

The Howey Political Report



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“QUOTE” OF THE WEEK

“This administration’s loss is the gain of the people of Indiana.”

- President Bush after White House

Budget Director Mitch Daniels announced his resignation on Tuesday.

‘Upset City’ for Democratic mayors

Pastrick barely survives in E. Chicago

By **BRIAN A. HOWEY** in Indianapolis

You could hear the constant refrain from Chris Sautter’s movie, “The King of Steeltown,” Tuesday night up in East Chicago: “Four more years; four more years.”

But the cry seemed quaint and old, and wasn’t that Spencer Tracy over there in the corner with his playboy son, stumbling through the phrase ... “four more years”

On a night of scattered Democratic upsets across Indiana, the last of the old-style machine mayors, Robert Pastrick, survived a 262-vote victory over Councilman George Pabey, coming on the controversial strength of absentee ballots. Pabey’s refrain was one word, not three: “Fraud!” He told the *Post-Tribune*, “It’s not going to end like this. I’m going to first call for a recount.” Pabey led throughout the night, until the absentee votes were counted, according to unofficial figures from the Lake County Election Board. The office of U.S. Attorney Joseph Van Bokkelen had no comment on whether it will look into allegations of vote fraud coming from the Pabey camp.

Pastrick was succinct in his assessment, both of the election and the appeals. “It’s a done deal,” he told the *Post-Tribune*.

But the fact is, the last machine is winding down if it survives the appeals (remember, in 1999 the last set of absentee ballots was destroyed before a recount), and Pabey’s near miss signaled a potential new trend of Hispanic political muscle expected to grow statewide.

Pastrick’s premature brush with the political graveyard and the demise of Terre Haute’s Judy Anderson, Jeffersonville’s Tom Galligan, New Castle’s Sherman Boles, Hartford

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DANIELS NAMED IN IPALCO SECURITY PROBE: State securities investigators have issued subpoenas to White House budget director Mitch Daniels and about 30 other former officers and directors of an Indiana utility company in an investigation of alleged stock dumping, a regulator said Wednesday (Associated Press). The subpoenas seek information about the sales by directors and officers of IPALCO Enterprises Inc. stock leading up to the utility's 2001 acquisition by Arlington, Va.-based AES Corp., said Keith Griffin, deputy commissioner of the Indiana Securities Division. Griffin declined to comment further on the subpoenas, which were issued Friday in a year-long state investigation of the sale. The deal also is the subject of a lawsuit by former employees who suffered losses in their retirement funds when AES shares plummeted from \$49.60 after the merger closed in March 2001. Shares hit 92 cents last October but have since recovered to close Tuesday at \$6.17. Daniels is not a defendant in the lawsuit over the retirement fund losses, but is named in the securities lawsuit.

ENRAGED, PANICKY TAXPAYERS SWAMPING MONROE COUNTY: In the wake of late April's property

City's Tom Castelo, Loogootee's Brian Ader, and Seymour's John Burkhart reveal more the nuances of local politics and tiny voter turnouts as opposed to any statewide trend. In 1999, there were seven mayoral primary upsets, but any notion of a trend of dissatisfaction was resoundingly dispelled by Gov. Frank O'Bannon a year later. In fact, it is surprising there weren't more upsets this year when sewer bills are skyrocketing, property taxes are up in some quarters, the manufacturing economy is under frontal assault, and there are greater security demands following Sept. 11 and two wars.

For Anderson and Galligan, their losses could be summed up simply as this: Voters didn't like them any more.

Jeffersonville's Galligan was defeated by 10 percentage points by Councilman Rob Waiz. This came after Galligan and his city attorney wife boycotted council meetings, sparred with council members and others throughout the community. Waiz was once a supporter of the mayor, but got tired of the acrimony and rode it to victory. "I've been here seven years longer than people thought I'd be here," Galligan told the *Louisville Courier-Journal*. "Because they were all thinking I'd be impeached or shot."

