



HOWEY

Political Report

V 11, No 34

Weekly Briefing on Indiana Politics

Wednesday, May 4, 2005

Mitch's Triumph: The Devil's in the Details

Will economy stave off state-local showdown?

PLAN, *v.t.* To bother about the best method of accomplishing an accidental result.
- Ambrose Bierce, *The Devil's Dictionary*

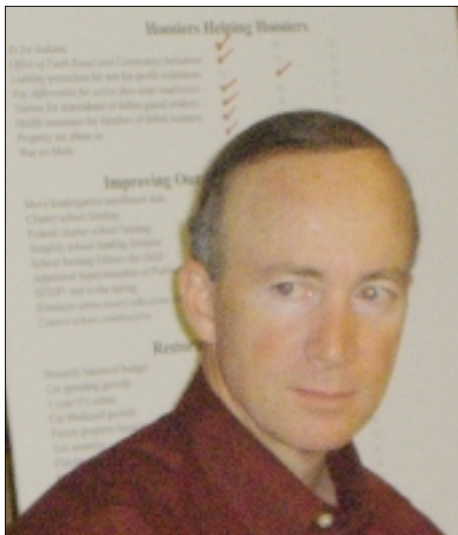
By BRIAN A. HOWEY in Indianapolis

There is no question that Gov. Mitch Daniels' first foray in Indiana General Assembly public policy and politics will be gauged beside Gov. Doc Bowen's 1973 property tax reform session. And Gov. Robert D. Orr's 1987 education reforms. And Gov. Evan Bayh's 1993 session that brought in riverboat casinos. And Gov. Frank O'Bannon's 1997 Conesco Fieldhouse deal that brought about long-sought worker compensation reforms.

Daylight-saving time was merely the glitzy wrapper that cued in the short attention spans of TV news, with his economic "shovel ready" reforms something far more substantive he believes will usher in a new era of growth.

For the first time in Hoosier history, regional governance aimed at the state's two biggest population areas, Indianapolis and Northwest Indiana, brought stadiums, convention centers and mass transit projects that will become enduring economic cornerstones for the next several generations. It challenged the notion of former House Speaker John Gregg, who once said that his constituents were against three things: Communism, regional government and daylight-saving time.

But there are huge questions about this session that won't be answered until we know how the increasingly squishy economy performs. If it sputters in the face of high gasoline prices, it could completely undo the "historic" 2002 tax reforms that promised property tax relief in exchange for a sales tax and property tax replacement



Gov. Daniels with his own report card. But will this session ignite a holy war between state government and local schools? (HPR Photo)



"I'm trying to move the state forward. Some things are more important than re-election."

— State Rep. Troy Woodruff, after his vote to break the DST deadlock

The Howey Political Report is published by NewsLink Inc. Founded in 1994, The Howey Political Report is an independent, non-partisan newsletter analyzing the political process in Indiana.

Brian A. Howey, Publisher
Mark Schoeff Jr., Washington Writer
Jack E. Howey, Editor

Subscriptions:
\$350 annually HPR via e-mail;
\$550 annually HPR & HPR Daily Wire.
Call 254-0535.

The Howey Political Report
PO Box 40265
Indianapolis, IN 46240-0265.

www.howeypolitics.com
BrianHowey@howeypolitics.com

Indianapolis Office: 317-506-0883.
Indianapolis Fax: 317-254-0535.
Washington Office: 202-775-3242.
Business Office: 317-254-0535.

©2005, The Howey Political Report. All rights reserved. Photocopying, Internet forwarding, faxing or reproducing in any form, in whole or part, is a violation of federal law and is **strictly prohibited** without consent of the publisher.



2006 Horse Race: Battleground HDs p. 7

Columnists: Colwell, James p. 9

Ticker: Bayh sidesteps prez run talk p. 10

Covering a Decade of Indiana Politics



credits. In a very real sense, what has happened with school funding where money follows the child and the PTRC is making the events of June 2002 seem as distant as Sept. 10, 2001. "That is a fundamental change," said Bill Oesterle, who worked on budgetary issues and managed Daniels' campaign. "It's huge. There may be some temporary hardships. But that is designed to enforce local accountability."

Ambrose Bierce, the Elkhart native, wrote in his *Devil's Dictionary*, "**ACCOUNTABILITY**, *n.* The mother of caution."

The local accountability notion is interesting, because in the last municipal elections in 2003, more than two dozen incumbent mayors and dozens of council members were defeated for re-election. As for school trustee elections, there are no known statistics on how many of those people are defeated in non-partisan elections.

A bad, or even tepid economy could charge a growing rift between state governments, and locals, particularly school corporations who will face significant property tax increases if they remain in a status quo mode. And should that happen -- and it might if local officials behave as Marion County Republicans did to the "Indianapolis Works" consolidation reforms -- what could result is a knockdown-dragout between state and local officials.

Where's the pain threshold?

PAIN, *n.* An uncomfortable frame of mind that may have a physical basis in something that is being done to the body, or may be purely mental, caused by the good fortune of another. - *The Devil's Dictionary*

As for the 2006 elections, the critical question will be this: Where's the pain threshold?

