



2009 leaves a stamp on Hoosier soul

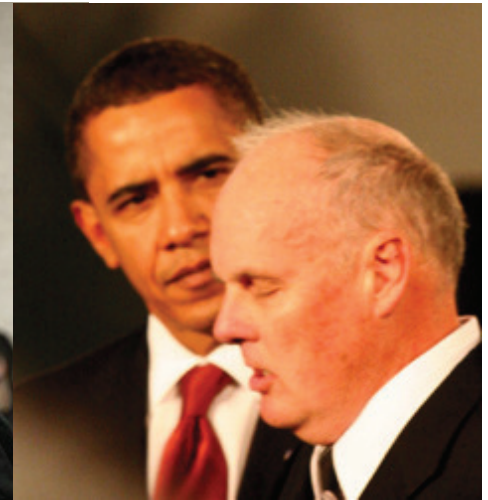
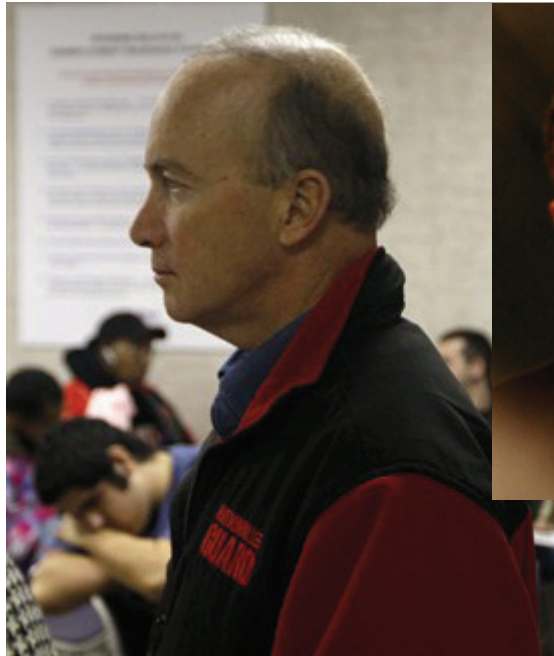
The Great Recession gripped the state, but it could have been worse

By **BRIAN A. HOWEY**

INDIANAPOLIS - There was 1933 in the midst of the Great Depression. And 1982 after the Great Oil Shock three years earlier ignited that rough patch. Joining those crisis years is this one - the Great Depression of 2009.

At this writing, with two weeks left, the feeling is that it could have been much, much worse for Hoosiers, though the commercial real estate bubble could be poised to make this sharp "V" of a recession into the feared "W". The fact that the state's revenue is expected to be \$1.8 billion under the amount forecast in the biennial budget now only six months old is yet another painful turn in a year full of them.

We began 2009 with great fear and towering hope. There was widespread speculation last January that we



Gov. Daniels (left) and President Obama with Ed Neuffer, both in Elkhart, a city that was hammered in the Great Recession of 2009.

could be facing a second Great Depression. The jobless rate had doubled from 4.7 percent in early 2008. The Big 3 American auto makers teetered on

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Daniels is guarded

By **BRIAN A. HOWEY**

INDIANAPOLIS - Despite a wicked forecast \$1.8 billion revenue shortfall pushing the state toward K-12 education cuts, Gov. Mitch Daniels said he is guardedly optimistic that the beginning of the end of the Great Recession of 2009 is getting close.

In an interview with reporters on Wednesday at the Governor's Mansion, Daniels noted that the state had made 154 transactions for new jobs in 2009, and that 19,343 are on the way. Both figures are nearly identical to the administration's top year of 2008.

The difference, he said, is that the amount of investment is significantly down. Of the 150 transactions, 48 were companies consolidating operations, accounting for 5,100 jobs. "Instead of growing and investing, companies



"He is putting kids behind his national right-wing image"

- **SPEAKER B. PATRICK BAUER,**
on Gov. Daniels' \$300 million in K-12 education cuts



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are contracting," Daniels said. "They are choosing Indiana over Michigan, Indiana over Pennsylvania. Overwhelmingly, they come here" due to the tax climate and expansion of the transportation system like the Hoosier Heartland Corridor.

Daniels said he has yet to see a "robust recovery" for 2010, but that could change if auto sales begin to increase the same way the recreational vehicle industry is. "I'm very guarded about the national economy," Daniels said. "But if auto sales pick up moderately" the recovery could begin.

And he was optimistic that new emerging clusters - electric cars and wind industries - are poised for a dramatic takeoff in the state.

HPI asked Gov. Daniels if there is a parallel between now and 1909 when Hoosier wagon and bicycle makers began converting to manufacturing the horseless carriage. "I think we're on our way," Daniels said of fledgling companies like Electric Motor Corp. in Wakarusa, EnerDel in Indianapolis, Bright Automotive in Anderson and perhaps Carbon Motors in Connersville. All of those companies are finding engineering and expertise from 20th Century auto companies like Delco-Remy. "The electric car will get here more quickly than I thought it would," Daniels said. "We're off to a fast start. Maybe we'll be the leading place in electric cars."

He added that the three windmill related companies locating in Indiana, like Brevini in Muncie, are spreading the word to related companies, potentially forging a new industrial cluster.

The governor addressed a number of other topics:

Kernan-Shepard reforms: Daniels said "we don't want to take a holiday from reform" and suggested two steps that could be passed in the

2010 Indiana General Assembly along with the five Kernan-Shepard inspired laws already on the books. They include revamping township boards with county councils instead of advisory boards signing off on budgets. He also mentioned "getting rid of conflicts of interests" with city employees serving



Gov. Daniels meeting with reporters at the Governor's Mansion on Wednesday. (HPI Photo by Brian A. Howey)

on city, county and town councils and boards.

Tax caps: Daniels is optimistic the caps will pass, particularly in light of the 21-3 vote in the House Ways & Means Committee earlier this week. He noted that the caps could set off more mergers, citing completed or pending mergers in Zionsville and Greenwood with surrounding townships. Daniels said there are a couple of school corporations looking at merger options. Enough signatures have been gathered to kick off an Evansville/Vanderburgh County merger referendum this week. Daniels said the tax caps have a "salutary effect" on other local units.

Educator reform: He expects no major legislation during the 2010 General Assembly. He said the reforms will be carried out by the



State Board of Education and will be a "real revolution" in paving the way for "emphasis on content mastery." Daniels also wants to clear hurdles that would allow more people to qualify to be principals and superintendents. And, he said, schools will soon be graded on an "A through F" system.

Health care reform: Asked by HPI if it would have been better for Congressional Republicans or the National Governors Association to have weighed in earlier on the controversial health reforms in the U.S. Senate, perhaps offering and advocating an alternative based on individuals and not corporations, Daniels said, "I think the Republicans could have made a clear reform alternative. I don't know if it would have done any good, but it would have been worth the effort." He said the NGA became "tongue tied" as the reforms progressed through Congress.

FSSA: As for the "hybrid" revamp for Families Social Services Administration announced by Commissioner Anne Murphy earlier this week, Daniels acknowledged, "Where we want to be is a long way from here." He reemphasized that FSSA will "keep the parts that work," particularly with regard to fraud, "and we press on" with reforms that will increase face-to-face contact with those applying for benefits.

2010 General Assembly: Daniels described his legislative agenda as a "small package of flexibilities." One would allow the Department of Natural Resources to sell tree sapplings to other states. Another would allow child support recovery to include gaming winnings from casinos and the lottery, calling it a "great anti-poverty move."

2012 presidential bid: Sitting in a room where Gov. Robert D. Orr offered him a U.S. Senate seat vacated by Vice President Dan Quayle in 1989, Daniels deflected

talk of a looming presidential bid. "I've got my head down on the business. I'm completely absorbed in what we're doing now." Asked why he turned down the U.S. Senate seat that Gov. Orr finally offered Dan Coats, Daniels said, "It wasn't easy. It was the right thing to do." He said he and his family had recently returned to Indiana after working for the Reagan White House. His daughters were ages 2, 4, 6 and 8. Had he accepted the seat, he would have had to run in 1990 to finish the Quayle term and again in 1992. "It wasn't right for us," he said.

