



The epic end game of B. Patrick Bauer



Cunning and clever, an old-school politician fights to stay in power

By **BRIAN A. HOWEY**

INDIANAPOLIS - Embattled House Minority Leader B. Patrick Bauer survived not only a caucus coup attempt last week on Friday the 13th, but also a marathon four and

a half hour attempt at an Indianapolis union hall on June 28.

Informed and reliable sources tell HPI that the June 28 meeting was called by State Rep. Vanessa Summers to deal with growing concerns in the caucus about the conduct of the 2012 House campaign, with consider-

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The Bauersaurus

By **BRIAN A. HOWEY**

INDIANAPOLIS - When I was a high school page for House Speaker Kermit Burrous back in the early 1970s, I remember standing at the Speaker's podium for a photo with him, and looking out across the House chambers as members gathered for the session. I saw Chet Dobis and Jeff Espich, and, of course, the little giant, the martinet of the St. Joe, one B. Patrick Bauer.



I'm 56 years old now, and those guys are still there! I have a term for the public servant who doesn't know when to hang it up: Feet firsters. You know how that goes: The only way



“Neither party deserves to win this case. This story represents a ‘perfect storm’ of misguided government policy and overzealous corporate ambition.”

- *Marion County Superior Court Judge David Dreyer, on the IBM case*



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they'll leave the Statehouse is feet first, on a stretcher in either the ambulance or the hearse.

This year, 2012, is becoming the anti-FF. It began in the days and then hours leading up to the February filing deadline when a slew of long-time legislators decided to hang it up. The first was former Ways & Means Chairman William Crawford, who could have kept on winning any election he was on the ballot for, but as a member of a 40-seat minority with virtually no chance to regain the gavel, why continue?

U.S. Rep. Dan Burton came to the House floor where his career began and declared he would retire. Burton was smart enough to read the tea leaves after winning reelection in the 2010 Republican primary with a paltry 29% of the vote.

Then came the parade of Democrats: Chet Dobis, Dale Grubb, John Day, Nancy Dembowski, Dave Cheatham and even the relatively youthful looking Dan Stevenson.

Some left for other reasons than age, wear and a minority wariness. Jeb Bardon was drawn out of his district. Scott Reske was given a foul district. Mary Ann Sullivan decided

to opt for the Senate. Dennis Tyler became mayor of Muncie and Craig Fry lost the Mishawaka mayoral race with only 24% of the vote. The voters delivered an indelible message to Fry.

As they did to Senate Finance Chairman Larry Borst in the 2004 Republican primary and to Senate President Pro Tempore Robert D. Garton in the same humbling method two years later. The same year that Borst was dispatched, the voters of East Chicago booted out longtime Mayor Robert Pastrick after the Indiana Supreme Court ordered a new election to replace the rigged one in 2003 .

These leaders accrued nicks, cuts, barnacles, and vociferous enemies and insurgent PACs with an array of conspicuous and hidden agendas. This was a precursor to the most epic retirement party of all: U.S. Sen. Dick Lugar's landslide loss to Richard Mourdock in the May Republican primary.

Republican pollster Christine Matthews – half of the Howey/DePauw Indiana Battleground Poll team – observed after the April 30/ May 1 primary while 15% of pending Republican primary voters were voting for Mourdock due to ideology and Tea Party issues, a vast majority decided



to retire Lugar because of his age and that he had “been there too long.”

That may be the message Hoosier voters are trying to deliver this year: No matter who you are, no matter what you’ve done, there are limits to how long we want you doing our bidding in Washington and Indianapolis, or even at City Hall.

A decade ago, it was almost unfathomable to think that a Lugar, Burton, Garton or Borst could be dislodged from their perches. Today, there is a new recognition that no one is safe. And it goes beyond our politics. Right, Peyton Manning and Bill Polian?

The behavior of Hoosier voters belies the need for legal or constitutional term limits. The voters will decide.

Which gets me back to B. Patrick Bauer.

The reason that a good chunk of his House caucus is up in arms is that a state legislator should have his ear

to the ground and attuned to what the folks back home are saying. The House Democrats who don’t reside in slam dunk party bastions are hearing the unease about longtime leaders doing whatever they want and for how long they want. The Democrats who live in those Democratic bastions – like Scott Pelath’s Michigan City, Charlie Brown’s Gary and Matt Pierce’s Bloomington – know the emerging vulnerabilities of their less fortunate, ungerrymandered brethren.

They don’t see a plan. They don’t detect an end game. And Hoosier voters see Bauer as a punching bag.

They see a dinosaur – a Bauersaurus – who missed the astroid trail that lit the primitive night skies in 2004, 2006 and now 2010; the one that brought climate change. There’s climate change in the Statehouse, and if you use a Grecian formula, a walker, an oxygen canister, if you keep losing your bifocals and you think tweeting is for the birds, well, it just might be time for you to go home. ❖

Revolt, from page 1

able fallout from the disastrous 2010 election that saw House Democrats lose a 51-49 majority to become a 40-60 minority. Exasperated caucus members then watched as majority Republicans passed a series of education, labor and abortion rights reforms that assaulted the very core constituencies of the Indiana Democratic Party.

The June 28 meeting moved from a question of whether Bauer should oversee House campaigns, to whether he should remain as caucus leader. Sources say that the core of the insurgency includes State Reps. Scott Pelath of Michigan City, Charlie Brown of Gary, Matt Pierce of Bloomington and Terri Austin of Anderson. It also includes State Rep. Linda Lawson of Hammond, part of Bauer’s own leadership team. But after the June 28 meeting, Rep. Summers moved from the challenge and now appears to be backing Bauer.

On Friday, Bauer was able to stave off a second attempt to oust him, preventing a simple 21-member quorum. Sources tell HPI that while some caucus members deliberately stayed away from that meeting – including Bauer himself – the insurgents may have been just short of enough votes because of the timing of the session on a mid-summer Friday afternoon. Some were on vacation, Rep. Lawson reportedly is experiencing back problems.

While the conspirators may have counted 21 votes in the intervening two weeks, sources say they didn’t correctly follow up to ensure that anti-Bauer forces would actually show up.

Sources tell HPI that the conspirators’ problem is that they failed to act as ruthlessly as Bauer himself would have in a similar situation. They still consider Bauer a

friend.

Gov. Mitch Daniels cautioned reporters on Tuesday of writing off Bauer, saying that he is clever and has a unique set of survival skills that managed to help him keep his job over the years, despite intra-party opposition.

“He’s very tenacious and a very clever guy,” Daniels said. “There’s been suggestions before that they might make a change and he’s survived. He’s been a survivor. I wouldn’t bet against him.”

Bloomington Mayor Mark Kruzan, who served with Bauer in the House caucus, framed the situation this way: “The issue for House Democrats is that you’ve got a leader who is an old school politician, and you’re fighting over scraps.”

Kruzan told WFIU on Wednesday that with minority status, Bauer cannot hand out many favors or reward members with power. “It comes down to who has the best plan to get you to the promised land,” Kruzan explained. “The only way is to have a plan in place for policy, politics and candidate recruitment. If they don’t think leadership has a plan, you make sure you’re a target.”

Next week, or next fall?

Indiana Public Media reported on Monday that two caucus members – retiring State Rep. Dave Cheatham and Ed DeLaney – are calling for a leadership change in a time frame DeLaney described as “in the next week.”

“There were just some issues that were discussed about how the campaign’s been running and the need to share leadership abilities and duties,” said Cheatham, one of 12 incumbents who decided not to seek reelection this year, further positioning Democrats to see what could be a 67-seat super majority for the GOP.

DeLaney, D-Indianapolis, said, “We need to get our



agenda together and make our decisions about how we're running this campaign in the next week. I think anything longer than that is not helpful." He said the caucus as a whole needs to move off a defensive position and develop a more forward-looking agenda. If Bauer is replaced, DeLaney said he's eager for young leadership to take the 68-year-old's place.

DeLaney told WISH-TV earlier in the week, "I'm saying that if I read it correctly, he has not accepted assistance from other members that are trying to broaden our agenda and campaign effectively. Then, I don't know why he wants to continue to be the leader."

HPI sources complained that Bauer had failed to develop an "agenda and message" to counter Gov. Daniels and House Republicans, who have billed themselves as being from the "Party of Purpose."

The ghost of 2010

But also fueling the discontent was the conduct of Bauer and Kristen Self, who heads the Democratic House campaigns, during the 2010 cycle. High ranking sources tell HPI that after the House majorities were defended in 2006 and 2008, Bauer essentially fired pollster Fred Yang and Jim Crouse, who handled the caucus direct mail. One source told HPI that Crouse was amazed he was not retained, saying that at one point in those two cycles, "I was 26-4."

Bauer is described as a control freak. He has kept the House campaign away from the Indiana Democratic Party's coordinated campaign efforts, which has upset some caucus members. Bauer hired Hamilton Campaigns to do polling in 2010 and by early fall its polling showed State Reps. Bob Bischoff, Sandra Blanton, Paul Robertson and the district represented by disabled Dennie Oxley Sr. to all be losses. "They were all polling in the low 40% range," a source told HPI. Bauer also invested resources into an attempt to knock off Republican State Rep. Dick Dodge of Auburn, though Hamilton Campaign data showed that race to be a considerable stretch.

