



Daniels revolution off in controversy New governor ignores advice on tax hikes, DST

By BRIAN A. HOWEY in Indianapolis

A tax increase.

A pitch for Daylight-Saving Time.

A moratorium on school bonding and construction.

There were about 300 eyes peering out from behind the crusty edge of the rut in the Indiana House chamber last Tuesday night, squinting at the new horizon. They belong to Indiana legislators and what they saw during Gov. Mitch Daniels' first State of the State address was something new. Something bold.



Despite warnings from Republican legislative leaders such as Senate President Robert Garton and House Speaker Brian Bosma, Daniels included a tax increase: 1 percent on the wealthiest 5 percent for one year. In doing so, House Minority Leader B. Patrick Bauer suggested to reporters afterward that the new governor was "an economic girlie man."

Gov. Daniels ignored the warnings of legislators and proposed a tax increase and Daylight Saving Time in his first State of the State address. (HPR Photo)

Imagine the House Republicans embarrassing their party's first governor in a generation by going to the mat to stave off a small, temporary tax increase for the richest Hoosiers.

Democrats decried the flat-lining of education spending for a year. But when Gov. Daniels said that money should be going for "instruction, not construction," how is the ISTA going to argue that?

What the election began, and the inaugural address by Gov. Daniels continued last week, fully reverberated at the Statehouse this week: a revolution is under way. Things are going to be dramatically different. And who is going to stand with the new governor, and who will abandon him?

Indeed, the most complicated part of the governor's plan may be how the school funding formula is recast. And who is willing to stand up and defend the status



"The survival of liberty in our land increasingly depends on the success of liberty in other lands. The best hope for peace in our world is the expansion of freedom in all the world."

— President George W. Bush, second inaugural

Bush, second inaugural

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quo as the best way possible.

Underestimating Mitch

What should not be underestimated here is the strategic and tactical abilities of Gov. Daniels, who ran President Reagan's White House political arm and came back home to Indiana to fashion the most extraordinary statewide campaign in a generation. Along the way, Daniels built an impressive rapport with the people in small towns and big cities scattered across the prairies. This is a governor who will take these potent abilities and develop a consensus on any given issue that many legislators will feel all too acutely in the coming months if recalcitrance, obfuscation and obstinance sinks their teeth into the brittle skulls of legislators.

The other dynamic is that the center of Indiana's political universe is no longer on the third floor of the Statehouse. Gov. Daniels showed his tactical skills with this part of his speech: "Local government is too hamstrung by top-down state control, and consequently stuck with an unbalanced and unfair dependence on the taxation of property owners," he said. "Having tied much of its own budget to local spending, a bankrupt state government has desperately sought to control local decisions from the top down, a doomed exercise in balloon-squeezing that has squeezed property taxpayers worse than anyone else."

You could envision just about every mayor, every county commissioner, city and county councilman nodding their heads on that one. What Daniels is doing here is book-ending legislators. Many local officials are already aggravated at legislative attempts in 2003 and 2004 to try and cap local spending as a knee-jerk response to the property tax reassessment.

Legislators going home for their weekend "Third House" meetings are not only going to find constituents asking them why they shouldn't be backing their new governor, but local officials, who are sick of the pass-the-buck mentality that pervades the Statehouse.

Construction and cadence

The Daniels speech was coherent, well constructed, paced and delivered with sound rationale and composure.

"The wolf is not at the door, he is inside the cabin," Daniels said, playing off a phrase used by former House Speaker John Gregg during the 2002 tax restructuring ses-

sion. That phrase angered some Democrats, who felt that his message was too grim. In proposing the one thing he was warned not to -- a tax hike -- Daniels took his case directly to the masses. "I ask the most fortunate among us, those citizens earning over \$100,000 per year, for one year, to pay an additional one percent on the income they receive," the Governor said, sounding almost like a Methodist minister. "With this money, we will achieve a balanced budget not two years from now but in the year immediately ahead, and bring our savings account to a level near the minimum standard of prudence."

Daniels added, "Let me stress that this surtax must be temporary, and one time only. I will veto any attempt to raise general taxes on our citizens, and any attempt to extend for even one day the one temporary measure I reluctantly propose tonight."

