



As reforms wane, issues shift locally

Keep an eye on Kokomo, Greenwood, Muncie and Brown County

By **BRIAN A. HOWEY**

KOKOMO - With the Kernan-Shepard reforms losing steam at the Statehouse and the door swinging shut on this once-in-a-generation opportunity to reshape Indiana government, any action on government consolidation will likely take place locally for the foreseeable future. It comes on the eve of the property tax caps that, along with the recession "is going to hit local governments like a ton of bricks next year," Purdue Prof. Larry DeBoer said in Muncie on Tuesday (Muncie Star Press).

Government reform movements took place under Gov. Thomas R. Marshall a century ago and were beaten back by the Indiana Supreme Court. Gov. Paul McNutt was able to organize reforms on the first day of the 1933 Indiana General Assembly that brought together a wide array of state agencies under his administration, with the fourth year of the Great Depression acting as a catalyst. In 1970,



there was the Government Reform Commission that lost most of its thrust after the Unigov experiment in Indianapolis. Since then, there have been the defeated VandyGov in Vanderburgh County two decades ago, and two COMPETE studies that acted as precursors to Kernan-Shepard.

Continued on Page 3

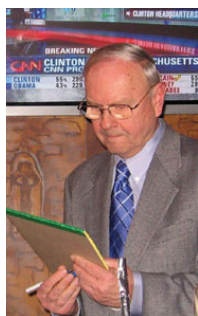
Chocola's GOP

By **JACK COLWELL**

WASHINGTON _ Although Chris Chocola isn't in Congress anymore, he's here in the fight for a Republican Congress - his brand of Republican.

Chocola, the Elkhart County Republican who represented Indiana's 2nd Congressional District for two terms before losing to Democrat Joe Donnelly in 2006, now is president of the Club for Growth, a conservative group that targets Republicans it regards as too wishy-washy moderate on taxation and government expansion.

He is in the fight for the soul of the GOP. "I never thought I'd be doing the weekly commute again, raising funds



"I don't use him publicly as a reference point."

- **Gov. MITCH DANIELS,**
ON THE REPUBLICAN PARTY USING
PRESIDENT REAGAN AS A GUIDE TO
THE FUTURE, NEW YORK TIMES



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again," Chocola says during an interview in his Club for Growth office. It's larger and plusher than his old congressional office.

"But I still have a great concern for what's going on," he says. And he doesn't like what's going on - Republicans losing control of Congress and the White House and now wrangling in what Chocola calls a misleading "big tent versus purists" debate.

The Club is accused by some Republicans, especially moderates, of insisting on a small GOP tent - room only for conservative purists - that won't attract an election majority.

Pennsylvania Sen. Arlen Specter cited the Club's intent to defeat him in the 2010 Republican primary as a key reason for switching to the Democratic Party. Former Congressman Pat Toomey, Club president prior to turning the post over to Chocola earlier this year, had announced he would again

challenge Specter. Toomey, with Club backing, darn near upset Specter in the '04 Republican primary.

Chocola contends that the Club wants a big tent, although not big enough for Specter. "We don't get into social issues," Chocola says, denying any intent "to kick people out of the party" over differences on abortion, guns, immigration or foreign policy.

Voting for bigger government and spending that could lead to higher taxes is another matter.

"If you are not for limited government why would you call yourself a Republican?" Chocola asks.

When Specter voted for the

economic stimulus package - one of only three Republicans in Congress to do so - that left him unwelcome in the tent, at least in the view of Toomey and the Club. The Club made clear it would back Toomey with funds from its political action committee and urge other conservative support.

The Wall Street Journal reported that Specter's defection to the Democratic side "inflamed a debate within the (Republican) party: Are the group's tactics good or bad for Republicans?"

GOP critics say the Club sometimes defeats or weakens a Republican in the primary, with a Democrat then winning in the general election.

Maybe this has happened in a couple of cases, Chocola concedes, but he insists that Club efforts overall have strengthened the Republican Party through electing people who stand up for Republican principles.

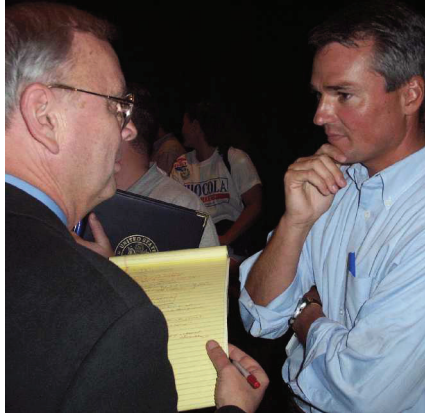
Abandonment of those principles by too many Republicans led to GOP defeats in '06 and '08, Chocola

says. "Everything Republicans ran on we didn't do," Chocola says. "So they (voters) said they would try the other guys."

If Republicans had, while in control, passed Social Security private accounts, tort reform and tax reform, they still would have a congressional majority, Chocola argues.

"When I was in the House, the enemy wasn't the Democrats. It was the Republicans," Chocola says. Republicans had the votes, he explains, but not the solidarity to follow through on limited-government and "economic-freedom" issues.

So, he's back in Washington, seeking through the Club to help elect



Chris Chocola with columnist Jack Colwell during his 2002 campaign in Rochester. (HPI Photo by Brian A. Howey)



“solid” Republicans and warn GOP incumbents of Club opposition if they’re deemed too wishy-washy.

Upcoming Indiana races in which the Club will be involved? “Nothing on our radar screen,” Chocola answers. Not even Club resources for a Republican against Donnelly, the Democrat who beat him? That would depend on whether there was the right candidate in the right circumstances, Chocola says, something more likely if Republicans control redistricting for something such as adding Kosciusko County and more Republican parts of

Elkhart County to the district, while taking away LaPorte County Democratic strength.

Chocola now focuses on other races. As he did while in Congress, Chocola returns to his Bristol home on weekends.

“And I don’t have to wait for Nancy Pelosi to tell me when I can go,” he laughs. ❖

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

Reform, from page 1

Unless Gov. Mitch Daniels becomes the catalyst to either administratively push the Kernan-Shepard reforms, using his bully pulpit late this year and in 2010, or a Republican-controlled House joins his efforts in 2011, any momentum to the Kernan-Shepard reforms that began two years ago will wane. Even with a GOP House takeover in 2010, there is little prospect the leadership there will embrace a 21st Century vision over our 19th Century framework.

