



Revisiting Statehouse Power List

No clear winners as General Assembly heads into a Spring overtime

"There's two kinds of people in this world; there's winners and there's losers. Okay, you know what the difference is? Winners don't give up."

- Richard Hoover, *Little Miss Sunshine*

By **BRIAN A. HOWEY**

INDIANAPOLIS - It was the actor from Logansport, Greg Kinnear, who uttered those lines in the underlying theme of the 2006 hit movie "Little Miss Sunshine." We find them apropos today. Even though Olive Hoover didn't win the beauty pageant, on her way back to Albuquerque, she knew her family - from her late junkie grandpa, to her gay uncle, to her mute brother, and, of course, Mom and Dad - loved her. We decided to look at Indiana's most conspicuous dysfunctional family - the In-



diana General Assembly - not so much in Richard Hoover's terms of absolute winners and losers, but through the prism of the 2009 HPI Power List we published on Jan. 8.

We've broken out the 15 characters who made our list, kept in the original script from last January, and have added the postmortem. We've also added several legislators who either stood up or made a fool of themselves.

1. Gov. Mitch Daniels: Eight years ago Gov. Frank O'Bannon won a convincing re-election campaign and then the economy soured. It was as if a curtain had fallen

See Page 4



A future in the GOP

By **RYAN NEES**

NEW HAVEN, Conn. - "Who is the new voice of the Republican Party?" asked a National Republican Senatorial Committee ad last month.



"The media keeps saying there isn't one," the narrator says. "For once, they're right. There are actually 41 voices. Forty-one strong voices, 41 Senate Republican voices."

Make that 40, now that Arlen Specter abandoned the GOP last week, giving his party a lot to think about, if for no other reason than for his answer to the most



"The deteriorating political and security situation in Pakistan has led many to question the potential threat of Pakistani weapons of mass destruction falling into the wrong hands."

- **U.S. SEN. DICK LUGAR**



HOWEY POLITICS INDIANA

is a nonpartisan news-letter based in Indianapolis and published by NewsLink Inc. It was founded in 1994 in Fort Wayne.

Brian A. Howey, publisher
Mark Schoeff Jr., Washington
Jack E. Howey, Editor
Beverly Phillips, Associate
Editor

Subscriptions:

\$350 annually HPI via e-mail;
\$550 annually HPI & HPI Daily
Wire.

Call **317-254-0535**.

HOWEY POLITICS INDIANA

PO Box 40265
Indianapolis, IN 46240-0265.

Contact Us

www.howeypolitics.com

bhowey2@gmail.com

Main Office: 317-202-0210.

Howey's Mobile: 317-506-0883.

Indianapolis Fax: 317-254-0535.

Washington: 202-256-5822.

Business Office: 317-627-6746.

©2009, **HOWEY POLITICS**

INDIANA. All rights reserved.

Photocopying, Internet forwarding, faxing or reproducing in any form, in whole or part, is a violation of federal law without permission from the publisher.



Sens. Evan Bayh and Barack Obama on a flight in Afghanistan. (Bayh Senate Photo)

fundamental political question about the party's future: what does the party stand for?

It's true, of course, that Specter's defection is rooted more in his political viability than his philosophic purity. The five-term senator faced a primary against former Pennsylvania Congressman and Club for Growth President Pat Toomey that he was likely to lose. The fiscally conservative group is now run by former Indiana congressman Chris Chocola. A Rasmussen poll last week found Specter 21 points down. He beat back a 2004 challenge from Toomey by only 17,000 votes, of more than a million cast. And since then, Pennsylvania Democrats have added 493,987 voters to the rolls (+13%) while Republicans have lost 44,439 (-1%), making the Republican primary electorate increasingly conservative.

Nationwide, only 21 percent of Americans now identify themselves as Republicans, the lowest level recorded in the Washington Post/ABC News poll since 1983. That is, the Republican Party hasn't been in straits this dire for an entire generation.

This is an inconvenient trend

for the GOP, because it signifies a fundamental realignment of the American electorate, and even worse, one to which it has failed to adapt. Millions of once-Republicans have thrown up their hands with their stubbornly divisive party and called it quits. This week, Arlen Specter became just one more of them.

What's left, then, is a radicalized shell of the Republicans' former self: a fierce core of pro-life, anti-gay, pro-gun conservative reactionaries. Accordingly, instead of taking the moment of Specter's departure as a moment for self-reflection, Rush Limbaugh called Specter "dead weight," and RNC Chairman Michael Steele rejoined the same, leaving moderate Maine Republican Olympia Snowe to grieve in the New York Times last week that, "You often get the distinct feeling that you're no longer welcome in the tribe." But it is truly a dangerous signal that a Republican senator of nearly three decades no longer felt able to remain in the party. FOX News linked to Snowe's op-ed with the title, "Don't let the door hit you..."

You get the feeling, indeed. This Rovian experiment of



playing to the base is over. Instead, what the party requires for viability -- far from more Sarah Palins, Bobby Jindals, Mark Sanfords, and Rick Perrys -- it can find in Indiana. The party must soften its stands on social issues, release its xenophobic grip on the immigration debate, and shift toward pragmatic policy ideas. It should use as a model Republican leaders like Mitch Daniels, Richard Lugar, and at least, if recent history is any indication, Evan Bayh.

There's a future for an Evan Bayh Republican in the GOP.

Bayh's last two years have been stunningly erratic: he's gone from being the 72nd most conservative member in the Senate (2006) to the 47th (2008), and in the Democratic caucus, from the 16th most conservative member (2006) to the 1st (2008). That is, if one were to forecast such things, keeping that dizzying rate of change linear, he'll be more conservative than any other Republican in the Senate by Sept. 4, 2012 --just in time for the next presidential election.

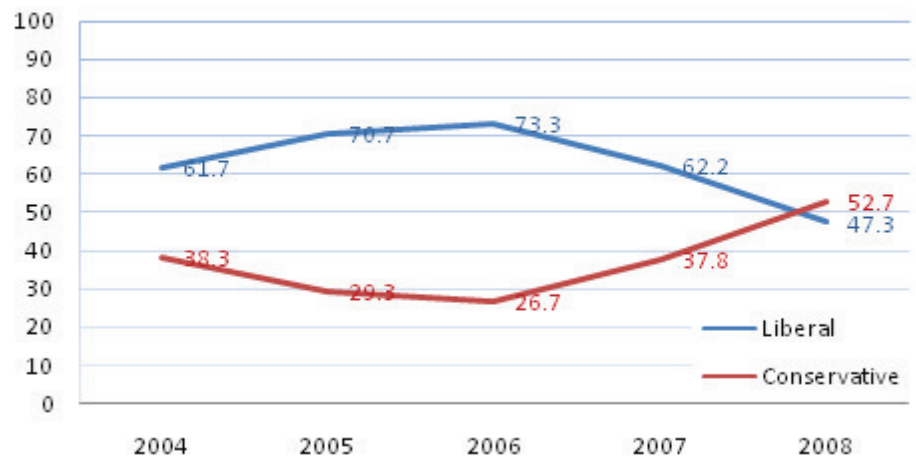
In National Journal's rankings Bayh now leads Nebraska Senator Bill Nelson for the first time. Nelson was once commonly thought the most conservative Democrat in the body and, like every other member, has been markedly more ideologically consistent in his voting (see charts).

In some sense it's surprising that these shifts only half-track with the political winds, though it's true that Bayh moved dramatically to the left in 2005 and 2006 as he plotted his ill-fated campaign for president.

