



Hoosier clout rebound on Capitol Hill

Young ascends to Ways & Means, Stutzman to Financial Services after Indiana seniority bleed

By **BRIAN A. HOWEY** and **MARK SCHOEFF JR.**

WASHINGTON – With the Indiana congressional delegation bleeding seniority to the tune of 78 years this year due to the exits of U.S. Sen. Dick Lugar, and Reps. Dan Burton and Mike Pence, a restoration of some of the clout is coming from the Class of 2010.

Last week, U.S. Rep. Todd Young landed a seat on the House Ways & Means Committee. This week, U.S. Rep. Marlin Stutzman won a seat on the House Financial Services Committee. Both are so-called “A” committees that aspiring members covet, bringing with them power and prestige for the state.

“These two really set the economic policy for the country,” said a jubilant Stutzman on Tuesday. “For



U.S. Rep. Marlin Stutzman (left) with House Speaker John Boehner during the annual Congressional Baseball Game in Washington. Boehner had urged the young Indiana delegation to act in a more cohesive way.

Indiana, I am so proud of Todd. He’ll represent Indiana interests and our tax policy, he’ll be an ally and a friend for our delegation to go to when it comes to tax issues, trade issues, so many things surrounding that. It’s only going to

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Looking over the fiscal cliff

By **LARRY DeBOER**

WEST LAFAYETTE – Economics is not an experimental science. We can’t say to Congress, “Honorable ladies and gentlemen, please drastically raise taxes and cut spending all at once so we can measure the effects on the economy of changes in the federal government’s budget.” This is not what elected officials do.



Except that’s just what is scheduled to happen come Jan. 1, 2013.

What a great experiment! Think how much we’ll learn. Unfortunately, we’d all have to live inside this experi-



“Give us the tools.”

- *Evansville Mayor Lloyd Winnecke, in announcing the ‘Trust Local’ campaign aimed at the Indiana General Assembly*



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ment. We would be the mice in the maze.

It's the famous fiscal cliff, of course. Come Jan. 1, the Bush-era tax cuts expire, so everyone's tax rates will increase. The two-year cut in the Social Security payroll tax will expire, raising taxes some more. The Alternative Minimum Tax won't be adjusted for inflation, so millions of people will see their taxes rise still more. Automatic spending cuts will kick in, reducing both defense and entitlement spending. Extended unemployment insurance will expire; so two million people will lose benefits. And Medicare payment rates to doctors will be cut. You can get the amazing details from the Congressional Budget Office in its annual budget and economic projection, at <http://www.cbo.gov/publication/43539>.

Add it up; these changes will yank about \$500 billion out of the economy. Higher taxes and lower entitlement payments will cut spending by households and businesses. Government will spend less, laying off employees and cancelling contracts with businesses. With spending down, businesses will have less reason to produce goods and services, so they'll cut production and reduce employment.

The spending loss amounts to about 3 percent of the economy. Since output has been growing less than 3 percent per year, the loss of that spending will turn growth negative. That's a recession. The CBO projects a half-point decline in gross domestic product by the end of 2013, with the unemployment rate climbing back above 9 percent.

But wait! With higher taxes and lower spending, the federal budget deficit will decrease, and we'll add less to the national debt. That's a good thing, right?

Yes it is. The CBO projects that the higher tax rates and lower spending will begin to reduce the national debt as a share of GDP. By

2020, the debt will be down to 61 percent of GDP and falling. Now, it's 73 percent and rising.

When taxes are less than spending, the federal government borrows the difference. Eventually, with too much borrowing, lenders will only lend at higher interest rates. Higher rates reduce borrowing by businesses. Investment projects that would have added new equipment and better technology don't get done. Economic growth slows down. The Federal Reserve may try to hold interest rates down by increasing the money supply, but that leads to inflation.

It's a nasty choice: recession and unemployment now, or high interest rates, inflation and slower growth later.

There may be a way to avoid this nastiness. Deficits are not causing problems now. We've been running huge deficits since 2008, yet lenders still are falling all over themselves to lend to the federal government. Interest rates are at record lows. Inflation is low, too, despite trillions in new money created by the Fed. The problems we expect to see from all that borrowing are nowhere to be found. That's because an economy trying to emerge from recession is different from one that's fully recovered. We've got unused capacity - workers without jobs, buildings without tenants, factories closed or producing less than they could.

That keeps wages, rents and prices from rising, so we don't get inflation. Banks have money to lend but don't see enough low-risk borrowers. Money not lent is money unspent, so it doesn't add to economic growth. Federal government borrowing and spending in an economy like this gives businesses a reason to produce and hire. It doesn't crowd out private investment.

Deficits now are OK. They help our economy. Congress needs to agree to keep taxes down and maintain spending in 2013. Once the



economy has recovered, we'll need to bring down those deficits to prevent high interest rates and inflation. Congress needs to agree on a plan to get that done. Forget the experiment. We aren't mice in a maze.

We aren't lemmings on a cliff, either. ❖

DeBoer is a professor of agricultural economics at Purdue University.

Clout, from page 1

be that more important over the next couple of years as we talk about tax restructuring. And then, when it comes to financial institutions, it's about the money supply issues, the Federal Reserve, the big banks, the small banks, community banks, insurance, how does insurance play its role within the economy. All of these are major factors in what's going to get the economy growing again. To have the two of us on these two committees is a huge gain."

"At this critical time, I look forward to working on things like tax reform to make our country more economically competitive, prepare us for faster private sector job creation, and allow middle income Hoosiers to take home more pay," Young said in a statement to HPI. "There's also a big role to play on trade issues to help our Indiana farmers and manufacturers export more products."

In a separate statement, he acknowledged the tough competition for a coveted Ways & Means position. "There were some strong candidates for these seats, so I'm humbled to have been chosen," said Young, a rising sophomore who won his first re-election handily earlier this month.

There hasn't been a Hoosier on the Ways & Means Committee since former U.S. Rep. Andy Jacobs Jr. served there more than two decades ago. In addition to the 78 years of seniority lost this year, the Indiana delegation lost almost 25 years in 2010 when Democrats U.S. Sen. Evan Bayh retired and U.S. Reps. Baron Hill and Brad Ellsworth were defeated. That's more than 100 years of seniority and clout gone in just two election cycles.

Stutzman said there was a coordinated effort by the young Republican delegation to land influential seats. "One of the things Speaker Boehner told me repeatedly

throughout the election was that in the past, the Indiana delegation hasn't always been as cohesive as other delegations," said Stutzman, R-Howe. "My goal, and of all the others, is to have a delegation that works together for the state of Indiana. We are more effective when we're working together. We sat down in a room, went through all the committee requests and submitted them."

He said the competition between Young and Rep. Todd Rokita, another member of the class of 2010, "worked itself out" with Young landing the slot. "We're behind all the requests by the other candidates," Stutzman said. "So we get the committees that will help our delegation be the



U.S. Rep. Todd Young (left) and House Budget Committee Chairman Paul Ryan, the Republican nominee for vice president.

most effective for our state."

When Lugar exits the Senate, it will be the first time in 50 years that there won't be a Lugar or a Bayh in the delegation, and that means a loss of clout.

But Stutzman, who replaced Rep. Mark Souder after he resigned in disgrace following an extramarital affair in 2010, said that in the House it's easier to recover clout than in the Senate. "You look at guys like Kevin McCarthy and Pete Roscom, they were elected in '06 and already



McCarthy is a whip and Roscom a deputy whip. If we work smart and if we work hard, we can make an impact. That's one of the things already, people kind of chuckle when they find out I'm the dean of the delegation."

Rokita was campaigning hard for a slot, emphasizing to his colleagues that he directly contributed and helped raise more than \$800,000 for House GOP candidates in the 2012 cycle. In an HPI interview last week, Rokita argued that Indiana deserved a Ways & Means seat because of the importance of the state to the Midwestern economy. In addition, he said that a Hoosier is needed in that position to combat a "seniority gap" in the Indiana congressional delegation, which will comprise mostly freshmen and sophomore members in the next Congress.

Although Young, rather than Rokita, will be helping to make up the seniority deficit, Rokita said he was happy for his homestate colleague. "Everyone in the delegation was positive about everyone else and what they wanted," Rokita said in an HPI interview. "This is another building block in the pillar of cohesiveness we're trying to build for the state."

The fact that Indiana had two members running for a seat strengthened the state's chance of securing a position, according to Rokita. "If both of us didn't go through that exercise, I'm convinced Indiana wouldn't have gotten a close look," Rokita said.

For Stutzman, with his farming background, the Financial Services seat will lend a familiar perspective. "Growing up as a farmer, I've often sat at the farmer's side of the desk whenever we go in to see the loan officers," Stutzman said. "I always told my Dad, 'I wish I were on the other side of the desk some day.' Well, now I tell all my banker friends, 'I'm glad I'm on the farmer side of the desk. I'm happy where I'm at.'"

Stutzman continued, "I know how it affects small business and I know how important it is for financial institutions which have been solid, like the community banks have done throughout all of this and are getting the bad end of the stick and are getting lumped in with all the big institutions. I feel the value that we have in the state of Indiana and the economy is something that I can bring to the table. I want to be respectful but responsible to that sector. It affects people's lives." ❖



Stutzman optimistic about fiscal cliff

By **BRIAN A. HOWEY**

INDIANAPOLIS - U.S. Rep. Marlin Stutzman is optimistic that at least an interim solution will be worked out for the "fiscal cliff."

