



Bosma eyes expanding Dem chairs

Speaker will seek redistricting panel; time for 'breather' on abortion front

By **BRIAN A. HOWEY**

INDIANAPOLIS - Indiana House Speaker Brian Bosma told Howey Politics Indiana in an exclusive interview that he is open to using more Democrats as committee chairs, will push for a constitutional independent commission to redraw future legislative and Congressional maps, and said it is time to "take a breather" on abortion restrictions.

Bosma recounted the chess board maneuvers he made dealing with House Minority Leader B. Patrick Bauer during the walkout, and acknowledged that he had matured and handled the crisis differently this year than he might have as a younger Speaker. Bosma also said he believes that the 19-member House freshman class will yield future leaders in the Indiana General Assembly and beyond.

The Speaker spoke with HPI for almost 45 minutes on Tuesday and recounted his handling of the five-week



House Speaker Brian Bosma with his "Winston Churchill" poster in his Statehouse office. It became his mantra during the Democratic walkout. (Indiana House Photo)

Democratic walkout, the elevation of Reps. Steve Stemler and Chet Dobis as committee chairs from the opposite party, and how his caucus reacted to new legislative maps that threw six into three districts and another four who would face a Democratic incumbent. The interview followed what Bosma called a "landmark" session that yielded historic education legislation while altering the mapping

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The mystery of Mitch

By **BRIAN A. HOWEY**

INDIANAPOLIS - Since I began writing a column in 1985, and since I began publishing this newsletter in 1994, there haven't been many times where I've sat at the computer, blankly stared into the screen and found myself at a crossroads for words.



But today, roughly 7 hours before the most anticipated speech by a Hoosier First Lady in history, I sit unsettled.

The Hoosier pundit of today has been forced to become



"We need to make stuff. This is also where a clean energy economy is being built. I want all those new jobs right here in Indiana."

- President Obama, at Allison Transmission in Indianapolis



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a reader of Tea Leaves. And not from one of the Tea Party tribes. It's because of Our Governor, who purposefully set in motion more than a year ago this whole notion that he just might run for president of these United States.

It brought back memories of my first dinner with him - ironically in 2002 at the Willard Hotel in Washington, just a few blocks from the White House - when there was little doubt of his intentions. Back then, he was on the verge of resigning OMB, he was going to come back home to Indiana and try to rescue the "Mississippi of the North." Or the middle finger of the South, or however you want to put it.

We didn't know all the contours of his guberantorial flirtation, of RV1 and Becky and Mickey and Joel, or his affinity for Hank Williams, Jr. music. But there was the distinct notion that this was a man with a plan. One source told me Mitch Daniels had a blueprint for what he wanted to accomplish.

If you look at the arc of his governorship, other than his perplexing lack of interest in 2008 Indiana House races - allowing that "Car Bomber" Bauer back to the Speaker's rostrum - the sense was keen that there was a blueprint.

Two weeks ago as his education reforms were rampaging to a finish along with those pesky "social issues" in the Indiana General Assembly, HPI's headlines read, "Freight train of change at Statehouse," a playful reference to his 2004 Republican convention nomination speech. And when he celebrated the passage of the reforms at a Saturday morning presser, as I placed my tape recorder on

his podium, Daniels said, "Guess we added a few more cars to the freight train, right Brian?"

Yes, governor, you did. The only thing that could have made it a more splendid presentation is if Chris Van Allsburg ("The Polar Express") had drawn the pictures.

We were told first things first: his business at the General Assembly had to finish.

After months of repeatedly saying "No" when it came to the presidential question, sine die was to be the glorious gate where Daniels would cross the watershed with his designs back on Washington.

We were told a decision would come within "weeks." And we looked at our calendars and counted 14 days between sine die and tonight's First Lady address. Yesterday in Columbus, Daniels teased us some more, "It is absolutely by the end of the month ... but I won't tell you what month."

I tell the national and local press, "What's she gonna do? Get up there and say, 'I'm not going to let my husband run for president?'"

Perhaps she will give Mitch to America.

Informed and reliable sources tell HPI that at an elementary school groundbreaking in Johnson County, Cheri Daniels gave an astute and well-delivered speech.

This past week has become a riot of political emotions. We were tantalized with his arrival at the tarmac last Friday. What was he saying as he wagged his forefinger in President Obama's face?

There was another round of self-deprecating humor and rumors of presidential policy at the American





Enterprise Institute foisted on us by “bloggers in pajamas” (for the record: I am not a blogger, and shower and dress every morning before working on HPI). We were fascinated when Gov. Chris Christie and Speaker Boehner suggested that Daniels would be a good nominee. There was a degree of political lust when Daniels was asked Tuesday if he could beat Obama. “I don’t know the answer to that. You wouldn’t go in with the idea it’s completely hopeless and I see no grounds for doubting that a credible, positive Republican alternative can’t succeed. I think the chances would actually be quite good.”

We watched as Newt squirmed and had to walk through his marital minefield as he entered the race; just as the Huffington Post became the first national news outlet to delve a little deeper into the Daniels’ marital history (a history that I know about but have not sensationalized, because there is no evidence to date that it would have a bearing on his performance as President.)

HuffPo reported: “In 1993, Cheri Daniels left her husband with their four daughters and married another man in California. She returned a few years later, reconciled with Daniels, and the two were remarried in 1997. That is, in a nutshell, the story.”

The Washington Post reporting today: In exchange for anonymity, an official for another GOP prospect provided contact information for the ex-wife of the man Cheri Daniels married, in the years between her divorce and remarriage to Daniels. Other officials at potential rival cam-



paings to Daniels disagreed about whether the personal history of Cheri Daniels would ever be a vulnerability or even germane to the race.

The Post reported further: Asked by reporters in the Indiana Statehouse on Tuesday about the uptick in attacks against him, Daniels responded, “Exposing yourself to harsh and sometimes cruel and untrue things is not something you do lightly.”

Earlier this week, we learned that tonight the presidential campaign will not be broached.

It reminded me of a GI Joe quote from a comic book of yore: “One must learn patience if one wants to win the battle.”

You almost get the sense that Daniels is interested in how he might be attacked. He raises his head out of the foxhole to see where the arrows land before he sprints across the battlefield.

Tonight Cheri Daniels takes the stage and a plethora of national reporters will be on the risers to gauge every nuance, from the corners of the smiles to the flicker of every eyelash. Between Friday and Sunday, when an initial assesment comes forth from Maureen Dowd to Mika Brezinski, from George Will to David Brooks, perhaps Our Man Mitch will have enough data to survey a torturous road ahead. The governor will likely never see a clearer path for a Republican presidential nomination, and a 50/50 shot at the ultimate prize.

Hanging in the balance is the most precious thing he and his family have - domestic peace and tranquility. ❖

Bosma, from page 1

process and bringing about the most far-reaching abortion restrictions of any state in the nation.

HPI: What was your motivation for having that open meeting with Pat Bauer when he came back from Illinois to negotiate a couple of weeks into the walkout?

Bosma: I was motivated on several fronts. First, my experience with the Democrat leader is that sometimes things are misconstrued or misunderstood and having an open meeting allowing the press to see what was going on and to report

it assured that some of the practices that took place during the walkout did not occur. For instance, us talking on the phone about an issue or a resolution and it being presented in a way that was very different than my understanding of it. Second, I said and stuck with the approach that we would not enter into some backroom deal to bring them back to the Statehouse. The backroom agreement has been the hallmark of some legislative deals in the past and I just wasn’t comfortable. I thought it worked out very well.

We had a decent exchange. People could see we were talking. They laid out their position, we laid out ours, and we proceeded from there.

HPI: Bauer’s public comments after the meeting were somewhat blustery.





Was there a point after he went back to Illinois for a couple of weeks that you second-guessed yourself?

Bosma: No. My mantra through the whole thing was Winston Churchill's mantra: keep calm and carry on. In fact I have a giant poster on an easel in my office that was presented to me by some of our staffers. I said it to our caucus so many times. I was confident we could stay calm and measured in our response rather than engage in bluster. Eventually they would wear out and come home and do what they were supposed to be doing. That's how it turned out.

HPI: Would you have acted in that manner during your first time as speaker?

Bosma: I honestly believe if I had been in this same spot 10 years ago my response and our caucus response would have been very different. I chalk that up to the experience of being Speaker in 2005-06 and perhaps even more, the experience of being in that position and then returning to the spot of minority leader for four years and the frustration of being unable to forward our agenda consistent with what we wanted. So I think I was the right person in the right place and the right time. I was frustrated throughout the process. The only person who was consistently upbeat was my wife, Cheryl. To our caucus and our staffs and to the public, my goal was to continue in a professional way, continue to forward the agenda we had pledged last September, and ultimately every item on that agenda was accomplished plus more. On top of that, we ultimately received bipartisan support for the maps in a way we haven't seen for decades. Top to bottom, I really couldn't give this session a higher score from my perspective. Of course we'll all be the judge of that and of course there will be detractors for the positions we took. We changed Indiana significantly for the better, particularly in education, which has been near and dear to my heart for two decades.

