

Politics Indiana

V15 N6

Weekly Briefing on Indiana Politics

Thursday, Sept. 17, 2009

2011 recession shock for city halls

Lag time for revenues will come just in time for elections

By BRIAN A. HOWEY

INDIANAPOLIS - Even in the good times - 2007 when the Great Recession was still two years in the offing - mayors who had helped bring home the bacon lost re-election bids. Greensburg Mayor Frank Manus helped land a Honda plant, Anderson's Kevin Smith brought in Nestle, Jeffersonville's Rob Waiz landed MedVenture, and Franklin's Brenda Jones-Matthews ushered in Japanese companies Nishima and KYB.

They all lost re-election bids. In all, 15 incumbents fell in the November 2007 elections, following the 11 that lost in the primary.

Many of these mayors lost due to local issues and sensitivities. Some, like Indianapolis's Bart Peterson, got caught up in the early property tax storm.

If you think 2007 was brutal for mayors, just wait until 2011. Purdue University Prof. Larry DeBoer recently surveyed the impact of the Great Recession of 2009 in a web seminar and the true impact won't be felt by local units of government until 2011, around the time that



mayors like Greg Ballard of Indianapolis, Duke Bennett of Terre Haute and Jonathan Weinzapfel of Evansville will be pondering re-election.

The home price index that fell by 1.1 percent in 2009 that will be reflected in assessed values won't be felt until 2011. Home prices rose an average 4 percent in 1985 and 1 percent in 2008, but fell to a 1.1 percent increase in

Continued on Page 5

Tack to the center?

By BRIAN A. HOWEY

INDIANAPOLIS - Last Oct. 8, when candidate Barack Obama had a rally at the Indiana State Fairgrounds grandstand on a glowering, misty day, I found myself perched on the media stand. A voice called out my name and there at the base of the grandstand was a friend. He

wanted to hand his camera to me so I could click off 10 or 12 photos from my vantage point.

PRESS

BRIAN HOWEY
Howp Politis Indiana
Publisher

P. C. A

HOWEY
Politics Indiana
Howey Politics Indiana
Howey Politics Indiana
1 P.O. Box 40265
Indianapolis. IN 46280 | 317-202-0210

I was pleased to oblige. The two of us heard Obama say a few minutes later, "This country is being tested in a way we haven't seen in a century. Future generations will judge us on how we respond to this test. Will they say





"Melvin Simon was an incomparable business and civic leader not only in our state but in our country. His loss will be felt every day."

- FORMER GOV. JOE KERNAN



Page 2

Weekly Briefing on Indiana Politics

Thursday, Sept. 17, 2009

HOWEY POLITICS INDIANA

is a nonpartisan newsletter 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
Katie Coffin, intern

Subscriptions:

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

Call 317-627-6746.
HOWEY POLITICS INDIANA

6255 N. Evanston Ave. Indianapolis, IN 46220

Contact Us

www.howeypolitics.com

bhowey2@gmail.com
Main Office: 317-506-0883.
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.

this was the time when America lost its way and its purpose? When we allowed our petty differences and broken politics to plunge this country into a dark and painful recession?

"Or will they say this will be one of those moments when American overcame?" Obama continued. "When we recognized the common stake we have in each others success. This is one of those moments. I realize some of you are cynical, fed up and even angry at your leaders. You have

every right to be. I ask you to believe in yourself."

This exchange became a poignant memory for me. My friend is now battling brain cancer.

This debate on health care has long been personal for me before I even heard of Barack Obama: When I was denied coverage due to a pre-existing condition; Continually rejected for health insurance; When during a three-year period my tiny little business paid close to \$40,000 on a COBRA plan.

Or when my friend is facing not only an intense personal battle, but a potentially crippling financial one as well.

Over the past couple of weeks, the health care reform debate has pulled sharply away from the House Bill 3200 that was such a lightning rod for criticism during the town halls that took place across Indiana in August. President Obama tacked to the political center during his speech before Congress on Sept. 9, vowing not to add "one dime" to the federal budget deficit. With that statement, it essentially killed HB3200, though many of the TV ads against the reforms still cite it as fact.

A week after Obama's speech, Senate Finance Committee Chair-



man Max Baucus unveiled an \$774 billion health-care reform plan. It would require most Americans to carry insurance, bars companies from excluding people with pre-existing conditions. It does not call for an government-run insurance option. It does set up a consumerowned cooperative to compete with insurers. It would "not add a dime" to the deficit. It seeks to rein in costs.

"The cost of

America's broken health care system has stretched families, businesses and the economy too far for too long," Baucus said in a statement. "For too many, quality, affordable health care is simply out of reach. This is a unique moment in history where we can finally reach an objective so many of us have sought for so long."

Last week, Health and Human Services Secretary Kathleen Sebelius released this Census data on Indiana: The number of uninsured has increased from 669,000 in 2001 to 772,000 in 2008. The percent of non-elderly adults without insurance increased from 13.8% to 17.4%. Private coverage is eroding under the status quo. The percentage of people with employer-based coverage decreased from 79% of the population in 2001 to 70.6% in 2008. And the proportion of workers from Indiana without insurance has increased, from 13% in 2001 to 16.4% in 2008.

Republicans have influenced the Baucus bill, which is drawing fire from liberals who wanted the public option, and conservatives like Chris Chocola and the Club for Growth who called it "every bit as lethal as the government-run plan so loudly



Page 3

Weekly Briefing on Indiana Politics Thursday, Sept. 17, 2009

denounced across the nation last month."

There are many details that are in flux and the Baucus Senate Finance plan still must pass that committee and be merged into a Senate Health, Education, Labor and Pensions Committee bill that passed last July.

These new developments moving toward the center are finding validation here in Indiana. "I can't think of anything that the president said that I didn't like, but then it's all in the details," U.S. Rep. Brad Ellsworth, D-Evansville, said. Ellsworth is a Blue Dog who noted Obama's assurances that his plan would not add to the deficit or sanction abortion.

