



Legislature driving tax reform

Bauer-Kuzman plan commences debate; Sen. Kenley awaits

By **BRIAN A. HOWEY**

INDIANAPOLIS - A little more than six years ago, it was Lt. Gov. Joe Kernan who kicked off the debate on property taxes, a process that took eight months and two daunting legislative sessions in 2002 for a solution.

While it was 29 years between the 1973 property tax reforms of Gov. Doc Bowen and the 2002 Kernan/O'Bannon/Borst reforms, the time frame for new relief has been condensed into five years.

With House Speaker B. Patrick Bauer and State Rep. Bob Kuzman's plan announced on Tuesday, the deliberation is now condensed into a three-month time frame, with the April 30 sine die.

The two Democrats announced the "first step" in "addressing the state's property tax crisis" with a plan



House Speaker B. Patrick Bauer got the ball rolling on property tax reform. He is pictured here with Ways & Means Chairman Bill Crawford (left) and Majority Leader Russ Stilwell, who is sponsoring a "bare bones" Hometown Matters bill. (HPR Photo)

that offers more than \$1 billion in property tax relief and gives local units of government fiscal flexibility to address public safety needs. It passed House Ways & Means by a 16-9 vote Wednesday with Democrats shooting down a dozen GOP amendments, drawing the ire of

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Political faultlines revealed

By **CAMERON CARTER**

INDIANAPOLIS - Let the games begin! Actually, they began the day after last year's election and are just now beginning to manifest themselves in the current session of the Indiana General Assembly. The games are the political issues and strategies that both parties

will employ to see their policies implemented in a bicameral legislature whose control is split between Republicans and Democrats – and the use of these issues for political and electoral



“Today the Democrat majority in the House Ways & Means Committee set back the spirit of bipartisanship that House Republicans have worked towards.”

- State Rep. Jeff Espich



HOWEY *Political Report*

gain. Such a dynamic is both a blessing and a curse, incredibly challenging and entertaining for lobbyists and politicians alike.

At the quarter mark of the session, the major political fault lines seem to be two in number and to converge at the most potent Hoosier political figure in nearly a generation, Gov. Mitch Daniels. These are 1) "privatization" of government assets and services, and 2) what can best be described as the "autonomy of management" in state government. The two are related and the philosophical differences between the leadership of the two parties are deeply ingrained.

On the one side you have Gov. Daniels and his administration with key Republican legislative allies generally supportive of a leaner, cleaner state government whose operations benefit from the management practices of, or actual management by, the private sector. Here, last year's \$3.8 billion lease of the Indiana Toll Road and the "Major Moves" infrastructure program is a prime example, as is the \$1 billion privatization of aspects of the Family and Social Services Administration (FSSA). And, for another (early) example, go ahead and throw in the governor's executive order eliminating collective bargaining for public employees for good measure. There are many more.

On the other side, you have Speaker Pat Bauer and House Democrats standing four-square against the governor's reform-minded philosophy and private-sector orientation. Public assets are public assets, and public goods and services should be delivered by the public sector, i.e. government employees. To hear them and party apparatchiks tell it, the governor is having a fire sale of anything that isn't nailed down across the state. The opposition to Major Moves was strong, vocal, adamant; ditto the FSSA

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Brian A. Howey, Publisher
Mark Schoeff Jr., Washington Writer
Mark Curry, Washington Writer
Jack E. Howey, Editor

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Call 317-254-0535.

The Howey Political Report
PO Box 40265
Indianapolis, IN 46240-0265.

www.howeypolitics.com
BrianHowey@howeypolitics.com

Indianapolis Office: 317-506-0883.
Indianapolis Fax: 317-254-0535.
Washington, DC Office: 202-256-5822.
Business Office: 317-254-0535.

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Bauer and Bosma. (HPR Photo)

deal. And House Democrats just this week voted to restore collective bargaining to state employees (futilely, it will turn out).

Several proposals and pieces of legislation will highlight this basic, fundamental difference in governing philosophy and result in a session-to-election political battle to limit the governor's authority to do, well, just about anything. Democrats have filed several bills seeking more "accountability" from state government; some have merit, others are just tools to obstruct the governor's initiatives and increase the bureaucratic hoops he and his administration would have to jump through in order to "privatize" anything.

The governor has proposed an encore to Major Moves with both the Illiana Expressway and the Indiana Commerce Connector. He proposes to allow a private contractor (or contractors) to design, build, maintain and operate these two proposed toll roads in northwest and central Indiana in order to better manage commuter and commercial traffic, improve safety, and, importantly, spur economic development. That means jobs, wages and tax revenues. Democrats are opposed rhetorically and with their votes (only one Democratic senator voted for the

legislation in committee).

Daniels also has proposed to license the Hoosier Lottery to a private operator for an upfront franchise fee (\$1 billion is the oft-cited figure) and an annuity that exceeds the average annual revenue of the lottery to the state (roughly \$200 million) for the duration of the contract. The governor wants to use the proceeds to fund college scholarships for Indiana graduates who agree to stay in the state to start their post-college careers and to attract top researchers and faculty to our public universities. This would mean jobs, wages and tax revenues, in addition to operating efficiencies and less volatility in lottery revenues.

