

The Howey Political Report



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“QUOTE” OF THE WEEK

“Read his quote....”

- Jill Long Thompson, who was asked by the *New York Times* if she was trying to ‘scare’ senior citizens about privatizing Social Security in her race against Chris Chocola (See Horse Race, p. 7)

Democrats rally to regain composure

Hitting the wall; hitting the GOP

By **BRIAN A. HOWEY**

and **BROOKE BOEGLIN** in *Indianapolis*

“We are in a dangerous spot right now,” U.S. Rep. Baron Hill told the 9th CD caucus Saturday morning just prior to the Indiana Democratic Convention. “We’ve controlled state government for a long time now. We don’t want to give it up. We have to reach down deep inside and re-energize and we’re not there yet.”

Hill’s speech seemed to capture both the fears and promise of the Hoosier Democratic predicament. The party has had unprecedented success since 1986, but war, domestic terrorism, a popular Republican president, and a sagging state economy has cast the greatest doubt in the party since the fall of 1994 in the year of the GOP tsunami.

Hill likened it to the days he would run the 100-yard dash at Seymour High School, and his coach would make him run the 440 for conditioning and in the middle of the race, “you would hit the wall. We’re faced with the same thing today, the wall of complacency.”

Throughout the day, Hoosier Democrats tried to overcome their wall, exhorted by Gov. Frank O’Bannon, Lt. Gov. Joe Kernan and former chairman Joe Andrew to reinstill hope among the faithful.

“We’re here today to plan a future of excellence,” O’Bannon said, with his speech outlining what has become a literal “day and night” of the Democratic party. He talked of his inauguration in January 2001, attended by 24,000 fourth graders. Fresh off a 15-point re-election victory over David McIntosh, O’Bannon-Kernan seemed to be on top of the world, with the governor never having to face the voters

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BOSMA HOSTS POWER CONFERENCE: Boasting that he had just conducted the Statehouse's first Power Point press conference, House Minority Leader Brian Bosma laid out what Republicans will attempt to get done in Wednesday's critical day of amending the tax restructuring bill. "We will try to get the grip on spending," Bosma told HPR. "It includes the cap on state spending." Bosma said Republican amendments will provide \$425 million in new spending for Gov. O'Bannon for each of the next three years. Asked if it was a "take it or leave it" proposition, Bosma said, "We have compromised three times. It's our hope that something gets out of the House. We've talked to Rep. Bauer about moving in our direction and I think he will. Of the rank and file House Democrats, I think they will. If he wants any support from Republicans, there has to be some change. I don't see any substantial support for his bill; it's a job buster, not a job creator." Bosma was to talk with Senate Finance Chairman Larry Borst Tuesday. "They are acquainted with the program. It's very similar to what we proposed last winter." Asked how Monday's \$110 million revenue deficit had changed the equation, Bosma said, "It under-

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again, unfettered to do what he wanted in the final term. "Along the way, a recession made that more difficult," he said.

Within 48 hours of Saturday's speech, O'Bannon was announcing the antithesis of his cheery re-election campaign. Indiana's May revenue was a "staggering" \$110 million below forecast and the state had taken in \$288.8 million less in the first 11 months of FY02 than anticipated. O'Bannon used the news to try and motivate a recalcitrant legislature. Inside his Statehouse office, he began, "I want to say, as strongly as I can say, that a bill that addresses these problems must pass the House. I have in my hand the revenue report for May. Let me tell you, folks, if this isn't the kick in the head that causes lawmakers to act now, I don't know what is."

Outside on Monday, the vanquished McIntosh had gathered about 100 protestors with the simple but familiar message of "no new taxes."

Wanted: Divine intervention

O'Bannon rhetorically tried to meet the McIntosh challenge on Saturday, saying, "Can you imagine what state we

would be in if Republican leaders were governing now, saying, 'We don't need to act; it's not our fault'? God forbid."

The problem for Indiana Democrats is that God may not intervene in the way of their desires. There are rumblings above Hooters that Indiana Republicans are stirring. The *Indianapolis Star* reported last week that new GOP Chairman Jim Kittle has raised \$1.4 million of his \$3.5 million goal. Staff has increased from eight to 32.

Indiana Democrats had faced down Republican money tidal waves of the past. What they haven't had to deal with is a series of domestic and international circumstances beyond their control, with a popular President Bush at the helm. There has been a downturn in the markets, recession, domestic terrorism, war, a threat of future homeland assaults, and now the unprecedented specter of an Indian-Pakistan nuclear showdown.