In Terre Haute, Mayor Anderson became the third successive mayor to lose a Democratic primary. "I felt like they voted against Pete [Chalos]. They voted against me. They've voted against Judy," former Mayor Jim Jenkins said (Pete Ciancone, *Terre Haute Tribune-Star*). "Apparently the community is still searching." While she out-raised Burke by \$10,000, a siege mentality had taken over city hall. Anderson refused to talk to the press and alienated Terre Haute firefighters, the people who helped her upset Mayor Jenkins in 1999. Throw in a languishing economy, her failed efforts to convince Gov. O'Bannon to steer I-69 through high ground, and the conditions were ripe for an upset.

WTHI-TV reported, "Instead of answering our questions about the election results Mayor Anderson ran from our cameras. Mayor Judy refused to speak with us following the election. But instead of just saying 'no comment' the mayor decided to run, literally."

Anderson also used an "endorsement ad" featuring U.S. Sen. Evan Bayh and implying that she was Bayh's "favorite mayor." The senator's office responded by saying, "He has many favorite mayors." Ouch.

In Seymour, Burkhart was seeking a fourth term and was defeated in a classic Hoosier city political scenario ... by a former police chief.

At New Castle, Boles, a former 2nd CD nominee and a three-term mayor, was upset by Councilman Tom Nipp, a former fire chief, 1,551 to 1,488. At Hartford City there was a general housecleaning as Castelo was upset by Democratic Councilman Dennis Whitesell while Clerk Marcie Traylor lost to Janet Gilland.

In Plymouth, former State Rep. Gary Cook came home and defeated Jim Yeazel with 60 percent of the vote. That was an example of a politician with a power base reinventing it.

At Loogootee, Don Bowling upset Mayor Brian Ader. At Linton, Democratic challenger Tommy Jones defeated Mayor Jimmie Wright.

In the closest election, two-term Noblesville Mayor Dennis Redick staved off Republican challenger Rex Dillinger by a mere 10 votes.

Other sitting mayors were able to ward off what appeared to be credible challengers. Elkhart Mayor Dave Miller easily defeated Councilman Dave Henke, Warsaw's Ernie Wiggins defeated a former police chief, Craig Allebach, and in Carmel, Mayor James Brainard resoundingly quashed challenges from two council members. If there is a new political machine shaping up in Indiana, it's Brainard's Carmel, which at 40,000 is becoming a bigger city and one that has

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never elected a Democrat. Part of the challenge to Brainard was financed by the rich and famous uninterested in being annexed.

Rematch city

This fall, there will be a couple of key rematches, the most fascinating coming in Fort Wayne where Republican Linda Buskirk will try and unseat Mayor Graham Richard, who defeated her in

1999 by fewer than 100 votes.

In Elkhart, Mayor Miller will face former five-term Democrat James Perron. Miller's 1,400-vote win was one of the big upsets of 1999. The other marquee battle will occur in Evansville, where State Rep. Jonathon Weinzapfel will challenge Mayor Russell Lloyd Jr. a 500-vote winner in 1999 against a fractured and dispirited Democratic Party. ❖

President Bush coming 'home' to Indiana

By **BRIAN A. HOWEY**

President Bush comes back home to Indiana next week.

Home?

Might as well be. Some of his most arduous defenders reside here. Take, for example, U.S. Rep. Mike Pence, who sparred on CNN's *Crossfire* Wednesday as Democrats and liberals called President Bush's dazzling flight to the USS Abraham Lincoln a "waste of money."

Pence retored, "If it takes a million or two million dollars to celebrate Iraqi freedom, it was worth every penny."

There was rampant speculation that Bush was not only coming to Indianapolis Monday and Tuesday to stump for his economic plan and perhaps convince U.S. Sen. Evan Bayh to come along once more, but that he was bolstering Mitch Daniels' gubernatorial aspirations. Daniels is expected to join the president on stage.

Bush will arrive after engagements over the weekend in Santa Fe, Albuquerque, and Omaha. He will spend the night in Indianapolis and then meet with senior citizens and give a speech at the Indiana State Fairgrounds, the site of a campaign appearance by President Clinton in October 2000.

Bush's White House sendoff for Daniels was something most politicians could only dream about. "He served us well," the popular president said. "He's

been a really good watchdog. I'm going to miss him. This administration's loss is the gain of the people of Indiana."

