



## Delph, shutdown reshape INSen race

Stutzman, Young won't rule out closing federals, while Holcomb differs

By **BRIAN A. HOWEY**

INDIANAPOLIS – The decision by State Sen. Mike Delph to forgo the Republican U.S. Senate race and a policy split surrounding a potential government shutdown between the two congressmen and Eric Holcomb are ushering in a new sequence in this wide open nomination fight.

On Tuesday, apparently after the Delph family female caucus weighed in, Delph said in a blog posting, "While I have been grateful and humbled by the encouragement, confidence, and support granted to me, it has become increasingly apparent that the burden on my family would be



U.S. Reps. Marlin Stutzman (top left) and Todd Young (lower) have a government shutdown on the table, while Eric Holcomb (right) calls for other methods. (HPI Photos by Matthew Butler)

too great for me to enter the open United States Senate race, or any race, in 2016. My responsibility as a husband and a father trumps the duty and noble calling of public service."

The Delph decision and the willingness of U.S. Reps. Marlin Stutzman and Todd Young to consider a government shutdown separates them from Holcomb. It comes as new polling shows that more than 70% of Americans are against closing down the federal government. But the reality of an Indiana Republican U.S. Senate primary

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## Delph boosts Stutzman

By **MARK SOUDER**

FORT WAYNE – The decision of State Sen. Mike Delph not to try for the U.S. Senate seat being vacated by Sen. Dan Coats boosts the candidacy of Congressman Marlin Stutzman for a very simple reason: Stutzman can now move more to the left. It will be interesting to see how quickly and regularly he does so.



Delph is a conservative warrior. Whether you like him or not – I do, and have known him since his staff days in Washington – Mike Delph doesn't live in a waffle house. He has become a particular champion for issues of great concern to conservative Chris-



**"You know, it's interesting to me. Mr. Trump said he heard Mr. Bush very clearly in what Mr. Bush said. I think women all over this country heard very clearly what Mr. Trump said."**

*- Carly Fiorina, at the CNN debate on Trump comments*



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tians in Indiana. While at times Delph pushed the envelope a bit far but, for example, unless someone forces a debate about the legitimate trade-off of religious rights and those asserted by others, the religious rights will just be trampled.

**Growing up** in the conservative movement, I understood the difference between pushing the debate to move the system in a conservative direction and actually governing. But without healthy debate, how does one arrive at a governing compromise?

Governing is like a good old-fashioned tug of war, with two sides pulling the rope for the chance to govern. A winning team requires a number of things, one of which is the people setting the pole of the debate to pull the middle toward their point of view. Then others on the team are along the continuum, pulling that direction for their team at different points along the rope. If the rope is slack toward the middle, you lose. But ultimately it is the strength of the total team to the right or left of the middle, including those nearer to the middle, that determines the ultimate victor. And all parts of the team are needed.

Mike Pence moved from a national advocate for a more purist conservative government to getting selected as Republican Conference chairman, a position requiring that he represent all Republicans. When he ran for governor, I suggested that as governor, Mike would remain committed to conservative values but that governing was not the same as advocacy. I felt he would look for conservative solutions that would work when not in the primary position of lobbying for the most conservative position. This has proven to be true. Complaining is easy; governing is not.

**There was really** no path to victory in the Senate race for Mike Delph. He is known as an effective advocate for the social conservative movement and for generally hard-line conservative positions. Stutzman comes from within the same small group. Stutzman, for example, was a supporter of Eric Miller for governor over Mitch Daniels. He does not have

the substantive background of Delph (his skills are more political), but in his early days he was at least as hard right as Delph.

In other words, Delph and Stutzman shared the same minority base within the Republican Party with Eric Miller. John Price, who ran for Senate in 1998 against nominated Paul Helmke and Peter Rusthoven, was similar in approach. The right faction (I was the left-wing part of the far right – for example, M. Stanton Evans loved calling me a “Bowen symp”) is about a third of the state Republican Party.

This faction successfully backed Treasurer Richard Mourdock over Sen. Richard Lugar in the 2012 primary. But ultimately Sen. Lugar was too old, not responsive enough to Indiana, Mourdock was an experienced candidate who had won multiple times statewide, and frankly, won his debate with Lugar. It wasn't just about ideology. However, after winning the nomination, Mourdock blew his lead, the election, and nearly took down Mike Pence with him after his comments on rape and abortion further re-enforced the campaign theme of Joe Donnelly that Mourdock was “my way or the highway.”

**Murdock's defeat** likely will ultimately shape this Senate primary election more than any other issue. Another Senate candidate who blows up would not only cost the Republicans a second Senate seat in Indiana, but possibly control of the entire United States Senate. It probably would cost Pence the governor's race as well (the Democrats don't seem to be capable of winning it). It could even lead to an Obama-like Democrat presidential upset in Indiana. The stakes of making another risky mistake are very high.

Congressman Todd Young is more conservative than Lugar, has a military record, and is widely regarded as a Member of substance in Washington. He also already defeated Baron Hill, when Hill was an incumbent. Eric Holcomb, also more conservative than Lugar (he was district director for Congressman John Hostettler), is

well-liked and respected as a great organizer, but with no compelling electoral record.

**Especially Young but** also Holcomb may gain somewhat in the Indianapolis metro from Delph's withdrawal, but likely not as much, net, as Stutzman will statewide. Delph's decision will, once again, most importantly give Stutzman room to move to the left and back-track from his previous statements and record. Stutzman is likable, has strong moral and conservative values, and his campaign ability is often underestimated. In some ways, he is like former Congressman Hostettler who won six terms in a congressional district less conservative than he

was.

It is not clear whether Stutzman can reach, hold or exceed one-third voter support in a primary. He has a history of rather large "oops" at bad times, but the opportunity certainly is there. Delph's non-candidacy moved Stutzman from a potentially fourth place finish if Delph had run to now having the actual potential to win. ❖

**Souder is a former Republican congressman from Fort Wayne.**

**Senate race, from page 1**

may lie in that 30% who are ready for a decisive showdown over Planned Parenthood funding and will be more apt to vote next May.

Delph pondered joining the field, but told HPI in August that the decision would be made by his wife and five daughters. "With the unexpected retirement announcement of United States Sen. Dan Coats taking place during a very busy 2015 session of the Indiana General Assembly, my attention was rightfully focused on serving my constituents in the Indiana State Senate," he explained in a blog posting Tuesday morning. "As such, I did not have the ability to appropriately evaluate whether I should consider becoming a candidate. Since session adjourned, at the urging of supporters across the State of Indiana, I have spoken to a number of grassroots activists, GOP donors, friends, family, and neighbors to try to properly assess the 2016 race."



Most observers saw a Delph entry as dicing up the evangelical, Christian conservative and Tea Party vote that Stutzman believes he can feed off of. The bookend to that is that Young and Holcomb are both feeding off the more moderate, Daniels wing of the Indiana Republican Party. A Delph entry, the theory went, would have helped Young, or perhaps Holcomb, though Young is underscoring his conservative credentials while Stutzman suggested on Wednesday that he is the true conservative.

In an HPI interview last August, Delph dealt with that notion. "The school of thought is we'll take votes

from each other," Delph acknowledged. "I don't completely agree with that, just because that's not been where the evidence lies in my Senate district. I have different people support me for different reasons. Some can be for me for redistricting reform or ethics reform. Others can be for my positions on immigration where I have a very black and white position. I have people support me because of my family and how I raised my family and home schooling. They think I'm a guy who would represent them and their values well. It's not necessarily a one-to-one comparison."

And Delph acknowledged that Stutzman supporters like the Club For Growth's David McIntosh and other Super PACs were encouraging him to stay out of the race. "We've tried to be supportive of one another with each other's careers," Delph said of his former Indiana Senate office mate. When he met with various Super PACs in Washington in June, Delph said he was told, "Marlin has an outstanding record as a conservative in Congress. He's giving up his congressional seat. He's already out there, you know. It would be better for the conservative cause if you wouldn't muddy the waters for Marlin."

**Campaigns react to Delph decision**

Trevor Foughty, Young's campaign manager, doesn't believe the Delph decision will have much of an impact. "I don't think it changes much for us," Foughty said. "I'm not surprised, based on some of the things Sen. Delph has said in the past, on the family decision and time commitment. Still, it's full steam ahead for us. I think Todd's got a message that resonates with all wings of the party. He's championed the REINS Act, which plays big with Tea Party wing. He's authored bills to take apart Obamacare that plays into the Tea Party wing. Todd Young stands on principles and does it by passing legislation. It's our assumption moving forward."

