



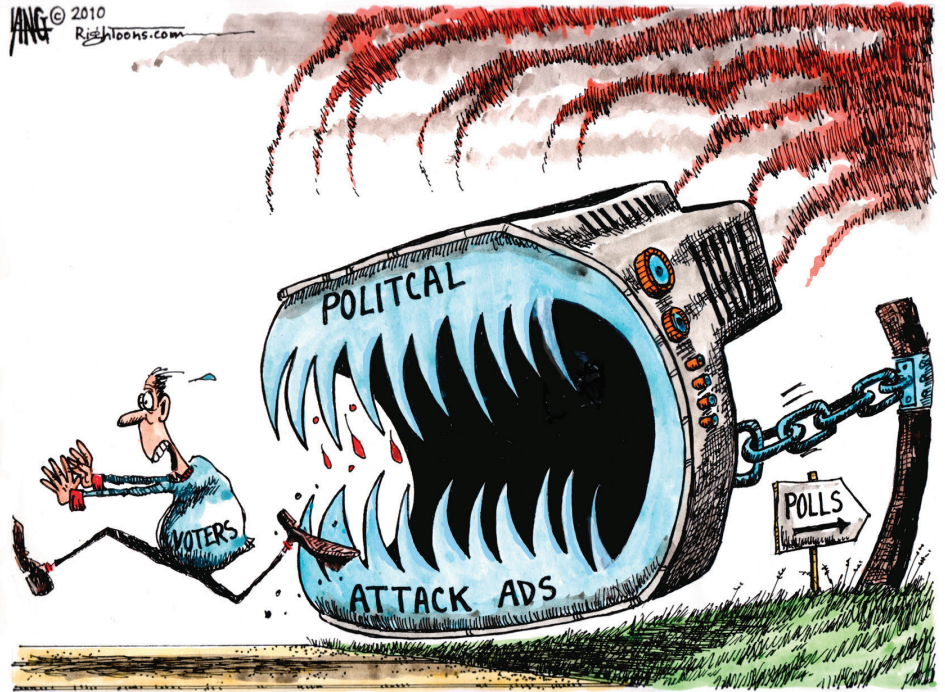
Baron facing withering assault

\$1.4 million in outside money aimed at Dem; Young sees a 'level playing field'

By **BRIAN A. HOWEY**

BLOOMINGTON - This is Baron Hill's gully washer, stronger than the Bush-Daniels-Sodrel flood that swept him out of office for two years in 2004. The raging waters have risen once again. At some point around Labor Day, his nostrils and top half of his head were the most prominent anatomy above water.

On Monday night, the Democratic congressman stood on the stage of the Buskirk-Chumley Theater, sandwiched between hostile opponents Republican Todd Young and Libertarian Gregg Knott, who at the end of the debate called for his "immediate resignation."



The fiery Hill remained calm and collected, even as half of the packed theater hooted when he called the scientific evidence on climate change "overwhelming."

Hill was under a withering assault from Young on

Continued on page 3

2nd CD last stand

By **MARK SCHOEFF JR.**

WASHINGTON - If a Republican tsunami hits Democratic congressional majorities on Nov. 2, Rep. Joe Donnelly may be one of the most difficult members to wash out to sea.

With less than two weeks remaining before the election, the 2nd CD Democrat asserts that his message – centered on creating jobs, protecting Social Security, defending manufacturers and stressing his political independence – is resonating with Hoosiers in the blue-collar district that ranges from Kokomo to South Bend and LaPorte to Elkhart. "I feel that things are going really well,"



"It would be most useful to redesign the tax system to discourage consumption and encourage savings and investment."

- Gov. Mitch Daniels, raising the idea of a value added tax



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Donnelly said in an HPI interview late Wednesday afternoon. "People are listening and responding."

They'll also be hearing more from the Democratic Congressional Campaign Committee, the House Democrats' political arm, over the last days of the race. The DCCC plans to spend \$363,000 on air time in the district, according to a Democratic source in Washington. The committee also has \$868,000 reserved for TV time in the 9th CD for incumbent Rep. Baron Hill. Ads for both are appearing on the South Bend and Indianapolis markets. Despite the Democratic priority put on the seat, Republicans are confident they can bring it back into their column.

Donnelly's opponent, State Rep. Jackie Walorski, is gaining on him, according to the campaign's internal polls. Howard County GOP Chairman Craig Dunn said that Walorski has climbed back from a 12 percent deficit and is now within the margin of error in the most recent surveys.

"We're definitely closing in on him," Dunn said.

Walorski also has fundraising momentum. Although Donnelly has outraised her \$1.5 million to \$1.1 million, she had more cash on hand as of the Sept. 30 Federal Election Commission filing -- \$515,873 to \$456,372.

But Walorski is most excited by the ground effort her campaign is waging. She said that she draws from a database of about 5,000 volunteers who are making 25,000 to 30,000 calls and knocking on 1,000 doors each

week.

"We're working as an army of volunteers to flip this seat," she said in an HPI interview. "TV doesn't win elections. Knocking on doors and boots on the ground wins elections. That's what we're seeing."

Donnelly, however, doesn't concede any ground when it comes to connecting with voters. His campaign is taking him from supermarkets to convenience stores to neighborhood walks and various other events.

The key for him, he says, is



Rep. Donnelly has had a tumultuous two years, ranging from this town hall in Kokomo in August 2009 to votes on the stimulus and health reforms. (HPI Photo by Brian A. Howey)

not just what he's doing during crunch time of the campaign season but practices he has followed throughout his four years in Congress.

"People know me," he said. "I come home every single weekend."

Donnelly said that voters are support him because they see him trying to create more jobs in a manufacturing-dominated region that has been hit hard by the recession and tepid recovery.

Donnelly cites high but improving unemployment statistics. For instance, he notes that unemployment has dropped from 19.2 percent to 12 percent in Howard County and from 19.8 percent to 12 percent in Elkhart.

Constituents "want more jobs to come here and they know we're



working non-stop to make that happen," Donnelly said.

But Republicans are using the jobs issue against Donnelly. They criticize him for his vote for in favor of the \$787 billion stimulus bill that has not succeeded in reducing the unemployment rate, which still hovers above 9 percent.

"The Democratic Congress is not doing anything to create jobs," said Tom Erickson, Midwest press secretary for the National Republican Congressional Committee.

In fact, the NRCC is running ads that accuse Donnelly of inadvertently bolstering job growth in China and other foreign countries through stimulus spending on clean energy projects whose parts are made overseas.

"That's going to come back and sting on election day," Erickson said.

The DCCC is portraying Walorski as out of touch with the values of the district. They assert that her tax reform ideas would amount to a 23 percent sales tax and that she favors privatizing Social Security while supporting tax advantages for companies to outsource.

"We are making sure that voters know what sort of extremist agenda she is going to pursue if elected," said Gabby Adler, Midwest press secretary for the DCCC.

Walorski dismisses the attacks as part of an overwhelmingly negative campaign by Donnelly and the Democratic Party.

"There's no basis to any of them," she said. "They're blatantly lying."

Although the factuality of the ads can be called into question, there's no doubt that the district is being saturated with them. Outside groups have spent \$1.17 million in opposition to Donnelly and \$286,591 opposing Walorski, according to Sept. 30 campaign filings.

Donnelly objects to being the target of organizations that don't have to reveal their donors. But he's prepared to withstand the onslaught.

"We've been very prudent with our campaign funds and saved them up and saved them up to get our message

out," Donnelly said.

The pounding is certain to continue. "Hoosiers will be seeing a lot of the NRCC in the 2nd District between now and election day," Erickson said.

The group will likely pursue the same theme that it did in its first ad against Donnelly, which was its first ad of the cycle for any candidate – linking Donnelly to the widely unpopular House Democratic leadership, especially Speaker Nancy Pelosi, through his votes for stimulus and health care reform.

Donnelly, however, said that he is an independent voice, citing his opposition to the cap-and-trade bill the House passed in 2009.

"I don't worry about Washington," Donnelly said. "I worry about back home. My votes reflect that."

This year, however, back home is where Walorski is working 20-hour days to upset Donnelly.

"We've got our pedal to the metal," Walorski said, "and have for the last four months."

Cook moves 2nd CD to Tossup

Donnelly is still in better shape than many other Democrats in comparably GOP-leaning districts in the industrial Midwest, but even internal Democratic polling shows him with a mid-single digit lead under 50 percent, suggesting GOP state Rep. Jackie Walorski has largely weathered Democrats' attacks and remains in close contention. Look to this race as an early bellwether on Election Night.

