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Politics Indiana

Thursday, Nov. 11, 2010

Weekly Briefing on Indiana Politics

A 'stifled' GOP governor race

Daniels wants a cooling off period as speculation builds on Pence and Skillman

By BRIAN A. HOWEY

FRANKLIN - Consider the potential Republican 2012 gubernatorial field officially "stifled."

Gov. Mitch Daniels - on the most powerful footing since assuming the governor's office in January 2005 - made it clear that he doesn't want a political cycle two years away mucking up his 2011 reforms in the Indiana General Assembly. Meeting with the press after the Nov. 2 election and just before his takeoff to

China, Daniels issued his blunt "just stifle yourself" warning to any emerging field. Any Republican to defy his directive



U.S. Rep. Mike Pence talks to supporters during his late October bus tour on behalf of GOP candidates. Many saw it as evidence of a gubernatorial run. (Pence Photo)

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Lugar & Mourdock

By BRIAN A. HOWEY

FRANKLIN — The juxtaposition of events spanning the globe Tuesday was telling. In Madrid, Sen. Richard Lugar was delivering a major policy speech on Weapons of Mass Destruction.



"The footprint of weapons-producing laboratories and the size of today's strategic weapons grow smaller every day," Lugar said in Madrid before he headed to Africa to take his Nunn-Lugar program into a new, dangerous realm. "A delivery system may be as mundane as a commercial cargo carrier. In the case of infectious pathogens, the delivery system





"I can't remember a Frank Rich column that turned out to be correct."

- Sen.-Elect Dan Coats



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could be an individual human being."

Back home in Indiana, the

Tea Party was stirring, with multiple sources telling HPI that Indiana Treasurer Richard Mourdock, fresh off his million-vote victory last Tuesday, was pondering a Republican primary challenge to Lugar. Mourdock is a darling of the estimated 40 to 50 Tea Party tribes in Indiana, many of which view Lugar as a RINO, who has the audacity to actually seek compromises with America's first African-American president, Barack Obama.

And then there was KCBS cameraman Gil Leyvas in a chopper above Los Angeles, who shot what

appeared to be a missile contrail heading out over the Pacific. CBS reported on Wednesday the Pentagon was still not sure what that was in the sky off the coast of California -- except that it was not a missile fired by the U.S. or some other country.

AMAZING VIDEO

MYSTERIOUS MISSILE LIGHTS UP THE SKY OVER THE PACIFIC

But Doug Richardson, the editor of Jane's Missiles and Rockets, examined the video for the Times of London and said he was left with little doubt. "It's a solid propellant missile," he told the Times. "You can tell from the efflux."

On Wednesday, Scotland Yard reported that packaged bombs from Yemen were supposed to go off in flight over the U.S. Things are active in the part of Lugar's most convincing policy portfolio: Homeland Security.

So what is the beef with Sen. Lugar from the right wing of the GOP? Howard County Republican Chairman Craig Dunn explained, "Lugar's problem is that he stopped

Chairman Craig Dunn explained, "Lugar's problem is that he stopped being a senator for Indiana many years ago and became the senator from Indiana. I believe that he saw himself as a player on a much bigger stage. When I first became county chair, I asked Lugar to be our Lincoln Day speaker and was told by his staff that he didn't do those anymore. I have not seen Senator Lugar in Kokomo for four years at any party function or political event. His staff has never made even a courtesy contact. That attitude will not build loyalty."

The Lincoln Dinner issue was mentioned by several other Republicans we talked with.

Don Bates Jr., the unsuccessful U.S. Senate candidate this past year, said Lugar's votes for Supreme Court justices Sonia Sotomayor and

Elena Kagen
have angered
the right, even
though both
nominees
drew support
from other
Republican
senators and
their confirmation was pretty
much preordained. Bates
noted that
U.S. Sen. Evan

Bayh voted against Hoosier-born Chief Justice John Roberts and Samuel Alito despite the rise of the "Gang of 14" Senate moderates who were supposed to smooth out the judicial confirmation antagonism. "People in the party have become a lot more conservative than Sen. Lugar," said Bates. "They don't want compromise with the president."

Indeed, the Senate itself has shifted much further to the right. When Lugar entered the chamber in 1977, he was one of the most conservative members. Now, even with his 83.7 percent support of Republican positions in the current Congress (including votes against the stimulus and health reforms), that is drawing the conservative ire.

Project Vote Smart notes that Lugar has a 77 percent voting record



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in support of the American Conservative Union, but voted with the ACU only 68 percent of the time in 2009. He supported the Club for Growth 76 percent. More telling is his 58 percent support for the Eagle Forum, the Phyllis Schafly group that counts among its leaders Patricia Schneider.

Schneider is the wife of former Indianapolis Coun-

cilman Bill Schneider and a backer of Mourdock's 2002 Indiana secretary of state campaign. The Eagle Forum is a natural ally of the Tea Party movement in Indiana. The Schneiders have been at odds with Lugar for decades, actively backing former Gov. Edgar Whitcomb in the 1976 Republican Senate primary against Lugar.

At an Oct. 11 Tea Party rally in Corydon, Mourdock compared the Tea Party movement to Samuel Adams, Paul Revere, Crispus Attucks and Tom Paine. "Every two years there will be a peaceful revolution," Mourdock said, telling voters they didn't need to storm the beaches of Normandy or face the "night sticks of Selma."

"All I'm asking you to do is find 10 people to vote," Mourdock said. "It is time for the American revolution to continue on Nov. 2."

At the Indiana Statehouse Tea Party on April 15, Mourdock reminded listeners of the Oct. 15, 1858 Lincoln-Douglas debate in which Lincoln talked of two prin-

ciples: "right and wrong" before assailing the "divine right of kings."

"The divine right of kings still exists," Mourdock said, resting today with the "statists."

"They gave 20 percent of Chrysler to a foreign corporation. Fiat did not pay a single penny. They were emboldened. So just last month they did health care. They heard the American people say, 'No no no.' They said we're going to do it anyway." The crowd cheered loudly.

Mourdock grabbed national headlines in 2009 when he challenged the Chrysler-Fiat merger in a case that was eventually rejected by the U.S. Supreme Court. Mourdock maintained that President Obama's accelerated bankruptcy deal that deprived Indiana pension funds of compensation was unconstitutional. Critics said that had Mourdock succeeded, Chrysler would likely have been liquidated, costing 5,000 jobs in the Kokomo area and tens of thousands more rippling through Indiana's auto supplier network as well as

tens of millions in state tax revenue.