This writer is so utterly middle class that I'll use myself as an example. Following the last "historic" legislative session in 2002 when taxes were restructured, the property tax bill on my cutsey little Broad Ripple cottage went up 25 percent or \$200 a year. My sales tax to pay for property tax "relief" went up 1 percent, though it is mostly unnoticeable. Milk has gone up almost a dollar a gallon. Gasoline prices are up almost a dollar a gallon. Beer costs more. So does beef. My health insurance has skyrocketed, costing me about \$200 a month more than in 2002. My home owners insurance premium went up 50 percent. Between that and my property tax hit, my monthly mortgage payment is now \$60 more than what it was when I refinanced in 2001. My natural gas bill has skyrocketed by about 40 percent. It's going to cost me 1 per-



cent more to eat in a Central Indiana restaurant, which I do frequently. Indianapolis just increased the COIT by .3 of a percent and Mayor Peterson is promising more tax hikes in the wake of the Republican hatchet job on Indianapolis Works. The Washington Township School Corporation wants to float a \$90 million bond issue to pay for pools and stadiums. None of this even begins to reflect the fallout from the tax shift from state to local units of government in the coming months, particularly school corporations, which will be seeking increased levies to keep from laying off teachers in this, the age of No Child Left Behind.

And none of this even reflects the soft economy. Some believe NASDAQ is already in a recession. We're hearing the word "inflation" more frequently.

Short term impact expected

ECONOMY, *n.* Purchasing the barrel of whiskey that you do not need for the price of the cow that you cannot afford. - *The Devil's Dictionary*

Daniels is expecting economic development action soon. He'll need it. He was asked about the top achievement coming from the session and he pointed to some of the earliest passed legislation involving the Indiana Economic Development Corporation.

"I think for the long haul, the incentives for small business, the modernization of our tax code for jobs in the new economy and the traditional economy, the ability to move quickly and to permit to be shovel-ready, to fill brownfields, energy incentives I think we'll see some very short term impact on, in clean coal, and investments in technology and biodiesel production," Gov. Daniels began. "I think some of this was obscured by some of the more newsworthy, I guess. I think for the long term this probably comes first. The reason to bring more economic growth to the state."

But if the economy falters -- the Federal Reserve increased interest rates on Tuesday to try and keep the growth/inflation balance in check -- all bets are off.

Gov. Daniels pretty much said so after two questions posed at Saturday morning's press conference by HPR concerning the "friction points" surrounding Medicaid and potential education-driven property tax increases.

"This is a balanced budget and it is honestly balanced," Daniels asserted. "By the time we're done I still hope we balance it with executive actions and savings we find in the first year. Medicaid will be very difficult but we think it is achievable. We didn't put that 5 percent number down until



we had gone through specific changes which we believe can get us down to that level. I always said this will be hard to achieve and if accomplished, probably will be the best record in America for slowing down rapidly growing costs."

The education battleground

FINANCE, *n.* The art or science of managing revenues and resources for the best advantage of the manager. The pronunciation of this word with the *i* long and the accent on the first syllable is one of America's most precious discoveries and possessions. - *The Devil's Dictionary*

* * *

Education was the hot button question Democrats such as State Sen. Vi Simpson and House Minority Leader B. Patrick Bauer pressed in the wake of the budget passage. "If there's a balanced budget, it's on the backs of property taxpayers," Bauer insisted.

Purdue University economist Larry DeBoer told the *Lafayette Journal & Courier*, "They have in a sense helped to balance the state budget with a property tax increase. It surprises me they are moving in that direction. After all the talk about moving away from property taxes, of defending property taxpayers from tax increases, here we are, essentially reversing course."



In answer to HPR's property tax question, Gov. Daniels said, "On the property tax front, this is all a matter of local decision making. It will pinch and I know it will. I proposed, if you will recall, the ability of localities to raise money from sources other than property taxes. That didn't make it through. During these next two years to correct a decade of red ink we all have to do some fairly tough things. Local government, I know it's going to have some difficult days. With good leadership, we'll get through them. I have favored measures that would allow them to reduce property taxes and shift to income or other sources. It is a simple statement of fact that the level of taxation is determined by the level that is spent. We've been subsidizing local spending for many years. We still will, but we've just stopped the increases. They can spend less, have a levy less and thus have a lower rate. "

Stop and think, Daniels said

EDUCATION, *n.* That which discloses to the wise and disguises from the foolish their lack of understanding. - *The Devil's Dictionary*

* * *

Louisville Courier-Journal reporter Lesley Stedman Weidenbener then observed, "You were talking earlier about how important it was to have more money in the classroom. Isn't it hard to say that more money needs to be in the classroom while at the same time you say schools shouldn't provide property tax increases because the state said if you want any increase at all you have to raise property taxes?"

Daniels responded, "Now Lesley, stop and think. We have very high overhead in Indiana. We have more non-teachers per student than in most states. We spend more dollars on non-instruction -- a higher percentage -- than in most states. We spend much more on constructing buildings and the kind of buildings we construct than in most states. If we can make some progress of those fronts that money can go right to the classroom for more teachers, more teacher aides and that's what I am for.

Daniels added, "I'm in favor, as soon as we get the state's books in balance, of larger increases. There's an increase in this budget for education in this budget. It isn't as much as people have become accustomed to and that's what we couldn't afford. And when you're in that situation the most logical thing you can do is try to shift dollars to the highest priority, and I assume that for

every school in Indiana, that's the kids."

