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Politics Indiana

Thursday, April 28, 2011

Weekly Briefing on Indiana Politics

Freight train of change at Statehouse

Landmark education, abortion legislation poised for Daniels' signature

By BRIAN A. HOWEY

INDIANAPOLIS - In his 2004 Indiana Republican Convention nomination speech, Gov. Mitch Daniels promised a "freight train of change."

It roared out of the House and Senate this week as legislators passed landmark education reforms and abortion restrictions that included the defunding of Planned Parenthood after an emotional debate.

Both not only reshape 21st Century Indiana for Hoosier women and children, they could become potentially - part of the presidential campaign of Gov. Daniels.

The education reforms will be the topic of discussion at a May 4 speech by Daniels in Washington before the American Enterprise In-

stitute. If you believe there is a political strategy that slings Daniels out of the Indiana orbit and into a national one, it is the education reforms.

"No other state has taken on such an encompassing array of reforms in one fell swoop to address the many



State Rep. Matt Ubelhor, one of the House freshmen Republicans as part of Gov. Daniels "Aiming Higher" class, argues for the Planned Parenthood defunding. (HPI Photo)

concerns facing education today," Indiana Superintendent of Public Instruction Dr. Tony Bennett said on Monday. "With leadership on the part of Gov. Mitch Daniels and

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Is there 'fire in the belly?'

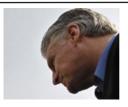
By CHRIS SAUTTER

WASHINGTON - Mississippi Governor Haley Bar-



bour bowed out of the Presidential race Monday saying he lacked the requisite "fire in the belly" needed to run a successful race. If Barbour, who had been frantically running around the country seeking support for his candidacy over the past year, lacks the necessary fire in the belly, what does that say about the reluctant Mitch Daniels, who has been avoiding the presidential trail like the plague?





"I told President Obama that I would serve two years but that family considerations would be front and center after that."

- Tim Roemer, ambassador to India, on his resignation



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In fact, Republican Party leaders have been practically begging Daniels to run. Now with Barbour out of the race, Daniels has a near lock on Washington establishment money to fund his campaign. So why has Daniels been engaging in a public Hamlet-like "to be or not to be" debate? To answer that question, one must recognize what is going on within the Republican Party.

The GOP presidential field continues to shrink as respected establishment figures like Barbour and South Dakota Sen. John Thune take a pass. Potential candidates pass on running for president for one of two reasons. Either they believe the nomination is not worth having, that is the incumbent is so strong that the odds of winning are too long to risk their careers on it. So, for example, in 1991 with George H.W. Bush at 91 percent in the polls in the wake of the first Gulf War, the Mario Cuomo's of the Democratic Party decided to sit out of the race, while the lesser-known Bill Clinton snatched up the nomination and then the presidency.

Or, more frequently, the potential presidential candidates recognize they cannot win the nomination. For example, Evan Bayh dropped out of the 2008 Democratic race after raising \$13 million when he realized there was no place for him to go in that race.

With President Obama's

approval rating stuck below 50 percent and the economy still sputtering, the Republican nomination is clearly worth something. Simply put, Barbour dropped out because he wasn't selling. Like Bayh in 2007, Barbour was getting very little traction as a result of his trips to Iowa, New Hampshire, and even South Carolina.

Former Minnesota Governor Tim Pawlenty isn't doing much better with the Republican base than Barbour did, but Pawlenty's geographic proximity to Iowa gives him a shot there. And, primary and caucus voters are clearly not enthused by the repeat candidacy of Mitt Romney.

The reality is that most quality leaders in the Republican Party are either not connecting well with the Republican base in early primary or caucus states or they are not running—or neither. Why that is may explain a lot about whether Daniels decides to run or not.

The two potential GOP candidates currently at the top of the national polls are former Arkansas Governor Mike Huckabee and business tycoon Donald Trump—both party outsiders. In fact, Donald Trump is the only potential GOP candidate to create any excitement in the race so far, though it has been based mostly on Trump's pushing the bizarre "birther" issue. Trump's wild accusations about Obama's background have made Michele Bachman almost look mainstream.

In fact, support in the polls for Trump's outrageous run-up to the presidential starting line represents a kind of protest vote against the Republican establishment, of which Daniels is clearly a member. What some who in the party establishment are calling a vacuum in the field may be more like a signal.

The Republican base - those voters in the early states that decide presidential nominations - has moved so far to the right that establishment candidates are having trouble getting their footing. The field is being defined by the fringe rather than by the center. The side-show in GOP presidential politics has become the main attraction.

For example, outsider candidates who attract support from social conservatives and far-right conservatives - Huckabee, Santorum, Bachman, Palin, and Paul - are drawing well over 50 percent in early Iowa caucus polling. Iowa is so inhospitable to establishment Republicans like Romney that the 2008 also-ran really isn't going to do much to compete there in 2012.



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Barbour and Daniels are two of the smartest political operatives in the Republican Party and they both have strong ties to the party establishment. The conventional wisdom has been one or the other, not both, would run. As sharp political minds think alike, it may be more likely that neither runs.

If Daniels demurs on running, he will invoke the

standard line about family. The real reason will be because Daniels understands the transformation going on within his own party and he hasn't figured out a way to pull the party back to the center. •

Sautter is a Democratic political consultant based in Washington.

Freight train, from page 1

thoughtful debate and action on the part of Indiana's legislators, our schools will have all the tools they need to dramatically improve academic results for students."

The "Putting Students First" agenda takes the following actions to transform Indiana's education system:

- * Reforms collective bargaining law to give school leaders the freedom and agility they need to run their schools effectively;
- * Ends the practice of laying off teachers with less seniority first, regardless of their effectiveness;
- * Gives great teachers the opportunity to earn pay increases and professional protection based on their effectiveness not just on their seniority or the college credits they earn;
- * Requires multifaceted evaluations for teachers and principals based in part on student learning and growth;
- * Creates Indiana's first school voucher program, allowing qualifying families to use a portion of their child's per-student state allocation to help pay tuition costs at participating non-public schools;
- * Expands the number of entities that can sponsor charter schools and increases accountability for charters to ensure only the highest-quality options for Hoosier students.

House Speaker Brian Bosma, State Rep. Bob Behning (R-Indianapolis), State Rep. Mary Ann Sullivan (D-Indianapolis) and State Rep. Cindy Noe (R-Indianapolis) coauthored House Bill 1002, which will enable charter schools to expand and provide charters with the ability to innovate. The House passed the legislation by a concurrence vote of 61-37 after the Senate passed the bill by a vote of 29-20.

"Our overriding goal for this session has been to give more educational opportunities to every Hoosier family," said Speaker Bosma. Behning said, "All children should have access to a high quality education regardless of their zip code."

Daniels declined an HPI request for comment on the education reforms, the impact they will have on Indiana, and the timing of the reforms until after the General Assembly sine die expected to come on Friday. House Minority Leader B. Patrick Bauer decried the moves, saying, "Universal public schools are going to be diminished. We're going to see an increase in charter schools and a proliferation of private schools. It's a matter of money."

Bennett became the point man less than two years after Daniels recruited him to replace long-time Supt. Suellen Reed. He said he had met with more than 30,000 students, parents, teachers and administrators to discuss the reforms that prompted a five-week walkout by Indiana House Democrats and rallies at the Statehouse.

Coupled with the property tax reforms that allowed most Hoosier students to transfer to any public school district, Indiana families now face an array of choices that include the expansion of charter schools along with 7,500 students who can apply for vouchers.

"Across the state, the conversations about education reform are changing from 'What are we doing and why?' to 'What are the next steps, and how can we be ready?"" Bennett said. "That's a powerful and exciting transition; it means people are ready for action. Given these additional opportunities, I am confident Indiana's parents, teachers, principals, superintendents and school board members have the power and the support necessary to give our students the academic preparation they will need to be successful."

State Sen. Jean Leising is in her second stint in the upper chamber. Her first eight years coincided with the tenure of another self-proclaimed "education governor" - Democrat Evan Bayh. "It's bold," Leising observed. "These different education bills try to address things that legislators have tried to address for years. Back in 1989 we were talking about school choice and vouchers. Even if you filed a bill it wouldn't get a hearing."

Daniels worked administratively on education reforms through the state licensing board and the Education Roundtable when Democrats controlled the Indiana House from 2007 through 2010 and thwarted even the most basic reforms. That brought about the Aiming Higher PAC, a political operation that forged a 60-40 Republican majority in the House, paving the way for what he characterized at the 2004 Republican State Convention as a "freight train of change."



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"One thing is for certain, you can never say the governor wasn't bold," Leising said. "Parents are going to feel liberated. Hopefully it will be good for our kids. The fact that we had 32 chronically deficient schools affecting 25,000 student was compelling." Asked for a time frame when Hoosiers will see tangible results from the change, Leising said it would likely be "three to five years" once the new teaching standards on effectiveness are set.

"The thing in my district causing the most concern is the teacher evaluation bill," Leising said. "Most people who work for large companies get evaluated every year. What are they worried about? It will be interesting to see whether the principals will be bold enough to give a teacher an ineffective rating. I think it would take at least five



years."

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Revolutionary abortion

Late Wednesday afternoon, one of the most emotional abortion debates took place in the Indiana House.

HB1210 didn't just change the period when a woman can get an abortion to a 20-week limit, it defunded Planned Parenthood and changed informed consent rules so that it has to be made in writing.

