



## Super majorities face Democrat test

10 races in House, Senate races south and in Fort Wayne will determine clout

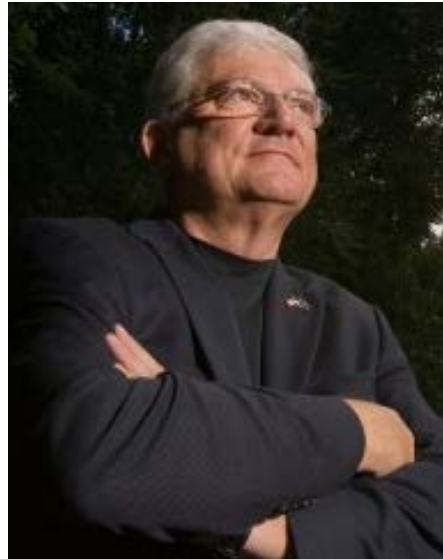
By **BRIAN A. HOWEY**

INDIANAPOLIS – Beleaguered Indiana House Democrats need to make a net pickup of four House seats on Nov. 4 to break the 69-31 seat Republican super majority.

The reality is that with the retirement of State Rep. Greg Battles in HD45 and the reemergence of former Republican representative Bruce Borders, that seat almost certainly ends up in the GOP column, so

Democrats need to pick up five seats elsewhere.

While the odds are moderately against such a pickup, Republican operatives knew that in the right conditions, the loss of up to six House seats was not beyond doubt. As Indiana Democratic Chairman John Zody told HPI earlier this month, "There are enough seats in range



Republican Reps. Ed Soliday (top left) and Jack Lutz (lower right) and Sens. Ron Grooms (top) and Jim Smith are all facing tough challenges from Democrats.

given the right conditions."

In the Indiana Senate, three tossup races along the Ohio River, including two held by Republicans, and races in Fort Wayne and a challenge to State Sen. Mike Delph

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## Walorski & the toll road

By **JACK COLWELL**

SOUTH BEND – While pundits and pollsters evaluate issues of great pith and moment for effect on elections, local peeves with no link to the great issues can decide a congressional race.

Back in 2006, Chris Chocola, then the Republican congressman in Indiana's 2nd District, said early in that campaign year that if he was defeated by Democratic challenger Joe Donnelly, it would be due to matters in which he wasn't even involved. Chocola cited sale of Indiana Toll Road operating rights and required observance of daylight time. He had no vote on the toll



**"I think the time is coming down the road when it is going to be beyond only same-sex marriage. Why can't three or four people get married?"**

*- State Rep. Timothy Wesco*



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road lease or daylight time.

Both were approved by the Indiana General Assembly, not by Congress. Both were pushed to passage with every ounce of political clout by Gov. Mitch Daniels, not by Chocola. Both also were unpopular with large concentrations of voters in the highly populated portion of the 2nd District in Northern Indiana.

**A professional** poll commissioned by The Tribune showed that Daniels then had only a 41 percent approval rating. The pollster was amazed that "toll roads" popped up as a significant issue listed by poll respondents. Nowhere else in the nation in any sampling, the pollster said, was there a toll road issue.

Daniels, a Republican then in the middle of his first term, was not on the ballot that fall of '06. What Chocola feared was that voters upset over the toll road, the time issue and the role of Daniels in both would take out their anger on him, the most prominent Republican they saw on the ballot.

Chocola lost. Just two years before, he had clobbered Donnelly.

In '06, Donnelly won comfortably. Many factors of course were involved, including lower approval ratings for President George W. Bush and the decision of the Democratic Congressional Campaign Committee to give Donnelly allout support.

In another poll for The Tribune, respondents who said local or state issues could affect their congressional vote listed toll roads second, just one percentage point below jobs. Daylight time was listed sixth and Gov. Daniels was listed seventh, ahead of transportation and the environment.

**Chocola was** right to fear a backlash from what were then considered as the sins of Mitch; he had come within a few hundred votes of carrying St. Joseph County over Donnelly in '04, but lost in '06 by nearly 13,000. Chocola also saw a big swing against him in LaPorte County and won by only 2,000 votes in Elkhart County.

The bankruptcy of the toll

road operators, who won the lease to operate it for 75 years, comes at a disturbing time for Congresswoman Jackie Walorski, the Republican incumbent now fending off a challenge by Democrat Joe Bock. It brings up her vote as a state legislator for the toll road deal and gives Bock a chance to exploit it. Donnelly exploited the issue, and his opponent didn't even have a vote. It also gives Democrats an opening to go into Walorski's state legislative career, when she declined to attend a committee meeting where her vote could have blocked the time bill.

(Note: Walorski had a closer than normal reelection in 2006, defeating Democrat Bob Kovach in very Republican HD21 by 8,899 to 7,980).

**Time and the** toll road can't possibly have the effect of back when they were such hot topics. Time marches on. Daylight time now seems more popular. Toll road traffic moves on, too, and disdain for the lease deal and higher tolls may have diminished as well. Daniels, who pushed through the toughest items on his agenda early in his first term, went on to gain popularity and breeze to reelection.

But the last thing Walorski needs is resurrection of some local peeves as a sleeper issue to slow her frontrunner momentum.

Her victory margin narrowed dangerously in her victory two years ago when the debate debacle of Richard Mourdock, the Republican nominee for the U.S. Senate, hurt throughout the Republican ticket. Walorski didn't blunder in that debate, but some voters took it out on her, Gov. Mike Pence and other Republicans.

It isn't always those issues of great pith and moment on the national scene that have significant effect on congressional races. ❖

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

## Super majorities, from page 1

are in play, though it is unlikely the Democrats can crimp the 37-seat GOP super majority in the upper chamber.

Expected conditions point to a very low turnout election, with many Hoosiers feeling they have little reason to vote. "It's going to be a turnout election," said Mike Gentry, who has headed the House Republican Campaign Committee since 1999.

A Howey Politics Indiana analysis reveals that up to 10 House races could be impacted by three competitive rematches, the reemergence of the Indiana Toll Road issue in Northern Indiana, the closer-than-expected Kentucky U.S. Senate race that will dominate Southern Indiana TV markets, and State Rep. Eric Turner's decision to seek reelection and then quit.

Those conditions start with an election cycle that does not feature presidential, gubernatorial or U.S. Senate races, which can set the tone for the rest of the ticket. There is a competitive secretary of state race between Democrat Beth White, who has been a beacon in the latest chapters of the gay marriage saga, and appointed Secretary of State Connie Lawson. But that race won't have the impact and money velocity that a marquee top ticket race normally would have. In a turnout bid for White, there is the potential of impacting HD89 between Republican State Rep. Cindy Kirchhofer and Democrat Surveyor Debra Jenkins.

Three wild cards are emerging that could possibly create such conditions. One is the September bankruptcy filing of ITR Concession Co. LLC for Chapter 11 protection in U.S. Bankruptcy Court in Chicago, which has returned the controversial Indiana Toll Road lease back into the headlines in Northern Indiana. House races that could be impacted include Democrat Deb Porter's challenge to State Rep. Ed Soliday in HD4, James Metro's bid for the open HD11 against Republican Michael Aylesworth, and Democrat Jim Wieser's challenge to freshman State Rep. Hal Slager in HD15.

The second wild card is the latest Louisville Courier-Journal Bluegrass Poll that shows Kentucky Sec. of State Alison Lundergan Grimes taking a 2% lead over Senate Minority Leader Mitch McConnell in a race that is gobbling up all broadcast TV commercial time in the Cincinnati, Louisville and Evansville TV markets that cover Southern Indiana. The fact that a Democrat is finding such traction in what was supposed to be a dismal year for the party coming in President Obama's second mid-term election gives hope.

The two races that could be engulfed in that out-of-state story include Democrat Bruce Melcher's challenge to appointed State Rep. Holli Sullivan in HD78, and Democrat Chris Coyle's challenge to Republican State Rep. Lloyd

Arnold in HD74.

There are also three rematches where House Democrats have a fighting chance: Teacher Melanie Wright's rematch against State Rep. Jack Lutz in HD35 in a race he won by under 500 votes in 2012, Mark Spelbring's rematch against State Rep. Alan Morrison in HD42, and teacher Jeff Sparks' second try against State Rep. Matt Ubelhor in the traditionally Democratic HD62.

And the cherry on top of all this potential House drama comes in the reliably Republican HD32, where Rep. Turner announced earlier this fall that he would seek reelection, then resign, allowing a Republican caucus to choose his replacement if reelected. Turner is facing Democrat Bob Ashley, who now claims he's running against a "ghost" candidate. This situation is unprecedented in modern House politics. Turner toughed out a closer-than-expected primary win against unknown Republican Parvin Gillim, 3,937 to 2,787.

At this point, HPI gives House Republicans a slightly better than 50-percent chance of preserving their super majority, which currently stands at 69-31 seats. Several Democrats HPI has talked with who have campaigned with House Democratic candidates haven't sounded optimistic about making those kinds of inroads. There are still three weeks left in a campaign. In House races, this is the time these races begin to develop and shift.

## House Race Watch

Here is a race-by-race breakdown of House seats we are watching:



**HD4: Deb Porter (D) v. Rep. Ed Soliday (R).** General forecast: Soliday defeated Democrat Greg Simms by just over 900 votes in 2012 in a redrawn district. Porter (pictured left) is a career elementary music teacher and president of the Portage association of teachers. She has been a delegate to the National Education Association convention. Soliday is running cable, radio ads and is dropping direct mail. Soliday's narrow victory in 2012 in his newly redrawn district will make this race worth watching. Informed and reliable Democratic and Republican

sources tell HPI this race could go either way. **Horse Race Status:** Tossup.