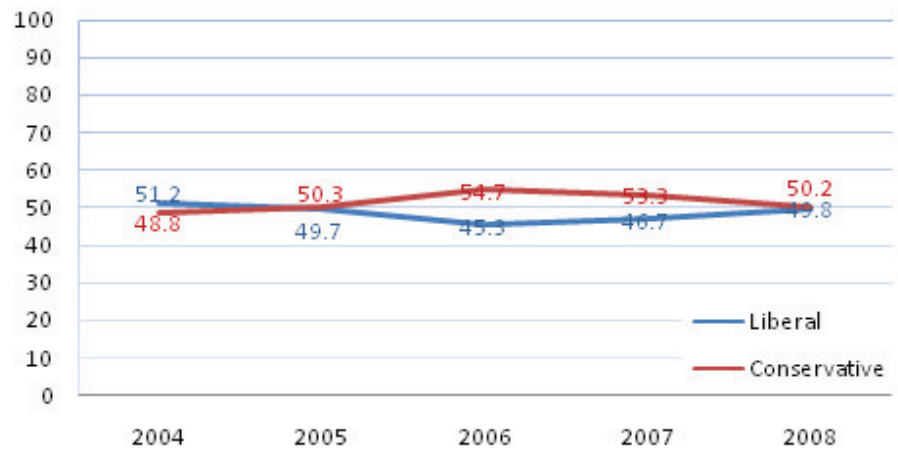
But perhaps it's more revealing to consider them in the context of Bayh's suffocating personal ambition: a move to the left to prepare for a presidential campaign, a moderate tack to enhance his vice presidential prospects in 2008, and a dramatic conservative shift ever since.

What bizarre timing for the final break, it would seem, given that the Democratic Party's popularity is at its highest point in Bayh's political career, and Indiana, after all, voted in 2008 for the Democratic candidate for President, the first time since 1964. Yet this also makes sense, as Bayh has come to recognize that his future in the Barack Obama-dominated Democratic Party is dim: he was

National Journal Vote Ratings: Evan Bayh



National Journal Vote Ratings: Ben Nelson



passed over for vice president, never emerged as a Claire McCaskill-like confidant, and became an irrelevant bridge to a sinking Clintonian ship when Obama deftly neutralized Hillary Clinton's internal opposition by making her secretary of state.

Bayh's reaction has been to position himself as the most obstructionist Democrat in Congress, just in case Obama's popular presidency goes south. Bayh's installed himself leader of a "Blue Dog" caucus in the Senate of 16 moderate Democrats, who meet regularly with the implicit purpose of putting the et tu brakes on Obama's legislative agenda; or as Bayh put it in the Washington Post, "Many independents voted for President Obama and the contours of his change agenda, but they will not rubber-stamp it."

In March, Senate Republican Leader Mitch McConnell gleefully read one of Bayh's anti-Obama screeds from



the Wall Street Journal into the Congressional Record, suggesting as Bayh did that Obama “jeopardized [his] credibility” on the deficit with the proposed omnibus budget. Last week, Bayh was one of only three Democrats to vote no. “If you’re going to get to 60 votes in the Senate, you’re going to need the vast majority of this group. We can be the fulcrum upon which policy will balance,” Bayh threatened last month.

So this is as good a time for Bayh as any other to bolt, for him and for the Republican Party. It needs to retool to the realities of a realigning electorate, and Bayh could be a perfect GOP response to what may end up being a presidency of liberal overreach (think a former Demo-

crat as a “New Republican”). And he needs a new party to entertain his ego, which is surely becoming exhausting to Obama and Senate Majority Leader Harry Reid.

As Specter finds his “political philosophy more in line with Democrats than Republicans,” Bayh might ask himself the same question. He could follow the Pennsylvanian’s lead, and be just as politically self-serving in his answer.

Why not become that new voice of the Republican Party? The door might not even hit him on the way out. ❖

Nees is a student at Yale University and a frequent HPI contributor.

Statehouse Power, from page 1

between the first and second terms. The analogy is vastly more complex with Gov. Daniels. O’Bannon was hesitant to use his political capital, whereas Daniels has been an unrivaled and successful risk taker. But the fact is, Daniels is facing a financial crisis unlike anything we’ve seen since 1979-82 and possibly since 1929-35. Like the Great Depression’s Gov. Paul V. McNutt, who extensively reorganized state government and balanced budgets, Daniels is seeking to restructure local government and education. He parts ways with McNutt, who was an old-style machine politician with presidential aspirations (Daniels repeatedly says he doesn’t have any), who greatly expanded welfare and relief programs. Daniels’ ultimate legacy may be forged by how Indiana weathers the potential financial collapse that could take out a huge chunk of the state’s economy represented by auto manufacturing and suppliers. In his speech to the Indianapolis Downtown Rotary (in early January), Daniels said he expects that the elimination of state debt, balanced budgets, reduced spending, and a AAA bond rating will ultimately position the state to lead the nation into an economic recovery. In fact, the state is aggressively preparing to position itself as the best place (with work force, location and tax structure) to have what’s left if the Detroit 3 automakers make their inevitable consolidations here. Daniels recently was honored by *Governing Magazine* as public official of the year. He won an impressive 58 percent re-election victory despite Barack Obama’s first Democratic presidential victory here in 44 years. Ultimately critical to Daniels’ legacy will be the Republicans regaining control of the Indiana House in 2010. That is when the economy could be in rebound and he can finish his reforms, universally extend full-day kindergarten, complete much of his



visionary Major Moves program, and make inroads into college affordability (including two years free tuition to Hoosier students) and local government restructuring that will likely run into Democratic roadblocks this year. The one element to this emerging second term is the governor’s skepticism of a Detroit 3 bailout, which is philosophically understandable. What is hard to imagine is the collapse of much of this sector and the impact it would have on 20 percent of the state’s economy directly connected. Should this happen in 2009, Daniels may find himself in the company of Indiana’s two crisis governors - McNutt and Oliver P. Morton during the Civil War. An auto industry collapse could require the governor to think even further beyond his sandbox, will require the steady hand we’ve seen, and an even more compassionate governor than he’s exhibited to date. Extraordinary times require such leadership. We appear to have both in 2009.

Daniels Postscript: Daniels risked losing his “top dog” status until he signaled his opposition to the Kenley budget that Bauer bought into. The result was one of the most lopsided budget votes in history (can anyone remember anything like the 71-27 mauling that took place in the House while the Senate GOP forged a 46-3 passage?). Paybacks are hell and now the governor gets his first special session on his turf. Daniels told legislators to go home and get some reality. He could keep them in Indianapolis - the city that “gets everything” - all summer until he gets what he wants. The risks Daniels faces is that he certainly alienated Sen. Luke Kenley. If Kenley and Bauer were to get on the same page, could we see the legislature pass a budget, followed by a gubernatorial veto, and then an embarrassing override? The charter school divide is probably enough to prevent that. Daniels seemed off-stride because he had to play defense as opposed to sinking three-pointers. For the first time his agenda was in tatters and even Republicans



like Jeff Espich were describing the governor as "tough to love." Watching Daniels this year has been perplexing. He pushed for the Kernan-Shepard reforms in his State of the State speech, but did very little early in the process (other than two town halls with Joe Kernan in Kokomo and Fort Wayne), allowing State Rep. John Bartlett to crush the reforms. At the very moment, Daniels was out in the atrium pushing his property tax caps. As even his critics have noted, the governor has a bully pulpit, but it wasn't used very effectively to push the caps and reforms this year.

3. House Speaker B. Patrick Bauer:

While those familiar with both sides agree that Bauer and Gov. Daniels actually like each other these days - and worked well on the historic HB1001 and several other issues last session - the two are on a collision course in several key areas: government reform, budget cutbacks on education, the property tax constitutional caps, money for job incubation and tapping the Rainy Day Fund. We know the governor has a deep aversion to special sessions. What we are hearing now is simply the establishment of a skirmish line. Both know the state is facing potentially catastrophic economic times. Both are going to have to give and take. While the "car bomber" days have long passed, watching Bauer and Daniels this session will be one of the key subplots of this critical 2009 legislative session.

Bauer Postscript: The car bomber days may be back. The subplot became the plot: Daniels vs. Bauer. In the postscript, the speaker painted the governor as Dr. No and the governor talked of the speaker as Timothy Leary. The speaker was brazen in his dismissal of the tax caps and Kernan-Shepard reforms. It didn't help that Bauer henchman John Bartlett was attempting to kill the reforms with a butter knife while Daniels was presiding over an atrium rally where frothy-mouth tax haters were calling Bauer a "liar." Many observers - including some in his own party - wonder why Bauer didn't allow some of the reforms to go through. Now he and his caucus are painted as reform killers at a time when President Obama is making it a finesse art. Many wonder whether Bauer can chew gum and walk simultaneously. The next chapter will be written this summer. Whether Bauer's '09 antics are visionary for the House Democrats or a precursor to disaster won't be known until November 2010.