By the time Sept. 11, 2002, rolls around with an orgy of anniversary observances, Bush and the Republicans can either point to success of securing the homefront, planning an assault on Baghdad, or be poised to rally the citizen-

ry should oil depots or nuclear power plants or football stadiums come under attack from Al Qaeda.

Taking on Bush, Kittle

Democrats tried to take on both Kittle and President Bush. State Rep. Ed Mahern said on the convention floor of Kittle, "His vision is to do nothing" when it comes to property tax reform. "If Hoosiers suffer, his party gains. That's pitiful, pitiful leadership."

Joe Andrew tried to buoy the Democratic hopes. "We've been here before and each time we've faced a challenge, we've rallied and we've won," he said

The last time Hoosiers faced dire straits was in 1998 with President Clinton's impeachment looming. Then chairman Andrew viewed the specter of Jean Leising replacing Lee Hamilton in Congress. "That's when the Huns are at the gate; the barbarians are going to win." In 1998, Andrew told his candidates in the face of the Big Lewinsky, "Is this going to hurt us? They're going to look to your tone of voice, your emotional level, or whether we're worried." By the end of that election sequence, Indiana Democrats staved off a GOP assault on the House, protected its congressional incumbents and picked up a Senate seat.

On Saturday, Andrew observed that Kittle "used to sell La-Z-Boys" and said that on Sept. 11, "In less than one hour, the world changed." Bush, Andrew said, "became president on Sept. 11." Then he attempted to puncture the Republican's aim to rally around Bush. "Does anyone really believe that John Hostettler's re-election is critical to the war effort?"

Andrew noted that the U.S. military that prevailed so quickly in Afghanistan "was won by troops trained in the Clinton administration with not one new dollar. We won that war. No one should question the Democrat commitment to a strong defense. The police and firefighters were

members of a union.

"We must unite. We must believe," Andrew said atop his crescendo. "Believe we can win. Say yes! Because we're going to outwork them every day until Election Day."

Bryan Hartke, the 8th CD challenger to Rep. Hostettler, agreed. "If we don't show that united front we're going to be up a creek again just like we were a couple years ago and that would be a shame."

Hartke attempted to show the fissures in Hostettler's ground game. "You can't say you're for a more secure nation and then vote against the creation of a protective airport security system," he said. "You can't say you're for health care and then stand against a strong patients' bill of rights. You can't say you're for universal prescription drug benefits and then release a Republican plan that leaves 94 percent of seniors out."

Kernan's last words

Lt. Gov. Joe Kernan, the man with the most to gain or lose this summer and fall, finished the convention by noting that "every crisis has many opportunities" and described what faces Indiana Democrats as the "most important challenges in a generation."

Kernan said, "We will out-work, out-smart and out-hustle the other guys because we're better than the other guys. We will accept nothing less than victory on Nov. 5."

Since 1986, Indiana Democrats have been bold, audacious and often victorious. Knowing the Indiana Republicans new website was debuting during their convention, they arranged to have their show webcast as a response. Political Director Tim Henderson vowed, "There's no way they will have a technological edge over us. No way."

But Hoosier Democrats know the competition will be tougher and many elements may be beyond their own control. ❖

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scores the need for a comprehensive job creation and wage growth program which we believe we've put together. That doesn't solve yesterday's problems. But it will solve tomorrow's problems. We need to look at the long term, not the immediate problems."

BAUER, MOSES TALK ABOUT CURRENT BILL'S PROSPECTS: Finding any more money without sinking the bill will be difficult, House Ways and Means Chairman Pat Bauer, D-South Bend, said. "We tinkered, if you will, with the bill to get it there," to \$800 million, he said (Shannon Lohrmann, Lafayette Journal & Courier). "If we can find a bipartisan way to adjust that, we will look at it. It was difficult enough to get where we are." Rep. Win Moses Jr., D-Fort Wayne, said the proposed legislation focuses too much on new money for the budget and doesn't give enough to a restructuring effort meant to rid the state of an archaic business tax structure. "The principal focus has to be jobs and restructuring, and the Democrats are moving more toward that," Moses said (Kelly, Fort Wayne Journal Gazette). "When we are done, I think changes to the bill will reflect that or it will fail." Both Bauer and Moses are seeking the House speaker post.

