, low and efficient. We must check expansive regulatory schemes that unnecessarily increase business costs and deter investment. We must continue to build out our transportation, public utility and digital infrastructure to keep pace with new technological capabilities and market demands.

At all times, we must promote a culture of individual risk-taking and entrepreneurship, keeping in mind that dictum captured so well by Gov. Mitch Daniels in his second State of the State Address in January 2006:

"Governments do not 'run' economies. They do not create jobs or wealth. At their worst, they destroy jobs, or drive them to other, friendlier locations. At their best, they establish an environment in which free men and women, pursuing their own dreams and best ideas, create wealth for each other."

Only in this manner, through the decidedly difficult process of democratic debate over public values and policy, can we collectively create new economic and life opportunities for our state's citizens, strengthening communities across Indiana and providing the highest quality of life for every Hoosier.

KEY ECONOMIC DRIVERS

To create a dynamic, entrepreneurial business climate in Indiana that benefits companies, communities and families, Indiana must strive for excellence in four key strategic areas. By focusing on the components of successful economies within these four areas, we can continue to build a diverse and robust state economy that will provide prosperity and a higher quality of life for Hoosiers. These four key economic drivers are:

- Outstanding Talent
- Attractive Business Climate
- Superior Infrastructure
- Dynamic & Creative Culture

Each driver presented here encompasses a number of relevant components or sub-drivers, elements that will lead to economic success or failure based upon how well Indiana achieves in each. While separate and distinct, these drivers should not be viewed in isolation, but rather holistically: Success in one area will not achieve our vision of a prosperous Indiana future; failure to address key issues or achieve progress in one area will hamper true progress toward a higher quality of life for Hoosiers. Like members of a community, these drivers are interdependent and complementary. They work together.

Over a period of several months, we drew upon past experience and the best available research and experts to come to consensus about these drivers. These four drivers were able to capture unfinished work of the previous six drivers in *Economic Vision 2010*, while focusing on what will move Indiana forward. Importantly, we have sought to measure our progress in each area, identifying key metrics and comparing Indiana's standing in both absolute and relative terms. This dedication to measurement and third-party analysis was a hallmark of the *Economic Vision 2010* plan, and helps us to focus on those things that truly matter in economic development while emphasizing the competitive nature of the endeavor. We are not only competing against ourselves to improve across key measurements, but we are competing globally, nationally and regionally for new jobs and capital investment. Therefore, you will see a strong emphasis on Indiana's rank in various measurements over time.

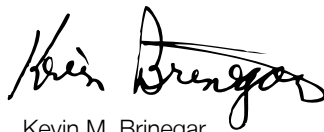
We do not assert that this document has all the answers to Indiana's economic challenges. That would be folly given the unpredictable changes in technology and society that will unfold in coming years. But, we hope to ask the right questions and provide a framework for prosperity that is adaptable over time and that leverages Indiana's key assets while enlisting the support and assistance of other stakeholders in our state's future.

One final observation: These drivers and their metrics have no political allegiances. While cumulatively they suggest an agenda for the future, they know no political party or movement or cause beyond seeking prosperity for all Hoosiers. As business and community leaders, we come from – and seek to further – a culture of data-driven decision-making.

Sincerely,



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- Jack Wittman, PhD - Director, Layne Hydro, a division of Layne Christensen – Bloomington, IN

Key Metrics: A SNAPSHOT OF INDIANA'S ECONOMIC PERFORMANCE (RANK: 1 = BEST, 50 = WORST)

Per Capita Personal Income

Year	PCPI	Rank
2010	\$34,943	41
2005	\$31,174	38
2000	\$27,510	32

Dept of Commerce, Bureau of Economic Analysis

Dept of the Census, Bureau of the Census, decennial census and annual estimates

Utility Patents per Worker

Year	Per 100,000 workers	Rank
2010	48.1	25
2005	36.5	25
2000	46.7	24

U.S. Patent and Trademark Office

Bureau of Labor Statistics, local area unemployment series

High School Graduation Rates

Year	Freshmen rate of graduation	Rank
2008-09	75.2%	33
2005-06*	73.4%	30
2001-02	73.1%	31

National Center for Education Statistics

Common Core of Data; Averaged Freshman Graduation Rate (AFGR)

* 2005-06- out of 44 states reporting

Venture Capital Invested per Capita

Year	\$/person	Rank
2010	\$12.33	28
2005	\$14.19	27
2000	\$42.59	33

PriceWaterhouseCoopers Venture Capital Report, April 2011

Census Bureau

Percent of Total Population with Bachelor's Degree or higher

Year	Percent BS/BA or more	Rank
2010	15.4%	46
2005	15.3%	42
2000*	10.9%	49

*Imputed from grads age 25+ , year 2000 CPS

Census: Current Population Survey 2000,2005,2010

Exports as Percent of Gross State Product

Year	Percent	Rank
2010	10.4%	9
2005	9.0%	8
2000	7.8%	12

Dept of Commerce, International Trade Administration

Dept of Commerce, Bureau of Economic Analysis, Gross State Products

Health Insurance Premiums

Year	Dollars	Rank
2010	\$9,508	32
2005	\$7,346	28
2003*	\$6,362	30

*First year for complete state data estimates

Average of single and family premiums for companies with 100+ employees

U.S. Dept Health & Human Services, Medical Expenditure Panel Survey

Foreign Direct Investment as a Percent of Private Gross State Product

Year	Gross PPE/Private GDP	Rank
2006	16.6%	5
2003	15.1%	10
2000	16.9%	12

Gross property plant and equipment investment

U.S. Dept of Commerce, Bureau of Economic Analysis

Includes aircraft, railroad rolling stock, satellites, undersea cables and trucks engaged in interstate transportation.

Electricity Prices Cents per Kilowatt Hour

Year	Average Cents	Rank
2009	5.81	20
2005	5.49	12
2000	4.87	11

Average of commercial and industrial prices paid

Energy Information Administration: Electric Sales, Revenue, and Price

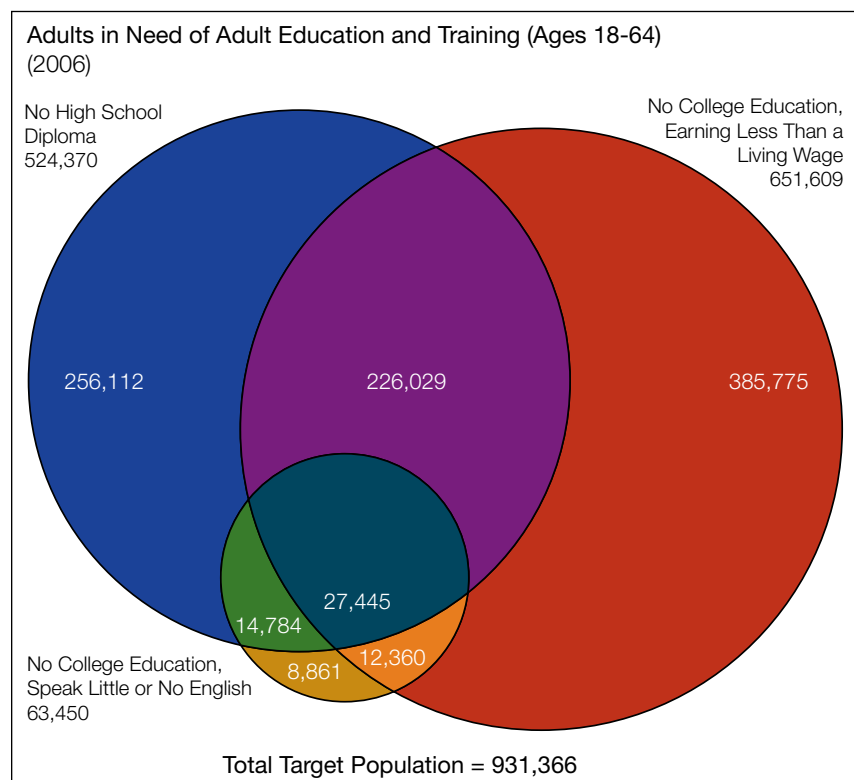


DRIVER 1: OUTSTANDING TALENT

Few items in this plan are beyond debate, but the need to invest in our people for their own well-being, as well as the state's future economic prosperity, is a given. In fact, developing human potential through education, training and exposure to new ways of thinking and doing things is of paramount importance, especially given current demographic trends. Much progress has been made over the past decade with more to come as the most recent reforms to K-12 education begin to be implemented. But, the results of reform are years away and Indiana regrettably starts from back in the field, dramatically behind other states (and nations) in educational achievement. The economic competition goes on and our goal must be to enhance our competitive position as rapidly as possible.

The K-12 education reforms of 2011 – school choice vouchers, charter schools, performance pay for teachers, collective bargaining restrictions and more – may rank as the most aggressive set of reforms ever passed by any one state in a single year. As such, there is much opportunity in coming years to transform and improve how K-12 education is delivered and achieved in Indiana. Yet, the breadth of those changes also brings risk, as our schools and their personnel adjust to a dramatically different environment, and as critics of these reforms cite every small hiccup or failure to justify their reversal. Thus, for many years to come – and possibly from now until 2025 – the greatest task in K-12 education may be the implementation of the sweeping reforms just passed.

Meanwhile, Indiana's adult population faces continuing challenges as the result of both a dramatically changing economy and



an educational system that has demanded far too little for far too long. According to research commissioned by the Indiana Chamber Foundation, more than 930,000 Hoosiers – nearly a third of our entire workforce – lack even the most basic skills to thrive in today's economy (see *A Demand-Side Strategy to Meet Indiana's Workforce Basic Skills Challenge*, 2005). And that number continues to grow each year, as an additional 20,000 young adults leave school without having earned a high school diploma. At the other end of the educational spectrum, Indiana also ranks among the lowest states in the percentage of adults with college degrees. We have made progress in recent years at getting a larger percentage of high school graduates to start college, but the completion rate of those students remains unacceptably low.

Demographic realities compound Indiana's dilemma: By 2030, nearly 18 percent of Indiana's population will be age 65 or

older, up from about 12 percent today; likewise, while the nation's workforce is expected to grow 10 percent over the next 20 years, Indiana's will "grow" only by one percent. In other words, there is a premium on the workers we have (and their skills) and the youths in our educational system today.

Thus, the future of our human capital demands substantial work at three broad levels: K-12, higher education and workforce development with an emphasis on the essential fields of science, technology, engineering and mathematics (STEM).

SUMMARY OF STRATEGIC GOALS:

- Increase the proficiency of Indiana students in math, science and reading to "Top 5" status internationally.
- Increase to 90% the proportion of Indiana students who graduate from high school ready for college and/or career training.
- Eliminate the educational achievement gaps at all levels, from pre-school through college, for disadvantaged populations.

- Increase to 60% the proportion of Indiana residents with high quality postsecondary credentials.
- Increase the proportion of Indiana residents with bachelor's degrees or higher to "Top 10" status internationally.
- Increase the proportion of Indiana residents with postsecondary credentials in STEM-related fields to "Top 5" status internationally.
- Develop, implement and fully fund a comprehensive plan for addressing the skills shortages of adult and incumbent workers who lack minimum basic skills.

K-12 Education

The comprehensive 2011 reforms mentioned previously are not the first time Indiana has been in this position. The reforms passed in 1987 as part of the A+ reform package were viewed similarly as a nation-leading effort. Yet by 1994, nearly all of those previous reforms had floundered, been scaled back or eliminated.

Thus, the highest priority at the K-12 level must be successful execution of the reform tools that have already been secured.

Strategies:

Ensure that every student has effective teachers

- Eliminate the policies and practices that treat teachers as commoditized labor (limited entry, common work arrangements and uniform pay scales) to create a new national model for a professionalized teaching force (open entry, creative work arrangements, accountability for academic results and pay based on performance).
- Focus training, accountability and compensation on content knowledge, especially in science, technology, engineering and math (STEM).
- Expand the academic focus of principals and other school leaders to reflect the instructional leadership roles that are critical to teacher and student success.

Ensure that every parent has quality options for the unique needs of their individual children

- Establish Indiana as the most welcoming state in the country for high quality charter, virtual and private school operators.
- Establish funding mechanisms and other state policies that recognize public education as an outcome, accomplished through various means, rather than a limited government-run institution.
- Create "educational enterprise zones" to attract and incentivize high quality school operators in regions with persistent failure and/or extraordinary achievement gaps.
- Create a dynamic set of options at the high school level (vocational training, dual credit, early graduation, etc.) to meet the college and work preparation needs of all students.

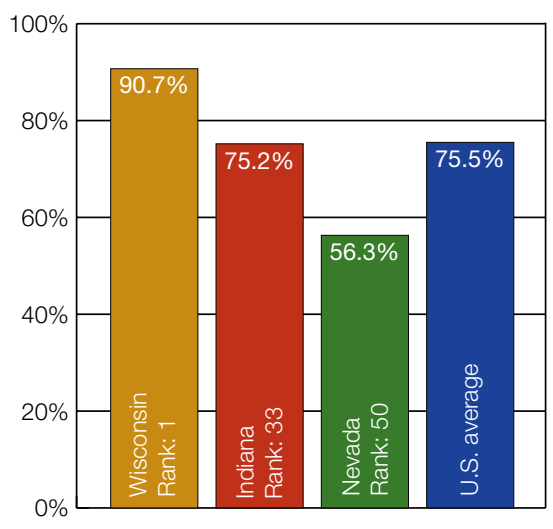
Ensure that our K-12 educational systems operate efficiently and productively

- Review and revise our statewide system of public school districts to reflect current population trends, modern transportation systems and expanding parental options.
- Improve the professionalism, transparency and accountability of local school boards.
- Insist on high efficiency in the business operations of our schools through statewide, inter-district and cross-sector partnerships, transparent accounting systems and leadership that possess the management and financial skills that are critical to district-level operations.
- Align state policies by having the Superintendent of Public Instruction appointed by the Governor

Ensure our international competitiveness by focusing on academic results

- Benchmark all performance expectations and results to international competition, and expand the transparency, availability and visibility of school performance data.
- Establish a math and science pipeline at the elementary and middle school levels that ranks among the top five states for academic outcomes and is internationally competitive.
- Transition from the current requirements of the Core 40 curriculum to Core 40 with Academic Honors and Core 40 with

High School Graduation Rates
(2008-2009)



Technical Honors, but with continuing revisions to ensure high quality college and workforce preparation.

- Accelerate the state's accountability system and remain diligent on intervention strategies, including state takeover of chronically failing schools and school districts.
- Develop and implement strategies for dramatically increasing student time-on-task to match or exceed international benchmarks, including lengthening the school day and year.
- Develop and implement a foreign language instructional initiative that is reflective of the state's strategic economic interests.

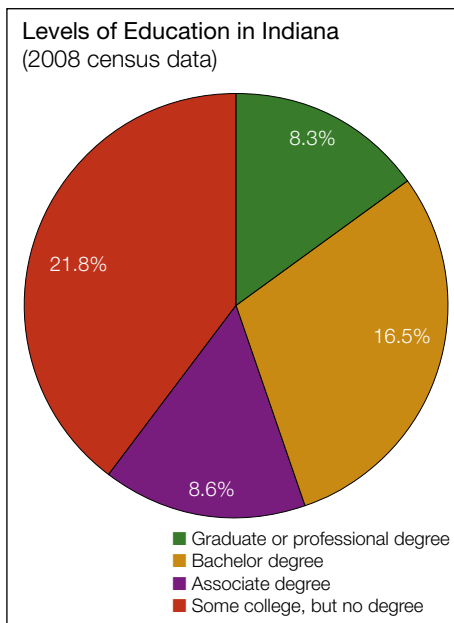
Higher Education

Indiana finds itself at the epicenter of a growing national dialogue on higher education reform. Much as it has evolved in the K-12 arena over the past several decades, higher education is under growing scrutiny to focus on completion rates, efficiency and productivity. Indiana's limited entry into performance funding represents one of the early movers in those efforts; yet, much more seems necessary.

The late development of Indiana's community college system (exacerbated greatly by an economy thriving previously on low-skill jobs) is just one of the reasons that the postsecondary attainment rate of Indiana residents ranks as one of the lowest in the country. But, as manufacturing jobs demand higher and more technical skills, and as new fields, like bio-sciences, continue to expand their importance, so does the importance of improving Indiana's postsecondary participation and achievement levels.

Ensure an efficient and responsive system to address our state's higher education needs

- Further the transition from a funding system based on prior-year funding and enrollment levels to a performance-based system providing funding for completion.
- Restructure state aid to incentivize on-time completion, pursuit of high-need degrees and continued Indiana residency.
- Restructure regional delivery of higher education to focus on completion and regional economic needs.
- Improve transferability of credits and degree completion by transfer students.
- Standardize assessments to ensure quality throughout the modalities of higher education and between and amongst institutions.



Workforce Development

The Indiana Chamber estimates that over 930,000 Hoosier adults – nearly a third of the state's entire workforce – do not possess the minimum basic skills that are demanded for success in today's economy. Thus, as work continues to improve the pipeline of workers through K-12 and higher education, significant attention must also be given to our incumbent workforce.

Like all other states, Indiana implements a range of training programs, funded mostly through federal sources that are designed to address this challenge. Yet, the state has no comprehensive plan for addressing the skills of our adult workforce, data on the performance of existing programs is very limited and accountability for outcomes is nearly non-existent.

Develop and implement a comprehensive plan for addressing the skills shortages of adult and incumbent workers

- Establish measureable goals and accountability targets by which to guide state and federal funds invested in workforce training programs.
- Complete the development of a dynamic, user-friendly data system for use in evaluating and guiding the continuum of K-12, higher education and workforce development programs.
- Restructure Indiana's adult education and workforce training systems to focus on career pathways leading to high need industries.
- Identify the 20 percent of Hoosier adults with some college but no degree and target that population with information and incentives for completing a high quality degree or employer-recognized credential.
- Develop marketing and other outreach tools to help current and future workers to understand their best employment opportunities and guidance for pursuing those opportunities.
- Create incentives for employer-based, employer-driven training opportunities.



DRIVER 2: ATTRACTIVE BUSINESS CLIMATE

If Indiana has well-defined challenges in the area of human capital and starts from an arguably deficient position, the same cannot rightly be said of the state's overall business climate, which has improved over time and indeed accelerated in recent years. Many third-party observers rank Indiana highly when it comes to being an attractive place to invest and do business. Many of the reforms set forth in *Economic Vision 2010* that were implemented have played a significant role in this – from the adoption of daylight saving time, to elimination of the inventory and gross receipts taxes, to telecommunications reform, the state has steadily enhanced its attractiveness to investors.

Presently, Indiana is doing well, but not well enough. We must strive to maintain hard-won gains, avoid backsliding, and seek to further improve those tax and regulatory structures that limit further growth and investment. Taxes, the legal system, the state regulatory climate and the very structure (and cost) of government remain factors in Indiana's competitiveness and attractiveness to entrepreneurs and employers.

SUMMARY OF KEY GOALS:

- Adopt a right-to-work (RTW) statute.
- Enact comprehensive local government reform at the state and local levels to increase efficiency and effectiveness in delivery of services.
- Reform public pension systems to achieve fairness and cost-containment.
- Preserve and enhance a "Top 5" ranking among all states for Indiana's legal environment.
- Attain a "Top 5" ranking among all states for Indiana's business regulatory environment.
- Eliminate the business personal property tax.
- Eliminate the state inheritance tax.
- Promote enactment of a federal solution to the Internet sales/use tax dilemma.
- Streamline and make consistent the administration of the state's tax code.
- Establish government funding mechanisms to more closely approximate "user fee" model.
- Contain health care costs through patient-directed access and outcomes-based incentives.
- Reduce smoking levels to less than 15% of population.
- Return obesity levels to less than 20% of population.