7. Senate President Pro Tempore

David Long: He has adroitly moved his way into power since Bob Garton's defeat in 2006 with the help of the fe-

male caucus. He has kept the right vs. moderate fratricide to a minimum within his caucus, which is no small feat. His move to bring in Sen. Brandt Hershman as chair of the tax committee is evidence that he is consolidating his power. He works well with Gov. Daniels and has been open to reforms. We view Sen. Long as an upper tier 2012 gubernatorial contender, should he choose that path.

Long postscript: After two years of finesse leadership, Long had his worst session as pro tem, capped by a 46-3 budget vote just seconds before the House killed it. It was amazing that this last act wasn't better orches-

trated, sparing his caucus an embarrassing vote. The conservative blogs have been critical with Hoosier Access noting, "David Long is no Bob Garton." Long entered this session as a lawmaker who appeared sympathetic to reform. But in January, he triggered what ultimately was the Kernan-Shepard death knell: Long suggested that each of the 92 counties should choose their own reforms. That would have been a disaster. Can you imagine General Electric or Fiat coming to Indiana seeking to expand, looking at three potential sites and then trying to figure out who to deal with: three commissioners in one, a county manager in a second, and an elected county executive in a third? House Democrats cited the confusion and the watered down reforms in the Senate as justification to killing them off. Business interests are appalled that Long caved on the Unemployment Insurance issue that brings about \$700 million in new business taxes at a time when dozens - maybe hundreds - of companies find themselves on the brink. And it doesn't even provide a long term solution (i.e. remember the 2002 tax reforms and how long they lasted?). So Long wakes up after the session and finds Indianapolis Star columnist Matt Tully questioning whether he is up to the leadership task. Ouch.

8. State Sen. Luke Kenley:

This may be the most intense budget year since 1982-83 when the legislature had to deal with the last severe recession and a near industrial collapse (then it was steel along with the RV and auto industries). Kenley has four years under his belt since Larry Borst was defeated for re-election. He's been innovative, gets along with the governor well, but as we've said before, can at times be politically tone deaf and doesn't always stay on the reservation. That's why he is sharing part of the fiscal portfolio with Sen. Hershman. Kenley could also play a key role in tweaking HB1001, including the part of the legislation that allows for students to transfer to any school once the state picked up all the local general fund costs.



Senate President Pro Tem David Long calling for Daniels to write the special session budget. (HPI Photo)



Kenley postscript: At the Daniels second inaugural, Kenley found his reserved seat - in the back row - which he interpreted to HPI as a subtle signal of his perceived standing. A blatant one came when Daniels rejected the Kenley budget and sent the House out to destroy it while the Senate voted. Oh to have been a fly on the wall when Long and Kenley compared notes on that in the wee hours of April 30. Obviously there are some relationship problems between Kenley and the governor's staff. Kenley was confronted with arguably some of the most profound and prickly policy dilemmas that any Appropriations chairman could ever find. As John Ehrlichman would have put it, both Daniels and Indianapolis Mayor Greg Ballard left him "twisting, twisting in the wind." It underscores Kenley's biggest problem we mentioned in January: matching policy to good politics.

9. Ways and Means Chairman William Crawford: There is much speculation that this may be Crawford's swan song. He will preside over the opening round of the House-generated budget, one that is expected to be the most difficult to craft in a generation.

Crawford post-script: If this is, indeed, Crawford's curtain call, then what a sad ending. He was out of sync on the budget and the Democrats insistence of a one-year deal, and punted on the Unemployment Insurance issue. That 25 Democrats abandoned him on the budget, including most of the Black Caucus, had to be sobering. Crawford appears to be the only person in the Statehouse who sees a downtown casino featuring table games that could raise \$20 million annually as the best solution for the CIB, while many outside the Statehouse see it as by far the better solution than raising taxes.

11. Lt. Gov. Becky Skillman: Gov. Daniels is always quick to point out that his LG is a full partner. Once again, Skillman says she will be "focused on leading the governor's legislative agenda" in 2009. But the question many Hoosiers are asking is whether she will seek to succeed Daniels in 2012. The answer is quite opaque. Skillman did many Lincoln Day dinners during the '08 re-elect and will work that circuit heavily this year. It's one reason the 2008 Howey/Gauge Polls showed that Skillman is very popular within the GOP. However, she had a 46 percent "no recognition" score last October, compared to 25 percent who said she had favorable name recognition and 24 percent who were neutral. Those are not robust numbers for a fifth year LG (below Frank O'Bannon's numbers in 1993 and

about the same as Joe Kernan's in 2001) and they suggest that she is not aggressively gearing up to take over the party mantle and attempt to become Indiana's first female governor. Skillman was a Lawrence County Republican chair for 12 years and served similar amounts of time in the Indiana Senate and as a local official, so she's got a stellar political resume. Having said that, Skillman did not have a conspicuous campaign trail presence in 2008 - spent mostly with GOP organizations, tailgates - that exposed her to independent and Democratic voters and she has been careful not to step into the governor's limelight. Many key people within the Daniels orbit as well as the GOP profess little or no knowledge on what her ultimate plans are, which is curious. One administration official told HPI when we asked about Skillman and 2012 last year, "It's never come up." Thus, Skillman finds herself in the center of the most conspicuous political mystery in the Crossroads of America.

Skillman postscript: She's doing an event with Eric Miller and her Lincoln Day dinner schedule is robust. It's time that Skillman begin signalling her intentions for 2012 and her skill at forging her own destiny or she risks encouraging a crowded field of gubernatorial aspirants.

12. OMB Director Ryan Kitchell: He is the key fiscal policy numbers cruncher for the governor, who held the same position in the Bush 43 White House. Kitchell also heads up the Distressed Unit Appeals Board and will be the administration's point man on how to deal with chronically depressed Gary. Kitchell noted the other day

that with Gary's airport, sewage district and transportation administered outside City Hall, there are about 800 city employees that don't have a clear mission. Kitchell will also play a key role in evaluating any collapse of Chrysler (he's from Kokomo), General Motors or the domestic sector of the auto industry. The administration is beginning to model out what effect a partial or total domestic industry collapse would have on state and local budgets and taxing districts. If this crisis deepens, Kitchell will play a crucial role in working through it.

Kitchell postscript: All eyes are on him after Sen. Long suggested that the administration submit a biennial budget "within a couple of weeks" to the State Budget Committee. He could use the Distressed Units Board as a mechanism to spur Kernan-Shepard in the coming months.

17. House Minority Leader Brian Bosma: While Bosma will help with the governor's agenda in a 52-48 Democratic Indiana House, he will play an absolutely critical role in the coming 18 months in making sure



Speaker Bauer and Senate Minority Leader Simpson snuffed the Kernan-Shepard reforms. (HPI Photo)



House Republicans recruit and contest as many seats as possible in order to regain control of the lower chamber during Gov. Daniels' final two years in office. There were many critics of the '08 class of candidates and several seats that were not fully contested. Even more important is that whoever controls the House will be in the critical position of redrawing the maps in 2011. So while he is in minority status now, Bosma may hold the key to how dynamic the Daniels legacy ultimately is.

Bosma postscript: He was the governor's deadliest instrument in the final hours, leading the 11th hour charge that killed the budget and delivering an embarrassing rebuke to Bauer. In the postmortem we've seen a renewal in the House vs. Senate animus as Long described the relationship between House leaders as "toxic."

18. State Sen.

Brandt Hershman: He chairs the Senate Tax and Fiscal Policy Committee, sits on the Senate Budget Committee and is majority whip. That is a conspicuous set of credentials in this gloomy economic climate. His ascension comes as President Long consolidates his power. Hershman played an instrumental role in passage of the historic Telecommunications Reform Act in 2006.