HPR asked Bill Oesterle whether this coming showdown with the Hoosier education community was "calculated."

Oesterle said that the end result of the session that places state and local schools at odds wasn't calculated. But he added, "He's not afraid at pointing out the realities of where the money is going." Oesterle reminded HPR of Daniels' telephone hold muzak from his White House days: The Rolling Stones' "*You Can't Always Get What You Want.*"

The stadium, transit deals

TRUTH, *n.* An ingenious compound of desirability and appearance. Discovery of truth is the sole purpose of philosophy, which is the most ancient occupation of the human mind and has a fair prospect of existing with increasing activity to the end of time. - *The Devil's Dictionary*

* * *

If the Daniels administration was honked off last week about anything, it was CIB Fred Glass's HPR Interview in which he insisted the numbers for the Colts stadium were credible.

"There was almost a \$20 million a year difference," Oesterle said. "The governor didn't talk about the stadium



until five plans had been aired. He didn't get involved until it was clear it wouldn't go anywhere."

At the Saturday press conference, Gov. Daniels explained, "We have to make sure there is no cronyism in the spending of all this money. These are people who said, 'Why did they (the CIB and Peterson administration) ask for hundreds of millions more than it turns out was really necessary? What were they planning to do with that money?' I didn't know. We only discovered in the last week or two they were planning to borrow the money for operation and maintenance. That didn't happen at Conseco. It didn't happen at the Dome. It didn't happen ... ever. That's like having your mortgage covering your grocery money or your car loan to cover your gas and oil."

Daniels insisted he was not a control freak trying to get control of the stadium. "I was only interested in making it happen at all," he explained. "The record shows that coming up with the arrangement we did was the right way to go."

But more important was the regional concept that occurred with the Indianapolis and Northwest Indiana big ticket projects.

"It was no sure thing that we could persuade all of Indiana. We won the confidence and support of people elsewhere, which was necessary," Daniels said. "I'm at least as excited about making a breakthrough for Northwest Indiana, a long-neglected part of this state. They will be a lot better off with more jobs and more income. These are two really important projects. I'm glad we found a formula that had the support of the clear majority. There was a real symmetry and I think it was appropriate these two were together. Our two largest population centers, each for the first time featuring a regional participation. It's never occurred in the Northwest and it's never occurred in Central Indiana. Each featuring a state participation and each featuring a collective governance structure so the rest of Indiana will know the money is being well and honestly spent. When we thought it was in trouble, we thought we ought to try and rescue it. These two were very parallel and belonged together."

Daniels and Oesterle noted House floor comments by State Rep. Chet Dobis on Friday, which indicated he hadn't seen a governor work for The Region like Daniels did. "It's been discussed for 30 or 40 years," Daniels said. "Go talk to Chet Dobis, with whom I've met many times along with many other folks. He said he thought in 1991 we were getting close. It's hardly a novel idea but I'm prepared to defend it. This



state cannot move forward successfully if any big piece of it, northwest or rural Indiana, doesn't succeed. So what's good for one part is good for all."

U.S. Rep. Pete Visclosky underscored its importance, telling the *Post-Tribune*, "This is real. We are not fooling around. People are going to begin seeing real projects coming out of this." He predicted that in five or six years the Lake Michigan shoreline and Region transit systems "will see a complete transformation."

Dobis explained of the new transit authority board, "That is for them to decide. They will decide what projects they will do. My job is done" (*Post-Tribune*).

Mayor Bart Peterson

METROPOLIS, *n.* A stronghold of provincialism. - *The Devi's Dictionary*

* * *

The *Indianapolis Star* was quick to point out that Indianapolis Mayor Bart Peterson was a "loser" in the process. In our view, a freshly re-elected Mayor Peterson will most certainly be on the field of the new Colts stadium in September 2008 cutting the ribbon with Gov. Daniels, who is expected to be in the midst of his own re-election campaign. They will laud QB Peyton Manning, fresh off his second Super Bowl title (OK, this is fantasy time). Some loser.

Peterson has continued to be magnanimous with Daniels, saying his involvement "changed things." He added, "In the past, both parties always had a stopper for anything that was terrible for them and their party. Now, obviously, that's not there. He expected some political capital. Really, there is nobody else in the state of Indiana that can make a regional tax in Indiana like that work" (*Indianapolis Star*).

And that truly is an amazing event. But both Mayor Peterson and Gov. Daniels have their work cut out for the idea of consolidated government. Peterson got a watered down version of Indianapolis Works. Marion County Republicans passed a bill that allows for the merger of the IPD and Sheriff (though the cops were against it) but not the IFD and township fire departments (firefighters were for it).

Because of the pre-vote rhetoric, Peterson is going to have to display some pain (i.e. layoffs, reduction in services) or he will lose credibility. He now controls county budgets, but those offices are now filled with Democrats. So there will be a supreme "blame game" coming into 2006. The key questions here are these:

1. Will business financiers who supported



Indianapolis Works and traditionally support GOP House candidates turn their backs on obstinate Republican legislators?