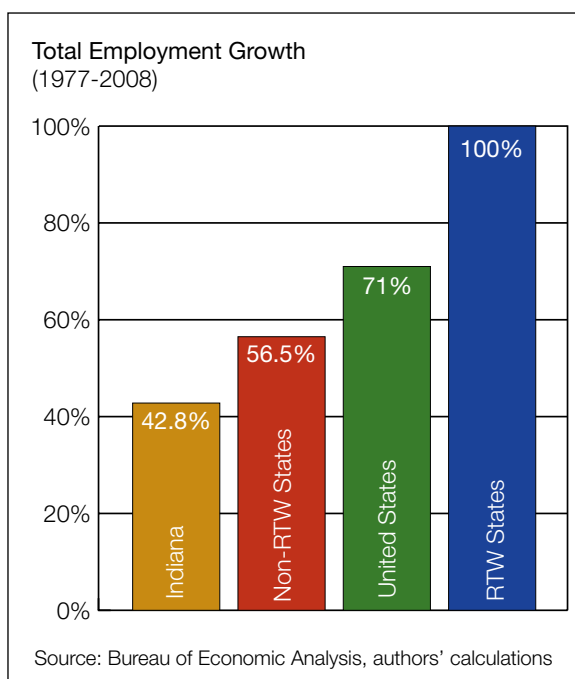
Make Indiana a Right-to-Work State – Again!

A key component of an attractive business climate is the issue of whether Indiana should be a right-to-work (RTW) state.

Prior to 1965, Indiana was a right-to-work state. In order to be as competitive as possible in the site selection process and to enhance the economic prospects of all Hoosiers, Indiana should once again adopt a right-to-work statute. Public support for the adoption of RTW is strong (even among union households) and the case for RTW's economic benefits is overwhelming: Numerous site selection consultants have testified that Indiana misses out on at least one-third of all potential relocation/expansion projects because it is a non-RTW state and numerous studies show that it can stimulate growth in jobs, wages and per capita personal income while having beneficial consequences for state tax revenues.

In 2010, the Indiana Chamber Foundation commissioned a study of the right-to-work issue entitled, *Right-to-Work and Indiana's Economic Future*. Published in January 2011, the study examined economic results from various RTW and non-RTW states and found the following conclusions:

- **RTW states create more jobs than non-RTW states.**
From 2000-2009, more than 4.9 million Americans moved from non-RTW states to RTW states.



- RTW states have faster growth in per capita income than non-RTW states.

If Indiana had had a RTW law in place since 1977, the result would have been nearly \$2,925 more in per capita income. That's \$11,700 more each year for a Hoosier family of four. If Indiana had enacted a RTW statute in 2011, estimated per capita income in 2021 would be \$968 higher – or \$3,872 higher for a family of four.

In addition, a RTW statute would lead to a faster growing economy and substantially higher tax revenues. For the 1977-2008 period, that would have resulted in a \$22.6 billion increase in gross state product. The higher per capita income levels would have generated an addition \$1.2 billion in income and sales taxes in 2010 alone.

Several additional studies over the past decade confirm what we know from Economics 101: Free markets are the most efficient way to maximize economic returns and labor markets are no exception.

- From 1991 until 2001, the last 10 years prior to the approval of its RTW law, Oklahoma residents' real personal income grew by 4% less than the national average. Between 2003 and 2006, real personal income in Oklahoma grew by 13.6% – more than 50% higher than the national average and more than twice as fast as the overall average in the 28 non-RTW states.
- In Idaho, which adopted its right-to-work law in 1986, the subsequent decade saw significant increases over the prior decade in manufacturing employment (0.76% in 1975-1986; 3.71% in 1987-96) and manufacturing establishments (1.27% in 1975-1986; 3.99% in 1987-1996).
- From 1970-2000, RTW states created 1.43 million manufacturing jobs. In the same time period, non-RTW states lost 2.18 million manufacturing jobs.
- From 1970-2000, construction employment grew an average of 50% faster each year in RTW states than in non-RTW states.

Public support for enactment of a RTW statute in Indiana is also evident. Hoosiers pride themselves on their good common sense and it shows in surveys on the RTW issue. According to a statewide voter poll conducted in December 2010, 68 percent of Hoosiers favor RTW (41% strongly favor) and only 23 percent oppose it. The support cuts across all demographics (Republicans (80% support, 13% oppose); Democrats (53%-37%); and Independents (74%-13%). Even 44 percent of union member households are RTW supporters.

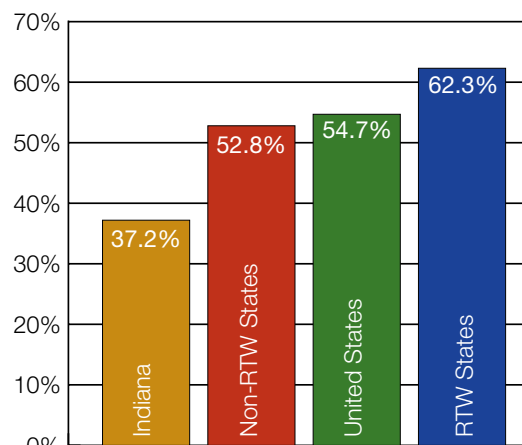
Efficient State and Local Government

Prudent business investment seeks the lowest amount of acceptable risk for the greatest possible reward or return on investment. Therefore, it is understandable that Indiana's recent economic development efforts have been predicated upon strong fiscal stewardship in which the state's budget is balanced and the likelihood of tax increases (or other "revenue enhancements") that would change underlying business cost structures is minimized. This is a prudent, strategic course for the future as well.

Achieve a more efficient, effective and transparent government for Indiana citizens

Local governmental entities in Indiana appropriated more than \$6.1 billion in 2011 to deliver services to their constituents. Those constituents pay for these services through taxes and other fees and they deserve the most effective and efficient services for their money.

Growth in Real Per Capita Income (1977-2008)



Source: Bureau of Economic Analysis, authors' calculations

Local Government Units (2007 Census data)

State	Units	Rank
Illinois	6,994	1
Indiana	3,231	10
Florida	1,623	20
North Carolina	963	30
Arizona	645	40

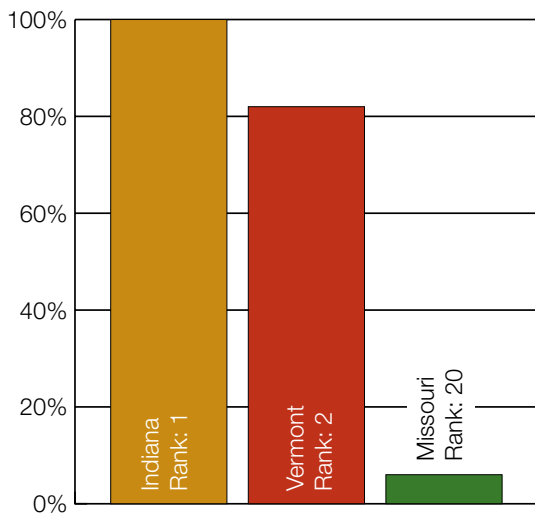
Indiana's 19th century local government structure pre-dates the invention of the telephone, the automobile, air travel and the Internet. Few changes to the basic structure of local government have occurred, despite these modern technologies,

management advancements and repeated calls for reform. With more than 3,000 independent units of local government, Indiana's complex system of political boundaries, officeholders and taxing authorities is neither sustainable nor appropriate.

With the constitutional property tax caps, local governments will no longer have a bottomless bucket of resources. As a result, communities must engage in a thoughtful deliberation of their priorities to judiciously utilize those resources. This points to some suggested policy outcomes:

- Reduce the 3,086 separate administrative units of local government in Indiana by one-half to achieve greater efficiency in the delivery of services. This includes counties, townships, cities and towns, libraries, school districts and special districts. For example, there are 239 separate library districts in Indiana and there should be no more than 92 (or one per county, if you accept the premise that Indiana needs 92 counties).
- Move all Indiana county administration to a single-executive form of government from the "horizontal-no-one-in-charge" structure we presently have in most Indiana counties with a management panel of three county commissioners and separate legislative county councils.
- Develop and implement programs to apply private-sector business process tools (such as Six Sigma, LEAN, integrated processes) to improve public-sector efficiency.
- Consolidate state and local boards and commissions to achieve greater public accountability and enhanced oversight by elected officials.
- Provide useful information annually to the General Assembly and the public on how their tax dollars are used to enhance civic engagement. Use technology and social media to encourage greater citizen participation.
- Simplify and incentivize local government reorganization with legislation to ease procedural steps required to reorganize; provide technical assistance and financial incentives.
- Encourage regional cooperation by creating a fund to support local reorganization and changes in service delivery at the county and regional level.
- Facilitate networking and collaboration within and across levels of government as well as the not-for-profit and private sectors of the economy. Once the need for a service is identified, the goal should be to find the best provider of those services.

Percentage of State Population Governed by Townships*
(Census of Governments)



*Thirty states have no township government

Contain costs of government wage and benefit programs

Public-sector employee compensation is becoming a high-profile public policy issue around the nation and in Indiana. While private-sector wages and benefits have stagnated during recent times, many governments continue to increase compensation and benefits for public-sector workers at a growing cost to taxpayers.

In 2011, it is estimated that the overall compensation premium for Indiana public employees versus similar private-sector employees is between 5 and 10 percent. This includes salary, benefits and job security. In Indiana, union membership for all workers is 10.9%. However, union membership is 26.8% of all public sector workers compared to 8.2% for the private sector.

In addition, there are growing concerns about huge unfunded liabilities in public-sector retirement plans. Indiana has funded only 70 percent of its total pension bill, well below the 80 percent benchmark that the U.S. Government Accountability Office says is prudent (Indiana's total unfunded pension liability is around \$10.5 billion). The Indiana State Teachers' Retirement Fund is responsible for much of the state's funding shortfall, covering only 48 percent of its \$18.75 billion obligation. This leads to the following next steps:

- Conduct further study on the private- and public-sector compensation differences to define policy recommendations.
- Realign public-sector compensation at the state and local levels to create a greater premium for private-sector employment.
- Implement reforms to Indiana's public pension systems to meet national industry standards and benchmarks for unfunded pension liabilities.

Legal Climate, Regulatory Environment and Taxes

As stated earlier, Indiana performs well on several measures used to gauge the business-friendliness of a state. Policies enacted years ago - such as limitations on medical malpractice liability or Indiana's efficient, low cost worker's compensation system, to more recent changes to the state's unemployment insurance system - have led to high marks for the Hoosier state by site selectors, business magazines and trade publications .

Indiana's regulatory framework must be the minimum necessary to enforce public policy. Regulatory agencies must be consistent in their application of the law, responsive to public input and remonstrations, and always move toward decisions in a timely manner. Their administrators must be cognizant at all times of the impact they can have on private-sector investment decisions, economic growth and job creation. Indiana's investment and jobs-friendly legal environment must be maintained, while working to ensure that the state's tax code matches up to the competition in all areas.

Tax rates for Indiana employers for both unemployment insurance and worker's compensation are among the lowest in the United States. According to the U.S. Chamber Institute for Legal Reform, Indiana ranked as the fourth best state in the *2010 State Liability Systems Ranking Study*. The top ranked states are shown to the right:

It will be extremely important for Indiana to maintain or improve upon this ranking in order to help facilitate further economic development in Indiana.

Likewise, the state has made tremendous strides in making its tax code more conducive to investment and job creation. Single-factor sales apportionment, elimination of the corporate gross receipts and inventory taxes, and a newly enacted, phased-in reduction of the state's corporate income tax are good examples of sound public policy choices that have worked and will increase the wealth and economic well-being of all Hoosiers. However, some long-standing tax matters have not yet been addressed:

2010 State Liability Systems Ranking Study

Rank	State	Score
1.	Delaware	77.2
2.	North Dakota	71.1
3.	Nebraska	69.7
4.	Indiana	69.6
5.	Iowa	69.4
6.	Virginia	68.1
7.	Utah	67.8
8.	Colorado	65.8
9.	Massachusetts	65.6
10.	South Dakota	65.6

Indiana Rankings

2008: 4

2007: 8

2006: 11

- **Eliminate the taxation of business personal property**

The taxation of capital investment in machinery and equipment places Indiana at a competitive disadvantage with other states that do not have this tax, most notably neighboring Ohio. This deters both economic development and job creation. The property tax burden on businesses in Indiana, especially in the era of 1%-2%-3% property tax caps, is disproportionately high and eliminating the taxation of business personal property tax would have three tangible advantages: It would remove a disincentive for investment and job creation, it would simplify the state's tax code and it would create a more equitable property tax system.

- **Eliminate the state inheritance tax**

This tax encourages the relocation of Indiana residents and assets when they retire, draining capital for new business investment. The state's inheritance tax also impedes the succession or transition of many small businesses and family farms. Both of these dynamics have the negative effects of draining wealth and vitality from our communities.

- **Promote a federal solution to the loss of sales tax revenue due to Internet purchases**

While Indiana citizens are supposed to report and pay tax on their Internet purchases (by declaring them on their income tax returns), most do not and enforcement is simply not cost-efficient. Many large retailers that sell products through the Internet are not physically located in Indiana, so unlike a local retailer they cannot be required to collect and remit the sales tax. Consequently, the taxes owed on the bulk of Internet purchases go uncollected. This situation can be addressed effectively only through federal legislation that allows states to require collection of sales tax, regardless of whether the Internet sellers are physically located in their state.

- **Examine more regional taxing districts and taxes and/or user fees**

Policymakers should examine moving toward a user-fee model of taxation in order to more directly assess the persons or

entities that benefit from particular governmental services. This would include: multi-jurisdictional taxes to pay for regional infrastructure; so-called “commuter taxes”; and police and fire protection fees for those who do not pay property taxes but receive public safety services.

- **Streamline and make consistent administration of the state’s tax code**

There is a need for certainty and predictability in how the Department of Revenue makes decisions in its audits. A good start would be to assign precedential value to the department’s letters of findings. Also, making Indiana’s taxable income match federal adjusted gross income would make tax planning, preparation and compliance less burdensome to entrepreneurs. Another prime example would be eliminating the ‘throw-back’ rule that causes the taxation of income not derived in Indiana.

Contain Health Care Costs

At the time of this writing, the ultimate fate of the 2010 Patient Protection and Affordable Care Act (PPACA) in the courts has yet to be decided. Whether it is PPACA or other existing laws, federal law and policies have tremendous effects on the market for health care, but regardless of these impacts, Indiana can and should pair an emphasis on wellness with reforms to the health care delivery system across the state.

A visionary approach is required in regard to the efficient delivery of quality health care.

- **Consumer-directed access**

Currently, it is difficult for patients to obtain access to information assessing the quality and costs of health care services and providers. As more employer plans have moved toward consumer-directed health plans, having access to information is vital for consumers to make wise decisions regarding their health care.

- **Coherent medical record information system**

Similar to having access to information is the need for a coherent, reliable and secure means of distributing and disseminating patient/employee medical records. Communication of medical records within a medical group is becoming more commonplace. However, medical record communication between outside facilities, pharmacies and other medical services providers is not as common. Patients must also be able to access this information when needed.

- **Reimbursement by outcome versus ‘fee for service’**

The current reimbursement system has, for the most part, been a “fee for service” system. This approach has caused overutilization of services to generate revenue. Patients must be viewed no longer as revenue streams, but treated with their individual outcomes foremost in mind. Changing the current incentives structure from a fee-for-service model to one that rewards efficiency and positive outcomes for patients is essential.

- **Drive efficiency and quality**

Many Americans believe that more could be done regarding efficiency and quality of care. Implementing accredited efficiency and quality standard programs within the health care delivery system, similar to what manufacturing has done with ISO and lean manufacturing techniques, would serve well to help health care providers examine their processes. Accredited programs will give those in the delivery of care a way to measure and validate efficient and quality practices in the workplace.

As we look forward to 2025, bold steps must be made in changing our attitudes toward health and wellness. According to America’s Health Rankings, Indiana ranked 38th in 2010 in overall health of its citizens. The two largest insurance carriers by volume in Indiana (Anthem and United Health Care) have indicated that Indiana has some of the highest health care costs in the country with some of the worst outcomes. Indiana ranks poorly in several determinants and outcomes:

Determinants

- Smoking: 23.1% of population, 5th highest.
- Obesity: 29.9% of population, 13th highest.
 - Including overweight and obese - 67% of all Indiana residents!
- High cholesterol: 39.8% of population, 18th highest.
- High blood pressure: 31.3% population, 12th highest.

- Only one in five Hoosiers consumes the recommended daily allowance of fruits and vegetables.

Outcomes

- Infant mortality: 7.8 deaths per 1,000 live births, 11th highest.
- Cancer deaths: 208.4 per 100,000 of population, 10th highest.
- Cardiovascular deaths: 300.5 per 100,000 of population, 12th highest.

The prevalence of smoking and second-hand smoke results in numerous adverse health risks and outcomes within our population. Obesity is known to contribute to a variety of diseases, including heart disease, diabetes and general poor health. Being overweight at younger ages causes serious health risks, including greater risk of cardiovascular disease and Type 2 diabetes. A higher obesity rate suggests that today's youth will be the first generation in the history of the United States to live shorter lives than their parents.

At a minimum are the following goals:

- Reduce smoking levels to less than 15% of population.
 - Most states in the top quarter of health rankings fall near the 15% level in smoking levels.
- Reduce obesity to less than 20% of population.
 - As a guideline, Colorado currently is ranked first (lowest) in obesity level at 18.9% of its state population.

Clearly, individual choices and behaviors drive the high rates of smoking and obesity among Hoosiers. The Chamber has maintained a policy that generally opposes government intrusion into the lifestyle choices that a person makes. However, when such individual choices place a substantial burden on business and our society, as well as publicly-funded programs such as Medicaid, government intervention may be warranted.

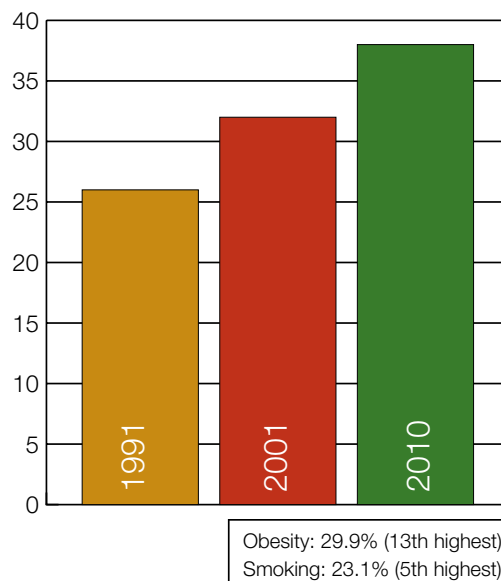
Smoking

- Pass comprehensive smoke-free workplace and public place legislation.
- Consider higher tobacco taxes.
- Promote and adequately fund anti-smoking programs to prevent children from starting to smoke.
- Promote programs to help teens and adults to quit smoking.
- Allow employers to differentiate health care co-pays between smokers and non-smokers.
- Secure insurance coverage for smoking cessation treatments.
- Further regulate the marketing and sales of tobacco products that appeal to children.

Obesity

- Promote workplace wellness through the Wellness Council of Indiana and other organizations.
- Require more physical education and exercise in K-12 schools.
- Provide healthy food options in schools and promote a balanced diet high in:
 - Fresh fruits and vegetables
 - Whole grains
 - Low-fat items and low sugar beverages.
- Require schools to maintain healthier nutritional standards.