Hershman post-script: He was instrumental in writing the Unemployment Insurance bill that passed. With Daniels signature, that is a rare legislative success with much more importance than the puppy mill bill. But his credentials with the business community have been severely strained as Indiana companies have taken the entire brunt of the problem when all talk going in was about a "three-legged stool" with labor also compromising.

19. Pat Kiely: The president of the Indiana Manufacturers Association rises on this list because of the potential collapse of the auto industry and the fact that he was there as a rookie Ways & Means chairman in the 1982 special session to deal with the last major economic crisis the state faced. He has the governor's ear (they were to attend the Ball State football game earlier this week). So Kiely will be preaching budget discipline and aspects that could push even more Hoosier companies over the brink. He will be an indispensable voice when the biennial budget is crafted. He will be an important presence as the legislature repairs the bankrupt and broken unemployment fund. The IMA has a clear message to the rest of America



House Minority Leader Brian Bosma at the April 15 tax rally. Where's his cap? (HPI Photo by A. Walker Shaw)

turning its back on manufacturing: 500 miles from Indiana's borders lie an eight-hour drive to 75 percent of the population. As the IMA's Ed Roberts told us, "Come to Indiana and make things. We will accommodate you with low taxes, a great tax system and a talented workforce ready to work."

Kiely postscript: The Unemployment Insurance deal is an anathema to everything that Kiely believes in. The Senate deal and the governor's acquiescence is a bitter, bitter pill as a potential economic disaster continues to unfold. Chrysler is in bankruptcy, GM may be headed there and Delphi is now on the brink, along with an untold number of suppliers (Cummins shed 800 jobs Wednesday). What is galling to the business interests is that not only does the UI deal smack businesses with a \$700 million tax increase, but it doesn't even fix the problem. It's almost like the tax reforms of 2002, which by 2005 were already dysfunctional. A new wave of plant closings is a distinct possibility and it will be fascinating to see, in a later analysis, whether the UI deal played a role.

20. Bob Grand: The uber operative was one of the only high profile Republicans to back Greg Ballard during his 2007 upset of Indianapolis Mayor Bart Peterson, with many of the city contracts coming to Barnes & Thornburg from Baker & Daniels. He now heads up the Capital Improvement Board which missed the 11th hour Peterson era shredders and will have to deal with unresolved funding dilemmas for the Colts' Lucas Oil Stadium. Stay tuned for those fireworks.

Grand postscript: Grand is at the helm of the Titanic. We hear he and fellow Barnes & Thornburg partner Joe Loftus are active participants in the Ballard administration, rumored to be attending weekly staff meetings. It is stunning that they aren't pursuing the obvious fix for the CIB: a downtown casino. That these Republicans prefer tax increases is a "who'd a thunk it" moment." On a positive note, nice CIB website.

25. Indianapolis Mayor Greg Ballard: We were disappointed when Ballard came back from China without any announcement of a new "Chinatown" for world class Indianapolis. Ballard has been fascinating in his first year in office. He was fortuitous when the Indiana General Assembly helped him get rid of the city's police and fire pension dilemma. He completed Bart Peterson's groundwork and landed the 2012 Super Bowl (which we hope is played before the end of the world). This year, all eyes will be on Ballard as the media spotlight returns to him after the 2008 presidential election. So this could be the make or break year for the man critics call the "accidental mayor." Even his biggest supporters acknowledge his 2007 upset of Peterson was more a referendum on the incumbent. Ballard has stumbled in recent weeks. The city's decision to buy a fleet of Toyota hybrids when the endangered GM stamping



plant in his city makes parts for GM hybrids is a made-for-TV advertisement in 2011. Now he faces the missing "vision" thing that the press and blogs are kicking around. If Ballard can convey a credible vision and help steer the local government reforms through the General Assembly, it will be a good year's work.

Ballard postscript: His meandering on the CIB issue is adding credence to his virtual lame duck status. Most Republicans we talk to can hardly envision a viable re-elect. His appearance before Kenley's committee was one of the worst mayoral performances we've ever seen in a Statehouse context, particularly when Kenley was warning that Ballard had to be clear as to what he wanted. Instead, he completely muddled the equation. That the array of tax increases went down with the state biennial budget last week may have at least delayed the inevitable political collapse Ballard faces. As for what's next, we can only imagine. More tax increases?

35. Kevin Brinegar: The Chamber of Commerce president will play a key role in pushing local government reform and workforce preparedness overhaul. He also opposes the governor's 1-2-3 property tax caps, but Speaker Bauer takes care of that this time, which is a testament of the strange bedfellows element.

Brinegar postscript: Kind of a split decision for him. He saw a delay in the caps vote, which is what the Chamber wanted. But he was unable to prevent the Senate Republicans from passing the Unemployment Insurance "solution," which in Brinegar's eyes amounts to a \$700 million tax increase on businesses. Brinegar also played a key role in MySmartGov.org and the local government reforms. Further metrics on the legal and ethical problems facing townships might have bolstered his case.

36. State Rep. Scott Pelath: The Michigan City Democrat moved from chair of the House Rules Committee to vice chair of Ways and Means. Is Pelath being groomed to replace Ways & Means Chairman Crawford? Pelath has carried much water for Speaker Bauer and was his point man to quash the gay marriage amendments in recent sessions.

Pelath postscript: We'll let Pelath, the Ways & Means Chair in waiting, write his own postscript: "We did not pass a budget and we are going to be called into a special session to pass this measure - the one thing we must approve in a long legislative session - by the end of June. With House Republicans opposed to even a Senate Republican budget, it was evident they would provide no votes. It was too tough a vote for many House Democrats, and nearly half chose not to support a budget drafted by Republicans. This bill could not pass without bipartisan support, and it didn't."



Niezgodski

40. Senate Minority Leader Vi Simpson: The glass ceiling continues to break with Simpson's ascension to head the Democratic Senate caucus, the first in Indiana history. Despite her small caucus, Simpson has been savvy in the past in working issues and making her caucus relevant. She ran for governor briefly in 2003 and could be a credible candidate in 2012.

Simpson postscript: It was Simpson who pointed HPI toward the Crowe Chizek COMPETE study that went a long way toward forming our stance on government reform (as well as those of the seven Kernan-Shepard commissioners). That Simpson would turn this into a caucus decision against Kernan-Shepard was one of the great disappointments of the 2009 Indiana General Assembly, particularly when several Democratic senators were verbally sympathetic to the reforms. It is stunning that Democrats like Simpson are fine with the status quo when the township system is rife with corruption, a compelling lack of accountability, where it takes \$1.69 to administer a dollar of poor relief in Center Township; where more was spent on utility bills for township buildings than was spent keeping power and heat on for the poor. A true leader would have established the Democratic position on Kernan-Shepard and stimulated the debate, instead of pushing a party line vote and helping to snuff the entire process.

Those who didn't make the HPI Power List:

Rep. David Niezgodski: The South Bend plumbing contractor forged an Unemployment Insurance agreement that kept the Democrats promise to the 5,000 workers who flooded the Statehouse on April 28. The benefits were not cut. Niezgodski jumped the gun a little bit in announcing the compromise when support was still lining up, but after this session, he emerges as a labor champion who brought home the bacon to tens of thousands of hungry families.

Reps. Ed DeLaney, Mary Ann Sullivan and John Barnes: The three Indianapolis freshman showed some real guts in not falling into the party line on the Kernan-Shepard reforms. Are we looking at the future of Democratic legislative leadership coming out of this group sometime down the road?

Rep. John Bartlett: Why is this man running a House committee? He not only butchered the Kernan-Shepard legislation in the House, but he butchered the butchering in a spectacle not seen in the Statehouse circus in years. Every class needs a clown.

Jay Potesta: The Sheetmetals union chief mobilized 5,000 workers at the Statehouse two days before sine die and it became a rare instance where a show of force ended up influencing passage of legislation, in this case the Unemployment Insurance fund. ❖



Lugar warns of destabilized Pakistan; urges Obama to secure nuke arsenal

By **BRIAN A. HOWEY**

INDIANAPOLIS - U.S. Sen. Dick Lugar is calling on President Obama to "gain clarification" on the status of Pakistan's nuclear arsenal and "convince President Zardari to accept more assistance and embrace cooperation in these critical areas."

