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2004 Election Special Report

'Moral values' and Daniels' brilliant campaign drove GOP to power

By BRIAN A. HOWEY in Indianapolis and MARK SCHOEFF JR. in Washington, D.C.

First, there was no terror attack.

Despite the Osama bin Laden tape that surfaced last Friday (looking as if he was behind a university lectern and not in a cave) the initial analysis was that no one knew what impact it would have. Then Gallup published numbers on Monday that suggested President Bush's lead on the terror issue was sliced in half, and there was the spectre that bin Laden might influence the election with pictures and words, not bombs. But on Election Day, when it became clear there would be no subway or NFL stadium suicide bombings, or nuclear plants destroyed, one had to wonder whether people had asked themselves, "Are we safer?" and then answered with a vote ... for Bush-Cheney. *USA Today* reported, "The first presidential election after the Sept. 11 attacks was defined and ultimately decided by voters' fear of another attack." Exit polls "found that President Bush won the support of 85 percent of those who said terrorism was the campaign's top issue



President Bush receives a congratulatory phone call from U.S. Sen. John Kerry on Wednesday in the Oval Office. (White House Photo by Eric Draper)

Bush exploited Kerry's vote for/against the \$87 billion for the Iraq war effort. John Kerry originally voted for the bill, but with Howard Dean galvanized by the swollen anti-war effort on the Democratic left, he made a strategic political decision



Becky Skillman (left), Mitch Daniels and Pat Miller celebrate their victory Tuesday night at Hinkle Fieldhouse. (HPR Photo)



"A new term is a new opportunity to reach out to the whole nation. To make this nation stronger and better, I will need your support and I will work to earn it."

— *President George W. Bush*

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and voted against the bill. Bush-Cheney were unrelenting in their assault on that issue. NPR had a caller from Indianapolis on Wednesday and he, apparently with hundreds of thousands of others, cited that bill.

Here in Indiana, President Bush got 60 percent of the vote and a 511,658-vote plurality. You could put Evan Bayh, Birch Bayh, Susan Bayh and the Bayh twins on the ballot and if you're a Democrat it's going to be almost impossible to effectively deal with that kind of presidential headwind.

The Bush plurality, teamed with Mitch Daniels' 191,610 plurality over Gov. Joe Kernan, and there is little wonder why so many House Democrats were swamped, along with U.S. Rep. Baron Hill. This was a Republican tsunami almost as emphatic in Indiana as the one that occurred in 1994.

This Republican victory, both nationally and in Indiana, was sculpted by Karl Rove around the concept of "moral values." NBC's Tim Russert said that exit polling showed that while people might not have agreed with the president on budget deficits or the war, what overrode any of those issue concerns, 22 percent listed "moral values." Or as the *New York Times* observed today, "It is impossible to read President Bush's re-election as anything other than a confirmation that this is a center-right country."

Many voters disagreed with President Bush on the war, the economy, and the Patriot Act. But they trusted his "faith and values," and saw him as a decisive leader,

TeleResearch pollster Jeff Lewis said, "This moral values theme didn't hit the radar screen. It didn't hit the Democratic assumptions. They had a united party, raised money like never before, had the biggest field organization, independents were going for them, but Rove brought out voters that hadn't come out before."

When Lewis voted in Muncie, a precinct committeeman told him, "There are people coming out we've never seen before." The church buses were rolling on Election Day. Bush lost the popular vote in 2000 because three or four million fundamentalist Christians stayed home, said Dr. Larry Sabato of the University of Virginia's Center on Politics. "Well, guess what? They turned up in 2004 and that has produced Bush's four million popular vote lead," Sabato explained.

Southern Indiana Democrats running for Congress -- one incumbent and one challenger -- were upended in Tuesday's election by the "moral values" national issue that gained traction, poor timing, and national Republicans determined to win the two contested House seats. It encompassed



Mitch Daniels and company celebrate Tuesday night. (HPR Photo)

gay marriage, abortion and other cultural issues and helped defeat U.S. Rep. Baron Hill. In the 8th CD, 10-year incumbent Republican John Hostettler beat Democratic challenger Jon Jennings 53-47. For Hostettler, social conservatism is a staple of every campaign and the primary motivation for his army of grass-roots supporters.

Added to the moral values theme was the Indiana House Republicans out-spending their Democratic rivals 2-1 while using two wedge issues -- gay marriage and health benefits for legislators -- to upset State Reps. Markt Lytle, Alan Chowning, John Frenz and Ron Liggett.

As we've done in each post-election edition, we'll tell the story of the 2004 election through the prominent people who either ran for office or ran the campaigns.

Gov. Elect Mitch Daniels: He ran the classic "Hoosiers" campaign. Daniels won one for all the little guys who never had the chance. Daniels traveled 85,000 miles, handed out 30,000 green "My Man Mitch" T-shirts. The Daniels campaign distributed 100,000 yard signs, 300,000 sticker buttons, 20,000 "Roadmaps," 40,000 bumper stickers, and knocked on a million doors. Daniels ate 193 pieces of pie, 83 tenderloins, and visited 313 Hoosier cities and towns. He made it into each of Indiana's 92 counties at least three times. He won 74 counties. For a generation to come, this will be the definition of a superb classic, taking its place above Indianapolis Mayor Bart Peterson in 1999, Dan Coats in 1992, Evan Bayh in 1988, Dan Quayle in 1976 (Congress) and 1980 (Senate), and Birch Bayh in 1962 as textbook clas-



sic campaigns.