America's Health Rankings
(Indiana's Position Among the 50 States)





DRIVER 3: SUPERIOR INFRASTRUCTURE

For decades, Indiana has earned the moniker “The Crossroads of America” due to its geographic location and the large number of interstate highways crossing it. Even with population shifts to the south and west, the center of the country’s population remains within Indiana’s borders and the state’s access to domestic and international marketplaces is a competitive advantage. Proximity to the Great Lakes, both for shipping lanes and as a fresh water resource, is another advantage over competitors. However, these assets cannot be taken for granted and Indiana must seek continued investment and improvement in roads, bridges, airports, fresh and waste water facilities, the electrical grid and – of growing importance – telecommunications networks (perhaps especially in the wireless area).

Our future challenges will be to allow competitive markets to function while judiciously using public dollars, maintaining what we already have and addressing new market demands. Of crucial importance will be to assure that Indiana has enough energy and water resources to affordably power its economy in coming decades while building out robust transportation and telecommunications networks to move goods, services and people to market. In these efforts, the mix between public funding and private investment, as well as the sometimes overriding impact of federal activity, could prove decisive.

SUMMARY OF KEY GOALS:

- Create and implement a plan to position Indiana as a net exporter of energy.
- Diversify Indiana’s energy mix with an emphasis on clean coal, nuclear power and renewables.
- Identify and implement workable energy conservation strategies.
- Develop and implement a strategic water resource plan that ensures adequate fresh water for citizens and business.
- Develop new fiscal systems to support the array of infrastructure projects critical to economic growth.
- Aggressively build out the state’s advanced telecommunications networks.

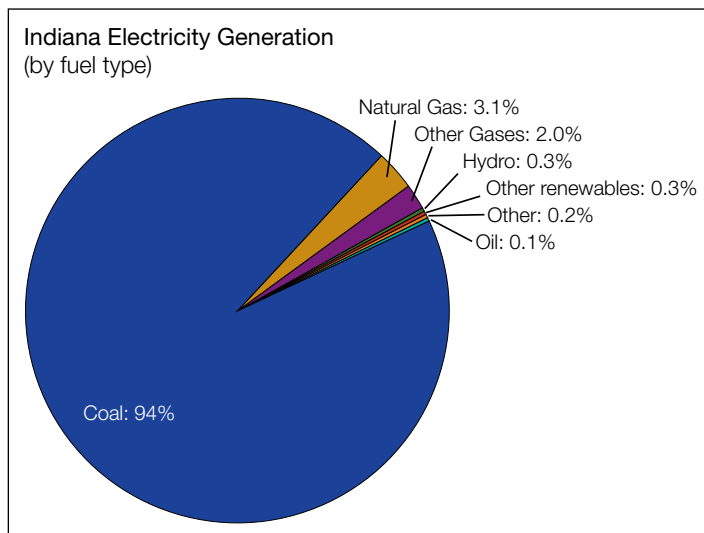
Energy

Indiana is an energy-intensive state. We make, mine and grow products that are consumed in Indiana, the United States and around the world. All of this requires energy. With hundreds of years of coal underground in Indiana, the primary source of electricity for Indiana has long been from coal. More than 95 percent of the state’s electricity comes from this single resource. The State Utility Forecast Group’s (SUFG) most recent forecast (2011) recognized a reduced electric power need from the previous forecast (2009) as a result of the economic downturn and the significant loss of manufacturing jobs and closing of facilities. The SUFG did, however, project electricity usage to grow at a rate of 1.30% per year over the 20-year forecast, which corresponds to about 275 megawatts (MW) of increased demand per year. That would require the building of a large power plant (1,000 MW) at least every four years. To put that in perspective, the Duke Energy Edwardsport generating facility that has been under construction for a number of years is rated at 630 MW.

The additional demand has been effectively managed through the efforts of the Indiana electric power generators and the Midwest Independent System Operator (MISO) that oversees the generation and flow of electricity in a multi-state area. Because of those efforts, the electric power industry believes there to be adequate electric power generation in the near term – three years.

However, as an energy-intensive state with growing demand, it is critical that the state establish and implement a long-term plan for its energy needs. The goal is to maintain Indiana’s adequate, reliable and affordable supply of electricity. This goal will continue to promote one of Indiana’s key economic advantages.

The current federal administration has essentially declared war on the use of coal. While Congress has pushed back recently on federal anti-coal initiatives, the EPA has launched a full assault through regulations that would hinder the use of coal and/or



render it prohibitively expensive. Indiana cannot afford to remain dedicated exclusively to coal and must diversify its energy portfolio to include not just coal, but natural gas, nuclear, domestic petroleum and renewables while engaging in conservation strategies.

The producers and users of energy in Indiana have conflicting goals. The producers want a fair, clear process that allows recovery of expenses and reasonable return on investment while the consumers want reliable sources at minimal rates. Historically, this has been a challenge and it will remain so.

Indiana's transmission and distribution system has not been significantly upgraded in many years. Like any infrastructure, it requires routine attention and upgrades, which are costly.

With plentiful coal, oil and some gas reserves, the state should review all reasonable exploration opportunities. Shale gas and recent domestic oil finds indicate potential energy resource opportunities for the state that should be assessed.

The beginning of a viable, long-term strategy for Indiana that seeks to enhance future capacity while maintaining our adequate, reliable and affordable supply of energy would:

- Create an aggressive near and long-term energy plan, recognizing and involving all stakeholders.
- Identify all energy resources including coal, natural gas, petroleum, shale gas, wind, solar, nuclear and geothermal and determine their potential contribution to Indiana's energy future.
- Assess Indiana's current energy infrastructure and develop a plan to address those needs to maintain an adequate, reliable and affordable supply of energy.
- Identify and implement mechanisms to incentivize Indiana's energy sources and building of additional capacity.
- Identify and implement workable energy conservation strategies.
- Create and implement a plan to position Indiana as a net exporter of energy.

While Indiana is an energy-rich state, there are potential threats or game-changers that should be taken into consideration in the development of a proactive and forward-looking energy plan. Those may include:

- EPA restrictive regulations.
- Mandated federal/state Renewable Energy Standard.
- Federal promotion/restrictions on nuclear power, clean coal and traditional coal power plants.
- Shale gas – availability as a resource and potential use in Indiana.

Water

Fresh water is essential for human life. It is also a major element for a sustainable and developing economy. Indiana has long-enjoyed a reliable and adequate supply of fresh water.

Average annual rainfall in Indiana is approximately 40 inches, ranging from about 35 inches near Lake Michigan to 45 inches along the Ohio River. Indiana is blessed with access to substantial water resources in northwestern Indiana with Lake Michigan, and along the southern border of the state with the Ohio River and associated alluvial deposits, including a significant state-owned ground water resource near Charlestown. In addition to these resources, more than one-half of the state contains ground water resources capable of supplying wells with capacities greater than 100,000 gallons per day. Moreover, Indiana, in conjunction with the U.S. Army Corps of Engineers, provides for 282 million gallons per day (MGD) of dedicated water supply storage in three reservoirs in southern Indiana (Brookville, Monroe, and Patoka) of which only 45 MGD (16%) are currently committed through state contract.

Other regions of the country have experienced significant water shortages – restrictions that have critically affected fresh water supplies and which serve to limit economic growth (recall the governors of Georgia and Texas in recent years praying for rain; prayer is no substitute for sound public policy). Some states, in fact, already have turned to the courts in an effort to redraw state borders to gain access to water (Georgia again). While other states and regions fight over water, Indiana should lay out a plan demonstrating why investment here is in our long-term economic interest.

There are many types of legal entities that provide water and wastewater services to Hoosiers. These include investor-owned, municipal, not-for-profits, water authorities, regional water/wastewater districts and conservancy districts. Presently, the Indiana Utility Regulatory Commission regulates approximately 118 out of 824 water utilities and 54 out of 531 wastewater utilities.

It has been estimated that statewide wastewater and drinking water infrastructure needs for the period 2000 to 2020 would require \$12.4 billion to \$13.9 billion in funding for capital projects to rehabilitate or improve infrastructure for: (1) correction of combined sewer overflows or CSOs; (2) wastewater conveyance and treatment; (3) remediation of failing on-site septic systems; (4) storm water conveyance and management; and (5) drinking water production, treatment and distribution facilities. Indiana may be a leader in funding the investment necessary to change to the next century of water use infrastructure, but the state must also lead in planning the most efficient use of every dollar spent.

Indiana has taken significant steps to protect waters in the Great Lakes basin through the Great Lakes Compact, but it has not prepared a statewide plan for the construction of infrastructure and regulation of this increasingly important resource. We have an opportunity to redesign outdated notions of water use and planning to maximize the economic advantage our water resources provide. The scope of investment necessary, coupled with a much more interconnected society, requires that Indiana approach its water resources in a fundamentally different manner than the current localized approach.

Traditional thinking should be challenged as it is essential to preserve and protect this valuable resource and recognize that national and global competition requires broader cooperation across the state. Communities must work together to utilize Indiana's advantage and realize potential economic growth. The result of narrow, local planning is that resource sharing and economies of scale are missed. Indiana must rethink the way it plans, regulates and utilizes its water resources.

Recommended actions include:

- Survey available water resources.
- Identify the areas of the state that have or will have significant water needs.
- Identify those local, regional or statewide approaches to water resources and requirements that would best maximize the value and minimize the cost of water use.
- Develop infrastructure investment priorities.
- Identify constitutional, statutory, administrative or other policy changes necessary to create an effective system that will maximize water resources.
- Develop and implement a comprehensive, long-range plan considering both water and waste water needs that will realize a secure and advantageous position for the state's citizens, businesses and industries while promoting aggressive economic development.

Transportation

"The Crossroads of America" is a fitting designation for Indiana: The state ranks first in the nation in access to interstate highways, first in pass-through interstates, ninth in rail miles and is within one-day's drive of 75% of the U.S. and Canadian populations (Canada is Indiana's largest trading partner). Indiana is home to the world's second largest FedEx distribution facility. The state runs a trade surplus – Hoosiers are exporters – and the logistics sector employs nearly 310,000 people while paying higher than average wages. Indiana's transportation network is a huge economic engine upon which our manufacturing firms and agribusinesses depend to receive critical inputs and move their goods to market.

Looking forward, Indiana must make critical investments in its multimodal transportation system and preserve, indeed exploit, this competitive advantage that geography and past investments have created. We must do so in an increasingly austere fiscal environment at both the state and federal levels while being mindful of technological progress that will challenge old standards of infrastructure planning, construction and finance.

Since the inception of the state's visionary Major Moves program in 2006, Indiana has seen unprecedented investment in its transportation infrastructure and it bears remembering that these investments: 1) are the result of private capital being deployed for public purposes; 2) will come to an end in the not-too-distant future; and 3) will not by themselves address all of the state's road infrastructure needs.

Indeed, the state will face several challenges going forward. This year (2011) represents the peak of Major Moves spending with approximately \$1.6 billion being deployed. Over the next few years, that amount will decline rapidly to around \$600 million in construction spending in 2014. This planned-for decline will have implications for the state, its transportation network and construction-related employment: Major new construction projects will slow drastically, if not disappear; the vast majority of funds post-2014 will be spent on preservation of existing assets (which are substantial) and will be inadequate to address future expansion needs.

At the same time that Indiana's Major Moves program begins to conclude, the situation in Washington, D.C. portends fewer federal resources. Almost 40 cents of every dollar that Indiana invests in roads and highways today comes from the Federal Highway Trust Fund – a fund that has moved into insolvency numerous times in recent years and has had to have its dedicated revenues from the federal gasoline tax (last raised in 1993, never indexed to inflation) supplemented by numerous “emergency” appropriations from general revenues. These general revenues themselves are in doubt as the national economy struggles and the federal government focuses on eliminating deficits and debt.

In short, Major Moves is coming to an end and the pool of federal resources will shrink at the same time that Indiana will need to make continued strategic investments to expand the capacity of its transportation network.

Creative planning for this vital network is necessary today in order to secure our state's economic prosperity tomorrow. Fortunately, sector-focused organizations such as Conexus Indiana have committed serious resources to addressing these challenges and the Indiana Chamber has collaborated in these efforts. We join Conexus Indiana and others in calling for a strategic plan for Indiana's transportation future that will:

- Reduce transportation bottlenecks that improve the reliability and efficiency of freight movement, leading to less congestion, lower infrastructure repairs and lower emissions.
- Ensure global access by connecting Indiana cities to interstate-like access based upon economic impact and development potential.
- Create better connectivity of Indiana's water ports via roads and rail modes and improve the reliability and efficiency of water freight movement.
- Develop a fast and efficient process for unplanned economic development infrastructure needs.
- Develop and implement the utilization of transportation networks that provide direct rail, truck access and air service expansion, leading to the improvement and establishment of multimodal and intermodal service and air facilities.

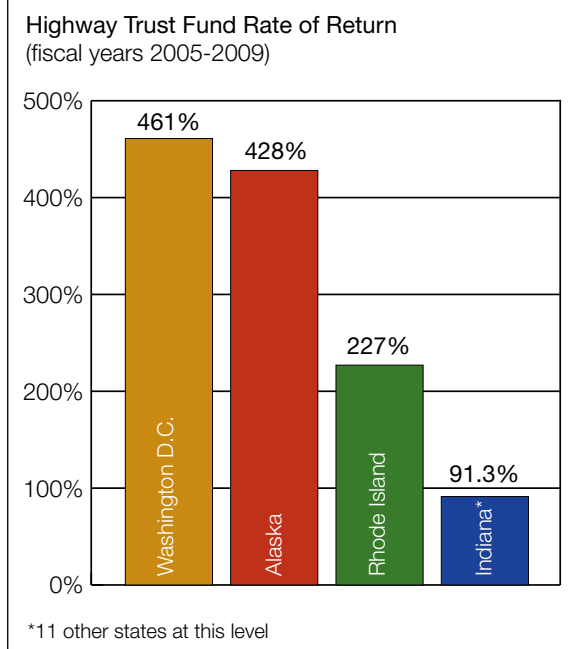
By pursuing the above in a collaborative manner, Indiana will build upon its position at the heart of the global supply chain and enhance the employment and economic prospects of all Hoosiers. Among the questions to be answered:

- Do the current federal-state fuel taxes have ongoing value as a funding mechanism?
- Is it necessary to raise these taxes in order to meet future transportation needs?
- Should an alternative funding mechanism, potentially a vehicle miles traveled assessment, be considered?

Next Generation Telecommunications

Deployment of broadband communications technology is a well-established driver of economic growth. Over the past decade, more than half of all states have made significant reforms to their telecommunications policies. By far, the most dramatic changes have been the reorganization of local monopolies for the provision of cable television, which is highly correlated with the provision of high-speed data services (broadband) to homes and businesses.

Indiana enacted sweeping telecommunications deregulation in 2006 and since that time has seen significant investment by private market participants: A 2008 study of the law's effects conducted by Ball State University's Digital Policy Institute found the legislation has brought broadband services to 102 rural Indiana communities, created 2,200 new jobs and realized more than \$1.5 billion in new investment in this critical infrastructure. At the same time, competition in urban markets, as well as subscriptions to high-speed data services, has increased dramatically while the price of such services has declined. National research from the Federal Communications Commission (FCC) and the Government Accountability Office suggest that the price of such services will drop between 15% and 20% as providers respond to new market entrants and direct consumer negotiation.



The Indiana Utility Regulatory Commission successfully defended Indiana's 2006 reform before the FCC, arguing that states were in the best position to regulate these markets versus the federal government. As a result, Indiana's and other states' laws were grandfathered. Just as in transportation infrastructure, the interplay between the state and federal governments will prove critical to future progress.

Here, we advocate once again for the power of free markets to realize the best economic gains and achieve strategic economic objectives. Indiana's 2006 market-oriented reform has proven highly successful with consumers and providers responding in beneficial ways.

Even as broadband is made more widely available and consumer acceptance increases, new and better technologies are on the horizon. A decade ago when the Indiana Chamber's *Economic Vision 2010* plan was introduced, no one could accurately foresee today's telecommunications landscape, populated with 3G and now 4G technologies, smartphones, thousands of software applications ("apps") for these phones, and tablets and other wireless devices.

In such a rapidly developing, dynamic environment characterized by intense technological innovation, the best course of action for policymakers is most likely the least active course of action. A decade ago, broadband-over-power line, or BPL, was receiving significant buzz; not anymore, as the wireless sphere has experienced exponential growth and seems to be the "wave of the future." Rather than attempt to pick winners or losers based upon ever-changing technology, state (and federal) policymakers should learn from past policy successes, allow markets to operate and guard only against anti-competitive or monopolistic practices. In rare instances in which market forces are not sufficient to provide broadband access, the state may want to examine remedial policy efforts, but that has not been the experience of Indiana or other jurisdictions over the past decade. The current situation in Indiana seems to call for significant examination rather than intervention.



DRIVER 4: DYNAMIC & CREATIVE CULTURE

The prosperity of Indiana's people depends upon having an economic climate that consistently encourages innovation and entrepreneurship that leads to productive employment. Many variables contribute to high levels of innovation, entrepreneurship and economic dynamism, but foremost among these are a high level of economic freedom and a culture that encourages diversity, intellectual curiosity and risk-taking.

The first of these – economic freedom – is characterized by a free-market orientation and low levels of government interference, taxation and regulation. It is fairly easy to understand and measure. Large, complex, and multi-layered government, high levels of taxation and a burdensome regulatory regime discourage dynamism because they reduce the incentives to create and innovate, dampening the entrepreneurial spirit. Indiana has focused much effort over the past decade to increase its economic freedom through prudent fiscal management, deregulation and lower taxation. Often we have heard about “building the best sandbox.” More needs to be done in this area (see “Attractive Business Climate”), but we have a solid foundation upon which to build.

The second variable – “culture” – is much more ambiguous and elusive. So often in the field of economic development, one hears about the importance of “culture” to the success of a locale in the creation of a thriving economy. Examples such as Silicon Valley, Boston's Route 128, North Carolina's Research Triangle and even Wall Street evoke images of vibrant and distinctive places of creativity and successful innovation. Numerous books have been written about corporate culture and enterprises both large and small carefully groom their leadership to embrace and exhort their unique versions of it. But, what is it and how do you define it?

At its most basic, culture can be defined as a set of shared attitudes, values, goals and practices that characterizes an institution, organization or group. It requires more, especially as we think of applying this definition to Indiana specifically.

Perhaps the more important question to ask is: How do we want Indiana's “culture” to be defined and perceived? What kind of sandbox should we seek to build? What type of culture encourages entrepreneurship and what are the concrete steps, if any, that we may take to develop it?

SUMMARY OF KEY GOALS:

- Develop entrepreneurship and aggressively promote business start-ups through education, networking, investment and financial support.
- Increase the amount of technology transfer from higher education institutions to attain “Top 5” ranking per capita among all states.
- Achieve “Top 12” ranking among all states in number of utility patents per worker.
- Achieve “Top 12” ranking among all states in venture capital invested per capita.
- Strategically recruit foreign direct investment (FDI) and achieve “Top 12” ranking among all states in FDI as a percent of gross state product.
- Increase Indiana exports to achieve “Top 5” ranking per capita among all states.
- Promote a culture that further values diversity and civility, attracting and retaining talented individuals.

Invest in Entrepreneurship

Entrepreneurship is the heart of our country's economy and always has been. The Fortune 500 companies of today were founded as much smaller enterprises that grew to be phenomenally successful. A growing body of research demonstrates that young, entrepreneurial firms are truly the jobs engine of our economy and, as a state, we must encourage this dynamic.

The entrepreneur takes an economic risk – as do his investors, the capitalists who finance his enterprise – in order to convert a new idea, process or invention into a successful innovation. In addition to encouraging entrepreneurship, we can also help to mitigate such risks and the downside of creative destruction without venturing into the area of moral hazard.