Despite that stand, Mourdock was the top vote getter in Howard County on Nov. 2.

That was a theme I've heard over and over again from Republicans who want an alternative to Lugar. This wing of the party wants no compromise with President





Richard Mourdock gives a Tea Party history lesson in Corydon (top). Below, Sam Nunn and Sen. Lugar at a WMD destruction facility in Siberia. (HPI Photo by Brian A. Howey)

Obama. Period. When you ask them if there is no room in the Senate for centrists, their reaction is, well, yes. In this world view, the U.S. Senate becomes a place of the hard right and the hard left repeatedly knocking heads and party line

votes.

Howey Politics Indiana keeps hearing reports from Republicans that Mourdock is preparing to challenge Lugar in the 2012 primary.

"I've had a lot of Republicans telling me that I ought to look at a lot of things," Mourdock said Tuesday afternoon. "It's very flattering." But he wasn't prepared to confirm or deny a challenge to Lugar, while supporters were talking as if it were a fait accompli.

Mourdock joked that if he told his wife he was kicking off another campaign, "the papers would be served by tomorrow." Mourdock said he wanted to take some time, clear his desk, then see "what doors open."

Some Republicans saw the Mourdock candidacy as a "red herring," an attempt to try to torpedo a potential Mike Pence/Mourdock gubernatorial ticket in 2012.

State Sen. Mike Delph, who was the center of speculation about a challenge to Lugar last summer, tried

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to tamp down the U.S. Senate talk on Wednesday.

"We're getting ready to walk into the most important session of the Indiana General Assembly in my lifetime. We've got a budget to balance and we have cutting edge education reforms that could catapult Indiana into the forefront economic development in the nation. My whole focus will be there," Delph said.

He added that any decision by another challenger candidate would have no bearing on his plans beyond this session of the Indiana General Assembly.

And in a general election, the Indiana gubernatorial nominee - whether it's Pence or Lt. Gov. Skillman - might have second thoughts about jettisoning Lugar, particularly if Evan Bayh is the Democratic nominee.

Can Lugar be defeated?

We ask the question once more: Can Sen. Lugar be defeated?

The answer is, yes, of course. Indiana's political graveyard is full of titans: Birch Bayh, Bill Hudnut, Bart Peterson, Bob Pastrick, Bob Garton, Larry Borst, Joe Kernan and almost Lee Hamilton.

If Sen. Evan Bayh had been on the ballot this year, Dan Coats might have upset him.

In just about every recent poll we've seen, Lugar

and Bayh consistently score from 60 to 70 percent on personal approval. With a 10.3 percent jobless rate, all bets are off if that continues into 2012.

And don't underestimate the impact a national security portfolio such as Lugar's can be packaged to influence voters in either a primary or general election. And as ardent as the Tea Party is, do not underestimate the depth of the loyalty supporters have for Lugar.

Dunn noted that "Lugar is still extremely strong with the moneyed supporters of our party. That being said, the revolutionary, true believers in the GOP think Lugar is a RINO and you may see the same kind of results that Bennett had in Utah. If he has a serious contender, he will be in big trouble."

The singular in that analysis is important. If there are three or four challengers in the GOP primary, the chances for upset are diluted.

There are vast differences between Utah and a state like Delaware, which was very rigid in who can vote in a primary.

Lugar opponents are seeing this race in the current prism. It's unrealistic to believe that the current dynamic fueling the Tea Party will exist two years hence, particularly once Americans and Hoosiers get to see how Tea Party Republicans act in office. •

Gubernatorial, from page 1

takes their own political future into uncharted territory.

"I'll ask anybody who is thinking of running for any office in 2012 to be quiet about it for the next several months," Daniels said. "We just finished an election.

We now ought to all be about the business of delivering on the change and the duties that we have. So I'm going to ask anybody who is thinking about running for anything to just stifle yourself for a few months."

Standing next to the governor was Lt. Gov. Becky Skillman, who has been coy on the subject of her political future. She will spend the next five months as Daniels' key legislative trouble-shooter and strategist. With Senate President Pro Tempore David Long now presiding over a 37-member super majority, just keeping the peace between the Kenley "fiscal wing" of the party and the Mike Delph "social conservative wing" will require adroitness. Daniels' ambitious agenda will require diplomatic and horse-trading skills within his super-sized caucuses, thus his aversion to '12 cycle politics.

The campaign ban comes as Skillman has sent a letter to supporters seeking contributions prior to the year end reporting period.

Then there is U.S. Rep. Mike Pence, who in the span of five days quit his job as Republican U.S. House Conference chair, then said on ABC's "This Week" that he'll talk with God, family and staff



U.S. Rep. Mike Pence talks to the press on his late October bus trip. (Pence Photo)



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and make a decision after January ... on the presidential race.

The tea leaves surrounding Pence have Hoosier Republicans seeing him going in two different directions. Those hoping he runs for governor saw his late October bus tour as ample evidence that he intends to come back home and run for governor. Between Oct. 27-29, Pence traveled across the state in a touring bus emblazoned with "Congressman Mike Pence: Standing Strong for Indiana" on the side. He campaigned for 14 legislative candidates, including House upset winners Susan Ellspermann, Jim Baird, Bob Heaton, Kevin Mahan, Matt Ubelhor and Steve Davisson, and incoming senators Doug Eckerty and Jim Thomes. Pence traveled to Paoli, Greencastle, Terre Haute, Wadesville, Marion, Muncie, Seymour and Boonville. He stumped

for congressional candidates Jackie Walorski, Todd Young, Marlin Stutzman and Dr. Larry Bucshon.

WANE-TV political analyst John McGauley, who is also Allen County recorder, reported on Nov. 4 that Pence will run for governor. "He's running for governor. He's laying the groundwork with all these bus tours that he's doing, supporting legislative candidates and he's even out there right now recruiting county coordinators for a governor's race," McGauley said. Other prominent Republicans have been telling HPI for months they believe that Pence intends to seek the governorship.

WANE-TV also reported that Pence's staff would not confirm any of McGauley's information.

Pence also is acting like a national candidate. He will address the Detroit Economic Club on Nov.

29 - a venue often used as a national springboard. His letter to House colleagues talked about moving on to serve "Indiana and the nation." He added, "I do not know what the future holds for my little family, but I do know who holds the future."

Pressed by ABC's Christine Amanpour on his twopronged future, Pence added that his decision will be made "where we can make the most difference on what matters most to us."

