



# Political Report

V13 N41

Weekly Briefing on Indiana Politics

Thursday, June 21, 2007

## Gov. Mitch making his Major Move

*Daniels listens & talks smoking, privatization and jobs as he cruises Indiana*

By **BRIAN A. HOWEY** in Crawfordsville  
RV1 was in search of a diner when it came upon Digger's just off the Montgomery County Courthouse square. Gov. Mitch Daniels leapt from his seat and onto the street and within seconds, came upon a family heading to the dentist.

They were startled to look up and find the governor of Indiana in their midst, with his tiny entourage far, far behind.

Minutes later, he was in the smoky diner. He greeted a young man at the counter. "I'm Mitch Daniels," the governor said.

"I'm Mitch Humphreys," the man responded. "I get jokes about it all the time."

Former Hoosier congressman Charlie Halleck once told me, "You never name your son after the governor," but here was "Gov. Mitch" as many folks referred to him throughout this first day of a four-day road trip talking about being a lonely Mitch when young. "When I was a kid, there weren't many with the name," the governor said.



A coupla Mitches: Gov. Daniels chats with Mitch Humphreys of Crawfordsville at Digger's. (HPR Photo by Brian A. Howey)

"It's becoming more and more a common name." An elderly couple having breakfast and cigarettes nearby soon found themselves chatting with the governor. Their

**See Page 3**

## Good news: All is normal

By **MORTON J. MARCUS**

At last, the professional basketball season is over. At last, the saga of the Sopranos is ended. The Cubs, the Cards, the White Sox, and the Reds are in their unusual states of disgrace. Our governor has announced his candidacy for re-election. There seem to be no surprises in our world.



Morton Marcus  
Column

How normal are things? Consider this: Indiana and Illinois have agreed on reciprocal discounts for motorists on their toll roads. If you live in DeKalb County (IN) and visit relatives in DeKalb (IL), your trip will cost



"I don't wanna get a blowout, so I'm hoping one of them catches fire, or somebody else gets in."

- House Speaker **B. Patrick Bauer** on the Democratic gubernatorial field, to WISH-TV (South Bend Tribune photo)



less, if you have an I-PASS issued by Illinois or an i-Zoom from Indiana.

Based on my experience, you best have one of those identifying transponders in your car because the folks who operate the Indiana Toll Road and the Chicago Skyway are not spending money on employees or machines to collect cash. "Automate or wait" seems to be their motto.

**I know Gov. Daniels** put performance measures in the contract that leased I-90, but do they apply to waiting time for paying a toll? Thousands of motorists can attest to the fact that it is a mess as things stand today. Tell us, Mitch, is the trip from Broadway in Gary to Stony Island in Chicago faster or slower today than before the lease-holders took over?

What could be more normal than applause for our legislature? Karl Berron of the Indiana Association of Realtors (IAR) praises the General Assembly for the latest property tax mess. The IAR, Berron says, is "a group of 20,000 professionals from around the state who strive to help Hoosiers achieve the American Dream of affordable homeownership." That is, they lobby for preferential tax treatment for homeowners and no taxes on real estate transactions. Their policies support urban sprawl and oppose other versions of the "American Dream."

**What did the** General Assembly do to get the plaudits of the IAR? They established a tax rebate (not a tax reduction) funded by increased gambling revenues. It is, as Mr. Berron admits, "expensive to administer, unwieldy to implement, and short-term in nature." But, hey, what do you expect? Sausage making isn't a pretty process; you can't make an omelet without cracking a few eggs;

The Howey Political Report is published by NewsLink Inc. It was founded in 1994.

**Brian A. Howey, Publisher**  
**Mark Schoeff Jr., Washington Writer**  
**Mark Curry, Washington Writer**  
**Beverly Phillips, associate editor**  
**Jack E. Howey, Editor**

Subscriptions:  
\$350 annually HPR via e-mail;  
\$550 annually HPR & HPR Daily Wire.  
Call 317-254-0535.

The Howey Political Report  
PO Box 40265  
Indianapolis, IN 46240-0265.

[www.howeypolitics.com](http://www.howeypolitics.com)  
BrianHowey@howeypolitics.com

Indianapolis Office: 317-506-0883.  
Indianapolis Fax: 317-254-0535.  
Washington, DC Office: 202-256-5822.  
Business Office: 317-254-0535.

©2007, The Howey Political Report.  
All rights reserved. Photocopying, Internet forwarding, faxing or reproducing in any form, in whole or part, is a violation of federal law.

you won't find a new cliché every day.

**The legislature** continues to buy the fiction that property taxes must be cut. We hear that "[v]oters are clamoring for property tax relief." What do Hoosiers know about taxes in their own and other states? Have they realized that lower property taxes

"unfortunate" that local officials oppose the legislation concocted by the General Assembly. However, if our legislators understood these bills before they voted for them, and if they had respect for local democracy, we would not have a property tax mess in Indiana.

**But then,** we do get examples of inappropriate local government behavior. Have you followed what is going on in Greenwood? A sporting goods store named Cabela's is being wooed with an \$18 million bond deal. A few years ago, in Hammond, Cabela's was hooked by similar public subsidies.

Hammond is depressed and depressing; Greenwood, is not depressed although it too can be depressing. In Hammond there was no nearby competition for Cabela's; in Greenwood competing merchants do exist who are not getting comparable tax breaks.

**There are conditions** under which public subsidies for economic development are appropriate. Cabela's in Greenwood does not meet those conditions. But November will bring elections for mayor and a big Cabela's feather would look nice in Mayor Henderson's crown.

Yes, all is normal in our world.

**Mr. Marcus is an economist, author, and speaker, formerly with the Indiana University Kelley School of Business. ❖**



means higher taxes on other sources and there may be no net benefit from the change?

Of course, real estate agents and their association want lower property taxes. Economic theory tells them that lower property taxes would raise property values and hence commissions. But what if a confusion of local "option" taxes, and lower spending on local services, make our communities less livable? What then happens to property values?

The IAR's Berron finds it





## Governor: From page 1

friends and Digger patrons - Rocky and Pat - had both stopped smoking after 55 years, they told the governor. "I need to send them a little note," Gov. Mitch said. During the ensuing half hour in Digger's Diner, Daniels in short bursts between conversation jotted out greetings and a note to Rocky and Pat, who wouldn't be there until 11. "I left them a little note," said the governor who had just engineered a 44 cent per pack cigarette tax hike. No one at Diggers brought that up.