In doing so, Daniels took the powder out of such potentially explosive issues as being a Washington insider, a carpetbagger, a corporate bigwig who lived in a Geist mansion, and who once smoked pot. Unlike Stephen Goldsmith in 1996 who preached forcefully for change, Daniels was able to build a trust with the conservative and sometimes isolated and prejudiced people, particularly those out-state. To them, he promised a "freight train of change." A different man in different times might have alienated these Hoosiers with that kind of unsettling talk. But on Tuesday, Daniels proved he could get them to buy into such notions.



Daniels kicked off his campaign at Hinkle Fieldhouse in July 2003. (HPR Photo)

He co-opted the Milan Miracle basketball team 50 years earlier, and used Hinkle Fieldhouse as the campaign

staging point and victory celebration. This was a coup, because it was Gov. Joe Kernan who was the Notre Dame baseball player who still lived in the same modest South Bend home for the last 20 years ago. Kernan would have been a much more natural fit with the Milan theme.

Daniels was able to diffuse the Indianapolis prejudice among these out-state Hoosiers. Before the African-American Coalition in Indianapolis, he was asked what he would do for Indianapolis. And he responded that there were many other cities and counties that had more urgent needs. Thus, he becomes the first Indianapolis governor.

Daniels described his campaign at the HPR Forum as a "controlled laboratory experiment between that kind of politics, possibly naive, that has become too common in Indiana and the rest of America, nakedly personal and vicious attacks."

Daniels was able to expand the GOP's big tent, bringing in people such as *Indianapolis Recorder* publisher Bill Mays. He met with environmentalists and gays. He earned the trust of black journalist Amos Brown, stayed at the home of the Fort Wayne NAACP president, although CNN exit polling data shows Daniels only got 7 percent of the African-American vote.

Daniels scripted the campaign, wrote his own speech-

es and ads. But various components of the campaign came from various staff members. Christie Luther, for instance, came up with the T-shirt idea. When Daniels won the election and The Doors' classic "Break on through to the other side" blared through Hinkle Fieldhouse, that was a suggestion from Bob Whitt and John Hammond III. RV1 became a symbol of his TV ads. It drove him onto the Republican convention floor. He ran ads in newspapers (and, not coincidentally, came back with a slew of newspaper endorsements).

"Many of these themes were developed 15 years ago at Hudson Institute," said campaign manager Bill Oesterle. "I knew that this is what he liked to do, and this is what he was good at." Daniels wanted a campaign "that didn't look like a traditional Republican campaign," Oesterle said. "Mitch supplied the basic vision and themes and lots of folks came up with ideas."

His harder Bush identity -- "the Blade" -- was almost an afterthought in this campaign instead of a credible Kernan attack.

Oesterle never felt as if he had "clinched" the victory, but Daniels felt in the final two weeks that he would be successful. Oesterle described the IPALCO sequence as a trap. "It tightened up after the initial IPALCO salvos, but only for a short period. It popped back pretty quickly."

"We knew we had to define him early and then let them try and redefine him," said Oesterle. "He had two problems: He was from Indianapolis and Joe Kernan was a nice guy. In the end, the Indianapolis thing wasn't even a factor. And when the governor was forced to redefine him late, it took away his nice guy image. They let us do that. If they had come out and defined Mitch early, they would have buried us. We decided to draw them out, let them attack, and then we parried it well."

The other danger area was the prescription drug issue. "It was polling about 70 percent," said Oesterle. "That was a real winner for them. Mitch had a lot of courage to take the stand that he did. He didn't take stands based on polls. He basically said, 'This is what I believe.'" When Kernan attacked him on the prescription drug issue, Daniels turned the tables and said, "I never thought I'd hear an Indiana governor bash Eli Lilly."

And at the apex of his greatest political feat, Daniels became emotional, almost weeping at Hinkle as he recalled the handwritten note from a laid off Thomson worker in Marion. "As Shelly and Christina contemplated their future with some real apprehension, they knew the job they had and probably any job like that was not coming back. However, they were pointed forward already," Daniels said, tearing up. "They were headed for Ivy Tech. They were planning to learn



a new skill. They knew they would find a way, as Hoosiers always do, and Christina's note updates me. She is on her way to her LPN and probably her RN degree beyond that. She is going to be a great nurse."

It was an indelible moment in a campaign that should be studied for its form, style, content, humanity and humility for years to come.

Gov. Joe Kernan: His was the lost opportunity for Indiana Democrats. He was the war hero in the time of war. He governed as a compassionate healer and the instigator of new ideas that included the historic 2002 tax restructuring, the Energize Indiana plan, and reforms that would have reshaped Indiana government. He broke the mold when he made Kathy Davis the first female lieutenant governor candidate.

What Kernan had in substance, he lost in time and appearance. There were actually two Kernan campaigns. On the second one, he explained to the *Fort Wayne Journal Gazette* on Wednesday, "This has been one of those periods in my life where I really didn't have a chance to catch my breath going back to last September. So on reflection I will look back on this ...," Kernan said before stopping to gather his composure and going on. "As the oldest of nine from a family where we didn't on many days have two nickels to rub together, as someone who is very fortunate to be standing here at all today, to look back on nine years serving as mayor, seven as lieutenant governor and now a year as governor of Indiana ... I'm a very, very lucky guy."

