



Reform on emotion, not metrics

Senate vote on township reform sees Democrats in caucus opposition

By **BRIAN A. HOWEY**

NASHVILLE, Ind. - Do we really need township government?

It was a question I began asking in 2002. Last weekend, State Sen. Lindel Hume told the Evansville Courier & Press, "Don't get rid of the entire system that's functioning extremely well throughout the state."

Functioning extremely well?

In the last several months, the research presented to the Indiana General Assembly has been damning. Far from a system "functioning extremely well," Indiana's townships have proven to be costly to taxpayers, lack oversight, do not comply with the scant regulations, and provide a patchwork of poor relief that can change capriciously when crossing an imaginary boundary.



Senate Minority Leader Vi Simpson and Sen. Richard Young (left) along with Sen. Lindel Hume lead a revolt against reforms.

The problem is that there is a compelling lack of statistical analysis available when it comes to townships that would make their elimination a third rail for those vested in township political patronage. In Senate testimony on Feb. 11, Indiana Chamber President Kevin Brinegar noted that townships are "rife with mistakes, neglect, sloppiness and criminal behavior." Brinegar revealed a litany of nepotism, embezzlement, and

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Obama and the blue dogs

By **MARK SCHOEFF JR.**

WASHINGTON - Over the course of less than a week, a \$787 billion stimulus package became law, President Obama laid out an ambitious and costly agenda in a speech to Congress and the House approved a \$410 billion appropriations bill.



Moving from this kind of spending to an adherence to fiscal discipline will require a pivot similar to the best moves Rep. Baron Hill (D-9th CD) ever demonstrated during his storied basketball career at Seymour High School. [private]

Hill is a leader of the 49-member Blue Dog Coalition, a group of moderate Democrats whose organizing principle



"There are times when you can afford to redecorate your house and there are times when you have to focus rebuilding its foundation."

- **PRESIDENT OBAMA**, after initiating the budget with a \$1.75 trillion deficit



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is fiscal rectitude. They believe they achieved a breakthrough when Obama announced earlier this week that he wants to reinstate so-called paygo rules.

In his comments to open the White House Fiscal Responsibility Summit on Feb. 23, Obama pledged to cut the current \$1.3 trillion deficit in half in four years. As part of the effort, he said he would follow the paygo prescription of financing tax cuts and spending increases with spending cuts or tax increases elsewhere in the budget.

Hill said that Obama is committed to supporting a bill that would make paygo law. He bases his confidence on meetings he's had with the president at the White House and on Air Force One while traveling to an event in Elkhart a couple weeks ago.

"I think the president gets it, he understands," Hill said in an HPI interview.

But Obama also must deal with an economy in the throes of a deep recession. The centerpiece of his response was the stimulus bill, which he says will save or create 3.5 million jobs over two years.

Obama's embrace of activist government goes beyond Keynesian efforts to juice growth. In a speech to Congress on Feb. 25, he outlined an ambitious agenda to stabilize financial markets, promote renewable energy and institute universal health care, among other goals. The health care portion will come with a down payment of more than \$600 billion, according to news reports today.

The Blue Dogs aren't saying no to all these ideas. Most of them supported the stimulus package as a necessary response to the collapsing economy. And they don't expect the budget deficit to evaporate. But they do want Obama to follow paygo rules within a larger budget.

"I think it's going to take some time for us to get to a point where

we have a balanced budget," Hill said. Blue Dogs are "willing to start at a new baseline. But from here on out paygo rules have to kick in."

Obama signaled in his speech that he wants to don green eye shade--and promised, like many of his predecessors to root out waste, fraud and abuse. He claims that \$2 trillion in savings have been identified.

Obama and Hill likely will face a skeptical audience on the other side



U.S. Rep. Baron Hill in the Indiana House chambers during the Electoral College vote in December that gave President Obama the state's 11 votes. (HPI Photo by Brian A. Howey)

of the aisle when it comes to cutting spending. That opposition often will come in the form of one of Hill's colleagues in the Indiana congressional delegation, Rep. Mike Pence (R-6th CD).

Pence, chairman of the House Republican Conference, delivered a withering speech on the House floor on Feb. 25 regarding the \$410 omnibus appropriations bill. He criticized the measure for containing an eight percent increase in federal spending and what he called thousands of "pork-barrel projects" and earmarks. Pence said Republicans want to freeze spending.

"With all the talk about fiscal



responsibility in this chamber last night, and across Capitol Hill, it is time for our Democratic colleagues to put our money where their mouth is," Pence said. "Republicans are willing to come together and work across the aisle and make the hard choices necessary to put our fiscal house in order."

Hill, who voted against the omnibus appropriations bill, also uses the "fiscal house" trope in trying to refocus the conversation on fiscal discipline following the stimulus process.

"The Blue Dogs were willing to suspend their principles on the deficit because of the difficult economic times," said Hill, who asserted that his group successfully

removed misguided spending from the stimulus package. "Now it's important for us to get our fiscal house in order."

Constituents in his conservative-leaning south-east Indiana district have mixed feelings about stimulus, Hill said. They are worried about their jobs and accept that something had to be done to boost the economy. But they remain skeptical about government spending.

"That's why it's important to get a message out there now about fiscal responsibility," Hill said.

Whether voters will believe that Blue Dog Democrats or conservative Republicans are better able to deliver on fiscal probity depends in large part on two Hoosiers who represent each camp. ❖

Townships,

double-dipping with trustees loading up township advisory boards with buddies, a lack of bidding and contracts transparent to the public, and failing to fill out conflict of interest forms.

Asked to quantify with statistics, Mary Dieter at MySmartGov.org - an organization Brinegar presides over - told HPI that she sifted through 4,300 pages of SBA audits over the past two years and then made notations of the first 500 pages resulting in "two full sheets of different kinds of violations" ranging from embezzlement to failure to report. In the case of nepotism, Dieter said there were "numerous cases" where the required conflict of interest reports were not filed. "That's part of the issue," Dieter said. "It is so difficult to find these statistics. That tells me something in and of itself: When they do file, it's so messed up that it's hard to quantify. It's a totally unaccountable system."

HPI published the results of the first 500 pages of township violations the SBA documented shortly before the Senate passed SB512 by a 28-22 vote, a bill that was flagging earlier in the day. The sheer volume of infractions - almost 40 - was stunning. Even more so when you compare it to the legal and ethical infractions by Indiana's 117 mayors, 451 town managers, 560 municipal clerks, 276 county commissioners, 644 county council members, 819 city council members, or the 2,255 town board members. Out of those 5,122 elected or appointed public servants (compared to around 4,000 township officials), you can find only a handful of infractions. Accountability via the SBA, law enforcement, and the news media is much more intense at the city, town and county levels.

