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Indiana's Property Tax Dilemma and 2006

Espich doesn't see next session for a solution

By BRIAN A. HOWEY in Indianapolis

Here is a prediction: Your property taxes are going to go up between now and the next Indiana General Assembly budget session in 2007. Not the 50 or 200 percent that occurred a couple of years ago. But if you live in one of the 50 counties which hasn't ended the inventory tax, those residential property taxes could go up in the neighborhood of 10 percent after the inventory switchover, annualized assessed valuation, and trending.

"That's before you even get into what happened in the 2005 session," said House Ways & Means Chairman Jeff Espich. "Then you take the 2005 session, which was grossly misinterpreted. But controlling the growth of the Property Tax Replacement Credit will definitely push up property taxes even more."

State Sen. Luke Kenley added, "The situation puts more pressure on local government. Most of them feel they are on very strict budgets right now. I know they feel very squeezed. With the failure for providing replacement for the PTRC freeze, that puts more pressure. Now schools are going into capital/transportation funds, and while they are not huge increases, they all add up and add pressure to the system."

Property tax credits were "a big reason the state was going broke," Gov. Mitch Daniels said Thursday in South Bend, quickly adding that he won't give up on ideas to shift the tax burden away from landowners (Trevor Wendzonka, *Elkhart Truth*).

Last December, it was Sen. Kenley, who heads the Senate Budget Committee, who convinced Gov. Daniels that the PTRC was an out-of-control locomotive heading down a steep grade. He argued that the PTRC was a perverse incentive for local units of government to raise property taxes because the state was good for a third of the cost. In Kenley's view, it was a classic rob Peter to pay Paul situation. The counties that stand to be shorted in the current process were, for years, the beneficiaries. But that is slight solace for homeowners who saw the sales tax go up a penny in



Speaker Bosma and Ways & Means Chairman Espich with endangered House Republicans. (HPR Photo)



"I think it's time to welcome (Joel Silverman) to the public sector. He has created a firestorm throughout the state."

— Senate President Pro Tempore Robert D. Garton, on the plan to close 12 license branches, to the *Columbus Republic*

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2002 with the explanation that it would keep property taxes low.

Kenley was the key player and Daniels bought into the argument. But it left House Republicans freaking out over a perceived "pass the buck" to local governments.

That pressure on the system is already beginning to have political consequences. As we've reported, Richmond City Council President Bruce Wissel is challenging State Sen. Allen Paul in the Republican primary. Now we learn that Cass County Commissioner Rick Eller is considering a similar primary challenge to State Rep. Rich McClain, R-Logansport. Fountain County Sheriff Bobby Bass is eying State Sen. Joe Harrison. HPR expects more local officials to challenge other entrenched legislators in Republican and Democratic primaries as the realization of what has just happened spreads.

Just in one week

In just the past week, more school layoffs were announced in Muncie, where 18 teachers were pink-slipped Tuesday, as well as Monrovia and Anderson. Tippecanoe County taxpayers learned they will probably have to float a bond issue to pay for juvenile incarceration funds owed to the state. Lake County taxpayers discovered that the casino funds are running out to pay for the 2 percent property tax circuit-breaker.

Anderson Community Schools Supt. Tim Long explained, "We're going to have to find ways to make up more of the shortfall to provide protection for these programs that are important to us and benefit our children." Long said that "underutilized" facilities will be among the areas scrutinized by the school board. "Four years ago we had 27 schools, and that has been reduced by nine" (*Anderson Herald-Bulletin*). "We will continue to look and see how we can become more efficient."

And local officials are reporting that legislative Republicans are pretty squeamish about the property tax situation. "All those guys are pretty jumpy about the whole thing," Elkhart County Auditor David Hess said of legislators (*Elkhart Truth*). "I think what you'll see is a whole lot of work over the summer, and when they come back for the next session, there will be all sorts of options proposed."

Not so fast

No so fast, Espich told HPR on Tuesday.

He noted that the plan developed by Sen. Kenley that would have shifted some of the property tax burden over to income taxes was too radical. Espich said that while the Kenley plan controlled, for instance, school operational costs, it wouldn't do so with cumulative capital accounts. "But most of the increases aren't coming from operational levies but the

debt service," Espich said. "It's the construction of buildings. There has been a huge binge of school building over the last few years."

Those words echo what Gov. Daniels said on April 30 and reported extensively in last week's HPR. He was spreading the same message in Evansville on Monday, telling the *Courier & Press* editorial board, "We spend more money for non-instruction than other states. We have a minimum seven more adult (school employees) per 1,000 kids than the national average, and none of them is a teacher. They're all doing something else."