President Obama met with President Zardari Wednesday at the White House. On Monday, Admiral Michael Mullen, chairman of the U.S. Joint Chiefs of Staff, said, "I remain comfortable that the nuclear weapons in Pakistan are secure. I know what we've done over the last three years, specifically, to both invest, assist (Pakistan), and I've watched them improve their security fairly dramatically over the last three years."

But Mullen added, "I'm gravely concerned about the progress they (the Taliban) have made in the south and inside Pakistan. The consequences of their success directly threaten our national interests in the region and our safety here at home."

Lugar described the events as "the deteriorating, political and security situation in Pakistan." Lugar said that it "has led many to question the potential threat of Pakistani weapons of mass destruction falling into the wrong hands. U.S. and international leaders have expressed differing levels of confidence and concern about the safety and security of the Pakistani weapons stockpile."

In April, the Taliban had militant forces within 60 miles of Islamabad in the Swat and Buner valleys. This week, a Pakistan military counter-offensive was reportedly underway, though a number of analysts say that there are

factions within the Pakistani military sympathetic to the Taliban. Fears have been expressed that such rogue elements could tip off militants on the location of nuclear assets or their movement. Other reports say the Pakistani nuclear program is decentralized and that the U.S. is uncertain as to the location of all assets.

In meeting with Zardari and Afghan President Karzai, President Obama said on Wednesday, "We meet today as three sovereign nations joined by a common goal: to disrupt, dismantle, and defeat al Qaeda and its extremist allies in Pakistan and Afghanistan, and to prevent their ability to operate in either country in the future. And to achieve that goal, we must deny them the space to threaten the Pakistani, Afghan, or American people. And we must also advance security and opportunity, so that Pakistanis and Afghans can pursue the promise of a better life."

In January 2008, Mohamed El Baradei, director general of the International Atomic Energy Agency, expressed worries that

a radical regime could seize power in Pakistan and take control of the nuclear weapons arsenal. "Independent experts point out that governmental instability could lead to a disruption in the Pakistani military's chain of command that would make weapons, materials or missiles more vulnerable to theft," Lugar said.

It is that kind of theft author William Langewiesche describes in his book "The Atomic Bazaar: The Rise of the Nuclear Poor" that could threaten a city

like New York, Chicago or London. He notes that a small amount of highly enriched uranium could be fashioned into a bomb in a private machine shop no larger than a five-car garage in about four months. It would probably take place in a city like Mumbai, Jakarta, Karachi or Mexico City "where government control is lax, corruption is rampant and the noise emanating from the shop will be masked by other industrial activities nearby." It would take a team consisting of a nuclear physicist or engineer, a couple of skilled



Sen. Dick Lugar and Sam Nunn, who heads the Nuclear Threat Initiative, in the Albanian Defense Ministry in Tirana in August 2007. They were observing an expansion of the Nunn-Lugar Act to a nation outside Russia and Lugar wants it to be expanded to Pakistan. (HPI Photo by Brian A. Howey)



machinists, an explosives expert “who can design and handle the propellant,” and an electronics person to build a trigger.

Such a weapon set off in the Chicago Loop could destroy everything from Wrigley Field to U.S. Cellular Field - the city’s two major league baseball stadiums about 12 miles apart.

Soon after the terrorist attacks of Sept. 11, 2001, the Bush administration offered Islamabad nuclear security assistance, and in 2007 former Deputy Secretary of State Richard Armitage confirmed that some U.S.-Pakistani nuclear security cooperation had taken place. But Lugar explained, “Recent press reports suggest that this cooperation is not as broad as Washington had hoped. Unfortunately, under U.S. law at the time, the President was limited in the type of assistance he could offer in the days following the attacks on the World Trade Center and the Pentagon. That’s because not all U.S. nonproliferation programs were authorized to operate in Pakistan. This was a mistake and those restrictions have been removed. The U.S. President must have every tool available to respond to these heinous threats – especially in a crisis.”

In November 1991, Lugar wrote the Nunn-Lugar Act with Sen. Sam Nunn (D-GA), establishing the Cooperative Threat Reduction Program. The program has provided U.S. funding and expertise to assist in the safeguarding and dismantling of stockpiles of nuclear, chemical and biological weapons. To date, Nunn-Lugar has compiled an impressive track record: it has deactivated over 7,500 nuclear war-



President Obama as a candidate discussed nuclear security with Sam Nunn at Purdue University in July 2008. Sen. Evan Bayh is at left. (HPI Photo by Ryan Nees)

heads; eliminated more than 2,000 missiles; destroyed over 1,100 missile launchers; eliminated 31 nuclear ballistic missile submarines; secured 433 nuclear warhead shipments; secured 24 nuclear

weapons storage sites; and built and equipped 18 biological monitoring stations. Ukraine, Kazakhstan and Belarus are nuclear weapons-free as a result of cooperative efforts under the Nunn-Lugar program. Those countries were the third, fourth and eighth largest nuclear weapons powers in the world.

Lugar said that initially Nunn-Lugar was restricted to the former Soviet Union. “In 2003, I wrote legislation, signed into law by the president, authorizing the Nunn-Lugar program to operate outside the former Soviet Union,” he explained. “A year later, Nunn-Lugar funds were committed for the first time outside of former Soviet territory to destroy 16 tons of chemical weapons in Albania. This authority can and should be used to expand significantly our cooperation with Pakistan in the nuclear arena as well as in other critical areas.”

Lugar added, “I have spoken on numerous occasions about the need to utilize the Nunn-Lugar Program to engage Pakistan. The U.S. must vigorously seek to expand our cooperation with Pakistan to address the threats posed by weapons of mass destruction.”

Lugar traveled to Russia with Obama in 2005 to monitor the Nunn-Lugar program there. Since then, Obama has repeatedly said that Nunn-Lugar and nuclear security would be taken seriously in his administration.

Obama told Howey Politics in April 2008, “It will be a top priority. It will be something I care deeply, deeply about. We can defeat terrorists who are equipped conventionally. The devastation they could do with weapons of mass destruction would be unimaginable and we have to make sure we are doing everything we can do in that scenario. It is the kind of foreign policy I intend to pursue.”

In addition to listening to Lugar on the subject, Obama is expected to name former Indiana congressman and 911 Commissioner Tim Roemer as the U.S. envoy to India. Roemer told HPI during the 2008 presidential campaign that he had been advising Obama on the security situation as it relates to Pakistan and India, bitter nuclear-armed rivals who have approached the once unimaginable nuclear war showdown.

As envoy, Roemer would be expected to be another set of critical eyes and ears for President Obama in what is rapidly becoming the most destabilized region in the world. An official announcement on a Roemer posting in India has not been made. ❖



Sens. Lugar and Obama in Russia checking out WMD sites. (Lugar Senate Photo)



SD30 race to replace Lubbers faces twists

By **BRIAN A. HOWEY**

INDIANAPOLIS - For the first time since 1992 when State Sen. Theresa Lubbers successfully challenged the Marion County Republican machine, SD30 will face a change in order.

Gov. Mitch Daniels has appointed Lubbers to head the Indiana Higher Education Commission.



It has set off a scramble for one of the most influential Senate seats in the state. The assembling candidates include John Ruckleshaus, the slated machine candidate who Lubbers defeated in 1992; State Rep. Cindy Noe;

City-County Councilman Ryan Vaughn; former Councilman Scott Schneider; and Chris Douglas, who unsuccessfully challenged Lubbers in the 2008 primary.

Lubbers defeated Ruckleshaus 56-44 percent in the 1992 Republican primary. Ruckleshaus had served in a multi-member House district that included former House Speaker Paul Mannweiler and eventual Marion County GOP Chairman John Keeler. It was a reversal from the slating convention where Lubbers was crushed by the machine led by Chairman John Sweezy. But after that defeat, Lubbers stood up and said that she would run in the primary anyway. She was able to defeat Ruckleshaus in Washington Township by a 54-46 percent margin and ran better in the rest of the district.