Another woman who worked at a local towing company asked the governor why BMV had made it so hard to sell off abandoned vehicles.

Less than an hour later in Lafayette, he was visiting a weed and seed clinic at the Trinity United Methodist Church where each vulnerable family gets at least an hour of time with health specialists. He talked with Dean Julie Novak from Purdue University and Rev. Jacob Williams about the cooperative. Back on the bus, he told aide Will James, "Get me a quick update on nurse practitioners." His interest? "To leverage professionals - not just doctors - but those in other professions to perform more services and act as full partners."

Speaking to the Lafayette Chamber a few minutes later, he praised Novak and Rev. Williams as Purdue President Martin Jischke nodded in the crowd. Trinity and Purdue are "providing an invaluable service," Daniels said. "Weed and seed is a federal program that really does work."

## 'T'weren't there 3 days ago'

Not that Daniels musters great faith in the federal government.

At Lebanon, where on Feb. 6, 2003, Daniels essentially emerged as a gubernatorial candidate, he told the story of surveying a tornado's path through Amish country from a helicopter. "It looked like an ant farm," Daniels said. Once on the ground, he saw a FEMA worker notice that amidst the destruction, one house stood unblemished. The FEMA guy talked of how Mother Nature could be so

arbitrary, leveling entire neighborhoods while leaving this one house unscathed. To which an Amish man replied, "T'weren't there three days ago."

The governor's point? "This is Indiana. We don't wait on you."

Indiana Democrats have a hard time fathoming the former Eli Lilly official and White House budget direc-



Gov. Daniels talks with Rev. Jacob Williams of Trinity UMC in downtown Lafayette just outside a health clinic for troubled families. At right, he chats with a young girl feeding her baby brother. (HPR Photo)



tor doing nothing more than a good ol' boy act. But HPR and most Hoosiers maintain good BS meters and not once did it go off on Monday. Indiana Democratic Chairman Dan Parker and House Speaker B. Patrick Bauer allege that Daniels "doesn't listen." Sen. Richard Young says that the Hoosier people are only "an annoyance."

But none of those elements were evident in and around RV1 as it traveled from Lebanon, to Crawfordsville, Lafayette and finally Tipton on Monday. Other than the three speeches he gave, he did far more listening than talking.

When he did talk, it was about jobs, smoking, privatization and growth.





This is a governor who chided his three emerging Democratic opponents as announcing their "out-of-state" pollsters, advertising and media advisers before offering any kind of vision for the next four years. He noted on RV1 en route to Tipton that the stakes are high for his 2008 re-election. "If I lose, it will be a long time before this state takes reform seriously," he said.

### *Jobs war*

On Tuesday, Chairman Parker put out a press release declaring that Indiana had lost 2,100 jobs in May, according to the U.S. Bureau of Labor Statistics. "How many more months of lackluster results do we have to endure before Mitch Daniels admits that his 'economic hot streak' talking points don't match up with Indiana's economic reality?" Parker asked.

But later that day, Indiana Workforce Development announced that Indiana had a 4.5 percent unemployment rate for May, the lowest mark since September 2001 when the manufacturing hemorrhaging was just becoming pronounced. It was 5.1 percent a year ago.

The day before these dueling job statistics which will, essentially, form the crux of the 2008 governor's race, RV1 turned off of U.S. 31, where work will begin in 2009 to make it a freeway with no stoplights from South Bend to I-465, and onto SR28, as graders were already cutting through the dry, brown turf where a new GETRAG transmission plant will be built and employ 1,400 workers, opera-

tional in 2009. It was a full circle of sorts for Daniels. As a young aide to U.S. Sen. Dick Lugar, he helped formulate the 1978 Chrysler bailout. "I was thinking about mentioning that," Daniels told HPR on the way to Tipton. And he did, noting the controversial legislation saved more than 5,000 Hoosier jobs and essentially created this very opportunity. "All parties had to come together to make it work," Daniels said of 1978 at Tipton. "It meant white collar and blue collar, management and labor ... all had to come together."

This year, the state was able to commit \$12 million, including more than \$3 million in readily available Major Moves money, to the project that had only been formalized the week before by the Tipton County Commissioners. There was no waiting. During his 2004 campaign, Daniels pledged to create "shovel ready" economic development. At Tipton, this was evident. "We don't have to scratch for money," Daniels said. "We just say yes and we do it. Indiana's comeback rolls on," Daniels said on a baking courthouse lawn in 90-degree heat. "Today is a tribute to the skill of Hoosier workers and the pro-growth climate we are building in our state." Nodding to UAW Region III Director Mo Davidson, Daniels said, "The greatest credit should go to you gentlemen and the people you represent."

For Daniels, the jobs are on the way: 225 more announced for Toyota in Lafayette on top of the 1,000 added to the Subaru-Izuzu plant; 4,000 and more spinoffs at Honda in Greensburg. Thousands more will come with the Major Moves highway construction projects, expansions at Rolls-Royce and Cummins, along with the 20 ethanol and coal gasification plants.

These are the projects that are in



Gov. Daniels leaves the Tipton County courthouse for the GETRAG transmission announcement ceremony. Below, seats with Tipton, Chrysler, GETRAG and UAW officials for the announcement, including Region III Director Mo Davidson (third from left). The "shovel ready" plant on SR28 was under construction just a week after Tipton County approved the site. (HPR Photos by Brian A. Howey)





planning and early construction phases. The jobs, says Daniels, will be coming soon. Major Moves, he says, is earning interest and creating shovel-ready projects. The Democrats, he says, would have to triple the gas tax and float billions of dollars of bonds payable by the next generation of taxpayers in order to do what Indiana is about to do now.

During a Friday briefing with reporters at the Governor's Mansion, Leslie Stedman Weidenbener of the **Louisville Courier-Journal** asked Daniels, "Have you started thinking beyond when the Major Moves is done, like I-69 or the Ohio River bridges and all the projects that can get started under the 10-year plan if there isn't enough money to finish those?"

Daniels responded, "In 49 states, they are panicked on how to pay for this year. You're asking me what we're going to do in year 9, 10 and 11. It's a very different problem."

