



# Hoosier GOP pushes for sequester

### Coats, Young, Rokita insist on cuts; but can they hold the line after March 1?

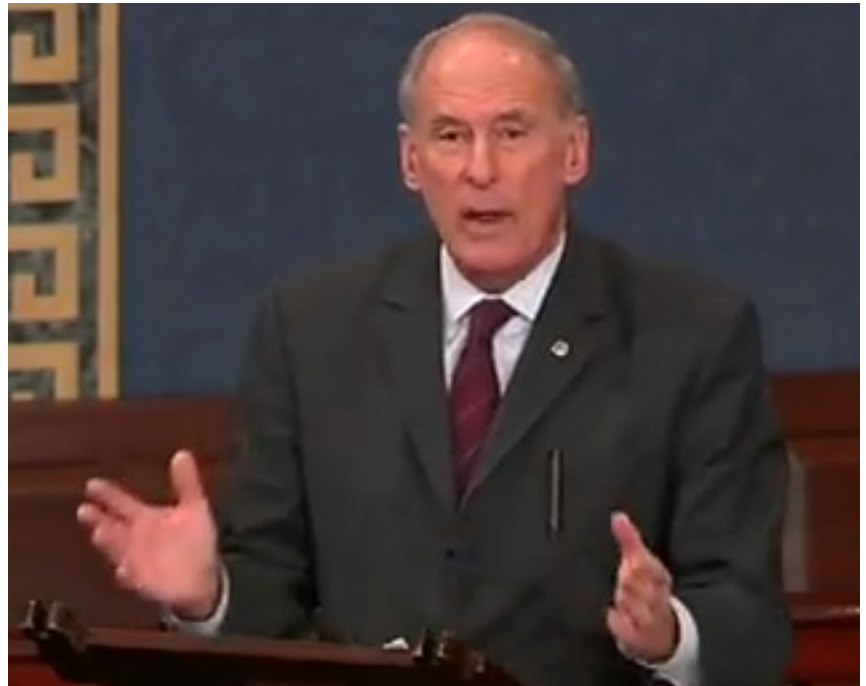
By **BRIAN A. HOWEY**

INDIANAPOLIS – Hoosier Democrats like U.S. Rep. Pete Visclosky view the next eight days heading into the unprecedented \$85 billion sequester as an exercise of “mindless cuts.”

For Republicans such as U.S. Sen. Dan Coats and U.S. Rep. Todd Young, March 1 is an inevitable reality.

“Many of my colleagues in the House and the Senate find themselves at the point where across-the-board cuts are sub-optimal, to say the least, as opposed to cutting spending,” Young told HPI Wednesday. “We also feel resigned to the fact that we’re not getting any cooperation from the administration in addressing our spending challenges. This administration isn’t producing a budget. We don’t feel like we have an honest broker.”

“So I believe, tragically, this sequester will go into effect on March 1. I just haven’t seen indications that the President giving his campaign speeches around the country is prepared to get as serious as he should.”



U.S. Sen. Dan Coats speaking from the Senate floor imploring spending cuts. He and several of his Indiana House colleagues believe that sequestration is inevitable.

Speaking in the Indiana Senate Monday, Coats said he sees the sequester as the point where someone in

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## Gov. Pence’s risky tax path

By **BRIAN A. HOWEY**

INDIANAPOLIS – Gov. Mike Pence delivered the keynote address to the Hamilton County Republican Lincoln Day dinner Tuesday night and it came off like one of his standard stump speeches of the 2012 campaign.



The reaction from these folks in one of the most Republican counties in the U.S. of A. was instructive. When Pence broached his 10% income tax cut – which had been left out of the House Republican budget during the Ways & Means Committee vote the day before – there was polite



**“Joe Donnelly is the general of the party. I think it’s important for us to support the senator. I’ll use all the influence I have to get votes for John Zody .”**

- Lake County Chairman Tom McDermott



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applause. But when he talked about the creation of regional vocational councils where business and industry would work with local school systems to create "skills gap" curriculum, the response was, according to Chuck Ford, "forceful support."

Ford, who at one time headed the Hamilton County Tea Party, explained of the Pence tax cut, "Republicans here can take it or leave it. If the revenues in April come in positively, good. But if not, OK. They can take it or leave it."

**This analysis mirrored** a question HPI posed to Pence just a few days before he became Indiana's 50th governor. The vocational education package, the reasoning went, is poised to get wide bipartisan support and would make a great "No. 1 priority." The income tax cut will be held hostage to the April revenue forecast and had gotten a chilly response from Speaker Brian Bosma, Senate President David Long and Senate budgeteers Luke Kenley and Brandt Hershman.

A number of prominent Republicans we've talked with – all having great affection for the new governor – were saying similar things.

But Pence was sticking to his guns in mid-January and all the way to Tuesday night in Carmel.

"We need to make sure we pass an honestly balanced budget, make sure we have reserves that will send a message across the country and the world that Indiana has a strong balance sheet," Pence told me in January. "It is of the first importance. But next I think we have to lean into the fight to make Indiana more attractive for investment by businesses that are here and businesses which want to come here. I truly believe that lowering taxes and improving the quality of our work force represent two great opportunities to do just that."

The first part of his statement – honestly balanced budgets and

strongly balanced spread sheets – is the very reason that Bosma, Long and Kenley have balked at the income tax cut. They're not so worried about the biennial budget that's in the works, but future ones if the economy either limps along or tanks. With the congressional sequester looking more and more likely, and the long-feared double-dip recession lurking in the background, Bosma constantly talks about the \$1 billion surplus of 1998 turning into a billion dollar deficit just a few short years later.

Fiscal and social conservatives like Sens. Mike Delph and Jim Banks have risen to defend the Pence tax cut, but that brings into question their own longer term fiscal stewardship. And beyond them, there is virtually no one else championing Pence's tax cut. The Indiana Manufacturers Association is supporting the cut, but it comes with the phrase "guarded support," which is hardly a clarion call. The Indiana Chamber is not on board.

**The Public Opinion** Strategies Poll conducted for the Indiana Realtors that HPI published two weeks ago, and another internal poll we were shown on Monday, were virtually identical. Ask Hoosiers if they want an income tax cut, and they'll say "Sure, why not?" to the tune of 67%. Asked for priorities on issues, the tax cut falls to the back of the pack, its support statistically chopped in half. The internal political poll we were privy to showed Hoosiers far more interested in funding public schools.

This resolute Pence stance on his tax cut is now positioning him – and any 2016 presidential aspirations that depend on him getting out of the gate strongly here – for a hard fall, with legislative Republicans seeking to restore themselves to an alpha position after eight years of subservience to Gov. Mitch Daniels.

Last Friday, when the House GOP budget was unveiled, the elephant everyone saw on the table rolled out its trunk and delivered the



expected message: No Pence tax cut. Bosma and Long had been telegraphing that message since the Chamber legislative preview just after the election.

"I am very disappointed in the House budget proposal," Pence was left to say on Friday morning. "Despite having the largest budget surplus in history, this House budget increases spending without giving hardworking Hoosiers one cent of new tax relief. As our administration's budget clearly showed, we can afford to do both. Indiana can fund our priorities, including increases for roads and schools, and reduce the personal income tax. Since we can reduce taxes on every Hoosier, we should."