In an HPI interview on Tuesday, Stutzman explained, "I think something is going to get done. Republicans are in very difficult position where we're trying to keep all tax rates at the current level. But because they expire, the President could let them expire and until we cut taxes for the lower brackets after the first of the year. I think that would be a bad way to do it. I don't think the economy can handle it."

The Howe Republican called the economy "fragile" and 3rd CD constituents in Northeastern Indiana believe that once a solution is reached, boomtimes would emerge.

"From folks I've talked to across our district, the economy is fragile, but at the same time if it had the confidence and certainty out of Washington, I think this economy would roar back," Stutzman said. "With a normal growth rate, we could cover the deficit much quicker with some cuts as opposed to just raising the rate."

Stutzman acknowledged that Speaker John Boehner is taking heat from all sides. "But I think he's being the responsible adult in the room," Stutzman said. "I don't want to see a rate increase because I don't think it's necessary and I want us to focus on our big drivers of our debt expenditures."

He doesn't believe there is enough time this month to do what's really necessary, which is to reform the tax code.

"We really need a bridge," he said. "If we go down that road, we need a bridge to buy us time for that to happen. A lot of people want to see Congress sworn in and of course the President's inauguration. The real work is going to happen in the next eight to nine months. We would really need at least a one year extension. That's what I'm hoping for. The president has done this before. The President could get the votes for a one year extension and get the time to work out real reforms which are really needed. I think it's bad policy when things are slapped together at the end."

"I really do believe Boehner pushes for the extension to give us time to work things out," he said. "I think people would understand the extension would give Congress time to get it right. We had a swing in '08, a swing in '10. Now we've had a status quo election. I think people would give us time. They want us to figure something out. I think time is running out at the same time." ❖



Chocola, CFG discounted troubling Mourdock tell-tales that led to loss

By **BRIAN A. HOWEY**

INDIANAPOLIS – One thing is clear in the troubling weeks following the loss of a Republican U.S. Senate seat in Indiana: Chris Chocola will not give up easily in his quest for ideological purity.

Within hours after U.S. Rep. Shelley Moore Capito announced that she would challenge U.S. Sen. Jay Rockefeller in West Virginia two years hence, the Hoosier Club for Growth president took aim, just as he did at U.S. Sen. Dick Lugar this year. He faulted her for voting for the Medicare prescription benefit, congressional earmarks, and several other measures passed in the wake of the Great Recession and Wall Street meltdown.

"The problem is that Congresswoman Capito's record looks a whole lot like the establishment candidates who lost this year," Chocola said in a statement. "Congresswoman Capito has a long record of support of bailouts, pork, and bigger government."

The fact that Capito won reelection with 70% of the vote this year and many observers believe she will present a stern challenge to Sen. Rockefeller, her ideological credentials are suspect.

Chocola appears to be undaunted despite the Indiana Senate fiasco that saw Treasurer Richard Mourdock upset Lugar, then lose to Democrat Joe Donnelly on Nov. 6. Chocola simply underestimated the warning signs that Club for Growth PAC members witnessed more than a year ago.

In January 2011, about a month before he declared his Senate candidacy, Mourdock had what was by all accounts a disastrous meeting with the Club for Growth PAC.

As Roll Call's Shira Toeplitz reported, Mourdock "grew testy and even raised his voice at club officials when they peppered him with their standard questions about monetary policy. The interview went so poorly that Mourdock figured he'd never see a dime from the fundraising powerhouse."

"I told my campaign staff all the way along, don't count on the Club for Growth," Mourdock said in a Roll Call interview. "We have to assume they won't endorse us because that first meeting did go so badly."

Yet, on Feb. 12 this year, Chocola officially endorsed Mourdock, citing Lugar's adherence to "earmarks" – only a minuscule slice of the federal deficit – as the reason to go all in for Mourdock. He continues to stand in favor of earmarks to this day. Recently, Lugar was one of only 13 Republicans to join Senate Democratic leader Harry Reid in voting against a permanent ban on earmarks.

That was the final straw for the Club for Growth PAC, which endorsed Mourdock, Lugar's conservative challenger. "Enough is enough," Chocola wrote in what was a damnation of Lugar as opposed to a vote for confident for Mourdock. "The Club for Growth PAC has watched Indiana for a long time. We looked for signs that Lugar had changed his ways, but we found none. Sadly, when it comes to solving our nation's dire fiscal problems, Dick

Lugar is not the answer; he's part of the cause. Senator Lugar has had many opportunities to take America in a positive direction, but he has voted to keep the status quo. There is no reason to believe that six more years from Richard Lugar in Washington will be different from the past 35 years. It's time for him to come back home to Indiana. It's time to move Washington in a more fiscally conservative direction."

Club for Growth proponents were slurping the Kool-Aid, as one reacted to Chocola's

endorsement on the National Review website, saying, "Any reasonable Republican/conservative candidate is going to win here. Witness Daniels and Pence, plus Coats just won a statewide election in 2010. That seat will go to the primary winner. Switching to Mourdock is not risky at all."

Chocola told HPI last June, "He wasn't prepared for the meeting. Maybe it was because we knew each other and he didn't expect the kind of objective interview and so he clearly wasn't ready for the conversation we have with candidates. But I knew him for the last 10 years. That was the first time I had actually met him. It wasn't my first impression. He came back and we had another conversation and we watched him grow as a candidate. He was unapologetically standing up for limited government, conservative principles and values. So we watched the race for a considerable period of time. We didn't take getting involved lightly."

In post-primary interviews with HPI and the South





Bend Tribune's Jack Colwell, Chocola predicted that Donnelly was at his high water mark and that with Mike Pence on the ballot, Mourdock was virtually assured victory. He told HPI, "We'll have a very competitive presidential election year where Obama won't even show up in Indiana. They aren't contesting it. You've got Mike Pence running for governor and he's going to run a very strong campaign. Governor candidates can have coattails. And Mitch Daniels is very popular, effective and embraced Mourdock the minute he won. Mourdock has got a lot of old friends, a lot of new friends and the national party will obviously be on his side. I think that poll is about as good as Donnelly is going to be this cycle. That's the high water mark with him."

What Chocola and Club for Growth chose to ignore was that first PAC performance. It should have ignited concerns about Mourdock's temperament, which, as the campaign unfolded, provided the seeds for his defeat. In the 48 hours after Mourdock's stunning landslide victory over Lugar, political observers, consultants and voters saw pure hubris as Mourdock said in cocky fashion that he took pleasure in "inflicting my opinions on someone else."

His national funders, bundlers and backers, alarmed over Mourdock's penchant for over-the-top quotes and his campaign's knack for providing video fodder for Stephen Colbert and Jon Stewart, then took the tactic of keeping Mourdock under wraps. Indiana Republicans ranging from Daniels to Sen. Dan Coats tried to assure voters that Mourdock was truly mainstream. He rarely appeared outside of GOP events without Republican Chairman Eric Holcomb, or more than a handful of Republican senators dispatched by the Republican Senatorial Campaign Committee.

Even with such "adult supervision," Mourdock was prone to gaffes. With U.S. Sen. Tom Coburn, he couldn't identify a single Senate Democrat he'd want to work with, while his campaign was in the midst of attempting to change his core message from partisan warrior and recruiter to a bipartisan compromiser.

Murdock hadn't always been a partisan warrior. In his terms as a Vanderburgh County commissioner, Mourdock worked well with two Democrats on the commission and initiated innovative policy on welfare-to-work programs. But the Mourdock campaign never served up the introductory biography TV ads. It ignored his work on the commission that could have been used to take the edge off what was a growing partisan reputation.

The Mourdock campaign and its national allies never seemed to grasp that Republican voters cannot se-

cure victory alone; that there was a need for independents and even a sliver of Democrats coming over to the cause. And, most notably, the Mourdock campaign neglected what should have been his most obvious post-primary challenge, which was to woo and win the confidence of Lugar supporters.

In fact, the Mourdock campaign doubled down on the fratricidal rhetoric which produced the primary victory. The June fundraising letter which described Lugar's "betrayal" of conservative causes was yet another of the gathering "temperament" issues that would produce defeat.

Of course, the epic blunder that killed Mourdock's outsized ambitions occurred on Oct. 23 with his weepy "God intends" rape remark during the New Albany debate. Mourdock was prone to weep during interviews with the Associated Press and before the South Bend Tribune editorial board in weeks leading up to the debate. Republicans who had defected from Lugar early were privately expressing severe reservations about the conduct of the candidate and his campaign.

When all was said and done, Chocola and Club for Growth would steer \$3.5 million of its \$16 million for the cycle into efforts to defeat Lugar in the primary (\$1.7 million), and then the general election loss to Democrat Joe Donnelly.