It ignited an intensely emotional debate on the House floor. State Rep. Eric Turner defended the Planned Parenthood cutoff, saying, "I believe in all my heart there are facilities nearby" to convey the not-for-profit agency's services. "Nothing prevents Planned Parenthood from continuing to provide these services if they don't provide abortions. Nothing in this bill prevents someone from seeking an abortion."

Freshman State Rep. Matt Ubelhor, R-Bloomfield, testified with a map showing an array of pins where contraceptive and planning services are available for Medicaid recipients.

State Rep. Dale Grubb, D-Covington, had backed the original bill, but balked at the Planned Parenthood cutoff. "Do you remember the coat hanger era?" Grubb asked. "I worry about women who end up in that scenario pre-1973. There were terrible tragedies. People will do what they want"

State Rep. Winfield Moses Jr., D-Fort Wayne, feared that health services such as pap smears will be denied women in need. "That includes middle income," he said.

"Rep. Ubelhor says 62 counties have clinics," Moses continued. "There are 92 counties. You might have a death sentence. I think this is simply an attack on women. Particularly poor women. Even middle class women. You

don't know if you can get these services at all. The unintended consequences may be more abortions back door. I get so tired of us mainly older males who say women don't have rights. I see this diminishing half our population. If it was men that got pregnant, we wouldn't be doing this at all." Moses said the Planned Parenthood cutoff "politicizes this."

And State Rep. Matt Pierce, R-Bloomington, noted a series of "ironies" starting with the fact that much of the House freshman class were elected in a tide against the "overreach" of President Obama's health care reforms where "government is interjecting itself into the health care system. "Why is it we decry Obamacare, but now we are going to tell doctors how to do their job?"

Pierce asked.

The bill passed by a 66-32 vote with six Democrats crossing over to vote with the GOP. Turner said, "I've always worked hard in the legislature to make Indiana one of most pro-life states in the country, and tonight we've made another positive step forward. At the end of the day this piece of legislation will allow more women and families in Indiana to make a better informed decision concerning the life of an unborn child."

Planned Parenthood pushed Daniels for a veto. "Hoosiers are angry and they are making themselves heard," said President and CEO Betty Cockrum. "They do not like what is happening at the Statehouse and they are standing with Planned Parenthood. Now it is up to the Governor and we hope, against all odds, he will do the right thing and veto this very bad bill."

Right to Life's Mike Fichter said he expects Daniels to sign the bill. Daniels has not said whether he'll sign the bill, but he has in the past characterized himself as the most "pro-life governor" in Indiana history.

"I haven't decided yet," Daniels said this morning . The defunding of Planned Parenthood "has been attached to a bill I strongly supported," he told The Indianapolis Star. "But we've got a little research to do."

Curt Smith of the Indiana Family Institute told HPI that "we've been assured there are a number of health providers who can serve low income women. Many of these organizations will step up and do more."

Smith called it the "most significant development" on abortion in Indiana since Roe vs. Wade. "In Indiana we are drawing the line at 20 weeks. I think this is the biggest step you can take until there is judicial review. The final steps, Smith said, would be the U.S. Supreme Court overturning Roe vs. Wade.

"We'd love be out of business." he said. .



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What did walkout gain?

By LUKE MESSER

SHELBYVILLE - With final work on this year's legislative session not quite wrapped up, it is a little early for a final analysis of this year's achievements.

But, with the books almost closed on this session, it is not too early to begin asking this year's million dollar statehouse question: What exactly did the House Democrats get out of their month-long walkout?

Speaker Bauer claims victories for sending the Right to Work legislation to study committee and achieving compromises on school choice reforms and prevailing wage legislation. However, the Republican majorities on those issues were tenuous enough that those compromises most likely would have occurred without all the Illinois press conferences. In fact, the Right to Work legislation was declared dead for the session before most of the House Democratic caucus had even crossed the Illinois state line.

Some argue that the walkout slowed the process and "put a white light" on the agenda items that were mov-



ing through the legislature. If that is true, then the public appears to have liked what they saw on the Republican agenda. Two months later, not one major Republican agenda item appears in danger of not passing.

Some argue that the walkout solidified the Democratic base, creating a common working bond for Democratic coalition groups and steeling their cause for fights in future years. If that is true, the bonding came at a high price.

Poll numbers indicate that nearly two-thirds of Hoosiers disapproved of the walkout. And within a few days of the release of those poll numbers, House Democrats declared victory on legislative policy matters and returned to the Statehouse.

It is way too early to know the true political fallout from this year's shenanigans. My instinct is that voters will not forget. They may not spend the next 18 months obsessing over the issue, but when they are reminded of the walkout in the 2012 campaign season, they will remember that they didn't like it. Of course, there will be a lot of water under the bridge between now and then. If times stay tough, voters will be far more focused on jobs and the economy than 18-month-old legislative squabbles. National issues will impact the 2012 election as well. Only time will tell. For me, the lasting legacy of the 2011 walkout may be something that no one would have expected. Years

from now, the walkout may be best remembered as the time that Indiana's state Republican policy leadership came together as never before.

While House Democrats were bonding in Illinois, Republicans were bonding at the Statehouse. As a team, they vowed to not let the walkout become an excuse to lower expectations for the session. They entered the session with hopes of historic achievements, and after the walkout, they kept those expectations intact.

Think about it. Two months ago, after losing an entire month of work time, it seemed impossible that we would be reaching the end of the session without the governor receiving one major legislative defeat. Yet that is exactly where we appear to be headed. And it has taken unprecedented cooperation to make that happen.

Amazingly, Republicans not only met their own high expectations, but they actually exceeded them by adding funding of full day kindergarten to the list, an achievement at least 16 years in the making.

I never imagined I would be saying this, but if House walkouts lead to these sorts of achievements, maybe we need a walkout every year. •

Messer is a former Republican Indiana House member.

Reading the spring tea leaves next Tuesday

By MARK SOUDER

FORT WAYNE - Political logic suggests that the classic expression "all politics is local" would especially ap-



ply to municipal elections. But elections are about people, so all elections give some clues about the attitudes of voters in general. 2007 was not a good year to be an incumbent mayor. 2008 resulted in the ousting of the Republicans from the presidency, but kept a Democrat Congress. 2010 was an election of repentance.

It is very hard to measure the impact of particular groups for many reasons, but the Tea Party is especially

hard. It is clear that the core leaders are very conservative, informed voters who are angry with the liberal direction of the country as a whole. It is also absolutely clear that without the health care bill being jammed through by President Obama their emotion and support would have



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been far less.

Government spending motivates many of them unless the issue is Social Security or Medicare, then the less informed have some doubts. Eliminating government programs divide their support by sub-groups. In socially conservative areas, most are social conservatives. In areas less socially conservative, fewer are social conservatives. Once again, I am not talking about the activists that attend the meetings. But the difference is, by county, a meeting of 100 or a rally of 1,000.

Reading the tea leaves of a few primary elections in northeast Indiana may give some hints of whether the Tea Party – not as an organized group but as a faction rallied around a more conservative small government, less spending and socially conservative agenda – reaches beyond national politics. In other words, is it a "movement" or an anti-Obama thing?

In the Republican mayoral primary in Fort Wayne, all three major candidates are conservative. What has become clear is the increasing push of the establishment – both Republican and Democrat – to try to stop the momentum of Liz Brown, who apparently they view as the greatest threat to the way things are currently being run. This is apparent from Republican contributions to both Paula Hughes and Eric Doden, from Democrats like Ian Rolland contributing to both Hughes and Doden, and an especially nasty editorial against Brown by the Fort Wayne Journal-Gazette while endorsing Hughes.

Hughes, while clearly running the best campaign overall, showed a fair degree of panic with a nasty mailer attacking Brown. It is the first and only attack. In this type of race, you only do that if you are behind. Furthermore, her strength had been the aggressive support of extremely popular Allen County Sheriff Ken Fries. By attacking Brown for supporting the salary of the Fort Wayne mayor (which is higher than the governor's) she accidentally raised another issue: The county sheriff and the county's Coliseum director both receive salaries higher than the mayor and Hughes served on the County Council without raising the issue. Oops.

Brown clearly has wider support than just the Tea Party people, but it is clear that most hard-core social and economic conservatives support her (which is why more liberal Ian Rolland supports everyone but her). Most county elected officials support Hughes. Doden has raised so much money that he will have spent nearly three times more money just on consultants than Brown will have raised for the entire primary. If Brown wins, especially if she wins by a sizable margin in Fort Wayne, which is the least conservative part of northeast Indiana (remember Paul Helmke was the Republican three-time mayor), then it is a sign of a deeper rebellion brewing.

Three other incumbent mayors in the region have

potentially difficult primaries. Terry MacDonald of New Haven, the third largest city in the 3rd District, is under attack for having done a number of things that I would argue needed to be done for New Haven. While he will hold the social conservatives, some of the anti-government people are after him. Should he lose, which is unlikely, it would be a sign of a stronger anti-government wave sweeping our area.

Huntington, which will be back in the 3rd District, is a mess. Whenever you have the mayor and the former mayor he defeated, plus several councilmen, plus a Tea Party candidate, plus other plausible candidates running for the mayor's position, it is difficult to draw much of a conclusion other than that the incumbent is fairly controversial. If Larry Buzzard should win, it would be a sign that the most anti-government side of the Tea Party prevailed.