U.S. Sen. Evan Bayh met with Obama the day after his address and said, "I told the President that the primary focus for moderates is getting costs under control for middle-class families and small businesses, and passing fiscally responsible reform that reduces the federal deficit over time."

On Wednesday, Bayh said on MSNBC that a health bill had a "better than 50/50" chance of passing. Asked about the public option concept, Bayh explained, "I've had an open mind on that from the begin-

ning and I still do. Normally in our country we like the free market system to efficiently allocate resources. Now from time to time when you have a natural monopoly the government steps in to regulate that so they don't gouge consumers, and if you have to use the anti-trust laws or other steps to make sure there is robust competition so people get the choices so people get the lower costs they deserve, you use the law to that purpose. So I think we ought to try aggressive market reforms to give that competition and lower prices the American people want."

Bayh added that monopolies exist that "gouge" consumers and anti-trust laws are used by the government. "That's not the first choice," Bayh said. "That should only be if the free market can not be reformed."

Watching the Democrats

Obama is returing to the formula that has worked best for him politically - rallying support in campaign-style events. Everywhere he speaks now, he trots out the "fired up, ready to go" chant that he credits with reviving his presidential campaign. The problem is that his biggest asset during the campaign - the electorate's rejection of President Bush - no longer exists. Obama's on his own now.

That means that Obama will be judged on the merits of his policies. It's not clear that a majority of Americans will embrace his arguments about health care reform. Even more likely is that they will remain skeptical of the price tag. Even the latest and most moderate version - the Senate Finance Committee bill - weighs in at \$774 billion. True, the Congressional Budget Office says that the bill will reduce the deficit by \$49 billion over 10 years. But to most people, \$774 billion is a huge price tag. It's similar to the \$700 financial market bailout last fall and the \$787 billion stimulus.

Indiana Democrats in the House and Senate will

have to decide whether Hoosiers are comfortable with that kind of money on top of all the government spending that has occurred over the last year. But there's a more important calculation for Reps. Joe Donnelly, Ellsworth, Baron Hill and

Bayh. The final version of health care reform is many weeks away. The Senate bills and House bills have to be merged in each chamber and voted on. Then there will be a House-Senate conference

committee. It's hard to tell at this point who will emerge victorious

- moderates like Sen. Baucus, D-Montana and chairman of the Senate Finance Committee, or traditional liberals like House Speaker Nancy Pelosi.

If Indiana Democrats go too far out on a limb supporting health care reform, they may have to decide whether to swallow the bill that is finally produced. If liberals hold sway, it could include a public option and employer mandate and tax increases on high-income individuals. This is not a far-fetched notion. Obama outlined a plan in his speech last week that closely resembles the \$774 billion Senate Finance proposal, which doesn't include a public option. But Obama has not yet proved his political mettle when it comes to standing up to Capitol Hill liberals. He may adjust to whichever way the political winds are blowing by the time the House-Senate conference concludes.

The good news for Indiana Democrats is that they're not facing any particular public pressure. The bill the House approves almost certainly will include a public option. It's highly likely that Hill, Ellsworth and Donnelly will be on board. They've got little to lose. They can please House leadership while not having to respond to a well funded opponent's attack in their districts. None of them yet has a challenger who's making them break a sweat.

In fact, the "fierce urgency of now" in health care reform is attributable in part to Democrats wanting to get this issue out of the way before 2010. That's why it's so in-



Page 4

Weekly Briefing on Indiana Politics

Thursday, Sept. 17, 2009

teresting that even with huge House and Senate majorities, the process of getting a bill passed has proved so difficult. It's a reflection of real voter concern about the price tag and the growth of government that are inherent in all the health care proposals. Obama and Indiana Democrats will have their hands full winning over the public, even if they all stand together.

Republicans dig in

No matter how much these reforms move to the center, the Republicans appear to become more entrenched in their opposition. Just this past week, U.S. Rep. Mark Souder accused Obama of lying and baiting Congress, telling the Fort Wayne Journal Gazette's Sylvia Smith, ""He

came to Congress and was dishonest with us and called us liars. In my opinion, he should be, then, reprimanded, too, for using that language. How dare you as president of the United States threaten to use the power of the presidency on your opponents when you're not telling the truth."

They say the status quo isn't acceptable, but are doing little to find common ground.

Who wants to find common ground in the public square when there's an election 14 months away, even as families and businesses continue to get squeezed in life and death situations. •

HPI Washington correspondent Mark Schoeff Jr. contributed to this column.

Murphy offers up health alternative

By BRIAN A. HOWEY

INDIANAPOLIS - Republican State Rep. Mike Murphy, who is challenging U.S. Rep. Dan Burton, offered a three point health reform plan on Wednesday:

1. Realign the incentives in the health care system to improve quality, bring down costs and increase access. Currently, health care providers are paid based on the volume of care they provide, as opposed to the quality of that care.

Reform: Reward providers for high-quality, costeffective care and hold them responsible for care that does not meet established standards for quality and cost. Reform: Encourage the rapid adoption of electronic health records and health exchanges to support the delivery of high quality care and reduce the costs of redundant tests and treatments. Reform: Adopt Indiana's first-class medical malpractice rules nationwide to create a fair balance between the rights of those injured by malpractice and our nation's medical providers.

2. Empower individuals to take control of their health care. America's current system gives government and business greater authority in health care decision-making than the citizens who need it. Reform: Give individuals and families tax deductions for purchasing their own health insurance, as we give businesses today, and remove limitations on health care options. (Ex: state lines artificially limit the ability of Indiana citizens to purchase coverage, and limit portability of coverage.) Reform: Allow individuals to band together in broad pools to create the type of scale that will help drive premium discounts currently based on employer-related volume. Reform: Prohibit most medical underwriting, including for pre-existing condi-

tions, but allow price differentials for lifestyle choices, such as smoking.