However, one influential Indiana Republican who has worked on a national scope told HPI, "I don't think Mike Pence has made up his mind."

In a scenario laid out by HPI earlier this fall, Pence could opt into the presidential campaign in January, using

his conservative Midwestern roots to build a campaign for the Iowa caucuses and his retail skills in New Hampshire. If he won or placed second in either place, he could either secure the presidential or vice presidential nominations. If he lost badly in the opening rounds, he would still have the option to file for his U.S. House seat by the state's Feb. 20 filing deadline.

Other influential Indiana Republicans have told HPI they would prefer that Sen. Dick Lugar retire and Pence run for that Senate seat.

Some long-time Pence allies are concerned that he hasn't run anything beyond Congressional campaigns, his radio show and his Congressional office. Some very influential Republicans are advising Pence to seek the governorship to burnish is executive credentials.



Lt. Gov. Becky Skillman speaks to Republicans at their victory party on Nov. 2 at Union Station. (HPI Photo by Isaac Daniel)

Another observer noted that only one congressman - James A. Garfield - has been elected to the presidency directly from the House, "and he ended up shot."

Skillman told WTHR-TV's Kevin Rader on Sept. 22 that she is "seriously considering running for governor, but there is still plenty of time to make that decision." As for Pence, Skillman said, "One shouldn't consider others' entry into the field as the determining factor. If you feel you are the best person to govern the state, if you feel you are the best person to make decisions on behalf of your particular area of the state, then you move forward with that. I think 2010 has shown us that it's been a

crazy period when individuals are in and then out overnight and the entire landscape can change without a moment's notice."

Asked if she had spoken to Daniels about succeeding him, Skillman responded, "I'll leave that between the two of us. We have a very close relationship and have always shared a lot over the years."

Daniels told HPI on Oct. 27 that he had not spoken with Pence about either a gubernatorial or presidential bid. Daniels timeline for a presidential bid would come after the Indiana General Assembly sine die on April 30 and, perhaps, by mid-June, perhaps the latest juncture to build a presidential campaign for Iowa and New Hampshire. Daniels described a potential president run as a "dreadful



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prospect" in the Oct. 28 edition of HPI.

On the Democratic side, the timing is less time sensitive. U.S. Sen. Evan Bayh told the South Bend Tribune's Jack Colwell that a gubernatorial campaign is a "possibility," adding, "I wouldn't describe it as a probability." He said he would decide after the "lame duck" congressional session "before the first of the year or just very shortly thereafter." He said his decision would be announced quickly.

There is plenty of speculation that Bayh has been seeking a private sector gig and his name is being mentioned as potential presidents at Butler and Purdue universities.

Lake County Sheriff Rogolio Dominguez has already announced he will resume his gubernatorial campaign, noting that if Bayh returns to the field, he would seek a place on the Democratic ticket. "I consider Evan Bayh a mentor," Dominguez told the Times of Northwest Indiana. "If Evan Bayh decides to run for governor, that will have an effect on my decision."

Evansville Mayor Jonathan Weinzapfel now has a potential primary contender in the 2011 mayoral race with the announcement that Vanderburgh County Treasurer Rick Davis is running. Weinzapfel hasn't ruled out a reelection campaign or a gubernatorial run and has \$606,000 cash on hand in his war chest.

Three other Democrats to watch are out-going U.S. Reps. Baron Hill, Brad Ellsworth and Hammond Mayor Thomas McDermott. Hill has signaled his interest in a gubernatorial run and after his loss would have the time to build and campaign across the state. He lost a statewide race to U.S. Sen. Dan Coats in 1990. Hill told the Louisville Courier-Journal after his loss to Republican Todd Young last week that his only plans are the lame duck congressional session. "I need to let all of this shake out," Hill said.

Ellsworth said his post-election plans include ringing a bell for the Salvation Army over the holidays beyond



the lame duck session. Ellsworth emerges with increased statewide name ID after his race against Coats. He would also be in prime position to try and wrest his old 8th CD seat from Republican Larry Bucshon in 2012.

Bayh calls a governor run a 'possibility'

By JACK COLWELL

SOUTH BEND - In an exit interview as he prepares to leave the Senate, Evan Bayh said Democrats brought on a "political tsunami" because "there were some in our party who over-interpreted the mandate of the 2008 election" as a call for liberal action.



"Way wrong," Bayh said.

Now, the Indiana Democrat said, Republican "far right" zealots could pull the GOP to the other extreme, leaving the center, where elections are won, for President Barack Obama to regain support for 2012.

Bayh's comments came in an interview on the weekend prior to the big Democratic losses, including loss of the Senate seat Bayh has held for a dozen years.

With agreement that he not be quoted until after the election, Bayh talked candidly about that "political tsunami" he knew was coming to decimate the House Democratic majority and leave only a scant margin in the Senate.

Also, he talked of the effect of his decision not to seek reelection and his future.

Will he now run for governor?

"It's a possibility," said Bayh. "I wouldn't describe it as a probability."

If he runs, still has about \$10.2 million in campaign coffers. He can't pocket it. He could use it for a race for governor or contribute it to other candidates or the party.

He said he will decide after the "lame duck" congressional session and announce "yes" or "no" on governor "before the first of the year or just very shortly thereafter."

After deciding, Bayh said, he will announce quickly, avoiding his acknowledged mistake in not announcing his Senate decision back in August of '09, when he told Obama.

When Obama asked if he was 100 percent certain, Bayh related, "I made a mistake. I said it's 98 percent."

Thus, the president and Rahm Emanuel, then White House chief of staff, kept urging him to put off any announcement and reconsider. He put it off, "procrastinating, going back and forth," until the filing deadline was upon him.

Now, some Democrats are angry with Bayh for waiting until it was too late for another candidate to get on the primary ballot. Congressman Brad Ellsworth finally was



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picked as the nominee by the Democratic State Committee. Ellsworth, who would have won for reelection for his 8th District House seat, was instead trounced on Nov. 2 in a statewide race with Republican Dan Coats. And Democrats lost the 8th District seat.

Democratic chances for the Senate wouldn't have brightened if he had announced much earlier that he wasn't running, Bayh theorized, because it would have brought a divisive Democratic primary and "Republicans would have had a stronger nominee" than Coats.

Bayh noted that I have written he would have won reelection. He said he probably could have, but he would have had to concentrate from May to November on "destroying my opponent" and suffer "personally unpleasant" attacks from the opponent, not very satisfying for someone sick of partisan warfare in the Senate.