In Ligonier, incumbent Mayor Patty Fisel has been an energizer bunny for promoting Ligonier during incredibly high unemployment times. Former Mayor Bishop is running against her. The only relevant issue here is that the issue of downtown development efforts by Mayor Fisel is an issue so her unlikely defeat would be similar to one by Mayor MacDonald.

Warsaw has an open seat because popular Mayor Ernie Wiggins is retiring. There aren't Republican liberals in Warsaw, but it is a potential indicator of the more establishment conservative influence. City Council President Joe Thallemer is the favored choice. City Councilman Kyle Babcock, while not a Tea Party guy, is definitely running a more aggressive grassroots campaign. Similarly, Brian Boyer (husband of Monica Boyer, co-founder of Silent No More) is running against incumbent City Councilman and powerful Lake City Bank executive Charlie Smith. Silent No More is stronger outside Warsaw, and neither Babcock nor Boyer is favored to win, but should either win by hard work, it certainly would suggest some chaos in Kosciusko County.

There are other city council and mayoral races in the northeast that may give small clues, but those noted are likely key in sensing the mood of Republican primary voters in this region. If the tea leaves of the spring of 2011 continue to show turmoil in northeast Indiana, the area that in 2007 showed the least upheaval in the state, it would suggest that 2012 will likely show sustained conservative momentum similar to 2010. I am sure Senator Lugar, among others, is watching very closely. ❖

Souder is a former Republican congressman and a regular HPI columnist.



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New faces await Indiana Dems as the guard changes

By BRIAN A. HOWEY

INDIANAPOLIS - It's been 14 months since Evan Bayh announced his retirement from the U.S. Senate. Now with an array of emerging power centers around the state, Indiana Democrats face a new era.

Democratic mayoral candidates will be determined next Tuesday in the key Democratic cities of Indianapolis, Gary, South Bend, Terre Haute, Muncie and Evansville as



new faces replace old guard mayors like Rudy Clay and Jonathan Weinzapfel. Then there will be the reorganization of the Congressional districts and, finally, the emergence of a gubernatorial ticket and a U.S. Senate candidate.

HPI is forecasting Me-

lina Kennedy will take the primary in Indianapolis, Karen Freeman-Wilson will win in Gary, State Rep. Dennis Tyler in Muncie, and former Bayh aide Fred Nation in Terre Haute. HPI gives a slight edge to Vanderburgh County Treasurer Rick Davis in Evansville, to Bloomington Mayor Mark Kruzan, though that race has tightened, and Peter Buttigieg in South Bend. Two internal polls HPI has obtained showed Buttigieg with leads of 2 and 14 percent, he picked up the South Bend Tribune endorsement, and State Rep. Ryan Dvorak has sent out two negative mailers on Buttigieg so far this week. At Dyngus Day on Monday, a number of

sources told HPI that Buttigieg appeared to have momentum and Dvorak seemed tight. Buttigieg has also been endorsed by former Gov. Joe Kernan, former mayor Roger Parent, and the firefighters.

Winning the primaries in Gary, Bloomington and South Bend will be tantamount to staking claim to City Hall in those heavily Democratic cities. Tyler will be a heavy favorite over controversial Muncie Mayor Sharon McShurley and Nation will be a moderate favorite over Terre Haute Mayor Duke Bennett in a city that has thrown out the last four incumbent mayors.

They will likely join a core of medium-sized city mayors like Kokomo's Greg Goodnight, Richmond's Sally Hutton, Lafayette's Tom Roswarski and Fort Wayne Mayor Tom Henry, who has high favorables in polling there.

The general election battles in Indianapolis and potentially Evansville will be bruising. Democratic and Republican internal polling in the potential Kennedy challenge to Indianapolis Mayor Greg Ballard show the Democrat trailing. Marion County Democratic Chairman Ed Treacy points to straight party voting trends where Democrats have had a "substantial margin" in the last two races in 2008 (58,000) and 2010 (21,000). In 2006, Indiana Democrats did not challenge U.S. Sen. Dick Lugar and had only a 10,000 straight party vote edge, which helped incumbent Republican Prosecutor Carl Brizzi defeat Kennedy. In 2007, when Ballard upset Mayor Bart Peterson, the property tax firestorm kept the Democratic margin to a bare 2,000.

"If we had had a candidate against Lugar, she would have beat Brizzi," Treacy said.

In Northwest Indiana, the retirement of Gary Mayor Rudy Clay has made Freeman-Wilson, the former Indiana attorney general, a favorite. Freeman-Wilson maintains a good relationship with Hammond Mayor Thomas McDermott Jr., who is also Lake County Democratic chairman. McDermott is also politically close to East Chicago Mayor Anthony Copeland, who is expected to stave off Rich Medina in the Democratic primary there. So for the first time in modern Lake County politics, the key power centers can be termed allies, and that has the potential to change the statewide political dynamic.

A key party challenge will come in Evansville, where Davis has been in a nasty battle with Weinzapfel ally Troy Tornatta. An Evansville source tells HPI, "According to several sources, the Democrats conducted polling a couple of months ago which showed a very tight race, which prompted Tornatta to spend a substantial amount on advertising. But the word on the street suggests that Davis



Democrat Peter Buttigieg appears to have the momentum in South Bend.



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has indeed moved into a slight lead with an edge heading into next week. There's no question that Davis has a more energized group of supporters and is working harder than Tornatta."

Evansville is a heavily Democratic city, but if the Davis and Tornatta/Weinzapfel camps don't bury the hatchet, that could give the edge to expected Republican nominee Lloyd Winnecke, who will try to woo the losing side to back his campaign.

There are other big changes in store. Thirty days after Gov. Mitch Daniels signs off on the new Congressional maps, the districts will reorganize, and that could bring changes in Congressional level leadership.

Then there is the governor's race, where former House Speaker John Gregg appears to be gaining momentum after a heavy Jefferson-Jackson dinner schedule along with a series of Indianapolis township meetings and a swing through Lake County and South Bend. Many Democrats believe that once the Indiana General Assembly goes home, Senate Minority Leader Vi Simpson will take a long hard look at the race. Most don't believe there will be a contested primary. Simpson's late entry will hurt her and there will certainly be some movement toward a Gregg-Simpson ticket, particularly since former state health commissioner Woody Myers has decided not to seek the U.S. Senate seat or a place on the ticket.

Gregg and Simpson have been friendly over the years, and while Simpson will explore a candidacy in the weeks after the General Assembly sine die, she expressed concern to HPI that the various "Democratic constituencies" be represented on the ticket. Those would include labor, women and the gay-lesbian community. With the Republican assault on Planned Parenthood and Gregg's rousing defense of the organization last week, some form of a ticket between the two appears to be likely, much in the vein of the Bayh-O'Bannon union in 1988.

Where does this leave the Indiana Democratic Party?

Indiana Democratic Chairman Dan Parker told HPI, "There were several things I wanted to do, particularly the Congressional redistricting. The other things I wanted to make sure of is to have Senate and governor candidates off and running, so we don't repeat the history of 2007-08. Those processes are ongoing. Now that the session is ending, the governor candidates can start raising money. My hope is that we can move forward with that. My plan all along was to get these candidates off and running and then allow them to make decisions on what they want to do with the party. I was never going to leave a vacuum. We've got new staff in place. I would never leave before Jefferson-Jackson dinner, which is June 10."

Parker had always been Bayh's man at the helm of the party. But Parker also served on Gregg's legislative staff for four years. Whoever emerges as the likely gubernatorial nominee will have a huge say in the next party chair.

Several Democratic sources say that while some in the party would like to see Parker move on, there is no likely replacement. Despite some blog reports, Treacy told HPI on Tuesday that he flat out isn't interested. "Why would I want to do all that traveling when I'm in charge of the largest Democratic county in the state?" Treacy asked.

There has been some talk of 2008 gubernatorial candidate Jim Schellinger or Tim Jeffers as potential state chairs, but one Democratic source asked HPI, "What do they bring to the table?"

The key question here is what type of table it is. Who sets it? And who will sit at the head?

But there is no question, the Democratic city bench is about to be replenished and new statewide players are emerging. The post-Bayh era is earnestly under way.

Mayoral races

Bloomington

Democrat: Mayor Mark Kruzan, John Hamilton, John Gusan. **2007 Results:** Kruzan (D) 5,937, Sabbagh (R) 3,729. **Outlook:** Hamilton raised \$85,807.19 as of April 8, and Kruzan had raised \$61,957.64 by the same date. We think this race has tightened, but we give an edge to Mayor Kruzan. **Horse Race Status:** Leans Kruzan

Carmel

Republican: Mayor James Brainard, Councilman John Acceturo, Marnin Spigelman. **2007 Results:** Brainard 9,192. Winckler (D) 2,068, Spiegelman (I) 2,557. **Outlook:** We haven't seen enough evidence to make us think Brainard will lose. Two challengers makes it tougher for the upset. **Horse Race Status:** Leans Brainard

East Chicago

Democrat: Mayor Anthony Copeland, East Chicago Councilman Rich Medina. **2007 Democratic Primary Results:** Pabey 3,784, Anthony Copeland 2,736, Edward Williams 639, Alicia Lopez-Rodriguez 364 Willie B. McClain 10. **Outlook:** The Times reported on Wednesday that Mayor Copeland has lost a home for back taxes and another one is on the auction block. That may tighten this race that at one point appeared to be in the bag for Copeland. We give the incumbent an edge, but this one is worth watching.