3. Increase personal responsibility and encourage people to be better health care consumers. Our current health care system provides no direct link between the patient and the cost of health care services provided.

Reform: Dramatically expand options like Health Savings Accounts to protect individuals from catastrophic, unexpected medical costs while granting tax-protected saving options to manage routine, preventive care. Reform: Emphasize the true 'public-health' nature of health care costs by replicating nationwide programs that have helped at-risk populations adopt healthier behaviors. This will help reduce expenses attributable to managing chronic conditions which are responsible for the bulk of our nation's health care costs. Reform: Encourage individuals to ask cost-benefit questions about every medical procedure they consider.

"The federal government"s suffocating regulation of health care forces Americans to pay for not only their own care but also care for those who cannot afford health insurance," said Murphy. "Yet, the Democrats' plan for reform will increase our current national debt by trillions of dollars and give government the authority to make crucial health care decisions that should be left to well-informed citizens, without improving quality, access, or affordability. My reform plan addresses the fundamental problems with health care in this country without bankrupting our national economy or infringing upon the freedom of individuals to choose the health care option that is right for them."

"The fundamental problem with today's health care system is that it is centered on process, not people," said Murphy. "We must inject the type of bold reforms that will create a shift in the way individuals view health care. We can no longer expect government to solve our problems, especially not problems as basic as our own physical health." •



Page 5

HOWEY Politics Indiana

Weekly Briefing on Indiana Politics

Thursday, Sept. 17, 2009

Cities, from page 1

2008 and fell by 1.1 percent this year. Auto sales fell precipitously this year and Indiana motor vehicle excise taxes are expected to drop from around \$475 million in 2005 to somewhere under \$300 million by 2011. Indiana individual income taxes were up over 6 percent in 2007, then 5.5 percent in 2008 and will dip 8 percent in 2009 and probably fall to -2 percent in 2010 before rebounding in 2011. The

property tax maximum levy growth quotient increased about 3.2 percent in 2008 and will fall precipitously by 2012 due to the historic property tax reforms.

"The recession is going to effectively end in 2010, but 2011 is the year when all the bad things from 2009 will happen," DeBoer predicts.

Counties will be entering the new tax cap era blindly. DeBoer suggests that counties simulate the impact of the tax caps, which would include the coordination of county auditors, treasurers and assessors, but only one or two counties have such a capability.



PROF. LARRY DeBOER

After Gov. Daniels, Speaker Bauer and Senate President Long urged counties to adopt new income taxes to help recoup revenue lost from the caps, only 25 counties did so, with Tipton County joining the list this week. "Losses from the tax caps will go up. It's going to be more," DeBoer said.

In addition, there will be additional spending pressures on local units grappling with the fallout of the recession.

Consolidation option

As if the tax caps weren't enough to put municipalities on the brink, the recession will be a double whammy. These pressures might push cities and counties to explore consolidation further. Such explorations have occurred in Allen County/Fort Wayne, Muncie/Delaware County, and now Evansville/Vanderburgh County.

Earlier this week, the Evansville League of Women Voters announced it would pursue a referendum on a consolidation with the city and Vanderburgh County, which was attempted last in 1974. Mayor Jonathan Weinzapfel made it clear he will not try to block the effort, according to the Evansville Courier & Press. "I think the time is coming in this community where we do need to take a good hard look at what consolidation might offer, especially with the

property tax caps and the fact that, with our annexations, with the growth in our community, it's becoming more and more urban," Weinzapfel said. "I support the process moving forward."

News not good for state

The news for the state isn't any better. The state has taken over school general fund and county welfare expenses, and its annual expenditures rose from \$12.6 billion in 2008 to \$14.4 billion in 2009. K-12 education rose from 37 percent in fiscal year 2008 to 53 percent in 2011. The property tax relief that accounted for 18 percent of the FY 2008 budget will be gone by 2011, while higher education will decline from 13 to 12 percent, Medicaid will increase by 1 percent to 13 percent, and health and social services will increase from 7 percent to 9 percent.

DeBoer notes that the problem that led to the special legislative session this year was due to "revenues." Those dropped from \$13.2 billion in 2008 to \$13.057 in 2009. Biennial appropriations were \$12.98 billion in 2008 and \$14.436 billion in 2009. "The \$1.4 billion deficit is a shortfall in revenue expected when the budget was written," DeBoer said.

How was Indiana able to balance the budget and come out with a \$1.4 billion rainy day fund? President Obama's American Reinvestment and Recovery Act revenue pumped \$405 million into Medicaid and \$587 million into the school funding formula. There were also \$400 million in reversions and fund transfers ordered by Gov. Daniels.

"But even with all that extra stimulus money, revenue will grow so slowly that we'll have to use \$400 million in balances to cover the budget," DeBoer said. "Balances are projected to drop a billion dollars by June 30, 2011. And then Indiana - and all the states - will face a problem: no more federal stimulus money. The ARRA money is scheduled to run out in 2011. That leaves a big hole in the budget."

DeBoer said that in a typical year in the past decade, Indiana faced a 3.5 percent increase in state appropriations. "To cover such a spending increase in the 2012-13 biennium, revenues would have to grow by about 7.5 percent for two years," DeBoer said. "That seems unlikely unless the economy booms. Or the state increases taxes. Or the federal government extends the stimulus program for a couple more years. You can bet the states will lobby for that."

So the state, as well as municipalities, face a tough four years. "We're not expecting a very rapid recovery in this recession," DeBoer said. "The legislature has a very tough job."