Through our schools, through our public universities and through our public policies, we can create a positive environment for entrepreneurs. Indeed, the history of economic development efforts in Indiana over the last decade is in large part a focused, but decentralized, effort to increase the number of Hoosiers willing to take a gamble on their dreams.

While Indiana has made some progress, it still faces significant challenges in three key areas:

- Increasing access to venture and risk capital to finance entrepreneurial start-ups.

- Creating stronger business-university-government partnerships and networks to support entrepreneurial start-ups.
- Marketing Indiana as a place with a strong entrepreneurial environment and tradition.

Capital Formation and Access

In 2000, Indiana was ranked 45th among the 50 states in venture capital invested per capita, according to the widely regarded PriceWaterhouseCoopers MoneyTree Report. Since then, the state – at the prompting of the Indiana Chamber and through the private-sector fundraising work of organizations such as BioCrossroads and TechPoint, among others – has taken critical steps such as enacting the venture capital tax credit, promoting fiduciary investments by the state’s pension funds (into appropriately return-driven vehicles like the \$73 million Indiana Future Fund and the \$150 million Innovate Indiana Fund), and launching and continuing to invest in the 21st Century Research and Technology Fund to move the state into the 28th position nationally in 2010. This is splendid progress, but complacency must be avoided.

Encouraging seed-stage and “angel” investor networks such as the Halo Capital Group (launched by TechPoint), the Indiana Seed Fund (launched by BioCrossroads) and the P3 Alliance of the Purdue University Research Foundation is critical, as is investigating additional sources of early stage funding. It is also important to maintain incentives for the private sector that have fueled growth in the life sciences, IT, agricultural and manufacturing sectors.

Expansion or evolution of successful programs such as the 21st Century Fund should be pursued while maintaining favorable tax treatment for risk capital and research and development activities.

Innovation in Indiana (2010 Rankings)

Exports as a percent of GSP	9
Utility patents per worker	25
Venture capital per capita	28
Entrepreneurism Activity Index (business start-ups)	47

Support Networks and Risk Mitigation

While tax policy and capital formation programs run by public-private or non-profit entities mitigate some of the risks of entrepreneurship, more can be done to increase the networks of entrepreneurs and the “pipeline” of university-sponsored research for commercialized ventures. Indiana, Purdue and Ball State universities all have robust programs in the area of entrepreneurial education and support, as do some private institutions. Policymakers (and legislative appropriators) should facilitate more technology transfer activity from our publicly-funded research universities and encourage private institutions as well.

Private philanthropy, led by but not limited to the Lilly Endowment, has contributed nearly \$1 billion over the past decade to advancing “translational research” efforts at the state’s research universities, with such research representing the best source for promising technology transfer opportunities. With this foundation, it will be important for the state, as well, to continue to provide appropriate funding for public university research, particularly in the development of appropriate facilities and laboratories to advance discovery.

Creative collaborations between these institutions – and between them and private enterprise – should be further explored and nurtured. The state’s Certified Technology Park program is one model for creating these pipelines and collaborations, as they provide a nexus for information sharing and resource pooling.

Formalized networking structures and educational opportunities are highly valued by entrepreneurs and should be supported by our state’s universities and cluster-based economic initiatives.

Marketing and Promotion

Indiana needs to think of itself as an entrepreneurial state and then promote itself as such in very coordinated and strategic ways.

To date, there has been robust activity by individual groups – typically organized around the state’s industry and innovation clusters – as well as individual colleges and universities to develop appropriate data and promote their entrepreneurial programs and their own strategic brands.

However, opportunities abound for stronger coordination between these organizations and at the state level. Efforts to promote “Indiana” as a strategic brand in the global marketplace should be made more robust, data-driven, coordinated (and funded) long term and illustrate Indiana’s strengths beyond the fiscal condition of our state government.

A coordinated, well-funded, credibly researched, better planned and sharply executed strategic communications plan that tells the story of Hoosier entrepreneurship, drawing upon our historical and present successes, is overdue and required to keep Indiana competitive with regional, national and international competition for opportunities. Such a plan should involve all stakeholders from the various economic sectors critical to the state economy and build upon their separate marketing efforts. A cooperative effort between state government, universities and the state's business community could construct a compelling, coherent brand for Indiana while providing reinforcement for each stakeholder's separate marketing efforts.

Accelerate Indiana Exports

International trade is vital to the prosperity of our country and state. In 2010, Indiana contributed nearly \$29 billion to a national total of more than \$1.3 trillion in export goods. Indiana exports nearly doubled in the past decade. Canada, Mexico and Germany are Indiana's largest export markets, but Indiana businesses ship goods to almost 200 countries around the globe with 26 of those countries accounting for 93 percent of all Indiana exports.

According to the U.S. Chamber of Commerce, more than 75,000 Indiana jobs rely upon international markets and a recent report by the Indiana University Kelley School of Business estimates that nearly 25 percent of all Indiana manufacturing jobs are dependent upon exports to key trading partners. Indiana ranks 14th among all states in terms of export sales and has outperformed the nation in its average annual rate of growth in exports, 9% vs. 6% for the nation as a whole. (In the field of pharmaceutical and medical technology products alone, Indiana's exports exceeded \$9 billion in 2010, placing the state third in the nation behind only Texas and New Jersey.)

In short, Indiana's future prosperity will be built upon our ability to ship goods overseas and bring dollars back home.

We must construct our state policies within a global context and support key strategic investments to help Indiana firms do business overseas. For instance, the state should consider devoting more resources to international outreach, regular high-level trade missions to key international destinations and the permanent establishment of overseas offices (or networks) of the Indiana Economic Development Corporation (IEDC) in countries of strategic significance to bilateral trade and economic activity.

Promote 'Hoosier Hospitality'

A vibrant culture conducive to innovation and entrepreneurship would embrace diverse people and perspectives that build upon each other so as to create unique opportunities for growth and prosperity. It is the chemistry of evolving new perspectives because diverse people and their viewpoints interact, contributing to our collective intellect and well-being.

A vibrant culture is not planned or fabricated, but created by an open society, fueling its participants by challenging them with the unfamiliar and the unknown. When it "sparks," there is a sense of energy and excitement. Creativity results and is a prerequisite for innovation.

"Hoosier Hospitality" is a non-trite phrase with much meaning to citizens of our state and to our many guests who have experienced it upon their visits here. It is a general friendliness and neighborly willingness to help a stranger. It is a strong cultural trait, as well as a very strong "brand proposition" for Indiana – one which we should not squander.

Indiana's policies must reaffirm our global reputation as a welcoming and business-friendly state. Perhaps the best measure of a state's economic climate is the willingness of outsiders to live and work within that state. At all times, our state should seek the most open, tolerant and diverse society in order that every person may use their talents. Every citizen regardless of race, national origin, religion, gender or sexual orientation has something meaningful to contribute to our collective prosperity.



Our Future State

The premise of this plan is that by engaging now in thoughtful consideration of the future we may shape it. We are not willing to leave the future prosperity of Hoosiers to chance, but rather seek to enhance it by our actions today. Through this plan, we have attempted to establish a roadmap to prosperity where Hoosiers can achieve a higher quality of life than otherwise possible.

Today, Indiana is a very, very good place to live, work and raise a family. But we are greedy, in a good sense. We want Indiana to be the very best. We want to build on our current advantages and shore up our weaknesses. An honest self-assessment reveals that we must improve on today's reality when:

- At least one in four young people fail to achieve the bare minimum of a quality high school education.
- Only slightly more than one-third of high school graduates go on to achieve the postsecondary credentials necessary to succeed in today's competitive jobs market.
- High smoking and obesity levels contribute to ever-rising health care costs and, most importantly, cut short far too many lives.
- We waste tens of millions of taxpayer dollars on local government systems that are inefficient and, in many cases, ineffective.
- A few "chinks" in an otherwise positive tax system drive some business and personal resources elsewhere.
- Our valuable energy and water resources are at risk due to a lack of upkeep and long-term planning.
- Despite robust investment, transportation and telecommunications infrastructure is likewise at risk.
- We don't provide entrepreneurs with nearly enough resources to start and grow their businesses close to home.
- We send subtle (and sometimes more blunt) messages that some people are not welcome based on who they are or their country of origin.

While the year 2025 may appear far off, it is never too soon to begin going from "very good" to "great" as a state. Embodied in *Indiana Vision 2025* is a framework for action that will lead to numerous desirable outcomes.

If we work together to accomplish initiatives within this plan, we see Indiana as a future leader in which:

- At least 90 percent (with the ultimate goal of 100 percent) of students are fully prepared to enter college or the workforce.
- A minimum of 60 percent of Indiana residents have the postsecondary credentials or degrees that lead to personal achievement and business development.
- Individuals embrace wellness to enhance their own quality of life, workplaces and communities.
- Local government becomes a more effective resource, rather than serving as an impediment, to facilitate jobs and economic growth.
- Tax policy attracts additional investment and allows successful individuals to remain in our state and serve as valuable mentors and contributors throughout their lifetimes.
- We are assured that flipping the light switch and turning on the faucet will deliver the affordable power and water we are accustomed to for personal and business needs.
- Our physical and digital infrastructure prove to be valuable advantages over regional and national competitors.
- We not only keep more young people and future business leaders at home, but attract talented individuals from around the country and across the world.
- We have a culture that is open and accepting, paving the way for invention, creativity and prosperity.

As we examine each key economic driver, we can foresee the likely benefits: By striving to educate and train Hoosiers better than we do today, we make them better citizens and prepare them for a lifetime of productive work, adaptable to changing labor markets and less vulnerable to economic upheavals.

By constraining the size and scope of government, we create an attractive place for new investment and job creation. We will ease the financial burden government places on Indiana families, farms and businesses while making government more transparent and accountable. We will maximize individual liberty and economic opportunity while promoting the social welfare.

By creating strategies for long-term investments in key infrastructure, we ensure that Hoosiers will have available to them the necessary tools for commerce and a high quality of life. We will make the state more accessible and attractive to investment.

By promoting a tolerant, open society, we lay the groundwork for creativity and innovation. By encouraging public institutions and private enterprise to embrace diversity, creativity and risk-taking, we make it more likely that the next crucial breakthroughs in science, technology and business will be Indiana-born.

By planning, debating and then working hard toward a shared vision for the future, we can ensure that indeed "Indiana will be a global leader in innovation and economic opportunity where enterprises and citizens prosper."



Regional Forums

Introduction

Following the initial release of *Indiana Vision 2025 (IV 2025)*, the Indiana Chamber of Commerce, in partnership with other organizations and leaders, conducted five regional forums around the state of Indiana. The purpose of the forums was to:

- introduce *IV 2025* regionally;
- identify regional priorities among the report's stated goals within *IV 2025*; and
- gain perspective on issues and opportunities specific to different geographical areas of the state.

Together, the Indiana Chamber and the regional hosts invited thought leaders in both the for-profit and non-profit arenas to facilitated discussion and planning forums in Merrillville, Fort Wayne, Sellersburg, Evansville and Indianapolis. Prior to the forum, participants were invited to complete an online survey that asked them about regional issues, opportunities and trends, and asked them to prioritize each of the 33 *IV 2025* goals in four key drivers. The responses were then used to shape the specific content of each forum. To help them further prepare, each invited participant was provided with an executive summary overview of *IV 2025* and was asked to become familiar with the full report prior to attending the forum.

Besides the invited regional thought leaders, each half-day forum was also attended by several members of the Indiana Chamber executive leadership and policy teams who served as information resources to the participants. The forum discussion served as an invaluable opportunity for the Chamber regarding the regional priorities reflected in the report.

Forum Structure

Each forum was launched by the respective regional host (listed below) and participants were welcomed and thanked for their time. After a brief overview on the history and content of *IV 2025* presented by Kevin Brinegar, president and CEO of the Indiana Chamber, participants then reviewed and discussed the regional challenges and opportunities identified through their survey responses. The forums were facilitated by representatives from CHORUS®, Inc., an Indiana-based management consulting firm.

The regional leaders then turned their attention to the core content and focus of the forum – discussion of the drivers and goals within *IV 2025* that they believed were the specific priorities for their region. Working in teams, the participants expanded the content on nine of the goals to include **Objectives, Strategies, Regional Assets, Immediate Next Steps and Milestones**. Each team then presented its expanded goal to another team for “spirited critique” and revision, followed by a brief presentation to all forum participants. A summary of all nine of those expanded goals is included in the following report.

Forum Dates and Participants

A total of 178 participants attended the five regional forums hosted in June 2012 at locations throughout Indiana. Attendees represented many of the most prominent community and corporate citizens in their specific areas of the state.

Northwest Regional Forum | June 5, Merrillville | Host: Mark Maasel, Northwest Indiana Forum

Most participants at the Northwest Regional Forum work and live in the seven counties typically considered as the economic base of the Northwest region near or bordering Lake Michigan.

Northeast Regional Forum | June 6, Fort Wayne | Host: John Sampson, Northeast Indiana Regional Partnership

Participants to the Northeast Regional Forum were primarily composed of the leadership of the Northeast Indiana Regional Partnership, an organization formed in 2006 to help build a globally competitive economy in that area of the state.

Southeast Regional Forum | June 12, Sellersburg | Host: Kerry Stemler, KM Stemler Co., Inc.

While the majority of participants at the Southeast Forum were from the counties immediately north of the Greater Louisville area along the Ohio River, leaders from counties throughout the southeastern quarter of Indiana attended.

Southwest Regional Forum | June 18, Evansville | Host: Ed Hafer, Evansville Regional Business Committee

Southwest Forum participants were drawn primarily from the counties adjoining or within a 60-mile radius of the Evansville/Vanderburgh County area of Indiana bordering the Ohio River.

Central Regional Forum | June 19, Indianapolis | Host: Mike Wells, REI Real Estate Services

The economic nucleus of Central Indiana is Indianapolis and the nine-county area surrounding it. Representatives at this forum also came from a geographical area reaching west to Terre Haute, east to Richmond, north to Kokomo and south to Bloomington.

Statewide Challenges & Opportunities

Through survey results, personal interviews with regional leaders and forum discussions, challenges and opportunities/assets characterizing the economic environment in the five regions of Indiana were identified. Some challenges or opportunities were specific to particular regions and may have only been expressed by the participants in one or two areas of the state. For example, bridge infrastructure is a primary challenge to the two regions bordering the Ohio River, but was not mentioned or of any concern in Northeast Indiana. However, the presence of a number of concurrent challenges and opportunities arose in all regions of the state and particular consequences or benefits resonated across geographic boundaries. Summarized on the following two pages are the challenges and assets/opportunities in which the regions found a great deal of common ground.

PRIMARY CHALLENGES

1. **Educational Excellence:** In every region, forum participants expressed their strong belief that Indiana's educational system was failing to produce adequate numbers of high school graduates ready to either further their education at a postsecondary institution or effectively begin their careers in a highly technical 21st century economy. Rarely did participants assign specific blame for this dilemma. Quite the opposite, they considered the issue a challenge needing the attention and efforts of all Hoosiers in order to find a remedy. There is a pressing need for improved access and funding from early childhood education through higher education. Schools must produce students with dramatically improved competency in areas such as math, science and reading skills. Along with workforce development (see below), no challenge was more frequently mentioned or passionately discussed than a need to raise the educational expectations and performance of Indiana's student population. No two related issues rise to this level of importance.
2. **Workforce Development:** Forum participants agree that throughout Indiana, there is a strong and urgent need for a technically competent and innovative workforce. The basic skills and technical expertise possessed by a significant share of Indiana's workers do not measure up to current or anticipated expectations of high-tech employers. In its *Indiana Vision 2025* report, the *IV 2025* Task Force identified the need to develop outstanding talent as the number one priority for the state's economy. Leaders in every region agreed their current workforce is unprepared to fulfill the requirements of the high-tech jobs that their regions are seeking. Additionally, once the economy recovers, those who have lost their jobs during this economic downturn are unprepared to perform the technically demanding jobs likely to replace the ones they lost.
3. **Transportation Infrastructure:** Though different segments of transportation infrastructure drew the specific attention of different regions' leaders, there is no doubt that moving people, products and ideas is absolutely vital to Indiana's economy. Whether they emphasized interstates or bridges, waterways or airways, Indiana leaders expressed concern for the condition of the state's transportation infrastructure. In many cases (and in many areas of the state), that infrastructure would be considered in excellent shape and expanding in its capability. But forum leaders recognized that growing and maintaining our means of transportation will be both expensive and challenging. Developing new fiscal systems for funding infrastructure projects received considerable attention and discussion in every part of the state.
4. **Quality of Life:** Forum participants defined quality of life as representing a number of factors or amenities depending on where they live and work. Cost of living, access to recreation and cultural events, adequate housing, climate, and awareness for issues of diversity and inclusion all were referenced when participants discussed quality of life. Though the cultural markers for this issue were different for each region, there was solid agreement that improving the quality of life in Indiana is critical to growing our economy and attracting and retaining talented individuals. Each region's leaders discussed ways to improve the place they call home so that others will want to call it home too.
5. **Collaborative Effort:** Regional forum participants noted that a significant amount of good strategic planning has already been produced by numerous local and county governments, foundations, organizations and associations throughout Indiana. This planning has addressed important regional topics including education, economic development, transportation and workforce development. If there is a common gap in the effectiveness of this planning, though, it is often the absence of good communication and collaboration among organizations that results in either duplication of efforts or reduction in the potential impact of the planning. Coordinated strategic planning in all areas related to economic growth is a daunting task with multiple challenges, but such collaboration could lead to dramatic results throughout the state.

OVERARCHING OPPORTUNITIES TO LEVERAGE

1. **Logistics & Transportation:** Though transportation infrastructure was noted as a common challenge at regional forums throughout the state, there was also strong consensus among participants that Indiana's transportation and logistics capability is among its strongest assets. The combination of an extensive interstate system, waterways both north and south, and advantageous geography make Indiana a major economic force in terms of moving people and products. The ways that different regions of the state can leverage these advantages vary, but collectively few states can boast of so many features and benefits related to their transportation.
2. **Quality of Life:** Another area that forum participants across the state viewed as both a challenge and an asset was Indiana's quality of life. Despite some areas of concern (as noted in the challenges) there are consistent quality of life advantages that nearly all regions enjoy and that often set them apart from their economic competitors. These include a low cost of living and a favorable tax environment. As well, the collective opinion among most participants is that Indiana communities represent a good place to live and raise families. Efforts to build active and revitalized downtown areas have created hubs of cultural and recreational activity in what were once stagnant urban areas. Regional leaders agreed that the quality of life in much of Indiana becomes an increasingly marketable feature.
3. **Educational Resources:** Without question, Indiana faces a number of major issues regarding its educational system and student achievement. Yet, in the midst of those challenges, forum participants noted that Indiana can leverage an exceptional number of outstanding higher education resources. Life sciences research, health care, engineering and vocational training are but some of the examples of quality educational programs around the state that can benefit its citizens and its economic base. The presence of distinguished public and private institutions makes Indiana well-positioned to prepare its students and workforce for the 21st century economy.
4. **Economic Base:** Despite a recession that adversely affected the economies of every region of Indiana, forum participants were encouraged that the state's diverse economic base places it in a better position for recovery and growth than most of its neighboring Midwest states. When coupled with what is regarded, both nationally and internationally as a relatively friendly business regulatory environment, Indiana's diversity and economic health should attract considerable interest from companies looking to expand or relocate their businesses to Indiana.



Indiana Vision 2025 hosts

1. Mark Maassel (right), Merrillville
2. John Sampson (left), Fort Wayne
3. Kerry Stemler (center), Sellersburg
4. Ed Hafer, Evansville
5. Mike Wells, Indianapolis

Driver/Goal Feedback

Participants at the five forum events selected nine goals from *IV 2025* and addressed how these goals could be specifically leveraged in their region. The mix of those nine varied from region to region since leaders were given the opportunity to select which goals their teams would discuss. Objectives, Strategies, Immediate Next Steps and Milestones were all considered and applied to the goals. Below is a synopsis of the discussion and subsequent recommendations made in each of the four driver areas under which the goals appear in *IV 2025*.

