



Daniels commences tearing down, rebuilding the Hoosier 'hot-wired barn' *Statehouse china breaking, gnaw boning begins*

By BRIAN A. HOWEY in Indianapolis

And on the third day, there was empathy. Gov. Mitch Daniels, dressed as no other Hoosier governor before on official business -- wearing a "Gnaw Bone Food and Fuel" baseball cap, blue sweater, blue jeans -- was seen on Indianapolis TV hugging a flood-stricken woman from Hazelton in a church basement. It wasn't one of those short, cursory hugs. It was a long one ... of empathy.



Gov. Mitch Daniels concluded his inaugural address by saying it was time to get to work before peeling off his jacket and directing the Newton-Jasper Community Band in "The Washington Post." (HPR Photo by Brian A. Howey)

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Eight years ago, Frank O'Bannon defeated the reform-minded Stephen Goldsmith by talking about the "hot-wired barn" he had renovated down Corydon way. On Monday, during the first Republican gubernatorial inaugural address in a generation, Gov. Mitch Daniels told Hoosiers he wanted to rebuild the whole damn barn.

"Hoosiers are really good at rebuilding things," Daniels told the 8,000 gathered at the Pepsi Coliseum. "When there was storm damage to repair or a new barn to raise, everybody found a way to pitch in. Those who could handle a hammer or an axe, did; those who could afford to contribute a little extra for materials, chipped in; those who could only bring a dish, brought it. Kids carried nails, old folks dispensed lemonade and sage advice, and nobody, nobody, stayed home."

Daniels then said, "It's time to raise a new barn in Indiana, a new stronger structure to house new tools and make possible far richer future harvests. We will need the whole community to show up. Let's nobody sit home."

So pertinent were the words of the new governor that at his Statehouse reception on Monday evening, staffers were handing out copies of the address, suit-



"I think that's the right thing to do. Not all would be accepted, but we would like to be able to move and bring change to those bodies."

— Gov. Mitch Daniels, on calling for resignations of state commission members

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able for framing.

By Wednesday, the axing and hammering brought on by Gov. Daniels was rattling windows at the Statehouse with all the subtlety of an earthquake, a tsunami, a tornado. U.S. Sen. Richard Lugar called it "creative imagination." Gov. Daniels wrapped the executive order ending collective bargaining for 25,000 state employees in

the reforms of child protective services as he broke those responsibilities away from the sprawling and troubled FSSA.

He asked for the resignations of all state board and commission members, setting up the first stare-down on the gaming and higher education commissions where some refused to go quietly, saying they were chosen to be impervious to politics. Heads rolled at IDEM.

There were gubernatorial broadsides at the management of the O'Bannon-Kernan Department of Transportation, which Gov. Daniels said was one of the worst-run in Indiana government despite early major project completions at I-70 at the Indianapolis Airport and Hyperfix.

Child safety impeded by labor

Gov. Daniels wasted no time in signing executive orders Tuesday morning that created the Department of Child Services and rescinded the state's collective bargaining agreement for 25,000 state employees. "I could not make today's changes to protect Hoosier children with the previous collective bargaining agreements in place," Daniels said, accompanied by Judge James W. Payne, who will head the DCS, and FSSA director Mitch Roob.

"I told state employees in my introductory letter yesterday that I value and believe in them, and I asked them to help me raise standards of performance in government. Earlier today, I met personally with union leaders to inform them of my decision and to reaffirm my commitment to provide due process guarantees to employees." Daniels said he would keep a pay raise approved in December by Gov. Joe Kernan in place. Daniels explained, "Our personnel laws and systems should meet three tests: to protect employees against unfair personnel practices or decisions; to enable employees to express their opinions about the terms and conditions of their employment; and to enable state government to reform itself and to change as necessary to protect taxpayer



Gov. Daniels is applauded after taking the oath of office on Monday at the Indiana State Fairgrounds. (HPR)

ers and meet changing public needs. Our current system completely fails that third test, so we are replacing it with new arrangements that expand workers' freedoms while better serving the public interest."

