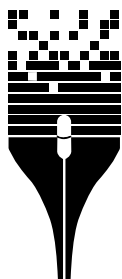


# The Howey Political Report



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## “QUOTE” OF THE WEEK

“This is very serious with regard to governance and the confidence of the American people. This is an awesome (decision) and, in my view, irresponsible ....” - U.S. Sen. Richard Lugar on Sen. Jeffords’ decision to leave the GOP

## Bush and Bayh on lessons of the father

What they learned shapes events today

*“Teach, your children well, their father’s hell, it slowly goes by.... - Crosby, Stills, Nash & Young, “Teach Your Children”*

\* \* \*

By **BRIAN A. HOWEY** in Indianapolis

To truly understand the decisions being made by one player absolutely critical to the 2004 presidential equation - George W. Bush - and another who could have impact on the same level - U.S. Sen. Evan Bayh - you have to understand the lessons they learned from their powerful fathers.

In the wake of the defection by Sen. James Jeffords out of the Republican fold, the pundits were blowing in full force. Stuart Rothenberg predicted that the Republican loss of the U.S. Senate would make President George W. Bush a one-termer. Shift to a Democratic Senate majority would be bad news for Evan Bayh as it would force the emphasis away from the moderate centrists that Bayh had assembled, and into the hands of incoming Senate Majority Leader Tom Daschle.

**HPR’s assessment** is that it is way too early to relegate G.W. Bush to the dustbin of single term presidencies or to assume that Bayh’s growing clout will be significantly reduced in the new Senate.

What are fascinating are the political journeys Bush and Bayh have taken, finally emerging from the broad shadows of their fathers after enduring humiliating defeat. This needs to be taken in the context of America’s swinging ideological pendulum, where Bush and Bayh are defining the parameters. In President Bush’s mind and actions, the American conservative movement is still gathering steam.

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**BUYER WEIGHS DST:** The technology group that tried to get the Indiana General Assembly to approve Daylight Saving Time is now seeking to get U.S. Rep. Steve Buyer's House Commerce Committee to include Indiana in an emergency bill designed to help four Western states deal with the energy crisis. The legislation would exempt the four states from the 1964 Uniform Time Act, which was amended by U.S. Sen. Birch Bayh in 1972 to include the provisions that allow Indiana to be exempt from DST. Buyer has indicated he's open to exploring the issue, but that he would want the rest of the Indiana congressional delegation to weigh in. Buyer said that Indiana legislators have indicated a preference to have Congress deal with the sticky issue.

**NE LEGISLATORS RIP O'BANNON:** Northeast Indiana Republican legislators blasted Democrats and the O'Bannon administration Wednesday before business leaders in Fort Wayne during a Chamber-sponsored wrap-up of the just concluded session (Victor Locke, WPTA). State Sen. David Long said "businesses got hammered by Democrats in the Senate" when they walked out on a last-minute vote for

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## Bush-Bayh, from page 1

Evan Bayh's activities and pronouncements suggest that the pendulum is beginning to swing the other way.

### Defeated fathers - GHW Bush

George W. Bush was a teenager when his father ran for the U.S. Senate in 1964 and was defeated by Sen. Ralph Yarborough, a liberal Democrat. As the younger Bush headed for Yale, his father became the first Republican congressman from Houston, swept in during the GOP tidal wave of 1966 and winning re-election with Richard M. Nixon heading the ticket in 1968. George H.W. Bush - with a zero percent ADA rating - aimed for Yarborough again in 1970, but he was upset by the more conservative Lloyd M. Bentsen Jr. in the primary and went on to defeat the elder Bush that fall. In that election, Bush - who supported Nixon's controversial Vietnam policy - was unable to make the sharp ideological contrast on which he had planned his campaign, anticipating that Yarborough would be his opponent.

U.S. Rep. Bush's son doesn't appear to have played much of a role in

those Vietnam era campaigns and has been hard pressed to even talk about what position he took on the war while it was waged. After graduating from Yale, G.W. Bush joined the Texas Air National Guard. A&E's *Biography* says that after Lt. Bush left the guard, "The early 1970s marked a distinctly unfocused period in Bush's life as he moved back to East Texas and worked intermittently as a management trainee at an agricultural firm and on U.S. Senate campaigns in Florida and Alabama." He left Texas for Harvard in 1972, earned his MBA in 1975 and then ran for Congress in 1978, losing with 47 percent of the vote.