This is not unique to Indiana. Our neighbors to the west - Illinois - reacted to the scandal of impeached and convicted Gov. Rod Blagojevich with a package of reforms pushed by the new reformer Gov. Pat Quinn. The result was disappointing and the perception is that the window, too, is closing.

In Indiana, there is evidence of this in the recent Indiana Advisory Commission on Intergovernmental Relations (IACIR) survey which revealed that local officials favor only the most conservative of the 27 Kernan-Shepard recommendations. More than 800 mayors, town council members, county commissioners, school board officials, township trustees, and other elected officials from throughout the state were polled between July and September 2008 on issues ranging from public safety to infrastructure needs.

Respondents were asked for input on the 27 recommendations proposed by the Kernan-Shepard Commission in December 2007. The most-supported recommendations were increasing joint purchasing efforts (60 percent), adopting best management and business practices (57 percent), and coordinating public safety services in each county (46 percent). Nearly a third of respondents supported consolidating the property tax assessment function

at the county level under an appointed county assessor (32 percent), reorganizing library systems by county (32 percent), and expanding voluntary coordination and consolidation of local government (32 percent).

“A lot has happened since the last IACIR survey was released. These new results allow us to take the pulse of Indiana’s communities to see how they’re coping with tough economic times and meeting people’s needs,” said State Rep. Win Moses (D), Fort Wayne, chair of the IACIR. “This data will help state leaders identify priorities and lay the groundwork for effective local government in Indiana.”

There also are hard economic realities taking shape with the 1-2-3 property tax caps beginning to have an impact on local governments. Muncie and Kokomo have laid off firefighters in recent weeks. Other cities are almost certain to follow.

There are four localized areas worth watching in the next several months, with more likely to emerge during and after this summer’s municipal budget hearings:

Greenwood and White River Township: The city and township are studying whether to merge. It has been a topic for 20 years. The township trustee is against the merger, but the township advisory board is in favor. Greenwood Mayor Charlie Henderson is awaiting study

results. Both township and city firefighters reportedly are in favor. The task force studying the merger is concentrating on flow of tax dollars. White River Township is a “donor” municipality with funds flowing to other parts of Johnson County. Other aspects under study include sewers and septic systems, parks and trails, and public safety. A potential hitch would be Bargersville’s competition with Greenwood to annex unincorporated areas of the township. Many officials reportedly haven’t “dug in” on the issue, nor has the local news media taken sides. All the players here are Republican, so if it makes economic sense but can’t get through, that bodes ill for other consolidations in more



Gov. Mitch Daniels and Muncie Mayor Sharon McShurley. She is on the front lines of Daniels 1-2-3 property tax caps.



politically diverse areas.

Brown County: Several years ago the Brown County Commissioners approved a countywide fire district, igniting a controversy still flaring. In 2008, the county council refused to fund the fire district and two new commissioners were elected, running on a platform of opposing the district. On Jan. 1 this year, their first act was to attempt to kill the district, which has yet to be approved by the Indiana Department of Local Government Finance. In May, Jackson Township Trustee Ron Sanders told the commissioners that he did not anticipate reaching a contract agreement with the fire department, forcing the Fruitdale Volunteer Department (near Bean Blossom) to provide fire protection for Nashville. "This is far beyond negotiating," Sanders said as people on all sides of the issue cited "lies" and turf battles.

Brown County Sheriff Buck Stogsdill ended a May meeting by saying, "As shorthanded as we are on volunteers in this county, it's foolish to get rid of anybody. This bickering has got to stop." But by mid-June, there was no solution as a dispute emerged on whether to replace a fire station in Trevlac damaged by June 2008 floods, or at Helmsburg, where many of the volunteers must

travel to reach Trevlac. The delay could have kept Jackson Township from receiving a \$500,000 federal grant, leaving some to charge that the impasse is a deliberate attempt to stop the grant. Subsequent meetings scheduled for June 2 and June 11 didn't occur as key officials didn't show up or weren't notified, according to the Brown County Democrat. The issue was finally resolved last week. The whole point of Kernan-Shepard was to create a public safety board to take into account the needs of an entire county. In Brown County, the various factions have succumbed to turf battles. If there's a poster county supporting public safety commissions at the county level, it is here.

Muncie and Delaware County: Republican Muncie Mayor Sharon McShurley has declared an "economic emergency" and has laid off 32 firefighters (down from 40 initially proposed), or a third of the fire department as the city faces a \$3 million deficit, which will double by 2011.

"Next to Lake County and St. Joseph County, Delaware County probably gets hit the hardest," Larry DeBoer, a Purdue University professor, said of the loss of revenue caused by property tax caps (Muncie Star Press). The fire layoffs are controversial since Ball State University has many high rise dormitories. Over the next two weeks, several hearings are scheduled to explore consolidating Muncie and Delaware County. An independent group urged McShurley to merge MFD with Center Township, but she quickly dismissed the idea since it included buying out a number of firefighters. She also cited previous antagonisms. By last Sunday, the Muncie Star Press tried to walk its readership through this question: how many firefighters does the community actually need? This could be the first real test of how the tax caps influence government consolidation activity. The early returns are not promising.



Kokomo: This is a community in the proverbial "perfect storm." First, Howard County is a bellwether election site. When a party carries it in gubernatorial and House races, that party controls at the state level. State Rep. Ron Herrell could find himself in the cross hairs over the government reform debate. Kokomo has feuded with Center Township over placement of fire department assets. Mayor Greg Goodnight also laid off 12

firefighters, prompting his chief to resign. Veteran Kokomo firefighters get seven weeks of paid vacation. Goodnight wanted EMS services handled privately by the city's two hospitals. By this week, there were concerns that the two county hospitals might not have enough EMS units, causing volunteer departments from Greentown and Galveston to cover Kokomo. That raised questions of what would happen if a Greentown EMS is in Kokomo, who would cover that town during that timespan? On the education front, Howard County is home to five school corporations, with Taylor Schools on financial life support. There is a township where the State Board of Accounts has identified \$81,000 in missing funds. Throw in the Chrysler and Delphi bankruptcies and the continued uncertainties on how many people they will employ, along with the property tax caps that will fully be in place in 2010 and 2011 and this is a combustible mix.