"By leaving income tax relief out this early in the process, this House budget proposal does not contain the kind of balanced approach that will create jobs and opportunities for Hoosiers," Pence said. "With so many hurting in this economy, Hoosiers deserve better. Indiana recently cut taxes for businesses and estates. It's time for average Hoosiers to get a break."

Pence is beginning to take the message out on the stump. Speaking to the St. Joseph County Chamber in South Bend on Wednesday, Pence said, "I'm someone that believes government should collect only what it needs. And when government collects more than it needs, I think it should return that to the hard-working taxpayers who earned it in the first place."

**On Monday, just before the** Ways & Means vote, Pence once again pushed the tax cut. "We're going to continue to fight for a budget that lets Hoosiers keep more of their hard-earned tax dollars," said Pence, "because I think that'll create jobs."

But Bosma and others are deeply skeptical that a 10% income tax cut for someone making \$500,000 resulting in a \$1,071 tax savings (further diminished by not having the federal tax write-off) will create any jobs. For most Hoosiers, it will put \$100 or so in their wallets, good for a tank of gas, a couple of bags of groceries or a Friday night pizza dinner.

"I do know people are disappointed," Ways & Means Chairman Tim Brown told the Evansville Courier & Press. "Not everyone can have everything they needed, or wanted, or desired."

That quote conjured the old line by then-White House Budget Director Daniels having the Rolling Stones' "You Can't Always Get What You Want" playing for those put on hold at OMB.

The other wild card is the sequester in Washington, which could throw another layer of uncertainty in the mix. Or as Brown said on WIBC Wednesday, two out of every three National Guard dollars comes from Washington, as well as millions in road funding.

**Pence backers note that Gov. Daniels** – in his rookie year of 2005 – didn't get his one-year, 1% tax hike on the wealthiest 1 percent. But in the shrewd tactical mind of that governor, the 1% tax hike was a poker chip, a throw-away. It wasn't his "top priority" and he got just about everything else he was seeking that year.

The rest of the Pence legislative agenda is somewhat murky – quick, name his five top priorities – and this was a bad week that some first-year governors tend to have. For those with presidential aspirations, it is a jarring pothole.

With some luck, like a good April revenue forecast and a balmy national economic rebound, this story could have a happy ending. Several Statehouse insiders have told me that Pence will likely get "something," even if it's a multi-year income tax cut phase in.

But the fact is, Gov. Pence is on a risky path. ❖



Gov. Pence chats with former Gov. Kernan in South Bend Wednesday. (South Bend Tribune Photo)

## Sequester, from page 1

Congress finally gets serious about spending.

"I think it's going to go forward and needs to go forward," said Coats, who has made a number of speeches from the U.S. Senate floor in recent weeks imploring spending cuts. "It's the only leverage we have to try to force the President and the Democrats into a long-term package that will put us on the path to fiscal health and a balanced budget. It's much better if we do it another way. We're

ready to do it another way, but the President got his take on taxes; we think the problem is spending, and if this is the only way we can get the leverage to get to a big package, we're going to do it."



U.S. Rep. Todd Rokita told HPI late Wednesday afternoon that he, too, believes sequester will become a reality. "Will it change after it kicks in?" Rokita asked. "Will they hold the line in the face of tactics similar to those during the government shutdown?"

This is the prevalent at-



titude in the Indiana congressional delegation which is 8-to-3 Republican. U.S. Rep. Marlin Stutzman explained, "President Obama proposed an automatic cut, or sequester, of nearly half a trillion dollars to the Defense Department. Now he's campaigning against his own proposal, relying on fear instead of facts. Rather than working with Congress to responsibly replace defense cuts with matching cuts to wasteful spending, President Obama is calling for yet another oppressive tax increase. House Republicans have passed legislation twice to avoid gutting defense and instead cut real government waste. Instead of working in good faith, President Obama is counting on tax hikes to fix the problem he caused and in the process will punish middle class families and small businesses. With less than 10 days left, President Obama should get serious about our nation's \$16 trillion debt by cutting spending responsibly."

### Pentagon impact

Asked about the \$46 billion in spending cuts to the Pentagon, Young explained, "Republicans remain ardent proponents of national security. It's not quite the same thing as being ardent defenders of the Pentagon."

Young added that little effort has been made to explore the mission of the Department of Defense in the coming years and then designing a budget to meet those needs.

"In a world of ideal Washington policy making, you would ideally make cuts to the defense budget in conjunction with strategy," Young said. "Former Secretary (Robert) Gates said not long ago, 'We're prepared to cut defense spending in this budget. But first you've got to tell us where you no longer want to go and what missions you no longer want us to perform.' That sort of strategic analysis has not been forthcoming from the administration. That's the job of the Commander-in-Chief."

Defense Secretary Leon Panetta said on Wednesday that 800,000 civilian jobs would be lost. The Fort Wayne Journal Gazette reported that 170 jobs at the Air Guard base would be lost. "There is no mistaking that the rigid nature of the cuts forced upon this department, and their scale, will result in a serious erosion of readiness across the force," Panetta said in a memo.

Visclosky, the Merrillville Democrat, told the NWI Times that America's armed forces and border security will be especially hard hit by the "mindless" cuts, which apply

across all government spending regardless of importance.

"The safety and security of the American people should not be bargaining chips in high-stakes budget negotiations," Visclosky told the Times. "Instead of mindlessly cutting defense and border security programs that keep Americans safe from harm, we must make thoughtful, deliberate decisions about the country's fiscal future."

But Rokita emphasizes, "We're talking about a 3% reduction in the government budget and that doesn't negate the coming increases. The federal government will take in \$2.7 trillion in taxes in 2013, an all-time record."

So as members of the Indiana delegation began weighing in, President Obama was lining up TV interviews with local stations and stumping in campaign style events, believing that public opinion will ultimately back his position and potentially damage the GOP brand further.

A new Pew Research Poll released Wednesday shows 40% of Americans say it would be better to let the automatic spending cuts go into effect, while 49% say it would be better to delay the cuts. Both Republicans and independents are divided evenly over which approach is better, and even among Democrats, roughly a third favor letting the sequester take effect over any delays.

Gallup had congressional approval at just 15% on Tuesday, with Obama's job approve/disapprove at 51/42%. Rasmussen Reports had Obama approval/disapprove at 52/46%. A Bloomberg News Poll has Obama's approval at 55%, a three-year high, compared to 35% for GOP lawmakers.

CBS Political Director John Dickerson observed, "The White House thinks they have the upper hand. Polling shows the President with a much better approval rat-

ing than Congress."

Speaking while surrounded by first responders on Tuesday, President Obama said that the military and local emergency personnel would be hurt "if Congress allows this meat-cleaver approach to take place."

