

EDITORIAL

# Pence budget: Good signs and bad

A state budget is more than a spending plan; it's a statement of a government's priorities, values and hopes for its residents. Sometimes the pledges don't match the priorities set; sometimes they demonstrate a commitment to change.

Gov. Mike Pence's budget proposal is decidedly lean, with a 1.4 percent spending increase that falls a full percentage point below inflation. Between now and April, those whose work is shaped by state spending decisions must make the case that the budget cuts that helped create Indiana's surplus have their own costs. Investing more dollars in children, older Hoosiers, the state's infrastructure and other areas could save the state in the long run.

## Education

**What Pence says:** "We proposed an increase in funding for schools each of the next two years, with the second year based on school performance and an additional \$6 million in teacher excellence grants to increase pay for our high-performing teachers."

**How it translates:** Over two years, the increase would amount to nearly \$200 million, divided among nearly 200 school corporations, nearly 70 charter schools and a growing number of voucher schools. Districts would receive an average 1 percent increase the first year, based on whether enrollment is growing, shrinking or remaining stable. But in the second year, the additional 1 percent increase would be based on performance. The money would go to districts and schools based on passing rates for 3rd-grade reading proficiency, graduation rates and marks on the state's flawed A-F grading system.

Dennis Costerison, executive director of the Indiana Association of School Business Officials, said the plan raises many questions.

"There are questions about equity," he said. "The legislators worked really hard to get rid of all the special grants and adjustments. There are real questions about how this affects the philosophy of the money following the child – I'm not sure how this will work with that philosophy. I'm not sure it will work at all."

While Pence's proposal does bolster school funding, it doesn't keep up with inflation and falls far short of the 2 percent to 3 percent increases districts received before the economic downturn. Nor does it fully restore the \$300 million cut in 2010.

Notably, even some of Pence's fellow Republicans among the legislative leadership have called for more money for schools.

## Child protection

**What Pence says:** "Our budget calls for increasing funding for the Department of Child Services by \$35 million so we can protect the lives of our most vulnerable children through additional caseworkers, supervisors and investments in the emergency hotline."

**How it translates:** After years of devastating cuts and disturbing policy decisions, there are positive signs in the administration's proposal to increase funding, including an additional \$12.5 million a year for children's mental health services. The governor's nod to the statewide hotline should indicate support for House Bill 1142, which directs \$9 million a year toward increased child protection staffing, including additional staffing for the call center and a requirement that DCS must investigate reports of child abuse or neglect received from certain officials, including physicians, judicial and law enforcement officials and school personnel.

"I was very optimistic when I saw that Gov. Pence had included additional dollars for the Department of Child Services," said Rachel Tobin-Smith, executive director of SCAN, northeast Indiana's child abuse and neglect prevention program. "The department's job is grueling, and the staff need the extra dollars. We often overlook the good local work in our area in child protection. Our local DCS regional manager, Steve Scott, is top notch and dedicated to protecting children. More financial resources will greatly help him and all the good county directors in this region to be able to do their jobs better. They need the money."

## Infrastructure

**What Pence says:** "By living within our means, we will generate excess reserves of nearly \$347 million over two years that should be reinvested in Indiana's roads, bridges and infrastructure, in support of our growing transportation and logistics industries."

**How it translates:** The governor's budget ties transportation funding to the economy – a risky move given the important role roads, highways and bridges play in economic development. If the current revenue forecasts don't hold – if there is little or no surplus – the ability to meet pressing infrastructure needs will be compromised.

"I have heard more positive comments in the last few weeks than ever before about the need to invest more dollars in Indiana's aging transportation infrastructure," said Matt Greller, executive director of the Indiana Association of Cities and Towns. "We are anxious to hear more details about the governor's positive comments and work with him and members of the General Assembly to seek a solution to the woefully inadequate funds currently available for local roads and streets. There is a long session ahead of us and I'm optimistic that the general consensus is a solution that is past due."

Dennis Faulkenberg, president of APPIAN, an Indianapolis transportation consulting fund, supports user-based fees for road maintenance and construction.

"I look first toward the highway user fees that we pay to see if they are being used on roads," he said. "Of the fuel taxes and vehicle fees we pay, about \$144 million are spent to fund the Bureau of Motor Vehicles, state police and other state agencies. I believe those road use taxes and fees should be directed to roads and streets and find other sources of funding for those other non-highway budgets."

## Seniors and Hoosiers with disabilities

**What Pence says:** "I believe a society can be judged by how it deals with its most vulnerable; the aged, infirm, disabled and innocent human life. That's why our budget fully funds the Medicaid forecast, meeting the projected health care needs of our most vulnerable citizens and families."

**How it translates:** The proposed budget flat-lines aggregate spending for the efficient and popular CHOICE program, which provides support for transportation, attendant care, home-delivered meals, therapy and more so eligible seniors and those with disabilities can stay in their homes. It does, however, slightly increase the amount of CHOICE funding that can be used as state matching dollars for Medicaid aged and disabled waivers. The previous administration reverted millions of CHOICE dollars allocated by the legislature to the state's general fund, even though the waiting list for services topped 6,000 Hoosiers.

"The families, senior citizens and persons with disabilities ... have emphatically told us that no funds should be taken from the CHOICE program for Medicaid match," said John Cardwell, director of the Generations Project, an advocacy organization for Hoosiers with long-term care needs. "In recent years people using CHOICE have seen hours of service frozen or reduced. That puts them and the family members who care for them in jeopardy. Putting people at risk of nursing home placement, compromising their incomes, or compromising their health is not acceptable. CHOICE is the lowest-cost, and according to consumers, the best long-term care program in Indiana."

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