Democrats howl at this one, their heels are dug in deep. Unfortunately, many Republicans have also responded coolly to this proposal with inane worries about a (gasp) "expansion of gambling" orchestrated by a private lottery vendor. (Worry not: nearly 85% of current lottery operations are conducted by private contractors, the lottery could expand its games under current statute, and – oh, yeah – there's actually a lottery commission that oversees its operations and would continue to do so under the governor's proposal. Red herring, exit stage left). The fate of this proposal remains unclear and the governor needs legislative approval to proceed.

So, while the governor and legislative Democrats may find com-



mon ground on issues such as full-day kindergarten and perhaps a health insurance program funded by a cigarette tax increase, issues of control of state government functions, oversight and accountability will be omnipresent and rise up from beneath the surface from time to time.

What's at stake? Let's harken back to the issue of collective bargaining: Since the governor's executive order, roughly 90 percent of public employees have opted

not to continue to pay their union dues from their government paychecks. That means less money going into union coffers – and Democratic campaign committees. While Republicans view contracting out of some government services as a business-like way to achieve operating efficiencies and better serve the taxpayer, Democrats perhaps see an existential threat. ❖

Carter is vice president with the Indiana Chamber.

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State Rep.
Jeff Espich.
Bauer

called it the "most serious problem" this session. "Going into this session, experts have estimated that property taxes will go up by as much as 15 to 20 percent this year," Bauer said. "To date, the only guideline offered by the governor has been a cap on property tax relief, a proposal that will leave taxpayers more than \$500 million short of what they are owed under current law. There is an urgent need to prevent an explosion of property taxes. With House Bill 1007, we want to start discussions now."

Indiana Chamber President Kevin Brinegar, while giving Bauer and Kuzman credit for a "pretty bold" plan that doesn't halt the trending process and is a "good start," isn't sure about the "crisis."

"You've got to remember the \$45,000 homestead credit that already takes half the value in the tax rolls," Brinegar said. "I haven't heard citizens raising Cain. We're talking about a 15 percent increase on a \$300 tax bill. I'd like to see them talking dollars instead of percentages."

"This could be a solution in search of a problem," Brinegar added.

Kenley, who wanted the House to present a plan before he did, told the **Fort Wayne Journal Gazette**, "I really appreciate Pat Bauer and the House Democrats having the courage to give us an actual replacement revenue mechanism." Kenley's biggest initial concern comes from the corporate tax increase, which he thinks jeopardizes a positive tax environment created for businesses in the state.



State Rep. Bob Kuzman (top) and State Sen. Luke Kenley will drive the legislative part of property tax reform. (HPR Photos)

There are four other elements in play on the issue of tax reform.

One is a constitutional amendment by State Sen. Thomas Weatherwax to do away with property taxes altogether. Eric Miller of **Advance America** told the **Logansport Pharos-Tribune** that Weatherwax has 18 votes in the Senate and 38 in the House lined up to support that effort.

A Kenley plan is expected to provide property tax reduction with less new spendable monies for municipalities. That, Brinegar said, is intended to force local government consolidations, otherwise they will be forced to squeeze revenues out of operating budgets.

A third is the Indiana Association of Cities and Towns, which has offered up its Hometown Matters plan that would allow municipalities home rule tax options, such as sales, income taxes and user fees, that would give communities more spending power.

Gov. Mitch Daniels has been sympathetic to that route. In his State of the State address last month, Daniels said, "Raising Hoosiers' state taxes just to recycle the money back to localities is a shell game with no winner, a treadmill we must step off. The right answer to excessive property taxes is more local freedom to shift from property taxation to other revenue sources. So for the third time I ask the Assembly to support the request of local leaders for more home rule and the accountability that goes with it."

But as Lesley Stedman Weidenbener of the **Louisville Courier-Journal** noted, there is a curious detachment by the governor on this issue. "Often, when Gov. Mitch Daniels has decided he really wants to do something -- daylight-saving time, the lease of the Indiana Toll Road, a tax amnesty -- he's achieved it. He's proposed those ideas, detailed their implementation, defended

them against critics and led the fight for their passage. But so far, he's taking a different tack with property taxes. But as much as Daniels argues that changes in the property tax structure are needed -- and he's doing so for the third year -- he has yet to really fight for the changes."

Gov. Daniels received a call from Bauer Tuesday



morning informing him of the House Democrat plan. He responded to Bauer with a handwritten note that said the proposal is "very constructive and at first glance has several features that make good sense to me."

"He said he will work with him on the issue," said gubernatorial spokeswoman Jane Jankowski. "Sen. Kenley is keeping the governor informed on his version and has briefed him on his ideas. Generally, we're trying to take a careful look to make sure we understand what both versions are trying to do and stay on top of what the key players are thinking about."

John Okeson, the governor's legislative liaison, told HPR on Wednesday, "There's a lot there to talk about and we think there are things to work with consistent with Sen. Kenley's comments this morning."