2010 Battle for the House: Daniels acknowledged he took a big role in recruiting Republican House challengers. "I encouraged a lot these folks to run," he said. "I'll do anything I'm asked to do." He said his recruitment was an effort to "reshape the Republican Party" and to bring "new generation of reform-minded Republicans who will help us forge the next set of reforms." He added, "We need to have more women."

Redistricting: Daniels vowed to veto any bill that does not create new legislative and congressional districts forged with communities of interest. "I'm not going to sign anything that looks like the map of the Balkans," he said. He added that he was "very hopeful" that reforms can be achieved.

His successor: Asked if he has in mind a successor for the 2012 Republican gubernatorial nomination, Daniels responded, "No, I don't," but added that he will weigh in "when the time comes." He added that he has conveyed to potential contenders to "keep their ambitions in check. Let's get in one good season of reform" before the 2012 race begins. ❖

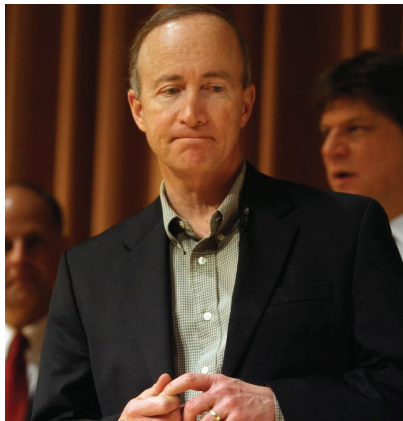
2009, from page 1

the brink, and along with them hundreds of auto suppliers that dotted the Indiana landscape. Indiana bureaucracies - Workforce One and the recently revamped Families Social Services Administration - groaned under the weight of desperate Hoosiers dropping into the social safety net.

Nationally, there was Wall Street and the international banking system on the ropes, two vicious wars with Hoosier soldiers playing a disproportionate role, and policy revolutions taking aim at health care and education. The former would set off the counterweight Tea Party movement from recalcitrant Republicans. The latter would inflame the base of the new president.

There were two ominipresent

figures: the veteran Gov. Mitch Daniels who conjured images of Chance the Gardner and an inevitable - but late - Spring to follow the brooding winter; and the historic African-American President Barack Obama, who won his office in part by criss-crossing the very Hoosier landscape that Daniels had four years earlier.



Both Obama and Daniels used the gift of oratory in attempts to reignite recovery and comeback. Both - in deep policy opposition to each other with a potential collision-course political trajectory looming three years hence - found bitter subterfuge from their loyal oppositions.

After one of the most incredible political years Indiana has ever experienced, 2009 became one of the most intense on the business, legal and policy fronts. What follows here is a review of a year few of us will forget.



Gov. Daniels

Daniels did not have the united home front that Gov. Paul McNutt had when he took office in 1933 or Gov. Robert D. Orr had in 1982. Both McNutt and Orr had commanding majorities in the Indiana House and Senate. McNutt was able to forge his dramatic reorganization of state government and the establishment of a new safety net in his first days in office with his vast Democratic majorities. Orr was

able to convene his Republican houses in the dark days of December 1982 to rescue the state from insolvency and lound in his A-Plus education reforms four years later.

Gov. Daniels had majorities during his first two years, but beginning in 2007 has been in a bitter feud with House Speaker B. Patrick Bauer. It wasn't a completely barren stretch, with telecommunication reform and the first part of the property tax caps put in place with the support of House Democrats. He was able to commence his education revolution through the Education Roundtable and the Professional Standards Board in concert with new Supt. Tony Bennett. But the thrust of his desire to remake Indiana as a state with 21st Century government was rebuffed in sometimes clownish fashion and they remain just promises.

He began the year with three speeches that touched on three of the four areas that would draw most of his attention. His first, on Jan. 6, laid down the operational gauntlet: no new taxes, no gimmicks, a balanced budget.

Six days later in his second inaugural address, he accented Indiana's station as time marched on, taking on the critics: "No more will historians write that we are backward and out of step," he insisted. "That we are, at best, 'gradualists' who prefer to keep to the more secure edge of the river. The Indiana they depicted would never have led the nation in capturing international investment, cutting and reforming property taxes, or bringing peace of mind to those without health insurance. In dramatic contradiction of old stereotypes, Hoosiers have announced emphatically to a world that belongs to the creative and nimble, where fortune truly favors the bold, that we not only accept change but are prepared to lead it, and invite the rest of America to follow us."

Finally, in his State of the State address, Daniels



made his dramatic pitch with a pointed challenge: "If there is anyone present who, given a blank slate, would draw up our system just as it is, please stand up now." No one did and Daniels said, "I thought not."

Seated beside him was Speaker Bauer. And in front of him was House Local Government and Reform Chairman John Bartlett, who would eviscerate the Kernan-Shepard reforms in a chaotic House chamber committee meet-

ing as Daniels tax cap supporters hurled insults at Bauer during a rally just outside the chamber.

It was a stascist battle victory.

Bloodied as the reforms went down, the caps delayed and a budget showdown that brought the second act of the circus into the final week in June, the governor had a plan. Missing on an opportunity late during his 2008 re-elect to shift his machine toward a House majority, Daniels quietly recruited Republicans to run in

2010. A few - like Cheryl Musgrave, Kyle Hupfer and Kevin Mahan - had been part of his administration. Others joined his "freight train of change" by early autumn as the Republicans announced their intent to wage a 2010 battle in 30 districts, with concentrations in Pendleton, Marion, Indianapolis and Evansville.

It was this battle front that might hold the key to whether the governor could regain control of the House, push through a dramatic reform agenda, with the potential of slinging out of that trajectory and into one that ends at 1600 Pennsylvania Avenue.

The fact that Daniels supporters are even thinking presidentially is a tribute to his strengths. During the 2009 legislative session, the jobless rate was 8.2 percent and growing. Indiana had lost 111,000 jobs - 3.7 percent of its workforce - in one year. Some 100,000 Hoosiers were seeking assistance, in spite of the fact that the Indiana Economic Development Corporation had landed more new jobs in 2009 (19,343) than in record-breaking 2008.

The long lines outside of WorkOne offices were obvious. Daniels toured such sites in Elkhart, Fort Wayne and Franklin and ordered 100 case adjudicators to help with the load while ordering DWD computers into libraries and churches.

With the Indiana news media in considerable duress, it was Evansville Republicans like State Rep. Sue

Gov. Daniels: Into the vortex
On the brink of a tumultuous month, Daniels surveys the budget, autos, caps and reforms
 by BRIAN A. HOWEY
 INDIANAPOLIS: The week on wheels will be high drama for Indiana on a number of fronts. General Motors and Chrysler will have if they're face bankruptcy and/or auction bid could impact 140,000 Hoosier workers and dozens of auto supplier companies. That could have immediate financial, already across to legislative leaders, will ultimately shape the budget, as will the various measures and debates set forth by President Barack Obama that could determine whether we face a...

A party & progress
 by BRIAN A. HOWEY
 INDIANAPOLIS: Last Friday, Democratic House freshmen led by State Rep. Ed DeLuany called a press conference outside the grand Oldenburg building to say they would revive Marion County township fire mergers, although DeLuany and State Reps. John Bauer and Harry Ann Sullivan postponed the answer indefinitely. Court House Speaker B. Patrick Bauer, who has tried to stall all government reform and consolidation bills, is trying to squish the freshmen? These events came about a couple of weeks after Gov. Mitch Daniels called Bauer's control over the House - and Democratic...

QUOTE
 "It took us a couple of days because I like to know what I'm talking about before I speak."
 - PRESIDENT BARACK OBAMA, answering the question from the press Tuesday on why it took him so long to respond to the ARJ bonuses



Crouch and Sen. Vaneta Becker who began expressing doubts about the FSSA reforms. Crouch would call it "systemic problems."

Daniels, at first, was in denial. When Crouch wrote a bill to stop the FSSA reforms, the governor reacted, "Well, I'm disappointed, but they have to make their own decisions. They are entitled to their opinion. We think they are in error, but my expectation is as we move forward and fix problems that were there, they'll feel differently and over time this issue will resolve itself."