Daniels noted that the federal Highway Trust Fund runs out of money in 2009. "The innovations we have undertaken or proposed are more and more becoming the rule. Pennsylvania is proceeding on its turnpike right now. In Denver, they just leased a road; the same thing we and Chicago did. You're going to see more and more private money to supplement what taxpayers can be expected to come up with."

At this intersection lies the issue of privatization and jobs, both of which will fuel the 2008 race. **Indianapolis Star** reporter Mary Beth Schneider asked the governor on Friday, "In the '04 campaign, I couldn't find any articles written about privatization by any of us. There was no debate about should we privatize the toll road. Some say that was a bait and switch. What do you say to that?"

Indeed, HPR couldn't find any stories that centered on Daniels intent to "privatize." He and Gov. Kernan briefly talked and debated the possibility of more toll roads, but that was before the IPALCO issue sucked most of the energy and issues into its vortex that September and October. And it's extremely curious that the Star, which was a main source of coverage of the India-



Gov. Daniels meets with reporters, including Schneider and Wiedenbener (upper left). (HPR Photo)

## 2008 Indiana Governor

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

Bauer for governor? The speaker disparaged the current candidates, including South Bend native Schellinger, telling WISH-TV's Jim Shella that he might run himself. "I don't wanna get a blowout, so I'm hoping one of them catches fire, or somebody else gets in," said the Speaker. A "Bauer for Governor: To Pay or Not to Pay" campaign doesn't make sense. He is the most powerful Democrat who would have to give up his speakership and House seat to run. HPR will bet anyone that this doesn't happen. But it does bring relevancy to this question: Does Bauer really want a Democratic governor? The lone smudge on the **Daniels campaign kickoff** came when he talked about avoiding the "ideological wedge issues" that have characterized recent presidential and congressional campaigns. He was referring to issues like gay marriage. Told that he had worked up the angst of some of the family groups, Daniels responded, "I believe I've been the most pro-life governor." Daniels and sources in his campaign suggested leading up to Saturday's re-election kickoff that his campaign will draw notable support from Democrats. Calvin Hawkins, a Gary attorney, joined several labor leaders on the dais and repeatedly said, "Mitch Daniels is the governor because he gets the job done." Another supporter was Tom Miller of the Association of Indiana Firefighters. Another labor leader mentioned at the Daniels rally was Jay Potesta of the Sheet-metal Workers, though he was not present. Democratic East Chicago Mayor George Pabey said in a statement released Saturday that the governor is "a visionary and proven leader. East Chicago appreciates his vested interest in our wonderful community and his commitment to providing a voice to Northwest Indiana." Gary Mayor Rudy Clay, the Lake County Democratic chairman, said he would wait for Daniels to make his announcement before taking a position. "He has given Gary money, and I appreciate that," Clay told the Post-Tribune. "I am going to ask him for more." The Indianapolis Star reported that **Schellinger** had raised \$426,000, including \$200,000 from Bren Simon. **Democratic Primary Status:** TOS-SUP. **General Status:** Leans Daniels. ❖







# HOWEY *Political Report*

Indianapolis administration of Mayor Stephen Goldsmith and its use of SELTIC (Service, Efficiency, and Lower Taxes for Indianapolis Commission) that Daniels chaired and ignited much of the ensuing privatization. To think that a Gov. Daniels wouldn't follow the Goldsmith model was to ignore recent history.

Candidate Daniels painted in broad strokes in 2004. For instance, in his "Roadmap" campaign brochure, he stated at the top, "We will aim for new methods of delivering public services, catching up to other states in serving Hoosiers more effectively for each tax dollar spent."

Daniels responded to Schneider: "That's silly. I think the reason you didn't write more about it is that it's such a natural and obvious thing to do. It's been done far more in other states. We're probably the last state cooking our own food, doing our own printing, cleaning our own buildings. We talked at great length about being more businesslike and saving more tax dollars. I talked very specifically about white elephant prisons. I think it got a full hearing."

On RV1 on Monday, Daniels confided in another issue the press has missed: merit pay for state workers. Some of the top performers are getting 10 percent pay raises. "By executive order?" HPR asked. Daniels responded, "We just did it and it's revolutionary."

At Lebanon, Daniels declared, "Government is not a business. But it can become more businesslike."

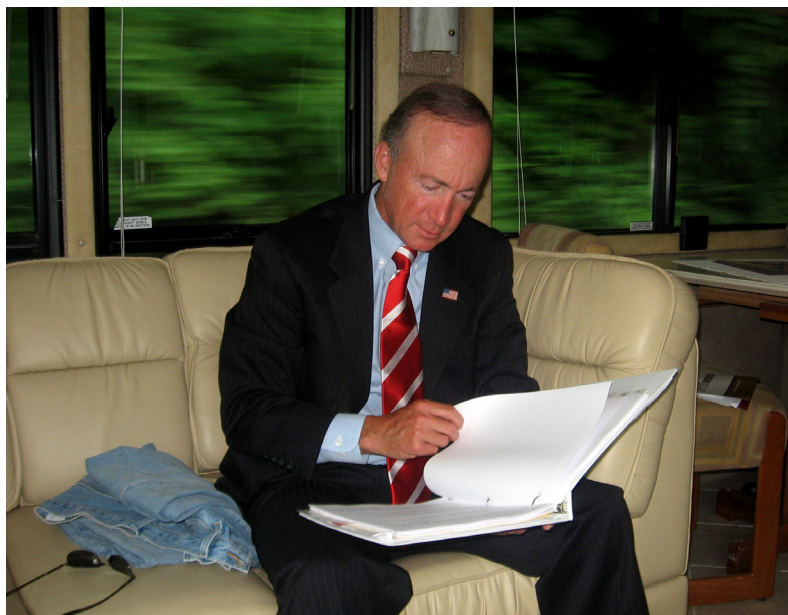
In the **New York Times**, Speaker B. Patrick Bauer assailed Daniels, vowing to put the brakes on privatization, just as candidates Jill Long Thompson and Richard Young said they would do. Young said in Logansport on Tuesday, "The governor's bold ideas are really just one idea: Get rid of government and move it into the private sector for profit. My administration will be about keeping government services where they belong and administering them with the kind of leadership that demands accountability and transparency and one which creates a sound legacy for our children and grandchildren."