HPI: CHNI's Maureen Hayden told me a story that at one point when the caucus turned emotional about the fines during the walkout, Eric Turner asked you, "What would Cheryl advise?" Can you tell me that story?

Bosma: (Laughs). Cheryl always has been my

primary confidant and adviser and occasional critic. I think more so than at any time in our marriage we talked about the offenses going on at the Statehouse constantly because of the continual protests, the continual concern for safety at the Statehouse in various circumstances, and I suppose I said a few more times than I should have on a Monday when we were having our leadership meeting, "Well, I've been talking to Cheryl over the weekend and here's where we are." And I think we were having a debate on the amount of the fines as we increased them. One of the members of my leadership team was very adamant that we should make them insurmountably huge fines, thousands of dollars a day.

I thought we should have fines but they should be reasonable and we should stick with them. They shouldn't become a bargaining chip. One of the other leaders knew this is where I had landed due to

Cheryl's advice, so he piped up, "Well, let's call Cheryl and see what she thinks." Every-

one got a pretty good chuckle out of that.

HPI: The day the Democrats returned, your caucus and the 19 freshmen were disciplined and restrained in what was a very emotional moment.

Bosma: I think our caucus did grow tremendously this year as leaders, to just not responding to outside impetus but thinking about and trying to do the right thing. I think that was especially true of the 19 freshmen in our caucus who had never had legislative experience and wanted to respond to the tactic by Democrats in a way some of us with a little grayer or a little less hair had seen before and knew to be the wrong tactic. I didn't tell them what to do. They didn't demand to take any course of action, but I did counsel the best I could and as strong as I could that we had a job and our job was not to trash the Democratic caucus. Our job was to pass our agenda and the best way for us to do that was to remain professional, to focus on ideas and policies, not personalities, and not to wag our finger in anyone's face but to return to the business at hand when the Democrats returned and that's precisely what we did.

"I suppose I said a few more times than I should have on Monday when we were having our leadership meeting, 'Well, I've been talking to Cheryl over the weekend and here's where we are...'"





HPI: After you gave Reps. Stemler and Dobis the committee chairs, at any time did you reconsider that during the walkout?

Bosma: I started thinking about changing the legislative paradigm we'd been in for the last decade with more or less the "he said, she said there's your team, there's our team, let's stand in our respective corners and toss the bomb your way." That's the way it has been over the last decade. It's not how the process is designed and it's not the best for Hoosiers.

Over the last four years as I watched the denigration of the minority, I wanted to change the process, to change the model if I had another chance to do so. I shared that thought with only a few close confidants late in the summer as things started looking very positive for our team. I shared the idea I had only shared with Cheryl about reaching across the aisle to establish a different expectation of where members of both parties would look to collaborate and cooperate and not just compete, to debate ideas and not personalities. I thought there was no better way. This is constantly called for in the legislative process regardless of who's in charge. No one had ever taken the very serious step until Organization Day. That step was to turn to my team and say, "I know you're in line to become committee chairman, but I want to run an idea by you." After I shared that with a few of my closest advisers, I shared it with a few more immediately before the election and on Election Day; as it appeared we were going to be taking the majority, I shared the idea at first with the Governor, and then the folks who I was going to ask not to assume the chairmanship role but instead to work with the Democrat chair. The response was almost the same: dead silence and gasps. It was definitely the right thing to do. It is my hope that despite the difficulties this year, we can expand the model even further so that we look in the future to pick the best person - the best and most knowledgeable person - to head a committee, and not the best and most knowledgeable person from a particular party. It was the right thing to do. I hope we can go further with this in the future.

HPI: When Rep. Dobis joined the walkout, did that create some problems for you? Did you have discussions

with him and Stemler about bringing back five or six of their colleagues to reestablish a quorum?

Bosma: I did speak with Steve Stemler frequently because he remained in the chamber in Indianapolis. We had a number of conversations. I did call Chet Dobis several times. I didn't ask him to return but to let him know the status of various items like the fines before they happened. I thought that was appropriate. They had agreed to take a chance. There were, of course, people in their party

who were not pleased that they were willing to step out and try this. So I felt I owed them that much and I was not surprised that Chet left with his team. He was in an awkward position and I fully understood and I was very appreciative that Steve Stemler - and not for my sake - but just because he believed it was the right thing to do, remained in Indianapolis and faced a very difficult situation with respect to remaining members of his caucus, with his party and some of the union members.

HPI: Was there a problem when Dobis ended up in a new district with Rep. Vernon Smith?

Bosma: I don't know if it was a problem. We didn't draw the maps with a specific incumbent in mind. We drew the maps that made common sense, that restore more than 100 communities and hundreds of communities of interest. And as you know there were three districts in which there was more than one Republican incumbent, three districts with more than one Democratic incumbent, and four or more districts with a Republican and a Democrat in them. Again, we were breaking the mold. We drew maps that work for voters.

HPI: What kind of heat did you take within the caucus from the six Republicans thrown into districts together?

Bosma: It wasn't a surprise to them. We had discussions with those members and they knew the direction we were working. None was shocked because of the proximity of some folks and where it made sense to draw maps. It really didn't cause great grief in our caucus. Many of them knew we were trying to do the right thing. They knew I had made that pledge very publicly and very con-



"We didn't draw the maps with a specific incumbent in mind ..."



sistently for the past decade. The public and commentators were shocked we did what we said we would do.

HPI: The district that had Ed DeLaney, John Day and Greg Porter was changed so that each is in his own district now. Was that a gesture to the Democratic caucus to make sure they finished out the session? Or were the maps truly an isolated exercise?

Bosma: We incorporated several suggestions made by Democrat members when they made sense. Some of them made the maps better. We restored communities up in Northwestern Indiana at the request of Rep. VanDenburgh. We restored a school system in Western Indiana at the request of Rep. Grubb. We made alterations in the Marion County maps as well as the maps in Southern Indiana. So it was an open process. We had discussions with people and it was all done in public.

There were changes made and they were all publicly explained. People just aren't used to that kind of process but it was the right thing to do and I hope it sets the model in the future. I hope this is the last time elected representatives draw their own districts. I firmly believe that the right place for this to happen is an independent commission that is balanced and can draw maps without some of the political concerns that even our open map process had to go through.

HPI: Will we see legislation creating that independent redistricting commission next session?

Bosma: I'm sure Rep. Torr and I will continue with our joint effort to amend our state constitution to allow for an independent commission.

HPI: Did you know Right to Work legislation would create the walkout scenario?

Bosma: I wasn't aware of the extent of differ-

ences. I had no clue it was going to happen until it did. I was aware of what was happening in Wisconsin a few weeks earlier and I knew our Democrats were upset. They saw the writing on the wall. The excuse they used

was when Right to Work came out of committee. I wasn't shocked, but no one thought it would go five weeks and set a U.S. legislative record. We had a lot of caucus members who supported that legislation.

HPI: And you passed far-reaching and landmark abortion restrictions.

Bosma: Many of our 19 new members had campaigned on life issues. It was a lot to adopt at a single time. It was really the right thing to do to protect life. I know some of it is controversial, but I can tell you if I'm going to make a mistake, I will prefer to do it protecting the lives of the unborn.

HPI: How much more can the Indiana General Assembly do with abortion restrictions without a U.S. Supreme Court case that would overturn Roe vs.

Wade?

Bosma: I think it's time to take a breather on the issue and see how the new positions take effect and see how they operate. I don't think it is a battle that needs to be fought every day.

HPI: Who do you see as emerging leaders in the freshman

class?

Bosma: I would rather talk about the class as a whole. We took a very aggressive stance with the primary task to craft a legacy of strong leaders. We have 19 new members - the most in almost 30 years. I can look at that group and see extensive backgrounds in life lessons who will become future leaders. We have PhDs, individuals with law enforcement and public safety backgrounds, people in the trenches of small business who write paychecks, folks from the classroom and in school administrations. It is as unique and talented group of people you'll ever find. ❖



“I think it’s time to take a breather on the (abortion) issue and see how the new positions take effect and see how they operate ...”



Donnelly gives three-way dynamic to Senate race

By **BRIAN A. HOWEY**

INDIANAPOLIS - With 51 weeks to go to the 2012 Republican U.S. Senate primary, the Senate race now features two candidates targeting U.S. Sen. Dick Lugar: Republican Treasurer Richard Mourdock and Democrat U.S. Rep. Joe Donnelly.