In the meantime, resources were not directed into tighter races that the party could have retained. They included campaigns of State Reps. John Barnes, who lost to Cindy Kirchofer by 598 votes; Ron Herrell, who was defeated by Mike Karickhoff by 818 votes; Joe Pearson, who lost to Kevin Mahan 7,198 to 6,121; Bob Dieg in the seat



vacated by State Rep. Trent Van Haaften (who ran in the 8th CD) and lost by four votes to Wendy McNamara; and Mike Goebel in the seat of retiring State Rep. Dennis Avery, who lost to Ron Bacon by 164 votes; as well as House Minority Leader Russ Stilwell, who lost to current Republican lieutenant governor nominee Sue Ellspermann by 880 votes.

In addition, Hamilton Campaigns sued Bauer following the 2010 cycle, citing non-payment. A high-ranking Democratic source speaking on background told HPI that Bauer settled that suit, but no payment showed up on any caucus finance report, a potential campaign finance violation. Other sources tell HPI that caucus members are rankled that Bauer has sole discretion over caucus finances.

Disastrous impact

Those tactical decisions have been disastrous for the Indiana Democratic Party and its core constituencies. Right to Work is the classic example. Republicans easily passed it with votes to spare, allowing potentially vulnerable freshmen like State Rep. Mike Karickhoff and State Rep. Tom Dermody, both representing heavily unionized areas, to vote nay. Had House Democrats been able to hang on to 45 seats, the Right to Work issue would have been much more arduous for the GOP, with more political implications for the 2012 cycle.

In the 2010 election cycle, the House Democrat messaging was chaotic and unfocused. Democrats didn't talk about the auto rescue in the Kokomo and Marion areas where Democrats lost two seats, or the FSSA meltdown that Evansville area Democrats had brought to the forefront. The Bauer-led House campaign instead produced what HPI has called "political porn," using a poorly formulated set of campaign themes that backfired. The Bauer-led campaign tried to paint a Republican pharmacist (Steve Davisson) as an abortion-provider and a coal miner (Matt Ubelhoer) as a polluter. Both won by large margins.

Many of those seats were so-called "legacy seats" that Democrats had held for generations. But after the 2010 elections and the 2011 reapportionment, many of the seats may be held by Republicans for years to come.

This erosion of power was stunning in its width and breadth. In a December 2010 Howey Politics Indiana analysis, we pointed out that in 2008 Indiana House districts represented by Democrats touched all or parts of 57



counties. The 2010 election reduced that to 37 counties.

In 2008 Democrats were the sole representatives in the Indiana House for 17 counties: Monroe, Gibson, Clay, Jennings, Harrison, Washington, Perry, Jefferson, Starke, Fountain, Vermillion, Posey, Orange, Blackford, Crawford, Switzerland and Ohio. Now that is true for only Jennings, Jefferson, Starke, Fountain and Vermillion.

Democrats represented 10 counties exclusively in 2008 that are now represented exclusively by Republicans: Harrison, Washington, Perry, Blackford, Crawford, Ohio, Orange, Posey, Putnam and Switzerland. In three, Harrison, Perry and Washington, two seats flipped from Democrat to Republican.

Counties with Republican baselines between 33.96% and 44.83% now account for a 2009 population of 663,882 and 10.34 House seats. Counties with GOP base-lines between 45.37% and 49.55% with 1.635 million people account for 25.47 House seats. Combined, that represents 36 House seats. Of those 36 seats, the seven most Democratic counties – Marion, Lake, St. Joseph, Porter, Monroe, LaPorte and Vigo – account for 33.7 House seats.

In short, this has been a catastrophe for the Indiana Democratic Party. It has been exacerbated by the Bauer-led House walkouts, making Bauer the party's poster boy and darling of big labor, which itself has shrunk to under 10% of the electorate. It's why a leading Democrat, after watching the deposing of Senate President Bob Garton in 2006 and Senate Finance Chairman Larry Borst in 2004 – both in primaries – remarked to HPI, "Why can't we do that?"

HRCC Director Mike Gentry says his internal polling shows the 2011 and 2012 walk outs as extremely unpopular. "We will be reminding voters of that this fall," Gentry said. Bauer will be the image voters will see.

Post election challenge inevitable

There has been some talk of Trent Van Haaften posing a potential leadership challenge to Bauer if he can defeat Rep. McNamara, who now represents a competitive district as opposed to a distinctly Democratic-leaning district prior to the new maps. In February, Hammond Mayor and Lake County Democratic Chairman Thomas McDermott Jr. cited Van Haaften as a potential challenger to Bauer's leadership. Van Haaften, if he's successful in his return to the General Assembly, has already made clear he's chal-



Rep. Bauer and Senate President Garton following the stroke of Gov. Frank O'Bannon in 2003. Garton would lose a primary reelection three years later. (HPI Photo)

lenging Bauer, McDermott said. "One way or another (Bauer) gets challenged."

Sources tell HPI that Van Haaften is "focused solely" on defeating McNamara and has played no role in the current leadership challenge. However, if he wins and Bauer is still in power on Nov. 7, there will be much speculation on a potential challenge from him. Some sources believe Pelath may not have another shot unless he can pull resources together in the next week or so.

One other factor involving Van Haaften is that in representing a competitive district, he would not be afforded the kind of protection a leader would normally have in a safe district. John McCain polled 51% in the new HD76. HRCC polling shows McNamara leading Van Haaften in the low single digits.

It's hard to say exactly what happened on Friday the 13th, whether Bauer simply delayed the inevitable. Sources say he has now installed Rep. Fry to run the 2012 House campaigns.

Bauer will not be able to deny a quorum on the day after the November election. The question that is haunting the Democratic insurgency is whether a Bauer/Self-led caucus through November yields a Republican super majority. HPI analysis (see pages 6-8) shows the GOP in a position to win at least 63 seats.

Kruzan observed, "Pat is Pat. He is a survivor. He is an old-school politician."

Conspiracy questions

There have been other notable coup attempts in the past, by such esteemed legislators as Luke Kenley and Murray Clark, that failed. Leaders are always wary. It was fascinating to watch House Speaker Brian Bosma seat long-time caucus veterans in the back rows as some 12 new House members joined the caucus in 2010 after the Tea Party-induced legislative tsunami. There is order to be had, whispers to hear.

And there's that adage: If you're going to kill the king, you better make sure you don't miss.

In this, the broiling, roiling summer of discontent, the conspirators missed. The critical questions today are, do they have another bullet? When do they pack the heat into chamber? Can they find a nut-cutting marksman who's good at math and who can pull the trigger?

And if they can't, will the ensuing damage be so colossal that come next January, House Democrats won't even have to show up? ❖



HPI Analysis: House Republicans have shot at increasing their majority

By **BRIAN A. HOWEY**

INDIANAPOLIS - A Howey Politics Indiana analysis of House races shows the Republican Party is in a good position to increase its 60-seat majority in the Nov. 6 election, with a 67-seat super majority not out of the question.

Of 19 open seats – including 10 that were redistricted, others coming from an unprecedented level of Democratic retirements, as well as the ascension of State Rep. Sue Ellspermann to the Republican gubernatorial ticket – HPI believes 11 are “Safe” Republican. and a 12th seat “Leans” toward the GOP. Two more open seats are considered “Tossups” and another five are either Leans or Likely Democratic. Of the 10 seats drawn with no incumbents, Republicans are favored in nine.

HPI has also identified 10 “battleground” districts involving incumbents – including the race between State Reps. Kreg Battles and Bruce Borders – that are in play. Of those, three are Tossups that involve Reps. Peggy Welch, Wendy McNamara and Cindy Noe, while another three Lean toward the GOP and four Lean toward the Democrats.

At this early juncture, HPI believes a 63-seat majority is likely for Republicans. If some sort of wave materializes and the Tossups flow toward the GOP, the 67-seat majority could occur. HPI puts the possibility of that in the 50th percentile, gauging the likely successes of gubernatorial candidate Mike Pence and presidential nominee Mitt Romney, as well as Richard Mourdock’s slight advantage in the U.S. Senate race.

Indiana Democratic sources insist that President Obama has been within 5% of Romney – 48-43% – in internal May polling for the Joe Donnelly Senate campaign. Mike Gentry, House Republican Campaign Committee chief, told HPI that “Obama is upside down” in Indiana with Romney leading 52-40% in June polling for the caucus. GOP polling revealed 69% wrong track/25% right track when it comes to the question on national direction. Its polling showed Obama’s fav/unfavs at 43/55% and Romney’s at

51/40%.

Sources in both parties caution that it is too early in the cycle to tell whether any waves will develop, or whether a national or international event could alter the dynamic of the cycle, including down ballot races.