Horse Race Status: Leans Copeland

Evansville

Democrat: Vanderburgh County Treasurer Rick Davis, Troy Tornatta. **Republican:** Vanderburgh Commissioner Lloyd Winnecke, Douglas De Groot. **2007 Results:** Weinzapfel (D) 13,097, Nixon (R) 2,268. **Outlook:** The sense on the ground is that Davis has the energy. He was endorsed for



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Democratic mayoral nominee by the Evansville Courier & Press on Sunday. The paper editorialized, "What we took away from our meeting with Davis is that he has a tireless energy and an intellectual curiosity that would serve him well as mayor, especially if he follows through on his promise to surround himself in his administration with people smarter than himself. As Vanderburgh County treasurer, Davis has proven to be more than a competent manager, one who has the ability to adapt to the responsibilities of the mayor's office. But we see more — and would expect more — for Davis. He has an upside for growth, especially if he accepts that being mayor is more than appointing committees and taking the pulse of the public; it is having the courage to make tough decisions when his constituents may disagree. In the final analysis, it is his promise for growth that we find most appealing. That is why our recommendation for the Democratic nomination for mayor is Rick Davis." Davis incurred the wrath of Democratic establishment figures when he made clear his willingness to challenge Democratic Mayor Jonathan Weinzapfel in a primary before Weinzapfel announced he wouldn't seek a third term. Tornatta praises Weinzapfel and says he wants to "build on the recent success and attract more businesses to Evansville." Primary Horse Race Status: Tossup

Fort Wayne

Democrats: Mayor Tom Henry, Frederick Steinke, Tom Cook, Charles Eberhard, D.C. "Mr. Roachclip" Roach.

Republicans: Councilwoman Liz Brown, Eric Doden, Paula Hughes, Fred Osheskie Sr., Terrence Richard Walker. 2007 Results: Henry 31,740, Kelty (R) 21,163. Outlook: The Republican race for mayor of Fort Wayne has apparently come down to two women (Lanka, Fort Wayne Journal Gazette), City Councilwoman Liz Brown and former County Councilwoman Paula Hughes lead the field in the race to face Mayor Tom Henry this fall, according to a poll conducted by the Mike Downs Center for



Fort Wayne Republican Liz Brown at a debate earlier this week. (Fort Wayne Journal Gazette photo)

Indiana Politics. According to the poll of 470 likely city GOP primary voters, Brown garnered 41.3 percent support, followed by Hughes at 34.6 percent. Businessman Eric Doden

trailed the two women by a significant margin – getting 14.7 percent support – despite raising and spending more money than either. The research findings would, at most, vary by plus or minus 4.55 percentage points for each candidate at the time the poll was taken. This means Brown's lead could be larger or Hughes could have a slim lead. Candidates Fred Osheskie and Terrance Walker garnered 1.6 percent and 0.3 percent support, respectively. Andy Downs, director of the center at IPFW, said he was somewhat surprised that Doden's support lagged Brown's and Hughes' by so much. But Downs said Doden had the most ground to gain at the start of the race because of a lack of name recognition. Downs said the poll and what he has seen during the campaigns tell him that the race is down to Hughes and Brown. "There is no doubt about that," he said. The race between Brown and Hughes, however, will be a tight one, according to Downs, who said both have work to do to secure their base of support. He said that while Brown appeared to have a slight overall lead, Hughes led in voters older than 65, which has historically been one of the most consistent voting blocs. The poll revealed that about 40 percent of supporters of Hughes and Brown either didn't strongly support their candidates or weren't sure of their support level. According to the center, that's an indication there could be "significant movement before Election Day." The poll found that Brown and Hughes had similar support from voters who have a favorable opinion of the Tea Party movement, but Brown had an 11-point lead with voters who identify with the Tea Party - which could be much smaller based on the margin of error. In the poll, 56 percent of respondents had a favorable opinion of the movement while 41 percent said they identified with it. The name "Brown" is a popular one in Fort Wayne political circles and given the polling information, we believe she has the edge. Primary Horse Race Status: Leans Brown

Franklin

Republican: James C. Callon, Joe McGuinness. **Independent:** Mayor Fred Paris. **Outook:** McGuinness has the big money lead and has the edge in the primary. **Primary Horse Race Status:** Leans McGuinness

Gary

Democrat: Councilwoman Ragen Hatcher, Karen Freeman-Wilson, Larry Evans, Harold Foster, Robert L. Lewis, Lester L. (Chip) Lowe Jr., Saba S. Mohammed, Richard L. Nash, Jeffery L. Tatum. **Republican:** Charles R. Smith Jr. **2007 Results:** Clay 8,529, Smith (R) 2,569. **Outlook:** Freeman-Wilson sat down with the Post-Tribune recently for a pre-primary interview and answered questions posed by the newspaper about her role in a controversial drug addiction treatment program and as attorney for the now-defunct Gary Urban Enterprise Association (Post-Tribune).



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After she left office as attorney general in 2001, Freeman-Wilson became CEO of the National Association of Drug Court Professionals, a not-for-profit agency. She steered a trial treatment program for Prometa, a new treatment for cocaine and methamphetamine addiction, to Gary's Drug Court that she headed for six years until 2000. According to filings with the U.S. Securities and Exchange Commission, Freeman-Wilson in 2006 received \$10,000 in campaign contributions from a drug company called Hythiam, for her unsuccessful mayoral campaign in 2007. In 2007, she also joined the board of directors for Hythiam Inc., the company that licensed the Prometa trial. The company gave her options to buy 100,000 shares of its stock over five years, or about 20,000 shares a year, if she remained on the board. The company also paid her \$25,000 in board compensation and travel fees during her tenure on the board, which, according to Freeman-Wilson, ended in December 2008. Freeman-Wilson said she never exercised her options and a planned speaking tour touting Hythiam never materialized. Hythiam, which is now called Catasys Inc., was a corporate sponsor for the National Association of Drug Court Professionals. Freeman-Wilson had just left the presidency of that group at the time of the campaign contribution. The campaign contribution came months after Freeman-Wilson encouraged her successor in Gary City Court, Deidre Monroe, to be one of the first two trial sites for Hythiam's Prometa protocol, a cocktail of three FDA-approved drugs designed to reduce cravings to crack cocaine and methamphetamine. "I understand that's out there, but it's not true, and there is no conflict," she said of introducing the protocol to Gary, blaming her opponents for skewing the facts. "And, even if you accept their argument, any influence would've obviously been used to bring something positive to the people of

Gary who were addicted to crack cocaine." **Horse Race Status:** Likely Freeman-Wilson

Greenwood

Republican: Mayor Charles Henderson, Bob Dine, Mark Myers, Don Allen Waggoner. Outlook: Without an big antiincumbency wave and multiple opponents, we believe Henderson will be renominated. Primary Horse Race Status: Likely Henderson.

Hammond

Democrat: Mayor Thomas McDermott, Oscar Sanchez. **Republican:** George Janiec, Hum-



Jeffersonville Mayor Tom Galligan.

berto Prado, David Hacker, Matthew Saliga, Jeff MacDonald, Rob Pastore. **2007 Results:** McDermott (D) 5,289, Janiec (R) 4,802. **Outlook:** McDermott has been working the city and we see little evidence that he will be a primary upset victim. **Horse Race Status:** Leans McDermott

Hobart

Democrat: Mayor Brian K. Snedecor, Linda Buzinec. Independent: Chip Greenberg. **2007 Results:** Snedecor (D) 3,639, Guthrie (R) 2,426. **Outlook:** We believe Snedecor has an edge over the former mayor Buzinec. **Horse Race Status:** Leans Snedecor

Indianapolis

Republican: Mayor Greg Ballard. Democrats: Sam Carson, Ron Gibson, Melina Kennedy. 2007 Results: Ballard (D) 83,238, Peterson, Bart (D) 77,926, Peterson, Fred (L) 3,787. Outlook: Kennedy will easily win the primary. Primary Horse Race Status: Safe Kennedy

Jeffersonville

Democrat: Mayor Tom Galligan, Rob Waiz, Clark County Councilman Kenneth Vissing. **Republican:** Clark County Commissioner Mike Moore. **2007 Results:** Galligan (D) 4,102, Snelling (R) 2,406. **Outlook:** This is one of the tougher races to read. It features a former mayor (Waiz) against the man he defeated in 2003 and then lost to in 2007 - Mayor Galligan. Without the anti-incumbency strain we saw in 2007, we give Galligan an edge in this race. He has talked about his "vision" for the city. Waiz is running on his record and to stop the canal project. **Horse Race Status:** Leans Galligan

Muncie

Republican: Mayor Sharon McShurley.

Democrat: State Rep. Dennis Tyler, Ralph "Jigger" Smith Jr., Kenneth Davenport.