Key Driver #1: Outstanding Talent

The goals detailed in *IV 2025* under the driver of Outstanding Talent address a number of educational and workforce development issues. Among these are increasing high school graduation rates; improving students' math, science and reading skills; graduating a higher proportion of the state's population with quality postsecondary credentials; and increasing the technical skills of Indiana's workforce.

Regardless of the forum's geographic location, participants spent more time addressing Indiana's talent gaps than on any other topic. While regional leaders were often very specific and targeted in their approaches toward improving Indiana's educational achievement and workforce skills gaps, there was also a clear theme that emerged: increasing the preparation and competency of Indiana's students or adult workers will take an "all hands on deck" mentality and there is no time to waste. Administrators, teachers associations, universities and colleges (both public and private), parents, legislators, foundations, advocacy groups, community associations and businesses are just some of the interested parties that must display levels of collaboration and cooperation perhaps never seen before in the state.

A recurring recommendation regarding education was to develop more accurate tools for measuring student achievement as they relate to the anticipated skills students will need in the 21st century economy. Additionally, participants continually referenced the important role that parents and families play in student achievement, but they often admitted to uncertainty as to how parental engagement can be effectively addressed.

There was strong consensus that closing educational gaps (and ultimately building a competent workforce) requires early intervention in children's learning opportunities. Participants continually stressed an urgent need for development and state funding for early childhood education.

It would be difficult to overemphasize the passion with which forum participants approached the topics of education and workforce development. Their collective message was clear: nothing will affect Indiana's future – positively or negatively – more than the talent and workforce skills of its citizenry.

Key Driver #2: Attractive Business Climate

Throughout Indiana, forum participants believed that local government reform is a priority to building an attractive business climate. In every region, leaders referenced the Kernan Shepard report on government reform and consistently urged state legislators to adopt its recommendations. Not only would this reform significantly impact economic growth, it will result in greater fiscal responsibility and efficient use of tax dollars.

In addition to local government reform (and closely related to it), forum participants said that Indiana would benefit from more uniformity in municipal ordinances and processes regulating business. They recommended that counties and municipalities collaborate on their codes related to businesses and arrive at acceptable standards. A uniform regulatory environment would help increase economic opportunity.

Indiana's business climate – especially in terms of its business-friendly tax policies – already has certain advantages to offer business site selectors compared to our neighboring Midwest states. Uniform codes would be another positive factor regions of Indiana would have over areas competing for business opportunities. This driver also includes an emphasis on additional tax reforms, maintaining a strong legal environment, enhancing the overall regulatory environment and containing health care costs – partially by reducing high smoking rates and obesity levels.

Key Driver #3: Superior Infrastructure

Establishing new fiscal systems to support the array of infrastructure projects critical to economic growth was a goal discussed at every regional forum. The geography and the most pressing needs of any given region caused forum participants to focus on different components of the issue, but they were unanimous that the old systems for funding and maintaining infrastructure will not apply to future projects.

Several solutions for funding infrastructure were recommended. User fees, such as road tolls, would be an effective method for generating funding for interstates and bridges. These tolls should necessarily extend to out-of-state users (particularly trucking firms) that pass through the state, often “free of charge”. The technology now exists to track commercial usage and collect fees based on that usage.

Beyond funding, participants stressed the need for excellent planning and prioritization of infrastructure projects. Attention and funding should be directed at those projects that will produce the most financial return for any given region of the state. As well, most major infrastructure projects affect more than one region of the state (or regions of other states); therefore, good communication, planning and collaboration will improve the economic impact of multiple regions. Participants stressed that, given the dynamics of a global economy, it is not prudent nor is it productive for regions of the state to conduct infrastructure planning apart from each other.

Participants also called attention to the impact that future economic growth and expansion will have on those infrastructure projects “below the ground”, noting that investments in electrical grid upgrades and new water and sewage systems are equal if not more critical than transportation infrastructure projects. Specific focus was given in many regions to developing strategic water resource plans that would ensure all areas of Indiana can provide adequate and abundant fresh water for both its citizens and business.

Key Driver #4: Dynamic & Creative Culture

Participants at the five regional forums focused much of their discussion regarding Dynamic and Creative Culture around two of the goals listed under that driver in *IV 2025*: 1) aggressively promote entrepreneurship and business start-ups, and 2) promote a culture that further values diversity and civility.

Much of Indiana’s economic history has been crafted by its long and productive relationship with manufacturing. Huge sections of that manufacturing base have either eroded or completely fallen away. The state’s economic future will rely heavily on the efforts of gifted and technically-minded entrepreneurs who are sought out, encouraged and supported to bring their ideas and enterprises to Indiana. Forum leaders encouraged developing systems of support for entrepreneurs and aggressively promoting business start-ups. This was a unanimous focus at all forums. A key indicator of success in this arena will be whether Indiana develops a culture that encourages entrepreneurs to take risks and pursue their visions, as well as whether the state and regions will build systems to financially support entrepreneurial ventures. Developing such a system will require collaborative effort on the part of government, for-profit and not-for-profit stakeholders.

A culture that further values diversity and civility is paramount to attracting and retaining talented individuals to Indiana. Some forum leaders believed their regions were further along the path toward diversity and inclusion than what others expressed. But regardless of where they currently find themselves, all forum participants agreed that a culture rich in understanding and civility is a critical quality of life issue in Indiana’s future. Plus, nurturing a culture of diversity will likely require the ongoing efforts of more groups and individuals than any of the 33 goals within *IV 2025*. The collective energy from a myriad of businesses, not-for-profits, foundations and associations is needed to advance this goal.

Participants recommended creating multiple entry points into communities and activities so that people outside of the region’s traditional culture find ways to be engaged and to bring their own culture into an area. The more opportunities that are developed in which diverse cultures and people can intersect, the more likely that healthy interaction and civil discourse can occur. Again, this will require exceptional collaboration and levels of communication among individuals and organizations unaccustomed to partnering with each other. But participants believe that exceptional collaboration is needed in order for Indiana to participate and fully function within a global economy.

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- gain perspective on issues and opportunities specific to different geographical areas of the state.

Together, the Indiana Chamber and the regional hosts invited thought leaders in both the for-profit and non-profit arenas to facilitated discussion and planning forums in Merrillville, Fort Wayne, Sellersburg, Evansville and Indianapolis. Prior to the forum, participants were invited to complete an online survey that asked them about regional issues, opportunities and trends, and asked them to prioritize each of the 33 *IV 2025* goals in four key drivers. The responses were then used to shape the specific content of each forum. To help them further prepare, each invited participant was provided with an executive summary overview of *IV 2025* and was asked to become familiar with the full report prior to attending the forum.

Besides the invited regional thought leaders, each half-day forum was also attended by several members of the Indiana Chamber executive leadership and policy teams who served as information resources to the participants. The forum discussion served as an invaluable opportunity for the Chamber regarding the regional priorities reflected in the report.

Forum Structure

After a brief overview on the history and content of *IV 2025* presented by Kevin Brinegar, president and CEO of the Indiana Chamber, participants then reviewed and discussed the regional challenges and opportunities identified through their survey responses. The forums were facilitated by representatives from CHORUS®, Inc., an Indiana-based management consulting firm.

The regional leaders then turned their focus to the core content and focus of the forum – discussion of the drivers and goals within *IV 2025* that they believed were the specific priorities for their region. Working in teams, the participants expanded the content on nine of the goals to include **Objectives, Strategies, Regional Assets, Immediate Next Steps and Milestones**. Each team then presented its expanded goal to another team for “spirited critique” and revision, followed by a brief presentation to all forum participants. A summary of all nine of those expanded goals is included in the following report.

Northwest Region Participants

Thirty-two regional leaders attended the *Indiana Vision 2025* Northwest Forum on June 5, 2012, in Merrillville, Indiana.

Keira Amstutz President & CEO Indiana Humanities Council	Dr. Peggy Buffington Superintendent School City of Hobart	Dr. Deborah Howe Superintendent Tri-Creek School Corp.	Joseph Medellin Director of Human Resources ArcelorMittal	Michael Schrage President & CEO Centier Bank
Don Babcock Director of Economic Development NIPSCO Economic Development	Jack Cole Director of Membership & External Relations Indiana Grantmakers Alliance	James Jorgensen Partner Hoepfner, Wagner & Evans	Hon. Blair Milo Mayor City of LaPorte	Maggi Spartz President Unity Foundation of LaPorte County
Mike Baird 4th District Representative Valparaiso City Council	John Diedrich Executive Vice President Peoples Bank	Dr. Thomas Keon Chancellor Purdue University Calumet	Leigh Morris Chairman Northwest Indiana Regional Development Authority	Hon. Joseph Stahura Mayor City of Whiting
Speros Batistatos President & CEO South Shore Convention & Visitors Authority	Dr. James Dworkin Chancellor Purdue North Central	Sharon Kish President United Way of Porter County	Eric Reaves Assistant Director, Department of Economic Development City of Gary	Harry Vande Velde, III President & CEO Legacy Foundation of Lake County
Cal Bellamy Partner Krieg DeVault	Lincoln Ellis President & CEO Girls & Boys Club of Northwest Indiana	Kristopher Krouse Executive Director Shirley Heinze Land Trust	Sue Reed Executive Director Crossroads Chamber	Beth Wrobel CEO HealthLinc
Lee Botts Advocate Indiana Dunes Environmental Learning Center	J. Forest Hayes Director, Department of Commerce City of Gary	Mark Maassel* President Northwest Indiana Forum	Dr. Dennis Rittenmeyer Retired President Calumet College of St. Joseph	Barbara Young President Porter County Community Foundation
		Lou Martinez President Lake Area United Way	Bob Schaefer President Community Dynamics	

* Denotes Regional Partner



Northwest Region Challenges & Opportunities

Through survey results, personal interviews with regional leaders and forum discussions, the challenges and opportunities/assets characterizing the economic environment in Northwest Indiana were identified.

PRIMARY CHALLENGES

1. **Educational Excellence:** Northwest Forum participants emphasized the need for an improved educational structure that begins with early childhood development programs and extends to diverse higher education opportunities. Beyond “cradle to tassel” education, they expressed an imperative for lifelong learning that prepares people for productive, relevant careers and vocations.
2. **Transportation Infrastructure:** The Northwest region both supports and depends upon the economy of the greater Chicago area. Superior roadways traversing the region are essential for moving people, products and ideas. As well, the future of light rail, Lake Michigan port development and access to regional air travel will all play a significant role in economic development.
3. **Community/Political Leadership:** Attracting talented people to public and private service in the region is crucial to the region’s revitalization. Participants expressed the belief that the best and brightest have not always chosen to remain in the region. Initiatives to build and retain strong leaders are highly encouraged.
4. **Regional Identity:** More than any other region of Indiana, the Northwest is identified by distinctive geographical, industrial and cultural characteristics – some positive and others that are not. A passion exists among area leaders to effectively build and market Northwest Indiana as a dynamic brand where opportunities abound.
5. **Racial Diversity and Renewal:** The Northwest represents one of the most diverse areas in the state, where multiple races and cultures intersect. Economic growth will depend, in part, on these cultures continuing to create opportunities together and expand their understanding and cooperation with each other.
6. **Cohesive Planning:** Participants identified a number of good, forward-thinking initiatives that could benefit the region socially and economically. The challenge is coordinating and consolidating those strategic initiatives so they can produce a more dramatic impact. Currently, many initiatives exist on a county or city-wide basis rather than benefitting the area as a whole.
7. **Training/Job Creation:** A strong manufacturing base has survived the economic downturn. However, the 21st century economy will rely on a technically competent workforce. To that end, participants reiterated the need to create an atmosphere where talented people capture high-paying jobs.



OVERARCHING OPPORTUNITIES TO LEVERAGE

1. **Location:** Northwest Indiana is a geographical sweet spot with close proximity to major metropolitan areas via both roadways and waterways. The location affords immeasurable opportunities for growth-minded people, businesses and organizations.
2. **Gary Airport:** The Gary/Chicago International Airport has exceptional potential and surprising capacity; however, the airport's resources are currently underutilized.
3. **Natural Resources:** The Northwest's resources related to recreation, entertainment and economic opportunity abound. Lake Michigan, the lakefront, state and national parks, and a number of other attractions are exceptional (if somewhat unknown) advantages the region possesses.
4. **Commuter/Freight Rail/Transportation:** The region's long history as a crucial center of manufacturing and logistics means that rail resources continue to play an important role in economic growth. There are strong opportunities and a strong motivation to expand rail's presence even further.
5. **Trend Toward Regional Cooperation:** Regional leaders have acknowledged in recent years that they are stronger working together than separately. Initiatives such as the NWI Regional Development Authority's One Region One Vision should be the model for collaboration in the future.

Northwest Forum participants selected seven goals from *IV 2025* and addressed how these goals could be specifically leveraged in their region. Additionally, the group formulated two goals that were not directly addressed in the report, but that they believe are essential to the region's future. Objectives, Strategies, Immediate Next Steps and Milestones were all considered and applied to the goals. Below is a synopsis of those prioritized goals by the driver under which they appear in *IV 2025*. An expanded explanation of the work done by participants on each goal begins on the next page, including the two goals that the forum participants proposed.

DRIVER 1: Outstanding Talent

Ensuring quality education from early childhood through higher education is of paramount concern. Increasing graduation rates is among the highest priorities in that continuum. Likewise, developing a workforce ready to embrace the technological demands of our 21st century global economy is key to the region's vitality. Business and education must work closely to establish baselines for academic and skills growth. WorkOne regional centers, ACT, colleges and universities, labor unions and school corporations are among the critical assets.

DRIVER 2: Attractive Business Climate

Government reform, both on a state and local level, would help the Northwest region realize greater efficiency in delivery of services and in fiscal management. But a public that is both informed and educated on how local government works seems a prerequisite if this reform is to be enacted and subsequently embraced. If counties are to move to a government model that consolidates services around a single county executive, communicating the benefits will involve a wide variety of assets including community groups, regional thought leaders, past and current legislators and the business community. The group urged that the Kernan Shepard report be revisited.

DRIVER 3: Superior Infrastructure

Clearly, the transportation infrastructure in the Northwest region of Indiana will always play a vital role in its economic success. Identifying local infrastructure funding in order to leverage state and federal funding, as well as promoting home rule legislation, were among the strategies recommended by forum participants. Support and advocacy from elected officials at all levels of government will be needed. Additionally, local and state organizations, including the Northwest Indiana Regional Development Authority and the Indiana Chamber, must help synthesize existing studies and reports regarding infrastructure into a cohesive and coordinated plan.

DRIVER 4: Dynamic and Creative Culture

Participants emphasized the need for the region to continue embracing the cultural diversity and inclusion that has represented some of its greatest challenges as well as its most promising initiatives. Additionally, the region will prosper by investing its energy and resources in a new generation of entrepreneurs, thus attracting and retaining talented individuals focused on providing jobs to the region's workforce. The diversity/inclusion initiative must draw from an equally diverse pool of assets including human rights commissions and race relations councils, tourism organizations, universities and colleges, businesses and not-for-profit organizations. Supporting entrepreneurs will require the interaction of school corporations, colleges and universities, multiple agencies focused on workforce and economic development, and government representatives.

Key Driver #1: Outstanding Talent

Goal Statement: Increase to 90% the proportion of Indiana students who graduate from high school ready for college and/or career training.

Forum participants established objectives addressing graduation rates, parental and family involvement, and established clear benchmarks and continuous measurement around what it means to be “ready” for college and careers. Since the goal is aggressive and the issues are widespread, the assets needed to address the goal are equally sweeping. Collaboration between school corporations, universities and colleges, social service agencies, churches, teachers and businesses/employers will all be necessary to realize success. Participants recommend that a summit with representatives from these assets establish initiatives toward the goal by the summer of 2013. Pilot programs to promote family involvement and educate parents would need to find funding and launch by the end of 2013.



Goal Statement: Develop, implement and fully fund a comprehensive plan for addressing the skills shortages of adult and incumbent workers who lack minimum basic skills.

Participants addressing this goal identified a number of objectives necessary to attack this workforce development issue. Assessments that establish current skill levels of both incumbent workers and high school students are needed (many “WorkKeys” are already in place in school corporations in the region). In step with those baselines, comparisons must be drawn between the findings and current labor market trends. Developing relevant educational plans to develop necessary skills would follow. Business and education should work closely to implement these objectives. In many cases, the assets are already in place, even if their coordination and communication are not fully integrated.



Goal Statement: Increase to 60% the proportion of Indiana residents with high quality postsecondary credentials.

At each regional forum, participants collectively addressed the goal regarding increasing the proportion of Indiana residents with high quality postsecondary credentials. Its importance and priority was reflected throughout survey responses in all regions. Tackling this goal together also served as an exercise that educated participants about the process they would use when expanding the remaining prioritized goals. Additions and comments made by Northwest Forum participants included the belief that finding effective methods for evaluating Indiana’s K-12 teachers were necessary. Additionally, participants believed that their role in achieving the stated goal was beyond merely an economic imperative; it was also a civic responsibility.

Key Driver #2: Attractive Business Climate

Goal Statement: Enact comprehensive government reform at the state and local levels to increase efficiency and effectiveness in delivery of services.

Northwest Forum participants recommended streamlining the current structure of county governance, moving to a single executive that would provide or oversee the services currently administered by multiple elected officials. As did leaders in other regions of Indiana, they encouraged the state legislature revisit the Kernan Shepard report on local government reform. Forum participants believe the authors of any future legislation should be bipartisan.

Key Driver #3: Superior Infrastructure

Goal Statement: Develop and implement new fiscal systems to support the array of infrastructure projects critical to economic growth.

Transportation infrastructure critical to economic growth throughout Indiana received specific focus from the Northwest leaders. Participants recommended identifying multiple sources of local funding for infrastructure projects in order to leverage state and federal funding opportunities. Consolidating and synthesizing existing transportation studies for the region was also recommended so that a cohesive list of assets and initiatives could be developed.

Key Driver #4: Dynamic and Creative Culture

Goal Statement: Develop entrepreneurship and aggressively promote business start-ups through education, networking, investment and financial support.

A significant number of strategies and assets were identified by forum participants regarding this goal aimed at furthering entrepreneurship in Indiana. They recognized a need for changes in both policy and culture. Some immediate steps would include developing a Northwest Indiana incubator center for business start-ups, establishing metrics for tracking the success of new ventures, promoting the Small Business Development Center and championing the regional efforts of Elevate Ventures. Additionally, they encouraged early exposure to entrepreneurship for youth and aspiring entrepreneurs. Public schools, universities and the Center for Workforce Innovation are all key assets to leverage in these initiatives.



Goal Statement: Promote a culture that further values diversity and civility, attracting and retaining talented individuals.

Northwest Indiana's history is one of both cultural and diversity challenges and advancement. The participants in the forum identified three primary objectives attached to the above goal: 1) celebrate diversity; 2) encourage civility; and 3) inspire creativity by removing traditional thought boundaries. A diverse grouping of assets would be critical to advancing these objectives. The need for collaboration between public and higher education, business, government and not-for-profit organizations was cited by participants. A number of successful local cultural events, activities and festivals create opportunities for cross-regional participation that would promote diversity and civility.

Additional Driver: Tourism

Goal Statement: Grow the Hoosier hospitality industry to be within the top two industries statewide (in any given year) and most visited state in the Midwest.