Holcomb told HPI he didn't see much impact of Delph's decision. "Our campaign has been and will be about what we are for," Holcomb said Tuesday afternoon. "I'm not focused on opposition. Our campaign is being built to last and I am encouraged with the response we're getting."

Stutzman campaign manager Brendon DelToro had a similar assessment: "We are focused on running our race. Marlin is the proven, tested conservative in the race."

## The defund and potential shutdown

Prior to the Delph announcement, Young and Stutzman were preparing for the volatile issue of Planned Parenthood defunding and the potential that it could force a government shutdown. Both congressmen wouldn't rule out a shutdown.

Stutzman, who is a member of the Freedom Caucus which is advocating the defund effort, acknowledged the anger he has found regarding videos made of Planned Parenthood officials talking about the sale of fetal body parts for research. "As I've traveled the state, I have heard from countless Hoosiers who are outraged over the release of the investigative videos and who are tired of their tax dollars going to fund Planned Parenthood," said Stutzman in a statement to Howey Politics Indiana on Monday. "Congress needs to defund Planned Parenthood and instead fund alternative women's healthcare programs. I hope we are able to build consensus around a solution that permanently defunds Planned Parenthood."

Young said in a statement to Howey Politics, "The atrocities taking place at Planned Parenthood are gut-wrenching and almost too much to bear, especially as a parent with four young children at home. I supported calls for a congressional investigation when light was shed on these inhumane, gruesome practices, and look forward to defunding Planned Parenthood in the days ahead through legislation I strongly support and cosponsored in the House."

As for shutting the government down, which last occurred in October, 2013, Young spokeswoman Lauren Beebe told HPI, "The congressman hopes it doesn't come to that, but at this point, all options remain on the table." In 2013, Stutzman supported the 16-day shutdown, while Young sided with keeping the government open. Senate Majority Leader Mitch McConnell called shutting the government down over the issue an "exercise in futility" and House Speaker John Boehner and his leadership team are working to keep the shutdown from occurring while reportedly trying to fend off a coup. McConnell explained, "The honest answer of that is that's not going to happen until you have a president who has a similar view."

Foughty told HPI on Tuesday, "I think we ought to start by acknowledging that for people who are pro life and for those who don't feel strongly on the issue, the Planned Parenthood videos are disturbing. We'll see what happens this week and beyond that see how the House and Senate move on these."

Stutzman, a close ally to Heritage Foundation President Jim DeMint, was an early advocate in 2013 of defunding Obamacare, which led to the 16-day shutdown.



After that occurred, Stutzman blamed President Obama for refusing to negotiate. It then produced this exchange: "We're not going to be disrespected," Stutzman told David Drucker of the Washington Examiner. "We have to get something out of this. And I don't know what that even is."

That quote earned Stutzman (pictured left) the "Worst Week in Washington" designation by the Washington Post's Fix blog on Oct. 4, 2013. Post blogger Chris Cillizza called him the "shutdown's poster boy."

So a similar dynamic is in play: Republicans are taking a stand that President Obama will surely reject. In the context of the Indiana Senate race, Young and Stutzman are jockeying for position on the right to appeal to that likely primary voter who won't view it in the McConnell terms of "futility."

## Holcomb differentiates

Holcomb told Fox59's Dan Spehler last week that he supports the defunding effort, but added, "I hope the government doesn't shut down over it."

Holcomb explained, "This goes beyond the pale. This has got to be addressed. Anyone who has seen the videos, even one of the videos, comes to the conclusion that this is despicable behavior, suspected for a long time and now confirmed. Even people on the other side of the aisle have taken pause. That money needs to be redirected. We have hundreds of clinics all over the state of Indiana that money could be redirected. There are way too many questions that need to be addressed." Holcomb said there are "other possibilities" that can be used to resolve the Planned Parenthood funding issue.



On Tuesday, Holcomb told HPI that it will be this issue that potentially differentiates him from the congressmen. "The one thing different about me from them is I'm not in Congress. They have to make their own decisions, but I hope we don't shut the government down. The more I hear from the general public, they are sour on the constant talk of a shutdown and the dysfunction in Washington. That ought not be our strategy."

Holcomb said that President Obama "likes to talk shutdown, he likes to throw that at us. We've seen this movie before. We see how it ends. So I think if anything, he'll welcome that rhetoric."

U.S. Rep. Jim Jordan, who heads the 40-member Freedom Caucus that counts Stutzman as an influential member, told Cleveland.com, "Given the appalling revelations surrounding Planned Parenthood, we cannot in good

moral conscience vote to send taxpayer money to this organization while still fulfilling our duty to represent our constituents. No one wants to shut down the government, but I believe that Congress should take the money that is currently going to Planned Parenthood and give it to federally qualified clinics that are providing more comprehensive care to women. If President Obama and Harry Reid want to shut down the government over an allegiance to that one particular organization, instead of funding our troops and funding women's health care, then that's a sad commentary on their priorities."

Last Thursday, White House spokesman Josh Earnest explained, "Right now, we're going to need to see leaders in Congress accept the invitations from Democrats in Congress to try and negotiate a bi-partisan agreement on the budget. If Republican leaders maintain their insistence on trying to pass a budget along party lines, then we are going to be headed for a shutdown. Because it's clear to anybody that's been paying attention over the last several months, that they don't have the votes to pass a budget."

President Obama would be expected to veto any legislation that would defund Planned Parenthood. The measure of last resort would be for congressional Republicans to refuse to fund the government. Holcomb explained, "We live in a dangerous world. We don't want the ultimate outcome to shut the government down which would have a ripple effect in all sorts of other areas. I know folks are gearing up to talk about this. I hope it doesn't get there. It needs to be resolved, and there's a way to do that."

### Young first on TV

Young became the first Senate candidate to air a



TV ad, coming with last night's CNN presidential debate. Young opens by talking about "debating courage" but added, "the courage to act is even better," alluding to his U.S. Navy and Marine career. Young said that "courage is what's needed to protect the unborn and reform the tax code" and added that "priority one must be the full repeal of Obamacare." He invites viewers to go to his campaign website and sign a petition.

The ad drew a rebuke from Indiana Democratic Chairman John Zody, who said, "From voting more than 50 times to revoke health care from millions of Americans to working against the Hoosier middle class, including opposing efforts to increase the minimum wage, Todd Young has made it clear he would put the special interests of Washington ahead of improving the overall well-being of everyday families back home. So while Todd Young's campaign must think this \$10,000 ad buy was a clever move, it really tells Hoosiers that he is afraid his already out of touch ideology isn't conservative enough to win the Republican nomination."

**Republican Horse Race Status:** Tossup.

### Democratic field in flux

So the GOP field appears set, while the Democratic field is still in flux. Former congressman Baron Hill and former ARC of Indiana director John Dickerson have declared, while Hammond Mayor Thomas McDermott is expected to seriously weigh a bid following an expected victory for a fourth term in November. On Tuesday, the NWI Times editorial board urged him to stay out of the race. "I think I would fare well statewide in the Democratic primary," McDermott said. "But if I were to win my party's nomination, I also know I would be facing a superstar from the Republican side." **Democratic Horse Race Status:** Likely Hill. ❖

## Despite anger against DC, few seats in play

By BRIAN A. HOWEY

INDIANAPOLIS – The anger at Washington is palpable. The Real Clear Politics composite congressional approval stands at 15% approval and 75% disapproving. In the Washington Post-ABC News poll released last weekend, more than seven in 10 Americans say people in politics cannot be trusted. More than six in 10 say the political system is dysfunctional.

But that is not reflected in Indiana congressional



racers. While there are multiple Republican candidates filed in the open 3rd and 9th CDs being vacated by U.S. Reps. Marlin Stutzman and Todd Young who are opting for the U.S. Senate race, only in the 5th, 7th and 9th CD have declared candidates in both parties, and U.S. Reps. André Carson and Susan Brooks are not seen as vulnerable this cycle.

Here is the earliest 2016 Horse Race rundown of Indiana's congressional districts.

**CD1:** If there is any buzz coming from this district, it is faint talk on whether U.S. Rep. Pete Visclosky will seek a 15th term. Hammond Mayor Thomas McDermott Jr. has talked about a potential challenge, but a U.S. Senate bid seems more likely. Visclosky has \$273,446 cash on hand and had \$193,000

receipts in the second quarter of this year. He defeated Republican Mark Leyva 86,579 to 51,000 in 2014. No one would be surprised if Leyva runs again. **Horse Race Status:** Safe Visclosky.