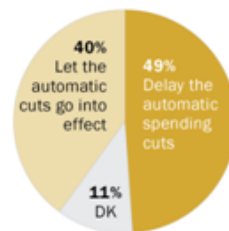
"Changes like this affect our responsibility to respond to threats in unstable parts of the world," Obama said. "These cuts are not smart, they are not fair, they will hurt our economy, they will add hundreds of thousands of Americans to the unemployment rolls. This is not an abstraction – people will lose their jobs."

The Democratic Congressional Campaign Committee issued a list of potential effects on Indiana: Sequester would cut 23,942 jobs in Indiana; it would cost Hoosiers

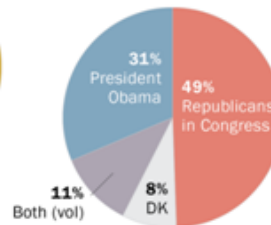
### Assessing Fallout from Sequester

*If Obama and Congress can't strike a deficit deal before the March 1 sequester deadline...*

What should they do?



Who would you blame?



PEW RESEARCH CENTER/USA TODAY Feb. 13-18, 2013.



\$1.2 billion in total lost income; 13,800 mothers and young children would lose access to food assistance and critical health care; 4,300 fewer children would receive vaccinations; 30,000 fewer women, children and families would receive critical preventive health care.

## **A balanced approach**

Young noted that Obama has called for a “balanced approach” and observed, “We just saw a massive tax increase at the first of this year, much of it on middle class families” he said of the payroll tax. “We’ve got a middle class tax increase in the Obama health care plan. We’re looking at the other side of the balanced approach which is spending reductions. We’re just not getting what we’re looking for.

“I believe I speak for the majority of our conference in this regard. We have no problem with and enthusiastically embrace the notion that we need to close a lot of deductions, eliminate some credits that benefit only narrow interests at the expense of other Americans. But Republicans prefer to do tax reform in a comprehensive manner, meaning putting every single provision in the corporate code and individual code on the table, and then negotiating in good faith in the end with Democrats to come up with a bipartisan, comprehensive plan.” Young said there is little difference between Democrats and Republicans on tax simplification and broadening the base. “There are differences where we end up on breaks,” Young added. “Republicans want a 25% corporate rate,” noting that the U.S. has the highest rate (35%) in the industrialized world, and a 25% personal rate (now at 39.6%).

## **Risks and payoffs**

Americans are entering uncharted territory here. There has been speculation that the military will be harmed, the stock market – now near record heights – could tank, that we could face a double-dip recession, that the jobless rate will spike upward.

Rep. Young said that he’s hearing far more from constituents on the gun violence proposals in the wake of Newtown, Conn. Rokita said that he’s hearing equally from constituents on guns and sequester. “What I’m hearing is, ‘Stay the course.’” he said. No one in the Indiana delegation is holding out much hope that sequester will be avoided. Republicans are seeking leverage. Democrats believe a rigid GOP will simply inflict even more damage on their brand.

It will be interesting to see whether the public and the credit rating agencies will equate sequester with the government shutdown of 1995.

The one notion that might bring consensus is: This is a lousy way to govern, but few offer a compelling path to find the right way. ❖

## What’s ahead in Congress this year

By **LEE HAMILTON**

BLOOMINGTON - Earlier this year, it seemed there might be some hope for Capitol Hill when Congress dealt easily with raising the debt ceiling. But don’t let that single episode fool you. As President Obama and House Republicans circle each other over the forthcoming budget cuts known as the “sequester,” it’s a reminder that Congress and the White House have a complicated legislative agenda ahead — and that none of the items on it will come easily.

We’ll get to the specifics in a moment, but two things need to be said up front. The first is that despite President Obama’s exhortations in his State of the Union speech, major policy changes will be difficult to make.



The Democrats may have increased their margin in the Senate, but the Republicans still control the House. The ideological polarization and apparently incompatible views that marked dealings between the two bodies show no sign of abating. Significant policy initiatives are not impossible, but it’s safest to have subdued expectations.

Second, although rank-and-file members seem more willing than in the recent past to part with their caucuses on high-profile votes, power will continue to rest with the leadership. Over the year ahead, the dynamic to watch will involve the caucus leaders in both houses — ordinary members may have some impact on the margins, but they won’t be the center of the action.

**The big issue, of course,** will continue to be the budget and fiscal affairs. The major questions are: Can we get our fiscal house in order? Can we revive economic growth and make the investments we need in human and physical capital? And can we figure out a reasonable way to pay for the government we require — one that doesn’t need the 73,000 pages of rules and regulations that burden our current tax code?

However Congress and the White House proceed, it’s unlikely there will be any “grand bargain.” Instead, they are likely to make piecemeal progress on the core issues: Increasing tax revenues and cutting spending on entitlements.

Confrontations over these matters will make it harder to tackle other economic issues that need addressing, such as how to address the regulation of the biggest



banks and how to finance the infrastructure that our economic growth desperately needs.

Congress will also turn to health care. As long as President Obama is in office, his signature health plan will not be repealed, but there will almost certainly be fights over its implementation and funding.

**The big issue — how to control** health-care costs — will remain a centerpiece of the debate, but it is unclear how it will get addressed.

On the other hand, there is unambiguous movement on immigration reform. While Democrats have coalesced around a comprehensive approach to the issue — which would include ways of easing the stay of highly skilled workers, a guest-worker program, and a path to citizenship for the 11 million illegal immigrants in the country — Republicans have generally preferred tackling specific issues separately.

The two sides can find common ground, especially on high-skilled workers. Possible citizenship, on the other hand, will be much knottier to resolve. So while the gridlock may be easing, comprehensive reform of our broken immigration system is not assured.

You can also look for piece-by-piece initiatives on gun control. While the White House and some members

of Congress are looking for wide-ranging legislation banning assault weapons and high-capacity magazines, others are focused on specific proposals that can gain bipartisan support. Some members with widely different views, for instance, are coalescing around an effort to expand requirements for background checks on gun sales.

Climate change, which gained national force last year with Hurricane Sandy, is less likely to see congressional action. Despite the certain threat of rising seas and storm surges, Congress seems unprepared to get serious about it.

**Instead, as he promised** in the State of the Union, if Congress cannot act the President will take whatever steps he can by executive order, as he just did with cyber-security.

There are drawbacks to this approach, but it is a reminder that when Congress is able to act it remains a player, and when it can't, it deals itself out of the policy picture. ❖

**Lee Hamilton is Director of the Center on Congress at Indiana University. He was a member of the U.S. House of Representatives for 34 years.**

## Unopposed McDermott backing Zody; keeping 2016 options open

By **BRIAN A. HOWEY**

INDIANAPOLIS — Lake County Democratic Chairman Thomas McDermott Jr., fresh off a virtually unprecedented station of being unopposed for a second term at the helm, emphatically endorsed John Zody for Indiana Democratic chairman and questioned those who would challenge the choice of U.S. Sen. Joe Donnelly.

"I don't mind slapping people upside the head," McDermott said.

"With my military background, Joe Donnelly is the general of the party. I am the private. I think it's important for us to support the senator. I'll use all the influence I have to get votes for John Zody."