Angered over the lack of consultation in the Peter Manous selection as party chair, he left the race in December 2002, stunning his party. Only after the tumultuous events surrounding the Vi Simpson and Joe Andrew candidacies,



Gov. Kernan dropped out of the race in December 2002.

and then the death of Gov. Frank O'Bannon, did Kernan come back to the race. He had lost a year, but lost time came long before then. After more than a term as lieutenant governor, his name ID stood only in the 40th percentile.

Democratic sources two years ago told HPR that Kernan would do a Department of Commerce event in Evansville, and then come straight home, whereas Lt. Gov. Frank O'Bannon would have stopped in union halls and fundraisers in Princeton, Vincennes, Sullivan and Terre Haute.

This lack of laying the groundwork was questioned by HPR in its Dec. 2, 2002, edition, when we asked, "How good is this guy?" He had only won three blowout mayoral campaigns in heavily Democratic South Bend. The following week, coincidentally, Kernan left the race and a stunned party.

When Kernan emerged as a candidate with Lt. Gov. Davis at his side, he had to politically concentrate on raising money in addition to his pressing duties as governor. What the campaign allowed to happen was give Daniels nine months of free rein



Gov. Joe Kernan and Lt. Gov. Kathy Davis announce sweeping government reforms. (HPR Photo)

on the Hoosier prairies and towns, allowing him to develop a "teflon coating as a nice guy in a plaid jacket on an RV," as one Democrat explained. It took the Kernan-Davis campaign almost three months to get a website up. It took the campaign months to respond to those Democrats who wanted to volunteer.

The campaign was essentially led by chief of staff Mary Downes, future Democratic Chairman Kip Tew, and campaign manager Bernie Toon, none of whom had run a statewide campaign before. Others were involved, such as Steve Bella, but influential Democratic sources tell HPR the Kernan braintrust spurned help from former Democratic chairmen and people such as Tom New, the architect of the two impressive O'Bannon victories.

Mayors and union chiefs were not consulted, several Democratic sources tell HPR. It wasn't until late August that an attempt was made to bring the top seven city organizations into the ground game. The Kernan campaign had to approach the Kerry campaign of Indiana for a volunteer network. It had virtually no presence at the Indiana State Fair (where a million people attended) or the Indiana Black Expo, which brought Kernan criticism in the African-American community and black radio.

Tew told HPR this morning, "Mitch Daniels won the campaign. It wasn't lost. He won it going around the state for 16 months. He kept to that theme and it worked brilliantly for



him.”

Asked why the Democrats with a record \$15 million raised didn't seek to define Daniels early, Tew said, "That's a fair academic question to ask; whether we should have spent our money in the early months to define him. If we did that, we would have been in a negative war for six months rather than two."

Throughout a quiet summer, with Democrats across the spectrum wondering why Kernan was letting Daniels go by without definition, the campaign hierarchy kept talking about the "big story" for weeks. When it came -- the story that



Gov. Kernan tried to exploit the IPALCO issue. (HPR Photo)

Mitch Daniels had been arrested on a marijuana charge when he was a student at Princeton University -- the story backfired when the press asked Kernan if he, too, had smoked pot. So had a couple of

the Democratic surrogates who came in to press that story. The ensuing headlines across the state were "Gov. Kernan smoked pot." Later, spokeswoman Tina Noel said the campaign was aware that Kernan had smoked pot. It turned out to be a glaring blunder.

The campaign decided to rely on the IPALCO story, which was complicated, copy heavy, and fully vetted. It was described as a "scandal" and "Indiana's Enron," but the press, editorial writers and the voters didn't buy that.

Other efforts, such as the Workforce Development letters that went out for the first time three weeks before Election Day, were clumsy. The campaign ran an Evan Bayh endorsement ad, but didn't incorporate the extremely popular Bayh into signage or other aspects of the campaign.

In the final week, the Kernan-Davis campaign flickered out on TV buys, relying on the 5-second ads for critical spans in the Indianapolis TV market. Tew said that was just a perception. "We didn't run out of money. We were running a 60-second ad so you didn't see it as much."

The Kernan campaign ran the IPALCO ads in Northern and Southern Indiana where people didn't understand the issue, or care. Then there was the "puzzle" ad that accused Daniels of giving money to Enron. "That was campaign malpractice," said one influential Democrat. "There was no pre-treatment of that issue. You have to gradually drive up negatives, but that didn't happen."

The Kernan campaign didn't rely on surrogates to describe Daniels' relationships with the federal budget and power centers on Capitol Hill.

In the final month of the campaign, Democratic stalwarts pleaded with the Kernan braintrust to bring in the Illinois and Wisconsin governors to talk about the one issue the Star/13poll said had legs -- prescription drugs -- but were thwarted.

Gov. Kernan entered 2004 with a 15-point lead in the polls, the first female lieutenant governor candidate, and a volume of good will in how he had handled O'Bannon's death, and lost the race by nearly 10 percent.

Gov. O'Bannon ran great campaigns but didn't govern nearly as efficiently. Gov. Kernan was a compassionate, inclusive governor with the arc of a reformer, but that failed to permeate his campaign, which became a historic and far-reaching lost opportunity for Indiana Democrats.

Speaker Brian Bosma: He is expected to become the next speaker of the Indiana House. But Bosma's activities and those of the House Republican caucus were controversial. It began last January when Bosma told HPR to expect the gay marriage issue to come up in the legislature. At the same time, press reports indicated that White House strategist Karl Rove was planning to push gay marriage as a wedge issue and was advising it for legislative and congressional races.