**CD2:** This is considered the most competitive Indiana congressional seat, but Democrats are having a hard time finding an opponent for U.S. Rep. Jackie Walorski. Democrats tried to recruit State Rep. David Niezgodski of South Bend, and 2014 nominee Joe Bock and 2012 nominee Brendan Mullen don't appear to be seeking a rematch. Walorski barely fended off Mullen in 2012, winning by fewer than 4,000 votes. Walorski raised \$475,469 in the second quarter and has \$589,578 cash on hand. Walorski defeated Bock 85,583 to 55,590 in 2014. **Horse Race Status:** Safe Walorski.

**CD3:** With Rep. Stutzman opting for the U.S. Senate race, this is a four-way Republican primary race among State Sens. Jim Banks and Liz Brown, Kosciusko farmer Kip Tom, and former Wisconsin State Sen. Pam Galloway. Democrat businessman Todd Nightenhelser has also declared. Brown has \$123,174 cash on hand at the end of the second quarter, compared to \$134,916 cash on hand for Banks. The two have similar name ID. Banks has earned endorsements from influential legislators such as Senate President David Long and a number of other legislators. He received the Tea Party Express endorsement this week as well as from FreedomWorks PAC. This could be a three-way competition with Tom having the ability to self-fund. Brown is fresh off her Senate victory in 2014 and has residual high name ID in the Fort Wayne media market, but this is the sixth different office she has sought over the past eight years (winning the Senate and Fort Wayne Council seats, losing Fort Wayne mayoral and school board races). Some of her key Senate race donors are backing Banks. Banks has served two terms in the Indiana Senate and served a military deployment in Afghanistan this past year. **Horse Race Status:** Leans Banks.

**CD4:** U.S. Rep. Todd Rokita won this seat over John Dale 94,998 to 47,056 in 2012. He has been reportedly seriously exploring an attorney general bid in 2016, creating a potentially third open seat. He faces a primary challenge from Kevin Grant. Rokita raised \$248,712 in the second quarter and has \$1.1 million cash on hand. **Horse Race Status:** Safe Rokita.

**CD5:** U.S. Rep. Susan Brooks easily won reelection in 2014, defeating Democrat Shawn Denney 105,277 to 49,756, with Libertarian John Krom polling 6,407 votes. Brooks has a declared Democratic opponent in Angela Jo

Demaree, a veterinarian and Army Reserve officer. Brooks raised \$507,688 in the second quarter and has \$1.33 million cash on hand. **Horse Race Status:** Safe Brooks.

**CD6:** U.S. Rep. Luke Messer has risen into House leadership in his second term, and is currently unopposed. Messer raised \$423,453 in the second quarter and had \$534,311 cash on hand. In 2014, he defeated Democrat Susan Heizman 102,187 to 45,507. **Horse Race Status:** Safe Messer.

**7CD:** Democrat U.S. Rep. André Carson faces Republican Wayne Harmon, who has sought the nomination unsuccessfully in the past, never receiving more than 5,000 in primary losses in 2012 and 2014. In 2014, Carson defeated Republican Catherine Ping 61,443 to 46,887 with Libertarian Chris Mayo receiving 3,931 votes. Carson, who won a caucus to succeed his late grandmother, Julia Carson, in 2008, raised \$256,426 in the second quarter and has \$787,762 cash on hand. Harmon reported raising \$128 and had \$16 cash on hand. **Horse Race Status:** Safe Carson.

**CD8:** U.S. Rep. Larry Bucshon won a third term in 2014, defeating Democrat Thomas Spangler 103,344 to 61,384, while Libertarian Andrew Horning received 6,587 votes. In the second quarter, Bucshon raised \$241,344 and had \$409,973 cash on hand. No Democratic opponent has surfaced. **Horse Race Status:** Safe Bucshon.

**CD9:** In the second open seat, being vacated by U.S. Rep. Todd Young, Attorney General Greg Zoeller, State Sens. Brent Waltz and Erin Houchin, Tea Party activist and engineer Robert Hall and former congressional aide Jim Pfaff are seeking the GOP nomination. For the Democrats, Monroe County Commissioner Shelli Yoder and IT consultant James McClure Jr., are running. Yoder lost to Young in 2012. Young defeated former Seymour Mayor Bill Bailey 101,594 to 55,016 last year. In 2012, Young defeated Yoder 165,332 to 132,848. There is some speculation that the field is not set, with former congressman Mike Sodrel potentially eying a return. Sodrel's wife died earlier this year, and Capitol Hill sources tell Howey Politics Indiana that Sodrel has been in Washington frequently this year. At this stage, Zoeller would have to be considered a nominal frontrunner since he has run successfully statewide twice. He is a former aide to Vice President Dan Quayle. But observers are keeping a close eye on the two state senators, and particularly Houchin, who is a former 9th CD chair and aide to U.S. Sen. Dan Coats. Houchin upset former Senate Minority Leader Richard Young in 2014 and has considerable retail campaign skills. The one rap on her is that she is running for Congress just months after entering the Indiana Senate. The third quarter FEC reports will be revealing. **Horse Race Status:** Leans Zoeller. ❖



State Sen. Jim Banks (top) and Attorney General Greg Zoeller are the early favorites in the 3rd and 9th CD open seats.

## 2nd CD Democrats struggle for candidate

By JACK COLWELL

SOUTH BEND – Democrats haven't yet run a "help wanted" ad to find a challenger to U.S. Rep. Jackie Walorski, the Republican incumbent now entrenched after handily winning a second term in Indiana's 2nd Congressional District. And St. Joseph County Democratic Chairman Jason Critchlow says it won't come to that.

While there is "nothing really solid" in terms of a candidate ready to announce, Critchlow says, there are



prospects and the party will have a nominee to offer a formidable challenge to Walorski.

They better find a candidate. Somebody will be the Democratic nominee. If party leaders don't find somebody to wage a respectable campaign, even if not quite a winning race, their nominee could be one of those "interesting" types that filed for congressional nominations, both Republican and Democratic side, in

the past.

There was a farmer who designated an outhouse as his campaign headquarters, a cross-dresser from Indianapolis who files everywhere for everything and a Nazi meeting speaker.

The Democratic Congressional Campaign Committee tried to recruit state Rep. David Niezgodski of South Bend for the race. He met in Washington with DCCC strategists, heard the promises of support and saw poll data on the chances to win. Niezgodski declined, choosing to run again for the Indiana House, where he has made a mark and hopes for increased Democratic legislative strength after the 2016 elections.

Critchlow acknowledges that a Democratic challenger will have a difficult race against Walorski, who will have superior funding and saturation name recognition in a district gerrymandered for GOP success.

Walorski, with way over a half million dollars in campaign funds on hand mid-year and with potential to raise millions more if seriously challenged, could scare off some of those potential Democratic challengers. An upset is of course the Democratic goal. But short of that, Critchlow says, a nominee running a good race this time could gain name recognition, campaign experience and funding for a successful second try in 2018. Walorski won on her second try.

There could even be an open seat in '18. Critchlow notes speculation that Walorski, if she wins a third House term, would decline to seek a fourth and instead would

run in '18 for the Senate, challenging Sen. Joe Donnelly, the Democrat who beat her in her first congressional race.

She would not at that time face a statewide Republican primary battle with U.S. Rep. Marlin Stutzman, the 3rd District Republican who seeks the party's Senate nomination in '16. Stutzman by '18 either will be in the Senate or out of the picture if he fails this time.

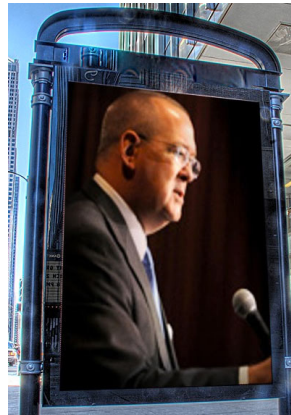
Both Stutzman and Walorski running in a statewide Republican nomination race would make no political sense. Both are Tea Party favorites and would split that vote, likely enabling a more moderate or establishment Republican to win. Stutzman has no primary challenge from Walorski this time. She would have no challenge from him next time. ❖

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

## A difficult economy is in the making

By MICHAEL HICKS

MUNCIE – Economy watchers ought to be more than a bit concerned about the US economy in recent weeks, and the recent stock market declines might well be the least worrisome indicator. First we'll review the good, or the least bad news.