Gov. Daniels: Education is for kids, not contractors. (HPR Photo)

Additionally, Daniels said, "the research clearly bears out that we build much bigger schools and additions to them than the rest of America, and we spend more per square foot to do it. These are dollars which could otherwise be spent on teacher pay, free textbooks, all-day kindergarten or

other things we want to do."

Espich said the Kenley plan could have ended up placing new income tax burdens on workers, while failing to address the biggest engine in property tax growth, which is the building binge.

And, Espich said, it wasn't vetted like Gov. Doc Bowen did in 1972-73 with his property tax reforms. "It wasn't that it didn't have merit," Espich said. "It was too dramatic to be accepted in two or three months of time. I can't imagine an election year session will lead to any change in that attitude."

Even in the face of growing anger by local officials who see their legislative colleagues as simply passing the buck down the foodchain, as people such as Commissioner Eller and President Wissel are doing now? Wouldn't the blame in 2006 center on House Republicans who scuttled the Kenley plan and ruled out slots as a funding mechanism?

"Maybe so," Espich conceded. "I don't think we can add any comfort."

Interesting questions

Indiana Fiscal Policy Institute President Steve Johnson believes it is too early to determine whether anything will be substantively addressed in 2006. "I think you have two issues playing here. Through 2002 restructuring, the state took on a huge obligation to fund local government and schools to the tune of \$2.3 billion," Johnson said. "The state couldn't continue in the future, particularly in the face of trending, the new market value system, and a new reassessment.



That mitigation would have been tremendous.”

There is a lot of talk among the administration, legislators and local leaders over what kind of tools they may ultimately have to replace some property taxes. That’s going to be a real interesting discussion.”

Johnson said that Sen. Kenley “started the discussion” on local option income taxes. “The real issue is whether that option is operable; whether there will be some option. They had the old phantom board utilized in the ‘70s. Local officials would step up to the plate making some level of decisions and what distribution between income and property taxes.”

The Indiana Fiscal Policy Institute is currently working up a report on what occurred in the 2005 session. And Johnson, the former Republican senator from Kokomo, worries that time may be running out to restore reserve funds in the wake of the next recession. “That will give a little indigestion to anyone,” Johnson said, noting that the 2001-2002 recession was relatively mild, compared to, say, the economic downturn from 1979-1982 that was induced by the shock of high gasoline prices.

“This past recession we didn’t have high interest rates, no high unemployment rates. There was no inflation,” Johnson said. “But the state took an absolute bath on individual income tax.”

He said the dot.com bust brought about an unusual situation which cut deeply into capital gains tax revenues. “That’s why you saw individual income receipts go down,” Johnson said. “I don’t expect to see that again and to that extent. We won’t see that kind of market bubble. Next recession, more of a normal loss.”

Kenley in a Kokomo cage

While Rep. Espich appears to reject a 2006 legislative session solution, Kenley plans to continuing tinkering and working with Gov. Daniels.



House Republicans (in a Kokomo cage?) (House Republican Photo)

Kenley isn’t as critical of local officials as, say, some in the Daniels administration are. “I get the sense they are pretty pragmatic and detailed about their budgets,” said Kenley, whose own Hamilton County Council is straining under a seven-figure budget deficit. “I don’t get the sense they are overspending.”

But Kenley expressed frustration in his role in reshaping

state fiscal policy. “In the first place, I can’t put a bill out on this because it has to be a House bill. This is what I ran into the last time. In December, between the governor and the House, I thought I would work on a plan for PTRC. But I kind of start at a disadvantage. I’m kind of in the same position as I was, unless someone comes up with the plan.”

He said that when he was afforded the opportunity to float his shift from property taxes to income, the idea “came like a shot across the bow. I tried to prepare people, but when it doesn’t appear in a bill until March, that’s a problem.”

Kenley said that after his plan became public, “I went to a meeting of mayors and I thought I was one of the Blues Brothers in Kokomo working in a wired cage.”

He said he viewed the 2002 tax reforms as the “first step in a long continuum.”

“Property tax issues are a behemoth,” Kenley explained. “Although they have worked to some extent, they still haven’t taken away the issue that people are still paying a lot of property taxes. It doesn’t mean they will or should disappear. They are a share of the pie that needs to be trimmed.

“I hope we’ll have a chance to work on these things. I hope because it will be an election year.

A bold gubernatorial move?

Remember this: Gov. Daniels sees himself as someone who will move boldly, where no governor has gone before.

