



Bayh goes to (Electoral) College

New case for Hillary nomination is a curious twist in the logic

By **MARK CURRY**

WASHINGTON - It started on a Sunday talk show, with U.S. Sen. Evan Bayh and Gloria Borger of CNN discussing Hillary Clinton's prospects in the Indiana Democratic primary. Early in the program, Indiana's foremost Democrat told Late Edition viewers that he thinks the New York senator will emerge the winner in a close contest to be decided May 6. "I think ultimately her focus on middle-class economic issues, those kitchen-table issues, the cost of health care, job security, pension security, those kinds of things combined with her strength and experience, I think will resonate very well with working-class blue-collar voters in our state," he said.

"But ultimately, you know, if you look at the aggregate popular vote, and as we all recall in 2000, to our, as Democrats, great sorrow, we do elect presidents based



upon the electoral college," he told Borger. "So who carried the states with the most electoral college votes is an important factor to consider because ultimately, that's how we choose the president of the United States."

This is a curious statement from someone who, like

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Bauer facing Dem heat?

By **BRIAN A. HOWEY**

INDIANAPOLIS - Is the Speaker catching hell? Are partisan Democrats PO'd that B. Patrick Bauer consorted with a Republican governor up for re-election to achieve "historic" property tax reforms? That was the whispered word at the Dyngus Day celebrations on Monday at the Westside Democratic Club from friends of the South Bend Democrat. The story goes that some elements of the party wanted Bauer to kill the reforms so Gov. Daniels would be blamed for doing nothing other than offering a defeated plan on property taxes. In this scenario, the Democratic nominee for governor could then, as one source put



Brian Howey's Column



"If I had to pick - and I'm not usually shy about saying who's going to win - I couldn't tell you today.'

- U.S. Rep. Joe Donnelly on the Clinton-Obama race in Indiana, to the Washington Post



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House Speaker B. Patrick Bauer sandwiched by Lt. Gov. Skillman and Gov. Daniels as they signed the tax reforms last week. Bauer's bipartisanship has landed him in hot water with some Democrats. (HPI Photo by Brian A. Howey)

it, "promise wonders during the campaign."

Speaker Bauer told HPI

this afternoon, "No, I don't catch flak. It wasn't a perfect bill. It wouldn't be the way it was written. Most members are happy that something got done. I told them to vote their district." Bauer said that of those Democrats who voted no, "many would have voted yes if they had been the 51st vote."

Bauer said that "some of the criticisms may bear out." But, he added, "They can be fixed. The circuit-breakers will take a whole other session and a vote. They will be a work in progress."

Notably absent was any kind of a statement from Indiana Democratic Chairman Dan Parker lauding the reforms which were backed not only by Bauer, but by more than half of the House Democratic caucus. Parker told HPI on Wednesday, "Well, look, the party doesn't get into policy too much. There were a lot of people at the local level and labor who were not happy with the final deal." Parker said the "biggest resistance" was from local Democrats like mayors who are now facing big budget cuts.

"That put the party in a difficult position," he said. "I question raising taxes to solve the problem. Kernan-Shepard should have

come first. We could have seen what kind of savings you could produce. I think we're going to look back at this and see all sorts of problems." The problem with that statement is that after the Kernan-Shepard report was issued in December, there were virtually no Democrats who stood up and advocated swift passage. Parker was silent. Not only were there no competing property tax plans, there was no mention of making Kernan-Shepard a priority after, say, Gov. Daniels' January State of the State address.

The time for a Democratic alternative tax plan would have been sometime early last fall, but that didn't happen, meaning the Daniels cap 'n cut plan was the only game in town.

Bauer said that House Democrats did present a plan - in the final weeks of the session. "We took the best mechanism we could do. With the public demonstration of the law, we can fix it accordingly. It's really a living item."

The dilemma for Bauer to reject the plan in March would only mean a special session in April or May when several of his members were facing primary challenges. To have projected an alternative would be, as one observer put it, "picked apart and hammered by Mitch." Plus, a governor is more likely to prevail in a special



session (i.e. as Frank O'Bannon did in 1997). A Speaker Bauer (like former President Pro Tem Garton) feels they must watch over the flock and make sure all the sheep are safe from, as former Speaker John Gregg might say, "the wolves" baying at the door. Sometimes that means spending little political capital and taking little risk, or, in this case, take the deal from the sly governor and try to defend the tiniest, weakest donkey sheep in the House.

Bauer issued a statement on March 14 that made his course pretty clear. "Indiana House Democrats entered the 2008 legislative session committed to one goal: providing broad-based property tax relief. It has been a goal we have worked on for two years, and we have worked together with Republicans to find a bipartisan solution. Hoosiers demanded action on the Governor's program, and it has been delivered."

Did Parker talk to Bauer about it the way Republican Chairman Al Hubbard rushed over to the Indiana Senate in 1993 to convince leadership there to spike a hospital tax? "I did not," Parker said. "I did not get in the middle."

House Democrats hadn't been too keen on any of the Kernan-Shepard reforms. Those carrying that water had been the House Republicans and Sens. Brandt Hershman, James Merritt and Mike Delph. House Ways & Means Chairman Bill Crawford has spiked a number of reforms, be they from former Indianapolis Mayor Bart Peterson or the Republican senators. At one point, Crawford said that instead of dealing with Kernan-Shepard in piecemeal fashion this year, the entire package should be put off until 2009.

Parker lamented the predicament of Whiting Mayor Joe Stahura, who he says will suffer a "massive tax shift." The BP refinery there was paying \$17 million annually in 2001. "After the last deal with the circuit-breakers, BP went to \$9 million. Do you know what they're going to pay on this deal? \$4.5 million."

I explained to Parker what Gov. Daniels' response might be to Whiting's plight: look for a merger with Hammond, Munster, Highland and Griffith. In fact, former East Chicago Mayor Robert Pastrick, a member of the Democratic National Committee, even suggested the same thing several years ago. The governor calls it the "anvil" that will force local consolidations and pooling.

"That's not working with people," Parker said. "That's why he is going to be defeated in November."

Bauer insisted that he listened to the mayors. "They would have preferred nothing," Bauer said, "but that was not the opinion of the vast majority of the public. We did do some cushioning. In my county, taking over welfare is a huge thing. It will be \$4.27 million for South Bend and \$1.7 million for Mishawaka. We took the schools off the property tax roles."

Bauer said "the mayors were really very good" and that prompted a compromise that had the state taking over the pre-1977 police and fire pensions. Bauer said that he and Senate Tax Chairman Luke Kenley had discussed this

prior to Indianapolis Mayor Greg Ballard coming before Ways & Means and suggesting the pensions move to the state. "We had been talking about a way to alleviate the pension burden," Bauer said.