"Why don't we just do some of this ourselves?" Bauer asked the New York Times. "This is a greedy generation of governors. They're selling everything off and not thinking about the future. This all comes back to greed. Did I mention Enron to you?"

Daniels has said repeatedly in recent weeks that he is looking forward to having this discussion, which he did at both Lebanon and Lafayette. Daniels said that when the state closed the Fort Wayne Developmental Center, existing employees applied for positions in the

private companies housing patients. "And one-third of them flunked drug and background checks," Daniels said at Lebanon. "And they were taking care of the most vulnerable people."

At Lafayette, Daniels talked of "Asset Management 101" and rekindled the topic of leasing a portion of the Hoosier lottery. "The lottery is 86 percent out-sourced right now," Daniels said. "There is trapped value there at \$2 billion." That was the figure private companies were prepared to bid for future lottery development.



Gov. Daniels preps for the GETRAG announcement in Tipton somewhere near Mulberry, Ind., on SR26. His favorite RV1 prop - his bloody, holey jeans punctured by a dog earlier this month, are next to him. (HPR Photo by Brian A. Howey)



"And remember, we would keep the revenue streams that we have now," Daniels said. He suggested he will push his lottery plan in the 2008 legislative session. "I have to do a better job of assembling a business plan and do a better job of selling it," he said.

Before reporters on Friday, Daniels talked about possibly rolling the lottery franchising out in 2008, which would set up a vivid debate about privatization heading into the primary election sequence. "I very much hope



to capture the value that is there," he said. "Always the question is, in what could we reinvent those funds for the long-term good of this state? Education comes to the top of my list. This is another great opportunity to tackle large problems. What kind of coalition could be built to do big things?"

The governor also mentioned the six government print shops where work will now go to the private sector. He said the six operations were clustered together in the Statehouse. He said his efficiency team once found one print shop working overtime to fill a job, "and in another, they were playing cards."

He told the Lafayette Chamber, "Any businessperson in this room would know what to do about that. If it takes a slightly smaller government and a slightly stronger private sector, there will be more opportunities to pursue happiness."

### *The coming campaign*

Gov. Daniels will talk about the past and future. With the latter, he suggests more privatization (i.e. Hoosier Lottery), tax cuts and a renewed emphasis on education. Property tax reform, Daniels said, must be part of a broader context of local government and school district consolidations.

"We've multiplied dollars for education and the results haven't come," Daniels told reporters. "But that's no excuse for throwing up your hands. Having set reasonable standards, we have to insist the schools and kids meet them. Our community college system is coming but there's a lot to be done there. And I want to see higher ed, which is a perpetual strength for us, truly become world class."

At the campaign kickoff on Saturday at Hinkle Fieldhouse, he told the several thousand supporters gathered (along with two protesters and Democrat Jennifer Wagner), "This is where we learned about our state. This is where we got our instructions. Not from polls. Not from some hired gun flying into Indiana for the first time. They told us they wanted leaner, cleaner government. They wanted budgets balanced and tax dollars spent carefully. The roads they had been promised - in some cases for decades - they wanted built. They said they were tired of waiting for a biofuels industry. They said they were tired of waiting for a statewide fire academy. They said they wanted economic growth."

Daniels then said, "Let me tell you what I didn't hear: 'Mitch, more red ink.' I didn't hear one person say, 'I love the service and efficiency of state government, please don't change a thing.' I didn't hear one person say, 'Hey, when you get there, sit still. Don't do anything. Make no changes.'"

He called the gathering a "convocation of the builders, the doers, the people prepared to aim higher." Daniels



Gov. Daniels kicks off his campaign at Hinkle Fieldhouse last Saturday. Lt. Gov. Becky Skillman is behind him below. (HPR Photos)



said, "Because of you, the deficits are gone, the books are balanced and the budget of Indiana is in surplus for the first time in many, many years." He said that hundreds of thousands are now receiving cheaper prescription drugs and more will have access to health insurance."

He added, "Because of you things we want less of are on the way down: meth labs, traffic deaths, unemployment and the wait for unemployment insurance if you need it. Things we want more of are on the way up: jobs, salaries, a Colts stadium, the progress of a brand new Northwest Indiana RDA." He said that when Hoosiers work together, "they can deliver real results, real progress, real positive themes and we'll ask the people of Indiana to be rehired for a second and final term."

He told reporters, "I haven't lost my enjoyment traveling around the state and visiting with people. Forget '09, I hope '08 has new things. I don't think Indiana has a day to waste, let alone a legislative session or a year. It is our firm intention to run on positive proposals and then go after them and make them happen if we get that chance."

On Monday, there was change stirring in the Indiana air. ❖





## *Daniels discusses his coming year, campaign*

By **BRIAN A. HOWEY**

TIPTON - As RV1 drove on SR26 from Lafayette to Tipton on Monday, I conducted this interview with Gov. Mitch Daniels:

**HPR:** You've talked about combining school districts to steer more money into classrooms. What has to happen to move that to the front burner?

**Daniels:** That reform is best to happen from bottom up for folks to do what they ought to do if they're interested in better education and the taxpayer. There would be enormous savings possible that could be reinvested into the classroom. Some states have gotten impatient and have passed legislation that says you've got to have certain percentage of dollars in the classroom. That's not my preferred way.

**HPR:** But you've got the bully pulpit as governor and I've been hearing you talk about this type of issues with schools and local government.

**Daniels:** We started with school construction and we've got only one year's results. That's a separate issue, but we have been building bigger and more expensive schools than just about anybody in America. School construction debt is approximately 10 percent of the average property tax bill. It's been the fastest growing part of the property tax bill. It breaks my heart to think about what we could be paying teachers.

**HPR:** The school bureaucracy is as entrenched as the townships ....

**Daniels:** Could be more.

**HPR:** I look at your governorship that since Doc Bowen is the most reform oriented and progressive. We're looking at a closing window of opportunity to make these major structural changes and that's assuming you'll have five years. That's why I asked you the other day if you saw '09 and '10 as the best years to do this kind of restructuring for education as well as state and local government.

**Daniels:** Yes, but there's a lot of thinking to be done. You'll never pay a property tax dollar that some local entity doesn't intend to spend.

**HPR:** You've gone to the Association of Indiana Counties and IACT and told them to reform themselves from the ground up. Do you get feedback on that from

commissioners or mayors on travels like today?