Bush continued in the oil business, quit drinking in 1986 on his 40th birthday, then moved his family to Washington in 1987 to work on his father's presidential campaign. He became "his father's most trusted confidant and major point of contact for his colleagues," *Biography* reported. "He also became known as a talented speaker and the campaign's chief liaison to Christian conservatives."

In the '88 campaign, G.W. Bush watched as his father drove home the distinction between President Reagan and himself, offering to create a "kinder, gen-

tlar America” as if some of the conservative realities of Morning in America had been too harsh.

G.W. Bush then returned to Texas in 1989, where he headed a group that purchased the Texas Rangers. From afar, he watched his father preside over the fall of communism, win the Gulf War - two legacies of the Reagan military buildups - only to find a largely rudderless presidency when G.H.W. Bush reneged on his “no new taxes” promise while Lee Atwater’s death took the fire out of the president’s belly. The first Bush presidency seemed to have its successes built on the Reagan foundation of activism and strength, while its own activities were listless and wandering and prompted movement conservatives to bolt - lessons not lost on the son.

G.W. Bush appeared to play a smaller role in the 1992 defeat and within a year he surprised nearly everyone - including his family - when he announced he was running for governor of Texas.

### Defeated father - Birch Bayh

As a child and teenager, Evan Bayh watched his father - U.S. Sen. Birch Bayh - become a truly epic American political figure. Birch Bayh authored two amendments to the U.S. Constitution. He was the father of Title IX, which revolutionized collegiate athletics. But coming from conservative Indiana, Sen. Birch Bayh was a leading Senate liberal who angered many Hoosiers with his opposition to the Vietnam War while leading the charge against two of Nixon’s Supreme Court nominees - Harold Carswell and Clement Haynesworth.

Bayh had ascended to the U.S. Senate in 1962 at what could be considered just off the apex of the American liberal movement. As a young boy, Evan Bayh watched President Johnson carry Indiana in 1964. Birch Bayh toyed with a run for the presidency in 1972, then pulled out when cancer struck his wife, Marvella. By Evan Bayh’s senior year in

high school, Birch Bayh seemed increasingly out of step with Hoosier voters. He defeated Richard Lugar (Nixon’s “favorite mayor”) in the Watergate year of 1974. But even in that terrible Republican year, Lugar was competitive as his numbers rebounded after the Nixon resignation, dived with President Ford’s pardon, revived in mid-fall despite an Indianapolis Police Department scandal, then finally bottomed out after Ford came to Indiana against Lugar’s pleadings, and used the campaign appearance to promote his WIN program. Hoosier voters didn’t buy into Fords Whip Inflation Now banalities. But the end result was a less than impressive 51-46 percent Bayh win.

The message had to gnaw at Evan Bayh, now a freshman at Indiana University. Had the bloom come off liberalism in the heartland?

In 1976, the answers were much clearer. Lugar defeated another liberal - Sen. Vance Hartke - with almost 60 percent of the vote while carrying 83 counties. That year, Evan Bayh experienced his first political defeats as he helped work on his father’s 1976 presidential campaign in New Hampshire and Iowa (as G.W. Bush would do 11 years later). Birch Bayh never found traction as the Democrats went with a moderate Southern governor - Jimmy Carter of Georgia.

In 1980, it was Evan Bayh who managed what would become his father’s last campaign. Sen. Birch Bayh was routed in the Reagan Revolution by conservative U.S. Rep. Dan Quayle. U.S. Rep. John Brademas also lost. After that, Evan Bayh retreated from the Hoosier political scene, got his law degree from the University of Virginia, then reappeared in 1984 stumping for State Sen. Wayne Townsend in the governor’s race. On a media tour that fall, Evan Bayh pronounced his “fiscal conservatism” that allowed him to capture his moribund party’s secretary of state nomination in 1986 and launch his political career.

The lessons of the late 1970s were

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a business exemption, designed to counter the lawmakers’ failure to eliminate the inventory tax. Long says Republicans in the Senate agreed to pass the budget, sans elimination of the inventory tax, on the understanding the exemption would be approved, but the Democrats, he charged, “double-crossed us” at the last minute. State Sen. Tom Wyss said there were “failures in leadership down there, very poor communication systems in the executive branch.” Wyss went on to predict “we’ll have a very contentious session next year.” Sen. David Ford charged the O’Bannon administration “doesn’t have long-range plans for anything we do. Education, energy, economy all lack long-range plans.” Wyss added, “there’s a long-range plan for transportation, but the governor won’t release it.” State Rep. Dennis Kruse charged the budget that was approved is “bad, not right” predicting it will ultimately spend \$1 billion more than expected revenues. Kruse says “we get a tax increase when we should be getting tax cuts, like the federal government is giving. We need less government, not more.”