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DOBIS PREDICTING MORE THAN ONE SPECIAL SESSION: Rep. Chet Dobis, D-Merrillville, said he was sticking by his prediction that it could take more than one special session to resolve the budget mess. "It will be difficult at best unless the tenor changes," he said (Burns, Times of Northwest Indiana). "These latest (fiscal) numbers sure don't bode well for us going into the future. I'm not sure what, if anything, will happen." Dobis said May revenue figures shocked even supporters of the governor's plan and added pressure on the Republicans to reach a deal. "Not even in their wildest dreams did they think we could have exceeded the previous two months' (revenue loss)," Dobis said (Walsh, Gary Post-Tribune). Dobis will offer an amendment to remove welfare from the property tax rolls. To pay for it, he would raise the sales tax by another .5 percent above the 1-cent increase already included in the House bill. Rep. Bob Kuzman, D-Crown Point, has a similar proposal, but the money would be used to eliminate the inventory tax on business. "We need it for economic development and to bring jobs," Kuzman said. Dobis is considering an amendment to allow local communities to raise the sales tax by another 1 cent, with all of the money being used to lower proper-

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Fernandez surveys his campaign

INDIANAPOLIS - Two days before his nomination, HPR's Brian Howey sat down with Bloomington Mayor John Fernandez at the Canterbury Hotel and talked about his Democratic campaign for secretary of state.

HPR: What issues will you be articulating as the Democratic secretary of state nominee?

Fernandez: The campaign is pretty straightforward. I want to talk about how I've had good experiences as the CEO of Bloomington. We worked together, across party lines. I've been able to sit down with folks and get the job done. I think that's the nature of a lot of mayors in local government. At the end of the day, they're pragmatists. They don't get bogged down in ideology. They have to find solutions to problems and chart a course for their communities. A lot of times they don't have the time to try a lot of partisan politics. I'm talking now and have been for about a year now about how I can reach out across party lines and get the job done, bring change on how we do business, lay the groundwork for economic growth and prosperity for the state.

HPR: I've often written that it's tough for mayors to emerge out of their pragmatic municipal settings and move up, as we saw with Stephen Goldsmith in 1998 and Paul Helmke this spring just because you have to be pragmatic. What have your Bloomington accomplishments been?

Fernandez: Like our entire state, Bloomington is going through some major economic transitions. In 1997, the second year I was in office, RCA announced plans to close and leave town. This was the birthplace of Nipper and Chipper. They had a strong, psychic connection to our city. So when they announced we were losing 1,400 good paying jobs, hun-

dreds of families faced financial uncertainty. There was a very large industrial site vacant in the heart of our city. RCA was the single largest property tax payer. In many ways, the spirit of the community was really challenged. We didn't launch into a blame game, people didn't start pointing fingers in terms of political advantage. We just went to work. The late Norm Anerson was president of the Monroe County commissioners at that time and the two of us got together and immediately said, OK, what do we need to do? We rolled up our sleeves and talked to leaders from around the city -- education, labor -- and just laid out an action plan. The result of that we were able to get early federal and state worker training

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funding. We developed a very aggressive plan for the site. We were able to get state help in terms of legislation that was adopted to allow us to do redevelopment. We were able to get things done. When it was over, the community had a better future. If you look today at the economy of Bloomington, since 1996 we've lost 4,000 manufacturing jobs. Yet today, employment is up actually 2.5 percent. When you look at the number of jobs lost, to have a net gain at all is encouraging. Our family income has continued to increase at a pretty good clip, at 6 1/2 to 7 percent a year since the last census. Our property investments are up, our private investments are up. Our city has its highest bond rating ever. Our property taxes are lower than when I took office.

HPR: What kind of jobs came in to replace manufacturing?

Fernandez: It's been a mix. The largest segment of growth has been in business services. When we're talking about the business economy, there's a tendency to simplify into retail and flipping burgers. Well, that's not what is included

in the service sector. That's in the retail sector. These are good paying business services, consulting businesses, information technology related service jobs. That's where there's been the most. The health industry has also seen significant growth, almost a thousand jobs. We're also seeing significant growth in our engineering, scientific sector as well, which is encouraging. These are good paying jobs.

HPR: Your party nailed Bill Hudnut on tax increases, even though virtually everyone agreed he left Indianapolis in better shape than we he began. Did you have to raise taxes? Put it into context.