**Daniels:** You get a lot of agreement in the abstract. They can't wait to see somebody else try it. It's asking a lot for people to set their own destiny.

**HPR:** Do you think we're making progress in the notion that Indiana can change?

**Daniels:** There's no question about that. I talked about it Saturday, but I don't think there's too many people left who say, 'We just can't make anything happen in this state.' Some may think the wrong thing did happen. You have to be in a pretty deep hole to say that we shouldn't be doing anything differently.

**HPR:** You've been talking about what you believe you've accomplished in your first term. What kind of vision will you be laying out should you win a second term?

**Daniels:** Right now we're working on next year. We'll talk about the possibilities surrounding the lottery aspect. We still have to pay back some debt and we have to see how the economy is going to perform. In another couple of weeks we'll know what the fiscal year is going to look like.

**HPR:** Sen. Kenley told us he plans to reintroduce his property tax reforms, probably this fall. Is that a good thing?

**Daniels:** Sure. Luke's a strong leader. I just discovered back there (Lafayette) that they decided not to do the local option income tax.

**HPR:** The Tippecanoe Council said it was coming at them "too fast."

**Daniels:** That will be another important thing to learn. It will be very hard to take a bite out of property taxes without it.

**HPR:** Have you ever felt that you simply crossed a line too far?

**Daniels:** A lot of things we've proposed were either new and people didn't know what they thought or had predictable levels of thought. You just hope that if you make a good enough case and work hard

enough, it gets done. I still run into people who are very sad that the Connector idea didn't fly. I got an ear full of it in Anderson the other day.

**HPR:** Do you have in mind at least skeletal ideas of what you'd like to accomplish if you get another four years?

**Daniels:** Ahh, sure. It all goes to making sure government is effective while costing taxpayers as little as possible. I want a stronger growth potential than what we've had. ❖



Gov. Daniels shows off his bloody jeans and the dog bite perforations on RV1. Motorhomes don't scare hounds like Harleys. (HPR Photo by Brian A. Howey)





## 2007 Mayoral

**Fort Wayne:** Republican: Matthew Kelty.

Democrat: Tom Henry. **2003 Results:** Richard (D) 27,251,

Buskirk (R) 19,701. **2007 Forecast:** The Allen County

Election Board delivered Kelty from legal jeopardy on Tuesday, saying he followed current election law. While that ensures his place on the ticket and, as he told the **Journal Gazette**, "galvanized my base. That matter is now behind us. Case

closed. Period," he said. But it doesn't absolve him of political consequences. HPR sources say that while the Henry campaign sees Kelty as an excellent campaigner, he was the candidate they wanted to see win the GOP primary. Don't think the Democrats won't be stoking this issue next fall or file a complaint with the prosecutor. Sources tell HPR the Kelty candidacy and the involvement of Right to Life and family organizations is part of a concerted effort to recruit pro-life, pro-family candidates for municipal offices. They believe these candidates will eventually work their way into the General Assembly and Congress. **Status:** LEANS HENRY



### Congressional District 2: Republican:

Kokomo Controller Phil Williams. Democrat: U.S. Rep. 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 Result:** Donnelly 103,561, Chocola 88,300. **2008 Forecast:** Goshen businessman Luke Puckett will not run. He sent an e-mail to supporters, stating, "I have made the decision not to run for U.S. Congress in the 2008 election. In order for my family and I to make a difference on your behalf I realize that I would need to re-focus my priorities more than I am at the present time. As many of you know trying to run a business can be challenging at times. Now, running a campaign and keeping business in profit mode can be a very daunting task to say the least. Therefore, re-focusing (or having a dual focus) has become increasingly more difficult." Another way to read the Puckett withdrawal: 2008

is looking like a brutal year for Republicans. That leaves Kokomo Controller Phil Williams as the only candidate working on the nomination. One key Republican told HPR, "He is a deputy mayor for a guy who lost his own primary who lives in the wrong end of the district to really be a viable candidate." Others who might ponder a run include State Rep. Jackie Walorski, Curtis Hill "or a self-funder." **Status:** LIKELY DONNELLY

### Congressional District 3: Republican:

U.S. Rep. Mark Souder. Democrat: Michael Montagano. **Geography:** Fort Wayne, Goshen; Kosciusko, Whitley, LaGrange, Steuben, DeKalb and parts of Elkhart and Allen counties. **Media Market:** South Bend-Elkhart, Fort Wayne. **People:** Urban/rural 65/35%; median income \$44,013; Race: 87% white, 6% black, 4.5% Hispanic; Blue/white collar: 36/52% **2000 Presidential:** Bush 66%, Gore 33%. **Cook Partisan Voting Index:** R+17. 2002 results: Souder 92,566 (63%), Rigdon 50,509 (34%). **2004 Result:** Souder, Parra 2004 Results: Souder 171,389 (69%), Parra 76,232 (31%). **2006 Result:** Souder 95,421, Hayhurst (D) 80,357. **2008 Forecast:** Goshen native Michael Montagano has filed papers with the FEC to run as a Democrat. Montagano is a 2006 graduate of IU Law School-Indianapolis and is currently practicing law with Lafayette-based Stuart & Branigan's Indianapolis office. **Status:** LIKELY SOUDER

### Congressional District 5: Republican:

U.S. Rep. Dan Burton, Dr. John McGoff. Democrat: Open. **Geography:** Fort Wayne, Goshen; Kosciusko, Whitley, LaGrange, Steuben, DeKalb and parts of Elkhart and Allen counties. **Media Market:** Indianapolis, South Bend, Fort Wayne. **2008 Forecast:** McGoff questioned Burton's use of campaign funds, after a report from a citizen-watchdog group on Monday indicated that Burton has diverted \$143,900 in campaign funds to his daughter and another \$11,591 to his brother over the past three election cycles. "Once again, we're hearing another story about Dan Burton, which should cause voters to raise their eyebrows," said McGoff. "Paying family members with campaign contributions may be legal, but it gives the outward appearance of abusing the system. It certainly brings up a lot of ethical questions." The report, published by Citizens for Responsibility and Ethics in Washington (CREW), listed 96 members of the House of Representatives who have used their position in Congress to financially benefit members of their family. Among the items listed for Burton was the \$143,900 in salary paid to his daughter, Danielle Sarkine; \$6,000 in campaign contributions to his brother, State Rep. Woody Burton; and \$5,591 in various expenses to Woody Burton, mostly for car repairs and insurance. **Status:** LEANS BURTON ❖



## THE BOAR'S NEST

### *Choking up Skillman*

By **BRIAN A. HOWEY**

While Saturday's campaign kickoff at Hinkle Fieldhouse for Daniels-Skillman was a generally happy affair, when Gov. **Mitch Daniels** introduced Lt. Gov. **Becky Skillman**, his laudatory remarks had her biting her lip (photo right), and holding back tears.