**O’BANNON FSSA APPOINTMENT CRITICIZED:** Rep. Jeff Espich, R-Uniondale, believes John Hamilton, the

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new head of the state's social service agency, is one of a number of "Frank's friends" who have been appointed to state jobs by Gov. Frank O'Bannon (Associated Press). "He looks for his political cronies, people who have been involved in his campaigns and maybe don't have the distinctions in terms of capabilities," Espich said. He gave high marks to O'Bannon appointee Katie Humphreys, the departing secretary of the Family and Social Services Administration, who is returning to the private sector in South Bend. Hamilton was commissioner of IDEM from 1997 to 1999 and left to run unsuccessfully for the 8th District congressional seat in the 2000 Democratic primary.

### WINSTON EYES RUNNING FOR LEGISLATURE:

Reliable sources tell HPR that Indiana Democratic Chairman Robin Winston is not only looking to buy a new house, he may be looking at a new House seat for himself. Democratic sources say Winston will consider running for "an open seat" in the Indiana House in 2002 in Marion County. He's expected to make a decision by the end of June.

### LUGAR SEES GRIDLOCK OVERTAKING SENATE:

Congress will be engulfed first by chaos and then by

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clear for Evan Bayh. Indiana was a conservative state. "Liberal" became the dirty "L-word." G.H.W. Bush's declaration of "no new taxes" had sunk in, as *Indiana Legislative Insight's* Ed Fiegenbaum recalled during a 1988 primary campaign swing through Kokomo, the home of his primary opponent.

Bayh's fiscal conservatism spread across his issues portfolio. In addition to no general tax increases, a big excise tax cut, and his handling of the Jack Crawford extra-marital affair, the Alan Methany weekend pass from prison, and his sending the Indiana State Police into homicide-plagued Gary positioned Evan Bayh as *the* most conservative governor in modern Indiana history.

While Bayh and his inner circle never owned up to it, there was talk of the grand strategy: his two years as a cost-cutting downsizer in the secretary of state's office led to the governorship; his fiscal and social conservatism in the governor's office positioned himself to route the GOP's right wing (Peter Rusthoven and John R. Price) in 1998 in a race where the Democrat was even to the right of the Republican nominee, Paul Helmke. The U.S. Senate would be the staging platform for the ultimate prize ... the American presidency.

### Conservatism today

The political ground is not firm today. It is wet and shifting. Almost like quicksand.

President G.W. Bush blended the Reagan and Bush I presidencies to form his "compassionate conservatism" movement that nudged him into office last December. The problem is, G.W. Bush's presidential campaign had the "moderate" feeling oozing out of every pore. His September 1998 story in the *New York Times Magazine* left the distinct impression that G.W. Bush was a moderate. "Bush does not seem to be offering the orthodoxy that some Republican conservatives insist will be necessary in the

party's candidate in 2000," wrote Sam Howe Verhovek. "The more intriguing question may in time turn out to be whether today's Republican Party wants someone like Bush as its nominee." Back then, G.W. Bush was a man "cautious about wearing my religion on my sleeve in the political process."

By May 2001, Bush was being portrayed by the news media as anything but a moderate. After months of pushing the massive \$1.7 trillion tax cut, refusing to adopt Clintonian arsenic water levels (while leaving Christine Whitman twisting at the EPA), the promotion of Star Wars and the faith-based initiative, the blocking of overseas aid to family planning organizations, Attorney Gen. John Ashcroft and a national energy policy that points toward nukes and Arctic drilling has moderates up in arms, Bush seems very, very conservative. Anna Quidlen of *Newsweek* captured the mood best - a week before U.S. Sen. James Jeffords jumped the GOP. "Moderate Republicans have felt under siege for years now, but for some of them the first 100 days of Bush II have been the last straw. The masquerade of the campaign ... has left the gullible feeling snookered," she wrote.

What Bush has done is learned from the mistakes of G.H.W. Bush. His father lost the movement conservatives after the Gulf War and, thus, the 1992 election. The Bush I presidency meandered, so Bush II is taking on activist trap-pings.