Throughout the conversation, Bauer kept going back to the notion of compromise. "This is not the perfect answer," he said at one point. "You need the public behind the votes."

Asked about Kernan-Shepard coming on to the "front burner" in 2009, Bauer said that it was never the approach of the commission to have the entire 27 recommendations acted upon this session. He said eliminating most of the township assessors is a profound change. "In 2005 and 2006, we couldn't even get a motion out of committee. That's a pretty extreme reform there."

He said he expects many of the Kernan-Shepard reforms to move to the top of the 2009 priority list. One proposal - creating a single county executive to replace the current three commissioners is already "cooking on the stove," Bauer said.

Did Bauer ask the two Democratic gubernatorial candidates to stay away from the property tax issue. No, he said.

Is he supporting either Jim Schellinger or Jill Long Thompson? "No," Bauer responded. "One's a novice and needs a victory and the other needs a recent victory. I've encouraged them both to weigh in on the issues."

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Indiana Democratic Chairman Dan Parker (HPI Photo by Brian A. Howey)



Daniels invites his ‘anvil’ to Muncie, Michigan City

By **BRIAN A. HOWEY**

Usually a governor just achieving “historic” property tax reforms would do a fly-around and would be met by happy mayors and cheering supporters.

But over the past couple of days, Gov. Mitch Daniels has been feeling the pain of mayors and county commissioners now confronted with life under the caps.

He was in Michigan City, a place where State Rep. Scott Pelath lives and a place he called the tax reforms “disastrous” over the weekend.

The Michigan City News-Dispatch (home of Al Spiers’ “Anvil Chorus” letters of the editor column) reported it this way: Gov. Daniels looks at the recently signed property tax reform as an economic motivator which could put Indiana among the 10 states with the nation’s lowest property taxes (Michigan City News-Dispatch). He understands, though, the new structure will force both tax recipients and taxpayers to make decisions on how they spend money and how their communities operate. “These are some very tight spending controls,” Daniels said Tuesday during a meeting with The News-Dispatch’s editorial board.

“La Porte County is a textbook case. There are 55 taxing entities in La Porte County and you have more townships than any other county in Indiana. “This will be a forced change. People will have to find alternate means. People should insist on this.” He said schools in Indiana are top-heavy with administrators and lacking in enough well-paid teachers. “We need to put dollars in the classrooms,” Daniels said. “I’m not talking about consolidating. Just the opposite. We have 293 school districts in Indiana and a lot of administration. Not every district needs a superintendent and a whole array of assistants.

The new era manifested itself in different ways. In Jeffersonville, Mayor Tom Galligan was beginning to cut back on employee cell phone usage (News & Tribune).

At Muncie, he sought out freshman Mayor Sharon McShurley on Wednesday. “Everything is on the table,” said McShurley. “We have to look at a new model for providing services as cost-effective as possible” (Muncie Star Press)

Daniels had a private lunch with a handful of city and county elected officials to discuss the impact of the state property tax bill signed by the Republican governor after being approved by an overwhelming majority of lawmakers.

The governor said he “invited himself” to see steps taken by local officials to consolidate and reorganize local government in line with tax reform. “It is one of the few places in the state where this kind of open-minded conversation is happening,” Daniels said of efforts by McShurley and others. There has also been discussion about combining some city-county services, such as building inspection and animal control, along with looking at joint purchases. Muncie City Council member Mark Conatser attended Wednesday’s lunch meeting, and said the governor was receptive to local government needs and also talked about road and other state funding. “I would support investigation of consolidation,” Conatser said.

Daniels wasn’t the only one spreading the word of change to locals. House Minority Leader Brian Bosma was appearing with his Members in various communities to explain the plan.

In Terre Haute with State Rep. Bruce Borders, Bosma explained, “It is the strongest and most historic property tax relief package that has been adopted in my 22 years in the General Assembly and some have said in two generations. It was truly a historic event which will significantly benefit taxpayers in western Indiana today and also cap their property taxes in the future” (Terre Haute Tribune-Star). “For folks in Vigo County, that property tax cut for homesteads will be 36.2 percent. In Clay [County] it will be nearly 30 percent and Sullivan [County] will hit nearly 25 percent,” Bosma said.

Borders said the property tax relief law “gives some of the dollar” back to the taxpayer. “We did raise the [state] sales tax, but for each dollar of new taxation [in the sales tax], there was about \$1.70 of [property tax] savings, so there is still a net savings,” Borders said. “For the first time in decades, the taxpayer has a right to say ‘this is all I can reasonably afford to pay’ ” through the new property tax caps, “and ‘you are going to have to live within in your means, government, and not keep coming after my money’. I am excited about that,” he said.

State Rep. Ed Soliday, R-Valparaiso, spent Tuesday evening distilling Indiana’s new property tax plan into clear information for home and business owners (Post-Tribune). “Many communities will have shortfalls, but some of these communities need a shortfall,” Soliday said. “Lake County must stop its addiction to taxes.” If Lake County wants to spend more money, it must pass a county income tax, Soliday said. ❖



Gov. Daniels with Muncie Mayor McShurley on Wednesday. (Muncie Star Press Photo)



Bayh, from page 1

his father - former U.S. Sen. Birch Bayh - has advocated abolishing the Electoral College. In a 2006 interview with a reporter from the Raleigh, N.C., News & Observer, the younger Bayh said "I think our president should be chosen by the majority of the American people. That is ordinarily the case. But in 2000, as we all recall, we elected this president with fewer votes than the other candidate got. I just don't think in the modern era [the Electoral College] is appropriate." Wikipedia notes that in his final years in the Senate, Sen. Birch Bayh attempt to eliminate the Electoral College (the method of electing the President of the United States and replace it with a popular vote in the 1960s and 70s. One of Bayh's proposals passed the House easily but was filibustered in the Senate. In 1977 he introduced reform legislation into the Senate [1], but it never achieved the required two-thirds vote in either house of Congress. In 2006, he joined the National Popular Vote Inc. coalition, which aims to effect Electoral College reform through an interstate compact, and wrote a foreword to the book Every Vote Equal. HPI contacted Bayh's office and asked how the senator could reconcile these two statements. "It's just a factor," explained Eric Kleiman, the senator's communications director. "It's just one factor that people consider. I think it is important that you see that in context." Kleiman pointed out that Bayh's comments launched a debate across the web, with points made for both sides of the argument. "Sen. Bayh's primary concern is for full, open democratic elections, in which voters of Indiana and all states have a chance to go out and vote and express the will of the electorate," Kleiman said. "His view is we have a process and we're in the middle of that process, so millions of Americans, including 6.5 million Hoosiers, will get to vote. We need to allow those voters a chance to do that."