Horse Race

As it has for more than a month now, Donnelly has a slight lead and this race remains just outside of our "Tossup" zone. That could change in the final two weeks. Walorski is poised for an upset, but she's not quite there yet. **Horse Race Status:** Leans Donnelly ❖

Bloody 9th, from page 1

everything from his infamous Bloomington North HS meeting in August 2009 when the Tea Party surfaced ("This is my town hall meeting; you're not going to tell me how to run my Congressional office") to his controversial votes on the health reforms and Cap-and-Trade. He has been targeted with at least \$1.4 million in outside ads.

Afterwards Hill lamented on the campaign finance reform changes and the money streaming in against him. "We are going to be competitive," Hill said. "Our numbers are holding up." Young called the independent infusion of money a "leveling of the playing field" and said after

Monday's debate, "I'd like to have more ads running on our behalf."

The New York Times' Five-Thirty-Eight blogger Nate Silver is giving Young a 53.6 percent chance of upsetting Hill, with the computer generated vote simulation at 49-48 percent favoring Young. Just about everyone you talk to - from the two campaigns to the pundit class - see the 9th as the ultimate barn burner.

Hill has adopted one chapter from the Democratic defense playbook: demonize Young on Social Security.

During Monday's debate, Hill pulled out a pledge he had signed - violating the "no prop" debate rules - handed it to Young and asked him to sign. Hill has based much of his TV advertising campaign around a Salem town hall in



which Young described the federal program as a "Ponzi Scheme." Young has said that his remarks were taken out of context.

On Monday night, Young described it as a "sacred compact" and said it would take a "bipartisan effort" to "make sure it is solvent." He criticized Hill, saying his "campaign is based on false and misleading" information.

In a later exchange, Young complained that the Social Security trust fund had been "raided and spent on everything but retirement." At that point, Hill handed Young the Social Security pledge he had signed and asked him to do the same.

Young refused. The pledge ended up on the floor.

Hill has defied another part of the Democratic play-book, which is to either disavow or ignore the health care and Cap-and-Trade votes. Hill has proceeded defiantly on both, saying he was "proud to support" the historic legislation but added, "It's not a government takeover. It was insurance reform."

Knott called it a "monstrosity that won't lower costs" and Young said that while he "applauds that we are approaching health reform" he said that "unfortunately it does nothing to reduce costs, it expands entitlements" and it cuts \$500 billion from Medicare recipients."

Young added, "It's bad legislation."

Hill has also not fled from House Speaker Nancy Pelosi, as fellow Blue Dog Joe Donnelly has. After the debate, HPI asked Hill that if he is reelected, would he support Pelosi should Democrats maintain control of the House? "I want to see who the nominee will be," Hill said. "I've voted for Nancy in the past. We'll figure out who the nominee will be."

Last August Hill was asked if he would spurn a visit from President Obama. His response was that folks in Southern Indiana don't turn their back on a friend. To do that is to lose their respect.

Pure tossup

Republican and Democratic insiders tell HPI the 9th is a pure tossup.

A long-time Democratic ally of Hill, who had to speak on background due to current job commitments, sees the congressman as focused as he's ever been.

"Everybody knew this was going to be a tough year," the Democrat said. "They thought it was going to be the soap opera with (Mike) Sodrel again. They knew

this was not going to be a popularity contest. Baron, in a variety of ways, has managed to keep this close."

The Democratic insider said Republican sources he's talked with fear that the Tea Party "peaked on Labor Day." The source has been privy to Hill's internal polling and confirmed that recent surveys show Hill "a couple points up."

"It's October. It's like if he weathered August and September, it's not going to get much worse. Baron Hill has the money. He's defined Todd Young. If voters sympathetic to the Tea Party haven't made their minds up by now, they're probably not going to vote against Hill."

There's another side to that: in both 1980 and 1994, an overwhelming number of undecideds broke for the Republicans in the final days. The Democratic source told HPI that internal numbers put the 9th CD undecideds in the "3 to 5 percent" range - enough to overcome a 2 or 3 percent Hill lead.

Young has been an impressive money machine both in the primary when he defeated Sodrel and Tea Party candidate Travis Hankins in a race virtually split in thirds. He wiped out his warchest, but responded with a \$769,000 third quarter and had \$596,896 cash on hand. Still, he trailed Hill by a \$1 million for the cycle and another \$311,000 has been spent by outside groups aligned with the Democrat.

The Democratic source added of Hill, "The thing you've got to remember about Baron Hill - he's an athlete. What he has done is stayed really, really focused."

How Young could win or lose

The best thing Todd Young can hope for is a Category 4 or 5 wave that washes out everything in its path. Right now he finds a Category 3 "Katrina" type wave that certainly will wash out the gullies.

The NBC/Wall Street Journal poll appears the put the dynamic right in Young's wheelhouse. The wrong/right track at 59/32 percent, which compares to 26/61 percent in 2006, and 27/55 percent in 1994, the year then U.S. Rep. Lee Hamilton almost lost, winning by just 6,000 votes. President Obama's disapprove/approve stands at 49/47 percent. Some good news for Democrats: in an August poll by a 46/41 percent count, voters said national issues mattered most. In this latest survey, 52 to 42 percent said "performance in district" mattered



Republican Todd Young after the Bloomington debate Monday night. (HPI Photo by Brian A. Howey)



more. NBC's Chuck Todd said that number is allowing some Democrats to "claw back" into races.

A Statehouse lobbying Republican source told HPI, "There are 99 Democratic seats in play. Right now a third of them are already washed out. Goodbye Trent Van Haften. Hill is in that second third that could go. If Joe Donnelly loses, then the Democrats lose the House in the 60 to 70 seat range."

The hidden weapon for Democrats is Organizing for America, which is working to reconnect with 330,000 first time voters in 2008 on behalf of Hill and Joe Donnelly. The Associated Press reported today, "Election Day already is over for more than 3 million Americans, and a surprising number of them are Democrats. ... [Early-voting figures from the first batch of states ... give Democrats an edge in a number of states and big counties."

Young's most glaring problem seems to lie in the Republican base.

There was no kiss and make up with Sodrel, who felt "insulted" by Young's campaign tactics, even though Young had been in the race almost a year prior. Republican sources tell HPI that Hankins is already signalling to his supporters that he will run in the 2012 primary regardless of who wins on Nov. 2.

Young won the primary with 19,141 votes, compared to 17,909 for Hankins, 16,868 for Sodrel and 1,453 for Rick Warren. That's 55,000 total votes. With Young unable to close ranks with Sodrel and Hankins, the troubling scenario for him is that close allies to the vanquished may stay home or vote Libertarian. Even if that's as few as 5,000 votes who feel clear animosity toward the nominee, that's a margin that can change an election outcome.

Clark County Republican Chairman Jamey Noel calls it a "dead even race" and adds, "I think the trend will put Todd over." But Noel added, "The only reason it's in play is he hasn't mended fences" with Sodrel and Hankins.

On Monday, Young passed on an opportunity to appear on the "Fire Nancy Pelosi" bus tour with Republican National Chairman Michael Steele in Jeffersonville, preparing for the Bloomington debate that evening.

Young scored a 100 percent on the Tea Party's Independent Caucus questionnaire which calls for the elimination of the Department of Education and the National Parks Service, which certainly will put him in good stead with many Tea Party advocates. But during the Vincennes University debate on Oct. 13 and again at the post-debate press conference in Bloomington, Young backpedaled. "There is a federal role for education," Young said at Vincennes. "I want the federal role to continue."

Hill told HPI in Bloomington that the national parks

"need to stay in government, but might be better run in a more business like manner." But hewing back to the center on those issues, Young could lose some of the Tea Party tribal support. To them, he could lose the distinction of a true believer.

Both Republican and Democratic sources tell HPI the 9th CD is "different" than other Indiana CDs, whether it is the winding roads through the hollows and valleys, unlike the east/west, north/side grid up north, to a suspicion of outsiders, or the fact that many lifelong Democrats will vote for Republican presidential candidates. "The people in the south part of the don't trust the people in the north part" the Democratic source told HPI. "And here you have Todd Young who lives in Bloomington. He might as well live in Berkeley."

Yet there are contradictions. The district with an isolationist bent gave America one of its most trusted internationalists in Lee Hamilton. "Trust" is the key word there.

The 9th CD is changing. Hamilton kept a deft touch with the district, in part by networking with Democratic Editorial Association newspapers, some of which are now struggling. There is an influx of Republican voters moving into the state from the Cincinnati and Louisville metros.

A prominent Republican source summed it up like this: "Some would rather have two more years of Hill than 20 years of Todd Young because he's not one of us."

Even if control of the U.S. House hangs in the balance?

The source responded, "This is the 9th. That's just the way it is."