The most compelling moment after the speech was when President Garton and Speaker Bosma talked with reporters in the House chambers. Asked by a reporter if the 1 percent income tax hike for people making more than \$100,000 was a plan

to "soak the rich," Garton appeared to be genuinely supportive. "One percent is not soak the rich," Garton said. "We're affecting 5 percent of the population."

For his part, Bosma seemed conciliatory, particularly after he told the *Indianapolis Star* he was awaiting the plan from the governor's "rocket scientists." The governor's new team was not amused, with sources inside the administration telling HPR that they were seeing "culture clashes" between a legislator who used their space in the center of the Hoosier political universe to wimp out and pass unsound budgets.

Bosma was singing a different tune Tuesday, saying the 80/20 split between cuts and revenue enhancements for 2006 is "a great balance," but added, "We will look to every alternative before House Republicans support a tax increase, even a temporary one."

How much of what Bosma and Espich were doing was posturing, giving some of their newest members cover, as opposed to drawing a line in the sand remains to be seen.

There was some surprise when on Wednesday, OMB Director Charles Schalliol laid out the spending plan that included no cuts. "You really do not have cuts," said Sen. Vi Simpson, D-Bloomington, eventually said, noting that the O'Bannon and Kernan administrations had physically cut the base budgets of all state agencies. This time, Schalliol said



President Garton and Speaker Bosma answer questions following the speech. (HPR Photo)



reductions were made in "what would have been" a larger state budget, but added, "We do not have cuts."

When pressed by reporters after his presentation, Schalliol acknowledged the money isn't needed to pay for government programs (Indianapolis Star). Daniels said he'll make his case to both lawmakers and the public that the tax increase and budget cuts are necessary. Part of that case, Espich acknowledged to HPR, is that by the end of this bienium, the United States could be halfway through the typical 10-year economic cycle. "It does beef up the bottom line," Espich told HPR Thursday morning. "That's a good goal, to increase security. I'm sure that's in the back of his mind. It's a responsible thing to do."

The hard part for legislators was the tax hike. And there are a couple of myths that have become conventional wisdom. One is that any tax increase is an automatic death knell for legislators. There are some cases, such as House Speaker J. Roberts Daily's defeat in 1986, but that was four years after he helped push through the 1982 tax hikes to cover a massive deficit. State Reps. Linda Lawson, D-Hammond; David Orentlicher, D-Indianapolis; and Chet Dobis, D-Merrillville, are living proof of that. So are members of the Indianapolis School Board who pushed through a \$200 million bond issue four years ago and another \$250 million bond last month.

Republicans like to remember President Reagan's tax cuts of 1981, which ignited the home computer technological revolution. And they know the tax increases by President George H.W. Bush in 1990 led to his defeat two years later. But those tax hikes actually ignited 10 years of growth and the dot.com economy.

If your logic and rationale are sound, and you take your case and explain it to the people, they're smart enough to know the difference between gratuitous spending and the need to take care of business.

Battleground on the school yard

The other aspect of the Daniels plan to ignite great controversy was the flat-lined budget and a moratorium on school construction.

Dan Clark, deputy director of the Indiana State Teachers Association, told the *Fort Wayne Journal Gazette* that districts will have increased utility, salary and health insurance costs even if the state gives them no new dollars. "A straight-line budget, in the face of those increased costs, means you have to cut elsewhere," he said. "It means raising class sizes, laying off teachers and cutting programs."

Yet Daniels had been consistent, saying at the HPR

Forum on Oct. 1, "To arrive at the backside of this election with a far greater sense that will have to become greater still in the future, that this endless game of you've got yours now I'll want mine that pervades every interest group, every university, everybody for him or herself. That has led to the unconventional things we are determined to do."

In the State of the State address, that became: "Tonight, I want to underscore some issues in our educational system that must be faced squarely, because they threaten to undermine not just the effectiveness of the system but also the public confidence on which it depends," Daniels explained. "As it should be, public education is the number one expense of state government. We have more than doubled our spending in just over a decade. When we have restored the state's financial solvency, these increases must continue. But the way in which we deliver these dollars is broken, and indefensible. It produces senseless outcomes like providing more and more dollars for districts with fewer and fewer children. It is so confusing that no one can explain

it to a taxpayer. This formula has been jury-rigged over time in back rooms into a complicated mess based not on principle but on a bare-knuckles scramble of every district for itself.