As the Lubbers forces gathered to celebrate, Ruckleshaus appeared unannounced and gave a remarkable and conciliatory speech.

SD30 - which represents Butler-Tarkington, Meridian-Kessler, Meridian Hills and Broad Ripple - is one of the most educated and wealthiest districts in the state, with close to 70 percent of the residents holding college degrees and a third with post graduate degrees.

It was home to former governors (Evan Bayh and Robert Orr), along with Judy O'Bannon, John Mutz, Peyton Manning, Tony George, Roland Dorson, Mark Miles, Gordon Durnil, Rex Early, Mike McDaniel, Dennis Ryerson, Mike



Sen. Lubbers

Ahern and Ann DeLaney. Nine of the last 11 governor chief of staffs, including Bill Moreau, Fred Glass, Bart Peterson, Joe Hogsett, Tom New, Harry Gonso, Earl Goode, and Tim Joyce live there.

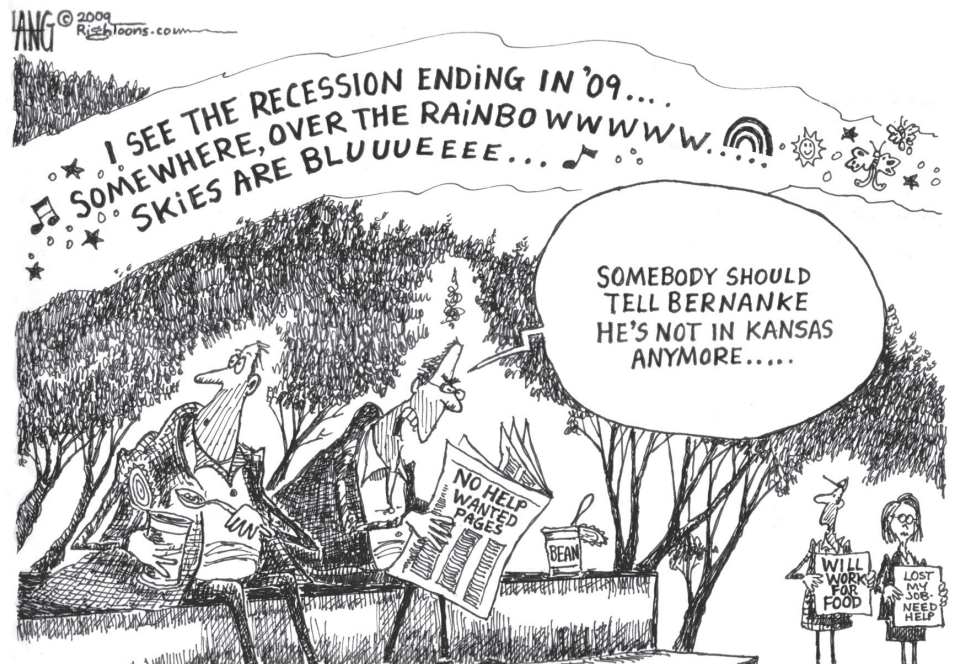
Who is likely to emerge? Early handicapping has Schneider and Noe vying for the conservative vote, while Vaughn is viewed as the up-and-comer and potentially having an early inside track.

With three to four Marion County candidates with 79 precincts in the county, Hamilton County Republican Chairman Charlie White may be looking at his 29 precincts a way to get a Hamilton candidate into the Senate. A candidate who can work a

united Hamilton County caucus along with a third of the Marion County vote could be a prevailing scenario. It was a formula that former councilman Bill Schneider used to help conservative State Sen. Mike Delph win Murray Clark's neighboring Senate seat.

Then there is the Lugar Series that was founded with the help of Sen. Lubbers, where co-founder Judy Singleton will likely have influence. Whether that would be a break for Rep. Noe - the only female lining up at this point - or a more moderate Republican remains to be seen.

As one seasoned observer noted, a multi-candidate race is likely to have unexpected twists and turns. ❖





Sheriff Dominguez tests early gubernatorial waters

By **BRIAN A. HOWEY**

INDIANAPOLIS - Lake County Sheriff Roy Dominguez held court in a small room just off the main dining area at Adobo Grill in downtown Indianapolis on Cinco de Mayo. There was a meeting with Indiana Democratic Chairman Dan Parker, with potential supporters for his emerging gubernatorial campaign, and with Howey Politics Indiana.



While it's still three and a half years before the next gubernatorial election, Dominguez is gearing up for a campaign that many would initially see as a long shot. There has never been a governor from Lake County and it's rare that a county sheriff makes this kind

of leap into statewide politics. Evansville Mayor Jonathan Weinzapfel, U.S. Rep. Baron Hill and Hammond Mayor Tom McDermott are all considering the race. There is speculation that 2008 nominee Jill Long Thompson, her primary rival Jim Schellinger and former Indianapolis mayor Bart Peterson will also take a look at the race.

All of those Democrats face dilemmas. Will Weinzapfel and McDermott run for re-election in 2011 and then turn around and run for governor a year later? Can Weinzapfel successfully build a new sports arena? Does Hill run for governor while remaining as a sitting member of Congress? When Republican David McIntosh did so in 1999 and 2000, Democrats compiled a list of votes he missed on a daily basis while campaigning. Thompson and Schellinger will have a hard time erasing the bad taste of anemic campaigns they ran last year. And while others who have endured defeats - Dick Lugar, Mike Pence, Phil Sharp, John Brademas - have made comebacks, Peterson may face the political fallout from the Capital Improvement Board fiasco surrounding Lucas Oil Stadium and the Indiana Convention Center.

Dominguez offers a unique resume. A former steelworker and state trooper, he graduated with a law degree from Valparaiso University and served as deputy Lake County prosecutor under Jack Crawford for seven years. He headed the Indiana Workers Compensation Board under Gov. Evan Bayh. He steered his way through the rough and tumble Lake County Democratic machine and won the sheriffs office in 2002, then won re-election against his immediate predecessor John Buncich in 2006 by

a wide margin. Sheriff department workers hadn't received a pay raise in years when Dominguez took the helm and he said he has subsequently raised their pay by 33 percent.

Dominguez was once a part of East Chicago Mayor Robert Pastrick's administration, but in 2003 backed George Pabey in his historic defeat of the longtime political boss. He supported Rudy Clay's chairmanship candidacy over Stephen Stiglitz in 2005, then backed Clay over current Lake County Chairman McDermott last March.

In 2008, he backed Thompson's gubernatorial bid and his help on her behalf in Lake County allowed her to defeat Schellinger there and win the nomination by 13,000 votes statewide. Schellinger essentially packed up his Lake County operations about two days before the primary that year while Dominguez and the steelworkers continued to press her candidacy. When HPI mentioned that Schellinger's campaign left Lake County with 48 hours left believing he had secured the county, Dominguez simply smiled and said, "So I'm told."

And Dominguez was an early backer of U.S. Rep. Pete Visclosky's Good Government Initiative, which was designed to streamline Lake County's complicated and overlapping municipal and county governments. "I'm for good government, but you have to produce a product," Dominguez said. "I was the first one to sign on to the Good

Government Initiative pushed by Pete Visclosky. It's important to take strides in efficiency and fiscal responsibility. I thought the Good Government Initiative did that. It tells us how we can do things better."

He is staking his candidacy on "progress" and made campaign forays into the South Bend West Side Democratic and Civic Club on Dyngus Day, to United Steelworkers, then spoke at the 3rd CD Democratic Dinner in Columbia City on April 25 before Rep. Hill's keynote.

"Being early means you have the passion to run for it. It will take a lot of time. I've

had a career of public service," Dominguez said. "I understand the difficulties in public service in terms of being a candidate and the demand of time on an individual. I think progress is so important."

Dominguez stakes the rationale for his candidacy on the economy that is under severe duress as well as environmental issues. But he becomes most animated when





he talks about the environmental unit he formed within the Lake County Sheriff Department. "Environmental issues are major issues for future generations," he said. "The Region is probably one of the most difficult areas when it comes to environmental issues. Its effect upon the residents is very dramatic. It's important that we invest in our communities. The current change in direction of IDEM is a major concern for me."