Gov. Daniels is content to let the legislature take the lead. "It's too early to rule anything in or out," Daniels said this morning. "For the moment I want to commend the Speaker, Sen. Kenley for bringing ideas that might address this problem to the table. I hope in the end, the more good ideas we have now the better chances of blending something that addresses the problem that is fair to everybody. Sure, there are features in these bills I like more or less. I think for the moment let's let the peoples' representatives work on it."

Espich blasts Bauer/Kuzman plan

Ranking Ways & Means Committee Republican Jeff Espich blasted the Bauer/Kuzman plan on Wednesday afternoon.

"Today the Democrat majority in the House Ways and Means committee set back the spirit of bipartisanship that House Republicans have worked towards throughout this legislative session," Espich charged. "By ignoring the voice of the minority and rejecting a dozen House Republican amendments, the Democrats have sent a clear message that they intend to bully their way through this process without



Gov. Daniels with the Chamber's Kevin Brinegar. (HPR Photo)

acting on reasonable suggestions to their legislation.

"The Democrats have touted this as property tax reform, but the reality is a potential tax increase of over a half billion dollars per year on Hoosiers if the plan is adopted across the state. Furthermore, the Democrat plan offers nothing to address the 2007 property tax crisis. It does nothing to address the growth in school property tax. It hurts employers, thus jeopardizing Hoosier jobs. The new proposed commuter tax creates an unfair advantage for big cities like

Indianapolis while hurting rural parts of Indiana. This plan does not simplify the property tax system, nor does it make it more efficient. It is a resurrection of the same tired old tax and spend policies of the past that will set us back years."

Espich said "The House Republican amendments would have improved this bill in a variety of ways, including using 100 percent of any new local income taxes raised to provide property tax relief and giving immediate homeowner property tax relief in 2007 of 7 percent to 8 percent."

Kiely has many questions

Pat Kiely, president of the Indiana Manufacturers Association and a former House Ways & Means chairman, told HPR late Wednesday afternoon, "We are still waiting for additional information from the Speaker's office on the property tax plan. We feel the bill should move forward as a framework for continued discussions."

Kiely said that in its "current form it is a lot different than Sen. Kenley's approach. Both bills/concepts have a number of major policy issues and technical issues that aren't addressed."

Kiely said that an example is Kenley's takeover of school general funds. "Who negotiates contracts?" Kiely asked.

Rep. Kuzman's bill appears to give authority to tax "C" corporations an additional 1 percent above the current 8.5 percent that was increased in 2002 without much benefit. "We already have one of the highest C rates in the country and there is a massive disparity between C's and pass-through corporations," Kiely explained. "About 90 percent of Indiana corporations pay at a rate of 3.4%. Kenley's plan exposes the state to much greater budget exposure than does Kuzman's.

"This gets pretty complicated if you don't understand all of the pieces and both will need a great deal of



Ranking Ways & Means Republican Jeff Espich blasts the Bauer/Kuzman plan. State Rep. Larry Buell (right) was the one Republican to vote for the plan in committee, saying it benefitted his district. (HPR Photo)



work and buy-in before anything has a shot at final passage."

As for the Weatherwax plan, the Chamber's Bringer was skeptical that it can maintain popular support. "The replacement revenues haven't been sufficiently specified," he said. The elimination of entire levies would mean doubling income and sales taxes "and that puts us out of line with other states. When people realize that, the whole proposal will become much less popular."

Kiely was confident that something will be hammered out by April 30. "There is no reason they can't finish on time," Kiely said. "Revenue is enough to take care of the basics but not much else. Without new revenue streams most of the current big ideas obviously have a challenging future."

The Bauer-Kuzman plan includes:

STATE TAKEOVER OF WELFARE COSTS.

Kuzman said the Family and Children's Fund levy will be capped at 2005 levels for all 92 Indiana counties, with the state assuming responsibility for all costs over those levels. This will provide more than \$250 million in property tax relief in Calendar Year 2008.

CUTS IN LOCAL PROPERTY TAXES. Counties would be able to increase the County Adjusted Gross Income Tax (CAGIT) or the County Option Income Tax (COIT) by up to 1 percent, with the funding to be used for property tax relief and critical public safety services, such as police and fire protection. "Of the amount generated by this increase, at least 60 percent would be dedicated toward local property tax relief," Kuzman said. "The remaining 40 percent would be used by local governments to fund public safety operations."

If adopted at the maximum rate in all counties, the local option income tax increase would raise at least \$730 million in statewide property tax relief in 2008.

Bauer and Kuzman said the proposal incorporated ideas advocated by Republican lawmakers. In 2006, House Republicans endorsed a plan to have the state assume a portion of the child welfare expenses now collected through property taxes. ❖

It's the property taxers, Stupid!

By **ABDUL HAKIM-SHABAZZ**

I will give Indiana lawmakers credit: everyone wants to ease Hoosiers' property tax burdens. However, the problem with their efforts is analogous to someone who is trying to lose weight and doing everything but eating less and exercising. Allow me to explain.