It's not his father's Senate.

He said that when his father, Birch Bayh, was in the Senate, "some of his better friends were Republicans. They'd come over for dinner."

He recalled how Sen. Everett Dirksen, then Senate Republican leader, "came up to him (Birch Bayh) on

the floor of the Senate and asked what he could do to help with his reelection. That would never happen today."

Bayh said he is "independent, moderate" and found fewer and fewer on either side of the aisle who would abandon partisan bickering to seek reasonable compromise.

"Some of this was unavoidable," Bayh said of Democratic losses.

After financial panic and severe recession, slow recovery was certain, Bayh said, but the slowness was blamed on the president and Democratic-controlled Congress.

Usual mid-term election losses for the president's party were made worse, he said, by Democrats who pressed to do too much on health care reform "in the teeth of the worst economy" and brought on "resurrection of the 'big taxer, big spender' image."

Exit polls showed in 2008 that voters were calling for change, he said, but not for a liberal agenda. Some Democrats misread the call as one for "another New Deal," Bayh said, and now Republicans could mistakenly interpret the tsunami as a call for a Tea Party Deal. •

A piñata named Joe

By JACK COLWELL

SOUTH BEND - Joe Donnelly, like a piñata in the wind, held together, while whacked again and again with over \$2 million in negative TV assaults by "independent" assailants.

The wind? Not just a mild breeze. A Category 4 hurricane, only one category below total devastation, blew away Democratic congressional candidates all over the nation.

Donnelly, the Democratic congressman from Granger in Indiana's 2nd District, survived somehow, just barely, as Democrats lost big in the other two districts in Indiana in which they beat Republican incumbents in '06 and won second terms in '08.

Republican challenger Jackie Walorski came within 3,000 votes of defeating Donnelly.

But the race isn't over.

Walorski, a campaigner who never slows down - not even between elections - is expected to challenge Donnelly again in 2012 in a newly drawn district, one with more Republican areas added, replacing Democratic areas shifted into other districts. The Republican-controlled Indiana General Assembly will do the redistricting.

Donnelly appeared to be in real trouble Tuesday night as results came in from St. Joseph County, by far the largest of the 12 counties that are all or in part in the dis-





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trict. He was ahead of Walorski there by only 8,495 votes, well below his win by over 12,704 votes over Chris Chocola, then the Republican incumbent, in the last comparable mid-term election in 2006.

In all of the other counties, except Fulton, he also ran behind his pace of four years ago, when he won by more than 15,000 votes in upsetting Chocola. Still, despite the Republican hurricane, Donnelly picked up enough votes in Democratic St. Joseph and LaPorte counties and kept from being swept away in the smaller Republican counties to wind up a winner by about 2,800 votes.

A factor, though nobody knows how much, was the some 9,000 votes in the district for Mark Vogel, the Libertarian Party nominee.

Some Walorski backers claimed that the third-party candidate took enough votes from her to cost her the election. It's kind of like Democrats claiming that Ralph Nader took enough votes away from Al Gore to cost him the presidential election. Maybe. In each case, maybe. It is generally regarded that Libertarian candidates take more votes away from Republicans than Democrats. Also, it is generally regarded that Nader and Green Party candidates take more votes away from Democrats than Republicans.

That's why the Indiana Democratic Party sent a targeted mailer to some Republicans to urge a vote for the Libertarian as "the true conservative" in the race. That's why Republican organizations have sought to get Nader and Green Parties on the ballot.

We can never know how those 9,000 votes for Vogel would have been cast or if they would have been cast at all in the congressional race if Vogel he had not been on the ballot.

Vogel said he was no "spoiler," that there were Democrats as well as Republicans who liked his message and that many Libertarians or folks fed up for various reasons with both major parties or the negative TV spots would not have voted for Congress at all if there had been no Libertarian alternative.

It's anybody's guess. The silly mailer probably had little or no effect. Vogel's presence probably did take away more votes from Walorski than from Donnelly. How many more? Nobody can ever prove whether it was or wasn't enough to change the outcome or force a recount.

Donnelly, the Blue Dog moderate, goes again to Washington, survivor of a hurricane and happy to escape for a few months at least the role of a piñata. He will find fewer moderates on either side of the aisle and more difficulty in getting anything done in the minority. Also, however, Donnelly will look ahead to a political climate in which Republicans next time won't have Nancy Pelosi as House speaker to kick around anymore. •

One term at a time for Sen. Dan Coats

By BRIAN A. HOWEY

INDIANAPOLIS - Sen.-elect Dan Coats is house hunting in Indianapolis and Fort Wayne. He wants to servce on the Senate Finance and Intelligence committees. And he doesn't like New York Times columnist Frank Rich.

HPI mentioned the post-election Rich column during a sitdown with reporters in Broad Ripple. Rich believes the "country club Republicans" will mangle the Tea Party neophytes in the 112th Congress.

"I can't remember a Frank Rich column that turned out to be correct," Coats said.

For the record, Coats believes the mainstream

Sen.-elect Coats talks with reports in Broad Ripple last week. (HPI Photo by Brian A. Howey)

GOP and the Tea Party will work together on the major issues. He recalled his first debate before a Warsaw Tea Party group last February. He showed up an hour early and talked with individual members, "I called Anne Hathaway and said, 'These are just Hoosiers concerned about

the liberal agenda. That's why I'm running." And that set the tone for Coats' acceptance by the group, polling 83 percent of their vote.

Coats said he wants to serve on Finance so he can weigh in on the fiscal challenges, and Intelligence and Homeland Secuirty for national security reasons. He is in discussions with Minority Leader Mitch McConnell over how much his previous 10 years will count for current seniority.

Asked if Coats thought he could have defeated Sen. Evan Bayh, he responded, "I would not have entered if I didn't think that. It was the right thing to do. It would have been a very contested race and it would have come down to a narrow margin. Evan Bayh's record was enabling the Obama agenda. He was not representing the Indiana I know."



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Coats said that unlike the Senate campaign he ran after he was appointed to the office in 1988, this time he had the time to spend eight months talking to people across the state. President Obama made 49 trips to Indiana during the presidential campaign. Did Obama misread Hoosiers? Coats called it a "Messianic campaign" and that Hoosiers were "yearning for something different."

"Once that agenda was unveiled, people said

'That's not the agenda they expected.""

Coats is not taking sides in the 2012 presidential race, calling Gov. Mitch Daniels and Rep. Pence "very talented." Of Daniels, he expects a "vigorous agenda. I know that's his top priority."