In that letter released at 1 a.m. Monday before he was sworn into office, Daniels told state workers, "We have meant what we have said over and over: We believe in you. We assume that you are in public service for the right reasons, that you want to work hard and 'work smart to make life better for every Hoosier. We want your best ideas: What work are we doing that we don't need to do at all? What are the ways we can do the necessary work more efficiently?"

Daniels wants to establish a whistleblower culture. "Are there senseless practices, or even wrongdoing, where you work? Now, right now, is the time to tell us about it," Daniels said. "People who step forward to alert us to problems will be celebrated and rewarded, not punished, for their honesty. We encourage you to report problems by calling (317) 232-4567, between now and when your new leadership is fully in place and has set up its own mechanisms."

The response to the collective bargaining termination from Democrats and labor was predictable, though not in all quarters. Democrats hinted at lawsuits and legislation.

When told of Daniels' orders, State Rep. Craig Fry, D-Mishawaka, simply said, "Well, surprise, surprise." He refused further comment. Members of Indiana's Black Legislative Caucus slammed Daniels' executive order. "It is hard to reconcile the words of our new governor on his first day in office with his actions on the second day," Rep. Greg Porter, D-Indianapolis, said in a written statement. "Gov. Daniels has spoken long and loud about supporting those hard-working state employees who dedicate their lives to helping the people of Indiana, but now it appears that he does not support their efforts to earn a decent wage."

UAW Region 3 Director Terry Thurman, who attended the meeting with Daniels, said, "If he thinks we're not interest-



ed in protecting children, he's way off base."

But the *Indianapolis Star* reported that when the new governor visited with FSSA employees at the Government Center cafeteria, he asked if anyone had questions. Mary Beth Schneider and Kevin Corcoran reported: No one raised a hand until one man spoke up. He didn't have a question. Instead, he told Daniels he and others respected him for making what was surely a tough decision to end collective bargaining. The auditorium broke into applause. "Thank you," Daniels said, with some surprise in his voice.

On Wednesday, Secretary Roob announced a 2 percent reduction in Medicaid payments before the end of the fiscal year on June 30. "The current system doesn't work. It hasn't worked for some time," Roob said at a news conference (*Associated Press*). "The program is out of control because ,,, we have not married Hoosier compassion to the financial reality of the program and we have to do that" (*WTHR-TV*).

"Whacking the providers ... is the top step of a very short ladder" (*Evansville Courier & Press*).

IDEM shakeup

At IDEM, Daniels requested the resignations of water division chief Tim Method and air quality commissioner Janet McCabe. Others who left are Deputy Commissioners Felicia Robinson, legal affairs; Susan Murphy Moster, environmental operations; Cheryl Reed, public policy and planning; Jim Mahern, pollution prevention and technical assistance; and ombudsman Greg Ellis. All resigned except Mahern, who was dismissed Tuesday.

Commission showdown

But the real drama could come at the commission level where Daniels was asking for everyone to resign. "I think that's the right thing to do," Daniels said (*Louisville Courier-Journal*). "Not all would be accepted, but we would like to be able to move and bring change to those bodies."

Some were expected to comply. But others, like Higher Education Commissioner Bryon E. Klute, appointed by Gov. Joe Kernan last February, were recalcitrant. "I don't think that is good policy at all," Klute told the *Star*, saying he intended to finish his term. Gaming Commission Chairman Don Vowels, a member since the group's inception in 1993, said last month that the current law has helped keep politics out of the agency's deliberations (*Louisville Courier-Journal*). He said then that he did not plan to resign his position. This

had the Statehouse buzzing. How far would Gov. Daniels go to get his way? What if most commissioners refused to go?

Legislative fast-track

The Indiana General Assembly appeared to be getting with the new governor's program. On the fast track were the creation of the Indiana Economic Development Corporation, headed by Commerce Secretary Patricia Miller. It passed by a 79-19 vote in the House on Tuesday. "Today is a new day," said Rep. Randy Borrer, R-Fort Wayne, author of the bill. "We are laying the foundation for a diversification of the economy. A foundation for growth in the economy. A foundation for the creation of new jobs."

