



Gov. Daniels exposes the ‘new fault lines’ in politics

‘Stasists vs. dynamists’ battle for change, status quo

By BRIAN A. HOWEY in Indianapolis

As if he were surveying satellite images of tectonic plates rubbing together along a jagged coast, Gov. Mitch Daniels told the HPR Forum on Tuesday that Hoosier politics are being defined by “new fault lines.”

Gov. Daniels told the packed Forum of a conversation he had had with a prominent Republican legislator. “I was talking to one of them, really a very staunch legislator, and I said, ‘What are your objectives for 2006?’ He said, ‘Do no harm, go home and get re-elected.’ I said, ‘I don’t think you’re ambitious enough.’ So we will ask the general assembly to join us in a number of important initiatives to move forward further and faster. I spent all of last week outlining one set.” That was in reference to the Major Moves transportation plan that will produce debates on future toll roads and leasing highways.

“I think this is something this crowd has known for a long time: that there is a total disconnect between the available resources on a business as usual basis and the amount of infrastructure needs we have and, frankly, promises that have been made to people around the state,” Daniels said. “So we have a couple choices. One is to do some new things and I’ve outlined them in the so-called Major Moves, meant



Gov. Daniels addresses the 2005 HPR Forum on Tuesday. (HPR Photo by Thomas Howey)



“As the watering hole shrinks, the animals act differently.”

— Karl Berron of the Indiana Realtors, quoting a phrase used by Pat Kiely of the Indiana Manufacturers Association, at the HPR Forum on Tuesday

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to start a good debate. And, let's have one. Those who disagree with our proposal, need to say, if you don't like them, which half of the projects do you not want to build? Come clean."

That prompted Daniels to dig deeper into the soul of the Hoosier body politick. "In my view, we have a new politics shaping up in this state," Daniels explained. "The dividing lines, the fault lines, are not quite the ones we were so familiar with for most of our past. They are not the old categories. The party, left-right ideology, even geography. Those things were all deemed important and I think they are a little less important now. The new fault lines in Indiana politics are between the forces of change and the forces of standing still. Those who want to wrestle with our problems, go after them, move forward, play the ball, and there are those who are only comfortable with business as usual, and not new approaches."

Gov. Daniels turned to the book by Virginia Postrel: *"The Future and Its Enemies: The Growing Conflict Over Creativity, Enterprise, and Progress."*

Daniels said that Postrel, the editor of the libertarian *Reason* magazine, identified reactionaries, which she called "stasists," as people who are wont to keep things as they are, make few if any changes, and "dynamists," those who are comfortable with change, who recognize that if all cannot be known and you can never see the consequences of everything, it is better to move forward, correct problems as they arise.

"She made a very important point," Daniels continued. "There are two kinds of reactionaries or stasists. One kind is those who are naturally apprehensive and fearful. And that's a very human thing; we're all a little that way. Changes will be disruptive, their skills and communities will be affected, and they are nervous. That is a very understandable thing. Our job is to understand that, to empathize with them and help people to see the upside that is not always visible.

"There's another sort of stasist, the people who know exactly what they are doing. The status quo serves them well. They organize and lobby for it. They form special interests. It puts money in their pockets, it puts power in their briefcase. And these folks have very, very specific reasons for opposing

change of any kind."

The governor did not name any names.

But from this analyst's point of view, the sore thumbs that stand out include Senate President Pro Tempore Robert Garton and his emotional defense of the Hope, Ind., BMV branch, and Ways & Means Chairman Jeff Espich's reluctance to initiate property tax reforms during the coming Indiana General Assembly sessions as obvious tectonic friction points within the GOP. There have been Rep. Phil Hinkle's efforts to stop Indianapolis Mayor Bart Peterson's Indy Works reforms, which were lauded by Gov. Daniels at the IACT convention last week. There are other Republicans, notably Sens. Luke Kenley (tax reform) and David Long (local government reform), and Reps. Gerald Torr and Randy Borrer who are legislating with a futuristic world view.

Democrats have been helpful

Gov. Daniels did note that there were Democrats in



Budget Director Chuck Schallioli, Gov. Mitch Daniels, former House Speaker Paul Mannweiler of BoseTreachy, and HPR's Brian Howey talk before the governor spoke at the HPR Forum on Tuesday. (HPR Photo by Thomas Howey)

the legislature and Hoosier cities who are willing to let party labels and geography slip aside. One was State Rep. Peggy Welch, D-Bloomington, who helped push through the tax amnesty program.

"The Regional Development Authority in Northwest Indiana had a little bit of a Nixon in China feel to it," Daniels said, where Republican and Democratic votes did not line up cleanly. "You ask people if things are different up there. People are having a new look at things. There is optimism. This is very unusual. Thirty months ago I did not think of Northwest Indiana as a beacon of hope, the cockpit of opti-



mism in our state. Today, it's getting close to that. People are excited about their economic potential and potential for reform and to make that place a magnet for new jobs and industry."