Both Hill and Sodrel cast Young as "Carmel boy" who, as a recent Hill TV ad put it, "He isn't one of us."

Epilogue

So, who wins the 9th?

HPI has this race as a pure "Tossup" while others like the Rothenberg Political Report have it "Leans" Republican. NYT's Nate Silver gives Young a slight edge.

A huge GOP wave would likely wash Hill out, as it did three Hoosier Democrats in 1994. Even a moderate Democratic wave in 2006 washed out three Indiana Republican incumbents. The size of the wave will remain somewhat of a mystery until mid-evening on Nov. 2.

But there are just enough mitigating factors at play in the Bloody 9th that could help Hill around the margins.

Because of so many moving parts, biases, historic patterns that are changing, the influx of outside money, the 9th CD may pose one of the most intriguing riddles of the fascinating 2010 election cycle.

Horse Race Status: Tossup ❖





Daniels' Hudson speech: A death wish, or a man running on his own terms?

By **BRIAN A. HOWEY**

NASHVILLE, Ind. - It was fascinating to hear a four-dimensional speaker's voice ring out during one of the most superficial, dumbed-down campaigns of our lifetime.

The voice was Gov. Mitch Daniels at the Hudson Institute, far removed from its Indianapolis perch. Daniels went to Washington a week ago and talked about the nation's epic dilemma in his terms. He delivered a history lesson right out of Herman Kahn's book, "The Coming Boom: Economic, Political and Social."

Daniels recited from Kahn's book: "It would be most useful to redesign the tax system to discourage consumption and encourage savings and investment. One obvious possibility is a value added tax and flat income tax, with the only exception being a lower standard deduction."

"That might suit our current situation pretty well," said Daniels. "It also might fit Bill Simon's line in the late '70s that the nation should have a tax system that looks like someone designed it on purpose."

Kahn's writings, echoing through Daniels' Midwestern twang, came five days before Americans heard Sarah Palin's reedy voice on the Tea Party Express when she said, "We can see 2012 from our house."

In a gathering Republican field that will almost certainly include Palin, former Massachusetts Gov. Mitt Romney and former Arkansas Gov. Mike Huckabee, the happiest dream of Barack Obama and David Axelrod is a populist spasm that places Palin atop the 2012 ticket.

The Washington technocrats and intellectuals within the GOP see in Daniels an adult with a Kahn-sized brain and the Hefner cojones to tread where few politicians dare go.

Kahn wrote, in a passage Daniels read from Thursday, "One fully justifiable tax would be on imported oil. Any large importation of oil by the U.S. raises security problems. There are, in effect, external costs associated with importing oil that a tariff would internalize."

I wasn't there, but there had to be glances among the audience with the look I personally witnessed at Disney World in 1973 when President Nixon told us he wasn't a

crook ("Did I really hear him say that?").

"Now, maybe that transgresses some philosophical viewpoint of yours," Daniels said. "But to me, that's an interesting point today, just as valid as the day he wrote it. Now, none of us is Herman's equal. But we are all his heirs, if we choose to be."

What we're witnessing is a reluctant presidential candidate dipping the toe into the waters, but doing it on his terms.

America faces three towering challenges: Medicare, Social Security and defense spending. Any future president who attempts to deal with them in a profound, long-lasting way will probably be relegated to a James K. Polk style, voluntary one-term presidency. Any candidate who doesn't muster realistic and bold solutions to the three-headed dragon isn't in the game and shouldn't be taken seriously.

"There is a real desire in Washington for someone who has the capability of dealing with these huge problems," said Marty Morris, chief of staff to Sen. Richard Lugar.

When Lugar ran for president in 1995-96, he ran on a platform calling for the elimination of the federal income tax, to be replaced with a federal sales tax modeled on New Zealand.

Politico explained the VAT this way: It slaps a tax on the estimated market value for products at every stage of production. Progressives loathe flat income taxes because they're regressive and punish the poor. But some on the right have found the VAT attractive as an alternative to progressive income taxes and levies on capital gains.

Daniels has a personal and professional loathing for debt. As one source put it, "Mitch Daniels can't stand debt. Most of the time he thinks four-dimensionally. He's not Keynesian at all. But on debt, he's two dimensional: Pay it. Pay it."

Washington Post columnist David Broder, observed in his Sunday column: Back in Washington, the luxury of having a thoughtful presidential contender was striking for everyone hearing Daniels. The one-time Reagan White House political director and Bush White House budget chief is not your run-of-the-mill intellectual. His style is to be down-home, but his record of accomplishment is dazzling. The turnout was a reminder that during the Reagan and Bush years the Republican Party mustered battalions of policy wonks who were at least the equal of their Democratic counterparts. Most of them have retired to think tanks and law firms now, but they are plainly eager to get back into the battle if Daniels summons them to the 2012 campaign.



Gov. Daniels receives Hudson's Kahn Award from former Vice President Dan Quayle. (Hudson Institute Photo)



There is great speculation as to what Daniels' true intentions are. As HPI has reported last month, the governor hasn't made a decision on a presidential run and probably won't until the crucial 2011 session of the Indiana General Assembly ends, scheduled for April 30. The likely advent of a Daniels presidential campaign would be May or June, giving him seven or eight months to build before the Iowa caucuses and the New Hampshire primary. In modern times, that is a late time frame. But not impossible.

But no one possesses the aura of invincibility that George W. Bush had in 1999 or the Hillary Clinton mirage of 2007.

Daniels also faces a potential second Hoosier in the presidential race. U.S. Rep. Mike Pence won't have the constraints that Daniels faces with the Indiana General Assembly. One prominent Hoosier Republican spoke to the potential two-man Hoosier field: "Pence would probably be the better candidate but Daniels would make a better president." Daniels has run a state; Pence a congressional office and a radio show.

Some of us who have covered Daniels' two gubernatorial runs might disagree with that assessment of the governor's retail campaigning abilities. He's as good as they come - potentially in a league with Ronald Reagan, Bill Clinton and Barack Obama.

Then again, Daniels is not a purveyor of BS. His Hudson speech is a vivid indication that this would be a grownup campaign that would include some policy castor oil.

Wednesday's New York Times, meanwhile, called out Pence for his Janus stance on budget deficits: "In Indiana, Representative Mike Pence, the No. 3 House Republican, complains about runaway federal spending on steroids." In Alaska, the Republican candidate for the Senate, Joe Miller, talks about "out of control spending." If there is a single message unifying Republican candidates this year, it is a call to grab hold of the federal checkbook, slam it closed and begin to slash spending. "On the actual campaign trail, you are hearing virtually none of the kind of blatant honesty that we need about what changes would fix this situation," said Maya MacGuineas, the president of the Committee for a Responsible Federal Budget, an advocacy group in Washington that promotes fiscal restraint.

The Times reported: Calculations by the nonpartisan Congressional Budget Office and other independent fiscal experts show that the \$1.1 trillion cost over the next 10 years of the Medicare prescription drug program, which the Republican-controlled Congress adopted in 2003, by itself would add more to the deficit than the combined costs of the bailout, the stimulus and the health care law.

Daniels' Hudson speech represents either a political death wish of a reluctant candidate, or a man determined to run on his own terms. ❖

Herrell mailers prompt Goodnight, Bauer meeting as HD30 leans GOP

By **BRIAN A. HOWEY**

KOKOMO - Mayor Greg Goodnight put in a call for Indiana Democratic Chairman Dan Parker with one request: he needed to see Speaker B. Patrick Bauer.

A few days later, Bauer and Goodnight met for coffee in a downtown Kokomo cafe - not on the carpet - in what the mayor described as a "cordial, respectful" conversation.

But there was a problem. Indiana House Democrats are circulating mailers and running TV ads critical of Kokomo Councilman Mike Karickhoff, who had backed budget cuts in the police and fire departments and had supported the mayor's annexation policy. A TV ad on behalf of Herrell accuses Karickhoff as "Tax Hike Mike" for supporting

an income tax that had been urged by Bauer and other legislative leaders. Herrell testified for the tax at the Kokomo City Council. "We asked to give local government tools to try and use to help with the property tax problem and that's what I feel we've

done," Herrell told the council. Karickhoff told WISH-TV, "Anybody who sat in the room knows he endorsed this idea because it lowered property taxes."

The mailers and ads were on behalf of embattled Democratic State Rep. Ron Herrell and they said that Karickhoff had jeopardized public safety.

Because of the near death of Chrysler Corporation and the ensuring jobless rate that approached 20 percent in Kokomo, Goodnight and Karickhoff had no choice. Goodnight's fear, however, was that House Democratic criticism in 2010 could come back to haunt Kokomo council Democrats in 2011. "If they're successful, I could scratch out the legisla-

tive names and write in council names for next year," said Howard County Republican Chairman Craig Dunn.