Participants recommended an aggressive objective: Grow the hospitality gross revenue and jobs in the region by 50%. Increasing state tourism funding and incentivizing private investment in tourism were also recommended. Tools and methods for tracking increases in tourism, including methods for comparing state spending against other Midwestern states, are necessary. Overall, participants focused their strategies, asset mapping and milestones on significant increases in marketing and advertising Indiana's tourism.

Additional Driver: RDA

Goal Statement: Sustain and enhance funding for NWI RDA through 2025 and beyond.

The current legislation for funding Indiana's Northwest Regional Development Authority runs through 2015. Northwest participants propose sustaining the current funding of \$27.5 million (\$10 million in state funds and \$17.5 million in local) beyond 2025. As well, they propose identifying and enhancing additional funding sources. Validating and measuring the success of the first 10 years of RDA is crucial to extending its existence and a game plan for building local support for funding is also recommended. Participants propose a regional RDA summit in early 2013 to address its future and adoption of the summit initiatives by the summer of 2013.

Introduction

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- introduce *IV 2025* regionally;
- identify regional priorities among the report's stated goals within *IV 2025*; and
- gain perspective on issues and opportunities specific to different geographical areas of the state.

Together, the Indiana Chamber and the regional hosts invited thought leaders in both the for-profit and non-profit arenas to facilitated discussion and planning forums in Merrillville, Fort Wayne, Sellersburg, Evansville and Indianapolis. Prior to the forum, participants were invited to complete an online survey that asked them about regional issues, opportunities and trends, and asked them to prioritize each of the 33 *IV 2025* goals in four key drivers. The responses were then used to shape the specific content of each forum. To help them further prepare, each invited participant was provided with an executive summary overview of *IV 2025* and was asked to become familiar with the full report prior to attending the forum.

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Forum Structure

After a brief overview on the history and content of *IV 2025* presented by Kevin Brinegar, president and CEO of the Indiana Chamber, participants then reviewed and discussed the regional challenges and opportunities identified through their survey responses. The forums were facilitated by representatives from CHORUS®, Inc., an Indiana-based management consulting firm.

The regional leaders then turned their focus to the core content and focus of the forum – discussion of the drivers and goals within *IV 2025* that they believed were the specific priorities for their region. Working in teams, the participants expanded the content on nine of the goals to include **Objectives, Strategies, Regional Assets, Immediate Next Steps** and **Milestones**. Each team then presented its expanded goal to another team for “spirited critique” and revision, followed by a brief presentation to all forum participants. A summary of all nine of those expanded goals is included in the following report.

Northeast Region Participants

Forty-two regional leaders attended the *Indiana Vision 2025* Northeast Forum on June 6, 2012, in Fort Wayne, Indiana.

Keira Amstutz
President & CEO
Indiana Humanities Council

Marie Beason
Dir. Of Professional Dev.
Indiana Grantmakers Alliance

David Bennett
Executive Director
Community Foundation of
Greater Fort Wayne

Bill Bradley
Executive Director
Jay County Economic Dev.

Andrew Briggs
President
Bank of Geneva

Don Cooper
VP/General Manager
KPC Media Group, Inc.

Gene Donaghy
VP of Energy Services
Northeastern REMC

Joe Dorko
CEO
Lutheran Health Network

G. Blair Dowden
President
Huntington University

John English
Manager of Corp. Relations
Noble REMC

David Floyd
CEO
OrthoWorx

Scott Glaze
Chairman & CEO
Fort Wayne Metals Research
Products Corp.

Rich Haddad
President & CEO
K21 Health Foundation

Doug Inman
Executive Director
The Portland Foundation

Julie Inskeep
Publisher
Journal Gazette

Dent Johnson
Plant Manager
BFGoodrich Tire Manufacturing

Sandi Kemmish
Director
Lincoln Financial Foundation

David Koenig
Executive Director
Steuben County EDC

Mike Kubacki
Chairman
Lake City Bank

Ray Kusisto
CEO
Ortho NorthEast (ONE)

Mike Landram
President
Fort Wayne Chamber of
Commerce

Suzie Light
Executive Director
Kosciusko County Community
Foundation

Larry Macklin
Executive Director
Adams County EDC

Jim Marcuccilli
President & CEO
STAR Financial Bank

Dr. Cathy Maxwell
Vice Chancellor of Academic
Affairs
Ivy Tech - Northeast

Bruce Menshy
Director of Operations
Raytheon Company

John Miller
Director of Retail Dev.
Zurcher Tire, Inc.

Tony Mitson
Dir. of Government Affairs
Regional Chamber of
Northeast Indiana

Marilyn Moran-Townsend
CEO
CVC Communications

Tom Nordwick
President & CEO
Adams Memorial Hospital

Mike Packnett
President & CEO
Parkview Health

Tim Pape
Managing Partner
Carson Boxberger, LLP

Maclyn Parker
Attorney
Olive B. Cole Foundation

Jac Price
President & CEO
Price's Laundry

Kathleen Randolph
President & CEO
Northeast Indiana Regional
Workforce Investment Board

John Sampson *
President
Northeast Indiana Regional
Partnership

John Stafford
Executive Director
Community Research Institute

Darlene Stanley
President
Johnson Junction

Todd Stephenson
President & CEO
United Way of Allen County

Jeff Turner
VP, Admin. & General Counsel
Metal Technologies

Tom Wall
County Commissioner
Huntington County

Larry Weigand
President & CEO
Weigand Construction

* Denotes Regional Partner

Northeast Region Challenges & Opportunities

Through survey results, personal interviews with regional leaders and forum discussions, the challenges and opportunities/assets characterizing the economic environment in Northeast Indiana were identified.

PRIMARY CHALLENGES

1. **Educational Excellence:** Throughout the process – from surveys and interviews to forum discussions – Northeast participants continually emphasized the importance of education excellence, beginning with early childhood development and nurturing lifelong learners. Today's students must graduate high school at a higher percentage and ready for high-tech jobs or prepared to move to vocational training or college.
2. **Workforce Development:** The traditional manufacturing base, so prevalent in Northeast Indiana for nearly a century, has eroded substantially and with it the region's average salary. Attracting high-tech industry will depend in part on developing a competent and capable workforce for employers. Participants stressed that workforce development and educational excellence are two equally important areas that cannot be separated in order to ensure the region's economic future.
3. **Transportation Infrastructure:** The Northeast region is vitally dependent on superior pathways to move people, products and ideas. Overall, participants believe the regional transportation infrastructure is sound, but creative funding sources for future needs should be addressed. They also expressed concern as to whether the Northeast is currently receiving its fair share of infrastructure funding.
4. **Quality of Life:** Attracting and retaining the best and brightest talent to Northeast Indiana will require continued focus on building a strong cultural and recreational environment. Additionally, participants expressed that the region will need to provide high wages and stable employment opportunities for the young people who grow up in the area.
5. **Community/Political Leadership:** In developing Vision 2020, the Northeast region has already displayed its ability to pull together the area's leadership for collaborative work. However, encouraging talented, exceptional individuals to run for public office or volunteer their time to community leadership remains a challenge. Often, the same traditional leaders are called on time and again to serve. New ideas and new energy are needed from a new generation of leaders.
6. **Improved Air Service:** Air travel into and out of the northeastern part of Indiana is problematic. Though the Fort Wayne International airport has exceptional capacity, there are few outbound direct flights available to major cities. Travelers must choose between making multiple, expensive flight connections or driving to the major airports in Indianapolis, Chicago or Detroit.
7. **Collaborative Effort:** As much as any region of the state, the leaders of Northeast Indiana have been successful in working together to plan for its economic future. Yet, participants cited a number of initiatives – many of them strong, promising plans – that operate separately from each other. They encouraged more communication and collaboration to pull these regional initiatives together, thus increasing their collective impact.



OVERARCHING OPPORTUNITIES TO LEVERAGE

1. **Vision 2020:** The Northeast Indiana Regional Partnership's Vision 2020 is a comprehensive economic plan aimed at bringing new vitality to the region. This collaborative effort leapfrogs the Northeast ahead of many of its competitors for economic development through a cohesive vision, mission and game-changing tactics.
2. **Higher Education Resources:** Participants noted that the Northeast is exceptionally well-positioned for growth and innovation through its higher education resources. Multiple colleges (both public and private), a new pharmacy program, a four-year medical school and outstanding potential for technology-based research create the opportunity to build an academic center of excellence.
3. **Fort Wayne International Airport:** Though currently air travel in and out of the region is difficult, Fort Wayne International has considerable untapped potential and capacity for increased air mobility. The airport facilities and infrastructure could easily support increased passenger and freight travel. Direct flights to major hubs such as Chicago and Washington, D.C. could dramatically affect the region's economic opportunities.
4. **Transportation:** Beyond the opportunities for increased air travel, the region's ground transportation system is growing and improving. Its geographical relationship to other regional economic areas of influence positions the Northeast region to become a logistics "heavy hitter" in the future.
5. **A Revitalized Downtown Fort Wayne:** Following the lead and proven success of other regional centers, downtown Fort Wayne is in the midst of a renewal. Renovated buildings and new construction are drawing restaurants, entertainment and recreation opportunities to the city's center. A vibrant downtown Fort Wayne results in overall increase in the quality of life for the Northeast region of Indiana.

Northeast Forum participants selected nine goals from *IV 2025* and addressed how these goals could be specifically leveraged in their region. Objectives, Strategies, Immediate Next Steps and Milestones were all considered and applied to the goals. Below is a synopsis of those prioritized goals by the driver under which they appear in *IV 2025*. An expanded explanation of the work done by participants on each goal begins on the next page.

DRIVER 1: Outstanding Talent

Quality education and workforce development are inseparable elements in the formula for economic success. The region must increase the educational attainment and career preparedness of its population, from early childhood through higher education and vocational training. Increasing graduation rates is among its highest priorities. Postsecondary credentials in STEM-related fields should also be a focus. As the national economy recovers, the region cannot be left behind due to a workforce unprepared to meet the technical demands of that changing economy. Educational improvement will require the best efforts of school corporations, higher education, foundations, business leaders and regional organizations.

DRIVER 2: Attractive Business Climate

Northeast Indiana would benefit from more uniformity in municipal ordinances and processes regulating business in the region to help increase economic opportunity. Echoed in other regions of the state, leaders in the Northeast also encouraged state legislators to revisit the Kernan Shephard report on streamlining local government. Local governments will necessarily need to work together to catalog the differences in their current ordinances and then adopt standards. This will require collaboration among a number of regional assets, including county and city government, local economic development organizations, state legislators and major employers.

DRIVER 3: Superior Infrastructure

Future infrastructure projects - transportation related or otherwise - in the state and region will necessitate new systems for funding, including any number of revenue-generating methods and planning process improvements. Economic growth will also require the state to develop and implement a strategic water resource plan that ensures adequate fresh water for people and business. Much of the region's sewage and water infrastructure will require significant expansion and improvements in the coming decades. State, regional and municipal resources must cooperate to develop a cohesive strategy.

DRIVER 4: Dynamic and Creative Culture

The Northeast region anticipates substantial future job growth generated by entrepreneurial enterprise; therefore, building a culture where entrepreneurs can thrive is an important component. State and regional initiatives will play a role, as well as tax credits, incubators, chambers of commerce, foundations, regional development organizations and venture capital firms. The region must also continue to nurture a culture that is inviting to a diverse population. Addressing quality of life issues will help create an environment that is welcoming to the diversity of talent, race, faith and choices the region can anticipate attracting.



Key Driver #1: Outstanding Talent

Goal Statement: Increase to 90% the proportion of Indiana students who graduate from high school ready for college and/or career training.

Raising the percentage of high school graduates in Indiana ready for college or career training will take exceptional collaboration. Employers, school administrators, higher education institutions, teachers and parents must all be engaged and invested in student achievement. Forum participants placed special emphasis on increasing parental involvement and student motivation. As well, they noted that assuring the effectiveness of teachers must be part of the equation. More educational options for students are necessary so that students who find

themselves in varying external situations can still find a clear path to an effective high school degree. Participants agreed that the 90% goal is aggressive, so achieving it will take equally aggressive and sweeping action by all parties tackling the problem.

Goal Statement: Develop, implement and fully fund a comprehensive plan for addressing the skills shortages of adult and incumbent workers who lack minimum basic skills.

Northeast Indiana's average wage is roughly 75% of the national average. Increasing that average wage will require raising the skill level of adult and incumbent workers so they can thrive in the high-tech jobs of a new economy. Forum participants recommend finding dynamic assessment tools that will determine the skill needs of regional industries and businesses so that area schools and universities can focus their training and educational solutions. A collaborative agreement on basic skills training between industry and education will also be part of this initiative. The success of this collaborative effort will hinge, in part, on determining the "backbone organization" of the initiative and who will provide leadership going forward. A number of established assets already exist, including WorkOne Northeast, Ivy Tech, Indiana-Purdue Fort Wayne, Northeast Indiana Regional Partnership, school system leaders, and various foundation and industry partners.

Goal Statement: Increase to 60% the proportion of Indiana residents with high quality postsecondary credentials.

At each regional forum, participants collectively addressed the goal regarding increasing the proportion of Indiana residents with high quality postsecondary credentials. Its importance and priority was reflected throughout survey responses in all regions. Tackling this goal together also served as an exercise that educated participants about the process they would use when expanding the remaining prioritized goals. Northeast Forum participants noted that this goal mirrors the "Big Goal" stated in Vision 2020, so it is already a priority for them. Currently, the region's proportion of residents with high quality postsecondary credentials stands at 35%, so aggressive measures will be needed to achieve the target number of 60%.

Goal Statement: Increase the proportion of Indiana residents with postsecondary credentials in STEM-related fields to "top 5" status.

Forum participants believe that increasing the number of residents with STEM-related credentials will first require increasing the number of K-12 teachers qualified to teach STEM subjects. Additionally, interest in STEM subjects among students and families is traditionally low, so developing opportunities for students to engage in STEM activities early in the educational path will be vital. Close, consistent collaboration between regional school systems, universities, vocational schools and industries will be key to increasing student awareness, interest and success in STEM-related subjects.

Key Driver #2: Attractive Business Climate

Goal Statement: Attain a "Top 5" ranking among all states for Indiana's business regulatory environment.

Participants targeted uniformity across all municipalities regarding business-friendly ordinances and policy as one of the key objectives for this goal. Participants also considered reform that would reduce the number of government layers as instrumental in streamlining Indiana's regulatory environment. As did a number of leaders in other regions of the state, they encourage legislators to revisit the Kernan Shepard report on local government and adopt its recommendations. A number of influential assets can be brought to bear on this goal: business and foundation leaders, local economic development groups, chambers of commerce, regional opportunity councils, and city, county and state government.

Key Driver #3: Superior Infrastructure

Goal Statement: Develop and implement new fiscal systems to support the array of infrastructure projects critical to economic growth.

Changes in tax structures necessitate that the state and region look at alternative ways to fund and support future infrastructure projects. In regard to transportation projects, Forum participants recommend consideration of a number of new fiscal systems, including moving from traditional gas tax structure to a direct consumer fee system, logistics tracking systems to capture lost revenues from out-of-state users, and low cost, user-paid multimodal transportation systems. Improved planning processes within the Indiana Department of Transportation were also recommended. Legislation on the state level is obviously necessary, but regional and local chamber transportation committees, planning organizations and initiatives such as Vision 2020 will be influential in advancing these strategies.

Goal Statement: Develop and implement a strategic water resource plan that ensures adequate fresh water for citizens and businesses.

Though Indiana and the Northeast region are traditionally regarded as having adequate to abundant water resources, future economic development in the region could stretch those resources and test the limits of water and sewer infrastructures. A comprehensive regional water and sewage plan that extends beyond (but includes) municipalities is recommended. Funding priorities and sources should be studied and developed and a water resource strategy promoted. Besides city water and sewage commissions, the Maumee River Basin Commission, lake-based sewer districts, multiple watershed areas and some higher education resources should all be considered as existing regional assets.

Key Driver #4: Dynamic & Creative Culture

Goal Statement: Develop entrepreneurship and aggressively promote business start-ups through education, networking, investment and financial support.

As detailed earlier in this Northeast report, this region of the state anticipates future job growth will be generated through entrepreneurial enterprises. Forum participants do not expect the traditional manufacturing base to regain the momentum and influence it once enjoyed. Entrepreneurs starting or relocating high-tech research and manufacturing to the region is its best hope for job growth and is critical to the region's future. Both state and regional initiatives such as tax credits, incubators, chambers of commerce, foundations, regional development organizations and venture capital firms will all play important roles.

Goal Statement: Promote a culture that further values diversity and civility, attracting and retaining talented individuals.

Forum participants recommend increasing support for systems that enables a diverse culture. People look for "entry points" into the community, and they should discover multiple options where they can be involved. There are traditional organizations that can serve as important assets in promoting a healthy and diverse culture such as schools, universities and faith-based communities. Non-traditional avenues such as youth athletic leagues and social networking should also be considered. Participants recognize the need for diversity and civility as a significant quality of life issue and recognize that making Northeast Indiana a welcoming place will positively affect economic growth.



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Forum Structure

After a brief overview on the history and content of *IV 2025* presented by Tom Schuman, vice president of communications of the Indiana Chamber, participants then reviewed and discussed the regional challenges and opportunities identified through their survey responses. The forums were facilitated by representatives from CHORUS®, Inc., an Indiana-based management consulting firm.

The regional leaders then turned their focus to the core content and focus of the forum – discussion of the drivers and goals within *IV 2025* that they believed were the specific priorities for their region. Working in teams, the participants expanded the content on nine of the goals to include **Objectives, Strategies, Regional Assets, Immediate Next Steps** and **Milestones**. Each team then presented its expanded goal to another team for “spirited critique” and revision, followed by a brief presentation to all forum participants. A summary of all nine of those expanded goals is included in the following report.

Southeast Region Participants

Thirty-three regional leaders attended the *Indiana Vision 2025* Southeast Forum on June 12, 2012, in Sellersburg, Indiana.

Keira Amstutz President & CEO Indiana Humanities Council	Jay Conner Investment Manager Capital Asset Management	Matt Hall Interim President & CEO One Southern Indiana	Marissa Manlove President & CEO Indiana Grantmakers Alliance	David Vince General Manager Clark County REMC
Candice Barksdale CEO Goodwill of Southern Indiana	Dr. Uric Dufrene Professor of Finance Indiana University Southeast	Miguel Hampton President F5 Enterprises, LLC	Ken Rush Vice President Sellersburg Stone Co.	Melissa Weissinger Development Officer Indiana University Southeast
Marty Bell COO Greater Clark County Schools	Mark Eddy Executive Director Leadership Southern Indiana	Dr. Bruce Hibbard Superintendent of Schools New Albany-Floyd Co. CSC	Donald Slone Owner Slone Automotive Enterprises	Paul Wheatley Director of Marketing & Finance River Ridge Development Authority
Cile Blau Senior Judge 7 Southern Indiana counties	Chris Ertel Vice President Indiana Bank & Trust	Joan Hurley President Our Lady of Providence Jr.-Sr. High School	Kerry Stemler * President & CEO KM Stemler Co., Inc.	Doug York President Rodefer Moss & Co., PLLC
Steve Bush Commissioner, District 3 Floyd County	Jim Finan Executive Director Rush County EDC	Tom Jones Insurance Agent The Hartfield Company	Rep. Steve Stemler State Representative Indiana House of Representatives	Sister Barbara Ann Zeller President & CEO Providence Self Sufficiency Ministries
Pat Byrne Partner McCauley Nicolas CPAs	Tonya Fischer VP, Investor & Government Relations One Southern Indiana	Kent Lanum President & CEO Paul Ogle Foundation	Scott Stewart Director Port of Indiana - Jeffersonville	
Mark Casper Agency Director St. Elizabeth Catholic Charities - New Albany	Tom Galligan Former Mayor City of Jeffersonville	Brian Lenfert Council Member Clark County	Victor Unruh Director/Shareholder Mac Construction & Excavating	

* Denotes Regional Partner

Southeast Region Challenges & Opportunities

Through survey results, personal interviews with regional leaders and forum discussions, the challenges and opportunities/assets characterizing the economic environment in Southeast Indiana were identified.