Again, he didn't name names, but U.S. Rep. Pete Visclosky and State Rep. Chet Dobis, both Merrillville Democrats, were instrumental in pushing the RDA through the Indiana General Assembly. "People didn't fight over this in a partisan way. The best partners we had were Democratic legislators who have been working on this and helped us put this together," Daniels said.

"On an economic development basis, we're working with as many Democratic mayors as Republicans," Daniels said, citing Terre Haute Mayor Kevin Burke, Jeffersonville Mayor Rob Waiz and East Chicago Mayor George Pabey as a new echelon of emerging Hoosier leaders. In the case of Burke and Waiz, the governor has interacted with both during recent job expansion projects."

Holding a copy of his 2004 Hoosier Comeback Roadmap, Daniels said, "The government reforms we have initiated across the board confront problems that really need to be solved. Those who are opposed tend to be those vested in the old ways of doing business. A system that was failing to protect our children needed to be changed. A system that was collecting only half the dollars for single moms must be changed."

"Interesting to me, a sector that was most resistant to change is now one of the most dynamic sources of new energy and I am referring to agriculture. Folks in ag have been ignored for decades. Now they are going to be a huge part of the economic resurgence in our state. They are creating renewable fuel plants all over Indiana. By the end of this year we will have caught up with comparable states with biodiesel and ethanol production and clean coal."

Abdul's Alka-Seltzer and 'weathervane politicians'

When Gov. Daniels reached the podium, he found an Alka-Seltzer tablet left by WXNT's Abdul Hakim Shabazz on the previous Forum panel, a joke intended for Indiana Democratic Chairman Dan Parker and State Rep. Luke Messer, the progressive Republican who is executive director of the GOP.

Daniels quipped that he didn't normally find antacids available to him prior to speaking.

"Now, let's talk politics for just a moment," Daniels said. "At this moment ... Republicans are more attuned to the need and importance of change. For years my party here and

in other places across the nation was the party of reaction. We were the party to stand still. We were the negative party. For the moment in Indiana, the roles are reversed. And a lot of Republicans I know are not entirely comfortable with this and how it will work out in the electoral process."

Daniels appeared to be stepping up to the question HPR had posed to him and publicly in this newsletter and columns: That it is time for the term "conservatism" to be redefined away from that as one being resistant to change, suspicious and reactionary.

"I get this question: It looks like you don't care about re-election," Daniels said. "That's a legitimate question. Maybe you can move forward and play the ball so aggressively that you accumulate enough unrest that future elections don't work out too well."

Daniels then worked through the thoughts of people who want "straight talk" and those who govern "based on what is right and not with a constant eye on the polls."

"If, in fact, most Hoosiers want traditional politics, weathervane politicians, then we'll have a hard time," Daniels said. The deli-

cious irony here was that a couple blocks away, Phil Fisher of the Evansville-Vanderburgh County Unification Committee had told a legislative study committee that two legislators were prepared to sponsor the bill. Asked who they were, Fisher declined to name names, telling the Evansville Courier & Press, "I think they would like to see how the wind blows before they get off the dime."

Gov. Daniels understands the risk and fears, but believe those who move boldly can be rewarded, just as he used his own political capital to sell a Colts stadium and convention center tax to the GOP Indianapolis doughnut counties."

"But I don't think so," he said of potential losses in 2006. "I think we've arrived at a point in our state's life where people want to move; want to act. Want to try new things. They will not settle for constant decline or being stuck in the middle. We campaigned on a program; we're going to try to implement that program."

"To be honest, at this stage in life, I have no ambition other than to leave a better state behind," Daniels concluded. "But I'll tell you what. I bet that when it does come for the public to vote in elections, I bet it'll work out all right; that change does prevail. I'm trying hard to persuade my party that the best way to win elections is achieving big things, not avoiding small controversies." ❖



Democratic Chairman Dan Parker (left) and State Rep. Luke Messer debate on WXNT's "Abdul in the Morning" broadcast at the HPR Forum on Tuesday. (HPR Photo by Beverly Phillips)



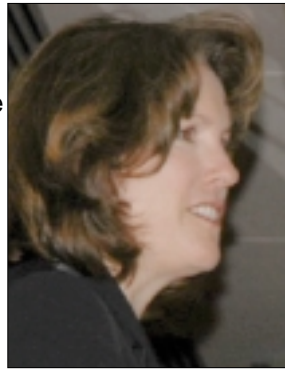
Pondering state and local government and the Con-Con

By BRIAN A. HOWEY

INDIANAPOLIS - For four utterly fascinating hours on Tuesday at the HPR Forum, local officials, Gov. Mitch Daniels and Supreme Court Chief Justice Randall T. Shepard pondered the notion that *The Howey Political Report* has projected upon the Indiana public policy scene: a Constitutional Convention.