McDermott was invigorated Wednesday when the filing deadline passed and no one challenged him for

a second term as chair. There was speculation that Sheriff John Buncich would contest him for the job on March 2. Instead, Buncich agreed to become secretary of the party. Peggy Katona will be vice chair and Roosevelt Allen will be treasurer.

"I don't know if this has ever happened before," said McDermott, the three-term mayor of Hammond. It was a far cry from the days of the chair showdowns between former East Chicago Mayor Robert Pastrick and long-time nemesis Stephen Stiglitz. "Everyone is uncontested. I don't even know if we have to have the caucus."

McDermott made it clear that he will work to back Donnelly's choice of Zody.

"Nobody ever questioned Evan Bayh when he was senator," McDermott said. "Joe Donnelly is the future of the party. People stabbing him in the back now will come to regret it. A senator is around for a long time."

McDermott said he received a call from former lieutenant governor nominee and state senator Vi Simpson. "I talked to her," McDermott said. "She was feeling me out. I told her the same thing I am telling you."

McDermott said he believes a





contest between Zody and Simpson is all about the 2016 gubernatorial race. John Gregg, the 2012 nominee, has told HPI that he is "keeping his options open" and some believe the Simpson chair candidacy is an effort to gain control of the party.

Zody was an aide and campaign manager for former congressman Baron Hill, another potential 2016 candidate. Hill and Gregg are said to be on friendly terms. Hill portrayed Gov. Mike Pence during the debate preparations last fall.

McDermott said the next state chairman will have little impact on the eventual gubernatorial nominee. For the

record, Zody told HPI earlier this month that he would be "fair and neutral" during future nomination processes. "The idea of limiting people, or making people feel excluded, I would never advocate that," he said.

Hill has not publicly talked about the 2016 gubernatorial race, but has sent fundraising letters and emails on behalf of the Indiana Democratic Party.

As for a potential McDermott gubernatorial candidacy, the Lake County Democratic chief told HPI, "If I decide to run for governor, I'm going to do it. I'm not ruling anything out." ❖

## What to do with a \$2 billion surplus

By MAUREEN HAYDEN

INDIANAPOLIS — We Hoosiers like to think of ourselves as special, but when it comes to the current debate in the Indiana Statehouse over the budget, we're a lot like other states: Grappling with some post-recession questions about how to balance spending and taxes.



The struggle unfolding in the Statehouse has to do with the state's \$2 billion surplus and two distinctly different views about what to do with it.

The stash of cash follows lean years brought on by the 2008 recession, when Indiana — like many other states — saw deep drops in tax revenues and subsequent deep cuts in state spending on education and other public services.

Slowly but steadily, those tax collections have been rising as Indiana and other states get back on their feet.

It's good news, but here's the dilemma that it's led to: Should we restore those lost dollars to schools and other public services or use the surplus to lower taxes and lock in those cuts made under economic duress? States across the nation, from Connecticut to California, have been wrestling with the same issue.

**Republican Gov. Mike Pence** is committed in large part to the latter. His No. 1 campaign promise last year was to lower the personal income tax rate in Indiana from 3.4 percent to 3.06 percent.

The sound of a tax cut has Pavlovian appeal: It triggers a reflexive positive response. But the reality isn't

that impressive. Typical middle-income Indiana residents would see their state tax obligation drop about \$100; the poorest 20 percent of Hoosiers would see a tax cut of \$18 or less. The richest 1 percent of Hoosiers might like it, because their state taxes would be cut by about \$2,200.

**Yet a good chunk of those** dollars would likely end up not in Hoosier pockets but in the federal Treasury.

Why? Because one of four Indiana taxpayers claims itemized deductions on their federal tax returns, and can write off the state and local income tax payments they make. By lowering their state tax bill, the Pence tax rate cut would raise their federal tax bill.

The Pence tax rate cut would take more than \$770 million out of state revenues over the next two years.

That's money that the fiscally conservative Republican leaders in the House want to spend making what they call "strategic investments" to bolster the Indiana economy.

The budget plan that GOP House leaders rolled out this month would direct most of those dollars back to local schools and state universities that took a hit in the budget-cutting years and back to local municipalities for repair of their crumbling roads and bridges.

**The Republicans who control** the Statehouse are having an interesting intra-party fight, and so far, Pence seems to be on the losing side. The Republican budget-makers in the Senate seem as unconvinced of the merits of the Pence tax rate cut plan as their brethren in the House.

The Statehouse politics of it are intriguing, especially since Pence's possible presidential aspirations are thrown into the mix. But the politics are likely not so entertaining for many Hoosiers, living in a state with an unemployment rate higher than the national average, and who are still hoping for something good to jolt the economy. ❖

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## What future campaigns could Mourdock run?

By **BRIAN A. HOWEY**

NASHVILLE, Ind. – With his fourth congressional defeat still a fresh wound and after running 11 campaigns in the past two decades, it seemed possible that Indiana Treasurer Richard Mourdock might find a life outside of politics.

But this past weekend at the Vanderburgh County Republican Lincoln Day dinner, Mourdock fueled speculation that his debacle against Joe Donnelly in the U.S. Senate race wouldn't keep him on the sidelines. "I'm going to find a way to have my voice heard,"

Murdock told the Evansville Courier & Press at the Vanderburgh County Republican Lincoln Day dinner Saturday. It was Mourdock's third GOP Lincoln Day dinner of the week, and three more are planned. He will be the keynote speaker at the Clinton County LD on Thursday.

Murdock told the Evansville Courier & Press over the weekend of his loss against Donnelly, "I'll be honest, this one was very difficult to lose."

So, what might Mourdock's political resurrection options be?

The most obvious one would be the state auditor's office in 2014, where incumbent Tim Berry is term-limited, as is Mourdock, now in his second term. There's already been a swap, with Mourdock taking Berry's nomination as treasurer while Berry switched to auditor in 2006. Both were reelected in 2010.

**Murdock has a home** in Darmstadt in Vanderburgh County and he resides in State Sen. Jim Tomes' SD48 district. He is also in HD64, where the incumbent is freshman State Rep. Thomas Washburne. It's unlikely he would challenge either one of those Republicans, both having ties to the Tea Party.

Murdock is in the 8th CD, where U.S. Rep. Larry Bucshon is the incumbent. Bucshon narrowly defeated Tea Party candidate Kristi Risk to win the nomination in 2010. Ironically, Mourdock had an opportunity to run in the 8th CD that year during the "Bayh dominoes" scenario when U.S. Sen. Evan Bayh opted to retire, and U.S. Rep. Brad

Ellsworth shifted to the Senate race.

Murdock had unsuccessfully run three times in the 8th CD, losing a primary race and then two general election contests two decades ago. Some observers believe he might have been favored against Bucshon had he entered that race.

**Then there is U.S. Sen. Dan Coats**, who is expected to seek a second consecutive term in 2016. That's a long way off. Coats appears to be in vigorous health, is raising early money and was supportive of Mourdock's ill-fated 2012 campaign. A Coats-Murdock race would seem unlikely. Mourdock's latest FEC report shows \$27,849 in cash on hand and \$30,840 in debts. The Mourdock campaign has repaid a \$200,000 loan to the candidate.