Pence has been a particularly active defender of President Bush. On Wednesday, Pence took to the House floor to urge Congress to pass President Bush's economic stimulus plan. "One of my predecessors in this chamber, Jack Kemp, also said: 'what you tax you get less of; what you subsidize you get more of.' And today in America our economy continues to list under the strain of over-taxation and over-regulation. For the past decade we (have been) taxing capital gains and investment and savings in eastern Indiana that I serve here in Washington are getting less for it. Families, small businesses and family farms are hurting as jobs are evaporating in communities across eastern Indiana. Many in this town are playing politics, demagoging the president's drive to pass additional tax relief and put Americans back to work."

Indiana Republican Chairman Jim Kittle Jr. could hardly contain his glee. "We are absolutely thrilled the President is coming to Indiana to discuss his plan to create millions of jobs and improve our economy," he said. "Getting Hoosiers back to work is a top priority of Republicans at the local, state, and national level. Tuesday will be a perfect opportunity for Hoosiers to show how much they support our President." ❖

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reassessment notices and property tax bill mailings, the assessor's and treasurer's offices have been swamped with enraged and panicky callers in the past week (Bloomington Herald-Times). Treasurer Pat Jeffries said she is having to ask her computer vendor for more licenses for her office because everyone is constantly either handling property tax bill payers or looking up the tax bills of panicky or outraged people calling in or visiting her office. Auditor Judy Sharp's office in turn has its hands full answering questions and complaints about the property reassessment, which shifted the taxable value of all property to a market value system. When that happened, it sent people's assessed values soaring, often by several hundred percent, because the old system had assessed most property at something between a third and a sixth of its market value. Another shock to some property taxpayers is that mobile homes are being taxed again.

LAKE COUNTY TAX BILLS COMING OUT: Lake County residents should expect to get their 2002 property tax bills by late June, with the first installments likely due on July 10 (Times of Northwest Indiana). Taxes on many homes are expected to increase significantly,

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as the reassessment will provide a new assessed valuation on each property, based on its market value, which was not done before.

CHENEY TO RUN AGAIN: Vice President Dick Cheney has made explicit his intention to run for re-election with President Bush next year, paving the way for him to take an early role in fundraising and underscoring his status as a crucial adviser to Bush (New York Times).

O'BANNON TO SIGN BUDGET TODAY: Gov. Frank O'Bannon will set aside his reservations today to sign into law a state budget that sets spending on everything from schools and prisons to health care and pensions (Mary Beth Schneider, Indianapolis Star). It's a \$22.8 billion budget built on \$702.1 million in payments withheld from public schools, universities and local governments. On \$50 million "borrowed" from a fund used to pay for bank failures. On \$10 million a year in tax money from letting riverboat casinos stay open around the clock. The budget, which takes effect July 1, leaves \$326.1 million in the bank by mid-2005. Of this, just \$30 million will be in the state general fund, the "checking account" used to run government operations. That's enough to keep state government open for a day. For these

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Put up or shut up time for the Phoenix

By **BRIAN A. HOWEY**

INDIANAPOLIS -- Republican legislative leaders and Indiana Republican Chairman Jim Kittle Jr. did a victory lap around the state last Friday, and the Statehouse press corps was along for the ride.

The *Louisville Courier-Journal's* Lesley Stedman wrote a Tuesday story headlined, "School officials pleased with Indiana lawmakers' funding increases; Change will help avoid layoffs."

But even that happy headline belied some ominous tones. Scott County Schools Supt. David Hooker was quoted, as warning that the budget also eliminates some state grants, as proposed by Gov. O'Bannon. "I think taxpayers are going to be very angry at the legislators when they find out the state is no longer funding public school transportation, special education transportation, and the (average daily attendance) flat grant," he said. "That means every school district in the state of Indiana is going to have to raise taxes to cover what the state is not paying any more. Property taxes are going to go up. But the question is: How much?"

On the same day, the Evansville-Vanderburgh School Board announced the layoffs of 21 kindergarten teachers. It was the Evansville full-day kindergarten program that was once lauded as the future of education in Indiana by Gov. Frank O'Bannon.

The day before the Evansville announcement, the *South Bend Tribune* reported, "We not only got it done in a very good way," House Speaker B. Patrick Bauer, D-South Bend, said of the new biennial budget awaiting Gov. Frank O'Bannon's signature. "we did it so that the schools are safe, our education is blessed, we have the best economic development package ever, they say, and the beat goes on."