Fernandez: It's a fair question. Since I've been mayor, we never submitted a budget that allowed the levy to grow at the maximum rate. We've always voluntarily held the line on growth of tax collections from property. Consequently, our fiscal discipline with the private investments have resulted in lower property tax rates for the city. If folks want to talk about my tax record, that's OK, because our property tax rates are 5 percent, almost 6 percent lower than when I took office. We did increase some water rates and other kinds of user fees.

HPR: Does Bloomington have the combined sewage overflow problem?

Fernandez: No we don't. We had a storm water infrastructure issue that we had to address. We had a storm water system in the center of our city that was over 100 years old that was crumbling and, again, the way we approached it was we put together a broad-based group from the community to look at the nature of that problem, help define it clearly for the community and looked at different alternatives. The alternative we landed on was we created a separate storm water utility and have selected the revenues from that utility to put back into fixing these problems for the next century. Now, someone may look and say, "Hey, they created a utility and added \$1.45 to an individual household's water bill," and that's true. We did do that. We also solved these

problems. Look at Fort Wayne; look at Indianapolis, they didn't address those issues. The current administrations have to. It's going to cost them a lot of money. It's easy to avoid them, but ultimately someone has to fix problems and that's what I've tried to do as mayor. It's really easy to attack someone with a record of user fees or taxes, but the real question is, Is Bloomington a desirable place to be?

HPR: The presidential recount in Florida really heightened the secretary of state's role in maintaining elections. What are your plans there?

Fernandez: We need to change the Election Division. The bipartisan commission the governor and incumbent secretary of state led put out a lot of real good proposals in reforming the process. I would support that report. Fundamentally, the biggest issue is paying for the statewide voter file. Having that file in place is really the foundation to make sure our elections are accurate, deal with potential fraud by having a centralized voter file. We need to make it more convenient. We need to get politics out of election administration. That's probably one of the biggest issues. We don't have the ability under the current system to separate the interests of the political parties from the interest of Hoosier voters. The commission is a four-member body with no mechanism to break ties. It essentially gives the major political parties veto power for the strict enforcement of our elections.

HPR: Should Indiana extend voting hours; do the Oregon mail-in voting; or Arizona's cyber voting?

Fernandez: I'm very interested in exploring different ways to open up opportunities to open up democracy. I think you need to be careful as you look at those types of changes. so you ensure the integrity of the system. Extending the polling hours has been attempted in the legislature and there's a lot of concern about costs to local government. We cer

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ty taxes.

STURTZ, DVORAK, COOK, BISCHOFF TAKE WAIT AND SEE ATTITUDE: Democratic Reps. Robert Bischoff of Lawrenceburg, Michael Dvorak of South Bend, Gary Cook of Plymouth and Dale Sturtz of LaGrange all said they wanted to see what changes were made before deciding how they would vote (Mike Smith, Associated Press). Sturtz did not support a Democrat-drafted tax package during the regular session, in part because he felt a 39.5-cent tax increase on cigarettes would hurt merchants along the Michigan border in his northeastern Indiana district. He said he was reserving judgment on the current Bauer plan, but said he doubted he could support a cigarette tax increase of 50 cents per pack as O'Bannon wants. "That's quite a big jump," said Sturtz, who faces re-election in a largely Republican district.

AYRES, FRIEND, McCLAIN WON'T COMMIT TO CURRENT BILL: Last month, three Republicans joined all 16 Democrats on the House Ways and Means Committee in endorsing the plan by Bauer. But each of those Republicans — Reps. Ralph Ayres of Chesterton, William Friend of Macy and Richard McClain of Logansport — said Monday they would not vote for it on

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the floor unless tax provisions were made friendlier to business and economic development (Smith, Associated Press).

MCCLOSKEY MAY RUN FOR MAYOR OF BLOOMINGTON: State Rep. Mark Krusan is the only Democrat who has announced his interest in becoming Bloomington's next mayor. However, former mayor and congressman Frank McCloskey, the Monroe County Democratic Party chairman, said Friday he may also throw his name in the hat. McCloskey, 62, has been elected mayor three times. "I'll decide one way or the other by September," he said (Doug Wilson, Bloomington Herald-Times).