Kevin Griffis, communications director for Obama's Indiana campaign, offered a different take on Sen. Bayh's statements. "This is just another strained bit of reasoning to try to make a bleak picture look better, and if you look at the numbers, it doesn't seem to be convincing very many people," Griffis wrote in an email. "There has been no new spate of superdelegates pledging their support for the Clinton campaign.... the logic from their camp has become

more tortured, the attacks further out of bounds. We'd just ask Indiana voters to keep that in mind when the Clinton campaign launches attacks against Senator Obama in the coming weeks."

The suggestion that Indiana Democrats will be treated to an election that turns on issues is appealing. It's not like there aren't plenty of topics to choose from, what with the war in Iraq, al Qaeda on the loose, the meltdown of the financial sector, record gas prices, and millions of Americans on the verge of losing their homes, to name just a few. But lately the Democratic campaigns have been en-

gaging in a political struggle that revolves on innuendo and outright name calling. Is it possible the Hoosier primary will be different? The answer to that question rests to some degree on the actions of Evan Bayh, our former governor and a co-chair on Clinton's national campaign.

The stakes are high for Sen. Bayh. He has made no secret of his own presidential aspirations, touting his red state appeal, and is considered a leading contender for the number two spot on a Clinton ticket. He has

already invested considerable political capital in this campaign. A Clinton victory here would certainly boost his credentials, but a loss - well, that might not go over so well. And, the stakes are high for Sen. Clinton. Her campaign is struggling to gain momentum. Reports that it would be almost impossible for her to win the nomination have sparked talk that maybe she should get out for the sake of the party, a notion she soundly rejects. She may be on her way to a double-digit victory in Pennsylvania April 22, but that has been expected all along. Indiana, on the other hand, is a battleground state. Winning here could boost her prospects with the superdelegates who may well end up casting the deciding votes at the nominating convention.

Lately, both she and Sen. Obama have been fighting tooth and nail. As President Bill Clinton told a crowd in West Virginia yesterday, "Let's just saddle up and have an argument. What's the matter with that? That's what America's about, right?" But recent national polls suggest the constant bickering is taking a toll on Democratic voters, with some suggesting nearly a quarter of either candidate's supporters would refuse to vote for the other should he or she win the right to run in November. Further, NBC's Chuck Todd reported yesterday that an NBC-Wall Street Journal



U.S. Sens. Evan Bayh and Hillary Clinton campaigning together at the Anderson Wigwam last week. (Photo by A. Walker Shaw)



poll, which found the two tied at 45 percent, also revealed that voters are less likely than they were in January to believe any of the three presidential candidates could be successful in uniting the country if they were elected president (Obama, 67/60; McCain 68/58; Clinton, 55/46).

Is it really possible that Hoosier voters will somehow escape the eye-for-an-eye battle raging elsewhere in the country? A reading of the transcript from Bayh's appearance on Late Edition is revealing. The skilled politician gently navigated several of the topics that have set the campaigns to name-calling and hyperbole. On calls for Clinton to drop from the race, he responded "When do you call democracy off?" Concerning the Democratic dilemma about what to do with the unsanctioned primaries in Michigan and Florida, Bayh, as expected, advocated on behalf of his candidate, calling for a revote or for the vote to stand as is. He even managed to discount a Gallup poll that reported Clinton is considered trustworthy by only 44 percent of voters, compared to 63 percent for her opponent. But along the way he floated a curious proposal. Superdelegates, he suggested, should consider "who carried the states with the most Electoral College votes" when determining who they will support.

And so it begins. But this doesn't have to end badly. As Joe Hogsett, state campaign chair for the Clinton campaign, told HPI late yesterday, both campaigns have remained quite civil at events within the Hoosier state. "I think Indiana Democrats recognize that as a rule this has been an extremely issue-oriented, policy-oriented, positive, visionary, forward-thinking campaign as to how we're going to change the country's direction fundamentally and put Indiana and the country back on the path of economic revitalization and prosperity, safety at home and abroad, the major issues," Hogsett said. "My experience has been that rather than overhear Democrats being discouraged and concerned... I think most Hoosiers are absolutely genuinely proud that Indiana is going to have its day in the sun and we are going to be able to say that we helped choose a president." Hogsett said that the candidates have so far used a "respectful and admirable tone" when discussing their rival campaigns. "They have policy differences, which I think both of them are very appropriate in pointing out, but as long as the tone remains civil and as long as it remains respectful as it has been thus far, I think that having a presidential primary in Indiana will not only be good for our party but it will be good for the state of Indiana. I think of it as a win-win."

Few politicians radiate optimism the way Hogsett can, and, listening to his comments on the telephone, it was easy to become excited about the prospect of Hoosiers participating in a real and constructive debate. He honestly thinks the coming attention will prove an opportunity for our state to set an example for the rest of the country. I share his faith in Indiana voters but worry we'll be pulled

down the same path that has led to destructive politics elsewhere. It's up to our leaders, especially Sen. Evan Bayh, to prove Hogsett right. ❖

Obama endorsed by 25 Indiana legislators

INDIANAPOLIS - At a press conference in Indianapolis, the Obama Campaign today announced the endorsement of 25 Indiana State Legislators. Leaders from across Indiana came together to speak about their support for Senator Obama's campaign to change politics in Washington, D.C. and bring change we can believe in.

"This election is about the past versus the future and Barack Obama represents the future," Sen. Earline Rogers said. "The American people are ready to turn the page on the failed politics and policies of the past. I trust Senator Obama to bring people together to help provide affordable health care, revive our economy and bring our troops home."

"I support Barack Obama because he is the only candidate who can take on the special interests, put an end to petty partisanship, and unite this entire nation around a common purpose so we can finally start making progress



Sen. Obama campaigning in Plainfield on March 15. (HPI Photo by A. Walker Shaw)

for ordinary Americans," Rep Jeb Bardon said. Senator Obama's campaign does not accept money from lobbyists or special

interests PACs.

"Barack Obama represents our best hope for real change in Washington, D.C." Rep Trent Van Haaften said. "We need a President who isn't afraid to speak the truth, stand by his word and fight for America's workers. That's why I'm supporting Barack Obama."