Another option would be the 2016 gubernatorial race should Gov. Mike Pence opt to run for president. But if that scenario unfolds, a gubernatorial field would include such heavyweights as House Speaker Brian Bosma, Senate President David Long, Attorney General Greg Zoeller and Lt. Gov. Sue Ellspermann.

Murdock could also return to either the Vanderburgh County Council or the Board of Commissioners, where he developed a good reputation in working with Democrats on both bodies, though Mourdock lost a county council race in 2002.

While Mourdock is considered persona non grata by many Republicans – the Lugarites for challenging and unseating U.S. Sen. Dick Lugar, and many others for blowing the 2012 Senate race – there exists something HPI identified in the fumes of the treasurer's loss last November, the Mourdock Wing of the Indiana Republican



Party.

While some Tea Party activists like Greg Fetting blasted Mourdock for the way he ran his campaign and the debate blunder, in other Tea Party tribes, Mourdock is still a hero who was defeated thanks to "liberals" and journalists. It was in these quarters that Tea Party activists encouraged Mourdock to take on Lugar, and with many of them, he remains an inspiring, if flawed, figure.

**Other Republicans**, noting the party's deep bench with the legislative classes of 2010 and 2012 just now gaining traction, see Mourdock for who he is at this painful station in life. As one Republican put it: "He is a recovering campaigner who has fallen off the wagon." ❖





## Lugar exit refuels debate on far right impact

By **JACK COLWELL**

SOUTH BEND - Politicians on the Far Right, seeking to turn the Republican Party into an uncompromising, unquestioning cause in their own image, sought to silence Dick Lugar's voice of moderation, promising that Indiana still would send a Republican to the Senate.



And, of course, Republicans would gain control of the Senate because of all the "sure win" seats at stake in other states as well as in Indiana in 2012. No more the hated Harry Reid as Senate majority leader.

How did that work out? Lugar lost in the Republican primary after the Far Right cause poured in millions of dollars to destroy his long-

time image as a statesman and portray him as not even a Hoosier. Alas, the man hired by the Far Right cause to take his place, Richard Mourdock, was indeed uncompromising, unquestioning but also unelectable. Democrat Joe Donnelly now holds the seat that Lugar almost certainly would have won if renominated.

Just as in 2010, when Republicans lost "sure win" Senate seats, including another creature of the Far Right cause losing to Reid in Nevada, more "sure win" chances were blown last fall.

And Lugar hasn't been silenced. In an address at Duke University that drew a lot of attention last week, Lugar excoriated the forces of uncompromising, unquestioning partisanship that hurt his party's election chances, help to stalemate Congress and even threaten national security.

He said politicization of national security policy is apparent in former Sen. Chuck Hagel's difficulties with confirmation as secretary of defense.

**A Democrat with Hagel's** qualifications "would have been confirmed with relatively little controversy," Lugar said, but because Hagel, as a Republican senator, questioned some of the policies of his more conservative colleagues, they seek revenge. He said the intensity of opposition to Hagel "is grounded in the resentments of some conservatives inside and outside the Senate who regard his independent thinking as political blasphemy."

Lugar also cited "perhaps the most potent force

driving partisanship." He said it is the rise of "a massive industry that makes money off of political discord." In that money-making industry, he said, are "cable news networks, talk radio shows, partisan think tanks, direct mail fundraisers, innumerable web sites and blogs, social media and gadfly candidates and commentators." Some may be "true believers," Lugar said, but others just seek a profit in "appealing to prejudices and fears."

**In a follow-up interview with** NBC political analyst Chuck Todd, Lugar said that for Republicans finally to gain a Senate majority, the GOP needs to nominate "able candidates that appeal not just to core Republicans, but to independents and even some Democratic crossovers."

He didn't name them, but he obviously meant selection of nominees other than such losers as Christine "I am Not a Witch" O'Donnell in Delaware, Sharron Angle in Nevada, Todd Akin in Missouri and Mourdock.

Did the right candidate win for the Senate in Indiana last fall?

"Oh, I'm not going to comment on that," Lugar responded.

But he said Mourdock "made some very egregious errors" and helped to drag down the whole Republican ticket in Indiana, with Gov. Mike Pence, once way ahead, winning narrowly and with state School Superintendent Tony Bennett, "a good man," going down to defeat.

There's no doubt where Lugar stands in the current dispute between Chris Chocola and Karl Rove. Chocola's Club for Growth seeks to "purify" the GOP by getting rid of voices of moderation. Rove contends that the party should back candidates who can win, even if they are not uncompromising followers of the Far Right cause.

**Lugar, though he often strongly** opposed proposals of President Obama, declined to join in partisan rhetoric of other Republicans attacking the State of the Union address. He saw hope in the president's statement of support for Medicare reforms to bring health care savings of the same amount proposed by the bipartisan Simpson-Bowles commission.

Refusal to join in partisan attack rhetoric was held against Lugar by the Far Right cause.

Lugar said that he had had no desire for any appointment in the Obama administration - or any administration. He long has said he enjoyed independence that must be surrendered if part of any presidential team. The independence is still there, still resented by supporters of an uncompromising, unquestioning cause. ❖

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



## Davis kills Sunday alcohol sales bill

INDIANAPOLIS – For nearly two centuries now, legislative committee chairs have been doing what Bill Davis, House Public Policy chairman, did this past week. Bills they personally don't like don't get a vote.

With Davis, it was legislation that would allow Sunday alcohol sales. The Portland Republican is an evangelical Christian and a teetotaler. But he framed the legislation in policy terms.



"We have ample opportunities for people to be able to have access to alcohol in the state of Indiana," Davis told *The Indianapolis Star*. "It's not like we can't get it six days a week. It's not an issue that I think is urgent. I think we have time as we go forward to deal with this issue."

During a hearing he conducted in the House Chambers on the issue earlier this month, it was clear that his personal views were the reason why. As one observer noted, when those testifying from a social service agency, Davis prodded committee members to ask questions. That didn't happen when proponents of the Sunday sales made their case.

Grant Monahan, president of the Indiana Retail Council, said grocery and convenience store operators who wanted Sunday sales are disappointed (WRTV). "Clearly in the testimony that came out in the committee hearing last week, I think we made a convincing case that customers want convenience in the marketplace. They want price competition," Monahan said. "They want to do all their shopping on the second-busiest shopping day of the week, and House Bill 1146 would have done that."

The other aspect of how the Sunday alcohol legislation died is the alliance between prohibitionists seeking to preserve the blue laws that developed after the 21st Amendment and alcohol projectionists such as the package liquor industry seeking to have the state preserve their business model. The testimony seemed conflicted, with prohibitionists predicting more alcohol consumption, rape and spousal abuse if the bill passed, while liquor store owners believe that there won't be enough of a sales increase to justify a seventh day of operation.

One lobbyist likened it to the Kentucky moonshiners teaming up with the temperance union.

To the man on the street, the notion that six instead of seven days of alcohol sales each week is silly. To many consumers, a legal product should be available at all

times.

Chairman Davis, however, has put that debate off for another year.