BAYH SEEKS INTELLIGENCE COORDINATION: U.S. Sen. Evan Bayh told CNN on Monday of the pre Sept. 11 terror warnings, "There has not been enough coordination between these agencies. Clearly what we have is the need for some systemic changes in the intelligence committee, but a cultural shift as well. It did a great job at what it was initially intended to do, catch bank robbers. But that has to change. These are brave men in a system that are asked to function in a system that was not designed to do what it has to do." As for the hearings that began

Indiana 2002 Racing Form

Secretary of State 2002: Republican: Mike Delph, Deputy Secretary of State Todd Rokita, Richard Mourdock, Dr. John McGoff. **Democrat:** Bloomington Mayor John Fernandez. **Libertarian:** Rebecca Sink-Burris. **1994 Results:** Gilroy (R) 902,100, Jeffers (D) 542,539, Dillon (L) 32,483, Knight (A) 13,948. **1998 Results:** Gilroy 828,557, Little (D) 652,565, Dillon (L) 51,775. **2002 Forecast:** McGoff heads into June with a narrow money lead in the race for Republican secretary of state. McGoff reported \$91,297.14 cash on hand with \$8,682.97 raised for the period ending on May 28. Vanderburgh Commissioner Richard Mourdock reported \$42,472.74 raised and \$87,749.45 on hand; Todd Rokita had \$51,803.43 raised and \$80,845.70 in cash; and Mike Delph had \$40,956.52 raised and \$57,599.42 in cash. Rokita's campaign notes that both McGoff (\$36,000) and Mourdock (\$42,472) have "loaned" their own campaign's a significant amount of money. Rokita treasurer Matt Klein observed, "This means that Todd Rokita's true cash on hand is more than \$10,000 ahead of his closest competitor. Furthermore, I think most, if not all, of the debt is under the category of loans. I have been asked about this 'loan' issue by delegates who translate 'loans' into a commitment issue. They ask, 'Why not turn the loan into a direct contribution?' The loan will need to be paid back by the committee at some point in the future." Klein also notes that of individual donors, Rokita leads with 108, compared to 74, 29, and 27 for the others. Secretary of State Sue Anne Gilroy officially endorsed Rokita. "Todd is the most experienced, most knowledgeable, and most enthusiastic candidate of any party," said Gilroy. "He'll be a formidable candidate with proven statewide experience and support in the general election." Jobs for Southwestern Indiana Political Action Committee (JPAC) endorsed Mourdock. Marco DeLucio, JPAC co-chair said, "The opportunity

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to have a candidate from southwestern Indiana as the leader of a statewide ballot this fall is tremendous. Richard has been an outstanding county commissioner and we look forward to him continuing his political career on a statewide level." JPAC Co-Chair Frank McDonald said, "Mourdock has real-world experience that can be used to cut red tape and make Indiana government more business friendly." Mourdock secured two additional county chairman endorsements this week -- Kathy Heuer of Whitley County and Dottie Hanneman of Noble County -- to increase his chairman support total to 24. Jim Holden, Mourdock's campaign coordinator, is confident that Mourdock "will be the front runner on the first ballot and he'll be over the top on the second." Holden and Eric Koch will run Mourdock's floor operations. "Our plan for these last two weeks...is to burn up the phones and personal calls every minute of every day," McGoff told HPR. McGoff's campaign gained several new endorsements, including Boone County Assessor Debbie Ottinger, Greene County Prosecutor Dave Powell, Henry County Assessor Jodie Brown, Henry County GOP Treasurer Todd Hiday, and Jackson County Chairman Tammy Koerner. Delph is "meeting delegates and looking forward to the convention". That is all Will Doss, a member of Delph's campaign, would disclose. Doss was unwilling to give any clues to Delph's floor operation strategy at the convention and repeated Delph's belief that he needs no endorsements, just the vote at the convention. **Status:** *Tossup.*

- Brooke Boeglin in Indianapolis

Indiana Congressional Races

Congressional District 2: Republican: Chris Chocola. **Democrat:** Jill Long Thompson. **Geography:** South Bend, Michigan City, Mishawaka, Elkhart, Kokomo, Plymouth, Logansport; LaPorte, St. Joseph, Starke, Marshall, Pulaski, Fulton, Cass, Carroll and parts of Howard, Porter, Elkhart and White counties. **Media Market:** South Bend-Elkhart, Indianapolis, Lafayette, Chicago. **Websites:** www.jilllongthompson.com; www.chocolaforcongress.com **2000 Result:** Roemer (D) 107,076, Chocola (R) 98,367. **2002 Forecast:** For the second time, the FEC has challenged contributions to Chocola. The current challenge says the contributions have