By October, Daniels came to the conclusion that Crouch and Becker were right. He terminated the IBM contract with FSSA and ordered new FSSA Commissioner Anne Murphy to develop a new "hybrid" system that would reinstall face-to-face contact with people in need.

The success or failure of this second act could go a long way in determining whether there is such a sequence in the governor's political career.

President Obama

After making 49 campaign appearances in Indiana in 2008 and winning its 11 Electoral College votes, the new president inextricably linked his political future to the Crossroads of America.

During his inaugural address, he tried to reboot the equation similarly to what Gov. Daniels did in 2005. "On this day, we gather because we have chosen hope over fear, unity of purpose over conflict and discord," Obama intoned. "On this day, we come to proclaim an end to the petty grievances and false promises, the recriminations and worn-out dogmas, that for far too long have strangled our politics. We remain a young nation, but in the words of Scripture, the time has come to set aside childish things. The time has come to reaffirm our enduring spirit; to choose our better history; to carry forward that precious gift, that noble idea, passed on from generation to generation: the God-given promise that all are equal, all are free, and all deserve a chance to pursue their full measure of happiness."

And to those in fear, Obama said, "Our time of standing pat, of protecting narrow interests and putting off unpleasant decisions -- that time has surely passed. Starting today, we must pick ourselves up, dust ourselves off, and begin again the work of remaking America." A few minutes later, Obama said, "What the cynics fail to understand is that the ground has shifted beneath them -- that the stale political arguments that have consumed us for so long no longer apply. The question we ask today

is not whether our government is too big or too small, but whether it works -- whether it helps families find jobs at a decent wage, care they can afford, a retirement that is dignified. Where the answer is yes, we intend to move forward. Where the answer is no, programs will end."

Three weeks later, Obama's first trip as president landed him in Elkhart where close to a fifth of the population was out of work. In pushing for his stimulus package, Obama said, "There is money allocated in this plan to develop the new battery technologies that will allow not just cars but potentially RVs as well to be -- to move into the next generation of plug-in hybrids that get much better gas mileage, that will wear ourselves off dependence on Middle

Eastern oil, and will improve our environment and lessen the potential effects of greenhouse gases and climate change."

A couple of months later, the president came to Wakarusa, where he announced technology grants for Navistar and a new company called Electronic Motors, which Gov. Daniels had hailed only months before.

Clearly, the new president was aligning his fate with Elkhart County. MSNBC and the Elkhart Truth teamed up to chronicle the relationship. When the 2012 campaign revs up, what happens here could well determine whether the president gets a second term.

National Public Radio's Mara Liasson asked Obama if it would be difficult to forge bipartisanship, the president responded, "I think that old habits are hard to break. And we're coming off an election, and I think people want to sort of test the limits of -- of what they can get. You know, there's a lot of jockeying in this town, and a lot of 'who's up and who's down,' and positioning for the next election."

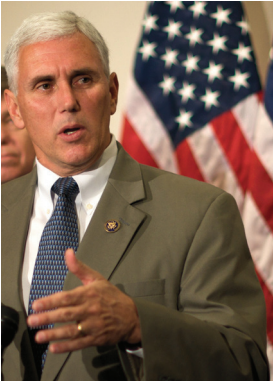
U.S. Rep. Mike Pence and Republicans

Even as the nation floundered and the state took a nose dive, there would be no break in politics. There would be no bipartisanship. The 2010 election cycle began hours after President Obama was sworn by Chief Justice Roberts, both times.

In January, U.S. Rep. Mike Pence, who had suddenly ascended to the No. 3 position in the House, told HPI, "Republicans need to cooperate. We do cooperate, compare and contrast. The American people want us to look for opportunities to work together."

But that didn't happen in 2009. Republicans voted in lock step against the stimulus and the health care reforms. Indiana Republican congressmen could only see an assault on the home front. U.S. Rep. Mark Souder feared





U.S. Rep. Mike Pence at a summer town hall.

that an Obama auto bailout would emasculate the GM Truck & Bus plant in Fort Wayne. His defense cutbacks could harm Rolls-Royce and Allison Transmission in Indianapolis (on Wednesday, the U.S. House voted for the F-35 Fighter jet). His student loan reforms could hit Sallie Mae in Fishers. Cap-and-Trade would raise energy rates by double digit percentages. Speaking before Indiana lobbyists, U.S. Rep. Steve Buyer actually wept as they enunciated the assaults. The Republican bitterness directed at Obama seemed to transcend the enmity against

President Bill Clinton.

When it came to the stimulus, Souder would say, "He's too concerned about us. He has the votes. They should just pass it and not be concerned about Republicans."

By the August break, the Tea Party movement only seemed to goad the polarization. Hoosiers waking up to the Today Show and Fox News were treated to town hall "brawls" and people showing up with AK-47s and signs that talked of "watering the tree of liberty with the blood of tyrants and patriots."

Pence, who hosted a town hall in Columbus the same day that President Obama was in Elkhart, explained, "They understand that this administration is running record deficits and is about to launch a \$1.6 trillion government takeover of health care paid for by \$800 billion in higher taxes and a whole lot of Hoosiers I'm talking to back home aren't having any of it." Pence would end up drawing 100 people in Greensburg and 250 in Muncie during the August recess.

Bayh and the Blue Dogs

Under the national microscope were the Hoosier Blue Dogs - U.S. Reps. Baron Hill, Joe Donnelly and Brad Ellsworth. They ended up voting for the health reforms as opponents like former congressman Mike Sodrel, State Rep. Jackie Walorski and Dr. Larry Buschon geared up campaigns. Hill would vote for Cap-and-Trade in a vote that may have wasted his political capital as there was no support in the Senate.

Ellsworth voted against the House stimulus bill - one of only 11 Democrats to do so, saying, "There were far too many provisions that would provide little to no economic stimulus." By fall, Obama's worst case scenario 8 percent unemployment jumped to more than 10 percent, giving Ellsworth and Republican critics some cover, though

other economists insisted that the stimulus simply wasn't big enough.

Donnelly appeared before close to 500 people on a hot August evening on a Kokomo street. "Slow it down," one man told Donnelly on the health reforms. "We did," Donnelly answered. "That's why we're here. My focus is to get it right." He would later tell HPI, "What you saw here was a real Hoosier crowd. They wanted to hear what I had to say and I wanted to here what they had to say."

If there was a town hall casualty, it was Hill's at Bloomington North HS, where he tried to prevent a video taping of the event, telling people, "This is my town hall." The problem there was the Bloomington Herald-Times also recorded the event, posted it on its website and Hill's outburst became a YouTube hit.

But the most tormented Democrat seemed to be U.S. Sen. Evan Bayh. Dispatched from the 2008 presidential race by Obama's rising star, then rejected in a "coin flip" as Obama's runningmate, Bayh became the uber deficit hawk, while saying at one point he was "agnostic" about the health reforms that had just about everyone else ginned up. At this writing, we don't know what he thinks of the various Senate compromises that have roiled the reforms



over the past week. The fact that wife Susan had earned \$2 million from serving on health and insurance rated companies puts the couple in political crosshairs (See Page 9).

By the end of 2009, the Washington Post was reporting that Bayh had pondered retirement instead of a third term. Former congressman John Hostettler announced a challenge. Bayh was willing to part with Obama on key votes and called on Obama to veto the spending bill, saying, "It's bad for our country's finances. It's bad for our children because we are going deeper into debt to China. It sets a terrible example by showing that politicians are totally out of touch with the sacrifices middle class Americans are making." It went for naught as Obama signed the bill.

Bayh was badgered by Moveon.org to fall into the Democratic fold on the health reforms, and the Washington Post showed that while Bayh had voted with the Democrats 91 percent of the time during the 109th Congress as he prepared for a presidential run, 84 percent of the time in the 110th Congress while he had his eye on the vice presidency, it was only 71 percent of the time this year as



he prepared for a third term.