**HD11: James Metro (D) v. Michael Aylesworth (R).** General forecast: This is the open seat being vacated by State Rep. Rick Niemeyer, who is seeking a Senate seat. It is being targeted by Democrats. Aylesworth had an early lead, but Democrats tell HPI they believe they've made inroads. Republicans have dropped direct mail and have a field manager on the ground. Aylesworth is a Hebron farmer, a state employee who has served on Porter County Council and has run for state



rep before. He defeated Michael Mears, the police chief in Lynwood, Ill., by more than 500 votes, thanks to a strong showing in Porter County. Metro, a 10-year Cedar Lake Democratic Party chair and a member of the Lake County Plan Commission, edged out Phillip Kuiper, a three-term Lowell town councilman, by a little more than 180 votes in the Democratic primary. Niemeyer won this seat by more than 6,000 votes in 2012. **Horse Race Status:** Leans Aylesworth.

**HD15: Rep. Hal Slager (R) v. Jim Wieser (D).** Slager defeated Democrat Tommy O'Donnell by just 554 votes in 2012. Wieser is an attorney, a former Lake County councilman, and a longtime Democratic operative who will have resources. So this race could be a pickup opportunity for the Democrats. Democrats can use high union membership in this district to rally their vote in what could be a classic turnout election. **Horse Race Status:** Tossup.

**HD21: Jodi L. Buoscio (D) v. State Rep. Tim Wesco (R).** Wesco ran unopposed in 2012. Buoscio, a teacher at Elkhart Memorial High School, who is on the ISTA board of directors while chairing the ISTA District Council 1E, will attempt to tap into the education social media network that helped Supt. Glenda Ritz upset Tony Bennett in 2012. Buoscio's campaign is drawing help from former Democratic State Rep. Bruce Carter. She was critical of Wesco's efforts on behalf of HJR-3, the constitutional marriage amendment. "I believe at a time when our families continue to struggle to live with smaller paychecks or find jobs, and schools are having to beg for funds to fix roofs, HJR-3 is a clear example of misplaced priorities and limited vision which continues to plague our Statehouse," she said. Wesco is an energetic campaigner in a Republican district, conducting a door-to-door strategy. **Horse Race Status:** Likely Wesco.

**HD22: Curt Nisly (R) v. David Kolbe (D), Michael L. Stinifer (I).** This is an overwhelmingly Republican district and Nisly would have been expected to easily win after defeating State Rep. Rebecca Kubacki in the May primary, 4,623 to 2,516. But Stinifer, a 34-year-old Republican from Warsaw, is running as an independent. He joins former Kosciusko County Democrat Prosecutor Kolbe in the race. Nisly ally Monica Boyer has attacked Stinifer for a past DUI, and she will rally her Tea Party base in Elkhart and Kosciusko counties. Kolbe has filed a complaint with the Indiana Election Commission over Nisly's company winning a contract with the Elkhart County clerk's office, which oversees the election. A wild card could be if Kubacki's allies opt for Kolbe and Stinifer siphons off

Republican voters. But we're not holding our breath on this one. **Horse Race Status:** Likely Nisly.

**HD32: Rep. Eric Turner (R) v. Bob Ashley (D).** Turner has created an unprecedented situation by announcing he had taken a new job, would stand for reelection and resign. He did so without giving Speaker Brian Bosma a heads-up. HRCC is not involved in this race. It is one of the most Republican districts in the state, and the Turner story probably has legs in the more populated southern part of Hamilton County, but not so much in the smaller towns to the north. Turner has gained notoriety in the wake of a House Ethics Committee probe which cleared him. But following that, the Associated Press reported his family and company would make more than \$1 million in a nursing home deal that was at the heart of the probe. Turner had a much closer primary race than anyone expected, edging out political newcomer Parvin Gillim. He now faces Ashley, a former reporter for the Post-Tribune. There has been no polling, so this one bears watching and could provide some election night fireworks. **Horse Race Status:** Leans Turner.

**HD33: Shon Byrum (D) v. Rep. Greg Beumer (R).** **General forecast:** Byrum will face Beumer, who was chosen by caucus late last year to replace State Rep. Bill Davis. Davis defeated Charles Schemenauer 14,669 to 10,726. So while this isn't exactly an open seat, Beumer is new to the ballot in the district. Byrum is a social studies teacher in Jay County and announced his candidacy the same day that Rep. Davis resigned. Beumer, R-Modoc, served two consecutive terms as a Randolph County commissioner. From 2001-2004, he served as the Region 8 director for the former Indiana Department of Commerce, which consisted of six counties in east central Indiana. He has also served as the director of community development for the Indiana Office of Community and Rural Affairs (OCRA) and as the executive director of the Randolph County Economic Development Corporation. Beumer has a strong Randolph base, Gov.

Mike Pence is popular in this district and the Democrat has yet to drop mail or begin advertising. **Horse Race Status:** Likely Beumer.

**HD35: Melanie Wright (D) v. Rep. Jack Lutz (R).** **General forecast:** Rep. Lutz defeated Melanie Wright by less than 500 votes in 2012, which prompted HPI to automatically put this on the watch list. Wright, a teacher at Daleville Junior High School, was recruited by State Rep. Terri Austin. She decided to get involved in politics when House Republicans cut \$300 million out of public education in 2011. Indiana Democratic



Chairman Zody cited the Wright/Lutz rematch as well as defending State Rep. Christina Hale in Indianapolis as top priorities. "I had never considered running for public office until the legislative session of 2011," Wright said on her Facebook page. "Once collective bargaining was eliminated and teacher pay was tied to student test scores, I was determined to fight for my beloved profession. Adding to the turmoil was a commercial stating that a veteran teacher was preventing those teachers who were the 'best and brightest' from staying in the classroom due to seniority. The veteran teacher was depicted by a woman who appeared to be in her early 30s! That session lit a fire in me to fight for education!" Wright will attempt to tap into the Ritz political network. Lutz has dropped early direct mail.  
**Horse Race Status:** Tossup.

**HD42: State Rep. Alan Morrison (R) v. Mark Spelbring (D).** Morrison has a history of running in nail-biters. In 2010, he lost to State Rep. Clyde Kersey in HD43 7,772 to 7,514. Redistricted into HD42, "Landslide" Morrison defeated Democrat Mark Spelbring two years later by a little more than 100 votes, 12,788 to 12,682. So this is expected to be another close rematch between Morrison and Spelbring. Spelbring has already run a 15-second negative ad against Morrison as well as a short bio ad. All indicators are that this could be tight. HRCC can be expected to run a full array of TV and direct mail on behalf of this freshman. **Horse Race Status:** Tossup.

**HD45: State Rep. Bionca Gambill (D) v. Bruce Borders (R).** Borders (pictured below) lost this seat to State Rep. Greg Battles by less than 50 votes in the only 2012 race pitting two incumbents after redistricting. Battles resigned the seat earlier this spring and Gambill was unopposed in a Democratic caucus last weekend and she was sworn into office last spring. She is a former Vigo County coordinator for President Obama, introduced the president at Indiana events and gained media coverage when she attended his inauguration. The impact of this is Republicans have plenty of B-roll and they can attach Gambill to Obama if this race were to tighten up. Battles made this a very competitive district because of his Vincennes/Knox County base. Gambill's base is in Vigo County. Early GOP polling had Battles with a slim lead, and since he announced his retirement, Borders has polled with big double-digit leads. Former House Speaker John Gregg has endorsed Gambill, but this seat is almost certain to end up in the GOP column.  
**Horse Race Status:** Likely Borders.

**HD56: Rep. Dick Hamm (R) v. Phil Pflum (D).** General forecast: After several challenges,

Hamm finally defeated Pflum in 2012 by a 11,568-to-10,470 margin. Libertarian Mark Brimm polled 1414 votes. So this is another rematch and while it could be close, Hamm might have an edge due to what looks to be a fairly Republican year. The new district is essentially Republican Wayne County and Hagerstown. Democrats don't appear to be putting many resources behind Pflum to date. **Horse Race Status:** Likely Hamm.

**HD62: Jeff Sparks (D) v. Rep. Matt Ubelhor (R).** This is the rematch between Sparks, the principal at Linton-Stockton Junior High School, and Rep. Ubelhor. In 2012, Ubelhor defeated Sparks 13,993 to 12,477, so this race has the potential to be competitive. Democrats are targeting this seat. Ubelhor has run early broadcast TV in the Terre Haute market, is running cable ads and has dropped two batches of direct mail. There is a Republican field manager on the ground. This is a former legacy Democrat seat held by the late Jerry Denbo and Sandra Blanton, but it is split between the Indianapolis and Terre Haute media markets. **Horse Race Status:** Leans Ubelhor.

**HD68: Rick Gill (D) v. State Rep. Jud McMillin (R).** Gill is a retired Indiana State Police trooper, a former Franklin County coroner, and is on the local school board. McMillin was reelected over Democrat Jerome Hoog 19,068 to 8,943 in 2012. McMillin resigned from the Lawrenceburg Regional Grant Committee last December. That committee is being investigated by the FBI. An Indianapolis Star investigation in May found that millions of dollars have been wasted on risky startup companies, many of them with ties to government officials. The FBI has confirmed it has launched a criminal investigation,



but has not named a target. McMillin told the Indianapolis Star he resigned to spend more time with his infant child. "Over the past half year to 18 months, I have been reading a lot in the papers about a guy who's in the seat in the 68th District," Gill said. "I was upset and thought instead of complaining about it, why not just go out and try to run for the district." While there are some ethical issues swirling around, nothing on that front has been in the news lately. It's in the expensive Cincinnati media market and not much of a cable market, meaning it will be tough for Gill to penetrate a message. **Horse Race Status:** Likely McMillin.