The U.S. economy grew at a 2.1 percent rate through the first half of 2015. This was slower than all economic models predicted, including those that I have written and used. However, the first quarter saw growth of 0.6 percent, with a 3.7 percent rate in second quarter. This is the third year in which first quarter growth was startlingly slow, so many economists believe the seasonal adjustment calculations understate actual growth. However, the errors would largely be captured by the second quarter data.

**Altogether, the 2.1 percent growth** through the first half of 2015 isn't really good news. With the population growing at a rate just over 1.0 percent, it will take 75 years for the standard of living of Americans to double. To contextualize that, think how different the U.S. was in 1940. Our standard of living has grown by almost six-fold through that 75-year spread. So, 2.1 percent growth ought to spread alarm.

The second decent piece of news is about the

labor market. The unemployment rate dropped to early recession levels last month, bringing the nation close to what economists call full employment. Still, last month's national news was otherwise not reassuring. Employment grew by 175,000 positions, but the total labor force saw a net decline of 261,000 folks. When we account for retirements and new workers, we should expect something more than 100,000 new workers each month, maybe even 140,000. So, the deep losses put us upside down in labor force by more than 400,000 workers last month. Worse still, 158,000 of those 175,000 net new jobs were only part-time thanks to economic reasons. So much for good news.

The economic committee that determines the start and stop date of each recession examines labor force, total payroll, industrial production and retail sales. All of these measures are worrisome. Retail sales have been slowing for three years and may be beneath the rate of inflation this summer. Industrial production has slowed for more than six months, and last month's numbers were the worst in several years. Payrolls have flattened, and wage increases are barely keeping pace with inflation. Altogether, the evidence of slowing growth is pretty significant. The Chinese economy is in real trouble and it will drag perhaps

a third of the world into recession, and the turbulent gifts from Greece are far from over.

The mavens of the stock market are an odd lot, whose fabricated expertise usually exposes stock watchers to all the emotional ups and downs of a middle school romance. More sophisticated analysis tells a long-term worry. Even after the recent stock declines, Professor Shiller's cyclically adjusted price-to-earnings ratio suggests stocks are still overvalued by 30 percent. At the very best, this is going to be a difficult fall for the economy. ❖

**Michael J. Hicks, PhD, is the director of the Center for Business and Economic Research and the George and Frances Ball distinguished professor of economics in the Miller College of Business at Ball State University.**



## Photography With Punch

Contact photographer Mark Curry for a fresh look at Indiana politics

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# Pence's reelect poll numbers sag as civil rights deal develops

By **BRIAN A. HOWEY**

INDIANAPOLIS – Gov. Mike Pence is facing the most critical two months of his governorship. Multiple informed and reliable sources, citing at least three recent polling sources including internal Pence campaign survey data, are telling Howey Politics Indiana that Pence's state-

wide reelect numbers are "in the low 30%" range. His favorable/unfavorables are "upside down."

These sources tell HPI that the polling is consistent with the Howey Politics Indiana Poll conducted by Bellwether Research pollster Christine

Matthews in April, and a second survey she did in mid-June for former Angie's List CEO Bill Oesterle. At least two knowledgeable sources tell HPI that the Pence campaign is seeing similar internal numbers. In the April Howey Politics Indiana Poll, Pence's favorable/unfavorables sagged to 35/38%, polled well below 50% in a head-to-head matchup with probable Democratic nominee John Gregg, and found support for a civil rights extension at 54-34%. A second Bellwether Research Poll by Matthews conducted on behalf of Oesterle in mid-June showed Pence in a dead heat with Gregg, trailing 41-40% and his favorable/unfavorables stood at 34/43%.

Additionally, the recent surveys reveal that the Indiana right/wrong track numbers have significantly shifted toward the latter. The driver of that shift was the Religious Freedom Restoration Act debacle last April. And they are consistent with

a public Indianapolis Chamber of Commerce Poll in Marion County that showed opposition to RFRA tops 50%, while support was in the mid-30% range. Close to 65% said the impact on the state image was negative. There is also wide support for expanding the state civil rights code to

include sexual orientation.

Multiple informed and reliable sources are telling Howey Politics Indiana that the Pence administration and legislative Republican leaders are attempting to forge a deal that would add sexual orientation to the state's civil rights code that would address employment and housing concerns, with exemptions extending to hospitals and religious institutions. This effort includes not only the Pence administration and Indiana Republican Party, but legislative leaders and Indianapolis Republicans who were sharply critical of RFRA. The sources say an effort may be made to introduce the package before or on Organization Day in November, with passage coming either on that day or during the first week of the Indiana General Assembly next January. "They want to get this behind them so the focus will be on Indiana's economy," one source told HPI.

Sources say that Republicans have been urging Gov. Pence and his team to "get out in front" of the issue, as opposed to having it drag on for weeks or months next winter. Indicative of the delicate nature of these talks is the fact that House Speaker Brian Bosma and Senate President David Long have delayed appearances before the Indiana Republican Central Committee. A number of Republicans are alarmed at the prospect that the party could lose the governorship and significant chunks of its legislative super majorities.

It has prompted speculation that Indianapolis

Mayor Greg Ballard could challenge Pence. Other sources tell HPI that Bosma was approached earlier this summer about a potential primary challenge to Pence. These meetings were characterized as Bosma "hearing out" concerned Republicans. The speaker's office declined to comment on these reports when asked Wednesday by HPI.

The Indy Chamber Poll showed Ballard's approval in Indianapolis stood at 65%, and it is in the low 70th percentile in the doughnut counties surrounding Indianapolis. There were persistent reports over the past two weeks that Ballard was considering a primary challenge.

"There's always a possibility," said Jennifer Hollowell, a long-time political strategist of the mayor, told HPI. "This is not occupying his mind or time right now," Hollowell continued. "A lot of people would like to see what happens over the next few months and see how the Statehouse reacts." Hollowell described the talk as "cocktail chatter."



**A defiant Gov. Pence kicking off his campaign in June at the Indiana Republican Spring Dinner. Since then, several polls have shown his reelect numbers in the low 30% range. (HPI Photo by Matthew Butler)**

But the stakes are enormous and will play out over the next couple of months. If Pence's civil rights compromise is weak or miscommunicated, Ballard could reassess a primary challenge.

Gov. Pence entered office with the reputation as a master communicator in the vein of his political hero, President Reagan. But Pence's leadership tenure in Congress was that in the minority party. When it came to a crisis in his administration, Pence fumbled badly on ABC's "This Week" last April when he dodged questions on RFRA and the potential for discrimination. His staff work has been shoddy, resulting in the "Last Supper" photo of his private RFRA signing ceremony. He now finds himself as a chief executive having to piece together a compromise that has the potential of alienating either his social conservative base or female and independent voters he will need to win reelection in November 2016.

Several Republicans say there are efforts under way to make the case to social conservatives like Tea Party activist Monica Boyer that refusal to accept a civil rights code compromise will essentially put Democrat John Gregg in the governor's office. "Will John Gregg be better for them than Mike Pence?" one county Republican official asked.

### **Pence campaign refutes union TV ad**

The Mike Pence for Indiana is refuting a TV ad by the International Union of Operating Engineers Local 150. "Tell us, Governor Pence," the ad ends after assailing the governor for bridge conditions coming with the state maintaining a \$2 billion surplus. "How many lives is your surplus worth?" Pence spokesman Robert Vane told HPI, "The latest Union-funded Democrat attack ad on Mike Pence is both desperate and dishonest. With \$600 million in infrastructure improvements signed into law since taking office, Gov. Pence is making the critical investments necessary to keep our state the Crossroads of America."

### **General Assembly**

#### **SD30: Schneider won't seek reelection**

"Exhibit A" in the massive collateral damage RFRA has caused was the announcement over the weekend that State Sen. Scott Schneider would not seek reelection. Schneider was the Senate sponsor of RFRA. One of the House sponsors, State Rep. Timothy Wesco, is facing a rematch with teacher Jodi Buoscio. Multiple sources tell HPI that Schneider was seeing polling results showing him trailing badly in his 2016 reelection campaign. Washing-



ton Township Republican Chair Melissa Thompson told HPI that "Scott has never been afraid of a fight," and said his decision not to seek reelection was due to business and family priorities. Schneider's ice business was targeted for boycott during the RFRA episode.