2. Will the Peterson political organization get involved in a 2006 political challenge to House Speaker Brian Bosma?

3. Will the collateral fallout hurt Prosecutor Carl Brizzi, the lone Republican in an emerging Democratic trending county?

4. Who will voters blame for tax increases and cutbacks?

5. A question for Gov Daniels: He got key

Republicans to go along with the concept of regional government. He now wants to take that concept to school corporations. Will Republican legislators show the kind of progressionalism they did with DST and regional government? Or will they display their provincial notions, as they did when they defended their township foot soldiers in the face of Peterson's Indianapolis Works?

Speaker Brian Bosma

INCUMBENT, n. A person of the liveliest interest to the outcumbents. - *The Devil's Dictionary*

* * *

He was second-guessed, subject of rumor mills, was derided as obstinate, and in the end, produced some significant victories (DST and IEDC among the most profound) along with some true reforms of openness (webcasting House proceedings). But whether he returns as House speaker in 2007 could depend on the ramifications of the biennial budget that shifts the property tax burden to local units of government. "This has been a remarkable session. We have addressed critical issues that have been left on the table in the past," Bosma said (*Fort Wayne Journal Gazette*). "These were the goals House Republicans ran on. They weren't just political mantras. There were unprecedented accomplishments that could not have happened if we had not had a unified agenda with the governor and a unified spirit with the Senate."

Bosma made a controversial and, some would say, courageous move against gaming, even though polls and history show there is not political retribution for doing so. His and the House Republican caucus activities leading into the 2006 campaign will be a fascinating chapter of Hoosier politics if they can defend against the "pinch" of his biennial bud-

get. He still has a session to deal with another festering problem: lifelong health insurance for members.

Gov. Daniels was asked if he could have accomplished his goals without a Republican House. "It would have been very much more difficult, no question about it," Daniels said. "Many of the items that have a check in the left column never would have been heard at all. They've been bottled up in the past. We will have fewer uninsured people now by the virtue of permitting the waiver of a single pre-existing condition. That was a good idea, but it was buried for years, session after session by those of disagreed. It got a fair hearing this time and it passed. The outcome wouldn't have nearly been so positive if at least some of these things had gotten a fair hearing and come to the floor for a vote."

So you can expect Gov. Daniels to be out defending the Republican House.



President Garton and Speaker Bosma drew a line in the sand over gaming and produced a controversial budget with an unknown political impact. (House Republican Photo)

Senate President Robert Garton

SENATE, n. A body of elderly gentlemen charged with high duties and misdemeanors. - *The Devil's Dictionary*

* * *

Garton's fingerprints were all over the budget. His objections to gaming expansion essentially created the parameters to the budget that Gov. Daniels calls "balanced." That is a departure from past Garton/Borst budgets during Democratic years that weren't even close. Again, if the pain threshold becomes universally recognized at the local level, his decision could have a profound impact, particularly in the House. But check out the *Horse Race* section in this edition. There are more potentially vulnerable Senate incumbents to Democrats than there were in 2004. And, as Larry Borst and Steve Johnson can attest, that local v. state political showdown could produce more GOP primary battles, such as the one faced by Sen. Allen Paul.

The biggest question today is whether Garton will run for re-election to a seat he's held since 1970. Our guess is he will.

State Sen. Luke Kenley

REVOLUTION, n. In politics, an abrupt change in the form of misgovernment. Specifically, in American history, the substitution of the rule of an Administration for that of a Ministry, whereby the welfare and happiness of the people were advanced a full half-inch. - *The Devil's Dictionary*

* * *



Sen. Kenley was at the cutting edge of change in this, the first session without long-time Senate Finance Chairman Larry Borst. He was the key pitchman behind HB1120 that brought in the regional governance that Gov. Daniels so thoroughly lauded. His fingerprints were on the money following the child school funding formula that will almost certainly produce some type of political consequence. But his efforts to reform the property tax system ultimately failed, becoming too much for a system already taking on a wide array of new approaches. The final budget essentially becomes the "one step backward" in the old saying that begins "Two steps forward...."



Sen. Kenley

HPR asked Gov. Daniels about future property tax reforms. Daniels responded, "Property tax reform and moving away from the property tax, I'm sure, is going to be addressed. I want to look at every way to get us there. I'm not sure, yet, what the right way is. I would have liked to taken that first step this year, and Luke gave it a good try."

House Minority Leader B. Patrick Bauer

GHOST, *n.* The outward and visible sign of an inward fear. - *The Devil's Dictionary*

The House Minority Leader displayed a sign on his desk that read, "557 days." It is Bauer's countdown to the 2006 election, where he believes Republicans will be in jeopardy over DST and the budget. Or as one Statehouse wag observed, "Bauer began counting the days at the beginning of the session; Bosma began counting after it ended."

State Rep. Troy Woodruff

FAMOUS, *adj.* Conspicuously miserable. - *The Devil's Dictionary*

Woodruff's vote for DST had some Statehouse veterans shaking their heads, particularly after Gov. Daniels said in a *Chicago Tribune* interview that it "wouldn't be the end of the world" if DST didn't pass.

"It became pretty obvious to me that this had become a partisan issue," Woodruff said after he flipped. "People in my district certainly don't know that there's any value in it. I'm trying to move the state forward. Some things are more important than re-election. And I think this is one of those issues."