**HD72: Kevin Sue Bailey (D) v. Rep. Ed Clere (R).** General forecast: Bailey is an English professor at Indiana University Southeast who

previously taught at Floyd Central High School. She is seeking her first elected office in her challenge to Clere, who won reelection in 2012 by defeating Democrat Sharon Grabowski 16,177 to 13,557. Clere won this seat in 2008 when he upset State Rep. Bill Cochran. Clere has stood out from many House Republicans. The chairman of the House Public Health Committee has questioned the state not accepting federal Medicaid funding. He also opposed the constitutional marriage amendment in 2011 and 2014, which might cost him some conservative support, but he was unopposed in the primary. Clere has a big war chest and GOP sources believe he's in good shape. With the Kentucky Senate race dominating the TV media market, it will be tough for Bailey to penetrate a message. **Horse Race Status:** Likely Clere.

**HD74: State Rep. Lloyd Arnold (R) v. Chris Coyle (D).** Arnold succeeded Lt. Gov. Sue Ellspermann, who defeated Democratic Majority Leader Russ Stilwell in 2010. A Democratic caucus selected Chris Coyle of Derby, who is an advanced EMT. Coyle is seeking traction on the school funding issue that is a hot topic in Southern Indiana. HPI traveled with Gov. Pence across Southern Indiana last week and the rural school funding issue was raised several times. "In 2012, my opponent spent hundreds of thousands of dollars telling our community he was one of us. Less than six months after being elected, he voted to cut funding to every public school in his district and send hundreds of millions of dollars to private, for-profit schools in Indianapolis," Coyle said. "No matter what party you are from, that is wrong." **Horse Race Status:** Leans Arnold.

**HD78: Rep. Holli Sullivan (R) v. Vanderburgh commissioner Steve Melcher (D).** General forecast: Sullivan won a caucus replacing Auditor Suzanne Crouch just before the General Assembly commenced last January. Melcher is a longtime officeholder, but he made headlines earlier this month when he was hospitalized in intensive care for a heart attack. Melcher appears to be recovering, but what once looked like a potential pickup for Democrats doesn't look as promising now. Sullivan ran early TV in the Evansville market last June to gin up her name ID. She can also expect campaign trail support from Crouch, who is very popular in the district. This race could be close and has the potential to tighten, particularly if Melcher can assure voters that his health will not be an issue. **Horse Race Status:** Leans Sullivan.

**HD81: State Rep. Martin**

**Carbaugh (R) v. Thad Geradot (D).** Carbaugh upset incumbent and former Fort Wayne mayor Win Moses in 2012, 11,681 to 9,979. He faces Democrat Thad Geradot, who was selected by caucus for the nomination. Geradot, 28, works at Lincoln Financial assisting individuals to make informed decisions about their retirement futures. He has been active in community organizing in the LGBT community for four years. He also recently finished working for Freedom Indiana, the campaign to prevent a constitutional ban on gay marriage. Democrats are targeting this seat. HRCC has run broadcast TV on behalf of Carbaugh and believe that has boosted his name ID. But the Republicans on the Fort Wayne City Council pushed anti-collective bargaining ordinances, overrode Mayor Tom Henry's vetos, and consequently stirred up the labor unions. So this could be a close race. **Horse Race Status:** Tossup.

**HD89: State Rep. Cindy Kirchhofer (R) v. Surveyor Debra Jenkins (D).** Kirchhofer upset Democrat incumbent John Barnes 8,066 to 7,468 in 2010, then ran unopposed in 2012. She faces Marion County Surveyor Jenkins. This race bears watching because not only is Indianapolis trending Democrat, but the party will be seeking to ramp up turnout on behalf of Clerk Beth White in her race against Secretary of State Connie Lawson. Kirchhofer's campaign has knocked on 9,000 doors thus far and has dropped direct mail pieces. Jenkins campaign has been quiet to date. **Horse Race Status:** Likely Kirchhofer.

## Senate Race Watch

There are three tossup Senate races in the Ohio Valley, two of which could put a dent in the Republican super majority.

Republican State Sens. Ron Grooms and Jim Smith, and Democrat State Sen. Richard Young are all fighting for their political lives. These races are playing out with an intense U.S. Senate race in Kentucky between Minority Leader Mitch McConnell and Alison Lundergan Grimes that has gobbled up broadcast TV capacity in the Louisville and Evansville media markets. That takes one of the campaign variables off the table should any of these candidates need to penetrate a late message.

Another potentially competitive seat is SD15, where Republican Liz Brown has polled well thus far, but recent ordinances on the Fort Wayne City Council against public employee collective bargaining has infuriated the unions, which now seem to be fully engaged. Another turnout element in Brown's race against Democrat Jack Morris is the referendum to change the county commis-



Freshmen State Reps. Martin Carbaugh and Holli Sullivan are being targeted by Democrats.



sioner system into an elected county executive.

In five open seats, Republicans Eric Bassler in SD39, Jeff Raatz in SD27, Chip Perfect in SD43, State Rep. Mark Messmer in SD48 and State Rep. Niemeyer in SD6 all appear to be headed to easy wins. Messmer is easily expected to win SD48 which would be a Republican pickup of the seat of retiring Democrat State Sen. Lindel Hume.

If the House has an unprecedented wild card with HD32 and State Rep. Eric Turner's reelection, the Senate version is in SD29 where State Sen. Mike Delph is seeking to fend off gay Democrat J.D. Ford. This should have been an easy reelection for Delph who entered the cycle with more than \$200,000, but his Twitter meltdown last winter in which he criticized a number of churches in his district over the constitutional marriage amendment was something we've never seen before. Delph seems hyper these days and family groups are rallying around his candidacy in the late stages of the campaign.

With Republicans holding a 37-13 super majority, it is difficult, though not impossible, to project enough Democratic inroads to end the super majority in that chamber, particularly with Republicans projected to easily pick up SD48.

Here's a race-by-race rundown.

**SD6: State Rep. Rick Niemeyer (R) v. Roxanna Hanford (D).** In an open seat vacated by State Sen. Sue Landske, Republican State Rep. Niemeyer is facing former Newton County Commissioner Roxanna Hanford. This district is majority Republican and Niemeyer brings in an established organization. **Horse Race Status:** Likely Niemeyer.

**SD15: Liz Brown (R) v. Jack Morris (D).** Former Republican Fort Wayne councilwoman and mayoral candidate Brown (pictured below), is facing Democrat Fort Wayne attorney Jack Morris in the open seat of retiring State Sen. Tom Wyss. Indiana Democrats have made this a target. Morris recently announced an initiative for providing two years of tuition-free community college or technical training for high school seniors. Brown has focused her campaign on jobs and the economy, government spending, family values and health care. Brown and Morris have sparred over issues such as increasing the minimum wage. She has been endorsed by Allen County Right to Life and the NFIB, as well as the Indiana Chamber and Manufacturers Association. The effort to end public employee collective bargaining by Fort Wayne Council Republicans has prompted the unions to fully engage. Republican sources tell HPI that Brown has polled well since the primary, but



Democrats are hoping the anti-union actions will spur their voters to come out in what will likely be a turnout election. The other wild card is the referendum that would create an elected Allen County executive. **Horse Race Status:** Leans Brown.

**SD27: Jeff Raatz (R) v. Jake Hoog (D).** In an open seat of retiring Republican State Sen. Allen Paul, Centerville Republican Raatz appears to be in excellent shape in his race against Democrat Jake Hoog. Gov. Mike Pence hosted a fundraiser for Raatz last week in Lawrenceburg. **Horse Race Status:** Safe Raatz.

**SD29: State Sen. Mike Delph (R) v. J.D. Ford (D).** Delph has expressed irritation that Howey Politics Indiana has even projected this seat to be competitive against gay Democrat J.D. Ford. Several prominent Republicans have told HPI that had a credible primary challenger emerged, Delph could have been challenged after his Twitter rant against churches in his district and establishment Republicans last winter. He faces the prospects of moderate Republicans scratching on his race, similar to what many did with Richard Mourdock in 2012. They didn't want to vote for the Democrat, but made a statement otherwise. Indiana Democrats are pumping in direct mail, and groups like the Indiana Family Institute appear to be rallying around Delph. The IFI honored Delph at its annual banquet earlier this fall. Delph runs for the first time in a new district that includes heavily Democratic Pike Township in Marion County. It is here where Marion County Democrats are hoping to gin up turnout on behalf of secretary of state nominee Beth White. Sources tell HPI that another part of Delph's district includes Zionsville where Republican and independent tend to be more moderate. Delph made the unprecedented move of criticizing a number of churches in his district over the constitutional marriage amendment. He was punished by Senate President David Long. We still see Delph favored in this election, but because of his actions this year and the fact that some Republicans were offended by his antics and might be inclined to sit this one out, this race is worth watching. **Horse Race Status:** Likely Delph.