The only expected independent media polling, by Howey/DePauw Indiana Battleground, won’t occur until mid-September.

Indiana Democrats are in turmoil at this point, with gubernatorial nominee Mike Pence holding a 2-to-1 financial advantage over Democrat John Gregg, and the House Democratic caucus roiled in a leadership challenge to House Minority Leader B. Patrick Bauer. Part of Bauer’s problem, and stoking the fears of many Democratic caucus members, is analysis like HPI is presenting here. This analysis shows that House Democrats will be fortunate to hold on to the 40 seats they have, defended by only 28 incumbents after an unprecedented wave of retirements last February. Four of the Democrats’ districts are in the Tossup zone.

Here is a race-by-race analysis:

Open Districts

HD5: In a seat vacated by retiring State Rep. Craig Fry, D-Mishawaka, Republican St. Joseph County Councilman Dale DeVon is taking on Democrat Jerod Warnock. DeVon is a home builder and Warnock is a Teamster. The new HD5 has moved northward to take in most of Granger and is considered more Republican. State Auditor Tim Berry carried 56% in precincts making up the new district in 2010. Gov. Daniels carried the district with 54% of the vote in his 2008 reelection, though John McCain polled only 47% in 2008. We see this as a potential Republican pickup. **Horse Race Status:** Tossup.

HD11: Republican Lake County Councilman Rick Niemeyer (whose father, Ernie, is a former state senator) is a heavy favorite to win this seat in a race against unknown Democrat John Hart. Lake County Democratic Chairman Tom McDermott acknowledges that Niemeyer is “extremely popular.” **Horse Race Status:** Safe Niemeyer.

HD13: Attica Clerk-Treasurer Sharon Negele (a Republican who narrowly lost to State Rep. Dale Grubb in 2010) faces Democrat Mark Straw. In 2008, John McCain won precincts in the redrawn district with 56%. Negele ran ads on Lafayette network TV during her primary race against Dan Young, winning by almost 2,000 votes, while Straw drew just 852 votes. HRCC has a field manager in place. **Horse Race Status:** Safe Negele.

HD15: Democratic Labor official Tommy O’Donnell is facing Republican Schererville Council President Hal Schlager, a close friend of House Speaker Brian Bosma. Key Democrats tell HPI that they believe they will capture this





seat, though the district is competitive, with John McCain winning 50.39% in precincts in the new district in 2008. Most of the district is in Lake County. **Horse Race Status:** Leans O'Donnell.

HD17: Timothy Harman of Rochester defeated 2010 nominee Francis Ellert in the primary 4,439 to 2,722, and is unopposed in the general. **Horse Race Status:** Safe Harman.

HD24: Steven Braun, a venture capitalist from Zionsville, faces Democrat Maurice O. Fuller in one of the most Republican districts in the state. **Horse Race Status:** Safe Braun.

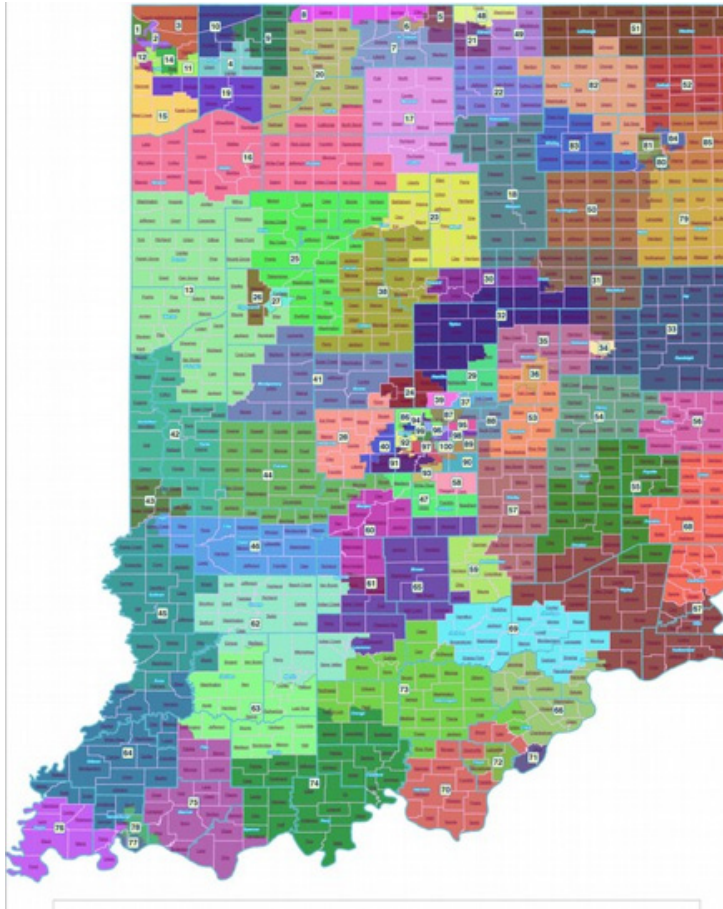
HD34: Former State Sen. Sue Errington defeated David Walker 2,863 to 2,335 in a bitterly fought Democratic primary. She faces slated Republican Brad Oliver, an educator. This is a strongly Democratic district, though Oliver is targeting Walker supporters. **Horse Race Status:** Likely Errington.

HD37: Republican Todd Huston defeated Indiana Township Association President Debbie Driskell by 1,600 votes in the primary with the backing of Gov. Daniels. He is unopposed in the general. The seat had been held by State Rep. Scott Reske, who opted to run in the 5th CD after the new maps created this overwhelmingly GOP district. **Horse Race Status:** Safe Huston.

HD42: Alan Morrison, who almost upset State Rep. Clyde Kersey in 2010, faces Mark Spelbring, the Purdue extension agent in Parke County. Morrison had a slight lead in HRCC polling conducted in June. **Horse Race Status:** Tossup.

HD47: Johnson County Commissioner John Price is a Franklin businessman who easily won a three-way Republican primary and will face Democrat Chris Grider. This is another heavily Republican district. **Horse Race Status:** Safe Price.

HD51: Dr. Dennis Zent easily won a three-way Republican primary and will take on Democrat Lon Keyes in this heavily Republican district in Allen County. **Horse**



Race Status: Safe Zent.

HD52: DeKalb County Councilman Ben Smaltz, who owns a local storage business, won a four-way Republican primary and faces Democrat Charles Odier in a very Republican district.

Horse Race Status: Safe Smaltz.

HD55: Cindy Meyer Ziemke, who owns the Brau Haus restaurant, defeated Lora Williams 2,771 to 2,442 in a four-way primary and will face Democrat David Moeller in a district where John McCain won with 58% in 2008. **Horse Race Status:** Safe Ziemke.

HD64: Republican Thomas W. Washburne won a primary battle by 2,100 votes and faces Democrat Mark Norton. John McCain won precincts making up this district with 57% in 2008. HRCC has a field manager in this district. **Horse Race Status:** Safe Washburne.

HD69: In a seat being vacated by Democratic State Rep. Dave Cheatham, Republican Jim Lucas, who lost a HD66 2010 race to Rep. Terry Goodin 10,110 to 9,511, returns and will face Democrat Jim McCormick in a district that John McCain carried with 54% in 2008. Both candidates are from Seymour. **Horse Race Status:** Leans Lucas.

HD74: Lloyd Arnold, military veteran who currently has a restoration business, has been slated to replace State Rep. Susan Ellspermann, the Republican lieutenant governor nominee. Arnold is from Crawford County and has a business in DuBois County. He will face Democrat Mike Schriefer, a Spencer County educator from Santa Claus. McCain polled only 46% in this district in 2008 and Auditor Tim Berry polled 49% in 2010. Ellspermann would have had to work hard to win reelection. This is a potential Democratic pickup. **Horse Race Status:** Leans Schriefer.

HD82: David Ober, a 25-year-old Purdue graduate and web developer from Albion, defeated Denise Lemmon 3,550 to 3,284 in a four-way primary and will face Democrat Mike Wilber in an overwhelmingly GOP district. He is a protege of State Sen. Jim Banks. **Horse Race Status:** Safe Ober.

HD92: Republican Tim Motsinger won a pri-



mary against Chamber-backed Brad Rider, 2,867 to 2,534. Campaign finance reports show that Motsinger received an infusion of labor union money funneled through the Wayne Township Team PAC in the final weeks of the primary. He will face Karlee Macer, a mom who works with senior citizens and is a PTO volunteer, in a seat being vacated by scandalized Republican State Rep. Phil Hinkle. This is a potential pickup for Democrats in a district where John McCain received just 44% in 2008. Democrats are expected to exploit Motsinger's ties to convicted financier Tim Durham, who had contributed heavily to Motsinger's sheriff campaign. **Horse Race Status:** Leans Macer.

HD97: In a seat being vacated by Democrat State Rep. Mary Ann Sullivan, Republican A. J. Feeney-Ruiz has been slated by the Marion County GOP with the winner taking on Democrat Justin Moed, a staffer to House Minority Leader B. Patrick Bauer. John McCain polled only 40% in this district and it will likely stay in the Democratic column. **Horse Race Status:** Likely Moed.