2007 Results: McShurley 6,121, Mansfield (D) 6,108. Outlook: Tyler should easily win the primary as his part of the House Democratic walkout will invigorate his labor base. Horse Race Status: Likely Tyler

New Albany

Democrat: Irv Stumler, Jeff Gahan, Paul Etheridge. Republican: none. **2007 Results:** England 4,018, Hubbard (R) 3,744. **Outlook:** Stumler has the backing of Mayor England and is favored. **Horse**

Race Status: Leans Stumler

Noblesville

Republican: Mayor John Ditslear, Steve



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Brown. **Outlook:** Mayor Ditslear will easily win reelection. **Primary Horse Race Status:** Safe Ditslear

South Bend

Democrats: State Rep. Ryan Dvorak, St. Joseph Councilman Mike Hamann, Rev. Barrett Berry, Peter Buttigieg. Republican: Wayne Curry, Will Taylor and Bill Davis. **2007 Results:** Luecke (D) 12,355, Manigault (R) 7,471. Outlook: Most local observers we've talked with believe Buttigieg has an edge going into the primary. He was endorsed by the South Bend Tribune, former Gov. Joe Kernan, and former mayor Rogert Parent. Two internal polls by the campaigns show him with leads of 2 and 14 percent. But the tragic death of Mary Hamann, wife of County Councilman Mike Hamann, last Friday in Paraguay, where she had gone for their daughter's wedding, adds a new element. The race for the Democratic nomination has been seen as narrowing down to Buttigieg and Dvorak, with Hamann in third place. But some Democrats who had defected from Hamann to Buttigieg and in lesser numbers to Dvorak may decide now that they will vote for Hamann as a sign of support for a well-liked man and his family. Dvorak started as the front-runner with by far the highest name recognition. He has labor support, enhanced by his willingness to go to Urbana for weeks for the walkout. Buttigieg has had momentum, seemingly catching up. He has by far done the best with fund-raising and has been on TV with the most buys. He has been helped by endorsements by the Chamber and firefighters. It's still likely to be between Dvorak and Buttigieg, with Buttigieg able to win if he really has put together the better ground game to get out the vote, as his campaign claims. Hamann announced at the West Side Democratic Club on Dyngus Day that he would stay in the race. "As I have stated publicly on many occasions, I originally entered the mayor's race because I thought that South Bend was at a crossroads," the statement read. "I felt compelled to step forward. In my heart, I was also convinced that any failure to act now would cause me regret in the future. Over the past few days, I have come to realize that these motives have not diminished in any way. Rather, they have intensified." Horse Race Status: Leans Buttigieg

Terre Haute

Democrat: Fred Nation, Harrison Township Assessor Mick Love, Clarence Sloughers. Republican: Mayor Duke Bennett. 2007 Results: Bennett (R) 6,055, Burke (D) 5,948. Outlook: Nation will air an endorsement TV ad featuring former Sen. Birch Bayh. He is a heavy favorite to win the nomination. Sloughers suffered a broken neck in a bicycle accident and has been hospitalized. Primary Horse Race Status: Likely Nation ❖

Legislative maps to gov

INDIANAPOLIS - Indiana Senate lawmakers Wednesday voted in bipartisan fashion for a pair of proposals establishing new boundaries for legislative and congressional districts.

House Enrolled Act 1601 – containing proposals for new Indiana House and Senate maps – passed by a vote of 37-12. The enrolled act now moves to the governor where it could be signed into law.

House Bill 1602 – establishing new congressional districts – also passed by a bipartisan vote of 37-12. The bill includes an amendment and goes back to the House for further consideration of that change. If they choose to run for re-election, state Rep. Chet Dobis, D-Merrillville, will face state Rep. Vernon Smith, D-Gary, in a primary race. State Rep. Dan Stevenson, D-Highland, would have to run against state Rep. Mara Candelaria Reardon, D-Munster.

HPI will provide detailed analysis of the new maps in the May 5 edition.

State Sen. Sue Landske (R-Cedar Lake), chair of the Senate Committee on Elections and sponsor of the bills, said every 10 years the legislature is charged with reviewing state legislative and congressional districts and implementing changes based on population data received from the federal census.

"Today's final Senate vote moves us one step closer to completing the task of establishing new boundaries for legislative and congressional districts," Landske said. "To better serve Hoosier voters, we gathered input on the redistricting process from the public, complied with the Federal Voting Rights Act protecting minority voting rights and worked to the make boundaries that were more simply shaped, compact and respected communities of interest. I look forward to the day these bills are signed into law and the process is complete."

Landske said in adjusting to these changes, lawmakers used an ideal population of 129,676 for each Senate district. This resulted in a population deviation of less than 1 percent in 72 percent of the Senate districts. New congressional districts are based on a fixed population of 720,422 Hoosiers.

Landske said five congressional districts have zero deviation and four are just one person over the ideal population for a district.

She said the proposed plan for congressional districts keeps 83 of the 92 counties intact. The remaining nine counties are split between two congressional districts.

Visit www.in.gov/legislative/senate_republicans to view the proposed maps online. �



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Deficits, taxes and The Gipper

By BRIAN A. HOWEY

NASHVILLE, Ind. - When it comes to revered presidents and the Republican Party, you start with Lincoln and go next to Ronald Reagan, whose 100th birthday has been

a point of celebration this year.



But when it comes to the "Red Menace," as Gov. Mitch Daniels calls the \$1.5 trillion budget deficit, the rallying point is President George H.W. Bush, who famously said as a 1988 candidate, "Read my lips. No new taxes." That established the modern norm. Since then, the notion of raising taxes - any tax - is heresy. Republican candidates routinely sign pledges not to raise taxes for any reason.

What is interesting is President Reagan is remembered for the fiscal hallmark of his presidency: the \$264.4 billion tax cut that came with the Economic Recovery Act of 1981. There was another \$1.8 billion cut in the Interest and Dividends Tax Compliance Act of 1983, the tiny Federal Employees Retirement System Act of 1986, and \$8.9 billion in cuts in the Tax Reform Act of 1986.

But like Presidents George W. Bush and Obama, Reagan also had to face massive deficits. And on 11 occasions President Reagan raised taxes to the tune of \$132.7 billion, beginning with a \$57.3 billion hike with the Tax Equity and Fiscal Responsibility Act of 1982. In 1983 there were \$24.6 billion in the Social Security Amendments, then came the \$25.4 billion in the Deficit Reduction Act of 1984. There was another \$12 billion in 1987 with the Omnibus Budget Reconciliation Act and the Continuing Resolution.

In 1981, shortly after taking office, Reagan lamented "runaway deficits" that

were then approaching \$80 billion, or about 2.5 percent of gross domestic product. Within only two years, his policies had succeeded in enlarging the deficit to more than \$200 billion, or 6 percent of GDP. The federal deficit fell from 6% of GDP in 1983 to 3.2% of GDP in 1987, the Washington Post reported.

The fiscal shift in the Reagan years was staggering. In January 1981, when Reagan declared the federal budget to be "out of control," the deficit had reached almost \$74 billion, the federal debt \$930 billion. Within two years, the deficit was \$208 billion. The debt by 1988 totaled \$2.6 trillion. In those eight years, the United States moved from being the world's largest international creditor to the largest debtor nation.

This appeared to have no impact politically, Stephen Moore, a conservative economist at the Club for Growth who worked in Reagan's budget office, told the Washington Post. "Voters and politicians became anesthetized to big deficits," Moore recalled. "Reagan was running these big deficits, and liberals argued it was going to be Armageddon. We were going to ruin the economy. Interest rates were going to go through the roof. And none of these things happened."

The big difference between the Reagan years and the dilemma facing President Obama and Congressional Republicans is that in the 1980s, the demographic Baby Boomer bulge was in the 30 age bracket. Now there are 10,000 Baby Boomers retiring every day and the stress of the New Deal and Great Society entitlement programs are potentially metastasizing into the nation-threatening fiscal crisis that Gov. Daniels confronted with his "Red Menace"



President Reagan signs the Economic Recovery Act of 1981 at his California ranch.



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speech at the CPAC convention in February.

The rise of the Tea Party - Taxed Enough Already - has placed the microscope on spending and House freshmen Republicans like Indiana's Marlin Stutzman, Todd Young, Todd Rokita and Larry Bucshon have embraced the cleaver, while ignoring the pragmatic side of President Reagan. It was something that became clear to the first President Bush, who was forced to go back on his 1988 promise.

"It is clear to me that both the size of the deficit problem and the need for a package that can be enacted require all of the following: entitlement and mandatory program reform, tax revenue increases, growth incentives, discretionary spending reductions, orderly reductions in defense expenditures, and budget process reform," President Bush said.

But his defeat for reelection in 1992 sealed into modern American politics - and on the Indiana stage - the notion that taxes can never be raised. It is something that has pervaded both Indiana Republicans and Democrats over the last 22 years of gubernatorial rule. Gov. Robert Orr was the last one to get in a tax increase for his 1987 A Plus education program. Gov. Evan Bayh attempted a hospital tax and Gov. Daniels increased sales taxes as part of a property tax reduction.

The recent threat of a federal government shutdown, as Republicans vowed to avoid tax increases and Democrats took aim at the wealthy recipi-

ents of the unpaid tax cuts of President George W. Bush, has brought a negative reaction from the public. An April 11 survey by the Pew Research Center for the People & the Press and the Washington Post found that "ridiculous" is the word used most frequently to describe the budget negotiations, followed by "disgusting," "frustrating," "messy," "disappointing" and "stupid." Overall, 69% of respondents use negative terms to describe the budget talks, while just 3% use positive words and 16% use neutral words to characterize their impressions of the negotiations. Large majorities of independents (74%), Democrats (69%) and Republicans (65%) offer negative terms to describe the negotiations.

Pew notes that the massive deficits are a concern, but not the only concern. In December, 70% said that the

federal budget deficit is a serious problem that must be addressed. But the deficit is not the public's top economic worry. A March survey found that 34% said the job situation was the economic issue they found most worrisome, followed by rising prices (28%) and the budget deficit (24%). The number citing the deficit as their top economy worry had increased from 19% in December. Concern over rising prices increased even more dramatically - from 15% in December to 28% in March.