During the question-and-answer period of Daniels' speech, he was asked about his notion that change should come from the grassroots and whether there should be a statewide mechanism.

Gov. Daniels responded, "The answer is yes. I've been of the view, and still am, that this is a second-burner issue, not a back burner, but something that needed to step back behind some of the immediate problems in terms of reforming Indiana state government, getting its fiscal house in order, beginning to tackle economic growth. But I think that it is very, very useful that you and others have raised it. I would not rule out the convention approach. I think it's worth a look. There are probably other ways to get at this. If I knew for sure the people chosen for the convention would not be the very same people who occupy positions of government right now, I might be more interested in it. I would want to get a real cross-section of people from business, academic community, every walk of life. There are a lot of practical questions about the convention as opposed to a more direct route we might take with additional, specific amendments."



Vanderburgh County Commissioner Cheryl Musgrave (left) and Fort Wayne Mayor Graham Richard used Tuesday's HPR Forum to plead for more home rule and a big picture approach to local government from the Indiana General Assembly. (HPR Photos by Thomas Howey)

Local officials plead for change

During the next hour, local officials offered fascinating perspectives. "The times are changing so rapidly with the technology, and the challenges are so great as to how we deliver services," said Fort Wayne Mayor Graham Richard. He asked the state to "have the boldness to unshackle local government."

Vanderburgh County Commissioner Cheryl Musgrave walked through the long government "unification" efforts there

that began in the 1950s when Evansville and all county school corporations merged into one. "I want to encourage every community to look at Vanderburgh County's model," Musgrave said of the schools. In the 1970s, the "consolidation" between Evansville and the county failed, in part because the referendum came in 1974, at the height of Watergate and mistrust in government.

But even after that failure, there was still "unification" of city and county dispatch, planning, the libraries and building departments.

The big difference between the 1974 "VandyGov" effort and the current unification effort is that "there is no No Committee this time," Musgrave said.



"We are asking the legislature to change municipal government," Musgrave said. "Our 19th Century municipal structure doesn't work." She suggested the need, perhaps, for two classes of county government.

She said her main concern with the unifica-

tion proposal is the ease with which the metro council could redraw taxing districts. "It is a key failing in my opinion," she said. "I think this is a statewide issue that requires a statewide, not a piecemeal, response. I'm looking to the General Assembly to to give us some guidance on this."

Later in the day, at the Local Government Efficiency and Financing Study Committee at the Statehouse (and a few hours after Gov. Daniels discussed the notion of "weather-vane politicians"), Phil Flsher of the City-County Unification Study Committee indicated that several legislators had offered to sponsor unification legislation. Asked to name them, he said, "I think they would like to see how the wind blows before they get off the dime" (*Evansville Courier & Press*).

Allen County Commission Nelson Peters complained that "state law precludes us from public safety mergers." He also noted a topic this writer was reporting 13 years ago while reporting for the *Fort Wayne Journal Gazette* ... the inability of Northeastern Indiana governments to form pools to purchase health care benefits. At a time when health insurance costs



are putting intense pressures on municipal and county budgets, there are too many roadblocks thrown up by the state to proceed.

David Bottorff of the Indiana Counties Association urged the “empowerment of local officials.”

Enter the chief justice

Thus, this constantly changing scenario set the stage for Indiana Chief Justice Randall T. Shepard at the HPR Forum, who made five key points:

1. “The constitution of our state in its present form says very little about the structure of local government,” Shepard said. “With respect to counties and townships, the Constitution contemplates there will be townships, but says almost nothing about them. It says their officials will be elected, but it doesn’t say what those officials’ titles will be or how they will be elected or what functions they will have or how their operations will be financed.

“It was this fact that allowed the legislature in the 1970s to not simply abolish what was called the Dillon Rule ...that a municipality only has the power to do those things explicitly described in statute. It not only abolished the rule, it reversed it. It says that municipalities can do everything except the things the legislature tells them they can’t do or tells them to do only in a particular way. This is a very hard thing for lawyers and policymakers to leave behind.”

Shepard recalled his work in the administration of Evansville Mayor Russell Lloyd. “I asked him what are some of the problems in administering the power.’ Shepard said Lloyd responded, “My lawyer said we can’t do that because it’s a violation of ordinance.” Shepard responded, “We’re in the majority, let’s rewrite the ordinance.”

On Tuesday, the chief justice said, “You’ve got to stop thinking about these things as if they were engraved in stone.”

As for the executive branch, Shepard explained, “The Constitution provides for only five statewide elected officials. All the rest of the executive branch is in the hands of the legislature and governor.”