The counterweight to MySmartGov.org is the Indiana Township Association. But it offers virtually no statistical data to defend its metrics and public service. It cites Indiana Policy Review Foundation commentary by a Dr. Sam Staley who raises a hypothetical and bizarre scenario of combining 659 Indiana machine shops into one enterprise as a chief counter argument. The ITA also features a post from the Indiana Conservative Republican Caucus website decrying the "Sovietology" aspects of Kernan-Shepard, pointing out "Vladimir Ilyich Lenin had a similar plan: the Politburo and the Supreme Soviet were an extremely streamlined system of government."

That is an Indiana tradition: fight government reform by comparing it to communism.

The original goal of this story was to break out all the emotion we've seen in the Indiana Senate and look into the statistical data. The research that has been presented over the past year includes:

1. Sixty-three percent of townships hold balances that exceed their annual budget and 35 percent

hold more than double their annual budget in reserve. For comparison's sake, the state likes to keep 10

percent of its operating expenses in reserve; \$208 million is 52 percent of the \$400 million annual operating cost of all townships. Indiana's 1,008 townships have amassed more than \$200 million stashed in reserves. A review by The Indianapolis Star shows that in some cases the reserves represent more than 10 times the township's annual budget. That's far more than necessary for even the most prudent rainy day fund, according to financial experts. And despite tough times, the massive reserve includes \$50 million in unspent money that was raised specifically to benefit



Former Democratic State Rep. Joe Micon told a MySmartGov.org hearing in Lafayette on Monday that townships spend 49 cents on the dollar for poor relief across 1,008 townships. Appearing with Micon was former Lt. Gov. Kathy Davis. (Lafayette Journal & Courier Photo)



the poor. Marion County's Center Township, for example, started this year with a reserve of nearly \$10 million. Kankakee Township in Jasper County had a cash balance of \$708,000, which was more than 12 times (1,256 percent) the amount it spent in 2007. Mary Hart, president of the Indiana Township Association and trustee of Pigeon Township in Vanderburgh County, said no township should have more than one year's budget as a cash reserve, or 100 percent. Her own township had 29 percent in 2007, according to the state. Yet five of the 10 townships listed as represented by officers or directors of the township association had more than a year's budget as a cash balance.

2. A sampling of 224 townships statewide by the Indianapolis Star

revealed average administrative costs of 74 cents for every dollar given in direct aid, much higher than other government and non-profit public assistance programs. Former State Rep. Joe Micon said Monday in Lafayette that the administrative costs of the township poor relief programs are too high, at 49 cents on the dollar as a statewide average. "How do we accept a system like that?" Micon asked. In Marion County, Center Township spent \$1.69 for every dollar, compared to 7 cents on the dollar for the Indiana Family Social Services Administration. In Center Township, taxpayers are paying for a political organization. Franklin Township has the lowest administrative costs, at 35 cents per dollar given for aid in Indianapolis, but even that "seems very high," said Irene Lurie, an expert on public welfare at the University at Albany in New York (Indianapolis Star).

3. In 2007, in a state with more than 6.3 million people, there were 301,497 requests for emergency poor relief and 79,292 grants. If each request came from a separate person, 4.8 percent of the population requested help, and 1.26 percent received it. Almost one-fifth of townships reported giving direct assistance to five or fewer people in 2007. Former Gov. Joe Kernan pointed out that 80 percent of Indiana townships serve fewer than 20 families per year. That year, 20 townships – 2 percent of the total – distributed 80 percent of emergency poor relief. At least 74 townships gave no emergency poor relief; 409



State Rep. Sheila Klinker of West Lafayette says the Kernan-Shepard reforms are "not popular" in the House. (HPI Photo by Brian A. Howey)

townships granted fewer than 10 requests each; and 566 made fewer than 20 grants, according to mysmartgov.org.

4. Eighty-nine of the 224 townships the Indianapolis Star studied (out of 1,008) didn't file accounting records for aid to the poor as required by state law, with no consequences.

5. Only 35 percent of voters in 2006 stuck with the ballot long enough to vote in township races, [mysmartgov](http://mysmartgov.org) reported. In 2006, 64 percent of the township board races and 76 percent of the trustee races across Indiana were unopposed. Sen. Hume told the Evansville Courier & Press that, "There's a referendum on township trustees every four years. When the election comes up, if that township trustee is hoarding money or not using it properly and raising taxes too high for things that are not needed, get rid of that township trustee."

6. According to two studies by the Montgomery County League of Women Voters in Crawfordsville, most township government is too small to be efficient, few citizens know of the services or administrative details of township government, and services and costs are not equitable across the county. Only four of the townships were listed in local phone books and only two had signs in front of their offices. The costs to administer the services are more than the total township assistance provided in nine of 11 townships. The most recent State Board of Accounts audits found problems in nine townships, including violations of the state and federal tax codes, the federal privacy laws, and the state reporting requirements. On a per capita basis, citizens of Crawfordsville pay six times the amount paid by the other Union Township citizens for the same fire protection.

7. A Ball State University Bureau of Business Research study by Profs. Michael Hicks and Dagny Faulk revealed that of 39,000 local government units in the United States, Indiana had 3,100. Three-quarters of Hoosiers live in communities with impending budget problems. If all the Kernan-Shepard recommendations were passed, Hoosier taxpayers could save between \$350 million and \$400 million in urban areas and \$200 million in rural areas. "From our examination of data from Indiana and surrounding states, we do find that there are very significant cost savings associated with the type of government restructuring recommended by the Kernan-Shepard report," Hicks and Faulk wrote. "Our estimates suggest realizable savings that could range from \$400 million to \$622 million per year." That would include \$74 million in consolidation of fire protection services and \$52 million in administration. Hicks told the Senate Local Government Committee earlier this month, "If you adopt the best case or best practices from the other end, we think the savings could be two or three times larger. That translates to about \$150 per family per



year just by consolidating practices.”

9. The news media, which itself is downsizing in the state, offers scant coverage of townships beyond Center Township in Marion County and North Township in Lake County, where most of the coverage has been based on either corruption or spending and tax rates. Most of the other news coverage - in Marion County’s Washington, Warren and Perry townships - centered around recent fire consolidations. Washington Township was recently in the news when its advisory board received 60 percent pay raises. The Montgomery County LWV’s Deanne Durant noted in her Senate testimony that a recent county commissioners meeting received above-the-fold coverage in the two Crawfordsville newspapers. But few townships and their advisory boards and budget processes are covered by reporters.