Democrats quickly produced an April 11 newsletter Woodruff sent out in which he emphatically vowed to reject DST. An "ashen" Woodruff explained to the *Evansville Courier & Press*, "At the end of the day, I'm going to have to explain

this vote to my constituents. If you can't explain why you did something one way or the other, then you probably shouldn't have done it."

Daniels said he would be there for Woodruff in 2006. "I'll do anything he thinks would be helpful. He's a terrific guy and highly principled and real well motivated. He came up here for the right reasons and I think the world of him. As it happened, it played a very important role in our agenda."

State Rep. David Orentlicher

GRAVE, *n.* A place in which the dead are laid to await the coming of the medical student. - *The Devil's Dictionary*

Sometimes the best analysis occurs when you let your subject have at it. This was an e-mail sent out by State Rep. David Orentlicher, D-Indianapolis, on Friday: "I am pleased that Indiana will join 47 other states in going to daylight time during the April-October period, and I am also pleased that I provided one of the critical votes for its passage out of the House earlier this month. I did not vote for the final version of the bill because it was not the best daylight bill we could have passed, and I wanted to allow more time to negotiate the best bill before passage. While I preferred a different version, I am glad that we have adopted daylight time, and I will be working to ensure that we make the transition to daylight time in an optimal fashion."

Gov. Mitch Daniels

HOPE, *n.* Desire and expectation rolled into one. - *The Devil's Dictionary*

What did Daniels learn this session? "I learned in the last days when people worked very hard, talk about issues it's a good idea not to say very much," Daniels said. Nobody likes to get along with people better than I do. Really. There were moments when I thought strong and clear language was important if we were going to get results. I worked hard and I think we ended the session with very good personal relationships, strong ones on both sides of the aisle."

As for next year, he said his agenda will be crafted in a collaborative effort, as opposed to on an RV in campaign mode. "I would be concerned about the fiscal situation of this state," Daniels said. "We do need things to go well for Indiana to be where Indiana taxpayers want us to be a couple years from now. I this budget was by far the best obtainable and it was, by far, a huge improvement about where we've been. But we've got issues beyond that. We've got the money, in my judgment, we owe to school districts, universities and local governments. We ought to have a Rainy Day Fund once again so we are protected. ❖"



Indiana 2006 Senate

Senate District 1: Republican: Open. Democrat: State Sen. Frank Mrvan. **1998 Results:** Mrvan 12,738, Dempsey (R) 12,270. **2002 Results:** Mrvan 14,449. **2006 Forecast:** Mrvan has had two close races, losing one. With huge changes going on in Lake County, we'll be keeping watch on developments here. **Status:** *Leans D.*

Senate District 19:
Republican: State Sen. David Ford. Democrat: Open. **1998 Results:** Ford 18,869, Townsend 16,897. **2002 Results:** Ford 21,245, Jones (D) 10,218. **2006 Forecast:** Want to know why Ford, a self-proclaimed high tech advocate, voted against DST? Just look at his 1998 race against Sen. and Mrs. Townsend's son. The right Democrat could make this a race. **Status:** *Leans R.*



Senate District 22: Republican: State Sen. Ronnie Alting. Democrat: Open. **1998 Results:** Alting 14,693, Riehle (D) 11,840. **2002 Results:** Alting 15,902, Sanders (D) 8,087. **2006 Forecast:** Alting should be in good shape, but his 1998 race was close. **Status:** *Likely D.*

Senate District 23: Republican: State Joe Harrison. Democrat: Open. **1998 Results:** Harrison (R) 21,175 Shelby (D) 11,436. **2002 Results:** Harrison 23,811. **2006 Forecast:** Harrison is expected to retire from the seat he's held since 1966. If he doesn't, he's likely to attract a primary opponent. **Status:** *Likely R.*

Senate District 27: Republican: State Sen. Allen Paul, Richmond City Council President Bruce Wissel. Democrat: Open. **1998 Results:** Paul 22,679. **2002 Results:** Paul 22,841. **2006 Forecast:** Sen. Paul has a problem. He's got a credible challenger in President Wissel, who coordinating 2004 Wayne County Republican campaigns. As we said about Brent Waltz in his 2004 primary race against Senate Finance Chairman Larry Borst, Wissel has assets that make his challenge credible. Paul has held the seat since 1986. If property tax rates increase due to the biennial budget he just voted for, and voters tire of his flip-flop on DST, this could be a race to watch. **Status:** *Leans Paul*



Wissel

Senate District 41: Republican: Senate President Pro Tempore Robert D. Garton. Democrat: Open. **1998 Results:** Garton 26,499. **2002 Results:** Garton 21,918 ,

Gividen (L) 3,350 . **2006 Forecast:** We've heard of no credible opponent to take on Garton, though there are rumblings. Garton appears to be ready to defend the seat he's held since 1970. He faced one challenge in 1994 to Jessica Webb and easily prevailed. **Status:** *Safe R.*