Legislators endorsing Obama include: State Sens. Rogers, Tim Lanane, Lindel Hume, John Broden, and State Reps. Dennis Avery. Jeb Barden, John Bartlett, Charlie Brown, Mara Candelaria Reardon, Bill Crawford, Dave Crooks, John Day, Chet Dobis, Ryan Dvorak, Dale Grubb, Phil Hoy, Linda Lawson, Scott Pelath, Matt Pierce, Greg Porter, Scott Reske, Vernon Smith, Russ Stilwell, Vanessa Summers and Trent Van Haaften. ❖



It took a year, but Schellinger begins to talk public policy

By **BRIAN A. HOWEY**

INDIANAPOLIS - A little over a year after entering the race, Democratic gubernatorial candidate Jim Schellinger finally issued his first extensive public policy proposals Wednesday that focus on next generation manufacturing training, ensuring a greater pool of health care workers and increased support for state-administered adult education training. He would create an Office of Small Business Advancement, double the health care tax credit and create small business health care pools. And he would create a NEET Fund (New and Emerging Environmental Technologies) modeled after the 21st Century Research and Technology Fund. Commercial buildings that "go green" would receive an 8 percent tax credit in a program similar to one in Maryland. He said there will be 3 million green collar jobs created by 2015 nationally. He noted that Forbes ranked Indiana 49th on its green state list.

"In order to be a national leader, we must act now," Schellinger declared. He said he would increase the green tax credits from \$1 million a year to \$4 million and added that in Maryland, all available credits had been used. He promised to make "all state vehicles green" and said that all state building renovations would be rated "silver or higher." He said he would commit 20 percent of the state's energy usage to green sources by 2015. He said that state government uses 75 percent of its energy from imported sources and called the Daniels administration efforts in this area "modest."

Told that Gov. Daniels had made alternative fuels a priority, Schellinger said, "I don't think they've made it a priority. This fund will be specifically geared toward providing support for companies willing to do environmental research."

"We are blessed with a remarkably talented workforce of hard-working Hoosiers who are the backbone of our economy," Schellinger said at a Statehouse press

conference. "Unfortunately, in recent years we have seen a steady stream of layoffs and closings that are affecting the quality of life in this great state." Schellinger posted a 13-page plan at www.PickUpIndiana.com. "Over the last four years, Indiana's economy has suffered as a result of Gov. Daniels' poor stewardship. Indiana lost 27,700 manufacturing jobs." He said that Hoosier personal income has dipped from 91 cents for every dollar the average American makes at the beginning of Gov. Daniels' term to 89 cents. He blamed the governor for 52,930 homeowners who have lost their homes to foreclosure since 2005. The Indianapolis Democrat said he would put an end to "predatory lenders roaming around our state." He added that "this will not be a static plan. It will be a living, breathing plan." Schellinger promised he would issue similar white paper proposals on health care, education and government reform in the coming weeks.

Schellinger promised to fill vacant seats in universities, community colleges and vocational schools with workers who have recently been laid off. He said he had not been in touch with any of the universities or schools about this plan.

Schellinger's plan came on the day the Daniels re-election campaign began running a TV ad touting his economic development prowess. Daniels noted in an HPI Interview last week that Indiana is an "island of growth" with more jobs created and the lowest unemployment rate in the Midwest. Daniels campaign communications director Cam Savage reacted to the Schellinger plan by saying, "These ideas aren't bad; we're working on some of these ourselves. This is what candidates do, but no one else doubts that Indiana is turning itself around." Indiana Democratic Chairman Dan Parker said that Daniels is "changing the goal posts" because in his 2004 race against Gov. Joe Kernan Daniels used personal income and job growth numbers. "Indiana ranks 45th in the nation in job growth," Parker said. "We are not getting

jobs and we are not retaining jobs."

His primary opponent, Jill Long Thompson, issued her economic plan on March 3 that calls for a change in tax policy that would offer incentives to businesses that provide employee health care and acquire new technology, allowing health care pools, an education policy that emphasizes vocational training.

"We're certainly glad he's come out with some kind of policy statement," said Thompson campaign spokesman





Jeff Harris. "But frankly, a lot of ideas have been previously proposed or already being done. This highlights the economic development approach. His plan spends millions of dollars on new bureaucracies. Jill's plan focuses on getting government out of the way. She is talking about jobs that pay a living wage, have health care and pension benefits."

Schellinger's plan comes just six weeks before the primary and at a time when many Democrats were becoming concerned over a lack of alternative vision to Daniels' "Aiming Higher Roadmap." Schellinger called it the first in a series of announcements coming over the next several weeks. Campaign manager Tim Jeffers told HPI that the campaign will take an innovative approach to the Kernan-Shepard recommendations issued last December.

"Since I announced my candidacy on March 19, 2007, I have made over 175 trips around this state," Schellinger said as he was surrounded by friends and allies. "I have visited each and every county. Laura and I have spent the last 12 months reaching out to Hoosiers all across our state. Listening to their concerns, their thoughts and their ideas. We deserve better leadership in our state. I am ready to provide the leadership we deserve, but it will not be without challenges."

Schellinger promised to "surround myself with Hoosiers" who will solve the state's problems "to close the gap between reality and my vision."

Told that the plan would cost \$42 million, Schellinger said that as a businessman, "I know you have to address both sides of the ledger. I would not put forth a plan I didn't think we could afford."

Schellinger noted Daniels claims of being an island of prosperity in the Midwest, and said, "I'm not interested in being a leader in the Midwest." He said that we should all "celebrate new jobs coming to the state but we're turning our backs on jobs leaving the state. We've lost over 27,000 jobs in this state. We can't turn our back on manufacturing jobs. We've got to look to other industries to grow our economy." He said that sustainable jobs would come in the green sector.

During a Q&A with reporters, Schellinger deflected several questions, reminding reporters that he was there to "talk about jobs." In answer to a question on debates, he did say, "I think it's important to put us on the spot and see how we think on our feet and what kind of leader we will make."

Asked about whether the presidential campaign will make it tougher to get his message out, Schellinger said, "We're out today to talk about our jobs plan. As you know, we are on TV and we are excited we are getting our message out. I think the presidential primary is only going to help the excitement. It will only help the voter turnout."

Schellinger was asked about his statement of surrounding himself with "good staff" when his own campaign

has been roiled with changes, including the exit of his communication director this week. "I'm not a politician," Schellinger responded. "I've not done this before. I've not spent 25 years in politics like my opponents have. But I've found these campaigns to be very dynamic. People receive opportunities to go on and do other things. These are temporary positions. Our campaign team has always been very established. We are intact. We've had transitions. And again, we are here today to talk about about a jobs plan."

Asked about a statement attributed to him on Gov. Daniels' property tax plan and that the Indiana General Assembly should have waited, Schellinger said, "That's not what I said. That was a misquote. We're here to talk about the Schellinger jobs plan."

