



Peterson would support a Con-Con

By **BRIAN A. HOWEY**

INDIANAPOLIS - The symptoms are ever-present, ranging from a property tax system that is out of whack after just four years from the last reforms (instead of a generation) to the Indianapolis primary election meltdown.

Just days after suffering a stinging legislative defeat on his Indy Works proposals, Indianapolis Mayor Bart Peterson said he would support a Constitutional Convention to realign Indiana's 19th Century government to meet the challenges of the 21st Century.

Asked if Gov. Mitch Daniels came out and advocated a Constitutional Convention, would he support that, Peterson said, "Yes. What it would do is give us a forum for discussing this in a way where public attention would be focused on this and the stakes would be high. That's what we need."

Peterson said that while public opinion polls show 3-to-1 support for Indy Works, legislators who obstruct such reforms have thus far not had to fear retribution of voters, even though many of them are angered by rising property taxes.

"Look what's happened to people who openly obstruct our efforts," Peterson said. "They've been re-elected.



So there's no fear struck in their hearts. Public opinion is 3-to-1 in favor of Indy Works. There's been no fallout. No one's lost an election because they voted for Indy Works. But no one's lost an election because they opposed it, either. That's the problem."

Peterson said the problems with Indy Works, which died when House Democrats refused to budge from their position to protect township trustees and Senate Republicans did the same with township assessors, was "It's a

See Page 3

Richmond's vote centers

By **BRIAN A. HOWEY**

INDIANAPOLIS - Around mid-day Monday, I was having lunch with Marion County Democratic Chairman Mike O'Connor at the Golden Ace when Robert Vane walked in. In an instant, I was in the company of Elections Past and Elections Present.



Brian Howey's Column

Vane was a top aide to former Republican Marion County Clerk Doris Anne Sadler, who tried to staff 914 precincts and ended up with plenty of well-publicized trials and tribulations. Sadler was a punching bag for O'Connor's predecessor, Ed Treacy, who called her incompetent and even suggested crimi-



"I take responsibility for what happened. If anybody wants to call me incompetent, then that is their business."

- Marion County Clerk Beth White after her first election turned into a fiasco.



nal charges.

O'Connor and I had been talking about the advent of the new voting centers in Richmond and Lafayette to be launched the following day. He and Vane exchanged friendly greetings and both talked of the promise of the Richmond experiment.

And the Richmond voting centers - Elections Future - worked well. Dozens of precincts were reduced to four voting centers. Voting participation was up from 11 percent in 2003 to 16 percent on Tuesday. Most voters told the Palladium-Item they were more convenient. They were modern and easier to staff.

O'Connor was on the precipice of a nightmare. His new county clerk, Beth White, would preside over one of the worst elections in city history. Five precincts never opened. Dozens of others were delayed for hours. One didn't open until 3 p.m. Some 200 poll workers didn't show up.

It was a meltdown.

What happened here on primary election day is what happens when you try to run a 21st Century mission on an antiquated system.

The primary election that drew under 15 percent in Indianapolis was the first under Beth White. And it was far worse than the problem elections conducted by Republican Clerk Doris Anne Sadler.

The irony here is that progressive legislation proposed by State Rep. Matt Pierce died in the Indiana General Assembly this year. HB 1808, which passed the House, would move Indiana to a vote-by-mail system for the 2012 election. "There are many advantages to a vote-by-mail system, and it can eliminate the Election Day errors that have caused voter's ballots to be tossed out even when the voter has done everything right," Pierce said.

Just about every idea that has come up over the last decade - longer election hours, vote by mail, vote by e-mail - has crashed and burned, other than Rokita's voter ID bill.

But there has been some

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progress, brought about, in part, by embattled Secretary of State Todd Rokita and his voting centers.

"It's really a tale of two cities with what happened in Richmond and what happened in Indianapolis," Rokita told the Palladium-Item. "With the vote centers, voters in the five precincts where the polls never opened could just go on to the next vote center. You had 3,000 voters who could not vote. Total disenfranchisement. I think it went very well in Richmond. I'm very pleased. I'm proud of the local election officials and I'm proud of the voters for embracing change."

Sadler had advocated reforming the system, reducing the number of precincts. She and White are working an election system mired in the 1950s, albeit with new computerized machines and counting mechanisms.

Finding a couple thousand of mostly elderly poll workers is becoming more difficult.

Sadler told the Indianapolis Star's Matt Tully, "The single biggest thing we can do is to reduce the number of precincts."

Tully asked Sadler on his blog: What's the second thing we should do to prevent future election problems?

"We still need to simplify Indiana election code and not make it so complicated for election workers to be able to run the precincts. It shouldn't be as hard as it is," Sadler said.

The Indianapolis Star reported

today that the Peterson administration has been working on a precinct reduction plan. Marion County GOP Chairman Tom John said he has been part of the preliminary discussion. "I'd like to sit down with them," John said, "but they have not followed up with me."

What every legislator and county clerk ought to be doing is checking what happened in Richmond and Lafayette on Tuesday.

"I heard nothing but positive comments," Republican Party Chairman Jeff Cappa told the Palladium-Item. "And, if you look at the voter turnout totals, they were higher and I think that speaks positively for (the vote centers)."

Democratic Party Chairwoman Sally Hutton said her headquarters usually gets 30 to 40 calls from citizens wanting to know where they vote. "That didn't happen this time. We didn't have any calls," said Hutton, Richmond's incumbent mayor who won her primary race.

Vane, now with the Indiana Republicans, and O'Connor appear to be on the same track.

What happened in Indianapolis is the price paid when an antiquated system just gets layered over. What happened in Richmond is the result of 21st Century thinking, technology and statescraft to get it done. ❖



Peterson & the Con Con: From page 1

third tier issue in the legislature. In the long session, it's always going to be behind the budget. This time, everything was property taxes. You can have the very same people opposing our efforts to get this done stand up and give a speech and say how we have to give property tax relief to people."

Peterson said that's exactly what Indy Works would do. "Just this piece of Indy Works is \$15 million," the mayor said. "That's one-tenth of 1 percent on the income tax. It's meaningful. That's a waste of money. And yet the same people who oppose Indy Works can stand up there and say they support property tax relief. And this wouldn't cost them anything. For them to do property tax relief anywhere else, they'd have to get money for it.

"Why can't we break through?" Peterson asked. "I think a Constitutional Convention would be a great way to do that and go way beyond what I proposed. What I proposed I thought was doable. There's a lot more I would do if I thought it was doable. I'd love to see us go after some real sacred cows and I think we could do that in a Constitutional Convention."

Asked if an independent, bipartisan advocacy organization like Parents for Education that defeated a majority of Indianapolis Public School board members is the answer, Peterson said, "It's possible. But the opposition has come predominantly, though not exclusively, from Republicans."