HD100: Former Republican Indianapolis Councilman Scott Keller will take on Democrat Dan Forestal. This is a seat where Republicans almost never poll over 50%, though Keller is one Republican who could be competitive. **Horse Race Status:** Likely Forestal.

Battleground districts

HD19: Democratic State Rep. Shelli VanDenburgh is facing a challenge from pastor Ron Johnson, who ran unsuccessfully against State Rep. Bob Kuzman in 2000. HRCC has a field manager in this race, sensing a potential pickup. **Horse Race Status:** Leans VanDenburgh.

HD31: Freshman State Rep. Kevin Mahan is being challenged by Democrat Katie Morgan. Mahan is seen as a GOP caucus rising star, with the former Blackford County sheriff assuming a committee chairmanship from State Rep. Phil Hinkle. Indiana Democrats believe they can be competitive in this race. **Horse Race Status:** Likely Mahan.

HD35: Longtime State Rep. Jack Lutz is being challenged by Melanie Wright, a teacher from Daleville. Lutz is in the HRCC incumbent protection program, while Indiana Democratic sources believe this is a potential pickup. **Horse Race Status:** Leans Lutz.

HD45: In the only incumbent vs. incumbent showdown, Republican State Rep. Bruce Borders faces Democrat State Rep. Kreg Battles. Both were unopposed in the primary with Battles polling 4,249 and Borders polling 4,108. HRCC sources say this district is Republican, though it was once represented by Democratic gubernatorial nominee John Gregg, whose position at the top of the ballot will help Battles. In HRCC polls in December and again in May, Borders had leads in the high single digits. HRCC has a field manager in this race, which is expected to attract a lot of

money. **Horse Race Status:** Leans Borders.

HD56: Republican Dick Hamm is making yet another run in this district, challenging Democrat State Rep. Phil Pflum in a new district where John McCain polled 51% in 2008. **Horse Race Status:** Leans Pflum.

In HD60: State Rep. Peggy Welch faces Republican Morgan County Clerk Peggy Mayfield. Welch was drawn into the district with State Rep. Ralph Foley, who is retiring. Mayfield won a three-way Republican primary with 4,992 votes, easily outdistancing her closest competitor by about 1,500 votes. Welch is a tenacious campaigner who has spent her entire House career representing a heavily Republican district. Mayfield went up on Indianapolis network TV on Wednesday, following an HRCC strategy that it used with State Reps. Rhonda Rhoades and Steve Davisson in 2010, which is to use early TV to drive name ID and begin the self-definition process and both upset incumbents by healthy margins. Mayfield is the first legislative candidate to go up on TV in the general election sequence. **Horse Race Status:** Tossup.

HD66: Republican Justin Stevens has been slated to challenge State Rep. Terry Goodin in a race HRCC believes can be competitive. Goodin defeated Jim Lucas by just 600 votes in 2010. Stevens is an aide to U.S. Rep. Todd Young, one of the better emerging political organizations in the state. In the newly redrawn district, John McCain polled 54% in 2008, so this is a more competitive district for the GOP. **Horse Race Status:** Leans Goodin.

HD76: In a race that should have happened in 2010 until Rep. Trent Van Haaften opted for the 8th CD as part of the "Bayh dominoes," he is now challenging freshman State Rep. Wendy McNamara, who defeated State Sen. Bob Dieg by just four votes. HRCC has a field manager in this race. Both McNamara and Van Haaften are expected to attract a good deal of money. While HRCC polling shows McNamara with a narrow lead, this is a potential Democratic pickup. **Horse Race Status:** Tossup .

HD81: Former Fort Wayne mayor and current Democratic State Rep. Win Moses is facing a challenge from Republican Martin Carbaugh in a redistricted seat that isn't as Democratic as it once was. John McCain had 48% of the vote in precincts that make up this district. Democratic sources tell HPI that Moses is working his reelection effort hard. **Horse Race Status:** Leans Moses.

HD87: State Rep. Cindy Noe is being challenged in this north central Indianapolis district by Democrat Christina Hale in a district that isn't as Republican as the old one. Hale has spent most of her 20-year career as an executive with Kiwanis International. Democrats believe this is a potential pickup and HRCC has Noe in an incumbent protection mode. **Horse Race Status:** Tossup. ❖



Gregg cuts into Pence's big money lead

By **BRIAN A. HOWEY**

INDIANAPOLIS - Republican gubernatorial nominee Mike Pence continued his money advantage over Democrat John Gregg, reporting \$3 million on his second quarter financial filing and \$5.54 million cash on hand despite spending \$1.4 million on three TV ads, while Gregg reported raising \$1.7 million.

Pence now counts 7,740 donors with 76 percent of his donations coming from Hoosiers. "Hoosiers from all four corners of the state are responding to our positive, issues-based campaign," said Pence campaign manager Kyle

Robertson. "We are honored to have their continued support."

Pence, who has been running statewide television ads since May 15, reported \$5,545,535.09 cash on hand. "Mike Pence will continue to take his vision for making Indiana the state that works

to Hoosiers through grassroots meetings, policy announcements and television," said Robertson.

Gregg announced on Monday that he raised \$1,795,663 in the last three months, triple the \$584,000 he reported in the first quarter. Lieutenant Gubernatorial candidate Vi Simpson raised \$120,825 in just over five weeks since she was nominated.

The report shows that the Gregg-Simpson team has \$2,960,903 cash on hand and no debt. In the last three months, the campaign has doubled its cash on hand amount. The median contribution to Gregg was \$100 and 97.3% of all individual contributions came from Indiana.

"I am honored and humbled by the support the people of Indiana have shown me," Gregg said. "This campaign has been about bringing Hoosiers together to focus on creating jobs and improving the economy. Today's report shows that message is resonating throughout Indiana."

On Wednesday, Gregg introduced his plan to improve early childhood education in Indiana. The plan is part of the Hoosier Handshake, John Gregg's vision for a better and more prosperous Indiana that he has been laying out throughout the spring and summer.

Speaking at Deming Elementary School in Terre Haute, Gregg said, "Studies have shown that pre-kindergarten programs increase high-school graduation rates, improve test scores and produce more productive adults. We owe it to our kids to make sure they are as prepared

as possible to compete in this global economy, and that includes getting them ready to make the most out of their time in school."

Gregg added, "Indiana is one of only eight states that spends zero dollars on pre-kindergarten programs, and that is unacceptable. There is overwhelming evidence that early childhood education is one of the keys to success in school, and we need to get moving, investing in the economic success and well-being of our children."

The Gregg plan will do the following:

- Launch a pilot pre-kindergarten program for 4-year-olds to help middle-class and working families. Indiana is far behind the national average for 4-year-olds enrolled in pre-K programs. Indiana's federally funded Head Start programs are currently only available for low-income children, which means that many middle-class, working families – the parents who can't afford private preschool, but don't qualify for federal programs – don't have the chance to benefit. The Gregg plan will launch an initiative modeled after Wisconsin's successful "4K" program, which will partner with elementary schools, existing childcare facilities, and Head Start Programs.

- Institute a Hoosier State Childcare Tax Credit. 23% of Hoosier children aged four and under are in families living below the poverty line, while the average annual cost of full time day-care for a four-year old is about \$8,000. This poses a major barrier to work for low-income families with children – perpetuating the cycle of poverty. The Gregg plan will create a state child-care tax credit to help offset the costs of quality childcare for low and moderate-income working families – just as a majority of other states already do.

- Support the full funding of all-day kindergarten for all Indiana children. Our children are already at a disadvantage compared to the majority of the nation. Allowing them access to more instructional hours through full-day kindergarten is the first step in providing our kids an education that will give them the skills needed to compete in the modern economy. Governor Daniels has done a lot of good work on this issue, and John Gregg will continue it.

"Not only will these programs help our children, but they will also save the state money," Gregg continued. "Studies show that every dollar invested in pre-K programs saves state taxpayers \$7."

"My running mate is fond of saying, society is judged by how we treat our most vulnerable people, especially children. We must do more for Indiana's children-- we cannot allow them to fall behind kids in other states who have access to these programs. If future generations of Hoosiers are to build a more prosperous Indiana, these are necessary steps."

You can read more about the plan here.

Last Friday, both Gregg and Pence both promised





improved services for veterans as each spoke to the American Legion Department of Convention in Indianapolis (Indianapolis Star). Gregg told the organization that if elected he will try to address the backlog at the federal Department of Veterans Affairs that has meant long delays for claims for services. Pence, who represents Indiana in Congress, said he would set a goal of having 3% of state contracts, by dollar amount, go to veteran-owned firms; would waive income limits for private-school vouchers for the children of veterans and also would seek to speed veterans' benefits.

Horse Race Status: Likely Pence

Correction: HPI reported in the July 12 edition that Mike Pence was renting out his home in Columbus. That is incorrect. No one is currently living in the home.