"What





I said to the speaker was a lot of the votes Councilman Karickhoff case were in support of our policies and procedures. We had to make budget cuts. Karickhoff's record is reflective and lines up with our Democratic councilmen well over half the time."

Goodnight noted that public safety has actually improved since the cuts. "Our aggravated assaults are down, and below the national average," the mayor said.

Karickhoff - who Gov. Daniels deputy chief of staff Eric Holcomb calls "No. 51" - moves back into the HPI Republican pickup column as the third one - bringing our forecast to 51 for House Republicans.

Why?

According to Dunn, Karickhoff has visited 4,500 homes, made 7,500 phone calls and raised \$70,000, not including additional support from the Indiana Chamber, Indiana Right to Life and Gov. Daniels Aiming Higher PAC. His TV and radio ads are positive and upbeat. The ads against Karickhoff that are running in the Indianapolis TV market attack, calling Karickhoff a "taxer."

The Aiming Higher PAC has only committed \$4,200 on behalf of Karickhoff, compared to \$160,000 for Republican Kyle Hupfer in HD37 and \$176,000 for Bob Heaton in HD46. This despite Herrell raising \$161,000. Republicans obviously see other priorities.

"We're up," Dunn said. "We're close to double digits. Herrell went two weeks with extremely negative mailers." The one remaining shot for Herrell is to tie Karickhoff to Treasurer Mourdock on the Chrysler-Fiat merger.

The mailers and ads on behalf of House Democrats have been extremely negative and personal. They have assailed Matt Ubelhoer in HD62 as a polluting coal miner, accused Jud McMillin in HD68 of "legal malpractice." It's a scorched earth tactic that suggests that they're seeing a wave aimed at their majority. The lashback is kicking other Democrats in the process. **Horse Race Status:** Leans Karickhoff

Aiming Higher running positive ads

Gov. Daniels'

Aiming Higher PAC is running a series of positive ads on behalf of Ron Baron, Cindy Kirchofer, Kyle Hupfer, Sharon Negle, Cheryl Musgrave, Wendy McNamara, Steve Davisson, Matt Ubelhor, Rhonda Rhoads, and Bob Heaton. "With just under two weeks until Election Day, Aiming Higher launched another round



of TV ads in support of our pro-taxpayer and pro-growth candidates," an Aiming Higher release said on Wednesday. "Showing in communities all across the state, the ads lay out a POSITIVE message for voters--in sharp contrast to our Democratic opponents who are relying on a desperate barrage of negative campaigning to try to win votes. Gov. Daniels has always run campaigns based on optimism and a positive view of the future of Indiana. He has never run a negative campaign and he won't start now."

Gallup, NBC/WSJ see GOP uptick

Likely voters prefer Republican congressional candidates over Democrats by 7 percentage points in an NBC News/Wall Street Journal poll out Wednesday — up 4 percentage points from a month ago. Republicans hold a 50 percent to 43 percent lead among likely voters in the generic ballot match-up, a measure asking voters whether they'd prefer to vote for a Democrat or a Republican for Congress. Democrats actually hold a 2 percentage point lead among registered voters. That's the good news for their party. The bad news: In the competitive House districts surveyed, Republicans surge to a 14 percentage point lead. The poll of 1,000 registered voters was conducted Oct. 14-18 and has a margin of error of plus or minus 3.1 percentage points. The poll falls in line with a Gallup survey released Tuesday, although Gallup's poll painted an even rosier picture for the GOP. In the Gallup survey, Republicans held a 5 percentage point lead among registered voters and an 11 or 17 percent lead among likely voters, depending on the turnout model used. The NBC/WSJ poll puts the wrong/right track at 59/32 percent, which compares to 26/61 percent in 2006, and 27/55 percent in 1994. President Obama's disapprove/approve stands at 49/47 percent. Some good news for Democrats: in an August poll by a 46-41 percent count, voters said national issues mattered most. In this latest survey, 52 to 42 percent said "performance in district" mattered more.

Senate: Coats has big money lead

Indiana Republican Senate nominee Dan Coats has collected more than \$2 million during the most recent fundraising quarter, while Democrat Brad Ellsworth took in less than half a million dollars (Associated Press). Documents



released Friday show Coats has more than \$1.3 million on hand heading toward the Nov. 2 election. Ellsworth reported \$835,000 on hand, including \$494,000 that his campaign collected from July 1 through Sept. 30. Ellsworth also can tap into about \$490,000 left from money retiring Sen. Evan Bayh gave to the Democratic Party to help Ellsworth's campaign. Still, the momentum seems to be favoring Coats, a former senator who was shown with a comfortable lead in a recent poll. So far during this election cycle, Coats has raised \$4.1 million and spent about \$2.7 million. Campaigning in Kokomo on Monday, Ellsworth discounted the polls.

U.S. Sen. Evan Bayh has made a web video on behalf of Ellsworth walking voters through the early voting process.

Meanwhile, Bayh came under scrutiny in a Politico story about his \$10 million war chest. Bayh's latest Federal Election Commission report shows that he still has \$10.3 million in



his campaign account — a staggering amount for a lame duck senator — but he has yet to transfer any of that money to the Democratic Senatorial Campaign Committee. Bayh has by far the most cash-on-hand of any retiring senator who is not seeking elective office this cycle, intensifying expectations that he is saving the cash for a future statewide or national run. But Democrats battling to save their Senate majority seem eager to get as much of Bayh's money as they can right now. "We have certainly solicited and invited every member to give the maximum that they are able to help the effort," said New Jersey Sen. Robert Menendez, DSCC chairman, in a recent interview when asked about Bayh's campaign funds. "And clearly, the greater that we have a participatory caucus, the better position we'll be in for the successes that we want this coming November."

Indiana Senator Dick Lugar announced he has been credited with raising more than \$1 million for the National Republican Senatorial Committee (NRSC).

The Indiana Debate Commission said that in the only Nielsen overnight measured market in Indiana - Indianapolis - the first Senate debate was watched in 44,000 households for a 4 rating and a 6 percent share on WTHR-TV. That does not include viewers on WFYI-TV, C-Span, or TV stations in South Bend, Evansville, Fort Wayne, Louisville and cable. **Horse Race Status:** Safe

Coats

3rd CD: Stutzman, Hayhurst even on cash

Republican congressional candidate Marlin Stutzman closed the money gap between him and Democrat Tom Hayhurst over the summer (Smith, Fort Wayne Journal Gazette). Stutzman raised \$298,275 during the three months, equally divided between individuals and political action committees, compared with Hayhurst's \$255,780, which he raised primarily from individuals. Hayhurst has been raising money for the campaign since last year, when he announced his candidacy. Stutzman did not become a candidate in the 3rd District until June. Heading into the period when candidates spend most of their money, Stutzman had \$129,107 on hand as of Oct. 1; Hayhurst had \$115,804. **Horse Race Status:** Likely Stutzman

4th CD: Rokita on third campaign manager

Secretary of State Todd Rokita's 4th CD campaign manager, Laken Sisko, quit over the weekend, WISH-TV reported. It was his third campaign manager after Cam Savage left following the primary to join the Coats Senate campaign. Mike Sullivan was at the helm over the summer. In between, Rokita was questioned about hiring a child molester during a recent debate on 24-Hour News 8's sister station, WLFI in Lafayette. "A member of Todd Rokita's campaign staff is well known in our community as a convicted sex offender and child molester," said David Sanders. "He was in charge of volunteers for months." Rokita gave a clumsy answer. "I welcome anyone who is genuine in heart and genuine in mind to help get this country back," he said. "We don't police everyone who wants to sign up on a website or join us at a parade or anything like that. We welcome anyone in Indiana who follows the laws. If anyone doesn't follow the laws in my campaign, they're immediately removed." Rokita later told reporters the staffer in question was fired when he learned about the conviction. Calls to the Rokita campaign and Rokita's spokesman in the Secretary of State's office were not returned and neither was a call to Laken Sisko, the campaign manager who quit over the weekend. Scott Bowers sent an e-mail that says he will become the campaign manager for Rokita. He moves over from Rokita's Secretary of State staff. **Horse Race Status:** Safe Rokita

8th CD: Buchson outraises Van Haaften

Republican Larry Bucshon raised \$323,571 in the last quarter and \$816,151 overall. State Rep. Trent Van Haaften, D-Mt. Vernon, raised \$215,028 in the last quarter and \$688,275 overall. Bucshon still has \$317,842



compared with Van Haaften's \$259,446. Van Haaften tried to close polling gaps by going after Buchson's medical practice. "Larry Buchson was raking in hundreds of thousands of dollars a year during the period of time that he was president of Ohio Valley Heartcare," said Trent Van Haaften. "Yet he failed to protect his business and employees from massive debt due to his fiscally incompetent management." The court documents go on to say that the revelation of the \$2 million dollar loss resulted in "an increase in overhead to a monthly high of 83%, a reduction in physician compensation, inability to pay existing indebtedness and an advisement from OVHC's accountant that the company was insolvent." During the six-month period ending on December 31, 2005, eight of the seventeen physicians, including the two plaintiffs who brought the case, resigned from OVHC. Those that remained had to be paid using a dwindling line of credit from their bank. Buchson did not participate in Tuesday's Terre Haute debate. The Evansville

Courier & Press editorialized: With rare exceptions, voters don't want to argue about abortion or gay rights or gun rights. They want to know about jobs. It is for that reason that a skittish electorate will go to the polls on Nov. 2 looking for the candidates who they believe would best create an atmosphere for job creation. In our view, in the 8th District of Indiana, that candidate is Republican Larry Buschon, a Newburgh heart surgeon. We believe it is Buschon who has the steady hand and consistent beliefs that Americans want of their representatives in Washington.