As for the judicial branch, Shepard explained, “The Constitution says very little about the structure of local courts. In my view, this is a field that is ripe for re-examination. It’s especially ripe because the judicial branch has a structure at the county level that provides three times as many cases ... or three times harder if you’re a family looking for a support order. We have no excuse for not having done more. There is

a need for legislation that fosters greater access to justice.”

2. Some of its provisions that use antique language that reflect human aspirations, the chief justice explained. One is all the language to provide the “benevolent institutions” ... for the blind, deaf, insane, and wayward juveniles. “All these things are things Hoosiers would want to do if they weren’t in the Constitution,” Shepard said. “It does not restrain in any way the legislature or governor from carrying out these objectives. The same is true with the criminal code. It says the code is to be based on goals of reformation and not of vindictive justice. You know what our state’s reputation is. During the Mike Tyson case, I was watching one of those TV sports talk shows and one commentator said, ‘You know about justice in Indiana. If you murder somebody, you better drag the body across the line into Ohio because you’re in a heap of trouble.’

Shepard quipped, “This, by the way, does not absolve you. There are days when we act like that. Hoosier officeholders and judges say ‘I’m tough on crime; elect me.’”

3. “It is a document which attempts to place limits on localism to promote big picture activity,” Shepard said, holding two books from the 1835 Indiana General Assembly session. The local legislation passed that year was much thicker than the one dealing with

statewide issues. “One of the decisions and motivating forces behind the Convention of 1850 was to look bigger, to attempt to focus the legislative interests on matters that affected us all,” the chief justice said. “This is why the provisions in the Constitution exist that say any law that can be made general ought to be made general and applicable to all. It’s why there are provisions in the Constitution that say there are certain kinds of special and local laws that shouldn’t be passed in any circumstances.”

Shepard said this provision has been “modest and not entirely successful.” He looked at what was the product of deliberations for the legislative sessions of 1893 (340 pages of new laws), 1943 (1,007 pages) and 1993 (4,900 pages). “It has not kept the focus on big picture and broadly applicable questions. But I think it helps with things like the single subject and the germaneness rule.”

4. Of his points, this one is the most problematic. “These are sections that create barriers in modern times and these are the ones that deal with state finance,” the Chief Justice said. “We all know there are two principle ones: Prohibition of debt by the state. The other one is commission for debt for the public defense of insurrection. This sounds quaint to us today, but it was designed to address the gridlock



Chief Justice Shepard



between (Gov.) Oliver Morton and the General Assembly to finance Indiana troops in the field during the Civil War.”

Shepard explained that Prof. James Madison noted the collapse of the canal financing in the 1840s “was the most important political event of the era and that they have, over time as though they were some kind of big bang, taught successive generations and particularly Hoosier decision makers that big and ambitious plans were too risky and that small was better.”

“Whether that’s the right lesson, Prof. Madison says, it is the lesson that successive generations of Hoosiers have decided to learn.”

With the exception of Gov. Oliver Morton, the prohibition of debt “still has a fair amount of vitality in law and practice,” Shepard explained. “It sprang leaks in the second half of the 20th Century, with the Indiana Toll Road as the prime example.”

The end result, he said, occurred in 2000 when Gov. Frank O’Bannon and Lt. Gov. Joe Kernan “came back from New York to announce they had persuaded the bonding agencies to give Indiana debt a favorable rating.”

Shepard said, “It begged the question, what debt are you talking about?”

“This provision ... has produced at the state level lower state debt. Probably dramatically lower state debt than would have been the case in its absence. But it causes that debt to be incurred in relatively complicated and expensive ways.

“More problematic in the long run has been the limit on municipal debt. This was not part of the 1851 Constitution. It was added in 1881. It says that no municipality may incur debt in excess of 2 percent of assessed valuation inside its boundaries.” The problem was that many municipalities had already incurred more than 2 percent debt.

The real change came in 1923 when the city of Bicknell wanted to build a water plant paid for by collected fees. “This is where the term revenue bond was invented,” Shepard said. The courts ruled that such bonds were not applicable to the 2 percent limit.

“It is not an accident that the term ‘school city’ came into being,” the chief justice explained. He noted that the city of Muncie could incur 2 percent debt, and so could an “alternative government called the School City of Muncie.”

“Once that decision was made, you know the rest of the story,” Shepard said. “The path was quite clear. We now live in an environment where there are separate districts for

libraries, levies, parks, housing, redevelopment, public transportation corporation. Each one of these is treated like a little silo.”

Shepard said the Unigov litigation (Borst vs. Lieber) came down to the consolidation of various administrative activities into a single hole was a demolition of all the independent and separate municipal corporations. “This is an acceptable argument except that the courts had decided to assent otherwise for half a century.”

“My predecessor, Justice Hunter, said in one of my favorite lines, ‘It is too late in the day to make this argument’ and rejects it.”