PRIMARY CHALLENGES

1. **Infrastructure:** With bridges the overriding issue, transportation, roads and access to high speed Internet are all areas of great concern in Southeast Indiana. The temporary closure for repair of one of the major bridges between Indiana and the Greater Louisville area in 2011-2012 heightened the awareness for greater access across the Ohio River. A long-term, comprehensive intermodal transportation plan is critical to the area. Further development of ports along the Ohio River was also noted by forum participants.
2. **Education & Workforce Development:** From early childhood education to higher education to workforce training, the need for reform and funding is heavily felt in this region. Increased and focused educational opportunities will ultimately lead to an increased tax base that will, in turn, support more opportunity. The need to build a more competent, skilled workforce will only grow. Participants emphasized the importance of funding for pre-kindergarten education and increased funding for full-day kindergarten as precursors to higher test scores, increased graduation rates and more workers ready for high tech jobs.
3. **Economic Development:** Attracting good paying jobs and fostering an entrepreneurial environment are leading issues. As did other regions of Indiana, Southeast Region Forum participants recognized that jobs created by entrepreneurs will likely represent a significant portion of the higher wages long-term. The region's mix of business and industry is already more diversified than some parts of the state, but the local economy is struggling to recover from the national recession.
4. **Efficient Local Government:** The duplication of services and a cumbersome structure slows economic growth and drains funds in the counties and municipalities in the Southeast. While the most touted solution would be dramatic overall reform of local government as proposed in the Kernan Shepard report, efficiency can still be realized through municipal-county collaboration, effective local and regional leadership, and more effective means of communicating between government and business.
5. **Regulatory Business Environment:** The cost of doing business in Indiana, though better than our neighboring states, still has room for improvement. Participants encouraged streamlining ordinances and processes so that businesses can be quicker to build, quicker to produce and quicker to market with products and services.
6. **Diversity & Inclusion:** Addressing the issues of ethnic populations and the underprivileged was top of mind among forum participants, perhaps more so than in any other region of Indiana. Successful initiatives in diversity and inclusion will produce widespread benefit, including better educational opportunities, better relations between ethnic populations and improved quality of life for all. Participants also expressed their concern over breakdown of the family structure. They believed strongly that an important part of building high standards for diversity and civility include emphasizing the need for strong family bonds.



OVERARCHING OPPORTUNITIES TO LEVERAGE

1. **Location:** Strong geographical advantages coupled with multi-modal transportation position the Southeast region of Indiana for growth. With a confluence of interstates, its proximity to major population areas and to major airports, and access to the Ohio River, Southeast Indiana can make a strong case to businesses and industries looking to locate in the region.
2. **Infrastructure:** Despite the current challenges (particularly regarding bridge access), the region's diverse infrastructure of interstates, rail lines, airports and Ohio River ports place the region in an advantageous economic position in the future. Leadership in the region has reacted quickly and in one voice to address the immediate infrastructure needs. Strong communication and collaboration with government and business leaders in Kentucky and, specifically, Louisville has existed for a number of years and has helped the region move forward on some of its most critical projects.
3. **Cost of Living:** Southeast Indiana is an affordable environment for both businesses and citizens. Housing costs are traditionally lower than in other regions of the state. Low local taxes help businesses keep costs low, and products and services reasonably priced. Even as the economy recovers, the region's cost of living should remain advantageous.
4. **Quality of Life:** Any number of factors positively affect the quality of life in Southeast Indiana. Diverse opportunities for recreation, close proximity to cultural events and activities, better weather than much of the Midwest, and blends of urban and rural areas all give the region a marketable quality of life. The relative low cost of living cited above is also a factor, helping the region attract and retain talented individuals.
5. **Labor Force:** Though skills development is a current challenge, the Southeast boasts a ready and willing workforce. Participants in the forum noted that the area's population has a traditionally strong work ethic a trait they believe will help motivate workers to learn new skills and take on new tasks and responsibilities.

Southeast Forum participants selected nine goals from *IV 2025* and addressed how these goals could be specifically leveraged in their region. Objectives, Strategies, Immediate Next Steps and Milestones were all considered and applied to the goals. Below is a synopsis of those prioritized goals by the driver under which they appear in *IV 2025*. An expanded explanation of the work done by participants on each goal begins on the next page.

DRIVER 1: Outstanding Talent

Southeast Forum participants focused considerable attention upon goals related to growing the region's talent base. Increasing proficiency in math science and reading, increasing the proportion of residents with high quality postsecondary credentials and increasing the number of workers with basic skills were all areas addressed by the group.

DRIVER 2: Attractive Business Climate

Participants said that streamlining city and county government would have multiple benefits. Not only would the efficiency result in moving tax dollars away from administrative costs, greater fiscal responsibility will create economic growth opportunities. Forum leaders also posed the possibility of merging multiple city and county governments for even greater efficiency and cohesive planning.

DRIVER 3: Superior Infrastructure

As much or more so than during any other forum, the participants in the Southeast emphasized the importance of superior infrastructure to the economic future of the region. Bridge access was top of mind, but building out an advanced telecommunication network is also critically important. The Southeast region has a symbiotic relationship with its Kentucky neighbors and good pathways.

DRIVER 4: Dynamic and Creative Culture

Defining global and local business needs that could be met by entrepreneurs was among the recommendations by participants aimed toward developing a dynamic and creative culture. Technology transfer from higher education to the private sector was also emphasized and participants encouraged systems where shared technology resources are readily available to institutions. A culture where diversity and civility are encouraged was also a focus of discussion as an important landmark that would increase the quality of life and economic vitality of the region.

Key Driver #1: Outstanding Talent

Goal Statement: Increase the proficiency of Indiana students in math, science and reading to “Top 5” status internationally.

Forum participants recommended three objectives aimed at the goal of increasing math, science and reading proficiency: 1) increase high school graduation rates with an emphasis in those specific areas; 2) achieve a high level of participation and success in international academic competitions; and 3) increase student knowledge of global affairs. Beyond the necessity for excellent schools and teachers, participants encouraged structured mentoring/tutoring programs that utilized both teachers and volunteers. Noting a correlation between achievement in science, math and reading to exposure to arts and music, forum leaders also stressed the need for emphasis and improvement in these disciplines. The Indiana Youth Institute, local nonprofits and businesses, school corporation leadership, college students (as potential tutors/mentors), schools of education and the Indiana Higher Education Commission are all important assets.



Goal Statement: Increase to 60% the proportion of Indiana residents with high quality postsecondary credentials.

At each regional forum, participants collectively addressed the goal regarding increasing the proportion of Indiana residents with high quality postsecondary credentials. Its importance and priority were reflected throughout survey responses in all regions. Tackling this goal together also served as an exercise that educated participants about the process they would use when expanding the remaining prioritized goals. Southeast Forum participants addressed several components of this goal. They emphasized the important roles that parents, teachers, counselors and mentors would play in working collaboratively toward achieving this goal. High school counselors must also be educated on the options available to students and be trained in how to effectively direct students toward relevant credentials in higher education. Retaining international students, exploring a longer school year and the affordability of higher education were also areas of discussion.



Goal Statement: Develop, implement and fully fund a comprehensive plan for addressing the skills shortages of adult and incumbent workers who lack minimum basic skills.

Southeast Forum participants recommended the development of a workforce training program for unemployed and underemployed workers that coincides with the Southeast region's business needs. The program would necessarily be comprehensive and the assets brought to bear on it would be extensive. Skills assessment and testing, career counseling, internships, apprenticeships and a complete overhaul of existing training programs were among the strategies presented. Ivy Tech, Workforce One, local and regional chambers of commerce, postsecondary schools and legislators would all play critical roles in the development of the programs.

Key Driver #2: Attractive Business Climate

Goal Statement: Enact comprehensive government reform at the state and local levels to increase efficiency and effectiveness in delivery of services.

Echoing the sentiments of forum participants in a number of regions, Southeast leaders called for meaningful reform of local government, eliminating multiple layers of bureaucracy, and even giving consideration to consolidating the governments of adjoining counties. They also recommended that the Kernan Shepard report be used as a template for possible compromise with those who still support the current local government structure. For effective change to occur, participants believed that a thorough evaluation of where redundancies exist is necessary and that clear benchmarks be established.

Key Driver #3: Superior Infrastructure

Goal Statement: Develop and implement new fiscal systems to support the array of infrastructure projects critical to economic growth.

New fiscal systems for funding and maintaining infrastructure projects in Southeast Indiana will be necessary for economic growth in the region. While ongoing bridge projects both new and expansions or upgrades are particularly critical to the area, there will be a number of future projects under which new fiscal systems might operate. These include sewer and water, telecommunications, waste management, roads and airports. A number of states and regions have approached these systems differently, so evaluating best practices and results is among the first steps. The participants emphasized an overwhelming need for communication and collaboration among state and local agencies and businesses in this effort so that project costs are controlled through a “dig once” strategy.

Goal Statement: Aggressively build out the state’s advanced telecommunications networks.

Enhanced telecommunications is an important indicator for quality of life and a capability that helps both attract and retain businesses and talented individuals. Forum participants recommended that telecommunication priorities be established through a cost/benefits analysis and that the strengths and weaknesses of geographic areas of Southeast Indiana are identified. Several assets will require involvement in this initiative, including utilities, government at all levels, universities, chambers of commerce, local economic development organizations and citizen stakeholders.



Key Driver #4: Dynamic & Creative Culture

Goal Statement: Develop entrepreneurship and aggressively promote business start-ups through education, networking, investment and financial support.

Promoting entrepreneurial opportunity received considerable focus and effort from forum participants. They recommended comprehensive support systems for start-ups, including assistance in business planning, finance, marketing and identifying venture capital resources. Existing incubators, state and local chambers, local Realtors, regional education facilities, venture associations and foundations will all play integral roles in this effort. Leadership Southern Indiana, the Ohio River Basin Caucus and CEO roundtables would assist in these efforts as well. The support system should also help define the local and global markets so that entrepreneurs can focus their energy on products and services most readily needed.



Goal Statement: Increase the amount of technology transfer from higher education institutions and attain “Top 5” ranking per capita among all states.

Regional forum participants recommended incubating technology development from higher education into the private sector. They encouraged universities to develop shared resources so as to increase the impact of both the research and the researchers. This effort will truly require the best efforts of both public and private entities. Collaboration between higher education, chambers, banks and venture capitalists, private companies, and local and state resources is essential to the success of this initiative. Participants also recommended thorough benchmarks for tracking the success of these start-ups so necessary program additions, changes and improvements can be made.

Goal Statement: Promote a culture that further values diversity and civility, attracting and retaining talented individuals.

A culture that values diversity and civility can also help drive economic prosperity. Forum participants identified a number of strategies for building a more healthy regional culture, including developing self-sufficiency programs within housing developments; encouraging businesses and government to address initiatives around pay equity; encouraging universities with multicultural studies to mentor local business, education and government leadership; and developing multicultural community learning opportunities.

Introduction

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- introduce *IV 2025* regionally;
- identify regional priorities among the report's stated goals within *IV 2025*; and
- gain perspective on issues and opportunities specific to different geographical areas of the state.

Together, the Indiana Chamber and the regional hosts invited thought leaders in both the for-profit and non-profit arenas to facilitated discussion and planning forums in Merrillville, Fort Wayne, Sellersburg, Evansville and Indianapolis. Prior to the forum, participants were invited to complete an online survey that asked them about regional issues, opportunities and trends, and asked them to prioritize each of the 33 *IV 2025* goals in four key drivers. The responses were then used to shape the specific content of each forum. To help them further prepare, each invited participant was provided with an executive summary overview of *IV 2025* and was asked to become familiar with the full report prior to attending the forum.

Besides the invited regional thought leaders, each half-day forum was also attended by several members of the Indiana Chamber executive leadership and policy teams who served as information resources to the participants. The forum discussion served as an invaluable opportunity for the Chamber regarding the regional priorities reflected in the report.

Forum Structure

After a brief overview on the history and content of *IV 2025* presented by Kevin Brinegar, president and CEO of the Indiana Chamber, participants then reviewed and discussed the regional challenges and opportunities identified through their survey responses. The forums were facilitated by representatives from CHORUS®, Inc., an Indiana-based management consulting firm.

The regional leaders then turned their focus to the core content and focus of the forum – discussion of the drivers and goals within *IV 2025* that they believed were the specific priorities for their region. Working in teams, the participants expanded the content on nine of the goals to include **Objectives, Strategies, Regional Assets, Immediate Next Steps** and **Milestones**. Each team then presented its expanded goal to another team for “spirited critique” and revision, followed by a brief presentation to all forum participants. A summary of all nine of those expanded goals is included in the following report.

Southwest Region Participants

Thirty-two regional leaders attended the *Indiana Vision 2025* Southwest Forum on June 18, 2012, in Evansville, Indiana.

Keira Amstutz President & CEO Indiana Humanities Council	Andy Goebel Executive Director Evansville Regional Business Committee, Inc.	Matt Meadors President & CEO Chamber of Commerce of Southwest Indiana	Hon. Terry Seitz Mayor City of Jasper	Alfonso Vidal Board President Hospitality & Outreach for Latin Americans (H.O.L.A.)
Kevin Bain Executive Director & CEO Welborn Baptist Foundation	Ed Hafer * President Evansville Regional Business Committee, Inc.	Hank Menke President OFS Brands	Lisa Slade President AlphaGraphics	Linda White President & CEO Deaconess Health System
Dr. Stephen Becker Associate Dean Indiana University School of Medicine - Evansville	Jim Heck Executive Director Grow Southwest Indiana Workforce	Lynn Miller-Pease Executive Director Leadership Evansville	Dr. David Smith Superintendent of Schools Evansville Vanderburgh School Corporation	Eric Williams Sheriff Vanderburgh County
Dr. Mark Bernhard Associate Provost for Outreach & Engagement University of Southern Indiana	Philip Hooper Executive Director Department of Metropolitan Development	Sally Rideout-Lambert Director, Communications - Government Affairs Alcoa Warrick Operations	Derrick Stewart Executive Director YMCA of Southwestern Indiana	Hon. Lloyd Winnecke Mayor City of Evansville
Alan Braun Chairman Emeritus Industrial Contractors	Dr. Sharon Kazee Citizen	Steve Schaefer Chief of Staff City of Evansville	Stephanie Terry Executive Director Koch Family Children's Museum of Evansville	
Ron Christian Exec. VP, Chief Legal & External Affairs Officer Vectren Corp.	Shelley Kirk Marketing Director Fifth Third Bank	Brad Schneider President Henderson-Henderson County Chamber of Commerce	Matt Theby Sales Representative Architectural Sales	
Rosemary Dorsa Director, GIFT Program Indiana Grantmakers Alliance	Robert Koch CEO & Chairman Koch Enterprises, Inc.	Mark Schroeder Chairman & CEO German American	Jill Tullar Executive Director Community Foundation Alliance	* Denotes Regional Partner



Southwest Region Challenges & Opportunities

Through survey results, personal interviews with regional leaders and forum discussions, the challenges and opportunities/assets characterizing the economic environment in Southwest Indiana were identified.

PRIMARY CHALLENGES

1. **Transportation Infrastructure:** Transportation infrastructure is both a challenge as well as an opportunity in Southwest Indiana. (Participants similarly recognized a number of issues as both a challenge and an opportunity.) Developing and completing superior pathways for moving people, products and ideas will greatly influence future economic growth.
2. **Workforce Development:** There is a strong, urgent need for a talented, technically competent and innovative workforce in the region. Many of the large traditional manufacturers have moved out of the area in the last decade and those jobs are highly unlikely to return. New opportunities will require a workforce with a dramatically different set of skills and part of the strategy to attracting those high-tech positions is to have a workforce ready to tackle them.
3. **Educational Excellence:** From early childhood through higher education, preparation for productive, 21st century-relevant careers and vocations is a critical goal for Southwest Indiana. Education was another area recognized as both a challenge and opportunity. While the public schools are regarded as better than some in other parts of the state, Indiana as a whole continues to lag behind in educating and graduating students ready to attract and capture high tech jobs.
4. **Quality of Life:** Again an area of both challenge and opportunity, increasing some aspects of the region's quality of life must be addressed in order to attract and retain talented individuals. Southwest Indiana needs to continue to enhance certain aspects of its economic, cultural and recreational environment so it can capitalize on its existing benefits such as cost of living and geographical location.
5. **Change Management:** Whether transitioning from a traditional manufacturing mindset or entrenched governmental structures, Southwest Indiana is facing the inevitable question: How do we open ourselves to new ideas? Parts of Southwest Indiana are tackling issues that, as expected, are being met with resistance, particularly in regard to consolidating government. Their success may well serve as a model to other regions of the state.
6. **Collaborative Effort:** Despite strong economic initiatives by a number of organizations, the Southwest region must search for ways to consolidate strategic initiatives for more dramatic impact. New standards of communication and collaboration, new systems for strategic planning and new methods for tracking results are all needed.



OVERARCHING OPPORTUNITIES TO LEVERAGE

1. **Logistics & Transportation:** As the I-69 extension nears reality and connects with the region's well-established Ohio River access, Southwest Indiana is well-positioned to take advantage of its proximity to major cities and their commerce. The long-standing roadblock for the Southwest – you can't get there from here – is about to see a dramatic shift in perception.
2. **Economic Base:** Southwest Indiana benefits from a diverse business foundation that includes energy, health care, life sciences, logistics, manufacturing and an entrepreneurial mindset. When coupled with the logistics and transportation advantages listed above, the region finds itself especially well-suited for economic growth.
3. **Workforce:** Though there are challenges regarding its readiness for advanced technology, the Southwest region's workforce displays a traditionally strong work ethic, an ability to innovate and a readiness for new opportunities. Specific pockets of the region have a particularly strong reputation for producing reliable, determined employees and this strategic advantage must be leveraged.
4. **Education Resources:** Southwest Indiana benefits from a particularly strong foundation of educational opportunity at all levels. Good K-12 schools, multiple colleges (both public and private), vocational training, a medical school, graduate programs, and outstanding relationships between business and education position the region for academic excellence.
5. **Quality of Life:** A low cost of living, growing amenities, an improving downtown Evansville (which represents the region's "hub" of activity) and a strong work ethic should help the Southwest region gain and retain talented people as the economy recovers.

Southwest Forum participants selected nine goals from *IV 2025* and addressed how these goals could be specifically leveraged in their region. Objectives, Strategies, Immediate Next Steps and Milestones were all considered and applied to the goals. Below is a synopsis of those prioritized goals by the driver under which they appear in *IV 2025*. An expanded explanation of the work done by participants on each goal begins on the next page.

DRIVER 1: Outstanding Talent

The forum participants in Southwest Indiana were cautiously optimistic about the region's prospects for tackling issues regarding outstanding talent. They believe the school systems, while needing to address gaps in student achievement, are better prepared to do so than the schools in most regions of the state. Specific focus should be given to increasing the proportion of high school graduates ready for college or career training and increasing the proficiency of students in math, science and reading. Already, there is solid communication and growing collaboration between school corporations, higher education and business.

DRIVER 2: Attractive Business Climate

As evident in other regions of the state, Southwest Indiana leaders believe reforming local government is a priority. Not only will reform significantly impact economic growth, it will result in greater fiscal responsibility and efficient use of tax dollars. Containing health care costs was also a focus for forum participants. They recommended a greater emphasis on a wellness model for health care that incentivizes individuals to be healthy. They also recommended further tort reform as a way of controlling insurance costs.