The story virtually everyone at the Statehouse -- press, Gov. O'Bannon who

signs the budget today, to legislators and lobbyists, is a story *The Indianapolis Eye* broke on Monday night.

At a time when Indiana is in the process of laying off 1,500 teachers and even more teacher aides, as many as 280 of the state's 296 school districts are poised to flunk President Bush's No Child Left Behind standards.

And even if U.S. Sen. Evan Bayh is successful in lobbying the White House to lower the accountability bar, his office estimates that there will still be 170 school districts -- more than half -- that won't meet the Republican President's tough new standards.

One senior congressional aide told *HPR/Eye* that the No Child Left Behind dilemma is "a monster screaming down the rails" at Indiana school districts, teachers, parents and kids.

And the dilemma is this: Each year President Bush's NCLB standards get increasingly tougher. Schools that miss the "pass" mark by year three will be hit with sanctions such as allowing kids to enroll in other school corporations, with their home corporation footing the transportation tab.

Two days after the *Eye* story, the *Indianapolis Star* followed with a story from the Princeton Review ranking Indiana's education accountability standards 42 out of 49 states. That particular story should have virtually no credibility, because Gov. O'Bannon's Public Law 221 accountability standards have been recognized, even by President Bush last Jan. 8, as one of the five toughest in the nation.

In media circles, there is reluctance to follow too closely a story that a competitor broke. But by June 5, when the NCLB results are officially released, expect the "screaming monster" to make headlines across the state when many parents (and politicians) learn their schools aren't like Lake Wobegon where everyone is "above average."

Put up/shut up time

What will be fascinating is how The Phoenix Group quartet -- Kittle, Bob Grand, Randall Tobias and Mitch Daniels -- responds.

The spate of stories about Daniels resigning at OMB on Tuesday all highlighted his "tightwad" and "frugal" nature.

Tobias is on record, during the *Star's* "State of Decline" series, as placing education on the highest pillar of importance for Indiana's future.

Kittle repeatedly talks about "best of class" and "world class" targets for a new Indiana. On Earth Day, he castigated Gov. O'Bannon for dirty rivers and air and seemed resolved to find solutions.

But when you start adding up the costs -- \$5 billion to \$9 billion to solve combined sewer overflows; perhaps billions more to get Indiana schools in compliance with the Republican president's new education standards, and even billions more to pay for Medicaid (see Page 8) that will serve an aging population -- the price tag for the next generation of Hoosier taxpayers is staggering.

Shouldn't we be adding teachers?

When working on *The Eye's* "Leaving Our Children Behind" cover story, a number of state education officials and congressional operatives told us how much Indiana accomplished with its accountability standards; how much essential groundwork was laid.

The question we kept asking was: Then why are we in the process of laying off 1,500 teachers?

To achieve the aggressive NCLB standards which concentrates heavily on remediation (though with not a great deal of federal money, thus a largely "unfunded mandate"), Indiana ought to be adding 1,500 teachers and classroom aides.

The state and congressional operatives have no answer for that. All say how important it is to have kids reading by the third grade, and yet there are those 21 soon-to-be-jobless Evansville kindergarten

teachers blinking at us.

As Daniels begins to roll out his gubernatorial campaign, after seeding the lawn and waterproofing his deck out at Geist, the critical question is whether we will find the "tightwad" Mitch clinging to the 1988 mantra ("Read my lips"), or will we find the bold and innovative Mitch following the lead of his president and colleague (Tobias) who believes the education bar must be raised and people must be prepared to pay for it?

How will Mitch do it?

How will Daniels propose to pay for the coming and soaring education needs and meet Kittle's new "best of class" goals for clean rivers and shorelines, and pristine air?

Bold, innovative leaders are those who grasp complex problems, apply solutions that may be controversial or even scary in nature, sell them to the public (as opposed to checking out the polls and fitting in a solution), and then execute the plan as an officeholder.

The one solution offered from these quarters is a constitutional convention, or at least a thorough revamp of state government. If you took all the tax money collected by state and local governments, boards and commissions, and restructured government to be more efficient, would there be enough money? It's finding little traction within the Phoenix core of the Grand Old Party.