On Friday, Daniels said, "I'm not sure even those of you who watch closely fully understand what a full partner she is, how incredibly important she is. We could not have done much of what's occurred without her. She's been our legislative quarterback, strategist, problem solver. She's cleaned up after me on many occasions. She's got great common sense."



### **Jontz service Saturday at Statehouse**

A memorial service for former congressman **Jim Jontz** will be at 2 p.m. Saturday in the Indiana House chamber. Jontz served Indiana's 5th District from 1987 to 1993. The Jontz family invites friends, neighbors and former constituents to the service, according to **Eric Kleiman**, a spokesman for U.S. Sen. **Evan Bayh**. More than 80 people attended a similar service at the U.S. Capitol earlier this month. U.S. Rep. **Steve Buyer**, who defeated Jontz in 1992, spoke for a few minutes as did Rep. **Jim McDermott** of Washington and Sen. **Tom Harkin** of Iowa.

### **Wyss wins Gus Grissom Award**

Like an astronaut looking outside his window, Sen. **Tom Wyss** (R-Fort Wayne) has been recognized as one who always strives to see the "big picture." Wednesday night, Wyss received an award named after a famous Hoo-

sier astronaut because of his legislative vision. The American Council of Engineering Companies of Indiana (ACEC Indiana) made Wyss just the second recipient of its "**Virgil 'Gus' Grissom Award**" – given to a state legislator who has consistently demonstrated leadership, ethic and a positive vision for Indiana. Wyss received the honor Wednesday during the ACEC's annual meeting at IUPUI's conference center in Indianapolis. "Like Gus Grissom, Sen. Wyss has proven himself to be somebody who is a visionary and understands the need and value of what the consulting engineering industry means to quality of life," said Beth Bauer, deputy executive director for ACEC Indiana. "As a young man, I remember how Gus Grissom was a hero to all youth," Wyss said. "To be recognized by an award that bears his name is very special to me."

### **Pence attends Bush stem veto**

U.S. Rep. **Mike Pence** applauded **President Bush's** Wednesday veto of a Democrat bill that would expand taxpayer funding of human embryo-destroying stem cell research. Pence attended the veto ceremony at the White House today. "Today the President of the United States kept his word to the American people again by saying yes to life and no to research that destroys human embryos," Pence said. "This debate is not about whether embryonic stem cell research - research that destroys a human embryo for scientific research - should take place. This is about who pays for it. The bill the president vetoed today authorizes the use of federal tax dollars to fund the destruction of human embryos for scientific research. The federal government should not take the



taxpayer dollars of millions of pro-life Americans and use them to fund the destruction of human embryos for research." ❖

Hoosier rocker **John Mellencamp** appeared with **Willie Nelson** and **New York City Mayor Michael Bloomberg** to announce the **Farm Aid Concert**. **Bloomberg** insisted today he would not run for president.

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





## Giuliani, McCain in trouble

WASHINGTON - Unfavorable polls rarely force presidential candidates out of races, but campaigns do run out of money because the polls are unfavorable (Charlie Cook, **National Journal**). That judgment day might be approaching for some of these candidacies. On the Republican side, early predictions that former New York City Mayor Rudy Giuliani would encounter stiff and potentially insurmountable obstructions in his path to the Republican nomination looked a bit questionable two or three months ago. But now, with his declining poll numbers, it looks like those earlier doubts might be justified.

The downward slope in his support levels looks even sharper than his ascent had been earlier.

For Sen. John McCain, R-Ariz., the front-runner for most of last year whose numbers started dipping last fall, the most recent surveys show him not only dropping but falling into third place, behind former Sen. Fred Thompson, R-Tenn., whose numbers are practically going straight up.

No question, Thompson is hot. ❖

**Smooth sailing for Hillary?** Sen. Hillary Clinton has consistently been the frontrunner in national surveys, sometimes by narrow spreads and frequently by sizeable margins (**Dr. Larry Sabato**). So far she has weathered the entry of Sen. Barack Obama, a far more charismatic and exciting candidate, and she has held off any sizeable gains by the other two major contenders, John Edwards and Bill Richardson. The main stumbling block for Clinton has been Iowa, where she continues to trail in the trial heats for the first caucus. But no one else is so well positioned to survive an initial defeat. Arguably, her strongest potential opponents, moderates Sen. Evan Bayh and former Gov. Mark Warner, decided against running, and the other formidable possible candidate, former Vice President Al Gore, is almost certainly not going to run. The others show little sign of breaking out of the pack. So it's smooth sailing for Hillary, right? Well, the sailing is going to get rough, and those built-in advantages are somewhat illusory. But everything depends on whether Democrats - and the country in general - consider the big picture prior to voting in January and then November. It's anybody's guess whether they will. ❖

## 2008 Presidential Polls

Republican	Date	Giuliani	McCain	Thompson	Romney	Comp. Spread
Zogby	05/17 - 05/20	26%	13%	10%	10%	Giuliani +13%
<b>Gallup</b>	<b>06/11 - 06/14</b>	<b>28%</b>	<b>18%</b>	<b>19%</b>	<b>7%</b>	<b>Giuliani +9%</b>
<b>Rasmussen</b>	<b>06/11 - 06/14</b>	<b>27%</b>	<b>10%</b>	<b>28%</b>	<b>10%</b>	<b>Thomps +1%</b>
CNN	05/04 - 05/06	25%	23%	13%	10%	Giuliani +2%
Cook/RT	05/11 - 05/13	26%	24%	9%	9%	Giuliani+2%
FOX News	06/05 - 06/06	22%	13%	15%	10%	Giuliani +7%
Pew Research	03/21 - 03/25	33%	23%	--%	8%	Giuliani +10
<b>LA Times/Bloom</b>	<b>06/07 - 06/10</b>	<b>27%</b>	<b>12%</b>	<b>21%</b>	<b>10%</b>	<b>Giuliani +6%</b>
NBC/WSJ	06/08 - 06/11	29%	20%	14%	14%	Giuliani +9%