DRIVER 3: Superior Infrastructure

The completion of the I-69 extension is expected by the end of 2012. The economic momentum the project will provide for the region is greatly anticipated. As other infrastructure projects arise – those currently on the books or otherwise – new fiscal systems to support them will be critical to continuing this growth. A regional master plan overseen by a regional governing body was recommended by forum participants. Diversifying Indiana's energy mix was also top of mind for an area where the coal industry is especially important to economic vitality.

DRIVER 4: Dynamic and Creative Culture

Forum participants encourage developing systems of support for entrepreneurs and aggressively promoting business start-ups. Among the stated objectives was to increase the amount of technology that is transferred from the government, existing corporations and/or universities. The assets involved in promoting entrepreneurial support would be numerous, including local economic development organizations, businesses, local and state government, area chambers, school corporations, higher education and health care resources. Additionally, a continued emphasis on promoting a culture that further values diversity and civility is paramount to attracting and retaining talented individuals to the region.

Key Driver #1: Outstanding Talent

Goal Statement: Increase the proficiency of Indiana students in math, science and reading to “Top 5” status internationally.

Forum participants recommended special emphasis on achieving high quality early childhood development in the Southwest region so that children enter school ready to learn (especially in regard to literacy, since reading skill greatly affects performance in math and science). They also recommended refinement of the Indiana Department of Education’s I-Read program as a way to increase reading levels and results. Additionally, STEM-related programs, such as Project Lead the Way, should be made readily available to all students at elementary, middle school and high school levels.

Goal Statement: Increase to 90% the proportion of Indiana students who graduate from high school ready for college and/or career training.

An important first step to achieving the above-stated goal is to raise the overall graduation rate in the region – currently estimated at around 75% – to 95%. Southwest Forum participants said that such a significant increase will require dramatic overhaul of the education system. This should include expanding early childhood development, creating opportunity for diverse “paths” to a high school degree and developing “carrot” programs that incentivize kids (and parents) to remain in school. Additionally, public/private partnerships that support and drive change are highly encouraged.

Goal Statement: Increase to 60% the proportion of Indiana residents with high quality postsecondary credentials.

At each regional forum, participants collectively addressed the goal regarding increasing the proportion of Indiana residents with high quality postsecondary credentials. Its importance and priority was reflected throughout survey responses in all regions. Tackling this goal together also served as an exercise that educated participants about the process they would use when expanding the remaining prioritized goals. Southwest Forum participants again emphasized the need for funding early childhood education, noting that the cost of not investing in it will eventually come back on the state and region in other ways when the children need support as adults. There are a number of areas that should be addressed, including the affordability of higher education, the need for more highly trained counselors and mentors, and an expansion of available relevant credentials.



Key Driver #2: Attractive Business Climate

Goal Statement: Enact comprehensive government reform at the state and local levels to increase efficiency and effectiveness in delivery of services.

Creative, productive and civil dialogue is needed regarding reform of state and local government. Both sides of the political aisle have supporters and opponents for this reform, so more communication and evaluation is needed. Evansville and Vanderburgh County are already involved in such discussions and their work may serve as a model for other communities and regions who seek to control the costs resulting from duplicate local services. Success in this often heated area of reform will require some non-traditional allies, including state legislators, not-for-profit organizations, church and faith-based groups, neighborhood associations and the business community.

Goal Statement: Contain health care costs through patient-directed access and outcomes-based incentives.

A wellness model that incentivizes individuals to be healthy was recommended by Southwest Forum participants as a method for containing health care costs. Since chronic conditions account for a high percentage of health care costs, programs directed at reducing chronic illnesses and promoting healthy lifestyles could significantly reduce costs. Developing and accepting health protocols that emphasize quality of care over utilization of care should also help control health care expenses. Participants also encouraged state government to embrace further tort reform that would result in lower insurance rates.

Key Driver #3: Superior Infrastructure

Goal Statement: Diversify Indiana's energy mix with an emphasis on clean coal, nuclear power and renewables.

Forum participants called for responsible use of Indiana's abundant coal, oil and natural gas reserves, much of which rest in the Southwest part of the state. Additionally, they recommended the region develop renewable energy sources through short-term incentives (vs. subsidies) and through market-based innovation. They also gave their support to developing nuclear



energy sources, again through short-term incentives and market-based innovation. From legislators – both state and federal – they suggested that businesses and advocates for this energy policy must demand regulatory balance between environmental concerns, fossil fuel use and economic impact.

Goal Statement: Develop and implement new fiscal systems to support the array of infrastructure projects critical to economic growth.

Connecting Southwest Indiana to the central part of the state through the I-69 extension has long been a goal of the region's business leaders. Now that significant progress is being made, the future of that extension and other infrastructure projects may well hinge on implementing new fiscal systems to support them long-term. Changes in tax structures necessitate that the state

and region look at alternative ways to fund and support infrastructure projects. Forum participants recommended that among the first steps to developing and implementing new fiscal systems is creating a governing body to mold an infrastructure master plan and set regional priorities. They also recommended fully studying the best practices for generating income for projects, including user fees and privatization.

Key Driver #4: Dynamic & Creative Culture

Goal Statement: Develop entrepreneurship and aggressively promote business start-ups through education, networking, investment and financial support.

The Southwest region of the state has lost a significant amount of its traditional manufacturing base in the last decade. Forum participants believe much of the future economic growth will necessarily come from entrepreneurial start-ups. To increase the number of start-up companies, they recommended strategies that will increase the number of start-up opportunities and increase the amount of technology that is transferred from government, existing corporations and/or universities. They encouraged the engagement of business leaders and entrepreneurs in investment/mentor relationships. Also recommended was increasing the number of education options relating to entrepreneurship. Building awareness of corporate partners such as Mead Johnson and government partners such as the Crane Naval Surface Warfare Center will help entrepreneurs identify needs and opportunities for product development.

Goal Statement: Promote a culture that further values diversity and civility, attracting and retaining talented individuals.

Participants developed a number of objectives and strategies aimed at furthering a culture that values diversity and civility in the region. Their recommendations included: bringing diverse groups together in dialogue to develop a strategy for attracting and retaining talent, encouraging joint ownership of that process and its outcomes, and creating an overall environment where diverse groups want to stay and new businesses want to relocate. Addressing this quality of life issue will require the talent and energy of a broad spectrum of assets, including education, business and not-for-profit agencies. There are already strong relationships among these groups that can be leveraged to further advance this initiative.



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Central Region Participants

Thirty-nine regional leaders attended the *Indiana Vision 2025* Central Forum on June 19, 2012, in Indianapolis, Indiana.

Keira Amstutz
President & CEO
Indiana Humanities Council

Jenna Barnett
President
Newmark Knight Frank Halakar

Tanya Bell
President & CEO
Indiana Black Expo

Stephen Borchers
Executive Director
Wayne County Indiana Foundation

Ken Brengle
President & CEO
Terre Haute Chamber

Dan Canan
President
Fishers Chamber of Commerce

Molly Chavers
President
IndyHub

Sara Cobb
Vice President for Education
Lilly Endowment

Jeb Conrad
President & CEO
Kokomo-Howard County EDA

Rich Ellery
Assistant General Counsel
OneAmerica

Jay Geshay
Sr. VP, Strategic Initiatives
United Way of Central Indiana

Christy Gillenwater
President & CEO
Bloomington Chamber of Commerce

Hon. Greg Goodnight
Mayor
City of Kokomo

Carey Hamilton
Executive Director
Indiana Recycling Coalition

Jay Julian
President & CEO
Muncie-Delaware County Chamber

Lisa Kobe
Manager of Indiana
Government Affairs
Duke Energy

Bill Malcolm
Principal Analyst Business
Government Affairs, Midwest
MISO

Marissa Manlove
President & CEO
Indiana Grantmakers Alliance

Wil Marquez
Principal
w/Purpose

Jim McClelland
President & CEO
Goodwill Industries of Central Indiana

Mary McConnell
State Director
The Nature Conservancy

Mo Merhoff
President
Carmel Chamber of Commerce

Dan Moore
President & CEO
Home Bank

Jean Neel
VP of Corporate Affairs
Haynes International, Inc.

Mike O'Connor
Dir. of State Government
Affairs
Eli Lilly & Company

Sam Odle
Exec. Vice President & COO
IU Health

Paul Okeson
VP of Business Development
Keystone Construction

Terry O'Neil
Partner
Katz Sapper Miller

Brian Payne
President & CEO
Central Indiana Community Foundation

Dan Peterson
VP Industry & Government
Affairs
Cook Group

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Central Region Challenges & Opportunities

Through survey results, personal interviews with regional leaders and forum discussions, the challenges and opportunities/assets characterizing the economic environment in Central Indiana were identified.

PRIMARY CHALLENGES

1. **Educational Excellence:** Central Indiana Forum participants were in strong agreement that an underperforming educational system calls for dramatic reform. Its effects alter everything from business to healthy lifestyles. Broken family structures, unemployment, lack of funding, weak emphasis on STEM-related education and lowered academic expectations are among the most debilitating factors for education.
2. **Workforce Development:** In lockstep with educational excellence, Central Indiana must develop a talented, technically competent and innovative workforce necessary for economic development. Forum participants expressed the need for a sense of urgency regarding the lack of workers prepared to take on high-tech jobs. Beyond simply an issue of education and training, they noted that the absence of aspiration and a desire to improve one's situation is also a cultural issue.
3. **Mass Transit:** Central Indiana's mass transit is widely regarded as one of the most underfunded systems in the nation. In the future, mass transit is expected to play an ever-increasing role in advancing a region's workforce. Beyond the need for an effective bus service that would serve both urban and rural areas, participants also noted that light rail must be a future consideration.
4. **Quality of Life:** Central Indiana has successfully transformed from a tired rustbelt urban area to the Midwest's gold standard for revitalization. But participants said the region's leaders must continue to build a world-class cultural and recreational environment that attracts and retains the best and brightest talent. While Central Indiana may have set the bar for other areas in the Midwest, competition for jobs and the talented people needed to fill them is now a global contest.
5. **Diversity & Inclusion:** Closely tied to the issue of quality of life is the need to construct a culture that creates opportunity and understanding. Participants believe the Central region has reached a "comfort level" with the issue of diversity and inclusion that threatens to stall the spread of understanding and civility. Also, the current political environment threatens to create polarization among various groups.
6. **Transportation Infrastructure:** Building, maintaining and funding superior roads, air service, utilities and technology pathways will continue to present Central Indiana with significant challenges to growth. Though the existing infrastructure places the region in a position of strength and influence, maintaining and growing those systems will require significant, ongoing investment critical to economic vitality.
7. **Healthy Communities:** Economic recovery and growth in Central Indiana is threatened, in part, by a population whose collective health continues to decline. Obesity, poor nutrition, lack of exercise, and poor lifestyle choices will dramatically affect the health of our future. Participants noted that the health of Central Indiana's population is not equal to the quality of life the region can offer.



OVERARCHING OPPORTUNITIES TO LEVERAGE

1. **Quality of Life:** From its cost of living to outstanding health care, affordable housing, culture, philanthropy, arts and entertainment, Central Indiana is a great place to live and grow. The region was in the national spotlight in early 2012 when it hosted the Super Bowl to rave reviews, immeasurable goodwill and incredible exposure.
2. **Business Climate & Regional Economy:** Central Indiana's diversified business base, low operating costs, favorable tax structure and entrepreneurial opportunities are clearly among this region's greatest strengths. Indiana's business-friendly climate has helped move the Central region and other areas of the state near the top of the list for any enterprise looking to expand and grow.
3. **Location & Infrastructure:** Central Indiana is, literally, the Crossroads of America with prime geographic location, a close proximity to major population and manufacturing areas, and an exceptional transportation infrastructure. While growing and maintaining that infrastructure was also considered a challenge by forum participants, there are advantages to the region's location and infrastructure that its competitors will be hard pressed to ever match.
4. **Higher Education Resources:** There are a number of prestigious and affordable colleges, universities, vocational schools and centers for research excellence at Central Indiana's doorstep. These resources strengthen the region's quality of life, increase our opportunities for technology transfer, provide recreational opportunities and help prepare our region's workforce for a new economy.

Central Forum participants selected nine goals from *IV 2025* and addressed how these goals could be specifically leveraged in their region. Objectives, Strategies, Immediate Next Steps and Milestones were all considered and applied to the goals. Below is a synopsis of those prioritized goals by the driver under which they appear in *IV 2025*. An expanded explanation of the work done by participants on each goal begins on the next page.

DRIVER 1: Outstanding Talent

Significant increases to educational performance will require the collective efforts of all parties charged with improving our schools and, ultimately, our workforce. Central Indiana Forum participants emphasized the need to guarantee that a high school degree ensures a student is career or college ready. Identifying tools that accurately measure that readiness is a priority. Additionally, improving the process for students by which they select and are placed in appropriate programs and majors must improve.

DRIVER 2: Attractive Business Climate

Forum participants regarded comprehensive government reform at the state and local levels as a priority for increasing the efficiency and effectiveness in the delivery of services. They recommended a redefinition of essential functions that must be delivered by government agencies. Identifying the best available models for local government is a first step. Participants also tackled the goal of reducing the obesity levels in the region, encouraging healthy lifestyle education, infrastructure investments, and the availability and affordability of healthy foods.

DRIVER 3: Superior Infrastructure

Forum participants expanded two of the *IV 2025* goals tied to superior infrastructure: diversifying Indiana's energy mix and developing new fiscal systems to support infrastructure projects. They recommended that Indiana establish itself as an energy technology capital. Modernizing and upgrading the state's electric power production infrastructure is essential, and identifying alternative energy sources is critical to our economic future. Regarding infrastructure, participants encouraged the state to identify and prioritize the projects that enable this region to leverage existing key assets.

DRIVER 4: Dynamic and Creative Culture

Developing entrepreneurship, enabling technology transfer, and promoting diversity and civility were the focus of the forum participants related to this driver. Systems, support, encouragement and incentives are all key elements for building a culture of entrepreneurship in the region. Both public and private institutions should be encouraged and incentivized to participate in technology transfer. Promoting educational achievement; encouraging a "triple bottom line" business model of economic, social and environmental emphasis; and investment in public art, cultural events and architecture were among the objectives recommended for furthering the region's commitment to diversity and civility.

Key Driver #1: Outstanding Talent

Goal Statement: Increase to 90% the proportion of Indiana students who graduate from high school ready for college and/or career training.

Central Indiana Forum participants recommended that educational partners in the state work closely together to guarantee that a high school degree ensures a student is career or college ready. With that as the objective, they presented several strategies aimed at accurately measuring “readiness” through meaningful assessment tools, involving businesses through industry-sponsored schools and further educating school professionals on work skills. They were in accord with leaders in other regions that the responsibility and remedy for our current educational crisis lies with all of us. School leaders, teachers and their professional associations, colleges and universities, and business partners must ban together to tackle this systemic problem.

Goal Statement: Increase to 60% the proportion of Indiana residents with high quality postsecondary credentials.

At each regional forum, participants collectively addressed the goal regarding increasing the proportion of Indiana residents with high quality postsecondary credentials. Its importance and priority was reflected throughout survey responses in all regions. Tackling this goal together also served as an exercise that educated participants about the process they would use when expanding the remaining prioritized goals. Central Indiana Forum participants emphasized the need for clear and applicable achievement metrics. They also questioned whether there is a clear point person accountable to lead any strategies developed toward improving this proportion of Indiana residents. They also encouraged interim goals that can be used to measure progress and provide course correction for any initiatives. Participants stated that increasing the achievement rate to 60% will require significant additional funding for scholarships. They believed state government is well positioned to allocate sufficient funds in order to make this target percentage attainable and should make this investment a priority.



Key Driver #2: Attractive Business Climate

Goal Statement: Enact comprehensive government reform at the state and local levels to increase efficiency and effectiveness in delivery of services.

Reflecting the findings of the Kernan Shepard report, forum participants believed a major overhaul of state and local government is needed. They suggested redefinition of the “essential functions” as presently delivered by counties and municipalities. Three strategies were developed under this objective: 1) identify the best available options (models) for local government structure; 2) identify services that should be delivered and manage the expectations surrounding those services; and 3) gain understanding about the role of federal funding (i.e., matching grants, directives) in state and local government. They recommend the Indiana General Assembly consider passage of reform legislation in 2013.

Goal Statement: Return obesity levels to less than 20% of the population.

Because of its overwhelming negative effects on health care costs, lost work and productivity, and the collective health of our citizens, forum participants chose to address the goal of reducing obesity rates in the state and region to less than 20% of the population. Any solution will involve multiple assets and any number of strategies. Central Indiana leaders encouraged significant increases in a number of areas, including healthy lifestyle education, infrastructure investment (such as walking and biking paths), increased availability of affordable and healthy foods, and increased availability to exercise and recreational opportunities. Thorough communication, exceptional collaboration and targeted investment will all be important components in addressing this daunting problem.

Key Driver #3: Superior Infrastructure

Goal Statement: Diversify Indiana's energy mix with an emphasis on clean coal, nuclear power and renewables.

The energy industry is a significant economic force in Indiana and Central Indiana is a large recipient of the state's energy generation. Forum participants urged modernization and upgrades to the state's electric power production. They also encouraged research into alternative energy sources for future needs. To drive production as well as innovation, they encouraged the state government and investors to make Indiana an energy technology capital.

Goal Statement: Develop and implement new fiscal systems to support the array of infrastructure projects critical to economic growth.

Much of Central Indiana's economy has been built on the foundation of its extensive transportation infrastructure. The geographic location of the region has teamed with a confluence of highways and interstates to create decades of opportunity. Changes in tax structures necessitate that the state and region look at alternative ways to fund and support future infrastructure projects. Forum participants recommended the region identify and prioritize the most desirable infrastructure projects that will enable regions of the state to leverage existing key assets.

Collaboration between regions of the state will result in new infrastructure that increases economic momentum in multiple areas. Those regions must be willing to share in the investment in order to share in the reward.



Key Driver #4: Dynamic & Creative Culture

Goal Statement: Develop entrepreneurship and aggressively promote business start-ups through education, networking, investment and financial support.

For many years, Central Indiana has benefited from a diversity of industry and services. Overall, our economy finds itself in better shape than many of the regions surrounding us (particularly those in neighboring states). Therefore, the area is uniquely positioned to benefit from entrepreneurial enterprises that can draw on the expertise, resources, and favorable business climate of Central Indiana. Forum participants encouraged creating an entrepreneurial culture that supports risk-taking, encourages innovation and supports systems thinking. They recommend that the region incentivize technology transfer and intellectual property through close association with higher education, philanthropic organizations, angel investors, venture capital investors and state legislators. They also urged legislators to ease any regulatory obstacles that would deter entrepreneurial efforts.

Goal Statement: Increase the amount of technology transfer from higher education institutions and attain "Top 5" ranking per capita among all states.

Closely related to the above goal regarding entrepreneurship, participants also encouraged facilitating more technology transfer activity from the state's publicly-funded universities as well as private universities and colleges. Financially rewarding universities for their technology transfer success will continue to seed ongoing efforts and provide ample incentive for continuing research. Forum participants also support increased government involvement in technology transfer, specifically in areas that are already showing promise or results. Funding for incubators could draw on public and private assets such as philanthropists, endowments, chambers and private business.

Goal Statement: Promote a culture that further values diversity and civility, attracting and retaining talented individuals.

Forum participants developed a number of objectives around this goal, focusing their attention on creating business, educational and cultural opportunities that raise awareness of diversity and civility in the region. Among the objectives proposed by participants were increasing green space and recreational opportunities to reach the minimum standards identified by the State Comprehensive Outdoor Recreation Plan; significant investment in public art, cultural events and architecture; and adoption by companies of a "triple bottom line" business model that measures economic, social and environmental impact.

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