



STATE OF INDIANA
OFFICE OF THE GOVERNOR
State House, Second Floor
Indianapolis, Indiana 46204

Mitchell E. Daniels, Jr.
Governor

July 2, 2007

John L. Krauss
Director
Indiana University Center for Urban Policy and the Environment
334 N. Senate Avenue, Suite 300
Indianapolis, IN 46204

Dear John:

Over the past several months, you and I have discussed the need for an in-depth review of local government in Indiana. I suggested that your Center for Urban Policy and the Environment would be well-positioned to organize and sponsor a bipartisan group of Hoosier citizens with the experience and expertise to make recommendations for meaningful changes to our outmoded and expensive system of local government.

The current crisis facing some Hoosier property owners only underscores my conviction that Indiana must make long term structural changes to the administration and financing of local government if it is to ever truly solve the state's property tax problems. Therefore, I have enlisted two distinguished Hoosiers, Indiana Supreme Court Chief Justice Randall T. Shepard and former Governor Joseph E. Kernan, to co-chair a bipartisan, blue-ribbon Commission on Local Government Reform. I would like the Commission to operate under the auspices of your Center, which is part of Indiana University's School of Public and Environmental Affairs. The Center would be responsible for organizing and convening the Commission, staffing the associated support effort, and conducting the outreach to local government constituencies and the public.

The Commission should be charged to deliver a set of proposals for changing the structure, organization, and the absolute number of units of local government (and local officials) in order to achieve efficiencies and reduce the financial burden of local government on the taxpayers of Indiana. In conducting its work, the Commission should seek to answer the following simple but critical questions about the future of local government in the Hoosier state:

1. What local government offices might be eliminated to achieve efficiencies and cost savings for Hoosier taxpayers?
2. What local units of government (including schools and libraries) might be successfully consolidated to reduce overhead and administrative expenses?
3. What services or functions of local government might be reduced, eliminated, or provided in new ways to achieve savings for Hoosier taxpayers?
4. Is a Constitutional Convention necessary or desirable as a means to achieve significant reforms in the structure and organization of Indiana state government?

The Commission should review previous studies and analyses of local government reform and restructuring in Indiana, gather additional information as it deems necessary, and report its findings and proposals to the people of Indiana by the end of 2007.

I look forward to working with you and your staff on this important effort.

Sincerely,

cc: Chief Justice Randall T. Shepard
Governor Joseph E. Kernan