Fleeting political capital for mayor

By **GREG GOODNIGHT**

KOKOMO - Our city, once again, is going through changes. Some changes are more difficult to accept than others, but now is not the time for hesitancy, or second guessing. Facts, data, financial forecasting, detailed and sometimes difficult discussions are what it takes to make decisions. In times like these, sometimes, we have to act fast.

The legislature has suggest that local leaders might consider making tough decisions, trim the fat, and use the "tools" (Codeword for taxation) they have provided to local governments to manage the House Bill 1001 induced "tightening of the belt."

The "tools" for navigating the economic rapids of today are pretty much the same, along with the edict to be more efficient, privatize more services, improve accountability, and of course, force local governments to raise fees and taxes. Raising taxes and adding trash fees now would be disastrous. Most of our auto industry workforce is out of work, and many former Delphi employees have lost their retiree healthcare and seen a reduction in their pensions.

Have you ever heard someone say, "My parents didn't give me (fill in the blank), I had to work hard and save money?" We all know what that means; working isn't always fun; and, saving money isn't always easy, but making those sacrifices opens the door to some great rewards. It is a pretty realistic and a common ideal.

The leadership, business owners, and residents of the City of Kokomo are making unprecedented sacrifices, but we have faith that those sacrifices will yield great returns like new jobs, sustainable economic development, and an improved quality of life.

As a whole, our State's leadership doesn't seem to be making the tough decisions necessary for Indiana to push through economic barriers and be better prepared to engage and compete in the global marketplace.

They didn't make the unpopular decisions to re-vamp our nearly 200 year old system of government, nor have they found a way to stimulate our local economies

by incentivizing renewable energy projects or sustainable manufacturing jobs.

Why are solutions to these ongoing problems not being driven by our state's collective leadership, now in an "emergency" session, in Indianapolis? Is it because it is easier to appease special interests than it is to make the difficult and often unpopular decisions that could cost them their political capital?

For over a year, the leadership of cities, towns, and counties have been told to become efficient, reduce spending as well as personnel. The local leaders around Indiana, who are making the tough and unpopular choices, are almost out of political capital and are working to save their communities from economic turmoil.



Kokomo Mayor Greg Goodnight during his 2007 election campaign. Goodnight says he and other mayors are rapidly using up their political capital. (Goodnight campaign photo)

Now it is time for our State's leadership to hunker down and do what is right for our schools, infrastructure, the less fortunate, and our State's future. It is time for them to do what must be done to lead our State. Take it from this Mayor, business as usual is no longer an option for any of us. ❖

Goodnight is the first-term Democratic mayor of Kokomo.



Time to take over the Indiana Libertarians

"Oh, my dear little librarian. You pile up enough tomorrows, and you'll find you are left with nothing but a lot of empty yesterdays."

- Harold Hill, "The Music Man"

By BRIAN A. HOWEY

NASHVILLE, Ind. - So long, Andy Horning! May the good Lord bless you, your family and your vocal cords.

As most of you know, the oft Libertarian candidate Horning is leaving Freedom, Ind., for Houston and a new job.

This probably means the Indiana political process will get a little quieter. Andy Horning loved to run for office. He ran for governor twice, 7th District Congress and mayor of Indianapolis. He espoused Libertarian principles and much common sense. He was an ardent and pure defender of the U.S. Constitution. He often acted as a

buffer - often comically - between Republican and Democrats.

Govs. Mitch Daniels and Frank O'Bannon professed to like Andy. Daniels has even acknowledged his admiration for Libertarian principles and concepts.

Thus, this is where Andy Horning and pussycat Indiana Libertarians have simply piled up a bunch of empty yesterdays. Everywhere I go - and quite often - I hear Hoosiers pronounce their admiration for Libertarian principles. These are the guys that understand that government should provide public safety, education and build roads (well, maybe not all the roads). Government shouldn't be building stadiums or concert halls. Government should get out of our bedrooms, our personal lives, our marriages.

All the time I hear conceptual admiration for Libertarian thought from the most unexpected sources.

Which brings us back to all the empty yesterdays and a quieter Indiana. Indiana Libertarians seem content just to get that 3 or 4 percent in a secretary of state race every four years so they can qualify for the gubernatorial ballot. This gives candidates like Horning and Kenn Gividen a conspicuous stage on which to talk and talk and talk and talk.

They talk far more than they get votes.

Now, why is that? Why can't the Indiana Libertarians stop playing political party and actually become one? Actually recruit candidates, amply fund them so they can get their message out and begin to inch their way up the polls so that they might some cycle soon pull 15, 20, hey, perhaps even 33.4 percent of the vote? And once that threshold is reached, perhaps even win an election?

There is an emerging opening in Indiana politics. The progressive wing of the Democratic Party is completely under the thumb of House Speaker B. Patrick Bauer, an absolute pillar of inertia and the status quo.

Republican moderates are in greater numbers tiring of the gay bashing and other intolerances, the abortion litmus tests and the adoration of guns.

This represents prime territory for a vigorous Libertarian Party to patch together a new coalition, fill a void and create the third way or a new middle ground.

I gave the keynote address to the Indiana Libertarians shortly after Jesse "The Body/The Mind" Ventura stunned the nation, Minnesota and Garrison Keilor after winning the governorship. Ventura spent around \$300,000 and combined it with an aggressive grassroots campaign that featured a statewide bus tour, pioneered use of the

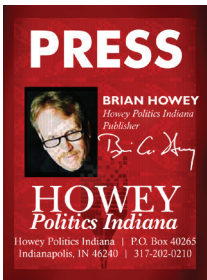
Internet for political purposes, and aired quirky TV ads designed by adman Bill Hillsmann, who forged the phrase "Don't vote for politics as usual."

I urged Hoosier Libs to go to St. Paul, study the strategies, the communication model (which since has greatly been enhanced by the Dean campaign in 2004 and the Obama campaign in 2008), apply the emerging internet, put the reefer advocacy on the back bong, and recruit candidates in Indiana's business and law schools. Find sympathetic big money donors who might fund emerging third way candidates.

None of this happened as far as I can tell and I probably watch the political process here as intensely as anyone. The Indiana Libertarians continue to talk and play politics, providing fodder for piles and piles of empty yesterdays.

On a national level, there are signs that money can follow a Libertarian. During the fourth quarter of 2007, U.S. Rep.