Emotion defending fiefdoms

What is left on the Senate and House floors is often emotion and the defense of political fiefdoms. It is a scenario where Sen. Bog Dieg, a former Posey County commissioner, can find an ally in Amos Brown of WTLC and the Indianapolis Recorder. Brown claims that the elimination of townships would disenfranchise African-Americans in the inner city. “So, again I challenge Mayor Greg Ballard, Chamber of Commerce, Daniels/Kernan/Shepard and itinerant pundits — specifically how would you create a countywide emergency poor relief system, for an area with a population five times larger than Indiana’s largest townships?” Brown asked in a recent Recorder column. “How would you deliver those services within the state-mandated 72 hours? I don’t want rhetoric, just the concrete, specific, step-by-step plan.”

The original SB512 bill laid out a specific, multi-year process to transfer poor relief and public safety services by 2011.

Sen. Dieg relied on the argument that people at the Statehouse don’t know local government. “Most of the people never came from local government; they really didn’t,” Dieg said. “I was a county councilman and a county commissioner. I know that they do a very good job in the county where I’m from (Posey). This appears to be a rural-versus-urban issue. I have a hard time believing or understanding why Lake County and Marion County can dictate what the rural areas need to have, as far as local government.”

The fact is that many truths evade everyone because there is so little statistical data on township official conduct and accountability despite the damning anecdotes. A comprehensive analysis would starve the emotion legislators use to defend the political fiefdoms that provide political foot soldiers emanating from the townships (i.e. Center Township in Indianapolis is a classic example).

Changes in SB512 have gone from eliminating townships altogether, to eliminating advisory boards, to having county councils review and approve budgets, to ending nepotism.

A Democratic caucus decision?

It may all be moot. Indiana Democrats appear to have taken a caucus position against all reforms despite some of its biggest personalities - former Gov. Joe Kernan, former Lt. Gov. Kathy Davis, former mayors Bart Peterson and Graham Richard - who have advocated either some or all of the Kernan-Shepard reforms. In the Senate, Minority Leader Vi Simpson, who was an early member of the COM-PETE study, led her caucus in a wholesale abandonment of reforms. Even sympathetic Democrats like John Broden and Sue Errington turned their backs.

House Local Government Committee Chairman Vernon Smith of Gary and Rep. John Bartlett, who is chairman of the House Government and Regulatory Reform Committee, are the next protectors of townships. The critical question for them is whether the concept of accountability and oversight is worthy of consideration.

For the Daniels administration, its reliance on metrics while conducting state business has been a virtual creed. Thus, having impartial data on townships is surprising. So were groups of volunteer firefighters and township officials earnestly seeking to perform their poor relief functions who testified in the Senate that it wasn’t until recently that they were consulted by the administration. Having said that, it was hard to miss the Kernan-Shepard Commission’s invitation in 2007 for all Hoosiers to step forward and participate in the coming vision in a half dozen town halls across the state or on its website.

Dieter of MySmartGov.org notes that local government reforms have come further in 2008 (when all but 13 township assessor positions were eliminated) and this session than at any point since Gov. Thomas R. Marshall tried to revamp government a century ago. Gov. Paul McNutt was able to consolidate state bureaucracy about 80 years ago, but it’s been compelling inertia ever since.

“If these bills go down to defeat, it’s never gotten this far before,” Dieter explained. “It may take several years, but this bodes well in the long term.”

Or as Gov. Daniels joked during his Bloomington debate with Jill Long Thompson last October when he quoted Sgt. Joe Friday: “Just the facts, ma’am.”

The governor, Sen. Hume and all Hoosier taxpayers may well need more metrics before the township rut gives way to a 21st Century horizon. ❖



Obama cues up his ambitious agenda

By **BRIAN A. HOWEY**

INDIANAPOLIS - It's good to be skeptical of over-reaching politicians who promise the world. I did that in the polling booth in 1980 when I pressed the John Anderson lever over two presidents that would include Ronald Reagan. I didn't think Reagan could raise defense spending, cut taxes and balance the budget. And I was right. He couldn't balance the budget.

But when I went into the voting booth in 1984, I voted for President Reagan. The reason was the intangible: leadership. I didn't agree with everything Reagan did or

stood for, but there was the sense that he had chosen a direction and had led us out of the dire hole we found ourselves in back in 1982. The cheese giveaway of 1981 gave way to the collapse of the Soviet Union a decade later. Some people like Reagan had it. President Carter didn't.

Listening to President Obama on Tuesday night during his first address to a joint session of Congress brought about similar thoughts. Here we are

in a crisis environment. Last weekend, I read the "D" word (depression) over and over again in the Sunday papers. As a writer, I am reluctant to use the D word for fear of a self-fulfilling prophesy. And here was this new president telling us that in order to dig ourselves out of this hole, we have to reform health care. We have to turn the corner on energy independence. We must save the American banking industry. And the auto industry. We have to send and graduate more people in college. There must be national service. We must slice the deficit in half.

By now, I'm thinking, what an agenda. I described it as "unbridled ambition" Tuesday night on the HPI website. When Obama began talking about health care, he added this line: "It will launch a new effort to conquer a disease that has touched the life of nearly every American by seeking a cure for cancer in our time."

So add the cure for cancer to this ambitious list. The critics were pouncing, saying the Obama

speech was all platitude with few specifics. But by this coming weekend, the Obama administration will be moving swiftly away from the presidentially described "catastrophe" that brought about the stimulus package and into his first budget that will include dramatic military cuts and a plan for deficit reduction. "In the next few days, I will submit a budget to Congress," Obama said. "So often, we have come to view these documents as simply numbers on a page or laundry lists of programs. I see this document differently. I see it as a vision for America – as a blueprint for our future."

On Friday, there will be his plan to draw down all but 30,000 soldiers in Iraq in the coming 19 months.

In the early part of the speech, Obama gott cheers mostly from adoring Democrats. By the end, when he talked about high school dropouts and the need for charter schools and teacher accountability, the begrudging Republicans were standing and applauding, even if only politely.

Obama implored Congress by saying that we can't "afford to ignore our long-term challenges. I reject the view that says our problems will simply take care of themselves; that says government has no role in laying the foundation for our common prosperity."