Especially at a time of fiscal crisis, when there is no new money to distribute, the way in which we share the funds available must be as fair as possible. I ask this Assembly to replace today's Rube Goldberg formula with a

fair, principled system openly arrived at."

And, Daniels said, "Another major defect of the status quo is the imbalance between classroom and non-classroom spending. Too many of the \$9,500 we now spend on each student are swallowed up by purposes unrelated to the only result that counts, readiness for life."

Reaction was not entirely predictable. Lafayette Schools Supt. Ed Eiler explained, "It's important that the public understands that it's not a question of if a school district is going to have to do this; it's a question of when" (Lafayette Journal & Courier). And Middlebury School Board President Kent Yoder told the Elkhart Truth, "It looks like we need to take some more time anyway to revisit our goals about where we are going as a board and a community before we can talk about what to build."

Reporters and legislators were skeptical Gov. Daniels could change a place so resistant to change. Under an Indianapolis Star headline, "Daniels Plan Adds a Billion Dollars in Spending," he was asked how he would prevail. "It's only been one day," he reminded them. ❖



House Minority Leader B. Patrick Bauer called the governor an "economic girlie man" (HPR Photo)



And about that 'no new tax pledge....

Only 2 signed for this year

By BRIAN A. HOWEY

INDIANAPOLIS -- About that no new tax pledge.

The *Indianapolis Star* reported that 27 members of the Indiana General Assembly have signed the "no new tax pledge" promoted by Grover Norquist's Americans for Tax Reform.

The problem with the list is that it includes all those who have ever signed it. One is House Ways & Means Chairman Jeff Espich, who signed it in 1999. "When I signed it, I considered it was for the two years of that particular term," Espich told HPR Thursday morning. "It was easy to sign in 1999 when we were running a surplus. But no, I didn't sign it for this year. And I don't believe it stays in place for a lifetime."

When the *Star* printed the list (seen at right) on Wednesday, the day after Gov. Mitch Daniels' State of the State address in which he proposed a one-year, 1 percent surtax on those households making more than \$100,000, Espich became curious. There were 21 members of the House listed. Espich and his staff surveyed that group and discovered that only two had signed it for this biennial budget.

The list was printed in coverage by the *Star* in which it said reaction to the Daniels proposal was "cool." The implication was that most Republicans would be handcuffed by the pledge, almost certainly dooming chances of the surtax.

But in reality, a number of legislators are keeping an open mind.

"I liked what he proposed in looking at freezing the property-tax replacement credit, because the cost there (to the state) is spiraling out of control faster than even Medicaid," said freshman Republican Troy Woodruff, but he told the Vincennes Sun-Commercial that he "wasn't excited about"

the tax hike. "I think raising taxes has to be an absolutely last resort," he said. Fellow freshman State Rep. Bruce Borders, R-Jasonville, told the Sun-Commercial that he's "not really nuts" about the tax increase but challenges those who oppose it to come up with an alternative. "That's what I say to those who oppose what Mitch said: 'If you have a better proposal, lay it on the table and let's look at it.'"

Senate Appropriations Chairman Robert Meeks, R-LaGrange, said that even though he signed a pledge 10 years ago not to increase taxes, "I'm going to do what's right" (*Indianapolis Star*). He called Daniels' proposal "a tax of last resort" and said some of the constituents he's heard from say it's a good idea.

House Speaker Brian Bosma said he would search for alternatives, but added, "It's too early to tell. Maybe if it's absolutely necessary." Senate President Robert Garton declined to call it a "soak the rich" scheme and noted that only 5 percent would be impacted.

Espich explained, "I think we can put a budget together that is workable," he said, "and do it without a tax increase." But he didn't rule it out, either.

State Rep. Robert Hoffman, R-Connersville, told the Richmond Palladium-Item, "A lot of people have run on 'no new taxes.' They're going to have a hard time swallowing the tax increase. If it's a one-time deal, I think there's a logic to tapping that group to solve the problem."