Indiana 2006 House

House District 5: Republican: Michael Reddy. Democrat: State Rep. Craig Fry. **2002 Results:** Fry 8,618 Crawford (R) 5,705. **2004 Results:** Fry 10,947, Reddy, 10,507. **2006 Forecast:** Reddy is almost certain to make this a rematch. Fry is a loathsome character for the GOP both in Indianapolis and St. Joseph County, so this will be one of the true battleground seats. More than \$200,000 was spent on this race in 2004. While Fry appears to be vulnerable, the fact that they didn't get him in 2004 with President Bush and Gov. Daniels on the ticket will make Reddy's task much harder in 2006. **Status:** *Leans D.*

House District 21: Republican: State Rep. Jackie Walorski. Democrat: Open. **2002 Results:** Mangus 10,722. **2004 Results:** Walorski 13,753, Kaser (D) 7,737. **2006 Forecast:** Walorski was able to avoid a pro-DST vote. But she voted for the budget and if increasing property taxes and school budget cuts inflict pain on her district, and a credible Democrat emerges, this race could come into play. **Status:** *Leans R*

House District 24: Republican: State Rep. Richard McClain. Democrat: Open. **2004 Results:** McClain 14,825, Southern (D) 7,089. **2004 Results:** Walorski 13,753, Kaser (D) 7,737. **2006 Forecast:** McClain provided one of the critical DST votes, so Democrats will assume he could be vulnerable. But McClain has survived past spirited challenges and he could be tough to knock off. **Status:** *Leans R*

House District 26: Republican: Open. Democrat: State Rep. Joe Micon. **Geography:** Lafayette, West Lafayette, Tippecanoe County. **2002 Results:** Scholer 5,630, Micon 4,731. **2004 Results:** Micon 10,077, Basham (R) 9,471. **2006 Forecast:** Micon will have to defend this seat, but should have a better climate than the one in 2004 with Bush and Daniels on the ticket. He was taken to task by former State Rep. Sue Scholer this past week. **Status:** *Leans D.*

House District 30: Republican: John Smith. Democrat: State Rep. Ron Herrell. **2002 Results:** Herrell (D) 9,017, Rudolph (R) 6,966, Fridholm (L) 379. **2004 Results:** Smith 12,398, Herrell (D) 11,279. **2006 Forecast:** If Herrell decides on a rematch, this could be competitive. **Status:** *Leans R.*

House District 31: Republican: State Rep. Tim



Harris. Democrat: Open. **2002 Results:** Rep. Dean Young 9,046, Raju (D) 3,909. **2004 Results:** Harris 10,480, Hile 10,330. **2006 Forecast:** This was a razor-thin GOP victory with Bush and Daniels on the ticket. Now Republicans will have to mount a defense. How the property tax issue plays could determine whether Harris returns. **Status:** *Tossup.*

House District 33: Republican: Bill Davis. Democrat: State Rep. Ron Liggett. **2002 Results:** Liggett (D) 9,143, Thornburg (R) 6,895. **2004 Results:** Davis 13,330, Liggett 10,924. **2006 Forecast:** Another touch seat Republicans will have to defend, possibly with a Democrat without Liggett's baggage. **Status:** *Tossup.*

House District 36: Republican: Open. Democrat: State Rep. Teri Austin. **2004 Results:** Austin 14,170, Carrell (R) 8,669. **2006 Forecast:** Austin did not distinguish herself in this past session, casting key votes against daylight-saving time and slots at the urging of her caucus, despite the fact that Hoosier Park is in her district. She had a comfortable victory against an undistinguished opponent in 2004. A credible challenger could make this race one to watch, though the mid-term status will make it a tough GOP pickup. **Status:** *Leans D.*

House District 46: Republican: Open. Democrat: State Rep. Vern Tincher. **2002 Results:** LaPlante (R) 8,079, Tincher (D) 7,275. **2004 Results:** Tincher 11,533, LaPlante 10,799. **2006 Forecast:** The ethnically challenged Rep. Brooks LaPlante nearly held on to this seat despite his tormented campaign finance history and 11th hour ballot wranglings. Tincher has been upset before in mid-terms. If the GOP can come up with a credible challenger, this race almost certainly will be in play. **Status:** *LIKELY D.*

House District 45: Republican: State Rep. Bruce Borders Democrat: Allen Chowning. **2002 Results:** Chowning 9,627, Borders 9,337. **2004 Results:** Borders 13,878, Chowning 10,643. **2006 Forecast:** This could be a rematch of the bitter 2004 showdown former Speaker John Gregg's district. Borders didn't vote for tax increases or DST. He did back the gay marriage ban, which he certainly will campaign on. But without a Bush or Daniels on the ticket, and, perhaps a Gregg challenge to U.S. Rep. John Hostettler, that could make this race interesting. **Status:** *Leans R.*

House District 56: Republican: Open. Democrat: Rep. Phil Pflum. **2002 Results:** Pflum 6,511, Hamm (R) 6,096. **2004 Results:** Pflum 10,645, Yanos 9,382, Bell (L) 661. **2006 Forecast:** This seat is always in the mix and Democrats keep winning close races. Pflum should start out with a tailwind, but we'll keep it in the mix in case a wave develops either way