**BILL TO END A-TO-F ADVANCES:** The Senate Education Committee approved legislation Wednesday that could end Indiana's A-F school grading system, permit some illegal immigrants to continue receiving in-state college tuition and give certain school corporations a say in whether new charter schools can open (Carden, *NWI Times*). Senate Bill 416, which now goes to the full chamber, terminates A-F school grades and requires the State Board of Education develop new designations of school performance based on overall student growth and achievement instead of student growth compared to their peers. "I feel that the current A-F system is incredibly complicated and difficult to understand," said state Sen. Carlin Yoder, R-Middlebury, the sponsor of the legislation. A weighted average of several factors including standardized test scores, career readiness test scores and graduation rates are used to calculate high school letter grades. Elementary schools can earn bonuses or penalties based on student test results that can improve or reduce their letter grades. Glenda Ritz, the Democratic state superintendent of public instruction, testified in favor of Yoder's plan to rethink school evaluations. She said replacing the current A-F grades with a more transparent and easy-to-understand model is an "opportunity to strengthen Indiana's school accountability system." The legislation was approved 11-0.

**RU486 BILL PASSES SENATE PANEL:** Women obtaining an abortion-inducing drug would be required to undergo an ultrasound before and after taking the drug, under a bill approved this morning by a Senate committee (Schneider, *Indianapolis Star*). Though the bill doesn't specify that it be a transvaginal ultrasound, in which a several-inch-long probe is inserted in the woman, that's exactly what Indiana would be requiring, said Dr. John Stutsman, an Indiana University school of medicine professor and obstetrician-gynecologist. The provision is included in Senate Bill 371, which also would require any clinic that dispenses the drug — known as RU 486 — to meet the same requirements as a clinic that performs surgical abortions, though physician's offices would be exempt. Those requirements, opponents say, potentially would close the Planned Parenthood clinic at Lafayette. That clinic offers the abortion pill but does not perform surgical abortions. And, if the bill passes, the clinic would have to widen hallways and doorways to meet state specifications for surgery and install anesthesia, surgical and sterilization equipment. Sen. Travis Holdman, the Markle Republican who authored the bill, said the measure is intended to ensure women's safety. And, pushing back



against senators who questioned why the heightened standards applied only to RU486 and not to other prescription medicines dispensed in clinics, Holdman said abortion is different. It, he said, involves "another human life."

**LONGER SENTENCES PASSED:** The Indiana House of Representatives will vote next week on a bill that would lead to longer sentences for violent criminals (WISH-TV). The bill that won unanimous approval in the House Ways and Means Committee would require murderers and other violent felons to serve 85 percent of their sentences. Many of them now serve only 50 percent. "The worst of the worst — the people at the top — they're going to serve more time," said Rep. Matt Pierce (D-Bloomington) who is pictured right). "We've enhanced those penalties." It's part of a comprehensive effort to rewrite sentencing guidelines that would also reduce sentences for some lesser crimes



and eliminate prison overcrowding. The emphasis, however, is on keeping sociopaths locked up. Rep. Greg Steuerwald (R-Danville) is the author. "We've

also reduced the credit time you can earn for getting a college degree from four years to two," said Steuerwald. "The goal is certainty in sentencing." The bill grows out of a task force launched in 2009 by Gov. Mitch Daniels. The last comprehensive overhaul of Indiana's criminal code took place in the 1970s.

**RESTORED TUITION BILL ADVANCES:** The Senate Education Committee has voted 8-4 to restore the lower in-state rate for students who were already enrolled in state universities when the law took effect in July 2011 (Berman, WIBC). Indiana University associate vice president Jeff Linder says all seven public universities in Indiana support the bill. He estimates "a couple of hundred" students would be affected. The bill cleared committee with support from two senators, Carlin Yoder (R-Middlebury) and Luke Kenley (R-Noblesville), who voted for the original law. Yoder signed on as a co-author of the rollback bill, authored by Oldenburg Republican Jean Leising. He says he doesn't understand the logic of punishing students for actions over which they had no control.

**LAWMAKERS MAY GIVE WAY TO SUPREMES ON ROCKPORT:** Lawmakers could leave key decisions about the future of the \$2.6 billion Rockport coal-to-gas plant in

the hands of the Indiana Supreme Court under legislation set to receive a vote Thursday in the Senate Utility Committee (Bradner, Evansville Courier & Press). The proposal is the latest wrinkle in this year's wrangling over whether the state should try to get out of its 30-year contract with the plant's developers. It would have the Indiana Utility Regulatory Commission re-examine the deal if – and only if – courts ultimately declare it invalid. The committee's chairman, Sen. Jim Merritt, R-Indianapolis, authored the measure as an amendment to a bill that would have left the plant dead in its tracks. If courts kick the issue back to utility regulators, Merritt's proposal would instruct them to consider whether the project and the rates associated with it are in the "public interest." Compared to the original bill, it's a victory for Leucadia National Corp., which is financing the plant, and a set-back for a coalition of opponents led by Vectren Corp. and including several natural gas companies and consumer advocates. "All the air is out of the balloon, but I really believe the IURC should be making these decisions, rather than the legislature. They are experts – they do this 24/7," Merritt told the Courier & Press.

**TWEET EMBROILS RITZ, BEHNING:** State Superintendent of Public Instruction Glenda Ritz was widely praised for skillful use of social media during a campaign last fall that shocked many when it dethroned her predecessor Tony Bennett (Elliott, Indianapolis Star). But on Wednesday, Ritz said she has never personally been on Twitter and didn't know anything about a sharp-elbowed tweet aimed at a political rival that was sent out under her name. The tweet came from @Ritz4Ed, a Twitter handle created by her campaign that has continued to post tweets since the election. It said: "Representative Behning can't be trusted with puppy paperwork, how can he be trusted with vouchers?" The tweet linked to a 2011 story on TheIndyChannel.com about Rep Robert Behning's disputed sale of a Yorkshire terrier puppy. Behning, R-Indianapolis, is the chairman of the House Education Committee and a proponent of bills passed Tuesday by the committee that could limit some of Ritz's power as superintendent. According to TheIndyChannel story, a couple who bought a puppy from Behning through a classified ad complained that he never sent a promised certificate of authenticity and then didn't respond to their concerns. Behning told the website he would clear up the paperwork problem and refund the couple's \$400. When asked about the tweet Wednesday, Ritz was baffled. "I can tell you I did not twitter personally," she said. "I've never twittered in my life." When asked who was authorized to tweet on her behalf, Ritz said she had no idea. Her spokesman later said the Twitter account is managed by a group of campaign volunteers. ❖



## School summer starting time a big problem

By **RICH JAMES**

MERRILLVILLE – The Indiana Association of Fairs is concerned that shortened summer vacations are making it virtually impossible for some students to attend fairs.



The concern is not just for the state fair, but county fairs as well.

The association is worried that students in 4-H or the Future Farmers of America will be prohibited from participating in some fairs. There also ought to be a concern for those students who just want to attend a fair.

The association is circulating a petition seeking legislation to ensure students aren't punished if they miss class to attend an event

like the state fair.