The *HPR* forecast is that Bush is working aggressively to mark up cornerstone achievements early - like Reagan did in 1981 - and to pacify the conservative wing of the party so they don't bolt. As we head into 2002, the administration will moderate. Or as Quidlen puts it, "The point of all this tacking and shoring is clear: The next election."

The problem with the hard tack to the right is that Bush and the movement conservatives overplayed their hand. When Jeffords left the party and the

Democrats took control of the Senate, gone were the chances to fill the federal and Supreme Court benches with conservative jurists. Gone is the window to drill for Texas tea in the Arctic.

It is a scene that has played out here in Indiana, where movement conservatives in the GOP use abortion as the top litmus test, while Evan Bayh and Frank O'Bannon have feasted on the moderate, female independent voting bloc. George Witwer Jr. notes that the movement conservatives make up about 30 percent of the electorate and without paying more than lip service, they'll sit out any given election. Republican Chairman Mike McDaniel has been drawing a line on a piece of paper, a perpendicular line in the middle, and telling conservatives like Witwer and Eric Miller, "Here's where you are" (far right) and "here's where the next candidate for governor needs to be" (the middle).

Quindlen wrote in *Newsweek*, "No person of either party can win the presidency without a substantial number of moderates, who by their own description make up 50 percent, give or take a few percentage points, of all Americans. It was only when Bill Clinton dragged them kicking and screaming to the middle of the road that Democrats got two terms in the White House. Richard Nixon called these people the silent majority, but unless they can make their peace with being sold one thing in a campaign and then having to live with something far different and far less desirable, they had better find a way to speak up in the modern din of political discourse."

A hard tack to the center by President Bush is also fraught with danger. Already Republican U.S. Reps. Mark Souder and Mike Pence are in a virtual state of rebellion over what they see as a watered down education bill that they say will eliminate true choice while fattening up the federal bureaucracy.

Bush has lost the moderate center and the U.S. Senate with Jeffords. He

could easily lose the conservative wing of the party if he over-compensates. In fact, Sen. Evan Bayh's proteges were predicting last summer that Bush's biggest dilemma wouldn't be Senate Democrats, but House Republicans.

### Bayh's dilemma

U.S. Sen. Evan Bayh has run conservatively and has now embarked on a tack of his own to the left of center. Words like "bipartisan" and "centrist" speckle his press releases and public pronouncements. He was stung last summer when the National Organization of Women publicly condemned his abortion record during the veepstakes and liberals like U.S. Rep. Maxine Waters waved him off as a pretty-boy pretender from the right.

Earlier this week, U.S. Sen. Zell Miller, D-Ga., himself a targeted party switcher, seemed to be talking about Bayh when the *New York Times* reported, "(Miller) argues that his party — as it exists in Washington, anyway — is now far too liberal and partisan to aspire to winning the Southern states needed to recapture the White House. He warns that his Senate brethren, particularly those who look in the mirror and see the next president, will rue the day they voted against the Bush tax cut."

Which is precisely just what Bayh did on that critical Memorial Day week-end vote.

The opportunities still exist for Sen. Bayh to reach out as he did as Gov. Bayh and try to help President Bush do what he did as Gov. Bush, which was to rule unabashedly from the center.

The risks are akin to canoeing a favorite but flooded river. You know the scenery, but the current pushes your paddle in ways you don't want to go, the stumps and limbs vanish just beneath the roiling surface, and one bad move can literally end your political life. ❖

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gridlock in the wake of Republican Sen. James Jeffords' decision to switch his party affiliation to Independent, according to Sen. Richard Lugar [R]. The move, which Jeffords announced on Thursday, will end the tenuous Republican control of the evenly divided Senate. In an HPR interview with Mark Schoeff Jr., Thursday at the Capitol, Lugar said it was unclear when committee composition and staffing would change. The Senate had been running on a complex power-sharing agreement. But after Jeffords' move, emotions are raw. Committee markups on legislation have been canceled and work on presidential nominees has halted. "Even without the legitimization of a (new) system, people are already pushing and shoving," said Lugar. "We are going to have a politically chaotic situation in the Senate and in the committees for some period of time. In fact, this may not be resolved until the election of 2002." Lugar met with Jeffords twice this week, urging him to stay in the Republican party. In meetings that included other GOP senators, Lugar said that gridlock emanating from Jeffords' switch would jeopardize progress on tax, education, energy, and entitlement policies. Lugar said he told Jeffords: "The good of the country right now is

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to give the president and the country the chance to address serious issues. Unlike other historical departures from one party to another, this is the only one that had the prospect of bringing significant change to governance. This is very serious with regard to governance and the confidence of the American people. This is an awesome (decision) and, in my view, irresponsible." In the end, Jeffords may be hoist on his own petard, isolating himself and undermining the centrist agenda he advocates. "The moderates in our meeting said, 'Jim, we're the ones you're punishing,'" Lugar told HPR.