Democrat	Date	Clinton	Obama	Edwards	Gore	Comp. Spread
Zogby	05/17 - 05/20	39%	24%	11%	--	Clinton +15%
<b>Gallup</b>	<b>06/11 - 06/14</b>	<b>33%</b>	<b>21%</b>	<b>11%</b>	<b>18%</b>	<b>Clinton +12%</b>
<b>Rasmussen</b>	<b>06/11 - 06/14</b>	<b>38%</b>	<b>27%</b>	<b>16%</b>	--	<b>Clinton +11%</b>
Time	04/05 - 04/09	33%	26%	25%	--%	Clinton +7%
CNN	05/04 - 05/06	38%	24%	12%	12%	Clinton+14%
Cook/RT	05/11 - 05/13	32%	24%	13%	10%	Clinton +8%
Pew Research	03/21 - 03/25	35%	26%	16%	12%	Clinton +9%
FOX News	06/05 - 06/06	36%	23%	12%	14%	Clinton +13%
<b>LA Times/Bloom</b>	<b>06/07 - 06/10</b>	<b>33%</b>	<b>22%</b>	<b>8%</b>	<b>15%</b>	<b>Clinton +11%</b>
NBC/WSJ	06/08 - 06/11	39%	25%	15%	--	Clinton +14%

**Hoosier Support: Giuliani (\$172,450 raised in Indiana):** Marion County Prosecutor Carl Brizzi, Stephen Goldsmith, Tim Durham, Beurt SerVaas, Steve Hilbert. **McCain:** Gov. Mitch Daniels. **Romney (\$83,750):** Attorney General Steve Carter; Secretary of State Todd Rokita, James Bopp Jr., Dan Dumezich, Bob Grand, Chris Chocola. **Thompson:** U.S. Rep. Steve Buyer, U.S. Rep. Dan Burton, David McIntosh, Mike McDaniel, Rex Early. **Clinton (\$71,000):** Mel Simon, Bren Simon. **Edwards:** Robin Winston, Ann & Ed DeLaney, 9th CD Chair Mike Jones, State Reps. Russ Stilwell, Dennie Oxley, Terri Austin, Terry Goodin, Sheila Klinker, Robert Kuzman, Linda Lawson and Scott Pelath; Greencastle Mayor Nancy Michael; Bill Moreau Jr., Shaw Friedman, Vanderburgh Co. Chairman Mark Owen, 8th CD Vice Chair Mary Lou Terrell, Greg Hahn, Bruce Kehoe. ❖



## Leslie Stedman Weidenbener,

**Louisville Courier-Journal** - In an interview earlier this year with Mike Smith of The Associated Press, Schellinger called Daniels a patriot and said he doesn't want to "focus on the governor's mistakes." But Thompson hasn't hesitated to jump into the fray, recently criticizing the governor for failing to suspend the sales tax on gasoline, as the late Democratic Gov. Frank O'Bannon did when prices were relatively high in 2000. And on Thursday, Young went on to accuse Daniels of failing to listen to voters and doing too little to boost the Hoosier economy and criticize him for privatizing government services.

For his part, Daniels has said he'll welcome discussions about all those issues. When talking with reporters on Friday, the governor said his campaign's central question will be, "Who is more likely to produce a brighter economic future?" But Democrats aren't going to let him off easy. Young said he asks voters some questions of his own. "Are you better off today than you were two years ago? Do you work more than one job to make ends meet? Are you afraid of losing your home to foreclosure? Have you found a way to pay off your medical bills without turning to bankruptcy?" ❖

## Jack Colwell, South Bend Tribune-

Crossing a state line for some purposes brings charges of violating federal law. But crossing the state line in Michiana for a bipartisan purpose could bring passage of federal law. So say the two congressmen representing Michiana - Joe Donnelly, D-Granger, from Indiana's 2nd District, and Fred Upton, R-St. Joseph, from the adjoining 6th District of Michigan. Their ire over treatment of service personnel wounded in Iraq, the location of their districts and their preference for the center of the political road has brought them together as co-sponsors of legislation and as friends. "I've been fortunate to have a friend like Fred Upton," says Donnelly. "We work as a team. We don't care about the 'R' or 'D' part of it." Upton, in his 11th term, ignores the oft vicious partisanship in the House and efforts already by the National Republican Congressional Committee to target Donnelly for defeat, in praising "the very good job" that

Donnelly is doing as a freshman congressman. ❖

## Dan Carpenter, Indianapolis Star - Gov.

Mitch Daniels has kicked off his re-election campaign by promising change, change and more change for Hoosiers. At first there, I thought we had a rare burst of humility and candor for an incumbent -- "Folks, we need a change." Maybe that accounts for some of the applause. I mean, you have to wonder. Well, if it was yours truly at the podium, you wouldn't wonder; but they've yet

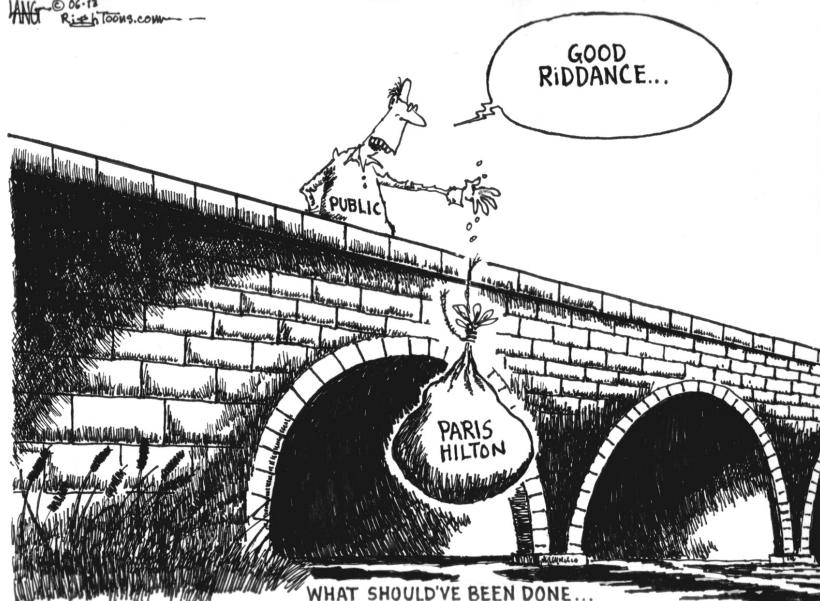
to build the RV that could get me to the Statehouse in the first place. Mitch earned it, and probably has enough change in his jeans to keep it. It's curious that he chose venerable Hinkle Fieldhouse for his announcement site. If ever there was a symbol of sticking with the past, it's the home of the Bulldogs. I guess the strategy is to pull in the voters who want to march boldly into the future without losing those who prefer the good old days. If you ask