**SD39: Washington City Councilman Eric Bassler (R) v. Greene County Commissioner Steve Lindsey (D).** Bassler defeated State Sen. John Waterman in the Republican primary last May, then watched this week as Waterman endorsed Democratic Greene County Commissioner Steve Lindsey. "I've spent 20 years fighting for working families here in Southwest Indiana," said Waterman. "I know Steve is a good Christian conservative and will continue to do

what's best for folks in our community, not what politicians in Indianapolis tell him." Bassler responded, saying, "It doesn't mean much, not to belittle the endorsement, but ever since we launched this campaign 17 or 18 months ago, we have had a game plan in place. Our purpose is to bring a strong voice for the district to the legislature. This will not sidetrack us, and we think the voters will pull for us in November, just like they did last May." Bassler has been endorsed by the NRA, Indiana Right to Life, Indiana Chamber, NFIB and the Indiana Manufacturers Association. Sources tell HPI that Bassler has had a huge polling lead and is working the race like an underdog. **Horse Race Status:** Safe Bassler.

**SD43: Chip Perfect (R) v. Rudy Howard (D).** Republican ski resort owner Perfect is projected to be an easy winner in his race against Democrat Rudy Howard of Aurora. This is an open seat of retiring State Sen. Johnny Nugent, who endorsed Perfect. Gov. Mike Pence attended a fundraiser for Perfect last week in Lawrenceburg. **Horse Race Status:** Safe Perfect.

**SD45: Sen. Jim Smith (R) v. Julie Berry (D).** Sen. Smith is facing an intense challenge from former Jefferson County Commissioner Berry (pictured below). Berry is pressing first-term Sen. Smith in a race both Republican and Democratic sources are telling HPI is a pure tossup. Berry is a Democrat who served three terms as the first female Jefferson County commissioner. Berry has complained about Senate Majority Caucus push polling on behalf of Smith, saying it inaccurately said she was a member of the county council which raised taxes. "It is increasingly common for campaigns to use negative attacks," Zody said. "That's not the issue. The issue here is Senate Republicans are being patently dishonest. Julie Berry has never served on the Jefferson County Council and has never voted to raise taxes, period." Matt Zapfe, executive director of the Indiana Senate Majority Campaign Committee told the Madison Courier that the group does not use push polling, a technique used to alter the view of voters under the guise of conducting a poll. "We had volunteers making calls. Did one misspeak? I don't know," Zapfe said. "It's a silly accusation. Records show she (Berry) supported tax increases while a member of the county commissioners," Zapfe said. Smith won his first term in 2010 when he upset longtime Democratic State Sen. Jim Lewis 22,299 to 20,494. The district was not substantially changed during the 2011 reapportionment. **Horse Race Status:** Tossup.



**SD46: State Sen. Ron Grooms (R) v. Floyd County Commissioner Chuck Freiberger (D).** Sen. Grooms faces a tough challenge from

Floyd Freiberger. This is a rematch, with Grooms defeating Freiberger 21,019 to 18,965 in 2012. Both candidates were within 1,100 votes of each other in both Floyd and Clark counties. Freiberger is a Floyd County teacher and will make education funding a key issue. Freiberger has also raised the gay marriage issue, criticizing Smith for backing HJR-3 last winter. "This divisive measure would discriminate against a large segment of our community and adversely affect the lives of many of our neighbors, friends, and fellow Hoosiers," Freiberger said. "It comes at a time when there are other more pressing issues before our state. When will the General Assembly address high unemployment, diminished wages, pay inequality, and the declining health of our citizenry? We should be discussing legislation to attract and retain good paying jobs for hard working Hoosiers. I am equally disappointed in my Republican opponent, Senator Ron Grooms, who once again reflected he is out of touch with his constituency by supporting this measure." With the U.S. Supreme Court refusing to hear the issue, and Indiana county clerks beginning to issue marriage licenses to gay couples, this issue could be revived in the final days of this campaign that multiple sources on both sides believe could go either way. Another issue is tolls on the Ohio River bridges, prompting Indiana Democratic Chairman John Zody to note that Grooms chairs the Senate Transportation Committee, opening him up to the tolling issue.

**Horse Race Status:** Tossup.

**SD47: State Sen. Richard Young (D) v. Erin Houchin (R).**

Young is facing a tough challenge from Houchin (pictured left). This is Sen. Young's first campaign in the redrawn SD47 and he faces Houchin, a former congressional district Republican chair and aide to U.S. Sen. Dan Coats. Houchin has launched a TV ad campaign. Democrats and Young are packaging the former senate minority leader and gubernatorial candidate as the last conservative Democrat in the General Assembly. Young has a name ID advantage, which prompted Houchin to begin her TV with a bio ad. Gov. Pence hosted a fundraiser for Houchin in Salem last week. The Kentucky U.S. Senate race is severely crimping TV time. Sources tell HPI this race is within the margin of error. **Horse Race Status:** Tossup.

**SD48: State Rep. Mark Messmer (R) v. Larry Vollmer (D).** Messmer of Jasper faces Democrat Larry Vollmer in the seat of retiring Democrat State Sen. Lindel Hume. Redistricting has made this a very Republican district, bringing in Vincennes and much of Knox County. **Horse Race Status:** Safe Messmer. ❖



# Family groups gear up for post-marriage religious protection

By **MATTHEW BUTLER**

INDIANAPOLIS — Earlier this year Indiana politics was dominated by the unsuccessful attempt to put a constitutional amendment banning same-sex marriage on the ballot in November. Now, the U.S. Supreme Court's decision Monday not to hear the state's appeal to a 7th Circuit ruling against the existing statute means same-sex marriage is open to Hoosiers. It comes as another blow to Indiana social conservatives who have invested tremendous political capital and effort on the marriage issue.



Citing this "new legal reality for Indiana," Curt Smith outlined to Howey Politics Indiana that his group, the Indiana Family Institute (IFI), will advocate for

laws during the 2015 General Assembly to protect religious institutions and religious liberty in the marketplace.

He said the issue was discussed during a conference call with legal experts and several lawmakers Monday. Noting the timing, Smith told HPI, "The call was scheduled. It was serendipity; it was not in response [to the decision]. There was already a conversation underway. We started thinking about these things before."

IFI's leader readily acknowledges in the short term the state will issue and recognize same-sex marriage licenses. However, Smith disagrees with others as to the long-term implications. "I don't think yesterday's lack of a decision resolves the marriage debate issue in Indiana," he said Tuesday. "My view is what the Supreme Court did was punt."

Smith disagreed with Senate President David Long's analysis of the Supreme Court's inaction. Long said Monday, "The court appears to have sent a message that if they ultimately do hear these cases, they will support these lower court rulings, and find that same-sex marriage is on equal footing with traditional marriage."

Smith thinks this premature. Others, he argues,

also see this as a "time out" period. For example, retired Indiana Supreme Court Justice Ted Boehm, an Evan Bayh appointee, wrote Monday, "Today's [U.S. Supreme Court] rulings seem explainable only as a conscious decision to defer the issue for at least a year." A contrary court decision elsewhere could provide the means in which the high court would make a final, nationwide ruling on the issue.

Given that potentiality, HPI asked Smith if the Supreme Court ruled in favor of Indiana's marriage statute, where does he stand on the legality of Hoosiers' same-sex marriages conferred in the meantime. "I don't know if you can go back and unscramble the egg," he said of that complicated scenario. "It would seem to me the marriage would have never been valid in the eyes of the state. But you have people who married in good faith. I don't know, there might be a way to preserve the principle and have a legislative fix where they are given tax and other legal status." He added, "Maybe there is a way to preserve the principles but not unfairly single out a certain class of our fellow citizens for different treatment."

It's interesting that Smith acknowledges, if married same-sex couples were to have their licenses nullified it would mean the revocation of some kind of "tax and other legal status." If marriage confers extra legal status then heretofore this status was unavailable to same-sex couples. During the 2014 debate over the marriage amendment, Smith and other proponents argued there was no compelling need for civil unions or same-sex marriage, either for the partners or their children, because domestic partner protections and benefits already existed through myriad laws and private contracts. Civil unions, as Smith

reiterated to HPI, "undermined the principle we were fighting for and believe." Restricting "tax and other legal status" to heterosexuals was not, according to his line of reasoning, unfairly singling out certain persons over others.

## 'A clash of rights'

As marriage cases progress in other circuits, the Indiana Family Institute and other social conservative groups are now more concerned with the legal fallout of same-sex marriage within the state.

"There all kinds of other potential and practical issues that Indiana does not have any experience with," Smith told HPI. "We foresee a clash of rights." Micah Clark, executive director of the American Family Association of Indiana, echoed these concerns earlier this week: "This is a Pandora's box," he told the IndyStar. "What does this mean for churches, religious charities, busi-



ness owners and those tied into the wedding industry?"

Regarding those latter groups, Smith agrees and asserts with same-sex marriage a reality, "Economic rights are at risk. We see it all the time: Cake bakers, florists, bed & breakfast owners."

Religion (and conscience) was frequently invoked to deny public accommodations to African Americans, for example, before the Civil Rights Act of 1964. Asked what's the difference between wedding providers and bed & breakfast owners denying a same-sex couple while citing religious or conscience reasons and others denying an interracial couple citing the same, Smith responded, "We've resolved that issue. Benign characteristics are not covered. This is a matter of conscience. We think reasonable people who embrace freedom and believe in liberty can accept this and move on down the road to the next meeting hall." He added, racial interpretations of religion were "wrong then and would be wrong now." Engaging in commerce, Smith contends, should not involve having "to surrender your truly held religious beliefs."

Smith is also concerned religious institutions and members will be forced to participate in same-sex marriages in some capacity. "I don't believe next week someone is going to sue a Catholic priest or Protestant pastor because they won't do their marriage," Smith said. "But it won't be long. Probably within two years it's going to happen." Smith offered the example of the Methodist Church's Ocean Grove Boardwalk Pavilion in New Jersey being penalized for not allowing same-sex civil union ceremonies. Smith said religious retreat centers and parks in Indiana are at risk of the same fate. "This is a very litigious group of people," he emphasized.