The sheriff added, "Because Lake County had been polluted for so many years I've been trying to say

'It's not OK.' I tried to change that mindset by having our detectives involved in environmental issues. When you're involved in a prolonged investigation, many times these companies find their lenders or their shareholders know of a criminal investigation, they take care of it. When the sheriff sends them a letter, it gets their attention real fast."

Dominguez said he believes that the Indiana Democratic Party, which backed Schellinger before the 2008 primary, will remain neutral going into the 2012 primary. ❖

Compromise could make special session quick

By **DAVE KITCHELL**

LOGANSPOUT – It's like trying to put a saddle on a sea horse.



Some things just weren't meant to be. The 60-day session every two years Hoosiers depend on to produce a two-year state budget is one of them.

More times than not, Democrat or Republican, too many issues (and egos) get in the way of reaching the 60th day with 150 signatures on a dotted line.

This is one of those years.

We're headed for yet another special session, but this time, let's cut legislators some slack. They've had a huge curve ball thrown at them in the form of revenue forecasts that have fallen almost as the stock market has risen.

And therein lies the real problem with this session. It's not something inherent with either caucus in either house. It's our faith in what's going to happen around us.

We see car dealers giving up. We see for sale signs in front of homes for more than a year. We hear about friends and relatives losing their jobs.

Let's face it. We've lost some swagger. Our pride is hurting.

Our confidence in economic recovery should not be hurting.

Most forecasts now call for an end to the recession by the end of the year with Fed Chairman Ben Bernanke indicating it has bottomed out. Job cuts have slowed. Deals for Chrysler and GM are in the offing and the nation's 19 largest banks are passing stress tests, even if Bank of America is a little miffed over the Merrill Lynch fiasco.

Gov. Mitch Daniels, ever the budget-minded one

who yells "cut" more often than Cecil B. DeMille, is right this time. We need to cut the budget by about \$1 billion to make it through the two-year cycle. But there's a way this can be accomplished without cutting now and causing further harm to a Hoosier economy that has taken it on the chin.

Simply put, let's convene the legislature and approve the proposed budget at 95 percent of the proposed levels. Let's reconvene in January to talk about the other 5 percent. By then, revenues may have rebounded. By then, banks could lend us the money if we don't have it. By then, we might come up with other ways to raise the revenue, or to cut programs. By then, we might have a solution that involves all or several of the ideas just mentioned.

With the federal stimulus money about to make an impact, along with another construction season of Major Moves funding, and the summer construction and farm seasons which raise incomes and lower unemployment, things are bound to get better.

But if the legislature convenes in Indianapolis and talks tax increases, or argues over more cuts, Hoosiers could be stuck with another expense they don't need and have many more uncertain weeks and months ahead.

It doesn't have to be that way. There doesn't have to be cuts in staffing, benefits, purchases made in the state economy and entitlements that help Hoosiers, but help the state's bottom line.

But there will be if the legislature has a special session that will be special if only for the fact that it will spend more money the state doesn't have.

It's time for common sense thinking, the kind that many former legislators showed when times were tough in Indiana and the reality of more cuts in spending was worse than the situation legislators found themselves in when they came to Indianapolis in the first place.

"Build it and they will come" was the belief former Indianapolis Mayor William Hudnut had when he supported the construction of a domed stadium when the city didn't have a professional football team. "Believe in the Indiana economy and it will grow" should be the mantra now because history has proven time and again that our economy is as resilient as it is unpredictable. ❖



Pondering Obama's Notre Dame visit

By JACK COLWELL

SOUTH BEND - With a picture of a fetus flying high above campus and threats to create a political mud pit down below, let's ponder some questions about the May 17 commencement at the University of Notre Dame.

Q. Will President Obama still come to deliver the commencement address?

A. Of course, barring some national or international crisis that would force a president to cancel every planned event. Neither he nor Notre Dame wants the negative image of surrendering to protesters.

Q. Will Obama be welcomed by the graduates?

A. Yes, overwhelmingly so. Most graduating students are delighted to have a commencement speaker they will remember, not some cardinal, diplomat or corporate donor they never heard of and whose

name they won't even recall in a couple of years. Not all of them voted for Obama, although results of the mock student election last fall indicate that a majority probably did.

Q. But isn't there student opposition to Obama coming because of his pro-choice views on abortion?

A. Yes. ND Response, a coalition of student groups opposed to Obama, ran a full-page ad in *The Observer*, the student newspaper, saying that the Catholic Church "identifies abortion as an intrinsic moral evil" and that having Obama as commencement speaker "honors the whole person, not a narrowly designated subset of his views."

Q. So, will these ND Response students join in the promised effort to make the campus a "political mud pit" and turn commencement into "a circus," with disruptive demonstrations?

A. No. Those threats come from Randall Terry, the professional protester in town to seek publicity and funds for his cause, which he says is "pro-life." Student spokesmen for ND Response have made clear they don't welcome Terry and don't want commencement ruined by mud or circus acts. They and others who want a serious appeal that promotes rather than cheapens the pro-life cause resent Terry's antics, such as the plane flying over campus, pulling a banner with a large picture of a fetus.

Q. How large is opposition on campus?

A. The *Observer*, deluged by letters to the editor, found that three-fourths of letters from students support the invitation. Support among graduating seniors was even higher. I teach a class at Notre Dame. This I cite to reveal that I have an interest in the welfare of the university and its students and to provide a basis for this observation: Opposition among students and faculty to hearing the president appears to be scant, even among those who did not vote for Obama.

Q. Why did Father John Jenkins, the university president, invite Obama? Didn't he know there would be controversy?

A. He was following in the Notre Dame tradition, furthered by Father Ted Hesburgh, legendary president emeritus, to invite presidents of the United States, no matter the political party or political philosophy. Jenkins knew of course that there would be controversy. He certainly knew that Bishop John D'Arcy, frequent critic of the Notre Dame administration and students, would be unhappy. He also knew that some other bishops would think it improper for a Catholic university to "honor" Obama in view of differences over the abortion issue. Jenkins, however, probably didn't expect the "mud pit" variety of protest.

Q. Is the honorary degree Obama will receive the main reason for opposition?

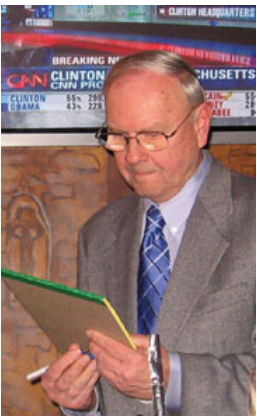
A. No. If Obama were getting no honorary degree, there would still be protest over his speaking at commencement. An honorary degree means nothing academically. It's often a fund-raising tool, going to major donors or those a university hopes to turn into major donors. Commencement speakers, great or small, traditionally get honorary degrees. Obama is likely to receive hundreds.

Q. For what will Obama be praised in the honorary degree citation?

A. Well, it won't be for his views on abortion. An achievement likely to be cited is attaining the presidency, the first African-American to do so.

Q. Will protests be disruptive? Violent?

A. Could be both, but with outsiders bringing that about. If they can't do something to capture headlines away from what Obama says, they will regard their efforts as a failure. They will try their best - their worst. ❖



Your most comprehensive source
of Indiana General Assembly news

HOWEY
Politics
Indiana *DailyWire*

www.howeypolitics.com



John Byrne, Post-Tribune: I've spent four months watching legislators pass bills governing institutions like the State Egg Board and the dispensing of contact lenses, watched them honor high school football teams and name a state pie. There was a lot of hard work going on to pass a lot of important legislation, don't get me wrong. But the budget situation seemed impossible from the jump, and nobody in the legislature was particularly worked up about it. As the weeks ticked by, they shrugged off suggestions the state's economic free fall would make it particularly tough for Democrats and Republicans to agree on a state spending package, insisting "there's plenty of time left." Apparently not.