Democrats urged caution. "It's not a panacea to create this corporation," said Rep. Russ Stilwell, D-Boonville, noting that Michigan has a similar entity and is having the same problems with job loss (*Fort Wayne Journal Gazette*).

The tax amnesty bill also passed, 61-36. Ways and Means Chairman Jeff Espich called it a "no-brainer," but State Rep. Tiny Adams told the *Muncie Star Press*, "I cannot see giving amnesty to large corporations." State Rep. Phil Pflum, D-New Castle, said the new Daniels administration was letting big corporations off the hook without paying interest on millions of dollars in delinquent taxes. Therein lies the dilemma for legislative Democrats: when to get with the

program at the risk of being seen as obstinate, and balancing that with legitimate concerns about the impact of what might be wrought by the hard charging "freight train of change."

State of the State

On Wednesday, Daniels visited flood victims at Hazelton and Indiana National Guard troops at Camp Atterbury, dressed in camouflage, where he announced supplemental pay. Next Tuesday, he will enter the Indiana House (sans camouflage and cap) to lay out his budget plans and, the administration has hinted, dramatic changes that will address property taxes. "First he needs to tell Hoosiers how bad the problem really is," said House Speaker Brian Bosma (*WTHR-TV*). "While it's widely reported that we have a \$600 million problem it's really closer to a \$1.5 or \$1.6 billion problem." Legislative leaders and Daniels are signalling an intent to not raise taxes, but cut their way out of the crisis. In essence, it's time to gnaw the bone at the barn raising. ❖



Gov. Daniels announces the creation of Department of Child Services and the elimination of collective bargaining on Tuesday. (HPR Photo)



Andrew backs Roemer foe

By MARK SCHOEFF JR.

WASHINGTON, D.C. -- Former Rep. Tim Roemer won't be able to count on solidarity among state Democrats in his bid to lead the national party. Joe Andrew, former national chairman, will announce today that he is endorsing one of Roemer's opponents in this year's race for chairman of the Democratic National Committee.

Andrew, who headed the party from 1999 through 2000, was to throw his support to Simon Rosenberg, president of the New Democrat Network, in a conference call this morning. Andrew serves as chairman of the organization and received its endorsement in July 2003 when he was running for governor of Indiana.

"Simon is honored to have the support of Joe Andrew, who knows the importance of having a strategic, effective chairman," said Guillermo Meneses, spokesman for the Simon Rosenberg for Chair campaign. "He's a long-time supporter of NDN. He's a believer in Simon's vision for building a modern, vibrant, stronger Democratic Party. Simon (will bring) all parts of the party together behind a unified strategy that will once again make the Democratic Party the national majority party." Both Andrew and Roemer have been prominent in the New Democrat movement. Roemer helped found the New Democratic Coalition in Congress.

Neither Roemer nor his campaign manager, Bernie Toon, were available for comment on Wednesday. Roemer was meeting with New Mexico Gov. Bill Richardson. Roemer, who represented the former 2nd CD from 1991 through 2002, announced his candidacy for national Democratic chairman last weekend following a DNC regional meeting in Atlanta.

The new chairman will be determined by a vote of the 447 national committee members during a conference in Washington scheduled for Feb. 10-12. Others in the race are former Vermont Gov. Howard Dean, former Texas Rep. Martin Frost and former Denver Mayor Wellington Webb.

Toon Confident about Campaign

In an HPR interview earlier this week, Toon expressed confidence in Roemer's campaign. "It's going well. We were well received in Atlanta," said Toon, citing an endorsement from former Georgia Sen. Max Cleland. Toon said Roemer will continue to build momentum as Democrats meet in St. Louis, Sacramento and New York City over the next three weeks. "We expect support all around the country," said Toon. "We'll be making that support known as we go along through the schedule." In the meantime, Roemer is spending a lot of time on the phone with his target audience. So far, he's talked to about 160 national committee members. "He's trying to

inform people about his vision for the party and where he's coming from," said Toon, who is Roemer's former chief of staff and most recently was Kernan's campaign manager. "They've been very encouraging."