Ron Paul was the most successful Republican fundraiser, bringing in approximately \$20 million, according to Wikipedia. Paul's campaign set two fund raising records: the largest single day donation total among Republican candidates and twice receiving the most money via the Internet in a single day by any presidential candidate in American



ANDY HORNING



history.

Not necessarily because of Horning's exit, but because the GOP faces an unknown future in the post-Mitch era, and because Democratic progressives are timid and fearful of confronting the Little Giant from South Bend and the junior senator from Shirkieville, perhaps the third way is a coalition to begin plotting a takeover of the Indiana Libertarian Party.

It probably wouldn't be hard to do, given the minuscule numbers of active Libertarian Party participants.

Particularly if moderates and progressives picked up a chapter from Homer Capehart's 1938 Cornfield Conference which plotted a return of the GOP from New Deal oblivion.

Andy Horning, Godspeed! Perhaps Texas really is the perfect place for your big heart.

And to the rudderless, inert Hoosier Libertarians: How about some urgency and simple speed to those who have the audacity and wit to forge a hospitable takeover and a truly viable third way? ❖

Tensions surrounding 3 issues at Legislature

By **KATIE COFFIN**

INDIANAPOLIS – The three bills going through the House all have tensions surrounding them that the Ways and Means Committee has had difficulty finding middle ground on up to this point. The clock is ticking on compromise efforts as the June 30 deadline approaches.

CIB bailout dies in House

The House killed the CIB bailout bill Tuesday. "My call is that CIB is dead in the House this session," Ways and Means Chairman Bill Crawford at this morning's committee meeting, but Senate Appropriations Chairman Luke Kenley promised to revive it in the Senate.

The move came after Indianapolis Mayor Greg Ballard said on Tuesday that he was unsure he could find the \$13 million in savings that Gov. Mitch Daniels advocated, once again muddling

the issue.

Even with gaming off the table after State Rep. Charlie Brown pulled an amendment to move one of the Gary casinos, HB 1002 faced disagreement in committee. Six amendments were introduced, discussed and passed, which soured Republican support for the bill.

Rep. Randy Borrer, R-Fort Wayne, said he had every intention of supporting

the bill before the amendments.

One amendment, put forth by Rep. Cherrish Pryor, D-Indianapolis, would repeal the merger between CIB and the Marion County Building Authority. It also removed the two governor-appointed members of the board.

Rep. Bill Davis, R-Portland, said that, because the state gives money to CIB, the state should therefore have a say in their dealings. "I believe [taxpayers] should have representation," Davis said.

When every Republican in attendance voted

against the bill, Crawford, D-Indianapolis, withdrew it from consideration. He said he had hoped that this would be a bipartisan effort, and if the committee didn't come together on it in the coming days, it would be thrown out all together.

However, if the legislature does nothing for CIB, City Controller David Reynolds said the future of CIB is not promising.

"If nothing happens, CIB will be out of cash," Reynolds said, predicting assuredly that this would happen sometime before the end of the next session of the General Assembly.



State Rep. Charlie Brown, D-Gary, pulled his amendment to move one of two Gary riverboat casinos on Tuesday. (HPI Photo by Katie Coffin)





This is a perilous forecast for future conventions and sporting events in Indianapolis.

Reynolds said this bill would keep CIB in a positive position through fiscal year 2011.

Gaming

The Gary casino issue that plagued budget talks in the regular session and began poking its head into the special session, however, was put to rest yesterday. Rep. Brown, D-Gary, vowed not to introduce gaming into House Bill 1002, which deals with the Capital Improvement Board bailout. He said it will not come up in committee and it won't be introduced to the bill when it goes through second reading.

He said he still hopes for action, but now he is looking toward Gov. Mitch Daniels for that action.

"I am asking the governor to provide his support for initiatives that can enhance the use and viability of boats in the Gary area so that the people of Northwest Indiana can derive the maximum benefits from them," Brown said. "I also am asking the governor to help us find the means to make this teaching-trauma hospital project become reality within the next couple of years. The Indiana Business Research Center at the Kelley School of Business and the Indiana University Office of Engagement already have issued a preliminary report that shows the economic and health care benefits of a new Gary hospital."

Family Social Services Administration

Rep. Gail Riecken, D-Evansville, has introduced HB 1003, calling for an audit of the Family and Social Services Authority's welfare modernization program. She said this would cost the state \$300,000.

Davis and Rep. Eric Turner, R-Marion, called this bill "redundant" because it was similar to legislation that went through the House during the regular session.

Rep. Suzanne Crouch, R-Evansville, questioned whether this could be funded from somewhere other than the general fund. The state already directed about \$1.1 billion to IBM Inc. for this modernization program. Rep.



House Speaker B. Patrick Bauer presiding over a brief House session on Tuesday. (HPI Photo by Katie Coffin)

Dennis Avery, D-Evansville, said it is "atrocious" that FSSA is getting this money and providing unsatisfactory services.

But Riecken said she believes the extra funds are necessary. "While I appreciate that FSSA decided to pause its modernization program without forcing the legislature to intervene, I fear that not enough is being done to fix the current problems with the system," Riecken said. "Each day, constituents call their legislators begging for help in navigating FSSA bureaucracy. These include elderly Hoosiers who have been stripped of Medicaid benefits while trying to deal with staggering medical costs."

Rep. Sheila Klinker, D-Lafayette, said this bill was necessary because it has gotten to the point where this money

would be "crisis intervention."

HB 1003 passed through Ways and Means by a 14-9 vote. ❖

AVERY SEEKS STADIUM FUNDS: Evansville would be allowed to capture some tax money otherwise headed into state coffers to help pay for its proposed Downtown arena under a plan offered by Rep. Dennis Avery, D-Evansville (Bradner, Evansville Courier & Press). Democrats, who have a majority in the Indiana House, tacked Avery's proposal onto legislation to bail out the struggling Indianapolis Capital Improvement Board. The board, which runs the city's professional sports stadiums, has a deficit of \$47 million. Although Mayor Jonathan Weinzapfel's office says Evansville doesn't need it, Avery's amendment could mean hundreds of thousands of additional dollars for city coffers. "It was a no-brainer as far as I'm concerned," Avery said. "I wasn't going to vote for the (bill) if it wasn't in there." Republican Rep. Suzanne Crouch of Evansville, the other Southwestern Indiana lawmaker on the committee, voted against Avery's amendment. Weinzapfel's office on Tuesday called into question the fairness of Indianapolis being the only city to receive a state bailout. "If Indianapolis has the ability to capture the state sales and income taxes generated by the PSDA, then Evansville should be able to do so as well," said Weinzapfel's spokeswoman, Audra Levy. ❖



Lugar gives Obama an 'A' on foreign policy

By MARK SCHOEFF JR.