He acknowledged Ways & Means Chairman Bill Crawford's role in killing Indy Works (though he said Crawford was concerned about preserving a "subjective" system of township poor relief) and added, "I would point out that Pike Township, Lula Patton, the trustee up there, is opposed to consolidation as much as any Republican. So we have one township that is a Democratic trustee and Democratic controlled board and they will never agree to merge with IFD. So it's not all partisan politics."

But Peterson added, "Since it has been primarily Republicans who have opposed this, one would have thought that the business community, which is unanimous - I haven't talked to a business person who doesn't agree with doing this, not one" - would consider other inducing options.

"Their lobbyists have worked this issue. It's not that they just sign letters," the mayor explained. "They have their lobbyists working the issue. And many of them have withheld campaign checks from the opponents and it still hasn't worked."

Gov. Daniels has said he would be open to the idea of a Constitutional Convention, particularly if it would be made up of citizens from all walks of life and not just legislators and special interests. He has consistently delivered a warning to organizations like IACT and the Association of Indiana Counties: Reform yourselves before

Kelty's 'uprising' and a call for 'realigning' government

By **BRIAN A. HOWEY**

FORT WAYNE - In a development that is rocking the Fort Wayne Republican establishment, architect Matt Kelty won the Republican mayoral nomination by riding a grassroots wave fueled by movement conservatives. "It was a grassroots uprising," Kelty told WOWO Wednesday morning. "There are lots of great people in the neighborhoods of Fort Wayne. In the end, they were the ones who made it happen."

Kelty defeated Allen County Commissioner Nelson Peters, who was endorsed by virtually the entire GOP establishment, including U.S. Rep. Mark Souder, Senate President Pro Tempore David Long, and State Reps.



A victorious Kelty Tuesday night with his wife. (WANE-TV Photo)

Randy Borrer and Matt Bell. Kelty used endorsements by the American Family Association PAC, Indiana Family Action PAC, Allen County RRight to Life and the Indiana Right to Life to stoke a base that earned him a narrow 50 percent victory. In conceding, Peters pledged to support Kelty, a former aide to U.S. Sen. Dick Lugar.

"We must coalesce around Kelty to move this Republican Party forward. Matt will be a great leader for this community," Peters said before he hugged Kelty. Kelty took his second race a step further than his 2002 challenge to State Rep. Winfield Moses Jr., who defeated the Republican by less than 100 votes.

Kelty will face former Fort Wayne Councilman Tom Henry in the Nov. 6 general election.

Kelty campaigned on a platform of limited government, insisting that government had no role in projects like Harrison Square, which the Fort Wayne City Council voted 6-3 late last month. It would place a minor league baseball stadium and condos downtown. Peters supported the project, but in April suggested that the project be placed for a vote via referendum, a position that some felt was wavering. Kelty called for a "realigning of the role of government," saying that in many cases, it was "too generous" with tax dollars for the private sector. "There are limits to what we can pay for in property taxes," Kelty said.





the state does it for you. "I sometimes ask people, 'Do you know any businesses that haven't changed their bylaws in 160 years?' Daniels asked the commissioners. "Nobody has named one yet. The only one I know of is the government of Indiana. It think maybe it's time."

There are unification efforts underway in Allen County/Fort Wayne, Vanderburgh County/Evansville, and a new effort between Floyd County and New Albany looking into consolidating some functions. The mayor predicted that in the near future, there will be a "Regional Transportation Authority" aimed at developing mass transit in Central Indiana similar to the Northwest Regional Development Authority in Lake and Porter counties.

"I'm an optimist," Peterson said. "You don't belong as a mayor of a big city if you're not an optimist. I think I have pretty good credentials for being a pessimist, (but) we did get the police department merged here in Indianapolis. We've gotten two of our fire departments merged. So we have made some steps forward."

Peterson continued, "The governor's steps on the stadium were revolutionary in many ways. You need the right combination of leaders and ideas coming together to make that change happen. We did Unigov in 1970. That was revolutionary. It's revolutionary to this very day. It's only been followed by one major city and that's Louisville. I think we have it in us to make fundamental change. The problem is not the political will of mayors and not the political will of the governor. Gov. Daniels has certainly shown he has the political will to make major change. Nor is there a lack of political will by individual legislators."

Peterson said a number of legislators from across the state asked him what the city's needs were. He was able to get legislation that allows a 0.50 percent income tax (it was 0.25 percent for other cities), and money for low income housing.

He praised State Rep. Jerry Torr, R-Carmel, for trying to forge a compromise between Crawford and Merritt.

"Everyone says how ironic it is that Democrats end up killing the mayor's proposal," Peterson told HPR on Friday. "But isn't it ironic that the Republicans, who would not touch the elimination of trustees for the last two years, wouldn't get within 100 miles of eliminating trustees, now not only proposed eliminating trustees, but said it was the most important thing and said 'We will not do anything else unless the trustees are eliminated.'"

Peterson said that Chairman Crawford told him months ago that he would not support the elimination of township trustees, who administer poor relief. Peterson said that as Merritt took aim at township trustees

- a new position for Republicans in 2007 - he said, "By the way, Senator, I agree with you. I'm for the elimination of trustees and assessors. I have been all along. For three years now I've been consistent with that position. This isn't going to happen if you continue to insist on the trustees. Rep. Crawford knew it wasn't going to happen if he would continue to insist on the assessors. I made it clear publicly I agreed with Sen. Merritt's views on the trustees. I would put legislation out next time around to eliminate the trustees. I made it crystal clear: let's not let the tail wag the dog here."

Peterson added, "There are people willing to do it and risk a lot to get it done. We have to overcome deeply, deeply entrenched interests. It's like any other reform legislation. I don't think governmental reform is really any



Mayor Peterson (and Deputy Mayor Steve Campbell) chatting with WRTV's Norm Cox. (HPR Photo by Brian A. Howey)

different than health care reform, prescription benefits, Social Security reform. Entrenched interests that are very, very powerful don't want to see change. The problem with governmental structure change is that it's not sexy."

When HPR noted that Gov. Daniels has been warning local government for the need for reforms and that the Con-Con Soapbox was about to be dusted off and trotted to the public square, Peterson responded:

"I'm with you, brother." ❖

Publisher's Note: In the May 17 edition of HPR, Mayor Peterson will discuss the legacy of Mayor Stephen Goldsmith's privatization efforts in the 1990s and the city's crime problem.



Separating fact from fiction on the Indy Works reforms

By MICHAEL O'CONNOR

You know, there is nothing I like more than sitting down and reading a good book. I especially enjoy fiction because it allows me to escape just a little bit from the day to day grind. However, I don't enjoy reading fiction that is standing in the place of actual reporting on the actions (or inactions!) of our state legislature.

A recent column in the Howey Report (by Abdul Hakim-Shabazz) on the demise of Indianapolis Works legislation left me with a serious need to separate fact from fiction. While the end result is the same, Indianapolis Works legislation was again defeated, the actions and inactions behind its defeat should be clarified.