Incoming House Speaker Brian Bosma Tuesday night. (HPR Photo)

Bosma orchestrated this issue in the Indiana House. In what became a bitter showdown with Speaker B. Patrick Bauer, who refused to hear the bill, House Republicans walked off the floor for several days. Then State Rep. Dennis Kruse called it "the most important issue" facing Hoosiers.

Republicans eventually came back, but what essentially happened was their campaign guns were loaded with two potent issues that would be instrumental in ousting Democrats Markt Lytle, Alan Chowning, John Frenz and Ron Herrell.

In HD64, Republican challenger Troy Woodruff ran a radio ad in Vincennes saying, "John Frenz wants you to believe he didn't vote to fund himself for health insurance at taxpayer expense for the rest of his life. But if you look up the



HOWEY *Political Report*

official record, he voted for it twice.” Woodruff also says in the ad that Frenz is against the gay marriage amendment. Frenz responded with an ad that has a child asking his mother, “I heard a guy on the radio say bad things about John Frenz. But I see him in church on Sunday. How could that be?”

The lifetime health insurance issue first surfaced in the SD36 May primary, where Republican challenger Brent Waltz used it in a flier against Senate Finance Chairman Larry Borst. Waltz upset Borst. But Democratic sources said there was a deal with Republicans not to use the issue in campaigns.

Frenz told HPR, “Bosma is dumping a lot of funds in a few races. The last three weeks have seen close to \$100,000 combined from the Republicans and All Children Matter in mailers, radio and cable.”

While Daniels was going around the state preaching an inclusive message of “aiming higher,” House Republicans were on the Rove track, scrounging around on the gay issue that played well in the “God, guns and anti-gay” backwaters.

It earned him the speakership.

The other controversy Bosma became enmeshed in was in HD46. Bosma told HPR on Wednesday, “First, we did not go to Jeff Lee and ask him to get off the ballot as the Democrat spin machine has stated. He came to us and indicated he was done with his candidacy. He did not want to go through with the election due to his job situation, his personal and family situation, and the fact that he just wanted to quit. He indicated to us he had every intention of getting himself off the ballot, and was moving out of the district to do so one way or another. Among other things, his job situation was critical, and he indicated he felt he had to concentrate on this, or suffer some pretty significant personal and family consequences.”

Court testimony in Vigo County indicated that Lee was hired by State Rep. Brooks LaPlante’s company, and that he had only spent one night in a Sullivan apartment.

But Bosma explained, “Those were the cards we were dealt, and believe me, we did not ask for them. Our campaign team gave him guidance on the proper means to withdraw his candidacy, and he did this himself the first time, not precisely following the procedures described. Thus the delayed voter registration records through the BMV and the partial move. After the Democrats chose to go to court over this, we have fought hard to get the duly selected replacement candidate (properly selected by local precinct officials in accordance with the statute) on the ballot. The Democrats have done everything possible to stop that from happening, and winning this District through court action prior to the election,

rather than at the ballot box.”

LaPlante ended up on the ballot in the final week, and lost by 207 votes to Democrat Vern Tincher after House Republicans pumped in at least \$40,000. Bosma told HPR, “We did not look for this fight, and you have apparently bought into Ed Mahern’s spin that this was the plan from the start. It was not. In fact, I was truly shocked to learn that Brooks was considering stepping back in, but when he indicated he was, he was clearly the best horse to finish the race, prior election board history notwithstanding.”

Bosma accused House Democrats as being “the ones who were out of line on this one, with constant litigation rather than a willingness to accept the candidacy withdrawal and replacement, all of which proceeded in accordance with statutory procedures.”

Bosma’s critics told HPR that if LaPlante had come clean on his 2002 campaign finance violations, which earned him a \$10,000 fine by the Indiana Election Commission, he could have been a viable candidate. Ultimately, Bosma won the House with a comfortable margin, but had the margin been thinner, the LaPlante situation could have cost him his leadership position.

When the Indiana House comes back in session, he’ll have to deal with Democrats who believe he double-crossed them on the health insurance issue.



Under the watchful eye of Chairman Jim Kittle Jr., David McIntosh withdraws from the race on Sept. 4, 2003. Kittle said, “Fifteen months ago people were telling me I would have trouble recruiting anybody to run against Joe Kernan. Now Joe Kernan is gone, and we have Mitch Daniels and a clearing field. Anything can happen.” Four days later, Gov. Frank O’Bannon suffered his stroke and would die on Sept. 13. (HPR Photo)

Chairman Jim Kittle Jr.: One of the greatest moments of the Republican chairman’s life came at 10 p.m. on Election Night at Hinkle Fieldhouse. There, Kittle



stood with GOP luminaries on the stage and appeared to be blinking back tears. When he assumed control of the Indiana Republican Party in the winter of 2002, his sole goal was to elect a Republican governor. Kittle, along with attorney Bob Grand and former Lilly CEO Randy Tobias, initiated the GOP coup by forming a parallel organization, The Phoenix Group, in 2001. It threatened to sap the moribund Republican Party under Mike McDaniel of its fundraising abilities. When McDaniel decided to step down, Kittle was a decided underdog, but conducted an energetic campaign to court the 18 Central Committee members and those around them. He started out 0-18 in his battle with Committeeman John Earnest. But Kittle developed his "Blueprint" plan. Former Gov. Robert Orr bought into the plan, telling HPR, "It's the only time I know of where there's been direction on where the party should go. I'm strong for the man. Kittle's the right man for the time."