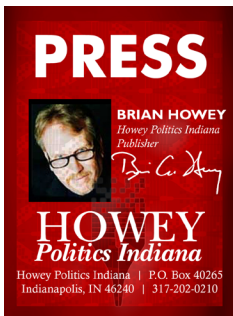
Then came the teacher president, as we saw in Franklin Roosevelt. "For history tells a different story," Prof. Obama said. "History reminds us that at every moment of economic upheaval and transformation, this nation has responded with bold action and big ideas. In the midst

of civil war, we laid railroad tracks from one coast to another that spurred commerce and industry. From the turmoil of the Industrial Revolution came a system of public high schools that prepared our citizens for a new age. In the wake of war and depression, the GI Bill sent a generation to college and created the largest middle-class in history. And a twilight struggle for freedom led to a nation of highways, an American on the moon, and

an explosion of technology that still shapes our world."

I was thinking: great stuff; the art of the possible that Americans must buy into.

"In each case," Obama said, "government didn't



President Obama along with Vice President Biden and House Speaker Nancy Pelosi at the new president's first speech before a joint session of Congress on Tuesday. (White House Photo)



supplant private enterprise; it catalyzed private enterprise. It created the conditions for thousands of entrepreneurs and new businesses to adapt and to thrive." Ronald Reagan could have said that. This is where oratorical skill ends and dynamics takes over, given the resources.

Now I've taken some heat from the blogosphere by comparing Obama to Gov. Mitch Daniels. HPI columnist Shaw Friedman's commentary in this edition questions whether Daniels is a "transformational" figure. My Republican friends scoff at the Obama audacity.

Yet, I saw vivid similarities Tuesday night. As I told David Plouffe a couple of weeks ago, the Daniels change agenda helped create the Hoosier petri dish that allowed Barack Obama to carry the state last November. This Obama agenda is a super-sized version of the "no time for rest; fasten your seatbelt" advisories that Daniels has issued to the Indiana General Assembly repeatedly over the past five years. The critics scoffed at the notion of achieving daylight saving time or Major Moves or more kids with health insurance or property tax reform. Or government reform. In all but the last one, Statehouse pundits and pols repeatedly told me in the early stages how all of it was impossible.

Yet here we are.

When I have my interviews with Daniels - and it's been awhile - I always note that here's a guy who probably gets into more nooks and crannies around the state than anyone else. And there must be breakthroughs on the brink at the Purdue nano technology labs or at the IU Medical Center or genome research centers, or in a Delphi clean room. A figure like Obama has done this over the past two years on a worldwide scale.

Between 1900 and 1910, there were jaw-dropping breakthroughs of motorized vehicles, flight, land conservation, communications and industrial regulation. It dawned on me as I listened to Obama on Tuesday that thus far almost a decade into this new century - despite the fast computers and revolutionary micro chips - we haven't seen many "I-remember-where-I-was-when-I-heard" the advances. Then again, they were talking about a cure for all strains of the flu on Monday.

An independent America from oil? Health care reform? The Obama mantra has been a crisis is a terrible thing to waste. Perhaps such an environment is what it takes to deliver a breakthrough. Obama laid down vivid markers. We'll know in the next several years whether it was epic BS, or whether this is a transformational figure in our midst who can deliver a vision and execute it into reality.

A cure for cancer? Perhaps that's a bet we should allow ourselves to take. ❖

A 'transformational' governor? Hardly

By SHAW FRIEDMAN

LaPORTE - Occasionally these pages saw columns by some that gushed over the supposed transformational nature of our governor, particularly around the time of the election. Yet Daniels' appearance on Face the Nation this past Sunday reinforced why he will never be more than the rigid ideologue, espousing time-worn clichés about welfare mothers chiseling the system while at the same time he works mightily to protect the "masters of the universe," his buddies on Wall Street, from any criticism or sense of obligation.



Truly transformational leaders are those who are able to summon the best in all of us and demand shared sacrifice. Yet, this governor utterly refuses to demand sacrifice from the most powerful and wealthiest among us.

Aside from the governor continually misrepresenting on national TV that state government was "bankrupt" when he took over, Daniels took the occasion to snipe at those portions of the President's stimulus package that are designed to help the most unfortunate among us. "Welfare without work," he sniffed to CBS' Bob Schieffer, an apparent reference to rent subsidies and housing allowances in the stimulus package designed to reduce the ranks of the homeless.

The reason this governor finds himself having so much trouble winning bipartisan support for various initiatives is the strong sense that pervades that he seeks sacrifice only from some, but not other favored groups or individuals. At a time when he demanded state employees forgo pay increases, he made sure that his crony Mitch Roob, the architect of the FSSA privatization debacle, got a \$20,000 increase in pay when he went to head up Indiana's Economic Development Corporation. (Incidentally, replacing truly talented leaders like Micky Maurer and Nate Feltman at IEDC with the likes of Roob shows just how depleted Daniels' bench has become in his second term.)

This governor has no problem demanding sacrifice from Indiana's disabled, uninsured and unemployed, but he is utterly unwilling to demand sacrifice from those making the most and those who should be doing their fair share.

With unemployment rising and the need for WorkOne services growing, this governor initially closed local offices, moved eligibility workers to Indianapolis, and keeps a reduced complement of overwhelmed field staff and administrative law judges to handle burgeoning unemployment rolls.



At a time when the need is great for prompt food stamp and Medicaid assistance, the governor seems bound and determined to go forward with his outrageous \$1.1 billion privatization scheme. It took two courageous legislators in his own party authoring legislation to help slow the rollout to the remaining 33 counties where recipients are begging for face-to-face contact with caseworkers rather than being forced to deal with computerized intake and phone eligibility systems.

The governor seems most comfortable inveighing against services that aid the poor, unemployed and homeless. Far be it for this governor ever to criticize the biggest corporations that are skipping out on their tax obligations to state government. He's continually ignored reports that Indiana could recoup nearly one third of a billion dollars a year by closing certain loopholes and shelters used by multi-state and multi-national corporations to evade state taxes. Practices like transfer pricing, passive investment corporations, or reincorporation in tax havens cost Hoosiers \$346 million each year, according to the non-partisan Multi-State Tax Commission.

When are we going to hear the governor get as indignant about predatory investment schemes that rip off average investors as he gets when he vilifies local government, his favorite whipping boy. I don't recall many county commissioners or sheriffs costing this country trillions in shareholder value. How about it governor? How about summoning some of that indignation that you seem so bound and determined to vent against small school corporations or little library districts and bring it to bear on some of the largest financial behemoths in the world whose unregulated, high-flying speculation have cost Hoosier taxpayers billions?