And subsequently, mayors and legislators may face some rocky political times during the same time span. •



Page 6

Weekly Briefing on Indiana Politics

Thursday, Sept. 17, 2009

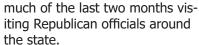
Stutzman prepares for Senate kickoff

By BRIAN A. HOWEY

INDIANAPOLIS - Indiana's U.S. Senate race will take on further definition late this month when Sen. Evan Bayh's role in the health care reforms evolves and State Sen. Marlin Stutzman officially kicks off his campaign on Sept. 26.

And, still waiting in the wings is whether former legislator and Schererville judge Dan Dumezich will enter

the race. Dumezich has spent





The GOP field now stands at three since Carmel businessman Richard Behney entered the race earlier this month. Behney, who owns Attaboy Plumbing, is

using his role as a tea party organizer to fashion his Senate campaign. His campaign compiled a video featuring President Obama and Sen. Bayh making various statements on health reform, cap-and-trade and energy policy as groundwork for his bid. Behney has also released a jingle playing off Mary Lou Conrad's famed 1962 "Hey Look Me Over" ditty that helped propel Birch Bayh into the Senate.

"Government should work for us, not the other way around," Behney said in announcing his campaign. "And this government is too big and takes too much of our money and energy. We are quickly becoming a nation of debtors. This has to stop now. If you like the way this economy is working and the way things are in Washington, then Evan Bayh is your candidate. But if you want a government that gets out of your way and heeds its constitutional limits, then I'm your candidate."

Stutzman has been traveling the state and will kick off his campaign at the Cider Mill Farm in Kendallville from 4 to 7 p.m. on Saturday Sept. 26.

The two join Dan Bates Jr., who entered the race in July. Bates was the only Republican contender to release a statement after President Obama's speech before a joint session of Congress last week. Bates was also the only Republican candidate to attend the Indiana Right to Life Dinner in Indianapolis on Tuesday.

Secretary of State

WHITE ENTERS RACE: Fishers Councilman Charlie White officially entered the Republican secretary of state race, where he appears to be an early favorite. In announcing his campaign on the Hoosier Access blog, White said,

"During his time, Secretary Rokita has led remarkable and innovative changes ranging from Voter ID laws to aggressively prosecuting companies that would try to scam Hoosiers out of their hard-earned savings. In choosing to run for this office, I intend to continue to build upon his legacy. There is still much more we can do to make our elections better, our investments safer and our state a better place in which to do business." His campaign website is www. charlieforindiana.com.

3rd CD

NEW HAYHURST WEBSITE: 3rd CD Democrat Tom Hayhurst has a new website at www.tomhayhurst. com. Hayhurst, D-Fort Wayne, is challenging U.S. Rep. Mark Souder.

5th CD

BURTON SEEKS ACORN PROBE: U.S. Rep. Dan Burton has sent a letter to Edolphus Towns, chairman of the House Oversight and Government Reform Committee, demanding that the committee open a full investigation into the activities of the Association of Community Organizations for Reform Now (ACORN). ACORN's activities, particularly related to voter registration fraud, have been a frequent source of controversy in the last year. Recent videos showing ACORN employees advising individuals - posing as a pimp and prostitute - how to submit fraudulent housing applications and tax returns prompted the U.S. Senate to bar the organization from receiving federal housing grants on Monday. Burton will host a health care and social security forum for baby boomers and seniors at Indiana University in Kokomo from 2 to 4 p.m. Friday at Kresge Auditorium. Those attending will hear from Burton and government experts about Medicare, the Senior Health Insurance Information Program, and Social Security. A general question session will follow presentations, and Burton plans to discuss how the various health care proposals in Congress will impact seniors.

7th CD

MAY TO CHALLENGE CARSON: Republican Carlos May has a website for his congressional candidacy for the 7th District and is holding a "Meet the Candidate" event at Coach's Tavern at 28 S. Pennsylvania from 6 to 8 p.m. Friday. The website is www.carlosmayforcongress.com.

8th CD

BUCSHON MAY CHALLENGE ELLSWORTH:

Dr. Larry Bucshon is looking at running against U.S. Rep. Brad Ellsworth (Woodruff, Bloody8th.com). Dr. Bucshon is a cardiologist from Warrick County. He has done work in hospitals all over the 8th district and has many friends in the medical profession he can reach out to for cash. Recently



Page 7

HOWEY Politics Indiana

Weekly Briefing on Indiana Politics

Thursday, Sept. 17, 2009

he has met with key people in the 8th district to discuss the race. If Buschon enters the race, he will become the second doctor to seek an Indiana congressional seat, joining Dr. Tom Hayhurst in the 3rd CD where he is challenging Rep. Mark Souder.

9th CD

HILL TOWN HALL VIDEO ON YOUTUBE: U.S.

Rep. Baron Hill's attempt to control his recent town hall meeting in Bloomington may have backfired. The video was taken by the Bloomington Herald-Times at a Hill town hall meeting. During it, a young woman who was called on by Hill identifies herself as a journalism student and questions why she was told she could not film the event (Indianapolis Star). "We have school projects," she tells Hill. "Why can't I film this? Isn't this my right?" she asked. "This is my town hall meeting, and I set the rules," Hill begins, before being interrupted by boos from the crowd. "Let me repeat that one more time. This is my town hall meeting for you, and you're not going to tell me how to run my congressional office." The reason he doesn't allow filming, except by credentialed media, "is because usually the films that are done end up on YouTube in a compromising position," Hill said. An aide said she tried to talk to the young woman, asking for university ID or a letter from a professor that would verify she had a school project, and offering to arrange a one-on-one interview with Hill. The woman, who showed no ID, declined.

SD17

SEYBOLD ENDORSES BANKS: Marion Mayor Wayne Seybold announced his support of Jim Banks in his campaign for the Republican nomination for Indiana State Senate District 17. "This is a time of great change and great opportunity in our state," Seybold said. "Jim has the experience and the commitment to make sure that local needs are foremost on the minds of our legislators. It is important that we preserve the ability of our communities to fight for jobs and opportunity."