Pew notes that the public does not eagerly embrace sacrifice to achieve deficit reduction. Asked in March about four broad proposals to reduce the deficit, a clear majority approved of just one - lowering domestic spending. Nonetheless, most Americans agree that it will be necessary to cut spending and raise taxes to cut the deficit.

In December, 65% said the best way to reduce the federal budget deficit is to cut major programs and increase taxes. Majorities of Republicans, Democrats and independents favored a combination of spending cuts and tax increases. Yet they overwhelmingly reject any specific ideas for reducing the deficit, particularly when it comes to changes in entitlement programs. But there is perhaps a surprising degree of variance in opinions about individual proposals to reduce the deficit.

There are the



OMB Director David Stockman with Treasury Sec.Donald Regan.

Big No-Nos (70% or more oppose). These include taxing employer-provided health insurance benefits, raising the gas tax, and reducing federal funding to states for education and roads. Then there are the Moderate No-Nos (50% to 60% oppose). These include gradually raising the retirement age for Social Security and eliminating the home mortgage interest deduction. The public is evenly divided about trimming Social Security benefits for higher-income seniors.

Still, of 12 proposals tested, only two attract majority support: freezing the salaries of federal workers and raising the Social Security contribution cap for high earners.

On Sunday, I read with great interest David Stockman's New York Times op-ed, "The Bipartisan March to



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Fiscal Madness," in which he takes both President Obama and House Budget Chairman Paul Ryan to the woodshed, a process the former Michigan congressman endured in the summer of 1981 after he told William Greider in Atlantic Magazine that the Reagan tax cuts that year were essentially a "Trojan horse" used to reduce the upper tax bracket.

Now Stockman sees both sides in Washington playing loose with the facts and on course for "class warfare" and ultimate fiscal disaster.

"In attacking the Bush tax cuts for the top 2 percent of taxpayers, the president is only incidentally addressing the deficit," Stockman states. "Mr. Obama is thus playing the class-war card more aggressively than any Democrat since Franklin D. Roosevelt - surpassing Harry S. Truman or John F. Kennedy when they attacked big business or Lyndon B. Johnson or Jimmy Carter when they posed as champions of the little guy. On the other side Rep. Ryan fails to recognize that we are not in an era of old-time enterprise capitalism in which the gospel of low tax rates and incentives to create wealth might have had relevance."

Stockman began his article by declaring, "It is obvious that the nation's desperate fiscal condition requires higher taxes on the middle class, not just the richest 2 percent. Likewise, entitlement reform requires meanstesting the giant Social Security and Medicare programs, not merely squeezing the far smaller safety net in areas like Medicaid and food stamps. Unfortunately, in proposing tax increases only for the very rich, President Obama has denied the first of these fiscal truths, while Rep. Paul D. Ryan ... has contradicted the second by putting the entire burden of entitlement reform on the poor. The resulting squabble is not only deepening the fiscal stalemate, but also bringing us dangerously close to class war."

In Safiresque fashion, Stockman goes for the jugulars of both parties: "Ingratiating himself with the neocons, Mr. Ryan has put the \$700 billion defense and security budget off limits; and caving to pusillanimous Republican politicians, he also exempts \$17 trillion of Social Security and Medicare spending over the next decade. What is left, then, is \$7 trillion in baseline spending for Medicaid and the social safety net - to which Mr. Ryan applies a meat cleaver, reducing outlays by \$1.5 trillion, or 20 percent. Trapped between the religion of low taxes and the reality of huge deficits, the Ryan plan appears to be an attack on the poor in order to coddle the rich. To the Democrats' invitation to class war, the Republicans have seemingly sent an RSVP."

He adds, "Washington's feckless drift into class war is based on the illusion that we have endless time to put our fiscal house in order. This has instilled a terrible budgetary habit whereby politicians continuously duck concrete but politically painful near-term savings in favor of gim-

micks like freezes, caps and block grants that push purely paper cuts into the distant, foggy future."

Memo to President Obama, House Republicans and the Tea Party: We see your charade. That's why all of you are unpopular with voters, who see you as gutless paraders. As for Gov. Daniels, if you run for the presidency, plan on a four-year commitment. Do what President James K. Polk did, which was to take care of business, do whatever it takes to make your achievements, then come back home to Indiana in 2017. ❖

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Obama does Oprah, raises money in NYC

CHICAGO - President Barack Obama plunged into donor-rich New York on Wednesday, his first fundraising sweep of the city since announcing his re-election bid this month, with a lament that he has not seen his wish for less-polarizing politics realized.

"The hope that I had that we'd start coming together in a serious way ... has been resisted," Obama told 60 contributors gathered for dinner at the Central Park home of financier and former New Jersey Gov. Jon Corzine.

His intention, Obama said, is to make the 2012 campaign an "election in which we're not just talking slogans ... but we are looking soberly at the choices we face."

The president's donor outreach came on a whirl-wind day that began by taking on "birthers" who dispute that he was born in the United States and by producing his detailed birth certificate. He also flew home to Chicago to help pal and supporter Oprah Winfrey close out her syndicated talk show with a "big get" — an interview with him.

"Today was a fun day," Obama said at his first fundraising event at Corzine's apartment. "Nobody checked my ID at the door." •



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Daniels, GOP must link budget cuts to jobs

By MARK SCHOEFF JR.

WASHINGTON - When Gov. Mitch Daniels comes to Washington next week, the capital will be lurching along the road toward a showdown over raising the debt ceiling.



Daniels will arrive on May 4 to deliver a speech on education reform at the American Enterprise Institute as Republicans are demanding that substantial budget cuts be included in any agreement to lift the debt limit beyond the current \$14.3 trillion.

Members of Congress will return to Washington on Monday after a two-week recess dominated by discussion of the GOP fiscal 2012 budget proposal, approved by the House

earlier this month, that would cut current spending by \$5.8 trillion while overhauling Medicare and Medicaid.

Republicans were pummeled over the plan, according to news reports from town hall meetings across the country. The backlash emanated in part from successful Democratic efforts to spur a backlash against the proposal championed by Rep. Paul Ryan, R-Wisc., chairman of the House Budget Committee. Obama led the Democrats in turning the budget debate partisan with a speech on April 13 at George Washington University in which he called for \$4 trillion in deficit reduction over 12 years – compared to Ryan's \$4 trillion cut over 10 years.

Obama couched his effort in political terms. He said his idea, predicated in part on raising taxes on "millionaires and billionaires," would be more balanced than Ryan's plan, which he called "less about reducing the deficit than it is about changing the basic social compact in America."

Obama essentially would avoid touching two of the largest sources of federal spending – Medicare and Medicaid – in his \$2 trillion of cuts. What he characterizes as a surgical approach would leave room for "investments" in clean energy technology, infrastructure, education and job training.

"[W]e have to use a scalpel and not a machete to reduce the deficit, so that we can keep making the investments that create jobs," Obama said. Republicans argue that there will be no future to win, to use a favorite Obama phrase, if Congress and the administration don't take serious steps to tackle the deficit and debt. They assert that

Obama blithely ignored the ticking fiscal time bomb in his original fiscal 2012 budget proposal in February and was coaxed -- "kicking and screaming" -- into the debate by Ryan's bold proposal.

The GOP may be framing and catalyzing the budget debate. But in order to win the argument, the party needs to do a better job of linking fiscal austerity to job creation. Obama is downplaying deficit reduction as he pushes the jobs theme. It may be intellectually dishonest to trumpet a plan that allows the United States to "live within its means" when what the country really needs is someone to give it a sobering fiscal reality check – as Daniels is trying to do.

Nonetheless, most Americans remain more concerned about their economic future – and whether they will find and hold a job – than they are about the country's deficit. A New York Times poll last week showed that 29 percent thought that "a major reduction in the annual federal budget deficit" would create jobs; 29 percent thought it would cost jobs; and 41 percent thought it would have no effect or had no opinion.

Republicans have made budget cutting their entire agenda. That effort appeals to a substantial number of Americans who are worried about the burgeoning federal deficit. But it's not clear that it resonates with those who are more concerned about their jobs, which may include many independents. That's not to say that Republicans should abandon their efforts to restore fiscal discipline in Washington. But they must link it directly to jobs. GOP rhetoric has focused on reducing the size of government and decreasing its reach into the private sector, giving businesses more freedom to create jobs.

That argument may resonate in an economics class, but it may not move someone who's been out of work for two years. That's where Daniels can start to change the discussion. The most intriguing part of his Feb. 11 speech in Washington at the Conservative Political Action Conference was his suggestion that the GOP could build support for serious fiscal responsibility in part by convincing those who are struggling the most economically that the party is on their side.

"We must display a heart for every American, and a special passion for those still on the first rung of life's ladder," Daniels said. "Upward mobility from the bottom is the crux of the American promise, and the stagnation of the middle class is in fact becoming a problem. Our main task is not to see that people of great wealth add to it, but that those without much money have a greater chance to earn some."

If Daniels jumps into the presidential race, it will be interesting to see how he develops this theme, which will enable him to take on Obama on the president's turf while stressing the deficit reduction that Obama avoids. •



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Gregg, Donnelly toast of Dyngus Day

By JACK COLWELL

SOUTH BEND - The Dyngus Day crowd at the West Side Democratic & Civic Club cheered Monday for candidates introduced as likely leaders of the Democratic Party's

2012 state ticket.