As for his future, Coats would not commit to more than one term, saying he will take it "one term at a time. I know I won't set a record for longevity." •

The best Hoosier jobs are out of state

By MORTON J. MARCUS

INDIANAPOLIS - "The thought of Evan Bayh returning as governor of Indiana is as distasteful as the reality of Dan Coats being one of our senators yet again."

Morton Marcus
Column

Such was the surprisingly candid view of Indiana's third U.S. Senator, the Honorable Phineas Fogghorn.

"Senator," I stammered,
"I've never heard you say a bad
word about another political
person."

"Son," he confided, "never before have I made any disparaging remarks about my fellow senators nor will you hear me offer such comments publically

hereafter. I say this to you in utter confidence knowing that your four near-comatose readers will not repeat it."

"Your words are safe," I assured him.

"Son," he continued, "I say when an elected official leaves an office, s/he should not reenter it except under the most dire of circumstances. The few successes of a career will never outweigh the failures that mount up against the marble statue. Each term in office, with rare exception, is characterized by goals unmet rather than the chance achievements."

"That's a heavy burden," I say.

"Heavy hangs the head of your humble servant," Phineas sighed.

"But," I interjected before this sprinkle of regret became a torrent of remorse. "But, I hear so much good news about Indiana, how can you be so sad?"

"Good news," he scoffed. "Struggling little flowers and brave aspiring twigs in the dank forest of our state's economy. They make good stories for those who choose to

ignore reality. Truth requires a large canvas, not the narrow focus of a miniature."

The great mane of white hair was bowed until he spoke again. "In my years in office (1979 to the present), Indiana has slipped from 12th in population among the 50 states to 16th. We have been passed by Georgia, Virginia, Washington, and Arizona. For the past three decades, our population growth rate has been below the national average."

"Yes, but don't we beat out the other four states in our Great Lakes region," I added cheerily.

"Ah," he smiled. "We can claim to be the best of the slowest growing region in the nation. Yet, our per capita personal income has dropped from 95 percent of the national average in 1979 to just 85 percent in 2009. That did not happen overnight; it's not an artifact of the recent recession alone.

"If we could have been mediocre, just kept pace with national job growth over the past thirty years, there would be 323,000 more jobs today in Indiana than we currently have."

"Population growth, job growth, income growth," I protested, "Senator, many Hoosiers aren't sure they want that kind of life."

"In my numerous years as a public servant," he confided, "too often have I represented the views of my constituents rather than their best interests. It has led to my Indiana becoming more dependent on jobs in neighboring states to sustain our communities. In thirty years, again nothing sudden just slow erosion, we've had a doubling of the percent of income derived by Hoosiers from work outside Indiana.

"Young fella," he said, "if it weren't for jobs in the Chicago, Cincinnati, and Louisville areas, we'd be in even worse shape than we are. We'd have even higher unemployment rates and/or a still more significant outflow of workers who would become residents of other states.

"Our politicians, myself included, have failed to reverse or even modify these trends. Despite our protestations, we have failed and voters, deluded by cheery news releases, keep returning us to office."

I wasn't prepared to argue that one. �



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It will probably take a one-term president to fix this fiscal fiasco

By BRIAN A. HOWEY

FRANKLIN - My earliest exposure as a reporter to Congressional level politics came in 1980 in Michigan's 4th CD. U.S. Rep. David A. Stockman cruised easily to reelection during the Reagan Revolution landslide while Washington Post columnist George Will ardently pushed him to become White House budget director.

And that came to pass.

So it was fascinating for me to watch Stockman reemerge last Sunday on ABC's "This Week" along side

U.S. Rep. Mike Pence, a rising star who is either on an Indiana gubernatorial or 2012 presidential track.

What Stockman had to say - four days before President Obama's bipartisan Deficit Commission headed by Republican Alan Simpson and Democrat Eskine Bowles issued its first preliminary report - was both needed and shocking.

"This is not 1981.
This is not 'morning again in America," Stockman said, who called Tuesday's election "The big lie. We're now becoming the banana republic of finance. This

will not end well. This will end in a disaster. We are at sundown as an imperial power."

"We've drifted now for 30 years. Both parties, unfortunately, became free-lunch parties — the Republicans cutting taxes every time they had a chance, never doing anything about spending, and the Democrats digging in to defend everything that was there. As a result, we now have this massive deficit," Stockman said.

When pressed by Christine Amanpour, Stockman did what the Deficit Commission did - started goring sacred cows. "We can't be the policemen of the world anymore because we can't afford it." Stockman spoke

of raising taxes and cutting entitlements. He took a dim view of extending the Bush tax cuts that would add \$2 trillion to the federal budget deficit over the next decade if President Obama gets his way and keeps them for folks earning under \$250,000, and \$4 trillion if Pence and his Congressional Republicans get their way and extend them all (look for Obama to compromise and extend them all for a year or two).

"Look, I don't think higher taxes are going to get anybody hired. I don't — I think raising taxes in the worst economy in 25 years is a profoundly bad idea," Pence said, "Raising income tax rates on the top 1 percent will not increase revenues to the federal Treasury." (PolitiFact.com, the Pullitizer Prize winning website called this assertion "false.")

Stockman disagreed. "Two years after the crisis on Wall Street, it has been announced that bonuses

this year will be \$144 billion, the highest in history. That's who's going to get this tax cut on the top, you know, 2 percent of the population. They don't need a tax cut. They don't deserve it. And, therefore, what we have to do is focus on Main Street, and that means getting our house in order fiscally, not tax cuts that we can't afford."

"We think we ought to go back to pre-stimulus, pre-bailout levels, and freeze there," Pence said.

"There's been an 84 percent increase in domestic spending since this administration took office. We've got to roll back there. That will save \$100 billion in the first year. How about a net hiring freeze on Capitol Hill? For Americans under the age of 40, we've got to put everything on the table in the area of Medicare, Medicaid, Social Security. We have got to reform these entitlement programs. They are threatening the fiscal vitality of future generations of Americans."

Stockman wasn't buying it. "Social Security needs to be means-tested right now, not for benefits in 2030, right now, for the top one-third of beneficiaries who have private income that they've earned over their



U.S. Rep. Mike Pence and former OMB Director David A. Stockman appeared on ABC's "This Week" last Sunday.