Shepard said this results in two outcomes. “Is it effective in limiting debt? The answer is no.” He said what Hoosiers have ended up with are stacks of 2 percent debts from various public boards that amount to 12 to 14 percent debt. “Whether that is good or bad is a different question. Is it effective in its own terms? The answer is no.

“But the second thing it does is not only is it not effective, it is counter-productive. It splinters local government. You heard earlier about non-elected boards and their role as compared to local elected officials. That problem is very much exacerbated by the fact ... that the city of Muncie created a park board, but its ability to control it is greatly diminished. The ability of the people most voters think run the government, such as the commissioners or the council or the mayor, is much diminished by the necessity to do it through all these intermediating bodies.

“It might be OK if it were effective in doing the thing it was passed to do, but it is not only ineffective at that, but carries substantial disadvantage to local public policy and decision making,” Chief Justice Shepard said.

Exceptions that prove the rule

Shepard said the provisions in his fourth point are “the exceptions that prove the rule: that most of what exists in the executive branch, in city government, in county government, in township government, most that exists with respect to finance and assessment and taxes, are all open as far as the Constitution is concerned to being fashioned by the citizens, by the General Assembly and by the governor.”

“That brings me to point 5,” Shepard declared. “We should cross that excuse off our list. That’s kind of a comforting thing: I can’t do it because the Constitution won’t let me. Here we are in better shape. For most purposes, other than



Prof. Sheila Kennedy and State Sen. Vi Simpson discuss the Con-Con at the HPR Forum. (HPR Photo)



the financial ones which are a disadvantage, the real barriers are the things in statute and in our own minds.

"It seems to me the real question for modern reformers is not what the Constitution won't let us do, but what we are ready to do with each other for Indiana's future."

Questions for the Chief Justice

Abdul Hakim Shabazz: Are the various boards so entrenched that any effort to make any substantive change is blocked by people who hold all these vested interests?

Chief Justice Shepard: "This is the \$64 question. Commissioner Musgrave and I recalled that I happened to be on the ballot in 1974 when voters of Vanderburgh County voted the consolidation down. It was right in the heart of Watergate and anything government wanted to do people were fully prepared to distrust. I would like to think the answer is no. But what's the alternative? I think what Gov. Daniels was saying, 'If we can't do it, we close up our briefcases and go back to work?' The legal point I want to make is that's for us to decide. If the stand-patters at the end of the day have more support than the people who want to make changes, then we'll just have to live with it."

Brian A. Howey: Some of the discussion we've had centers on the election of policymakers as opposed to bureaucrats such as a county clerk or auditor. Can you give us the origins of why the 1851 Constitution decided to elect those positions?

Chief Justice Shepard: "Our state embraced, as did almost everybody else, the notion of Andrew Jackson and his followers that the public was safer when they elected everybody and the decisions not just constitutional but statutory in the 1830s, '40s and '50s headed in that direction. We're living in the afterglow of that. I would have to say I don't think there is any particular disadvantage to that."

Howey: The Indiana governor has been described as constitutionally weak, lacking, for instance, a super majority veto override. He or she cannot put together an executive branch that would be accountable to a governor. And yet we've seen the legislature move the once elected clerk of the courts into your sphere; you now appoint the clerk. Is this something that would be prudent to look at these offices to be part of a gubernatorial administration?

Chief Justice Shepard: "The way I would analyze that question is, what are the relative pluses and minuses? What might be better if some of those offices were appointed? And what's the political effort required to make it happen? It seems to me they are on a somewhat different footing. Sometimes you get an auditor and a governor of different parties who are at loggerheads, but mostly not. Most of the time what the governor wants to do ... passes muster with the

auditor's office. So there's something to be said that from time to time, the auditor has been the whistleblower, right? There are times when this is very useful. The policy offices do get you into more interesting questions, like superintendent of public instruction. If it doesn't work, who's responsible? I think mostly people are going to hold the governor responsible whether he has the power to do it or not. My general strategy is, you ought to lay off both the authority and the blame on somebody the public can readily identify. But here, too, in the current environment the relationship between Dr. Reed and the last three governors has been pretty good. What has that kept us from doing?"

Postscript: Making the case for the Con-Con

House Speaker Brian Bosma asked the questions: "Why?" and "Why now?" when it comes to a Constitutional Convention. He said that the "problems today are so severe" that time shouldn't be wasted on government reform. He said a Constitutional Convention could lead to the "micromanagement" of local government.

State Sen. Vi Simpson, D-Ellettsville, noted that the original 1816 Constitution called for constitutional referendums every 12 years, something that was rejected in the 1851 Constitution, which allowed for no process for a Con-Con. "Maybe they learned a lesson," Simpson said. "We have a couple of tools. The legislature is always the best place to discuss policy." She suggested the revival of the Constitution Revision Commission that last issued a report in 1970.