WASHINGTON - President Obama must wrestle with the same global challenges that confronted President Bush—from a growing number of countries that want to join the nuclear weapons club to ongoing disagreements about regulating international financial markets—but he has reached out to the rest of the world in a different way than his predecessor, gaining praise from a leading Senate Republican.

"I would give him an 'A,'" said Sen. Richard Lugar, the senior Republican on the Senate Foreign Relations Committee, at a National Press Club breakfast on Monday. In a meeting with international correspondents, Lugar called Obama's heavy foreign travel and efforts to embrace the international community "truly remarkable."

The tone of Obama's diplomacy has been welcome by other countries, according to Lugar, even though many of his policies are similar to Bush's. "His own rhetoric and approach have been different," Lugar said. The change is "a very new position and one which finds much greater favor."

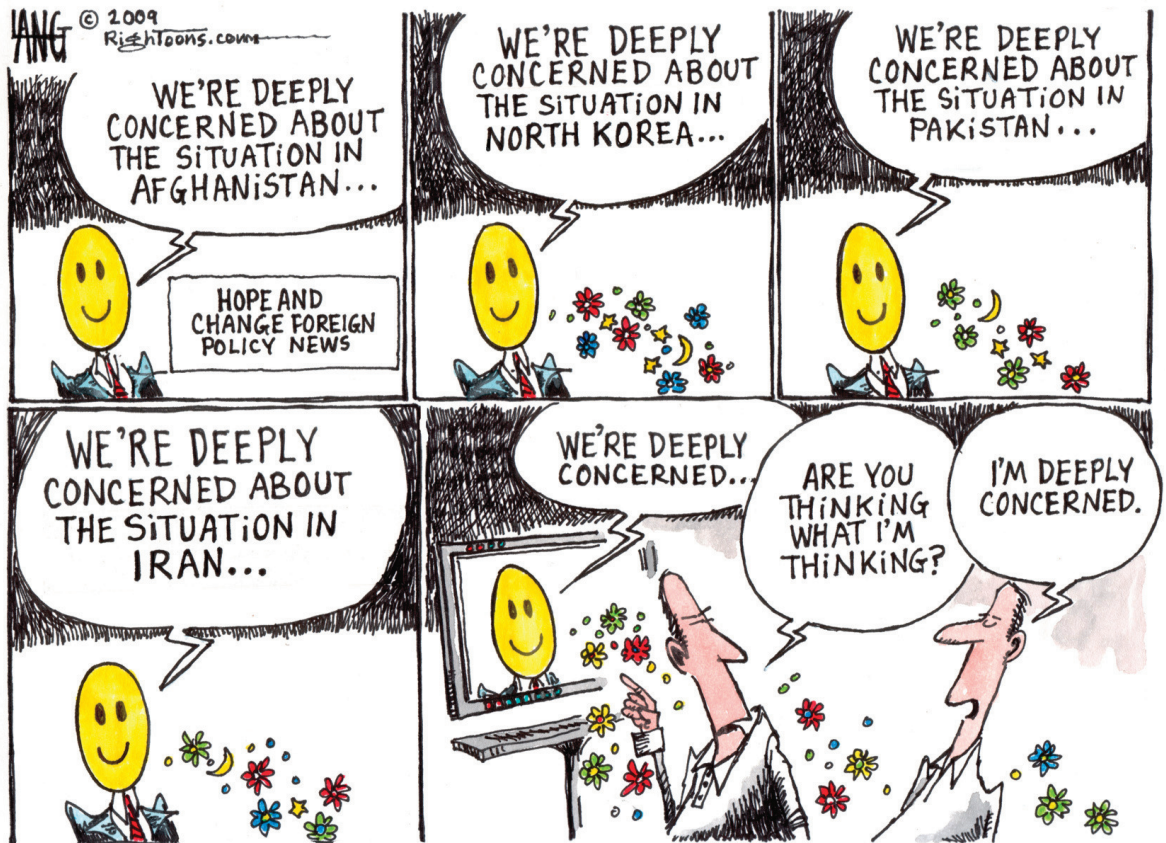
Lugar empathized with Bush's "my way or the highway" attitude toward international alliances following the September 11, 2001, terrorist attacks, when the administration was feeling "embattled." Now Obama is trying to demonstrate that he is listening. "We hear you. We like you. We want you to be involved," Lugar said in describing Obama's style.

But getting other countries involved remains a

challenge. "Partnerships require, of course, taking up some of the slack," Lugar said. "That may be uncomfortable for some countries." In the highest profile crisis in the world, the disputed Iranian elections, Lugar said the Obama administration's reaction "has been appropriate." It is not in the same position as the Reagan administration in the mid-1980s when it declared voting in the Philippines flawed.

At the time, Lugar led a delegation of observers who said that dictator Ferdinand Marcos lost the election. Iran has not allowed an international review of its balloting.

But Obama should be more assertive, Lugar said. "Perhaps the Obama administration might be more vigor-



ous in talking about the virtues of democracy, of checks and balances, of free and fair elections, of ways in which Iran could indicate to the rest of the world the integrity of the process." The U.S. should continue to engage Iran.

"We ought to be prepared for talks with Iranians," Lugar said. "We're going to have to work very hard on peopleflow...if we're going to have much more volume, richness in the conversation." ❖

Schoeff is HPI's Washington correspondent.



Watch your pockets (they might get picked)

By **MORTON J. MARCUS**

INDIANAPOLIS - This is a cautionary tale. Beware of your best commercial friends, your most trusted business allies, your most generous corporate supporters. They may abandon you when you need them most.

Let's fill in the details. NCR (National Cash Register) was founded in Dayton (OH) in 1884. It became one of the great innovative companies in American business history. Now NCR is moving from Dayton to Duluth (GA), an Atlanta suburb.