Despite this embarrassing loss in his home state, Chocola and CFG actually had a better election cycle than Karl Rove's Crossroads GPS, or the U.S. Chamber of Commerce. The Club won half of the 18 races into which it put money in 2012, and all nine of its general-election House candidates survived what was otherwise a very bad election for conservatives (Huffinton Post). That record compares favorably with Rove's groups, which spent nearly \$400 million, only to lose the presidency and all but two of the 13 Senate races in which they invested. The premier lobbying group representing Fortune 500 companies, the U.S. Chamber of Commerce, spent \$31 million on 37 congressional races and walked out with only six victories, as The Washington Post reported Wednesday.

"We are proud of our record this election cycle and look forward to seeing a larger pro-growth caucus in Congress next year," said Club for Growth spokesman Barney Keller.

But it will be "Sen. Donnelly" who will be casting votes on earmarks, tax and fiscal policy instead of a Hoosier Republican. ❖





New Pence administration begins to take shape

By **BRIAN A. HOWEY**

CARMEL - The incoming Pence administration continued to take shape with an emphasis on senior level officials and the cabinet.

Key appointees include Bill Smith as chief of staff. Smith had served that role in U.S. Rep. Mike Pence's congressional office over the past 12 years. Pence also brought on former House Ways & Means Committee Chairman Jeff Espich to help the new governor navigate the Indiana General Assembly. Espich retired this year after he was drawn into a district with another Republican. Gov.-elect Pence said, "Jeff Espich has a record of accomplishment and integrity from his years of leadership in the Indiana General Assembly. His knowledge of the budget and the legislative process will make him an invaluable addition to our legislative team. We are humbled to have a man of his caliber join our administration."

Pence administration sources are looking at a number of Daniels holdovers, with Department of Administration Commissioner Rob Wynkoop being one of the first to stay on along with Mike Alley at the Department of Revenue.

Here are the key appointments made this week:

Heather Neal has been named Pence's Legislative Director. She will serve as the chief legislative liaison for the Pence Administration. Neal has served as chief of staff at the Indiana Department of Education where she directed operations of the agency, which includes 55 percent of the state's annual budget and an additional \$1 billion in federal funds. Neal also was Governor Daniels' first appointee as the state's public access counselor and served as chief of staff for Secretary of State Todd Rokita. Pence said, "Heather Neal has a distinguished record in public service. She has a proven ability to successfully lead legislative initiatives, and she will play a primary role in our efforts to bring our Roadmap for Indiana to members of the General Assembly. We are grateful to have someone of her integrity and experience on our team."

Chris Crabtree, Political Director for Mike Pence for Indiana, will continue his work for Pence, serving as the Deputy Chief of Staff for External Operations and overseeing administration outreach and community relations in the governor's office. In his role for the campaign, Crabtree traveled to all 92 counties with the governor-elect and worked to build relationships with organizations and community leaders across Indiana. He has served in a similar capacity for nearly 20 years for two members of Congress and Lt. Gov. Skillman. "He possesses an innate understand-

ing of the state and will work tirelessly on behalf of the administration," Pence said.

Marilee Springer will join Pence's team as Senior Policy Director. She currently is a partner at Ice Miller with the firm's tax group. Springer was an integral part of the campaign policy team as a volunteer.

Jennifer Pavlik will serve as Director of Operations for Pence. She has worked in his Congressional office for 12 years, first as executive assistant and then as staff director. Pavlik previously worked for Rep. Mark Souder. She will be responsible for running the Governor's office and managing his schedule.

Anita Kolkmeier Samuel, 36, will serve as Director of State Personnel, overseeing human resources and ensuring top-notch service to employees of the State. Samuel was named general counsel in 2011 under Gov. Daniels after working as assistant general counsel and policy director for State Personnel since 2005.

Robert Wynkoop, 42, current Commissioner of the Indiana Department of Administration (IDOA), will continue in this same capacity under Pence.

Mike Alley, 56, was appointed Commissioner of the Indiana Department of Revenue (DOR) earlier this year and will continue to serve in this role in the Pence Administration. He has decades of management experience in the banking industry, serving as president and CEO of Fifth Third Bank of Central Indiana, Interim Chairman and CEO of Integra Bank Corporation in Evansville and also as a small business owner of two operating companies.

Mark Ahearn will join the Governor's office as General Counsel. Ahearn currently serves as Chief Legal Counsel and Deputy Commissioner at the Indiana Department of Transportation, a position he has held for the past eight years. In addition to working in the private sector, Ahearn previously served as Legislative Director and General Counsel in Pence's Congressional office. He worked for Sen. Dan Coats as both a district director and a state director and was the assistant state director for Sen. Dan Quayle.

Chris Atkins will serve as director of the Office of Management and Budget in the new administration. Atkins will bring a wealth of fiscal policy experience into the Office of Management and Budget. Prior to joining Mike Pence for Indiana as policy director, Atkins served as general counsel and policy director for Governor Mitch Daniels in the Indiana Office of Management and Budget. strong reserves, pay down our debt and reduce taxes."

In addition, Pence announced the inaugural schedule that begins on Jan. 12 and includes the swearing in ceremony at 11 a.m. Jan. 14 at the Statehouse.

Pence will be in South Bend and Fort Wayne today, then travel to Evansville and Terre Haute on Friday as part of a "thank you" tour. ❖



Time to ponder the 2013 HPI Power 50 List

By **BRIAN A. HOWEY**

INDIANAPOLIS - It's time to begin thinking about the 2013 Howey Politics Indiana Power 50 list.

It's our annual exercise to determine who will likely have the most clout in the coming year.

With a new gubernatorial administration, power realigned in the General Assembly, vast changes in the Congressional delegation and state and national budget issues on the front burner, Howey Politics Indiana's 2013 "Power 50" list will be intriguing. As we do every year at this time, we invite HPI subscribers to weigh in with nominations, observations, or submit their own list.

The new Power 50 will be published in the first week in January. It is designed to weigh who will likely have access to the levers of power and who will actually use them. Submit your nominations to us at bhowey2@gmail.com.

Here's the 2012 Power 50 and as you can see there will be some major changes coming in the 2013 list.

2012 Power 50

1. U.S. Sen. Dick Lugar
2. Gov. Mitch Daniels
3. U.S. Rep. Mike Pence
4. House Speaker Brian Bosma
5. Senate President David Long
6. John Gregg
7. U.S. Rep. Joe Donnelly
8. House Minority Leader B. Patrick Bauer
9. Dean White
10. Jim Bopp Jr.
11. State Sen. Luke Kenley
12. U.S. Sen. Dan Coats
13. Ways & Means Chairman Jeff Espich
14. Republican Chairman Eric Holcomb

15. Treasurer Richard Mourdock
16. Senate Majority Leader Connie Lawson
17. Indianapolis Mayor Greg Ballard
18. Indianapolis Councilman Vop Osili
19. U.S. Rep. Todd Young
20. U.S. Rep. Todd Rokita
21. U.S. Rep. Marlin Stutzman
22. State Sen. Carlin Yoder
23. Chris Chocola
24. Democratic Chairman Dan Parker
25. Hammond Mayor Thomas McDermott Jr.
26. Supt. Tony Bennett
27. AFL-CIO President Nancy Guyott
28. Fort Wayne Mayor Tom Henry
29. Evansville Mayor Lloyd Winnecke
30. Chris Atkins
31. U.S. Rep. Larry Bucshon
32. South Bend Mayor Peter Buttigieg
33. Kokomo Mayor Greg Goodnight
34. Marion Mayor Wayne Seybold
35. Attorney General Greg Zoeller
36. State Sen. Jim Banks
37. Dan Dumezich
38. Lt. Gov. Becky Skillman
39. Gary Mayor Karen Freeman-Wilson
40. Dr. Woody Meyers
41. U.S. Rep. Pete Visclosky
42. U.S. Rep. Andre Carson
42. U.S. Rep. Dan Burton
44. Luke Messer and Jackie Walorski
45. Jennifer Hallowell
46. Evan Bayh
47. Indiana Chamber President Kevin Brinegar
48. Marty Morris
49. State Rep. Charlie Brown
50. State Sen. Mike Delph

Honorable Mention

- Judge Rosenberg & The Supremes
 Ken Faulk
 Senate Minority Leader Vi Simpson
 Jim Wallace
 Susan Brooks
 David McIntosh
 Dave Crooks
 Tim Roemer
 Joe Loftus & Steve Goldsmith
 Monica Boyer
 Vanderburgh Sheriff Eric Williams
 J. Cameron Carter
 Robert Enlow
 Don Villwock
- Joe Champion
 Bill Smith
 Curt Smith
 Gary Welsh
 Craig Dunn



HPI Power 50: Can we figure it out?

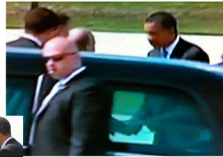
The 'rubber match' in 2012 comes as real doubt festers on the political process

By **BRIAN A. HOWEY** in Indianapolis and **MARK SCHOEFF JR.** in Washington

The 2012 Howey Politics Indiana Power 50 is the most troubling compilation this publication has brought into the public purview in the 10 years we've existed.