HD30

HERRELL FACES PRIMARY OPPONENT: State

Rep. Ron Herrell will have a primary challenge in next year's District 30 Indiana House race, with retired fire-fighter Chuck Sosbe announcing he'll seek the Democratic nomination (Smith, Kokomo Tribune). Herrell, now in his fifth term, first won election to the seat in 1998. He was upset by Republican John Smith in 2004 and came back in 2006 to win re-election. Sosbe formally announced his candidacy Monday at the UAW Local-hosted Labor Day rally.

A 31-year veteran of the Kokomo Fire Department who retired in December 2007, Sosbe has also served as a statehouse lobbyist for the Professional Firefighters of

Indiana for the past 13 years. For years, Sosbe and Herrell served together at the KFD. Herrell retired near the beginning of the decade, after serving as fire inspector and other positions during a three-decade career. Monday, Sosbe said he almost ran in 2006, but deferred to Herrell. Sosbe said he thinks it's time for another voice to take the District 30 seat. "I believe it's time for him to step out and let someone else take their turn," Sosbe said. "I've lobbied down there for 13 years, and I know the place. I've got good connections, so it's not like I'm going into someplace I don't know anything about." Monday, Herrell suggested Sosbe's lobbyist background might not sit well with voters. "I know there might have been some legislators who left to become lobbyists, but I don't know of any lobbyists being elected to the Legislature," Herrell said.

Republican Kokomo Councilman Mike Karickhoff will announce his candidacy in HD30 on Sept. 22,

HD37

RESKE BLASTS HUPFER: State Rep. Scott Reske took some early swings at his Republican opponent, former DNR director Kyle Hupfer. "He was promised big money for his campaign," Reske told the Anderson Herald-Bulletin. "They're coming after this seat, there's no doubt about it." Reske said Hupfer's move and subsequent filing for office hinges upon last session's debate in the General Assembly over whether the state would offer funds to Indianapolis' Capital Improvement Board, "If a bunch of representatives from (the doughnut region) say no, guys aren't going to vote for it, even though it doesn't affect their part of the state," Reske said. "Indianapolis elite were going to try to get as many Democrat seats out of the House as they could." Reske said Hupfer moved to Pendleton only recently, after just building a house in the Fishers area. He said the Republican Party tried for several months to recruit Hupfer to move to Pendleton to run against Reske. "You don't need to connect the dots; they're touching each other," Reske said. "(The Republican party) has been doing some maneuvering around. It's pretty blatant carpetbagging."

Here's the Anderson Herald-Bulletin's editorial on HD37: "We won't take sides until we hear the issues and sort through the qualifications. But at this point, we wonder if the issues haven't already been shoveled aside by some of Reske's remarks. The comments border on whining. Reske recently complained that Hupfer, who is former head of the Department of Natural Resources under Gov. Mitch Daniels, was handpicked by state Republicans to oust Reske. Even though we may abhor the power of political parties, isn't that the kind of thing that state political parties do? *



Weekly Briefing on Indiana Politics

Thursday, Sept. 17, 2009

Rokita is preaching political heresy

By JACK COLWELL

SOUTH BEND - Indiana Secretary of State Todd Rokita is preaching what many Hoosier politicians regard as heresy. He denounces the golden rule of redistricting: Do unto others as they did unto you the last time they had a majority.



Rokita is urging that political data be disregarded when new state legislative and congressional districts are drawn after the 2010 census and that the districts follow county and township lines rather than meandering to form some of the strange shapes of present districts.

On his Web site, www.rethink-ingredistricting.com, some of those present shapes are described as resembling partially eaten pieces of pizzas, a dog with a club foot, an alligator, a dragon and a lama.

The secretary of state proposes even to make it a felony to use political data such as precinct vote totals in drawing districts or to base decisions on where incumbents live.

Well, the Indiana General Assembly isn't going to leave its members open to felony charges for thinking about where an incumbent lives or knowing the political flavor of an area when new districts are drawn in 2011. But Rokita is getting the attention of legislators and the governor as he seeks to bring some standards to a redistricting process that serves the political parties but not the people.

Rokita is a Republican. And his toughest sell could be members of his own party.

In the last redistricting - in 2001, based on 2000 census population totals - Democrats drew the district maps for Congress and the Indiana House. Republicans drew the Indiana Senate districts.

That's because the Democratic-controlled House and the Republican-controlled Senate went along with each other in gerrymandering for their own chambers but stalemated on congressional districts, throwing the decision to a commission. The commission had a Democratic majority because Democratic Gov. Frank O'Bannon had the swing appointment.

Republicans could have the upper hand this time. They are certain to control the Senate, thanks in part to the GOP redistricting. The House, now Democratic, thanks in part to Democratic redistricting there, will be up for

grabs in the 2010 elections. If there is a commission for congressional districts, Gov. Mitch Daniels, a Republican, would have the swing appointment.

So Republican legislators, looking to do unto Democrats as the Democrats did unto them, want to retaliate for Indiana House Districts that enabled Democratic control even as Republican candidates got 60 percent of the vote statewide in one election.

When Democrats drew congressional districts last time to help their chances they of course could invoke the golden rule. After all, when Republicans drew a map after the 1980 census, it put three Democratic congressmen in the same district. Just a coincidence.

Legislative leaders have not exactly embraced Rokita's call for change.

"I don't think it's his business," Senate President Pro Tem David Long, R-Fort Wayne, told the Indianapolis Star. "The secretary of state has overstepped his bounds."

But it is significant that the governor hailed Rokita's efforts. Daniels said that districts "should make geographic, social and economic sense, period, and Todd's model maps serve as examples."

Does this mean the governor might veto plans with districts looking like partially eaten pieces of pizza? Or that he might not name a fierce GOP gerrymanderer to a commission?