The company has been part of your life since your birth. Your commercial activities have been rung up on its cash registers or point-of-sale terminals. In the past week alone you probably used one of its ATMs at your bank. Your utility payments may

have cleared through its check processing systems. NCR barcode scanners have followed your packages and purchases across the nation. NCR was a respected member of the Dayton community. It was to that western Ohio city what Cummins Engine is to Columbus (IN) - home grown, internationally prominent, and locally responsible.

Now NCR is moving its corporate headquarters and over one thousand jobs from the Buckeye to the Peach state. The leaders of Dayton and Ohio are outraged. They claim they had no warning of this impending move.

If those political and business leaders had looked the signs were there.

In 1991, NCR was bought by AT&T, a conglomerate engaged in agonized restructuring and unable to define itself in a new environment. Within five years, NCR's worldwide workforce shrank from 53,800 to 41,100. By 1996 AT&T was ready to spin-off NCR. The damage, however, was done. NCR had spent half a decade as a foster child in a dysfunctional family. From that time forward



Morton Marcus
Column

NCR has been a different company, buying and selling companies rather than innovating, and its worldwide workforce has declined to 22,000.

After AT&T, NCR shipped its voluminous corporate records to the Montgomery County Historical Society. A nice civic gesture or a weighty goodbye?

NCR was a company with a history of promoting from within and whose executives held office for decades. Yet in 2005, the top executive position at NCR was given to Bill Nuti, a 41-year old with no ties to NCR or Dayton. Soon many NCR executives were working and living in New York. The company said its world headquarters were in Dayton, but decisions flowed from NYC.

Among those decisions were new customer service and manufacturing facilities in Georgia. The corporate headquarters' move, announced on June 2, 2009, should not have been a surprise if anyone wanted to pay attention.

NCR denies that the \$60 million in tax breaks from Georgia has any bearing on its move. Ohio was ready to offer only half that amount. But NCR and Georgia agree that there is a highly skilled workforce available in the home of the Braves. The education institutions of the state are becoming among the best in the nation. The Atlanta airport offers direct flights to everywhere. The Art Museum, the Symphony, the sports teams ...

Now that Atlanta has lured NCR, what about Dayton? The answer depends on what Dayton did in the past 10 years to provide for the future. No doubt there will be a sudden interest in economic development, many committees, task forces, and fingers pointed, all of little consequence.

The best economic development work keeps an eye on the present and builds for the future. It cannot undo the neglect of the past. ❖

Mr. Marcus is an independent economist, speaker, and writer formerly with IU's Kelley School of Business.

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Faith in Our Fathers

By **DAVE KITCHELL**

LOGANSPOUT - The Rev. Fr. Theodore Hesburgh, one of the most respected people to ever live and work in Indiana if not the most noted, once said something I'll never forget.

"The greatest thing a father can do for his children is to love their mother."



I've seen that quote on greeting cards, and it qualifies for that area of pop culture because it's a resonating statement on many levels. Men can love their child's mother enough to marry her, to pay child support if they don't, to listen to their problems and give them the memories they live to experience. Most of all, it's spot on when it comes to giving something to the next generation fathers themselves never had.

As we ease into Father's Day weekend, it's a good time to think of fathers in a different sense than the traditional recliner-snoozing, lawn-mowing, golf-obsessed beings depicted on greeting cards many of us will receive this weekend.

At least one church, if not mine, may mark the occasion by listing an old standard, "Faith of Our Fathers", in bulletins Sunday morning.

For those of us wondering how we're going to get out of this horrific economy with near double-digit unemployment, mortgage foreclosures, federal bailouts and bank failures, there has to be pause in thinking about the faith all our fathers, grandfathers and great-grandfathers had at some point.

My own great-grandfather came to Indiana from Virginia, then fought against his former neighbors for the North in the Civil War. When he was discharged in Indianapolis at the end of the war, he didn't stay there. He walked 70 miles north to stake out 160 acres he and other veterans were entitled to as a homestead. He sought a better life for his children, putting his faith in good Indiana farm ground. Ten children and five generations later, my son represents the flagship of that faith in that man whose picture hangs in an oval frame in my living room.

My grandfather set out for Panama when the canal was being built, but put some of his faith in Texas, before the Depression and the Dust Bowl claimed a dream. He still farmed and fathered three children, none of whom went to college, but all of whom put their children through college.

When we think about how our fathers paid for

weddings, worked on our cars and disciplined us when we didn't think we needed it, we have to realize that it's their faith in securing something better for us that has advanced our culture, our families and our state.

Aside from the dashboard indicators of doom that tell the story of an ever dangerous North Korea, an almost bubbling over Iranian political picture and terrorism continuously looming, there are fathers saving for a future and the day they will retire or walk a daughter down an aisle. There are dreams for retirement homes, for a more peaceful world, for greener energy, for less corporate greed, for longer lives and better health, for less suffering and more celebrating.

Where this thought comes into play in politics is in every election cycle when one candidate in either party utters the unthinkable statement: "For the first time, our next generation may not enjoy the same standard of living their parents did."

More of us may have to live on two incomes to live like our parents, or have a smaller home, or work longer before we can retire, but I've yet to meet a father anywhere who wants less for his children than he had for himself.

And at the end of the day, it's what we want for ourselves and our children that transcends what a country, a state, a city or a company doesn't provide us. That's why they call this a land of opportunity.

It's been said that success has many fathers and failure is an orphan. To all the successes this Father's Day weekend, give a father figure in your life a call, even if they don't know they are one. And to all the orphans of failure, be a father to someone who needs one. As my son and daughter have taught me, it's one of the best things in life.

Dave Kitchell is a veteran Indiana journalist who teaches journalism at Ball State.