The political process is an elderly broken, we are not sure the nation can survive it as we know and recognize it today. We need a steady stream of commentary — ranging from the sober Mitt Daniels, to the wild-eyed Pat Buchanan, to the globe-trotting

Thomas Friedman — warning of a financial cataclysm that will leave a very different America for our children and grandchildren. We've gone from a nation created by the "Greatest Generation" — our father and mothers, grand-



Gov. Mitch Daniels and President Obama shake hands, then talk in Ray at the Indianapolis International Airport. The two could still be on opposite sides in what could be an epic election this November.

thers and grandmothers — to the stewardship of my 9-9-g-generation, the Baby Boomers.

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An open letter to Dan Parker

By **SHAW R. FRIEDMAN**

LAFORTE. This is an open letter to Indiana Democratic Chairman Dan Parker.

Dear Dan:

"It's clear you're going to be around this year and those of us who desperately wanted a change in state party leadership and those who were satisfied with the status quo are going to have to find a way to "peacefully co-exist" if we are going to elect a Democratic governor in 2012. As Joel Miller, who was the choice to be state chairman by 12 of the 28 elected district chairs and vice-chairs put it so



“We refuse to let the most controversial public policy bill of the decade be railroaded through and the public denied a fair and adequate input.”
- House Minority Leader B. Patrick Bauer



Despite Whitesell remarks, marijuana debate needs Indiana research

By **BRIAN A. HOWEY**

INDIANAPOLIS – One of the more comical acts of an Indiana governmental agency every year comes in late summer or early autumn when Indiana State Police helicopters scan the countryside for marijuana patches.

You know the routine. The illegal crop is identified by its florescent hues, then troopers wearing paramilitary garb descend on the acreage, cut down the crop, await the growers and if they don't show up, leave calling cards. The State Police call in the press, make a statistical claim as to how much weed was eradicated, place a monetary value on it, and then burn it.

The reality of such a scene is this: It has no impact on the availability of what has become one of the top three cash crops in the state. It's an exercise in futility. And ... it also brings in federal funding for the Indiana State Police.

That is where the Pence administration, legislators and reporters ought to be concentrating. Follow the money.

For instance, marijuana is the third-ranked cash crop in Indiana with an estimated \$312 million in revenue, following corn at \$1.8 billion and soybeans at \$1.5 billion. But it's off the books, deep into the black market, and untaxed.

In an Oct. 19, 2010, report by Dr. Jon Gettman for The Bulletin of Cannabis Reform, there were 16,397 arrests for marijuana offenses in Indiana in 2007 (88 percent for possession) and 15,597 in 2003. Pot busts accounted for 6.22 percent of arrests, costing Indiana's legal system \$148.81 million in 2006. DOC is requesting \$667.4 million in fiscal year 2012 and \$675.2 million in fiscal year 2013 – or \$1.34 billion in what will likely be a \$28 billion biennial budget. According to DOC statistics made available by Indiana Public Defenders, there are 1,325 people in state prisons serving drug sentences for dealing, including 681

African-Americans, 120 Hispanics and 515 whites.

That marijuana is even on the radar screen as a viable topic is a new policy chapter in Indiana. It actually began a couple of legislative sessions ago when State Sen. Karen Talian pushed through a bill in the Senate that provided for a summer study committee on the topic. Earlier this year, State Sen. Brent Steele Bedford Republican, announced he would author legislation decriminalizing small amounts.

It was further fueled by the legalization of recreational marijuana in Colorado and Washington on Nov. 6. There are now 22 states that have legalized some aspect of usage, including Michigan next door. Chicago this past summer essentially decriminalized recreational use. To get caught is now like getting a speeding ticket.

Culturally, there has been a conspicuous shift in the topic. About three years ago when an NFL draft prospect



had several legal run-ins over marijuana usage, then Indianapolis Colt General Manager Bill Polian was asked if it was a disqualifying factor in whether the team might draft the player. Polian said no, that American society was gradually shifting its view on the topic.

Watching the issue take hold in states near and far prompted HPI to ask about the topic of decriminalizing in our October Howey/DePauw Indiana Battleground Poll. The results were surprising. By a 54 to 37% margin, respondents favored decriminalization of small amounts of marijuana. Among Republicans, the split was 42% for and 49% against and among those ideologically "very conservative," the split was 31% for and 49% against. Among Democrats, 69% supported decriminalization and 23% opposed.



Among independents, 57% favored and 29% opposed.

A Quinnipiac University poll released on Tuesday shows younger voters also driving growing support for same-sex marriage, on which respondents were split about evenly (National Journal). Overall, 51% of voters think the use of marijuana should be made legal in the United States, while just 44% oppose legalization. Two-thirds of voters under age 30 think it should be legal, but only 35% of those 65 and older agree. "It seems likely," said Peter Brown, Quinnipiac University Polling Institute assistant director, "that given the better than 2-1 majority among younger voters, legalization is just a matter of time."

The new voice on the issue was Indiana State Police Supt. Paul Whitesell, who surprised just about everyone when he was asked about the topic by State Rep. Sheila Klinker. "My thought is, toward the zenith of my career, it is here, it's going to stay," Whitesell told the panel. "That's an awful lot of victimization that goes with it. If it were up to me I do believe I would legalize it and tax it, particularly in sight of the fact that several other states have now come to that part of their legal system as well."

The reaction was predictable. Some Indiana newspapers fanned out and talked to police chiefs, sheriffs and then legislators. Most of them reacted against decriminalization. Police chiefs and sheriffs are predisposed to come out against changes; there are revenue streams involved, but there has been virtually no reporting done on the various financial impacts.

Legislators – always wanting to be seen as being "tough on crime" – will rarely buck law enforcers. State Sen. John Waterman, a former Sullivan County sheriff, told the Terre Haute Tribune-Star, "Coming out of law enforcement, I could not believe the superintendent's statement on that. Most of the people you deal with on serious crimes started with marijuana. It is a gateway drug. I don't know how many times I sat with convicted felons that said it was the first thing they got involved with as a teenager, which led them down the path from vandalism, which went into burglaries or even armed robberies."

Waterman is correct that marijuana can be a gateway drug, but the three other key gateways, tobacco, alcohol and prescription narcotics, are all quite legal and readily available.

And there are some changes coming to the General Assembly beyond Sens. Talian and Steele. State Rep. Heath VanNatter, R-Kokomo, told CHNI's Maureen Hayden, "I think we have to do something different than what we've been doing. We need to be spending our prison dollars more effectively than putting people away for minor violations like some kid caught with a joint in his pocket." State Rep. Bob Heaton, while opposing Whitesell's current take, explained, "I would be willing to listen to those bills. My philosophy is to listen to both sides and see what it boils down to."

The initial reporting on the topic following Whitesell's comments were superficial at best. Missing from many of these stories were public defenders, probation officials, treatment experts, DOC officials, prosecutors, and county council members who must pass budgets, deal with overcrowded county jails, and increasing budgets for public defenders and probation officials.

It's a debate that Hoosiers should have, even if legislators and Gov. Mike Pence aren't in a realistic position to make changes in the 2013 Indiana General Assembly.

My take is this: Everyone has quite a bit of homework to do on the topic, as opposed to espousing predictable platitudes based on the status quo.

Like the efforts to legalize gambling in the 1980s, Indiana is just beginning to reassess costs and impacts. It could take a decade, but, perhaps not. Public attitudes are rapidly changing. The slippery slope of gambling in the 1980s ended up becoming a critical revenue stream for the state in the 21st Century. ❖

DOJ rules pot illegal under federal law

WASHINGTON - On the eve of marijuana becoming legal in Washington state, the Justice Department warned that the possession, growing or use of the drug remains illegal under federal law (Washington Post). "Regardless of any changes in state law, including the change that will go into effect on Dec. 6 in Washington state, growing, selling or possessing any amount of marijuana remains illegal under federal law," said a statement issued by the U.S. Attorney's Office in Seattle on Wednesday evening. Authorities in both states have already started dismissing hundreds of misdemeanor cases and retraining state and local police for dealing with the change.

The Justice Department position sets up a potential court fight between the federal government and the states.

Though the measures violated federal drug laws, Justice had refused to provide any guidance despite requests from both states. But the statement made clear that, at least from Justice's perspective, federal law should prevail. Under federal law, marijuana is considered a Schedule 1 drug, the same category as LSD and heroin.

Though the measures violated federal drug laws, Justice had refused to provide any guidance despite requests from both states. But the statement made clear that, at least from Justice's perspective, federal law should prevail. Under federal law, marijuana is considered a Schedule 1 drug, the same category as LSD and heroin.

"The department's responsibility to enforce the Controlled Substances Act remains unchanged," the statement said. "Neither states nor the executive branch can nullify a statute passed by Congress." ❖



Bosma makes assignments

INDIANAPOLIS - House Speaker Brian C. Bosma (R-Indianapolis) announced committee assignments and leadership appointments for the Indiana House Republican Caucus. Committee chairmen and caucus leaders are selected biennially by the majority party after each election year.

"I am confident in the abilities of each of these leaders, and I know that they are each eager to begin their committee work and their leadership roles," said Speaker Bosma.

Standing committees are an integral part of the legislative process. Committees with specific expertise receive public testimony and work out the details of proposed legislation before it is heard on the House floor.

Speaker Bosma stated on Organization Day that, "we are here, together, in a time of change, a time of transition, a time of unique challenges, a time of unique opportunities. We will no doubt disagree on the details, but it is my hope – my challenge to you – that we can do so

with a renewed spirit of cooperation and work together."