"We've decided that something needs to be done to give these kids a break if they need time to do their projects or whatever they are doing," said David Smith, the District 4 representative for the association.

I can't blame Smith a bit, but he ought to take his quest a step further.

Rather than excusing students who want to participate in or attend a fair, the state should ensure that every student should be able to attend a fair without having to miss school.

Yes, it is time to renew the push to prohibit the start of school prior to Labor Day, which was pretty much how it was years ago.

One of the biggest promoters of the Labor Day start is Speros Batistatos, the president and CEO of the South Shore Convention and Visitors Authority in Lake County.

**From an economic standpoint,** Batistatos said millions of dollars are lost because so many schools are starting fall classes in early or mid-August.

The prime offender last year was the Griffith Public Schools in Lake County. They started school during the first week of August. That's unconscionable.

Because of the early loss of the student workforce, many tourist attractions are forced to close early – not just in Lake County but around the state as families are forced to curtail vacations.

The abbreviated tourism season takes money out of the pockets of students and tax revenue away from local governments. Labor Day is the unofficial end of summer

and ought to be the official start of school.

We should return May to spring and August to summer.

The early start also makes it difficult for students to learn and for teachers to teach in those school systems that lack air conditioning. And, yes, there are many.

Schools began starting early because they wanted to be among the first to end in May.

**The early closure allowed** their students to be available first for summer jobs. Why not put all students on a level playing field for the jobs rather than playing games with the start and end of school.

There are those who argue that the school schedules should continue to be set by local school officials. That, of course, is why we have a problem and why the fair association is petitioning the General Assembly.

And, finally, the state does have a say in all of this. It is predominately with state money that the schools operate. ❖

**Rich James is a columnist for the Times of Northwest Indiana.**

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## Vigo officials laud Zoeller

TERRE HAUTE - A coalition of public officials joined Indiana Attorney General Greg Zoeller at the Vigo County School Corp. offices Wednesday afternoon. Many used the term "collaboration," as they described joint programs to heighten school safety. Zoeller came to Terre Haute to discuss Indiana Senate Bill 1, which would broaden options for schools looking to partner with law enforcement (Boyce, Terre Haute Tribune-Star). Vigo County, Zoeller said, is leading the way with the partnership joining schools with Terre Haute police and Vigo County sheriff's officers. Danny Tanoos, Vigo County School superintendent, said the proposed addition of 10 special county deputies in rural schools, on top of existing law enforcement in the schools, is the result of a community effort by multiple bodies and people.

"What you're seeing here doesn't happen in every community," he said, with representatives from both city and county government behind him. More than 28 officers are currently working inside local schools, he said.

Zoeller agreed, adding he will use the Vigo County model as an example when speaking to other communities in coming weeks about the legislation, "Generally, there is less of a school resource presence in Indiana," he said later in a news conference, explaining other states utilized police in schools for some time. ❖



## Inflation hurts savings and income levels

By **MORTON J. MARCUS**

INDIANAPOLIS - Is inflation a problem that should concern retired citizens? The answer is, in the best tradition of economic thinking, "yes" and "no." Plus, I must add, it all depends....



Inflation is a general rise in prices. Not all prices may rise at the same rate, but the tendency is for an upward movement across the board.

Inflation is not a concern for a person whose income and assets are rising at approximately the same rate as prices. If, however, your income is fixed and prices are rising, you will have to cut back on your purchases. That means less beer and/or less pizza; your quality of life declines.

Today we have inflation running at about two percent per year. By most standards this is a low rate of increase in prices.

But a two percent decrease in buying power, year after year after year, is not insignificant. In the first year, that's \$200 in lost buying power on a fixed income of \$10,000. Over five short years, that's a cumulative loss of \$3,081 in goods and services for a person with that fixed \$10,000 annual income.

For the economy at large, a two percent inflation rate is considered benign. Because the price index does not do a good job of capturing quality improvements, the actual rate of inflation may be considerably lower. Nonetheless, for the person who is not buying new products, but getting along with an unchanging market basket of goods, this annual erosion of buying power is serious.

Social security payments are supposed to be adjusted for inflation, but there is disagreement over which measure of inflation to use. For those on fixed annuities, without an inflation rider, there is only the prospect of continuing decreases in buying power as even moderate inflation proceeds.

**The best forecasts of inflation** now circulating indicate that we will continue in the two percent range for the next three years. Why? Unemployment remains high and incomes are not rising. Therefore, firms are constrained from raising prices.

Yet shadows of prior policies remain on the horizon. The Federal Reserve System helped pull us out of the recession by expanding the money supply. More money is the ultimate cause of inflation. Not labor unions, or oil

companies, or commodity prices, or hoarding, but available money is the root of inflation.

Can the Fed reduce the money supply as the economy improves? No one knows. One school of thought says reversing the steps taken to increase the amount of money in the banking system will put the brakes on any inflationary pressure. Another school of thought denies we know how to use the brakes since we never had a monetary stimulus of this magnitude before.

**Whether a specific individual** will be hurt by inflation depends on the sources of income a person enjoys. If you have an IRA or some other asset tied to the price of stocks, you are better off than if you just have a savings account at the bank. Stock prices generally rise as dividends rise and those payments most often rise when a firm's revenues rise, as from inflation.

Fundamentally, inflation steals buying power from the saver, the person who avoids risk, the person with limited alternatives. As more of us retire and fit that profile, inflation becomes more of a threat to the public's well-being. ❖

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**The Washington Post**  
SATURDAY, DECEMBER 29, 2007

**"The Best Indiana Political Reporter: *Howey Political Report* editor Brian Howey."**

**HOWEY**  
*Politics Indiana*



**Matt Tully, Indianapolis Star:** It must be strange to be Gov. Mike Pence these days. There he is, day after day, fighting diligently for a tax cut that nobody seems to want. He must be surprised by the collective shrug that has greeted him, as it's usually as easy for a politician to sell a tax cut as it is for a Girl Scout to sell a box of Thin Mints to her grandpa. So what's the problem? Well, believe it or not, common sense occasionally trumps political pandering. Welcome back to Indiana, Gov. Pence. It's not that people here don't love the idea of lower taxes. It's not that voters don't curse bloated government spending, and it's not that they won't take your tax cut if you force it on them. It's just that your proposal to cut Indiana's quite-reasonable income tax rate by 10 percent, after years of slices and dices to local and state budgets, seems as unnecessary as it is shortsighted. A tax cut doesn't make much sense when it comes in the same budget plan that cuts payments to underfunded pension programs. It doesn't make much sense at a time when the state's still-bruised infrastructure is in desperate need of attention. It doesn't make much sense when Indiana's education shortcomings are being tied more than ever to its most fundamental economic problems. A compelling argument for this cut simply has not been made. And it's hard to imagine that one will be. After eight years of being led by someone nicknamed "The Blade," it's comical to suggest that Indiana spends too much.