Mike Murphy, Time: Despairing Republican friends have been asking me what I think we should do to rebuild the GOP and begin our certain and inevitable comeback. My answer disappoints them: "Build an ark." I say this because I've made a career out of counting votes, and the numbers tell a clear story; the demographics of America are changing in a way that is deadly for the Republican Party as it exists today. A GOP ice age is on the way. Demographic change is irritating to politicians, since it works on elections much as rigged dice do on a Las Vegas craps table: it is a game changer. For years, Republicans won elections because the country was chock-full of white middle-class voters who mostly pulled the GOP lever on Election Day. Today, however, that formula is no longer enough. It was a huge shock to the GOP when Barack Obama won Republican Indiana last year. The bigger news was how he did it. Latino voters delivered the state. Exit polls showed that they provided Obama with a margin of more than 58,000 votes in a state he carried by a slim 26,000 votes. That's right, GOP, you've entered a brave new world ruled by Latino Hoosiers, and you're losing. In 1980, Latino voters cast about 2% of all votes. Last year it was 9%, and Obama won that Hispanic vote with a crushing 35-point margin. By 2030, the Latino share of the vote is likely to double. Obama won voters under 30 by a record 33 points. ❖

Sylvia Smith, Fort Wayne Journal Gazette: Minnesota Gov. Tim Pawlenty announced he would not seek a third term. Interpretation: He'll focus on the Republican presidential nomination. Former presidential candidate Mitt Romney hasn't slowed down since bowing out of the '08 nomination campaign. He's hopping around the early primary and swing states, raising money for other candidates. He's keeping visible on TV shows and by freely offering criticisms of President Obama. All clues about his interest in the 2012 GOP nomination. Two months after the '08 election, Alaska Gov. Sarah Palin created a political action committee to raise money to help Republican candidates. She spoke at a major conference of conservatives in February. It's evidence that she wants to stay in the mix and keep open the option of aiming for the top of the ticket. We've also heard speculation about Newt Gingrich, Mississippi Gov. Haley Barbour and others. Should Gov. Mitch Daniels be on that list? He says not. Daniels made a promise during his re-election campaign that he would never seek another office, and he repeated that last week to a group of Washington conservatives who were ruminating about how to "make conservatism credible again." No one inclined to support Daniels in a presidential run would withhold support if he changed his mind. So that commitment is hardly a barrier to Daniels changing his mind. Some saw Daniels'

speech to the conservative group as another example of his willingness to at least consider a presidential bid. Other hints that Daniels wants to keep his name afloat: He wrote a column for the Wall Street Journal, and he was featured in a rather fawning cover story in a national magazine aimed at conservatives. And, in truth, the campaign cycle has become so truncated that any Republican more than vaguely interested in the 2012 GOP primary is surely working on a business model now – or will be soon. However, I suspect a more accurate interpretation of what Daniels is up to involves rejuvenation of the Republican Party. ❖



John Harwood, New York Times: For a liberal Democrat, President Obama has offered generous praise for the most celebrated of his recent Republican predecessors. Mr. Obama has credited Ronald Reagan with having "changed the trajectory of America" in ways Bill Clinton didn't. "President Reagan helped as much as any president to restore a sense of optimism in our country, a spirit that transcended politics," Mr. Obama said earlier this month while signing the Ronald Reagan Centennial Commission Act in the presence of Nancy Reagan. It's not surprising that Mr. Obama has embraced Mr. Reagan's achievement since it seems akin to his own aspirations and might also ingratiate him with conservatives. What is surprising is the increasingly ambiguous position Mr. Reagan holds on the right. Some Republicans have begun reassessing whether Mr. Reagan today affords the best example as they seek a path back to power. The economic crisis, which Mr. Obama last fall declared a "final verdict" on the anti-government philosophy that George W. Bush and Mr. Reagan shared, has made Reaganism less politically marketable than at any time in a generation. "I don't use him publicly as a reference point," said Gov. Mitch Daniels of Indiana, a Republican who lately has emerged as a potential national party leader. Mr. Daniels instead has urged fellow Republicans to "let go" of Mr. Reagan as a contemporary symbol. As Mr. Reagan's White House political director, Mr. Daniels brings credibility to the discussion. A year ago, when he first proposed that Republicans turn the page he drew sharp criticism from Rush Limbaugh, among others. Now, Mr. Daniels observes, "I think it's spreading." That's not to say Republicans disavow Mr. Reagan's achievements. Mr. Daniels, too, hails his former boss for "timeless" principles like suspicion of big government and appreciation of the importance of individual freedom and opportunity. As he tackles issues in Indiana — education policy lately is a hot topic — he says he asks himself whether Mr. Reagan would approve. But "Reagan always faced forward," the governor said. "If he were around, he'd tell Republicans to do that now. He'd be the last to want the focus on him." ❖



Feds approve research money for EnerDel

WASHINGTON - U.S. Sen. Dick Lugar announced that EnerDel has been selected to receive one of seven cost-shared research awards from the U.S. Department of Energy (DOE). Awardees will use the funds for the development of advanced batteries for electric drive vehicles. The total DOE investment for these projects is up to \$10.96 million over three years, subject to annual appropriations. EnerDel Inc., which is based out of Indianapolis, Indiana, has been selected for negotiation of an award for up to \$3.3 million for a project to develop a chemical shuttle agent that will eliminate the danger of overcharging lithium-ion batteries developed for plug in hybrid electric vehicles, hybrid electric vehicles and electric vehicles.



Supremes rule for Terre Haute Mayor

TERRE HAUTE - The long and contentious battle to settle Terre Haute's 2007 mayor's election is over (Terre Haute Tribune-Star). The Indiana Supreme Court on Tuesday handed down a unanimous decision, affirming Duke Bennett as the elected mayor of the city. For the past 19 months, uncertainty has clouded City Hall because of a legal challenge to the 2007 mayor's race, in which Bennett was elected by 110 votes over incumbent Mayor Kevin Burke. Two weeks after the election, Burke challenged the result. He charged that Bennett had been ineligible to run for mayor under Indiana law. Indiana law disqualifies any candidate for partisan office who is subject to the Hatch Act,

a law that limits the political activity of federal employees and employees of some not-for-profit agencies that receive federal funding. Prior to taking office, Bennett was director of operations at Hamilton Center, a multi-county, not-for-profit mental health organization that operates a federally funded Head Start program. Tuesday's high court decision, written by Justice Brent Dickson, stated that Burke's challenge to Bennett's candidacy under the Hatch Act came too late. According to Indiana law, Dickson wrote, a Hatch Act violation can only prevent someone from becoming a candidate for office or remaining a candidate. It does not apply to someone after an election is over since that person is no longer a candidate, the court found. "Clearly this disqualifier is inapplicable to establish ineligibility in a post-campaign election contest," Dickson's six-page decision states. Bennett, who learned of the court's decision through the news media early Tuesday afternoon, said he was surprised the court made its ruling so quickly. He also said the court affirmed what he had believed all along. "It was good to see that it was a unanimous decision to uphold Judge Bolk's decision," he said.