So here are five important facts:

1. For the very first time, Indianapolis Works legislation passed both a committee and a body of our Indiana General Assembly, and it did so with bipartisan support and the leadership of Ways and Means Chairman Bill Crawford. Make no bones about it, that was a monumental step and it happened because Representative Crawford worked hard to make it happen. He was clear from the day of introduction about where he was willing to compromise and where he stood firm with regard to the content of that bill. He said in unequivocal terms that he would not support the elimination of township trustees, but that he believed it was time to consolidate our township tax assessors into the county assessor, as well as consolidate our fire departments countywide.



2. Once the language was sent over to the Senate, the situation changed a great deal. Indianapolis Senator Jim Merritt told us how committed he was to making this happen. However, Senator Merritt, clearly under the direction of his colleague, Senator Mike Young, began throwing in objections at every point, demanding that the township assessors be preserved (you know them, they're the ones responsible for property assessments across the county where the same basic homes are assessed at wildly varying property values, the same people that the Indiana Fiscal Policy Institute said should be abolished over a year ago) as well as demanding the township trustees be eliminated.

3. Now let's look back over the last few years. Wasn't it these same Republican elected officials who told us of the great work done by our local township

trustees? How they saved money through efficiencies and could be trusted to run eight local fire departments across one county much more efficiently than the evil Indianapolis Fire Department? What changed? Well, that's obvious. An election happened, and now six of those nine township trustee offices and township fire departments are controlled by elected Democratic trustees. Apparently a little change in who is running a township makes a big difference to our Marion County Republican legislators.

4. Late in the session, Gov. Mitch Daniels lent his support to government consolidation in Marion County and specifically to the Indianapolis Works proposal, but that failed to sway our good state senator from Lawrence Township. As the session drew to a close, Representative Crawford made an offer. He proposed allowing both the township assessors and the township trustees to continue to exist while allowing fire consolidation to happen, but Senator Merritt's newfound opposition to the township trustees was simply too strong and he refused to compromise, while this time trying to hide behind a lack of time in the session to come to some language agreement.

5. The unbridled truth is this: Sen. Merritt and the Marion County Republicans, now apparently led by Senator Mike Young, never had any intention of letting this language pass, or letting fire department consolidation happen. They are stuck in the old way of thinking. That multiple layers of government equals multiple layers of patronage, and more opportunities for nepotism. They were brought up in a time when their party relied upon those who worked in the township offices to provide volunteers and contributions. That time has passed and it helps explain why the Marion County Republican Party is now firmly placed in the challenger status. They don't understand that people expect more from their elected officials than just fiefdom building and self-preservation.

And the kicker is how much Senator Young, Senator Merritt and their colleagues have missed the real point with their political gamesmanship. If they would have signed off on the fire consolidation bill that the mayor supported at the end of the session – that the Democrats had already signed – we would have had \$15 million in cost savings and a three-year fire property tax freeze! Yes, that's right, a three-year property tax freeze that Merritt originally proposed, that the mayor and Rep. Crawford agreed to, which Merritt left on the table.

Luckily, for the citizens of Marion County, despite this "Mike Young" style of Republican politics, Chairman Crawford and other legislative leaders were able to give the mayor additional revenue options to help fight crime in Indianapolis and pay pensions to our public safety retirees. Try as they might, their political games will not halt the war against crime in our city. ❖



Chairman Clark surveys the field leading to '08

INDIANAPOLIS - HPR sat down with Indiana Republican Chairman J. Murray Clark at the Brugge in Broad Ripple over locally produced, Belgian-inspired beers last Thursday to discuss the political landscape.

HPR: How long will you stay on as chair? Through the governor's re-elect?

Clark: I want to get through the re-elect so that means through '08 and then we'll get into '09 and we'll see.

HPR: I know 2012 is a long way off, but do you ever see yourself getting back into the gubernatorial game?

Clark: I wouldn't rule anything out. I loved public service and being an elected official. I particularly missed the conference committee portion recently. I didn't miss it much until then. So, I wouldn't rule anything out, but a lot could happen before 2012.

HPR: When I saw you at the '06 convention I asked you about leaving the Senate and you referred to your impeccable timing. Looking back on your decision to leave, do you miss the Senate?

Clark: The people who serve in the legislature, 99 percent do it for all the right things. I miss the people quite a bit, though with respect to some of them, I miss them more than they miss me. To be able to really have an impact or preventing something from passing that would result in bad policy is something I really enjoyed.

HPR: What strikes you most profoundly about the post-Borst/Garton Senate?

Clark: The basic structure Bob Garton had established over (decades) lives on. While he and I didn't always agree on everything, he established a very solid foundation, but obviously the people changed and I think David Long did a great job this session under difficult circumstances. I think he's the right person there, I really do. I think he'll only get better.

HPR: What does the governor need to do to be re-elected? And where does he stand now?

Clark: I like where the governor is situated right now. I think his approval statewide is getting better by the day. This legislative session helped him quite a bit. What he needs to do is essentially what he has been doing and that is keep going out and traveling the state and talking to people. He's not in RV1 now but if you look at his

travel schedule, he's still out statewide and that is where he's at his best. He's comfortable and he can really relate to Hoosiers. He will go anywhere, any time and articulate his position. I've seen him go before groups who, when they came into the forum, were going to be completely opposed to his ideas, or at least what they perceived his ideas that they've read and have him patiently explain his thinking and his vision and having them completely turn. It's remarkable. He knows that. He's very politically astute. That's what he needs to do and that's what he will do.

HPR: Yes, the selling of a stadium in downtown Indianapolis in the suburban counties was quite surreal. No one would have ever believed it a decade ago.

Clark: He had people like me cringing on the use of his political capital in this area, but he's such an anomaly. He has more political acumen than anybody I know but at the same time, he's not afraid to use political capital or to aggressively seek change that in the short run, is going to result in a fair amount of political criticism or demagoguery. In politics, the short run is sometimes all you have. In the end, it is an example of an extraordinary leader he is. He is somebody who was elected at the right time. The

state was looking for a different and extraordinary leader and what they got in Mitch Daniels is that person. He is the right person at the right time.

HPR: You came of political age about the same time I did. I remember a little bit of Branigan and certainly Whitcomb and Doc. How different is he from other governors of your experience?

Clark: He's clearly not a caretaker. He saw a need and ran because Indiana was at a point in its history that needed a different direction, a different face and a different playbook. Compared to other governors, they probably didn't have to take it in another direction. You look at Matt Welsh, who was the person who proposed the sales tax for the first time, and Doc Bowen, who ran on property tax reform and, immediately upon becoming governor, pushed forward property tax relief. Bob Orr had the A Plus education reform which was a difficult sell. He's doing that kind of stuff almost on a daily basis.

HPR: What could we expect out of a second Daniels administration?