House Democrats, who hope Republicans do pass a tax hike, were reluctant to support the concept. State Rep. Dave Crooks said he didn't think any Democrats would vote for the tax hike. State Rep. Scott Reske was upset that Republicans constantly attacked his party as "tax and spend liberals," and said of Gov. Daniels speech, "Now they want to raise taxes. It's bait and switch into a hip-popotomus."



No New Tax Pledge?

The *Indianapolis Star* reported that 27 out of the 150 Hoosier lawmakers signed the 2005 no-new-taxes pledge of Americans for Tax Reform. Ways & Means Chairman Jeff Espich disputed the currency of the list .

House

- Craig Fry, D-Mishawaka
- Don Lehe, R-Brookston
- David Wolkins, R-Winona Lake
- Jeb Bardon, D-Indianapolis
- John Smith, R-Kokomo
- Timothy Harris, R-Marion
- P. Eric Turner, R-Marion
- James R. Buck, R-Kokomo
- Gerald P. Torr, R-Carmel
- Matt Whetstone, R-Browns-

burg

Crawfordsville

- Timothy Neese, R-Elkhart
- Marlin A. Stutzman, R-

LaGrange

- Robert Cherry, R-Greenfield
- Woody Burton, R-Greenwood
- Eric Allan Koch, R-Bedford
- Win Moses, D-Fort Wayne
- Jeff Espich, R-Uniondale*
- Robert Alderman, R-Fort

Wayne

- Robert Behning, R-Indiana-

polis

- David Frizzell, R-Indiana-polis

Senate

- Robert L. Meeks, R-LaGrange*
- Dennis K. Kruse, R-Auburn
- Jeff Drozda, R-Westfield
- J. Murray Clark, R-Indianapolis
- R. Michael Young, R-

Indianapolis

- John Waterman, R-Shelburn



President Bush delivers Wilsonian view of freedom

By BRIAN A. HOWEY

President George W. Bush recast America's role in the world by telling the world in his second inaugural address that our security is inextricably linked to the notion of freedom around the world. "We are led, by events and common sense, to one conclusion: The survival of liberty in our land increasingly depends on the success of liberty in other lands. The best hope for peace in our world is the expansion of freedom in all the world," Bush said at noon Thursday.

He set up that premise by setting up the historical context. "At this second gathering, our duties are defined not by the words I use, but by the history we have seen together," the President said. "For a half-century, America defended our own freedom by standing watch on distant borders. After the shipwreck of communism came years of relative quiet, years of repose, years of sabbatical -- and then there came a day of fire. We have seen our vulnerability, and we have seen its deepest source. For as long as whole regions of the world simmer in resentment and tyranny -- prone to ideologies that feed hatred and excuse murder -- violence will gather, and multiply in destructive power, and cross the most defended borders and raise a mortal threat.

"**There is only one force** of history that can break the reign of hatred and resentment and expose the pretensions of tyrants and reward the hopes of the decent and tolerant, and that is the force of human freedom."

President Bush made 27 references to the word "freedom," and 15 references to "liberty."

ABC News analyst George Will noted that Bush "is about the expansion of liberty on our planet, into every nook and crevice."

David Gergen, a former adviser to Presidents Reagan, Bush and Clinton, added, "This is a speech that needs to be read more than once. It was surprising and historically significant. Surprising, in that we thought it would be on the domestic agenda. But quite the reverse ... it was about the war on terrorism. His strategy to win the war on terrorism is significantly more extravagant than we imagined."

The speech offered a sharp departure from earlier goals by the earliest presidents. In his inaugural address, President Thomas Jefferson warned of entangling alliances. But Gergen explained, "This is a very important speech that sets America on a new course. It was a very aggressive stance."

At other times, President Bush seemed to be drawing on the strengths and morality of President Abraham Lincoln. "Across the generations, we have proclaimed the imperative of self-government, because no one is fit to be a master, and no one deserves to be a slave," Bush said. "Advancing these ideals is the mission that created our nation. It is the honorable achievement of our fathers. Now it is the urgent requirement of our nation's security and the calling of our time. So it is the policy of the United States to seek and support the growth of democratic movements and institutions in every nation and culture, with the ultimate goal of ending tyranny in our world."