Speaker Bosma

Tim Jeffers, the former aide to Speaker John Gregg, Govs. Bayh, O'Bannon and Kernan, had just returned from a tour of duty in Iraq, which is undergoing a constitutional

referendum process.

Jeffers said, "We need to expect more from our government." He said that while working in the legislature, "85 percent of what we did was nonsense" and added, "We've created our own mess."

He said that Jeffersonian commentary on the emerging Iraqi constitution is one that "is a living document" that "can and must evolve to address the changing circumstances" of state.

Jeffers picked up on Chief Justice Shepard's reference to Justice Hunter.

"It is not too late in the day," he said. ❖



Jack Colwell, *South Bend Tribune* - Hoosier values? What are they? And did Sen. Evan Bayh forsake them in voting against confirming one-time-Hoosier John Roberts as chief justice? Let's ponder some questions about all this. **Q.** Did Sen. Bayh, as some now say, erase any doubt about seeking the Democratic presidential nomination in '08 by voting against Roberts? **A.** No. **Q.** Really? There's still doubt about whether Evan is running for president? **A.** No. But the first question was whether his Roberts vote erased doubt. The senator from Indiana already erased any doubt with extensive fund-raising for a presidential bid, hiring of consultants for the race and scheduling in Iowa and New Hampshire. The Roberts vote couldn't erase doubt already erased. **Q.** OK. But if Bayh wasn't running for president, would he instead have voted for Roberts? **A.** Seems likely. Bayh is a centrist, known for seeking bipartisan cooperation rather than partisan conflict. **Q.** Then why didn't Bayh vote for confirmation? **A.** Bayh said that "regrettably" he could not vote to confirm the new chief justice "because we simply do not know enough about his views on critical issues to make a considered judgment." **Q.** But does Bayh's "no" vote really make sense? **A.** Yes, politically. ❖

Leslie Stedman Weidenbener, *Louisville Courier-Journal* - There's no word from the U.S. Department of Transportation about when officials will come to Indiana to hold hearings on 17 counties' requests to switch to the Central time zone. But whether it's in a few weeks or a few months, the controversy promises to grow. We're preparing for hearings that could lead to a more divided state than exists today. Daniels says that even if the Central time zone increases in size, the state has won a significant victory. Time in Indiana will be less confusing than it is now, he said, because all Hoosiers will move their clocks ahead an hour or back like the rest of the country. Dividing the state further into two time zones simply makes Indiana like many other states, including Kentucky, Tennessee, Michigan and North and South Dakota, Daniels says. But critics say the lines through other states make far more sense than the requests made in Indiana -- requests that federal officials still must consider and approve. If each community gets its way, St. Joseph County (home of South Bend) will be separated from its neighbor Elkhart County, where the recreational-vehicle industry is an economic engine for the region. People driving south on U.S. 41 from Chicago to Evansville would start in Central time, drive into Eastern time, then back into Central time, into Eastern again, and then end in Central time. And there likely

will be a second wave of requests as the Central time zone line moves eastward. But it's way too soon to know how federal officials will react to the requests. The Department of Transportation says it will move communities if they can prove there is an economic reason to do so. . ❖

Gary Gerard, *Warsaw Times-Union* - U.S. Rep. Tom DeLay, long known as one of the most prolific fundraisers and one of the most powerful men in politics, now has a new distinction. DeLay is the 58-year-old Texan who was majority leader in the House of Representatives. He was indicted Wednesday on a single felony count of conspiring with two political associates, Ñ Ellis and John Colyandro Ñ to violate Texas election law by using corporate donations illegally. Texas law prohibits use of corporate contributions to advocate the election or defeat of candidates. The new distinction? DeLay is the highest-ranking member of Congress ever to be indicted, according to a Senate historian. Nice. You know, even before the indictment, I was beginning to wonder if DeLay had lost his mind. Shortly before the indictment, DeLay was saying some pretty bizarre things. Amid a record growth in government, federal spending and deficits, coupled with the enormous new entitlement program, DeLay and his Republican buddies were seemingly unwilling to figure out a way to pay for hurricane relief. They just figured they'd put it on the government's \$7.9 trillion tab. Beyond that, the federal budget is doing pretty good, he says. "After 11 years of Republican majority we pared it down pretty good." What? So let's take a look at those "11 years of Republican majority." Discretionary spending -- where Congress holds the purse strings -- has gone up \$420 billion. Total federal spending has gone up more than \$1 trillion. Both federal spending and the size of government have increased by a third since W took office. DeLay's delusional thinking aside, the budget problems fraught by conservatives really stinks. And I'm a conservative. DeLay says nobody came up with any workable offsets. Actually, a study committee, backed by a group of 100 or so lawmakers, most of whom were relatively new to Washington politics, did come up with a couple hundred billion dollars in offsets. Things like: Delaying the prescription drug benefit. Cutting the 6,000 earmarked projects in the recent highway bill. ("Earmarked" is a pleasant euphemism for "pork barrel.") Reducing farm subsidies. Reducing federal subsidies to Amtrak. Sounds highly doable to me. But no. The Republican leadership took the leader of the study committee -- Rep. Mike Pence, R-Ind. -- to the woodshed. There has been no talk of "offsets" since. Republican or Democrat, our government is sorely in need of some new, principled leadership. ❖