Kittle refuses to talk about it. Daniels commissioned his own study and acknowledges "problems." The Senate hierarchy hates the idea because it would threaten their power. The legislature set up a commission to "study" government efficiency (*Earth to Bosma; Earth to Bosma: How are townships efficient government other than to employ party hacks?*)

For the Phoenix quartet who vow to bring us a "best of class; world class" Indiana now wallowing in the ashes, it's soon going to be "put up or shut up" time.



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reasons and more, it's a two-year budget no one thinks will last that long. "We are pleased to have a budget that can get us through this year, at least," said O'Bannon spokeswoman Mary Dieter (Shannon Lohrmann, Lafayette Journal & Courier).

APRIL LARGEST MONTH FOR STATE REVENUES:

The state took in just \$8.6 million less in April -- the largest collection month of the year -- than economists predicted despite the effects of the Iraq war and high oil prices, Budget Director Marilyn Schultz said. Collections for FY03, now 10 months old, are running ahead of the forecast by \$46.8 million, or 0.6 percent. "These numbers suggest we're holding our own, coming close to forecasted revenue," Schultz said. "That's the good news. The bad news is that in the upcoming biennium, we must contend with a new budget that includes unfunded mandates -- the Medicaid program and demands on the prisons that we cannot pay for with the appropriations provided for them -- and revenue isn't growing at a rate that will correct that situation." Schultz said she found it troubling that individual income withholding taxes -- the amount one's employer holds back from a paycheck and remits to the

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state - were down significantly in April after a strong showing in the January, February and March. Withholding taxes in April were down 7.8 percent compared to the same month a year ago.

VOTER TURNOUT AT RECORD LOWS: Indiana communities reported record or near-record low voter turnout for the primary election, which featured few high-profile races and plenty of uncontested ones. In Allen County, turnout was estimated at 12 percent, likely the county's lowest turnout ever by percentage, said Andrew Downs, a county Democratic election board appointee. In Marion County officials said about 9.9 percent of registered voters turned out. Bartholomew County's 9.6 percent turnout beat the county's previous primary election low of 12.75 percent, set in 1999. Brad King, of the state election office, said Tuesday's primary featured an unusual number of losses by mayoral incumbents in cities including Terre Haute, Seymour, Mount Vernon and Linton. This year's primary also marked further movement in Indiana counties' shift from lever voting machines to optical-scanning systems, with Marion County making the switch Tuesday. The percentage of Indiana voters casting ballots using the

2003 Racing Form

Anderson Mayoral: Republican: Kevin Smith. **Democrat:** Robert W. Rock. **Independent:** Linda Haynes. **1995 Results:** Lawler (D) 9,411, Graham (R) 8,817. **1999 Results:** Lawler (D) 8,395, Czarniecki (R) 7,002 Haynes (I) 1,950. **2003 Forecast:** Rock won but with only 50 percent of the Democratic vote, which may signal some divisions in the party. **General Status:** *LEANS ROCK.*

Bloomington Mayoral: Republican: Fred Prall. **Democrat:** Mark Kruzan. **1999 Results:** Fernandez (D) Fernandez (D) 6,589, Lewis (FUSSA) 258, Clemens (I) 2,746 Maldi (I) 306. **2003 Outlook:** Kruzan will be heavily favored to win a first term this fall, but the impact of the property tax changes, resulting in "enraged and panicky" taxpayers, could be the wild card in this race. Kruzan voted for the tax restructuring package last year when he was in the Indiana House. No legislator was defeated as a result, but that was before taxpayers knew what the changes meant and in Bloomington the changes haven't been pretty. **General Status:** *LIKELY KRUZAN.*

East Chicago Mayoral: Republican: None. **Democrat:** Mayor Robert Pastrick. **1999 Primary Results:** Pastrick 5,772, Stephen Stiglich 3,790. **1999 General Results:** Pastrick (D) 3,027, Acost (R) 629. **2003 Forecast:** Pastrick barely survived with a 93-vote victory. But he called winning any appeals process based on absentee ballots as a "done deal." This looks like it truly will be his last hurrah. **General Status:** *Solid Pastrick.*