House Democrats have unveiled a plan they say would provide more than \$1 billion in tax relief by letting local governments raise income taxes and dedicating the funds to property tax relief and public safety. On the Senate side, Republican Sen. Luke Kenley wants to limit tax growth and put local boards in place who would manage and oversee capital improvement projects. Gov. Mitch Daniels started the whole ball rolling by not providing any new property tax relief for local governments in his budget.



While the lawmakers are all men and women of good will, they are missing the boat. The only way to provide real relief is to start eliminating government in Indiana. This state has 92 counties and more than 10,000 elected officials. That's just way too many. And to make matters worse, it's government that exists layer after layer after layer. There is no reason that a state the size of Indiana should have so much government.

My home state of Illinois only has 102 counties, but more than twice as many people. California, the most populous state in union, has just over 50 counties. Are local governments so sacrosanct that they can't be eliminated? Will this state collapse upon itself because there's one less township trustee? And will all hell break loose and cats and dog dance in the streets if the county line is more than one day's horse ride from its center. I hope not.

Solving Indiana's property tax issue is real simple. Eliminate the government, you eliminate the taxes. This is not hard. This is not rocket science. This is the 21st Century and it's time this state started acting like it. ❖

The columnist hosts WXNT-AM's "Abdul in the Morning Show."

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Halfway through filing finds many mayoral questions

INDIANAPOLIS – Halfway through the mayoral filing process, major party candidates are still missing in Indiana's three largest cities: Indianapolis, Fort Wayne and Evansville.

Intense primary races are shaping up in the Fort Wayne GOP primary and in Kokomo, where incumbent Mayor Matt McKillip will use his bulwark Christian supporters to fend off the establishment Republicans.

And a number of rematches are shaping up in New Castle, Hobart, Martinsville and possibly Valparaiso.

Here's a roundup of various mayoral races:

INDIANAPOLIS: Still no word on when (or if) Indianapolis Mayor Bart Peterson will announce for a third term. He's been somewhat busy these past couple of weeks with a professional football enterprise, but it is strangely quiet on that front. State Sen. Jim Merritt appears to be taking a pass. The latest Republican thinking about this race is former Marion County Coroner John McGoff. He told the Star's Matt Tully that Peterson "shouldn't get a pass," adding "there are plenty of issues" for a Republican challenger to exploit this election year. But "you need to be able to get a message out and to compare and contrast records." Without evidence that he would be able to finance such an effort, McGoff said entering the race is "pretty darn unlikely."

FORT WAYNE: Fred Steinke was the first Democrat to file for Fort Wayne mayor today, but as **Fort Wayne Observed** notes, the only thing the newspaper could find to say about him was that he was an "unknown." Joining Republicans Nelson Peters and Matt Kelty are Wilbert "Duke" Brown, 34, who ran for mayor in two Louisiana towns, and Ivan Hood.

ANDERSON: Police Detective Kris Ockomon, 46, is challenging Mayor Kevin Smith, a former Anderson detective. "I've been a police officer for 21 years, and I have higher, lofty goals for myself," Ockomon said. "One is being mayor. I feel like I'd be a good candidate." Ockomon, a

Democrat, served on the Anderson City Council from 1995 to 2002. He stepped down that year because he and his family moved to Chesterfield so his daughter Amanda could take classes and sports at Highland High School that were not offered in Anderson. In November, with his eye on a mayoral run, he moved back to Anderson.

CARMEL: Mayor Jim Brainard won't get a fourth term in office without a challenge -- from his biggest political rival. John Koven, a former City Council member, will file his candidacy today (**Indianapolis Star**). The 56-year-old Republican repeatedly squared off with Brainard while on the council from 1999 to 2003. Koven said he's running because Brainard has become a career politician who is out of touch with common Carmel residents. "He's running a Chicago-style political machine like the old days," Koven said of Brainard, a fellow Republican. "The administration that runs this city has gotten too powerful."

COLUMBUS: Political newcomer Mark L. White has filed as a Republican mayoral candidate, becoming the first opponent for Mayor Fred Armstrong, who is seeking an unprecedented fourth term (**Columbus Republic**). Republican Party Chairman Ted Ogle was unaware of White's filing. "I don't know anything about him," said Ogle. "I've never talked to him." White, 50, plans to focus on the police department, city spending and homelessness. "We need to utilize the police department more,"

he said. "We have a large enough department that they need to be spread out more."

CROWN POINT: A Democrat running for mayor contributed to his potential opponent's re-election as recently as last month (**Dolan, Times of Northwest Indiana**). Long-time real estate developer Dan Jordan said he doesn't hold any grudges against the man he wants to replace in office. He placed his

name on the May 8 primary ballot last week. If he wins his primary, he could face off this fall against Mayor Dan Klein, the Republican incumbent. Jordan isn't playing smash-mouth politics. In fact, Jordan has been a regular figure at Klein's fundraisers and refuses to say anything bad about the incumbent. But Klein said the potential opposition gives him pause. "He's been to at least one or two of my Octoberfests and both of my mayoral balls, as recently as Jan. 20," Klein said. "Dan always seemed to be a supporter of mine, so I'm somewhat puzzled." Jordan admits, "I went to his functions. I do that for anybody,



Elkhart City Councilman Arvis Dawson (center) with President Bush and Gov. Daniels at Indiana Black Expo in 2005. Dawson is seeking the Democratic mayoral nomination in Elkhart. (HPR Photo by Thomas Howey)



both Democratic and Republican. I've done that all my life." Klein's campaign records indicate Jordan contributed \$200 to Klein shortly after the mayor's first week in office in 2004. Jordan said he always has been interested in politics, but wasn't planning a run against Klein until a Jan. 19 announcement by state Rep. Bob Kuzman, D-Crown Point, that Kuzman wouldn't run for mayor. "I got a lot of calls wanting me to run -- calls from people I knew," Jordan said.