Auto brinksmanship

On Jan. 15, Pence was asked about the pending auto bailout for Chrysler and General Motors. He called for "the need to facilitate financing to these companies in reorganization. We are going to continue to advocate that. It's a bankruptcy but you don't file bankruptcy. The reason you need to get these companies in court is what happens every day at the courthouse in Indianapolis. When you do, you get all the stakeholders in the room, all the parties agree to an expert in the industry, and they come back and say, 'This is what I think is necessary.' The judge with the force of the law drops the gavel, it goes bang on the table and everyone goes down the road. Absent that, it's hard to imagine any company like General Motors or Chrysler to make the kind of changes that will make them competitive."

By April 1, Obama had rejected an outright auto bailout, forcing GM and Chrysler into bankruptcy. Obama promised to "work with GM to produce a new business plan" and "clean up the balance sheets" that would allow it to "not only survive, but to succeed."

As HPI reported on April 1: The silence from Indiana's ruling structure from Congress to the Statehouse for much of the following 24 hours was eerie. The Indiana congressional delegation was largely mute.

Souder called the Obama plan "unbelievable bad news for Fort Wayne." U.S. Rep. Dan Burton called it "socialism." Gov. Daniels would say, "The government isn't good at running car companies."

Then in June, State Treasurer Richard Mourdock challenged the Chrysler/Fiat merger saying that the deals harmed teacher and state police pension funds. "Indiana retirees and Indiana taxpayers have suffered losses because of unprecedented and illegal acts of the federal government," Mourdock said, choosing to spend \$2 million in taxpayer money to save \$5 million in pension investments.

It was a stunning turn. In normal times, states trip over themselves trying to lure auto plants or help them expand. Daniels and Mourdock seemed to be advocating the liquidation of Chrysler, GM and as many as 100,000 more Hoosier jobs.

Daniels would call it the biggest political payoff in history (the UAW retirees got a stake in GM) while ignoring

the \$780 billion the Bush administration used to bail out Wall Street's big bankers.

Some urged restraint, while recognizing the audacious gamble. "He's going to be judged by what he does," said Madison County Democratic Chairman Rob McNabney. Fort Wayne Mayor Tom Henry added, "There is no question much is on the shoulders of our president. He is daring to risk more than others. He should be given time to produce." Pence was more tempered than most Republicans calling the Obama auto decisions "a step in the right direction. It's better than a long series of bailouts."

Whether Mourdock was right, or Obama, it will be years until the answer is known. We do know that Fort Wayne's GM plant picked up 700 additional workers and Allen County is investing millions more there. We know Marion's GM plant picked up 400 jobs. We know the vast auto supplier networks' hemorrhaging has been staunch. We know that GM actually began repaying its TARP funds this month. And we know that it will be 2012 before new Chrysler products emerge from the Fiat pipeline, prompting one industry analyst to say that Chrysler's survival is akin to "kicking a 70-yard fieldgoal."

And we know that Mourdock won 2012 gubernatorial straw polls in Harrison County and among Howard County

Republicans in Kokomo - home to the largest Chrysler industrial cluster - with 58 percent, compared to 1 percent for Pence.

Education reforms

When HPI sat down with Gov. Daniels in late July, the governor promised an "education revolution." He explained, "We have now got an all new board of education. We've got an all new Professional Licensing Board. We are going to redefine what is expected of a teacher in Indiana. It's going to revolutionize the colleges and schools in terms of content knowledge."

The governor had key allies. There was new Republican Supt. Tony Bennett down the hall at the Statehouse. And in one area where he and President Obama were on the same page, there was Secretary of Education Arne Duncan, repeatedly citing Indiana as a state willing to reform its education practices. "Our policies are absolutely consistent with the President and Secretary Duncan," Daniels said. Bennett and Daniels vigorously worked to win \$225 million in Obama's Race to the Top program.

There was some blowback from college educa-





tion schools. The Indiana State Teachers Association, in the midst of a securities fraud case, warned members that there would be an elimination of tenure, 1-year teacher contracts, teacher evaluation by test scores, school choice, teacher licensing tests, and an end to collective bargaining. "I believe the groundwork is being laid for legislative efforts in the upcoming General Assembly that will advance the same agenda," said ISTA's Nate Schnellenberger.

Senate Minority Leader Vi Simpson said in November that she was buying into the Obama/Duncan line. "I think there's a turn in a different direction," Simpson said. "I look forward to the discussion."

That discussion, Daniels insisted Wednesday, won't come before the legislature but before the State Board of Education.

Tax caps and Middletown

While Hoosier cities girded for the worst as the recession hit hard and the property caps loomed, there were two places of despair. One was Gary, the abject Hoosier stepchild that was the biggest municipality to come under sanction of the Distressed Unit Board. On Wednesday, Daniels suggested it merge with another city. The other was Muncie, where a Democratic Council battled the Republican Mayor Sharon McShurley.

The Muncie drama became virtually a weekly soap opera. McShurley tried to close a budget gap by laying off 44 firefighters, closing a fire station, plowing snow-covered streets only during business hours Monday through Friday, closing the animal shelter and turning off 85 percent of the city's 4,000 plus street lamps. A county commissioner called her "crazy." On Wednesday, McShurley and the Council finally came to an agreement on most of the issues.

The problem is that the worst is yet to come. Purdue Prof. Larry DeBoer observed that the true impact of the recession won't hit cities until 2011. Most cities grappled with the changes in a professional manner. Kokomo actually underspent its budget by \$6 million. Dozens of others saved hundreds of thousands of dollars through a state offered salt purchase.

It was Gov. Daniels' intent to have the tax caps prod cities to consolidate, though the Indiana Association of Cities and Towns believes giving cities taxing flexibility is a better answer. But when it came to Muncie working a deal out with its inner city township to save the firefighters, the mayor almost summarily rejected the notion.

Other consolidations are in the works in Greenwood and White River Township and Evansville and Vanderburgh County. In Muncie there was the distinct aura of a

one-term mayor.

The 2009 harvest for '10

This year was the one year in four with no elections. But politically speaking, the tell tales for a dramatic clash between parties were speckling the state.

House Republicans recruited close to 20 challengers from Mount Vernon to Plymouth, with concentrations around Marion, Indianapolis Pendleton and Evansville. The Battle for the House in 2010 could feature 30 funded Republican races. In August, Howard County Republican Chairman Craig Dunn erected a billboard on U.S. 31 urging Speaker Bauer to "Stop Blocking Progress in Indiana."

Indiana had 400 House campaigns during the '00s. The Democrats won 202 of them; the Republicans 198. Only 25 incumbent seats changed hands.

U.S. Rep. Dan Burton had a big political bullseye, as four Republicans challengers were gearing up for the May 5th CD primary.

In Indianapolis, Democrat Melina Kennedy was ramping up her frontrunning campaign for the 2011 mayoral race with financier Brian Williams, rising star Councilman Jose Evans, and possibly former Lt. Gov. Kathy Davis jockeying for the right to challenge Mayor Greg Ballard.

And way off in the distance - the 2012 gubernatorial race - Lake County Sheriff Rogolio "Indiana Roy" Dominguez and Republican Treasurer Mourdock were stumping the state attempting to line up early support and credibility. There was talk of U.S. Reps. Mike Pence for the Republicans, and Joe Donnelly, Baron Hill and Brad Ellsworth for the Democrats also making gubernatorial bids.

Epilogue

It was a tough year. It could have been far worse, had Chrysler and GM been liquidated, with scores of auto suppliers going down with them. Had that happened, we would be enduring our second Great Depression.

What happened in 2009 will have long-range and potentially profound impact as Indiana emerges into the second decade of the 21st Century.

It could have new economic clusters establishing themselves just as the auto industry did a century ago. It could launch a presidential candidate.

Or the policy decisions from the Obama White House could cripple key industries and saddle consumers with staggering energy costs, sending the state into economic backwaters.

The more attractive scenario is that the fires of the recession will winnow out the weak, new seeds will pop and spread and the economic Spring that Gov. Daniels envisioned more than 11 months ago will come to be.

We don't know our depths and we can only imagine how high we can soar. ❖



Muncie Mayor Sharon McShurley had a rough year.



Hostettler concentrates on signature drive

By **BRIAN A. HOWEY**

GREENWOOD - Former congressman John Hostettler was making the long drive from Posey County to the Indianapolis doughnut Wednesday afternoon, ostensibly to attend a Johnson County Young Republican gathering.