The administration appears to have come to the conclusion that while property taxes are more stable, they aren’t particularly fair. Thus, the Rainy Day Fund is of huge importance, and, in order to have an “orderly” end to the session, a critical sacrifice in the upcoming biennial budget.

Daniels is already poking around the fringe, trying to get Hoosiers to think about the cost of government, particularly schools. In Evansville on Monday he talked about the “little red schoolhouse law” placing some restrictions on the kinds of new public school designs school boards can select.

“When you ask people why do we not do it, the answer tends to be, well, the unions are so strong that if it’s all on the table, they’ll take it all,” Daniels said (*Evansville Courier & Press*).

In South Bend, he noted, “We came a long way in terms of our fiscal situation, but as we go forward, hopefully other options will be considered” (*Elkhart Truth*). “I’d like to see us move away from property taxes over time. To me, owning property is not the best indicator of ability to pay taxes. Just consider seniors, who own their home but don’t have the income they once did.”

The year 2006 offers up a huge opportunity (reforms in the legislative session) and a huge danger (potential GOP loss of the House in November if the weight of property taxes angers voters). The stakes couldn’t be higher. ❖



Indiana pols can inoculate Crane by appealing base closure list

By MARK SCHOEFF JR.

WASHINGTON, D.C. -- When the Pentagon releases a roster of proposed military base closures and consolidations on Friday, it could take a while to discern the political implications. The list will be checked at least twice, giving voters more chances to decide whether they think Hoosier pols have been naughty or nice in their efforts to protect Hoosier installations.

On Friday morning, the Department of Defense will submit its recommendations to the Base Realignment and Closure Commission (BRAC), which will review and potentially modify the list over the summer before sending it to President Bush by Sept. 8. If Bush approves the commission proposal, he must present it to Capitol Hill by Nov. 7. Congress can accept or reject the list but not modify it. The Pentagon, which asserts that armed forces are 25 percent over capacity, evaluated all 425 domestic bases.

The commission will hold hearings in Washington and around the country, giving politicians a chance to continue their appeals to save bases. In Indiana, worries center on the Crane Naval Warfare Center in Martin County, which employs more than 4,000 people directly and through contractors.

The base is located in the district of one vulnerable member of Congress, GOP Rep. John Hostettler (8th CD), and next door to another one, Republican Rep. Mike Sodrel (9th CD). Although no part of the Crane facility is located in the 9th CD, some of its employees live there.

Crane "is vitally important to certain counties in the eighth district," Hostettler said last week after a Capitol Hill press conference featuring six GOP members of the Indiana delegation opposing Indiana base closures. "Issues like Crane, one way or another, will impact the race."

But Hostettler, who has never prevailed by more than 53 percent in races since his 1994 election, emphasized that the closure process is just beginning. "We're going to continue to work with Crane on whatever the outcome is," he said. "We will continue to work with Crane to make sure that whatever transition takes place is...as seamless as possible."

State government has been in contact already with BRAC members. "If Crane is on the list, however, it's on the list; we'll be working with the commission to keep Crane going strong," said John Clark, senior adviser for economic growth for Gov. Mitch Daniels.

"This is not the best time to be a land-based Naval base when the Navy is fighting for every ship it can," said Clark.

Sodrel, who won his seat in 2004 by 1,400 votes, is confident that the Hoosier delegation has pursued every avenue to save Crane. "I don't think anyone thinks that we take this lightly or we're not working as hard as we can to achieve the proper outcome," he said.

Daniels Effect: Speaking Budget Language

For Crane, the result is likely to be mixed. "I cannot imagine they will close Crane down," said Clark. "I also can't imagine that they're not going to do a thing. It will be proposed for realignment in some fashion." Crane likely will lose some operations but gain others.

Hostettler is optimistic that the base may receive good news. "There will be a transition, but I believe it will be a transition to increase capacity at Crane," he said.

Crane supporters have stressed that the facility serves several branches of the military, has low labor costs, and generates innovations that benefit both U.S. forces and the private sector. Crane might benefit from its wide customer base, which includes the U.S. Army, Marine Corps and Coast Guard, because the military is putting a priority on "jointness," or interoperability.

Daniels has played a key role in shaping the language of Crane advocacy. "The main Daniels effect has been the way we've been able to make this case in terms that are meaningful to budget analysts," said Clark. "He knows the vocabulary. He knows the process. He knows how to push the right buttons. Mitch has been very involved in the lobbying and how we craft what we lobby."

