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A House divided

Republicans and Democrats still don't agree on 'comprised' budget

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By Tim Turner
Staff Writer

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With the weight of a state shutdown resting on their shoulders, legislators passed a budget at the last minute of the General Assembly special session, and there are two very different views of that budget.

One side, mostly Republicans, feels that it passed a budget that serves the taxpayers of Indiana by keeping a large surplus in the bank and spending to a minimum. The other side, mostly Democrats, feels that the legislators did a disservice to the taxpayers by passing a budget that takes money from the neediest.

Local state legislators Jim Buck, a Senate Republican, and Ron Herrell, a House Democrat, talked about the budget and present two very different sides of the same issue.

"In terms of what monies the state has and what it is projected to have, this is a very reasonable budget," said Buck. "Would we like to have differences in funding? Sure, but the key is the monies available at the time."

Herrell's view is almost the exact opposite of Buck's.

"I am disappointed in what we did for the (Indianapolis) CIB (Capital Improvement Board) and what we didn't do for our children," said Herrell.

Legislators gave the CIB the ability to increase taxes on tourism-related services and goods.

Schools

One of the key issues in the budget debate was school funding. Republicans wanted a system that emphasized the money following the student, even if that meant charter schools, but Democrats didn't want a system that took sometimes millions away from the poorest districts in the state.

"I think what you are seeing in the current budget is something that we have been working on the last several years, and that is have money follow the child," said Buck. "Indiana is below average on how much is spent in the classroom. The national is 65 percent; Indiana's is 61 percent."

Buck said this is a change as to what the state has done for the last several years.

"We have for many years allowed for a minimum increase guarantee no matter the declining enrollment, and we are changing that," said Buck. "If your school is declining, we are changing that now."

The common Republican catchphrase for this is "ghosting," where schools are paid for students that don't actually attend their schools because they have transferred or moved out of the district.

Herrell sees what the legislature did as taking from the poor and giving to the rich.

"I am disappointed in what it did for education, especially in my community here in Kokomo, Indiana," said Herrell. "It was really hard on the schools here in my area. The governor wants to go

around and talk about an increase in school funding statewide. Well, the ones that got it were the rich, like Carmel and other places like that. The ones that got hurt are the inner-city schools like Kokomo. I was very disappointed in that. We set out on new ground giving tax credits to private schools."

Buck had harsh words for the legislators who voted no on the budget because of education. He said there is a direct correlation between their votes and the amount of campaign money they receive from the Indiana State Teachers Association (ISTA).

"That is easily covered by saying you are voting to protect the kids," said Buck. "I understand the politics of voting no and voting for special interest groups and how easy it is to cover."

Herrell said he does receive campaign contributions from the ISTA, but he added that not one lobbyist for the group spoke to him during the budget talks. He said that the people he spoke to about the budget and school funding were the local school superintendents.

"I thought it would be hypocritical for me to advertise in your newspaper and promote our children and little league and then turn my back on them when it comes time to vote on the budget," Herrell told the Perspective.

The budget that was passed lowered the school funding increase from the traditional 2 percent to 1 percent in the first year and .3 percent in the second year. Buck added that schools would receive 50 percent of every dollar the state brings in over its projected revenue.

Surplus

Another point of contention was Gov. Mitch Daniel's goal of keeping at least \$1 billion in reserves. Daniels was unwilling to spend down the state reserves to cover school funding. Many Republicans supported the governor's initiative.

"I am pleased that we lived within our means," said Buck. "I am one that thought the governor's original request for a \$1.3 billion reserve was probably better, but I understand his compromise in going to \$1 billion."

Herrell said that the Republicans are singing a much different tune than they were singing under the previous administration.

"It was just a few short years ago that when (Democrat) Frank O'Bannon was governor and there was a \$2 billion surplus the Republicans were running all over the state saying the state is not a savings account for taxpayers," said Herrell. "Yet our governor is insisting on having \$1 billion in the bank and cutting Kokomo-Center Township Consolidated School Corp. \$1.16 million. The republicans run around saying that we need \$1 billion in the bank, but when we had \$2 billion in the bank we gave almost everybody in the state got a tax cut."

No new taxes

Buck also lauded the fact that the budget does not increase general taxes, meaning no increases in income taxes.

However, Herrell said that the bill does have new taxes, and that Republicans missed the mark on living up to the Daniel's initiative of not raising taxes.

"One criterion the governor set out was no new tax increases," said Herrell. "This has got tax increases big time for those folks in Indianapolis or those folks that go to Indianapolis to watch a sporting event. How can they say they didn't raise any taxes? Now they want to be specific and say which taxes. If I read the governor's criteria, it said no tax increases. I don't remember it saying no sales tax increase, no income tax increases, or no fees. I believe what the governor said was no tax increases."

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