But he had one clear motive: "We are focusing on getting the signatures," Hostettler told HPI of the 4,500 he needs from each of Indiana's nine congressional districts.

HPI asked if he had a campaign manager, but Hostettler said that focusing on anything other than the signatures is dangerous. "We have to get passed that Feb. 16 deadline. I'll start the hiring decisions in January."

It's a dormant season politically, but Hostettler - as are Republican rivals State Sen. Marlin Stutzman, Don Bates Jr, and Richard Behney - are sniffing out any meeting, Christmas party or committee gathering they can find to get the signatures.

Hostettler said he is using a broad network of supporters around the state through the Right to Life to help in the northern CDs where the former six-term congressman has had little exposure.

Both Hostettler and Stutzman have geographical challenges. Stutzman lives near Howe just a few miles south of the Michigan line. Posey is in the southwestern pocket, nestled in between the Wabash and Ohio river valleys. There are few state highways that run northeast out of the pocket, and many of the highways on the interior from I-64 and U.S. 41 are two-laners with heavy truck traffic. Travel times are long; the journey can be arduous.

On Wednesday, Hostettler was in a prognostication mode. He said that Sen. Bayh "will not support a federal government takeover of the nation's health care system as the measure moves toward a vote in the U.S. Senate."

Hostettler explained, "I can confidently assure Hoosiers that Indiana has one, rock-solid 'No' vote on this issue. Evan Bayh will not vote for the Senate health care bill. The reason is simple: he cannot afford to alienate the health insurance industry."

Hostettler continued, "A vote for President Obama's most important legislative initiative will create a clear conflict of interest at home, literally, for Indiana's junior senator. The fact is that his wife, Susan, serves on the Board of Directors of one of America's largest health insurance companies, and she has been paid more than \$1 million

since first being named to that Board shortly after Senator Bayh's reelection in 2004. Bayh will not vote against the clear economic interests of his family. In the midst of these trying economic times - with nearly one in ten Hoosiers out of work - it's understandable that Senator Bayh cannot endanger such a significant source of income to his own household."

Bayh's office did not respond to a request for comment.

Meanwhile, Bayh continues to get pressure from his core supporters to pass the health reforms. Beginning today, community leaders and local residents will mount a 24-hour marathon session urging Sen. Bayh to support real health insurance reform, countering Republicans and insurance companies who are working overtime using scare tactics to kill it, according to the AFL-CIO.

5th CD: MURPHY SUPPORTS IRAN SANCTIONS

State Rep. Mike Murphy says he supports the sanctions on Iran passed by the U.S. House. "I applaud Congress for their swift and overwhelming passage of the Iran Refined Petroleum Sanctions Act supported by the American Israel Public Affairs Committee, 412-12," Murphy said. "The measure is intended to put pressure on the Iranians to stop their threatening uranium enrichment program."

HD17: YANKAUSKAS 2ND REPUBLICAN IN

Mike Yankauskas announced his candidacy on Monday for HD17 in Knox. He seeks to challenge State Rep. Nancy Dembowski. Francis Ellert of Plymouth filed as a Republican in November. "I believe that government has become too big, too controlling and unaccountable to the people it serves," Yankauskas said. "The values of the citizens living in the 17th District are not being represented. Too often we see that the 'wants' of powerful, well funded self interest groups are fulfilled over the 'needs' of the general public, and meaningful common-sense legislation is often not enacted due to strict partisan allegiance."



The Purdue graduate was employed in the agronomy division of SES Ag as a custom applicator, Sunny Brook Elevator as operations manager and Porter County Co-op as soil fertility specialist. He left Porter County Co-op in 1981 to start a private consulting business "Agriffluent Soil & Crop Service" and to farm full time. The farms main enterprise is pork production. In 1998, he opened an on-farm pork retail store, "The Pork Shop." He is a past director of the Indiana Pork Producers, is a volunteer firefighter and is president of the Knox Community School Corp. ❖





Baron Hill's dilemma

By **CHRIS SAUTTER**

WASHINGTON - A front-page article in Tuesday's Roll Call about the growing number of Democratic retirements from the House of Representative ignited a rumor on Capitol Hill this week that Hoosier Congressman Baron Hill will forego re-election in 2010 to concentrate on a 2012 run for Governor.

Though Hill has yet to comment publicly, it is unlikely he will retire from Congress in 2010. As one top staffer at the Democratic Congressional Campaign Committee (DCCC) told me, "Baron has worked too hard to win this seat the past two elections to give it up now."



Chris Sautter
Column

Speculation that several House Democrats may be on the verge of retirement heightened with the announcement last weekend that Tennessee Congressman Bart Gordon was stepping down after 13 terms. Gordon's decision comes on the heels of several other surprise retirements. There are now seven retirements by Democrats in swing districts—in a year when most are likely to swing Republican. Most

observers believe there would have to be twice as many retirements before control of the House of Representatives is at risk.

Republicans have been trumpeting the recent retirements as evidence Democrats are jumping from a sinking ship. The growing sense that 2010 could be a really bad year for Democrats has spurred on the rumors, although since the Roll Call article most on the watch list have either publicly announced they are running or assured House leaders they intend to run. But there is still a feeling that once some members who haven't had a tough race in a while realize how difficult their races will be next year, there will be more retirements.

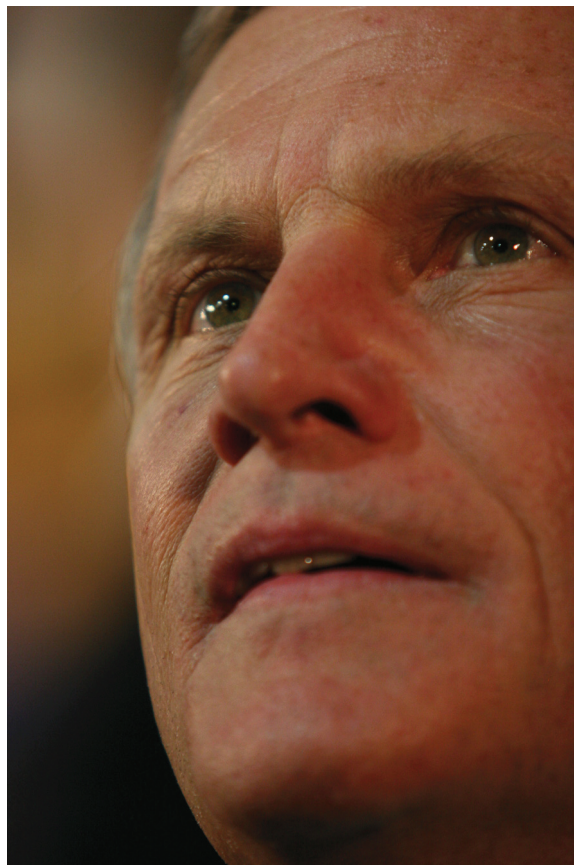
Baron Hill is in a different situation than the others on the list, however. Hill would be retiring from the House, not to step away from politics, but to move up. Mitch Daniels demonstrated the advantage a gubernatorial candidate gains by getting in the race early and spending his days

moving from town to town talking to real people about their problems. Daniels reinvented himself from Washington political operative to ordinary guy in a sweater driving an RV. It worked as he "out-Hoosiered" Hoosier war hero Joe Kernan. Hill understands the power of that strategy. It is the same one he used in his 1990 U.S. Senate race against Dan Coats as he walked the state in a plaid shirt talking to everyday voters wherever he could find them about their struggles. It might have worked if Democrats in Washington had sent more money his way.

If he runs for Congress again in 2010, Hill faces another tough re-election in a district that is increasingly trending Republican. In a wave year, all bets are off—Lee Hamilton almost lost in 1994. Republicans will come at Hill on health care reform and "cap and trade," which they claim would cost Indiana jobs. Hill's loss in 2004 is usually attributed to Mike Sodrel riding George Bush's coattails. But Republicans and their allies spent a fortune smearing Hill on social issues. With Southern Indiana hemorrhaging jobs and Republicans ready to drop big money in the race again in 2010, it is more than a theoretical possibility he could lose again. Hill wouldn't be the first U.S. House member worn down by the constant campaigning and fundraising required of House members in competitive district who decides that it is either up or out.