2nd CD: Mullen, Walorski close in money

Democrat Brendan Mullen raised \$255,599.77 for the second quarter, and currently has nearly \$600,000 on hand in the open seat being vacated by U.S. Rep. Joe Donnelly. Mullen has raised more than \$803,000 from nearly 2,000 supporters since the campaign began a year ago. Republican Jackie Walorski posted \$330,000 for the quarter, \$1.1 million for the cycle and has \$725,000 cash on hand.

Walorski's (R) campaign went on the air Wednesday with her first television spot. "I was born in South Bend, and I've been a Hoosier all my life," Walorski says in the ad, which highlights her local roots in the north-central Indiana district. Walorski has the advantage in the open-seat race, and Roll Call rates this district as Leans Republican. Last year, Hoosier Republicans redrew the Congressional map and made the district more conservative. The Walorski spot also subtly digs at Mullen's residency issues. The ad run for about two weeks in the South Bend media market on local broadcast stations, according to a Walorski aide. **Horse Race Status:** Leans Walorski

5th CD: Brooks raises \$890k

Republican nominee Susan Brooks announced that she has raised \$890,069 since launching her campaign last July and ends the second quarter of 2012 with nearly \$123,000 cash on hand. The Brooks campaign raised \$300,000 in the second quarter of 2012, including \$217,015 since the Q1 report was filed on April 17, 2012. Brooks won a razor-thin 800-vote victory over David McIntosh, John McGoff and others in the May 6 primary in the race to succeed the retiring U.S. Rep. Dan Burton. Brooks faces Democrat State Rep. Scott Reske of Pendleton in November, who reported \$284,438 and has \$88,862 cash on hand, according to the Federal Election Commission website. **Horse Race Status:** Safe Brooks

8th CD: Crooks outraises Bucshon

In what may be emerging as the top congressional

race, 8th CD Democrat Dave Crooks reported \$220,000, and he closed the period with \$530,000 cash on hand. Freshman U.S. Rep. Larry Bucshon, R-Newburgh, raised \$209,000 and finished the period with \$387,000 cash on hand. **Horse Race Status:** Leans Bucshon

9th CD: Young has big money lead

In the 9th CD, freshman Republican U.S. Rep. Todd Young has raised \$1,263,010 and has \$893,954 cash on hand. Democrat Shelli Yoder of Bloomington has raised \$133,947 and has \$73,001 cash on hand. **Horse Race Status:** Likely Young

U.S. Senate: PoliFact jabs Mourdock ad

Republican Richard Mourdock raised \$1.81 million and reported \$889,000 cash on hand. Democrat Joe Donnelly reported \$925,000 and has \$1.38 million cash on hand.

Murdock is on the air this morning with his first TV ad of the general election, targeting Democrat U.S. Rep. Joe Donnelly's vote for the health care reforms (Indianapolis Star). The ad is running on network and cable stations in Indianapolis and South Bend, Donnelly's home base. In the ad, Mourdock argues that "Obamacare will raise our taxes. But President Obama and Congressman Donnelly weren't honest with us. Obamacare cuts Medicare services to seniors by \$500 billion and causes businesses to drop millions of workers from their health care coverage." "We didn't ask for this," Mourdock concludes. "I'm Richard Mourdock and I approve this message because I'll vote to repeal the Obamacare tax and Congressman Donnelly won't." But the ad's chief claim — that Medicare services to seniors would be cut by \$500 billion — has been repeatedly debunked by such fact-checking services as PolitiFact.com, which noted: "The health care law does not take \$500 billion out of the current Medicare budget. Rather, the bill attempts to slow the program's future growth, curtailing just over \$500 billion in future spending increases over the next 10 years. In fact, Medicare spending will still increase." PolitiFact labeled the claim of cuts in services "mostly false." **Horse Race Status:** Tossup

Superintendent of Public Instruction

Second-quarter campaign finance reports show Indiana Superintendent Tony Bennett raised \$338,295 since April 1 — almost ten times as much as Democratic challenger Glenda Ritz raised in the same period (Fort Wayne Journal Gazette). As of June 30, Bennett had \$779,192 in his campaign chest; Ritz had \$24,532. Bennett's largest contribution — \$75,000 — was from hotel/billboard magnate Dean White. **Horse Race Status:** Safe Bennett ❖



Stimulus will continue to be a campaign issue

By **BRIAN A. HOWEY**

INDIANAPOLIS - We've seen this story before: An Indiana company receives federal funds coming from President Obama's 2009 stimulus package, which was vociferously criticized by almost all Republicans. But when it comes time for a jobs announcement made possible, in part, by those stimulus funds, the Republican shows up for the ribbon cutting.

It happened in the hometown of Republican gubernatorial nominee Mike Pence when he and Gov. Mitch Daniels showed up at a press conference where Cummins Engines announces 160 new jobs in June 2010, about six months after Cummins was the recipient of \$53 million in Obama stimulus funds.

"Since its founding here in Columbus in 1919, Cummins has been a leader in the industry, driving innovation, much like Columbus itself," said Pence. "This company has always believed in this community and this state. Today, I hail their decision to continue to invest in Columbus by opening a new facility here and adding 600 new jobs. Cummins is Columbus, and Columbus is Indiana."

Republican U.S. Senate nominee Richard Mourdock, another vociferous critic of the Obama stimulus, recently received an the National Federal of Independent Business endorsement at Quality Environmental Professionals, Inc., a firm that had received \$1.6 million in stimulus money. Just days before, Mourdock criticized the stimulus, saying, President Obama's "stimulus plan and other big government policies like Obamacare -- a massive tax on Americans -- have not spurred long-term economic growth and have pushed our national debt to over \$15 trillion."

The campaign of Pence's opponent - Democrat John Gregg - offered a new twist to lashing out at stimulus hating Republicans who then consort with the jobs subsequently created. He noted today that nine companies taking part in a Pence jobs fair in Muncie today also received stimulus funds in the amount of a collective \$25 million. "Congressman Mike Pence is hosting a job fair today, attempting to take credit for the fact that Hoosier companies are looking to hire," the Gregg campaign said. "Unfortu-

nately for Congressman Pence, his record shows that he has actively worked against many of these companies, repeatedly voting against helping their recovery during the recession."

This is not the first time Pence has tried to take credit for legislation he voted against, the Gregg campaign noted. Two years ago, Pence held another job fair with companies that received stimulus funds that Pence voted against, even after he admitted that those funds created jobs. "Once again, Congressman Pence is showing himself to be just another Washington-style politician," said Daniel Altman, Gregg's spokesman "During his 12 years in Congress, he has voted against helping Hoosier companies time and time again. Hoosier voters want a governor that will lead, not another Washington hypocrite."

Pence was an ardent opponent of the stimulus when it passed in Congress in March 2009. Indiana had a 10% jobless rate. Pence explained on NBC's Meet the Press, "With all due respect to the president of the United

States, the ideas, the worn-out ideas that the American people are tired of is runaway federal spending. I believe the American people rejected that under Republican control, and I believe that's the reason why support for this stimulus bill is collapsing by the hour. The American people know we can't borrow and spend and

bail our way back to a growing economy. This bill - the only thing this bill's going to stimulate is more government and more debt."

President Obama made his first trip outside of Washington to Elkhart in February 2009, pushing the stimulus. During the town hall meeting at Concord HS, Obama described the reality he's dealing with. "When we say that we've lost 3.6 million jobs since this recession began, nearly 600,000 in the past month alone; when we say that this area has lost jobs faster than anywhere else in the United States of America, with an unemployment rate of over 15 percent, when it was 4.7 percent just last year; when we talk about layoffs at companies like Monaco Coach, and Keystone RV, and Pilgrim International -- companies that have sustained this community for years -- we're not just talking numbers, we're talking about Ed," Obama said of laid off Monaco worker Ed Neufeldt. "We're talking about people in the audience here today. People not just in Elkhart, but all across this country. We're talking about people who have lost their livelihood and don't know



Rep. Pence at a Cummins jobs announcement with Gov. Daniels in 2010.



what will take its place.”

Indiana received more than \$4 billion of stimulus funds that helped the state with Medicaid (and thus balanced biennial budgets), teacher retention, and a slew of highway and public works projects.

Obama explained, “Some of the criticisms really are with the basic idea that government should intervene at all in this moment of crisis. Now, you have some people, very sincere, who philosophically just think the government has no busi-

ness interfering in the marketplace. And, in fact, there are several who’ve suggested that FDR was wrong to interfere back in the New Deal. They’re fighting battles that I thought were resolved a pretty long time ago.” Obama continued, “Most economists almost unanimously recognize that, even if philosophically you’re wary of government intervening in the economy, when you have the kind of problem we have right now -- what started on Wall Street, goes to Main Street, suddenly businesses can’t get credit, they start paring back their investment, they start laying off workers, workers start pulling back in terms of spending -- when you have that situation, government is an important element of introducing some additional demand into the economy.”

Indiana’s jobless rate hovered in the 9 and 10% range more than a year after the stimulus package, helping to ignite the Tea Party movement and the campaigns of freshman U.S. Reps. Todd Young, Todd Rokita, Marlin Stutzman and Larry Bucshon.