HD17: Elert aims for Dembowski

Republican Francis Ellert, 42, of Plymouth, hopes to unseat Democratic incumbent Nancy Dembowski in the District 17 Indiana House race (Ransbottom, South Bend Tribune). Dembowski, 76, has served the district since 2006. Retired from WKVI Radio in Knoxville, she has also served seven years on the Starke County Council, 11 years as mayor of Knoxville and two years in the Indiana Senate. While Dembowski said pulling out of a recession will take time, there are some proposals she thinks will help to improve the economy. "One is an employer tax

credit to small businesses who hire employees from the unemployment line," she said. "There's also a small business loan program with low interest rates that I've tried to push along with a policy that gives state dollars to projects that hire Indiana workers." She's also sponsored legislation that requires businesses to verify the immigration status of employees before being hired and taking jobs from local workers. "It's a common sense approach that businesses can use through an E-verify program," she said. Dembowski said the biggest difference between her and her opponent is Ellert's concern for large businesses and corporations. "Mine stands for working families," she said. **Horse Race Status:** Tossup



HD68: Dems drop mailer on McMillin

Indiana Democrats sent a mailer out attacking Republican Jud McMillin (See below). Democratic incumbent Bob Bischoff is running ads on Cincinnati TV. **Horse Race Status:** Leans Bischoff.

HD70: Robertson, Rhoads talk business

Several sources tell HPI that this is a likely Republican pickup.

"We have to continue to create a strong business climate in this area through our infrastructure," said Robertson (Mann, News & Tribune). Preserving funding for roads and interstate systems will be key, as will maintaining a quality education system in the state, he said. He believes the economy will improve within the next year. "About the best thing we can do is not move backward," he said. Legislators will have to pick their priorities as each chamber decides on the state's biennial budget and the insolvent unemployment fund. Education is the top priority, Robertson said. "There's definitely going to be some belt tightening," he added. Like other candidates, Rhoads points to regulation as the culprit behind the sputtering economy. "You can't keep regulating and taxing people," she said. She didn't know which specific regulations she would like to see taken off the books. The insolvent unemployment fund will take cooperation from both sides of the aisle, she said. "It's not going to be a pretty thing to deal with," she said. **Horse Race Status:** Tossup



HD77: Musgrave says Riecken lies

The Cheryl Musgrave campaign put this release out on Thursday: Recently, Rep. Riecken put out an official legislative flyer that claimed she'd helped create new jobs by voting to authorize "new highway construction projects such as the bridge work in southeastern Indiana that could create up to 10,000 new jobs." That's a lie. The bill she's referring to is Senate Enrolled Act 0382. You can learn more about the bill on the official General Assembly Web site. The bill authorized the Illiana Expressway -- which will create 10,000 new jobs in north-eastern Indiana -- and a new Ohio River bridge near New Albany that will create thousands of jobs as well. "The problem? Gail Riecken didn't support the bill; she voted against it," said Musgrave. "I think it's time that we took politics out of redistricting and made the process simpler and more rational," she said. "The temptation for career politicians to guarantee their pension plans by engaging in an incumbent protection racket is too great. And the only losers in these political games are voters. That's why I endorsed Secretary of State Todd Rokita's "Re-thinking Redistricting" plan earlier this year. **Horse Race Status:** Tossup

HD89: Barnes has money lead

Democratic State Rep. John Barnes has an \$84,000 to \$52,000 lead over Republican Cindy Kirchofer. **Horse Race Status:** Leans Barnes

SD31: Merritt has money edge

Jim Merritt raised \$504,000 to Frank Anderson's \$163,000 raised. Merritt has spent \$86,000 and has \$78,000 on hand. **Horse Race Status:** Tossup

GOP targets Errington

Republicans in Indianapolis think their man Doug Eckerty can unseat state Sen. Sue Errington, D-Muncie (Slabaugh, Muncie Star Press). Otherwise the Senate Majority Campaign Committee wouldn't have given Eckerty \$31,000 for those two television ads that you might have seen. Eckerty also has received \$32,724 from the Indiana Republican Party for advertising mail. Eckerty's latest TV ad criticizes Errington for "fighting for job-killing federal mandates in Obamacare" instead of "standing up for us." "They think it's extremely winnable," said Eckerty, 56, a Yorktown real estate investor and former insurance agent. **Horse Race Status:** Tossup

Secretary of State: Charlie seeks money

Republican secretary of state candidate Charlie

White launched a fundraising campaign today to help counter attacks from his Democratic opponent (Ritchie, Indianapolis Star). White is asking voters to donate \$15 -- \$1 for each day left until the Nov. 2 election -- so that he can buy more air time for a television commercial that will try to bolster his reputation amid allegations that he committed voter fraud. **Horse Race Status:** Leans White ❖

Latest Polls

RACE	RESULTS	SOURCE
Ky. Senate	Paul (R) 48% Conway (D) 43%	Mason-Dixon
Pa. Governor	Corbett (R) 47% Onorato (D) 40%	Muhlenberg/ Morning Call
Calif. Senate	Boxer (D) 43% Fiorina (R) 38%	PPIC
Calif. Governor	Brown (D) 44% Whitman (R) 36%	PPIC
Ark. Senate	Boozman (R) 55% Lincoln (D) 41%	CNN/Time
Ohio Senate	Portman (R) 55% Fisher (D) 40%	CNN/Time
Ohio Governor	Strickland (D) 48% Kasich (R) 47%	CNN/Time
Pa. Senate	Sestak (D) 44% Toomey (R) 41%	Muhlenberg/ Morning Call
Fla. Senate	Rubio (R) 46% Crist (I) 32% Meek (D) 20%	CNN/Time
Fla. Governor	Scott (R) 49% Sink (D) 46%	CNN/Time
Ark. Governor	Beebe (D) 62% Keet (R) 33%	CNN/Time
Alaska Senate	Miller (R) 37% Murkowski (WI) 37% McAdams (D) 23%	CNN/Time
Mo. Senate	Blunt (R) 52% Carnahan (D) 43%	Rasmussen Reports
Wash. Senate	Murray (D) 48% Rossi (R) 47%	Marist / McClatchy
N.Y. Governor	Cuomo (D) 63% Paladino (R) 26%	Siena



Democrats Republicans

52 48

Republican Pickup

HD46: (Open, Tincher) Bionca Gambill (D) vs. Bob Heaton (R)
HD73: (Open, Oxley) Ryan Bowers (D) vs. Steve Davisson (R)
HD30: Rep. Ron Herrell (D) vs. Mike Karickhoff (R)

Tossup

HD19: Dan Klein (R) v. Rep. Shelli VanDenBurgh
HD37: Rep. Scott Reske (D) vs. Kyle Hupfer (R)
HD62: Rep. Sandra Blanton (D) v. Matt Ubelhoer
HD75: (Open, Avery) Mike Goebel (D) vs. R. Bacon
HD77: Rep. Gail Riecken (D) vs. Cheryl Musgrave
HD31: Rep. Joe Pearson (D) vs. Kevin Mahan (R)
HD44: Rep. Nancy Michael (D) vs. Jim Baird
HD70: Rep. Paul Robertson (D) vs. Rhonda Rhoads
HD76: Sen. Bob Deig (D) vs. Wendy McNamara (R)