Donnelly officially entered the race Monday morning with a web video, then told reporters that afternoon that he anticipated a "strong scrap" between Lugar and Mourdock. As for whether he expected Mourdock to emerge from the GOP primary, Donnelly said, "I'm not a big pundit. I'm not smart enough to know the best pathway to this or that."

Murdock saw Donnelly's entry as bolstering his candidacy. "Clearly, they think I'm going to win," he said. "You can bet before he got in this race he did polling of Republican primary voters to see what it looked like."

The Lugar campaign is establishing a war footing. An e-mail from David Willkie, who heads the Friends of Lugar Committee, sought to portray Mourdock as a 2012 reincarnation of Tea Party dreamers like Christine O'Donnell of Delaware and Sharron Angle of Nevada. Both lost Senate races that Republicans thought they could win going into the cycle. "Unfortunately, a large number of Republican county chairmen have been duped into participating in the same failed scheme that resulted in Christine O'Donnell and Sharron Angle and cost us two crucial Senate seats in 2010," Willkie wrote in an email to supporters. "If the Republican parties in Delaware, Nevada, and Colorado had taken the Reagan 'big tent' approach, we would have already repealed Obamacare. Mr. Mourdock has hired the same consultants that brought us these unelectable candidates, and with Mr. Donnelly joining the race the pattern is complete. I encourage all Republican leaders to rally around the Dick Lugar flag now; you have been led down a wrong path, and it's time to come home."

Howard County Republican Chairman Craig Dunn was infuriated by the Willkie e-mail. "If the conservative base of the party doesn't listen to its betters and do as it's told, Lugar will run without them," Dunn said in a post on

the Howard County GOP's website. "The e-mail implicitly threatens an independent Lugar candidacy. I don't think I have ever read a campaign e-mail like this before. 'Support me, or I'll just run without you.' How deluded and arrogant is that? In the email, Willkie, the political director for the campaign of a supposedly popular incumbent senator, accuses over two-thirds of his party's county chairmen of being 'duped.' Coupled with the implicit threat to leave the party (the whole we'll-do-it-without-you-if-we-have-to-line), the e-mail is sure to go over great."

The Lugar campaign has also questioned the number of party chairs supporting Mourdock. The Lugar people point to the original list on Feb. 22 that listed 68 county endorsements. The list was removed and reinstated on the Mourdock website with 67 names. "By our survey, it may be 52," Willkie said.

HPI contacted LaPorte County Chairman Keith Harris, listed on the Mourdock list. Harris, the GOP Michigan City mayoral nominee, told HPI that officially the LaPorte GOP is neutral, but added that he had personally encouraged Mourdock to run.

The Lugar campaign is also trying to portray Mourdock as a Tea Party creature. Mourdock told the Evansville Courier & Press, "I have received support from the Tea Party and Sen. Lugar has painted me as being a wide-eyed



Tea Party candidate, but I am clearly a Republican. I have been on a state ballot six times, and each time, right next to my name is an R, not a T."

"I am a conservative Republican," Mourdock emphasized. "That is what I am."

The Lugar campaign also noted the shift in national coverage from an emphasis on the Mourdock challenge to Lugar to this after Donnelly entered the race: the seat could be a Democratic pickup if Lugar loses the primary.

As we've reported before, the electoral impact of



the Tea Party in Indiana is dubious at best, with U.S. Sen. Dan Coats winning the 2010 GOP primary against three candidates who claimed varying levels of support from the tribes. None of the four freshman congressmen have joined the House Tea Party caucus. And Mourdock's first quarter FEC report of \$157,000 was unimpressive, considering the level of support that Angle and O'Donnell received in 2010.

The Lugar campaign is also questioning Mourdock's ability to raise money as a state elected official while the Indiana General Assembly was in session, citing IC 3-9-2-12 which prohibits "an individual who holds state office" from raising campaign money. U.S. Rep. Mike Pence held off his gubernatorial campaign until after the General Assembly sine die and Gov. Mitch Daniels did not pursue campaign funds for a potential presidential bid. A Jan. 26, 1996, FEC opinion issued on behalf of a Georgia congressional candidate notes a similar Georgia law to the one passed in Indiana in 2009. "The Act states that its provisions and the rules prescribed thereunder, 'supersede and preempt any provision of State law with respect to election to Federal office,'" the FEC letter said.

"The Indiana fundraising law has never been tested or ruled on," Willkie said. "This 1996 FEC opinion may or may not apply, but it would seem to be more prudent to get a ruling before engaging in what seems to be activity which is counter to Indiana law. Who knows where this would go if it were tested? But to date, it has not been."

So into this increasingly testy GOP fratricide comes Donnelly, himself a political refugee after legislative Republicans created a hostile 2nd CD. Donnelly characterized his Senate candidacy as a "chance to work on the issues I've been passionate about for the north central part of the state. This is more about how I can best serve the state. After looking at both, I thought I would have the strongest impact in the U.S. Senate."

Democratic sources tell HPI they see Lugar as vulnerable to Mourdock, with Indiana Democratic Chairman Dan Parker putting Lugar's reelect number in party polling at "35 percent." Mourdock has used a similar number. Lugar sources tell HPI that internal head-to-head numbers show Lugar leading. There has yet to be an independent media poll on the race.

Conventional wisdom is that Donnelly's best shot at the Senate seat would be if Mourdock upsets Lugar in the GOP primary.

Donnelly said that Mourdock's role in trying to derail the Chrysler-Fiat merger that could have cratered the automotive industry in Indiana will likely be an issue if that race shapes up. "It's very clear that Mourdock could not be more wrong about the Chrysler loan," Donnelly said. "Every day, we see people working three shifts in Kokomo and at the GM truck plant in Fort Wayne. The course he pursued would have obtained a smaller settle-

ment. He would have made 18 cents per dollar on legal efforts" as opposed to 29 cents on the dollar that resulted from the expedited bankruptcy.

Mourdock still embraces the issue. "As treasurer, I single-handedly challenged the Obama administration's illegal bailout and takeover of Chrysler," Mourdock told the Kokomo Tribune Tuesday. In court, his case collapsed, but his way of thinking did not. "I took this case all the way to the U.S. Supreme Court on behalf of Indiana pensioners and all the while, [U.S. Sen. Richard Lugar] never once protested the fact that Indiana's teachers and state police officers were having their pension funds looted. I believe what I did was right and I still feel good about it. You either stand up or fold up. I stood up for Hoosiers."

The Tribune remarks came after General Motors announced a tripling of profits that topped industry estimates (though analysts note that GM is not in nearly as good a shape as Ford), and Chrysler announced plans to refinance and repay the U.S. and Canadian government loans while President Obama came to Allison Transmission in Indianapolis to herald a new generation of auto jobs "right here in Indiana."

"Now, why am I at Allison?" Obama asked shortly after he was greeted at the airport by Gov. Daniels. The President cited the work Allison is doing on hybrid automobiles, advanced batteries and natural gas fueled cars. "We need to make stuff," Obama said of manufacturing. "This is also where a clean energy economy is being built. Other countries understand this. We're in competition all over the world. We've got to make sure we win that competition. I want all those new jobs right here in Indiana, right here in the United States of America, with American know-how, American ingenuity and American workers."

After three decades of Indiana U.S. Senate races decided in landslide fashion, the 2012 version is shaping up to be fascinating, potentially in both the primary and general. **Primary Horse Race Status:** Leans Lugar



Governor: Wallace will challenge Pence

Jim Wallace, 50, stood on the steps of Fishers Town Hall surrounded by family and friends Tuesday and declared he is the best choice to continue the policies of the current administration (Carden, NWI Times). "It's time to build on that foundation that Gov. Daniels and the state



legislature have set and to raise Indiana's standard so that all Hoosiers can attain the economic security that we've earned and deserve," Wallace said. If elected, Wallace said he would focus his attention on job growth and management of state finances, rather than on social issues like abortion or immigration. Daniels, who is barred from seeking a third consecutive term, famously called for a "truce" on social issues fights among Republicans at the national level to keep their focus on deficit reduction. In announcing his run for governor last week, Pence said social issue legislation is definitely on his agenda. Wallace disagrees. "We need to keep the state and local focus here in Indiana and not bring more of a Washington mindset to Indiana," Wallace said. Wallace is president of TWG Capital of Indianapolis, which provides financial services to independent insurance agents. He previously served on the Hamilton County Council and the town council of Fishers, his hometown, located about 12 miles northeast of Indianapolis. He grew up in DeMotte and graduated from Kankakee Valley High School in Wheatfield before going on to the U.S. Military Academy at West Point and Harvard Business School. Wallace said he remembers picking blueberries and asparagus as a child in DeMotte and often returns to spend time with friends and family. "I attribute a lot of who I am today to the values I learned growing up there," Wallace said. To view Wallace's campaign kickoff video, visit www.WallaceForGovernor.com or "Families For Wallace" on Facebook.