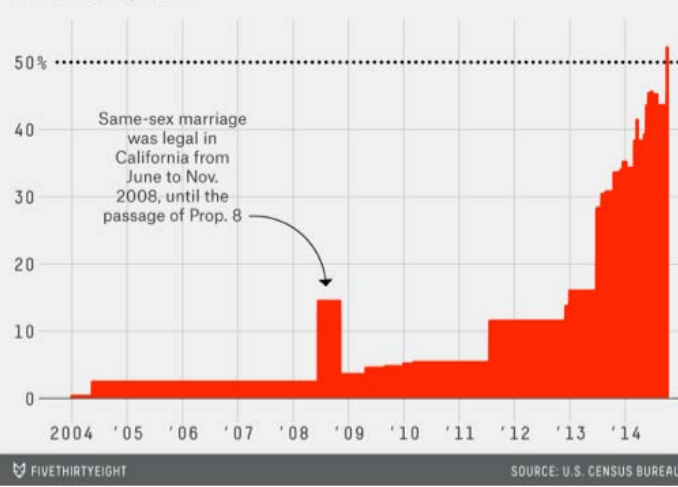
A more clearly defined legal infrastructure is therefore needed to deal with same-sex marriage in Indiana, according to Smith. "I think the legislature needs to be proactive in deciding on behalf of the citizenry which of these rights get the headier weighting," Smith told HPI. "And, I would hope religious rights are among the very most revered, honored, and favored."

As of now, there is no draft legislation and no bill authors have stepped forward. However, Smith said, "Conversations are being had and research is being done. Very smart and good people are putting together the materials we need to have a conversation with our policymakers."

Specifically, Smith is looking to the Religious Freedom Restoration Act (RFRA) to inform their efforts. Introduced by Democratic Senator Charles Schumer, it was

### Percentage Of U.S. Population Living In States With Same-Sex Marriage

As of Oct. 6, 2014



passed nearly unanimously by Congress and signed into law in 1993. The law states: "Government may substantially burden a person's exercise of religion only if it demonstrates that application of the burden to the person: (1) is in furtherance of a compelling governmental interest; and (2) is the least restrictive means of furthering that compelling governmental interest." The Supreme Court has since restricted RFRA's application to only the federal government, but 19 states have passed similar legislation. Smith wants Indiana to be the 20th next year.

Recently, RFRA has been applied in two high-profile cases: The decision that the ACA's mandating Hobby Lobby, as a "closely held corporation," provide certain types of birth control violates its religious rights; and, an Arkansas prisoner, citing his Islamic faith, is currently seeking to grow a beard, which is against state prison rules.

### 'Legislative allies'

Despite these latest setbacks, Smith alludes to other victories and sees social conservatives' political sway increasing at the Statehouse. "I don't see less robust legislators and I don't see support waning in any way," he said. He noted additional "legislative allies" would soon arrive: "We defeated two Republican House members [Rebecca Kubacki and Kathy Heuer] in the primary for their vote on the marriage amendment [HJ3-3]. And that was a watershed moment for us." Even more would be on the way, he promised, "as we [IFI] begin to have a primary presence and have a PAC and a 501(c)4." Moreover, the traditional marriage plank was returned by a comfortable margin to the Indiana Republican Party platform after a convention floor debate and standing vote.

Smith said he has spoken to Gov. Pence on this upcoming legislative effort, "in a very preliminary way. There's interest in what's going on. We're going to have an ongoing conversation...but nothing specific." Smith mentioned at his association's dinner, he spoke with the governor and mentioned that "religious liberties will be a priority for IFI as we look at the next year's General Assembly."

In the post-same-sex marriage landscape of Indiana politics, social conservative groups believe they will have no trouble mobilizing. Referring to IFI's annual dinner, Smith said they reached their second best attendance figure with 480. "I think there is even more interest and a greater sense of urgency," he told HPI. "What we think is on the table are some real foundational issues." ❖

# The family movement looks for new issues

By **BRIAN A. HOWEY**

INDIANAPOLIS — To quote singer Carole King, we've felt the earth . . . move . . . under our feet.

For the proponents of the constitutional marriage amendment, the new fears are the skies are tumbling down, tumbling down.

The marriage debate has lasted nearly a generation. For some, it ended on Monday when the U.S. Supreme Court refused to review the 7th Circuit Court ruling on Indiana and Wisconsin laws, and there were three other states affected.

The ACLU's Ken Falk quickly declared "this case is over," a prelude to parties Monday night at the Metro where gays, lesbians and their allies celebrated well into the night.

The opponents of same-sex marriage quickly pointed to outstanding cases in the 6th and 9th Circuits. A ruling in either counter to their brethren courts which have been striking down state same-sex marriage bans with regularity could create the schism needed for the Supreme to make the ultimate ruling. So the celebrations may have been premature; the hopes of the opponents are on thin, thin ice.

The unmistakable fact is that over this generation of political division, the public has emphatically moved, as the May Washington Post/ABC News Poll shows (see above). Between 2003 and 2014, the poles have completely shifted on the issue.

**This is nothing new** to the Indiana General Assembly, which in the past has lagged way behind other emphatic issue shifts on school segregation, interracial marriage, gaming and interstate/intercounty banking. After a decade of battling a constitutional amendment on gaming, the 1988 referendum found 64% of Hoosiers approving the ballot measure, while the deep pockets of resistance in the General Assembly continued on.

The confederacy of family groups that have ardently opposed abortion and gay marriage for the past generation are now faced with their own survival.

I asked the Indiana Family Institute's Curt Smith

what the Indiana General Assembly could do to prevent abortion beyond the Supreme Court overturning *Roe v. Wade*, and the answer was not much. But, he vowed, he would continue a harassment strategy to keep the issue alive (such as taking aim at the physical dimensions of abortion clinics) or cutting off Planned Parenthood funding, which was quickly ruled unconstitutional.

**One of the reasons for** this is you've got to keep the fundraising spigots open.

Americans and Hoosiers have moved to the point and will continue to do so that gays marrying will be as normal as white and black people tying the knot.

Which is why we're hearing social conservatives

warning us that businesses not wanting to bake a wedding cake for gays need to be protected. Or that a future movement will develop advocating polygamy. "I think the time is coming down the road when it is going to go beyond only same-sex marriage," State Rep. Timothy Wesco told the Elkhart Truth, hinting at the possibility of polygamy gaining legal protection. If marriage could be expanded to include same-sex couples, then "why can't three or four people get married?"

State Sen. Brent Waltz made the same argument to me a couple of years ago, while acknowledging that he and other social conservatives were "probably on the wrong side of history."

I Googled "Indiana, polygamy advocates" and came up with nothing that even resembled a credible political movement. I did the same with "Indiana beastiality" and found even less.

These bogeymen exist only in the minds of those seeking wedge issues to keep the money machines flowing and the blood boiling in a receding constituency.

That Washington Post/ABC Poll on the question of businesses refusing to serve gays and lesbians found 81% opposed to the idea. That, my friends, is a political loser and will only get worse.

**What's troubling to me** is that when Indiana was stiffing families who had adopted special needs children, none of these family groups were even aware of the issue. Gov. Mike Pence became aware of the situation and stepped in to make the right call.

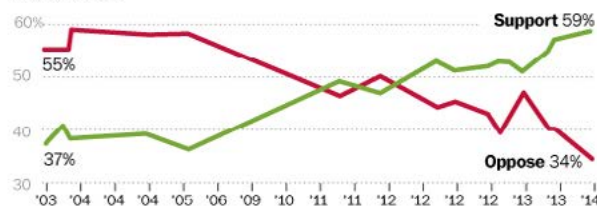
There is so much work to be done in this state with high infant mortality rates, food insecure children, and declining per capita income. Some soul searching on priorities in these quarters is in order. ❖

## POLL The Washington Post-ABC News poll

**Q:** Do you think that part of the Constitution providing Americans with equal protection under the law does or does not give gays and lesbians the legal right to marry?



**Q:** Overall, do you support or oppose allowing gays and lesbians to marry legally?



Note: 2012 and previous: Do you think it should be legal or illegal for gay and lesbian couples to get married?

**Q:** Do you favor or oppose allowing gay or lesbian couples to adopt a child?



**Q:** Do you think businesses should or should not be allowed to refuse service to gays and lesbians?





# Obama touts auto recovery at Princeton

By **BRIAN A. HOWEY**

NASHVILLE, Ind. — President Obama called for a new “American Century” to follow the one forged in the 20th Century as he visited Millennium Steel Service in Princeton, advocating more investing in roads and bridges, an increase in the minimum wage, and equal pay for women.

The President said his decision in 2009 to restructure the American auto industry is now paying dividends.

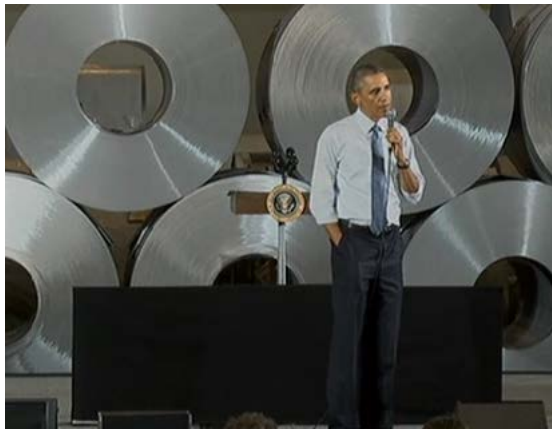
“It’s the direct result of the best workers in the world,” Obama said at the plant located across U.S. 41 from the sprawling Toyota manufacturing facility. “And it’s happened due to decisions we made early on in my administration. We decided to help our automakers rebuild and retool. That has helped a lot of communities all across the Midwest.”