Leans D

HD17: Rep. Nancy Dembowski (D) vs. Frances Elert
HD42: Rep. Dale Grubb (D) vs. Sharon Negele
HD68: Rep. Bob Bischoff (D) vs. Jud McMillin (R)
HD89: Rep. John Barnes (D) vs. Cindy Kirchhofer
HD36: State Rep. Terri Austin (D) vs. Kim Builta
HD66: Rep. Terry Goodin (D) vs. Jim Lucas (R)
HD74: Rep. Russ Stilwell (D) vs. Susan Ellspermann

Leans R

HD15: Timothy Downs (D) vs. Rep. Don Lehe (R)
HD72: Shane Gibson (D) vs. Rep. Ed Clere (R)
HD51: Cody Ross (D) vs. Rep. Dick Dodge (R)
HD92: Brett Voorhies (D) vs. Rep. Phil Hinkle (R)

Likely D

HD27: Rep. Sheila Klinker (D) vs. Don Brown (R)
HD86: Rep. Ed DeLaney (D) vs. Kurt Webber
HD43: Rep. Clyde Kersey (D) vs. Al Morrison
HD97: Rep. Mary Ann Sullivan (D) vs. Wes Robinson

Likely R

HD4: Thomas Webber vs. State Rep. Ed Soliday
HD21: (Open, Walorski) Dwight Fish vs. Tim Wesco
HD26: Paul Roales (D) vs. Rep. Randy Truitt (R)
HD24: State Rep. Rich McClain vs. Tim Banter (D)

Safe

Democrats: Fry, Lawson, Harris, C. Brown, Bauer, Cheatham, Niezgodski, Dvorak, Pelath, Stevenson, Reardon, Dobis, V. Smith, Bardon, Tyler, Moseley, Pflum, Pierce, Welch, Battles, Stemler, GiaQuinta, Moses, Pryor, Bartlett, Porter, Crawford, Summers, Day.

Republicans: Open-Borrer (Morris), Open-Bell (Heuer), Open-Ruppel (Kubacki), Open-Clements (Van Natter), Open-Duncan (Frye), Open-Murphy (Speedy), Yarde, Dermody, Messmer, Neese, Gutwein, Wolkins, Friend, J. Thompson, Richardson, Turner, Davis, Lutz, Torr, Steuerwald, T. Brown, Borders, Foley, Culver, Leonard, Cherry, Saunders, Knollman, Eberhart, Burton, M. Smith, Koch, Crouch, Lehman, Espich, Pond, Noe, Bosma, Behning, Frizzell. ❖



Buttigieg alleges poor Mourdock investing; incumbent cites return of \$480 million

By **BRIAN A. HOWEY**

INDIANAPOLIS - The race for Indiana treasurer may have climaxed on Wednesday with Democrats alleging that Treasurer Richard Mourdock had made risky "investments."

The incumbent quickly responded that he helped the state earn \$480 million.

Democrat Peter Buttigieg released a "Report to the People" saying the Mourdock had "lost millions of dollars" in recent years by investing in "overly risky investments in junk bonds, mortgage-backed securities and other toxic assets as well as questionable investments in foreign governments and companies with questionable track records."

"For far too long the state treasurer's office has kept Hoosiers in the dark when it comes to where their money is and how it's performing," said Buttigieg, a South Bend businessman and Rhodes Scholar. "This lack of transparency has led to a lack of accountability and is part of the reason our money found its way into so many precarious positions."

Buttigieg's report focuses on funds managed by the Office of State Treasurer including the money obtained from the 75-year lease of the Indiana Toll Road, the State Police Pension Fund and where money from the state's general fund is deposited.

"Our analysis has identified several areas of concern in the management of state funds," said Buttigieg. "While few pension and trust funds have posted stellar returns in these economic times, it appears that Indiana is particularly exposed to unusual kinds of risk. It also appears that we are missing an opportunity to keep our state's funds deposited close to home, and that our values are not always reflected in the kinds of securities held in our name."

"I think Treasurer Mourdock owes the people of Indiana an explanation," added Buttigieg. "I've asked him to debate, but he continues to make excuses, and I think we now know why. He's unable and unwilling to defend the decisions he's made as state treasurer."

Buttigieg's report accused Mourdock of making "at least \$266 million worth of non-investment grad assets," a "relatively high concentration of risk (12.5 percent) in mortgage-related investment issued by Fannie Mae and

Freddie Mac" in the Major Moves and Next Generation Trust Funds, and investment losses of \$20.8 million in 2008 and \$54.6 million in the State Police Pension Fund. He said the 10-year investment return was 2.8 percent.

Buttigieg noted that in 2006 then Treasurer Tim Berry set a goal of 5.25 percent return on investment for Major Moves and the Next Generation Trust.

He also accused Mourdock of \$640 million in state deposits sitting in out of state banks. He said Ohio is the top recipient of Indiana deposits at \$369 million.

Murdock responded after Buttigieg's press conference by releasing a copy of the state's Fiscal Year 2010 Annual Financial Report showing that Indiana earned \$480,320,385, or a 6.99 percent return, for the 2010 fiscal year on the portfolio invested by the treasurer's office.

"Through safe and prudent investment practices, the Treasurer of State's Office earned over \$480,000,000 during this challenging economic environment," Mourdock explained. "That is \$480,000,000 in investment earnings for Indiana that Hoosier families will not have to pay in higher taxes." In particular, the following funds did exceptionally well:

Investment Earnings	Yield
Major Moves Construction Fund	\$336,044,715 14.05%
Next Generation Trust Fund	\$68,622,317 12.02%
State Police Pension Trust	\$48,881,752 14.68%

"Over the past four years, the Indiana Treasurer of State's Office has earned over \$1 billion dollars for Hoosiers," stated Treasurer Mourdock "I am proud of that figure, and I will continue to work hard for Hoosier taxpayers."

Despite Mourdock's controversial challenge to the Chrysler-Fiat merger during the summer of 2009, the probable Republican wave taking shape leaves him the favorite for a second term against Buttigieg.

Buttigieg plans a TV ad campaign in the final week "in several markets" said campaign spokesman Jeff Harris.

Buttigieg also observed, "Last evening several concerned neighbors alerted us that a group of people were assembled in front of my home in South Bend taking pictures. After a family member investigated, I was surprised to learn that there was indeed a group present posing for pictures at my home and that State Treasurer Mourdock was among them."

It is unlikely that Buttigieg will have the resources to burnish the Chrysler issue and the investments Buttigieg is critical of into the minds of voters facing a high volume of TV ads on the Congressional and legislative races. The Buttigieg presser and Mourdock's response got virtually no media coverage on Wednesday or today's newspapers.

Horse Race Status: Leans Mourdock ❖



Vote no on the property tax caps

By **MORTON J. MARCUS**

INDIANAPOLIS - On Nov. 2 Hoosiers will vote on making property tax caps a part of our state constitution. The Governor and most state-level politicians support the caps. I will vote NO.



Morton Marcus
Column

First, the state legislature understood that property tax caps would reduce local government revenues. Some think this will force localities to become more efficient. Instead we are more likely to face deteriorating public services.

To meet the potential catastrophe, localities have been given toxic remedies. The local option income tax has been forced upon our communities by the General Assembly. This tax is levied on households only. The state did not give

localities the power to tax local corporations. Therefore, a reduction in property taxes is enjoyed by all property owners, but paid for exclusively by households.

In addition, there are now referendum opportunities for local initiatives. These are expensive options that deny the benefits of representative government in favor of emotional campaigns in opposition to progress.

Second, I believe in the potential of local representative government. A constitutional amendment for property caps puts concrete shoes on a struggling institution already in deep water.

Local governments struggle to support police, fire, parks, and sanitation services. Winter weather can devastate local budgets. Local schools are the essential tools for economic development; they attract responsible citizens and send forth well-prepared students. Local libraries serve persons of all ages with information, connections to the Internet world, and inexpensive entertainment.

As far back as the property tax reforms of 1973, Indiana degraded local government and shifted power to state government. The legislature has increased

its control of our schools. Cities and towns have become prisoners of the state in the tax wars. Libraries have been forced to defend their very existence.

Yes, some local governments have built attractive city halls and some schools corporations have modernized their facilities while beset by local opposition. In retrospect, those objections often prove to be ill-informed attempts to prevent our communities from moving into modern times.

Third, home-owners think they are going to realize benefits from the caps, but that is not likely for the vast majority. A study by the Legislative Services Agency (LSA) showed that only four percent of the tax reductions from the existing caps went to home-owners. Farmers got virtually nothing from the caps. Nearly 60 percent of the caps benefitted the owners of small rental housing units, commercial apartments, and second homes, with about 36 percent going to commercial and industrial properties.

If you believe in making local decisions locally, then vote against the tax caps.

If you believe that all property ought to be treated alike and taxes should not be shifted to households from businesses, vote NO on caps.