U.S. Rep. Mike Pence was asked about whether he would seek to expand abortion restrictions in the state if he is elected governor, but he emphasized job creation instead during an exclusive interview on May 5 with Howey Politics Indiana.

Asked if has Indiana gone as far as it can on the abortion restriction front as a state, Pence responded, "This election needs to be about a couple of things that I mentioned on the call today, some of which bears on values, but to me the next administration is how do we keep Indiana growing? I intend to spend the next year listening to Hoosiers, to business leaders and state and local official of every stripe. How do we do that? How do we build an even better Indiana that creates jobs?"

Pence added, "Everywhere I went in the state I heard people express two things: No. 1, they are profoundly grateful for the leadership of Gov. Daniels and other state officials, members in the General Assembly - many in both political parties

- for the progress we've made in the last couple of years. But I lost count of the number of Hoosiers who came up to me and said, 'We've got to keep it going.' That's where I got it into my head, with a cornfield in my backyard in Columbus, how do we keep it going economically. How do we build an even better of Indiana? We are the fiscal envy on the nation. We've got a balanced budget, a AAA bond rating and we're the lead car under the yellow light in the Midwest on the economy for the first time in my lifetime. So we've built an Indiana, but the question is, how do you build an even better Indiana? I believe we do that by living within our means, embracing policies that create good jobs, great schools, safe streets and strong families." Pence said he and his family made the final decision to run for governor last Sunday. "We felt like our calling was closer to home," Pence said just hours after conducting a conference call with reporters telling them he would seek to succeed Gov. Daniels. "In late January we came to a firm decision we would make a choice between continuing to serve Indiana in Congress or as a candidate for governor. While some of the early commentary about that (presidential race) was favorable, I'm someone who really thinks that seeing and hearing is believing so we scheduled a very aggressive calendar of events and meetings in the four corners of the state in the course of the last three months. We've been Vanderburgh County, Lake, Clark, Allen and everywhere inbetween. We received a lot of encouragement to enter the governor's race and we made our decision last Sunday as a family." **Primary Horse Race Status:** Safe Pence

6th CD: Bates announces

Richmond financial adviser and former U.S. Senate candidate Don Bates announced Wednesday he will seek the 6th CD seat being vacated by U.S. Rep. Mike Pence. "Congressman Pence has served my home district well these past 12 years; his message of fiscal restraint and social responsibility has been clear, and I look forward to continuing that message," Bates said."

Last week the unemployment rate again hit nine percent and the President's policies continue to push our nation to the brink of financial ruin. It is time for someone from Main Street Indiana to go to the Capitol building in Washington as a voice for the people. The message I have heard clearly from Hoosiers is they are frustrated with



Don Bates Jr. has entered the 6th CD race.



lifetime politicians bringing no real results. I am a product of Main Street Indiana and have a vision of what Indiana and America can be. That is why I am entering this race."

Bates told HPI that he will "build on my U.S. Senate run" in the race Coats won in 2010. Bates finished fourth in a five-man field with 24,664 votes. He raised around \$200,000 in that race, and has no funds left over. "We will do a lot better," Bates said.

He is the second candidate to announce he will run. Hours after Pence announced his gubernatorial run, former state Rep. Luke Messer said he would run. "As anticipation of this news has been building, my wife Jennifer and I have received encouragement from many friends and neighbors to seek the vacated congressional seat," Messer said. "I grew up in this district. We live here and raise our family here, so this part of the state is very special to us. Without question, the 6th District seat is a great opportunity to serve, and we'll make a formal announcement in the coming weeks."

Messer will have the support of former Indiana Republican Chairman Jim Kittle Jr., Republican National Committeeman Fred Klipsch, and influential financier P.E. MacAllister. Others backing Messer include Randy Tobias, Al Hubbard, John Hammond, Alex Carroll and Andre Lacy. Messer said he believes he is set up well, particularly in a crowded primary field. He lives in Shelby County, grew up in Greensburg in Decatur County, carried Hancock County in the 2010 5th CD primary that he barely lost to U.S. Rep. Dan Burton, and carried Wayne County in a 2000 race against Pence.

Other potential candidates include former Congressman David McIntosh, 2010 9th CD GOP primary runner-up Travis Hankins, Henry County Councilman Nate LaMar, former Wayne County Sheriff Matt Strittmayer, and State Sen. Jean Leising, who lost to U.S. Rep. Lee Hamilton in 1996.

"When I saw the first map, I thought, gee I wonder if they know I planted my farm in the middle of the 6th District," Leising told HPI. "I've gotten some calls about it. I haven't seriously thought about it yet. It comes down to whether I can raise funds to be competitive. I've run as an underdog most of my life."

Sources tell HPI that GOP financiers are appealing to McIntosh to run in the 5th against Rep. Dan Burton. McIntosh has an apartment in Pendleton.

8th CD: Crooks files

Former State Rep. Dave Crooks has filed campaign paperwork to run in the 8th CD. He joined Warrick County Democratic Chairman Terry White. Crooks, a radio station owner, talk show host and play-by-play announcer, represented Indiana's 63rd House District from 1996 to 2008. He said he will run a campaign focused on the needs of Indiana's middle class and ending the destructive partisan

atmosphere in Washington. "The Washington I live in is very different from the one 700 miles east of here, where Republicans and Democrats can't get along, and the voice of the heartland is frequently drowned out by partisan agendas," Crooks said. "I'm running to make sure Southern and Western Indiana has a representative who stands up for good-paying jobs, affordable health insurance and quality education, not cutting Medicare and shutting down the government on a whim." Crooks said he will take leave from his radio show, "The Dave Crooks Show," in order to spend all his time traveling the district and listening to Hoosiers. "I'm in, and I'm excited to formally launch this campaign," Crooks said. "I can't wait to hit the road."

2nd CD: Straw explores

Goshen attorney and Democrat Andrew Straw has established an exploratory committee for U.S. Representative, the Goshen News reported. According to a release from Straw, he is considering running for Congress because of his worries about the deficit and job growth and a desire to streamline and shrink the Internal Revenue Service. "A smaller IRS can function better using technology, and at every turn it can emphasize jobs," Straw said. Straw has worked at the Indiana Supreme Court, the Indiana University-Maurer School of Law as an assistant dean and as corporate counsel for philanthropist and government performance expert Alan M. Voorhees. Locally, he was most recently campaign manager for the State House of Representatives candidacy of Dwight Fish, along with practicing law from his Goshen office.

Evansville Mayoral: Debates proposed

Republican Evansville nominee Lloyd Winnecke is seeking two debates with Democrat Rick Davis. Winnecke wrote a letter to Davis on Wednesday, saying, "As mayoral candidates, we will no doubt be asked to make many joint appearances over the coming six months. Although these appearances will be informative to voters, they may not truly showcase our individual ideas for the future of this great city. Therefore, in addition to the many joint appearances, I propose we schedule a minimum of three debates over the course of the campaign. Political debates are a time-honored method of enabling voters to choose their leaders wisely, allowing them to hear firsthand what each candidate proposes and why. I suggest at least two of these debates be televised and hope to hold one debate at a local high school. I feel it is best if we do not backload the debates to the end of the campaign. Instead, I recommend the first debate be held prior to Labor Day. We could then schedule at least two more in September and October. I believe this schedule would grant voters ample time to compare our answers and decide whose vision for Evansville they feel will benefit our community the greatest."

Horse Race Status: Tossup ❖



Campaign rollouts coming in many different ways

By **BRIAN A. HOWEY**

INDIANAPOLIS - Richard Mourdock chose a traditional campaign rollout: an event with plenty of supporters at a conspicuous public place - the Indianapolis Artsgarden - with wife at his side and a rev 'em up speech complete with a history lesson, followed by a fly-around. Since 2002, Mourdock has attended more Lincoln Day dinners than just about any other politician and it remains the backbone of his popularity with the rank and file.

Sen. Dick Lugar did his with a big dinner at the Ritz in Carmel that brought in \$400,000 and a fiery call-to-arms speech by Mark Lubbers. There was little press coverage.

Mike Pence did it a bit differently. He spent February, March and April doing about a dozen Lincoln Day dinners where he enticed eager Republicans by intoning, "We are seriously considering a run for governor." When he announced he wouldn't seek the presidency in late January, the plan was to give the scoop to the Indianapolis Star. It announced that it was going to have the scoop before it actually posted the story, but was scooped by Howey Politics Indiana. We confirmed the decision with one of our informed and reliable sources in Washington. That whole scenario left a number of reporters around the state fuming over the playing of favorites, even if the intended scooper was the state's largest newspaper.

Pence did it a bit differently last week. He announced a conference call with supporters, but word leaked out to the press (imagine that!) that he was going to announce a gubernatorial bid and the Pence staff was peppered with requests by reporters who wanted to participate.