The bankruptcy of General Motors and Chrysler could have impacted up to 150,000 Hoosier jobs. Since 2009, shifts have been added in Kokomo, Bedford, Marion and Fort Wayne, and plants like Toyota in Princeton and Subaru in Lafayette have invested and expanded.

“American manufacturing is powering the recovery,” Obama said in his first visit to Indiana in three years. “The unemployment rate fell from 6.1 to 5.9. What that means is the unemployment rate is below 6% for the first time in six years. The strongest job growth since the 1990. Our businesses have created 10.5 million jobs. That happens to be the longest job growth in the private sector in American history.”

“We’ve put more people back to work than Japan and Europe and all the advanced economies combined,” Obama said on a third Manufacturing Day. “Companies are talking about bringing jobs back from China. If you look at American history, the times we grow fastest and do best, it’s when we’re growing the economy from the middle out.”

“**Today they say the best place** to invest money is here in the United States of America,” Obama said. “So there is a lot of good stuff happening in the economy right now. But we all know there’s still some challenges. We know families who are still out of work or not getting the hours they want. Wages and income have not moved up as fast. Too much of the growth and income is going to the very top and not enough is being spread to the ordinary worker. That’s what we’ve got to be working on. That’s what the American Dream is all about.”



Obama added, “We should be investing in roads and bridges and ports. If we’re putting construction workers back to work, that means they need steel and concrete. All of that would give a huge boost to the economy. That’s something we should be doing right now. The only thing holding us up right now is politics. We should be raising the minimum wage.” Obama also called for wages equal to men. “It’s just fair and it’s the right thing to do.”

**Asked about the EPA’s “war on coal,”** Obama responded, “Some of it is hype in politics and that’s the nature of our politics these days. Less and less of our power is coming from coal. A lot of people think that’s because of environmental regulations. The main reason power plants are using less coal is that natural gas is so cheap. So the real war on coal is natural gas. We are now the No. 1 natural gas producer in the world. The second thing we need to do is to make sure some of the new opportunities in clean energies locate in ... coal country.”

Asked about health care costs, Obama said, “It depends on if you’re shopping effectively enough.” Obama said that health care premiums “have slowed down significantly.” He said it has helped businesses, families and is reducing the federal debt. He said the U.S. will save “\$188 billion due to reduced health care costs.”

Acknowledging “Obamacare” was originally “an insult. But I feel pretty good about Obamacare,” adding that 10 million more people are now insured. He called it an \$1,800 tax cut for every family who’s got health insurance.”

Millennium Steel CEO Henry Jackson, a Chicago native and Notre Dame graduate, welcomed Obama, saying, “American manufacturing is vital to the American economy and I am glad President Obama decided to give this time here in Indiana.”

**Immediately after landing** in Evansville, President Obama spoke at length with Gov. Mike Pence outside of Air Force One. Pence had said he wanted to discuss the state’s healthcare plan with the president. Pence called the five minute conversation a “brief, candid and substantive discussion about Indiana’s efforts to expand the Healthy Indiana Plan.” U.S. Rep. Larry Bucshon, R-Newburgh, was also on hand to greet the president.

“We have ruled out expanding traditional Medicaid, but as I reiterated to the President today, if we have the opportunity to build on the Healthy Indiana Plan to expand coverage the Indiana way, we’re open to doing that,” said Pence afterward. “We talked through a number of issues that have arisen in the course of our discussions, and I appreciated the opportunity to call the matter to his personal attention.” ❖

## Another stock bubble cause for concern

By **MICHAEL HICKS**

MUNCIE – Nowadays about three-quarters of households will eventually own retirement plans. This makes most of us dirty capitalists who wish to see our retirement funds grow. This motivates us, or more typically the financial firms that manage our funds, to seek out the optimal mix of risk and reward for our hard-saved dollars. Today's financial markets offer few good choices for retirement investments, and that is both a symptom and cause of a problem.



Stock markets in the U.S. are hovering at near-record levels. If you get your quarterly retirement fund reports this week you'll be pleased to see the rapid growth. But there is real reason to worry. While any investment advisor will tell you that the price-to-earnings ratio (a measure of how much the average stock costs relative to its rate of return)

is not especially high, that should be scant comfort. Something called the cyclically adjusted price-to-earnings ratio (developed by Nobel Laureate economist Robert Shiller) is at alarmingly high levels. In fact, by Shiller's calculation, the only three times that measure has been higher in the past century were in 1929, 2000 and 2007. Worried yet?

Luckily, this publication will not print my initial reaction to this news. Instead, let's ask how can it be that we might be back in financial bubble zone, and what on earth is going to happen.

**Despite election season** exuberance over jobs numbers, the simple fact is that labor markets are progressing poorly and the U.S. economy is a long way from solid. Potential workers continue to leave the formal economy at a shocking pace, and wages are effectively unchanged from last year. This has led the U.S. Federal Reserve to maintain a very loose monetary policy. This means that lots of money floating around the economy, which depresses nearly all interest rates. This is happening all around the world, and just this week the International Monetary Fund again downgraded global growth, warning of "frothy" stock markets.

To put it plainly, investors have very few other places in which to invest other than the stock market. So stocks are at record levels and more buyers seem to enter the market each day. So what does the future hold?

With growing evidence of a global slowdown, there is plenty of fear from a stock market bubble. Sadly, there's no good way to say how or when financial markets will respond, and no one has yet effectively developed a

model to predict bubbles.

Perhaps a slow and careful effort by the Federal Reserve to raise interest rates could boost investor confidence. It might spark a run for safe investment options, which is the bursting of a bubble. A black swan event such as a major war or significant terror attack is far more worrying. The only certainty is that we are in a very challenging and forbidding period in financial markets.

So, don't get too exuberant over that retirement fund statement. ❖

**Hicks, PhD, is the director of the Center for Business and Economic Research and the George and Francis Ball distinguished professor of economics in the Miller College of Business at Ball State University.**



## Great Recession still impacts many of us

By **MORTON MARCUS**

INDIANAPOLIS – Most Americans understand the Great Recession is over. However, not all sectors have recovered. We remember the Great Recession was felt specifically in four sectors of the economy: Construction, manufacturing, retail and financial.



Data from the U.S. Bureau of Labor Statistics show construction employment in the nation peaked in January 2007 at 7.7 million jobs. In June this year, construction jobs totaled 6 million, that's 1.7 million jobs or 22 percent off the peak. Of the 2.3 million jobs lost between the peak and the trough of the recession in January 2011, we have recovered fewer than 600,000, only 26 percent.

Will those jobs come back, or have they disappeared? Probably they will return, but not in the very near future. Recessions bring with them changes in technology, techniques, and tastes. Today's construction sites make greater use of somewhat more sophisticated equipment that reduce the input of labor and make workers more efficient. You need think of more cell phones and tablets in use.

The companies that survive a recession often are those with advanced managerial practices. Either they knew or they learned how to operate somewhat leaner

and more productively during the recession.

The tastes of businesses and households change as a result of recessions. Thus, we find today's home buyers are looking for somewhat smaller structures because of reduced incomes or other changes in their lives. Businesses may now seek space in buildings offering fewer amenities as they have more workers telecommuting.

**In manufacturing**, five industries are most construction related: Wood products, cement and concrete products, architectural and structural metals, construction machinery, and furniture and related products. Together these five provided 1.8 million jobs in Jan. '07; in Jan. '11 that number was down to 1.2 million. Of the 600,000 jobs lost, only 98,000 or 17 percent have been recovered.

On Main Street and at the mall, 1.9 million Americans held retail jobs related to construction. That number fell by 300,000 during the downward portion of the recession, but only a third of those jobs have been recovered by mid-year in 2014.

Finally, you'll want to know about the huge financial activities sector, including lenders, real estate offices

and mortgage brokers. There jobs fell 700,000 from 8.4 million to 7.7 million. The recovery restored nearly 300,000 of those jobs or 37 percent, the best record of recovery among the four sectors we have examined.

The question remains: How much can we expect these sectors to recover given the passage of seven years? Does it make sense to expect the housing market, or commercial, industrial and institutional real estate, plus all their related financial, manufacturing and retail activities to regain the jobs they once commanded?

**Other firms in other** sectors will pick up the slack. Health care and its related inputs and products are clearly among these. Education could be another one, if we decide to implement fullday kindergarten and extensive preschool care nationwide. We should focus not on the losses, but on the opportunities. ❖

**Mr. Marcus is an economist, writer, and speaker who may be reached at [mortonjmarcus@yahoo.com](mailto:mortonjmarcus@yahoo.com).**

# SAVE THE DATE

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**Time: 5:00 PM to 8:00 PM**  
Presentations at 6:30 pm

**Place: The Antelope Club**  
615 North Delaware Street  
Indianapolis, IN 46204



# Major hurdle for Pre-K schooling

By MAUREEN HAYDEN  
CNHI State Reporter

INDIANAPOLIS – Even if Indiana decides to spend money to prepare more children for kindergarten, it faces a major hurdle in the lack of programs considered suitable for getting kids ready for school.

Only about one third of the state's 2,300 childcare facilities meet guidelines for academic preparedness. The rest provide care just aimed at keeping children safe, according to a report presented Monday to a group of legislators studying preschool funding.

