



Daily Kos, May 24, 2009

Governor "My Man" Mitch Daniels Dismantling Indiana Government

By WorkingClassHero

Indiana State, municipal and local governments are under threat from Governor Mitch Daniels and radical State Senate Republicans.

On April 28th, the midnight deadline to pass the budget was not met since the Democratic controlled House would not approve the starvation-numbers that would have seriously compromised the ability of the state to fund its schools, which makes up over half of the Fiscal Year budget. If a state budget isn't passed by June 30th, the Hoosier state will shut down, and government services [will no longer be available](#).

And now the state is going into special session, for the reason that the Governor said to the Speaker of the House Patrick Bauer, "I think he (Gov. Daniels) believes, in fact, he told me one day, the Governor has more power and always wins in special sessions. I told him nobody wins in special sessions."

And more concerning has been the accusation by some that Governor Daniels in fact hopes that a budget does not pass due to a government consolidation proposal that was voted down. It is possible the Governor is seeking to starve the government of funds as a way to force consolidation.

In a November 2008 article in the magazine "Governing", Author Josh Goodman Covers the attempt to consolidate local governments into the state:

When local government is divided into that many layers, it tends to be extremely messy. Indiana has 92 counties, 117 cities, 451 towns and 1,008 townships, not to mention 293

school districts, 239 library districts and 886 other special districts. There's plenty of reason to doubt that slicing up municipal responsibility in so many ways is a recipe for sound management.

For decades, in Indiana and in other multi-layered states, there has been talk about bringing coherence to the crazy quilt. Local governments themselves have been slow to act, however. The truth is that the forces preventing these governments from merging willingly — whether it's two school districts, a city and a county, or anything else — are quite strong. Almost inevitably, consolidation discussions are marred by turf battles. If one government is wealthier, it often won't want to combine with a place that has a weaker tax base. Elected officials often resist, out of fear that combining two councils into one leaves fewer offices to run for.

Donald Boyd, a senior fellow at New York's Rockefeller Institute of Government, watched a proposed merger of Buffalo and surrounding Erie County fizzle a few years ago. "The political obstacles are huge," he says. "You're far more likely to rile up voters and not get it approved than you are to pass it." Nationally, there are only 38 consolidated city-county governments. School district mergers are far more common, although no less politically combustible.

Those dynamics explain why states are stepping in to push consolidation or, if not that, more sharing of services between municipalities. They're not stepping lightly. Indiana approved property tax cuts and caps this year that Governor Mitch Daniels says are a way of

forcing local governments to change the way they do business. The legislature also eliminated most of the state's elected township property assessors, shifting their responsibilities to counties.

In terms of the cost savings, however, it isn't readily obvious that it would do anything other than consolidate power into the hands of Mitch Daniels. If there is anything that the Governor can be accurately accused of, it is being power hungry. Already, many offices, such as assessors that are elected positions, are attempting to be turned by the state into appointed positions by the Governor. There is a very specific reason for this, as assessors in Indiana (and everywhere for that matter) have a nasty habit of underassessing houses that belong to political allies, or themselves. The argument to make assessors appointed positions is to ensure that they are "qualified for the office they hold." I would say that is rather insulting to the voters.

So now that the State House denied Mitch Daniels the ability to consolidate political power, he is exacting political retribution by starving the state government. If that is done, it will be much easier for him to make the argument to fold the township governments into the state. Of course he denies this. On the local CBS station blog he states that "We will not shut down government, we will not shut down the flow of money to schools," he said. He did suggest that a continuing resolution that would keep the current budget in place is a possibility. Notice how he says schools and not other local and municipal government services. It is legal under Indiana law to pass a continuing resolution only to fund education.

This has become such an issue statewide that a front group sprouted up pushing for the [consolidation of local governments](#).

With the passage of a 1% property tax freeze, Governor Daniels has already put the State of Indiana on the march towards insolvency. And through his habitual and botched privatization efforts, includ-

ing the [Hoosier Lottery](#), [Social Services](#), and even [for the bills being printed at the General Assembly](#) has cost the state millions of dollars so he can support his political lackeys.

And all the while, last week when speaking with the State of Indiana Department of Transportation he stated incredibly that:

'Throw away the rule book to the extent the feds will let you do it,' Daniels said he told INDOT officials.

INDOT said inflation and other costs have caused the price of the 142-mile extension to climb to \$3.1 billion from an original estimate of \$1.7 billion when they lobbied the federal government for approval in 2003.

Daniels said the state could save money by making the median narrower or using a thinner layer of pavement for the initial construction, the Evansville Courier & Press reported.

Very responsible. Let the next governor and set of taxpayers deal with it.

And all the while that he is slowly dismantling the state for his political allies, the beltway crowd is cooing over how well his campaign was run in 2008 when he ran against candidates that were incredibly weak in the year that Obama won Indiana for the first time since Lyndon Johnson (who, after all, was from Texas). On "The Fix" on May 20th, Chris Cillizza did everything except personally deliver a puppy to Mitch Daniels as a thank you for [being so awesome](#). In the piece he describes how Governor Daniels is 'not seeking higher office', and 'writes his own ads'.

He discusses how Mitch Daniels stays with supporters. He certainly has a knack for populism.

But in the end, he is attempting to consolidate political power, is privatizing crucial state services even though it has cost taxpayers more, and continues to hold the state budget hostage.

[Good luck.](#)