When President Obama announced the killing of Osama bin Laden late Sunday night, Pence scrapped the Monday conference call to supporters, fearing the Oklahoma City effect. This occurred to Dick Lugar's presidential campaign kickoff in April 1995 when, just before the big staged event at Indianapolis' City Market, Timothy

McVey bombed the Murrah Federal Building in Oklahoma City. The Lugar campaign decided to plough ahead, but the announcement was lost in the ensuing crisis of domestic terrorism. Subsequently, the campaign never took off.

When Pence remounted what his office called a "soft launch" on Thursday - again a conference call with supporters - more members of the press were included. During the call, Pence noted that the formal, more traditional announcement would take place at noon Saturday, June 11, at the "historic Breeding Farm" near Edinburgh, which may have prompted some cynical laughter in the offices of Planned Parenthood. On the conference call, Pence announced his new website and noted that there was a video posted about his long-awaited public announcement.

Right after the conference call, HPI got on mikepence.com, took a number of screen captures of the video showing Pence on various news shows, in speeches, along with clips of President Obama at Planned Parenthood, and other shots and statements by Vice President Biden, Speaker Pelosi and Sen. Reid.

A few hours later, Matt Lloyd called HPI to tell us we were using the wrong video. The actual new video was of Mike and Karen Pence discussing their decision to run for governor. We're not sure whether the HPI computer didn't see the new video, or there was a delay in posting. It had been posted early Monday just before the first planned call with supporters, but was quickly removed when the delay was announced.

HPI didn't see much coverage of the Mike and Karen Pence video in other news accounts, so we're not sure if this was a hiccup in the video posting. But there was a glitch. The campaign made Pence available to HPI later Thursday afternoon - about three hours after our weekly deadline - and we followed up in Friday's HPI Daily Wire with Pence saying he was going to emphasize job creation, not social issues, during his coming campaign. Pence also changed the location of the announcement from his originally planned Indiana hometown of Columbus to Washington, D.C. where he had to be for votes. That brought a little criticism from Indiana Democratic Chairman Dan Parker.

But, as Bill Shakespeare would put it, all's well that ends well.

This brings us to Joe Donnelly. His burgeoning campaign leaked a weekend story to the Associated Press in Washington that he had decided to seek the Lugar Sen-



Mike and Karen Pence in the campaign video to supporters.



ate seat, which was the second worst kept secret only to Pence's decision to run for governor. There was little information. I e-mailed chief of staff Joel Elliott to ask if there would be an event or a presser? Elliott quickly responded that information would come early Monday morning.

Viola! At 5:29 a.m. Monday the campaign posted a YouTube video of Donnelly announcing that he would seek the Senate seat. It was a finely produced video of Donnelly talking with constituents, veterans, and touring factories. He said why he was running and asked people for their support. There was a brief family bio. HPI was the first news outlet to post quotes and photos from the video.

By mid-morning, the Donnelly campaign announced a 2 p.m. conference call that drew 25 or 30 Indiana and national reporters and talking heads. Donnelly answered more than a dozen questions ranging from the political to public policy.

WISH-TV's Jim Shella asked Donnelly where he was and why he decided to announce via social media. "I'm in South Bend today," the congressman said. "I am heading back to Washington tonight, which is part of the reason I did web video. By doing it this way, I could have as much time as needed."

Donnelly then tried to placate Shella, who has spent most of his broadcast career covering more traditional Mourdock-style rollouts. "I certainly promise you, Jim, as soon as I can get down to Indy, I'll spend as much time with you as you want," Donnelly said.

Shella was fine with that. His story on Donnelly appeared in the second segment of WISH-TV's 5 p.m. news cast at 5:21 with B-roll, clips from the campaign video, audio from the conference call, and reaction from the major state party chairs. So it appears that Donnelly's rollout will be more gradual, with a cascading number of interviews with media as he hits what he referred to several times, the "four corners of the state."

Former state rep Jackie Walorski announced for Donnelly's seat in March, using her former employer - she was a reporter for WSBT-TV - as her platform, followed by

individual news interviews with local media and a Lincoln Day dinner tour at the county level.

Next up on the rollout list will be former House Speaker John Gregg, who is following the early Pence game plan by doing Jefferson-Jackson Day dinners around the state and Indianapolis township Democratic clubs in a "listening tour" mode. HPI got the scoop in April that he

had formed an exploratory committee. A formal Gregg announcement - format unknown at this point - is expected shortly. There's also Senate Minority Leader Vi Simpson, who kicked off her first gubernatorial campaign in 2003 with a rally of supporters at the Statehouse and a speech there.

Lugar kicked off his 2006 campaign with a Statehouse event where he delivered the ballot petitions outside the secretary of state's office thronged by volunteers and supporters. It was the defining image of his campaign after Indiana Democrats did not field



Treasurer Richard Mourdock did a more traditional rollout at the Indianapolis Artsgarden in February. (HPI Photo by Brian A. Howey)

a candidate against him.

No one has yet mimicked Gov. Mitch Daniels, who did a year-long listening tour in 2003 and 2004 aboard RV1, hitting dozens of little burgs and villes around the state, many of which hadn't seen a real live governor candidate in decades. He then did his official kickoff outside of Hinkle Fieldhouse, heavily using the Milan Miracle theme. In the Evan Bayh era, the "fly-around" to airports in Evansville, Terre Haute, South Bend, Fort Wayne, Indy, Jeffersonville and Gary was the preferred mode. Gov. Frank O'Bannon did a mixture of fly-around to drive-in-hops to union halls and rallies.

I did the final leg in RV1 in October 2008 during the Daniels reelection campaign, and he headed to Milan where he met with Bobby Plump and the other 1954 basketball champions at the Reservation Restaurant, where the pie was absolutely scrumptious. On the way back to Indianapolis, Daniels expressed a desire to see candidates from either party "steal" his RV platform idea. The RV is an excellent Hoosier symbol of manufacturing prowess.

To date, no one has followed the trail that Daniels blazed across the fruited plains and amber waves of grain that resulted in the defeat of a sitting governor in 2004 and a 58 percent win in the face of the Obama juggernaut in 2008. ❖



Assessing the political challenges to Sen. Lugar

By **MARK SOUDER**

FORT WAYNE - Senator Richard Lugar is seeking a historic seventh term in the United States Senate. He's already served 36 years in the Senate, and would be 86 after the completion of a seventh term. His success, unopposed in his last election when he was 74, suggests that Indiana is not the poster state for term limits.

Congressman Joe Donnelly of South Bend announced this week that he will seek the Democrat nomination.



Donnelly is similar in views to the 2010 Democrat nominee for Senate, then Congressman Brad Ellsworth. It is doubtful that conservative enthusiasm can match 2010 and it is certain that Democrat turnout in a Presidential year will exceed 2010.

So Donnelly starts with a higher base vote than did Ellsworth. It is also generally perceived that Senator Lugar is likely to have a more difficult primary than did former Senator Coats in

2010. Coats, once his campaign got rolling and past the "interloper choice of political insiders" cruised through the primary. Incumbent Senator Evan Bayh blinked when Congressman Mike Pence considered the race, but then – when he surveyed a weak Republican field – stayed in the race. When Coats announced he was running, Bayh beat a hasty retreat.

Lugar is running against incumbent Indiana State Treasurer Richard Mourdock. Mourdock won statewide elections in 2006 and 2010, so voters may be more familiar with his name compared to the candidates who opposed Coats. Also, in the Senate primary in 2010, all the candidates together – including Coats – spent less than Bob Thomas did in the 3rd district congressional primary against me.

The biggest variable going against Donnelly is the reverse side of his biggest strength: President Obama will head the Democrat ticket. Whatever recovery Obama makes in the polls, it is unlikely that he will carry Indiana a second time. If Mitch Daniels is the Republican nominee for President, it will be unfortunate for Donnelly that he only had until June 30 to remove his name from the ballot. On the other hand, the good news for Democrats is that

the Republicans actually have to nominate someone to run against the President.

Simply put, with potential divisions for the GOP nominations, anyone who doesn't take Donnelly's entrance into the Senate race seriously has not been paying attention to political reality. Match-ups aren't against a "field," they are one-on-one. It is not hard to imagine a significant number disgruntled conservatives skipping the Senate ballot if Lugar is renominated, or enough Lugar partisans voting for Donnelly to tip the fall race.

While Senator Lugar's path to the renomination will not be easy, he has the following advantages:

1. Money. He will have a decided advantage even if national Tea Party money pours in. That is especially important utilizing all TV markets that reach Indiana voters.

2. Party endorsements don't mean what they used to. It is extremely significant that Mourdock has over 75 percent of the county chairs endorsements. It demonstrates an extraordinary lack of loyalty by his own party to our longest-serving Senator. At the same time, it is unclear how many people county chairs influence. Without patronage, the position is more of a thankless one given to dedicated hard workers rather than powerful bosses.