A 2006 tidal wave begins to form

TRENDLINE: At Tuesday's HPR Forum, Indiana Democratic Chairman Dan Parker declared that 2006 "will be a referendum on the Bush and Daniels administrations." He called Washington "an absolute fiscal disaster" and said that Gov. Daniels has "overstated his mandate" with Republicans vulnerable on property taxes. Parker said that 10 or 12 Southern Indiana House seats will be in play. State Rep. Luke Messer agreed that "south of (U.S.) 40 will be the battleground, but said the GOP will have superior candidates. Messer noted that Democrats sit in 10 seats where President Bush got 60 percent of the vote in 2004. WXNT's Abdul Hakim Shabazz agreed with Parker and Budget Director Chuck Schalliol that a "property tax revolt" is in the making. "I hear it all the time, on the radio and in neighborhood meetings." HPR's Brian A. Howey said that all the elements to feed a tidal wave or political hurricane in 2006 -- an unpopular war, high gas prices, a natural gas crisis that will afflict the upper reaches of the Middle Class, and property taxes -- are in place. "It's too early to say this will be like 1994, but a potential wave is forming," Howey said. And Newsweek reported that Frank Luntz, the GOP pollster who helped develop the 1994 "Contract with America," was on Capitol Hill warning Republicans that they could lose the U.S. House ... and the Senate in 2006.



Indiana 2006 Congressional

Congressional District 2: Republican: U.S. Rep. Chris Chocola. Democrat: Ed Cohen, Joe Donnelly.
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. **People:** Urban/rural 73/27%; median income\$40,381; Poverty 9.5%; Race 84% white, 8% black; 5 Hispanic; Blue/white collar: 34/50%. **2000 Presidential:** Bush 53%, Gore 44%; Cook Partisan Voting Index: R+5; **2002 Result:** Chocola 95,081 (50%), Long Thompson 86,253 (46%); **2004 Result:** Chocola 140,496 (54%) Donnelly (D) 115,513 (45%) **2006 Forecast:** WNDU-TV reported on its website, "Indiana Second District Congressman Chris Chocola says he will run for another term in 2006." He made it official Wednesday on 16 Morning News. "I always focus on trying to do my job, and you have to go through an interview every two years. It's good for democracy,

and I think if I focus on trying to do my job, people will send me back to continue to do it," Chocola said. **Status:** *Leans Chocola*

2006 State Races

House District 69: Republican: Billy Bright, Brent Mullikin. Democrat: Dave Cheatham. **2002 Results:** Lytle 9,777, Newell 7,678. **2004 Results:** Bright 12,639, Lytle 11,018. **2006 Forecast:** Democrat Gerry Michl will not run in this race. The *North Vernon Plain Dealer & Sun* reported that Jennings County native Brent Mullikin, who is gay and Republican, plans to challenge incumbent Rep. Bright in the 2006 GOP primary. Reporter Liam Rich says, "[Mullikin] is not your run-of-the-mill baseball cap but rather a loudly flamboyant and wildly colorful, extra tall gentleman's top hat that one cannot help but be intrigued by and instinctively drawn toward." A self-described "charismatic Reaganite," the story reports that "Mullikin believes it is time for a little innovation in order to remedy the blights of today's day and age that would have left our forefathers dumbfounded." Bright, supports a constitutional amendment to ban gay marriages and opposes amending Indiana's civil rights law to prohibit discrimination of gays and lesbians. Mullikin does not believe that being gay will hinder his electoral chances. "Society is becoming more and more accepting of homosexuals," he said. "(Plus) I'm friendly. What you see is what you get. Most people like that." **Status:** *Leans D.*

House District 55: Republican: State Rep. Bob Hoffman. Democrat: Rev. Barry Alan Welsh. **2004 Results:** Hoffman 17,410, McGlothen (D) 6,864, Marcum (L) 800. **2006 Forecast:** Welsh enters the race. He ran against State Sen. Bob Jackman in 2004 and lost 31,549 to 13,800. **Status:** *LIKELY R.*