But the House leadership is not likely to be sympathetic to that point of view. Democrats have invested millions in putting and keeping Hill in that seat. They stuck by him funding a hopeless recount after the 2004 election. And, they made sure he had the resources to take back the seat in 2006 and hold it in 2008. Further, unlike when Lee Hamilton retired in 1998, no heir apparent to Hill has been groomed.

Hill was Hamilton's chosen successor. Hamilton campaigned tirelessly in the final weeks of the 1998 campaign to pull Hill over the finish line. Baron Hill is the only Democrat who can win in the 9th District in 2010. If necessary, House leaders will enlist Rahm Emanuel, who was DCCC Chair in 2006 when Hill won back the seat, to call Hill and tell him he has no choice





but to run for re-election.

There is also another practical reason for Hill to seek re-election. Even assuming he wants to run for governor in 2012—something he has never publicly stated—he will have a very difficult time raising the money he needs for that race if he is no longer in office. Washington Democratic contributors will give big bucks to a House member who sits on the Energy & Commerce Committee, even if it is for a gubernatorial race. But very few Democrats in Washington really care if a Democrat wins the Indiana governor's race in 2012.

Most will be focused on the presidential contest or House and Senate race. Daniels arrived in Indiana with financial commitments in hand and money stashed away to cover his personal expenses. Hill will not have that luxury. In short, Hill can't afford to get out of the 2010 race without forfeiting the financial backing he would need in a 2012 race for Governor.

And, there are other factors. Next year looks worse now than it will probably be. Obama and the Democrats still have time to change the climate. The declining ratings of Obama and the Democrats are tied primarily to two issues—the economy and the seemingly endless debate of health care. Health care will soon be behind them and most voters will not be interested in rehashing that debate.

Most economists believe the economy is slowly turning around. If the economy continues to improve and Obama and the Democrats can squeeze some off of the unemployment rate over the next year and get it down some, they can claim their policies are working. If that is the case, it will likely save 2010 from being a really bad election year for Democrats to being a year in which they suffer only moderate losses.

There is no doubt Baron Hill would make an excellent gubernatorial candidate. He is the strongest and most experienced among those being mentioned. He is an energetic and aggressive campaigner, and the only potential candidate who has ever been tested in a competitive race. But while Baron Hill may be the best candidate for Indiana Democrats in 2012, he can't get there without running for re-election in 2010. That's true even though the 2010 race may jeopardize his chance to run in 2012.

That's Baron Hill's dilemma. ❖

Hoosier native Chris Sautter is President of Sautter Communications, a political strategy and media firm based in Washington, DC. Sautter directed and produced the award-winning documentary film The King of Steeltown: Hardball Politics in the Heartland about the controversial 1999 East Chicago mayoral race. Sautter is also an Adjunct Professor at American University, where he teaches election law.

Bauer's ethic reforms take aim at Daniels

By **BRIAN A. HOWEY**

INDIANAPOLIS - Speaker B. Patrick Bauer hailed the House Rules and Legislative Procedures Committee passage of his ethics reforms by a 10-0 vote on Wednesday.



Facing a gauntlet of close to 20 Republican challengers to members of his caucus, and up to 30 races the GOP hopes to put in play by next February, Bauer took aim at the governor and his intention on helping fund those races.

HB 1001 requires lawmakers to disclose lobbyist gifts over \$50. In a press release, Bauer explained: "For ethics reform to be effective in state government, it must impact three areas: the Legislature, the executive branch and lobbyists. I am delighted that House Bill 1001 contains provisions that can help our state avoid the type of 'pay to play' relationships that have caused so much scandal in other states.

"This bill will prohibit people who have contracts with state government, or bid on contracts with the state, from making political contributions to any individual who holds state office or runs for state office," Bauer said. "There will be strict monitoring to make sure these prohibitions are met, and penalties for those who fail to comply. As in so many of the debates on these issues, it is hard to ignore the numbers that point out the need for this particular provision."

Then Bauer took aim at Gov. Daniels. "This governor raised \$1.3 million in campaign contributions from state contractors. These same contributors received \$2.4 billion in taxpayer-funded contracts. That means that for every \$1 contributed to the governor, these contractors were awarded \$1,773 in state tax dollars. I also believe we must pursue additional restrictions on the executive branch's ability to raise money when the Legislature is in its long session. The Indiana House has long had a rule prohibiting fund-raising during a budget session, and I feel the governor should operate under the same regulation. Consider that this governor raised more than \$1.26 million during the last three budget sessions alone."

Earlier this month, Daniels raised \$150,000 in Chicago for his Aiming Higher PAC that will be used to help fund House races.

"Despite what some may claim, these 'pay to play' reforms are not partisan. They will affect both future Democratic and Republican administrations," Bauer said. ❖



Amazon kindle bums Santa's elves

By **MORTON J. MARCUS**

INDIANAPOLIS - Elvin has been one of Santa's elves for decades. Normally a jolly fellow, he called me last week with desperation in his voice.

"I can't go on," he said.

"What's the problem?" I asked. "Is Santa making unreasonable demands on the elves this year? I've told you to form a union if he refuses to listen to reason. You have rights that need to be respected."

"No," he answered. "The old goat is just his usual self. Sitting on his throne, arbitrarily deciding who has been naughty and who has been nice. It's depressing to see so much power over the happiness of children in his ancient hands. He has no known standards; there are no posted criteria for naughty or nice on his website. But, no, he's not the problem."

"Tell me about it," I said in my most supportive voice.

"It's the Amazon Kindle, the Sony eReader, and all such devices to follow," Elvin sobbed.

"Pull it together, friend," I said. "What about these machines troubles you?"

"For my entire career with Santa," Elvin said, "I've made toys and other gifts that bring joy,

comfort, and knowledge to children and adults. It's been a good life and I could feel good about my elf-self. I was sustaining a great tradition.

"Now, however," Elvin's voice cracked with emotion, "there are these devices that are direct attacks on books, newspapers, and other printed matter."

"So what's new?" I said. "Movies, the phonograph, radio, TV, video tapes, DVDs, the Internet also were supposed to kill books and newspapers. Yet they survive."

"This is different," Elvin insisted. "All those other substitutes for books and newspapers added new dimensions to the printed content. These new devices, however, merely replicate the printed content."

"No," I tried to disagree without being disagreeable. "What the Kindle and its competitors offer is convenience. Your morning newspaper(s) delivered in a format where you can control the font size. A young elf may not see the advantage of this, but to this old guy, it sounds fantastic."

"Yeah," Elvin now sounded pugnacious, "but think about the human aspects of this. Thousands of newspaper

delivery guys and gals are going to lose their jobs."

"That's marvelous," I said. "Every time we can free people from repetitive, low-paid employment, we make progress for the human race. Your concern for the delivery drivers is similar to the anxiety folks had when elevator operators were replaced by self-service elevator cars."

"Your sympathies are appropriate. It should be a high priority for our society to expand the skills of workers continuously, not just when they are displaced by improved technology."

"A wonderful sentiment," Elvin said, "but where do you see such efforts in our economy? Were Indiana auto or steel workers prepared for job transitions as their industries made massive investments in capital that replaced labor? We act only after the fact, after the damage to the workers, after the loss of jobs, income, and self-esteem. Shouldn't physical capital investments be accompanied by relevant investments in human capital?"

"Elvin," I said, "this is all very wonderful. You're right on target, but this is the holiday season. If we are indifferent routinely to the consequences of progress, do you imagine we could care during a time of lights and light-hearted living?"

"So," Elvin sighed, "you do see why I'm depressed."

"Go have some well-laced eggnog," I said, knowing my advice was not going to be therapeutic.

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



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Morton Marcus
Column

The Washington Post
SATURDAY, DECEMBER 29, 2007

"The Best Indiana Political Reporter: Howey Political Report editor Brian Howey."