3. Mourdock's support is from smaller counties, not the vote-rich larger counties. The Indianapolis TV market reaches around 60 percent of Republican primary voters. John Mutz, when he won the gubernatorial nomination years ago, had the minimum standard of winning Indianapolis big, running close in the other large counties and losing the rest. He successfully implemented a victory with perhaps the smallest number of counties ever carried. The key is to win where the votes are.

4. There are mixed signs of anti-incumbent sentiment. It is not clear that the Indianapolis region or the second largest GOP region (Fort Wayne) have much "throw out our Republican incumbents" sentiment.

5. The Tea Party movement is active and committed but does not seem to have the widespread base that it had in 2010. That could change, but if it doesn't, Mourdock will have trouble topping the traditional conservative challenger's one-third of the vote.

6. Lugar networks are everywhere.

The conservatives can produce a solid one-third of a vote against Lugar, and perhaps add some rural areas that he has ignored. But the Republican primary will likely be decided on a single variable: age. Swing voters, especially younger voters, are increasingly wanting a new generation of leadership. They may not favor term limits, but they do not view dying in office as the alternative. Lugar at 80 may be smarter than almost every other Senator at 50. But still, age 80 is could likely give pause to almost every voter. Is this really the way we believe politics should work?

If Mourdock pursues an agenda that is too con-



servative, he can fire up the base but drive away the very swing vote he needs to topple Indiana's longest-serving Senator. The balance required between attracting the conservative activists and national conservative money, yet winning statewide in a Republican Party that is not as conservative as it is perceived to be, is the Mourdock challenge.

If Donnelly believes that his old congressional district is not winnable with redistricting, then it presents a pretty grim view for Democrats statewide. Republicans already represent six of the nine congressional districts, or seven with the 2nd. Against those odds even if every registered person in Lake County voted, twice, and the cemeteries emptied out, you probably couldn't win as a

Democrat.

Donnelly clearly is banking on a divided Republican Party, wounded by a brutal primary. Maybe, but it's probably not enough to swing Indiana back to the Democrats regardless of whether Mourdock or Lugar wins.



Souder is a former Republican congressman from Indiana.

Donnelly bets against Lugar

By **CHRIS SAUTTER**

WASHINGTON - Who can blame Indiana Congressman Joe Donnelly for deciding it's "up or out?" He has to be frustrated. Democrats are the minority party in the U.S. House of Representatives. And, Republicans re-drew boundaries that will make re-election more difficult than it already was in a tough swing district.



Donnelly barely won in 2010, eking out victory by just a little more than 2,500 votes in a decidedly more favorable district.

Yet, Donnelly is taking a big chance. The three-term Hoosier Democrat is betting that a race for the U.S. Senate seat currently held by six-term incumbent Richard Lugar gives him a better shot at winning in 2012 than running for re-election in a redrawn 2nd district. It is not so

clear that is the case.

For one thing, Donnelly would still stand a good chance of winning in the new 2nd congressional district in 2012. The district is hardly worse than the district Tim Roemer won in 1990, defeating five-term Republican incumbent John Hiler. That district was drawn by Republicans in 1981 to be safe for Hiler.

Further, Donnelly's 2010 opponent and the presumptive 2012 Republican nominee, former state Representative Jackie Walorski, is not a particularly impressive

candidate - so unimpressive that many top Republicans in Washington would prefer someone else despite the closeness of the last election. Donnelly survived the Republican wave in 2010 in large part because of Walorski's weaknesses. With Republicans struggling to find a competitive presidential candidate, 2012 is bound to be a better year for Democrats than 2010.

Secondly, Senator Lugar is not dead yet.

Political pundits in Washington and Indiana and Tea Party activists may have begun to write him off. But Lugar is demonstrating genuine resilience. He has already put away \$3 million, out-raising Donnelly three-to-one, and out-raising his likely primary opponent Richard Mourdock by a ratio of six-to-one. His top political advisors, Mark Helmke and David Willkie, are sharp and experienced and will have Lugar, the former Rhodes Scholar and Eagle Boy Scout, well prepared for the challenge.

Could it be that Donnelly and the political world have counted Lugar out too soon?

Indiana State Treasurer Richard Mourdock was wise to jump into the Republican primary race early. Mourdock knows that some Lugar detractors within the party like State Senator Mike Delph will be reluctant to make it a multi-candidate contest after what occurred just last year. Dan Coats survived the 2010 Republican primary because his four opponents divided up the anti-establishment vote.

It remains to be seen how good a candidate Mourdock will be at this level. He has not had a tough election since Frank McCloskey defeated him twice in races for Congress. And, Mourdock has many serious liabilities as a candidate, not the least of which is his opposition to the "bailout" of Chrysler, federal spending that has proven to be popular because it saved thousands of Hoosier jobs.

Too often, candidates are more focused on the last race or the last cycle than the next one. Mourdock hopes to ride the same anti-moderate fervor that pushed



Delaware's Mike Castle, Utah's Bob Bennett, Pennsylvania's Arlene Specter, and Alaska's Lisa Murkowski out of the Republican Party or to early retirement.

But Tea Party strength seems to have crested and, besides, Indiana has not proven to be the hotbed of Tea Party activism that other states have. Lugar, with solidly conservative credentials, may not be as anathema to Republican primary voters in 2012 as were last year's casualties, most of whom were much more moderate than Lugar.

Lugar is displaying confidence. He has already begun to define Donnelly, who is not well known outside his northern Indiana base. He has not been afraid to draw distinctions with the Tea Party. Rank-and-file Republicans have always been fond of and loyal to Lugar. But this is not your grandfather's Republican Party, and Lugar's willingness to stand up to the Tea Party may not be something that will be rewarded as it might have in the past.

Indiana is a Republican-leaning state. Democrats

can win state-wide, but only when they offer something special. Think the youthful and energetic Birch and Evan Bayh, or the grandfatherly Frank O'Bannon. It is not enough to run on the generic Democratic message. Last year's U.S. Senate Democratic nominee Brad Ellsworth struggled not just because it was an awful year for Democrats, but also because he never articulated a message that resonated with voters. Ellsworth never gave voters more than the same old, same old.

Joe Donnelly is likeable and has demonstrated he is a good politician who can win in difficult environments. He can clearly beat Mourdock but his chances against Lugar would not seem to be promising. Even to prevail over the flawed Richard Mourdock, Donnelly will need to demonstrate he is running for U.S. Senate for more important reasons than his congressional district was gerrymandered.

Sautter is a Democratic consultant based in Washington.

GALLUP

GOP CONTENDERS		AMONG ALL REPUBLICANS		Pos. Intensity Score	AMONG REPUBLICANS WHO RECOGNIZE			
		Ballot Support**	Recognize		Strongly Favorable	Favorable	Unfavorable	Strongly Unfavorable
	Mike Huckabee Former Governor of Arkansas	16	85	24	27	50	10	3
	Michele Bachmann U.S. Representative from Minnesota	4	60	20	24	48	13	4
	Herman Cain Businessman from Georgia	*	24	20	21	45	17	2
	Sarah Palin Former Governor of Alaska	10	96	18	25	49	18	7
	Tim Pawlenty Former Governor of Minnesota	3	49	16	17	55	10	2
	Ron Paul U.S. Representative from Texas	6	75	14	16	49	21	2
	Mitt Romney Former Governor of Massachusetts	13	84	13	16	56	15	3
	Rick Santorum Former Senator from Pennsylvania	2	47	13	15	53	10	2
	Mitch Daniels Governor of Indiana	3	34	11	13	55	13	2
	Newt Gingrich Former Speaker of the House of Representatives	6	84	11	16	52	20	5
	Jon Huntsman Former Governor of Utah	1	25	6	8	55	19	2
	Gary Johnson Former Governor of New Mexico	*	19	3	6	53	16	3
	Donald Trump Businessman	16	98	0	12	42	30	11



The revenue forecast and the state budget

By **LARRY DeBOER**

WEST LAFAYETTE - After years of gloom in the Indiana State House, this spring saw a ray of light. The April forecast increased revenue projections for the coming biennium budget. That's the first time this has happened since a tiny increase in April 2005. (You can see the projections on the Indiana State Budget Agency's website, www.in.gov/sba/2563.htm.)



Everyone expected an upward revision. We knew that revenues were running ahead of the December forecast for the first nine months of fiscal 2011. We're up by \$115 million. That's money in the bank - literally.

So (I figured), the revision would start from a higher 2011 level and increase 3.7 percent per year for 2012 and 2013. That was the average forecast increase for those years in the December forecast. The added revenue would total about \$400

million for the three fiscal years.

Instead, the forecast added \$762 million. The reason was a more optimistic forecast for the Indiana economy.