If you believe that local government services are the foundation of your community's well-being, defeat the property tax caps proposition on the ballot. ❖

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

HOWEY
Politics Indiana

When Chris Cillizza of the *Washington Post* posed the question to readers across the nation - Who's the most influential political journalist in your state? - the answer in Indiana was this: Brian A. Howey of *Howey Politics Indiana*. Since 1994, *Howey Politics Indiana* has provided news, analysis and commentary from throughout Indiana and Washington D.C. Howey reaches the most influential insiders with his newsletters and the masses with his weekly newspaper column and www.howeypolitics.com.

The Washington Post
SATURDAY, DECEMBER 29, 2007

"The Best Indiana Political Reporter: *Howey Politics Indiana* editor Brian Howey."

Photo: Howey with Richard Lugar and Sam Nunn in Russia.

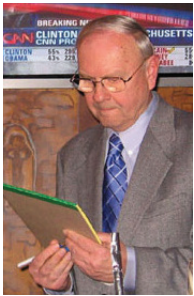


Jackie will need her friends to turnout

By JACK COLWELL

SOUTH BEND - Jackie Walorski, with more than a little help from her friends, hopes to catch up with Joe Donnelly by the day it matters most, Nov. 2.

To do so, Walorski, the Republican challenger in the 2nd District, needs those friends, independent expenditure groups, to hammer away in TV ads to "build negatives" on Congressman Joe Donnelly, the Democratic incumbent.



Why?

In their own fund-raising efforts, Donnelly has raised more than Walorski. His latest campaign finance report shows he still had \$456,000 cash on hand on Oct. 1, enough to keep his own message prominent on TV for the remainder of the campaign. Walorski will stay on TV for

the duration, too, closing in on total funding, and with even more cash on hand, \$515,000. But even that may not provide the saturation closing blitz a challenger would like to erase the 9 percentage point lead shown for Donnelly in a professional poll conducted for WSBT-TV and WISH-TV in Indianapolis.

Thus, Walorski needs continued TV buys from conservative groups targeting Donnelly in one of the battleground districts that will determine control of the House.

The way competitive congressional campaigns are waged these days with multi-million-dollar TV wars, the political consultants deem it vital to knock down popularity of an opponent and build up percentage of voters with a negative view of that opponent.

But the poll showed more likely voters viewed Walorski unfavorably than favorably. This was especially so in St. Joseph County, biggest county in the 12-county district. Donnelly had the higher favorability districtwide as well as in St. Joseph County - not what a challenger wants.

Thus, the TV buys by organizations such as New Prosperity Foundation, American Action Network, Susan B. Anthony List and others hammering Donnelly are more important than ever in seeking to even the unfavorability rates.

Both candidates continue to receive help from their respective national congressional campaign committees, as expected in a targeted district.

But with independent expenditure groups, Donnelly is getting far less help. This is part of the enthusiasm gap on the national scene. Interest groups favoring Republicans are going all out. Interest groups favoring Democrats are showing no interest.

Donnelly has help only from the National Association of Realtors. And they have a positive TV spot praising him for helping small business. Positive? Could that work in TV war?

In the district, the poll showed that Donnelly was viewed favorably by 47 percent, unfavorably by 32 percent, with 17 percent undecided and only 4 percent not recognizing his name. For Walorski, it was favorable, 32 percent; unfavorable, 35 percent; undecided, 18 percent; not recognizing her name, 15 percent.

The contrast was amazing in St. Joseph County, where Walorski was viewed unfavorably by 48 percent, favorably by 32 percent, while Donnelly had an unfavorable percentage of only 29, with 59 percent favorable.

Why?

The Donnelly camp says it's because Walorski is best known in St. Joseph County.

Perhaps. It could be some voters still are unhappy with her state legislative activities, on the time issue and in support of the Toll Road lease, and her legislative "pit bull" toughness.

The Walorski camp says it's because St. Joseph County is Democratic and Donnelly was the first to hit with negative ads, starting early and continuing to build those negatives.

Both certainly are factors, although the poll didn't show St. Joseph County voters that partisan in other races. Republican Dan Coats and Democrat Brad Ellsworth were in a statistical tie for the Senate.

The district was shown as evenly split politically, with 40 percent for each party in a question about party preference. In St. Joseph County, the preferences were 44 percent Democratic, 38 percent Republican.

More than TV wars will determine the outcome.

That enthusiasm factor is important.

Indications in the district as well as nationally are that the Republican base is more energized, while the Democratic base is discouraged and less enthusiastic about getting to the polls.

Even if there were an unprecedented hurricane coming off the St. Joe River on Election Day, deluging the 2nd District, Walorski supporters, including Tea Party enthusiasts, would get to the polls.

Donnelly has to worry that some Democrats, in contrast, would see one drop of rain and decide that they couldn't go out to vote in a storm like that. ❖





David Broder, Washington Post: While much of Washington was preoccupied Thursday evening by the contrast between the unacceptable and the profoundly uncomfortable — the first televised debate between Majority Leader Harry Reid and his challenger, Sharron Angle — a different scene was unfolding in a hotel ballroom here. The Hudson Institute gave a dinner honoring its former president, Indiana Gov. Mitch Daniels, with the award named for its founding intellect, Herman Kahn. Several hundred conservative men and women, many of them fellow intellectuals, listened as a parade of thinkers praised Daniels, who used the evening as an informal launch of what may be his presidential candidacy in 2012. It was in every respect the opposite of the spectacle that came out of Nevada. There, Democrats and Republicans alike cringed as they watched their supposed champions mangle policy questions and personal exchanges in a fashion that would have been embarrassing for high school debaters. How did Nevada end up with two such inept candidates? Back in Washington, the luxury of having a thoughtful presidential contender was striking for everyone hearing Daniels. The one-time Reagan White House political director and Bush White House budget chief is not your run-of-the-mill intellectual. His style is to be down-home, but his record of accomplishment is dazzling. The turnout was a reminder that during the Reagan and Bush years the Republican Party mustered battalions of policy wonks who were at least the equal of their Democratic counterparts. Most of them have retired to think tanks and law firms now, but they are plainly eager to get back into the battle if Daniels summons them to the 2012 campaign. The notables who turned out to honor the Indiana governor suggest that politically, all of these associations may be problematic. Former Vice President Dan Quayle, now removed from Indiana to Arizona, introduced his former colleague with warm words of praise. A spotlight caught former Secretary of Defense Donald Rumsfeld offering his congratulations to Daniels as well. One could not help but think that if the Democrats were filming this session, they would dwell on Daniels' links to those two figures from the Republican past, rather than the policy gurus who filled the room. Still, in a party where a candidate like Angle can be the nominee against the majority leader, brains are clearly a precious commodity.

Sylvia Smith, Fort Wayne Journal Gazette: Democrat Brad Ellsworth really zinged it to Republican Dan Coats in last week's Senate debate. He was relentless in depicting Coats as a Washington insider who traded on his 18-year congressional career to make a bundle by cozying up to former colleagues for a litany of special interests — not Hoosiers. Best line: "I don't know how he's going to

cast a vote in the Senate without a conflict of interest." It was a by-the-book performance required of any candidate who is behind in the polls, lags in fund-raising, is unknown to most voters and is headed to the losing column. Ellsworth's hard edge wasn't surprising because that's what an underdog has to do. It's not a matter of "winning" the debate. The question to ask is whether Ellsworth's tactic changed the dynamic of the race: Did it cause any leaning-toward-Coats voters to question their choice? Coats appeared taken aback by Ellsworth's jabs and did not have a ready explanation. (But what would it be? Lobbying is an honorable profession? My heart was in Indiana even though my homes, voting and tax payments were in Virginia and North Carolina?) Coats seemed unprepared and less than articulate, as if he and his campaign did not take the debate seriously. Coats' awkward reaction was especially surprising because "he abandoned Indiana for the big bucks of Washington lobbying" has been Ellsworth's theme for months. Ellsworth skillfully stuck to his message. For



instance, when the moderator asked each candidate what the other guy had gotten wrong, Coats said Ellsworth misstated just about everything. But Ellsworth's response sidestepped what Coats got wrong; he just repeated the Coats-is-a-lobbyist theme. Persistent though he was, Ellsworth only got half the debating equation right. What he left the debate viewers with was an unanswered question. OK, we get that you think Coats is unfit to represent Indiana because he's spent much of the last decade as a lobbyist. But what makes you a better choice? ❖

Eric Bradner, Evansville Courier & Press: In a mailer paid for with tax dollars, state Rep. Gail Riecken, D-Evansville, claims she supported a bill that she actually voted against. At the top of the mailer, which was sent from her official Statehouse office using franking privileges, Riecken says she "supported a comprehensive proposal" intended to create and keep jobs. Underneath that statement, she includes a list of what that comprehensive proposal included. One item refers to legislation that cleared the way for work on a highway in northern Indiana as well as two Ohio River bridges near Louisville, Ky. That legislation passed with bipartisan support, and Riecken's mailer claims it "could create up to 10,000 new jobs." However, Riecken was actually one of six House members who voted against Senate Bill 382. "I think it's a lie," said Riecken's opponent, Republican Cheryl Musgrave. "The fact of the matter is she did not vote for that." In a written response, Riecken did not address the contradiction between the mailer's claims and her votes. She accused Musgrave of a "desperate smear campaign" and called the issue "a distraction."