Joe Andrew

Roemer Emphasizes Big Tent

In his pitch to become party chairman, Roemer is emphasizing that Democrats must embrace diverse views on cultural issues, improve their national security policy, compete better in the south and Midwest, strengthen state party organizations and communicate better.

Roemer, who served on the national commission that investigated the Sept. 11, 2001, terrorist attacks, seeks to bolster the Democrats'

national security image. "[A]t the end of the day, we did not convince Americans that our vision for American security was better than President Bush's failed policy," Roemer wrote to DNC Southern Caucus members.

Although his pro-life stance has generated heated criticism from pro-choice organizations, Roemer says that Democrats also must address values of voters. "We lost married women voters and saw Republicans effectively appeal to the African American community via its churches," Roemer said. "We lost Catholic voters and lost ground with Hispanic and Jewish voters. We must respect the opinions of others, and have a party-wide conversation about how we assure Americans that we respect people of faith and connect with their values and their everyday lives."

Dean Clarifies Race

Roemer's position on values contrasts sharply with Dean's call for the party to resist moving to the center. "That word 'values' has lately become a code word for appeasement of the right-wing fringe," Dean said (New York Times, Jan. 12). Toon said Roemer is not trying to undermine traditional Democratic stances. "He doesn't think we need to push the party left or right," said Toon. "We need to be more tolerant and inclusive of a wide range of views."

The debate over values demonstrates that Dean is changing the dynamics of the race by offering voters a stark choice. "It makes things clearer for all the candidates," said Peter Fenn, a Washington Democratic consultant and long-time campaign operative. Roemer's pro-life position doesn't necessarily doom him, said Fenn. "By and large, when you have activist Democrats, you have folks who are more liberal," he said. "They don't rule him out because he's more conservative, but they are looking at that." The outcome, however, won't be determined by individual issues. "This race for chair is not going to be an ideological litmus test." ❖



Democratic city councils fighting as party soul-searches

By BRIAN A. HOWEY

INDIANAPOLIS - On city councils scattered across Indiana, there seems to be more fear and loathing than peace in the valley.

Council presidents have been unceremoniously boot-ed in fratricidal Democratic showdowns in Indianapolis and Michigan City. In South Bend, a riva council faction to Mayor Stephen Luecke mounted an unsuccessful challenge to take control via a vacant seat by siding with the lone council Republican. A similar situation occurred in Indianapolis where Councilor Steve Talley and three freshman Democrats sided with the 14 Republican council minority to oust President Rozelle Boyd.

In Hammond, the Democratic Council rebuked Democratic Mayor Tom McDermott Jr. over the spending of casino money this week. Two convicted East Chicago councilors tried to reclaim their seats just two weeks after new Democratic Mayor George Pabey attempted to rout the "gang" at City Hall. In Jeffersonville, Mayor James Garner is feuding with his Democratic council.

What's going on here?

Well, there's change in the air. Big change. Historic change. Profound change.

And while St. Joseph County Democratic Chairman Butch Morgan acknowledged the council battles could be precursors to battles for county chairs leading into the March 5 party reorganizations, he said he believes most of the controversies stem from local issues and personalities. "It's fortunate there are no elections this year so we have time to sort this stuff out," Morgan said.

Former LaPorte County Chairman Shaw Friedman agreed. "There are similar personality differences on Republican city councils, but they are more adept at keeping those behind closed doors," Friedman said.

Morgan spent most of his December trying to get Tim Rouse elected to a vacant council seat. There had been a 5-4 council split opposing Mayor Luecke. Rouse won a Dec. 29 caucus by a 57-9 vote, giving Luecke five friendly councilors. "It was very important for the mayor to have that kind of support," Morgan explained.