Schellinger said in a press release on March 7 that the General Assembly must make immediate relief its top priority this session but never offered a detailed plan of his own. "Hoosier families are hurting and need real relief from rising taxes and high fuel, healthcare, and food costs," Schellinger said in a statement. "Those rising costs and the effects of a serious slump in the housing and real estate sectors have hurt Hoosier families for too long. We must do everything we can to support working men and women struggling to make ends meet." Schellinger said Daniels' proposed sales tax increase, coupled with the unknown effects of constitutional tax caps, will be devastating to both local governments and lower-income Hoosiers. "Mitch Daniels put the cart before the horse this session," Schellinger said. "He wants to fiddle with our state's most sacred legal document without any idea what effect his actions will have. Instead of focusing on actual reform, he's playing a shell game with Hoosier taxpayers." ❖

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Rep. Hill voting with GOP, but will still be tethered to leadership

By **MARK SCHOEFF JR.**

WASHINGTON -- In 2006, Republican Mike Sodrel lost his 9th CD seat to Baron Hill in part because voters punished Sodrel for the foibles of his GOP colleagues on Capitol Hill. Former Reps. Mark Foley, R-Florida, and Bob Ney, R-Ohio, were brought down by sexual and campaign finance scandals, respectively. It's unlikely many people in Sodrel's sprawling, mostly rural district believed that he was corrupt himself, but he did suffer from guilt by association. As he campaigns this year to win back his seat, in his fourth consecutive matchup with Hill, Sodrel hopes to gain ground by criticizing Hill for the company he keeps.

This time around, the argument is not that Capitol Hill Democrats are tainted by wrong-doing. Instead, the thrust will be that Hill backs Democratic leadership in the House that is too liberal for southwest Indiana. This tack may be Sodrel's only option because Hill has worked to ensure that his own voting record has a conservative tinge. In the latest example, Hill voted against the House budget blueprint on March 13. "I have always championed fiscal conservancy, and this bill did not adhere strictly enough to that," Hill said in a statement. "The sizeable increase in discretionary spending in the bill is just too much for me to vote for it. I promised to be an independent voice for Southern Indiana, and I am doing just that."

By opposing the Democratic budget, Hill avoided an attack from the National Republican Congressional Committee. After the vote, the NRCC fired out a news release with a headline that read "(Name of Member of Congress) Makes History: Votes for Largest Tax Increase Ever; (Member) Votes for \$683 Billion Tax Hike and Increased Wasteful Spending, Hurting Hardworking Middle-Class Americans." The NRCC essentially argued that letting many of President Bush's tax cuts expire is tantamount to a tax increase.

In addition to Hill, the other two Democratic freshmen in the Hoosier delegation, Reps. Brad Ellsworth (8th CD) and Joe Donnelly (2nd CD), also escaped NRCC opprobrium with their budget votes. Hill's moderate credentials were further bolstered by an analysis by the National Journal. The policy magazine rated Hill the third most centrist Democrat based on votes he cast last year. "I believe my voting record accurately reflects my constituency in southern Indiana," Hill said in a statement. "I look closely at every piece of legislation we have to vote on, regardless of who introduces it, and determine how it will affect the people of southern Indiana."

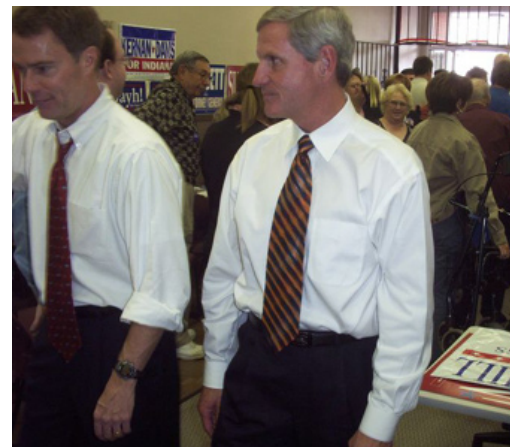
But Sodrel says the size of the Democratic margin on Capitol Hill gives individual members wide latitude. "The Democrats have a sufficient majority in the House so that (Hill) is free to vote however he feels he needs to to create the desired voting record," Sodrel said in an HPI interview. So this time around, it may not be as easy to portray Hill as a liberal, an attack that has permeated each Republican race against him since 1998, when he first captured the 9th CD seat. Sodrel, however, says Hill may pay a price for the actions of House Speaker Nancy Pelosi and other Democratic leaders. "He may not be too liberal, but his party may be too liberal for this district," Sodrel said. "He may be taken to task for what his party did or failed to do."

As an example, Sodrel points to a bill on the surveillance of potential terrorists. House leaders have prevented a vote on a Senate bill favored by Republicans, and the legislation has stalled. Hill does have ties to Democratic leadership.

Even before he was officially sworn in for his current term, Hill was working hard for Rep. Steny Hoyer, D-Maryland, in Hoyer's campaign for majority leader. Hoyer won despite being opposed by Pelosi. Hill also has been

quick to back leadership positions on Iraq legislation. He and the other Indiana Democrats have supported employment policy advocated by organized labor, like a bill that would facilitate unionization.

And although he is a co-sponsor of an immigration bill that focuses on enforcement and is supported mostly by Republicans, he has not signed a "discharge petition" to force floor action on the measure. Ellsworth and Donnelly have signed the document. Democratic leadership opposes the bill. Hill's alliance with leadership may help ensure that he has all the resources he needs for his fourth showdown against Sodrel. He already has nearly \$700,000 more cash on hand than Sodrel. And he has the freedom to vote with some independence from House leaders. It will be harder for Sodrel to use the "L" word against Hill this year. ❖



U.S. Rep. Baron Hill (right) campaigning in his hometown of Seymour in October 2004. (HPI Photo by Brian A. Howey)



2008 Indiana Governor: Daniels TV begins Easter

Governor 2008: Republican: Gov. Mitch Daniels, Democrat: Jim Schellinger, Jill Long Thompson. **1996 Results:** O'Bannon (D) 1,075,342, Goldsmith (R) 997,505, Dillon (L) 35,261. **2000 Results:** O'Bannon (D) 1,230,345, McIntosh (R) 906,492, Horning (L) 38,686. **2004 Results:** Daniels (R) 1,302,912, Kernan (D) 1,113,900, Gividen (L) 31,644. **2008 Forecast:** Governor 2008: Republican: Gov. Mitch Daniels. Democrat: Jill Long Thompson, Jim Schellinger. 1996 Results: O'Bannon (D) 1,075,342, Goldsmith (R) 997,505, Dillon (L) 35,261. 2000 Results: O'Bannon (D) 1,230,345, McIntosh (R) 906,492, Horning (L) 38,686. 2004 Results: Daniels (R) 1,302,912, Kernan (D) 1,113,900, Gividen (L) 31,644. 2008 Forecast: Our forecast that the presidential race was going to overshadow the governor's race was realized on Tuesday when Dyn-gus Day coverage barely mentioned either Thompson or Schellinger. We could find one reference to both, Kevin Rader's WTHR-TV report in Indianapolis, where the two explained what Dyngus Day was. Indianapolis Star columnist Matt Tully followed up with a column on Wednesday, but it dealt with periferall issues, like Thompson's bloodied ear when a drunken reveler pull her earring out. This is almost as if David Lynch (Blue Velvet, Twin Peaks) is scripting the Democratic race. Will there be a bizarre ending? Schellinger finally released a public policy position on Wednesday - more than a year after he officially announced his candidacy and 13 months after his first extensive interview with HPI. We've barely seen him since. This comes a mere six weeks before the primary. We see about a three-week window of opportunity for Schellinger and Thompson to take the center political stage in Indiana. After the Pennsylvania primary on April 22, Clinton and Obama will return in force and the gubernatorial primary will return to the minor league status that it has become. Schellinger and Thompson appear to be getting closer on town hall forums and debates. One WTHR-TV debate is scheduled for a Sunday morning. Another will take place in Fort Wayne and will be aired by WPTA-TV. A town hall forum has been agreed upon for Tuesday, April 15. Thompson called on Schellinger Wednesday to share his position on campaign finance and ethics reform, or adopt her proposal. Last week, Long Thompson announced a number of campaign finance, lobbying and good government reforms designed to increase transparency and ensure integrity in the political process. Specifically, Long Thompson proposed to ban state contracts to companies which contribute