ELKHART: Former police chief Dick Moore and Councilman Arvis Dawson are running as Democrats; and businessman Harry Housour and Jim Pettit, Republicans; Oscar Gipson says he will run as an independent. The seat is open.

HAMMOND: Former Mayor Duane Dedelow Jr. will not be running for his old seat -- and maybe he will (Brown, **Times of Northwest Indiana**). Dedelow appeared to end weeks of speculation when he told radio listeners Thursday he would not be running for mayor for family and economic reasons and is interested in taking over as Hammond Republican Party chairman. "But I also said ... I reserve the right to change my mind," he later told *The Times*. "It's a qualified 'not running'." Dedelow said he has no timetable for a final decision about the mayoral run. In the meantime, Dedelow said he has been talking for weeks with local and county GOP about his interest in becoming the city's party chairman. "It's not something I just dreamed up," he said. "I have received a good amount of support." Democrat Mayor Tom McDermott Jr. is seeking a second term.

KOKOMO: Andy Castner, who won the 2003 Democratic mayoral nomination in dramatic fashion, only to lose to Mayor Matt McKillip in the general election, has filed (**Kokomo Tribune**). Also joining the race is City Councilman Bob Hayes, who joins Councilman Greg Goodnight in the race. "I can no longer stand by as arrogance and a refusal to protect the interests of our city slowly tear apart our government process," Castner said at Howard County Democratic headquarters Tuesday. "Why am I running? I do not want to be mayor because of ego or ambition. This is not a Democrat or Republican issue. This is about tax hikes, user fees and costly refusals to negotiate." Republicans McKillip, Councilman Rick Hamilton and Thomas Hamilton have all said they'll run.

LAFAYETTE: Pointing to progress during his first term in office, Lafayette Mayor Tony Roswarski officially announced his bid for re-election Saturday (**Lafayette Journal & Courier**). "I love Lafayette, Indiana. There is no place I would rather be," Roswarski, a Democrat, told cheering supporters. Working with budgetary constraints, Roswarski said the city has still been able to score a number of economic development victories that have produced new jobs, worked closely with neighborhood associations and improved services provided by municipal departments. "I feel blessed to be a part of the Lafayette community, to

interact with so many wonderful people, to have the opportunity to lend a helping hand or help somebody take steps toward a brighter future because that's really what government is all about." Roswarski has no Republican opponent.

LIGONIER: It was no surprise when Ligonier's incumbent Mayor Gary Bishop and challenger Patty Fisel both showed up at the Noble County Courthouse in Albion Wednesday to file nominating forms for the primary election (**Kendallville News-Sun**). Both are Republicans and both want to be Ligonier's next mayor. Bishop is nearing the end of his second four-year term. Fisel, active in community causes for many years and a longtime business owner in the area, is making her first run at public office. Democrat, Margarita White is also expected to run.

MUNCIE: Democrats who've announced plans to run for mayor are local tourism official Jim Mansfield, Muncie City Council member Chuck Leonard, resident Kenneth Davenport and Indiana State University student Philip H. Peckinpugh. Republican Mayor Dan Canan isn't seeking a fourth term. City Council member David Taylor and Sharon McShurley are seeking the GOP mayoral nomination.

NEW ALBANY: Former New Albany Mayor Doug England will challenge Mayor James Garner in the Democratic primary. England served from 1992 to 1999 when he was upset by Republican Regina Overton, who in turn lost to Garner in 2003. "After much deliberation and conversation with friends and family, I have concluded that this is the time to give something back to our city and provide leadership to help us do better," England said in a statement. Garner and 2003 primary opponent Larry Scharlow announced their candidacies earlier, as did former Republican Floyd County Sheriff Randy Hubbard.



ENGLAND

RICHMOND: Political newcomer Danny Black filed for mayor. He joins civil rights leader and pastor Ron Chappell and Richmond police officer Rick Thalls (**Richmond Palladium-Item**). Incumbent Sally Hutton is still the lone Democrat in the race. "I just thought we needed some options and some new blood," Black said. "I thought I could make a difference."

SOUTH BEND: Mayor Stephen Luecke is expected to seek another term. His primary opponent, William F. Davis, has said he will work for half Luecke's salary if elected, earning the nickname "Bargain Bill" (**Wensits, South Bend Tribune**).