HOWEY
Politics Indiana

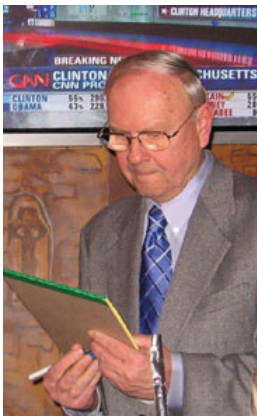


Rumors & news in the blogosphere

By JACK COLWELL

SOUTH BEND - The future course of journalism is uncertain. It is sure, however, to include reports from "citizen journalists" posting Internet items that wouldn't be revealed by the mainstream news media.

A look at what the future holds comes to us now amid all that speculation about selecting a new football coach at Notre Dame.



The South Bend Tribune, though claiming to be an authority on Notre Dame football, never reported that University of Wisconsin coach Bret Bielema was interviewed for the Notre Dame job by athletic director Jack Swarbrick.

Nor did the Chicago Tribune report this. Nor did the New York Times. Nor did other major publications covering the coaching change.

It was a citizen journalist who broke the Bielema story on a blog, and it spread on other blogs, including one boasting of reliance on real citizens rather than fake professionals for accurate reporting?

Why did the so-called experts in the mainstream news media cover up the quest for Bielema?

Here's why:

The Bielema blog blather was as substantial as those disclosures that former President George W. Bush sent the planes into the World Trade Center, that President Barack Obama isn't a citizen, and that death panels are part of health care legislation.

The source for the Bielema report was disclosed on bluegraysky.com, a blog dealing with Notre Dame athletics. In a posting titled "Anatomy of a Rumor," it was explained:

"Friend of BGS decides (not at our behest, by the way) to email the rumor site FootballCoachScoop.com with a choice tidbit."

Seems the bluegraysky friend, wanting to see how easy it is to get a rumor spread, sent this email:

"I used to work in the athletic department at Notre Dame, and I have heard that Jack Swarbrick is interested in Bret Bielema, the head coach at the University of Wisconsin."

Just a couple things were false. The sender never worked in the ND athletic department, and he never heard that Swarbrick was interested in Bielema.

The bogus report was put on the "Scoop," with no apparent effort to reach the emailer to check on credibility.

Quickly, the report was picked up by another blog that made the message stronger: "Notre Dame AD to talk with Wisconsin head coach Bret Bielema this weekend."

Then it become even stronger in another report that Swarbrick was "very interested" in talking with Bielema after the Badgers' game in Hawaii that weekend.

In tracing the progress of the hoax, the bluegraysky guy was anxious to see if it would appear on Google. It did. It also was cited on NBCsports.com, which quickly realized it was a hoax and said so. Some other sites, including an ESPN blog, also mentioned the Bielema report and then corrected the error after bluegraysky disclosed its roots.

A Wisconsin reporter tracked down Bielema in Hawaii and also contacted Wisconsin athletic director Barry Alvarez. Both of course denied any contact with Notre Dame. Well, on some blogs, a denial means confirmation.

The bluegraysky guy offered this advice:

"And please, most of all, don't trust the Internet!"

That's going too far. The Internet is a wondrous thing, providing all kinds of useful information. It also provides some "journalism" with none of the checks and balances of an editor demanding more information, questioning reliability and insisting on verification with a second source. Nor are the "reporters," often anonymous, in danger of losing their jobs if reports prove to be inaccurate or hoaxes.

The Bielema "scoop" wasn't the only one bouncing around in emails and blogs.

There were revelations from "sources" that a news conference was scheduled to announce Bob Stoops as Notre Dame coach, that Brian Kelly had no chance because of such "baggage" as being a Democrat, that Lou Holtz was coming back for a year, that Urban Meyer was crazy enough to leave top-tier Florida for top-tears Notre Dame and that Regis Philbin would take over as coach, with co-host Kelly seeking to attract recruits.

OK. The Regis and Kelly rumor never circulated. But some citizen journalist could have snuck it on a blog. And those believing in such fantasy as the Bush, Obama and health care rumors would ponder it seriously: Brian Kelly or Kelly Ripa? ❖

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



Rich James, Post-Tribune: Dear Mitch, You don't call anymore. You don't write, either. And e-mails? Nothing. Is it something I said or did? Even though I'm a leftist-leaning liberal, I was just getting to like you, Mitch. I don't say that about many Republicans. You were the man, Mitch. If it was for Lake County, you were right there lending a hand, writing a check. Nothing was good enough for us. You were right about all that, Mitch. This corner of the state had all the ingredients for a bright future. Still does. But, I'm not sure that all your attention was heartfelt, although it seemed like it at the time. Maybe you were laying the groundwork to prove a point. If you were courting Northwest Indiana, perhaps this corner of the state would respond when you ran for re-election, Mitch. After all, what's that expression about one good term deserving another? Well, let's check the numbers. When you ran the second time in 2008, you got 35 percent of the vote in Lake County. Four years earlier, you got 34 percent -- and that was pretty much before we even knew you. Don't take it personally, Mitch. We appreciate your efforts, but we're Democrats up here. It's not easy to embrace an "R", especially one who took collective bargaining away from state employees just after becoming governor. ❖

Phil Wieland, Times of Northwest Indiana: The man considered the grand poobah of ethics in Northwest Indiana, and not just because he's the only one who can even spell the word around here, wants everyone to know he's a macho man. "Ethics isn't for wimps," state Sen. Ed Charbonneau, R-Valparaiso, told the Valparaiso Ethics Commission this week. Charbonneau is the former executive director of the Local Government Academy at Indiana University Northwest, where people are supposed to learn how to be ethical, especially in government. He was either the loneliest man in town or the worst teacher. "We all have to struggle with it because it is a huge issue for every elected official," he said. "You can build an impeccable reputation in business and life and, when you get into office, you are judged by the worst of (the other elected officials). It's totally based on the perception of what people think you are." It's a perception born of seeing so many elected officials almost bleed to death from paper cuts garnered while stuffing their pockets with money. Lobbyists wave a lot of money under legislators' noses, so it does take a real man -- or woman -- to resist that kind of influence because the average taxpayer has no lobbyists. The perception is bolstered by the fact much of the legislation seems geared toward helping the special interests while the taxpayers pick up the tab. Included among the special interests is the legislators' special self-interest in voting themselves a health care system the rest of us can only dream of. ❖



Stephanie Salter, Terre Haute Tribune-Star: After reading a story by the Indianapolis Star's John Tuohy about the indefinite suspension of lunch service on Fridays, Saturdays and Sundays at Plainfield, the inmate wanted to offer a view different from that of corrections officials. Before my column appeared, he sent handwritten letters to Tuohy, a Tribune-Star editor and the Indiana ACLU in which he addressed several statements made by prison officials about the so-called pilot program. The Indiana Department of Corrections and the private prison food services provider, Aramark, say the reduction isn't about money, but about "efficiency." Cutting out three lunches a week for most of the 1,600 Plainfield inmates, officials say, actually helps prisoners with their busy weekend schedules of family visits, education classes and religious services.

A Plainfield spokesman emphasized that offenders still are receiving their requisite 2,500 calories per day with "brunch" — served at 6 a.m. — and dinner 10 hours later. The spokesman also said prisoners could supplement their missed meals with food purchased from the commissary. (The columnists quotes an inmate): "I'm speaking for all of the inmates, and I am asking you to publish this, to let society know that we are suffering in prison with the food situation. Bad things will happen if nothing changes here about the food." ❖

Curt Kovener, Crothersville Times: Over the years I have found that while the cast of characters may change, the plot and theme of the community has not. We are still a one stoplight town. We still want a safe community, a good school for our children, safe water to drink and don't want to be bothered with whatever happens after we flush the toilet because that's now the town's problem. We all want more business in Crothersville while we continue to prefer to shop out of town. We still commute out of town to work and watch out-of-towners commute in to work at local manufacturers. We still have more than a dozen churches in a wider community of around 3,500 people which means we are either the most pious community or one in desperate need of spiritual learning. Our streets are still rough and messy and like 1980 there is never enough money to fix them. We still like to complain about property taxes but always want police, fire and ambulance services readily available in case we need them. One other thing I have found over the past 29 years, despite all of the new, innovative technology, I still work too many hours. And I have found that those smart sumbucks who say, "You don't need to work harder, you need to work smarter," usually have someone to whom they can delegate their work duties. ❖



Health reforms facing delay

WASHINGTON - Senate Majority Leader Harry Reid's plan to pass the Senate health care reform bill by Christmas looked increasingly in doubt Wednesday, as Republicans launched an offensive to stall the legislation and Democrats had yet to strike a 60-vote compromise (Politico). Senators privately considered one scenario Wednesday that would have them casting a final vote at 7 p.m. Christmas Eve. Surprising Democrats, Republicans brought the debate to a standstill and forced the Senate clerk to read a 767-page amendment on creating a government-financed health care system. Democrats pulled the measure as the reading entered its third hour, but the move was the start of the GOP's attempts to use every procedural tool necessary to delay the bill. Away from the floor, Reid (D-Nev.) continued wrangling with the Congressional Budget Office over a cost estimate, which Democrats had initially hoped to receive by Monday. Without the analysis, Reid has been unable to lock down votes for the bill. And Democrats on both ends of the political spectrum remained uncommitted, saying they had problems that needed to be addressed. Senators cornered Ben Nelson (D-Neb.) throughout the day, aiming to sway him.