campaign cash to candidates and to force limited liability companies to abide by the same campaign contribution restrictions required of all other corporations in Indiana. "As we get closer to the primary, voters have the right to know where each candidate stands on the issues and how they would govern, if elected," said Long Thompson. "After four years of Mitch Daniels' "pay to play" administration, we can't take another chance. I urge Mr. Schellinger to join with me in committing to cleaning up the political process and creating the most open-government in the state's history. As Democrats, we should expect no less." Thompson released a song on her website by Carl, Troy and Alan Thompson (no relation of Montgomery County: "There's two on the ballot but not hard to choose, A vote makes a difference could mean win or lose, The state of Indiana is in distress, Vote Jill Long Thompson to clean up the mess, Vote Jill Long Thompson so Indiana will make it, We need a change she's the one to change it, Enough is Enough and this is how we'll say it, Enough is Enough Vote Jill Long Thompson, Who's the one to fix our state, Plain and simple the best candidate, Jill Long Thompson she'll work for you, All that know her know it's true, Enough is Enough Vote Jill Long Thompson, Enough is Enough Vote Jill Long Thompson, Let her be our voice Governor Jill Long Thompson." Nice song. The Thompson trio approached the JLT campaign, which will use the song at events. Both Schellinger and Daniels are airing their second TV ad. The 30-second Daniels ad has voice overs with newspaper headlines and footage of Daniels at job creation announcements and touring factories. It talks of "record breaking job creation," "he's going across the world seeking new jobs." It quotes the Indianapolis Business Journal as calling Indiana "an island of growth in the Midwest." The governor is called a "go-getter." Key question for JLT: Will she have access to the Steelworker's phone banks? We've heard that Hillary's presidential campaign has co-opted them. Key question for the week: Who leaked the news to the Star that Schellinger communications director Robert Kellar was leaving the campaign? **Primary Status:** TOS-SUP. **General Status:** LIKELY DANIELS

2008 Congressional

7TH CD: Democrats: U.S. Rep. Andre Carson, State Rep. David Orentlicher, State Rep. Carolene Mays, Dr. Woodrow Myers. **Republican:** State Rep. Jon Elrod. 2008 forecastk: Anyone hear anything out of the Mays campaign? We haven't. Orentlicher will unveil a plan to promote job growth through investments in technology, education and workforce development. "We need to reverse the one-way street of jobs leaving America. For too long, the global economy has allowed other countries to take our jobs while



we get higher gas prices, shuttered plants and a faltering economy. I will fight to defend American jobs and create new ones. We need to draw upon the American innovative spirit to generate the manufacturing jobs of the future, particularly jobs that foster energy efficiency. We can lower unemployment and gas prices at the same time," Orentlicher said. "We also must ensure that workers are treated fairly. We need to promote trade across national borders, but when we sign free trade agreements, they must be FAIR trade agreements with environmental, labor and civil rights standards that are on par with what we expect from our own companies." Andre Carson conducted a "Congress in Your Corner" event at Shapiro's on Wednesday. The Carson people are telling supporters that they've retaken control of the campaign after the DCCC ran much of the show in the special election. Our Democratic sources are beginning to detect a buzz about Myers after two weeks of a heavy TV buy. **Primary Status:** Leans Carson

2008 Indiana Statewides

ATTORNEY GENERAL: Republican: Marion County Prosecutor Carl Brizzi, Secretary of State Todd Rokita, Indiana Election Commissioner Chairman Tom Wheeler, Deputy Attorney General Greg Zoeller. **Democrat:** Linda Pence. **2008 Convention Outlook:** Brizzi and Wheeler have signaled their intention to run. Rokita showed up at the Elkhart County Lincoln Day Dinner last night and he has surrogates pushing his candidacy (and about \$200,000 in his war chest). Zoeller will likely have the backing of Carter. But we see Brizzi as the man to beat in this potential convention fight. He still has a big war chest left over from his intense 2006 campaign when he won a second term. He's got high name ID in the Indianapolis market due to the two races he's won plus frequent TV news exposure. In

Rex Early's new book "It's a Mighty Thin Pancake," (which we'll review in our next edition) he handicaps the 2012 governor's race and mentions Brizzi and Rokita, with his commentary applicable here: Of Rokita, he says, "Probably can't depend on former IPL directors for financial support but should have the unqualified support of Bob Grand for raising money. He will be working hard for the top spot and might out-work all the others." It is worth noting that Gov. Daniels is a former IPL director. Of Brizzi, Early writes: "Can raise money but needs to work on statewide exposure. Gets plenty of earned media in the important Indianapolis TV market. Convention Status: LEANS BRIZZI

SUPERINTENDENT OF PUBLIC INSTRUCTION: Supt. Suellen Reed was quoted this week as saying she is still deciding whether to seek a fifth term. Again, it would be so much better to see Reed go out with a banquet and a gold watch as opposed to a convention floor fight with the popular governor lined up against her, as he is supporting Clark Schools Supt. Tony Bennett and is conspicuously signalling that at Lincoln Day Dinners. **Convention status:** LIKELY BENNETT

2008 Indiana Legislature

SD19 Caucus: Four candidates are vying for the open state Senate seat that will be filled at a District 19 caucus Saturday, March 29, 2008. The candidates are running to replace Senator David Ford, who died March 5. The candidates are Tamra Boucher, Markle; Travis Holdman, Markle; Nanette Nidlinger, Decatur; and Mike Scott, Gas City. The caucus, which will take place at Bluffton High School at 10 a.m. **Caucus status:** Tossup