In Indianapolis, Talley was able to upset Boyd by an 18-11 vote, with four Democrats siding with the council Republicans. Talley said he didn't want the council to "rubber

stamp" everything Mayor Bart Peterson -- the second most powerful Democrat in the state -- wanted. The drama was fascinating because Peterson is trying to get funding for a new Colts stadium and Indiana Convention Center, along with his "Indianapolis Works" government reorganization.

Talley said he wants to work with Peterson but also had suggested the council should be more independent (*Indianapolis Star*). Party insiders told HPR that Boyd was dismissive of the freshman councilors. Boyd told the *Star*, "We have allowed the Republican Party to take control of the council -- and let there be no question about it, we're talking about Republican control of the council."

At Hammond, Jeffersonville and Michigan City, there were similar personality differences between mayors and councilors and the notion of "rubber stamp" councils.

The *Michigan City News-Dispatch* reported that in the past year, personal differences among members of the council and Mayor Chuck Oberlie and his administration have become apparent. Those differences

came to a head last week when one faction of the council voted to replace embattled council President Paul Przybylinski with Councilman Chuck Lungren. Przybylinski and his supporters are seen by some members as hostile to the city's administration, while those council members are seen by Przybylinski and his supporters as merely rubber stamps for Oberlie and his wishes. Some councilors told the *News-Dispatch* that the drama was so intense they felt physically threatened.

In Jeffersonville County Chairman Warren Nash had to warn Mayor Garner, "You have to get along with your council." At Hammond, Mayor McDermott is still feeling the residual fallout from his unsuccessful attempts to defeat Democratic State Rep. Linda Lawson in the 2004 primary.

While these battles may be, indeed, local politics, they come at a time when the Democratic Party is without a sitting governor for the first time in 16 years. The party is clearly searching at multiple levels.

Morgan said he believes that most of the big county chairs -- such as him, Stephen Stiglich in Lake, Leon West in Porter, Vidya Kora in LaPorte, and Ed Treacy in Marion -- will be easily re-elected in March.

Morgan also said he believes that Indiana Democratic Chairman Dan Parker has been successful at keeping a good part of the state party's donor base intact.

Still, in these early days of MitchWorld, the party searches for its soul, and that is playing out at the most local level across the Hoosier state. ❖



St. Joe Chairman Morgan



Lt. Gov. Becky Skillman delivers her inaugural address Monday at the Indiana State Fairgrounds. (HPR Photo by Brian A. Howey)

Could there be a Gov. Skillman or a Gov. Davis in Indiana?

INDIANAPOLIS - Gov. Becky Skillman. Or, how about this: Gov. Kathy Davis? Of course, it is actually Lt. Gov. Skillman; and was Lt. Gov. Davis.

They are the co-joined twins of Hoosier politics. They built on the legacies of Virginia Dill McCarty, Ann DeLaney and Vi Simpson to become the first two females to crack the 187-year gender ceiling in gubernatorial politics. Whereas McCarty, DeLaney and Simpsom ran, Davis was appointed; Skillman elected. They got there.

The questions that will take four to eight years to answer is whether either of them, or someone such as Sen. Simpson can do what Arizona, Washington and Kansas, among others, have done and shatter the gender barrier in totality.

I was probably the first to publicly raise the question (in last week's *HPR 50 Most Influential List*) that has been at the back of many a Hoosier mind: Whether Lt. Gov. Skillman has the potential to go to that next level.

The answer is ... yes.

The obvious conspicuous benchmarks were Skillman's two speeches: last June at the Indiana Republican Convention and Monday's inaugural address at the State Fairgrounds. From my perspective, Lt. Gov. Skillman has already achieved a different comfort zone. Her convention speech seemed a little flat. It came in a tough room -- the Indiana Convention Center -- and produced no obvious soundbites. But to be fair, name me an LG nominee speech that anyone remembers?



At the inaugural, a glowing Skillman projected poise and confidence. "All Hoosiers have a place in history," Skillman said. When she said, "Our chief priority is aiming for more income for Hoosiers and rebuilding a more growth friendly state," the crowd of 8,000 erupted in applause. She hit her stride when she quoted President Theodore Roosevelt toward the end: "We are face to face with our destiny, and we must meet it with a high and resolute courage. For ours is the life of action, of strenuous performance of duty. Let us live in the harness, striving mightily." She then asked, "As we write this new chapter in history, what role will you play?"