Rokita doesn't presume to speak for the governor on that. But he says Daniels is in full agreement on more compact districts with common interests rather than sprawling districts designed not for common interests but to take in more voters from one party or the other.

Rokita stresses that the model maps he displays on his Web site aren't his 2011 redistricting proposals but only demonstrate how compact districts could have been drawn on the basis of the 2000 census.

He says the concept now of drawing safe districts for party incumbents _ and leaving the opposition also bunched in some similarly safe districts _ leads to lack of election competition, with 40 percent of state legislators running unopposed.

And with meandering boundaries, he says: "The current process lets the political parties choose their voters, and not the other way around as it should be."

Yes, but eliminating districts resembling partially eaten pieces of pizza violates the golden rule. Heresy. •

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



Weekly Briefing on Indiana Politics

Thursday, Sept. 17, 2009

Responsibility leads to denial of charity

By MORTON J. MARCUS

Morton Marcus

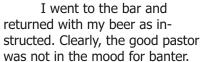
Column

INDIANAPOLIS - Rev. Robert Rector is a prominent minister in our community. Recently he asked me to meet him in a local dive. As I entered the dimly lit bar, I could not find the clergyman dressed in black. Slowly, as my eyes adjusted to the haze of cigarette smoke, I found Rev. Bob in the corner, partly obscured by the juke box.

"Hi, Rev. Bob," I said. He said nothing. "What

gives?" I asked. He did not reply. "Why this place for a meeting?"

"Get a beer and sit down," he growled.



"Do you see what is happening in this country?" he asked.

"What?" I replied, knowing that whatever answer I offered

would be unwelcome if it were not in agreement with his observation.

"We," he said with that strong, stern voice I had heard so often from the pulpit, "are about to destroy sympathy and charity by insisting on personal responsibility in health maintenance. We are setting the stage for denying health care to folks we define as 'sinners-against-self'."

"I don't understand," I said because I did not understand. "I thought we achieved fairly universal agreement that everyone is entitled to health care. I haven't heard anything about denying health care to anyone for any reason."

"You fail to look deeply into the renewed Puritan morality being injected into health care," Rev. Bob said. "The cult of insidious individualism is on the rise. Where once we believed people were victims of disease, we now insist that illness is a reflection of choices actively made. Instead of sickness being a passive state, our actions now are regarded as the determinants of our disorders."

"You may be right," I offered tentatively.

"I am right," he asserted. "If you eat foods not on the ordained menu, your subsequent problems are your fault. If you smoke or drink, you are now beyond the new moral pale. Thus far we still operate under the old philosophy of communal concern for the sick, but those days are limited.

"In days to come, we will punish those who be-

come ill as a result of their choices. We may charge them more for health care (as we now charge smokers more for health insurance) or we may defer their treatment, ultimately denying them the benefits of traditional medical assistance.

"Soon doctors will turn from guidance to denunciation of those with 'self-inflicted' wounds. As our health care system becomes more and more one of fiscal entanglement (government or private), society demands that each person conform to the behavior dictated by contemporary medical thought. Let a study come forth that cucumbers are carcinogenic and eating pickles will make one a social pariah.

"Verily, the day approaches when environmental harm will be blamed on those who are damaged because they 'chose' to put themselves in the way of documented danger."

"You are being extreme," I said harshly.

"I think not," he exclaimed. "Just when we finally accept the principle of universal health care, we are simultaneously setting the foundation for a new fundamentalism of 'responsibility' that will allow us to reject and deny millions of people whose actions are not approved by the entrenched health establishment."

Sadly, I rose and left. Rev. Bob is right. It would be tragic if we again treat illness (physical and mental) as we have treated poverty and ignorance – as self-imposed conditions – when illness, poverty and ignorance often are the consequences of choices made by those with the means and the power to prevent and alleviate such suffering. •

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

ness.





Page 10

Weekly Briefing on Indiana Politics

Thursday, Sept. 17, 2009

Stephanie Salter, Terre Haute Tribune-Star:

As the span of years since Sept. 11, 2001, has lengthened and the people of this nation increasingly have turned their fear and frustration on one another, I often find myself imagining Osama bin Laden and whatever remains of his original gang of al Qaida fanatics. I see them in the dimness of the various hideouts that have served them well for eight years, using advanced technology to keep up-to-the-minute on the state of the United States of America. Always a fan of U.S. cable news, bin Laden likely tracks and observes the "infidels" he loves to hate as if we were lab rats in a huge and complex experiment. Day after day, as the collective ugliness seems to pervade every rural nook and urban cranny of our allegedly "united" states, I see the man who prays for our extinction smiling. I see the

same amused look he wore on a video, well after 9/11, in which he described to friends how surprised and delighted the 19 hijackers would be to realize that their efforts had far surpassed even their most ambitious dreams. Always, when I imagine bin Laden now, I hear him say the same thing, with a touch of happy incredulity in his voice: "Praise Allah. We don't have to do anything else but watch. They are destroying themselves." Granted, it isn't as

though we were one big happy family before the events of Sept. 11, 2001, revealed a vulnerability few Americans ever owned. We've been mistrusting, stereotyping and sniping at one another throughout our relatively short history as a nation. •

Sylvia Smith, Fort Wayne Journal Gazette: As a candidate, President Obama generally supported free trade. However, he vowed solidarity with American workers, and he had stern things to say about China's trade practices. The labor movement, specifically the United Steelworkers union, wants Obama to punish China for exporting tires that it said have forced U.S. tire makers out of business or to end certain production lines, thereby throwing Americans out of business. The International Trade Commission ruled that over the last four years, U.S. tire production dropped 27 percent as Chinese tire imports increased 215 percent. The law the case was filed under does not require proof that imports break trade laws, only that they hurt someone, which the ITC said they did. (The ITC did not buy the argument of the Chinese tire makers that U.S. manufacturers discontinued making the lower-end tires so they could concentrate on the specialty tires that have a higher profit margin.) Obama must make the call on what - if any - punishment to apply, and he has until Thursday to decide on import taxes or a quota on Chinese tires, or both. Former President Bush's policy was to not apply any punishments in these sorts of cases; as a candidate,