Visclosky seeks to bolster steel industry

WASHINGTON - Union leaders, steel industry executives and analysts testified Tuesday before a congressional panel on Capitol Hill petitioning lawmakers to support legislation that would help save the domestic steel industry (Times of Northwest Indiana). Congressional Steel Caucus Chairman Rep. Pete Visclosky, D-Ind., said lawmakers have worked diligently since Feb. 4 to continue fighting for the beleaguered sector. Visclosky said the "Buy American" provision inserted in the American Recovery and Reinvestment Act has helped U.S.-made steel and other products end up on project sites. Visclosky said it's important to educate the public about how the

industry plans to cope with trade and currency law violations and long-term issues dealing with climate change. "The industry continues to operate under stress," Visclosky said. He said the hearing is important to show the 100 members of the bipartisan caucus the human face of this issue.

Pence opposes war funding bill

WASHINGTON - U.S. Rep. Mike Pence opposed the \$106 billion war supplemental bill. On the House floor Tuesday, he explained, "I was pleased to join many of my Democratic colleagues in supporting the bipartisan military supplemental bill that passed this House earlier in this Congress. It seems to me that when it comes to providing our soldiers with the resources they need to get the job done and come home safe, it's the right time to set aside politics as usual, the partisan divide and go forward to the best of our abilities in a united front—and we did that. But I cannot support this military supplemental bill today — I see it as a disservice to the taxpayers of this country and a disservice to those brave men and women who defend us every day. Emergency war funding bills should be about emergency war funding. This legislation, which includes \$108 billion in loan authorizations for a global bailout, for the International Monetary Fund—at a time when this government has run up a \$2 trillion annual deficit—I believe does a disservice to taxpayers and to those that defend us. Passing a \$108 billion global bailout on the backs of our soldiers is just not right.

Obama losing sleep over budget deficits

WASHINGTON - President Barack Obama said on Tuesday that worrying about the U.S. government's finances "keeps me awake at night"



and the country needed to start planning now to tackle soaring deficits (Reuters). In a pair of interviews on CNBC and Bloomberg television, Obama defended increasing government spending to prevent the recession from worsening, and warned the unemployment rate may hit 10 percent this year, a level not seen since 1983. "There's no doubt that we've got a serious problem in terms of our long-term deficits and debt," he told CNBC. "I make no apologies for having acted short term to deal with our recession." But he said once the recession ends, "we're going to have to close that gap between the amount of money coming in and the amount of money going out."

Bayh seeks new property tax cuts

WASHINGTON - U.S. Sen. Evan Bayh on Tuesday introduced a bill to expand property tax relief for homeowners, including 900,000 in Indiana, who do not itemize their federal tax deductions (Post-Tribune). "With property taxes on the rise and the dream of homeownership threatened in many Hoosier communities, middle-class families should not be penalized simply because they do not itemize their tax returns," Bayh said. His proposal would allow more than 30 million homeowners across the country to deduct the full value of their state and local property tax bills from their federal taxes. Joe Gomeztagle, a local property tax expert and executive director of the Midwest Business Economic Research center, said Bayh's proposal offers homeowners the economic help they need. "I'm overwhelmed," Gomeztagle said. "It would help many homeowners during a time of crisis that we're all going through."

Fort Wayne stadium \$3M over budget

FORT WAYNE - Parkview Field

cost nearly \$3 million more to construct than expected, but reductions in the costs of other parts of Harrison Square mean fewer tax dollars will be spent on the project than projected (Fort Wayne Journal Gazette). Greg Leatherman, Fort Wayne executive director of redevelopment, briefed the City Council on Tuesday on the public costs for the downtown project - with an estimated total between \$120 million and \$130 million.

Hammond seeks to eliminate city court

HAMMOND - Hammond Mayor Thomas McDermott Jr. confirmed Tuesday that some Lake County officials have been notified regarding the possible elimination of Hammond City Court (Times of Northwest Indiana). By abolishing the court, the city stands to save between \$2.5 million and \$3 million, almost the entire amount of money the city will need to cut from next year's budget to meet state-mandated property tax caps, according to McDermott. The city is aiming at cuts in the area of \$3.8 million to \$4 million, he said.

Marion County purges 109k from voter rolls

INDIANAPOLIS - Two Marion County boards agreed Tuesday to remove inactive voters from the voter registration rolls (Indianapolis Star). Of 691,035 registered voters in Marion County, about 109,000 are classified as inactive because they have not voted in two consecutive federal general elections. Many of these voters have been classified as inactive since 2004, so that means those people have not voted since the 1990s, said Terry Burns, the Democratic member of the Marion County Board of Voter Registration.

St. Joe settles lawsuit with sheriff

SOUTH BEND - Sheriff Frank

Canarecci and St. Joseph County have reached an agreement in a lawsuit over Canarecci's pay (Ronco, South Bend Tribune). Canarecci had sued the county for reducing his salary after county officials discovered Canarecci was keeping tax warrant collection fees his office brought in. Sheriffs are allowed to do that under Indiana law, but county officials said Canarecci was doing so without their knowledge and was being overcompensated. In 2007, Canarecci was earning a base salary of \$124,893 plus \$74,176 in collection fees. His total income was about \$199,069. County officials reduced his salary to \$49,893 for 2008, which, with the addition of \$64,397 in tax warrant fees, raised his income to about \$114,290. The deal county commissioners signed off on Tuesday keeps Canarecci at the reduced pay rate with the tax warrant fees through 2009.

Voters reject 3 school bond issues

INDIANAPOLIS - St. John Township residents on Tuesday rejected a \$95 million referendum proposal to expand and renovate Lake Central High School (Times of Northwest Indiana). Twenty percent of registered voters turned out at the polls. Of the 8,529 votes cast, 4,997 were in opposition, while 3,532 were in support of the plan, according to figures from the Lake County board of elections. A long day for opponents of a \$34.58 million bond issue to renovate and remodel Boone Grove High School ended with the overwhelming defeat of the bond question by a 3-to-1 margin (Post-Tribune). The final tally was 498 in favor, 1,448 against out of 6,351 registered. Voters in the Delphi Community School Corp. defeated a proposed \$13 million renovation project for Delphi middle and high schools. ❖