Speaker Bosma continued in the spirit of bipartisanship by appointing Representative Steve Stemler (D-Jeffersonville) to be the chair of the Select Committee on Government Reduction. This is the second time the Speaker has made such a bold bipartisan move. In 2010, Bosma broke 194 years of tradition and reached across the aisle to appoint a Democrat to this position.

"We are preparing a new generation of legislative leadership in Indiana, armed to deal with today's critical problems. Our constituents expect us to work together, and I assure Hoosiers that we will," said Bosma.

Committee Assignments (Chair/Vice Chair)

Agriculture and Rural Development: Rep. Don Lehe (R-Brookston), Rep. Alan Morrison (R-Terre Haute)

Commerce, Small Business and Economic Development: Rep. Mark Messmer (R-Jasper), Rep. Ben Smaltz (R-Auburn)

Courts and Criminal Code: Rep. Jud McMillin (R-Brookville), Rep. Wendy McNamara (R-Mt.Vernon) Stand-

Indiana House Seating Chart

Pond 3	Turner 2	Friend 1				
Burton 7	Koch 6	Lutz 5	T.Brown 4			
Torr 12	Davis 11	Morrison 10	McMillin 9	Neese 8		
Cherry 19	Soliday 18	Slager 17	Heuer 16	Harman 15	Wesco 14	Clere 13
Smith,M 26	Culver 25	Negele 24	Karickhoff 23	Hamm 22	Dermody 21	Eberhart 20
Messmer 33	Thompson 32	Ziemke 31	Frye 30	Niemeyer 29	Steuerwald 28	Frizzell 27
Morris 40	Uebelhor 39	Mayfield 38	Kubacki 37	Smaltz 36	Behning 35	Richardson 34
Lehe 47	Heaton 46	DeVon 45	Speaker 44	VanNatter 43	Huston 42	Crouch 41
Gutwein 50	Arnold 49	Truitt 48				
Pelath 51	Lawson 52	Harris 53				
Porter 54	Klinker 55	Goodin 56	Bauer 57			
Austin 58	Kersey 59	GiaQuintia 60	Dvorak 61	V.Smith 62		
Pierce 63	Pryor 64	DeLaney 65	Forestal 66	Riecken 67	Battles 68	C.Brown 69
Summers 70	Reardon 71	VanDenburgh 72	Moseley 73	Macer 74	Shackleford 75	Stemler 76
Mahan 77	Kirchhofer 78	Bartlett 79	Moed 80	Errington 81	Hale 82	Niezgodski 83
Saunders 84	Braun 85	Davisson 86	Price 87	Bacon 88	Washburne 89	Baird 90
Lehman 91	Ober 92	McNamara 93	Lucas 94	Rhoads 95	Carbaugh 96	Speedy 97
Wolkins 98	Zent 99	Leonard 100				



ing Committee

Education: Rep. Bob Behning (R-Indianapolis), Rep. Rhonda Rhoads (R-Corydon)

Elections & Apportionment: Rep. Milo Smith (R-Columbus), Rep. Kathy Kream Richardson (R-Noblesville)

Employment, Labor and Pensions: Rep. Doug Gutwein (R-Francesville), Rep. David Ober (R-Albion)

Environmental Affairs: Rep. Dave Wolkins (R-Warsaw), Rep. Bob Morris (R-Fort Wayne)

Ethics, Statutory Committee: Rep. Greg Steuerwald (R-Avon), Rep. Kathy Kream Richardson (R-Noblesville)

Family, Children and Human Affairs: Rep. Rebecca Kubacki, (R-Syracuse), Rep. Cindy Ziemke (R-Batesville)

Financial Institutions: Rep. Woody Burton (R-Whiteland), Rep. Bob Heaton (R-Terre Haute)

Government and Regulatory Reform: Rep. Kevin Mahan (R-Hartford City), Rep. Tim Wesco (R-Osceola)

Insurance: Rep. Matt Lehman (R-Berne), Rep. Martin Carbaugh (R-Fort Wayne)

Interstate & International Cooperation: Rep. Wes Culver (R-Goshen), Rep. Tom Saunders (R-Lewisville)

Judiciary: Rep. Greg Steuerwald (R-Avon), Rep. Thomas Washburne (R-Evansville)

Local Government: Rep. Tim Neese (R-Elkhart), Rep. Kathy Heuer (R-Columbia City)

Natural Resources: Rep. Sean Eberhart (R-Shelbyville), Rep. Lloyd Arnold (R-Leavenworth)

Public Health: Rep. Ed Clere (R-New Albany), Rep. Steve Davison (R-Salem)

Public Policy: Rep. Bill Davis (R-Portland), Rep. Jack Lutz (R-Anderson)

Roads & Transportation: Rep. Ed Soliday (R-Valparaiso), Rep. Mike Speedy (R-Indianapolis)

Rules & Legislative Procedures: Rep. Jerry Torr (R-Carmel), Rep. Jud McMillin (R-Brookville)

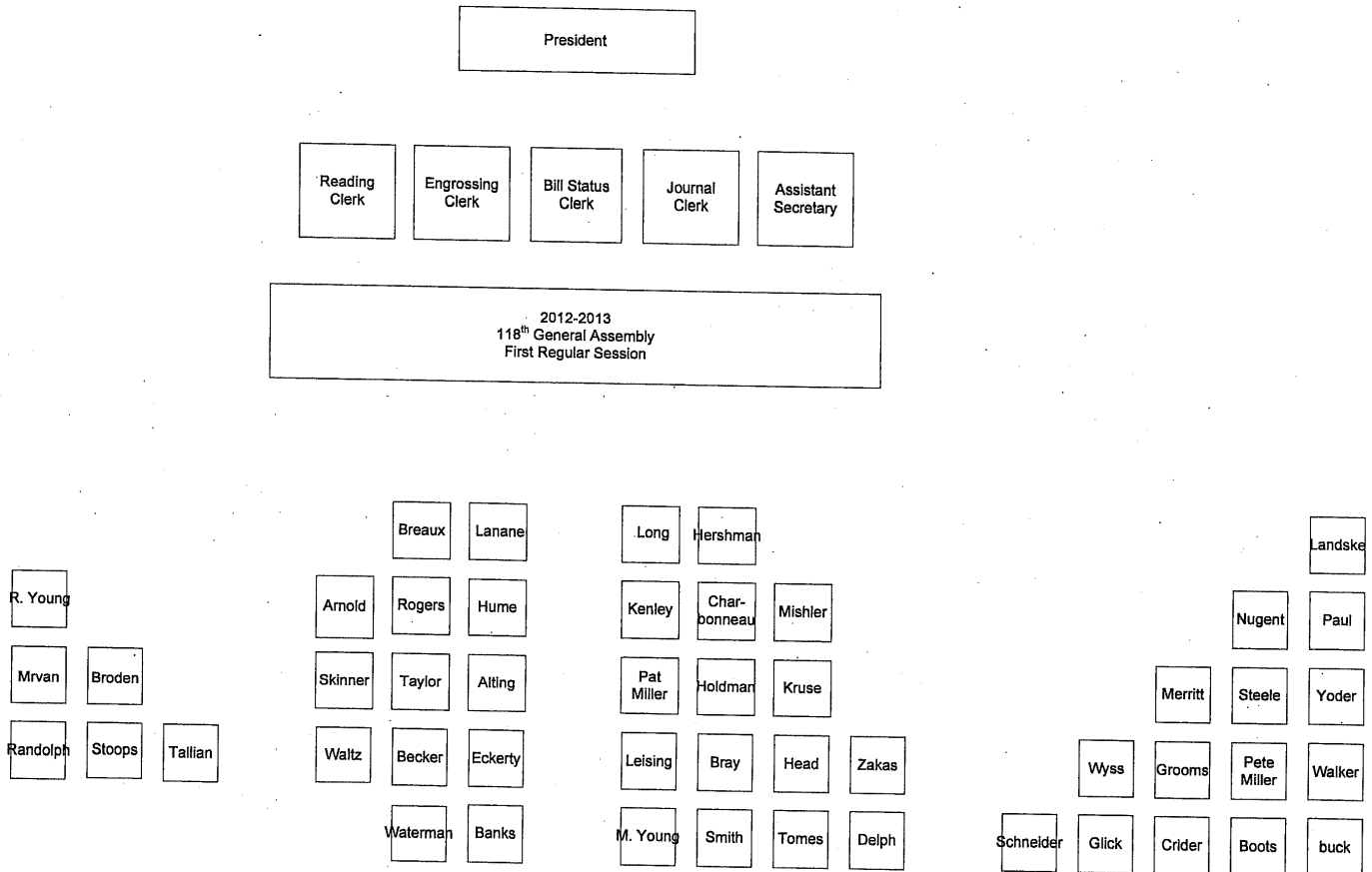
Government Reduction: Rep. Steve Stemler (D-Jeffersonville), Rep. David Wolkins (R-Warsaw)

Utilities & Energy: Rep. Eric Koch (R-Bedford), Rep. Heath VanNatter (R-Kokomo)

Veterans Affairs & Public Safety: Randy Frye (R-Greensburg), Rep. Cindy Kirchofer (R-Beech Grove)

Ways & Means: Rep. Tim Brown (R-Crawfordsville), Rep. Suzanne Crouch (R-Evansville)

Indiana Senate Seating Chart





Bipartisan mayoral group seeks local control

By **BRIAN A. HOWEY**

INDIANAPOLIS - Evansville Mayor Lloyd Winnecke has a meth problem.