Obama promised to reverse that. For the Steelworkers, it's a slam-dunk. But Obama will not and should not look at it as only a matter of whether the surge in Chinese tire imports caused damage to a domestic industry. His calculus will include overall relations with China and the global recession. Some considerations: China is America's second-largest trading partner after Canada. China is also the largest foreign holder of U.S. debt, with \$776.4 billion. But of course, there is a political consideration as well. This case has been widely described as the first test of where Obama comes down on the free-vs.-fair-trade debate. *

Mark Kiesling, Times of Northwest Indiana:

Two separate revelations this week don't paint a very rosy picture for the future of the city of Gary, and if I didn't

hate the cliche "perfect storm" I would say this is what is likely to happen if the Steel City doesn't get its act together. This is something its leaders probably either will not do or by this late stage of the game cannot do. Problem one: Gary relies on \$12 million in gambling revenue from its two lakefront boats to pay the day-to-day household bills each year. And it remains overdrawn by \$4 million. Problem two: Illinois, desperate itself for additional revenue, is

finally giving serious consideration to approving a gambling license for Chicago. This move could and likely would slash the money going into the casino boats in Hammond, East Chicago and Gary. I was talking to former Hammond Police Chief Ron Matonovich once when I was aboard the Hammond boat, and he bet me that I could not find three Indiana license plates in a row in the casino's parking garage. Fortunately, I didn't take the bet. I walked down several levels, and the vast majority of the cars bore Illinois plates. The Lake County boats are the closest to Chicago, and advertising for the casinos is ubiquitous on Chicago's South Side and its suburbs. But if Chicago gets its own casino and it is located closer than Gary, there is no doubt money will be siphoned off. Even if the Chicago casino is at Navy Pier, which has been suggested, I'd guess a lot of people in Illinois will opt to keep their money in their state. .

Gary Gerard, Warsaw Times-Union: I read President Barack Obama's speech - the one that was streamed to student across the U.S. I can honestly say I saw absolutely nothing wrong with it. Actually, I thought it was a really good speech. It was uplifting, motivating. I liked what he said. I thought the whole lesson plan thing was a little over the top. I don't think it's the prerogative of the federal government's eduction department to swoop into our schools with lesson plans - regardless of message or ideology. But the speech was just fine. ❖



Page 11

Weekly Briefing on Indiana Politics

Thursday, Sept. 17, 2009

Mel Simon had a big political influence

INDIANAPOLIS - Melvin Simon never ran for office and never headlined political events. But few Hoosiers

have had more influence on the Democratic Party in recent years (Schneider, Indianapolis Star). Simon was a major



financial supporter of candidates in Indiana and on the national stage and was a behind-the-scenes confidant and friend to many Democrats, including former President Bill Clinton. He also was the godfather of Sen. Evan Bayh's twin sons, Nick and Beau. Wednesday, Bayh recalled Simon, whom he had known since childhood, as a man whose down-to-earth style coexisted easily with his financial success. "I'll give you an example. Mel Simon was a billionaire, but his favorite place to eat was Steak n Shake," Bayh said. Simon and his wife, Bren, used their wealth to support numerous Democrats and at least two Republicans: Sen. Richard Lugar of Indiana and former Indianapolis Mayor William Hudnut. Federal campaign finance reports show Simon gave more than \$500,000 in the past decade to Democrats nationally, while Bren Simon contributed nearly \$2.5 million to Democratic PACs and candidates. State campaign finance reports show Simon contributed more than \$100,000 to Indiana Democrats since 1999; Bren Simon gave more than \$2 million. In addition, the couple hosted a parade of political stars -- including Clinton and his wife, then-Sen. Hillary Rodham Clinton; Sen. John Kerry; and former Vice President Al Gore -- at their homes in Carmel; Aspen, Colo.; and Palm Beach, Fla. Although the couple backed Sen. Clinton for president in 2008, they also helped Barack Obama.

It was at their Carmel home where Obama filmed his final campaign commercial, and the Simons each gave the maximum \$50,000 contribution to his inauguration celebration.

Daniels, Kernan remember Mel Simon

INDIANAPOLIS - Gov. Mitch Daniels and former Gov. Joe Kernan made statements on the death of Mel Simon. "A giant, pure and simple, and a citizen in the noblest sense of that word," Gov. Mitch Daniels said in a statement. "When the U.S. Army sent young Mel Simon to Fort Ben instead of anywhere else, it was one of the greatest breaks the state of Indiana will ever get." Kernan said, "Today, Indiana has lost a great Hoosier and I have lost a friend. Melvin Simon was an incomparable business and civic leader not only in our state but in our country. His loss will be felt every day. I will miss the twinkle in Mel's eye, his bellowing voice and his sage advice. Thank you, Mel Simon. You have blessed us all and we are grateful to have been part of your life."