exceeded legal limits (Trevor Wendzonka, *Elkhart Truth*). Chocola's campaign manager said \$21,000 was improperly designated and was a data entry error. The first time the FEC questioned campaign funds led to a \$13,000 fine. Brooks Kochvar, Chocola's campaign manager, said the FEC letter "is simply a call for an amended report, which we will file....There's nothing wrong here." The fine six months ago came after Chocola failed to file several 48-hour notices during the final days of the 2000 campaign when he was running against incumbent Rep. Tim Roemer, who is retiring. The Social Security issue in this race has garnered national attention. Chocola describes his position on private accounts like this: "I support our president in making sure that 20-year-olds find a way to get Social Security, and one of those ways is personal savings accounts. I support the concept of personal savings accounts" (Robin Toner, *New York Times*). But two years ago, when he ran against Roemer, Chocola was quoted in an editorial board meeting with the *Elkhart Truth* as declaring that not only did he support the Bush plan, but, "Eventually I'd like to see the entire system privatized." Toner reported, "Now, like many other Republican candidates this year, he is careful to list three principles for any revamping of Social Security: No benefit cuts, no rise in the retirement age and no increase in the payroll tax." The *New York Times* asked Thompson about the issue and she did not engage Chocola directly on the Social Security issue. But when asked about accusations that Democrats were simply trying to "scare seniors," she replied, "Read his quote." **Status:** *Tossup*.

Congressional District 6: Republican: U.S. Rep. Mike Pence. **Democrat:**

Melina Ann Fox. **Geography:** Anderson, Muncie, Richmond; Wells, Adams, Blackford, Jay, Madison, Delaware, Randolph, Henry, Wayne, Rush, Fayette, Union, Decatur, Franklin, and parts of Bartholomew, Shelby, Johnson and Allen counties. **Media Market:** Indianapolis, Fort Wayne, Dayton, Cincinnati. **Websites:** www.foxforcongress.com; mikepence.house.gov/ **2000 results:** Pence (R) 106,023, Rock (D) 80,885, Frazier (I) 19,070. **2002 Forecast:** Fox told HPR she has raised \$230,000. Legislation to provide a full and fair debate on five different Republican plans to privatize Social Security was introduced by Democrats in the U.S. House. Last week Fox voiced her support for that legislation. "The American people and the voters in Indiana deserve to understand completely the full details of the Republicans' privatization plans," said Fox. "Privatization means cutting benefits for retirees. It violates the commitment we made to our seniors. It's a risky, ill-advised scheme and it ought to be debated fully and completely before this fall's elections. It would be wrong for Republicans to hide their intentions until after the election to foist their reckless plans on Hoosiers. Congress needs to take a stand on Social Security," added Fox. "I'll fight Republicans' Social Security privatization plans in this campaign and I'll fight them when I'm elected to Congress." Pence could lead the debate this summer over Social Security reform. "I do not support privatization, but modernizing the system is absolutely essential," said Pence (Rick Yencer, *Muncie Star Press*). Republican Majority Leader Dick Armey, R-Texas, has called on Pence, and his talk radio experience, to lead the debate over Social Security when the House returns next month.

Status: *Leans Pence*.

Congressional District 7: Republican: Brose McVey. **Democrat:** U.S. Rep. Julia

Carson. **Libertarian:** Andy Horning. **Geography:** Indianapolis. **Media Market:** Indianapolis. **Websites:** www.juliacarson.house.gov; www.broseforcongress.org **2000 Results:** Carson (D) 91,300, Scott (R) 61,818, Ali (L) 2,513. **2002 Forecast:** House Speaker Dennis Hastert campaigned for McVey in front of 150 McVey supporters. "We have opportunities in Indiana ... I think Indiana can pick up, not one, but three seats in Congress," Hastert said in his address. The NRCC has targeted the 7th district as one of the top races in the 2002 elections and has provided the maximum financial assistance allowed. McVey is also one of 10 GOP challengers that the NRCC is asking political action committees to support. "I can sum up my platform very simply: I want to give common sense leadership back to the people of Indianapolis," McVey said. "I want my sons to grow up in a nation that is free and safe, where they can get a great education, and pursue the American dream ... And I want all these things for your children, too." **Status:** *Leans Carson*.