Status: *Likely D.*

House District 64: Republican: State Rep. Troy Woodruff. Democrat: John Frenz. **2002 Results:** Frenz 10,516, Davis (R) 8,774. **2004 Results:** Woodruff 12,698, Frenz 12,507. **2006 Forecast:** File this race under the "Paybacks can be hell" category. Woodruff squeaked out an upset with a crude media campaign that took Frenz to task over legislator health insurance and gay marriage. Woodruff will certainly be able to champion his role in saving marriage for heterosexuals, but his mentor, House Speaker Brian Bosma took a pass on ending health insurance for life for legislators, which could give Frenz potent ammo if it isn't rescinded in the 2006 short session. Last week, Woodruff cast the deciding vote against DST despite months of telling his constituents he would never place the time wedge between his Hoosier voters and their Illinois neighbors across the Wabash River. So this race is certainly in play and without a Bush or Daniels on the ticket, Woodruff is a truly endangered Republican. **Status:** *LEANS D.*

House District 69: Republican: Billy Bright. Democrat: . **2002 Results:** Lytle 9,777, Newell 7,678. **2004 Results:** Bright 12,639, Lytle 11,018. **2006 Forecast:** This is another seat that will be a challenge for Republicans to defend, though Bright wasn't forced to vote for state tax increases or DST. But what he'll have to explain is the school budgets and local tax hikes that came as the result **Status:** *LEANS D.*

House District 86: Republican: Cameron Carter, John David Hoover. Democrat: State Rep. David Orentlicher. **2002 Results:** Orentlicher 9,909, Atterholt (R) 9,872. **2004 Results:** Orentlicher 15,178, Large (R) 13,261, Goldstein (L) 585. **2006 Forecast:** Orentlicher's vote against DST has angered Republicans and will certainly earn him a challenge and there are two credible Republicans - Cam Carter and John David Hoover - taking a hard look at this race. Orentlicher's press release explaining the vote was an all-time legislative classic (see page 6) and will certainly be used against him. Carter is a former Lugar and Quayle staffer and a Scott Jones protege at Escient Technologies. As CEO and President and Tech Point, he was one of the driving forces behind DST. Hoover is an attorney whose wife owns Cafe Patichou. Orentlicher is a tireless campaigner and if 2006 becomes a mid-term Democratic year (like 1986), he could survive. **Status:** *LEANS D*

House District 88: Republican: House Speaker Brian Bosma. Democrat: Open. **2004 Results:** Bosma 23,289, Gordon (L) 2,132. **2006 Forecast:** We're keeping a close eye



on the speaker's district, both in the GOP primary and the general. There have been significant murmurings on both fronts. For Republicans, Bosma's role in thwarting the Indianapolis Works proposals has angered key business leaders and Mayor Bart Peterson's powerful political organization. On the Democratic side, his role on the budget and the gay marriage ban has made him a target. Plus, Democrats will want to keep him busy in his own district so that he can't be a financial rainmaker for other Republicans defending tough seats. His district encompasses Lawrence, which elected its first Democratic mayor in 2003. So a case can be made that the district is trending Democratic. How property taxes increase due to school levies in the wake of the biennial bud-

get will be interesting. In modern Indiana history, two speakers - J. Roberts Dailey in 1986 and Michael K. Phillips in 1994 - have been defeated. Dailey was upset in a mid-term year by Democrat Marc Carmichael for bottling up the Hoosier Lottery, and Bosma has played a similar role. If school levies increase, a credible challenger could make the case that Bosma's personal moral stance resulted in new taxes on constituents. Until challengers emerge, we believe Bosma is currently safe, but this situation could change.

Status: *Safe R.* ❖

Russ Pulliam, Indianapolis Star - Many members of the General Assembly look on gambling options with a sense of disgust even if they have voted for some of them. "It's all about the money," said state Sen. Tom Wyss. "It's become the answer to everyone's economic problem. But it does nothing for the real economy. We're not manufacturing anything." State Rep. Mike Murphy was the author of one of the proposals for slot machines at horse tracks and is also Marion County Republican chairman. He offers a simple explanation for the death of gambling expansion this year: "Generally my colleagues have decided that the state is relying too much on gambling revenues." This time they got it right. ❖

Jack Colwell, South Bend Tribune - Time spent on "saving" time could have been used more effectively in the Indiana General Assembly to deal with more serious problems affecting the state's future. Education certainly is one such problem. Property taxes are another. Gov. Mitch Daniels made a mistake -- and seems to have acknowledged it -- in appearing to push for mandatory daylight-saving time as his No. 1 objective, even as he backed down on his earlier insistence that the legislature must pass a budget that balances immediately. "It's my own damn fault," Daniels told the *Chicago Tribune* in an article published last week. The context was in reference to whether Daniels regrets championing daylight time while other problems abound. Daniels was quoted as conceding that it "wouldn't be the end of the world" if Indiana retained its present time system. Gosh, the way the governor lobbied with legislators on time, you might have concluded that the world would indeed end without all Hoosier clocks springing ahead and falling back. The surprise was how hard Daniels pushed for daylight time, how

much political capital he spent on it, despite all the time it was taking and how contentious it had become in the legislature and among Hoosiers. Still, he did not want or expect it to overshadow all else. What is most unfortunate is that once the issue was reopened, it took up so much time and so much of the governor's clout that other matters of more significance for the future were not addressed. They could have been. Instead problems of education and property taxes grow worse. ❖