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lifetime. We need to drastically scale back Medicare. And the Republicans expanded it. And I appreciate what Mike is saying, but there's no track record of a willingness to take on the doctors, the pharmaceutical companies, the scooter chair manufacturers, who are everywhere. (And) we need to take on defense ... We can't be the policemen of the world anymore because we can't afford it. We're going to have to cut defense drastically. And that isn't just fraud, waste and abuse. It's force structure, fewer divisions, fewer aircraft carriers. And even if we do all that, we still have to raise revenue."

Asked if Pence's proposals for deficit cutting were a good start, Stockman responded: "Well, no, not nearly enough. The point is, we're now in real-world

governance. And you don't get 100 times at bat. The Republicans have been at bat for 30 years, and they've whiffed on everything."

Pence did agree on that, saying that "both parties have failed us."

Stockman has been there and done that. In his 1986 book "The Triumph of Politics," he describes the reality after Reagan had campaign in 1980 to cut taxes, raise defense spending and balance the budget. "The bit-

ter truth was that Ronald Reagan faced an excruciating test of presidential decision-making. After an exhausting and prolonged political struggle, he had emerged in July (1981) triumphant, having enacted a generous tax cut for all Americans," Stockman wrote. "Only three months later he had to admit that the triumph had been an illusion when we couldn't win support for spending cuts needed to balance the budget."

"The President could run, but he couldn't hide. Who would help him? Not the Democrats, who were sullen and revengeful; not the Republicans, who were hunkered down in their separate camps, frantic and confused. Reagan had one real option: to retreat and give back part of the huge tax cut we couldn't afford. But he wouldn't. Ronald Reagan chose not to be a leader but a politician, and in doing so showed why passion and imperfection, not reason and doctrine, rule the world. His obstinancy was destined to keep America's economy hostage to the errors of his advisers for a long, long time."

Thus, here we are with \$14 trillion debt and a budget deficit estimated by the Congressional Budget Of-

fice to be \$1.3 trillion

The Deficit Commission is trying to work its way through 30 years of political sin that ultimately gave birth to the Tea Party. They recommend raising the Social Security retirement age, cut Pentagon weapons systems and pare back almost every domestic spending program.

The squeals from Washington by people who probably haven't read the entire report were immediate on Wednesday. "Absolutely unacceptable," said lame duck Speaker Nancy Pelosi.

President Obama reacted by saying that we are all facing "hard choices."

And Gov. Mitch Daniels - as Stockman a former White House Budget Director himself - tells the American

Spectator, "Any fair reading of the nation's balance sheet suggests we're in a dangerous moment. If we don't act soon, we don't have a prayer. I think the American people are beginning to understand that we are spending money that we don't have. The Tea Party has raised consciousness."

The Spectator's W. James Antle III observes: What is needed, Daniels contends, is a president who will do whatever it takes to get the country's fiscal house in order, political consequences be damned. Think Ross Perot without

the resemblance to that crazy aunt in the basement. But it is clear where Daniels's priorities lie: fixing the federal government's balance sheet. "I'm prepared to set aside almost anything else," he says. Daniels wants to try to get "50 percent plus one" in a national election running as a cost-cutter for whom Social Security, Medicare, Medicaid, and defense are all on the table. "Damn, these are supposed to be the third rails, impossible," he continues. "But I'm optimistic it can be done. We need a new compact for young people."

"Social Security needs to be protected from inflation, that's it," Daniels continues. "Who are the real enemies of Social Security and Medicare? The people who want to keep them exactly as they are right now." The responsibility to fixing these programs and restoring them to solvency, he says, is about to fall "on the party whose uniform I wear."

This stinking mess may require a one-term president to fix things, politics be damned. If not this one, then the next. •





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Bosma promises the 'fairest maps' and a new House chairman

By BRIAN A. HOWEY

INDIANAPOLIS - Brian Bosma, the House-Speaker-in-Waiting, vowed on Wednesday to "draw the fairest maps in the last 30 years." He wasn't talking into a mirror, but to HPI. And in doing so, there will be a new chairman of the House Elections Committee and it won't be former ranking member Milo Smith, who will land nicely on the Ways & Means Committee.

"I haven't announced any of our committee chairs," Bosma said. "But there's a new person in the Elections chair." Bosma said the next chairman "has legal training," has "not had a role on the elections committee" and is known for "reaching out to both sides."

There are three Republicans who might fit that criteria: Reps. Greg Steuerwald, Ralph Foley and Eric Koch are the non-freshmen attorneys in

the emerging Majority Caucus.

Of that group, Steuerwald appears to have the profile that fits Bosma's description. He is a former Hendricks County attorney who has a low-key demeanor, has a reputation for being pragmatic, is well-liked and was a consensus choice to replace Matt Whetstone. But Foley has been closer to leadership over the years and is respected on both sides.

On the Senate side, sources say that Sen. Sue Landske is a possibility to head the map drawing

there. She is sub-committee chair of the Local Government & Elections-Elections and Redistricting.

Whoever presides over the House and Senate Elections Committee will find Bosma and Senate President Pro Tempore David Long actively involved.

Bosma said that despite Secretary of State Todd Rokita's 2010 mission - "Rethinking Redistricting" - that earned Gov. Mitch Daniels imprimatur, "you can't draw maps with political data from a legal standpoint."

Bosma promised, however, to produce the "fairest maps."

He reminded HPI of the House legislation in 2005 that attempted to set up an independent redistricting commission. "That was killed by the Senate leadership at the

time," he said of then President Pro Tem Bob Garton. When Democrats regained control of the chamber in 2007, all hope for such reform was quashed.

Bosma promised that "this would be the last time" that maps will be drawn by politicians, saying that he will push a new redistricting commission constitutional amendment that would then kick in during the 2021 redistricting process.

When Gov. Daniels announced his legislative priorities last week, one of the planks was "Develop a fair redistricting plan. Redraw Indiana's political districts on the basis of logical geographic and community boundaries."

Daniels told the press, "Indiana must have a fair redistricting based on geographic and community of interest lines – not politics. And I'll only sign one that meets that test."

In Rokita's plan, he called for the community of interests, defined by seeking "to avoid unnecessary division of voters who share the same community and often the same priorities, views and motivations." The new districts would be "more compact and geographically uniform."

He advocated, "Reduce voters' confusion about who represents them by following already existing political boundaries such as county and township lines." He sought

"nesting" two House seats withing a single Senate seat.