Congressman Joe Donnelly was introduced by Indiana Democratic Chairman Dan Parker as the chairman's choice as "my next United States senator."

Former Indiana House Speaker John Gregg was introduced as "our next governor" by 2008 Democratic gubernatorial nomination candidate Jim Schellinger.

Donnelly and Gregg at this stage appear likely to be the Democratic nominees for those

offices.

Gregg, who edged closer to announcing his candidacy for governor last week, said in an interview here that Democrats can win the governor's office in 2012 as voters react to how Republicans "overreached" and "declared war on cities, labor and education" after the 2010 GOP victories.

Donnelly made no mention of a possible Senate bid in his remarks at the traditional Monday-after-Easter Dyngus Day events in South Bend, part of a celebration that originated in Polish-American neighborhoods here.

But in an interview, Donnelly said he still is considering whether to seek re-election in the 2nd District, drawn with much more Republican flavor in Republican-drafted redistricting, or instead to run statewide for the Senate. He said he would decide "within a month."

"I think the nomination is going to be his (Donnelly's) if he wants it," Parker said.

The state chairman asked voters at the Dyngus events to encourage a Senate race, even though they might relish seeing Donnelly again defeat Republican Jackie Walorski in a 2nd District rematch. "Share him with the rest of the state," Parker urged.

Donnelly said he thought a Democrat still could win in the redistricted 2nd. But there has been speculation that he would have a better shot at winning statewide, especially if State Treasurer Richard Mourdock, a tea party favorite, defeats Sen. Richard G. Lugar, the Republican incumbent, in the GOP primary.

Parker said Donnelly, a moderate "Blue Dog" Democrat, would have the appeal to win "no matter whether he runs against Richard Lugar or Richard Mourdock."

After Dyngus event rounds, Gregg and Donnelly met with a group of Democratic leaders from around the state, primarily mayors and county chairmen from north central Indiana, at county Democratic headquarters. The meeting's host, St. Joseph County Democratic Chairman Owen D. "Butch" Morgan, said it "absolutely" was his intent with invitations to the meeting to encourage selection of Gregg, from a tiny hometown of Sandborn in southwestern part of the state, and Donnelly, from Granger in the north, as 2012 ticket leaders.

Gregg said he expects soon to form an exploratory committee, a step toward actual candidacy. He and Donnelly both have been testing support at Democratic Jefferson-Jackson Day dinners around the state.

Although he has not held political office since leaving as speaker in 2002, Gregg said he was encouraged to consider the race for governor after seeing the "overreaching" by victorious Republicans. He said they misread the election results, believing there was a mandate for a swing far to the right. Actually, Gregg argued, the election mandate was to cut out partisan warfare and work together to solve problems.

Gregg noted that as speaker he presided over a House split 50-50 between the parties and that accomplishments came only by working together. That experience, he said, would be valuable in working now on Indiana problems, including job growth.

He joked at the West Side Club that the throng packing the hall, the traditional center for Dyngusing on South Bend's West Side, outnumbered the population of Sandborn.

There was a somber note at the Dyngus events, however, due to the sudden death of Mary Hamann, wife of County Councilman Mike Hamann, one of the candidates for the Democratic nomination for mayor of South Bend. She died Friday in Paraguay while there for her daughter's wedding.

Her brother read a statement at Dyngus events in which the candidate expressed thanks for the outpouring of condolences and said he would continue to run. •

Colwell has covered Indiana politics over five decades for the Souh Bend Tribune.



HOWEY Politics Indiana

Weekly Briefing on Indiana Politics

Thursday, April 28, 2011

Evansville: least loser or best of the bad

By MORTON J. MARCUS

INDIANAPOLIS - If you are asked to slice Indiana's map into regions, where would you draw the cutting lines? Would you choose nine regions in the form of a tic-tac-toe game?

Indiana's 92 counties are organized into various regions according to the wisdom of the agency doing surgery on the map. Perhaps the least known regional groups are



the Economic Areas drawn by the U.S. Bureau of Economic Analysis. These are 179 comprehensive districts encompassing all of the nation's 3,000+ counties. They are the major market areas of the country linked internally by commercial and transportation patterns.

Unlike the better-known Metropolitan Statistical Areas, which are based on commuting patterns of workers, no county is left behind. Jay and Jackson counties have places in

the Economic Areas configuration.

While Gaul was divided into three parts, Indiana's 92 counties are cut into seven Economic Areas. Only two (Fort Wayne and Indianapolis) do not cross state lines. South Bend extends into Michigan and Evansville into both Kentucky and Illinois. Three areas (Chicago, Cincinnati, and Louisville) include Indiana counties as part of larger interstate areas.

The Indianapolis area stretches from Richmond on the east to Terre Haute on the west, from Peru on the north to Paoli on the south. It has a total of 45 counties with a population of approximately 3.4 million. By contrast, the Fort Wayne area has only 12 counties with a population of 790,000.

Recent data from the bottom of the recession reveal all seven Economic Areas that include Indiana counties experienced declines in per capita personal income (PCPI). Between 2008 and 2009, Evansville had the least decline with a fall of 0.9%. This qualified for 68th place among the 179 Economic Areas and the top spot for an Indiana area. Only 30 areas nationwide saw PCPI grow. Evansville led the state as the least loser or the best of the bad.

The positive spin is that the nation's PCPI fell by 2.6 percent and four of our seven areas did not fall by that much. Such is Hoosier happy-talk. When we do not do as poorly as other places we count ourselves winners. The South Bend area, however, ranked 173rd of 179 and not

even our best cheer leaders can make wine from those grapes.

PCPI is one of the most commonly used measures of economic well-being. Only jobs get more attention. Despite the drum-banging enthusiasm of our state economic development agency, Indiana still has a long way to go in the area of employment recovery.

As of March this year, the number of employed persons in Indiana is still 233,000 (-7.6 percent) below where we stood in March 2007. This relegates us to seventh from the bottom in terms of the climb needed to regain our status of four years ago. Michigan has the steepest climb, needing to regain 9.8% in persons employed to achieve parity with March 2007.

Economic data are confusing when we use different time periods, geographies and measures to tell the story. Nonetheless, the evidence is clear: our state's economy remains weak. Despite the boasting bantams of state government, our Hoosier economy needs intensive care both for the short term and on a protracted basis. We dare not pretend to be a model of sound practices given our continuing deteriorated condition. ❖

Mr. Marcus is an independent economist, speaker, and writer formerly with IU's Kelley School of Business.





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Doug Ross, Times of Northwest Indiana: Thursday's vote to approve the controversial school voucher legislation, along with other education reforms and the decision to fully fund full-day kindergarten, means the Republican experiment officially has begun. This is a new era in education in Indiana. The state has a long history of education reforms, too, dating back to even before it was a state. The Northwest Ordinance, which created the Northwest Territories, required those territories to provide a free public education. I think about that every year when we Hoosier parents pay the book rental fees -- something few states require. Of particular irony is the implementation of New Tech curriculum at Calumet High School to prepare students for the work force. In Gary, don't forget, William Wirt developed the work-study-play philosophy a century ago. Part of this plan was to prepare children for the work force. Sound familiar? The voucher system is groundbreaking but not necessarily earth-shattering. It is limited to 7,500 students, at least for now. Gov. Mitch Daniels addressed this issue Thursday at a Valparaiso Economic Development Corp. lun-Indiana cheon. Students will have to try a public school for at least a year, he said, and if no charter school -- which is also a public school -- is available, then a voucher would pay for the child's education at a private school. There are income caps, too. Wealthy parents already have school choice. They can afford to send their kids to a private school. The voucher program will help parents who otherwise wouldn't have that option. It's sensible, I think, to limit the program to 7,500 vouchers to see what impact it might have. It's likewise sensible to devote \$150 million to full-day kindergarten now that state revenues have improved. "We know that everywhere it's available, almost 100 percent of the families opt for it," Daniels said. No wonder. Kids today will have to compete

Eric Bradner, Evansville Courier & Press: At the worst time possible, all the pent-up frustration left over from the five-week Statehouse standoff came rushing out last week in the Indiana Senate. Republicans there tacked onto the budget bill an amendment clearly directed at the House Democrats who fled to Illinois earlier in this year's session to break quorum and stop what they perceived as several anti-labor initiatives. The amendment by Sen. Michael Young, R-Indianapolis, would allow residents to sue any legislator who leaves for more than three days in a row for \$1,000 a day, plus court costs and attorney fees. If policy victories are Republicans' aim, this strategy is probably not the best way to get there. The problem is

on a global scale in tomorrow's work force. They need this

boost. "We are in the middle of what I believe will be a

transformational year in public education," Daniels said.

not the idea. In fact, the question of whether minority parties' rights ought to extend as far as bolting to prevent the constitutionally mandated two-thirds quorum to conduct business is worth considering in light of this year's developments. The problem is timing. The session ends Friday, and a host of important measures — the two-year, \$28 billion budget, several prized education reforms and more — have yet to reach Gov. Mitch Daniels' desk. A great deal is still on the line. Anyone who has ever negotiated anything will tell you that once you get the "yes," you stop talking, thank the other side and move on. After all, there is nothing to be gained by continuing to harp on the same issue. "No" is the only alternative to the answer you have already gotten. For Republicans, the majorities in the House and Senate are so large that they have no real need for a single Democratic vote on any issue. The House Democrats' return from Urbana, Ill., and proclamation they intend to

> stay in the Statehouse and provide a quorum for the remainder of the session was the only "yes" Republicans needed. And yet, with the finish line in sight, Republicans kept talking. Where no tension existed, they engineered some. The irony of all this is that for weeks, Republicans had done such a spectacular job of being sure not to fan the flames. While Democrats were gone, leaders such as Sen-

ate President Pro Tem David Long, a Republican from Fort Wayne, made the measured decision to keep his rhetoric in check and his profile relatively low. Once Democrats returned to the House, Republicans in that chamber — with only a couple minor exceptions — buried their frustrations so they could focus on the task at hand. At one point, Speaker Brian Bosma, an Indianapolis Republican, said he had become so busy since Democrats ended their boycott that he had not had the time to worry much about an antibolting measure. I doubt the amendment to allow lawsuits against lawmakers who boycott will end up in the final budget. The two legislators who play the most crucial roles at this stage of the session — Senate Appropriations Committee Chairman Luke Kenley, R-Noblesville, and House Ways and Means Committee Chairman Jeff Espich, R-Uniondale — are savvy veterans who are respected on both sides of the aisle. I suspect the issue will be put off until next year's short legislative session.