After years of incessant boasting about Indiana's business-friendly tax climate, it's hard to make the case that the Hoosier government collects too much revenue. In the end, this is one of those ideas that sounds better on the campaign trail than it looks on the bottom line. That is why Pence's fellow conservatives have put the brakes on it, at least for now. Indiana House Republicans unveiled a budget plan last week that seeks to invest in education and roads in a more serious way than Pence has proposed — at the expense of his across-the-board tax cut. On this issue, legislative leaders are admirably thinking about the long-term consequences of the next two-year budget. Legislative Republicans appear to be trying to help the new governor by stopping him from making a budgetary mistake — one that would cost a whopping \$772 million over two years. For Pence, it might be worth noting that while he was working and living the past 12 years in and around the dysfunction that is Capitol Hill, House Speaker Brian Bosma and Senate leader David Long were toiling at the Statehouse, dealing intimately with state budgets. Like a know-it-all teenager, Pence doesn't seem inclined to listen to those who have more experience than he does. So on he goes, wasting his first year in office, and a lot of political capital, on a tax cut that few Hoosiers seem to want. ❖



**Lesley Stedman Weidenbener, Statehouse File:** It's been clear for months that Republican Gov. Mike Pence and the GOP majorities in the General Assembly are at odds over the governor's plan to cut individual income tax rates by 10 percent. But it was still a surprise when Pence reacted to the GOP House budget — a plan that doesn't include the tax cut — by saying that "Hoosiers deserve better." And now the GOP governor is essentially on the same side as Democrats in the House who say they'll force the Republicans to vote on the tax cut. It's the first real spark in a session that's been mostly about cooperation — between the parties and seemingly with the governor's office too. House Speaker Brian Bosma and Minority Leader Scott Pelath have joined forces on a workforce bill. And the House Republicans and governor are on the same page on an expansion of vouchers and a new preschool program. Even state Superintendent Glenda Ritz, a Democrat elected last fall, has been surprisingly quiet about GOP moves to strip authority away from her office. But on Friday, you could barely tell the governor and GOP leaders are members of the same party. "I am very disappointed in the House budget proposal," Pence said in a statement.

What's fascinating is the GOP House proposal has actually brought Pence and Pelath together — at least for now. Pelath said Friday that Democrats will ensure there's a vote on the Pence tax cut, which would take about \$520 million out of the annual revenue stream once fully implemented. And he said there will be Democrats who vote for it. They'll do that through amendments and it will be pretty tough for Republicans to stop them, although it won't be a surprise if they try. After all, that will force Republican lawmakers to vote on the tax cut, which could be a no-win situation. ❖

**Katrina vanden Heuvel, Washington Post:** Facing reelection in 2014, Senate Minority Leader Mitch McConnell (R) finds himself in a tougher battle than many anticipated. According to a recent poll, just 17 percent of Kentucky voters are committed to voting for him. Given how out of touch he is with their needs, it's no wonder. As minority leader, McConnell has been the architect of an unprecedented level of legislative obstruction in the upper chamber. Indeed, he was the mastermind behind the strategy of intransigence that the GOP adopted immediately after President Obama took office in 2009. He and his merry band of GOP brothers have blocked every effort to reduce the economic pain felt by average Americans and the good people of his home state. His exploitation of the filibuster to require a supermajority for almost every vote flies in the face of the Founders' intention. He, quite simply, employs the filibuster to benefit his wealthy donors. ❖



## Gov. Scott expands Florida Medicaid

TALLAHASSEE -- Gov. Rick Scott said Wednesday he supports expanding Medicaid and funneling billions of federal dollars to Florida, a significant policy reversal that could bring health care coverage to 1 million additional Floridians (Miami Herald).

"While the federal government is committed to pay 100 percent of the cost, I cannot, in good conscience, deny Floridians the needed access to health care," Scott said at a hastily called news conference at the Governor's Mansion. Scott, a former hospital executive, spoke with unusual directness about helping the "poorest and weakest"

Floridians — a stunning about-face for a small-government Republican

who was one of the loudest voices in an aggressive, and ultimately unsuccessful, legal strategy to kill a law he derided as "Obamacare." Throughout his 2010 campaign for governor, as Scott sought support from tea party members, he called the law a "job-killer" that would hurt Florida. On Wednesday, he called the proposed Medicaid expansion, at least for an initial period, "common sense." Tea party activists bitterly criticized Scott's declaration. "This is just another example of Republicans lying to Floridians," said Everett Wilkinson of Palm Beach Gardens, calling Scott "the Benedict Arnold to the patriot and tea party movement in Florida."

## Philpot denied a new trial

HAMMOND - A federal judge on Tuesday denied a request for a

new trial for former Lake County official Thomas Philpot while agreeing to dismiss two of the five counts against him (NWI Times). U.S. District Court Judge James Moody granted his motion for acquittal on one count of mail fraud and one count of theft. Philpot is scheduled to appear before Moody at 9:30 a.m. Thursday for sentencing. Philpot, Lake County's former coroner and clerk, entered a request in September that his conviction on three counts of mail fraud and two counts of theft be overturned or for him to receive a new trial. He argued he did not receive a fair trial. The longtime Lake County elected official was convicted of giving himself more than \$24,000 from federal grants between 2004 and 2009 as bonuses while he was serving as Lake County clerk.

## Teacher suspended for anti-gay remark

SULLIVAN - An Indiana school district reeling from the uproar over a teacher's comments that she believes gays have no purpose in life suspended the woman Wednesday. Superintendent Mark Baker of the Northeast School Corp. in western Indiana's Sullivan County issued a statement saying the teacher has been placed on administrative leave out of concern "for the safety and security of everyone in our buildings." He added that "as a precaution" the Sullivan County Sheriff's Department and Indiana State Police "have deemed it necessary to station an officer" at North Central Junior-Senior High School in Farmersburg, about 75 miles southwest of Indianapolis. He said the "administration and one school employee in particular" at the school have received "aggressive email messages." "We are turning over to law enforcement all such communications," Baker said. The superintendent did not identify the teacher, but special education teacher

Diana Medley's comments have circulated widely on social networking sites amid news coverage in nearby Sullivan of a non-school sanctioned prom that would ban gay students. Sullivan, a city of about 4,200, is near the Illinois border. "I just ... I don't understand it," Medley said when asked whether homosexuals have a purpose in life. She was speaking to WTWO-TV of Terre Haute at a planning meeting earlier this month for the anti-gay dance.

## Durham gets pro bono appeal

CHICAGO - Just because Tim Durham isn't paying a lawyer to handle the appeal of his 50-year federal prison sentence doesn't mean he's getting shortchanged (Indianapolis Business Journal). Durham, sentenced in November on criminal fraud charges relating to the collapse of Akron, Ohio-based Fair Finance Co., has the firepower of one of the nation's largest law firms behind him. James H. Mutchnik, a white-collar criminal defense attorney at Chicago-based Kirkland & Ellis, revealed in court documents earlier this month that he'll be representing Durham without charge during his appeal.

## Miami County mulls vote centers

PERU — Miami County officials are assembling a committee to look into implementing vote centers in the county, which officials say would make voting easier and more convenient for residents (Kokomo Tribune). Paul Wilson, deputy of voter registration, said the county is putting together a team that includes elected officials, experienced poll voters and technology experts to discuss details on how vote centers could be implemented.