Potential Political Benefits

If the outcome is positive for Crane, one person who may benefit is former GOP Sen. Dan Coats, who has been Indiana's chief Washington lobbyist on the base closure issue. Coats, who recently returned from a three-year stint as U.S. ambassador to Germany, could use a victory in the BRAC process to bolster a future campaign. The atmospherics surrounding military issues are usually good for incumbents, providing an opportunity for patriot pronouncements. At last week's press conference on Capitol Hill, Sodrel told an anecdote about the people of Milan rallying around U.S. troops at a recent event even though they don't have a local unit deployed in Iraq or Afghanistan. "Hoosiers have always supported the nation's military," he said. ❖



Gov. Daniels and ambassador Coats



More local officials are eyeing legislators

TRENDLINE: One local official -- Richmond City Council President Bruce Wissel's challenge to Sen. Allen Paul in the primary -- does not make a trend. But there are two more local officials exploring potential 2006 primary challenges to entrenched Republican legislators: Cass County Commissioner Rick Eller in State Rep. Rich McClain's district, and Fountain County Sheriff Bobby Bass in Sen. Joe Harrison's. If they officially declare, that establishes a trend. And it's very, very early. As more people understand what HPR's lead story covers this week, it is very conceivable that these ranks of local officials deciding to go to Indianapolis to change the paradigm will swell by the February 2006 filing deadline. At that point, there will be no property tax remedies, only talk and controversial legislation.



Indiana 2006 Congressional

Congressional District 8: Republican: U.S. Rep. John Hostettler. Democrat: Vanderburgh County Sheriff Brad Ellsworth, Jon Jennings. **Geography:** Evansville, Terre Haute, Greencastle; Posey, Vanderburgh, Warrick, Gibson, Pike, Martin, Daviess, Knox, Sullivan, Greene, Owen, Clay, Vigo, Vermillion, Parke, Putnam, Warren and part of Fountain counties. Media Market: Evansville, Terre Haute, Indianapolis. Lafayette. **People:** Urban/rural 58/42%; median income \$36,732; poverty 10.7%; race white 93.7%, black 3.7%, Hispanic .9%; blue/white collar: 32/52%. **2000 Presidential:** Bush 56%, Gore 42%; Cook Partisan Voting Index: R+8. **2002 Results:** Hostettler 98,952 (51%), Hartke 88,763 (46%), **2004 Results:** Hostettler 145,576, Jennings (D) 121,522, Garvin (Green) 5,680. 2006 Forecast: Ellsworth is being encouraged to look long and hard at this race, being invited to party events by 8th CD Chairman Anthony Long. "I would say I'm leaning toward it," Ellsworth told HPR. "I've talked to people here and in Washington. I've tried to talk to Jon Jennings. I should come to some kind of decision in the next couple of weeks." Ellsworth is a two-term sheriff and has spent his career with that department. He said he would

appeal to the Hostettler voter which consists of pro-life, pro-gun and home schoolers. "Congressman Hostettler and I have the same base in Vanderburgh County," Ellsworth said. "I don't want to run against him, but for the office." Jennings, who got 45 percent of the vote against Hostettler in 2002, is pondering a rematch. "It's interesting that Brad was one of my biggest supporters but hasn't done me the courtesy of calling me" to convey his interest in running in 2006, Jennings told the *Evansville Courier & Press*. The race took a distinct shape late last week when former House Speaker John Gregg told HPR he would "absolutely not" seek the nomination in 2006. "John has long served the people of Indiana," Hostettler said in an HPR interview. "I actually talked to John a few months ago, and I understand his desire to continue to stay out of the limelight and out of politics to spend more time with his family. I can certainly empathize with that decision he has made." Gregg would have given the Democrats a candidate who starts the race with a wide base in the district. Hostettler's opponents over the last 10 years have had to spend time and money building name identification. Still, Hostettler has never won with more than 53 percent of the vote and usually begins fundraising late. Hostettler, who says he intends to run for re-election, had \$1,212 on hand as of March 31. He expects another tough campaign next year. "A lot of my colleagues are suggesting that there has been an end to the Bloody Eighth," Hostettler said. "But I don't believe that. I believe the people of the 8th district continue to be tremendously engaged in the political process. And either as a six-term incumbent or a candidate we have got to sell ourselves to that electorate. They are, in a Jeffersonian sense, very skeptical of us, and so we have to work for their trust."



John Gregg running in the Bloody 8th in 2006? "Absolutely not," he said.