He made references to the way the United States has tried to achieve such goals, specifically in Iraq and Afghanistan. "This is not primarily the task of arms, though we will defend ourselves and our friends by force of arms when necessary," Bush said. "Freedom, by its nature, must be chosen and defended by citizens and sustained by the rule of law and the protection of minorities. And when the soul of a nation finally speaks, the institutions that arise may reflect customs and traditions very different from our own."

"America," Bush said, less than two weeks before the critical first elections in Iraq, "will not impose our own style of government on the unwilling. Our goal instead is to help others find their own voice, attain their own freedom and make their own way." But the President did not utter the word "Iraq."

Bush added, "**My most solemn duty** is to protect this nation and its people from further attacks and emerging threats. Some have unwisely chosen to test America's resolve and have found it firm. We will persistently clarify the choice before every ruler and every nation -- the moral choice between oppression, which is always wrong, and freedom, which is eternally right. America will not pretend that jailed dissidents prefer their chains, or that women welcome humiliation and servitude or that any human being aspires to live at the mercy of bullies." ❖



The Shining Twins

SOUTHPORT - OK. I admit. I was on my second beer during the first half of the Colts-Patriots game at Foxboro. I was nestled in a living room, watching the big gridiron showdown with my friends as it profusely snowed outside.

There was Peyton Manning, shrouded in a kind of strange virgin white, with the fuzz of a New England snowfall adding an addled aura to what was to be the apex of his historic season, though on this day he had that perplexed look about him.

And then, there they were! The Shining Twins. You know, from the movie *"The Shining."* The murdered young twin girls in their nighties, who gushed out blood in the hallways of some remote blizzard entombed Rocky Mountain resort. They were freaky. After watching *"The Shining,"* I had nightmares. I sent out columns to my newspapers with the same sentence written over and over: "All work and no play makes Brian a dull boy." *Crothersville Times* editor Curt Kovener even called me and wondered if something was wrong.

Last Sunday, the Shining Twins were on the Gillette Stadium field. They were gushing blood. The whole thing was tragic, really. You had to be there. The camera panned to Colts Coach Tony Dungy. He was holding up a finger and mouthing, "Redrum. Redrum."

I turned to my friends. Unfazed, they were still enjoying the second quarter Mike Vanderjagt field goal. Wasn't it odd that he was the only Colt to score? When the idiot kicker split the uprights, there were the Shining Twins again, signalling the fieldgoal. Vanderjagt tilted his head, and with a blank stare mouthed, "Redrum. Redrum." Hunter the Punter smiled. He had fangs.

I went outside for a brisk walk.

This all got me to thinking. Maybe Mayor Peterson ought to just can this whole retractable roof stadium thing. Really. And Jim Irsay, too. When he reads this, he'll understand. The Patriots smashed through the bathroom window and grinned a fearsome and realistic "Here's Johnny!" at our beloved Colts. They molested our All-Pro receivers, man-handled the ball away from our gifted running backs, and neutered our MVP quarterback. They did it to our dome team in the snow and cold. Our Colts were a soft dome team. They needed Cialis.

And there were the Shining twins, taunting us. They were saying, "Forget the retractable roof, Bart. Go to the bar. Get a drink from the spooky bartender. Listen to the Glenn Miller tunes."

By not building the retractable roof, the new Colts Stadium- Peyton Place- would probably cost \$50 to \$100 mil-

lion less. And it would create high demand for those corporate suites and club seats. There is nothing more pitiful than a shivering Chief Financial Officer. Speaker Bosma came to the same conclusion.

I was thinking that this would be consistent with the message Gov. Mitch Daniels tried to impart during his State of the State address last Tuesday night. He chided school corporations about building football stadiums with astro turf, natatoriums and acres of basketball courts. Of the 10 largest high school basketball gyms in America, eight are in Indiana. At the end of Gov. Daniels speech, I blinked, and there they were, the Shining Twins, standing under the two House vote boards. They were signalling touchdowns. I quickly looked at veteran journalist Jack Colwell, who was sitting next to me. He looked earnest and sanguine. I didn't mention the Shining Twins to him. Sen. Mike Young didn't appear to have seen them either.