After winning, Kittle became a financial engine, setting fundraising records for the GOP. He was criticized for the posh new headquarters and staff expenditures. But many of those staff members were waiting in the wings to join the Daniels campaign. Kittle helped convince Sens. Murray Clark and Luke Kenley and 2000 nominee David McIntosh to clear the field. HPR reported in its Sept. 4, 2003, edition, "Sources close to the campaign say McIntosh is repeatedly finding past funders closing their checkbooks because people such as Republican Chairman Jim Kittle are telling them the race for the nomination is a foregone conclusion."

Then he acted as the "bad cop" surrogate to Daniels, publishing a controversial pamphlet detailing the shortcomings of the O'Bannon-Kernan era, "*The Legacy of Neglect.*"

The press and Gov. Kernan savaged the pamphlet as unseemly, but it planted the notion of widespread atrophy and inertia. Kittle played a key role in setting the stage for Daniels to win.

U.S. Sen. Evan Bayh: With John Kerry van-

quished and John Edwards out of the Senate while failing to even come close to carrying his home state of North Carolina, Democratic eyes in 2008 will turn to two people: Hillary Clinton and Evan Bayh. That was evidenced on Fox News last night when anchor Brit Hume mentioned Bayh's



Sen. Bayh (right) with Rep. Hill and Columbus Mayor Fred Armstrong. (HPR)

name three times in making the earliest assessment of the 2008 Democratic field. Bayh, who just won a second term with 62 percent, emerges as a centrist, strong on defense, sitting on the Senate Intelligence Committee, with his political roots firmly planted in the Midwestern battleground. At the 2004 HPR Forum last month, Dr. Larry Sabato saw Bayh as the Democrats go-to guy in 2008. "Hillary Clinton is too polarizing. She can win the nomination, but not a general election," Sabato said. Bayh, sitting in the battleground Midwest where Ohio, Michigan, Wisconsin, Minnesota and Iowa were all in play into the final minutes of the 2004 campaign, will be a well positioned centrist Democrat, Sabato said. We agree.

Chairman Kipper V. Tew: "How many

people are calling for my head?" Tew asked HPR Thursday afternoon. The answer is ... the list is growing, though mostly confined to e-mails at this point between party stalwarts shocked at the carnage and its meaning, which is just now sinking in. Tew acknowledged, "We lost a congressional seat, the House, the ability to have a discussion in the Senate, and the governor. It was a pretty big wipeout for us." Tew said he has made no decisions on his future beyond taking a vacation next week and anticipating the birth of a child next March.

The IPALCO issue has, in retrospect, become a triple loser of a campaign issue. It didn't work for 2002 Secretary of State nominee John Fernandez, Gov. Joe Kernan or Joe Hogsett in the attorney general's race. But it was Indiana Democratic Chairman Tew who is the common thread here, calling it "Indiana's Enron." He was a key member of Fernandez' 2002 team, and then in June of this year, was elevated to state party chairman after there were concerns that Chairman Hogsett wasn't being aggressive enough. Even after it backfired on Fernandez two years ago, Tew vowed to make it an issue with Daniels. There seemed to be some consensus on this. Former 2000 Republican candidate John R. Price called it "Mitch Daniels' fatal disease." But after Daniels was dropped from the class action suit, Price clammed up, refusing to comment on IPALCO in 2004.

The IPALCO issue appeared to have some legs. Kernan campaign manager Bernie Toon told HPR that Fred Yang polling showed the race had closed up to under 4 percent after the IPALCO issue dropped. Tew was a key point man, holding a press conference in the first week of October, pressing Daniels on the timeline of the stock sale and showed a video clip of shareholders questioning the IPALCO board on the sale to AES. "Mr. Daniels not only was at that meeting, but heard some concerned shareholders raise questions about executives and directors dumping their stock. How can Mr. Daniels claim he knew nothing about this?" Tew asked.

The Kernan campaign may have overplayed its hands. The HPR/TeleResearch Poll in mid-October showed that the negative campaigning surrounding the issue was



turning off independent voters. An *Indianapolis Star*/WTHR poll late last month said that while it resonated with 30 percent of the people, it also alienated 25 percent from Gov. Kernan.

Tew explained, "I think it worked. His polling and our polling showed it was effective.

After about two weeks they figured out how to handle the issue. What got us was they were off their game two weeks. We were surprised how he kept talking about it for two weeks. When they changed the subject, the momentum stopped again."

Daniels campaign manager Bill Oesterle told HPR, "Kip Tew was our secret weapon."

Told of Oesterle's quote that had Kernan defined Daniels the challenger would have been buried, Tew explained, "I don't know if we would have buried him.

There was considerable talk about it. It was definitely an issue that was kicked around. Bottom line analysis, you can always look back and say should we have done that, or this. Larger dynamics, the 16 years in power was the worst thing to happen to us. Gov. Kernan did not have enough time to show how he would have governed. They made him responsible for all that. It was an easier, shorter message than ours."

Tew said that what ultimately spelled defeat for Kernan was the Republican's 72-hour plan. "It worked for them. We thought if we got 1.1 million votes, we'd win. We were almost right there, but they really turned out their vote. They got the churches out. That's why you had incredible turnout in Hamilton and Boone County to stop gay marriage."