Rich James, Post-Tribune - Gary Mayor Scott King had virtually nothing to lose when he resigned his seat on the State Democratic Central Committee and declared that he no longer is a card-carrying member of the party. The state party, after all, is inept and morally bankrupt. If it sank any lower, it would run into Republicans. There are those who said his departure was little more than sour grapes because Stephen Stiglich, the man he supported to continue as county chairman, was ousted by the state committee in favor of Rudy Clay — a county commissioner, Gary Democratic chairman and off-and-on thorn in King's side. No, you can squash that grape theory. I believe King shed the party label because he's fed up, and that just possibly what he had to say would catch the attention of others. Yet, unlike most Democratic incumbents, King was free to make the break. Although he's not said it publicly, King is in his third and last term as mayor. Resigning from the party pretty much made it official. If he ran again for mayor as an Independent, the only one he would beat would be the Republican mayoral candidate. The only question remaining is whether King will complete all or part of the last 21½ years of his current term. There's a host of people hoping he doesn't. Clearly, King's resignation from the party has sparked the mayoral sweepstakes. ❖



Bayh side steps presidential query

INDIANAPOLIS - Sen. Evan Bayh, declining to say whether he has decided to run for president in 2008, embarked on a four-city Indiana tour today, campaigning for fair trade as questions continue about whether he'll campaign for the Democratic nomination in three years (*Indianapolis Star*). Bayh, a former Indiana governor elected last year to his second term in the U.S. Senate, is frequently named as a likely presidential candidate. But he said today that his father may have misspoken last week in saying that Bayh was giving "serious consideration" to a possible campaign. "I think that what he was attempting to say is, 'Look, from time to time does the subject cross my mind?'" Bayh said. "Well, when I'm asked about it, of course it does. But I'm doing my dead-level best to focus upon doing my job to solve the problems that face the people of our state and country."



Colts say stadium tax will void deal

INDIANAPOLIS - With the financing plan now through the Statehouse, the Colts and the city will turn to the details of the lease. A new state stadium financing authority will have to approve it, said city negotiator Fred Glass (*Indianapolis Star*). Colts attorney Dan Emerson said the lease, as with any major contract, includes many nettlesome issues. But, he said, "I don't envision any huge stumbling block or any insoluble problems." He pointed to the scheduled Aug. 1 groundbreaking. "One would hope it would be done before then," he said. Some potentially serious issues have perhaps kept the

Colts from publicly celebrating. City officials say the Colts remain in ardent opposition to a \$3 ticket tax. The final bill lawmakers approved last week makes the tax optional. "(The Colts) have told us that if there is a stadium tax there is no deal," Glass said. But, he added, "We're going to work real hard to make this work." Colts officials would not discuss the ticket tax issue. Other potential stumbling blocks include the Indianapolis City-County Council, which must pass a series of tax increases to largely finance the stadium project. Those votes could come next month; without it, the stadium deal is dead. Seven suburban counties are also preparing to debate possible 1 percent restaurant taxes. Those counties would keep half of the money and send the other half to the stadium project.

Budget stirs statewide anxiety

MONTICELLO - Local and regional government officials are uneasily eyeing the state budget passed by lawmakers, fearing it could force them to raise property taxes even higher (*Lafayette Journal & Courier*). The budget that Indiana lawmakers approved Friday calls for spending \$24.3 billion during the next two years. Having had little time to review it, government officials say it's hard to say exactly how the spending plan will affect local governments. But one nearly unavoidable result seems to be higher property taxes. "They throw all the responsibility on locals without the state wanting to help out on it," said Bill Smith, president of the Monticello City Council. Tippecanoe County commissioner John Knochel said of particular concern to him is the freezing of state subsidies to property taxes, known as property tax replacement credits. The decision will deprive local governments of money. And Knochel sees few alternatives to compensate for the loss other

than to raise property taxes, he said. "That's probably what's going to happen, sadly to say," he said.

Mount Vernon schools prepare for layoffs

MOUNT VERNON - State budget plans released last week by Republican legislative leaders could cost some Mount Vernon School Corp. employees their jobs (*Evansville Courier & Press*). The school system stands to lose \$1.05 million in funding over the next two years, according to Superintendent Keith Spurgeon, who was briefed about the bill last week by Rep. Trent Van Haften, D-Mount Vernon. It would be an overall revenue loss of about 6 percent. "It's uncharted territory," Spurgeon said. "We've never had a year when the state has actually given us less money. We gave layoff notices to 10 teachers but we don't expect recommending 10 teachers be laid off. We'll be looking at other employee categories there ... We'll spread it out a little bit."

Uzelac calls accuser a 'con woman'

MERRILLVILLE - David Uzelac, who tried unsuccessfully to get the Democratic nomination for the 2004 state representative's race, is being sued by a woman who volunteered on that campaign (*Post-Tribune*). Sandra Presnell filed small claims action in Lake Superior Court against Uzelac, claiming he borrowed her van to put up campaign signs and returned it a month later with more than \$3,000 in damages. Uzelac called it a story of a lovable campaign worker who morphed into a greedy con-woman: "This is like the movie 'Misery.' She saw all the money going around during the campaign with people getting free lunches. Now, she's trying to get money." ❖