Status: *LEANS HOSTETTLER.*
Congressional District 9: Republican: U.S. Rep. Mike Sodrel. Democrat: Baron Hill. **Media Market:** Evansville, Indianapolis, Louisville, Dayton, Cincinnati. **People:** urban/rural 52/48%, median income \$39,011; race white 94%, 2.3% black, 1.5% Hispanic; blue/white collar: 34/50%; **2000 Presidential:** Bush 56%, Gore 42%; Cook Partisan Voting Index: R+8. **2002 Results:** Hill 96,654 (51%), Sodrel 87,169 (46%). **2002 Money:** Hill \$1.144m, Sodrel \$1.62m. **2004 Results:** Sodrel 142,197, Hill 140,772, Cox (L)



4,541. **2006 Forecast:** Hill is pondering a third matchup with Rep. Sodrel. We'd be extremely surprised if Hill didn't try to regain his seat, given his competitive nature, his penchant for the job, the razor-thin margin of defeat in 2004, and the fact that Sodrel won't have President Bush and Gov. Daniels on the ballot to give him a tailwind. Historically, the second mid-term election in a presidency is not kind to the party in power. **Status:** *TOSSUP.*

Indiana 2006 Senate

Senate District 21: Republican: State Sen. Jeff Drozda, Rick Skiles. Democrat: Open. **2002 Republican Primary Results:** Drozda 7,718, Johnson 7,390. **2006 Forecast:** Skiles, a Westfield attorney, is researching a challenge to Drozda in the Republican primary. Drozda signed the no new tax pledge, but voted for the budget and HB 1120. Plus there are some hard feelings left over from his upset of Steve Johnson in 2002. **Status:** *Safe R.*

Senate District 22: Republican: State Sen. Ronnie Alting. Democrat: Open. **1998 Results:** Alting 14,693, Riehle (D) 11,840. **2002 Results:** Alting 15,902, Sanders (D) 8,087. **2006 Forecast:** Last week we had this race as "Leans D." That was a mistake. It's really ... **Status:** *Safe R.*

Senate District 23: Republican: State Sen. Joe Harrison, State Rep. Tim Brown, State Rep. Jeff Thompson, Fountain County Sheriff Bobby Bass. Democrat: Open. **1998 Results:** Harrison (R) 21,175 Shelby (D) 11,436. **2002 Results:** Harrison 23,811. **2006 Forecast:** Harrison is said to be making up his mind on whether to seek re-election. If he does, he will almost certainly have primary opposition. The current talk is that both Reps. Brown and Thompson are shying away from this seat. But Republican Fountain County Sheriff Bass is seriously entertaining a run. **Status:** *Likely R.*



Sen. Harrison

Senate District 41: Republican: Senate President Pro Tempore Robert D. Garton. Democrat: Open. **1998 Results:** Garton 26,499. **2002 Results:** Garton 21,918, Gividen (L) 3,350. **2006 Forecast:** Memo to Sen. Garton: there is no "firestorm" sweeping Indiana about the closure of the Hope license branch and its 11 little brothers. A "firestorm" is what could hit Indiana after property owners realize how 10 years of deficit budgets you and Sen. Borst signed off on, along with this new one that does (but passes the buck on to local property taxpayers), will bring about double digit hikes and raise mortgage payments. That could be a real firestorm, senator. **Status:** *Safe R.*

Indiana 2006 House

House District 24: Republican: State Rep. Richard McClain, Cass County Commissioner Rick Eller. Democrat: Open. **2004 Results:** McClain 14,825, Southern (D) 7,089. **2006 Forecast:** Commissioner Eller is pondering a primary run against McClain. Local sources say that Eller is extremely conservative. If Eller gets in, watch for a potential third candidate to emerge from Carroll County, where community fathers believe they are currently being shut out of legislative politics. **Status:** *Leans R*

House District 33: Republican: State Rep. Bill Davis. Democrat: Ron Liggett. **2002 Results:** Liggett (D) 9,143, Thornburg (R) 6,895. **2004 Results:** Davis 13,330, Liggett 10,924. **2006 Forecast:** Liggett announced at a Jefferson-Jackson Day dinner in Winchester that he is aiming for a rematch. **Status:** *Tossup.*