U.S. Rep. Baron Hill: The former high school basketball star from Seymour found that nuance is a tough sell during a heated campaign. With the National Republican Congressional Committee spending about \$1.8 million on television advertising, some of which focused on moral values, and a Bloomington group called Citizens for Truth erecting billboards in rural areas of the district that attacked Hill on abortion, flag burning, gay marriage and the Pledge of Allegiance, it was difficult for Hill to explain his stance on the social and cultural issues.

For instance, Hill voted in favor of a bill in the Indiana legislature that would ban gay marriage in the state. In Congress, he voted against a Constitutional amendment on the topic, saying that he didn't want to undermine the integrity of the document with unnecessary tinkering. He also voted in

favor of a congressional resolution that urged that the words "under God" not be removed from the Pledge of Allegiance. But he voted against a bill that would prohibit federal courts from hearing suits involving the "under God" phrase. A Hill aide said that the congressman was leery of "stripping courts'



Maggie Kernan, Lt. Gov. Davis, Gov. Kernan, Chairman Tew and U.S. Rep. Baron Hill at a Democratic rally in Scottsburg late last month. (HPR Photo)

jurisdictions."

Try explaining that in 10 or fewer words on a billboard. When Hoosiers in southeastern Indiana drove past some of the 38 signs sponsored by Citizens for Truth, all they saw, in white letters on a black background, was "Baron Hill supports gay marriage," or "Baron Hill supports flag burning." It was easier for Hill to cut a commercial defending his brand of fiscal conservatism, which usually put him on the opposite side of Bush tax cuts but in favor of alternative reductions that didn't add to the national deficit.

Local Republicans said that Hill's stance on cultural issues was fair game. "The problem with Baron Hill is that he didn't represent the district's values, and that's why people turned against him," said Glenn Murphy Jr., Clark County Republican chairman. "It wasn't divisive, it was airing the truth. Baron Hill can try to claim to be conservative on economic issues, but he has a much more difficult time explaining away votes on social issues."

District Democrats decried what they saw as negative attacks. "They were able to paint a portrait of Baron," said 9th CD Democratic Chairman Mike Jones. "They were able to mold him the way they wanted him to look. The money and that negative campaign struck a chord."

Hill's spokesman denounced the "values" billboards and the NRCC commercials.

"Baron's position was twisted and distorted," said Stefan Bailey. "(Negative ads) have been proven to be effective in changing voters' minds, and that was the case in our race." But both sides complained about the shrill tenor of the campaign. Hill and the national Democrats ran ads about



Social Security and Ohio River bridge tolls that Sodrel called out of bounds.

Both Hill and Sodrel proved adept at filling their campaign war chests. As of mid-October, Hill had raised \$1.376 million and spent \$1.341 million. The Democratic Congressional Campaign Committee spent \$774,879 on his behalf. Sodrel raised \$1.276 million and spent \$1.341 million.

Mike Sodrel: Sodrel's physical appearance is his first asset. The tall, burly New Albany entrepreneur projects a gruff affability. He's able to connect with the truck drivers he employs in his Jeffersonville trucking and bus company because he was once one himself. So this union constituency might be persuaded to split its vote when it comes to Sodrel races. He's able to legitimately sell himself as a member of the southern Indiana community not only because he started a business there that employs about 500 people but also because he has headed just about every civic organization in Jeffersonville. Through them, he has been a long-time economic development advocate.

Sodrel aides say that his business background was invaluable in the campaign. "That was the biggest difference between the candidates," said Kevin Boehnlein, Sodrel's campaign manager. "Mike Sodrel is a job creator."

Sodrel played against Republican type when it came to economic issues. He criticized Hill's support for trade liberalization and repeated like a mantra that the district had lost 15,000 manufacturing jobs since Hill went to Congress in 1998. It was the theme of his last television ad. "The closing ad made that personal," said Boehnlein. The ad referred to "neighbors and friends" who have been put out of work.

Beyond issues, Sodrel benefitted from his experience running against Hill in 2002, when he lost 51-46. "We got started earlier this time, and he was a more agile and entrepreneurial candidate this time around," said Boehnlein. He'll need that agility for his first re-elect in 2006. Typically, an off-year is good for the party out of power. If President Bush fails to bring the country together in the next two years, his approval rating could be somewhere south of 40 percent. He was re-elected despite misgivings by a majority of Americans about the direction of the country. If that sentiment is not turned around, Sodrel could suffer. And local Democrats will be ready. "The 2006 race starts now," said Jones. "We're going to do what we can do to make sure Mike Sodrel is a one-term congressman."

U.S. Rep. John Hostettler: Early in his campaign Sodrel said that Republican Rep. John Hostettler (8th CD) was a model for the type of public service he would provide if elected. Sodrel praised Hostettler for consistently

standing up for what he believes.

That is the same motivation that inspires Hostettler's vast network of grass-roots supporters. "They know he's going to do what he says he's going to do," said Vanderburgh County GOP Chairwoman Betty Lou Jerrel in an interview earlier this year. David Sherfick, Hostettler's campaign manager, used similar language in describing his boss. "It's the simple fact that every single thing he has said, he has followed through on," he said in an interview this fall. "You can find (no example) where he's contradicted himself in terms of what he said and how's he's voted."