This is a governor who, as White House budget director, helped turn the largest budget surplus in the nation's history to the largest deficit ever. He actually told Charlie Rose on Aug. 16, 2002, that tax cuts for the wealthy would have "zero" contribution to the long-term budget deficit and that the \$1.7 trillion tax cut over 10 years was "eminently affordable." Well, our national debt has gone from \$5 trillion in 2000 to nearly \$11 trillion when the President that Daniels advised left office.

To be transformational, you've got to seek sacrifice all around – not just from the poor, the uninsured and the unemployed. When Mitch Daniels starts demanding an end to obscene instances of corporate welfare and his buddies in the corporate suites are called upon to start paying their fair share of taxes rather than hiding assets in off-shore accounts, then we'll talk about his being truly transformational. ❖

Shaw Friedman is a LaPorte attorney who was formerly Legal Counsel to the Indiana Democratic Party and is a regular contributor to HPI.

HOUSE BILL WOULD KILL REFERENDUMS:

The state's new voter referendums, aimed at giving Hoosiers the power over whether to raise taxes for publicly funded projects, would be tossed out the window under a bill approved by the Indiana House on Wednesday (Ruthhart,



Indianapolis Star). School and other public construction projects no longer would be subject to the referendums -- approved last year as part of sweeping taxpayer relief legislation -- as long as the buildings meet certain energy-efficiency standards. House Democrats pushed for House Bill 1730, saying they wanted to remove the hurdles posed by referendums so that local school

districts and governments can more quickly spend federal stimulus dollars on "green" projects. But the bill makes no mention of federal stimulus money and would apply only to projects funded by property taxes. The bill's author later said he was open to amending the legislation so that it applies only to projects that receive money from the federal stimulus. The House passed the bill on a 52-48 party-line vote. House Minority Leader Brian Bosma, R-Indianapolis, called it the most "unfriendly property taxpayer vote" he's seen in his years in the legislature. "There should be a taxpayer revolt over this," Bosma said. "People should be furious." ❖

BAUER PUNTS ON JOBLESS FUND:

A war of words broke out Wednesday over fixing the state's busted unemployment insurance fund when House Democrats declined to act on a bill to fix the system – ultimately punting to the Republican Senate (Kelly, Fort Wayne Journal Gazette). "It is incredibly important for the people of Indiana that we resolve this, and we will have to act in a bipartisan way," said Senate President Pro Tem David Long, R-Fort Wayne. "To not send us a bill is one of the more disappointing things I have seen in my tenure. We will have to do the heavy lifting." Long also predicted that the magnitude of the problem – coupled with the inevitable partisanship related to raising business taxes or cutting benefits – could send the legislature into special session if both sides don't start working together. "Right now ... there is an impasse, so I don't know if anything is possible," said Democrat House Speaker Pat Bauer, of South Bend.

"We're not going to and cannot do this alone." Wednesday was the deadline to move the bill on to the Senate, but leadership didn't even put it on the calendar, instead letting it die. Bauer said there was no reason to call the bill for a vote when Republicans had come out against it. "We were bushwhacked ... at the last moment, when we thought we had a bipartisan agreement," Bauer said. Democrats regularly pass legislation on party-line votes, including the state budget last week. Bauer invited Gov. Mitch Daniels to the table, saying he has declined to take a position on any possible solution. Sen. Dennis Kruse, R-Auburn, has the task of crafting a Senate solution and finding a House bill to attach it to. A worst-case scenario would have it folded into the state budget. ❖



Wither the Statehouse news media

By **BRIAN A. HOWEY**

INDIANAPOLIS - On any given day at the Indiana General Assembly, there might be 16 professional journalists working a beat at the Indiana Statehouse. If you added in the 12 Franklin College Bureau students and adviser John Krull assisting this publication and others, you might have the numbers approaching the heyday of Indiana political journalism where Pat Siddons, Gordon Englehart, Jack Averitt, Bob Flynn, Bob Sievers, Gerry LaFollette, Bob Mooney, Hortense Myers and others were there covering most events and digging up their own stories.

But those days are fading, and so are the reporters, editors and photographers. WISH-TV's Jim Hester was the latest, with the long-time videographer taking a buyout from that TV station, whose parent company, Lin Broadcasting, is facing delisting on the New York Stock Exchange. The Indianapolis Star's parent company, Gannett, is making its employees take an unpaid week of vacation while writing off \$5.9 billion as its advertising income declined 36 percent in 2008. Emmis Communications was trading at 35 cents a share. The Daniels administration is cutting \$3.5 million from public broadcasting, though the legislature has restored the funding at a halfway point. WNIT in Elkhart-South Bend took that hit before its offices burned a month ago. Newspapers in Rushville, Greencastle and Crawfordsville have dropped one daily print edition a week. Newspapers in Kokomo and Vincennes are replacing photographers with photos from the general public.

When John Schorg began working for the House Democrats two decades ago, the list of newspapers providing an everyday presence included the South Bend Tribune, Lafayette Journal & Courier, Bloomington Herald-Times, Indianapolis News, Terre Haute Tribune-Star, Fort Wayne News-Sentinel, Evansville Press, Muncie Press and UPI. Today the Evansville, Indianapolis and Muncie papers have merged. The Indianapolis Star now has two reporters - Bill Ruthhart and Mary Beth Scheider - when a decade ago there were at least three full-timers along with editors, photographers and additional reporting help if needed in an attempt to scoop the rival News. TV stations from South Bend, Fort Wayne, Terre Haute, Lafayette, Louisville and Evansville now converge only for the biggest events like the State of the State. "They are rarely here," Schorg said.



Governing Magazine's February issue notes that what is happening here in Indiana is part of a national trend. Last March, veteran New Haven Register correspondent Greg Hladky, who covered the Connecticut legislature, got a phone call from his editor "telling him he'd been fired and wouldn't be replaced. The move deeply unsettled his colleagues: Hladky was a 20-year veteran of the press room with a profound understanding of state government. And if he could go, so could they."

Earlier this week, the Register filed for bankruptcy. **Governing continued**, "What's happening in Hartford is happening in a lot of places these days. Newspapers and radio stations are either abandoning or slashing their presence in Albany, Trenton, Springfield, Denver, Tallahassee, Austin, Sacramento, Oklahoma City; you name the capitol, the press corps is shrinking. Newspapers that once sent five people to cover state government are down to two and are pruning the space they get on the page; smaller papers have bailed out entirely; commercial radio is following the route television took years ago, parachuting reporters in for only the most attention-grabbing stories."

And the future? Governing observed: "The move to online coverage is well underway, and the assumption in Hartford and elsewhere is that it will eventually provide a workable system, but at the moment the ground that's been lost — in the investigations not launched, the tips not followed up, the decades of knowledge and experience that have walked out the door with buyouts or pink slips in hand — has yet to be regained.