Tea Party, Young are skeptical on climate change

JASPER - At a candidate forum here last week, Representative Baron P. Hill, a threatened Democratic incumbent in a largely conservative southern Indiana district, was endeavoring to explain his unpopular vote for the House cap-and-trade energy bill. (Broder, New York Times).

Representative Baron P. Hill after a forum in Jasper, Ind., where he tried to defend his vote for a cap-and-trade energy measure.

It will create jobs in Indiana, reduce foreign oil imports and address global warming, Mr. Hill said at a debate with Todd

Young, a novice Republican candidate who is supported by an array of Indiana Tea Party groups and is a climate change skeptic. "Climate change is real, and man is causing it," Mr. Hill said, echoing most climate scientists. "That is indisputable. And we have to do something about it."

A rain of boos showered Mr. Hill, including a hearty growl from Norman Dennison, a 50-year-old electrician and founder of the Corydon Tea Party. "It's a flat-out lie," Mr. Dennison said in an interview after the debate, adding that he had based his view on the preaching of Rush Limbaugh and the teaching of Scripture. "I read my Bible," Mr. Dennison said. "He made this earth for us to utilize."

Those who support the Tea Party movement are considerably more dubious about the existence and effects of global warming than the American public at large, according to a New York Times/CBS News Poll conducted this month. The survey found that only 14 percent of Tea Party supporters said that global warming is an

environmental problem that is having an effect now, while 49 percent of the rest of the public believes that it is. More than half of Tea Party supporters said that global warming would have no serious effect at any time in the future, while only 15 percent of other Americans share that view, the poll found.

Mr. Young, the Indiana Republican nominee trying to unseat Mr. Hill for the Ninth Congressional District seat, strongly opposes cap and trade and other unilateral measures to combat global warming. He says he is uncertain what is causing the observed heating of the planet, adding that it could be caused by sunspots or the normal cycles of nature.

"The science is not settled," he said in an interview in his headquarters in Bloomington, Ind. And he said that given the scientific uncertainty, it was not wise to make major changes in the nation's energy economy to reduce carbon emissions.

Lake warns of crisis in Gary

CROWN POINT - Lake County commissioners warned Wednesday of a potential humanitarian crisis in Gary being driven by a bad economy and property tax reductions. Commissioners said policy changes in April by Calumet Township Trustee Mary Elgin has reduced from six months to three months the time the township will pay rent subsidies to house indigent residents. McKinley Nuttall, the commissioners' bailiff who hears appeals from township recipients denied aid, said Wednesday many who have been receiving township aid for years, are in danger of being turned out onto the street. He asked commissioners for guidance in his appeals rulings. Commissioner Gerry Scheub, D-Merrillville, said, "We cannot afford to put people on the street. But you must follow the

township's policy." Commissioner President Fran DuPey, D-Hammond, said strictly enforcing the policy change may force Elgin change it. Elgin said after the meeting she has little choice. "Our township assistance budget was cut from \$9 million last year to \$5 million for the entire operation of the township, which puts us in a very serious hardship," she said.

Anne Murphy leaving FSSA

INDIANAPOLIS - A week after getting a green light from the Indiana ethics panel to take a position with Community Health Network, human services chief Anne Murphy has made it official. Murphy will begin her new job in mid-November as vice president of government relations with Community, which operates one of the largest hospital systems in the state, the company said today. Murphy is secretary of the Family and Social Services Administration, the state's largest agency, with about 5,000 workers and an annual budget of \$8 billion. She has been with the department since 2005. "Anne will be providing leadership as we interact in new and often complicated ways with federal and state government agencies and their representation," said Bryan Mills, president and CEO for Community Health Network. "I'm confident her expertise in government will assist us in navigating the new requirements of the health reform law, as we continue to fulfill our mission to enhance the health and well-being of the communities we serve."

B&T will sue IBM for FSSA

INDIANAPOLIS - Indiana's human services agency is drawing criti-





cism for a \$5 million contract with an Indianapolis law firm to sue IBM Corp. over a canceled welfare outsourcing contract. The Family and Social Services Administration's contract with Barnes & Thornburg notes several conflicts of interest from the firm representing IBM's former partners in the \$1.37 billion canceled deal. FSSA spokesman Marcus Barlow says Barnes & Thornburg has the best attorneys for the case and any firm that large has conflicts of interest. Democratic Indiana House Speaker Patrick Bauer says it's foolish for FSSA to spend that money when it could have the attorney general's office handle the case for free.

Groups want DA to probe IURC

INDIANAPOLIS - Two private watchdog groups have asked the new U.S. attorney in Indianapolis to investigate an ethics flap that has embroiled the Indiana Utility Regulatory Commission and Duke Energy (Indianapolis Star). The Citizens Action Coalition and Common Cause/Indiana want U.S. Attorney Joe Hogsett to investigate the matter in which IURC general counsel Scott Storms continued presiding over some matters involving the utility while seeking a job with the company. Hogsett spokeswoman Mary Bippus said Thursday his office does not confirm or deny any investigations. Gov. Mitch Daniels has fired the IURC's former chairman, the Indiana inspector general has filed ethics charges against Storms and North Carolina-based Duke has suspended him while it has an attorney investigate the matter for it. The IURC has reopened Duke matters that Storms worked on.

Allen County early voting increases

FORT WAYNE - The number of Allen County voters heading to the polls early is up slightly this fall (Fort Wayne Journal Gazette). As of midday Wednesday, 1,459 people had voted early at the Allen County Election Board office, election Director Beth Dlug said. "It's actually a little bit higher than we thought," she said of the number of early voters. Election officials estimate turnout based on past midterm elections. But more people who normally would have gone to the polls Nov. 2 are choosing instead to make a trip to the City-County Building to vote early, Dlug said. "They are more and more aware that they have the ability to vote early, and it's convenient," she said. And the department has mailed out 5,119 absentee ballots, which is on target to meet the board's estimate of 6,000 mailed ballots, Dlug said. So far, 2,359 ballots have been mailed back, she said.

Lake to merge 911 centers

CROWN POINT - A federal grant and 911 user fees are fueling a struggle for control over the emergency communications network and an ever-growing number of lucrative government consulting contracts (Dolan, Times of Northwest Indiana). Lake County commissioners voted Wednesday to give Tom Dabertin's Shared Resource Solutions Inc. \$57,000 annually to oversee consolidation of 18 municipal police and fire 911 call centers into a single network. The county has spent more than \$14 million over the past 10 years to operate and update emergency 911 services. The money comes from monthly fees charged to all telephone users. Gov. Mitch Daniels has cited the 18 centers as an

example of unnecessary duplication of government services. The state has mandated Lake County consolidate them by 2014. Porter County already has consolidated its call centers, as have dozens of other Indiana counties. Sheriff Rogelio "Roy" Dominguez urged commissioners to hire Dabertin's company. He said his office helped secure a \$500,000 federal grant to pay for a pilot 911 program that will create a call center that will process emergency calls in Hobart, Lowell, New Chicago, Munster and unincorporated Lake County as early as next year.

Howard sheriff signs off on merger

KOKOMO - Howard County Sheriff Marty Talbert said he will sign an interlocal agreement to allow Kokomo and Howard County to merge their dispatch centers. Concerns were voiced by the Citizens Committee for Consolidation that neither Talbert nor any of the three candidates running for sheriff would sign the agreement because of budget concerns. The Howard County Commissioners, Kokomo Common Council and Kokomo Mayor Greg Goodnight have all signed the interlocal agreement. The Howard County Council must approve the agreement before it's submitted to Talbert. Talbert and sheriff candidates Democrat Harold Vincent, Republican Steve Rogers and Independent Rich Ferguson have all expressed concerns about the adequacy of the proposed \$1.4 million budget to operate the combined dispatch. They all said the budget should be between \$1.6 and \$1.7 million. Talbert said if approved by the county council, he will sign the interlocal agreement.