- Brian A. Howey in Indianapolis ❖

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this week, Bayh said, "I think the only thing that matters is looking forward. The sole focus of these hearings should not be to lay blame, but what needs to be changed for America." Asked if there needs to be an outside commission to investigate, Bayh said, "If we get the kind of cooperation we need, I think the committees are the best place for the job to be done. That level of cooperation continues to move forward, which has changed over the past three weeks."

BAUER FETED AT \$10,000 A PLATE FUNDRAISER: A \$10,000 per person fund-raiser for State Rep. B. Patrick Bauer has some colleagues raising their eyebrows (Terry Burns, Times of Northwest Indiana). The fund-raiser, which primarily benefited Bauer, carried a hefty price tag that even Democratic officials are calling unprecedented in Hoosier politics. The event was held in a private suite at the Indianapolis Motor Speedway. Bauer, D-South Bend, defended the fund-raising effort and accused his opponents in the race for speaker of trying to make him look bad. "I think my enemies are trying to stir things up because they've got nothing better to do, and they're getting a little frustrated because the speaker's race had gotten away from them," he said.

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"Some people are getting desperate." The other Democratic lawmakers fattening their political coffers with the fund-raiser were Reps. Earl Harris of East Chicago, vice chairman of Ways and Means; Dennie Oxley of Milltown; William Crawford of Indianapolis; and Ron Liggett of Redkey. Neither Democratic Gov. Frank O'Bannon nor his predecessor, Evan Bayh, ever approached that level of contributions in a one-time fund-raising effort, officials are quick to point out. The low-key event, apparently geared toward a select group of lobbyists and business executives, was organized so quietly, in fact, that the state Democratic Party chairman and other Democratic leaders were unaware it was taking place. Although Bauer offered few specifics, he said the well-attended event was hosted by a "southern Indiana businessman" and other people, including Kenny Cragen, head of the Indiana Motor Truck Association. Cragen, who could not be reached for comment, also is associated with Centaur Inc., an Indianapolis-based company with long-standing ties to the state's horse racing industry. Under state campaign finance laws, gambling interests are banned from contributing to political campaigns, but Bauer insisted no gambling money was involved in the recent fund-raiser. "This was something put on for me and for four others," he

COLUMNISTS ON INDIANA

Mike Leonard, *Bloomington Herald-Times* - Lame-duck state Rep. Brent Steele is one of the most ardent supporters of the National Rifle Association in the Indiana General Assembly, so maybe that explains the hunting expedition and assault rifle fire he sprayed at Gov. Frank O'Bannon in a particularly loony mailing to House District 65 constituents recently. The gist of the attack was to blame the state's budget woes on "government mismanagement and partisan politics." If the budget crisis is due to mismanagement, then the United States is suffering a mismanagement crisis of epidemic proportions. More than 40 states face money problems similar to Indiana's, and virtually all are directly related to the recession. The Bedford state representative does know a few things about partisan politics, the other problem he identified. First, Steele fails to acknowledge that it is the Legislature's job to craft and pass a state budget, and the Legislature walked away amid partisan bickering with the job undone. This made funding cuts to state-supported institutions impossible to avoid. Steele goes on: "Also, he is building a new summer cottage to replace the one in Brown County so that he can have a closer place to live while he remodels the Governor's Mansion." No one I contacted in the governor's office or Brown County State Park knows anything about any new cottage. And the Aynes House cottage, which is available to the governor, has been used by Gov. O'Bannon twice. Monday's revelation that state revenues have dropped below even gloomy projections calls for leadership from the governor and members from both sides of the legislative aisle. Taxes were cut during boom times. In a bust economy, new sources of revenue become necessary. It is unfortunate that our Bedford representative chooses to look for scapegoats instead of solutions. ❖

Lesley Stedman, *Louisville Courier-Journal* - A group of human-services providers called last week on lawmakers to raise taxes to replace the money lost during the past year as Gov. Frank O'Bannon has worked to balance the state's budget. The Indiana Coalition for Human Services -- representing folks who work with children, the homeless, disabled, elderly and abused -- said that without more money, the state will be cheating thousands of Hoosiers out of the care they need. But the group is fighting a difficult battle. For lawmakers, who are meeting in special session to deal with the state's budget crisis, the answer is not as simple as raising taxes to make up the lost revenue. The House and Senate already are considering substantial tax increases, but they are designed to give O'Bannon just enough money to continue to pay the state's bills. ❖