Filling the void are web blogs - often written by amateur journalists without sustaining revenue streams that can even hope to replace a news bureau. There is some original reporting in the blogs, but many are rumor-mongers and mere echo chambers for the remaining news media.

Indiana is lucky in one regard. The current executive and legislative leadership is - as far as we know - ethical and moral. The scandals that rocked the Indiana Senate three decades ago came during a time when the State-



house was still crawling with reporters. Few in the Statehouse openly worry about scandals erupting out of the offices of Mitch Daniels, B. Patrick Bauer, David Long, Brian Bosma and Becky Skillman. But without a media watchdog, will the next generation stay clean if no one is watching?

Gone are the days of Ziegner, described in Ray Scheele's book "Larry Conrad of Indiana": "He roamed through the Statehouse corridors with a slight stoop as though he were staring at the marble floor, figuring out the movements of political man. His black and gray hair was crew cut. He never smiled. When he spoke he brought his head up fast. His voice was deep and rough. He looked and sounded like a drill sergeant." And, like a shark needing to feed, Ziegner was always looking for the scent of impropriety.

"I share your concern," said Steve Key, counsel for the Hoosier State Press Association. "Newspapers are in an evolving state. Advertising has taken a big hit. The big boxes have replaced the local stores. Everyone wants the product, but how do you provide it?"

"What everyone is trying to figure out is, are we in a moment of pure transition on the way to figuring out the model and regaining the glory days of statehouse and political coverage," asks James Pindell, a New Castle native and former national managing editor of the Politicker Web sites, which covered state and local politics in 17 states until it folded earlier this year. Or, Pindell asked *Governing*, "are we at the beginning of the end? Of course, people will continue to cover state government, but the question is, Who? And how many? And how good will they be?"

And of the blogosphere, Pindell told *Governing*, "The hope has been that this would create better journalism, but we just haven't seen it yet. The hour-by-hour narrative has expanded, but it lends itself to partisan blogs and an over-emphasis on process and speculation."

Some compare the news media to the music industry. Most newspapers gave away the store when they began posting their stories on line free of charge, only to see circulation dive, though that trend has been in place for decades. It will be extremely hard for them to begin charging for news content that is now free. The new model may be iTunes, where consumers pay small amounts for music they want to receive, though there is no guarantee that will create a new generation of Ziegners. Others suggest endowed news foundations, but it is uncertain how universal that model would be.

The political parties may attempt the

fill the void, returning to the days of Hamilton and Jefferson, whose partisan press began an era of mud-slinging, leaving out the concept of local arbitrator and fact checking in favor of political edge.

The market will surely respond, but how long will it take? And what happens in the interim while the watchdog runs off? ❖

Media covering the legislature

Associated Press
Mike Smith
Deanna Martin

Evansville Courier & Press
Bryan Corbin
Eric Bradner

Fort Wayne Journal Gazette
Niki Kelly

Indianapolis Star
Mary Beth Schneider
Bill Ruthhart
John Ketzenberger
Matt Tully
Richard Gootee (intern)

Howey Politics Indiana
Brian A. Howey

Indiana Legislature Insight
Ed Feighenbaum
Adam Van Osdol

Indiana Public Radio
Marianne Holland

Louisville Courier-Journal
Lesley Stedman Weidenbener

Post-Tribune
John Byrne
Radio One
Amos Brown

Times of Northwest Indiana
Pat Guinane

WISH-TV
Jim Shella

WTHR-TV
Kevin Rader

WRTV
Norm Cox

WIBC
Eric Berman

WXNT
Abdul Hakim-Habazz

WFYI
Mary Hartnett

News Organizations No Longer Present
Fort Wayne News-Sentinel, Bloomington Herald-Times, Terre Haute Tribune-Star, Muncie Star Press, Network Indiana, Brownfield Network

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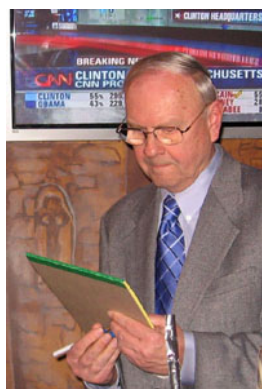
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Aboard Air Force One with President Obama

By JACK COLWELL

SOUTH BEND - Aboard Air Force One as the plane headed for South Bend, the president never sought to sell his then-pending economic stimulus bill, not even to two congressmen who voted against it as it first passed the House.



Instead, recalls Congressman Joe Donnelly, he and other lawmakers invited to travel with the president for an Elkhart County town meeting were the salesmen, urging President Obama to help the decimated recreational vehicle industry and answering questions from Obama about what the industry needs now to survive.

"He never put a sales job on anybody," Donnelly said. "Never even a request."

Other presidents have been known for some high-flying arm-twisting in such situations.

A softer approach, even if it didn't work to sway congressional Republicans, seems indeed to be the Obama style.

Donnelly, the Granger Democrat who represents Indiana's 2nd District, said what the president wanted was details, asking: "Fill me in on what is important to try to get this fixed."

He described Obama as not only well versed on the economic situation and determined to remedy it but also as "really a humble guy" who admits needing input and help from outside Washington.

Donnelly said the six members of Congress and two former Hoosier congressmen who flew with Obama spent an hour of the 75-minute zoom from Washington talking with Obama in the presidential office on Air Force One.

This afforded an opportunity for Sen. Evan Bayh and Donnelly to urge inclusion in the stimulus bill of the provision they championed for a federal tax deduction for the sales tax on an RV purchase. It is in the final version.

Donnelly said the legislators also stressed how the credit crunch is a major factor in crippling the RV industry and threatening massive unemployment also in all automotive-related manufacture and supply sectors.

They passed on stories from RV dealers about people with excellent credit ratings unable to get loans

approved for RV purchases. Lenders just won't lend. The money pipeline to the industry is dry.

Since the town hall meeting was part of the President's effort to win support for his economic recovery plan, it is perhaps surprising that he did not seek during the flight to put a hard sell on two passengers who voted against the plan.

"No" votes were cast by Congressman Brad Ellsworth of Evansville, one of the few House Democrats to defect, and by Republican Congressman Fred Upton, whose 6th District in Michigan includes many constituents suffering from the RV collapse just south of the Michigan border. All Republicans voted "no."

The closest the conversation got to those votes is this exchange, as recalled by Donnelly:

Ellsworth: "Mr. President, just to let you know. I didn't vote for the stimulus the first time."