2006 Local Races

Marion County Prosecutor: Republican: Prosecutor Carl Brizzi. Democrat: Deputy Mayor Melina Kennedy. **2002 Results:** Brizzi 103,478, Osborn (D) 89,541, St. Angelo (L) 4,997. **2006 Outlook:** Kennedy officially filed her exploratory committee. Kennedy was joined at the Marion County Clerk's Office by U.S. Rep. Julia Carson, Indianapolis Mayor Bart Peterson, Marion County Sheriff Frank Anderson, and State Rep. Bill Crawford as she filed official committee documents. "I believe to be tough on crime the office of prosecutor should produce results, advocate for the victims and operate with high ethical standards," Kennedy said. "I'm doing this because I care about our city, and I am committed to public service." **Status:** *LEANS R. ❖*



Vanderburgh Council passes unification resolution

EVANSVILLE - Overcoming the skepticism of one of its leading members, the Vanderburgh County Council on Wednesday passed a resolution in favor of holding a county-wide referendum on city-county government consolidation (*Evansville Courier & Press*). Evansville city officials put the wheels in motion for a similar resolution Sept. 26. The City Council is expected to vote on it within two weeks. If the Legislature passes a bill allowing Vanderburgh County to hold a referendum, supporters intend that it be held in conjunction with the November 2006 general election. Wednesday's County Council vote in favor of the resolution supporting a referendum was 4-2, with Councilman Curt Wortman, R-2nd District, and Council Finance Chairman James Raben, R-1st District, voting no. Wortman has said his largely rural constituency opposes any move toward government consolidation. Raben spoke at length Wednesday on his reasons for opposing the resolution. The veteran councilman said government consolidation as proposed by the City-County Unification Study Committee leaves too many issues - such as the configuration of nonconstitutional offices and volunteer fire departments - murky and unaddressed. "It's kind of 'Wait and see what you get,'" he said. "I don't think there's enough spelled out here." Phil Fisher, the City-County Unification Study Committee's project coordinator, said committee members decided after much careful and thoughtful deliberation that such policy questions properly would be left to the 15 elected members of the proposed Metro Council.



Sen. Miller to pull reproduction legislation

INDIANAPOLIS - A controversial piece of legislation proposed by state Sen. Patricia Miller, R-Indianapolis, that would have banned singles, gays and lesbians from using scientific methods to have children was pulled Wednesday afternoon, after generating national controversy (*Bloomington Herald-Times*). "The issue has become more complex than anticipated and will be withdrawn from consideration by the Health Finance Commission," Sen. Miller said in a statement.

Bayh bill to prepare for avian flu pandemic

WASHINGTON, D.C. - Sen. Evan Bayh of Indiana has been trying to get the government to pay attention to the threat of a flu pandemic for more than 18 months (*Evansville Courier & Press*). His bill did not pass, but members of Congress did add \$100 million to the Centers for Disease Control and Prevention for research into better ways of producing flu vaccines. On Wednesday, Bayh, along with other Democrats in the Senate, introduced a bill that would fund efforts to prepare for an avian flu outbreak. Bayh said he knows there has been no retroviral proven to work on avian flu, but he thinks it is worth it to buy more than a hundred million doses of the medicine. "Something's better than nothing when it comes to life and death," he said. "It's real money, but look, it's a matter of priorities."

Nannenga files for bankruptcy

ZIONSVILLE - A federal judge is proposing all allegations in the Coffee Creek civil suit against incarcerated former carpenter's union official Gerry

Nannenga be put on hold in light of his recent bankruptcy filing (*Times of Northwest Indiana*). Nannenga and his wife, Debbie Nannenga of Zionsville, filed for bankruptcy with the U.S. Bankruptcy Court for the Southern District of Indiana Sept. 27. The bankruptcy filing prompted U.S. District Court Judge Robert L. Miller Jr. -- who is presiding over the civil suit in the Coffee Creek land development investment case -- to issue an opinion and order Tuesday proposing all claims against the Nannengas in the suit be put on hold until the bankruptcy issue is resolved in the courts. Nannenga is serving an 18 month sentence at the Federal Correctional Institution in Terre Haute for his role in bribery involving the local union and the Coffee Creek development.

State revenue flat for first quarter

INDIANAPOLIS - First quarter revenue projections for Fiscal Year 2006 are essentially flat, according to the quarterly revenue report released today by the Office of Management and Budget (OMB). First quarter general fund and property tax replacement fund revenues exceeded forecasted revenues by less than 1 percent or \$13.3 million. Sales tax revenue was consistently on target, exceeding forecast by \$7.5 million or 0.6 percent. Individual income tax revenue was significantly below forecast by \$72.7 million or 6.9 percent. "The lag in individual income tax revenues occurred primarily in September when numbers were \$44 million below plan. We believe it is caused by a relatively higher level of refunds," said Charles Schalliol, OMB director. Corporate income tax revenue was up \$57.9 million or 36.1 percent; gaming revenue exceeded the forecast two of the three months but finished below the quarter's forecast by \$5.7 million or 7.6 percent. ❖