**KLAIN SAYS JEFFORDS' MOVE NOT A DISASTER FOR GOP:** While some predicted disaster for President Bush's agenda, former Hoosier and Clinton aide Ron Klain told the New York Times that the Jeffords defection could be a blessing in disguise. "In the long run, this may help Bush because if it's not just lip service, and he actually works with Democrats, that will make him a better president," said Klain, a former aide to Tom Daschle, who has held assorted posts on Capitol Hill and in the Clinton administration. "The question is, does he respond to the challenge the same way Clinton responded to the challenge

## McDaniel wins an impressive victory

By BRIAN A. HOWEY

INDIANAPOLIS - Could you really blame Mike McDaniel for the rise of Evan Bayh? Or Stephen Goldsmith's autumn 1996 gubernatorial meltdown? Or David McIntosh's July 2000 "property taxes have doubled" goof-up?

The resounding answer from the new Indiana Republican State Committee sporting nine new members, was "No."

Did McDaniel catch a little hell for letting voter lists and technology slip during the end of the last decade? Yes, but he had spent much of 2000 rectifying that lag that had allowed the Democrats to win the House in 1998.

What happened on Thursday was a new term for McDaniel, who had been at the helm since 1995, with some specific benchmarks in technology and fundraising that could signal the final modernization phase of the Grand Old Party that once was the Midwest's dominant machine, but since 1994 was deprived of so many big victories.

The nine new Central Committee members bring a new, younger edge to a group where, during the last term, no one had an e-mail address.

**"It couldn't have been** more positive," McDaniel said minutes after his unanimous re-election after fending off a challenge from State Rep. Robert Behning by blazing the phone lines and having former chairman Rex Early call in some chits. "To a person, everyone pledged their full support."

McDaniel said that reports from the state committee staff that State Rep. Mike Murphy was mounting a challenge came when the committee considered making the party treasurer into a chief fundraiser. Murphy and Bob Grand have played major roles in GOP fundraising efforts, but Grand opted out of the committee picture because of party by-laws that prevent lobbyists from serving.

Murphy called reports of his candidacy for chairman "laughable" and told HPR, "I'd never even thought of it. Mike's been a friend for 14 years. I had no dog in that fight at all."

Some of the nine new committee members came to the central committee after upsetting old guard members, which included Mike Miner defeating Don Clark in the new 3rd CD, Larry Shickles upsetting Max Middendorf in the 9th, and Kyle Conrad winning the vice chair in the 1st.

**They were** urged by some of their county chairs to instigate change on the central committee, whose efforts in compiling voter lists and updating technology were criticized.

"The state officers received high marks from some for being available and friendly," one 9th CD county chair said. "But when the discussion turned to technology, strategy and voter data, the conversation became ugly. More than half an hour of discussion ensued from county chairmen extremely upset by being outpaced by the Democrats in both data and usage of technology as well as campaign support. The horror stories were numerous and several chairmen expressed concern that McDaniel was not up to the challenge of leading in those areas."

**Conrad of Newton County** won the vice chairmanship in the 1st CD in a close contest with Mike Aylesworth of Porter County. "I hope I can offer the state committee a different vantage point, a different point of view," Conrad said (*Times of Northwest Indiana*). "The party has struggled with reaching out to different age groups, different ethnic groups (and to) rural areas. I think I can bring a different perspective."

New 6th CD Chair Jean Ann Harcourt, a former RNCC member, told HPR, "Changes will be demanded by the new committee. The county chairmen and vice chairmen want to WIN." ❖

## Phoenix Group rises to assist the GOP

mentBy **BRIAN A. HOWEY**

INDIANAPOLIS - The debate that raged in Republican circles ranging from the state committee to perimeter outposts such as New Albany and Merrillville centered on how to upgrade the GOP.