None of the 148 legislators present seemed to notice, except for, perhaps, Sen. Rose Antich-Carr, a self-professed psychic. She swiveled in her chair, looked right at me and winked. I looked at Lesley Hiner, aide to Speaker Bosma. She was glaring at me. I winced and turned away. This was all too strange. Had the Shining Twins said the words "No new taxes," instead of "Redrum, Redrum" at the end of the Governor's speech, I'm sure some of these other legislators would have been snapped from their lethargy.

So if the school corporations are going to swallow the bullets, so should the big boys, I thought. Let's toughen up our Colts, make 'em play in the Alberta Clippers of Indiana, and coarsen their pampered hides for the Patriots or Steelers.

And I was pondering what Gov. Daniels had done. Like a Patriot linebacker, he was turning Indiana on its ear, stripping the ball away. That's what the good Hoosier folk told him to do last year. A temporary tax hike for the wealthy so that we're ready for the next recession (and we're probably halfway through the current business cycle). Pushing the notion that school funding should go into "instruction, not construction." Adding 800 new child protective service employees, who might have saved the murdered Shining Twins had Indiana spent the money to protect children in past years.

As I pondered the Shining Twins, I remembered something I had read this past week in the Smithsonian Magazine. Preparing to write his classic poem, "The Raven," Edgar Allen Poe actually thought of using a parrot. "Awk, no new taxes, no new taxes. Awk. Nevermore. Nevermore."

Perhaps you can't see it, but the good old days of doing things in Indiana are over. Nevermore. ❖





Jack Colwell, *South Bend Tribune* - With so many Americans in this polarized nation seeking "news" with which they agree, not objective reports on what's really happening, we have the rise of commentators, columnists and filmmakers who unabashedly promote a political cause and bash unmercifully the other side. It's almost as if they were hired guns. Well. Now, in the latest scandal in what some would call journalism, a newspaper columnist and television commentator really was hired, flat-out -- and with taxpayer money -- to promote a cause. The Chicago Tribune reported that Armstrong Williams, a leading black conservative columnist and commentator, was paid \$240,000 by the U.S. Education Department to ballyhoo President Bush's education initiative, No Child Left Behind, prior to the election. Williams, who finally conceded that he used "poor judgment," initially seemed to brush off the ethics breach as really a "legitimate" deal, explaining that he agreed with all the nice things he said about the program. Meanwhile, those true believers won't believe what's really happening. A report on more suicide bombings in Iraq is rejected by many as the "liberal" news media just trying to find bad news to hurt Bush and refusing to report all the good going on over there. A report on an improvement in the economy is rejected by many as the "establishment" news media just trying to help Bush and business friends and ignoring the remaining unemployment. Instead there often is a quest for that "news" with which to agree -- unrelenting praise for one side and unending bashing of the other -- presented by some media "stars" who almost seem to be hired guns. One was. ❖

Leslie Stedman Weidenbener, *Louisville Courier-Journal* -The test of whether Daniels' relationship remains so rosy with lawmakers will be measured at the end of the first session and the first year and the first term. The late Gov. Frank O'Bannon had a fairly rosy relationship with lawmakers at the end of his first year, only to have that bond

deteriorate rapidly. True, Daniels might have it easier than the three most recent governors — Democrats who faced a Republican-controlled and sometimes stubborn Senate. The GOP now controls the House, Senate and the governor's office, the first time that's been true in 16 years. But there is bound to be friction. That's the way the state's founders likely intended it when they established three branches of state government — executive, legislative and judicial — nearly mirroring the federal system. He'll probably need some Democrats to approve daylight-saving time, which is on his agenda, and to restructure the local property tax system, something he's said he's considering. Also, Daniels is almost certain to frustrate Republicans immediately. It wouldn't be a very ambitious agenda if he didn't find at least some resistance. So Daniels should enjoy this honeymoon now and prepare for a time when things might not be so easy. ❖