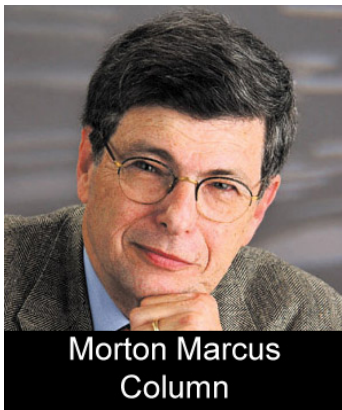
Marion County Prosecutor Carl Brizzi with former New York City mayor Rudy Giuliani in March 2007. Brizzi chaired Giuliani's Indiana campaign. (HPI Photo by Brian A. Howey)



Parsing the county population figures

By **MORTON J. MARCUS**

INDIANAPOLIS - The phone rang. It was Bella Coase outraged again. Without any "Hello," she said, "The Census Bureau's county population estimates were mis-treated by most Hoosier newspapers. They emphasized their counties as if population change were a sporting event where you compete with neighboring counties."



Morton Marcus
Column

"Newspaper today think of their readers in narrow terms," I said. "They didn't bother to examine the larger view," Bella went on. "These were astounding numbers. You saw that, didn't you?" she asked. "I didn't see anything surprising," I admitted. "That's because you didn't dig into the data," she said. "The numbers show me that only 56 of Indiana's 92 counties grew in population between 2006 and 2007.

Spencer County had no change and the remaining 35 lost population. Doesn't it trouble you that nearly 40% of Hoosier counties had no population increase?" "Bella," I said, "you're probably making too much of data covering just one year. And don't forget that many of those changes are probably very small."

"I knew you'd say that," she said. "So I went back to 1970 to get a running start on the numbers and see the trend. And that is just as disturbing. In 2007, 23 Hoosier counties had fewer residents than in 1970, despite the fact that Indiana added 1.15 million to its population in those years. That was a 22% increase for the state while one-quarter of the state's counties was losing people."

"So?" I said. "So?" Bella echoed. "I'll show you 'So?' Deeper into the numbers I found that in addition to the population increase of 1.15 million, we also had a shift in population of 716,000." "What's that mean?" I murmured, pulling up a chair as I recognized a long conversation building.

"Well," Bella must have swelled with importance. "First, I look at where the added population would have been if it had been distributed among the counties as it was in 1970. For example, Hamilton County had 1.1% of Indiana's 1970 population. That would give Hamilton 12,100 of that 1.15 million added Hoosiers. But Hamilton saw an actual increase of 203,900. The difference between the expected increase (12,900) and the actual increase

(203,900) was a shift into Hamilton of 191,900 from other counties. By 2007 Hamilton had 4.1% of the state's total population; that's an increase of 3.0% in the county's share of the state's population.

"At the other end of the scale is Lake County," she went on. "If Lake had grown as fast as the state and thereby achieved its proportional population growth, it would have added 120,900 citizens. Instead there was a shift outward of 174,800, with a realized decline of 53,900. The county in 1970 had 10.5% of the state's people, but was down to 7.8% in 2007." "So?" I repeated. "Some counties win, some lose. What's the big deal?"

"It's not that simple," Bella insisted. "A county can gain population but decrease in its share of the state's population. For example, Marion County gained 83,400 persons instead of 175,600 and that means it had an outward shift of 92,200. Its share of the state went from 15.3% to 13.8%".

"Fascinating," I yawned. "You can bet your pin-sized hat it's fascinating," Bella blasted over the phone. "There are important policy questions for the state here. Where we do build schools, where do we invest in mass transit, where do we provide housing for our people? Does Indiana passively accept market-driven, disproportionate population growth or should we adopt policies to encourage more balanced growth?"

"What's wrong with things as they are?" I asked. "Many communities are disappearing," Bella said. "They cannot support the business and government infrastructure needed for civic viability. They decay slowly, denying each succeeding generation a higher quality of life. At the same time we have to build new communities with all the necessities and amenities of modern life."

"That is a complicated issue," I said, trying to back out of the conversation. "Yes," Bella said, "but who is talking about it? Does Indiana have any real policy for declining or challenged areas? Or are we letting growth take place wherever it will?"

"I'm sure someone is doing something," I said. "Oops, I think the dog is dining in the cat's box. I'll catch you later."

Mr. Marcus is an independent economist formerly with the IU's Kelley School of Business.



This Could be Dangerous



Abdul & Howey, 9 a.m. Every Monday
webcast @ www.wxnt.com



Jack Colwell, South Bend Tribune: Most Hoosiers joyfully await that legislated slash in property taxes. Alas, for many of them, it will be a classic case of cutting off your nose to spite your base. The base -- their home areas, their local governmental services, their local schools -- will be cut, slashed right along with the property tax. The main reason for joy over the way the tax restructuring plan will spite their base is the effective way in which Gov. Mitch Daniels and state legislators shifted blame from themselves and sold the idea that property tax woes were all the fault of the officials back home. As Mishawaka Mayor Jeff Rea observed: "They keep saying local government spending, local government spending, local government spending." The result, the mayor said, is mistrust in local government. And a desire to spite local government and local schools. In truth, the fault for the very real property tax woes faced by Hoosiers lies more with state government than with local spending. Local government is a creature controlled by state government. Only state government could have provided a sane way of assessing property rather than the mishmash of township assessing that is antiquated. Only state government could have provided cities, towns, counties and schools with more alternatives to prevent over-reliance on property taxes. Only state government could have provided more home rule rather than more restrictions and mandates. Local officials such as Mishawaka's mayor, a Republican, and South Bend's Mayor Steve Luecke, a Democrat, are correct in citing cuts already made and the fact that any further serious slashing would have to be in the biggest budget areas, police and fire protection. Now, if the mayors want to find ways to avoid cuts in services that will anger their constituents, they will have to stir anger in seeking approval of new option taxes. They face a lose-lose situation. The formula for the caps is arbitrary -- 1 percent of assessed value for homeowners, 2 percent for rental and farm properties, 3 percent for business. Why not 2.5 or 3.2 for business? Or 1.5 or 2.4 for rental properties? Or 2.3 or 1.8 for farms? It would be really dumb to write those arbitrary caps in cement in the Indiana Constitution. Look first at how they work and whether there are unintended, painful consequences of cutting off noses to spite the base. ❖

Lesley Stedman Weidenbener, Louisville Courier-Journal: It was 2002 the last time the General Assembly increased the sales tax to cut property taxes. Back then, homeowners were about to be hit by increases in their bills and lawmakers were trying to head off what they feared would be a revolt by their constituents. The sales tax went from 5 percent to 6 percent and the tax hikes were mitigated. That's right: Mitigated. It's not the kind of word that gets lawmakers re-elected. In the last few weeks, as legislators worked out a compromise on the relief and Dan-

iels signed it into law, I've quoted a few leaders using just those kinds of words. But I've struggled a bit, too. That's because -- probably like many homeowners -- I felt a little duped by the 2002 legislation and was left a bit wary. My problem isn't that my property tax bill went up (although it did). Instead, my frustration was more professional.