And Rokita wanted "Maps created without the benefit of political data will be inherently more fair and less likely to contribute to gerrymandering and other types of voter manipulation." That one originally came with "felony" penalities that raised the hackles of Senate Republicans

Senate GOP animosity toward Rokita only grew last winter over that, legislation he sought that would exempt his office from TV advertising limits, and his somewhat bitter 4th CD primary

showdown against State Sen. Brandt Hershman, which Rokita won.

Democrats are skeptical that Republicans won't draw "political" maps aimed at protecting their towering majorities. And GOP majorities are so big - 37 in the Senate; 59 and possibly 60 seats in the House - that it would be hard protect that many incumbents.

The redistricting process next winter might have a calming impact on both caucuses, where Long and Bosma must balance their rule between the social conservatives and the fiscal wing. A recalcitrant senator or representative might just be reminded that he or she could end up with a troublesome new district if there is a discipline problem. ❖



Incoming Speaker Brian Bosma vowed to preside over the "fairest" maps in three decades. (HPI Photo by Isaac Daniel)



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Russ Pulliam, Indianapolis Star: The Republican surge on Election Day creates a nice dilemma for U.S. Rep. Mike Pence. He can run for governor in 2012, having stepped away from his House leadership spot. Or he can keep open a possible presidential run and become an attractive vice presidential option. On the national level, he's a good bridge-builder within his party among the tea party movement, Christian conservatives and traditional freemarket Republicans. If he starts to run for governor early enough, he could clear the field of Republican competitors. At age 51, Pence is ready for a new challenge after 10 years in the House. If Pence doesn't run for governor, Republicans have other strong players waiting on deck, including Lt. Gov. Becky Skillman, incoming House Speaker Brian Bosma, Senate President Pro Tem David Long, state Treasurer Richard Mourdock and state GOP chairman Murray Clark. Democrats have a much thinner lineup. They do have Evan Bayh, who was governor from 1989 to 1997. He's saved several million dollars in his campaign accounts, and many fellow Democrats would welcome him to the race. "It would be like the Second Coming when he comes home to Indiana," says former House Speaker John Gregg. Indiana "Evan, when it comes to Indiana politics, is the 800-pound gorilla." In his enthusiasm for the former governor, Gregg predicts that Bayh would beat Pence. "Evan would thump Mike Pence before breakfast," the former lawmaker from Southern Indiana said. �

Sylvia Smith, Fort Wayne Journal Gazette: Rep. Mike Pence lost no time in making official what he had broadly hinted at during the campaign. Less than 24 hours after the polls closed, Pence told his House GOP colleagues that he would not run for re-election to the leadership post he holds. Pence has options, and the most likely is that he will mount a bid for the GOP nomination for governor. This chatter about Pence as a possible/probable presidential candidate helps elevate his image, but it is unlikely in the extreme – at this point. Like many pols, no doubt Pence sees a president in the mirror each morning when he shaves. A way to get there is through the governor's mansion. His aggressive and generous campaigning on behalf of Statehouse and congressional candidates in Indiana this season had the double benefit of stacking up political IOUs and putting Pence before thousands of Republican voters in a positive way: He wasn't there for (apparent) personal gain; he was just trying to get their candidate elected. But he also wants people to be clear on his national and strategic leadership abilities. In his letter to fellow House Republicans, Pence claimed (some?) credit for the GOP's 60 net seat gain: "After two consecutive losses for our party,

the Republican Leader asked me to help lead House Republicans back to the majority, and I felt it was my duty to do so." If Pence resigns his congressional seat to focus on a gubernatorial campaign, I bet former Rep. David McIntosh would be a likely replacement. Sen. Evan Bayh still has \$10 million in his campaign fund, so a return to elective office would have a solid starting point if he decides to re-enter the family business at some point after his term expires in January. The fact that he did not pour the bulk of that fortune into Democratic Party coffers this year has multiple interpretations. Using it as the foundation for a re-do at the governor's mansion is just one possibility. It might be that he's selfish or that he knew this would be a horrible vear for Democrats and didn't want to see the money used in a fruitless effort. Bayh did not endear himself to the state's Democrats by keeping 90 percent of his campaign account untapped and being equally parsimonious with his campaign time on behalf of Ellsworth and other Democratic

candidates. However, if he wants a repeat at being governor, I wouldn't think Hoosier Dems would hold his lack of action this year against him. Certainly no other Democrat could win that office in 2012 if the mood of the electorate hasn't improved. I'm not in the school that thinks Bayh will run for governor. But Bayh has not been awash in job offers sufficiently high profile to tempt him, and I've surely been

wrong before. �

Rich James, Post-Tribune: The Lake County
Democratic Party made a statement on Tuesday. The kind
of statement I've not heard in the many years I have
traipsed around this county trying to keep tabs of the pols.
What the Democrats did was make a statement for good
government. And they did it by doing something that's
pretty tough for them -- voting for a Republican. The GOP
may think it made Hank Adams the first Republican to win
countywide office in 60 years in Lake County. Not true. The
credit goes to the Democrats. Does that make the Democrats holier than thou? Far from it. It would take a lot more
than one election to do that. More than a sprinkling of holy
water. But let's give Democrats some credit. They earned
it on Tuesday. It wasn't the party leadership that did it, but
rather the rank-and-file voter. ❖

Doug Ross, Times of Northwest Indiana: With the Republicans in charge of the decennial redistricting effort in Indianapolis, legislative districts will be drawn to benefit Republicans rather than Democrats. I wouldn't be surprised if the Republicans draw legislative districts in a way that puts two Democratic incumbents in the same legislative district. It has happened before in Lake County. ❖



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Obama debt commission report

NEW YORK - In a surprise move Wednesday, the co-chairmen of President Obama's fiscal commission released their preliminary proposals to curb growth in U.S. debt. The report

from Erskine Bowles and Alan Simpson recommends spending cuts beginning in 2012, as well as tax reform and other ways to reduce the deficit by \$4 trillion over the next decade. Their report -- which represents ideas offered for consideration by the 18-member panel -- would:

Set targets for revenue and spending: The report recommends that taxes be capped at 21% of gross domestic product. It would also limit federal spending initially to 22% of the economy and eventually to 21%.

Rein in spending: The report proposes \$200 billion in domestic and defense spending cuts in 2015. (Deficit fighting: The first cut is the deepest)

Reform tax code: The report would lower income tax rates and simplify the tax code. It would abolish the Alternative Minimum Tax -- the so-called wealth tax -- and reduce tax breaks.