But one group of Republican financiers has already begun to take matters into their own hands. The Phoenix Group, led by Jim Kittle, Bob Grand and Randy Tobias is forming a foundation and PAC to "train and nurture talented people, use existing knowledge more effectively and begin policy research, seek to garner support from the general public for policy initiatives, and utilize technology to organize donor lists, volunteers and media contacts.

"The State of Indiana faces very real problems, the effects of which are not fully understood or obvious to most Hoosiers," the Phoenix Group's premise reads. "The K-12 education system ranks in the bottom five nationally. The tax system is archaic by many state standards and the property tax system has been declared unconstitutional. Indiana's government itself needs a major overhaul. In part the responsibility for Indiana's decline lies with many of its elected officials, who have failed to provide the necessary leadership for change."

The Phoenix premise continues, "To date, challengers of this viewpoint have not used an organized approach to identify strong candidates nor have they found a delivery mechanism to effectively articulate solutions. While the financial resources have been abundant in recent elections, there is no incubator for talent, institutional knowledge, message and policy development, technology solutions or even sustained fundraising. Because many such races have been lost, even the most effective pieces of past efforts have been lost, leaving future candidates with little or nothing to build on."

The collective clout behind the

Phoenix Group is impressive. Kittle is CEO of Kittles Furniture and Grand is a senior partner with Barnes & Thornburg law firm. Tobias is former CEO of Eli Lilly. All have been prodigious Republican fundraisers and all have been dismayed at the lack of success of major Republican statewide candidates over the past decade.

The Phoenix PAC is poised to address some of the issues that Indiana Republican Chairman Mike McDaniel was trying to fend off in his battle for reelection this week. The PAC promises to "compile opposition research for likely upcoming opponents of candidates endorsed by the PAC" and "will identify specific like-minded candidates. The Phoenix Group has identified the 2002 Marion County prosecutor and secretary of state races as a "likely vehicle to develop a core of expertise." The ultimate goal would be positioning a Republican to win the 2004 gubernatorial race against Lt. Gov. Joe Kernan.

"We're still in development phase, but we're off and running," Kittle told *HPR*. "We're looking at a 10-year vision and mission to move Indiana into the best of class in economic development, education, a commitment to technology and moving our government processes into the 21st Century. There are many things that have to move. That includes the House, Senate, the Republican Party and state government itself."

The Phoenix Group did not take sides in the contested Republican chair race between Mike McDaniel and State Rep. Robert Behning. Kittle said the group agreed with Behning's five points of improvement, but has a working relationship with McDaniel.

The Phoenix Group has established offices near the Pyramids in Indianapolis and can be contacted at 317-396-4911. ♦

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in 1995?"

**DOCKSIDE PROPONENTS GEARING UP FOR ANOTHER TRY:** In the wake of another failed attempt to persuade the General Assembly to legalize dockside gambling in Indiana, proponents of the controversial measure already are plotting their next move. Not surprisingly, supporters are vowing to give it yet another try during next year's legislative session, if not sooner (Terry Burns, *Times of Northwest Indiana*). "Unfortunately, we got stopped in our tracks, so we need to regroup and figure out where we're going from here," conceded Joe Domenico, chairman of the Casino Association of Indiana and senior vice president at Harrah's East Chicago Casino. Within the next few weeks, he said, officials from the state's 10 riverboat casinos will be meeting in hopes of devising a strategy.

**CASINO RE-LICENSING SCHEDULED:** The process of considering new licenses for three of Northwest Indiana's riverboat casinos is scheduled to begin before the Indiana Gaming Commission (Robin Biesen, *Times of Northwest Indiana*). It's been five years since the licenses became effective. They are the Empress Casino in Hammond and Gary's Trump and Majestic Star casinos.

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There is no indication the re-licensing will be anything but routine.

**SHERIFF DEPARTMENTS EXPERIMENTING WITH GROUP HEALTH PLANS:** Sheriff's departments across Indiana have started experimenting with a group health insurance plan to save money on inmate medical care. Only three counties in Indiana — Clark, Clay and Vigo — currently use an insurance plan to pay for incurred medical expenses, but more than 40 others are considering the idea.