Back in 2002, getting somewhat swept up in the moment of the tax bill passing, I think I went a little overboard in the way I wrote about the final legislation. When I went back to read what I said back then, I laughed out loud. Before I let you read it, too, let me explain a few more things. Back then, the tax plan wasn't just about helping homeowners. The state also was facing a budget crisis, so the plan included an increase in the cigarette tax to help make up the deficit. Also, the state's economy had stagnated and the legislation reworked the state's business tax system (in part by eliminating the property tax on inventory, something that contributed to the 2007 increases for homeowners) to try to lure more jobs to Indiana. So with that background, here is the start of the 2002 story on the morning after the bill passed: "The state House and Senate have approved the most comprehensive tax-increase and restructuring program in Indiana history with a bill meant to begin digging the state out of its worst budget crisis in more than two decades. Last night Gov. Frank O'Bannon described the bill as 'monumental' and said he will sign it into law as soon as possible." A little dramatic? I think it is in hindsight, anyway. At least I didn't use words like "permanent" to describe the tax relief. Still, I did go on to quote legislative leaders describing the legislation as "historic." Sound familiar? ❖

Gary Gerard, Warsaw Times-Union: A month ago, when writing about the Demo race between Barack and Hillary, I noted that their battle could wind up helping McCain. "In the meantime, moderate and independent voters, disillusioned by the chaos and implosion of the Democrat party, will throw up their hands and flock to John McCain." A couple of weeks before that, I wrote this about McCain: "He's conservative, but he's moderate. That's what voters want. They don't want the fringy stuff on either side of the aisle. That's why, despite McCain's stance on the Iraq war and W's raging unpopularity, McCain is polling dead even with the Demos. And way back in August 2006, I warned a liberal friend of mine: "That's where I believe the Demos are screwing up. The party leadership seems to be of the opinion that the whole country thinks like the MoveOn.org crowd and all the liberal bloggers that keep egging them on. The whole country doesn't think like that. Failing to recognize that is a huge political blunder. OK, so for a long time I've been saying the November election is the Demos' to lose. And it seems to me they are working hard to lose it. ❖





South Bend Schools deny Clinton campaign

SOUTH BEND - Presidential hopeful Sen. Hillary Clinton's campaign announced Wednesday night that she plans to visit South Bend on Friday as part of a two-day town hall tour of the state (**South Bend Tribune**). Where the former first lady will make her appearance here has yet to be determined. While arrangements were well under way for Clinton to hold a rally at Washington High School on the city's west side, trustees of the South Bend Community School Corp. have confirmed that request was denied Wednesday night. Despite the last-minute hitch, local Democrats said they'll find a venue big enough to accommodate Clinton's visit, even if it's not in South Bend. "If it's going to be in St. Joe County, it only takes 10 to 15 minutes to get from one place to the other, if you're really trying. So I don't see this as a problem as far as accessibility," county Democratic Party chairman Butch Morgan told WSBT-TV.



Tax reforms explained in Huntington

HUNTINGTON - Property tax reform is a good thing. Everyone agrees with that statement, especially when Indiana residents were confronted with skyrocketing increases over the last couple of years (**Huntington Herald Press**). Now that the legislature has reworked the property tax formula, taking some levies off of property taxes and putting them on the state, while increasing the sales tax by 1 cent on the dollar, it is up to local governments to figure out what to do in the face

of decreased property tax collection. The trade-offs could make for some hard choices. Two men who had a role in putting property tax reform into place, State Rep. Dan Leonard and State Sen. Gary Dillon, explained what the changes would mean. The audience included not only the seven county council members, who are charged with managing the finances for Huntington County's government, but also Huntington Mayor Steve Updike and at least two common council members, Jason Fields and Keith Eller, plus County Commissioners Richard Brubaker, Jerry Helvie, and Larry Buzzard, and various county department heads. Taxpayers should see a decline in their property tax bills, and the state also has put into effect what is called a "circuit breaker" law which will, in 2010, cap property taxes at no more than 1 percent of assessed valuation for a homeowner's house (a "homestead"), 2 percent for a rental residential property, and 3 percent for business and industrial property. For 2009 taxes, Leonard said, those "circuit breakers" are being phased in at 1.5 percent, 2.5 percent, and 3.5 percent. "Huntington County is fifth in the state for having the most property hit the 1 percent cap for homesteads," Leonard said. "It's pretty dramatic." The reason for that, he said, is the loss of industrial base - Hayes Lemmerz, Dana in Andrews, and so forth. "When we lost that assessed valuation, the burden shifts to homeowners and other businesses," he said.

No one happy with Indy reassessment

INDIANAPOLIS - Marion County's property reassessment, approved Wednesday by the state eight months after flawed 2007 bills unleashed a tax revolt, wasn't sitting well with businesses or homeowners (**Indianapolis Star**). The redo shifted more of the tax burden to commercial and industrial properties, a change that business interests predicted could make India-

napolis less competitive in retaining and attracting employers. And angry homeowners expecting significant relief from last summer's bills aren't likely to be satisfied with the less than 1 percent drop in residential assessments. It is too early to tell exactly how the new property values will affect 2007 tax bills. That's because the assessments represent only the first step in recalculating bills Gov. Mitch Daniels threw out last summer because of concerns about the property values used to calculate them.

Income tax won't solve Fort Wayne budget woes

FORT WAYNE - Even an increased local income tax wouldn't save Fort Wayne from making significant budget cuts, according to recently released state data (**Fort Wayne Journal Gazette**). Data from the Indiana Legislative Services Agency show that if the city enacted the maximum 1 percent income tax increase, it would still face a \$3.2 million budget shortfall in 2010 because of the recently approved tax caps. Fort Wayne Controller Pat Roller expressed disappointment at the news, especially because it seems local governments are being punished despite the city's record in keeping costs low. "We've been treated like we haven't done a thing," she said. Mayor Tom Henry announced he is asking for help from residents. The mayor wants residents to attend neighborhood partnership meetings in May, when he will present an overview of the state's legislation and how it will affect city coffers. "We are all in this together," he said in a statement. "It is critical for the community to be involved in the choices we make."

EPA accepts BP permit

WHITING - The U.S. Environmental Protection Agency has made the first indication it will accept the IDEM air permit for BP Whiting.