Indiana now has a 7.9% jobless rate - hardly the level President Obama could have anticipated. In February 2009, he told NBC Today Show host Matt Lauer, “What I’m trying to underscore is what the people of Elkhart already know: this is the worst economic crisis since the Great Depression.” His response is a plan that included 60% spending and 40% tax cuts going to 95% of Americans. Obama added, “I will be held accountable I’ve got four years and ... A year from now, I think people are going to see that we’re starting to make some progress, but there’s still going to be some pain out there. If I don’t have this done in three years, then there’s going to be a one-term proposition.”

Today, both Pence and Obama are facing Hoosier voters, and the stimulus is likely to be a topic that will come up in both campaigns. ❖



President Obama pushing the stimulus in Elkhart in 2009. (HPI Photo by A. Walker Shaw)

Jindal, Portman tops a veepstakes list

By MARK SOUDER

FORT WAYNE - Mitt Romney is known as a cautious man. His vice presidential selection process is an illustration. He’s vetting each person far more carefully than presidential candidates are ever vetted. We “background check” presidents through negative attack commercials. Romney apparently wants to know not only whether each candidate has chewed gum in public, but how often and what kind.

The veep choice doesn’t have to be announced far ahead of the party convention. Conventional wisdom suggests that popping Dan Quayle on the media as the convention gathered was not wise, though it is seldom noted that they won.



There always has been lots of Quayle bashing, but I think it is safe to say that “read my lips, no new taxes” and the symbolism of President Bush 41 looking at his watch during the debate were among the things that led to Clinton’s win, not Dan Quayle. When the media said they needed more time to “vet” Dan Quayle, they really meant “bash.” They re-write history because

they were excluded.

Now Sarah Palin’s name is raised again, as if she didn’t actually pull John McCain closer. Honestly, I don’t really know how he got so far down (many reasons). At one point in my polling he was in the low 30s in the Elkhart/Kosciusko/LaGrange South Bend media market part of my district. I was running 15 points ahead of him, and still under 50. Palin’s shot in the arm pulled it closer.

McCain said as much the other day, now that the big question of liberal media types has become whether McCain rejected Romney because of what was in the additional tax returns. After years of McCain’s staffers bashing Palin, they now maintain the absolute truth: She was brought on to help them politically not because they were dying. They were dead.

It is not clear what lesson Gov. Romney has learned from all this. Certainly it wasn’t to be a wild and crazy guy. They leak out various rumors (“they” including Mrs. Romney that woman/women were being included). In the vacuum among those wishing to defeat an incumbent president, it is widely known that Romney is known to be, possibly, a tad of a “on the one hand but on the other hand” sort of guy. So all his allies and supporters pressure him on his choice. Furthermore, since his views have been known to change over time (though not much since the



campaign began), whom he picks could be a strong signal of what type of president Romney would actually be.

Romney's idea of risky would likely be Pawlenty over Portman. Pawlenty is from a smaller state that may or may not be in play (as opposed to critical Ohio). He's evangelical but anything any pastor of his ever said could be risky. He's qualified but doesn't have the level of federal experience Portman has, and he can raise money but probably not as much as Portman. Pretty risky. (But let's make this clear: Every vice-presidential choice even whispered has more experience than President Obama had before he became president, but we Republicans are all committed to not repeating the disaster of four years ago.)

Condoleezza Rice is well-qualified but adds little to the ticket (we aren't going to carry California, or the African-American vote. Perhaps she would add some women and perhaps could raise funds, though likely a bit weak as a bean dinner speaker in smaller Republican states) and certainly would blow up the party over abortion. Gov. Romney cannot afford a pro-choice nominee. Period, end of debate.

Paul Ryan would be brilliant but he's in a leadership role on budget. Unless Romney is ready to run on the real deficit issue of reforming entitlements, Ryan is unlikely to be picked. Personally, count me as skeptical that Romney will choose defending changes in Social Security and Medicare as his top issue.

So for those of us who think the ticket needs pizzazz, and who question whether Senator Kelly Ayotte of New Hampshire would stir the fires, the list is short: Louisiana Governor Bobby Jindal (whose chances might have been slightly improved had he gone by Robert Jindal), Florida Senator Marco Rubio and South Carolina Gov. Nikki

Haley.

The vote, as a group, that is most winnable for Republicans is the Asian vote, with inroads among Hispanics potentially next. If you aren't going to practice geographical targeting (which gives Portman the big lead, followed by Rubio and then Ryan), Jindal and Haley come into sharp focus. Haley would also potentially add females. All three have experience: Two governors and a former Florida speaker, now senator. All three seem to meet conservative goals, and have raised lots of money. All three have "rock star" potential, though Governors Haley and Jindal would seem less likely to grab center stage than Rubio.

I feel that Jindal is the most likely choice outside the safe cluster of Portman (the best qualified to be president) and Pawlenty (who seems headed toward "not quite best man" fame). I know Bobby Jindal. He's nice, polite and incredibly smart, but doesn't show off about it all the time. He has amazing diverse experience as a top HHS administrator, youngest president of a major university system (LSU), congressman, and now governor. Jindal has taken a state known for corruption (my favorite Katrina line: Will any money get to the people? Yes, there is so much pouring in here that some will slip through) and cleaned it up more than anyone thought possible. The man can raise money, lots of it, and likely quite a bit from the huge and growing Indian-American community which otherwise will not be much invested in Mitt Romney.

Though Senator Rubio is impressive, and Gov. Haley is as well, don't count out Jindal.

Still, if you are betting, the safe money is on Portman. ❖

Souder is a former Republican member of Congress

General Election: Romney vs. Obama

Polling Data						
Poll	Date	Sample	MoE	Obama (D)	Romney (R)	Spread
RCP Average	7/5 - 7/17	--	--	46.3	44.9	Obama +1.4
FOX News	7/15 - 7/17	901 RV	3.0	45	41	Obama +4
CBS News/NY Times	7/11 - 7/16	942 RV	3.0	46	47	Romney +1
NPR	7/9 - 7/12	1000 LV	3.1	47	45	Obama +2
Rasmussen Tracking	7/15 - 7/17	1500 LV	3.0	46	47	Romney +1
Gallup Tracking	7/11 - 7/17	3050 RV	2.0	47	45	Obama +2
McClatchy/Marist	7/9 - 7/11	849 RV	3.5	48	46	Obama +2
Reuters/Ipsos	7/5 - 7/9	885 RV	3.4	49	43	Obama +6
Wash Times/JZ Analytics	7/6 - 7/8	800 LV	3.5	42	43	Romney +1
ABC News/Wash Post	7/5 - 7/8	RV	4.0	47	47	Tie



JOLTS reveals improving U.S. jobs market

By MORTON J. MARCUS

INDIANAPOLIS - Just when you thought you had enough of statistics, let me introduce you to JOLTS. No, this is not something about the NFL Colts. JOLTS are a series of data produced by the U.S. Bureau of Labor Statistics from the Job Openings and Labor Turnover Survey.



As of the last working day in May this year, the private sector in the United States had 3.2 million job openings. I'm ignoring the public sector because the hirings and firings of government workers, particularly at the state and local levels, are being driven by politics rather than economics in these contentious days.

Those 3.2 million private job openings are 400,000 more than a year earlier and the second highest level (seasonally adjusted) since July 2008. We now stand 1.3 million above the recession low in July 2009. (These figures are not available for Indiana or any single state).

With so many jobs available, how come we still have such high unemployment? The answers are many: The jobs may require skills that the unemployed don't have; the jobs may be located in places the unemployed do not live; the jobs may not pay enough to attract workers; the jobs may be without benefits; the jobs may be short-term or undesirable career moves.

During the month of May 2012, private firms in the U.S. hired or reemployed 4.1 million workers or 500,000 more than in May 2011. This is the second largest number of workers hired in 43 months.

Thus we see a sizeable number of jobs available and a significant number of workers being hired at a time that the naturally nervous, the politically pessimistic and the defiantly depressed insist the economy is failing once again.

One of the best figures is the number of workers quitting their jobs. If times were bad folks would hold onto whatever they have. Quits are worker-initiated separations and represent the willingness and/or capacity of workers to leave jobs.

For each of the past three months, about 2 million workers quit their jobs. That number now exceeds the

number laid off or dismissed. This past May, 1.7 million workers were laid off or discharged, about the same number as a year ago and 800,000 below the recession peak in January 2009.

There is little we can tell about the economy from the classification, "Other separations," which includes retirement, death, and disability. This number appears to be at a peak not seen since late 2007, but I would not wish to speculate on the reason for that peak. Retirements may be forced or induced and as such are not necessarily voluntary. Death and disability are not normally voluntary forms of separation from a job.

Together these data paint a picture of a slowly improving job market. Of course slow improvement will never satisfy those who spent their youths asking "Are we there yet?" Nor will those who choose to rewrite history accept reality. ❖

Mr. Marcus is an independent economist, writer and speaker formerly with the IU Kelley School of Business.