**O'BANNON APPROVES REASSESSMENT RULES; STATE 'HOLDING BREATH':** Gov. Frank O'Bannon has given final approval to rules that are expected to boost taxes for many homeowners. Many county and township assessors have been working for weeks, or even months, to collect the data that will be used to establish new property values for taxation. But until now they've been unsure exactly how that information would be applied. In March the State Board of Tax Commissioners approved the new rules -- the result of an eight-year court battle that may not be over yet. Still, they weren't official until this week, when O'Bannon signed and filed them with the Secretary of State. "This has really been a long time in coming, and there's been a lot of work done to get to this point,"

# Indiana 2002, 2004 Racing Form

**Secretary of State 2002: Republican:** Mike Delph, Deputy Secretary of State Todd Rokita, Richard Mourdock, Luke Messer, Paul Helmke, Carmel Clerk-Treasurer Diana Cordray. **Democrat:** Bloomington Mayor John Fernandez. **1994 Results:** Gilroy (R) 902,100, Jeffers (D) 542,539, Dillon (L) 32,483, Knight (A) 13,948. **1998 Results:** Gilroy 828,557, Little (D) 652,565, Dillon (L) 51,775. **2002 Forecast:** Deputy INDOT Commissioner Bryan Nicol will not seek the Democratic nomination for secretary of state. Nicol is a member of the Democratic State Committee and a former deputy attorney general. Nicol's decision clears the deck for Fernandez to secure the 2002 nomination. **Status:** *Tossup.*

**Congressional District 2: Republican:** Chris Chocola, State Sen. Thomas Weatherwax. **Democrat:** Roger O. Parent, Jill Long Thompson, State Sen. Bill Alexa, Katie Humphries, Cleo Washington. **Geography:** LaPorte, St. Joseph, Starke, Marshall, Pulaski, Fulton, Cass, Miami, Carroll and parts of Porter, Elkhart and White counties. **Media Market:** South Bend-Elkhart, Indianapolis, Lafayette, Chicago. **2000 Result:** Roemer (D) 107,076, Chocola (R) 98,367. **2002 Forecast:** 2000 5th CD Democratic nominee Gregg Goodnight is expected to endorse Jill Long Thompson.

Goodnight, with Kokomo's addition to the 2nd, lives in that district. Chocola gets the endorsement of CD district county chairs. That was "the sentiment of Republican leaders from counties of the new 2nd Congressional District as they gave a warm welcome Tuesday night to Chocola, the man likely to be their nominee for Congress in 2002" (Jack Colwell, *South Bend Tribune*). "It wasn't he who moved out of the district. It was the Democrats who drew him out of the district." The Tribune added, "Talking as though he already was the nominee, Chocola said the race is 'very winnable' but one that will be 'very competitive.'" **Status:** *Tossup.*

# HORSE R A C E

**Congressional District 3: Republican:** U.S. Rep. Mark Souder. **Democrat:** Rodney Scott, Jay Rigdon. **Geography:** Fort Wayne, Goshen, Kosciusko, Whitley, LaGrange, Steuben, DeKalb and parts of Elkhart and Allen counties. **Media Market:** South Bend-Elkhart, Fort Wayne. **2000 results:** Souder (R) 131,051, Foster (D) 74,492. **2002 Forecast:** Two Democrats have anted up - Rodney Scott, who teaches in Fort Wayne, and Jay Rigdon of Warsaw. Rigdon, who has headed the United Way in Warsaw, ran an unsuccessful race against State Sen. Bob Meeks two years ago. **Status:** *Safe R.*

**Congressional District 6: Republican:** U.S. Rep. Mike Pence. **Democrat:** Melina Ann Fox. **Geography:** Anderson, Muncie, Richmond; Wells, Adams, Blackford, Jay, Madison, Delaware, Randolph, Henry, Wayne, Rush, Fayette, Union, Decatur, Franklin, and parts of Bartholomew, Shelby, Johnson and Allen counties. **Media Market:** Indianapolis, Fort Wayne, Dayton, Cincinnati. **2000 results:** Pence (R) 106,023, Rock (D) 80,885, Frazier (I) 19,07. **2002 Forecast:** Fox filed her committee papers on Thursday. The Democrat, who served on the USDA's Farm Service Agency for eight years, took issue with Sen. Richard Lugar's staff that the Jeffords party switch won't have a big impact on the Senate Agriculture Committee. Fox said, "Agriculture policy will definitely take a different direction with Harkin at the helm. The Senate Ag Committee is already divided over the conservation title of the new farm bill. It appears that the 2002 Farm Bill will now move toward the Democratic agenda." Pence thinks a special election should be held for officeholders who change parties during mid-term. "I would be a strong supporter of such a measure in Indiana," Pence said (Rick Yencer, *Muncie Star Press*). "It is entirely possible we might see gridlock," Pence said after South Dakota Sen. Tom Daschle, the expected majority leader, said parts of Bush's energy plan and a missile defense system were finished. "The agenda of Senate Democrats could be an agenda of obstruction," Pence said. Fox said she had worked with Daschle on federal farm policy and said, "Under [Daschle's] leadership, we will experience an agenda that embraces the majority of Americans, especially working families." Fox said she did not believe Bush had a national consensus, winning only the Electoral College while losing the popular vote. "If [Pence] wants to pass a law, look at how many thousands of voters in Florida were disenfranchised." **Status:** *Leans R.* ❖