Clark: His biggest challenge and his biggest accomplishment has to do with the budget and the financing of the state. The reality is when he took over, there was a \$700-\$800 million deficit and he's turned it into a \$300 to \$400 million surplus without gimmicks. Hopefully they'll be able to do that again. But the big issue remains the erosion of manufacturing jobs, not just in Indiana, but the Midwest. We're going to have to continue that fight. It is as big of a challenge for any state government, as well as the





federal government. This other kind of issue that is lurking out there is restructuring local government and the way we do and think about that statewide.

HPR: We had three Congressional seats that flipped in 2006. What should we expect in '08? I see as many as four CDs in play, including Dan Burton.

Clark: I hope Mike Sodrel runs again. I spent a lot of time for Mike Sodrel in '06 and I realized that people love Mike Sodrel. It's a very even district and, really, if you take ... the Libertarian, who got about 8,000 votes, and in Monroe County, Mike lost there in the last mid-term by 900 votes. This time around he lost by 8,000 votes. If you put those things together, that's why he lost. The rest of the district, by and large, he did as good if not better than '04 when he won. There is more than a very viable candidate there and I personally hope he runs again. In the 2nd CD, I don't believe Chris Chocola will run again. There's at least one person interested ...

HPR: Luke Puckett and now Kokomo controller Phil Williams.

Clark: That is a district we'll also focus on. In the 9th and 2nd districts, we ran very, very solid grassroots campaigns. That was the biggest disappointment I had. We ran about as good a grassroots campaign in terms of voter registration, voter contact, voter ID, absentee ballots, GOTV in the 2nd and 9th districts as anybody in the country. The 8th district was a completely different animal. John Hostettler just ran out of steam. The guy didn't take PAC money. Brad Ellsworth won easily. But what you have to remember is that it is the most Republican district in the country with a Democrat congressman. I suspect that will be in play for us. There are already several candidates traveling the Lincoln Day circuit.

HPR: I took a lot of heat last fall saying that Hostettler signalled he was retiring literally in the midst of the campaign. What light can you shed on that?

Clark: I don't know if he ever gave up or retired, I just think the way he ran his campaign, which was without much assistance from PACs, the congressional campaign committees, the RNC, and the state Republican Party, so as long as you have your grassroots system clicking, vibrant and energetic, then you can make a run for it. I think it became evident that it wasn't there like it had been in the past.

HPR: What are your early thoughts on regaining the Indiana House?

Clark: I could give you a seat by seat analysis.

HPR: I could, too.

Clark: It will be another tight battle. HRCC did a beautiful job, Brian Bosma did an extraordinary job. On the other side, the Democratic House campaign committee is a very strong component. There will be a battle. I will say this: In a year like last year, for us to lose only a net three

House seats ... if the best they can do is 51-49, I like our chances a lot.

HPR: Will property taxes be the big issue?

Clark: I don't know. There are property taxes as they sit today, but there could be some changes before November of '08. It's an issue that will probably be demagogued either way. \$550 million is a lot of money. The way it was established with this rebate may or may not create havoc with escrow accounts and so forth.

HPR: I think it will.

Clark: If it does, that could be a big issue.

HPR: How do you handle the fallout from the Iraq War in 2008?

Clark: Clearly, the anxiety over the war hurt us last year. It wasn't the only factor, but the performance or lack thereof on (Capitol) Hill, malfeasance on the Hill. This time, George Bush isn't running. So it remains to be seen what the position of the Republican presidential candidate will be. Frankly right now, the way Nancy Pelosi and some of the Democratic leaders in Congress have articulated their views and how Nancy Pelosi met with a country that is one of the biggest supporters of terror but won't walk across the street and visit with the president of the United States, this is something we think will help us in '08. They are not public officials Hoosiers in either political party tend to support.

HPR: I've heard some of my Democratic friends fret about Hillary Clinton being on the ticket.

Clark: Hillary Clinton is a rock star in certain areas on the coast, but she will not play well in this state on the whole. These elections are decided in the middle and I'm quite optimistic that a majority of those will lean toward a Republican candidate for president.

HPR: Do you have a horse in the presidential race?

Clark: It's very unsettled at this point. Giuliani has some strengths; obviously McCain does. We had Romney in a couple of weeks ago and he did a nice job. It's very unsettled. There are people who have jumped on one bandwagon. I haven't.

HPR: Will Republicans retake Fort Wayne and hold Kokomo in the '07 mayoral races?

Clark: In 2003, Jim Kittle and Jennifer Hallowell made a decision that the state committee would be more involved in municipal races statewide. We picked up some Democratic areas like Anderson, Marion and Crown Point. We truly want to work as hard as we can to keep those. After the primary, we'll look and see where our options lie. Fort Wayne is a city with an open seat and it's experienced annexation of Republican areas in Aboite Township so it will be hard fought. It will definitely be our No. 1 opportunity. ❖



2008 Indiana Governor

Governor 2008: Republican: Gov. Mitch Daniels. Democrat: Senate Minority Leader Richard Young, Jim Schellinger. **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**

Results: Daniels (R) 1,302,912, Kernan (D) 1,113,900, Gividen (L) 31,644. **2008 Forecast:**

The Daniels campaign is e-mailing supporters, telling them to reserve 11 a.m. to 2:30 p.m. June 16 at Hinkle Fieldhouse "for an important announcement." For a historical perspective, it was at Hinkle Fieldhouse that Daniels officially kicked off his campaign and it was there that he celebrated his election night victory while using the Milan Miracle theme.

The **Rothenberg Political Report** assesses Daniels this way in its May 3 edition: "President Bush's former OMB Director struggled through the first couple of years of his term but seems to be regaining his footing. While Daniels defeated Gov. Joe Kernan 53-46 percent in 2004, his favorability ratings subsequently fell after some unpopular moves (including his support to privatize the Indiana Toll Road). Now Daniels helped pass a 44-cent tax increase on cigarettes to pay for health insurance for low income residents, and he's managed to avoid controversial issues. But Democrats are still targeting the race."

HPR's Take on Rothenberg: Pretty much in agreement with the assessment. Daniels' "unpopular moves" were conscious efforts in expending political capital the governor believes will pay dividends by Election Day '08 (Major Moves jobs, new Colts stadium, waves of automotive and high-tech jobs, health coverage for low income Hoosiers).

While we clearly expect Daniels to run on his record, we also expect the governor to lay out a vision for what he hopes will be four more years, in an attempt to seek a mandate for significant restructuring of state and

local government, as well as continued efforts to grow the state's economy.

Schellinger has gathered a brain trust that includes Mike O'Connor, Kip Tew, and Mike Edmondson.

Long Thompson has made an appeal to EMILY'S List.