Indiana hires Global Insight to do its economic forecasting. In April, Global Insight projected that Indiana income will grow 12.9 percent from fiscal years 2010 to 2013. Back in December, it projected a growth of only 10.8 percent. Global Insight thinks the Indiana unemployment rate will drop to 8.2 percent by 2013. The projection had been 9.2 percent. The company also has the stock market rising an extra 7.1 percent, and U.S. gross domestic product up by about 1 percent over December's projection.

All of these higher economic projections enter into the state's revenue formulas and increase revenue forecasts. More Indiana income growth means more consumer spending, which raises sales tax revenue. More income growth means more income tax revenue on wages and salaries. A lower unemployment rate should inspire more consumer confidence, which will increase spending and sales tax revenue some more. Higher GDP growth and a bigger rise in the stock market should increase income taxes on capital gains.

So, the forecast of sales tax revenue increased by \$181 million in 2012, and by \$172 million in 2013. The

forecast of income tax revenue increased by \$154 million in 2012 and by \$155 million in 2013. That's \$662 million right there. Add in the extra revenue for fiscal 2011, some slight adjustments in other taxes and a downward revision in riverboat revenue, and the total increase is \$762 million. What will we do with this money?

The governor immediately announced an added \$150 million for K-12 education in the next biennium, partly to fund grants for all-day kindergarten. He also warned that the new revenues were "no reason to abandon caution."

But any lobbyist worth his or her paycheck surely spent the last two weeks of April asking legislators for just a little piece of all that added money. The extra revenue also may smooth over some small differences between the House and Senate versions of the proposed budget.

The outlines of the next biennium budget are pretty clear. The improved revenue picture in 2011 will allow us to start fiscal 2012 with balances around \$800 million, which is 6 percent of the budget. That's higher than the rock-bottom minimum of 5 percent that Indiana has always managed to keep.

In 2012 the budget will be approximately balanced, with current revenues covering current appropriations. In 2013 the state will run a surplus, and this will allow balances to increase. By the end of the biennium in June 2013 we should have a billion dollars, between 7 and 8 percent of the budget, in the bank. Considering where we thought we'd be as of December - balances continuing near 5 percent for the whole biennium - that's an achievement. Let's not get too giddy, though. The coming biennium will see the tightest budget in memory. Spending will increase by less than 2 percent per year, just enough to cover anticipated inflation.

Appropriations will actually fall. They'll be lower in 2013 than they were in 2009. Appropriations are the planned spending in the budget. In the last biennium revenues fell short of projections, so spending was cut well below the planned amounts. In effect, the new budget incorporates those spending cuts into the plan for the next biennium.

The budget will be tight. We're still in an economic hole. But the revenue forecast says that over the next two years, we'll start to climb out. ❖

Prof. DeBoer teaches agriculture economics at Purdue University.



Buttigieg essentially is mayor elect

By JACK COLWELL

SOUTH BEND - While it's not technically correct to refer to Pete Buttigieg, landslide winner of South Bend's Democratic mayoral nomination, as mayor-elect, he really is.



Republican mayoral nominee Wayne Curry will and should take the fall campaign seriously, raising important issues, and Buttigieg will not just take it all for granted.

But look at it this way:

Buttigieg, the impressive 29-year-old Harvard grad and Oxford Rhodes Scholar, not only won big with Democratic voters but also got far more Republican votes than Curry.

Curry got 655 votes in what appears to be the lowest Republican primary turnout since at least back to cars replacing horses on city streets.

One skilled election numbers cruncher estimated that Buttigieg got as many as 3,000 votes of Republicans who crossed over to have a voice in the Democratic primary - the real election of a new mayor.

There's no precise way of determining this.

But precinct by precinct totals shows that in Republican areas of the city, particularly in the 5th District, long represented by a Republican council member, the Republican primary total was way down, the Democratic primary total was way up, and Buttigieg won big.

In the last comparable city election, in 2007, there were 2,531 votes cast in the Republican mayoral primary, 6,043 in the Democratic mayoral primary. Neither side had thrilling contests, nothing like the focus this time on selection of a new mayor in a highly contested Democratic nomination race.

Totals this time: Republicans, 995; Democrats, 13,957.

That Democratic primary turnout, enhanced by the Republican cross-overs, was much larger than most political insiders were predicting. Some predictions were for a turnout as low as 8,000. The median figure was about 11,000.

Because voter registration figures are way out of whack with reality, including many names of people no longer residing in the city, there is no way to figure an accurate percentage of voter turnout. But it was much higher

than any of the calculations based on the phantom registration totals.

With four serious contenders for the Democratic nomination, most projections were that the winner would be the one getting a little over a third of the vote.

Buttigieg got 55 percent.

Nobody, including Buttigieg, thought as Election Day dawned that he would win that big.

But he had run an almost letter-perfect campaign since entering the race with scant name recognition and most of those recognizing it not knowing how to pronounce it.

Steadily, even if slowly at first, he began to get known and impress those he met, including some big contributors. He raised far more in campaign funding than any of the other contenders.

Buttigieg also built a superior organization for identifying potential supporters and getting them to go to the polls.

Key person in those efforts was Mike Schmuhl, Buttigieg's campaign manager and friend going back to the days when they both were students at St. Joseph's High School. Schmuhl had just ended serving as campaign manager for Congressman Joe Donnelly and his survival of the 2010 Republican tsunami.

While they listened politely to suggestions from people more experienced in local politics, sometimes following suggestions, sometimes declining to pursue possible endorsements that could cut both ways, they followed their basic game plan.

Buttigieg and Schmuhl both say a key early endorsement came from City Clerk John Voorde, who had been a supporter of Mike Hamann, one of the top contenders for the nomination. They mailed out a letter from Voorde to older voters long familiar with the Voorde name.

Other defections came. Momentum came.

Endorsements came from the Chamber of Commerce, a factor in those cross-overs; from The Tribune, a factor in undecided voters deciding for Buttigieg, and from the firefighters, a factor in capturing the Democratic base.

Finally, the contest had come down to Buttigieg and state Rep. Ryan Dvorak. Dvorak, without building up to it, turned to negative TV ads and mailings in the closing days. It backfired. Buttigieg responded quickly, lamenting the negative turn and saying that political attacks "don't create jobs, improve schools, reduce crime or fix vacant houses."

Buttigieg had the campaign resources to carry that message in TV ads and through the mail. Dvorak slipped to third. And Buttigieg became, well, actually, mayor-elect. ❖

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



High schools and economic development

By **MORTON J. MARCUS**

INDIANAPOLIS - From time-to-time, I am asked: "What is the best investment for Indiana's economic development?" The answer: Invest in our high school-age young men and women.

High schools already exist. No new structures or organizations are needed. By and large they are staffed with experts at reaching young people. Mostly, they lack the mission, the authority and the resources to enable children to become responsible adults.



The local high school does not see itself, nor is it seen, as the community's most important economic development instrument. High schools, their students and their programs can set the tone for life in many communities.

A failing high school has high delinquency rates; its students on the streets edging toward disruptive and potentially illegal behavior. Often citizens perceive these truants and drop-outs as threats to their persons and property. Even if not visible, unsupervised young people may test the boundaries of civilized behavior, potentially inflicting irreparable harm on themselves and others.

Some insist that high schools are virtually impotent if they do not have the support of the parents. Others claim the issues of behavior must be addressed in earlier grades. Finally, most students lack the essential aspiration for education, for a life enriched by knowledge and competence. These arguments are valid yet exist as convenient excuses for doing little, for avoiding the distinct responsibilities and opportunities of high schools.

To be effective a high school must have a clear mission based on its individual circumstances. The state and the school district must leave creating the mission and the means to accomplish the mission to the individual school. This requires principals who have the vision, the will, and the authority to mold programs that will work in their schools.

In too many cases, today's principals shuttle among the superintendents, teachers, parents and students attempting to maintain calm. They are intermediaries, not leaders. Principals must be educated and empowered to be leaders, not just administrators.

Aggressive programs to prepare young people for adult responsibilities will require additional resources. Over

the past three decades, Indiana school corporations have been reduced to dependencies of the state. The state sets standards, dictates curriculum, denies adequate funding and licenses unprepared teachers.

Where will the money come from to support more innovation in our schools? One source could be the local Economic Development Income Tax (EDIT). But the money should be used to supplement specific programs and not dumped into the schools' general funds. In effect, those local officials who control the allocation of EDIT monies should buy specific services from the schools.

For example, most schools have cut back or eliminated education in art, music and theater. The results go beyond the education of students. In many communities, high school programs provide entertainment and social enrichment for all citizens, whether or not they have children in school.

High schools can offer education for adults in vocational and technical skills, math, science, and foreign languages. Sadly, while neglecting high schools, Indiana has built a totally separate, overweight, and often ineffective system called IVY Tech.

High school students serve as role models for their younger siblings and neighbors. So, too, adults attending high school classes transform the school's atmosphere, adding a more serious element to an adolescent environment.