# COLUMNISTS ON INDIANA

**Jack Colwell**, *South Bend Tribune* - Nothing is more important for a president than dealing with Congress, especially with members of the president's own party. The way President George W. Bush has dealt with Sen. James Jeffords -- and Jeffords with him -- is the latest illustration. Often we call the president of the United States the most powerful person in the world. Yet, the Founding Fathers wanted no king-like ruler. They established checks and balances. Most of what a president wants, including the funding to do it, must be approved by Congress -- House and Senate. The courts, of course, also check and balance, ruling on constitutionality and, as we have seen, even making the final decision on the outcome of a close presidential election. It's tougher for Bush, with the House narrowly controlled by Republicans and the Senate a tie -- well, it was a tie. Really, he has been off to a pretty good start. He will get his tax cut, though a little less than he wanted, and he apparently will get an education reform bill, though whether it will do much good at the funding levels he pursues is a different matter. That matter, the funding level, seems to have been the breaking point in Bush's dealings with Jeffords. ❖

**Sylvia Smith**, *Fort Wayne Journal Gazette* - So now it's Sen. Jim Jeffords, I-Vt. Such a little thing, that one initial. But make no mistake: Washington is talking about nothing else. There's great gnashing of teeth on the Republican side, barely controlled jubilation among the Democrats. Jeffords' departure from the Republican Party would merely be political gossip were it not for the fact that it throws control of the Senate to the Democrats. Sen. Richard Lugar, generally not given to hyperbolic theatrics, describ-

ed Jeffords' switch as "a severe jolt to governance" and "a monumental change." Thus, from the Republican perspective, Jeffords is an apostate, a traitor, guilty of - as one conservative editorial page opined - "an act of political perfidy." When Democratic senators, and there have been three in the past two decades, have switched sides, their new Republican brethren saw nothing evil about their decisions. Frankly, if the political control of the Senate weren't in the balance, most Republicans would have dismissed Jeffords' departure with a "good riddance."

**Lesley Stedman**, *Louisville Courier-Journal* - O'Bannon is trying to figure out how he wants to handle the (reassessment) situation. His press secretary, Mary Dieter, said the governor still feels responsible for finding a solution to the problem. He has made noise about bringing lawmakers back to the Statehouse later this year for a special session to consider tax restructuring. In general, that means a revamping of the tax system -- increasing some taxes, cutting others, eliminating a few or creating new ones. Dieter said the governor and his staff are still thinking that over. But so far Republicans haven't expressed much interest in coming back later this year. "We don't want to do this willy-nilly," Dieter said. "We want input from lawmakers, from individual Hoosiers." But until the assessments are completed next year and residents -- as well as state and local officials -- understand the real impact of the changes, there's not likely to be much agreement. That consensus might not come until 2003, when Hoosiers actually begin paying the higher bills. Until then, don't expect much more from state officials than talk. ❖

## TICKER T A P E

said Mary Dieter, the governor's press secretary (Lesley Stedman, *Louisville Courier-Journal*). "It's time to get moving on the reassessment. It's time to move forward." Tax Board Chairman Tim Brooks said state officials "are holding their breath" regarding a possible lawsuit. "I am not deluding myself into thinking (a lawsuit) won't come but right now we're focusing on getting the reassessment done."

**KINDERGARTEN GROWING:** Moving up the cutoff date for enrolling kindergarteners by a month may add 6,000 children to the rolls this fall, or about one or two pupils in each classroom (Associated Press). Terry Spradlin, legislative liaison for the Indiana Department of Education, said the school districts already burdened by increasing enrollments will not notice much of a change. The new state law allows children who turn 5 by July 5. ❖

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