Elkhart Mayoral: Republican: Mayor Dave Miller. **Democrat:** James Perron. **1995 Results:** Perron (D) 5,017, McDowell (R) 4,869. **1999 Results:** Miller (R) 4,959, Perron (D) 3,902. **2003 Forecast:** Miller was impressive in fending off Councilman Henke. He now faces a rematch from five-term Mayor Jim Perron. **General Status:** *LEANS MILLER.*

Evansville Mayoral: Republican: Mayor Russell Lloyd Jr. **Democrat:** State Rep. Jonathon Weinzapfel. **1995 Results:** McDonald (D) 19,162, Frary (R) 9,565. **1999 Results:** Lloyd (R) 15,980, Borries (D) 15,461. **2003 Forecast:** Weinzapfel looks to have the Democratic organization united and should be an attractive choice for female voters, areas in which Rick Borries faltered in 1999. But Lloyd has quietly put together a credible first term and wasn't afraid to pull the plug on a downtown baseball stadium that was heading way over budget. Another historic factor: Evansville voters haven't turned out an incumbent mayor in more than 50 years. **General Status:** *TOSSUP.*

Lafayette Mayoral: Republican: Clerk Lisa Decker. **Democrat:** Councilman Tony Roswarski. **1999 Results:** Heath (R) 6,237, Weiss (D) 5,496. **2003 Forecast:** This should be an exciting race with no clear favorite. Decker won a comfortable primary battle Tuesday night and both she and Roswarski have said they will run positive, issue-oriented campaign. We don't see a clear front-runner here. **General Status:** *TOSSUP.*

Fort Wayne Mayoral: Republican: Linda Buskirk. **Democrat:** Mayor Graham Richard. **1995 Results:** Helmke 21,909, Essex (D) 11,033, Kempf (L) 1,029. **1999 Results:** Richard (D) 21,607, Buskirk (R) 21,531. **2003 Forecast:** Richard goes into the fall sequence with about a 3-1 money edge. Republicans believe they have a demographic edge coming into this race and GOP Chairman Jim Kittle can be expected to throw in state resources to make Steve Shine's local party, particularly important since Richard polled 27 percent of the GOP vote in 1999. On the issues, it will be interesting to see if Buskirk can get crime and mismanagement issues to stick on Richard, who couldn't pull off the '99 promise of reducing crime by 20 percent. The better the economy gets, the more of a tailwind Richard will have. This should be a fascinating race to watch this fall. **General Status:** *TOSSUP.*

Gary Mayoral: Republican: Charles Smith. **Democrat:** Mayor Scott King. **1995 Results:** King (D) 23,588, Williams (I) 5,482, Boswell (R) 1,108, McCraney (I) 96. **1999 Results:** King (D) 11,467. **2003 Forecast:** King is in the process of thoroughly consolidating his power, winning a third term (he'll face only token opposition in the fall). **General**

HORSE RACE

Status: *Solid King.*

Indianapolis Mayoral: Republican: Treasurer Greg Jordan. **Democrat:** Mayor Bart Peterson. **1995 Results:** Goldsmith (R) 64,209, Jimison (D) 39,539, Dillon (L) 7,175. **1999 Results:** Peterson (D) 102,870, Gilroy (R) 83,044, Horning (L) 7,772, Gibson (OP) 2,145. **2003 Forecast:** Peterson will be heavily favored to win a second term in the fall, barring a catastrophic event. **General Status:** *Likely Peterson.*

Jeffersonville Mayoral: Republican: Monty Snelling. **Democrat:** Councilman Rob Waiz. **1999 Results:** Galligan (D) 3,194, Cook (I) 640, Cooper (R) 619. **2003 Outlook:** Waiz will be heavily favored to win in the fall after upsetting Mayor Galligan by 10 points. **General Status:** *LIKELY WAIZ.*

Kokomo Mayoral: Republican: Matthew McKillip. **Democrat:** Councilman Andrew Castner. **1999 Results:** Trobaugh (R) 5,606, Kennedy (D) 3,581. **2003 Forecast:** For the Democrats, expect a recount as Castner defeated Jean Lushin by only two votes, 1,360 - 1,358. On the Republican side, Matthew McKillip has been declared the winner with 50 percent of the vote. The other four candidates split the remaining 50 percent. This seat is open following Mayor James Trobaugh's retirement. **General Status:** *TOSSUP.*