Here's Rothenberg's take on the Democratic field: Noting that Senate Minority Leader Richard Young and Long Thompson are in the race, RPR notes, "Many local Democrats have coalesced behind the candidacy of architect Schellinger. Indianapolis Mayor Bart Peterson, Rep. Julia Carson and (former) Speaker John Gregg have all endorsed Schellinger. Schellinger has hired Dixon/Davis for media and Garin-Hart-Yang for polling. He also recently received the UAW endorsement. Thompson met with EMILY's List this week and the group is evaluating the race. Some Democrats are hoping that the state's June 30 fundraising report will whittle the field down. Even though Thompson is a former member of Congress and has run statewide (al-

beit two decades ago) insiders don't regard her as a heavyweight. If EMILY's List puts its left behind her candidacy, it could make her more competitive. Right now, Schellinger is the favorite for the nomination. He is a political unknown, but could make it a race. Daniels starts with the advantage."

HPR's Take on Rothenberg: A reasonable assessment. We don't get the sense that Young is raising much money. Thompson hasn't even declared and other than

EMILY's List, won't have much money to show by June 30.

As for the governor's vulnerabilities, it doesn't take into account that since HPR has been publishing, we've never seen an officeholder willing to risk more political capital and who has displayed more astute political acumen than Daniels. He posted \$2.6 million in January.

We're not hearing much on the toll road these days, or DST or BMV. Obviously, Democrats will attempt to make them issues (they might even try IPALCO one more time). But this election should be and likely will be about vision.

Democratic Primary Status: Leans Schellinger. **General Status:** Leans Daniels. ❖



Daniels will be returning to the scene of his 2003 kickoff and 2004 victory: Hinkle Fieldhouse. (HPR Photo by Brian A. Howey)



Hallowell joins Giuliani

INDIANAPOLIS - Jennifer Hallowell, executive director of the Indiana Republican Party, has accepted an offer to become executive director for Mayor Rudy Giuliani's New Hampshire primary campaign.



HALLOWELL

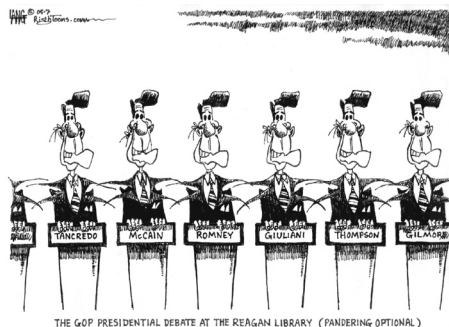
The news came a couple of days after HPR asked Indiana Republican Chairman Murray Clark whether Hallowell might be the first female GOP chair. "I'll be surprised if she's here that long," Clark said. "There's a good chance she'll end up in Washington or with one of the presidential campaigns."

Gov. Mitch Daniels said, "I'm not surprised that a presidential candidate has recognized Jennifer's

remarkable talent. Indiana's loss is Mayor Giuliani's gain."

Pew Poll gauges Hillary's gender gap

When evaluating Sen. Hillary Clinton's 2008 prospects, one question remains inescapable: Are voters ready to elect a female president? On one level, the question would appear to be settled (Kohut, Pew Research). In February, Gallup found 88% saying they would vote for a well-qualified woman for president. Contrast this with public opinion in 1969, the year Clinton graduated from Wellesley College. At that time, just 53% said they would support a well-qualified female presidential candidate. As to opinion of Clinton herself, surveys by the Pew Research Center for the People & the Press and other national polling organizations show a consistent gender gap in her support. Recent Newsweek surveys show that in a hypothetical contest against Republican frontrunner Rudolph Giuliani, half of female voters, compared with just 44% of male voters, said they would vote for Sen. Clinton. ❖



THE GOP PRESIDENTIAL DEBATE AT THE REAGAN LIBRARY (PANDERING OPTIONAL)

2008 Presidential Polls

Republican	Date	Giuliani	McCain	Thompson	Romney	Comp. Spread
Zogby	03/22 - 03/26	27%	13%	9%	9%	Giuliani +14%
USA Today/Gall Rasmussen	05/04 - 05/06	34%	20%	13%	7%	Giuliani +14%
Time	04/05 - 04/09	25%	17%	16%	12%	Giuliani +8%
CNN	04/05 - 04/09	35%	20%	10%	10%	Giuliani +15%
CNN	05/04 - 05/06	25%	23%	13%	10%	Giuliani +2%
Cook/RT	04/27 - 04/30	28%	21%	10%	11%	Giuliani +7%
Fox News	04/17 - 04/18	35%	16%	8%	10%	Giuliani +19%
Pew Research	03/21 - 03/25	33%	23%	--%	8%	Giuliani +10
LATimes/Bloombg	04/5 - 04/09	29%	12%	15%	8%	Giuliani + 22
NBC/WSJ	04/20 - 04/23	33%	22%	17%	12%	Giuliani +11%
Democrat	Date	Clinton	Obama	Edwards	Gore	Comp. Spread
Zogby	03/22 - 03/26	32%	22%	13%		Clinton +10%
USA Today/Gall Rasmussen	05/04 - 05/06	38%	23%	12%	14%	Clinton +15%
Time	04/23 - 04/26	30%	32%	17%	--	Obama +2%
CNN	04/05 - 04/09	33%	26%	25%	--%	Clinton +7%
CNN	05/04 - 05/06	38%	24%	12%	12%	Clinton+14%
Cook/RT	04/27 - 04/30	32%	24%	15%	11%	Clinton +8%
Pew Research	03/21 - 03/25	35%	26%	16%	12%	Clinton +9%
Fox News	04/17 - 04/18	41%	20%	12%	16%	Clinton +21%
LATimes/Bloomb	04/05 - 04/09	33%	23%	14%	13%	Clinton +10
NBC/WSJ	04/20 - 04/23	36%	31%	20%	--	Clinton +5%

Hoosier Support: Giuliani (\$172,450 raised in Indiana): Marion County Prosecutor Carl Brizzi, Stephen Goldsmith, Tim Durham, Beurt SerVass, Steve Hilbert. **McCain:** Gov. Mitch Daniels. **Romney (\$83,750):** Attorney General Steve Carter; Secretary of State Todd Rokita, James Bopp, Dan Dumezich, Bob Grand, Chris Chocola. **Thompson:** U.S. Rep. Steve Buyer. **Edwards (\$85,000 raised in Indiana):** Robin Winston, 9th CD Chair Mike Jones, Ann and Ed DeLaney, Bruce Kehoe, James Voyles. **Clinton (\$71,000):** Mel Simon, Bren Simon. ❖



Incumbent heads roll, but that always happens to mayors

By **BRIAN A. HOWEY**

INDIANAPOLIS - The Oracle of Indiana (yours truly) took a lot of heat for moving the Fort Wayne Republican mayoral primary from Leans Nelson Peters to Tossup with a slight edge to Matt Kelty. It was a classic example of a candidate who put together a great grass-roots organization and didn't rely on money and the air war.

Kelty spent the latter part of April exhorting his supporters to hit the pavement while the Peters campaign rolled out a big TV ad campaign. "Those interested in consolidating the power of the status quo will no doubt saturate the airwaves in these finals weeks of the campaign in an effort to sway the nearly 46% of undecided voters," Kelty said "This is like carpet-bombing while flying high overhead. I will, instead, be pounding the ground below, house-to-house, continuing to meet with voters every day. I will listen to your concerns and I will learn more about your hopes for the Summit City."