John Aloysius Farrell, U.S. News & World Report: Now here is an interesting morsel. A Midwestern governor, labeling his rivals the "party of no," got re-elected in November with the biggest vote total of any statewide candidate in history. And he is a Republican. That is correct. Our old friend Mitch Daniels, who went home to Indiana to engage in some hands-on governing after years as a well-liked Republican apparatchik here in Washington, says lambasting the other guy is not enough. The voters kind of like to know where candidates propose to take them. This may seem elementary, but it may come as a surprise to Republicans in Congress, who seem to believe that a scorched-earth approach is the path to power. No so. "Always, always you have to start with a better idea," Daniels told National Journal. "To me there's not a lot of upside in whining. I hear Republicans whining about, you know, the Democrats not being bipartisan. You know, 'We weren't included in this, we weren't at the table in that.' Well, get over it... 'I don't think the public is ever particularly impressed with process arguments. What (Republicans) should say instead is, 'Well, here's the way we would spread health insurance and not ration care and not take away your freedom in the process. If they'd let us in the room, this is what we'd suggest.' 'I'd concentrate on your better answer, recognize that the other side won an election. (The Democrats) are ruthless about what they want to do to seize territory for the government from private life. Go to work on alternative ideas that maybe one day we'll get the chance to try,'" Daniels said. Good advice. Daniels is not overwhelmingly charismatic. (Although he does ride a Harley.) Rush and the Base may not love him the way they lust for Sarah. But Daniels has a good sense of humor and a fine appreciation of human frailty, is both a principled conservative and a political realist (having learned his craft while working in the Reagan White House), knows government inside-out (from his years as OMB director), and thumped the Democrats pretty good last November,

even as Barack Obama was carrying the state. As Michael Barone recently pointed out, Daniels is exactly the kind of Republican that could woo independent voters and conservative Democrats—maybe even young folks—back to the GOP in 2012. ❖



Matt Tully, Indianapolis Star: So how can Indianapolis improve the quality of its public education system? No more important question faces the city. And while there are neither easy answers nor quick fixes, there also is no doubt about the need to put that daunting question at the center of an intense and long-term public discussion.

The road to better schools is filled with monumental social, financial and institutional obstacles. There's no guaranteed route. But a good starting point would be to follow the lead of reformers such as David Harris. Harris is a Democrat and a strong union supporter, but he believes Statehouse Democrats and teachers unions have become unacceptable barriers to education reform. Lately, Harris has watched as old-school Statehouse Democrats worked to slow the charter schools movement -- in glaring opposition to President Barack Obama and other Democrats. "It sends a signal nationally that Indiana is running away from reform, and away from the president and his agenda," Harris said over breakfast Friday. "That's a bad message to send. For a long time we were seen -- at least Indianapolis was -- as being at the forefront of reform." ❖

Sylvia Smith, Fort Wayne Journal Gazette: The decision last week by Sen. Arlen Specter of Pennsylvania to become a Democrat some 40 years after he left the Democratic Party to become a Republican is a betrayal (Club for Growth), pure political opportunism (Indiana GOP Chairman Murray Clark), a defection (national GOP Chairman Michael Steele). Specter's party change brings Democrats closer to the 60 votes they need to choke off a GOP filibuster but doesn't guarantee it. Besides, the magical 60 votes is achieved only if both independents vote with the Democratic caucus, the Minnesota election is finally resolved in favor of the Democrat, and the three most conservative Senate Dems -- Evan Bayh, Ben Nelson and Mary Landrieu -- don't bolt. Even before Specter switched parties, Chris Chocola, a former two-term congressman from South Bend, has been leading the charge against Specter, calling him a Republican in Name Only and asking the GOP faithful to contribute money to Toomey's campaign. Typical of Chocola's messages to Club for Growth members: "It's clear that Keystone State Republicans are upset with Specter over his multiple defections to the left." So I guess Specter showed Chocola. What Republicans like Chocola and Toomey are doing is shrinking the GOP by demanding a philosophical purity that is not matched in American society. ❖



GM CEO reassures Rep. Souder

WASHINGTON - The decisions about which GM car and truck plants to close will be based on productivity and performance, not politics, the company's new president assured lawmakers in a closed-door meeting on Capitol Hill this week (Fort Wayne Journal Gazette). Fritz Henderson also said GM won't stop making Silverado and Sierra pickup trucks, which are produced in four plants, including Allen County's. Rep. Mark Souder, R-3rd, said those comments, taken together, are potentially good news for the Allen County plant and the 2,600 workers who are three days into an 11-week layoff. Souder said Henderson made no promises when he met with members of Congress on Tuesday afternoon. But Souder said he left the meeting thinking that Henderson "sounds like a guy who knows if GM is going to survive, it needs to change the business model. ... He's basically pulling back to be a smaller, more effective car company."

Souder said he was heartened by Henderson's comments because Henderson said Silverados and Sierras will be kept in the GM line; the Allen County plant makes the basic version of each, rather than the "faddish," fancier.

Cummins lays off 800

COLUMBUS - Cummins Inc. announced this morning that it would close the Columbus MidRange Engine Plant at Walesboro, laying off about 690 workers (Columbus Republic). The plant, which produces engines for Dodge Ram trucks, will be idled during the Chrysler bankruptcy. Other layoffs announced today, but unrelated to Chrysler, include: 30 at Fuel Systems,

30 at Columbus Engine Plant and 50 at the Industrial Center in Seymour.

Bennett cites urgency as school rankings fall

INDIANAPOLIS - Two-thirds of Indiana's school districts and about half of all schools now fall in the lowest tiers of Indiana's school ranking system -- meaning they are on probation or in danger of that (Indianapolis Star). Superintendent of Public Instruction Tony Bennett said the results should be a wake-up call not just to schools but to entire communities to change the state's attitude about education and expectations for children. "This is an urgent situation," he said. "It is a true call to action for our state, our school corporations and our communities." Among schools, 47 percent were on academic watch or probation, ranging from 35 percent of elementary schools to 70 percent of high schools. The 2008 results released Wednesday placed 187 school districts in the "academic watch" category and five more on academic probation. That equates to 66 percent of Indiana districts in the lowest two categories, up from 51 percent last year.

Bayh takes aim at credit card companies

WASHINGTON - U.S. Sen. Evan Bayh will hold a conference call today to discuss his push for tough new rules to prevent credit card companies from unfairly hiking fees and interest rates on middle-class Hoosiers who are responsible and pay their bills on time (Howey Politics Indiana). "Too many middle-class Hoosiers are getting unfairly squeezed by credit card companies," Bayh said. "Many consumers think they are signing up for the interest rate advertised on the envelope, only to find that the credit card companies reserve the right to raise those rates at any time, for any reason. These deceptive practices

have to stop."

Clinton to keynote Democrat JJ Dinner

INDIANAPOLIS - The Indiana Democratic Party says former President Bill Clinton will be the keynote speaker for the party's Jefferson Jackson Day dinner on June 20. Tickets to the fundraiser in downtown Indianapolis will be \$125 per person. [private]

Bayh takes aim at credit card companies

WASHINGTON - U.S. Sen. Evan Bayh will hold a conference call today to discuss his push for tough new rules to prevent credit card companies from unfairly hiking fees and interest rates on middle-class Hoosiers who are responsible and pay their bills on time (Howey Politics Indiana). "Too many middle-class Hoosiers are getting unfairly squeezed by credit card companies," Bayh said. "Many consumers think they are signing up for the interest rate advertised on the envelope, only to find that the credit card companies reserve the right to raise those rates at any time, for any reason. These deceptive practices have to stop."

Leising meets with Carbon Motors execs

CONNERSVILLE - State Sen. Jean Leising (R-Oldenburg) attended events for Carbon Motors, a start-up homeland security company today at the Statehouse and in Connersville on Tuesday (Howey Politics Indiana). Carbon Motors has chosen Connersville as one of five finalists for the location of a new plant to produce custom law enforcement vehicles. The prototype police car was on display outside the Statehouse and at the former Visteon plant in Connersville. "I was very impressed with the lighting on the prototype car."