A good high school acts as a magnet, draws new citizens to town and retains those already living there. A good high school instills community pride yet currently remains an undervalued asset in Indiana. ❖

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



Mizell Stewart III, Evansville Courier & Press:

Since Tuesday's primary election in the city of Evansville, many have lamented about the woeful voter turnout, as fewer than 10,000 chose to participate in the Democratic primary. Others wondered whether the rift in the Democratic party that erupted when Vanderburgh County Treasurer Rick Davis dared to declare himself a candidate for mayor before incumbent Jonathan Weinzapfel decided against running for a third term will ever be healed. Let's be clear: Whether you voted or not — heck, whether you even live in the city or not — the primary was a great thing. Most of the time in local and even state politics, the party leadership settles on a candidate early on and quietly lines up support behind The Anointed One. Not this year, and, in the end, voters will be the real winners. Now, don't mistake my enthusiasm for the primary process as satisfaction with the candidates themselves — at least not at this point. In just about every setting — from the Courier & Press editorial board to neighborhood candidates' nights across the city, the Rick Davis pitch is largely a recitation of his resume, statements about "accountability" and "transparency" and a pledge to have public committee meetings about job creation. ❖



Doug Ross, NWI Times:

Remember Indiana Gov. Mitch Daniels' proposed truce on social issues? Well, you can forget it now. Daniels had proposed a truce on divisive social issues in order to focus on fiscal matters. But he dealt that truce a death blow last week when he said he supported and would sign legislation that blocked public funding for Planned Parenthood. Everyone knows Planned Parenthood performs abortions. Not everyone knows the agency provides a number of other health services as well. And public money already doesn't fund abortions. So why attack Planned Parenthood? Because Planned Parenthood represents liberalism, which is under attack in Indiana, even more so than the rest of the nation. All it takes is a look at the Indiana General Assembly's priorities this year to see that. And you can bet the nation will begin looking at those accomplishments now that the nation's spotlight is finding Daniels. ❖

Gail Collins, New York Times:

Let us stop for a minute to consider Mitch Daniels, the governor of Indiana. Many of you may be unacquainted with Daniels. After all, a lot of Americans go for years on end without ever setting foot in Indiana even though it is a fine state, full of lovely people and some first-class universities, not to mention the RV Hall of Fame, the world's largest ball of paint and the Dan Quayle museum. But about Mitch Daniels. The political world has been abuzz with speculation that he will run for president. Centrist Republicans loved it when he began urg-

ing the party to keep its eye on the deficit-reduction prize and stop obsessing about social issues. "Try to concentrate on making ends meet, which Washington obviously has failed to do for a long time, and have other policy debates in other places if you can," he advised. He then went home and announced that he would sign a bill to strip Planned Parenthood of Medicaid financing. "He called a truce on social issues, and he was the first to fold," said Nancy Keenan of NARAL Pro-Choice America. "The suggestion I made about trying to set aside other issues was made in the national context," Daniels said over a lunch with journalists this week in New York. "I was thinking more broadly than some people heard it." Actually, Daniels's moderate fans thought abortion was precisely the issue he was calling on Republicans to set aside. While Daniels is not a good example of a fiscal conservative who wants to move beyond the social wars, he is a real prototype of the peculiar strain in the political right that trusts people to make their own

informed decisions without government intervention except when it comes to the most exquisitely personal choice a woman could ever face. In his capacity as deficit hawk, Daniels waxes eloquent on his conviction that if Americans have to pay more of their medical bills, they'll make smart choices about whether that nagging headache really requires the expense of a CAT scan. Doubting that the individual patient can judge whether more tests or medical procedures are required, Daniels said, "demeans the dignity of people." However, women who are seeking an abortion have to be given not only the information they ask for, or the information the doctor thinks they need, but also faux facts that their local lawmakers want to force on them. And dignity be damned. ❖

Russ Pulliam, Indianapolis Star:

A Mitch Daniels presidential run could offer a disciplined approach to the federal budget. Yet his initial challenge would be in capturing all three wings of a winning coalition for the Republican Party. The wings are: business, the tea party and social conservatives. He should have the business caucus on his side. They want cuts in federal spending and an end to government rules and regulations that stifle business initiative. He also should get a big part of the tea party caucus. They are even more adamant about slimming down the federal government, with a libertarian streak. Daniels might be shaky with what used to be called the religious right - the pro-life, pro-family voters who overlap with the tea party. Ronald Reagan pulled all factions together in the 1980s, although the tea party voters had not emerged as a well-defined group then. Daniels has the credentials of a social conservative. He'll sign pro-life legislation passed by the General Assembly that will encourage pregnant women to weigh the humanity of the baby in the womb. ❖



Judge rules against Planned Parenthood

INDIANAPOLIS - Planned Parenthood of Indiana will receive no Medicaid reimbursement for about the next six weeks while it prepares to challenge a new state law cutting off its funds (Gillers, Indianapolis Star).

U.S. District Judge Tanya Walton Pratt, who will hear the health-care provider's case on whether the law is constitutional, denied Planned Parenthood's request for an emergency hold on the law

Wednesday. "I'm pleased that the state law is going into effect as the legislature intended," said state Solicitor General Thomas M. Fisher. Pratt said that letting the law take effect for six weeks would not cause "immediate and irreparable injury, loss or damage" -- the legal burden of proof for an emergency hold. That hold would have covered the period until July 1. By that date, Pratt said, she will decide whether the state should enforce the law during the months it will take to hear Planned Parenthood's case. Pratt noted that Planned Parenthood has a fund that helps cover costs. But Betty Cockrum, of Planned Parenthood of Indiana, said it's not clear whether the provider can serve its 9,300 Medicaid clients without payment. Asked Wednesday what would happen if a Medicaid patient walks into a Planned Parenthood clinic, Cockrum said, "I don't know."



Lugar drops Dream Act

WASHINGTON - As the politics of the 2012 election heat up, GOP Sen. Richard Lugar declined Wednes-

day to join Democrats in reintroducing an immigration measure he's long supported. Since 2005, Lugar has co-sponsored with Sen. Dick Durbin, D-Ill., a bill to let illegal immigrants who grew up in the United States earn legal status through college or the military. But Lugar, who faces challenges from a Republican and a moderate Democrat in his bid for a seventh term, did not sign on to the latest introduction of the bill, announced Wednesday by Durbin and Senate Majority Leader Harry Reid, D-Nev. Lugar may still vote for the bill if it comes up for a vote, according to spokesman Mark Helmke. But that depends "on the circumstances in which the bill was brought to the floor and the political posturing surrounding such a vote," Helmke said. Lugar continues to work with Sen. John Kerry, D-Mass., on a different bill that would help immigrant entrepreneurs get visas if the immigrant has the backing of an investor."

Students won't be deported

INDIANAPOLIS - Immigration officials say five illegal immigrants arrested during a protest at Indiana Gov. Mitch Daniels' office won't be deported. The U.S. Immigration and Customs Enforcement said in a statement Wednesday that it had determined it "was not the best use of the agency's resources" to try to deport them. The Indianapolis Star says the five appeared Wednesday in a Marion County court for a hearing on criminal trespass charges. They're all out on bond.

Indiana drops corporate tax rate

INDIANAPOLIS - Indiana's corporate income tax rate will drop by two percent over the next four years,

a change Gov. Mitch Daniels believes will lead to more jobs in the state. Under House Enrolled Act 1004, signed into law by the Republican governor this week, starting in 2012 the income tax rate for corporations will drop by 0.5 percent a year from the current 8.5 percent until reaching 6.5 percent in 2015. "Our principal goal always has been to make Indiana the best business climate possible," Daniels said. "We've always been looking at finding ways of lowering the cost of hiring Hoosiers." Daniels said Indiana's 8.5 percent corporate income tax rate -- the ninth-highest flat rate among the states -- stuck out in comparisons with other states, even though other costs of doing business in Indiana, such as unemployment and worker compensation expenses, are generally lower. "This will now make Indiana a little more competitive," Daniels said. The nonpartisan Legislative Services Agency estimates the reduction in the corporate income tax rate will cost the state \$114.9 million between 2013 and 2015.

Evansville TV stations change

EVANSVILLE — For the first time since the great switch of 1995, which saw three Tri-State television stations change affiliations, another change is getting under way. On Tuesday, the FOX television network announced that it has pulled its affiliation from Nexstar-owned WTVW-Fox 7 and has signed an agreement with Communications Corp. of America (ComCorp), the owner of CBS44 and My44 WEVV. A statement from FOX (which can be read in its entirety at jakesdtvblog.blogspot.com) indicates Fox programming will move to what is now My44 (ch 44.2), and, effective July 1, the channel will be rebranded as "My Fox 44." CBS44's programming will remain as it is.