As for the coming SD30 battle, Democrat Tim DeLaney, who lost to Schneider by fewer than 1,000 votes in 2012, told HPI that he is undecided about seeking the seat next year. Democratic Councilman John Barce is one possible candidate. On the Republican side, Thompson said that past legislative candidates looking at the race include Carlos May and Kurt Webber, who lost a previous race to State Rep. Ed DeLaney. Others weighing bids include Tasha Phelps, Becky Bechtel and Sara Rossier.

#### **HD20: Biernacki kicks off campaign**

Longtime social services advocate Karen Biernacki this evening declared her candidacy for District 20 state representative in front of a crowd gathered at the Carpenters Local 1485 Hall in LaPorte. State Rep. Tom Dermody, R-LaPorte, announced last month he would not seek reelection. Biernacki, who is CEO of Family Advocates (former Harmony House/CASA of LaPorte County) said that a guiding theme of her campaign is that "We Can Do Better," as she pledged to work to change priorities in the legislature from "issues that have nothing to do with those things that will improve the lives of Hoosiers." Specifically, she took aim at the controversial RFRA law passed in the last session that "cost Hoosier tourism," to the legislature eliminating "an 80-year-old law that has provided fair wages to local building tradesmen" known as Common Construction Wage, to the state bypassing an "\$80 million federal grant for early childhood education" to using tax money for funding charter schools. Biernacki pledged to fight to "protect Hoosier children and families" and said that her 25-year history as a child advocate had taught her "we can do better" when it comes to fighting infant mortality and childhood poverty.

#### **Statewides: Wooten to run for supt**

Dawn Wooten, a college-level English instructor at Indiana University-Purdue University Fort Wayne, is seeking the Republican nomination for state superintendent (Morello, StateImpact). Wooten filed her election paperwork and launched a campaign website last week. She is the first candidate to emerge as a challenger to current superintendent Glenda Ritz, a Democrat. Ritz is seeking her second term after dropping a bid for the governor's seat. Wooten's name might be familiar to some because she served on Indiana's College and Career Readiness Panel, the group that prepared a new set of state academic standards after Indiana's 2013 exit from the Common Core. During that stint, she visited the Department of Education offices at the statehouse in Indianapolis – and that's part of what compelled her to run. "I did not see a lot of initiative or activity in the office, in fact I barely saw

any people. It made me question, what is this administration doing?" Wooten recounts. "I did not see any policy initiatives come out of the administration, and I don't think they accomplished what they wanted to." Wooten home-schooled her own daughter and nephew for a number of years, during which time she used the Indiana state standards and textbooks as well as reviewing local curriculum. She says this experience gave her an awareness of what is actually going on in the state's public schools. And what she sees is an aggressive push on the part of the state and federal government on standardized testing, which she says has forced educators to "teach to the test." That's why teacher autonomy is one of Wooten's top priorities. "My number one priority is to kind of change the thinking about achievement testing," Wooten explains. "The state and the federal government are so worried about student test scores, that if they really want to get those to a higher level, they need to realize that teachers cannot teach to a test adequately, and students don't respond to that." "There was a time in this state when achievement testing was done once every two or three years, and it was more than enough," Wooten adds.

**Mayors**

**Evansville: Riecken stands by comments**

State Rep. Gail Riecken said she was speaking truthfully when she told a statewide political newsletter that her campaign for Evansville mayor has the "support" of all eight city council Democrats, although two of them claim neutral stances (Martin, Evansville Courier & Press). Riecken, a Democrat, is challenging first-term Republican Mayor Lloyd Winnecke in the Nov. 3 election. A story published Thursday

in the Howey Politics Indiana addresses infighting with the local Democratic Party, and Riecken's effort to unite all factions behind her campaign. Intraparty squabbles have long been obvious on the council, with Missy Mosby, D-2nd Ward, and Jonathan Weaver, D-at-Large, often being viewed by the other six as being allies of the Winnecke administration. In the Howey story, Riecken, asked about her campaign's support among the city council, answered, "I have the support of all Democrats on city council." Riecken told the Courier & Press Friday that "I'm fine with my comment" because although Mosby and Weaver have not endorsed her, they also are not working on Winnecke's behalf. Riecken said it was her understanding Weaver would attend a Saturday fundraiser for her campaign. Referring to Mosby and Weaver, Riecken said that if she is elected mayor "I think we can work together, and we have support and understanding." Weaver, asked Friday about his stance on the mayor's race, replied that Riecken "is the head of our ticket, the leader of our party, and I'm on the Demo-

cratic team." But after that comment was interpreted by a Courier & Press reporter on Twitter as an endorsement of Riecken, Weaver, within minutes, said in a phone call that wasn't what he meant. Weaver is seeking reelection to his city council at-large seat. Mosby, who survived a close and bitter Democratic primary fight with Steve Davis but has no opponent in the general election, said she has made no mayoral race endorsement. "I am a Democrat, but my oath is to the 2nd Ward," Mosby said. "Mayor Winnecke has been very good to me and my 2nd Ward. (Former Mayor Jonathan) Weinzapfel was, as well."

Reacting to a Winnecke administration request for transfer of funds to cover the city's \$8 million cash-flow problem, Riecken labeled the move "a glaring example of financial mismanagement and irresponsible leadership." "There is no better evidence that this administration is incapable of operating within a budget and known revenue." Riecken said. "To make matters worse, they put the blame on the ordinance passed by council that ended their shell game of moving money around to make all fund balances look better than they really are."

The Evansville Council tabled the transfer earlier this week.

Winnecke defended his administration's fiscal management in an Evansville Courier & Journal op-ed article: "Before the election season completely consumes the airwaves, it is important for the citizens of Evansville to have accurate information about our city finances without interjecting politics. It has been confirmed time and time again by the state's independent audits and the independent bond rating agencies that the city has operated in a financially sound, efficient and prudent manner. Since taking office, our administration has spent less than what has been budgeted by our City Council every year."

Winnecke said that in the past five years, "Property tax caps have impacted the city's general fund by rising to over \$9 million. In addition, the city has seen employee health care costs increase on an average 12 percent annually the past five years. As examples, these negative economic forces meant lower property tax receipts of \$2 million in 2012, and in 2015 property tax caps hit \$9.6 million. It only takes common sense to realize that property tax caps have dramatically impacted local government finance, but the positive to that fact is that those dollars are now in the hands of our citizens. While our Finance Department has worked daily to process revenues and expenditures for local government, they have also had to expend time and effort to refute countless claims and dubious attacks over the past three years. The obvious fact is our city government receives property tax revenue twice a year while payroll, bills and claims are generated weekly directly impacts fund balances and cash flow." **Horse**

**Race Status:** Likely Winnecke.

**Elkhart: Neese, Moore debate**

Elkhart Mayor Dick Moore and GOP challenger Tim Neese faced off in two forums Wednesday, their first head-



to-head public appearances as competitors for the mayoral post, touching on annexation, gay civil rights, crime and more (Vandenack, Elkhart Truth). Moore, a Democrat, put a focus on his economic stewardship and spending cuts brought on by state-mandated property tax caps, which have impacted local governments across Indiana. "We

spent only on what we needed, not what we wanted," he said, calling the efforts to keep spending in check during his two terms the city's "finest hour." Neese, a former Indiana House mem-



**Elkhart Mayor Dick Moore debates Republican Tim Neese last night. (Elkhart Truth Photo)**

ber, offered a message of change. The city has managed through ups and downs, but "surviving with the status quo is not enough. We need a new start for Elkhart. We need an Elkhart that shouts, 'We are open,'" Neese said, adding that he has the "experience and energy to get the job done." On Gay civil rights. Neese suspects Indiana state lawmakers will take up the issue of granting civil rights protections to the lesbian, gay, bisexual and transgender community. That'd be the ideal forum to address the issue rather than a patchwork of municipal laws. But if state officials don't, he'd favor adding language in Elkhart's civil rights ordinance "to include sexual orientation and all genders." Neese said that doesn't reflect a change in his views, though in a forum last April ahead of the GOP mayoral primary, he said such change would be unnecessary given protections at the state and federal level. Moore, who introduced a measure in May to expand civil protections to the LGBT community, said pursuing the matter further hinges on getting the necessary support from the nine-member Elkhart City Council. Amid an outcry of opposition, he asked that the proposal be withdrawn last July and that the Human Relations Commission study the matter instead. Now he says if he doesn't have five supporting votes, he "may not send it back to the common council."