VALPARAISO: Mayor Jon Costas announced his plans for a second term Wednesday. "It would take an extreme set of circumstances for a third term," Costas said. Costas is facing a primary challenge from Councilman



Bob McCasland. Former Mayor David Butterfield, who served 20 years before falling to Costas in 2003, said Wednesday he still is undecided about another campaign. "We're meeting with supporters and friends and other family members to see where we go," Butterfield.

Rematches

TERRE HAUTE: Mayor Kevin Burke faces a primary rematch from John M. Walters. The two faced each other in 2003 when Burke upset Mayor Judi Anderson.

MARTINSVILLE: Two longterm political rivals will face each other again in the Republican primary for mayor of Martinsville. Challenging Mayor Shannon Buskirk is Phil Deckard, a former two-term mayor, who unsuccessfully ran against Buskirk in 1995 and 2003. As mayor, Deckard appointed Buskirk the Martinsville police chief. But years of

vying for the mayor's job has left strained feelings. The pair stood feet apart but did not speak while filing candidacy papers Wednesday, the first day to file for this year's elections for municipal offices.

HOBART: John Guthrie, Hobart's Republican Party chairman, is back on the campaign trail. Guthrie, 36, announced his candidacy for mayor this week saying he can provide the leadership Hobart needs to focus on its future (**Post-Tribune**). "Our community is at a crossroads and is facing many challenges," said Guthrie, who ran unsuccessfully against Mayor Linda Buzinec in 2003.

NEW CASTLE MAYOR: Former Democrat Mayor Sherman Boles, who lost to Mayor Tom Nipp by 63 votes in 2003, is the third man to announce his candidacy for mayor. He follows Mayor Nipp and Republican Jim Small. ❖

Kelty comes out against government consolidation

By **BRIAN A. HOWEY**

Fort Wayne Republicans got their first side-by-side look at the party's two most credible candidates: Allen County Commissioner Nelson Peters and architect Matt Kelty. The two appeared for a Q&A with the Teen Aged Republican organization earlier this week.

They offered contrasting stances on government consolidation and the brain drain.

Peters said staunching the tide of the "brain drain" was a top priority. He noted the other key element is jobs, and said various Fort Wayne and Allen County economic development organizations are "tripping over each other."

Peters said it was his goal to "lower the cost of doing business" in Fort Wayne. Part of that is to end "government duplication." He pointed out dual human relations, purchasing, parks, IT and others issues that are currently duplicating services. Peters said the community can be better protected if it moves police precincts into the 18 fire houses around the city.

Kelty, who narrowly lost to State Rep. Winfield Moses Jr. in 2002, said he was "not for government consolidation" that will usurp the self-governance of places like New Haven and Huntertown. Kelty said that



Allen County Commissioner Nelson Peters addresses Teen Aged Republicans. Below is a billboard for his primary challenger, Matt Kelty. (Fort Wayne Observed photos)

with the right leadership government can take advantage of where two departments overlap.

Kelty said that government "is doing things that government doesn't really need to be doing." He noted the eminent domain seizure of the Southtown Mall, coming at a time when his architectural firm had caught the attention of Wal-Mart. That ended with the government takeover of the dilapidated mall. Kelty said there "was a difference between economic activity and economic growth."

Kelty, the former regional director for Sens. Richard Lugar and Dan Coats said that while "government has a fundamental role to play," the "best answers come from the private sector."

He noted that as mayor of Indianapolis, Richard Lugar produced a master plan that included Market Square Arena, the RCA Dome, the Indianapolis Zoo and Pan-Am Plaza, but it took the private sector to get it done.

"Like Indianapolis, Fort Wayne needs to have a master plan; a vision for the future," Kelty said. He said it needs to "be followed, but understanding that along the way changes will occur." ❖





THE BOAR'S NEST

Colt football 'payoffs'

Illinois Gov. **Rod R. Blagojevich** has made his good on his Super Bowl bet with **Gov. Mitch Daniels** after the Indianapolis Colts defeated the Chicago Bears 29-17 in Sunday's Super Bowl. "Gov. Blagojevich has paid off, honorable guy that he is," Daniels said this morning. "We are sharing. The four deep-dish pizzas arrived and I gave one to Speaker Bauer, Pro Tem Long, one to Richard Young and one to Brian Bosma." Daniels added that he's sending his part of the bargain to Blagojevich despite the Colt victory. "Even though the Colts won I'm sending the package to the governor anyway. I just think he'd be cheated of the chance to sample some tremendous Indiana products just because our team had the better day on Sunday. We're going to pay up anyway. In victory, magniminity, right?"

Sen. Kerry makes good on chowder bet

U.S. Sen. **Evan Bayh** accepted Sen. **John Kerry's** New England clam chowder last week as the winnings in a bet on the AFC Championship football game. The Indianapolis Colts won the game, 38-34 over the Patriots, and as a result, Sen. Kerry visited Bayh's office with enough clam chowder for everyone – a perfect snack to cheer the Colts to victory at the Super Bowl.