me, it's pretty darn magnanimous on Sen. Evan Bayh's part to advise the Daniels campaign. The more appropriate venue might have been one of Mitch's privatization successes, but things didn't work out. At the New Castle Correctional Facility, the worry was that he and his entourage might have been caught in a riot. And at the Indiana Toll Road, of course, they might have started one. I notice one thing the governor didn't privatize is that new chaplain's job at the Family and Social Services Administration, given to a GOP bigshot. Probably didn't care to have that non-privatization publicized. So much for religion as a private affair. Now, I suppose, the fellow will have to leave state government with the governor's thanks, then retake the chaplaincy job as a no-bid contract. However they launder it, given the history of the outfit FSSA has shopped its work out to, there are a million or so people on public assistance who need every prayer they can get. But enough picking on the governor, who at least has the style to ride a motorcycle and the courage to pay (heavily guarded) visits to the neighborhood of his official residence.

❖



© 06-13  
Rise in Toons.com







## **Kuzman to resign and join Ice Miller**

CROWN POINT - As HPR reported last week, State Rep. Bob Kuzman, D-Crown Point, announced Wednesday he will resign his District 19 seat to take a lobbying position with Indianapolis-based Ice Miller, one of the state's largest law firms (Guinane, **Times of Northwest Indiana**). "I'm going to be a partner at Ice Miller starting immediately and will not be resigning my seat right away, but in the near future," Kuzman said. "The opportunity arose for me to take this new path in life, and I seized the moment." Kuzman plans to move the family to the Indianapolis area in time for Evan to start kindergarten this fall. The departure also means a new beginning for Democrats in District 19, which is dominated by Crown Point but also extends into Merrillville and Porter County and stretches south into Newton County. "We're definitely going to miss having him, but we will work hard to fill the seat," said Crown Point Democratic Chairwoman Michelle Fajman. She said it was too soon to name potential replacements, but she assumes there will be no shortage of suitors. "I've got to start asking around," said Lake County Democratic Chairman Rudy Clay. "We've got to have a good candidate. ... We don't want to lose that seat."



## **No so fast, say Fort Wayne Democrats on Kelty case**

FORT WAYNE - The issue over Republican mayoral nominee Matt Kelty's campaign finances may not be as dead as the candidate, or the party, wants it to be (Lanka, **Fort Wayne Journal Gazette**). A day after the Allen County Election Board cleared him

of improperly listing \$158,000 in loans to his campaign, Kelty told supporters at Republican headquarters the board's "exhaustive examination" of the issue should answer all questions. "That matter is now behind us. Case closed. Period," he said. But Kevin Knuth, Allen County Democratic chairman, said Kelty's claims are premature. "It is still possible it will still go to the prosecutor," he said. "I would not be surprised to see an individual or group file with the prosecutor. That may or may not include me." Knuth said the decision by a partisan election board - with two Republicans and one Democrat - can't be used to determine whether Kelty followed the law. "They had their minds made up the minute they walked through that door," Knuth said of the Republican board members. Allen County Prosecutor Karen Richards said Wednesday she wouldn't investigate the matter without a formal complaint made to her office. "I try to respond to citizen complaints," Richards said.

## **Daniels, ABATE upset over motorcycle tax**

FORT WAYNE - A fee increase contained in the recently passed two-year state budget has motorcyclists around Indiana - and Gov. Mitch Daniels - hoppin' mad (**Fort Wayne Journal Gazette**). Legislators increased the motorcycle registration fee from \$17 to \$27 starting July 1. The money will go to aid spinal cord and brain injury research. Rep. Carolene Mays, D-Indianapolis, pushed the initiative after being contacted by a group of concerned citizens. "They want research to be performed here in Indiana to help some 160,000 residents who have received such injuries. As an added benefit, these projects create new research jobs right here in Indiana," she said. ABATE of Indiana - American Bikers Aimed Toward Education - is a non-profit safety, educational, charitable and advocacy motorcyclist organization. "We thought we dodged that," said Jay Jackson,

executive director and lobbyist for ABATE. "I am certainly not aware of any precedent being set where a motor vehicle tax is used for anything other than roads and public safety. I contend motorcyclists have been good citizens for far too long," Jackson said. "Now we are being singled out adversely, and there is no parity." Daniels, an avid motorcyclist, said Wednesday the fee is not an appropriate way to finance the noble cause of spinal cord and brain injury research. "I think it was a bad idea. Nobody even knew it was in the bill until 10 days later," he said, noting that motorcycle accidents account for almost no spinal injuries. "I didn't even know about it," he said.

## **Hobart councilman moving**

HOBART - Republican City Councilman Carl Lindsey is ending his bid for re-election (**Post-Tribune**). Lindsey, who represents the 2nd District, said he will withdraw from the November election ballot by Friday. Lindsey is dropping out of the general election because he and his wife, Charlene, are moving out of the city.

## **UAW, Delphi deal near**

DETROIT - Delphi Corp. and the UAW are expected to announce in the near future a tentative labor agreement that could move the nation's largest auto supplier closer to emerging from bankruptcy, hourly workers and people close to the negotiations say (Detroit News). Representatives from union locals said they expect the Troy, Mich.-based auto supplier, which employs 5,200 in Kokomo, to call for a vote on the plan before its annual two-week summer shutdown.

## **BMV fix tab \$6 million**

INDIANAPOLIS - Problems with the BMV's new computer system have cost taxpayers at least \$6 million, and the tab is still running. That added cost represents a nearly 20 percent increase over the project's original \$32 million price tag. ❖