Obama: "Oh, I know."

Donnelly said the President was smiling and then they all laughed.

Of course he knew.

Donnelly said Ellsworth made no commitment to vote for the final version of the bill, although later he did so, saying the plight of constituents and reduction of spending in the compromise package caused his switch to support.

Upton, a moderate Republican courted by the President with such gestures as an invitation to watch the Super Bowl at the White House, had joined in the GOP "just say 'no'" strategy. But Donnelly said the President told Upton he was "really glad" the congressman could make the trip and never sought to lobby for support on the final stimulus package.

Upton joined again with all the other House Republicans in voting "no," even after revisions designed to bring more Republicans aboard.

But Donnelly said the atmosphere during that final vote was not as contentious as portrayed in some cable news and talk radio versions.

He said Republican colleagues were not parroting the Rush Limbaugh "I hope Obama fails" mantra. "I never heard a single member of the House say that," said Donnelly. "In fact, some of them after voting 'no' looked at me and said 'I still hope it works.' They want what's best for the country."

Oh, after Air Force One, Donnelly's next flight connection from Washington to South Bend took six hours. One similarity: Again, nobody aboard was twisting arms. ❖

Colwell has covered Indiana politics over five decades for the South Bend Tribune.



War didn't end the Great Depression

By **MORTON J. MARCUS**

INDIANAPOLIS - It's time to set the record straight. It was not World War II that moved America out of the Great Depression.

When we talk about the American economy, we discuss the actual or "Real" goods and service produced in this country. To compare one year with another, we must remove price changes so that we can measure output in constant dollars.

This measure of economic activity is called Real Gross Domestic Product (GDP). In 2008, the real value of goods and services produced in this country stood at \$11.7 trillion, adjusted to prices of 2000. In 1929, GDP peaked at \$865 billion in the constant prices of 2000. Thus our economy last year was 12.5 times larger than in 1929.



Morton Marcus
Column

From that peak of \$865 billion in 1929, the U.S. economy contracted to \$636 billion in 1933, a decline of 27 percent. Those

four years of contraction (1930 to 1933) saw annual decreases in Real GDP of -8.6%, -6.4%, -13.0%, and -1.3% respectively. Thereafter followed four years of recovery. In 1937, real GDP stood at \$911 billion or 5.3% above the 1929 level.

Not only was the severe recession over, but the American economy was back to a higher level than its previous peak. There was a brief setback in 1938, but even then we stayed above the 1929 level. From there on, beyond 1938, the economy moved still higher to reach today's unimaginable levels of wealth.

Thus, when war production began to support our European allies in 1939, the American economy had already recovered. Federal spending on the armaments and personnel of war moved the economy still further ahead. But the base of the economy had been reestablished not just above the bottom in 1933, but above the 1929 peak as well.

It is spending, not tax cuts, that directs the flow of resources. After WWII, the great strides of this nation were made by federal spending and federal support of private spending. The GI bill, federal spending, not tax breaks, sent millions of veterans to college. A side benefit was a decrease in the number of persons seeking employment that allowed wages to rise dramatically.

The Marshall Plan (federal spending) made it possible for Europe to buy the goods from us that they needed to rebuild their economies. Insuring loans for housing Americans was a promise of federal spending, an underwriting of private lending. Highway, bridge, sewer and water systems benefited from federal assistance.

Those who argue today that federal spending will not do the job of getting us out of our current difficulties neglect the truth of the past. Those who argue that this crisis is greater than that of the early 1930s base their arguments on supposition, not evidence. The decline in the first year of this recession has been at an annual rate of 2.2 percent while in the first year of the Great Depression that fall was 8.6 percent.

Unemployment rates and the stock market declines are not (yet?) near the magnitudes of the Great Depression. While not as deep as the Great Depression, this downturn is more extensive because more of us have money in the stock market and more of us have investments in the homes we own. Thus, even without the severity of the Great Depression, the current crisis has bearing on the lives of a large percent of the population.

Today the federal government and the Federal Reserve are acting more promptly than in the Great Depression when a large portion of the populace was satisfied to let the markets adjust themselves. Today we have Unemployment Compensation, Social Security, Medicare and Medicaid to soften the blows of the recession.

Recessions leave serious scars on families and institutions. What is lost in production cannot be recovered. Opportunities foregone may never be available again. However heroic the measures of the moment, the decline in wealth, while transitory for some, will be permanent for many. And remedies of the past are not necessarily helpful in times as different as ours from those of Cal Coolidge and Al Capone.

Mr. Marcus is an independent economist, speaker, and writer formerly with IU's Kelley School of Business.



Rich James, Post-Tribune: Rich James, Post-Tribune: Hammond Mayor Thomas McDermott Jr. wants to be elected Lake County Democratic chairman on March 7. He also wants to be re-elected mayor in 2011. And in 2012 he wants to be elected governor. Pretty ambitious for someone who has been a Democrat for barely six years. And the switch from the GOP to the Democrats was little more than for convenience to get elected Hammond mayor. So McDermott is the odd man in the chairman's race that features Chairman Rudy Clay and Lake County Surveyor George Van Til. Unfortunately for McDermott, who is delusional about his own political worth, he sorely lacks the political moxie of his father, Tom McDermott Sr., the first McDermott to serve as mayor of Hammond. It's not that Tom Jr. is a bad mayor. Not at all. He's just not much of a politician. And the fact that he's running for chairman pretty much proves it. In Lake County Democratic politics, you have to pay your dues before moving up. Six years isn't even a down payment. ❖

Mark Kiesling, Times of Northwest Indiana: Republican Daniels has praised Democrat Kernan and panel co-chairman Indiana Supreme Court Chief Justice Randall Shepard for the exhaustive, far-ranging plan that calls for a revamp of the structure of government within the state. When the first bill began making its way through the Senate committee, it contained provisions that would have replaced elected county coroners, surveyors, recorders and treasurers with appointed professionals. But state Sen. Sue Landske, R-Cedar Lake, and state Sen. Lonnie Randolph, D-East Chicago, joined four Democrats on the panel to sink the measure, which is likely dead for this session. It was meaningful reform. Those offices are now largely filled by nonprofessionals, who make around \$50,000 a year to hire people who actually do the job. This does not make them bad or unlikable people. But it does, in a day when budgets are strained to the limit, make their positions redundant and expendable, and the same is true of other positions within the county, even some that were not up for elimination. Landske and Randolph also teamed up to exclude Lake County from reform legislation that would have replaced the three-member boards of commissioners with a single elected county executive, whose power would be balanced by an expanded and stronger county council. Landske and Randolph are veterans and know Lake County has almost single-handedly kept the U.S. Bureau of Prisons in business with its federal corruption probes that have sent judges, commissioners, sheriffs and many others to prison in corruption-busting probes. Daniels ripped Landske and fellow committee member state Sen. Jim Buck, R-Kokomo, the only Republicans to vote against the reform bill. "I'll make

no comment about Democrats all voting against reform, but when it comes to two members of my party, I'm disappointed in them and embarrassed for them," Daniels said. "We'll try again next year." I didn't know Daniels was a Cubs fan. ❖

Stephanie Salter, Terre Haute Tribune-Star: Last week, the current session of the General Assembly reached its midpoint, when legislation must be exchanged between chambers. A proverbial flurry of bills and resolutions swirled inside the Statehouse. In the plus column, one of the dumbest pieces of pending legislation swirled right out a Senate side door. In the negative column, a bill that deserved much better got its guts sucked out and sent swirling down a House bathroom drain.