O'Bannon named to the journalism hall of fame

The late Gov. **Frank O'Bannon** will be inducted into the Indiana Journalism Hall of Fame. O'Bannon, a publisher of the Corydon Democrat, created the state public access counselor's office. Also selected for induction are

Fred Walker Jr., the longtime journalism program director at Vincennes University; **Maurice Enright**; **Donna Mikels Shea**, who was a reporter for newspapers in Marion and Indianapolis; and **George Langsdale**, who was editor or publisher of newspapers in Sullivan and Greencastle. The five will be inducted into the hall of April 14 at the Walden Inn on the DePauw University campus.

Newman assists Pakistan in terrorism fight

The National Academy of Sciences and the U.S. Agency for International Development recently renewed funding to the DNA lab headed up by former Marion County Prosecutor **Scott Newman**. The grant will allow Strand Analytical Laboratories to continue its counter-terrorism training of Pakistani scientists. Newman, and Strand co-founder and director of the project Dr. **Mohammad A. Tahir**, are partnering with the Centre for Applied Molecular Biology (CAMB) in Lahore to teach Pakistani scientists how to better work with law enforcement and the country's criminal justice system to prevent and solve crimes, including acts of terrorism.

Pakistani scientists had extended visits to the Indianapolis lab last year for training. Dr. Tahir and selected Marion County judicial and law enforcement representatives also traveled to Pakistan. Dr. Tahir is internationally recognized as a DNA expert and helped confirm DNA remains of Wall Street Journal reporter **Daniel Pearl**, 38, who was kidnapped and beheaded on videotape by terrorists in Karachi, Pakistan (2002). Dr. Tahir also helped start CAMB, which is the only, full scale laboratory in Pakistan engaged in forensic DNA research. It also provides DNA testing in criminal cases, including violent crimes, mass disasters and paternity disputes. ❖



Gov. Mitch Daniels poses this morning with a chocolate Chicago Bear, a trophy of the Colts Super Bowl win. U.S. Sen. Evan Bayh receives a bag of New England clam chowder from U.S. Sen. John Kerry. (Photo courtesy of Sen. Bayh)



Scott Newman

Got a tip for the Boar's Nest? Send it to: brianhowey@howeypolitics.com. ❖



Stephanie Salter, Terre Haute Tribune-Star - The day after Molly Ivins died, I opened the New York Times and steeled myself to read her long obituary. This would be hard. I made it to the fourth paragraph before I laughed out loud. Reporter Katharine Q. Seelye wrote of Molly: "After Patrick J. Buchanan, as a conservative candidate for president, declared at the 1992 Republican National Convention that the United States was engaged in a cultural war, she said his speech 'probably sounded better in the original German.'" Three more times something Molly had written or said sneaked up in type and made me laugh. Mercifully, the awful fact of Molly's death was no match for her big, wonderful life. Writing for the Chicago Tribune, Anthony Zurcher, Molly's editor at Creators Syndicate, described the legendary food-and-conversation fests she liked to host at her home in Austin. "At one such event, I noticed her dining table was littered with various awards and distinguished-speaker plaques, put to use as trivets for steaming plates of tamales, chili and fajita meat," Zurcher wrote. "When I called this to her attention, Molly matter-of-factly replied, 'Well, what else am I going to do with 'em?'" ❖

Rich James, Post-Tribune - Wake up, Northwest Indiana. The gift horse doesn't come around all that often. People are trying to help us bring our antiquated road system out of the Stone Age. And how are many people responding? They are crawling back into their caves. For the life of me, I can't understand the opposition to two of the most significant proposals in years. One is the Illiana Expressway that would begin at Interstate 57 in Illinois, run across Lake, Porter and LaPorte counties and connect to Interstate 94 near Michigan City. The other is the widening of County Road 100 South in Porter County. Elected officials have been talking for decades about the need to build the Illiana Expressway, both as a way to relieve traffic on the Borman Expressway, as well as create economic development. But while people looked at maps and nodded their heads about what a wonderful project the Illiana Expressway would be, no one -- except the people on the Illinois side -- would pony up the first dollar. Along comes Gov. Mitch Daniels, who -- despite being a misguided Indianapolis Colts fan -- told us up here in Bears country that he'd get our road built and it wouldn't



cost us a dime. Wouldn't cost the state anything, either. That's a whole lot of something for nothing. Some folks in Lowell bellyached about it, even though the highway won't end up going anywhere near their town. But the Chicken Littles over in Porter County would have you believe the end was in sight. Porter County Councilwoman Rita Stevenson said the highway would eat up some prime farmland. So? If there is anything we have a surplus of in this state, it's prime farmland. State Sen. Vic Heinhold, R-Kouts, is in such a tizzy that he wants to redirect the proposed route so that it barely touches the southern portion of Porter County. Progress doesn't have to mean bloated government and higher taxes, as the commissioners contend. Visclosky has been trying to move NWI ahead for two decades. Daniels for two years. I hope they don't give up on us. I'd understand if they did. ❖