Rich James, Post-Tribune: I'm beginning to think those guys downstate are right. Lake County doesn't really want to help itself. We like to complain that every time we go with hat in hand to Indianapolis, they tell us to go back home and pull the money out from under the mattress. And we always refuse. Just the other day, for instance, the Lake County Council voted 4-3 to reject a \$25 annual wheel tax to help fix crumbling county and municipal streets. I mean, \$25 a year isn't much of a price to pay. ❖

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Roemer resigns as ambassador

NEW DELHI - The US Ambassador to India, Timothy Roemer, has announced his resignation, the US embassy says (Reuters). Ambassador Roemer came to India two years ago and is leaving for "personal, professional and family considerations," a statement said. Ties between India

and the US have grown stronger in recent years.
Last year, US President Barack Obama said the relationship between the



two countries will be "one of the defining partnerships of the 21st century." Ambassador Roemer is expected to leave India in June, the statement said. "When I accepted this job two years ago, I told President Obama that I would serve for two years but that family considerations would be front and centre after that," Ambassador Roemer was quoted as saying in the news release. "The US-India relationship - what my friend President Obama calls the defining partnership of the 21st century - has progressed to the global stage," he added. Ambassador Roemer's resignation comes on the day when the Indian media has been reporting that India has rejected two US companies bidding for a lucrative \$10bn deal to buy fighter jets. Neither the Indian or the US government have confirmed these reports.

House alters Charlie's bill

INDIANAPOLIS - House Republicans are backing away from a controversial measure that would have preserved GOP control of the secretary of state's office if Charlie White is

retroactively kicked off last fall's ballot (Kelly, Fort Wayne Journal Gazette). The provision was added in the Senate to House Bill 1242, which largely concerns non-controversial election matters. The bill's author, Rep. Kathy Richardson, R-Noblesville, is modifying the provision so that it would only affect future statewide office elections, starting in 2012. The new version specifically does not apply to any proceedings or court actions that originated before Jan. 1. Both the House and Senate still must approve the modified bill. The Indiana Democratic Party contested White's eligibility after he won the November election, arguing that he was not legally registered to vote and was therefore ineligible to be on the ballot. Under current law, if the state recount commission rules against White, then the second-highest votegetter - Democrat Vop Osili - would take office. Richardson's initial proposal in the Senate would have instead given Gov. Mitch Daniels the ability to appoint a replacement.

Dems blast trailer provisions

INDIANAPOLIS - GOP legislators have pushed through pieces of a major education overhaul in recent days even though several of the bills have numerous problems that lawmakers are hastily fixing with amendments in other pieces of legislation (Kelly, Fort Wayne Journal Gazette). These so-called "trailer" provisions aren't unusual in the legislature, but leaders conceded they are happening more often this year. In the General Assembly, the last provision signed into law supersedes. "I think with the volatility of this session, members are being encouraged to concur where they can, and if there needs to be some alteration of a bill it can be done elsewhere," Republican House Speaker Brian Bosma said. "It's not an uncustomary practice." But Democrats jumped on the issue Wednesday during debate on the school voucher bill after the author admitted changes still need to be made in the state budget to clean up the legislation. "I think the budget ought to be the budget, and these bills ought to be fixed in conference committee and do it right," House Democratic Leader Patrick Bauer said. A concurrence is when the author of a bill accepts changes to the legislation with one final chamber vote rather than sending the bill to a conference committee for further debate and negotiation. The latter route usually takes action on a bill down to the wire, and anything can happen in the final hours of a legislative session. "I don't think there's any question that the shortened timeframe of the conference committee period due to the (House Democratic) walkout is causing us to rush things through the process,' said Rep. Jeff Espich, R-Uniondale, who has been forced to put provisions in the state budget to clarify several bills. "It is compromising the integrity of the system."

Trailer expamples

Here are some examples of how the bills are being "fixed."

- •There are corrective provisions related to Senate Bill 575 the collective bargaining bill in the yet-to-be-passed state budget, even though Gov. Mitch Daniels already signed that bill into law.
- •The budget apparently contains a provision fixing a tax deduction reference to home schools in the voucher bill.
- •Eight amendments are being considered in a conference committee on Senate Bill 496 to fix problems with the teacher merit pay bill Senate Bill 1 which passed Monday and is sitting on the governor's desk.
 - •The charter school bill that



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passed Wednesday conflicts with Senate Bill 496, which focuses on school reorganization, meaning additional changes could be necessary.

Budget sorting; anti-bolt possible

INDIANAPOLIS - Indiana legislative leaders are optimistic the Republican-led House and Senate can reach a budget deal by the time the legislative session ends Friday (Associated Press). "We're feeling pretty good about wrapping up business within regulation time," said House Speaker Brian Bosma, R-Indianapolis. House Ways and Means Chairman Rep. Jeff Espich, R-Uniondale, and Senate Appropriations Chairman Luke Kenley, R- Noblesville, have been narrowing down the list of budget issues that divided the House and Senate versions of the bill. Kenley said he hopes to reach a compromise budget agreement by noon Thursday, which would set the \$28 billion proposal up for House and Senate votes Friday. Bosma said proofreading bills would continue and that it's better to find problems before the session ends than months afterward. Bosma noted the budget and other bills have been used in previous years to fix errors. "It's really not an uncommon practice," he said. The House and Senate versions of the budget have several differences, including what to do with any extra state money, whether Indiana should cut subsidies for the horse racing industry and whether the budget should include a way to fine boycotting lawmakers. Kenley and Espich both predicted there would be some provision in the budget to crack down on lengthy boycotts, though they did not release details of how it would work. "We're sorting things out," Kenley said.

Glitch hits online ISTEP

LAFAYETTE - An already stressful week got a whole lot more aggravating for educators statewide because of continued computer alitches that booted students offline while taking high-stakes, standardized ISTEP tests (Lafayette Journal & Courier). An Indiana Department of Education official said Wednesday that at most 10,000 students were affected by a glitch Tuesday that disconnected students from testing servers midtest. The problems continued Wednesday. "We're trying to figure out the issue right now," Stephanie Sample, state education department spokeswoman, said Wednesday afternoon.

McShurley heads to court over 911

MUNCIE - Some of the community's most high-powered political players will face off next week (Muncie Star Press). And not just in Tuesday's primary election. The showdown between Mayor Sharon McShurley and the Delaware County commissioners over funding and operations of the city-county 911 dispatch center will begin to play out Monday in Delaware Circuit Court 5 in hearings over the lawsuit between the mayor and county officials. McShurley gave her deposition on Wednesday, and she's only the latest in a long string of officials and former officials to be asked about the longstanding 911 operation. Commissioners Todd Donati, Don Dunnuck and Larry Bledsoe were recently subpoenaed to appear in court Monday. The issue at hand is how the \$2 million annual budget for the 911 dispatch center should be funded and who has control over the center itself. McShurley claims the commissioners owe the city \$10 million for overpayments in the past two decades. Most Delaware County officials, meanwhile, blame McShurley for a large share of the county's financial problems, citing her decision to withhold payments -- other than money set aside in a court-ordered escrow account -- for 911 operations.

More resume woes for candidate

ELKHART - Republican mavoral candidate Harry Housour received a discharge from the U.S. Navy that was "other than honorable," according to veterans officials (Gattman, Elkhart Truth). He served in Vietnam. After the story about Housour's deceit regarding his educational background was published on eTruth.com and in print Wednesday, The Truth received emails questioning his military service. Housour did not provide his military past to Truth reporters during background interviews. Housour refused to answer any questions Wednesday about his military service, but a check with veterans officials shows he was a member of the U.S. Navy during the Vietnam conflict and his discharge was "other than honorable."

Gallup: Boehner's numbers slide

WASHINGTON - House
Speaker John Boehner has become
less popular with Americans across
the political spectrum since taking the
gavel in January. A USA Today/Gallup
Poll released Wednesday showed that
56 percent of Republicans view him
favorably, down from 65 percent in
January. Among independents, his net
favorable ratings are down a whopping 27 percentage points. About 29
percent of independents said they hold
a favorable view of the speaker.