Muncie miracle! All problems solved

MUNCIE - City hall was the site of a Christmas miracle Wednesday night (Werner, Muncie Star Press). The Democratic majority on city council and Republican Mayor Sharon McShur-

ley put all differences aside and in one meeting appear to have resolved most the critical issues that Muncie had been facing in recent weeks. They scrounged together money for streetlights. They found a way to pay for fire hydrants. They approved a measure to help bring back five laid-off police officers. And to top it all off, the mayor announced she struck an agreement with union officials that would allow Muncie to keep its animal shelter open. "I just want to go out and yell from city hall, Merry Christmas to everyone," McShurley said afterward. Both the mayor and Democrat city council President Alison Quirk told the packed auditorium that the solutions coming out of Wednesday's meeting were the result of a collaborative effort between the McShurley administration and the council. "To try to find some sort of resolve," Quirk said, prompting an applause that the council hadn't heard in a long time.

Daniels suggests Gary seek merger

INDIANAPOLIS - Gov. Mitch Daniels said a Hoosier city that runs out of revenue because of Indiana's new property tax caps could be placed into receivership, but he said his administration hasn't been preparing for that possibility (Post-Tribune). Instead, Daniels said struggling cities like Gary should think about consolidating with other local governments to cut administrative and overhead costs. "That's the sort of thing that taxing units under pressure ought to be looking at," Daniels said, "and I suppose at some point a receiver could do it for them." Representatives of Public Financial Management Inc., Gary's state-mandated fiscal monitor, have said the city would be left with \$30 million if the caps were fully enforced. That would only cover the salaries of police, firefighters and EMS workers, leaving no money for benefits nor any other employees. Placing the caps in the constitution would leave the

DUAB powerless to give Gary relief, though, meaning Gary might need to find a way to live within those caps by 2012. Daniels said consolidation is one option to be considered. "We have taken down the barriers in the last four years," Daniels said. The Indiana Association of Cities and Towns is also pushing legislation that would allow cities to levy food/beverage and innkeepers taxes. If successful, that could offer an additional revenue stream to struggling municipalities. "I've always favored some more flexibility for local government," Daniels said.

Commissioners dress down Dominguez

CROWN POINT - Lake County commissioners put the sheriff on notice Wednesday he must clean up the county jail in the wake of a federal findings that its deficiencies systematically violate inmate civil rights (Dolan, Times of Northwest Indiana). The three commissioners gave Sheriff Rogelio "Roy" Dominguez emergency powers and money Wednesday to hire consultants to upgrade the lockup's faulty medical and mental health records system and renovate moldy shower stalls and other sanitary systems the inmates use. County Attorney John Dull also lectured the sheriff. "You have the authority to take any and all steps in order to operate a constitutional jail," Dull said. The sheriff received all of this advice with a smile and promised to comply with the commissioners' demands. He said he will seek approval from local judges before starting the book-and-release program in the jail.

'Vampire' threatens Judge Certo, family

INDIANAPOLIS - A man claiming to be a leader of a group of vampires was sentenced Wednesday for threatening a judge (WTHR-TV). Rocky Flash pleaded guilty to a count



of intimidation, a class D felony. Flash claimed to be the leader of the "Vampyer Nation," and threatened to beat, torture, impale, dismember and decapitate Judge David Certo, the presiding judge in Marion County's Criminal Court 21. Flash also threatened the judge's family. Flash was sentenced to 884 days executed at the Marion County Jail. He was also ordered not to have any contact with the judge or his family.

House passes fighter jet made in Indiana

WASHINGTON - Congress is backing production of a fighter plane engine built in part by Hoosiers, despite efforts by the Obama administration to end the program (Gannett News Service). A \$636.3 billion defense spending bill the House approved Wednesday includes \$465 million for a second engine program for the F-35 Joint Strike Fighter jet built by General Electric and Rolls-Royce Corp. of Indianapolis. The Senate could vote on the bill this week. The Pentagon says a second engine is no longer needed because the original engine is performing well. It said continuing to develop the alternate engine diverts resources from the overall Joint Strike Fighter program. Congressional advocates, including Sen. Evan Bayh, D-Ind., argued that a second engine could reduce costs in the long run and improve performance through competition. George McLaren, spokesman for the GE Rolls-Royce Fighter Engine Team, said the House vote is a victory for the program. "The House has endorsed this competition for 15 straight years because they see the future benefits for the military customer: reduced cost, increased reliability and improved service," McLaren said. "

Souder headed to Afghanistan

WASHINGTON - Rep. Mark Souder, R-3rd, will travel to Afghani-

stan while Congress is on vacation, his third trip to the war zone (Smith, Fort Wayne Journal Gazette). He will travel with a group of about a dozen House members. Souder was asked for security reasons not to disclose publicly the dates and cities the group will visit. They will assess conditions in Afghanistan as the troop buildup ordered by President Obama begins. "The plus-up is one of the majors issues in Congress," he said, adding that the lawmakers will talk to ground commanders about the role of the U.S. military there and how long it will take. Souder faulted Obama's decision to send 30,000 additional fighters and trainers to Afghanistan and begin withdrawing U.S. troops in 18 months. Souder said either the number of troops is dramatically underestimated or the length of time is too short.

Board of Education meeting today

INDIANAPOLIS - The Indiana Board of Education plans to meet today to consider how to cut \$300 million from public schools without laying off teachers (Indianapolis Star). Gov. Mitch Daniels announced Tuesday that he was cutting state spending on public schools by \$300 million over the next 18 months. It was his latest budget-cutting mandate and came after a new revenue forecast predicted the state would take in \$1.8 billion less than previous projections through July 2011. The Board of Education has until Friday to make recommendations on how the cuts should be made.

Environmental groups want feds to intervene

INDIANAPOLIS - Environmental activists who are upset about Indiana's water pollution rules say they'll ask the federal government to take action against the state (Associated Press). The Hoosier Environmental Council, the Sierra Club and the Envi-

ronmental Law and Policy Center have scheduled a Thursday teleconference to discuss their plans to ask the federal government to act against Indiana's authority over its water control program. The groups have opposed Indiana's proposed "anti-degradation" rules that define the circumstances under which industries can increase pollution to lakes and streams. They say the revised rules are fraught with loopholes and would allow industrial plants to increase pollution.

EPA raids firm

BURNS HARBOR - Environmental Protection Agency officials have searched a slag producer's plant at the Port of Indiana and its office as part of an investigation into potential environmental crimes (Associated Press). State and federal inspectors searched Calumite Company LLC's plant at the port in Burns Harbor in northwest Indiana and its office in Portage on Tuesday.

Straub to be Indy's public safety director

INDIANAPOLIS - A career law enforcement official from New York has been tapped to head Indianapolis' public safety department (Indianapolis Star). Frank Straub, who has worked as an administrator, federal investigator and educator, arrived in Indianapolis on Wednesday to meet with city and community leaders. More introductions are planned for today, when his nomination is officially announced. If confirmed next month by the City-County Council, Straub would take over before police contract negotiations and during the ongoing consolidation of township fire departments. "I think coming in, one of the most important things I can do is an awful lot of listening," he said.