

Luke Kenley and the sorry trajectory of Indiana education

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Several officers of the Indiana Policy Review Foundation sat down for afternoon coffee in Indianapolis more than 20 years ago with two bright young stars of the conservative movement.

Stephen Moore, a friend of the foundation, conducted fiscal seminars for us in both Indianapolis and Fort Wayne. Moore, who had founded the Club for Growth, would hold prestigious positions with the Heritage Foundation and the Wall Street Journal and be an unofficial fiscal adviser to Donald Trump's presidential campaign. He recently became the economic analyst for CNN.

The other fellow was Sen. Howard "Luke" A. Kenley, a Harvard lawyer who had represented the 20th District for a year or so. He would later be mentioned as a prospect for Senate president pro tem and would make a bid to become the Republican nominee for governor. Today, as chairman of the Senate Appropriations Committee, he is unarguably one of the most powerful men in the Statehouse if not in Indiana.

But as this General Assembly makes the turn toward closing, it can be argued that Kenley, now such a master legislator, took the wrong fork that day so long ago. It was the perception of some he was disinterested in Moore's arguments, e.g., that funding and spending decisions by school districts should be local if they are to be effective, that the state has neither the ability nor the proper incentive to assume that authority.

Kenley's conservative vigor faded as he became the Senate's hammer knocking down spending and tax reforms proposed by an uppity free-market segment of the party. Indeed, his chairmanship in itself made him a defender of Statehouse business as usual, and in that role a tacit supporter of, or at least resigned to, the Indiana Collective Bargaining Act. Our foundation considers that law the single greatest barrier to any truly effective "dollars to the classroom" reform.

This all came as flashback on reading a recent essay by our Andrea Neal assessing the state of Indiana education. At the time of the Moore-Kenley meeting, Neal was an editor at the Indianapolis Star and would write about the fiscal matters that Kenley and Moore discussed. Later, as a middle-school teacher and adjunct scholar of our foundation, she would be appointed by Gov. Mike Pence to the State Board of Education.

In a column for our upcoming journal, Neal writes that in the school year 2006-2007, fully 61.4 percent of education funding went into two budget categories: “Student Academic Achievement” and “Student Instructional Support.” These include teacher salaries and benefits, classroom aides, instructional books and technology, social workers, guidance counselors and certified school administrators.

By 2014-1205, the most recent reporting year, the ratio had dropped to 57 percent.

Is that Kenley’s fault? That would be hard to stick on a popular sitting politician, but neither is it a data set that Kenley wants to tack on his office door — and, again, he has been in the top leadership spanning three GOP administrations now, including a supermajority. He is someone who could have helped turn those numbers around.

In the spring of 2002 Sen. Kenley again sat down with officers of our foundation. We showed him the results of a year-long study demonstrating what Moore had predicted, that the incentives of the Indiana public school system had been contorted by state control. Our school system, Kenley was warned, functioned not to teach students in individual classrooms but to hire and retain adults in a failing statewide bureaucratic system.

The senator, although signaling agreement with some of the report’s conclusions in effect shoved it back across the table with, “I couldn’t get any of that out of committee.”

But if that wasn’t his job, whose was it? And if he had been willing to take it on might we have begun a statewide discussion of “student-based budgeting” that by now would be yielding more support for a better way to educate our children?

Such a budgeting system, only now being tested in the Indianapolis public schools, has proved a remarkably effective reform in other states. It seeks to ensure that money is spent where teachers and principals at the building and classroom level think it is most needed, not where not the district administration or even the Statehouse might like to see it spent. We brought the national proponent of that system, Lisa Snell of the Reason Foundation, to the Statehouse twice to meet with any legislator interested. Sen. Teresa Lubbers, an author of the state’s voucher program and now Commissioner for Higher Education, was there. Kenley was not.

To be fair, to change the sorry trajectory of Indiana education policy, Kenley single-handed would have had to face down the teachers’ union. Then he would have had to force painful votes on a go-along-get-along majority in his party, angering an education establishment planted thick with special interests. He would not have risen in the ranks of this GOP leadership, to be sure.

And yet . . . the cumulative decisions of leadership have doomed Indiana to at least two decades now of self-defeating education policy and useless or even counterproductive spending. Such inefficiency in itself should have been evidence of the need for budgetary reform. Some would argue that today’s effort to push taxpayers into what may be a bottomless pit of preschool spending is a continuation of that same kind of thinking.

So how to assess the career of this political fixture: Has he overlooked inefficient spending in his largest budget category for decades, an omission that has crippled his state’s ability to maintain

infrastructure? Or worse, in purely political terms, will his decisions force Republican legislators to vote on an unpopular tax increase at risk of their party's majority?

It turns out that an expert has addressed both questions.

A few weeks ago that same Stephen Moore warned in his nationally syndicated column that, "Spending discipline and pro-growth tax reforms are the best formula for reviving state budgets." States are in fiscal trouble, Moore says, because they did not adjust to eight years of ObamaCare and other federal policies that put pressure on their budgets. The Cato Institute reports that state general-fund spending has soared 32 percent since 2010. The National Association of State Budget Officers predicts a 4.3 percent hike in fiscal 2017 budgets, which will be twice the rate of inflation.

The legislative leadership here nonetheless seems determined to send tax and spending increases to the governor this session. If Moore's analysis is right, Gov. Eric Holcomb's claim that Indiana is in "good fiscal shape" depends on the state going the wrong way more slowly than other states, on losing a race to the bottom.

Sen. Kenley, whose committee slashed \$7 million from the governor's proposed increase in preschool funding, has been in position to see the danger better than anyone. And today there is more scrutiny of leadership, other independent groups are joining our foundation in providing informed critical analysis of policy decisions.

In sum, the pressure is on as never before. We who pay the senator's bills will know soon enough whether his mind has changed since afternoon coffee so many years ago.