Obama punching bag upsets GOP candidate

MUNCIE - It was Democrat Night at the Delaware County Fair on Wednesday night, and as usual, two groups of Democratic candidates — most backed by the party's central committee, a few of them members of the dissident "Team Democrat organization" — greeted fairgoers (Muncie Star Press). But it was a disagreement among Republicans at their party's tent up the road that had some people talking.

The GOP tent featured an inflatable punching bag designed to look like President Obama. It prompted Brad Oliver, Republican candidate for the Indiana House District 34 seat, to leave the fairgrounds, along with his campaign volunteers. Oliver later issued a statement saying he was "unable to reconcile my own personal and political convictions with an inflatable punching bag depicting an inappropriate and offensive image of the president of the United States."

The candidate said he felt a responsibility "help our children learn the art of political civility and the need to listen and respect the diverse views of others."

Saying his efforts to have the Obama punching bag removed were "overruled," Oliver said his campaign would "reassess the situation" today, when Republican Night festivities are set to begin at 5 p.m. ❖



Will Upton face same fate as Sen. Lugar?

By **JACK COLWELL**

SOUTH BEND - Jack Hoogendyk wants to be the Richard Mourdock of Michigan. But Congressman Fred Upton has no intention of being Michigan's Dick Lugar.

Voters in Michigan's 6th District Republican primary will decide on Aug. 7 whether Upton, first elected to Congress in 1986 and long highly popular in his district, will suffer the same fate as Lugar - defeat after being attacked by the Club for Growth as not a true conservative.



There are similarities in the races.

The Club for Growth, instrumental in defeating Lugar in Indiana's May 8 Republican primary in a Club quest for conservative ideological "purity," also launched early negative TV ads against Upton. Lugar was vulnerable and lost.

The Washington Post earlier this year placed Upton No. 4 on a list of vulnerable incumbents in congressional primary elections. The threat of big spending against Upton by the Club, headed by former Indiana 2nd District Congressman Chris Chocola, and other conservative superPACs was a key reason.

Hoogendyk, who knocked on doors in Indiana in supporting Mourdock, likens himself to the Indiana winner, telling supporters that Mourdock "was a product of the Tea Party movement from the very start" and "was proud to wear the Tea Party label and never shied away from it."

Said Hoogendyk: "If Indiana voters rejected Dick Lugar as a left-leaning Republican, Fred Upton is in a real fix."

There also are differences in the races.

Once it became clear his opponent would be Hoogendyk, a former state representative and former Republican nominee for the U.S. Senate, Upton wasted no time in sending out mailings defining Hoogendyk in a negative way. Lugar let Mourdock do the decisive early defining.

Initially, Mourdock was not well known. He had no legislative record. Thus, he began with a clean slate for many voters. Hoogendyk is well known in Michigan's 6th District. He lost to Upton two years ago. He has a record of state legislative votes. And he enhanced name recognition - though not in a positive way - in losing badly in a 2008 Senate race against Sen. Carl Levin, the Democratic incumbent.

While Lugar refused to back down to ward off attacks from the far right of the party, helping to push through the New START nuclear weapons reduction treaty,

for example, Upton, long known as a moderate who sought centrist solutions, said he would battle relentlessly against President Obama as chairman of the House Committee on Energy and Commerce. He has, fighting for repeal of the health care law, waging war on the Environmental Protection Agency over regulations and relentlessly bashing Obama for Keystone pipeline delay.

A potentially decisive difference between Indiana's Senate primary and the upcoming Michigan congressional primary is that the Club for Growth now has other fish to fry, namely its all-out effort to help a Tea Party favorite in Texas defeat that state's lieutenant governor, the Republican organization choice, in a July 31 run-off for the Republican nomination for the U.S. Senate.

Thus, the Club has not targeted millions of dollars on destroying Upton. At least, not yet.

And a poll conducted by Inside Michigan Politics in mid-June found Upton crushing Hoogendyk nearly 3 to 1. While the election margin may turn out to be nothing like that, Hoogendyk, far behind Upton in fund-raising, needs big spending on his behalf at campaign close by the conservative superPACs to have much chance of winning.

If Upton wins in the Republican primary, he will be favored to win re-election to a 14th term in November. But stances he has taken in warding off attacks from the right, especially on the environment, could cost him support received in the past from independents and some Democrats.

Even if he now is more sharply partisan, less centrist, Upton still can work for bipartisan passage of legislation, tough to do in days of angry gridlock. He was author of the Food and Drug Administration Safety and Innovation Act, a significant reform measure passed by overwhelming margins in both House and Senate and signed into law last week by the president.

Upton authored a bill signed by the president? That president?

If it weren't perhaps too late, would that bring a multi-million-dollar super-PAC TV buy aimed at making Upton Michigan's Dick Lugar? ♦

Colwell has covered politics over five decades for the South Bend Tribune.



The State of Lake

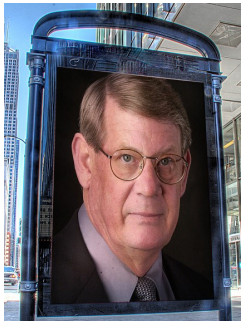
By **RICH JAMES**

MERRILLVILLE – There are good reasons why Lake County often is called the State of Lake.

And it's not all Lake County's fault. No, the state of Indiana has to share the blame.

I bring up the subject because of the mandate that Lake County must consolidate its 18 emergency communication centers into two by 2014.

Any time the state tells Lake County to do anything, it's generally not met with open arms. This takes it to a new level. While Sheriff John Buncich and the county's police and fire chiefs are working to make consolidation a reality, the elected officials are acting like it's socialism. Oh, come now, socialism from the administration of Republican Gov. Mitch Daniels?



The County Council wants no part of raising the proposed \$30 million some say is needed to do the job. Some feel so strongly that they agree with Democratic County Councilman Mike Repay, who is a heavy favorite to be elected county

commissioner in the fall, who said he would rather lose state funding of \$3-plus million a year than come up with the \$30 million for consolidation. It's not quite that simple, but you get the drift.

When the County Council punted, the 18 municipalities, represented by the police and fire chiefs, came up with a tentative proposal for all 18 of the jurisdictions to chip in what they now spend for emergency communications services to fund consolidation.

Crown Point Mayor Dave Uran said "no way," adding that he wants city attorney David Nicholls to explore challenging the state mandate based on constitutionality. A few days later, Hammond Mayor Tom McDermott, who doubles as county Democratic chairman, said the police and fire chiefs ought to throw out the agreement and start over.

I, too, question the state's ability to mandate emergency communications consolidation, but unless the county can get an injunction halting the process, the county ought to be moving ahead.

Yet, I can't really blame the Lake County municipal and county officials for fighting the state directive.

The state mandate comes on the heels of another state mandate that Lake County must adopt an income tax or have its levies frozen.

There is something inherently wrong – and prob-

ably unconstitutional – in the state mandating the county to adopt an income tax that the state calls "optional."

So levies on all levels of Lake County government have been frozen since 2007. Yet the state wants the county to raise more for consolidated emergency communications.

There is something wrong with this picture. The state freeze of the local levies has resulted in the firing of some police and firefighters because of a lack of money. And in the same breath, the state tells the towns, cities and county to find more money to fund consolidated communications. And I thought Reaganomics was skewed thinking. Lake County Deputy Police Chief Dan Murchek has filed suit contesting the levy freeze, but that likely will languish forever. Speedy justice is more a phrase than reality.

Fueling the local feeling that the state doesn't have any respect for Lake County is the Cline Avenue fiasco. The highway, which is a link for Northwest Indiana and Chicago and vice versa, was closed in the fall of 2009 when it was found to be unsafe. Rather than find the money to fix it, Gov. Daniels said the only way he would approve the rebuilding of the elevated highway would be to convert it from a freeway to a toll road.

Take that, Lake County.

Some 10 to 15 years ago, Lake County was fighting the state over property taxes being used to fund hospital care for the indigent.

This one was a real catastrophe.

As it turned out, Lake County was providing more than 40 percent of the money needed to fund HCI statewide. Lake County taxpayers were paying \$20 million more a year on HCI than it should have been paying.

The only explanation the state could come up with to explain the injustice was that it was in a formula in state law. While the state finally admitted Lake County was getting the short end of the stick, it took a long time to get it corrected. And, no, Lake County didn't get reimbursed.

Even though the state a few years back created and helped fund the Northwest Indiana Regional Development Authority, which was a good thing, it is easy for Lake County residents to think that downstate officials – particularly Republicans – don't much care for this corner of the state.

While pulling out of Indiana would be a bad thing for Lake County – and something the state never would allow, it got me thinking about how uniquely positioned Lake County is to really become the State of Lake.

There may not be another county in the country with steel mills, an oil refinery, casinos and expansive farms. What more does one need to exist on its own? ❖

Rich James is the former editorial page editor and columnist for the Post-Tribune in Merrillville.