As I watched Skillman, I thought of January 1990 when a young Tim Roemer was running for Congress. In those early days, he shouted at his audience and his cadence was off. By October of that year, a few weeks short of upsetting U.S. Rep. John Hiler, he had found his cadence. He was in stride. He went on to an illustrious 12 years in Congress, helped create the 9/11 Commission, and is now running for Democratic national chairman.

Skillman's next four to six months as she leads the Daniels administration legislative agenda will be far more important than any speech. People will be watching how she does. And remember, in Gov. Mitch Daniels, Skillman has perhaps the best political tutor in the free world.

What about Lt. Gov. Davis?

She's headed for the private sector. But I can assure you that if she signals an interest in returning to gubernatorial politics, she would be taken seriously. She was a whip-smart bureaucrat who found a political stride in very strange circumstances. Hoosiers liked Lt. Gov. Davis. There could be a reservoir of good will awaiting her ... if she wants it. ❖



Jack Colwell, South Bend Tribune - Ask not for whom the road tolls; it tolls for thee. All of thee in Northern Indiana who ever travel on the Indiana Toll Road -- and that's most of us -- contribute to the substantial revenue raised on the road. Tolls are reasonable. The road is well maintained. And profits have gone for Toll Road operations, maintenance and bond payments as well as at times for projects along the road corridor that bring benefits to the area. Sure, some northern Indiana motorists grumble about other areas of the state having superhighways on which they pay nothing to travel. So be it. The Toll Road is a big plus for this part of the state -- for business, for economic development, for tourism, for a smooth ride east or west. All in all, it's a good deal. Alas, it is such a good deal that politicians in Indianapolis long have sought to get their hands on the Toll Road, to use some of those profits to finance highway projects in other parts of the state, especially their part. They have tried. And until now they have failed. Now comes a new scheme: Sell the Toll Road. Anybody wanna buy a superhighway stretching 157 miles across northern Indiana from Illinois to Ohio? There would be a bunch of potential buyers. It could be a cash cow, mooing multi-millions, eventually billions, for the private owners. They would pay a bundle to buy the road -- actually, probably to lease it for a little while, like 99 years. Gov.-elect Mitch Daniels and the guy he is appointing to head the Indiana Department of Transportation, retired Alcoa executive Thomas Sharp of Indianapolis, brought up the possibility of selling (or long-term leasing) the Toll Road. They said buyers would pay a fortune up-front for the right to run the road and reap immense profits from the tolls. Daniels cited the bonanza Chicago Mayor Richard Daley just snared by selling the Chicago Skyway (one of those 99-year leases) to a Spanish and Australian consortium. It will operate and maintain the Skyway in return for collecting the tolls. Chicago got \$1.8 billion up front. And for only 7.8 miles of roadway. Oh, by the way, the new private operators of the Skyway are increasing

fees for cars, effective next month, from \$2 to \$2.50 one-way. Future increases loom higher than the Skyway, to \$5 in a dozen years. Now, don't you dare say this would be a disguised tax increase to pay for roads elsewhere. It is a user fee. Just a toll. And the road tolls for thee. ❖

Leslie Stedman Weidenbener, Louisville Courier-Journal - Gov.-elect Mitch Daniels, who takes office tomorrow, said last week he expects that Hoosiers serving on state boards and commissions will resign without his having to ask. That's thousands of people, serving on high-profile boards like the Indiana Utility Regulatory Commission and obscure ones like the Indiana Corn Marketing Council. If members don't tender their resignations, Daniels says he'll ask for them. Not all of them will be accepted, Daniels said. And in some cases, he's seeking to eliminate the boards anyway. But there's one agency where the request is already causing some fireworks. Daniels wants members of the Indiana Gaming Commission, which oversees the state's 10 casinos and is contracting the operation of an 11th in French Lick, to resign so he can have his own appointees. But unlike many of the state's boards, gaming commission members don't by law serve at the pleasure of the governor. That means the governor can't just remove members because he doesn't like them, or because he's found other people he'd rather have fill the spots. State law specifically establishes four-year terms for members of the gaming commission and says they can be removed for the following reasons: neglect of duty, misfeasance, malfeasance or nonfeasance. Essentially, that means failing to follow state laws. Contrast that with the law establishing the Indiana Utility Regulatory Commission. It says members "may be removed at any time by the governor for cause." It doesn't define cause, leaving the door wide open for a governor to use just about any reason to remove a member. ❖