The other big story line out of the municipal primaries was that a number of incumbent mayors lost to former mayors: James Garner to Doug England in New Albany; Rob Waiz to Tom Galligan in Jeffersonville; Al Nipp to Sherman Boles at New Castle; Jim Bullard to John Burkhart in Seymour.

Other incumbents lost as well, most notably, Kokomo Mayor Matt McKillip, who was defeated in a landslide by Councilman Rick Hamilton. While Peters and Kelty quickly hugged and agreed to fight the common enemy (Tom Henry), in Kokomo, McKillip went to Democrat nominee Greg Goodnight's party and said, "I came here to visit the winners." Little wonder there were hard feelings in the City of Firsts. The Howard County Republican chairman had compared McKillip to Hitler. Kokomo is a great potential Democratic pick up.

In all of these incumbent losses, there was a common thread: the incumbents had personal conflicts with their councils and/or political establishments. McKillip and Garner openly feuded with their city councils.

Other incumbents to lose included five-term Decatur Mayor Fred Isch to Eric Meyer, two-term Ligonier

Mayor Gary Bishop to Patty Fisel, Huntington Mayor Terry Abbett to County Commissioner Steve Updike, Crown Point Mayor Dan Klein in a rematch to Chamber president Gayle Van Sesson, Hobart Mayor Linda Buzinec to former police chief Brian Snedecor, and Alexandria Mayor Steve Skaggs to Building Commissioner Don Swegman. Of this grouping, the Crown Point race was just nasty, with Lake County GOP Chairman John Curley admonishing both campaigns after a final week of e-mails that left the race in the gutter.

Buzinec lost, in part, because of a letter she wrote on behalf for convicted Indiana Democratic Chairman Peter Manous, asking the judge for leniency. The Millrights and other unions were upset because Manous and company had pilfered carpenter union funds. Buzinec had been a ranking Indiana Democratic Central Committee member.

But it would be hard to make the case that there was a significant "anti-incumbency" afoot. Recent primary cycles have seen a similar number of mayors jettisoned.

In 2003, more than 30 incumbents lost.

That may well have been a precursor of change that would sweep the state over the next three years (i.e. Mitch Daniels over Joe Kernan, Brent Waltz over Larry Borst, Greg Walker over Bob Garton, Pat Bauer over Brian Bosma) that completely overhauled Indiana's executive and legislative leadership.

While there is a property tax crisis still lurking (despite the coming legislative rebate), gas prices are expected to push the \$4 range, and there is an unpopular war, there are significant differences between 2007 and 2003 or even 1999. A number of mayors - Indianapolis' Bart Peterson, Evansville's

Jonathan Weinzapfel, Columbus' Fred Armstrong, Terre Haute's Kevin Burke, South Bend's Stephen Luecke, Gary's Rudy Clay, East Chicago's George Pabey - appear to be either cinches or big favorites in November.

Burke's victory is noteworthy. He did not join the pantheon of defeated mayors (Pete Chalos, Jim Jenkins and Judi Anderson) who lost in the last three Democratic primaries.

Another conspicuous victory was Monticello's Mayor Bob Fox, who won a Democratic primary despite a 39-count theft indictment related to his office.

The key battleground cities in November will be Kokomo (Hamilton vs. Goodnight), Elkhart (Republican Jim Pettit vs. Democrat Dick Moore), Anderson (Republican Mayor Kevin Smith vs. Kris Ockomon, LaPorte (former mayor Kathy Chroback vs. GOP Mayor Leigh Morris), Madison (Republican Mayor Al Huntington vs. Tim Armstrong), Muncie (Democrat James Mansfield Jr. vs. Republican Sharon McShurley), and, of course, the Kelty-Henry showdown in Fort Wayne. ❖



Kokomo Councilman Rick Hamilton toppled Mayor Matt McKillip, and will now face Democratic Councilman Greg Goodnight. (Kokomo Tribune Photo)



A promise unfulfilled

By **JOE KERNAN**

Unless you were born or married on May 7, it's probably not a date that you commemorate. For me though, I remember it vividly as the day 35 years ago when I was shot down over Vietnam, and spent most of the next 11 months in captivity. Fortunately, the injuries I suffered were relatively minor and the end of the war brought with it my release from prison. I came home and spent the next several months assigned to Bethesda Naval Hospital, where I received great medical care.

Today, more than 24,000 men and women have their own May 7 to deal with as a result of the war in Iraq - and many of them will be dealing with it for the rest of their lives. The day their convoy got hit with an IED or they took a bullet from a sniper. The day a firefight left them with permanent scars, both physical and mental. The day a roadside explosion left them without an arm, a leg, or both. The day their lives changed forever.

More of our men and women are coming home with greater challenges than ever before; primarily because of the extraordinary medical care they received immediately after they were wounded. Some of them come back to military medical facilities - such as Walter Reed - that are reportedly riddled with bureaucratic red tape and unseemly living conditions.

That was never part of the deal.

The same high quality of care must be readily available for every one of them while they remain on active duty, as well as after they retire or leave the service.

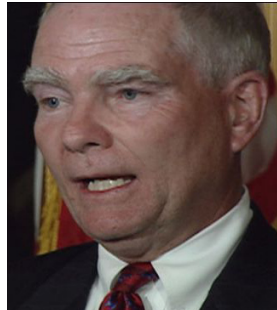
That is our promise, as yet unfulfilled.

Why has this happened? How has this happened?

There is plenty of blame to go around. Had the Washington Post not exposed the situation at Walter Reed, do you think this would even be a topic of discussion? No one in charge cared enough to even pay attention.

But the important challenge is not rooting out blame, but rather figuring out how to fix it. There should be no price we are unwilling to pay, no effort we are unwilling to spare in order to make this right.

We know what the problems are. We know the military's Defense Health Program serves 9.1 million veterans, yet its budget has been cut the past two years. We know the VA system is plagued with a broken bureaucracy and widespread backlogs of veterans seeking care. We know that not all of the 65 inpatient clinics, 400 medical and dental clinics, and 250 veterans' centers are not the top-flight facilities they should be. We know the Administration



is attempting to fill the budget shortfalls by shifting costs to veterans, through increased deductibles and annual fees.

We know what is wrong, now we must make it right: fix Walter Reed and other military health care facilities with the immediacy that the situation demands; repair a broken VA health care system; help and care for the increasing numbers of veterans who seek VA assistance and file disability claims; assist the increasing number of former soldiers who will become part of the national disgrace of our homeless population, 30% of whom are veterans. And reconcile the fact that the VA budget projects no increase in spending for medical care between 2009 and 2012 - a completely unrealistic and dangerous policy.