Eric Bradner, Evansville Courier & Press: For eight years, it's been The Blade versus The Boss. Budget-slashing Republican Gov. Mitch Daniels has tried to bend the Indiana General Assembly to his will. House Democratic leader Patrick Bauer, an old-school political throwback of sorts, has tried every trick in the book to stop him. It's only fitting that the two just might be poised to go out together. As Daniels wraps up his second term and prepares to move to Purdue University, it was learned Friday that Bauer's perch atop his caucus is in jeopardy. Democrats in the House have grown weary of their minority status and of Bauer's strong hand in directing campaign spending. An attempt to gather enough members for a Friday vote to overthrow him fizzled after some remaining Bauer loyalists refused to participate and other members were left unclear as to whether a meeting would actually take place. Still the discontent was tangible with the man who orchestrated a five-week boycott and holed his caucus up in an Urbana, Ill., hotel during the 2011 legislative session; who took budget negotiations to the brink and whose tactics once led Daniels to call him a car bomber. Overthrowing Bauer is probably a job that unhappy House Democrats can't try again until after November's elections. Whether Bauer has the votes to survive, or Rep. Scott Pelath, D-Michigan City, remains the most viable alternative, could change between now and then. It might, though, be time for Bauer to depart for reasons that have little to do with why other members of his caucus are complaining. Bauer, a South Bend politician whose father was a state senator, has been in the Indiana House since 1970 — and with those 42 years of experience have come an expertise in the tactics and process of the state's legislature. What Bauer's not is obvious. He's a short man with a low, gravelly voice and a tendency to ramble. He's also a defensive specialist. He doesn't do the kind of big-picture messaging that gives a party something to sell to voters. ❖



John Krull, Evansville Courier & Press: The Indiana Debate Commission announced a few days ago that the three candidates to be Indiana's next governor — Democrat John Gregg, Libertarian Rupert Boneham and Republican Mike Pence — have agreed to debate three times this fall. Each part of Indiana — north, central and south — will get to host one of the debates. The formats probably will be similar to ones used in the past. They will be part town hall discussion, part joint news conference and, most likely, all boring. The reality is that there hasn't been a political debate in decades that hasn't been a snooze fest. These aren't likely to change that. In short, properly run, a debate should tell us which candidate is ready to lead. To get those insights, though, we should force candidates not to confront the issues or the public, but each other. We should

create formats in which the candidates are pushed to pick apart each other's arguments in detail — and forced to argue the points their opponents are making that they don't wish to acknowledge. In other words, we should demand a real debate. Abraham Lincoln and Stephen Douglas didn't have a moderator. They didn't have a panel of journalists posing questions. And they didn't take questions from the audience. What they had was a stage and a topic. ❖

Larry Sabato & Kyle Kondik, University of Virginia: Coverage of the race for the Senate has, rightfully and unsurprisingly given the seats in play this cycle, focused on the 23 Democratic-held Senate seats being contested this fall, as opposed to the 10 Republican-held seats. With so many targets, Republicans have many opportunities to go on offense, with seemingly few places to play defense. But there are some warning signs for Republicans, and GOP leadership might remember some advice that Admiral Greer (James Earl Jones) gave Jack Ryan (Harrison Ford) in the classic *Clear and Present Danger*: "Watch your back, Jack." Indeed, even if Republicans can pick up some Democratic-held seats, their chances at a Senate majority could falter if they lose a seat or two where they're currently favored. The candidates matter Part of

the Republicans' problem is a common one in this anti-establishment era: candidate selection. Primary results have already turned one super safe seat -- Indiana -- into a potentially competitive one, and might affect other seats where primaries are still pending. Conservative icon William F. Buckley's advice to Republicans was to vote for the most conservative candidate who can win. As Republicans found out two years ago, ignoring those last three words can lead to trouble. Sharron Angle (NV), Ken Buck (CO) and Christine O'Donnell (DE) all defied the odds to win their primaries, only to lose to vulnerable Democrats in November. The same anti-establishment, pro-outsider sentiment that fueled Republicans in 2010 remains vibrant, and outsiders are continuing to win Republican Senate primaries. Their victories may or may not end up benefiting Democrats in the fall. Chief among those is Indiana Treasurer Richard Mourdock, who defeated Sen. Richard Lugar, and state Sen. Deb Fischer, who came out of nowhere to defeat two better-known opponents in Nebraska. Fischer looks like an easy winner against ex-Sen. Bob Kerrey (D). But Mourdock's victory turned another reelection waltz by Lugar into a potentially hotly contested race in Indiana. While the Hoosier State has swung back to the GOP after narrowly supporting President Obama in 2008, one cannot completely discount Rep. Joe Donnelly's (D) chances of winning an upset. If he does, it will be because of Mourdock's primary win. ❖



Indiana owes IBM \$12 million

INDIANAPOLIS - Indiana can't recover any of the \$437 million it paid to IBM Corp. before firing the company that was leading the state's much-criticized effort to modernize its welfare delivery system, a judge ruled Wednesday (Bradner, Evansville Courier & Press). Instead, the state owes IBM \$12.1 million more for equipment it kept, on top of \$40 million in subcontracting fees it already owed the technology giant, Marion Superior Judge David Dreyer ruled in a decision that criticized both parties. "Neither party deserves to win this case," Dreyer wrote in the first paragraph of his 65-page ruling. "This story represents a 'perfect storm' of misguided government



policy and overzealous corporate ambition. Overall, both parties are to blame, and Indiana's taxpayers are left as apparent losers." Indiana hired IBM in 2006 in a 10-year, \$1.37 billion deal to lead the transition away from a paper-based method of processing Medicaid and food stamps applications at the county level to a statewide system with a call center and online document processing. Less than three years into the transition, Gov. Mitch Daniels fired the company after a series of complaints of errors, long delays and a lack of human contact. Indiana kept IBM's subcontractors, and the Family and Social Services Administration started launching a "hybrid" version. The two sides squared off in a six-week trial earlier this year, as Indiana demanded the money back it had paid IBM, and IBM said Indiana owed it another \$100 million. IBM officials lauded Wednesday's decision. "This case was all about whether the state would fulfill its clear and explicit

contractual promises," said Robert Weber, IBM senior vice president and general counsel. "The court's decision is an important one for all companies who do business with the state because it makes clear that the state is not above the law." Gov. Mitch Daniels immediately signaled that Indiana will appeal the ruling, and said regardless, the savings Indiana has realized as a result of the effort are much greater than what Indiana stands to lose in the lawsuit. "Here's what matters: Indiana, which eight years ago had the nation's worst welfare system, now has its most timely, most accurate, most cost-effective and fraud-free system ever," he said in a statement. "That was always the goal, and changing vendors was essential to achieving it. We'll seek and expect a reversal, and either way, it's all been well worth it to solve the problem we set out to fix."

10 semifinalists for Supreme Court

INDIANAPOLIS - The list of 10 semifinalists for one opening on the Indiana Supreme Court contains six women and four men, potentially increasing the odds that Gov. Mitch Daniels could name a woman to the court (Indianapolis Star). Wednesday, the commission released the names of the 10 semifinalists, including several Indianapolis-area attorneys and judges. They are: Cale Bradford, Indiana Court of Appeals judge; Frances Gull, Allen Superior Court judge; Erin Reilly Lewis, Indianapolis; Andrielle Metzler, Indianapolis; Steven Nation, Hamilton Superior Court judge; Loretta Rush, Tippecanoe Superior Court judge; Geoffrey Slaughter, Indianapolis; Marianne Vorhees, Delaware Circuit Court judge; Mary G. Willis, Henry Circuit Court judge; John P. Young, Indianapolis.

House approves racing sponsorships

WASHINGTON - IndyCar, NASCAR and bass fishing can count on the military to keep the sponsorship money coming. The House voted Wednesday night to continue spending millions for the military to back sports to attract recruits for the all-volunteer force. On a vote of 216-202, the House rejected an amendment by Reps. Jack Kingston, R-Ga., and Betty McCollum, D-Minn., that would have trimmed \$72.3 million for sports sponsorships from a \$608 billion defense bill for fiscal 2013. It targeted the money the National Guard spends to sponsor Dale Earnhardt Jr., NASCAR's most popular driver, as well as IndyCar Series driver JR Hildebrand.

Indiana raises drought alarms

INDIANAPOLIS - State officials are raising alarm bells about the seriousness of the state's bone-dry conditions, likening them to the Dust Bowl years of the early 1930s (Hayden, CHNI). The state's Department of Homeland Security and Department of Natural Resources have issued a "water shortage warning" across Indiana, triggering a call for voluntary conservation measures that may soon become mandatory. At a press conference Wednesday, state and federal officials warned of water shortages, wildfires, dried up wells and reservoirs, and widespread damage to farmlands and forests — all caused by a relentless drought and a continuing demand for water. "We don't want to stand here as Chicken Little and say the sky is falling," said Homeland Security director Joe Wainscott. But it may be, if something dramatic — like a tropical storm or a massive water-conservation effort — doesn't happen soon.