First the good news. Senate Joint Resolution 15 proposed consideration of an amendment to Indiana's Constitution, a serious move that requires two consecutive passages by the Senate and House, as well as a statewide voter referendum. The burning issue? To ban same-gender marriages by inserting a "man-woman-only" definition of marriage in the state's fundamental governing document. Hey, you might say, I thought it already was illegal in Indiana for gays and lesbians to marry. Hey, you would be right. The flip side of the derailed marriage amendment was the sorry remnant of House Bill 1213 that was offered for a vote, and passed by a huge bipartisan majority. Not long ago, HB 1213 looked like a much-overdue smoking ban in almost all enclosed spaces in which Hoosiers work, eat, drink, gamble, play and hang around. The most significant inclusions would have been restaurants, bars and casinos. By the time various industry lobbyists were done, however, 1213 looked like Exemption City. ❖



Gary Gerard, Warsaw Times-Union: It's pretty simple. I want a smaller and less intrusive government, lower taxes and a lot less corruption. It is those simple premises that made me so critical of W's administration. W and the alleged "conservatives" did OK on the revenue side of things. Even in a soft economy, the treasury took in a record \$2.7 trillion in fiscal 2007. But instead of being frugal, limiting spending and balancing the budget, they amassed huge deficits by enacting the biggest expansion of government since the dawn of time. They blew it. Comes now the new guy, who, by even the most optimistic assessment, plans to outdo them. You see, I hold the view that massive government spending and huge deficits are a major part of what got us into the current financial crisis. ❖



Obama sends huge budget bill to Congress

WASHINGTON - President Barack Obama is sending Congress a budget that would boost taxes on the wealthy and curtail Medicare payments to insurance companies and hospitals to make way for a \$634 billion down payment on universal health care (Associated Press). Obama's first budget predicts the deficit for this year will soar to a whopping \$1.75 trillion, according to administration officials who spoke on condition of anonymity before the public unveiling of the budget Thursday. As part of the effort to end the nation's financial crisis, the administration will propose boosting the budget deficit by an additional \$250 billion this year -- to the record \$1.75 trillion -- enough to support as much as \$750 billion more in spending under the government's rescue program for financial institutions. That would more than double the \$700 billion bailout effort passed by Congress last October.



Big losses for GM

DETROIT - General Motors Corp. posted a \$9.6 billion fourth-quarter loss and said it burned through \$6.2 billion of cash in the last three months of 2008 as it fought the worst U.S. auto sales climate since 1982 and sought government loans to keep the century-old company running (Associated Press). The nation's biggest domestic automaker said Thursday it lost \$30.9 billion for the full year and expects to state in its upcoming annual report whether its auditors believe the company remains a "going concern."

Chrysler blames Getrag

TIPTON - Monday, state officials publicly attempted to tie federal bailout funding to unpaid bills on the abandoned Getrag plant (Kokomo Tribune). Wednesday, Chrysler LLC officials responded, indicating struggling contractors should pursue Getrag Transmission Manufacturing LLC for the unpaid bills. "It is Getrag that abandoned the construction of the transmission plant, not Chrysler," Chrysler spokesman David Elshoff said in a written statement. "In addition, the various contractors, subcontractors and suppliers were all employed directly or indirectly by Getrag, not Chrysler."

Chrysler running low on operating cash

DETROIT - Chrysler LLC said its cash could fall to \$1.3 billion at the beginning of April, according to a liquidation analysis that the automaker submitted with its restructuring plan to the Obama administration last week. That would put Chrysler's cash reserves far below the \$2.5-billion minimum the company needs to operate. Chrysler has warned that it needs another \$5 billion in federal loans by the end of March or it would not have enough cash to continue operating and would have to file for bankruptcy protection. "This is not a course of action we're recommending.... We're confident we can succeed given the requested government loans and the constituent concessions," Chrysler CEO Bob Nardelli said last week.

Mayor McShurley owes back taxes

MUNCIE - Delaware County hopes to recover almost \$134,000 from taxpayers who at any time since 2001 held more than one homestead exemption (Muncie Star Press). The auditor's office has billed 35 people, including Republican Muncie Mayor

Sharon McShurley and Democratic Muncie City Council member Monte Murphy. Homestead exemptions allow homeowners to deduct a significant portion of their home's worth from its assessed valuation for taxing purposes. McShurley and Murphy told The Star Press they had been unaware they held homestead exemptions on more than one property and did not knowingly violate tax law.

Tax break for casinos passes House

INDIANAPOLIS - A bill meant to help Indiana's new racetrack casinos stay in business passed the House yesterday despite concerns that it favored gambling companies over other struggling industries (Weidenbener, Louisville Courier-Journal). A 58-39 vote sent House Bill 1729 -- which temporarily lowers "racino" tax rates -- to the Senate, where it's likely to face a tougher audience. Senate Tax Chairman Brandt Hershman, R-Wheatfield, said he will need to review the bill before deciding whether to give it a public hearing. "So while the gaming community is a part of our state and a part of our revenue picture, I think we would have to take the same very critical eye at anything that would reduce state revenue to benefit a particular industry," Hershman said.

Menu bill passes House

INDIANAPOLIS - A bill to require fast-food restaurants and other chain restaurants to make nutritional information available to customers at each location was passed late Wednesday night by the Indiana House (Corbin, Evansville Courier & Press). Last week, the House Bill 1207 ended in a nonconclusive deadlock of 48-48, when 51 votes are needed to pass. But late Wednesday, state Rep. Charlie Brown, D-Gary, called the bill up for another vote. This time, it passed 51-46 and now moves to the state Senate.