The failures at Walter Reed are not just about clean hospital bed sheets and some fresh drywall. It's about acknowledging and honestly dealing with both the systemic costs and the human toll of war. It's about the kind of commitment, duty, and sacrifice that these soldiers have so valiantly made on our country's behalf, and how we - all of us - have an obligation to show them the same kind of commitment, duty, and sacrifice. It's about doing what we say we will do. It's about supporting our troops - now and in the future.

When May 7th rolls around this year, I will be blessed with the opportunity to grab some pizza and a cold beer with good friends and family. Some 300 million other Americans will enjoy the same kind of freedom and peace of mind. Thousands of soldiers will not be so lucky because of life-altering injuries suffered in Iraq and Afghanistan. As long as these men and women at Walter Reed and other military medical facilities are burdened by the red tape of bureaucracy and struggle through inadequate care, we cannot call ourselves a Nation that honors those who have served.

That is the promise we have made to each and every person who serves, a debt that today remains unpaid.



Kernan is a former governor of Indiana.

Donnelly: Return VA bonuses

WASHINGTON - U.S. Rep. Joe Donnelly signed on to legislation that would freeze \$3.8 million in 2007 bonuses set to be paid to senior level Veterans Affairs Department officials until the VA has reduced its backlog of benefit cases to fewer than 100,000 claims. The V.A. has a \$1 billion budget shortfall.

"As veterans are waiting longer and longer for benefits they desperately need, the cash-strapped VA saw it appropriate to reward poor performance with budget-busting bonuses," said Donnelly. "The reports of top officials at the VA getting the most lucrative performance bonuses in government when there is a backlog of over 600,000 benefits cases shows gross mismanagement and a real lack of priorities." ❖



Jack Colwell, South Bend Tribune

- House Speaker Pat Bauer and Gov. Mitch Daniels are the big winners of the Indiana General Assembly session, a session begun amid predictions of partisan stalemate and wrangling. Now, it ends with considerable praise for accomplishments and civility. Think back. When Democrats captured control of the Indiana House last fall, meaning that Bauer would preside there in the powerful role of speaker, some legislative observers predicted political warfare between Bauer and Daniels, with each making the other look bad and nothing being accomplished. Bauer, the South Bend Democrat who was House minority leader during the first two years of the Republican governor's term, had voiced fiery opposition to Daniels over lease of the Toll Road, handling of the time issue and fiscal priorities. Daniels had accused Bauer of legislative "car bombing" and being "beyond embarrassment." Could this political odd couple work together for the good of the state? Of course. And they did. Now, the governor comes to South Bend to hail "the biggest health care and health care reform measure probably in state legislative history." That's the measure for health care for up to 200,000 uninsured Hoosiers through hiking the cigarette tax. It provides both the health care and better health through discouraging smoking. Daniels called the session one of "great accomplishment," with a balanced budget, increased spending for education, strides toward full-day kindergarten and lessening the threat of horrendous property tax hikes. He praised Bauer for bipartisan cooperation and running "a very tight ship" in order to get things done. "We may disagree about some things, but he got the job done," Daniels said. This praise for Bauer may not please House Republicans, who voted unanimously against the budget, a document forged by their GOP colleagues in the Senate and the narrow Democratic majority led by Bauer in the House. Nor will the way Bauer worked in that bipartisan way to help push through some of the governor's priorities please all of those in Bauer's home area who dislike Daniels. But fair is fair. ❖

Matt Tully, Indianapolis Star

- What words should we use to describe Marion County's primary day -- the first election overseen by a new Democratic county clerk? After pondering that question, I struggled to find the right words. Rather than turning to a thesaurus, I went to the archives and scanned through microfilmed copies of The Indianapolis Star from April 1912. The coverage from then, documenting the sinking of the Titanic, was a big help. I found stories filled with words such as "disaster" and "wreck" and "catastrophe." They all sum up the Marion County primary, a wreck of an election that crashed into an iceberg of incompetence. Still, there is a key difference between the Titanic and Tuesday's primary elections.



As far as I could tell, the captain of the Titanic and his buddies had not harshly criticized the captains of other ships. You can't say that about Marion County Democrats, an aggressive bunch who spent recent years trashing then-Republican county Clerk Doris Anne Sadler and her performance as county elections chief. After every election problem during Sadler's term, and there were many, hyper-political Democrats led by former party Chairman Ed Treacy used words such as "embarrassment" and "incompetent." Democrats turned vicious time and again, suggesting at one point that Sadler be tossed in jail. They also constantly boasted that they would produce smooth elections once they were in charge. "These people just don't know how to conduct an election," Treacy said about Sadler's team in 2004, one of his many overheated slams over the years. Though blustery, Treacy's attacks helped bring about his goal of getting a Democratic clerk elected last year. The new clerk's name is Beth White. She's a former aide to Mayor Bart Peterson, and she's known for her biting remarks about Republicans, and her confidence. White has told me many times that Democrats know how to run elections. Sure they do. And the mighty Titanic was unsinkable. As the election sunk into disaster, many Republicans had fun recalling the words Democrats tossed around during previous GOP-run elections. My favorite quote from the past came courtesy of Treacy, who took one final slam at Sadler as her term ended in January. "I'm sure whatever (White) does in her first election won't in any way match the years of mistakes Republicans have made," Treacy said. He was right. White didn't match Sadler's mistakes. She far surpassed them. ❖

Gary Gerard, Warsaw Times-Union

- One would think with 24-hour cable news channels blaring, and the Internet abuzz with blogging and reporting, that Americans would be more informed than ever. One would be wrong. A survey last month of 1,502 adults by the Pew Research Center of the People and the Press was eye-opening for me. Since I am immersed in news every day, sometimes I forget that most people aren't immersed in news at all. So I guess I shouldn't have been surprised when I read the results of the Pew survey - but I was anyway. They did the same survey in 1989 and compared the results to 2007. In 1989, 74 percent of respondents could identify the vice president as Dan Quayle. In 2007, 69 percent of respondents could identify Vice President Dick Cheney. I realize that Quayle had that whole potato misspelling incident going on and was perceived as underintelligent. But honestly, Dick Cheney? After all that guy's had going on, he's not as well-known as Quayle was, even in this information-soaked society we live in? I find that almost unbelievable. ❖



THE BOAR'S NEST

The Queen and the QB, and Hannegan in Prussia

By **BRIAN A. HOWEY**

Hoosier chests puffed out proudly on Tuesday morning when it was revealed that our quarterback, **Colt Peyton Manning** and wife **Ashley**, had dined at the White House with **Queen Elizabeth II**.

Hoosiers don't often get to chow down with royalty, but Manning needs to keep his head from getting too big. He ain't the first Hoosier to consort with queens.

An early champion of Manifest Destiny was U.S. Sen. **Ned Hannegan**, who hailed from Covington and hung out with **Lew Wallace** and **Daniel Voorhees**. He served in the Senate, attacking President **James K. Polk** for giving into the British saying, "James K. Polk has spoken words of falsehood with the tongue of a serpent." Hannegan was defeated for re-election by Gov. **James Whitcomb**, but as author **John Bartlow Martin** describes in his book, "**Indiana: An Interpretation**," Polk forgave Hannegan and nominated him as Minister to Prussia.



