Gov. Daniels expected to focus on shrinking local government

Local government consolidation expected to get another push

Gov. Mitch Daniels did not campaign on the politically risky subject of shrinking local government, but he is expected to make a push for that now that he's won re-election.

Whether Daniels is able to push government consolidation through the legislature next year likely will hinge on two key factors:

With other pressing concerns to resolve, including passing a budget during tight fiscal conditions, there might not be time to tackle the issue.

Resistance is expected to be stiff from local government officials who don't want to lose their jobs.

Daniels, responding to the state's property-tax crisis, appointed the state Commission on Local Government Reform in July 2007 to recommend changes that would provide long-term savings to taxpayers and more accountability for local tax increases.

"If you want to get property taxes down and keep 'em down, this commission has given us a terrific road map for doing that," Daniels said.

The commission, co-chaired by former Democratic Gov. Joe Kernan and Indiana Supreme Court Chief Justice Randall T. Shepard, made 27 recommendations to streamline local government.

Daniels and state lawmakers were unable to act on many of the proposals during this year's legislative session because much of their time was consumed with providing immediate property tax relief.

Next year could be a different story.

"The governor supports the thrust of the Kernan-Shepard report," said Jane Jankowski, Daniels' press...
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secretary. "He has said he doesn't expect all 27 of the recommendations to be approved, but he will see how many of them he can get approved, because he thinks it is very important to make progress on local government reform in the next session of the General Assembly."

Daniels, however, has yet to say which of the recommendations he favors most. Jankowski said the governor has spent much of the past year gathering input from constituents on the report's various proposals.

The commission's recommendations would cut the number of the state's elected officials by more than half, to 5,171 from 11,012.

That's perhaps why Daniels made little mention of the commission's recommendations during his bid for re-election.

"He had a lot of local Republican officials seeing their shadows and being very worried about him," Sen. Luke Kenley, R-Noblesville, said of Daniels' support of the commission's report. "So I think it was a matter of prudence on his part not to mention it during the campaign."

Politically, the governor has little to lose. He has made it clear he does not plan to run for office ever again.

"He won't have to worry about affecting those local parties anymore, so that could be less of a concern for him," said David Bottorff, executive director of the Association of Indiana Counties. "But that's still going to be a concern for legislators."

Generally speaking, the association is lukewarm to the recommendations.

Nonetheless, Daniels has made it clear he intends to spend his second term pressing for lasting changes that will continue to propel Indiana forward.

Making local government more efficient would serve as a key step along the way, Kenley said.

Some of the key recommendations include:

Replacing county commissioners with a single county executive.

Replacing most county elected officials, including sheriffs, with appointees.

Eliminating township government.

Consolidating school districts so none has fewer than 2,000 students.
Merging libraries into one countywide district.

Whether there will be time during the next legislative session to tackle those issues is unclear. Lawmakers already will be grappling with a tight state budget, a push to permanently cap property taxes in the constitution and a Daniels proposal to make college more affordable.

"The budget this year is going to be the huge issue," Bottorff said. "I don't know how high a priority the Kernan-Shepard recommendations are going to be for the legislature."

House Speaker B. Patrick Bauer, D-South Bend, said he would expect Daniels to push some of the reforms but predicted "he'll be selective."

Asked whether he supported any of the recommendations, Bauer gave a veiled answer:

"I will tell you there are elements I'm willing to support, but I believe in the committee system," Bauer said of the legislative panels that review bills. "They will hear those as they go forward, and we'll see how they fare."

Jankowski was more definitive about the governor's hopes for the upcoming session.

"One of the things he wants the next General Assembly to be remembered for is making great progress on local government reform," she said.

House Minority Leader Brian Bosma, R-Indianapolis, said he worries that Democrats will try to stall that progress.

"There's no doubt many more aspects of the Kernan-Shepard reforms need to be examined and enacted, but I have no idea how they will fare with a Democrat speaker," Bosma said of Bauer's leadership in the House. "They have not been anxious to grab those reforms and run with them, but I'm sure it will be a strong topic this session and next."

Resistance from local officials to many of the proposals is sure to be strong. At the time Kernan and Shepard unveiled their report, Bauer said some of the recommendations, including the elimination of township government, might be "politically impossible."

Although Bottorff's group has supported some of the proposals, it opposes moving to a single county executive and the idea of appointing many of the posts that currently are elected.

Bosma said there's no telling how Daniels will approach the issue this time but said the governor has a track record of making unexpected pitches to the legislature. Some examples: his proposed income tax increase for top earners in 2005 and an interstate bypass around Indianapolis in 2007.
Lawmakers should know more once Daniels delivers his annual State of the State address in January, if not sooner.

"The governor, like Santa Claus, always has some surprises," Bosma said. "I'm sure he has a well-thought-out plan he'll present around the State of the State. He's probably written it already."

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