The number of methamphetamine labs has exploded - figuratively and literally - from 37 in 2007 to 112 last year and another 104 this year. There have been 37 Evansville children who ended up in foster care in 2012. He wants the Indiana General Assembly to give cities like Evansville and Terre Haute, where Mayor Duke Bennett is dealing with the same scourge, flexibility to deal with such local crises. "Give us the tools," said Winnecke, who joined a half dozen mayors in Indianapolis at the beginning of a "Trust Local" campaign.

From South Bend Mayor Peter Buttigieg's perspective, the General Assembly has the ability to give cities tools "or they can tie us up. We need to make decisions at the local level. When the legislature gets involved, the next thing you have is a state law."

The "Trust Local" campaign, sponsored by the Indiana Conference of Mayors - includes a new website and social media in an effort to have the General Assembly give cities, towns, townships and counties flexibility to grapple with local problems.

"Local elected officials and community leaders have long been the bedrock of Indiana government," said Whiting Mayor Joe Stahura, who heads the group. "But over the past few years, a dangerous trend has emerged: We've seen more and more decision-making authority removed from the local level and transferred to lawmakers at the Statehouse."

As an example, Stahura pointed out the property tax caps recently enshrined in the Indiana Constitution were passed without any municipal options for replacing revenues for vital public services.

The "Trust Local" campaign will focus on three key issues in the upcoming legislative session:

1. Infrastructure Funding. Making sure gas tax user fee revenue is used and distributed for its intended

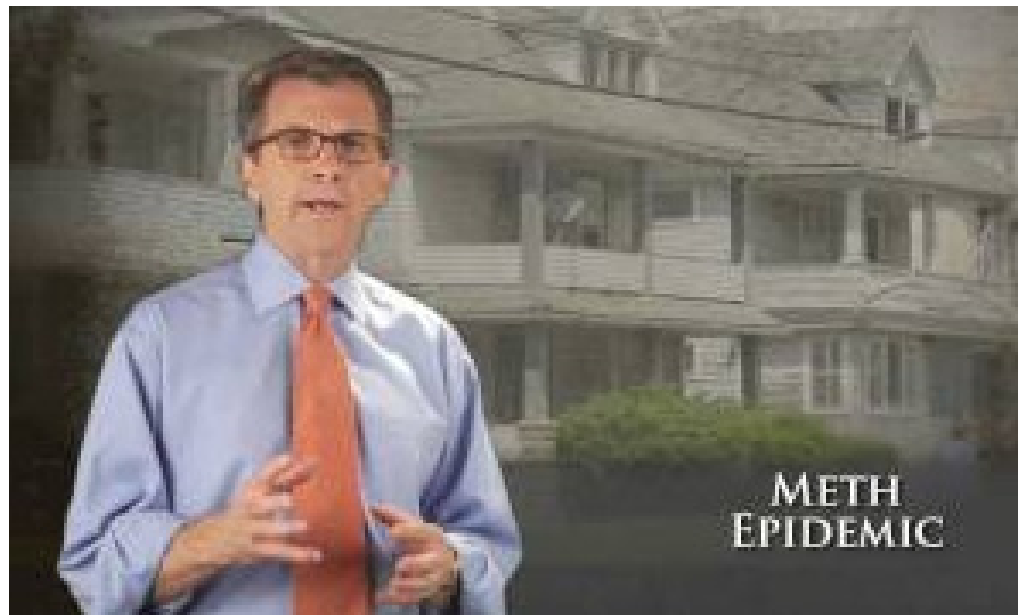
purpose: funding road and street improvements.

2. Methamphetamine Prevention. Requiring that drugs containing pseudoephedrine be available for purchase only with a doctor's prescription.

3. Cleaning Up Problem Properties. Making sure local governments have the tools -- and enforcement -- necessary to require banks to maintain foreclosed properties.

"Our goal is to make sure lawmakers at the Statehouse understand that some of their decisions have significantly hurt local communities, and we want to make sure they take local input seriously," Stahura said. "Ultimately, this isn't a campaign about one level of government versus another. It's simply about trust. Every relationship begins with trust, and we believe the best government relationships start at the local level."

Mayors participating in Wednesday's launch included: Bennett, Buttigieg, Andy Cook (Westfield), Allan Kauffman (Goshen), and Huck Lewis (Lebanon).



Evansville Mayor Lloyd Winnecke in a campaign TV ad in 2011 about the methamphetamine problem that has only grown worse.

In the past few years, Indiana Association of Cities and Towns Executive Director Matt Greller has referred to the General Assembly as a "Super City Council." Stahura noted that legislation has been authored in recent years that impact things like city zoning issues. "More and more of that is happening every year."

"Decisions need to be made at the local level," Stahura told HPI. "We can't have decisions at the Statehouse solve all the ills." ❖



Kenley's Christmas cheer for Lake County

By **RICH JAMES**

MERRILLVILLE – Merry Christmas, Lake County.

The state of Indiana may be about to do it to you again. The Grinch who may be about to steal Christmas is state Sen. Luke Kenley, R-Noblesville, who chairs the Senate Appropriations Committee.

Kenley on Tuesday threatened to eliminate the \$10 million in annual state funding for the Northwest Indiana Regional Development Authority unless Lake County adopts a local option income tax.

He said that to RDA President Bill Hanna during a meeting of the State Budget Committee.

State support for the RDA comes from the lease of the Indiana Toll Road. But that money is expected to run out at the end of 2015.

"We're getting down to the point where we can't just keep saying, 'OK, we'll give you another

five years of subsidies' or something like that," Kenley told Hanna.

Sure, go ahead and again treat Lake County as if it is part of Chicago.

When the RDA was created through the efforts of Gov. Mitch Daniels, U.S. Rep. Peter Visclosky, D-Merrillville, and then-state Rep. Chester Dobis, D-Merrillville, there was no caveat that somewhere down the road that future state funding for the RDA would be contingent on Lake County adopting an income tax, just as the state's other 91 counties have done by choice.

Then Kenley went on to suggest the unthinkable, saying that perhaps the state should approve funding for Northwest Indiana projects on an individual basis as opposed to providing money for the RDA.

Oh my gosh.

So, Kenley, who has a reputation of being a decent sort, is saying that the Legislature is better equipped than NWI folks to decide which local projects deserve funding. "We've kind of pushed this money at you for your own discretionary use with some positive effects ... but I think we're really not doing anything like this for anybody else," Kenley said.

Kenley apparently forgets that RDA funding isn't a one-way street. Lake and Porter county government as well as the cities of Gary, Hammond and East Chicago each

contributes \$3.5 million annually.

Come on, Luke, you can't be serious about singling out Lake County, especially when you think about all the money and power the General Assembly has handed to Indianapolis and its collar counties over the years.

The \$10 million a year from the state – none of which has been tax dollars – pales in comparison.

And it is important to note that the state isn't pouring money into a black hole as some of Kenley's words suggest. Hanna points out that the RDA has produced \$1.1 billion in economic development impact over the seven years, or \$5.11 for every dollar spent.

There are two very notable projects to receive RDA money.

One is Visclosky's Marquette Plan to take back and develop Indiana's most valuable asset – the Lake Michigan shoreline.

The other is rail relocation to allow the Gary/Chicago International Airport the chance to flourish. I can just see the Legislature voting against either of those projects because they don't benefit Indianapolis.

And as long as we are talking about Lake County, how about the millions in casino tax dollars that the region sends to the state. That represents the third greatest source of revenue for Indiana.

And as long as we are talking Region money, let's not forget about all the taxes industry – particularly steel – sends to the state general fund.

And, Luke, as you renew the fight for an income tax in Lake County, let's not forget one thing. That tax is called a local option income tax. The operative word is "option."

And to date, Lake County elected officials have opted not to adopt the tax.

And one more thing. The Indiana Senate has absolutely the wrong person chairing the Senate Education Committee.

Sen. Dennis Kruse, R-Auburn, ought to be a pastor, not a politician. He is the guy who sponsored a bill last year to require the teaching of creationism in public schools. It passed the Senate but fortunately died in the House.

This year he will attempt to backdoor the issue by requiring each school corporation to determine the topics of questions students could ask and the types of evidence that teachers would have to provide as proof.

So, we are going to determine what students can ask and how teachers must respond.

God help Indiana. And we thought schools Superintendent Tony Bennett was bad for Hoosier schools. ❖

Rich James is the former editorial page editor for the Post-Tribune in Merrillville.





Why Romney, GOP were stunned by Obama win

By JACK COLWELL

SOUTH BEND - We now know from exit polls and post-election interviews that most supporters of Mitt Romney, including his campaign officials and, apparently, Romney himself, were convinced as Election Day dawned that the election was in the bag. For Romney. Quite likely by the landslide over a hapless Barack Obama that was predicted by Dick Morris on Fox News.