House District 64: Republican: State Rep. Troy Woodruff. Democrat: John Frenz. **2002 Results:** Frenz 10,516, Davis (R) 8,774. **2004 Results:** Woodruff 12,698, Frenz 12,507. **2006 Forecast:** Woodruff got two key photo ops with Gov. Daniels this past week. He was with the governor at the headquarters of Vectren during the clean coal bill. And again on Tuesday when Gov. Daniels signed the methamphetamine bill in Terre Haute. Many Statehouse wags are convinced that Woodruff is dead meat in 2006. But it's way too early to make that determination. Daniels, for instance, believes the clean coal/biofuels legislation he signed with lead to "thousands of new jobs." And should the methamphetamine bill put a big dent in the epidemic, Woodruff will have been involved in some real public policy successes. Sponsors and co-sponsors of Indiana's methamphetamine bill said Tuesday they feel the bill is strong. "It's as tough a bill as we can get," said Woodruff (*Terre Haute Tribune-Star*). Obviously, he has his work cut out from him on since the DST vote, but he would have been vulnerable anyway, given the closeness of his victory over John Frenz and the historical overtones to the 2006 mid-term elections. **Status:** *LEANS D.*

House District 69: Republican: State Rep. Billy Bright. Democrat: Gerry Michl, Dave Cheatham. **2002 Results:** Lytle 9,777, Newell 7,678. **2004 Results:** Bright 12,639, Lytle 11,018. **2006 Forecast:** Two Democrats are already lining up against Rep. Bright. They include former State Rep. Dave Cheatham, a North Vernon educator, and Gerry Michl, a nurse from Madison who is married to a doctor. Michl has been active in the community. Cheatham was elected to the House in 1984 and served eight years before retiring, making way for Markt Lytle. **Status:** *LEANS D.*





What time is it, Republicans? Is it time to keep bashing gays?

By BRIAN A. HOWEY

INDIANAPOLIS - The irony of the April 25 Indianapolis City-County Council vote on extending non-discrimination benefits to gays is that a good part of the gay community was at Clowe's Hall raising \$366,000 for the fight against AIDS at the annual "Spotlight" show.

Many of those folks might have turned out to watch a five fearful Democrats side with Republicans in sinking the ordinance. This occurred after gay basher-in-chief Eric Miller and his Advance America group organized an e-mail campaign against the ordinance. The thousands of e-mails coming from across Indiana were enough to scare Democratic Councilor Sheron Franklin into voting against the proposal, stunning proof that not all politics is local.

"The response was overwhelmingly against this ordinance," said Republican Councilman Scott

Schneider, who helped lead the opposition (*Indianapolis Star*). "The reason why it died is because the people don't want it."

Said Miller, "What the City Council did tonight was to say that businesses should still have the right to hire . . . who they want to hire and they should not be forced to hire homosexuals."

The problem with Schneider's assertion is that polling data obtained by HPR from an extremely credible Republican source indicates the exact opposite.

A sample size of 251 taken by a prestigious national polling firm in 2004 with a +/-3 percent error rate asked this question: *Would you support a state law that would prohibit employers, landlords and others from discriminating against someone based on sexual orientation?*

The poll revealed:

Total Favor	(157)	63%
Total Oppose	(76)	30%
Don't Know	(13)	5%
Refused	(5)	2%

Strongly Favor	(112)	44%
Somewhat Favor	(45)	18%
Somewhat Oppose	(30)	12%
Strongly Oppose	(46)	19%



In Marion County, support of such a proposed law was 67-25 percent. But in the Republican-dominated doughnut counties, the numbers were an even more resounding 72-22 percent in favor.

Our extremely credible sources tell us that Republicans are making a serious miscalculation on this issue. Councilor Scott Keller, a Republican, told HPR that of the 3,000 e-mails he received against the ordinance, only three came from people living in his eastside district.

And HPR's gut tells us this type of bigotry runs against the grain of most Hoosiers, who believe in basic fairness.

Scott Jones: Father of DST

Lost in all the hubbub over passage of Daylight-saving time were the accolades for the one guy who decided to put the issue on the front-burner several years ago: Former Escent CEO Scott Jones, the father of voice mail.

It was Jones who helped establish the Hoosier Daylight Coalition back at the turn of the century after he returned to Indiana from Austin, Texas. Jones was able to enlist the support of a broad-based group of powerful lobbyists -- Bill Moreau Jr., Joe Loftus, Brose McVey, Andy Thomas.

The late Gov. Frank O'Bannon helped elevate the issue when he called for DST passage in a State of the State address. But by 2003, the movement had run out of gas. Teri Pizzano was able to keep a low-boil grassroots network in place. After Gov. Daniels was elected in 2004 and sensing a new opportunity, former Jones aide Cameron Carter along with Mark Shublak of IceMiller, David Wu of the Governor's staff and Brian Bergsma of the Indiana Chamber retrieved Jones' files and began what became a vote-counting, arm-twisting odyssey on an issue that many thought would be impossible to pass.

"If Joe Kernan was governor, I don't think we'd have Daylight-saving time now," said Carter, who noted the irony of the 51st vote (Rep. Troy Woodruff) coming from a western Indiana border district as testimony as to how far the issue had come as an economic building block.