Sylvia Smith, *Fort Wayne Journal Gazette* - Like the conversion of 50 gallons of water into wine at the marriage of Canan, the recently adopted agriculture bill was equally miraculous. It turned fiscal conservatives into profligate welfare spenders. We have some in our very midst, these former penny pinchers of the public purse. But for all the harm they did in voting for a bill that resurrects the "you owe me, so pay up" attitude they so vehemently reject when it comes to children instead of corn cobs, the lawmakers who supported the farm bill did a few good things. One of the silk purses we can stitch from this sow's ear is a provision to give consumers some better information about the food they buy. Toward the end of the new farm bill, signed into law by President Bush on May 13, lawmakers added a provision that requires country-of-origin labeling for meat, fish and fresh produce. ❖

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tainly don't want to see the state creating more unfunded mandates. But the fact is, getting people to vote between 6 a.m. and 6 p.m. is a challenge, especially in today's world when you have so many commuters. We need to look what they've done in Oregon and other places to make this process as open as possible. The internet voting, I'm not comfortable going there at all. It's just rife with potential fraud. Now remote voting is a different way to use some existing technologies and might open up the process. We ought to look at it.

HPR: Any changes in the securities area?

Fernandez: I think that is a huge issue. We have to make sure the securities division is as aggressive as possible in protecting investors. When you look at the Enron scandal; look at the lack of accountability currently for people who are in powerful positions responsible for workers and retirements. There doesn't seem to be any accountability. I think folks find that very discouraging. How this office coordinates with prosecutors is certainly an area to be more aggressive with. The recovery of fines and investor education is something we'll talk a lot about.

HPR: Will securities be at the heart of this campaign?

Fernandez: I can't speak for all the candidates, but I think it will be an issue. The issue is really who has the experience to work across party lines to get things done? Who has experience as a CEO to wisely manage their fiscal responsibilities? And who's going to bring change to that office and do it in a way that's effective. Not just securities, but the business division are all going to be important issues.

HPR: What do you expect out of the fall campaign? An earnest discussion of the issues?

Fernandez: I think so. I'll make it an issues-oriented campaign and try and lay out a strong rationale for why folks should support me and not make it about my opponent. It's going to be a hard election. I'm a Democrat running in Indiana. You've got to assume you start out behind. My record of accomplishment will resonate well with voters.

HPR: There will be two possible things this fall out of your control: tax restructuring and terrorism. How will you deal with the inevitable curve ball?

Fernandez: In any campaign, you have to have a clear idea about what you need to do to be successful and focus on those things you can actually control. But, you know, going back to the state's fiscal condition, I'm currently the CEO of a \$70 million organization. We've balanced our budgets. We've driven our property tax rates down. We've worked with Republicans, conservatives, liberals, it doesn't matter. We have a very credible record of getting the taxpayers the kind of fiscal discipline they demand. With terrorism, I don't expect people to confuse the secretary of state of Indiana with Colin Powell. We're all very supportive of the effort to deal with terrorism. Down in Bloomington, we've dealt with our own domestic terrorism with attacks on buildings to the murder of a Korean student. When you're mayor, you have to deal with crisis on a regular basis.

HPR: Is secretary of state a political stepping stone for you, as it was for Bayh, Hogsett and Gilroy?

Fernandez: I'm running for Indiana secretary of state and that's my only focus. I plan to win and I plan to fill my term.

HPR: Would you like to be governor some day?

Fernandez: I plan to support Joe Kernan in 2004, that's for sure. Politics is unpredictable and I just try to take it one election at a time. ❖

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said. "They picked the place; they picked the time."

EDUCATORS HEAR, COMPLAIN ABOUT BUSH

ACCOUNTABILITY STANDARDS: More than 600 educators from throughout Indiana listened for hours Wednesday as state and federal educators explained the implementation of new federal education standards as part of President Bush's No Child Left Behind Act. The elements of Bush's effort to drastically improve public education and instill a strong sense of accountability are not, however, sitting well with local educators. "This is massive intrusion at the federal level," said Stella Batagiannis, superintendent of West Lafayette Community School Corp., after a three-hour information session with various state and federal-level educators, including Supt. Suellen Reed (Naomi Reese, Lafayette Journal & Courier). "This is not about working toward improvement. It appears it is more about demanding perfection and administering penalties," Batagiannis said. This is a very challenging time for public education," said Frank Bush, executive director of the Indiana School Boards Association. "We are trying to figure out what we feel to be a very challenging piece of legislation."

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