That sort of cryptic explanation is typical when supporters are asked to define Hostettler's appeal. Presumably what they're alluding to is Hostettler's unwavering support for the Christian conservative agenda, including its opposition to abortion and gay marriage. He also is a proponent of tax cuts and an advocate of smaller government. A contrarian, he often finds himself on the opposite side of the Bush administration, as was the case with his vote against authorizing the use of force in Iraq.

The "he does what he says he's going to do" endorsement has made Hostettler an almost iconic figure in the 8th CD. He has hundreds, perhaps thousands, of volunteers who take their mission to get him re-elected as a calling. Entire families, including children too young to vote, encourage their friends and neighbors to go to the polls for Hostettler. This kind of visceral commitment has helped him survive each of his races while garnering no more than 53 percent of the vote. He consistently raises meager amounts of money and usually requires a late advertising blitz by national Republicans.

It also leaves him open to criticism that he doesn't do much for those who don't share his enthusiasm for social issues. Although Hostettler assiduously courts funding for the Crane military installation, his opponents have said that he neglects other district needs and doesn't reach out to those beyond his conservative base.

U.S. Rep. Julia Carson: "I am standing before you because I am a product of quality health care," said Carson during her debate with Republican Andrew Horning in October.

It was a virtual foregone conclusion she would win, but early on election night, she trailed Horning, and ended up with a 54-44 percent victory over Horning, who never went up on TV or raised much money. The erosion of support for what the *Wall Street Journal* called "the Carson Show" in 2002 can be traced to her admission to Methodist Hospital five days before the election. She said it was a reaction to a flu shot.



But more than one Democrat we ran into said they voted for Horning because they felt Carson was losing her grasp on her health. Many expected her to win, and their votes were more of a message.

It didn't help that on Election Day, she looked befuddled when she tried to take a sample ballot into the polls. There is no question that this Democratic lioness has more than a foot into her political life's twilight. Some Democrats are wondering if she'll begin the process of anointing a successor, similar to how Andy Jacobs Jr. did with her. The one name that is surfacing is State Rep. Carolene Mays, a true rising star with her publishing portfolio at the *Indianapolis Recorder*. She is ambitious, but not in a way to eclipse Rep. Carson, who commands the best Democratic ground game at the Congressional level in Indiana.

During her debate, Carson said, "If there was any time I felt like I was unable physically to serve the 7th District, I would resign my office. I have no intentions of resigning my office."

Jon Jennings: That was certainly the argument that Democrat Jon Jennings made this year. A former Boston Celtics assistant coach and scout who grew up in Richmond and whose wife is from the district, Jennings ran a campaign that focused on middle class concerns like the rising cost of health care and poor job prospects. In late



Democratic congressional powerhouses gathered for Gov. Kernan last month. They include (top) 9/11 Commissioner Lee Hamilton, Andy Jacobs Jr., and U.S. Reps. Julia Carson and Pete Visclosky, who just won his 11th term. (HPR Photo)

September, he released a 50-page plan that covered a range of issue areas. He seemed every inch the good-government type that would be produced by Harvard's Kennedy School of Government, which he attended.

But Hostettler, with the help of the National Republican Committee, attacked Jennings for being a carpetbagger from Massachusetts. The NRCC spent about \$600,000 running ads on Hostettler's behalf. The Democratic Congressional Committee did not finance ads for Jennings. Jennings did, however, best Hostettler in fundraising. Jennings raised \$1.1 million and spent about \$1 million.

Hostettler raised \$415,859 and spent \$393,474.

District Democrats credited the NRCC ads for giving Hostettler a boost. "Jon Jennings tried to run a positive campaign, talking about issues," said Vigo

County Democratic Chairman Joe Etling. "It seemed as though (the ads) changed the dynamic of that campaign. It obviously got him off the issues he wanted to talk about and slowed the momentum he had going earlier in the campaign."

Other observers say that Hostettler was swept back into office by the Bush and Daniels tsunami. "With that strong wave of Daniels support coming through, it was too much for Jennings to overcome," said Warren Mathies, legislative director for the Indiana Trial Lawyers Association.

Daniels ran particularly well against incumbent





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Democratic Gov. Joseph Kernan in southern Indiana, where Kernan did not become well known in the year he served as the state's chief executive following the death of Gov. Frank O'Bannon in September 2003. "Daniels was able to roll through southern Indiana stronger than any other Republican in recent time," said Mathies.

Democrats credit Jennings with working hard to match Hostettler in grass-roots support. Mathies pointed to the Jennings presence in Warrick, Gibson and Vanderburgh counties as well as in Terre Haute. "It was the first time (Democrats) put together a field program like that." Etling cited Jennings' 55 percent of the vote in Vigo County as a strong showing for a candidate who was unknown at the beginning of the campaign and had to build his grass-roots support from scratch.

But timing is everything. Democrats may have a good shot at Hostettler in 2006 because it is an off-year and they're the opposition party. Jennings was strong on fundraising, message and field operation this year. The next Hostettler opponent will need similar strength and the intangible of good timing.

Indianapolis Mayor Bart Peterson:

He wasn't on the ballot in 2004, though he did make news. But in the wake of Gov. Joe Kernan's defeat, Bart Peterson becomes the new emerging leader for Indiana Democrats in future gubernatorial or U.S. Senate races. There will be others, such as State Sen. Vi Simpson, former House Speaker John Gregg, U.S. Rep. Baron Hill, and Evansville Mayor Jonathon Weinzapfel who will be projected on short lists. Former National Chairman Joe Andrew's credibility eroded so much after the Bren Simon fiasco that it will be tough for him to make a comeback. Gregg's future will depend on how his recovery goes after prostate cancer.