On April 30, Gov. Daniels was asked whether he preferred Eastern or Central time.

Daniels explained, "I haven't made any prejudgment about any proposal to make. Our customers will no longer be confused. I will say, during the debate of this issue, I think we learned some things. There were a lot of voices that said the Central Time Zone was more appropriate. We'll move quickly on the next step and it will be a participatory step."

But without Scott Jones and the years of groundwork, the impossible probably would have remained so. ❖



Morton Marcus, *Syndicated* - Last month the U.S. Census Bureau released its population projections for states. According to these latest numbers, our state's population will grow by 560,000 persons in the next 25 years. This would be a 9% increase while the nation is adding 23% to its total. Is this what we want? Do we want to see Indiana continue to lag behind the rest of the nation, facing the stress of and reaping the benefits of growth? Or are we happy to let other places have the problems of growth while we continue to edge along perhaps building a more solid future? Two particular concerns rise from these projections: First, in the U.S. all age groups are projected to increase. In the Hoosier state, persons 25 to 44 years of age are projected to decline. They are those born between 1986 and 2005. They are today's infants up to 19 year olds. There is no indication in these projections if Indiana is to witness out-migration of this group or of their parents. Either way, Indiana loses. This age group is the key part of the labor force. They will drive our housing markets, retail trade, and community development. The second concern is that the growth of Indiana's population 65 and older is projected to be 83% of the total growth we will experience in the next 25 years. Nationally the figure is 51%. They are today's decision makers, voters, and workers. What our state becomes will be determined by their imagination, creativity and willingness to make a better future for themselves, their children, and their grandchildren.

Amos Brown, *Indianapolis Recorder* - Even though Gov. Daniels has been rhetorically roughed up by this pundit, Daniels defended Black media's rights last week. While Gov. Daniels was being interviewed live on our WTLC-AM afternoon talkshow from outside the House Chamber, WISH-TV veteran political reporter Jim Shella tried to insert his mike and camera into our live radio interview without permission. This was a breach of media protocol and respect. On air, Gov. Daniels pointedly reminded Shella this was an exclusive interview and Governor Godfather shot Shella a look that said, "butt out." Thanks to the governor for reinforcing media respect. His mulligan is on file. ❖

Jack Colwell, *South Bend Tribune* - Sen. Richard G. Lugar is seeking to avoid use of a nuclear option. Not unusual, of course, for a senator who has worked tirelessly and effectively for dismantling of potential loose nukes in the former Soviet Union. But Lugar is concerned now about explosive fallout right in the U.S. Senate chamber. An explosion with a lot of fallout would erupt if what is termed the "nuclear

option" is used by the Republican majority in the Senate to prevent filibustering of President Bush's judicial nominees. "If we have the nuclear option, I hope it would not be soon," Lugar said Wednesday during a stop in Elkhart. The Indiana Republican expressed concern that resulting fallout could stall vital energy legislation, highway funding and all the major spending bills, including supplemental spending for troops in Iraq and Afghanistan. "At the end of the day, I will support Leader Frist in what he has to do," Lugar said. Failure to back Frist would undercut the leader in negotiations, Lugar said, and allow Senate Minority Leader Harry Reid, D-Nev., to claim that "your own folks aren't behind you." ❖

Rich James, *Post-Tribune* - Pardon me if I temper my enthusiasm over the creation of the Northwest Indiana Regional Development Authority. Don't get me wrong. I think it can amount to the second coming in terms of economic development for NWI. This could be bigger than the Cubs winning a World Series. All right, almost bigger. Yet, I worry. The General Assembly has created an RDA that will sink or swim on the decisions of a seven-member board. Gov. Mitch Daniels will have two appointments — one of whom will serve as chairman. Originally, that person was to be from Lake County but, surprise, that stipulation was deleted at the final hour. That's unfortunate, but something the RDA can live with. Here's where I start to get a little anxious. Kind of like an alcoholic who's nursing his last bottle of gin and the welfare check is still a week away. The governor also has an appointment from Porter County based on the recommendation of the Portage mayor. And if Porter County kicks in \$3.5 million, the County Council and commissioners will have an appointment. The last four come from Lake County. The mayors of Gary, Hammond and East Chicago each name a member. And county officials have an appointment as well. So, who is going to control the board and decide how \$28 million is spent annually? Depends. Some might say the governor will hold the reins in that he names the chairman and is holding money in reserve. The legislation promises \$5 million each of the next two years from the state. But that could be \$10 million a year if the governor is feeling generous. I suspect the thing that would put Mitch in such a benevolent mood is whether economic development projects he holds dear are getting funded. Perhaps, for example, the convention center that Dean White wants built in Merrillville. But I'll cut the governor some slack for the time being. He may be holding back to see the final design of the board. For that, I can't blame him. That's why I'm nervous about the appointments from Lake and Porter counties. ❖