### **Lebanon: Democrat slated**

In our mayoral roundup in the Sept. 10 edition of Howey Politics Indiana, it was reported that Lebanon Republican Matt Gentry is running unopposed. The Democrats slated a candidate in June. Here is the Lebanon Reporter's June 18 account: Michele Thomas, a second-term Lebanon school board member, filed papers Tuesday as the Democratic Party candidate for mayor of Lebanon in the Nov. 3 general election. During Thomas's two elected terms on the Lebanon Community Schools Board of Trustees, LCSC taxpayers experienced a 13 percent drop in school taxes since 2009, and the school corporation garnered an A rating from the state. Her experience

in making difficult decisions while overseeing a 450-employee organization with a \$35 million annual budget gives Thomas valuable understanding to make key decisions as Lebanon's next mayor. "Lebanon voters will be hiring a CEO for the city in November," Thomas said in a press release. "I invite them to compare my public service, community involvement, work experience, and ideas with my opponent's, and to choose the most qualified candidate to lead Lebanon into a prosperous and healthy future."

**Horse Race Status:** Leans Gentry.

### **Fort Wayne: Harper, Henry to debate**

Fort Wayne's mayoral candidates will square off in a televised debate one week before the Nov. 3 election (Gong, Fort Wayne Journal Gazette). Democratic Mayor Tom Henry will meet Councilman Mitch Harper, R-4th, for the only televised debate of the election at 7 p.m. Oct. 26 at the Walb Student Center at IPFW. **Horse Race Status:** Likely Henry.

### **Anderson: Libertarians off ballot**

A Madison County judge ruled Tuesday that the local Libertarian Party could not be on the Nov. 3 ballot because it failed to follow state election rules (de la Bastide, Anderson Herald-Bulletin). Judge Stephen Clase said six Libertarian candidates failed to follow the state requirements to be placed on the ballot. The decision upheld action by the Madison County Election Board that denied the candidates from being placed on the Anderson municipal ballot last month. **Horse Race Status:** Likely Smith.

### **Richmond: Ingram says no to debates**

Richmond Republicans have said no to an offer from Democrats that the city's mayoral candidates have five debates this fall (Richmond Palladium-Item). Brandon Searcy, campaign manager for Republican Kyle Ingram, said Friday that time is a factor in trying to hold debates. "That's quite a few debates to try to schedule and hold in the next six weeks," Searcy said. "I think it's a good idea. I wish they had come to me in June. "We feel that our Roadmap to Revive Richmond really explains where Kyle stands on the issues," he said. Republican city campaign chairman Peter Zaleski said Ingram is using social media and other forums to get his message out. **Horse Race Status:** Likely Ingram.

### **Terre Haute: Bennett on 'hot seat'**

Terre Haute Tribune-Star writer Mark Bennett told WFYI Thursday morning that Mayor Duke Bennett faces a difficult reelection this November. He said the city's stretched finances have dominated local politics and are the top election issue. "He is certainly on the hot seat, there is no question about that," Bennett said. "The mayor is under heavy, heavy scrutiny." The Terre Haute Council approved using \$2 million of the city's rainy day fund to cover expenses. **Horse Race Status:** Leans Bennett. ❖



# Fiorina stands out, but ‘Reagan rumble’ reinforced opinions

By **LARRY SABATO**  
**University of Virginia**

SIMI VALLEY, CA. – It was a debate with winners (certainly Carly Fiorina) and losers (sorry, Scott Walker). Mainly, though, the Reagan Rumble reinforced the strengths and weaknesses that voters already associate with each of the candidates. Already, millions tuned in mainly to cheer for their current choice.

Few who are committed to Donald Trump will be dissuaded by anything they saw. He didn't add many supporters, though; his song sounded very familiar. Ben Carson was his usual self -- soft-spoken, thoughtful, often unpolitical. His backers are delighted, no doubt, but Carson didn't spark a mass movement in his direction.

The articulate and steely Fiorina showed why she should have been in the first debate. Fiorina surely will be in subsequent ones.

By contrast, Scott Walker did not impress, and he desperately needed to hit a couple of home runs.

What of Jeb Bush, who required a solid performance almost as much as Walker? Bush blew his opportunities in the critical first half-hour, and shied away from confronting Trump or making cogent arguments on other matters. But he got better. The defense of his wife struck a chord with viewers, and the last hour of exchanges, when Bush really came alive, was his best.

Yet Bush could not solve his underlying dilemma, and if you listened to the back-and-forth, you saw the future through the prism of the past. From the first, the Bush camp underestimated the difficulty of separating Jeb from both the

dynasty issue and his controversial brother. "I'm my own man" doesn't cut it when his advisers, donors, and approach are quintessentially Bush.

Much of the GOP grassroots just doesn't want another Bush. Maybe Jeb's massive money edge and the enormous power wielded by Bush World (a web of connections 70 years in the making) can grab the nomination anyway, but it's far from a cinch.

Final point: I'm not a stubborn guy, but I am going to reiterate -- in the hope that we don't repeat the mistake four years from now -- that this debate format is inadequate. Eleven candidates are too many on a stage, and this crowd of politicians produced a herky-jerky debate that couldn't develop themes, skipped around too much on topics, and cut off exchanges just when they were threatening to prove fruitful. The moderators weren't at fault, the format was.

In July I urged in *Politico Magazine* that the large group of candidates be divided evenly in a last-minute lottery (to encourage spontaneity), and that two back-to-back debates be held in prime time, perhaps an hour and a half per debate. Ask yourself whether that format might have worked a little better last night. Seven or eight candidates produce a rambunctious but manageable seminar. Eleven contenders create a chaotic, sputtering mob.

## Beware of snap judgments

By **GEOFFRY SKELLEY**  
**University of Virginia**

The last time experts tried to decide who "won" a debate, many mistakenly thought that Donald Trump had struggled. Maybe he had in their eyes, but Republican poll respondents thought otherwise. There's no question that the second Republican debate featured a large number of attacks on Trump. Whether or not they actually diminished him remains to be seen, but Trump didn't shine brightly during the second GOP confab.

Most of the evening wound up being a muddle. Chris Christie was strong, but he's so damaged in the eyes of conservative voters that it's difficult to see him recovering. Rand Paul offered



dovish foreign policy views that might have held greater sway before the rise of ISIS and the debate over the Iran nuclear deal, but now they seem totally out of step with today's Republican Party.

**"Winners" are difficult to demarcate** because of the crowded stage, but Ted Cruz and Carly Fiorina were perhaps the strongest performers.

Cruz particularly seemed to understand better than anyone else that a debate is televised. Most of his responses were given with a full focus on the camera, speaking into the homes of American conservatives and not so much to the small crowd at the Reagan Library. Cruz is a former debate champion, and he routinely had eloquent and firm answers when he got a chance to get a word in edgewise. Cruz's appeal is not one that will easily translate to a broad, general election audience, but his

staunch conservatism on a number of issues, particularly foreign policy, must have played well to future Republican primary and caucus voters.

Fiorina was the other candidate who appreciated that she was speaking mainly to a television audience. Regardless of substance, her answers probably topped the charts in terms of erudition and detail. While her business record came under fire from Trump, she had smart responses to most questions and a solid grasp of details on a very wide range of issues. Of the three outsider candidates, she appeared to have the strongest performance in comparison to Ben Carson and Trump.

If Trump's lead in national polls erodes, it's easy to imagine that the person who replaces him at the top in some surveys could be either Carson or Fiorina. ❖

## Syrian refugees in the Hoosier Holyland

By MORTON MARCUS

INDIANAPOLIS – My friend, lean Leon Lyons, asked me one of the major questions of our times, "What are we doing about the Syrian refugees?"



"Are they our problem?" I volleyed the question. "Sure," he asserted. "They are also our opportunity." "How so?" I asked.

"Many are skilled and experienced," he answered. "Think how they could solve some of Indiana's problems. I did some noodling and came up with a schedule for regaining residents and workers..."

"Hold on," I stopped him from extracting a folded printout from his pocket. "Aren't immigration and refugee relief federal responsibilities?"

"Needn't be," Leon said. "Indiana recruits companies and students (future workers) from abroad all the time. Talk to any economic developer and s/he will tell you it's a top priority. I'm talking about taking in less than two percent of Indiana's population, only about 126,000 Syrian refugees."

**With this said,** Leon successful pulled out his paperwork. "Now," he said, "we'd top off the number of Syrians going to any one city at 10,000. Those cities would be Anderson, East Chicago, Evansville, Gary, Hammond and South Bend. There'd be 9,500 each going to Marion and Terre Haute. Then it scales down to just 500 each to Edinburgh, Logansport, Portland, Tell City and Winchester.