Why were so many Romney supporters convinced that he would win?

It was more than just something driven by the usual political spin. Every campaign spins expected victory. But most losing campaigns are realistic in the gloom-filled headquarters that victory likely is not at hand.

Karl Rove wasn't just spinning with his predictions of victory. He really believed Romney would win and demonstrated that in disputing the projections, even of Fox, that it was over. Obama had won Ohio and re-election.

Why did the Romney campaign fully expect victory?

Why, when most polls in the battleground states were showing Obama ahead?

Why, with Nate Silver, the careful, cautious analyst of polls and myriad other election data, who seems never to miss with his FiveThirtyEight projections, calculating at campaign close that Obama, not Romney, had the momentum and Obama had a 90.9 percent chance of winning re-election?

It wasn't just wishful thinking. More important was a misunderstanding of the electorate.

Romney supporters, including his campaign strategists and the pundits like Morris and Rove talked to each other and cited just certain polls they wanted to believe, reinforcing their strongly held convictions that Obama was a failed president, that voters would toss him out of a White House that should instead be occupied by "a real American."

There were some polls, with samplings - as it turned out - weighted too much toward Republican respondents and underestimating turnout of voter categories tending to favor Obama. Pundits supporting Romney cited those as proof. And thus their predictions were taken as gospel by many folks who believed that surely Obama would not win again.

But while they convinced themselves, those Fox

pundits don't have much of an audience among the groups that voted so heavily for Obama - African-Americans, Latinos, single women and younger voters in general.

Older white males, who are more likely to tune in, voted in overwhelming percentages for Romney. Many of them no doubt found it hard to believe that those pundits could be wrong. Their friends and associates were saying the same thing: No way for four more years for Obama.

Some furious Romney supporters in states he carried big in the South are so disgusted with the way the rest of America voted that they now sign petitions for their states to secede from the Union.

Secession? Another Civil War?

No.

Bitter disbelief?

Yes.

If victory had not seemed so certain and defeat so beyond belief, the bitterness would not run as deep.

But why didn't even the Romney strategists pay more attention to the Silver projections? Two reasons. They preferred to believe polls with more Republican flavor in the sampling, counting on their base being more energized to vote. And they knew that Silver, who got everything right - except Indiana - the last time, had been hired by the New York Times.

They don't like Times editorials - and why should they with editorial-page support for so many Democrats? So they discounted Silver, who deals in cold, hard numbers, not partisan fluff. Skip the editorials, sure, but read Silver.

Silver cautiously weighed polls, considering which ones reached cell phone users, which had a record of accuracy and which were current in the most important states.

He wouldn't quickly confirm either the boost for Obama after the Democratic National Convention or the boost for Romney after the first debate. But when solid polling over days confirmed those boosts, so did Silver.

The race was reasonably close, but FiveThirtyEight (named for the number of presidential electors) always found Obama ahead, though with just a 61.1 percent chance after that disastrous first debate.

Romney supporters, citing crowds he was drawing, claimed he had momentum. Crowds are deceptive. All those polls in battleground states were not.

Next to be disappointed? Probably any Democrats who think the results of 2012 mean that their party has future elections in the bag. ❖

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



Pence may bring needed civil discourse to Room 206

By **SHAW FRIEDMAN**

LaPORTE - What's that? A Democrat with something good to say about the incoming Governor? That's right.

Like my party brethren, I worked hard to try to elect a Democrat Governor, but we fell short. Now what?

I'm suggesting that rather than we Democrats wring our hands and simplistically declare "we are worse off with Pence than Daniels," let's take a second look. I would submit that rather than a hard-nosed, pugna-cious, anti-blue collar partisan who reveled in insult and all manner of outrageous behavior toward adversaries, I'll take this earnest evangelical who has sworn off negative campaigning and declared a return to civil discourse any day of the week.



Sure, we are going to have disagreements with this Governor on a host of social issues including the teaching of creationism, same-sex marriage, womens' reproductive health issues and on and on. But I'm willing to bet we can engage in that discussion without the bitter and nasty personal attacks and questioning of motives that we routinely saw coming from Mitch Daniels the past eight years.

Here was Daniels just ten days ago with another of his insults as he declared the world is divided among "builders" and "belly-achers." The comment, for which he offered a rare apology a few days later, was evocative of Mitt Romney's insulting declaration that 47% of the electorate were "takers" who lived off of government largesse. Daniels doesn't see the hypocrisy in going after Romney's comments when he himself draws the rhetorical sword daily to go after opponents.

A brutish partisan, Mitch is also a sore loser! How can teachers around the state easily forgive Daniels' unbelievable charge that they had used "illegal" tactics in electing school superintendent Glenda Ritz? Daniels makes an obvious show of claiming he loves Hoosier voters, except when they have the temerity to buck his choice for school superintendent and elect a Democrat. Is Daniels claiming that 1.3 million voters were somehow "snookered"

through "illegal" tactics into supporting Glenda Ritz? The charge is as absurd as Daniels' routine use of name calling, insults and questioning the sincerity of his opponents.

Mitch Daniels slyly hid his contempt for Indiana public employees during his 2004 campaign and employed a classic bait and switch upon his swearing-in. Claiming to state employees during his campaign that "help was on the way" he promptly shed his mask of concern for them and decertified their state employee unions on his second day in office. He led a campaign to do away with the state's merit system of employment that had been in place for 50 years and has replaced it with relish with a system where any state employee who looks the wrong way or utters a wrong word can be replaced at will. Daniels went after teachers and police officers and firefighters over the past eight years inferring they were "selfish" and "greedy" for wanting middle class comforts like health care and pensions and sought to strip them of bargaining rights and any say in working conditions.

He thinks he's the smartest guy in the room and reels off insults without thinking. Take his recent shot at our two Purdue regional campuses in Northwest Indiana where he questioned just three weeks ago why they were just 34 miles apart.

Forget the fact that Northwest Indiana is a heavily populated region with three quarters of a million residents, he infuriated residents up here with the prospect he might close or reduce operations at one of these key campuses. It was another in a long line of attacks on a region that routinely votes Democratic. How many times has he come to Northwest Indiana and blasted straight-ticket Democratic voting up here and yet never once uttered a note of concern when 30,000 Hamilton County residents routinely cast a straight Republican ballot?

During confrontations with former Indiana house speaker B. Patrick Bauer, Daniels outrageously labeled him a "car bomber." When he didn't like a court decision from the Indiana Court of Appeals, Daniels attacked an Indiana Court of Appeals judge in harsh, partisan tones prompting a defense from the Indianapolis Bar Association.

The contrast between this flame-thrower who routinely insults and demeans those he disagrees with and Mike Pence could not be more stark.

I don't doubt there will be numerous times Democrats will disagree with soon-to-be Governor Pence on policy issues. But I'm betting dollars to donuts this guy will be much more pleasant and genial to deal with. Unlike Mitch, he wasn't born with a silver spoon in his mouth and certainly didn't have anything like the privileged upbringing that Daniels had.

I suggest we as Democrats reserve judgment and see where common ground can be reached. And when we



disagree – as inevitably we will - I suspect the tone and tenor of the disagreements will be far more civilized than what we've seen with this Governor.

Maybe, just maybe, we're going to get a chance for some reasonable dialogue without the personal, ad hominem attacks and questioning of motives that we have so

seen so often with this outgoing Governor. ❖

Shaw R. Friedman is former legal counsel for the Indiana Democratic Party and a regular contributor to Howey Politics Indiana.

Daniels, Pence tax plans disturbing to Santa

By MORTON J. MARCUS

INDIANAPOLIS - The North Pole reports are true. Production is picking up, and Hoosiers might benefit from their own fiscal cliff.

I have it on good authority that Santa's workshop is increasing gifts destined for Indiana hearths this year. In an exclusive interview with Elvin Elfenhauser, one of Santa's premier helpers, I learned Mitch Daniels and Mike Pence have caused distress and consternation at the North Pole.



"Santa is frantic," Elvin reported. "He sees the new year as a fiscal cliff unprecedented in Hoosier history. Individual income taxes in 2013 will fall by \$111 for single taxpayers and by \$222 for those filing jointly.

"Then," Elvin's voice trembled, "individual income tax rates for 2013 may be cut from 3.4 percent down to 3.1 percent, if Pence pushes his unneeded campaign promise through the tough-minded Indiana General Assembly.

"In neither case," Elvin explained, "were the people of Indiana given a clear listing of how children and the poor are affected by the money not spent on them. Santa feels he must compensate for the neglect caused by the politicians."

When asked why Santa's emotional state is described as 'stable, but fragile,' Elvin said, "Santa feels he cannot compete with money gift givers. The Old Man sees his task as providing for children and the financially disadvantaged.

"The Daniels tax refund is given independent of the number of children in the family, ignoring the value and needs of each child. Further, it is provided independent of income so that the rich and the poor get the same benefit.

"Surprisingly," Elvin continued, "the Pence program has the same two characteristics. And this from the guy who speaks so fondly of the family."

"Santa is suffering from a sense of futility," Elvin con-

fided, "because his chief economic advisor, Milton Eff, tells him that there are no gifts superior to money. The best way to satisfy a recipient is to give money, and that is what the great gift givers do. The recipient determines what he or she will do with the money.