Daniels signs RTA, Colts bill in Gary

GARY - Projects important to economic development and growth for Northwest and Central Indiana will soon be underway now that Gov. Mitch Daniels has signed HEA 1120 into law. Local officials, state lawmakers and federal officials joined the governor today at the Gary/Chicago International Airport for the bill signing that creates the Northwest Indiana Regional Development Authority (NIRDA) and authorizes financing for a new Indianapolis Colts stadium and expanded Indiana Convention Center in downtown Indianapolis. The Regional Development Authority, which earned bipartisan support in the House and Senate, will be charged with developing and funding airport expansion at the Gary/Chicago airport, regional rail and bus transportation projects and facilities as well as shoreline and economic development capital projects. A bipartisan group of Porter and Lake County legislators led by Sen. Earline Rogers, D-Gary, Sen. Sue Landske, R-Cedar Lake, Rep. Chet Dobis, D-East Chicago, and Rep. Ralph Ayres, R-Chesterton, negotiated NIRDA with the governor's office. "This should jumpstart economic revitalization in Northwest Indiana. The success of this project is important not only to this region but to the state as a whole," said the governor. "In two years, I hope that through local cooperation decisions have been made and the first earth moved on projects important to the region."



Daniels signs meth bill in Terre Haute

TERRE HAUTE - Gov. Mitch Daniels signed a bill into law on

Tuesday that will restrict sales of certain cold medicines in an attempt to curb the state's growing methamphetamine problem (*Terre Haute Tribune-Star*). Daniels signed the bill, which will take effect July 1, on the steps of the Vigo County Courthouse. "The epicenter of this epidemic is right here," Daniels said. "We need to help people free themselves." Although local law enforcement say the bill is a step in the right direction, many hope the state law will become even stricter, mirroring Vigo County's ordinance. "We realize this will be a cause for inconvenience to customers and retailers," Daniels said. "We recognize that and appreciate you bearing with us. The extra difficulty is worth taking on." Daniels said the bill closely resembles an anti-methamphetamine bill in Oklahoma, which experienced an 80 percent drop in methamphetamine lab seizures across the state over a recent 10-month period.

192 cherry masters confiscated by Excise PD

FORT WAYNE - The number of northeast Indiana alcohol-serving establishments cited this year on suspicion of possessing illegal electronic gambling devices has grown to 30, Indiana State Excise Police Lt. John Folk said Tuesday (*Journal Gazette*). Some of the bars and social clubs also have been cited for promoting professional gambling. All told, \$10,440 has been confiscated from 192 machines, and all of the machines have been disabled by removing the motherboards – the computer components that run the devices. The enforcement actions, which began March 30, stem from a flurry of mostly anonymous complaints filed with excise police. Folk said that as word gets out about the raids, some businesses have removed their machines or motherboards and complaints have tapered off. "I think," he said, "we're seeing an increased level of compliance."

Lake County eyes funding tax cap

CROWN POINT - Property tax protesters and the Lake County Council trained their ire Tuesday on a common enemy: Indianapolis (*Post-Tribune*). The sometime antagonists were left applauding one another in crowded council chambers as council members indicated they would vote to pass a permanent county 2 percent property tax cap. Given that the council voted to use casino money to fund then-Gov. Joe Kernan's one-time 2 percent cap last fall, the words of support were not surprising. Nor was the familiar attack against state lawmakers for shifting costs onto county government. "The state legislators didn't do us any favors this year," Councilman Tom O'Donnell said. Sen. Frank Mrvan, who Smith termed one of his favorite state legislators, was in attendance as the council president blasted members of the legislature for painting Lake County officials as lazy or corrupt. "I'm here to give, not take," Smith said.

GOP kingmaker Don Cox dies

EVANSVILLE - Friends remembered Republican leader Donald B. Cox on Tuesday as a kind person who did a lot for his community without a lot of fanfare, both in and out of the political arena (*Evansville Courier & Press*). Cox, 76, of Newburgh, died Monday. He was Vanderburgh County Republican chairman from 1972 to 1977. "He was probably Mr. Republican in Evansville. He was very good at party politics, party organization," said former Mayor Frank McDonald II, a Democrat.