"In all," Leon continued, "28 Indiana cities and

towns that lost population from 1970 to 2010, would be allocated Syrian refugees. All 28 places had at least 5,000 residents in 1970 and lost 500 people or more by 2010."

"You're assuming," I assumed, "that folks in those towns would welcome these refugees."

"Why not?" he asked. "You think Hoosiers would reject them because they are mainly Muslims? I thought Hoosier Hospitality was a reality. Religious people are assets; religious radicals are liabilities."

"Is there housing for all of them in all these places?" I said. "Are the schools ready to take children who speak ... what? Arabic?"

**"Haven't you been thinking** European countries smaller than Indiana should take thousands of Syrians?" Leon asked. "Don't you believe our neighbors already living in depressed cities and towns would be eager to see homes renovated and repopulated? Aren't there jobs going unfilled that some of these refugees would fill?"

"Diversity and development are goals of our state. Here's an unprecedented opportunity to achieve what we say we want. Now's the time, while others dither, for us to charter planes to Greece and Hungary, Jordan and Turkey to open pathways to Indiana."

I replied, "I don't see a host of Syrians fitting the mold in Madison, hitting it off in Highland, or nesting in New Albany or New Castle."

"What do you know of Syrians?" Leon asked. "Nothing really," I admitted, "except I've heard they're better educated than most immigrants to America."

"What we do know," he said, "is they are motivated to make a better life for themselves and their families. They show great determination to reach places that offer peace and prosperity. Aren't those the people we want as our neighbors?"

"Seems like a lot of energy," I said, "to introduce into our contented Hoosier Holyland." ❖

# The fiscal crisis of historic proportions

By **LEE HAMILTON**

BLOOMINGTON – We face a fiscal crisis of historic proportions. Unless we can stabilize the debt and put the country on a path of sustainable economic growth with prosperity evenly shared, lofty talk of American prosperity and world leadership is just hot air.



A couple of months ago, the Congressional Budget Office issued a sobering report on the U.S. economy's long-term prospects. Not to put too fine a point on it, we're headed for the fiscal rocks.

Federal spending accounts for about 20 percent of the nation's GDP, the budget analysts note; if current trends continue, that will rise to fully 25 percent by 2040. Revenues will not keep

up; they'll amount to only 19 percent of GDP.

Here's what the non-partisan CBO has to say: "Mainly because of the aging of the population and rising health care costs, the extended baseline projections show revenues that fall well short of spending over the long term, producing a substantial imbalance in the federal budget. As a result, budget deficits are projected to rise steadily and, by 2040, to raise federal debt held by the public to a percentage of GDP seen at only one previous time in U.S. history, the final year of World War II and the following year." We face a fiscal crisis of historic proportions.

**Our presidential candidates** can talk all they want about American prosperity and world leadership, but without a firm fiscal base it's just hot air. Unless we can stabilize the debt and put the country on a path of sustainable economic growth with prosperity evenly shared, we'll have no firm economic base for all those lofty goals to rest upon.

This means tackling a host of complex problems. We have to get long-term debt under control. We have to preserve Social Security yet find a solution to rising entitlement spending, which will be a key driver of federal spending for decades to come. We have to deal with health-care costs, which pose the same challenge. We have to invest in skills, education, and infrastructure without breaking the bank. We

have to craft a simpler, fairer, less intrusive tax policy that promotes economic efficiency and is conducive to long-term growth.

The people who have to do all these things are politicians who, thus far, have been unwilling and unable to take these obvious challenges head on. The problem is not with the system itself. Similar barriers have been overcome repeatedly in the past, with reforms in Social Security in 1983, taxes in 1986, and repeatedly in budget agreements.

**Rather, the problem is** that our leaders are divided between those who want to cut spending and those who want to boost taxes in order to expand government's role. Yet it's impossible to solve our problems by finding new revenues or cutting spending alone. Without doing both, we face a weakened future. It is unreasonable and unacceptable to try to continue our present course of trying to muddle through.

There's a reason that you don't hear much talk about this in Washington. Americans themselves want it all – lower taxes without significant cuts in federal spending. But here's the problem: Almost 60 percent of federal spending is accounted for by Social Security, Medicare and defense and national security. Add the 7 percent of the budget that goes to interest on the national debt, and there's little room for significant progress without painful and difficult legislative action.

Political leaders should grasp these realities and act now. But they have not, so it's up to Americans to pressure them to do so. True, nothing will happen without presidential leadership. All issues will have to be on the table, because the pain needs to be shared broadly. And progress will require the adroit bipartisan participation of congressional leaders.

**Instead, those who believe** in a single path assure us that we need only wait until the next election and they'll get the forces they need. This is a pipedream. The electorate is too evenly divided and too volatile to sustain complete control by one side over several elections.

So really, it's up to the American people to demand action. We have to create the political will that drives our leaders to deal with these difficult economic

problems, that leads them to tackle entitlements, health costs, investing in the future, and tax reform. The question is whether our political leaders are up to the task before our economy runs out of time. ❖

**Lee Hamilton is director of the Center on Congress at Indiana University. He was a member of the U.S. House of Representatives for 34 years.**

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**YOUR FRIENDS ALL HANG OUT HERE... DO YOU?**

# Region investments in young people lacking

By RICH JAMES

MERRILLVILLE – Motorola announced this week that it was moving its headquarters from Schaumburg, Ill., to downtown Chicago. A company executive explained that the downtown location would be a great attraction to lure the best and brightest of young people to the company.



That move also could play a role for young professionals living in Northwest Indiana. U.S. Rep. Peter Visclosky has been saying – and said it again this week – that Northwest Indiana doesn't make investments to keep its young people here.

That is a primary reason why Visclosky has been working tirelessly for several years to garner the local support and financial commitment for the nine-mile expansion of the South Shore Railroad to Dyer.

Visclosky said expanding the South Shore is "not just to get people to jobs, but to bring jobs to Northwest Indiana." The congressman often has explained that the tremendous financial growth on the Illinois side of the greater Chicago area is a direct result of that state's tremendous commuter rail system.

Visclosky made his comments this week while again urging the Highland Town Council to make a full commitment to the South Shore project. Although Highland would be one of the communities to reap the most gain from commuter rail expansion, the town has been reluctant to make a full commitment.

**While Visclosky** has asked all Lake County municipalities to commit 34 percent of their county economic development income tax over 30 years, Highland has yet to come close. The Highland council last year approved committing 20 percent of its tax money, but for just two years.

Council President Mark Herak vowed this week that Highland would commit to 30 years and perhaps in-

crease the amount of funding. But that won't happen until after the Nov. 3 municipal election, thus taking a potentially volatile issue out of the campaign.

An added incentive for Highland could be a \$300,000 federal grant that Visclosky announced this week. The grant will be used to plan proposed stations along the new route. Visclosky said the stations will "provide opportunities for neighborhoods to grow along the West Lake Corridor and the region to flourish."

**Visclosky added,** "I am convinced the extension of the South Shore Railroad will spread the economic vitality of the Chicagoland area into Northwest Indiana and allow our region to become the next great economic engine of the state of Indiana."