Dan Carpenter, *Indianapolis Star* - Ruby James has worked for the state of Indiana for 27 years; Elizabeth Walker for 20 years. They're union presidents who remember well what it was like before employees achieved collective bargaining 15 years ago. If you listen closely to their take on Gov. Mitch Daniels' decision to abolish those contract protections, you just might hear strains of that spiritual the civil rights marchers used to sing: "Ain't gonna let nobody turn me 'round." "People are angry. This has done nothing but make us stronger," says James, who works in the Lake County Division of Families and Children and heads Local 3146 of American Federation of State, County and Municipal Employees. "The AFSCME will still be here for the employees." "They're fired up," says Walker, who works in DFC in Marion County and leads the AFSCME's Local 3730. "We're not going back to where we were 15 years ago. We're not." While she shares the defiance of her northwest Indiana compatriot, Walker has not abandoned hope Daniels will change his mind altogether. ❖

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Bosma pulls plug on Peterson stadium funding

INDIANAPOLIS - Financing plans for a new Indianapolis Colts stadium are in trouble, as House Speaker Brian Bosma said plans to expand gambling to pay for it are "dead." Indianapolis Mayor Bart Peterson has said the city needs \$46 million annually for 30 years to pay off bonds that would finance a new retractable-dome stadium for the NFL team. That money would come in part from slot-like machines possibly in Downtown Indianapolis (*Indianapolis Star*). "The message I'd like to send to the mayor is he ought to find another financing mechanism for a Dome downtown than putting a casino in the middle of the most family-friendly city in the Midwest,"

Bosma, R-Indianapolis, said. "As far as I'm concerned, that proposal is dead." Bosma said he is willing to work with

Peterson on finding a different funding mechanism. Peterson has said he is open to other ideas, as long as the bottom line is \$46 million. Bosma said Peterson "can look for other measures to make this happen and we'll try to help him in that regard. But I feel it is very irresponsible for the future of the state of our city to propose putting a major casino within 150 yards of the Statehouse, hooked up by tunnel to the Statehouse. He needs to look else-



where." Bosma also indicated that he thinks the planned new stadium may be too extravagant. "I'm not sure that we have to have the most expensive dome in the country," he said.

Appeals Court upholds marriage ban

INDIANAPOLIS - The Indiana Court of Appeals ruled Thursday that the state's ban on gay marriages can stand, rejecting a challenge by three homosexual couples to a law prohibiting even the recognition of legal same-sex marriages from other states (*Associated Press*). A decision was not immediately made on whether to appeal the decision to the state Supreme Court, but supporters of the ban said they would continue their push for Indiana to join others states with constitutional amendments banning the unions. The appeals court upheld a ruling by a Marion County judge who dismissed the couples' lawsuit on the grounds that state law clearly defined marriage as a union between a man and a woman. "What we decide today is that the Indiana Constitution does not require the governmental recognition of same-sex marriage, although the Legislature is certainly free to grant such recognition or create a parallel institution under that document," the court said in its ruling.

AG Carter lauds Appeals Court decision

INDIANAPOLIS - The Indiana Court of Appeals today upheld Indiana's law

declaring marriage to be between one man and one woman, denying a challenge that the law is unconstitutional. "This is a good ruling for the state," Attorney General Steve Carter stated. "It recognizes the unique role that traditional marriage plays in our society, and affirms the General Assembly's ability to define marriage as between one man and one woman." The court ruled that "the Indiana Constitution does not require the governmental recognition of same-sex marriage, although the legislature is certainly free to grant such recognition or create a parallel institution under that document." The court adds that, "There was a rational basis for the legislature to draw the line between opposite-sex couples, who as a generic group are biologically capable of reproducing, and same-sex couples, who are not."

Calloway withdraws as insurance commissioner

INDIANAPOLIS - Harold Calloway, incoming commissioner of the Department of Insurance, notified Gov. Mitch Daniels Wednesday that he has withdrawn from the position. Calloway, of Evansville, was appointed on Dec. 29, 2004, and was to begin his tenure on March 1. "Harold informed me that because of personal and financial disruption to his business, he'll be unable to take a role in state government. I'm disappointed, but understand that not everyone can make a commitment to public service," said Daniels. ❖

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