The report, based on data from state childcare regulators, found that preschool options are most limited in areas where they may be most needed, places with significant numbers of low-income working parents whose children are at higher risk for falling behind once they start kindergarten. "There's no question it's a problem," said Rep. Bob Behning, R-Indianapolis, chair of the House Committee on Education.

Supporters of state-funded schooling for 4-year-olds want lawmakers to put \$200 million toward the preschool for low-income families next year. That would add Indiana to a list of 40 states that currently fund early childhood education. And it would dramatically expand a pilot project, approved by the legislature this year, that will pay for public preschool in five counties beginning in January.

But supporters of preschool education worry that money could go unspent or wasted because so few facilities are ready to offer an adequate preschool curriculum.

"The focus has to be on quality," said Behning. "Without it, we'll have trouble pushing it into the school funding formula" during the biennial budget session that begins in January.

**During Monday's hearing,** several legislators questioned the value of spending public dollars on preschool programs, citing studies that doubt the longterm benefits of the federally funded Head Start program. "I'm astounded at the money we've been throwing at the problem and not seeing any results," said Rep. Jim Lucas, R-Seymour.

About 350,000 children under the age of 5 in Indi-

ana have parents in the workforce, with about 145,000 of those children in some kind of school or childcare facility. Some 12,000 Hoosier children are enrolled in Head Start programs funded by the federal government, but most are in private facilities covered by tuition, religious groups or private donors.

How long it would take to qualify more of the state's childcare facilities for preschool programs is unknown. The state's Family and Social Services Agency, which surveys and grades the facilities, has found that many communities lack accredited preschools. In Indianapolis, for example, where the Republican mayor has proposed spending \$50 million on preschool, only 15 percent of nearly 800 childcare providers offer an accredited program. And the state's top-rated preschool programs are concentrated in larger communities. More than half are located in just 15 of Indiana's 500-plus cities and towns.

**The need for better** programs appears to be significant, according to a report presented Monday by an advisory committee of philanthropic and business interests that support preschool. Two-thirds of Indiana children under age 5 require childcare because their parents work, the report found.

And almost half of Hoosier families have incomes that make paying for childcare a "significant burden," the report noted. A family of three living at the poverty line would have to spend about one-third of its annual income to enroll a single child in an accredited pre-K program.

Kevin Bain, head of the Welborn Foundation and chair of the advisory committee, said Indiana already spends about \$20 million a year on remediation for about 4,000 children who fail kindergarten. He counters critics of Head Start with studies that show high-quality early childhood education pays off, including by reducing dropout rates.

"If the government is going to invest in anything, this is a pretty good bet," he said. But he also acknowledged the challenges in providing good programs, including low wages and high turnover among staff. A 2010 study of childcare workers in Indiana found that preschool

teachers made an average of \$9 an hour and about 16 percent of them leave their jobs every year. "Those are dog-walker kind of salaries," Bain said.

Behning said failure to address the quality issues could doom efforts to spend more on preschool in Indiana. "I think you've got to do a lot more proving to people before you can put it into the budget," he said. ❖

**Maureen Hayden covers the Statehouse for the CNHI newspapers in Indiana. She can be reached at [maureen.hayden@indianamedia.com](mailto:maureen.hayden@indianamedia.com).**



# Election will have little impact on Congress

By **LEE HAMILTON**

BLOOMINGTON – Unless the recent election talk of bipartisanship and finding common ground becomes a reality, dysfunction and lack of productivity in Congress is likely to continue.

Members of Congress are home now, campaigning for the upcoming elections. Their messages are all over the map, and for a good reason: They have very little to brag about.



The Congress that just recessed until after the elections makes the 80th – the one that Harry Truman blasted as “do-nothing” – look like a paragon of productivity. This year’s members did manage to avoid a shutdown, but that’s about all. Congressional leaders spent the better part of the year avoiding tough votes. They didn’t pass an annual budget. They made no pretense of weighing U.S. policy against

ISIS or, really, any other foreign or defense policy issue. They didn’t tackle immigration reform, climate change, tax reform, the minimum wage, or domestic surveillance. They passed fewer bills than any other Congress in 60 years. In the 3½ months between the beginning of August and mid-November, they’ll have been in session all of 10 days.

Small wonder that voters are in a sour mood when it comes to Washington. They want to see our elected leaders tackling issues that confront the country. They want less partisanship. They don’t understand government’s frequent failures, and crave more competence. On every front, the people they’ve elected have disappointed them.

This may be why there is no dominant theme in this year’s elections. Voters seem more focused on a variety of issues than on one dominant issue. Apathy is high and we are headed for low voter turnout, even by the standards of mid-term elections. Voter outrage at Congress is not translating into a message of rejecting incumbents.

**This has made the tone** of the election rather interesting. Candidates appear to have picked up on voters’ dislike of mean-spirited campaigning, and for the most part are showing restraint. The deeply partisan politics we saw in 2010 and 2012 has abated. Where a couple of years ago there was heated talk of storming the gates in Washington and potentially shutting the government down, that kind of campaigning is just a memory this year. Candidates may not be embracing Washington, but they’re not attacking it as they once did. There’s even talk of bipartisanship and building bridges, sentiments that were

nearly invisible in recent years.

Given President Obama’s lack of popularity, there’s a general sense among members of the political class that Republicans have an edge in the election and may well take over the Senate. A battle to control the Senate can have significant consequences, yet it’s unlikely that much will change on Capitol Hill in the near term. Mid-term elections are usually about the President, and Republicans are largely content in this election to attack him, while Democrats are content talking about anything but the President.

**Even if the Senate majority** changes hands, it will do so only narrowly. Given that a party needs 60 votes there to accomplish much of anything, whoever controls the Senate will be able to maneuver only on the margins; resolving tough issues head-on will be difficult, maybe impossible. Unless the recent election talk of bipartisanship and finding common ground becomes a reality, in other words, the dysfunction and lack of productivity that have become defining characteristics of Congress in recent years are likely to continue.

This is ironic, because large amounts of money are being poured into the fall elections, especially in races for the Senate. You’d almost think transformational policies were at stake. In truth, though, these elections are more of a run-up to the presidential race in 2016. And even then, the attention on the Senate is probably misplaced. Polls are showing that a number of gubernatorial seats are likely to switch hands in both directions, and if anything this year’s 36 gubernatorial contests will have more of an impact on politics two years from now than what happens in the Senate.

**In short, whatever happens** on Election Day this year, it’s unlikely that much will change in its wake. This may hardly be the most important election of our lifetimes, but the business that Congress left unfinished is still waiting. The nation needs an elected leadership capable of rolling up its sleeves and meeting our challenges head-on right now, not a few years hence. ❖

**Lee Hamilton is director of the Center on Congress at Indiana University. He was a member of the U.S. House of Representatives for 34 years.**



## Rokita honored at Columbia Club

INDIANAPOLIS - At its 122nd Annual Beefsteak Dinner last night, Indianapolis’ Columbia Club on Monument Circle awarded Rep. Todd Rokita its highest honor, the Benjamin Harrison Medallion, for his public service to the state of Indiana. “Congressman Rokita excelled as our Secretary of State, enacting model electoral reforms, and he continues his hard work as a U.S. Representative, fighting to lower tax and regulatory burdens on Hoosiers,” said club president Terry Young ❖

# Good news for Gary

By RICH JAMES

MERRILLVILLE – It was a week of political extremes in Lake County. There was wonderful news and very sad news.

First, the positive. Gary, and much of Northwest Indiana, remains aflutter following last week's arrival of President Obama at the Gary/Chicago International Airport. Obama chose to land in Gary to avoid further disruptions at Chicago's O'Hare International Airport. An arson at the Aurora traffic control tower caused the problems.



Area residents lined Industrial Highway hoping to catch a glimpse of the President as he departed the airport heading for his home on the south side of Chicago. The Gary Airport is closer to his home than is O'Hare, where he usually lands when coming to town. And the longest runway at Gary, which is undergoing expansion, is longer than any runway at Chicago's Midway Airport.

As the area waited for Obama's arrival, airport director B.R. Lane said, "A lot of people were not aware of the availability of this airport to serve a client such as the president of the United States. The fact that we did mobilize our services to get him in and out so quickly was very positive."

In addition to Air Force One landing at Gary, three C-17s, large military transport planes, arrived at Gary Wednesday and Thursday carrying security and other equipment.

Wil Davis, the owner of the Gary Jet Center that is within the Gary Airport, played a role in the president's visit. "It certainly showed off the capabilities of the airport and the Gary Jet Center," Davis said. "We did it all right and it all worked."

The President's visit came as the city is nearing the completion of its runway expansion project. It will allow Gary to handle any size aircraft.

**On the sad side**, there were two tragic events in the area over the last two weeks. The area lost former state Rep. Jerome J. Reppa of Munster. He was 89. And former Crown Point businessman and governmental figure Vern Segert, 80, also passed away. Both were very moderate Republicans.

Reppa, a lawyer, served from the 1970s into the 1990s in the Indiana House. Unlike many Republicans today, Reppa was known for his efforts to make it easier for people to register and to vote. He also was respected for his work on behalf of the people of Lake County, often voting to support a Lake County initiative rather than vote

the Republican party line.

Early in his career in the House, Reppa served in a two-person district with Elwood Fifield of Crown Point and later Fifield's widow, Esther.

**Segert owned and** operated a service station at Main and North streets for several decades. He sat on a number of governmental boards for years and was generally known as the voice of reason regardless of the politics of an issue. In the early 1980s, there were those who encouraged Segert to run for Crown Point mayor.