Ty Warner, the executive director of the Northwestern Indiana Regional Planning Commission, said the grant "validates the potential and proof of concept in forging this kind of development along transit lines. This kind of thinking is where the future of northwestern Indiana lies." ❖

**Rich James has been writing about state and local government and politics for more than 30 years. He is a columnist for The Times of Northwest Indiana.**



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**Nathan Gonzalez, Roll Call:** For some members of Congress with young families, getting elected is the easy part; deciding whether to move your family to Washington is more difficult. Members of the Indiana delegation have been wrestling with the decision for decades, in a state where residency consistently pops up as a campaign issue. The current Hoosier State delegation isn't any different. Even though multiple members have young families, they have made different residency decisions. And two of them, Reps. Marlin Stutzman and Todd Young, are set to face off in a competitive Republican Senate primary next year. "I go to Washington, D.C., to work and come home at every opportunity," said Young, the father of four children younger than 10 who live in his district. "In the House, you can predictably spend roughly four of seven days back home with family." "It helps me stay closely in touch with the people I represent, it informs my decisions, and it has made me a much more effective U.S. Representative," Young added. Stutzman made a different calculation. "We looked at several different options," Stutzman explained. "The family could stay in Indiana all the time or find a way to keep the family together as much as possible." The Stutzmans' decision to homeschool their two boys gives them flexibility to split time between their 3rd District farm and the house they purchased in Alexandria, Va., in the Washington suburbs, where they also co-own a boutique bridal shop with the congressman's sister-in-law. "There's not a perfect answer," Stutzman added. While decisions involving spouses and young children are typically personal, there is underlying tension, based in part on how Stutzman's predecessor left office and how residency has been used as a campaign issue in Indiana races for more than a decade. According to multiple GOP sources, Stutzman cited former Republican Rep. Mark Souder's extramarital affair as part of his rationale to bring his family to the D.C. area. Stutzman ran for retiring Democrat Evan Bayh's Senate seat and took issue in the GOP primary with former Sen. Dan Coats' residency. Coats was an easy target since he hadn't spent a lot of time in Indiana since he left office in 1999, previously talked about making North Carolina home, and had to register to vote in Indiana before announcing his candidacy. But multiple Republicans pointed out that Stutzman bought a home in Virginia in 2011 after attacking Coats on residency in the 2010 election. ❖



**Curt Smith, Forefront:** As an understudy of the late, great Dr. Richard Gray, my mentor at the IU School of Journalism in the late 1970s, I learned to hate "yellow journalism." That was the term applied to the scare tactics, lurid headlines and public pandering raised to an art form by William Randolph Hearst as he built a newspaper empire. Its pinnacle was his retort to a photographer in the Philippines on the eve of the Spanish-American War of 1898. When challenged, he chastised his employee by

telegraphing back: "You supply the photos. I'll supply the war." And war we had. Now comes The Indianapolis Star practicing Rainbow Journalism, a modern variant of yellow journalism. Its publisher seeks to supply a culture war over gay rights by convening a meeting of community leaders on Sept. 22 to rehearse the grievances, alleged only, that the fight over the Religious Freedom Restoration Act last spring hurt Indiana's economy. Record employment aside, Indiana, she alleges, is suffering economically. The Star's new business model, despite working under protection of the First Amendment, is what is suffering. Circulation is below 100,000, although online figures are not readily available, and the paper is selling assets, shedding staff and doing its editing remotely. My humble prediction: If the Star wants to pick a fight with the Indiana church, it will get a fight. Maybe even war. ❖

**Jennifer Rubin, Washington Post:** Donald Trump finally met his match in Carly Fiorina. In a smashing performance that will earn her poll points, campaign donations and praise from Republicans, she went after Trump with surgical precision in the second GOP debate. She jabbed him for his casino bankruptcies. Pivoting off a Jeb Bush answer, she recalled Trump's derogatory remark about her face: "Women all over this country heard very clearly what Mr. Trump said." With sly put downs ("You know, I think Mr. Trump is a wonderful entertainer. He's been terrific at that business") and showing her superior knowledge of foreign policy, she gave Republicans a more viable and sophisticated outsider. She interjected some humanity in recalling her experience of losing a daughter to addiction. Her passionate denunciation of Planned Parenthood was a standout moment as was her closing statement, a crisply delivered ode to human potential. Her only discernible slip was a huffy dig at New Jersey Gov. Chris Christie for criticizing Fiorina and Trump for arguing about their respective records. (Christie later hit back when he told her firmly not to interrupt him.) Trump was repeatedly on defense, coming up short in face-offs against Fiorina and regurgitating lines (get great people!) that already seem stale. In a truly egregious moment, Trump brought up the canard that vaccinations cause autism. Carson gently corrected him, but the moment reminded the audience what a crank Trump really is. If not undone entirely, he lost luster in the debate if only because he was a "loser" in so many one-on-one moments. By the end he seemed tired, even low-energy, one might say. But it was not only Fiorina who scored big. Christie was also strong throughout, and quite moving when relating 9/11 when he could not reach his wife, who worked near the World Trade Center, for more than five hours. He interjected with effective pleas to focus on working Americans, reminding voters of his record on drug rehabilitation and on the need for a strong military response after 9/11. He was loose and relaxed, willing to push back. ❖

## Indiana lacks addiction care

INDIANAPOLIS - Indiana sorely lacks the treatment infrastructure and trained personnel needed to wean hundreds of thousands of Hoosiers off their drug addictions and remediate their often underlying mental health problems (Carden, NWI Times). That's the blunt message Dr. Andy Chambers, of Indianapolis' Midtown Community Mental Health and Addiction Clinic, delivered Wednesday at the first meeting of Gov. Mike Pence's Task Force on Drug Enforcement, Treatment and Prevention. Chambers told the panel of state officials, health professionals and law enforcement that Indiana repeatedly has failed to invest in drug treatment and mental health care, leaving too few clinics spread across the state and hardly any practitioners to meet Hoosier needs. For example, he said Indiana University, the sole facility training psychiatrists, only graduates about six a year and just one typically specializes in addiction. Moreover, he noted, half the state's practicing psychiatrists are within 10 years of retirement. "Even if we had more money going to treatment, there's no place for people to go for treatment," Chambers said. "We don't have the workforce, and we don't have the infrastructure." Chambers urged the panel to recommend to the Republican governor major investments toward long-term solutions, rather than a short-term fix that satisfies the needs of a four-year election cycle but does little to address addiction in Indiana. State Sen. Jim Arnold, D-LaPorte, a former county sheriff and task force member, agreed that more money, training and facilities are needed. "If we're ever going to have any hopes of addressing this issue, of getting a grip on it and properly addressing it, we're going to have to look for money," Arnold said. "If we can't come up



with it we're not going to make much headway." However, John Hill, Pence's deputy chief of staff for public safety and task force co-chairman, said he only plans to initially recommend the governor seek greater flexibility to use existing federal health funds for drug treatment, and to encourage state agencies to promote more widespread use of nalaxone, an opiod overdose reversal drug. Hendricks County Sheriff Brett Clark admitted, "You can't arrest your way out of this problem," least of all because the county must provide health care to jail inmates.

## Meth labs to surpass 2014

INDIANAPOLIS - Indiana law enforcement agencies say they're on track to take down more meth labs this year than they did last year (Indiana Public Media). The Hoosier State routinely has one of the highest numbers of the meth lab seizures in the country. While other states are witnessing a decrease in meth lab busts, Indiana is on pace to once again be in the top five states for meth lab seizures in 2015. "Many times the user is addicted after the first or second use, and then when you have a drug where you're not depended upon on a dealer or a particular plant or country, for its importation and you can make it locally here just by buying a few chemicals and precursors, it makes it very difficult," said Indiana State Police Sgt. Michael Toles, who is the North Zone Supervisor of the Meth Suppression Section. Toles says the ISP is also having trouble keeping one of the key ingredients in methamphetamine out of the hands of those using it to make the drug. Indiana and the federal government have tough restrictions on how much pseudoephedrine one person can buy at a time. But other states have gone further, by either scheduling the drug or making it a controlled substance. "States where they've put restrictions on, as far as maybe having it be a controlled substance or scheduled, they have seen a significant decrease

in their labs," added Toles.

## A to F scores in January

INDIANAPOLIS - Indiana schools will receive their A-to-F accountability grades in January under a revised schedule, the State Board of Education learned Wednesday (Kelly, Fort Wayne Journal Gazette). The panel also approved a resolution to use the current formula in state rules for calculating the grades even though there has been a question about whether those emergency rules the board adopted had expired. Superintendent of Public Instruction Glenda Ritz abstained on the resolution and fellow Democrat Gordon Hendry asked why. "Because of the confusing nature of the entire piece with a resolution enacting a rule that has expired," she said. "Probably more procedural than anything else." Due to a delay in getting ISTEP+ scores back from this spring, the Indiana Department of Education had originally thought schools might not receive their accountability grades until March or April.

## Duncan says U.S. education behind

WEST LAFAYETTE - In many ways, the American education system has fallen behind other civilized countries, U.S. Secretary of Education Arne Duncan said Wednesday during a trip to Purdue University (Lafayette Journal & Courier). Duncan, who was appointed to the role in 2009, fielded questions at Loeb Playhouse as part of Purdue Convocation's 2015 Presidential Lecture Series. Duncan said the Department of Education's most important investment since he took office was in early childhood education, a service the U.S. lacks compared to other countries. "That we allow our babies to start kindergarten a year or a year and a half behind is just crazy to me," he said. "In other countries, they don't do this. In other countries, it's universal access. The fact that we don't value early childhood education is heartbreaking."