"Money is not Santa's way of giving. We don't load the sleigh with cash or pre-paid credit cards. How can Santa compete in the eyes of Hoosiers with politicians who give monetary gifts?"

The result of this Arctic angst is a speedup of gifts stacking up in the Indiana bins at Santa's workshop as St. Nick attempts to make up for the state's past and future neglect. His aides are seeking a remedy for his psychological problem.

The solution has to involve special attention Santa's emotional triggers - children and the poor. "If," Elvin said, "the standard deduction for each child and each adult were raised, both children and the poor would be better-off. Less of the Pence largess would go to the wealthy under this plan and it would highlight our concern for the well-being of children."

Health coupons have been recommended for the Daniels plan. Instead of giving \$111 and \$222 credits against income tax payments, issue transferable health coupons in the same denominations. These could be used by the recipients or donated to children and others who have difficulty paying health care bills.

There is no indication that either the Daniels or Pence camps will negotiate how to implement better income redistribution schemes than the ones they have chosen. ❖

Mr. Marcus is an independent economist, writer and speaker.



Eric Bradner, Evansville Courier & Press: Some political lessons are timeless. If you've seen the terrific new movie "Lincoln" or read Doris Kearns Goodwin's even-better book "Team of Rivals" on which the movie was based, you've learned a bit about one of the most fascinating political figures of that era — Thaddeus Stevens. The Pennsylvania Republican was the chairman of the House Ways and Means Committee and a powerful party leader. He was a great advocate for racial justice, and he also wanted to punish the South after the end of the Civil War. When the House's passage of the 13th Amendment was so close that President Lincoln and its advocates could taste it, several knew Stevens' speech on the House floor would be a critical moment. If he called it the first step toward equality for all in America — his ultimate goal, to be sure — it would spook too many representatives who were on the fence and far too prejudiced to support such a notion, and the amendment would die, they told him. So Stevens severely restrained himself. He told the House the amendment did not mean that blacks and whites are "equal in all things," but only that they would be equal under the law. As he did so, Democrats jeered, knowing Stevens was holding back. Afterward, he told a colleague, even though he was untrue to the beliefs he held deeply, on the precipice of such an historic accomplishment, he'd very nearly say anything to get it done.



Fortunately, the institution of slavery has no modern-day moral equal. But gay rights advocates might find some lessons to learn by studying Stevens. Agree with them or not — and according to the most recent public opinion polls, Indiana's voters are split close to evenly — gay rights advocates think same-sex marriage is the leading issue in the civil rights fight of this era. The state's legislature could vote this year on a constitutional amendment that would bar same-sex marriage or any other, similar legal status. If it is approved, voters would get the final say in a 2014 statewide referendum. Though gay rights advocates believe they should have to give no ground on this issue, they're finding that arguing about whether same-sex couples should have the right to marry is less persuasive to many voters than focusing on the second part — the similar legal status. A new study that Indiana University law students unveiled last week showed that 614 conflicts in state law would be cemented in place if the state approved the constitutional amendment.

Those range from limiting same-sex couples' inheritance rights to preventing some of the state's spousal conflict of interest laws from applying to same-sex couples. Rick Sutton, who has led the gay rights group Indiana Equality Action, said last week that those conflicts are 614 reasons that Indiana voters should be wary of the amend-

ment — no matter how they view the institution of marriage. It's a strategy that those who oppose the amendment — from businesses like Columbus, Ind.-based engine maker Cummins to groups such as Sutton's — will adopt over the next two years. Though they view marriage equality as their ultimate goal, their fight against the amendment will focus on its potential for unintended consequences. ❖

Andrea Neal, Indiana Policy Review: Steven Spielberg's "Lincoln" couldn't have come out at a better time. With congressional leaders hunkered down in fiscal-cliff negotiations, the film offers a useful example of politics based on principle. Lincoln did what was necessary to achieve his goals of saving the union and abolishing slavery, and that included arm-twisting, campaign contributions and doling out patronage jobs to sway wavering representatives. "I am president of the United States clothed with great power," Lincoln told his Republican allies in the House as he pushed for approval of the 13th Amendment to abolish slavery. It was "a measure of such importance," Lincoln said, that the votes "must be procured." More than a few have misunderstood the moral of the story. The Washington Post's Michael Gershon concluded that a trip to the theater might instill in legislators "greater appreciation for flexibility and compromise." Another critic claimed the film was about "the virtues of bipartisanship and compromise." Bipartisanship maybe, compromise no. ❖

Russ Pulliam, Indianapolis Star: Robert Hall thinks that our most important national problem is not the federal deficit, the economy or the crisis in public education. It's a growing deficit in personal relationships. That sounds abstract. But the Dallas-based business consultant is quite familiar with other problems that might compete for top billing. He helps the homeless in Dallas find jobs. But he comes back to relationships as the priority in his new book, "This Land of Strangers." Think of it as an updated version of Robert Putnam's book, "Bowling Alone," one with plenty of data. "The loss of relationships translates into a form of hidden and growing risk," he suggests. "Relationships are society's greatest safety net." He highlights startling statistics. "Divorced men are six times as likely to suffer depression; divorced women are 3.5 times as likely. Men who suffer heart attacks and return home to live alone are four times as likely to die from a second heart attack as their married counterparts." He grasped it as an opportunity in business consulting. "Organizations scoring above the median in employee and customer engagement perform three times greater on a series of financial metrics," he said. "Relationships are the elemental source of social, emotional and economic value." ❖



Bennett gets his teacher changes

INDIANAPOLIS - Got a bachelor's degree? Get good grades in college? Congratulations, you're now eligible to teach in an Indiana middle or high school — no special teacher training, student teaching or experience necessary (Carden, NWI Times). The State Board of Education voted 9-2 Wednesday to change Indiana's teacher licensing rules by creating a new "adjunct teacher permit," allowing any bachelor's degree holder with a 3.0 grade point average — and who can pass a subject test — to immediately teach that subject in an Indiana classroom. The adjunct permit creates a different route to the classroom than the traditional "practitioner" license, which requires training in child development, child psychology and how to run a classroom — along with student teaching and additional in-school internship requirements. State school board members, who were appointed by Republican Gov. Mitch Daniels, agreed with Tony Bennett, the Republican superintendent of public instruction, that the change will give schools greater flexibility in hiring. Teachers on an adjunct permit must be rated "effective" or "highly effective" in three of their first five years teaching to renew their permits. A last-minute change to the rules requires permit holders to take a teacher training course once they've started teaching.



Ritz blasts late changes

INDIANAPOLIS - Superintendent-Elect Glenda Ritz requested that

the board table all action items until she takes office, but her request was denied. She reacted to the Board of Education changes on Wednesday, saying, "Earlier this week, as part of my transition with only 27 business days until I take office, I respectfully requested through Dr. Bennett, the Chairman of the State Board of Education, that all action items coming before the State Board of Education be tabled until after I take office. I wanted more time to review items, gather appropriate input, have a better understanding of the fiscal impact of these items, and to work with the members of the Board. My request was denied. Historically, it is only common courtesy to put all pending items on hold until a new administration takes office and has time to review, ask questions and improve the content as well as the process. There is no need to push through policies that haven't been reviewed by the incoming administration."

Obama, Boehner talk on Wednesday

WASHINGTON - For the first time in days, President Barack Obama and House Speaker John Boehner spoke by phone Wednesday about the "fiscal cliff" that threatens to knock the economy into recession, raising the prospect of fresh negotiations to prevent tax increases and spending cuts set to kick in with the new year (Associated Press). Officials provided no details of the conversation, which came on the same day the president, hewing to a hard line, publicly warned congressional Republicans not to inject the threat of a government default into the already complex issue. "It's not a game I will play," Obama told a group of business leaders as Republicans struggled to find their footing in talks with a recently re-elected president and unified congressional Demo-

crats.

Coats calls for med device tax repeal

WASHINGTON - U.S. Sen. Dan Coats released the following statement after the Internal Revenue Service (IRS) issued the final regulations on how the tax on medical devices under the health care law will be implemented on January 1, 2013: "This final regulation outlining how the administration will implement a \$30 billion tax on medical device manufacturers is another example of why Congress must act now to address the fiscal cliff and looming taxes hikes," said Coats. "The medical device tax will cost Hoosier jobs, stifle medical innovation and increase health care expenses. Both sides of the aisle have acknowledged the damaging impacts this tax will have on an industry that not only provides jobs to thousands of Americans, but also enhances the lives of patients around the world. I urge my colleagues to include a repeal of the medical device tax in any final package to address the fiscal cliff."

Lloyd becomes Stutzman COS

WASHINGTON - Rep. Marlin Stutzman, R-3rd, has switched his staff leadership heading into his second full term on Capitol Hill. Matt Lloyd will be his chief of staff. Lloyd replaces Tim Harris, who had been Stutzman's top aide since Stutzman took office in late 2010 after a special election. Lloyd worked nearly 10 years for Rep. Mike Pence, R-6th. Pence was elected governor in the Nov. 6 election. "Matt is just the right fit for our organization," Stutzman said in a prepared statement. Harris did not respond to a request for a comment.