Brand brought new emphasis to NCAA

INDIANAPOLIS - Myles Brand's career took him from a contemplative life as a philosophy professor to the explosive firing of basketball coach Bob Knight while he was president of Indiana University (Indianapolis Star). Brand went from specialist in analytical metaphysics to advocate for the role of sports in higher education. Brand, 67, who died Wednesday of pancreatic cancer, was the first academic in a half-century to serve as president of the Indianapolis-based NCAA, a job previously held only by sports administrators. "He thrust presidents into an active role in the administration of college athletics," said Wayne Duke, retired commissioner of the Big Ten who started at

the NCAA in 1952. "It'll take someone of comparable dedication and skill to maintain that legacy." Brand is survived by his wife, Peg, and son, Josh. Funeral arrangements have not been announced. Kenneth Gros Louis, IU's chancellor at the time, said Brand was surprised by the "viciousness" of the response to Knight's firing. "One could say he misread the fans of Bobby Knight," Gros Louis said. "I think that was one reason he left (for the NCAA in 2002), in the middle of an academic year. That was still lingering." Firing Knight was the most famous act of Brand's time at IU, from 1994 to 2002. But he received high marks for initiatives in life sciences and information technology. The school's endowment quadrupled during his tenure. Gov. Mitch Daniels issued a statement saying, "Myles was so full of good will and gentleness; we're so fortunate that IU made him a Hoosier and the NCAA kept him here with us."

Weinzapfel backs consolidation process

EVANSVILLE - The new push for Evansville-Vanderburgh County government consolidation comes in a political climate perhaps more hospitable to the idea than in years past (Langhorne, Evansville Courier & Press). With Gov. Mitch Daniels still strongly supporting proposals to overhaul local government, the elimination of township assessors last year and the appearance this year of an active and largely anti-government local political movement, much has changed since the VandiGov referendum on consolidation was defeated by a 3-1 margin in 1974. A day after the League of Women Voters of Southwestern Indiana announced it has launched a petition drive aimed at getting a referendum on consolidation on the 2010 ballot, Mayor Jonathan Weinzapfel made it clear he will not try to block the effort. "I think the time is coming in this community where we do need to take a good hard look



Page 12

HOWEY Politics Indiana

Weekly Briefing on Indiana Politics

Thursday, Sept. 17, 2009

at what consolidation might offer, especially with the property tax caps (passed last year) and the fact that, with our annexations, with the growth in our community, it's becoming more and more urban," Weinzapfel said. "I support the process moving forward."

Pence disappointed in Wilson rebuke

WASHINGTON - Despite pleadings from many lawmakers to move past the Rep. Joe Wilson dispute, some members of Congress are not ready to let it go (Columbus Republic). The House returns to work today with nerves still raw over the bitterly divided vote Tuesday to rebuke Wilson, R-S.C., for shouting "You lie" at President Barack Obama during last week's nationally televised speech to Congress. Rep. Mike Pence, R-Ind., a member of the Republican leadership, said, "Our economy is struggling, families are hurting. And yet, this Congress is poised to demand an apology from a man who has already apologized. It's a disappointment to millions of Americans."

ISTEP scores sag

iINDIANAPOLIS - More than a guarter of Hoosier students at nearly every ISTEP-tested grade level failed to make passing marks in English and math in the spring (Louisville Courier-Journal). In the overall ISTEP results released Wednesday, 70 percent of students statewide passed English and language arts, while 71 percent passed math - scores that prompted Indiana Superintendent of Public Instruction Tony Bennett to urge students, parents and educators to redouble efforts to improve. "The results remind us that there is much work to be done by the department, communities, schools and in students' homes to improve student learning in Indiana," Bennett said, citing the state's goal of having 90 percent of students passing

the ISTEP-plus test. Indiana changed the standardized tests, set new benchmarks and shifted to spring testing for the first time this year in over a decade. Because of the changes, no direct year-to-year comparisons are possible with previous year's results, although Indiana Department of Education officials said the percentages of students making passing scores on the new test fluctuated only slightly from the old test.

Central Noble supt. to join DOE

INDIANAPOLIS - Central Noble Community Schools' superintendent was tapped Wednesday to join the Indiana Department of Education (Fort Wayne Journal Gazette). Superintendent of Public Instruction Tony Bennett announced that Stacey Hughes will serve as assistant superintendent for student learning. "Hughes will direct curriculum development and instructional strategies in every subject and for all types of learners," Bennett said.

Health bill would hit medical device makers

INDIANAPOLIS - WellPoint, Eli Lilly and Co. and Indiana's many medical device makers would have to pay annual fees to the government to help finance the expansion of healthcare coverage under a Senate proposal released Wednesday (Indianapolis Star). The bill would impose \$13 billion in annual fees on drug makers, medical device manufacturers, clinical labs and health insurance providers. Fees would be assessed based on the companies' market share. The fees would help offset the cost of the \$856 billion bill, which aims to get health insurance to most Americans by expanding Medicaid and providing tax subsidies to small businesses and poorer individuals. Senate Finance Committee Chairman Max Baucus, D-Mont., expects his committee to start voting on the bill next week. He thinks the industries expected to benefit from more people buying insurance, prescription drugs, medical devices and lab tests should help pay for the legislation. The fees were based on the expected increase in industry profits if the bill becomes law.

Notre Dame president to walk for life

NOTRE DAME - In the aftermath of the controversial commencement visit by President Barack Obama, the University of Notre Dame's president plans to participate in the March for Life in January in Washington, D.C. (South Bend Tribune). The Rev. John I. Jenkins, the university president, announced Wednesday in an e-mail to the campus community that he will participate in the Jan. 22 march. He encouraged others to ioin him. A March for Life is held each January in the nation's capital on the anniversary of the Supreme Court's Roe v. Wade decision that legalized abortion. "I plan to participate in that march, I invite other members of the Notre Dame family to join me and I hope we can gather for a Mass for Life at that event," Jenkins wrote in the e-mail.

Supreme Court rejects McKinney punishment MUNCIE - A majority of the

MUNCIE - A majority of the Indiana Supreme Court has rejected a proposed resolution of a misconduct complaint against Delaware County Prosecutor Mark McKinney that called for him to be suspended from the practice of law for 90 days (Muncie Star Press). "Specifically, a majority of the court concluded that the agreed discipline, that being suspended from the practice of law for 90 days with automatic reinstatement, is insufficient in light of the misconduct agreed to by the parties," Kevin Smith, Supreme Court administrator, wrote.