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Democrats warn Daniels over bargaining

INDIANAPOLIS - Stunned by Gov. Mitch Daniels' executive order to rescind collective bargaining with 25,000 state employees, union and Democratic leaders suggested on Wednesday that the state broke its legal word to employees (*Post-Tribune*). And that, Democrats said, could put the governor before a judge if unions seek to enforce agreements thought to be made until June 30, 2007. "Our word has to count for something," said state Sen. Vi Simpson, D-Ellettsville. Speaking to reporters in the office of House Minority Leader Pat Bauer, D-South Bend, Democrats gathered top union officials to argue that Daniels' Tuesday morning rescission

harmed state employees and their families. And they also suggested the action could harm taxpayers — if unions can suc-

cessfully argue Daniels violated contracts made during collective bargaining under Democratic gubernatorial administrations. "The governor may have in fact opened the state up to litigation," said state Sen. Tim Lanane, D-Anderson. Sitting near Democratic leaders, Indiana AFL-CIO President Ken Zeller said Daniels had reduced state employees to second-class citizens. Expressing frustration only two days after Daniels gave an inaugural address

that asked all Hoosiers to build a "new barn," union director Terry Thurman of United Auto Workers, Region 3, seized on what he said was Daniels' contradictory positions, saying, "Apparently he wants to build (the farm) non-union."

Garton, Bosma see no appetite for tax increases

INDIANAPOLIS - Gov. Mitch Daniels' administration began warning Wednesday of budget cuts looming in health care for needy Hoosiers at the same time Republican legislative leaders issued a warning of their own (*Indianapolis Star*). They say there's no appetite among lawmakers for raising taxes to bail Indiana out of its budget crisis. GOP leaders say they have privately delivered their message to Daniels. "There is no sentiment to do it, and I don't think there's any sentiment among the general public to do it," said Senate President Pro Tempore Robert D. Garton. Daniels has indicated to them he plans to propose a two-year budget next week that spends no more than the \$22.8 billion budget that expires June 30. Daniels' budget could include increases for public schools with equivalent spending cuts in other areas. "I've clearly expressed to the governor that a tax increase proposal will not be well-received by House Republicans," said House Speaker Brian Bosma.

Buyer calls for limits to VA care

INDIANAPOLIS - Incoming

House Veterans Affairs Chairman Steve Buyer said not every veteran should have access to the VA system, which should focus its limited financial resources of serving its "core constituency" of disabled and indigent veterans (*Associated Press*). "They have a belief that everyone should have access to (the) VA system," Buyer said Wednesday during a news conference at the Indiana War Memorial Museum.

Craycraft hurt in fall

MUNCIE - State Sen. Allie Craycraft says he should be old enough to know not to climb trees (*Muncie Star Press*). Last Friday, the 72-year-old Selma Democrat fell from a ladder while trying to remove a tree branch. Craycraft spent the weekend at Ball Memorial Hospital. He returned home on Monday. Craycraft said his earliest return to the Statehouse would be the end of January.

East Chicago council cons seek to stop caucus

EAST CHICAGO - Two East Chicago City Councilmen convicted on corruption charges are fighting to keep their seats (*Post-Tribune*). The East Chicago Democratic precinct captains were to meet tonight to choose replacements for Councilmen Frank Kollintzas and Joe De La Cruz, who were found guilty of misapplication of federal funds in November. A Lake Superior Court judge's ruling is expected today on the legality of the issue. ❖



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