Michigan City Mayoral: Republican: Open. **Democrat:** City Controller Chuck Oberlie. **1999 Results:** Brillson (D) 3,749, Kniola (R) 3,217. **2003 Forecast:** Oberlie, expected to succeed Mayor Brillson in the next couple of weeks, goes into the fall as a prohibitive favorite. Republicans don't have a candidate. **General status:** *SAFE OBERLIE.*

New Albany Mayoral: Republican: Mayor Regina Overton. **Democrat:** Councilman James E. Garner. **1995 Results:** England 6,845, Real (R) 5,886. **1999 Results:** Overton (R) 5,512, England (D) 4,205. **2003 Forecast:** Businessman James Garner easily won the right yesterday to take on New Albany Mayor Regina Overton in November after emerging from a crowded field in the Democratic primary (*Louisville Courier-Journal*). Overton was unopposed in the Republican primary. Garner took 53 percent of the vote in defeating five other Democrats after spending the most money on the race. "I never expected it to be such a commanding victory," Garner said. **General Status:** *TOSSUP.*

Terre Haute Mayoral: Republican: Duke Bennett. **Democrat:** Kevin Burke. **1999 Results:** Anderson (D) 6,791, Hooper (R) 2,608, Cronk (I) 1,178, Brouer (I) 174. **2003 Forecast:** This is a Democratic city and Burke emerges from his upset over Mayor Anderson as a prohibitive favorite against Bennett. **General Status:** *LIKEY BURKE.*

Vincennes Mayoral: Republican: Mayor Terry Mooney. **Democrat:** Ron Thomas. **1999 Results:** Mooney (R) 3,009, Hatcher (D) 1,939. **2003 Forecast:** Mooney easily defeated Black and will face Thomas in the general. **General status:** *LEANS MOONEY* ❖

Indiana 2004 Gubernatorial

Governor 2004: Republican: David McIntosh, Sen. Murray Clark, Sen. Luke Kenley, OMB Director Mitch Daniels, Eric Miller, Petersburg Mayor Randy Harris. **Democrat:** Joe Andrew, State Sen. Vi Simpson. **1996 Results:** O'Bannon (D) 1,075,342, Goldsmith (R) 997,505, Dillon (L) 35,261. **2000 Results:** O'Bannon (D) 1,230,345, McIntosh (R) 906,492, Horning (L) 38,686. **2004 Forecast:** Daniels is expected to appear with President Bush Tuesday in Indianapolis for a dream photo op. That could have a huge impact on this race. Kenley may be looking for an exit strategy. Clark was quite emphatic that he wasn't going to quite. "I've been doing this for three years," he told HPR. "No one had to beg me to run. I can't imagine a better job than being governor of this state. There's no speculation on what I'm doing. I intend to stay in." McIntosh and Miller are also signalling their intention to stay in. "We are basing our decision not on who or who may not get into the race," Miller said. "We are in the race to stay, and we are in the race to win." On the Democratic side, Simpson not only picked up the endorsements of four Evansville area legislators, but also a nod from Wayne Vance, a former top aide to former Congressman Lee Hamilton. Watch for the endorsement log jam to end in Lake County in the next couple of weeks. **Status:** *TOSSUP.* ❖

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old machines has declined from 21 percent in last year's primary to just 2 percent this year, King said. Just five of Indiana's 92 counties continue to use lever machines.

BALLOTS FOUND IN EVANSVILLE DUMPSTER: Ballots have been found in a trash container behind the Civic Center, and Vanderburgh sheriff's deputies have retrieved them and are trying to determine if they are from Tuesday's primary election. County Commissioners President David Mosby said state law doesn't allow ballots, either used or unused, to be thrown away until the election results are certified and the 10-day window for a recount has expired. County Clerk Marsha Abell, in charge of elections by state law, could not immediately be reached for comment.