In that role, Envoy Extraordinary and Minister Plenipotentiary Hannegan distinguished himself by making love to the **Queen of Prussia**. "She was captivated, whispered Midwesterners, delighted that he outdid European fops." The jealous King demanded Hannegan's recall when he defied court etiquette and publicly kissed the queen's hand.

Hannegan returned to Covington to practice law, lost an Indiana legislative race, then entered the 1852 presidential race, where he eventually lined up support from nine states, more than the unknown **Franklin Pierce**. But his White House bid was undone on May 7, 1852 when his brother-in-law - Capt. **John Duncan** - said that his heavy drinking would doom his presidential ambitions. The two men quarrelled, Duncan called Hannegan a coward and slapped his face. Hannegan responded by plunging a Spanish dagger into Duncan's chest. Duncan absolved Hannegan before dying the next day. Prosecutor Lew Wallace presented a case so weak that the grand jury

refused to indict Hannegan on a manslaughter charge. Forced to resign, Wallace left town for Crawfordsville and Voorhees replaced him, but refused to have a grand jury review his case and was so severely criticized he moved to Terre Haute and, eventually, the U.S. Senate.

Hannegan tried to revive his elective career, but eventually left what he described as the "dirty puddle of politics."



Historic photo returns

On the front page of the **New York Times** on Tuesday was a photo taken by the late I.U. Journalism Prof. **Will Counts**, of the integration of Little Rock Central HS, which reminds us of how far we've come. The white community of Little Rock is defending the embattled African-American school superintendent. African-American school board members want him fired.

Four centuries of Bob & Larry

In the HPR Interview with Republican Chairman **Murray Clark**, we asked him about the change of the guard in the Indiana Senate. He responded, "The basic structure **Bob Garton** had established over four centuries lives on." We took the editing liberty to change it to "decades" in the interview, but it is another reminder of just how long senators there awaited a chance to move up.

Jeb coming to Indiana

About 350 business and government leaders are expected to join Lt. Governor **Becky Skillman** at the Indiana Roof Ballroom on Tuesday evening to hear former Florida Gov. **Jeb Bush** talk about leadership. Tickets are available at www.indianaffa.org.

Keck leaving Bayh

U.S. Sen. **Evan Bayh's** communication director **Meghan Keck** is leaving to begin a new job in DC with Burson-Marsteller. **Eric Kleiman** will be taking over as Communications Director in the Bayh office. ❖

Got a tip for the Boar's Nest? Send it to: phillipscgroup@comcast.net



Porter County auditor on rebate: 'They're nuts'

PORTAGE -The property tax relief checks lawmakers decided to send homeowners could cause headaches when federal tax time arrives, and one Porter County official already considers the rebates a major pain (Guinane, **Times of Northwest Indiana**).

Prodded by estimates showing residential bills could soar 24 percent this year, state legislators voted to spend \$300 million on partial property tax refunds, enough to send every homeowner a check for about \$236. It will be up to county auditors to calculate how much each homeowner gets and mail the checks, along with notices crediting the General Assembly for the refunds. Lawmakers didn't provide any funding for the legwork. "I think they're nuts," said Porter County Auditor Jim Kopp. "They didn't even think about what's it going to cost to do this, or else they don't care, I don't know which." Calculating the refunds, Kopp estimates, will consume about 4,000 staff hours, and it will cost roughly \$16,000 to mail checks to 42,000 Porter County homeowners. Lake County Auditor Peggy Katona estimates it will cost \$52,000 in postage alone to mail checks to the county's 140,000 owner-occupied homes. But at an average of \$236 per homestead, the refunds would add up to \$33 million in relief for Lake County. But the checks might not be mailed until early next year, forcing some homeowners to claim the rebates as income on 2008 federal income tax returns. If the checks do arrive before year's end, homeowners who deduct property taxes from their federal returns must remember to subtract the state refund. "The only people who are going to have worry about it are people



who itemize their deductions and take (off) their real estate taxes," said Pat Brummer, an Internal Revenue Service spokeswoman. "People who don't itemize aren't going to have to worry about it."

Daniels signs massage bill

INDIANAPOLIS - Gov. Mitch Daniels on Wednesday vetoed a bill that would have regulated fees for accident reports and signed a bill that would require massage therapists to be licensed, though he said it narrowly missed a veto (**Indianapolis Star**). Daniels said he reluctantly signed the massage therapists bill mainly because police officials had said that licensing them would provide a useful tool for combating prostitution.

Hatcher's daughter

wins Gary Council race

GARY - Nearly 40 years to the day after her father won a primary election that all but ensured he would become the first black mayor in city history, Ragen Hatcher-Matthews won an at-large seat on the City Council (**Post-Tribune**). "I want to see her do a good job as a strong, honest voice on the council," said former Mayor Richard Hatcher. "I told her, 'People are going to wave all kinds of temptations in front of you.' You have to be strong, and she is."

Lugar offers new farm bill

WASHINGTON - U.S. Sen. Dick Lugar unveiled the Food and Agriculture Risk Management for the 21st Century Act (FARM 21) that would end the current market and trade distorting farm subsidy system and replace it with a new system of risk management accounts and insurance tools managed by farmers. Senate and House bills will be introduced in the next couple days. "Current Federal Farm Programs target payments to a relatively narrow sector of American farmers and provide direct payments regardless of commodity prices," Lugar

said. "The bulk of these payments are made to growers of just five crops. Cotton, rice, corn, wheat, and soybean farmers receive about 85 percent of the annual payments provided by U.S. taxpayers," said Lugar, an Indiana farmer and former chairman of the Senate Agriculture, Nutrition and Forestry Committee. The current farm subsidy system is inequitable, inefficient, and disconnected from the core goal of maintaining a family farm safety net. It is also self-perpetuating, in that it stimulates over-production and stagnant prices that produce calls for greater government support."

Five-term Mayor Isch takes loss in stride

DECATUR - For Mayor Fred Isch, Wednesday was back to business in spite of his defeat in Tuesday's Republican primary race to political newcomer Eric "Keebie" Meyer. Meyer got 638 votes to Isch's 459 (**Fort Wayne Journal Gazette**). A five-term incumbent with nearly 30 years in politics, Isch said he had not been too surprised by Meyer's success. Isch's phone rang much of the morning Wednesday, mostly calls from those seeking to offer condolences he didn't appear to need. But each time it rang, Isch answered it the way he always has. "Hi. It's Fred."

ISTA veep stresses public education

SHELBYVILLE - All children have a basic right to a great public school. That was the message brought home to Shelby County Democrats Tuesday night at their May business meeting (**Shelbyville News**). The guest speaker was the new vice president of the Indiana State Teachers Association, Teresa Meredith. "It's time for policies at all levels of government to change so that students are properly trained for the future with 21st century skills," Meredith said.