In fact, there were some Democrats who said they would form a Democrats for Segert organization if he decided to run. He didn't, but he stayed active. ❖

**Rich James has been writing about state and local government and politics for more than 30 years.**



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**Stu Rothenberg, Roll Call:** A few weeks ago I wrote Senate Republicans would gain at least seven seats, even though the Rothenberg Political Report/Roll Call race ratings showed a likely Republican gain of five to eight seats. That expectation was based on national survey results that showed the President extremely is unpopular and voters are unhappy with the direction of the country, as well as state polling that showed Democratic incumbents well below the critical 50 percent threshold in ballot tests against their GOP opponents. With only three Democratic Senate seats in the bag for the GOP — South Dakota, West Virginia and Montana — Republicans can't yet be certain they will net the six seats they need for a majority in the next Congress. So what could/would cause me to change my expectations over the next month? How could Democrats alter the election's trajectory? First, Democrats still may be able to localize elections in a few states — the most likely prospects are North Carolina and Alaska, which were carried by Romney, and two swing states won by Obama, Iowa and Colorado. Democrats certainly have lowered the boom on North Carolina's Thom Tillis, Alaska's Dan Sullivan, Iowa's Joni Ernst and Colorado's Cory Gardner, and it isn't unreasonable to believe they can hold all four seats by discrediting the GOP nominees. So while it isn't impossible to localize a race, the broad national mood and the states in play combine to make that a tough task. Second, Democrats may be able to register and turn out additional voters, who could change the arithmetic of the elections. I have been assuming a 2014 electorate that looks more like the last midterm electorate than either of the past two presidential electorates. The 2010 electorate was much older and whiter than the 2008 and 2012 electorates, and there is no reason to believe that Democrats won't suffer again from this year's midterm electorate. But Democrats are making an effort to register African-American voters in a number of states. ❖



**Mark Halperin, Bloomberg News:** There are currently two factions in American presidential politics: Those who are absolutely sure Jeb Bush will run for president in 2016 and those who are absolutely sure he won't. The first group points to Bush's recent weeks on the road—he hit a variety of long-planned Republican political and policy events in advance of the midterms, and put on an impressively lively and incisive show. Supporters share stories of Bush aides quietly urging potential backers to keep their powder dry only a little longer. George W. Bush's jaunty recent assertion that his brother "is weighing his options," is seen as a trilling dog whistle signifying that Dallas, Houston, and, significantly, Kennebunkport are all on board for a third Bush presidency. The second group, meanwhile, insists Jeb Bush will once again sit out the presidential race, this time scared off by the lethal-looking twin buzz saws of Common Core and immigration. Even more lethal, there are enduring murmurs that Jeb's

irrepressibly formidable mother, his wife, and his daughter are dead set against a run. Barbara Bush, once unalterably opposed to a Jeb candidacy, has shifted to "neutral." Such mirror-image speculation is only mounting—in the last week alone, three premium-grade Republican sources confided to me with utmost certainty that Bush is in fact already running, while one of America's premier political reporters privately offered up a laundry list of reasons why Bush was definitively not taking the plunge. Here's the reality, distilled from over a dozen discussions with those who know Bush really well: Jeb himself still hasn't decided. Jeb Bush is grappling with the hardest of questions: Is he the right person to bring the Republican Party toward the center and govern a country that has proven stubbornly difficult to lead? In other words, is this, finally, his time? ❖

**Bob Garton, NUVO Newsweekly:** Today, the law-making process at every level — local, state, national — is clouded by an atmosphere of pervasive polarization and constant conflict between the two political parties. What is needed is a climate of civility and mutual respect. A willingness to compromise is the soil of common ground in politics. As the ancient Greek philosopher Aristotle, proclaimed, "Law is order and good law must necessarily mean good order." Compromise and civility are essential for both good law and good order. In the Indiana State Senate, whenever a current or former senator dies, an honorary resolution is introduced, recognizing his or her public service. Routinely, senators from both sides of the aisle speak as quiet descends throughout the chamber. Some of the best speeches in the senate are heard at that time. They find common ground. The legislature has rules governing the legislative process. One of those rules requires civility, specifically; no senator shall impugn the motives of any other senator. If any senator, speaking or otherwise transgresses the rules, any senator may call the senator to order and indicate the words to which there is an objection. The senator called to order shall immediately be seated, but he or she may appeal the call to order. If the appeal is seconded by another, an immediate vote, without debate, will be taken on the appeal. If denied or no appeal made, the offending senator is seated and liable to any censure or punishment the senate may deem proper. However, rules specifying a challenge of a senator's integrity must be made immediately before any other business is considered. Unfortunately, during the recent 114th session (a session being a two-year period) during debate on a bill, a senator challenged the integrity of the bill's author. Both senators were Republicans. Apparently, other Republican senators were stunned and did not offer a challenge while presumably Democratic senators were enjoying the infighting. A challenge could not be offered later. An opportunity to enforce both the rules and civility was lost. The Senate missed a regrettable opportunity to enforce its rules. I doubt, though, if that loss will be repeated in the future. ❖

## Inland casinos urged at hearing

INDIANAPOLIS – A legislative study committee today debated two key issues relating to casinos today—whether to allow land-based casinos and whether to allow live table games at racetracks (Indiana Public Media). On the land versus water debate, some of Indiana’s riverboats say permitting land-based casinos allows them to build better facilities and strengthens their ability to compete with the growing number of casinos in other states. Pete Liguori, the CEO of Majestic Star Casinos in northwest Indiana, says allowing riverboats to move on land has positive benefits for the community. “As we contemplate a move to land-based, this actually has a net positive effect for the local communities because it’s likely to increase the real estate tax rolls,” he says. Representatives from several riverboats told lawmakers they only plan to move onto land adjacent to the boats. Troy Stremming, the Vice President of Pinnacle Entertainment, which operates two Indiana casinos, says he’s fine with allowing riverboats to move on land but only within their existing footprint. Centaur Gaming President Jim Brown, whose company operates both Indiana racinos in Anderson and Shelbyville, says the Indiana law allowing electronic table games at racinos but not live dealers is “bizarre.”



Abercrombie, Democrat of Hawaii) has already lost his primary, another is headed for almost-certain defeat next month (Tom Corbett, Republican of Pennsylvania), and 10 others are in toss-up or close “lean” races. We’ve had Govs. Rick Scott (R-FL) and Dan Malloy (D-CT) in the Toss-up category since last year, but they’ve recently been joined by Govs. Sam Brownback (R-KS), John Hickenlooper (D-CO), and Sean Parnell (R-AK), the latter as a result of independents and Democrats forming a fusion ticket. One rating

change this week adds another name to the Toss-up list: Gov. Pat Quinn (D-IL), who may survive the challenge of wealthy businessman Bruce Rauner (R) largely because of Illinois’ firm Democratic leanings. We’re moving this contest from Leans Republican back to Toss-up as polling for Quinn has improved; in fact, he leads in RealClearPolitics’ average now

## 5 counties balking at gay marriage

LEBANON — Some Indiana counties still are balking at issuing same-sex marriage licenses. WISH-TV reported Wednesday that Boone, Crawford, Clay, Lawrence and Jefferson counties were not yet issuing the same-sex licenses. Boone County Clerk Penny Bogan says she was advised by her county attorney to hold off until they receive more guidance from the state..

## Mrs. Kassig reaches out to ISIS

INDIANAPOLIS - A Twitter handle claiming to be Paula Kassig, the mother of Islamic State captive Abdul-Rahman Kassig, has been verified by The Star as an authentic account. “@PaulaKassig,” which sent out its first tweet just after 6 p.m. Wednesday, was created by the IS

captive’s mother, a source close to the family told The Star. In her first tweet, Kassig directs a message to Abu Bakr al-Baghdadi, the self-proclaimed ruler (Caliph) of the Islamic State. She asks how she and her husband can reach al-Baghdadi to find out about their son’s fate. “I am trying to get in touch with the Islamic State about my son’s fate,” Kassig writes. “I am an old woman, and Abdul Rahman is my only child. My husband and I are on our own, with no help from the government. We would like to talk to you. How can we reach you?”

## Pence lands jobs in Toronto

INDIANAPOLIS - Governor Mike Pence spent the day in Ontario meeting with business and government officials, highlighting results of the state’s increased efforts to attract Canadian investment to the Hoosier State. This morning, the Governor joined leaders of Skjodt-Barrett Foods, a 29-year-old Canadian specialty foods manufacturer, at the company’s global headquarters in Brampton, just outside of Toronto. Mike Brannan, general manager of Skjodt-Barrett’s U.S. operations, informed the Governor of the food manufacturer’s decision to invest \$43.9 million to expand its U.S. headquarters in Lebanon, Indiana, adding nearly 100 new jobs.

## Dr. Adams to head Dept. of Health

INDIANAPOLIS — Gov. Mike Pence has named Indianapolis anesthesiologist Dr. Jerome Adams to be commissioner of the Indiana State Department of Health (Associated Press). Adams is a staff anesthesiologist at Eskenazi Health and an assistant professor of clinical anesthesia at the Indiana University School of Medicine. He previously, was an anesthesiologist at Ball Memorial Hospital in Muncie and a physician rapid responder.

## Rating changes in IL, MI gov races

CHARLOTTESVILLE, Va. - Governors frequently report on the state of their states, but what’s the state of the governors? To judge by many of the ongoing gubernatorial campaigns, it’s not great (Sabato’s Crystal Ball). Out of 36 contests, one governor (Neil