Sylvia Smith, Fort Wayne Journal Gazette - The day after the election, President Bush had a moment of clarity. "It was a thumping," he said of the Democrats' victory. His astute political analysis was a succinct description of the 30 lost House seats, the six lost Senate seats and the resulting change from Republican control to Democratic majorities in both houses. Exit polls and surveys since then leave no doubt that the drubbing was voters' way of venting their anger over the war. Bush wasn't on the ballot, so any Republican who was served as a stand-in. How did Bush address the thumping the voters gave him by proxy? He fired Defense Secretary Donald Rumsfeld. And then: nothing. It's business as usual from the administration on Iraq. Dressing up a troop surge as a "strategy" is an insult to our intelligence. A strategy is a plan to achieve goals. It has measurements, clear responsibilities and methods of holding people accountable for meeting the goals. Sending in an additional 21,500 troops is a tactic, not a strategy. Either Bush forgot everything he learned at MBA school about strategic planning, or he's trying to deceive us when he describes 21,500 more troops as a strategy for Iraq. He will not listen to the country. He will not listen to congressional Democrats. Now that congressional Republicans see

what happened to many of their colleagues in November, perhaps their terror of a 2008 repeat is our only hope for making Bush rethink his approach to Iraq. ❖



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BorgWarner to close

MUNCIE - Muncie's BorgWarner plant will close, costing the jobs of 780 workers, plant officials announced this morning. The announcement was made by local plant executive Doug Owenby around 8 a.m. on the plant floor. The Michigan-based auto parts supplier also announced the closing in a press release detailing recent worldwide earnings. The plant will close no later than April 2009, when the current contract with United Auto Workers Local 287 expires, but company officials expect the workforce to be gradually reduced as demand for products decreases.



Buyer returns to work

WASHINGTON - U.S. Rep. Steve Buyer has returned to Capitol Hill after weeks of rehabilitation for a knee injury he suffered while skiing last December (*Lafayette Journal & Courier*). Buyer, 48, returned to work after taking a medical leave to undergo physical therapy in Lafayette. "Washington, D.C., is not a conducive environment for people who are sick or have injuries," he said. "It's a fast lane."

House passes Donnelly anti-meth bill

WASHINGTON - Today, the House of Representatives overwhelmingly passed a bill co-sponsored by Congressman Donnelly entitled "The Methamphetamine Remediation Act." The bill would direct the federal government to devise new technologies to locate meth labs and develop guidance for local and state law enforcement agencies to aid in the successful clean up and remediation of labs once they're busted. "Meth is a scourge on our Hoosier communities," Don-

nelly said. "When I travel across the district, law enforcement officials and citizens alike ask me to do something that will rebuild communities after they have been devastated by meth. The Methamphetamine Remediation Act is a step in the right direction in helping our law enforcement officials detect meth labs and clean them up adequately and safely."

FDK passes

Senate committee

INDIANAPOLIS - Lawmakers and experts debated the long-term effectiveness of full-day kindergarten Wednesday when Gov. Mitch Daniels' program got its first test this session (*Fort Wayne Journal Gazette*). The Senate Education and Career Development Committee voted 8-2 to approve the three-year phase-in of state-supported full-day kindergarten. The plan contained in Senate Bill 567 now moves to the Senate Tax and Fiscal Policy Committee to more fully examine its effect on the state budget. Sen. David Ford, R-Hartford City, one of the two Republican "no" votes on the legislation, questioned several speakers about whether the gains children realize in first and second grades continue in the future or dissipate over time.

Fort Wayne council veteran to get challenge

FORT WAYNE - Democrats will challenge the longest-tenured member of the Fort Wayne City Council, and another Republican filed to make an even more crowded field for the council's at-large seats (*Fort Wayne Journal Gazette*). Karen Goldner, 43, filed Wednesday to run for the 2nd District seat on the council, which is held by Republican Don Schmidt. Goldner, a Democrat who works for FourthWave, a software and technology development firm, said she was not concerned about trying to unseat the 36-year council veteran. "Certainly it's not going to be an easy race," she

said.

Senate urged to change annexation laws

INDIANAPOLIS - Opponents of forced annexations told a Senate committee yesterday that state law makes it difficult and too expensive for most property owners to fight cities trying to expand their borders (*Louisville Courier-Journal*). Homeowners facing annexations by Jeffersonville, Carmel, Fishers and Muncie urged the committee to eliminate so-called involuntary annexations and put the burden on cities to convince a majority of homeowners to become residents. But short of that change - something the Indiana Association of Cities and Towns adamantly opposes -- more than a dozen people asked the senators to pass two bills before them: Senate Bill 112, which would require a city to pay the attorney fees for homeowners who defeat an annexation attempt in court. Senate Bill 161, which would reduce the number of signatures needed to challenge an annexation in court from 65 percent of the affected landowners to 51 percent.

House votes to switch BMV

INDIANAPOLIS - A clearly divided state House of Representatives voted 51-49 Wednesday to shift administration of the Bureau of Motor Vehicles away from a commission appointed by the governor to the secretary of state. State Rep. Scott Pelath, D-Michigan City, has said he authored the bill to make the BMV more directly accountable to voters and to provide more efficient operation of elections. The secretary of state oversees elections in Indiana, and Pelath points out the BMV has become more involved in elections, with license branches registering citizens to vote and issuing identification required to vote. "It is time to relieve our great governor of the responsibilities of overseeing this sometimes troubled agency," Pelath said. ❖