Peterson is the most prominent because he rules in the state's largest media market. He is about to embark on a statewide campaign to get his "Indianapolis Works" consolidation plans through the Indiana General Assembly, a goal that has already earned positive acknowledgements from Gov. Elect Daniels.



Indianapolis Mayor Bart Peterson represents the next generation of Democratic leaders in Indiana. Peterson is shown here announcing his consolidation plan last summer. (HPR Photo)

He is a leading voice on what is generally thought to be a Republican issue -- charter schools -- because he is the only American big city mayor given the authority to develop this plan.

We'll be watching Peterson to see how effective he is in rallying support statewide for his consolidation efforts. He has big challenges, including future budget and pension melt-downs, keeping the Colts in the state with a new stadium, and how the charter schools fare on future testing.

But with Gov. Kernan defeated, he is in the command position for Hoosier Democrats.

* * *

EPILOGUE: We have chosen to tell the most compelling aspects of the 2004 election through the key players we've presented on these pages today. In the 10 years that we've been publishing HPR, we have covered changes in control of Congress and the Indiana legislature, a presidential impeachment, the death of a governor, the peace dividend, war and terror, three governors, and hundreds of election contests. This election sequence played out over the past two years has been the most fascinating of all.

There is no question the players we've presented today feel like we do, possessing a deep love for our home state of Indiana while sharing a passion for the process.

- Brian A. Howey and Mark Schoeff Jr. ❖



Manous sentenced to 27 months in prison

SOUTH BEND - Former Indiana Democratic Chairman Peter J. Manous was sentenced in federal court Wednesday to more than two years in prison and fined \$200,000 for defrauding a union pension fund in a land deal. Manous, who pleaded guilty to eight federal charges, was ordered to surrender to authorities Jan. 5 to begin serving his 27-month sentence, said Assistant U.S. Attorney David Capp.

Kernan won Lake County with 53,000 vote plurality

GARY - While Gov. Joe Kernan won Lake County by 53,000 votes, a growing and GOP-leaning Hamilton County in central Indiana gave Daniels a 49,000-vote margin, canceling out the once-powerful Lake County — as some Northwest Indiana Republicans



had predicted (*Post-Tribune*). It was done from the 75,000 vote plurality that Gov. Frank O'Bannon won in 2000. Does it mean the GOP governor and Republican-controlled General Assembly will ignore the region? "I'm sure we're not going to get the same courtesies," said Lake County Auditor Steve Stiglich, also the Lake County Democratic chairman. But Stiglich didn't rule out help from Daniels for an area that went strongly for Gov. Joe Kernan, the Democratic incumbent. Hammond Mayor Tom McDermott Jr., leader of Indiana's sixth-largest city, said he expects to meet with Daniels. McDermott, a Democrat, said he is encouraged by Daniels' support of the Gary/Chicago International Airport. Not surprisingly, Valparaiso Mayor Jon Costas said he expects Northwest



Indiana leaders to have a great relationship with the Daniels administration.

Gov. Elect Daniels and Lt. Gov. Elect Skillman ask Gov. Joe Kernan to suspend appointments and executive orders. (HPR Photo)

Heinold upsets Dembowski by 348 votes

KNOX - It all came down to refreshing a Web page at about 2 a.m. Wednesday. Then claps, shouts and congratulations. Republican Vic Heinold of Kouts had been waiting for final Porter County election results to determine if he had won state Senate District 5. A margin in Porter County indicated he had as the last 10 precincts came in late (*Post-Tribune*). Esther Schneider, state Senate Republican spokeswoman, said Heinold had pulled off a 348-vote victory over state Sen. Nancy Dembowski, D-Knox. The hotly contested seat saw both parties pour tens of thousands of dollars into the district, which stretches from Valparaiso eastward to Marshall County. Dembowski had taken over the seat in 2002 when Democrat Bill Alexa took a Porter County judicial seat. The Democrats had controlled the seat since 1988. According to the Indiana Secretary of State's tallies, Heinold received 24,709 votes to Dembowski's 24,361. Dembowski said she had tried to reach Heinold, and that a recount was improbable.

Tax collections up 6.6 percent in October

INDIANAPOLIS - Indiana collected \$57.4 million, or 6.6 percent, more in taxes than projected in October

to put the state nearly \$100 million ahead for the first four months of the 2005 budget year. The projections are based on revenue forecasts made in January. "Indiana's businesses are starting to rebound from the national recession and are providing more jobs for Hoosier workers, which indicate that the state is on the right track," Gov. Joe Kernan said. "We are optimistic that Indiana's economy will continue to grow."

Bauer, Stilwell return in House Dem Leadership

INDIANAPOLIS - House Democrats, who lost at least three seats and now are in the minority with at most 48 members, met Wednesday afternoon and kept South Bend's B. Patrick Bauer as their leader (*Evansville Courier & Press*). Rep. Russ Stilwell of Boonville will remain as the second in command for Democrats. ❖



State Sen. Murray Clark (left) and attorney Harry Gonso discuss the gubernatorial transition this morning. Gonso heads the transition which includes businessman Bill Mays, Bill Oesterle and Ellen Whitt. (HPR Photo).