Change Social Security: The report aims to make Social Security solvent over 75 years through a number of measures, including a less generous annual cost-of-living adjustment for benefits, and a very slow rise in the retirement age (from 67 to 68 by 2050; rising to 69 by 2075).

"America cannot be great if we go broke," wrote Bowles, former White House chief of staff under President Clinton, and Simpson, the former Republican senator from Wyoming. The full panel will vote on the recommendations by Dec. 1, the date of the commission's last public meeting. Most observers and commission members -- including 12 sitting lawmakers -- have been pessimistic that the panel will be able to generate the 14 of 18 votes needed to make any official recommendation to Congress, which would put it up for a vote. The White House said Wednesday that Obama would not comment until the commission finishes its work in several weeks, calling the report "a step in the process."



Daniels selects Gargano at FSSA

INDIANAPOLIS - Gov. Mitch Daniels has accepted the resignation of Family and Social Services Administration Secretary Anne Murphy, who is returning to the private sector, and has named FSSA Chief of Staff Michael Gargano as the agency's new secretary. "Secretary Murphy guided FSSA during challenging times. She's led implementation of our new hybrid welfare system that is serving Hoosiers well and has found ways to serve more Hoosiers during this national economic downturn," said

Daniels. Gargano earned his bachelor's degree and a master's degree in business from Kent State University. Before joining FSSA as chief of staff in 2009, he was a director at KPMG LLP Indianapolis, a global tax, auditing and advisory firm. He previously was president of the Watertown Group and a director at Covansys Corporation. The leadership change will take effect on Nov. 15.

Lugar delegation visits Uganda labs

ENTEBBE, Uganda — The laboratories of Uganda's Ministry of Agriculture, Animals, Industry and Fisheries sit on the top of a quiet hill on a turnoff near the airport, behind an eroded fence. At the end of a hallwayis a room with an unlocked refrigerator (New York Times). That is where the anthrax is kept. Senator Richard G. Lugar, Republican of Indiana, and a delegation of Pentagon officials visited the laboratories on Wednesday for the first stop on a three-country tour of East Africa to assess the next generation of American security concerns. The team also visited

the Uganda Virus Research Institute, where the Ebola and Marburg viruses are taken to study and kept in a spare room in a

regular refrigerator near the bottom of the compound. Warning signs say "restricted access," but the doctors there say that hardly means the area is secure. The laboratories here in Entebbe, a warm and sleepy city on the shores of Lake Victoria, are part of what the delegation called the front lines of the struggle to counter terrorist threats around the world. "We need to tighten the security of vulnerable public health laboratories in East Africa," said Andrew C. Weber, assistant to the secretary of defense for nuclear and chemical and biological defense



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programs. "Preventing terrorist acquisition of dangerous pathogens, the seed material for biological weapons, is a security imperative." The rise of the Shabab, the powerful Islamist insurgent group that claimed responsibility for deadly suicide bombings in Uganda as crowds gathered to watch the final match of the World Cup, has refocused attention on East Africa as a frontier in American security interests. In 2004, Congress expanded the mandate of the Nunn-Lugar program, which originally focused on dismantling warheads in former Soviet states, to include geographic regions like this one. Now, Mr. Lugar's trip will take the delegation to Uganda, Burundi and then Kenya.

Dine to challenge Greenwood mayor

GREENWOOD - Charles Henderson has decided he wants a fifth term as Greenwood's mayor, but the 69-year-old already has a challenger: Greenwood Police Lt. Bob Dine (Indianapolis Star). Dine, 57, is a 33-yearveteran of the police department and is the first to announce he will face Henderson in the Republican primary on May 11. Both men confirmed last week they plan to run; however, neither has yet filed notice of forming an exploratory committee with the Johnson County voter-registration office. Candidates can't file to be on the ballot until Jan. 11. The deadline for filing is noon Feb. 18.

Medina to run in East Chicago

EAST CHICAGO - City Council President Richard Medina said he will be running for mayor next year because residents have asked him to (Times of Northwest Indiana). The veteran police officer and three-term

councilman will make it official in an 11 a.m. news conference on Friday. Medina, 49, placed second behind Mayor Anthony Copeland in an October caucus vote by Democratic precinct committee members to fill out the term of former Mayor George Pabey, who was convicted on federal corruption charges in September. "Since the caucus, not a day has gone by without a citizen of East Chicago personally asking me to run for mayor," Medina said Wednesday.

Feds want \$39m back from FSSA

INDIANAPOLIS - A federal audit recommends that Indiana's human services agency refund the federal government nearly \$39 million it overpaid to Medicaid providers during a nine-year period (Louisville Courier-Journal). But the Indiana Family and Social Services Administration is preparing a response and doesn't anticipate having to refund any money, spokesman Marcus Barlow said Wednesday. "We are concurrently constructing our response to the audit and gathering substantive documentation to validate the state's position," he said.

Robinson describes the 'shellacking'

TERRE HAUTE - Midwestern listeners got to chuckle and cheer as a Washington insider told inside jokes about other insiders, all the while relaying lessons learned in the political realm (Terre Haute Tribune-Star). "So, we had a little different kind of election the other night," Eugene Robinson said to laughter inside Tilson Auditorium. The veteran journalist and Pulitzer Prize-winning author spoke as part of Indiana State University's Speakers Series Wednesday evening there. "Oh,

don't depress me," he said when one audience member asked if he really thinks former GOP candidate Sarah Palin could win the White House. Much of Robinson's speech centered on the recent midterm elections in which Democrats took a "shellacking," as he recalled Obama describing it. "When I was a kid we'd have called it a whuppin'," the Orangeburg, S.C., native laughed, noting that the Democratic Party went from a majority to fewer seats in Congress than it has held in the past half century.

Worst recession, worst recovery

KOKOMO - The economy is recovering, it is just taking longer than it should, according to a panel from Indiana University (Human, Kokomo Tribune). Economists from Indiana University Bloomington and IU Kokomo this morning presented a summary of where the economy stands and where they thought it would head in the next year. Panelists said the recovery has been slower than previous rebounds from recession — one panelist described the national situation as the "worst recession" followed by the "worst recovery" — and things will likely continue to drag during the next year. The outlook for Indiana and the Kokomo area was slightly brighter, with job growth in some of the hardest-hit areas, including the base for the city's economy, manufacturing. The industry will hold onto its place as the most important industry for the Kokomo area, and it should experience about an 18-percent growth in income during 2011. Statewide, Indiana should see a 2 percent growth in employment next year, which equates to 55,000 jobs.