NO TEACHER CUTS IN NEW ALBANY: Some school corporations in Indiana and throughout the country have been expecting massive teacher layoffs and program cuts -- due to the recession and financial crunch most states are facing (New Albany Tribune). However, thanks to a proactive approach the past two years, it was announced that no teacher in the New Albany-Floyd County Consolidated School Corporation will be laid off following the 2002-03 school year. It was feared

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that there would be some layoffs. But when lawmakers approved an increase in school spending Sunday, coupled with prior cuts the board made last year, no staff cuts were needed. "This board made some good decisions last year in the way of reducing expenditures,"

PORTER COUNTY GOP CHAIRMAN RESIGNS:

Earlier this year, Mike Aylesworth got out of the farming business his family had operated for 150 years. Now he's stepping down as Porter County Republican Party chairman (Post-Tribune). He announced Wednesday that he is resigning his Republican post, effective May 17, because he has taken a job as executive officer for the Porter County Builders Association.

SENATE APPROVES NATO EXPANSION:

The U.S. Senate has ratified North Atlantic Treaty Organization expansion to include seven new member countries. "This is historic for these seven countries, vital in continuing to strengthen the North Atlantic alliance, and central to U.S. security and relationships in the world," said Senate Foreign Relations Committee Chairman Dick Lugar, who managed the floor debate and has been an advocate for expansion and enhancement of U.S. alliances. "This another step to making Europe whole and free." ❖

COLUMNISTS ON INDIANA

Allan Sloan, Newsweek - "It's Darwinian out there," says Wilbur Ross Jr., a bankruptcy player turned industrialist who has done more to restructure the steel business since J.P. Morgan formed U.S. Steel a century ago by combining the nation's major companies. Ross's newly formed International Steel Group became one of the fittest firms in the steel biz by buying LTV's best plants 13 months ago to conclude LTV's bankruptcy proceedings. The seminal event was the favorable contract Ross negotiated with the United Steel Workers in December. By buying the plants in a bankruptcy rather than buying LTV, Ross left behind LTV's multi-billion-dollar "legacy costs": underfunded pension plans and commitments to provide cheap health insurance to retirees. So with fewer employees and no legacy costs, he can make steel far cheaper than LTV or any of the other old-line steel companies. This cost advantage put International Steel in a position to buy the assets of bankrupt Bethlehem Steel last month. It paid \$1.5 billion for choice pieces of a company that had \$6 billion to \$7 billion of pension shortfalls and health-care commitments. ❖

(Publisher's Note: Who do you think is going to be picking up the LTV and Bethlehem legacy costs? Indiana's flat-lined Medicaid program?)

Jack Colwell, South Bend Tribune -

"They all predicted gloom and doom," Bauer said this week as he looked back on the forecasts of January. "They all said it would be contentious and last forever and hurt education." One aspect either overlooked or laughed off was the pre-session observation by Bauer that of all the speakers he had served with since his election to the House in 1970, the one he would most like to emulate was the legendary Doc Bowen -- Otis R. Bowen of Bremen, a Republican who earned respect on both sides of the aisle for fairness and who

went on to serve with distinction as governor. Bauer never forgot how as a freshman he was able to sponsor successfully a major environmental ban on phosphates in detergents. Bowen could have crushed the bill of the new guy from the other party, but didn't. Darned if Bauer didn't try as he said he would to work in a bipartisan way. Republican bills were being heard in committee. Bauer was getting along well with Senate President Pro Tem Bob Garton and House Republican Leader Brian Bosma, R-Indianapolis. They agreed on a businesslike legislative schedule. Republican legislators -- some almost in shock at the thought -- began to praise Bauer's leadership and talk of a spirit of bipartisanship to get Indiana out of the type of fiscal woes facing virtually every state. Bipartisanship there was. All the key leaders of both parties in both legislative chambers voted for a budget that passed early last Sunday -- ahead of the Tuesday adjournment deadline -- with a feel-good rather than rancorous attitude prevailing. ❖

Morton Marcus, Indianapolis

Business Journal - Last week in this space I wrote, "If you're having economic problems, maybe they are your problems and not the economy." That reads as a statement without sympathy for those who are in economic difficulties. Perhaps it would be better to label it as a statement with too much realism to be satisfactory in a world of unrealistic expectations. Let's consider unemployment. Nationally, the unemployment rate hit 6% in April and the hand-wringers are wringing their hands. But if we look at the unemployment rate more carefully, it becomes clear that not having a job is a problem of youth. Where the total rate is 6%, it is 18% for those who are 16 to 19 years of age, 10.1% for those 20 to 24, 4.9% for those 25 to 54, and 4.2% for those 55 and older. ❖